Environmental Management

Net Zero Strategy to 2045

1 Contents

2 Introduction

MWH Treatment's vision is 'To be the leading, trusted sustainable solution provider in the UK Water Industry.' To follow our vision, MWHT initially committed in 2021 **'To be operational Net Zero Carbon by 2030'**, which underpins the company strategy and incorporates MWHT Scope 1, 2 and business travel Scope 3 emissions. This target still stands however, to truly be Net Zero Carbon, all MWHT scope 3 emissions need to be addressed (incorporating the supply chain), therefore, in addition, a new ambition has been set by the business. This is '**To achieve Net Zero Carbon by 2045 - across all our activities, including Scopes 1, 2 and 3'.** This is a priority for us, as an organisation, as the effects of climate change are evident and will play an integral role in the future of the water industry. It is also critical that MWHT plays its part in keeping the global temperature rise to below 1.5^0C to comply with the Paris Agreement.

For details on MWH Treatment's approach to Sustainability and Environmental Management refer to the Sustainability and Environmental Management Manual (MA02). For details on how sustainability and carbon is managed in our design build projects refer to the Design Build Sustainability and Carbon Management Manual (MA12). This Manual details how MWH Treatment will achieve net zero carbon across all activities.

3 Net Zero Guiding Principles

MWHT Net Zero targets and strategy all underpinned by the ISO (IWA 42: 2022) Net Zero Guiding Principles.

3.1 Alignment

As an organisation we align our policies and guidance with our clients, our joint venture and alliance partners, and our supply chain in order to meet the goals of the Paris agreement.

3.2 Urgency

We are taking immediate and continual actions to significantly reduce our carbon emissions. We have set short, medium and long-term targets to drive the reductions which will be continually reviewed and revised as technology develops.

3.3 Ambition

Our target is to achieve Net Zero Carbon across our supply chain by 2045, ahead of the government commitment to achieve Net Zero by 2050 which is through the Climate Change Act 2008 (2050 Target Amendment) Order 2019.

3.4 Prioritisation

As an organisation, our main priority is to significantly reduce our emissions with a staged reduction approach. Greenhouse gas (GHG) removals will only be used once all viable emission reduction actions have been implemented.

3.5 Decision making based on scientific evidence and indigenous knowledge

Our decision-making for both achieving Net Zero, protecting the environment and achieving biodiversity net gain will be through current scientific evidence, stakeholder engagement, and use of local knowledge.

3.6 Risk-based approach

We operate a robust risk-based approach to our operations. This will be implemented with our Net Zero and climate change mitigation and actions, with the adoption of suitable control measures. Continual improvement is embedded as part of our Integrated Management System, which will be applied throughout our Net Zero strategy.

3.7 Credibility

We will report and demonstrate on our mitigation, actions and share our successes and our learnings with our value chain. Our carbon emissions are verified externally on an annual basis by a 3rd party, the Achilles Carbon Reduce Programme, to ISO14064-1: 2018 Greenhouse Gases standard and in compliance with the GHG Protocol.

3.8 Equity and Justice

At MWHT, we have aligned ourselves with the Sustainable Development Goals and will continue to contribute to a Net Zero economy. The actions we take as an organisation consider our people, local communities and the wider human environment to take into account burdens and benefits.

3.9 Transparency, Integrity, and Accountability

We will produce comprehensive plans to detail our Net Zero strategy and publicly report on our current emissions status, baseline, targets, action plan, and our emissions will be monitored through the Achilles Carbon Reduce Programme.

3.10 Achievements in Continuation of Net Zero

Our residual emissions will be balanced by permanent or sufficiently long-term removals in accordance with the principles of equity and justice, including fair share to contribute to a just transition.

4 Boundary

MWHT's boundary is based upon operational control (in compliance with the GHG Protocol Corporate Accounting and Reporting Standard) and the scope 3 boundary as per the requirements stipulated by the GHG Protocol 'Corporate Value Chain (Scope 3) Accounting and Reporting Standard'. This incorporates our joint ventures, our contribution within partner alliances, our direct activities and our supply chain (including the embodied carbon in the purchase of goods and services). However, project-specific carbon is to be addressed through the adoption of PAS2080: Carbon Management in Infrastructure in a separate strategy document.

5 Design Build Sustainability and Carbon

The Design Build Sustainability and Carbon Management Manual (MA12) defines the approach for sustainability and carbon considerations with regards to decision making within MWH Treatment's Design and Build activities. The Manual describes the management arrangements adopted to ensure the company's design and build activities are carried out in accordance with the sustainability and carbon business needs, client needs and the requirements of PAS2080: 2023 Carbon Management in Buildings and Infrastructure Standard.

This Manual will be reviewed in conjunction with MA12 to ensure MWH Treatment have full consideration across all their activities with regards to the decarbonization and net zero strategy.

6 Leadership and Commitment

At parent company level, RSK have set specific GHG emissions goals and targets through the 'Second Nature RSK's 2030 Sustainability Strategy'. This has been approved by the RSK board and fully supported by Alan Ryder, the RSK Chief Executive Officer. This strategy is led by Lucy Thomas, Lead Scientist.

At MWHT our leadership is committed to our Net Zero targets and is championed by Paul Bresnan, our Chief Executive and Simon Cox, SHEQ Director. Catherine Price, Head of Sustainability and Environment, sits on the Business Leadership Group (BLG) to ensure sustainability and Net Zero is considered during business decision making and to comply with the requirements of the ISO Net Zero Guidelines.

All targets are approved by the Chief Executive and the BLG are consulted throughout the strategy and target development. Science Based Targets are set by the parent organisation, RSK, which will be fully adopted within MWHT.

In accordance with the ISO Net Zero Guidelines our leadership are to ensure alignment between policies and actions, including public policy and advocacy, and the commitment is not undermined by conflicting targets. MWHT leadership are to demonstrate commitment to net zero and the principles, as stated within this Net Zero Strategy to 2045 – Manual (M10), by:

- Providing strategic direction, oversight, support and sufficient resources to set and achieve targets
- Incorporating net zero targets into governance documented information (e.g. charters and company processes)
- Publicly committing to achieve targets through communication by the highest level of leadership
- Clearly defining leadership responsibilities
- Appointing competent members of the organisation's leadership to take responsibility for actions
- Ensuring competent persons are appointed to relevant roles and determining the frequency of updates to leadership on climate-related issues and progress towards targets
- Implementing incentives for delivering net zero targets
- Ensuring prioritisation of the consideration of actions needed to transition to net zero
- Publicly and regularly communicate transition plans and progress.

Responsibilities are stated within section 10 however MWH Treatment leadership is directly accountable for ensuring the following, as per the ISO Net Zero Guidelines:

- Clear defined boundaries taking into account all activities, locations, products, services and full value chain of the organisation (including Scopes 1, 2 and 3).
- Setting of targets to achieve net zero in the shortest time possible, no later than 2050 (see Section 8).
- Setting of interim targets consistent with its fair share of 50% global GHG emissions reduction by 2030. ISO Net Zero Guidelines recommend from a 2018 base year however MWHT will comply with the RSK Science Based Target, taking into account just transition considerations (see Section 15).
- Prioritising MWHT GHG emissions reductions and removals over carbon offsetting (see Section 8).
- Determining actions for GHG emissions reductions (see Section 11).
- Determining appropriate indicators, sources of information and tools to measure emissions reductions and removals.
- Establishing quality criteria for the use of removals credits or offsets (see Section 11).

- Establishing and developing supply chain relationships to facilitate and support net zero in the value chain and beyond (see Section 11).
- Adopting best practice to reduce GHG emissions whilst minimising societal or environmental harm (see Section 14 and 15).
- Advancing the global goal of achieving net zero through the use of effective net zero strategies including innovative business models, products, and solutions and advocacy of climate legislation.
- Sharing knowledge and experience of using new net zero business models products and solutions with other organisations to develop cross sector partnerships and support wider use.
- Investing in meeting the MWHT net zero targets and ambition.
- Commitment to eliminating deforestation, preservation of biodiversity and restoration of land, throughout the value chain.
- Taking action to support, enable and promote equity and empowerment in line with net zero principles (see section 14).
- Identifying and acting upon wider impacts at each stage of the net zero plans to minimise adverse impacts. A review is undertaken covering potential intended and unintended positive and negative consequences.
- Establishing, implementing and maintaining measuring, monitoring and reporting mechanisms (see procedure EVPR06 Organisational Carbon Footprinting, BPRE06-03 Sustainable and Responsible Business Dashboard and EVRE01-05 Net Zero Route Map and Action Plan).
- Establishing, implemented and maintain a corrective action process to address deviation or failure to progress as expected against targets (see processes SYPD03 Management System Audits and Inspections; SYPD05-01 Improvement).

Further sustainability and environmental responsibilities are detailed in the MWHT Sustainability and Environmental Manual (MA02).

7 Greenhouse Gas Emissions Scopes

MWHT has two commitments for Net Zero:

'To be operational Net Zero Carbon by 2030' which incorporates Scope 1 (direct), Scope 2 (indirect purchased electricity) and Scope 3 (indirect) business travel, employee commuting and waste generated in operations.

'**To achieve Net Zero Carbon by 2045 - across all our activities, including Scopes 1, 2 and 3**' which incorporates MWHT Scope 3 (indirect) emissions deemed significant for our business. These include purchased goods and services, capital goods, fuel and energy related activities, upstream transportation and distribution, leased assets and use of sold products. The scope 3 categories for downstream transportation and distribution and end-of-life treatment of sold products are currently under review.

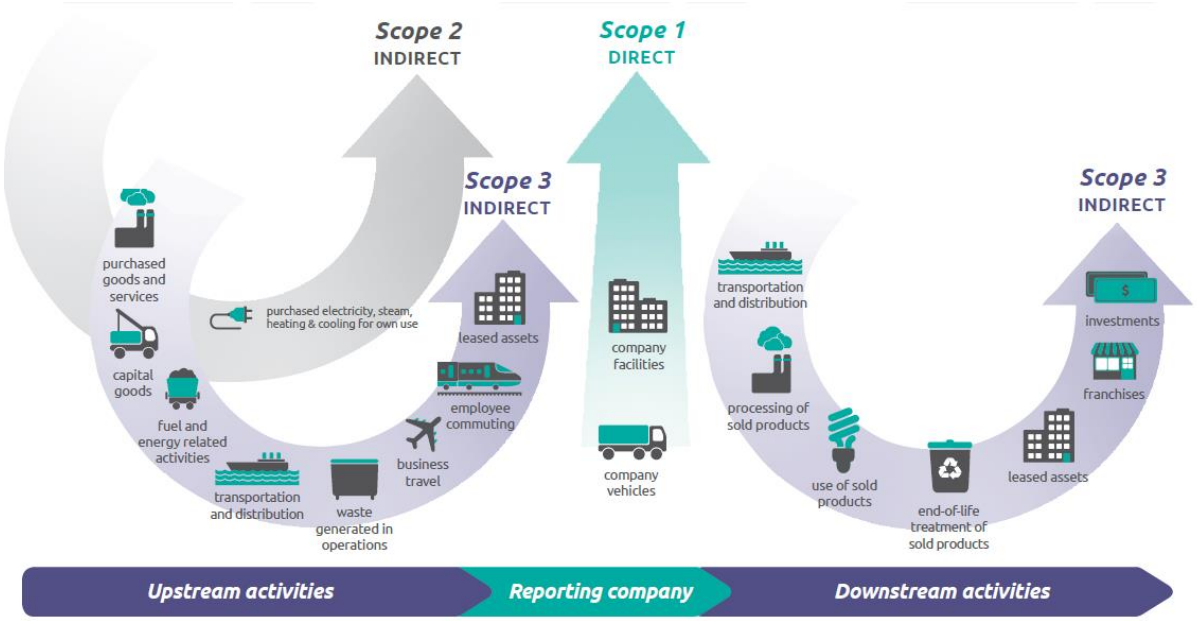


Diagram taken from GHG Protocol 'Corporate Value Chain (Scope 3) Accounting and Reporting Standard'.

8 Targets

We have a detailed Net Zero Route Map and Action Plan (EVRE01-05) which incorporates short, medium and long-term actions in order to achieve interim and long-term Net Zero targets.

MWHT calculate scope 1, 2 and 3 emissions, which are all taken into account during planning and establishing of targets. This planning considers other negative impacts on, for example, biodiversity, human rights, circular economy and the economic viability for MSMEs (Micro, Small and Medium Sized Enterprises).

MWHT baseline is an average baseline covering the years 2017 to 2019, due the cyclical nature of the UK water sector. The GHG inventory is calculated quarterly internally and verified annually (calendar year) by the Achilles Carbon Reduce Programme. The annual inventory is reported externally and internally to the MWHT parent company, RSK.

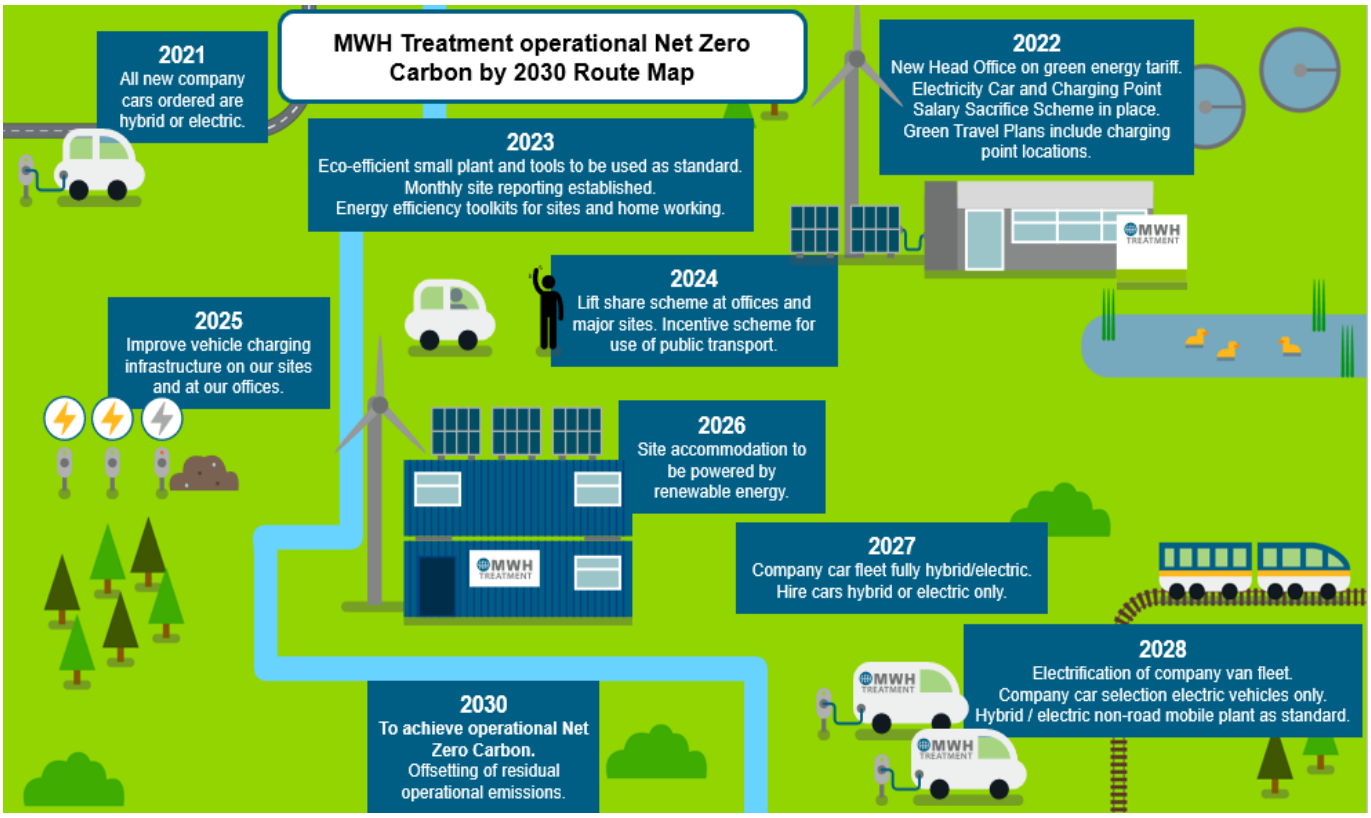
The targets currently established are:

8.1 Short

- To achieve a 6.5% reduction in carbon emissions (CO2e) from site fuel use in plant and equipment (Scope 1) during FY2024.
- To set further annual targets for reducing carbon emissions (CO2e) for site fuel use in plant and equipment (Scope 1).

- By the end of FY2024, to establish a Project Sustainability and Social Value Plan process, within MWH Treatment, which fully incorporates carbon reduction and 'Innovative measures to safeguard the environment and respond to the climate emergency to be delivered' (taken from the National TOMs Framework) on MWHT contracts.
- To establish a Net Zero by 2045 Route Map by end of FY2024.
- By 2025, MWHT public reporting will be in alignment with ISO Net Zero Requirements including any Net Zero claims and limitations.

The MWHT operational Net Zero Carbon by 2030 Route Map details the organisational objectives and steps in achieving operational Net Zero by 2030.



8.2 Medium

MWHT to be operational Net Zero Carbon by 2030

This target includes the following emission sources:

- Scope 1 emissions: Direct fuel use in cars, vans, plant, equipment and site accommodation
- Scope 2 emissions: Electricity use in our offices and site accommodation
- Scope 3: Indirect fuel use from: flights; public transport; hotel stays; home working; commuting; vehicle charging; use of employees' own vehicles; waste; water usage

The Science Based Targets Initiative has validated that the science-based greenhouse gas emissions reductions target(s) submitted by RSK Group Ltd conform with the SBTi Criteria and Recommendations (Criteria version 5.0). The RSK Scope 1 and 2 target ambition is in line with a 1.5^{0}C trajectory. RSK has committed to the following near-term science-based targets:

- Reduce absolute Scope 1 GHG emissions by 50% by FY2030 from a FY2020 base year*
- Increase active annual sourcing of renewable electricity from 57.1% to 100% by FY2030
- Reduce absolute Scope 3 GHG emissions (fuel-and-energy-related activities, business travel and employee commuting) by 25% by FY2030 (from a FY2020 base year).
- Committed to 80% of suppliers by emissions covering purchased goods and services will have science-based targets by FY2027.

**The target boundary includes land-related emissions and removals from bioenergy feedstocks.*

In addition, RSK are to make a public commitment to achieve Net Zero by 2040.

Medium-term targets for gradual carbon emissions (CO_2e) reductions will be established for supporting the ambition to be Net Zero by 2045. Note RSK base year is FY2020 however MWH Treatment base year is an average of 2017 – 2019.

8.3 Long

MWH Treatment ambition is to achieve Net Zero Carbon by 2045 - across all our activities, including Scopes 1, 2 and 3.

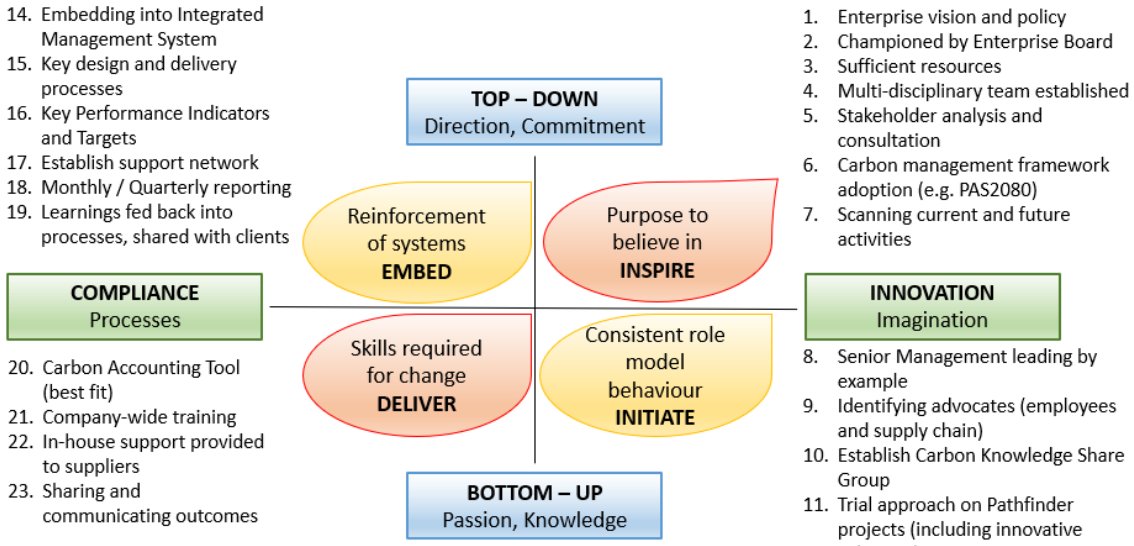
Our plans follow the requirements of ISO14001 and incorporate responsibilities, clearly stated actions, outcomes, measurements, monitoring, reporting, communications and evaluation. As well as defined activities to result in direct reductions, the plan also includes engagement of employees and other stakeholders such as client and supply chain, in order to change behaviours. The overarching GHG Inventory and Management Report is produced as part of the Achilles Carbon Reduce programme and is prepared in accordance with ISO 14064-1: 2018, with external verification by Achilles.

Actions will be prioritised to maximise emission reductions with consideration of influence and control within the organisation and the value chain.

9 Transformational Change

Significant behavioural change is required across the organisation to fully realise Net Zero and to reduce our organisational and supply chain carbon footprint, as well as incorporating sustainability into decision-making processes. It is proposed to adopt the following model (adapted by Catherine Price, Head of Sustainability and Environment), formerly developed by Charles Ainger (previously of MWH). This model can enable transformational change by incorporating top-down and bottom-up management linking with innovation (GHG / carbon reduction) and compliance (the IMS and regulatory requirements). The model has been broadened to incorporate strategies to cultivate sustainability system change. It facilitates collaboration throughout the business, with our clients and supply chain, including establishing a multi-disciplinary team, stakeholder consultation and working groups. The MWHT Net Zero Route Map and Action Plan (EVRE01-05) will include those steps required to embed change.

Training will be provided to key employees from Sustainability and Environmental Team, procurement and SHEQ on 'Improving Sustainability Using Behavioural Science', delivered by the Supply Chain Sustainability School.



10 Responsibilities and Resources

To achieve Net Zero, all employees need to take responsibility to reduce GHG (carbon) emissions in their day-to-day activities and in decision making. However, some functions may have greater roles than others and are required to take more responsibility along the Net Zero Route Map. For Net Zero to be possible, additional resources will be required including: funding for initiatives, innovation and low carbon goods and services; dedicated staff time (covered by regions and departments), employee and supply chain training; additional sustainability resource. A budget will also be necessary for the offsetting of residual emissions (from 2029 for operational emissions and 2040 onwards for all GHG emissions).

A Net Zero Task Force is to be established to provide support with taking action across the business to reduce operational and supply chain carbon, to meet quarterly initially with individual action planning meetings led by the Sustainability team. Key representatives are required across the business covering the following functions:

- Sustainability and Environment
- SHEQ
- Commercial / Procurement
- Communications
- Finance
- Fleet
- Proposals / Estimating
- Office Management
- Operations / Construction / Minor Works
- Systems and Technology / Information Technology

Below is an overview of the business functions, as per the Integrated Management System, and the responsibilities and potential resources required:

Workstream	Responsibilities	Resources
SHEQ	Providing sustainability, Net Zero and social value support across the business; establishing strategy, action plans and initiatives. Environmental Planners to consider sustainability, environmental protection and biodiversity net gain from onset of project. Environmental Advisors to produce site specific Environmental Management Plans which include construction carbon reduction, biodiversity measures and undertaking themed audits / assessments.	Head of Sustainability and Environment (existing) Environmental and Sustainability Assistant (existing) Sustainability Advisor (50% time booking across regions). Sustainability / carbon as part of Environmental Team job role, as determined necessary.
Risk	Sustainability, carbon / GHG emissions and social value to be considered for each project during ORC, as managed by the UK Risk Director.	Sustainability resource to review ORC papers; attendance to meetings as applicable.

Workstream	Responsibilities	Resources
	Projects required to assess potential requirements / implications prior to submitting paper.	
Business Management	Sustainability, net zero and carbon requirements embedded within processes including business continuity planning, customer communications, organisational change, framework management plans, risks and opportunities, charitable contribution and sponsorship requirements. Customer communications process to fully incorporate sustainability and social value considerations, particularly collaboration with local communities on health, wellbeing, improving local skills and employment, safeguarding the environmental and climate resilience.	Led by Head of Sustainability and Environment (existing role) and Head of SHEQ (existing role). National Customer and Community Engagement Manager (proposed new role with emphasis on regional support) Other resources as per SHEQ resources section.
Commercial and Procurement	Adoption of ISO20400 Sustainable Procurement. Sustainability / carbon weightings in tenders. Obtain and assess appropriate sustainability documents (e.g. Environmental Product Declarations / Life Cycle Assessments), Incentivise GHG performance in supply chain approval assessments. Embed sustainability and carbon supply chain requirements into procurement processes and subcontracts. Supplier engagement to incorporate sustainability and carbon management. Identification of alternative low carbon fuels, for plant and equipment, as technology develops.	Shared procurement job roles (i.e. 2 central resources) to include significant proportion of sustainability / net zero. All commercial / procurement dealing directly with supply chain needs to incorporate within role. Regional representation required (for consistency and collaboration with Central Services).
Human Resources	To incorporate sustainability and net zero requirements into HR policies and processes, as necessary. This should include learning and development training.	Support provided by Sustainability Team (SHEQ).
Facility Services	Promotion of Green Travel Plans and energy efficiency in offices and working from home. Sustainability considerations / efficiency measures applied in the offices, including maintenance, refurbishment etc.	Sustainability / energy, water, material efficiency as part of Office Administration / Management role.
Fleet	To influence driver behaviour through use of tools and training. To report on driving styles for company vehicles. To continue to average CO_2 emissions from company vehicles.	As part of existing job role – time cost.

Workstream	Responsibilities	Resources
	To eliminate petrol and diesel engines from fleet and car hires. Identification of alternative low carbon fuels as technology develops.	
Finance	To provide the necessary carbon data to the Sustainability and Environmental team for calculations. To report as per financial regulatory requirements (i.e. SECR). To provide support on budget for net zero initiatives, innovation and removal of residual emissions. To provide ethics and compliance – community / charitable approvals as part of Project Sustainability and Social Value Plans.	As part of existing job role – time cost. Separate budget for Net Zero initiatives / innovation. Budget for offsetting residual emissions.
Information Technology / Systems	Selection of tools to consider sustainability and carbon management (i.e. cloud services, equipment hires). Obtain and assess appropriate sustainability documents (e.g. Environmental Product Declarations / Life Cycle Assessments), in consultation with the Sustainability and Environmental Team. Supplier engagement to incorporate sustainability and carbon management.	Sustainability / carbon awareness across the team. 1 or 2 (appropriate job roles) with more specialist knowledge / interest to aid decision making.
Pre-Construction	Set objectives, identify and challenge boundaries, identify sustainability and GHG metrics and targets. Identification of circular economy opportunities. Assess sustainability, obtain high level data (e.g. Environmental Product Declarations / Life Cycle Assessments), develop options using GHG (carbon) calculator, identify emission reduction opportunities. Incorporate GHG reductions and sustainability requirements into programme. Initiate Project Sustainability and Social Value Plan. Obtain data / sustainability specifications from supplier tenders.	Proposals team to have 1 or 2 people with knowledge on sustainability / carbon as part of job role. Proposals Engineers and Managers / Programme Managers to have awareness and consideration within job role.
Design	Completion of the Design Sustainability Checklist. GHG emissions calculated. Follow the carbon reduction hierarchy and circular economy principles, to proactively seek low carbon / net zero design solutions. Assess sustainability, obtain high level data, develop options using GHG (carbon) calculator, identify emission reduction and circular economy opportunities. Obtain data / specifications from supplier tenders.	Specialist skills required within the engineering teams (regional and central). Specific engineering sustainability role (TBD). Understanding on sustainability and carbon for all engineers. Research and development funding

Workstream	Responsibilities	Resources
	Collaboration with the Clients in reviewing / changing specifications.	
Construction Delivery and Minor Works	Compliance with the Site Carbon Requirements and adoption of the Site Carbon Smart Toolkit. Low carbon decision making with regards to plant, tools, accommodation, construction activities including energy, water and resource efficiency and waste minimisation. Providing feedback / best practice to sustainability team. Monitor progress through Project Sustainability and Social Value Plan. Follow the carbon reduction hierarchy. Identification of further impacts on GHG emissions. Review performance of delivered solution (i.e. sustainability and GHG metrics), share lessons learnt. O&M Manuals to include energy performance documentation, maintenance requirements and end-of-use circular economy opportunities.	Specialist skills required within the regional construction delivery teams with sustainability / low carbon capability to aid decision making and understanding. Training for specific job roles.
Spares	Obtain data / sustainability specifications from suppliers. To use transportation services with high sustainability credentials (e.g. carbon neutral commitment). To have sustainability and carbon management awareness and consideration within job role.	As part of existing job role.
Survey Services	To have sustainability and carbon management awareness and consideration within job role.	As part of existing job role.

11 Mitigation and Action Plans

11.1 MWH Treatment

The MWHT Net Zero Route Map and Action Plan (EVRE01-05) follows the requirements of ISO14001 and incorporate responsibilities, clearly stated actions, outcomes, measurements, monitoring, reporting, communications and evaluation. As well as defined activities to result in direct reductions, the plan also includes engagement of employees and other stakeholders such as client and supply chain, in order to change behaviours. The process for establishing transformational change (see Section 9) will be fully incorporated into the Action Plan.

The overarching GHG Inventory and Management Report is produced as part of the Achilles Carbon Reduce programme and is prepared in accordance with ISO 14064-1: 2018, with external verification by Achilles.

Actions will be prioritised to maximise emission reductions with consideration of influence and control within the organisation and the value chain (refer to 8.2 below with regards to the supply chain).

11.2 Supply Chain

It is critical for MWHT to extend carbon management and reduction down the supply chain. The following approach has been adapted from the 'Carbon Management: A practical guide for suppliers' by the University of Cambridge and Business in the Community (2009).

To extend carbon management down the supply chain we will:

- Select our suppliers to work with based on criteria.
- Communicate carbon management and reduction aims and expectations to our suppliers.
- Provide feedback, ongoing support and incentive for suppliers to help them improve.

Collaboration is required to understand our key supplier operations and our supply chain relationships. This is to highlight opportunities for improvement. Ongoing support will be provided through various means including regularly updating carbon management information on our website and organising of workshops / innovation shares (potential to include external / RSK experts to provide advice). MWHT requirements and expectations will be incorporated into the Subcontracts, Terms & Conditions and the SHEQ Code for Subcontractors (CMGD03-01).

The criteria for selecting suppliers to engage with is based on prioritisation with the following criteria:

a) **Level of Risk:** Prioritise high-risk suppliers or sectors, those with high GHG emissions and/or present a potential reputational risk to the business.

b) **Ability to Influence:** Prioritise key suppliers (where we buy a significant proportion of their overall outputs / turnover), direct suppliers (suppliers that we do business with directly rather than through an agent or distributor); suppliers that are geographically close to us.

c) **Level of Impact:** Targeting top ten suppliers by spend or by their turnover.

d) **Potential Opportunities:** Target those suppliers or parts of the supply chain that could provide the biggest opportunities to cut emissions and or make cost savings.

MWHT will consider long-term versus short-term aims including the following key questions:

- Which categories or suppliers are strategically important?
- Which suppliers could provide quick wins?

For areas requiring improvements – Improvement Plans will be agreed with the appropriate supply chain members. These Plans will:

- Take account of the financial and other constraints faced by each supplier.

- Set appropriate timescales for making improvements – these are to take into account quick-wins requiring no or low cost, or whether longer-term investment is required.
- Allowing flexibility for the supply chain in meeting MWHT requirements and ensuring the plans are not too prescriptive (to allow innovation and potentially achieving same results for lower cost).

Carbon management and reduction criteria to be incorporated into MWHT commercial and procurement processes to ensure the supply chain has an incentive to perform well. This is to include:

a) **Screening new suppliers** as part of the Supplier Assessment Process to ensure they have a commitment to carbon reduction (workstream PM05 Subcontractor and Supplier Assessment).

b) **Removing supplier approval** for those supply chain members who consistently fail to meet agreed carbon management / reduction targets.

c) **Rewarding good performance** with large and/or continued orders, preferential supplier status or other commercial benefits.

12 Residual Emissions

To achieve operational Net Zero Carbon by 2030 and to achieve Net Zero (including supply chain) by 2045 we will counterbalance our residual emissions through removal-based offsets. These removals will comply with requirements of ISO Net Zero Guidelines (IWA 42: 2022 E) and through companies using only credible accounting standards which are not double counted and are independently verified. The removals are to be permanent or sufficiently long-lasting, to take into account and mitigate the potential risk of a consequent rise in emissions beyond its boundaries, and safeguard against social or environmental harm. All removals will be reported through the MWHT Annual Report, GHG Inventory and Management Report and on the company website.

13 Measurement and Monitoring

At MWHT, we measure and report our operational and wider value chain GHG emissions separately. The following will also be measured and monitored separately:

a) GHG emissions increases within its boundaries

b) GHG emissions increases in the wider value chain

c) Emissions reductions within its boundaries

d) Emissions reductions in the wider value chain

e) Removals within its boundaries

f) Removals in the wider value chain

g) Removals outside the value chain

h) Offsets and credits outside the value chain

We are continually striving to improve our data collected and report on this through Achilles GHG Inventory and Management Report. Where possible primary data is collected. Where this is not possible the substituted methodologies used are clearly stated.

14 Wider Impact, Equity and Empowerment

We consider how our Net Zero strategy aligns with the SDGs through a thorough review of all 17 goals and how MWHT can impact and support each one. As an organisation, six of the SDGs have been identified where MWHT can significantly impact, these align with our business values. This includes SDG 13 for Climate Action.

Through our Integrated Management System, we undertake a detailed stakeholder analysis where stakeholders are reviewed with regards to their interest and influence with our organisation – detailing their needs and expectations. This is displayed as a matrix and reviewed / approved annually by members of the BLG. The analysis is undertaken through consultation with employees who deal regularly with the stakeholders (e.g. local residents, statutory consultees, emergency services, employees, clients, supply chain), reviewing of stakeholder annual reports, websites, contracts and communications (e.g. Environmental Regulators, HSE, clients etc.). Questionnaires were sent out internally to all our employees and externally to our supply chain. Interviews are undertaken with specific stakeholders with significant impact / involvement with our organisation.

The stakeholder analysis review assists us in the understanding of our potential impact and how we can better support our stakeholders. In addition, we undertake environmental risk assessments on all our activities and implement appropriate control measures, including biodiversity no net loss and net gain actions.

At MWHT it is important that we share our knowledge and provide support to our value chain, the water sector, local communities and wider stakeholders to drive and influence the achievement of Net Zero. Knowledge sharing and support will be incorporated into the MWHT Net Zero Route Map and Action Plan (EVRE01-05).

As per the ISO Net Zero Guidelines, MWHT can take action for positive wider impact in the following areas:

- Setting targets for societal climate action through the use of the national TOMs framework on the MWHT Project Sustainability and Social Value Plans.
- Mobilising interested parties across the value chain through our involvement with the Supply Chain Sustainability School (as a partner), client contractor groups and workshops, and supply chain collaborations and support.
- Working with trade associations and initiatives to engage in climate issues and to promote increased emissions reduction efforts, for example through membership of British Water (trade body) and supporting ECITB.
- Contributing to national events which demonstrate solutions to help scale best practice. This includes sponsorship, presentation and sharing of best practice at British Water conferences, involvement with RSK Webinars and external webinars.
- Educational engagement through STEM (Science, Technology, Engineering and Mathematics) Ambassadors within MWHT. This is to educate future generations on sustainability and the importance of reducing GHG emissions.
- Facilitating circular economy practices to reduce overall GHG emissions through procurement, innovation and collaboration with our clients and supply chain.
- Advocating for industry bodies to take clearer and stronger positions on climate policy. This includes supporting British Water when providing feedback to Ofwat.
- Mitigating harm to the environment and ecosystems through the well-established MWHT Integrated Management System, certified to ISO14001.
- Supporting and enhancing biodiversity with an MWHT Biodiversity Net Gain approach, with consultation from framework ecologists and collaboration with our clients. BNG is monitored through MWHT regional Biodiversity Trackers (EVFR05-11).
- Supporting restoration and protection of natural and semi-natural ecosystems in their own right through volunteering and charitable support.
- Making immediate contributions to the preservation and restoration of natural sinks (e.g. forests, wetlands) through the selection of nature-based solutions and promotion of these as 'Green First' to our clients. RSK Group (parent organisation) are contributing in this area, for example, have funded the secondment of a Project Lead into the organisation Falklands Conservation, for a three year peatland project to examine their carbon sequestration and offsetting potential.
- Conservation and protection of water, oceans and natural resources – the MWHT vision is 'To be the leading, trusted sustainable solution provider in the UK Water Industry' and protection of water is a main part of our day-to-day activities. The MWHT policy statements on Environment (MP05), Water Management (MP94), Waste Minimisation (MP14) and Sustainable Procurement (MP17) covers our approach in addressing this.

15 Fair Share and Just Transition

As MWHT are UK centric, we want to contribute to Net Zero earlier than 2050, which is why we have an ambition to achieve Net Zero by 2045, with interim targets to facilitate this journey.

To support a just transition we will be upskilling our own employees on low carbon practices and innovations, and provide support to our supply chain through collaboration, workshops and knowledge sharing. For upskilling future generations, we have a STEM programme with Ambassadors engaging within educational settings, which incorporates social mobility 'cold spots'. The organisation's well-established apprenticeship and graduate schemes include sustainability and carbon / GHG emissions related training and development.

16 Communication, Reporting and Transparency

16.1 MWH Treatment

Progress on the journey to achieving Net Zero will be communicated internally through briefings, bulletins, posters, videos and training. External communications will be publicised on our company website, social media, reports and targeted e-mail communications to our supply chain. The MWHT Net Zero Route Map and Action Plan (EVRE01-05) incorporates communication to different stakeholders following the principles of environmental communication (as per ISO 14063:2020 'Environmental Management - Environmental Communication - Guidelines and Examples').

Emissions reporting will be incorporated into the Annual Financial Report as per the Streamlined Energy and Carbon Reporting (SECR) requirements. By 2025, the MWHT public reporting will be in alignment with ISO Net Zero Requirements including any Net Zero claims and limitations. This will be reviewed by a third party. Currently the external report will be the GHG Inventory and Management Report, as part of the Achilles Carbon Reduce programme.

TCFD (Task Force on Climate Related Financial Disclosures) reporting is undertaken by RSK, our parent company. The climate related risks and opportunities identified by RSK will be reviewed for applicability to MWHT and incorporated, where appropriate, into the MWHT Risk and Opportunity process which complies with the requirements of ISO14001, ISO9001 and ISO45001.

16.2 Supply Chain

External communications with MWHT supply chain are to be ongoing and planned appropriately with collaboration with Commercial and Procurement departments.

What to Communicate

The following will be communicated to the MWHT supply chain:

- Why they are being asked about carbon emissions and Net Zero.
- How good carbon management can benefit their business.

- Which supply chain members have been selected to engage with and why.
- What MWHT will do with the information they provide.
- What MWHT do and do not expect from them including: Timescales for compliance, whether they need to comply immediately and if not why not; Which questions / issues are considered a 'must do' and which are considered optional.
- What are the implications of good / poor performance: When they do not comply and how they could be penalised; When they do comply how will they be rewarded e.g. preferred supplier status.
- Practical guidance and support on how to measure and reduce their emissions, meet MWHT requirements and further support MWHT in achieving Net Zero by 2045.

How to Communicate

A specific Communications Plan will be established as part of the MWHT Net Zero Route Map and Action Plan (EVRE01-05) and will include the following:

a) **Responsibility for Communications:** Head of Sustainability and Environment will have responsibility for ensuring communications with regards to Net Zero and carbon reduction with the Commercial and Procurement teams. Communications should clearly state that they are from MWHT Procurement / Commercial and Sustainability functions.

b) **Delivering seminars or workshops:** Preference to face-to-face sessions, to allow better networking, however virtual events will ensure larger uptake of attendees, whilst following the principles of sustainable business travel. Initial workshops introducing carbon reduction and requirements with further development including good practice and innovation shares.

c) **Establishing a Net Zero Carbon section on the MWHT website:** To incorporate a Net Zero (carbon reduction) section on the MWHT website supply chain page – this is to be regularly updated with MWHT requirements, best practice / learnings, links to MWHT carbon reporting and Supply Chain Sustainability School related training and accessible calculator.

d) **Collaboration with other contractors / companies:** This is particularly important when sharing common suppliers.

e) **Use of Questionnaires:** To be used for initial risk assessments and could be used as a self-assessment tool for suppliers.

Follow up with Supply Chain

MWHT acknowledge it is important to follow up with our supply chain in order to maintain momentum and ensure that improvements are being made with regards to Net Zero. Feedback is to be provided to the supply chain on the following:

- Areas of good performance

- Areas requiring improvement
- Comparison with other suppliers either with similar activities, same sector and / or same country.

Refer to 8.2 Supply Chain Mitigation and Action Plans with regards to Supply Chain Improvement Plans.

17 Improvement

MWHT will continue to further embed climate management, risk and opportunities, measures and controls into the Integrated Management System and business decision making.

Regular reviews, at a minimum annually, will be undertaken of emerging scientific evidence, best practice and lessons learned (both internal and external).

Through detailed assessments of opportunities, as they arise, we will take appropriate action to provide support and help to accelerate the speed and extent of reducing GHG emissions and achieving Net Zero status, including the counterbalancing residual GHG emissions.

18 Net Zero Glossary

Net Zero: Condition in which human-based residual GHG emissions are balanced by human-led removals over a specified period and within specified boundaries.

ECITB: Engineering Construction Industry Training Board https://www.ecitb.org.uk/

Emissions Reductions: Quantified decrease in greenhouse gas emissions specifically related to or arising from an activity between two points in time or relative to a baseline.

Greenhouse Gases (GHGs): GHGs are the six gases covered by the UNFCCC: carbon dioxide (CO_2); methane (CH_4); nitrous oxide (N_2O); hydrofluorocarbons (HFCs); perfluorocarbons (PFCs); and sulphur hexafluoride (SF_6) - GHG Protocol definition for the purposes of the GHG Protocol standard.

Greenhouse Gases (GHGs) Removals: Withdrawal of a greenhouse gases from the atmosphere as a result of deliberate human activities.

Just Transition: The principle of equity and justice when determining fair share, collaborating with organisations with smaller capability to act.

MSMEs: Micro, Small, and Medium-sized Enterprises

National TOMs Framework: The National TOMs – Themes, Outcomes and Measures – is a framework for delivering excellence in measuring and reporting social value. (https://socialvalueportal.com/solutions/national-toms/)

Residual Emission: Greenhouse gases emissions that remain after taking all possible actions to implement emissions reductions.

Science Based Targets: Trajectory to achieve global Net Zero greenhouse gas emissions based on scientific evidence.

Scope 1 emissions: Emissions from operations that are owned or controlled by the reporting company (GHG Protocol definition).

Scope 2 emissions: Emissions from the generation of purchased or acquired electricity, steam, heating or cooling consumed by the reporting company (GHG Protocol definition).

Scope 3 emissions: All indirect emissions (not included in scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions (GHG Protocol definition).

BLG: Business Leadership Group (MWH Treatment)

Social Mobility: Social mobility refers to change in a person's socio-economic situation, either in relation to their parents (inter-generational mobility) or throughout their lifetime (intra-generational mobility). (https://www.oecd.org/stories/social-mobility/)

Social Mobility "cold spots": In the "coldest spots" those from disadvantaged backgrounds, entitled to free school meals, have little chance of making a better life for themselves or their children. They also earn much less than their more affluent peers. (https://www.lancashire.gov.uk/)

Sustainable Development Goals: The Sustainable Development Goals (SDGs), also known as the Global Goals, were adopted by the United Nations in 2015 as a universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity.

Value Chain: All upstream and downstream activities associated with the operations of the organisations.