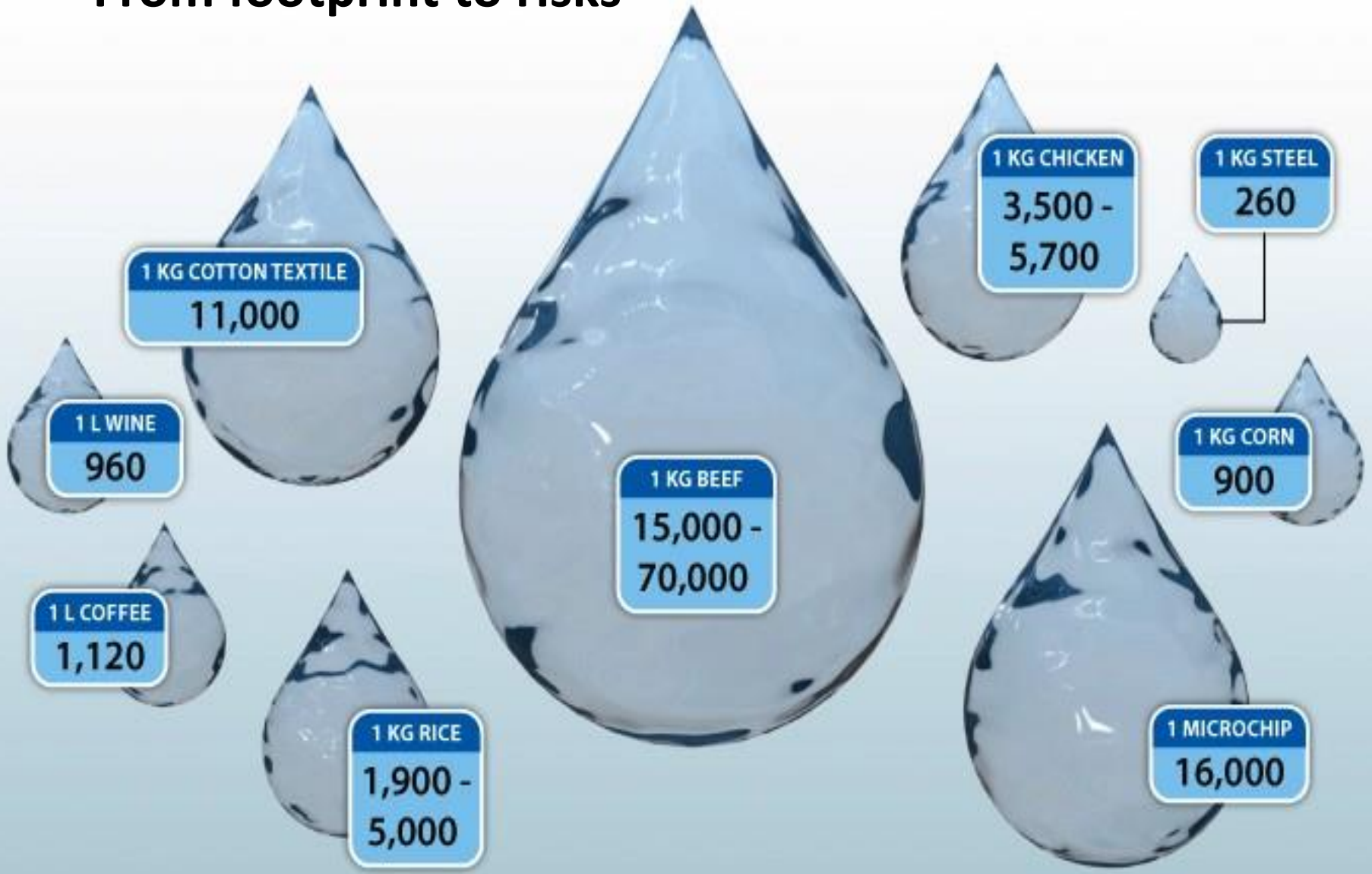
Water Stewardship: Some experiences

Aug 20, 2014

suresh@wwfindia.net

www.wwfindia.org

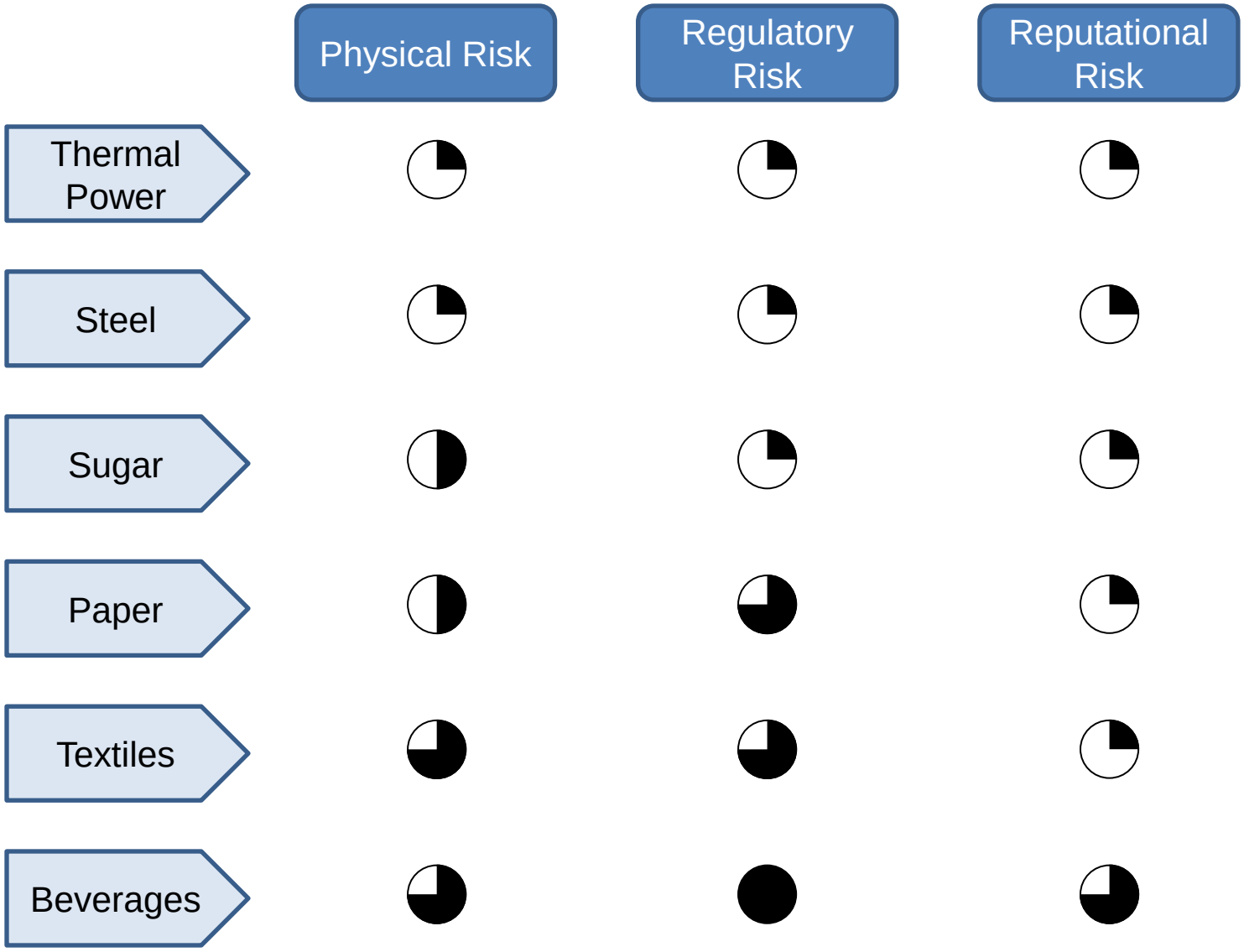
From footprint to risks



These risks can be both internal (related to company's operations and supply chain) and external (related to the basin)

	Physical Risk	**Regulatory Risk**	**Reputational risk**
Basin Risk (Linked to location)	Water quantity (scarcity, flooding, droughts) and quality (pollution) within the river basin and the impact these might have on society and environment	Strength and enforcement of water regulations and the consequences of restrictions by public institutions. Either felt through direct regulatory action or from neglect or failure	Perceptions around water use, pollution and behavior that may have negative impact on the company brand and influence purchasing decisions.
Industry Risk (Linked to company behavior)	Water quantity and quality issue related to the performance of company and its supply chain	The potential for changes in pricing, supply, rights, standards and license to operate for a particular company or sector	When the actions of the company are poorly executed, understood or communicated to local stakeholders and where perceptions and brand suffer as a consequence

India water risk perception (2013)



Mitigating shared risks through collaborative actions

Shared Risks

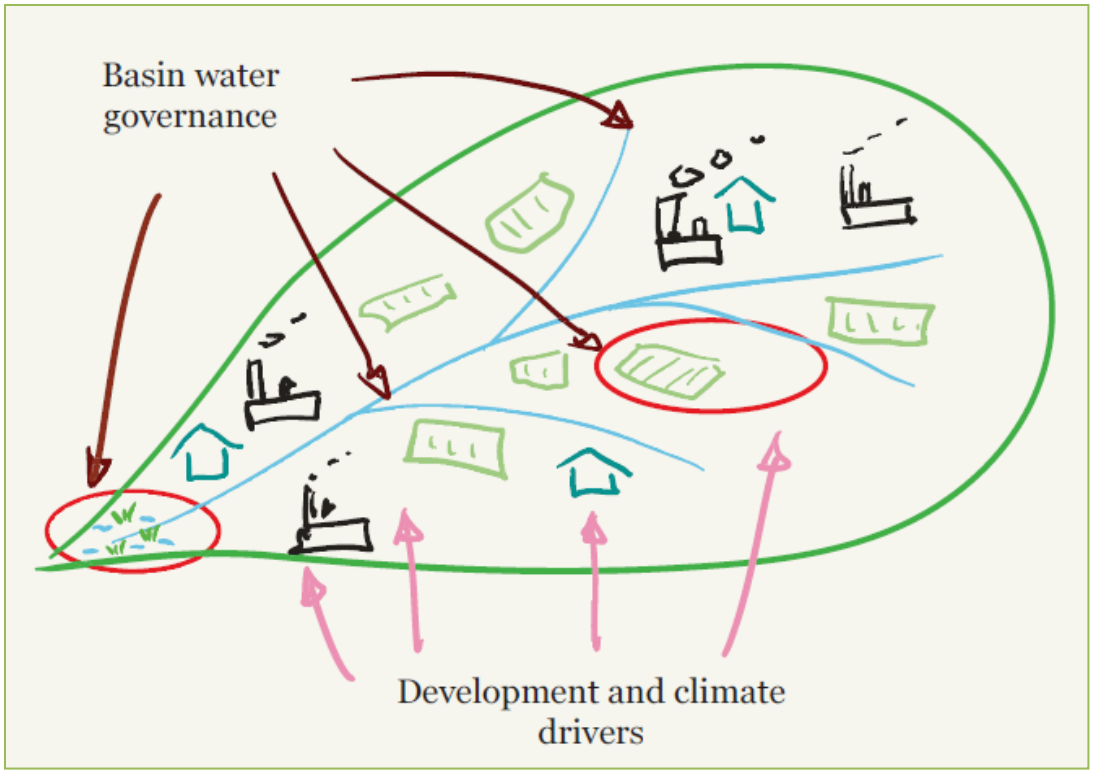
BUSINESS
- Physical (direct operations & supply chain; competing water uses)
- Regulatory (water rights, stricter norms & increasing price)
- Reputational (stakeholder perceptions, litigations etc)

GOVERNMENT
- Physical (Water Security; allocation in the light of competing water uses)
- Institutional challenges
- Political (managing tradeoffs)
- Ecosystem health

COMMUNITY & ECOLOGY
- Physical (water scarcity, pollution)
- Equity and access (water rights)
- Ecology and livelihoods

Shared Concerns:

- Water rights and equity
- Sustainability & ecosystem health
- Economic imperatives /livelihoods
- Institutions for collective action



Water Stewardship

A PROGRESSION from increased water efficiency use and a reduction in the water-related impacts of internal and value chain operations

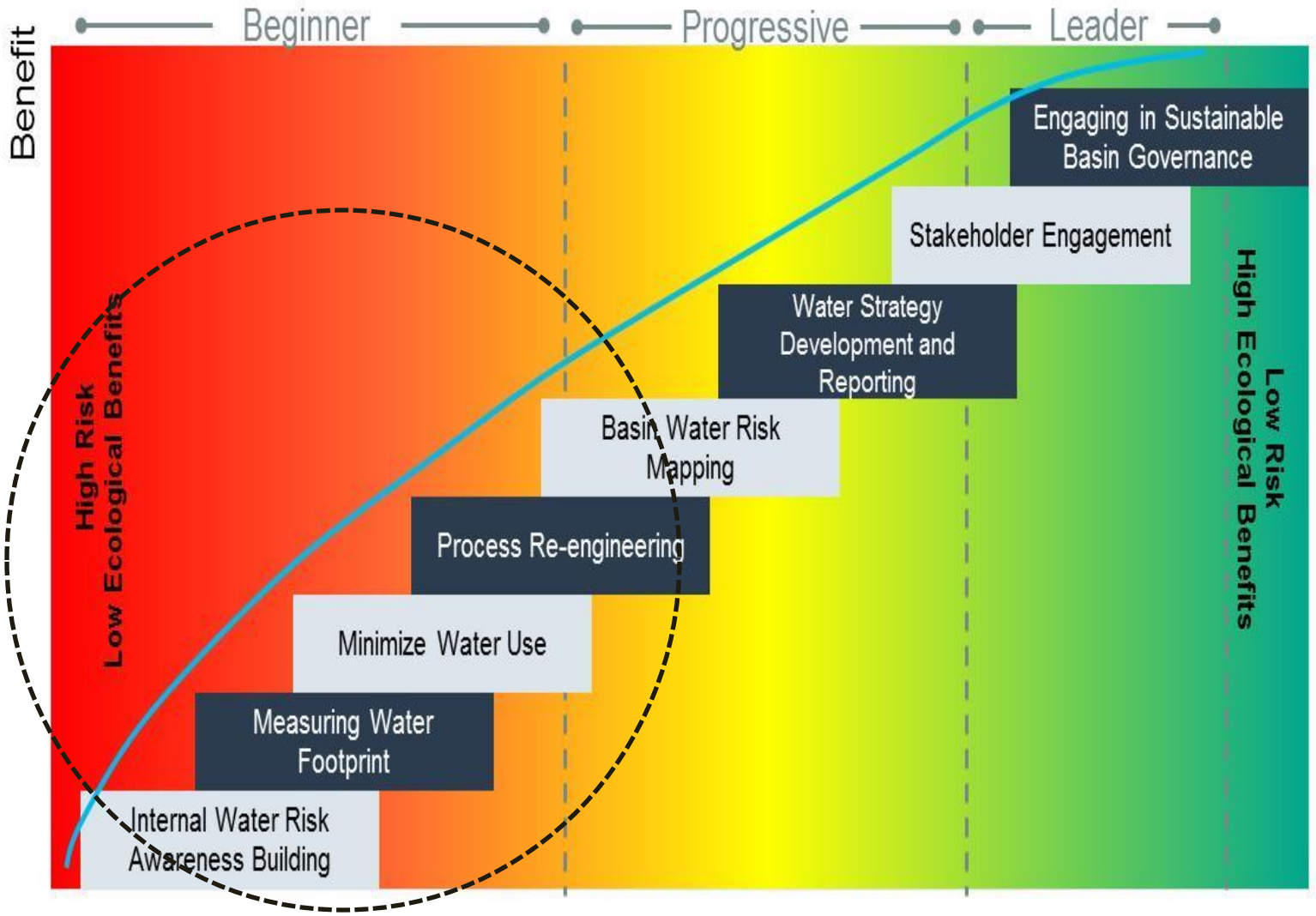
To

A COMMITMENT to the sustainable management of shared water resources in the public interest

&

COLLECTIVE ACTION with other businesses, governments, NGOs and communities

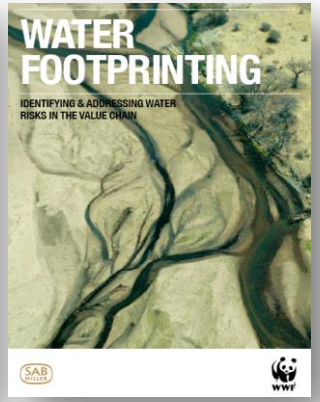
Water Stewardship journey



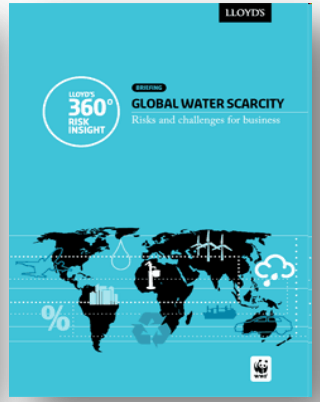
Knowledge products

Business Risk

Water Footprint

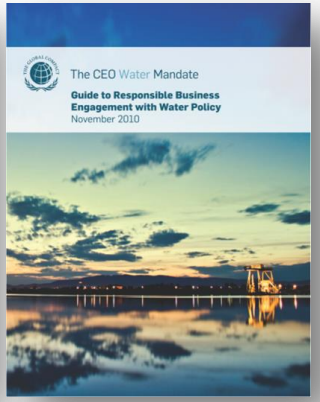


Insurance Risk

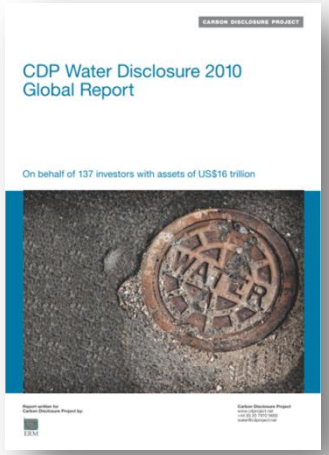


Agriculture

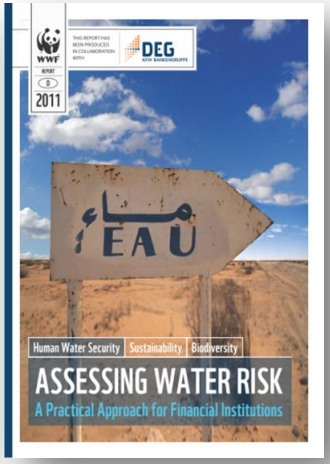
Public Policy



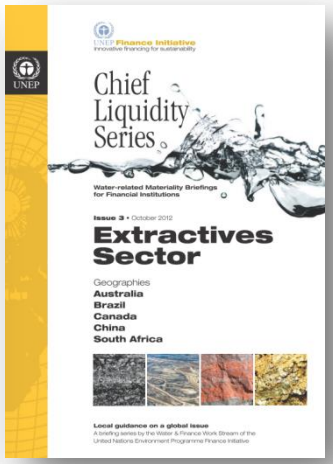
Disclosure



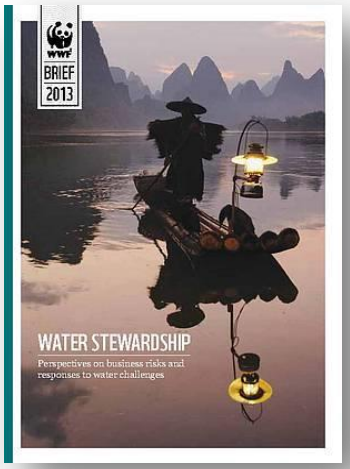
Investor Risk



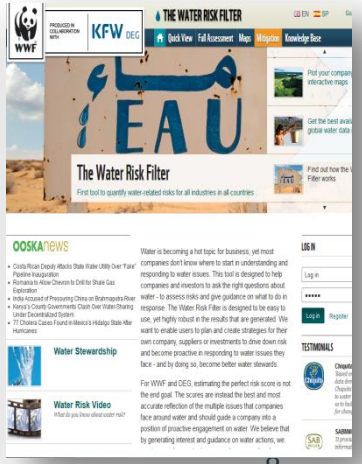
Mining Risk



Stewardship



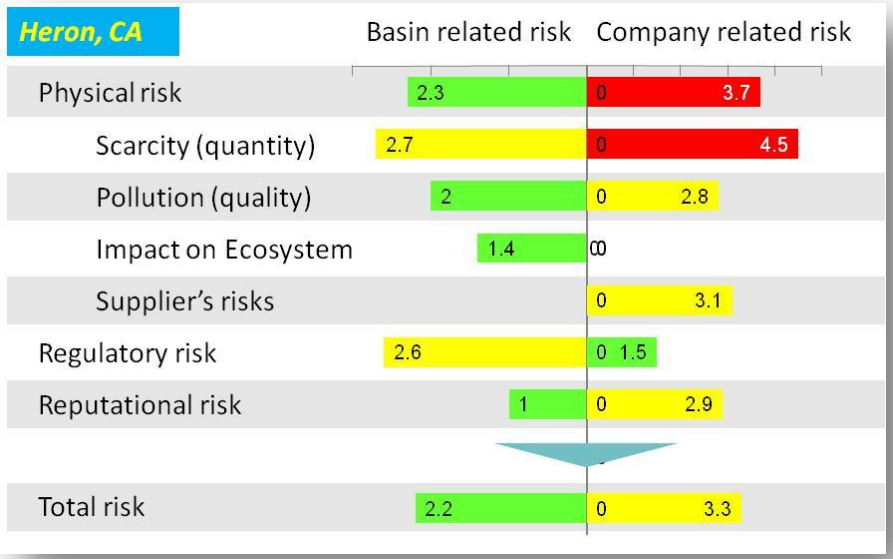
Water Risk Filter

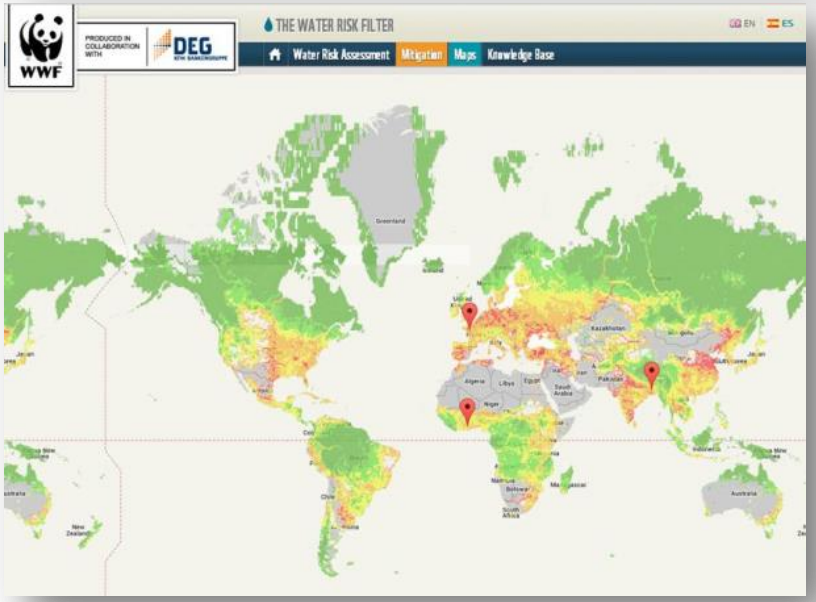


PRODUCED IN COLLABORATION WITH

THE WATER RISK FILTER

waterriskfilter.org





- Start of risk strategy
- 50,000 assessed facilities
- Mitigation options
- Risk screening for banks

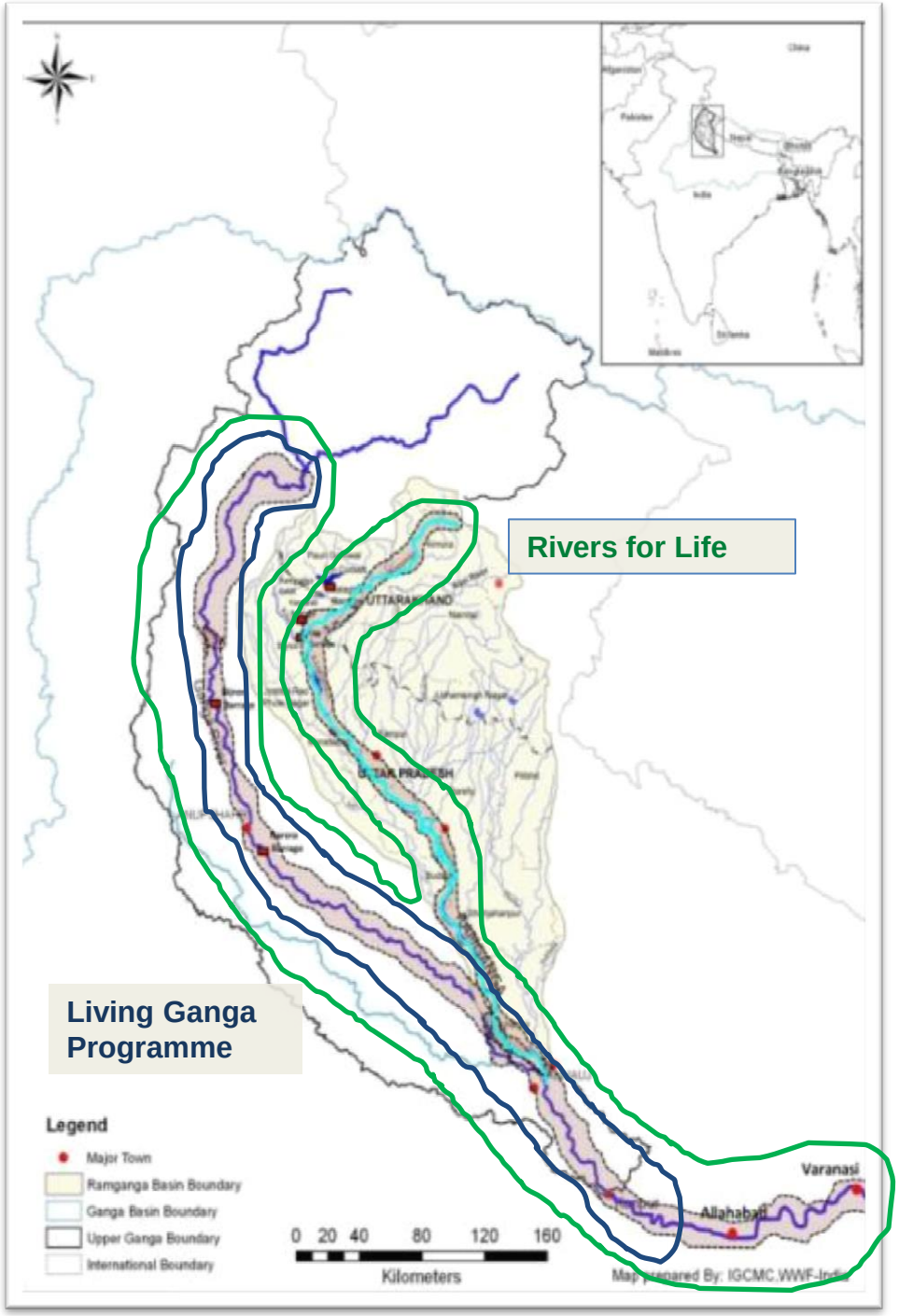
The Water Risk Filter covers all relevant water risk aspects that ultimately can have a financial impact

	~30 risk indicators **Basin related risk**	~60 risk indicators **Company related risk**
Physical risk		
Scarcity (quantity)	• (Monthly) scarcity • Groundwater • Climate change • Floods • Droughts	• Importance of and problems with water availability • Water withdrawals (not consumption!) • Water reuse/recycling
Pollution (quality)	• 9 pollution indicators	• Pollution by facility (incl. industry averages) • Treatment requirements • Quality measurements
Impact on Ecosystem	• Threat to freshwater biodiversity • Vulnerability of water ecosystems • Access to safe drinking water • Access to improved sanitation	
	• Dependence on hydropower	
Supplier's risks		• Water intensity of suppliers • Water pollution by suppliers
Regulatory risk	• Local / national water strategy • Sophistication of water regulation • Enforcement of regulation	• Legal compliance • Incidents / penalties
Reputational risk	• Local and global media coverage • Cultural/religious value of water	• Local and global media coverage • Stakeholder engagement • Internal governance and monitoring

Ganga basin

Ramganga sub-basin

Moradabad city: 1 million people, 100 mld sewage, 1200+ brass manufacturers +Ground water dependant irrigation



WWF

Water Programme | HSBC

Multi stakeholder platform-for collaborative action

Partnership with Moradabad District Administration, municipal corporation, industries and citizens

Key lessons

Differentiate footprint, water efficiency, offsets from water stewardship.

Assess risks: moving from my risks to our risks. Draw ing up mitigation plan to address shared risks at basin level, Vision for the basin

Need Water Stewardship projects at scale. Field test a framework to promote collaborative action

Broaden the discussion from sector- or business-specific. Businesses will need to engage with other stakeholders to work towards water security

Promoting local, national and international policies to support collaborative action

Healthy river

Healthy communities

Healthy businesses