



A 3 minute read

## **The Business Case for Water Stewardship: A UN Global Compact Perspective**

**Principles: 1| 7| 8| 9**

### **Background:**

According to UN-Water, the impacts of climate change are felt first and foremost through water. Increasing global temperatures cause drought, flooding and other extreme weather events — all of which pose a direct threat to businesses and the communities they operate in.

Today 3.6 billion people, which is nearly half of the world's population, live in water-stressed areas and without further action based on projected demand, the world will face a 40% shortfall in freshwater supply within 10 years.

### **The Imperative for Corporate Water Action**

Businesses around the world are not immune to the dangers of poor water management. They also face water-related risks due to water supply shortages, pollution, inadequate infrastructure, weak governance and a variety of related challenges. Today, more than ever, businesses need to review and manage their water footprint to mitigate water-related risks and become water stewards by contributing to the responsible, sustainable management of freshwater resources.

The grave financial impact that water scarcity poses is now more glaring than ever; and companies around the world are finally beginning to recognize the economic and business value of water. A 2020 report from the Carbon Disclosure Project (CDP) estimates that around \$301 billion of business value is at grave risk due to water scarcity, pollution and climate change.

## **Key Lessons on Effective Corporate Water Stewardship**

- Enhancing corporate water leadership doesn't just make sense from an ethical point of view — it's also vital from a business point of view. Businesses are set to lose millions unless they act now.
- As stated by Starbucks' Chief Sustainability Officer, Michael Kobori, collective action is essential. "Water is a shared resource - therefore the challenges and solutions to the water crisis must be addressed collectively. One company alone cannot protect a whole basin, but joining forces with other companies and organizations can have a major impact."
- Collective action is also central to tackling the fundamental issue of water policy and governance where company and non-company voices can work together to address systemic barriers that impede water security.
- Water is also tied to key social issues, for example as Gap Brand's President and CEO, Mark Breitbard stated, "Water is critical to the health and well-being of the people who make our products, the majority of whom are women (80%). Women face a disproportionate burden from lack of water resources in those regions."

## **Effective corporate water stewardship - good for business**

Beyond social credit, effective corporate water stewardship generates key business advantages, including:

- Reducing operational costs and protecting the company from increased water stress.
- Ensuring social and legal license to operate in a specific location.
- Preventing or reacting to operational crises resulting from inadequate water availability or management.
- Gaining competitive advantage.
- Assuring investors and markets that business operations will continue to be profitable.
- Protecting and improving the company's reputation among stakeholders and upholding corporate values and ethics.

## **How the UN Global Compact Supports Business Action: The CEO Water Mandate**

The CEO Water Mandate is a public-private initiative to assist companies in the development, implementation and disclosure of water sustainability policies and practices.

It provides guidance across six key areas: Direct Operations; Supply Chain and Watershed Management; Collective Action; Public Policy; Community Engagement; and Transparency.

### **How the CEO Water Mandate can help your company**

The CEO Water Mandate can assist you in developing, implementing and disclosing your water sustainability policies and practices. It will enable your company to share best and emerging practices and to forge multi-stakeholder partnerships to address water challenges found in river basins around the world.

By engaging in the mandate, companies are able to leverage the expertise of other business participants, UN agencies and NGOs for guidance and support. In addition, the [Water Action Hub](#) is an interactive resource designed to serve as a one-stop-shop for partnership opportunities around water resource management.

### **How to join**

Participation is restricted to existing members of the UN Global Compact. However, companies that are not currently members may endorse the CEO Water Mandate provided they join the UN Global Compact within two years of endorsing the Mandate.

Companies wishing to deepen their commitment to water stewardship may also be interested in joining the Mandate's Water Resilience Coalition. This initiative, launched for World Water Day 2020, aims to elevate global water resilience to the top of the corporate agenda and preserve the world's freshwater resources through collective action in water-stressed basins and ambitious, quantifiable commitments.

You can endorse the CEO Water Mandate, [here](#).

To join the UN Global Compact Network, click [here](#).