



SAY ON CLIMATE ASSESSMENT

 Water for the North West	Country  United Kingdom	Year 2026
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Transparency rating Alignment with FIR recommendations	53%	PERFORMANCE SCORE 58%	 ACCELERATE CLIMATE TRANSITION NARRATIVE SCORE A B C D E	TREND SCORE 
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United Utilities **has set its sights high** with its climate strategy, aiming to be **net zero by 2050**. It is the **first UK water company** to have its short-term, long-term and net-zero targets **approved by the SBTi**. Furthermore, with **99% of its CAPEX aligned with the European Taxonomy**, the company is positioning itself as a key player in the transition (through its water supply, wastewater treatment and bioresources activities).

However, certain aspects of its transition plan could still be improved. Indeed, the levers identified for their **action plan** are **not quantified** and **lack specific targets** to be achieved across the various timeframes set. **The Scope 3 emissions reduction target for 2030 excludes the 'Capital Goods' category** – which accounts for 11.7% of total emissions in 2025/2026 – without justification. **Market-based Scope 2 emissions have risen significantly without any explanation** for this trend, and we also note **an increase in the company's total emissions** compared with 2019/20. Finally, the company does **not disclose the amount of investment made to achieve the objectives** of its climate strategy.

SUMMARY

- ▶ [Assessment according to the FIR analysis grid](#)
- ▶ [Assessment according to ACT](#)
- ▶ [FIR recommendation grid](#)
- ▶ [ACT evaluation methodology](#)
- ▶ [ACT evaluation methodology for the generic sector](#)

In 2021, the **Frenchsif (FIR)** called for the widespread adoption of demanding Say on Climate (SOC) votes. After a first edition in 2022, it signed another [open letter with 48 French and European signatories](#) in March 2023 and **2025** to encourage the development of SOC. At the same time, in 2022, [the FIR began analyzing the climate plans of French companies](#) that submit them to shareholder votes. After joining forces in 2023, the **FIR and ADEME** expanded their partnership in 2024 by teaming up with **Ethos and the World Benchmarking Alliance** to analyze the transparency and performance of companies' climate plans, based on the [ACT methodology](#). Once again this year, these organizations will work together to evaluate the climate plans of **European companies** submitted to a consultative vote by shareholders at their 2026 annual general meetings.

The analyses will be published in advance of their general meetings. As in previous years, the FIR wishes **to commend the efforts of companies that contribute to improving shareholder dialogue and encourages companies to renew the Say on Climate exercise annually**.

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Net Zero 2050 ambition

Aim to achieve net zero across the entire value chain by 2050 by offsetting all residual emissions through carbon sequestration activities.

Reference scenario(s) used

The company's long-term decarbonisation targets have been validated by the SBTi as being aligned with the 1.5°C target across all three scopes. In the medium term, validation is in line with the 1.5°C target for Scopes 1 and 2.

▷ United Utilities also refers to an "accelerated pathway" that is less ambitious than the SBTi's NZ scenario.

Current GHG emissions (2025 vs 2024)

United Utilities has applied new reporting methods, resulting in a significant increase in attributed emissions under Scopes 1 and 3 compared with last year.

SCOPE 1	SCOPE 2 (Market-based)*	SCOPE 3
368,300 tCO ₂ eq (vs 124,340) 33%	170,771 tCO ₂ eq (vs 78) 15%	590,950 tCO ₂ eq (vs 435,343) 52%

▷ The significant increase in Scope 2 emissions under the market-based methodology compared with last year, as well as the fact that this figure is higher than that under the location-based methodology (125,232 tCO₂eq), are not explained

▷ The company has seen its total carbon emissions rise since last year, even when using the same methodology, without this increase being clearly explained (total emissions in market-based for 2025/2026 using the same methodology: 832,621 tCO₂eq vs total emissions in market-based for 2024/2025: 559,761 tCO₂eq)

Short-term GHG emissions reduction target (before 2030)

▷ No specific interim targets disclosed for the period between 2025 and 2030

Medium-term GHG emissions reduction target (between 2030 and 2040)

2030 targets (vs 2020) validated by SBTi, aligned with the 1.5°C goal for Scopes 1 & 2:

- 42% absolute reduction in Scope 1 & 2 emissions.
- A 25% absolute reduction in Scope 3 emissions.

▷ The SBTi Scope 3 target for 2030 excludes the capital goods category, which accounts for 22.5 of Scope 3 emissions and 11.7 of total emissions in 2025/2026

Long-term GHG emissions reduction target (2050 or earlier)

2050 target (vs 2020) validated by the SBTi, aligned with the 1.5°C goal:

- A 90% reduction in absolute carbon emissions across Scopes 1, 2 and 3, with residual emissions offset.

Measures in the action plan

The various measures in the action plan are based on a transition plan comprising three pillars (Reduce, Transform and Offset) with targets for 2035 and 2050.

2035:

-Reduce: Strengthen energy management, gradually electrify the fleet, expand the use of renewable fuels (biogas, HVO) and increase the share of renewable electricity.

-Transform: Deploy technologies to reduce N₂O and methane emissions (32% of GHG emissions), integrate carbon considerations into investment decisions and adopt wastewater treatment processes with lower emissions.

-Offset: Restore peatlands and create forests, increase biomethane production, engage suppliers in low-carbon solutions and reduce the carbon footprint of chemicals.

*Location-based: 125,232 tCO₂eq (vs 140,878)

Next slide →

Caption:
○ All criteria for achieving full marks have been met, but suggestions for improvement regarding transparency
▷ Shortcomings preventing the award of full marks

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2050:

- Reduce: Develop resource recovery (phosphorus, ammonia, cellulose), optimise transport through digital technology, roll out low-carbon fuels and maximise biogas production.
- Transform: Use predictive modelling and new technologies to reduce emissions, roll out low-carbon building materials and develop nature-based solutions.
- Offset: Recover heat from sewerage networks, develop carbon capture and storage, strengthen low-carbon requirements in the supply chain and recover value from sewage sludge through the extraction of biopolymers.

- ▷ Lack of quantification of the contribution of the levers to the established targets
- ▷ No quantified targets for the various levers identified

● Alignment of CAPEX and OPEX investments

European Taxonomy:

100% of eligible CAPEX

99% of CAPEX aligned with the £1.5 billion CAPEX target for 2026. CAPEX forecast of £2 billions for 2027.

Investments primarily in the following areas: water supply, wastewater treatment, bioresources.

- ▷ Lack of information on investments made specifically for the company's decarbonisation

● Remuneration

Remuneration of the Chief Executive:

10% of the 2025 long-term remuneration, based on a criterion linked to carbon emissions reduction.

Target for 100% achievement: 25% (or more) of the energy consumed by United Utilities Group PLC comes from low-carbon sources.

The company has indicated that 24.1% of its energy consumption will come from low-carbon sources in 2025/26.

- ▷ No remuneration criterion relating to absolute emissions reductions; the criterion is based solely on long-term performance

● Annual advisory vote on implementation

No information.

● Consultative vote on strategy every three years

No commitment, but the climate strategy has already been put to a vote in 2022.

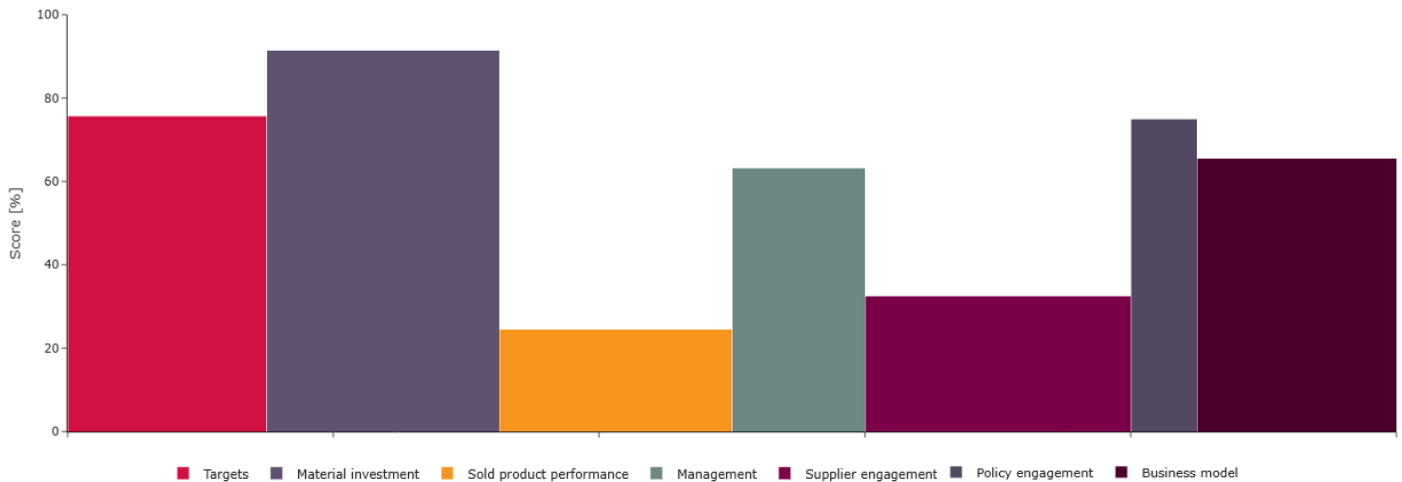
Caption:

- All the criteria for achieving full marks have been met, but suggestions for improvement regarding transparency
- ▷ Shortcomings preventing the award of full marks


PERFORMANCE SCORE
58%
NARRATIVE SCORE

 A B **C** D E

TREND SCORE

Generic ACT methodology

Transition plan assessment criteria
Performance score

- 1. Targets:** The company's SBTi validated near- and long-term targets are aligned with a 1.5°C scenario, but the company is not on track to achieve its scope 3 targets as emissions increased since the 2019 baseline.
- 2. Material investment:** 99% of the company's Capex is aligned with the EU Taxonomy regarding the efficiency of its water and wastewater management systems as well as anaerobic digestion of sewage sludge process. Scope 1 and 2 emissions decreased in recent years (using previous method significantly underestimating process and fugitive emissions).
- 4. Performance of products sold:** The company reports various actions and interventions on its upstream scope 3 emissions such as chemical free cleaning systems and LowCast cement demo project. However, most interventions are still early stage and no expected emissions reductions are formulated. In addition, scope 3 emissions increased by more than 25% since the 2019 baseline.
- 5. Management:** Robust climate governance is implemented but the Board of directors and CEO lack specific climate expertise. The company's transition plan and management incentives are in place to implement the strategy, while scenario testing and an internal carbon price drive financial decisions.
- 6/7. Value chain engagement:** The company has a collaborative approach with its suppliers and reports several initiatives but lacks hard requirements in the selection process.
- 8. Public commitment:** The company publicly supports international commitments and co-chair the Water UK carbon network. However, the company does not publish a political engagement policy and corresponding review process and action plan.
- 9. Business model:** The company reports 89% of EU Taxonomy-aligned revenues in 2025. However, the only new business model generating revenues and scheduled to grow is the use of organic matter from wastewater treatment to generate energy (anaerobic digestion).

Climate consistency (narrative score): The company shows genuine climate ambition, but significant uncertainties remain in its transition plan. Consistency and credibility is affected by data restatements and unresolved pollution and regulatory controversies. Its profitability stays structurally tied to an energy-intensive core business with little diversification in low-carbon business models.

Trend score: The trend is positive for the company, which is showing strong climate ambition and is organising a 'Say on Climate' vote for the second time to approve its strategy.

Areas for improvement identified:

- **United Utilities should further develop its transition plan by estimating expected reductions of planned actions and identify remaining gaps.**
- **United Utilities should incorporate hard requirements in its suppliers' selection process and embed climate-related criteria in all its financial decisions.**
- **United Utilities should develop new low-carbon business models to reduce its dependence on carbon intensive processes, such as nutrient recovery from sludge, biomethane to grid, or nature-based solutions for water quality.**

SAY ON CLIMATE 2026 EVALUATION GRID

Based on monitoring of FIR recommendations

Net zero ambition for 2050	Whether the ambition to contribute to carbon neutrality by 2050 has been declared and clear explanations provided on how to achieve this neutrality The level of negative emissions is limited	The ambition to contribute to carbon neutrality by 2050 is stated and explanations on how to achieve this neutrality are clear. The level of negative emissions is high or unclear.	Ambition declared but very unclear on how the company intends to achieve carbon neutrality (no long-term targets, targets set are not credible, heavy reliance on offsetting, etc.) or no stated ambition for carbon neutrality by 2050.
Reference scenarios used	The company positions its climate strategy in relation to a 1.5°C warming scenario across all scopes and in the medium and long term	The company uses a reference scenario limiting warming to between 2°C and 1.5°C or 1.5°C for only part of its scope or only in the medium or long term	No reference scenario explicitly mentioned or the scenario(s) is/are not used to define the strategy
Current GHG emissions	Disclosure of greenhouse gas emissions in absolute terms; breakdown by scope; reduction in absolute emissions over the last three years	Insufficiently detailed publication of absolute greenhouse gas emissions disclosure or no justification for the increase in absolute emissions over the last three years	Absence of public data or if the upward trend in emissions intensity and absolute emissions is poorly justified or not justified at all
Short-term GHG emissions reduction target	Whether the quantified emission reduction targets before 2030, expressed as a minimum in absolute terms, cover all three scopes and are set in relation to the company's 1.5°C alignment trajectory. This trajectory has been scientifically validated.	If the quantified emission reduction targets before 2030 do not cover the majority of the company's activities, or if these targets cover all activities but are on a trajectory between 2°C and 1.5°C.	No short-term quantified emission reduction targets or unambitious short-term targets (reference year too distant, no absolute reduction, not scientifically validated, etc.)
Medium-term GHG emissions reduction target	If the quantified emission reduction targets for 2030, expressed as a minimum in absolute terms, cover all three scopes and are aligned with a 1.5°C scenario. This trajectory has been scientifically validated.	If the quantified emission reduction targets for 2030 do not cover the majority of the company's activities, or if these targets cover all activities but are on a trajectory between 2°C and 1.5°C.	No quantified medium-term emissions reduction targets or unambitious medium-term targets (reference year too distant, no absolute reduction, not scientifically validated, etc.)
Long-term GHG emissions reduction target	If the quantified emission reduction targets for 2050 or earlier, expressed as a minimum in absolute terms, cover all three scopes and are set in relation to the company's 1.5°C alignment trajectory. This trajectory has been scientifically validated.	If the quantified emission reduction targets for 2050 or earlier do not cover the majority of the company's activities, or if these targets cover all activities but are on a trajectory between 2°C and 1.5°C.	No quantified long-term emission reduction targets or unambitious long-term targets (reference year too distant, no absolute reduction, not scientifically validated, etc.)
Action plan measures	Detailed measures for each scope of the company with a sufficient level of detail, including short- and medium-term figures, enabling the alignment of this plan with the objectives set to be assessed.	Detailed measures for each scope of the company, but with insufficient detail to assess the level of alignment with the objectives set. (insufficient quantitative measures in particular).	Measures with little or no detail.
Alignment of investments (OPEX/CAPEX)	Details the share of investments (OPEX and CAPEX) that contribute to meeting short- and medium-term objectives and explains how these investments enable the objectives to be achieved.	The information provided on the contribution of investments to meeting the objectives set does not make it possible to understand how the company is achieving the objectives set	No investments contributing to the achievement of the stated objectives
Remuneration	All variable components of executive compensation include at least one criterion that assesses the achievement of greenhouse gas emission reduction targets. The percentage of compensation determined by this criterion is published; it represents a significant portion (10% or more). (10% or more).	At least part of the variable portion of executive compensation is subject to an undiluted criterion for reducing greenhouse gas emissions in line with the reduction trajectory defined by the company.	The criterion integrated into the remuneration of corporate officers related to the reduction of greenhouse gas emissions is diluted or does not follow the reduction trajectory defined by the company. Or absence of a criterion linked to the reduction of greenhouse gas emissions in executive compensation.
Annual consultation on implementation	The company undertakes to consult shareholders annually on the implementation of the climate strategy.	The company undertakes to consult shareholders on the implementation of the climate strategy in the coming years or consults for the second consecutive year or more	The company does not commit to consulting shareholders on the implementation of its climate strategy
Consultation every three years on the strategy	The company commits to consulting shareholders on its climate strategy at least every three years.	The company commits to consulting shareholders on its climate strategy in the coming years or consults for the second consecutive year or more	The company does not commit to consulting shareholders on its climate strategy

ACT METHODOLOGY

→ IT'S TIME TO ACT

WHAT IS ACT ?

A joint voluntary initiative of the UNFCCC secretariat Global Climate Agenda.

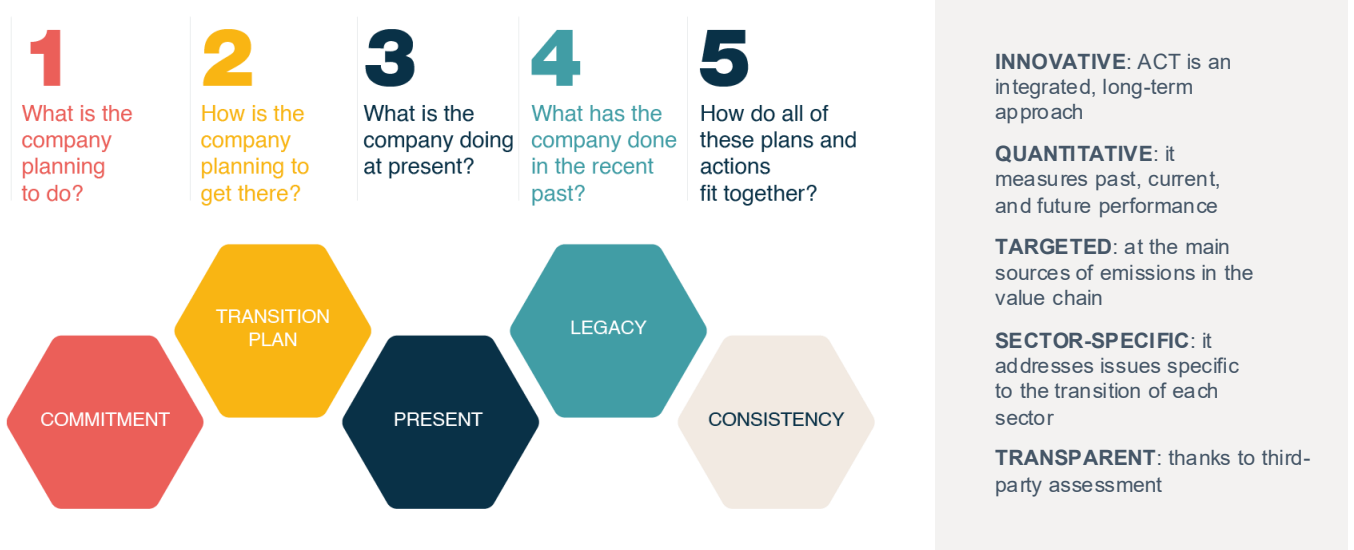
WHY ACT ?

Drive climate action by companies and align their strategies with low-carbon pathways.

HOW DOES ACT WORK ?

ACT provides sectoral methodologies as an accountability framework to assess how companies' strategies and actions contribute to the Paris mitigation goals.

FRAMEWORK



ACT ASSESSMENT

ACT ASSESSMENT

For what purpose?
Credibly measure the contribution to the net-zero objective in relation to sectoral low-carbon trajectories.

For whom?
Companies with science-based objectives and/or a transition plan ready for assessment



ACT METHODOLOGY

Generic Sector

All the components of the ACT methodology for the Generic sector can be found on [its website](#). The detailed assessment is summarized by a score based on three criteria: performance, overall consistency, and trend. It takes the following form:

- **Performance:** score between 0 and 100
- **Evaluation (consistency):** letter between A and E
- **Trend:** + (improvement), - (deterioration), = (stable)

Module	Indicator
1. Targets	1.1 Alignment of Scope 1 and 2 emissions reduction targets
	1.2 Alignment of upstream Scope 3 emission reduction targets
	1.3 Alignment of Scope 3 downstream emission reduction targets
	1.4 Time horizon for targets
	1.5 Historical target and company performance
2. Material investment	2.1 Past emissions trajectory
	2.2 Future emissions trajectory
	2.3 Share of capital expenditure (CAPEX) dedicated to the transition
3. Intangible investment	3.1 R&D investment dedicated to technologies that mitigate climate change
	3.2 Patenting activity related to transition activities
4. Performance of products sold	4.1 Interventions on products and services
	4.2 Past performance trends for products/services
5. Management	5.1 Oversight of climate change issues
	5.2 Capacity to monitor climate change
	5.3 Status of transition plan
	5.4 Incentives for climate change management
	5.5 Climate change scenario testing
6. Suppliers	6.1 Strategy to encourage suppliers to reduce their greenhouse gas emissions
	6.2 Activities to encourage suppliers to reduce their GHG emissions
7. Customers	7.1 Strategy to influence customer behavior to reduce greenhouse gas emissions
	7.2 Activities to encourage customers to reduce their GHG emissions
8. Engagement policy	8.1 Company policy on engagement with professional associations
	8.2 Supported professional associations do not engage in activities or take positions that are detrimental to the climate
	8.3 Positioning on important climate policies
	8.4 Collaboration with local public authorities
9. Business model	9.1 Revenue from low-carbon products
	9.2 Changes in the business model

Evaluation score

1. Business model and strategy
2. Consistency and credibility
3. Data quality
4. Reputation
5. Risks

Trend score

1. Probability of change in emissions
2. Changes in business model and strategy

Disclaimer:

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Furthermore, the information and assessments contained in this document reflect a judgement at the time these assessments were made and do not guarantee that the company's most recent information has been taken into account, as such information may have been published between the time of the assessment and the publication or consultation of this document.