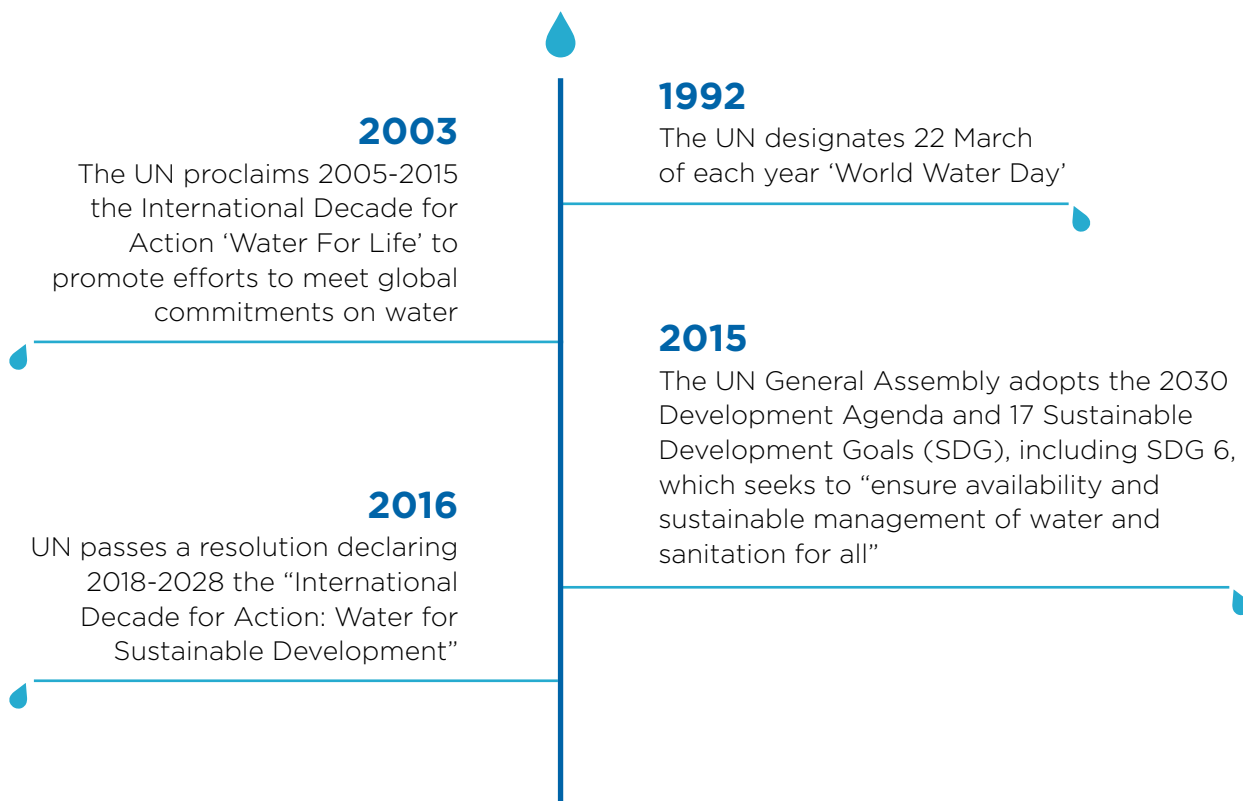


WATER AND BUSINESS

World Water Day—taking place each year on 22 March—is a unique opportunity for the international community to focus on the vital importance of water and to commit to taking collective action to ensure its conservation for future generations.

The United Nations (UN), and ICC, as an Observer at the UN General Assembly, have a historic commitment to help ensure access to safe water resources and sanitation. This objective is now enshrined in the 2030 Agenda for Sustainable Development, in UN Global Goal six (SDG6): “Ensure availability and sustainable management of water and sanitation for all”.

UN TIMELINE



WATER STEWARDSHIP

For the private sector, engaging in sustainable water stewardship is both vital to continuing business operations and integral to responsible business conduct. Every business depends on and impacts water resources.

According to the UN's 2018 World Water Development Report, "an estimated 3.6 billion people live in areas that are potentially water-scarce at least one month per year, and this population could increase to some 4.8–5.7 billion by 2050."¹ The same study illustrates that flooding and drought are occurring at an increased frequency. "The number of people at risk from floods is projected to rise from 1.2 billion today to around 1.6 billion in 2050 (nearly 20% of the world's population). The population currently affected by land degradation/desertification and drought is estimated at 1.8 billion people, making this the most significant category of 'natural disaster'..."²

At the same time, demand for water is growing, and at a rate that is projected to increase significantly. According to the Organisation for Economic Cooperation and Development (OECD), water demand will increase 55% by 2050³. With water scarcity, drought and flooding on the rise, the consequences for global economic growth and development are potentially devastating.

In the World Economic Forum's surveys of nearly 1,000 international experts and decision-makers, "water crises" has been selected as one of the top five global risks in terms of impact every year since 2015⁴. Businesses that are not yet doing so will increasingly need to understand and manage the operational risk due to water scarcity, drought and flooding.

OPPORTUNITIES FOR SUSTAINABLE GROWTH

With both water demand and scarcity rising, it is clear that we must collectively do more with less, increasing water productivity with new technologies and implementing better sustainable water management systems. This twenty-first century challenge also represents an immense opportunity for companies to unlock new avenues of growth by aligning business models to a critical sustainable development objective.

One McKinsey&Company study estimates that US\$50-60 billion is needed annually to close the water gap and ensure that no one is left behind. The same study shows that investments in water projects generally yield positive returns in just three years⁵. Business has a clear opportunity to invest in water projects and innovative technologies.

WHAT BUSINESS IS DOING

The business sector is essential for the effective implementation of SDG6. Many companies are already taking action towards sustainable water stewardship:

Tata Consultancy Services (TCS) aims to achieve water neutrality by 2020 through greater efficiency and rainwater harvesting. TCS is redesigning its offices and campuses to implement water-efficient fixtures while using cutting edge technologies to treat sewage, which is then recycled at a rate of 100% for use in cooling towers, flush tanks and irrigation.

1 UN Water (2018), World Water Development Report 2018

2 UN Water (2018), World Water Development Report 2018

3 OECD (2012), Environmental Outlook to 2050: The Consequences of Inaction

4 World Economic Forum (2018), The Global Risks Report 2018

5 Boccaletti, Grobbel & Stuchtey (2009), 'The business opportunity in water conservation', McKinsey Quarterly

The Siam Cement Group (SGS) uses state of the art technology for its pulp and paper production process that reduces water consumption by 1 million cubic metres per year. To further increase water productivity, SGS reuses this treated wastewater at its chemical plant.

Imagine H2O is a non-profit organisation that provides water entrepreneurs with the resources, insight and visibility to launch and scale successful businesses. To date, the Imagine H2O Accelerator has helped over 80 innovative water companies win customers and receive more than US\$1 in every US\$10 of early stage investment in the water sector.

Mesofilter Inc has developed a new paper filter—“Mesopaper”—that traps viruses, heavy metals and other harmful chemicals found in water through low-cost, one-step filtration technology. Under 0.1 square metres of Mesopaper can purify over 37 litres of water with no wastewater or hazardous by-products.

Novozymes saved around 73,000 cubic metres of water through process optimisation and other projects—and is investing US\$12.4 million to increase wastewater treatment capacity—at its production site in Kalundborg, Denmark in 2017. Its ‘HelloScience’ initiative focuses on employing science to solve some of the world’s water challenges alongside UNICEF, Grundfos and hundreds of other global collaborators.

Unilever has committed to cutting water use by 39% per tonne of production by 2020. The programme makes use of new technologies, educational campaigns for employees and waterless solutions like vacuum pumps, steam-less heating systems and non-evaporative cooling systems.

ICC, as the world business organisation, works to promote sustainable economic growth and responsible business conduct including maximising resource efficiency. To further help companies place sustainability at the heart of their business plans, the [ICC Business Charter for Sustainable Development](#) has been developed. The charter offers practical guidelines on a range of operational issues, such as global value chains, transparency in communications and reporting, and inclusive economic growth and improvement. The framework makes the case for sustainability as a key driver of competitiveness in today’s economy.

CONCRETE STEPS TOWARDS DEVELOPMENT

As an essential building block for life, water has a fundamental shared nature—supporting economic, social and human development. This unique nature means that all stakeholders must be involved in devising models of responsible water stewardship. Governments have a central role in enabling greater water conservation and productivity but business must also work with governments and other stakeholders to ensure the availability of safe water resources and sustainable management of water and sanitation for all.

ICC has three recommended principles for public authorities to fully leverage the expertise and resources of the private sector in this collective challenge:

- 1. Set a course:** Business investment demands a degree of certainty, not just on sectoral regulations but on governments’ long-term policy goals and the approach that will be employed to drive all stakeholders in the same direction.
- 2. Foster inclusion:** Water is vital for all, including business. In order to take full advantage of the potential that more sustainable water stewardship holds for jobs, scientific innovation and economic growth, the private sector should be included in dialogues throughout the policy process, from conception to implementation.
- 3. Build a holistic policy framework:** Water stewardship and water reserves are deeply affected by other international trends, such as climate change and human conflict. Solutions to meet SDG6 must be both global and local in nature and must take place in tandem with multilateral and rules-based systems that foster a peaceful, inclusive, and sustainable global economy.