

## Why act now

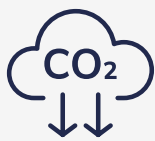
# The business case for water action

If your organisation is not conserving water as an integral part of its race to net zero, its progress will, quite simply, be impeded.

There has never been a more crucial time for businesses to re-evaluate their approach to water and wastewater management. Those that have are seeing demonstrable benefits in efficiency and cost-savings in the short-term, but crucially, they are also protecting the long-term future of their organisation.

The business case for integrating water into sustainability and commercial action plans immediately has become crystal clear.

Here's seven reasons why...



**1** Businesses can only reach net zero by acting on water.



**2** Water is the sustainable development goal that can achieve a fast return on investment.



**3** Investors, customers and other stakeholders now expect businesses to act on water.



**4** Businesses will soon be required to align corporate action with public policy priorities for water.



**5** Failure to recognise water-related risks can lead to significant cost impacts.



**6** There is value in action and costs due to inaction on water.



**7** Businesses can save money and time through engaging with the open water market.

## Businesses can only reach net zero by acting on water.

Adaptation and resilience to climate change is underpinned by effective water management.

This is because processing water and wastewater is incredibly energy intensive. In fact, water use, storage and distribution are responsible for 10% of global greenhouse gas emissions. In turn, projections indicate that if we don't keep global warming below 1.5°C, there will be severe consequences on the availability of sufficient and clean water for basic human needs and for the production of food and energy. Carbon and water are intrinsically linked.



Water will increasingly dominate the sustainability agenda, find out why by downloading this '10 Reasons' infographic.

Expedite your environmental progress through simple water action. Discover how your business, and our environment, can benefit from embarking on a journey towards sustainable water management.

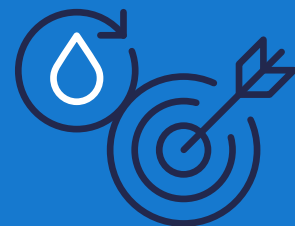
Your water journey



## Water is the sustainable development goal that can achieve a fast return on investment.

The UN's SDG 6, which specifically relates to water and sanitation, underpins work on all of the other SDGs and yet, progress towards this goal is 'alarmingly off track'. Curiously, although water is the sustainability topic that many businesses simply don't pay attention to, it's actually the low-hanging fruit for action.

Instant expert: Sustainable Development Goal 6: Water



## Investors, customers and other stakeholders now expect businesses to act on water.

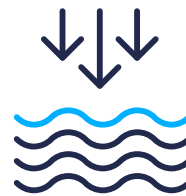
The number of businesses reporting on their water impacts through Carbon Disclosure Project (CDP) has increased steadily, resulting in many actively reducing, or at least maintaining, their water withdrawals as a result of this accountability. However, nearly 30,000 companies were graded an 'F' in the 2022 report, after failing to provide any data. This indicates that businesses aren't getting the water data they should, and can, have at their fingertips.

## Businesses will soon be required to align corporate action with public policy priorities for water.

17% of the global population and 10% of the world's GDP currently come from regions of high-water risk. To stem the gap between government goals and corporate action, the Task Force on Climate-related Financial Disclosures and the Sustainability Accounting Standards Board have specified that water should be incorporated into organisational risk management and action plans.



Download the 'five simple steps' guide on measuring and reporting on water.



## Failure to recognise water-related risks can lead to significant cost impacts.

In 2020, businesses reported the financial impact of water risks to be US\$301 billion. That's five times more than the cost of addressing these risks at US\$55 billion.

Knowing how much water an organisation uses, when and where, and considering the likelihood of drought and flood-induced outages and/or price spikes offers a degree of certainty when making long-term strategic decisions.

Failing to understand the physical, regulatory, reputational and financial risks that poor water management present may come at an excessive cost and yet the cost of mitigating these risks is typically much lower than their potential fiscal impact. So, when it comes to water security, businesses cannot afford to wait.



## There is value in action and costs due to inaction on water.

Beyond risk management, new opportunities tend to arise when investing in water security. Therefore, when evaluating options, look beyond the savings made from reducing water use, lower energy bills and avoided costs of production shutdowns and pollution incidents. Instead, consider the longer-term value that can be realised through enhanced brand value or even new services. In 2020, water-related opportunities disclosed through CDP were linked to new products, services or markets. These opportunities were valued at US\$711 billion.

## Businesses can save money and time through engaging with the open water market.

Many businesses are paying more for their water and wastewater services than they should be and there are several reasons for this. Some do not have site-level water consumption data and are unable to verify the accuracy of their bills. Many have meters that have not been read for a year or more. Many more are literally paying for water that goes straight down the drain due to leakage.

There is no excuse for this; high quality, timely data and benchmarking is available to all businesses right now, giving you choice and control in the water market.

## The business case for action on water is indisputable.

Ultimately, no business, large or small, anywhere in the world, can operate without water. If your organisation isn't including water in your climate adaptation and risk mitigation planning, it is likely that you're getting left behind and there is no time to lose. What's more, taking transformative action on water is easier than you might think.



**“Companies that transform their business and work to safeguard valuable water resources have the potential to achieve both short and long-term cost savings, sustainable revenue generation and a more resilient future. The business case is clear.”**

Cate Lamb, Global Director,  
CDP's Water Security Initiative.