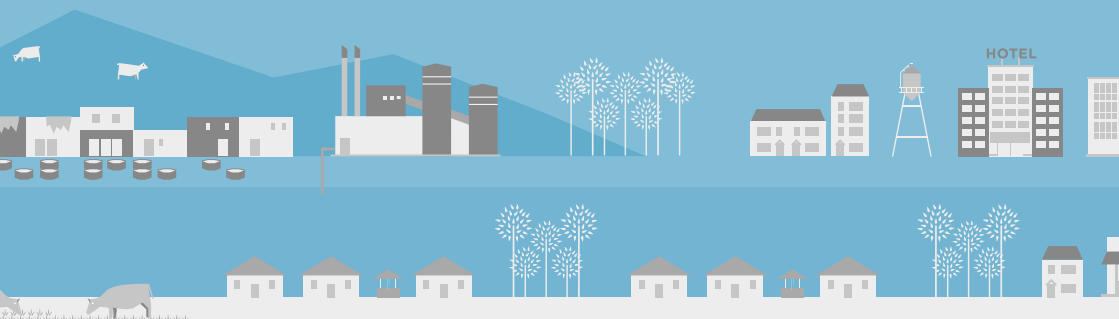




WATER IS EVERYBODY'S BUSINESS

A guide to understanding water risks
and how to mitigate them using
a water stewardship approach



GLOBALLY, OUR FRESHWATER
RESOURCES ARE UNDER THREAT...

80%

OF GLOBAL WASTEWATER
FLOWS UNTREATED BACK
INTO NATURE

AGRICULTURE USES
70% OF OUR GLOBAL
FRESHWATER
RESOURCES

GLOBALLY, 30% OF OUR LAND IS
DEGRADED AND IT COSTS THE WORLD
US\$300 BILLION
ANNUALLY

INTRODUCTION

Water may not be the first thing on your list to consider when you think about supply chain

resilience, but it should certainly be near the top. This booklet contains information and resources to help you recognise and understand the risk that poor water management poses to your business and directs you to resources and support to help you mitigate water risk and take action to become a strong water steward.

WITH THE RIGHT
APPROACH, BUSINESSES
CAN LEAD THE
WAY TOWARDS A
SUSTAINABLE FUTURE

Our global freshwater resources are in trouble, and water risks are becoming noticeable to more and more businesses and communities. The issue isn't just impacting on communities and business though; it's also having a huge impact on nature. Water plays an important role in the 2030 Agenda for Sustainable Development, not just through SDG 6 but as an underpinning factor in the achievement of many other goals. Water is a shared public good, so business use of water can impact on reputation and therefore sales and profits.

By working together, businesses and communities can turn things around, safeguarding water resources for everyone. The cost of inaction is great, but so too is the opportunity presented by taking a water stewardship approach. With the right approach, businesses can lead the way towards a sustainable future, where supply chains are resilient, communities thrive and our natural world is protected. Our water stewardship steps help businesses to take action. Read on to find out more.

INTERNAL ACTION

There are five key elements to a water stewardship approach, all of which should be revisited regularly. The first three stages of water stewardship focus around internal action and lay vital groundwork for a business to understand and take action on physical, regulatory and reputational water risk.

Physical water risk can be due to flooding, drought or pollution. Reputational water risks emerge when business activities are perceived to have had a negative impact on communities or the environment. Regulatory risks can arise from inconsistent implementation of existing water legislation or from new pieces of legislation which may be brought in to meet water management needs.

WATER AWARENESS:

Understanding water scarcity and quality challenges and how they might affect business is a critical starting point. It's essential to raise awareness with relevant staff across the organisation, including the CEO, senior management and the supply chain.

KNOWLEDGE OF IMPACT:

The next step is to get to grips with where water comes from and where waste water goes in both operations and the supply chain, and the impact this is having on the environment. This includes identifying the location of your operations and suppliers, as well as understanding which of these are located in high water risk hotspots. You might want to use our Water Risk Filter (waterriskfilter.panda.org) to undertake a risk assessment.

1. WATER AWARENESS

Companies, their suppliers and customers have an understanding of global water challenges and their dependence on freshwater.

2. KNOWLEDGE OF IMPACT

Companies have a detailed understanding of the impact they and their suppliers have on freshwater.

3. INTERNAL ACTION

Companies take action to optimise internal water governance, improve water efficiency and reduce pollution.

INTERNAL ACTION:

Internal action represents those areas where companies maintain a direct control, for example over operations and immediate suppliers. Tiers 2 and 3 suppliers may be harder to influence but this is often where the majority of the risk lies.

WATER STEWARDSHIP INVOLVES...

4. COLLECTIVE ACTION

Companies, communities, public sector and NGOs are engaged together in collective action to address issues.

5. INFLUENCING GOVERNANCE

Governments are incentivised and motivated to manage and invest in water basins in a sustainable way.

COLLECTIVE ACTION

Collective action is vital for a company to manage their water risks. It involves companies stepping beyond their own operations and those of their suppliers to engage a variety of other stakeholders to improve water management more widely.

THE ULTIMATE AIM OF COLLECTIVE ACTION IS TO STRENGTHEN WATER GOVERNANCE

In many cases, water-related risks originate from factors beyond a single company's control – for example the collective mismanagement of water resources in the catchment where a business or its suppliers operate. Mitigating these risks means collaborating with other businesses, government, NGOs, and communities to ensure that shared freshwater resources are managed sustainably. Collective action can happen at all scales, from influencing local water management to playing an active role in international action. The ultimate aim of any collective action project is to strengthen the way in which water resources are governed.

We have brought together key buyers of leather in India in a platform to enable them to collectively support improved tannery practices and advocate for more sustainable leather production across India. You can find out more about the Leather Buyers Platform on our [website](#).



INFLUENCING GOVERNANCE

Once improvements are made by businesses and other catchment water users, it is in their best interests to ensure these gains are locked in through strengthened governance (such as strengthened policy and legislation, formalised participation in governance, strengthened enforcement, etc.).

Businesses can support governments to improve the way water is managed for the benefit of all and at the same time, apply pressure on those lagging companies who continue to affect water risk. This can happen at many scales – from the local water user association to national or even international policy. Simply put, strong water governance means reduced water risks for business, and a more stable, predictable regulatory landscape.

ANY PARTNERSHIP OR PROJECT A COMPANY IS INVOLVED IN SHOULD AIM TO IMPROVE WATER GOVERNANCE

Any partnership or project a company is involved in should aim to improve water governance. Our South Africa office is running [a water stewardship project](#) in the Western Cape which is aiming to influence water governance at a catchment and national level.

Engaging in policy dialogues has an associated risk for companies when not paralleled with transparency, however working collectively and openly will mitigate this risk. The [CEO Water Mandate's Guide to Responsible Business Engagement with Water Policy](#) sets out five key principles that should guide company action.



TOOLS AND RESOURCES

If you'd like to find out more, or to talk about how WWF could help you take action to minimise

the risk your business faces from water, get in touch with us at WaterStewardship@wwf.org.uk.

There are lots of tools and resources available to help you on your water stewardship journey:

- [WWF's Water Risk Filter](#) is a free to use tool which helps businesses to map and understand water risks throughout their supply chains and direct operations.
- Our report, [From Risks to Resilience](#), guides businesses through our water stewardship approach, with suggested actions along the way.
- A joint report with M&S providing practical tips on embedding water stewardship across business, gathered during our 9 year partnership on water. [The Water Stewardship Journey for Business](#)
- We've also got lots of resources on our [WaterLIFE page](#), including [guidance for the food and drink industry](#) in England. WaterLIFE was a three year project that finished in June 2017 funded through the EU's LIFE+ Programme for the Environment. It was led by WWF-UK, The Rivers Trust and Westcountry Rivers Trust with a wide range of delivery stakeholders.

