

Case study

SUEZ



Energy efficiency & renewable energy
Low-carbon products
Emissions reductions



GICS SECTOR Utilities

ANNUAL REVENUE US \$16,799,980,000¹

Emissions reduction target ²	Absolute target—by 2030, 30% reduction of Scope 1 and 2 emissions from 2014 baseline.	
Reported emissions (2015)	Scope 1	6,364,728 metric tons CO ₂ e
	Scope 2	1,790,762 metric tons CO ₂ e
Baseline emissions (2014)	Scope 1	6,086,997 metric tons CO ₂ e
	Scope 2	1,796,765 metric tons CO ₂ e

Within its 2015–2030 climate roadmap, SUEZ announced a new business strategy that prioritizes actions that will enable the business to mitigate the causes and adapt to the consequences of climate disruption. SUEZ has set a target of 30% reduction of Scope 1 and Scope 2 combined emissions by 2030, using its 2014 emissions as a baseline, as well as an objective to reach 60 million metric tons of CO₂ avoided for its customers on the 2015–2020 period through waste and wastewater recovery.

The company notes that a central component of its environmental commitments is support for a reliable external price on carbon, which it says will “reinforce the market of recycled products and accelerate the development of waste treatment activities in developing countries”. Additionally, SUEZ has adopted an internal price on carbon this year.

From now on, SUEZ committed to take into account carbon pricing signals within its investment decisions and its research and development programs to accelerate the implementation of circular economy, the only model of growth which can structurally reduce greenhouse gases emissions.

Jean-Louis Chaussade, CEO

SUEZ reports that it will use a price on carbon in three ways. One price will apply to capital investment decisions to “bring GHG emissions performance as a concrete criterion in project investments, increasing long-term profitability of low-carbon solutions.” Another (significantly

higher) price will help orient research and development towards less carbon-intensive technologies. A third approach will consist of systematically measuring the performance of the company’s low-carbon products and services and calculating the associated “carbon goodwill,” in order to demonstrate their benefits compared to alternatives. This way, SUEZ believes that it can incentivize clients to choose low-carbon options by revealing cost savings and GHG emissions avoided or reduced and thus help them to achieve their mandatory or voluntary carbon commitments.

While at the group-level the internal price on carbon is a new innovation, some parts of SUEZ’s businesses have employed this tool for some time. SUEZ notes that in the case of Bristol Water, it has helped the company to navigate the United Kingdom’s Carbon Reduction Commitment, which applies a carbon tax of £16 per metric ton CO₂e. Using an internal carbon price has helped Bristol Water to manage and reduce its carbon tax bill by prioritizing investments that reduce energy use. SUEZ says that the price is also linked to Bristol Water’s goal to reduce its emissions by 75% by 2040. To meet this target, the company uses a shadow price of carbon to drive investments in low-carbon technologies. For example, it led to the decision to install new water pumps that offer superior energy performance. The price improved the return on investment that could be realized as a result of making the investment. ▾

¹ All annual revenue in USD, 2016 disclosure year. Retrieved September 15, 2016 from Bloomberg terminal.

² Companies may have other emissions reduction targets in addition to those listed in these studies.