

ORGANISATIONAL AUDIT REPORT FOR:

## Northumbrian Water Limited

**Verification firm:** Achilles Information Limited, Milton Park, 30 Western Ave, Milton, Abingdon OX14 4SH.

**Lead Auditor:** [REDACTED]

**Client Contact:** [REDACTED]

**Report date:** 3/06/2022

**Peer Reviewed by:** [REDACTED]

## AUDIT OBJECTIVES

To determine whether the organisation's GHG measurements (emissions data and calculations) and reduction(s) meet certification requirements for the Programme as detailed in the criteria and scope.

## AUDIT CRITERIA AND SCOPE

The audit criteria and scope are detailed in the following table:

Criteria	ISO 14064 Part 1 2018, ISO 14064 Part 3 2019.	GHG Protocol scope 2 guidance & CAW16
GHG program	Carbon Reduce organisational technical requirements v3.1	
Audit date	31/05/2022	
Reporting year	01/04/2021 to 31/03/2022	
Base year	01/04/2019 to 31/03/2020	
Consolidation methodology	Operational control.	
Materiality threshold	5%	
Emissions factor source	Toitū emanage	CAW 16
GHG statement (certification claim)	Northumbrian Water Limited meets the requirements of Carbon Reduce certification having measured its greenhouse gas emissions in accordance with ISO 14064 Part 1 2018 and is committed to managing and reducing its emissions in respect of its operational activities of its UK organisation.	
Registered Office Address	Northumbria House, Abbey Road, Pity Me, Durham, DH1 5FJ	
Audit type	Transition (certificate renewal to new standard).	

## VERIFIED LOCATION BASED EMISSIONS TOTALS

The following totals have been verified (Net is after accounting for exported energy reductions & purchased offsets):

Location based mandatory only emissions summary by category:		Units
Category 1: Direct emissions and removals	77,901.19	tCO <sub>2</sub> e
Category 2: Indirect emissions from imported energy	71,110.65	tCO <sub>2</sub> e
Category 3: Indirect emissions from transportation	300.03	tCO <sub>2</sub> e
Category 4: Indirect emissions from products used by organisation	6,292.89	tCO <sub>2</sub> e
Category 5: Indirect emissions associated with the use of products from the organisation	0.00	tCO <sub>2</sub> e
<b>Total gross inventory</b>	<b>155,604.76</b>	<b>tCO<sub>2</sub>e</b>
<b>Total net inventory</b>	<b>130,755.96</b>	<b>tCO<sub>2</sub>e</b>

Location based total emissions summary by category:		Units
Category 1: Direct emissions and removals	77,901.19	tCO <sub>2</sub> e
Category 2: Indirect emissions from imported energy	71,110.65	tCO <sub>2</sub> e
Category 3: Indirect emissions from transportation	300.03	tCO <sub>2</sub> e
Category 4: Indirect emissions from products used by organisation	8,189.60	tCO <sub>2</sub> e
Category 5: Indirect emissions associated with the use of products from the organisation	<b>0.00</b>	tCO <sub>2</sub> e
<b>Total gross inventory</b>	<b>157,501.47</b>	<b>tCO<sub>2</sub>e</b>
<b>Total net inventory</b>	<b>132,652.67</b>	<b>tCO<sub>2</sub>e</b>

## VERIFIED MARKET BASED EMISSIONS TOTALS

The following totals have been verified:

Market based mandatory only emissions summary by category		Units
Category 1: Direct emissions and removals	44,651.49	tCO <sub>2</sub> e
Category 2: Indirect emissions from imported energy	0.00	tCO <sub>2</sub> e
Category 3: Indirect emissions from transportation	300.03	tCO <sub>2</sub> e
Category 4: Indirect emissions from products used by organisation	0.00	tCO <sub>2</sub> e
Category 5: Indirect emissions associated with the use of products from the organisation	0.00	tCO <sub>2</sub> e
<b>Total gross inventory</b>	<b>44,951.52</b>	<b>tCO<sub>2</sub>e</b>
<b>Total net inventory</b>	<b>20,020.70</b>	<b>tCO<sub>2</sub>e</b>

Market based total emissions summary by category:		Units
Category 1: Direct emissions and removals	44,651.49	tCO <sub>2</sub> e
Category 2: Indirect emissions from imported energy	0.00	tCO <sub>2</sub> e
Category 3: Indirect emissions from transportation	300.03	tCO <sub>2</sub> e
Category 4: Indirect emissions from products used by organisation	1,896.71	tCO <sub>2</sub> e
Category 5: Indirect emissions associated with the use of products from the organisation	0.00	tCO <sub>2</sub> e
<b>Total gross inventory</b>	<b>46,848.23</b>	<b>tCO<sub>2</sub>e</b>
<b>Total net inventory</b>	<b>21,917.41</b>	<b>tCO<sub>2</sub>e</b>

## DATA QUALITY

Using our internal Data Quality Assessment tool for analysing data against completeness and assumed uncertainty an inventory "quality" can be classified as follows:

- High
- Good
- Fair
- Poor

Based upon this assessment your inventory data quality has been classified as: **GOOD**

## LEVEL OF ASSURANCE PROVIDED

Based upon the verification undertaken, the following level of assurance is provided:

**Reasonable (all categories excluding AUPs)**

The above is based upon the following qualifications:

*It was possible to verify that adequate RGGOs are pending for all imported green gas and export gas to grid. However, due to market timing it is not yet possible to provide full evidence of retirement of and imported green gas RGGOs for Ridge Road.*

## AGREED UPON PROCEDURES (AUP)

The following emissions within the reported inventory were excluded from the defined assurance level and were verified using the programme AUP:

Total tCO <sub>2</sub> e:	Total to AUP tCO <sub>2</sub> e:
157,501.47	0.00

## MANDATORY REDUCTION PERFORMANCE

The following reductions have been made in the programme mandatory emissions categories, relative to the base year(s), using the programme 5 year rolling average methodology.

Reduction performance		Units
Category 1 & 2 emissions only	% reduction	<b>0.18</b> tCO <sub>2</sub> e
Emissions intensity: category 1,2 & all other mandatory categories.	% increase	<b>15.06</b> tCO <sub>2</sub> e/£m

## CONCLUSION AND RECOMMENDATION

Ongoing certification to Toitū carbon programme is recommended.

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### Comments:

As required by the regulator the base year emissions 2019/20 were restated last year, following the significant methodology change between CAW13 AND CAW15. A similar process was conducted this year to CAW16. There were no material changes in reported emissions. The only difference was an increase in exported energy & associated net reductions of 125 tCO<sub>2</sub>e

NWL base their reduction strategy on net market based reporting. Emissions intensity is also not a good metric of performance as revenue can change significantly due to Regulator price control. As such a request has been made to accept this within the Carbon Reduce program, rather than gross location based.

**Verification procedures:**

Verification evidence gathering procedures include:

An initial evaluation of organisational scope & boundaries, typically by interview and or desktop data review.

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A sample of site visits will typically be conducted, dependent on the industrial sector.

A comprehensive range of emission sources will be taken and typically checked for classification, completeness of data, scope & boundaries, time-periods, emission factors applied, consistency or changes to methodologies, estimations used & that adequate control procedures are in place. This will also include retrace back to source data and a full recalculation of GHG emissions.

**Agreed Upon Procedure:**

Emissions sources are excluded from the assurance statement.

Verification activities are as defined in the appropriate AUP. A copy of which can be found in the guidance section of emanage.

**Notes:**

The detailed audit findings and calculations given in the Verification Plan and Working Papers associated with this audit contain proprietary verification methodologies and remain confidential.

The audit is based upon sampling and as such nonconformities may exist that have not yet been identified.

We have reviewed the company's GHG emissions inventory for the period. The inventory is based on historical information which is stated in accordance with the requirements of ISO 14064 Part 1 and the scheme Technical Requirements.

The scope of the review was limited to personnel interview, analytical review procedures applied to GHG emissions data, and review of the input of data into the emissions inventory.

A **non-conformance (NCR)** indicates that the auditor has found a non-conformance with scheme Technical Requirements (audit criteria) and requires you to take the appropriate corrective action and provide evidence of this correction within 10 working days. This may require resubmission of an updated Emissions Inventory and Management report.

A **minor non-conformance (mNCR)** which the auditor has found which is not material to the outcome of the inventory, but to which a failure to address in the preparation of future inventories could lead to a major Non-Conformance (NCR).

**Observations** made by your auditor are strongly advised but the actions are not required for the organisation to be recommended for certification.

Neither Toitū Envirocare nor the auditor has any interest in the organisation, other than in our capacity as assurance providers. We have not carried out any work with this business prior to this review other than conducting the previous verification

**Toitū carbon programmes boundary** is defined as all Category 1 and 2 emissions, Category 3 emissions associated with business travel and freight paid for by the organisation, Category 4 emissions associated with waste disposed of by the organisation, and transmissions and distribution of electricity and natural gas

Any correspondence regarding this audit report should be directed to your Lead Auditor.

A copy of this report has been provided to the nominated client contact.

This report has been prepared solely for the use of the organisation and Toitū Envirocare as part of an application for Toitū carbonreduce programme certification. It may be relied on solely by the organisation and Toitū Envirocare for that purpose only. Toitū Envirocare does not accept or assume any responsibility to any person other than the organisation in relation to the statements or findings expressed or implied in this report.

**Responsibilities:**

The responsible party is responsible for the preparation and fair presentation of the GHG statement in accordance with the criteria. The verifier is responsible for expressing an opinion on the GHG statement based on the verification activities undertaken.