

## CSR Leader's Circle

### Sustainable Water Management

### February 20th, 2013, Berlin

**Water has become a global key issue and its severe conditions are increasingly challenging for companies and their supply chains. Against this demanding background Systain invited on February 20th, 2013, to the first CSR Leader's Circle on "Sustainable Water Management - How companies need to adjust to a water-scarce world". During the event corporates discussed the risk that are to face and how operations and strategy need to be adapted to address water issues appropriately.**

#### Speakers and Guests

For this event Systain invited the following speakers:

<i><b>Company</b></i>	<i><b>Speaker</b></i>	<i><b>Subject</b></i>
• Nestlé	Carlo Galli	Specific measures taken by Nestlé to tackle Sustainable Water Management
• ACO	Michal Backovsky	Solutions for Sustainable Waste Water Management
• Coca Cola	Klaus Stadler	Relevance of watershed restoration and communal work as means for Sustainable Water Management
• Siemens	Ronald Neuhaus	The experience with establishing a water footprint
• CDP	Susan Dreyer	The issue of water scarcity becoming part of investors risk portfolios
• CSC	Daniela Jacob	The global scale of climate change and the necessity to act locally
• GIZ	Robin Farrington	Water futures partnership as a means to reduce shared water risks
• WWF	Jochem Verberne	The value of Water Stewardship Programmes and their efficaciousness

Among the audience were international guests contributing to the lively discussions.



In total 70 guests and including representatives from Adidas, Dow Chemical, s.Oliver, Beiersdorf, Otto Group, Osram, Mettler Toledo, Volkswagen, Evonik, Merck, Nestlé, Siemens a.o.

## Background

Even after decades of experience the issue of water stress remains high on the agenda. The figures look bad. By 2050 65% of the global population will live in regions that suffer from severe water stress, and climate change does its bit by altering precipitation patterns and showing much higher weather variability. Droughts and floods are the result. This does already affect companies and their operations all around the globe.

According to respondents to a risk survey conducted by the World Economic Forum, water stress has become the No. 1 global risk – alongside with food shortages. The WWF International highlights that 41% of humans today already live in areas of severe water stress. 1 billion people lack access to safe drinking water and 2.6 billion don't have access to adequate sanitation services at all.

The populations of freshwater species are declining the fastest. 60% of the world's rivers that are longer than 1,000 km do not reach the sea anymore. The allocation of water sources becomes more aggressive due to increasing prices and the potential of conflict is rising.

## Systain CSR Leader's Circle – Sustainable Water Management

Given the importance of water stress for many global and local business operations, it is no surprise that water footprinting (as analogue to carbon footprinting) is on the rise. Companies want to know their impact, either to improve operations or to avoid risk. Several initiatives and programmes hosted by companies show that they are optimising their water efficiency, reducing pollution and engaging with their supply chains.

The key question however remains unanswered: What do companies need to do to tackle the issue of water stress and establish a sustainable water management?

Inspired by experience with our own clients and partners while quantifying their water footprint, Systain has made an effort to bring this question into the public arena. Representatives of both stakeholder organisations and companies were brought together at Systain's Berlin branch-office for an exclusive one-day CSR Leader's Circle on "Sustainable Water Management" to discuss their experience. The main objective of this intensive event was to offer a platform for exchange and learn more



about practical ways of tackling the issue – both from a business as well as a stakeholder perspective.

## Findings and Insights

In its basic layout this event was held in a world café format. The idea was to give everybody a chance to contribute to discussions and to have the chance to network at the same time.

During 8 world café workshops the participants exchanged views and experiences on: risks, supply chain management, consumer, society, nature, time frames, relations to the Greenhouse Gas Protocol (GHG) and regulation.

Among the audience the prevailing opinion that the issue of water stress and sustainable water management is plentiful. As such there is no singular answer to the question of what to do. Nevertheless, the participants agreed to the following key findings that serve as a great basis to further solutions:

- strong water events, as already experienced today, often result in immediate physical risks (such as flooding, heavy rain, strong winds etc.) having direct impacts on company operations
- although strong water events are usually addressed in a global context, risks resulting from them cause damages locally, which makes interventions particularly necessary on local grounds
- water stress appears to most affected parties rather indirectly in the supply chain, which makes it difficult for many companies to take immediate action
- introducing water-efficient products, however, does not necessarily imply higher costs
- water stress challenges differ significantly between industries
- agricultural activities are by far the biggest hot spot – even if hidden in the upper parts of any supply chain and not directly linked to a companies core business
- water stress issues have to be addressed in a collaborative manner, based on local rules rather than on international laws
- investors have added water scarcity as financial risk factor in the portfolio
- water stewardship programmes are a useful measure to promote public policies
- companies need a sustainable water management strategy (based on quantification to make it manageable)

## Acknowledgments

We would like to thank everybody for their support and contributions. We look forward to continue this challenging discourse.