How have you achieved carbon neutral water and wastewater supplies for all your customers?

First, we measured our Scope 1, 2 and 3 emissions using the Greenhouse Gas Protocol to calculate our own carbon footprint (829tonnes CO2equivalent for 2021) and see where we could most reduce it.

We also took Everflow's carbon statement produced by water retail market operator MOSL, which shows the emissions associated with supplying our customers' water and wastewater supplies across all the wholesalers in England and Scotland – currently 784 tonnes per month!

Then we bought 44,093tonnes of CO2equivalent carbon credits to make both these sets of emissions carbon neutral. We committed to buying credits up front, which will offset our customers' emissions entirely from the start of 2021 until the end of 2023 and protect them from price increases. As a business, we're carbon neutral since 2020 to the end of 2023, and we've included plenty of extra room for our rapid projected growth!

We chose United Nations Clean Development Mechanism (UNFCCCCDM accredited) carbon credits, bought to retire so we can't trade them and to guarantee their environmental impact.

The credits support a renewable energy project in Yueyang in China. Before the project, coconut, rice and almond husks were being left to rot in fields after harvest. Now they're used as fuel for a biomass plant supplying electricity to Hunan, and also heat for local factories who need it for their processes.

Our involvement in this project means we're offsetting the carbon emissions across our entire supply chain from 2021 onwards, which means they are carbon neutral.

What about net zero?

We've also signed up to The Climate Pledge, which commits us to doing three things:

- Regularly measuring and reporting our greenhouse gas emissions (We'll do this every year)
- Reducing the carbon we're emitting, in line with the Paris Agreement, e.g., by improving efficiency, using renewable energy, reducing materials we use like devices, furniture, etc.
- Neutralising any remaining emissions with additional, quantifiable, real, permanent, and socially beneficial offsets to achieve net zero annual carbon emissions across Scope 1, 2 and 3 before 2040 – ten years ahead of the Paris Agreement.

Why has Everflow chosen to do this?

Climate change is an existential threat to our world and way of life and is creating wide injustices across the world. We want to be part of the solution, rather than one of the causes of the problem. And we want to demonstrate best practice in this area. Climate change demands urgent and universal action before an irreversible tipping point is reached where we can no longer control it.

Businesses can have an enormous influence on their various stakeholders – suppliers, customers, competitors, employees and policy makers. Small and medium sized businesses make up most of the UK business stock (and our customers), and no one is too small to have an influence. We urge other businesses to join the pledge because together, we can all make a big impact.

Why is this important for the environment?

The earth is interconnected, so it's vital that global carbon emissions are reduced, and the excessive carbon already emitted is also removed. This will help meet the Paris Agreement goal of limiting global temperature increases to an average of 1.5 degrees Celsius.

It's not enough to focus on our local environment, because weather and water resources affect everyone in the world.

Why is this important for Everflow?

As we've found from our own supply chain, if we don't offset our emissions then they will count towards our customers' carbon emissions, making it harder for them to achieve carbon neutrality and ultimately net zero carbon emissions.

We want to do this properly. A lot of companies are using the term 'carbon neutral' fast and loose because it's trendy post COP26, so we want to be transparent about how we've achieved this. We can't yet say we're net zero, but we're working on it!

What's the plan?

We actively promote water saving to our customers by offering free water saving surveys and advice, and selling various water and energy saving products and services to help them save water, which more than pay for themselves in bill reductions.

Last year (2021), we led a social media campaign to get employees and businesses to pledge to save water by changing their water use habits, because saving water saves energy too (from treatment, distribution, and heating it on the premises).

Most of our emissions come from the network of third parties we employ in our supply chain to help customers switch to us, read meters, collect debt, help with leaks, fit water efficient devices, and collect data. So, this year (2022), our main challenge is to influence our network of suppliers and partners to reduce their greenhouse gas emissions. Our employees are also now benefiting from a salary sacrifice electric vehicle scheme, we're looking into reducing our emissions from heating and lighting, and we're buying refurbished equipment (particularly laptops and phones) wherever possible.

Our carbon reduction plan is published on our website and we're setting ourselves realistic but ambitious Science Based Targets for how soon we can get to net zero. We expect to achieve this before The Climate Pledge's requirement of by 2040 and the wholesale water and wastewater company pledge of 2030.

Further information on the project our carbon offsets are supporting

Hunan Yueyang Kaidi Biomass Power Project was developed by Yueyang Kaidi Green Energy Development in the Economic Management Zone, Quyuan Management District, Yueyang City, Hunan Province.

- Before the project, power was generated by grid-connected power plants, and heat generated in coal-fired boilers, and the biomass residues (rice husks, rice straw, maize straw, wood chips, branches and bark) were dumped, burnt without capturing the energy or heat released, or left to decay, producing methane.
- The project processes about 485,800tonnes (wet) of the biomass residue a year. Four sets of 65t/h Circulating Fluidized Bed (CFB) boiler and 4 sets of 12Megawatt steam turbines generate a capacity of 48MW. At full load, they generate 253,440 Megawatt hours and 1,083,204GigaJoules of heat per year. The electricity replaces the equivalent capacity of coal fired power plants on the power network.
- The heat generated is supplied to factories in Qu yuan for their processes and replaces the heat generated in their coal-fired boilers. It additionally reduces methane emissions by using local biomass residues which would otherwise be dumped, burnt or left to decay. It will also contribute to sustainable development of the local community and the host country.

Key impacts include:

- Decreasing greenhouse gas (GHG) emissions from the fossil-fuel fired power plants
- Decreasing GHG emissions from the uncontrolled burning of the biomass residues
- Decreasing emissions of toxic gases and dust
- Increasing local incomes (113 jobs).

For more information, visit
https://cdm.unfccc.int/PRCContainer/DB/prcp553496379/view

everflow water

United Nations
Framework Convention on
Climate Change

Date: 14 February 2022
Reference: VC/0164/2022

VOLUNTARY CANCELLATION CERTIFICATE

Presented to:

CDM Project 3065: Hunan Yueyang Kaidi Biomass Power Project

Reason for cancellation:

Retired on behalf of Everflow Limited to offset our own carbon footprint for the four years from 2020 to 2023 inclusive, and to offset the carbon footprint of our customers' volumetric water and wastewater services provided via our wholesalers for the three years from 2021 to 2023 inclusive.

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Number and type of units cancelled

44,093 CERs
Equivalent to 44,093 tonne(s) of CO2

Start serial number: CN-5-901202823-2-2-0-3065
End serial number: CN-5-901246915-2-2-0-3065

The certificate is issued in accordance with the procedure for voluntary cancellation in the CDM Registry. The reason for cancellation included in this certificate is provided by the canceller.

THG / ECO

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MOSL Summary Detail

Retailer Carbon Statement

October 2021 Settlement R1

Everflow

Carbon output summary (kilograms per month for volume-based service components)

Carbon output	Total market carbon output	Share of non-household market	No of Wholesalers
647,948.7528	22,996,411.1184	**2.82%**	15

Carbon output by Wholesaler and service component (kilograms per month for volume

Wholesaler ID	Wholesaler	Metered Potable W	Unmeasure Water	Metered Sewerage	Unmea Sewe
AFFINITY-W	Affinity Water (WSL)	26,776.4156	0.0000	0.0000	
ANGLIAN-W	Anglian Water (WSL)	33,092.4044	0.0000	25,868.4363	
BRISTOL-W	Bristol Water (WSL)	8,011.6347	0.0000	0.0000	
NORTHUM-W	Northumbrian Water	26,564.8324	0.0000	40,032.8214	
PORTSMOUTH-W	Portsmouth Water	2,295.4034	0.0000	0.0000	
SEVERN-W	Severn Trent Water	43,749.0979	0.0000	31,182.0597	
SOUTHEAST-W	South East Water	28,775.1479	0.0000	0.0000	
SOUTHSTAFF-W	South Staffordshire Water	8,461.0911	0.0000	0.0000	
SOUTHWEST-W	South West Water	14,482.5461	0.0000	7,314.9958	
SOUTHERN-W	Southern Water	19,656.3244	0.0000	55,678.0721	
SUTTON-W	Sutton and East Surrey Water (WSL)	4,272.2891	0.0000	0.0000	
THAMES-W	Thames Water	46,943.1473	0.0000	60,512.0807	
UNITED-W	United Utilities Water	39,023.8434	0.0000	29,077.2438	
WESSEX-W	Wessex Water	8,550.4545	0.0000	20,749.1734	
YORKSHIRE-W	Yorkshire Water	25,723.8096	0.0000	20,619.8496	
Total		**336,378.4420**	**0.0000**	**291,034.7327**	

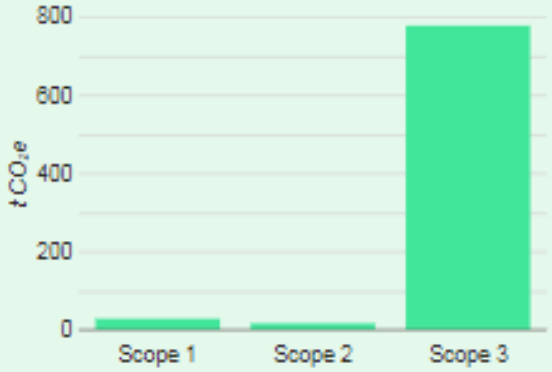
everflow water

Total CO_2e

829.21 t

CO_2e - Carbon Dioxide Equivalent

The universal unit of measurement to indicate the global warming potential of Greenhouse Gases



Scope 1

Direct emissions from sources that are owned or controlled by the company

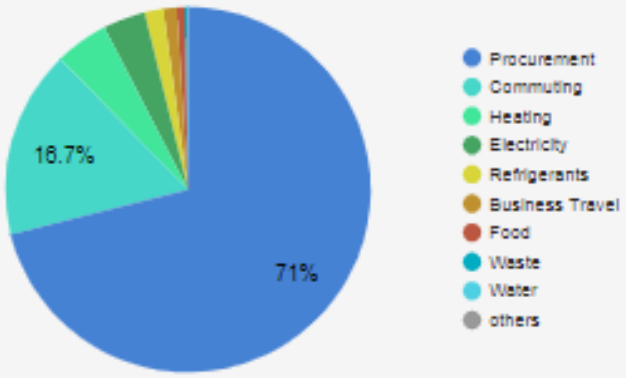
Scope 2

Indirect emissions from purchased sources of energy that the company does not control - e.g. electricity

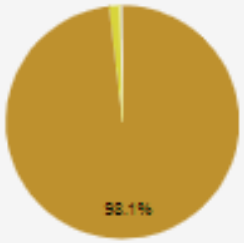
Scope 3

All other indirect emissions - e.g. travel

BREAKDOWN OF TOTAL WORKSPACE EMISSIONS

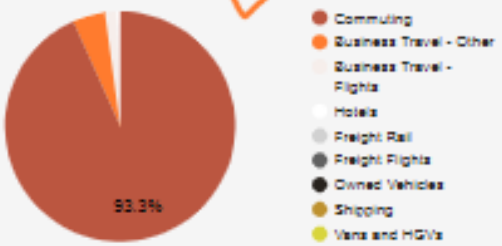


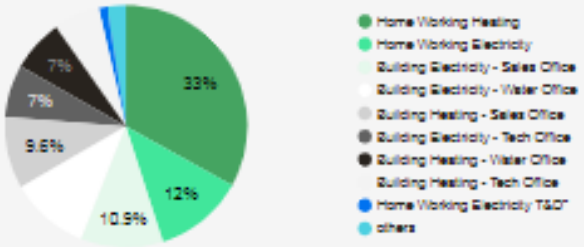
FURTHER BREAKDOWNS



Procurement

Travel, Transport and Fuels





Electricity and Heating

*T&D = Transmission and Distribution