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## Aon UK sets the green standard with CEMARS certification

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*"Achieving CEMARS certification demonstrates Aon's commitment to reducing our impact on the environment. By reducing carbon emissions, we are transforming Aon in to a more sustainable organisation that will mitigate negative environmental impacts."* **Gregory Lowe, Senior Manager Sustainability, Aon Limited**

Aon Corporation (NYSE: AON) is the leading global provider of risk management services, insurance and reinsurance brokerage, and human capital consulting and outsourcing. Aon's operations (Aon UK Group Limited) employ 5,500 people across the UK in 25 leased offices.

Aon Limited is committed to reducing its impact on the environment. Since 2007, Aon has had an Environmental Working Group and network of Eco-Champions to drive internal change. As a CRC Energy Efficiency Scheme participant, Aon takes its carbon management and reduction responsibilities seriously and has a three year plan to reduce emissions by 15 percent.

### The Challenge

As the regulatory and financial risk associated with carbon emissions grow, Aon is looking to reduce its emissions in line with company and UK Climate Change Act targets. To ensure compliance with the CRC Energy Efficiency Scheme and improve UK reporting for stakeholders, Aon is dedicated to accurate and credible carbon measurement and management.

### The Results

Aon UK Group Limited has become the first insurance company in the world to be awarded certification to the world class, ISO accredited CEMARS standard. Gaining certification for the operational activities of its organisation, including the UK operations of Aon Risk Solutions, Aon Benfield, and Aon Hewitt brands, Aon UK Group Limited has demonstrated compliance with ISO 14064-1\*.

As a result Aon has found that 62 percent of emissions result from scope 3, and in particular long haul flights. Establishing a breakdown of emissions sources has enabled Aon to develop a focussed emissions management & reduction strategy.

### The Focus Going Forward

Aon UK Group Limited has set a reduction target to reduce scope 1 and 2 emissions by 5 percent year on year for the next five years. Longer term targets align with the UK Climate Change Act to cut emissions by 3 percent each year.

Reduction strategies will centre on staff awareness campaigns and behavioural change, office rationalisation, educating facilities managers on efficient operations of sites, and business travel. Driven by client needs and market events Aon recognises that travel is central to business operations but that using less carbon-intensive modes of transport or video conferencing technologies, where possible, will contribute to targets. Transparent reporting on travel spend, and greater use of electronic data sharing will contribute to identifying reduction opportunities.

\*ISO 14064-1 - the international standard for the quantification and reporting of greenhouse gas emissions

## **Q & A with Gregory Lowe, Senior Manager Sustainability, Aon Limited**

### *Why did Aon UK Group Limited choose the CEMARS standard?*

*It was clear that having our carbon footprint independently certified would illuminate opportunities to cut carbon and cost beyond any purely in-house initiatives. In choosing a standard, Aon was impressed by CEMARS rigorous methodology that was focused on future strategy and initiatives. CEMARS was also the most commercially focused of any standard we saw, so while it has a positive branding impact, we see real commercial impact within our organisation as well.*

### *How has working through CEMARS helped Aon UK Group Limited?*

*The CEMARS process requires the involvement of various stakeholders throughout the organisation. The formal audit process raises the awareness of the importance of carbon management, from a regulatory, cost, and environmental perspective. Some of the metrics we examined were real eye openers in terms of their cost and actual impact, such as air travel. This has allowed us to focus our efforts on areas where we can have the biggest environmental impact and realise concurrent cost savings.*

### *What are the key priorities for your energy policy and the carbon reduction agenda?*

*Energy reduction, primarily electricity, is our key priority. It is our biggest impact in terms of scope 1 & 2 emissions and it is something we have quite a lot of control over. Air travel is our biggest impact and it is something we are looking to reduce, though this is more difficult to control as it tends to be driven by business need, though of course we can reduce through expanded videoconferencing.*

### *What savings have been recognised by Aon UK Group Limited in line with the reduction of emissions?*

*Since our energy reduction programme began in 2008, Aon has saved nearly £400,000 on our energy bills. We are also recognising operational savings from waste reduction. Reducing carbon from travel doesn't always equate to financial savings, however. Of course we could stop travelling and that would reduce cost and carbon, but this is not a viable option. We have found modal shifts from planes to trains and cars is a difficult equation to balance in terms of carbon and cost savings. Even videoconferencing is a challenge as it requires a large cultural change to realise the cost savings enabled by the investment.*

### *How will you reinvest the savings made to date in energy reduction?*

*We remain focused on reducing our emissions from electricity and gas usage and are reinvesting these proceeds in our energy management programme. You must fund a programme with a base amount and then apply a certain percentage of last year's savings to the programme. Aon is looking at a variety of new technologies to improve our energy efficiency, such as LED lighting and Building Management System upgrades. Technology isn't the only fix, however, so we are also investing in training and communication for our employees so they can play their part in*

*reducing energy. It engages them, makes a difference and helps with a wider sustainability narrative they can share with our clients.*

*What advice do you have for other organisations working to measure their carbon footprint and make a reduction in emissions?*

*The classic quote about not being able to manage what you can't measure certainly rings true, but I think knowing who your key internal stakeholders are to enable measurement and management is the first step. Understand what you need to measure and then engage those individuals and present a compelling case to them. You will find getting the right metrics and securing their co-operation with reduction activities down the line will become much easier.*



CEMARS (Certified Emissions Measurement And Reduction Scheme) recognises organisations for credible carbon measurement, management and reduction. An organisation must measure their carbon emissions across Scope 1, 2 and 3 as well as develop a detailed reduction plan with targets and key initiatives outlined. An organisation has five years from the base year to demonstrate either an absolute or relative reduction in carbon emissions. Organisations affected by the CRC Energy Efficiency Scheme can also use CEMARS to demonstrate carbon reductions achieved over the last three years for the Early Action Metric. CEMARS is the only standard in the UK accredited to ISO 14065, the recognised international standard for greenhouse gas validation and verification bodies.