

## United Utilities – a buyer’s perspective

United Utilities is the UK’s largest listed water company with a turnover of £2 billion, and as a FTSE 100 company owns, operates and maintains utility assets, including water, wastewater, electricity and gas, serving communities in the North West of England, the UK and across the world. Some 20 million people worldwide benefit from the company’s expertise in operating and managing water, wastewater, electricity and gas networks.

Spending £1.4 billion a year in the utilities sector, key buyer, United Utilities, demonstrates its commitment to sustainability through its leading role in the Achilles’ carbonReduction programme.



### The Challenge

United Utilities has targets in place for a 26 percent reduction in its 2005 baseline carbon footprint by 2012, with a medium term objective to halve that baseline figure by 2035. When these targets were set the government target was a 60 percent reduction by 2050, but subsequently the government has upped the stakes by expecting an 80 percent reduction by that date.

Although United Utilities has a strategy in place to reduce all areas of owned and influenced carbon emissions, the company sees the emerging need to measure, understand and reduce carbon emissions within its supply chain. That means working with its suppliers to reduce their carbon footprints.

However, suppliers are under increasing pressure to provide carbon footprint data to a growing number of buyers, a situation that causes confusion and anxiety over the scope, methodologies and standards required to meet different buyers’ expectations.

### The Results

The obvious answer was for the water industry to look for a collaborative solution that provided a common framework from which to work, one that was orchestrated by a neutral third party associated with the industry and one that was in tune with internationally recognised standards. They found this in Achilles’ **carbonReduction** programme and CEMARS® certification (Certified Emissions Measurement And Reduction Scheme).

### What is CEMARS?

CEMARS (Certified Emissions Measurement And Reduction Scheme) is the world’s first internationally accredited greenhouse gas certification scheme to ISO14065. It has also been approved by the Environment Agency as an Early Action Metric in the CRC Energy Efficiency Scheme.

CEMARS is central to Achilles’ carbonReduction programme.

Suppliers registered to CEMARS benefit from:

- **Leading technical guidance on how to measure a carbon footprint**
- **Access to online carbon software**
- **Two-stage on-site audit**
- **Assurance statement and ISO-compliant report**
- **Internationally harmonised certification**
- **Disclosure to buying organisations**

The whole process creates a robust benchmarking framework for continuous, year-on-year improvement.

By working together within the framework of the programme, suppliers are able to consistently measure, manage and report their carbon footprint providing buyers with the verified information they need to make informed purchasing decisions.

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## United Utilities supporting the carbonReduction programme

United Utilities is a strong advocate of the scheme and is active in encouraging its suppliers to join the programme. The company is one of eight utility companies forming the Utilities **carbonReduction** Steering Group, a group of buyers that has a combined annual spend of £10 billion.

United Utilities wanted to demonstrate to its suppliers its commitment to the **carbonReduction** programme by being the first Utility organisation to achieve CEMARS certification.

*“We had a carbon reduction strategy that was developed a few years ago and it took us to a certain point but we needed something that elevated us to the next level. We needed our carbon data to be independently assessed and independently approved,”* says Kieran Brocklebank, sustainable supply chain manager at United Utilities. *“We thought that if we were going to be talking to our suppliers about them measuring their carbon footprint, then we should do the same – don’t ask your suppliers to do something that you haven’t done yourself.”*

United Utilities has now been through the CEMARS process and has had its scopes and boundaries established, and its carbon strategy and accounting methodologies audited, and is CEMARS certified.

## Benefits to United Utilities

It made great sense for United Utilities to standardise and use the same processes and methodologies that it was encouraging its suppliers to use. By using the **carbonReduction** programme *“we will be talking in the same language about the same systems and about the same programme. That probably helps us come closer to some of our strategic suppliers – and that’s exactly what we want to do,”* says Brocklebank.

Helen Waine, Sustainability Advisor at United Utilities explains that *“Engaging with the **carbonReduction** programme has helped us a great deal in the ever evolving field of carbon accounting, in particular with a revisit and assessment of our boundaries in relation to the Greenhouse Gas Protocol”.*

She says *“The CEMARS process has helped us to understand and gain more confidence in our methodologies and the data sources we use through the thorough audit process”.*

Kieran Brocklebank, concludes, *“We want all our suppliers to be measuring and managing their carbon emissions and the **carbonReduction** programme is a great low-cost, easy entry method of doing that.”* And as he says, *“One of the benefits of collaboration is that eight utilities are using the same language, so if a supplier registers with the scheme they are hitting eight of their clients needs all at once.”*

## carbonReduction benefits

The carbonReduction programme aligns suppliers with a buyer’s carbon reduction strategy, offering visibility of carbon related supply chain risk and enables managers to make informed purchasing decisions that meet their sustainable procurement goals.

Soon buyers are going to have to take account of their Corporate Social Responsibility with regards the carbon footprint of their supply chains. Working through the Achilles carbonReduction programme offers buyers and suppliers a clearly defined and fully audited process that sets a benchmark for the sector, all based on best practice international standards.

Only by collaborating with suppliers can ambitious carbon emissions targets be met.



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