

United Utilities

Sustainable supply chain 2001 to 2005

Our sustainable development policy, first published in 2002, sets out the following commitment - "we will include the principles of our sustainable development policy in our purchasing policy and in our choice of business partners and suppliers of goods and services."

Our approach to managing sustainability in our supply chain went from strength to strength during 2003/2004. 2003 saw a review of our supplier prioritisation approach, which prioritised commodity groups rather than individual suppliers. The commodity group classifications were aligned to those used by the Utilities Vendor Database, called Achilles, which we now use in our supplier selection process. Each commodity group was assigned a potential environmental impact ranking, based on an impacts matrix approach developed internally. The resulting commodity prioritised list formed the basis of our engagement programme with our suppliers.

Following on from initial engagement workshops held for all United Utilities prioritised suppliers in 2001, we decided again that the most productive form of engagement was to adopt a workshop approach. However this time the workshops were designed to focus on each commodity group in turn to enable specific environmental impacts associated with particular groups to be discussed in greater detail, and to try to understand what barriers existed to becoming more sustainable for a particular commodity group. This worked very well, with feedback from the workshops proving extremely positive.

The engagement workshop programme also included specific workshops for United Utilities' procurement buyers and internal customers - United Utilities' employees who set contracts and/or procure goods and services as part of their job. These workshops were commissioned alongside our supplier workshops to ensure that key employees were aware of the environmental impacts associated with the goods and services they procure and enable them to build the appropriate specifications into their contracts to address these impact areas. While the focus so far has been very much on environmental areas, there have been elements of social sustainability that have started to become incorporated.