

WATER BUSINESS DAY

FINAL REPORT

Brasília - Brazil
18th | March | 2018

The National Confederation of Industry – Brazil, the Brazilian Business Council for Sustainable Development and the UN Global Compact Network Brazil have perceived the opportunity to amplify the business voice within the World Water Forum as a key partner for solution delivery. By organizing the first Water Business Day in the history of the World Water Forum, the partners aim to encourage greater business engagement in the water agenda. This initiative inaugurates a process of systematization of businesses actions in the quest for water security in the context of the discussions of the World Water Forum.

FINAL

REPORT

Global partners CEO Water Mandate, World Business Council for Sustainable Development and CDP supported the organization of Water Business Day to ensure connection and complementarity between local and global actions and initiatives directly contributing to the achievement of Sustainable Development Goals and the Paris Agreement, among others.

By 2030, the world's population will reach 8.3 billion people and the demand for water will increase by 30%. Climate change and the impact of denser industrial areas confirm water security as a regional issue, but also that its effects have important systemic repercussions. Even areas with high water availability should be attentive to this matter.

In the last five years, the World Economic Forum risks reports have listed water risks among the five greatest global threats. Natural disasters, extreme climate events and climate change, which are also perceived as important risks, are directly associated with and impact water security.

Business has stepped up its efforts to address water security. Reduction of water consumption in production processes, risk assessment, preventive measures and collective action with different stakeholders has increasingly become part of business strategies.

The messages presented here stem from a high-level business debate. Between Brasília World Water Forum 8 (2018) and Dakar World Water Forum 9 (2021), business will continue its innovation and implementation efforts in collaboration with other stakeholders, and we will be pursuing our aims of building bridges between the various World Water Forum constituencies.

This document includes key business messages with regard to water management, use and conservation; presents a brief summary of key session discussion points and provide general recommendations to lead business to Dakar with a more effective and structured movement so that it can be formally part of the 9th Water World Forum.

KEY MESSAGES

- Expand and foster collaboration with stakeholders and among business as a crucial factor to achieve water security. The first step is to build trust.
- Make available and generate quality information on water, sanitation services and water use, considering environmental, social and economic aspects.
- Adopt the Sustainable Development Goal (SDG) 6 as a common language and shared goal that can be used to drive collective action among business, governments, NGOs, and other stakeholders.
- A constructive regulatory framework that increases trust between business and society/ government and creates a sound environment for investments is a key factor, especially for the WASH sector.
- Conduct water valuation to ensure appropriate investment in long-term solutions (infrastructure, technology, collective action, etc.).

LEADERSHIP PANEL

LEADERSHIP PANEL

MAIN MESSAGES

- Industry is part of the solution to the water issues and we need more engagement of the value chain and rational use of water in every operation.
- Water reuse should be promoted along with innovation and partnership development.
- Access to water, sewage collection and treatment (sanitation) is a great opportunity. Its development depends on favorable and constructive regulatory and legal framework, playing a great role in the national political agenda.
- Companies need to improve awareness on water use inside and outside their operations. Business has to play a role in influencing and changing attitudes to help countries achieve sanitation and water for all people.
- Every person can do their part, on a daily basis, to save and reuse water. From small to large changes, they are part of raising awareness and finding solutions for water resource management and alternatives for better use.
- Society needs to develop individual responsibility principles for water management. Governments should encourage long-term planning for all, aiming to support and stimulate both society and business to reduce consumption and make better and more conscious use of water resources.

SPEAKERS

Roberto Bischoff, Vice President Global Competitiveness – Braskem; Naty Barak, Chief Sustainability Officer of Netafim; Teresa Vernaglia, CEO BRK Ambiental; Cristiano Cobo, Director of Operations, AngloAmerican Brasil; Olga Reyes, Public Affairs and Communications Vice President Latin America at The Coca-Cola Company; Luís Garcia Prieto, Head of Operations, Nestlé Brasil.

THE CIRCULAR BUSINESS CASE FOR WATER

WORKSHOP 1

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GOAL OF THE WORKSHOP AND WHY IT IS IMPORTANT TO INDUSTRY

By 2030, the world may face a 40% gap in water supply versus demand. At the same time, 80% of wastewater currently goes back into the environment untreated. Ignoring the value of wastewater resources is generating high costs for business, the environment and society as a whole. Reducing, reusing and recycling water saves costs and reduces business impact on the environment. However, circular water management practices have not yet gone into the mainstream. At times, the business case for water investments is to be articulated more clearly.

Workshop 1 aimed to shed light on current barriers and opportunities to circular water management (ROI, Value of Water, Finance, and Policy), key success factors, solutions and tools for implementation. It also showcased successful examples of circular water management solutions and lessons learnt in order to bring them to scale.

SPEAKERS

Theme 1: The business case – how to win over all stakeholders and what policies are needed for scale-up?

- Pierre Victoria, Senior VP Sustainable Development, Veolia; Antonio Calcagnotto, VP Public Affairs & Sustainability, Unilever Brazil; Oded Distel, Director, Israel New Tech & Eco Systems; Sara Traubel, Manager Water, WBCSD; Nathália de Barros, Environmental Manager, Casa da Moeda; Diana Rojas, Senior Program Officer, Global Program Water SDC; Pascale Guiffant, Board member, Toilet Board Coalition.

Theme 2: Innovation & financing – how to get more solutions off the ground?

- Jennifer Sara, Director for the World Bank Group's Water Global Practice, World Bank; Orson Ledezma, VP & General Manager, Ecolab Brazil; Guilherme Raucci, Key Account Manager, Agrosmart; Ana Carolina Szklo, Institutional Development Director, CEBDS; Karin Krchnak, Program manager, 2030 WRG; Torgny Holmgren, Executive Director, Stockholm International Water Institute (SIWI); Diane D'Arras, President, IWA.

RAPPORTEUR

- Jorge Perón, Environmental Manager, FIRJAN and Daniella Soares, Geographer, Eléctrobras.

OUTCOMES

Companies reported several areas of improvement and action:

- The case for water reduction and reuse is growing for business. Cases like Israel whose water for irrigation comes 90% from reuse, and precision irrigation in Brazil reduces 30% of water use, increasing yields to the design of better products and awareness to consumers, reducing up to 229 billion of liters from just improving the use of washing machine.
- Development and use of tools and management systems help inform on decisions and understand the impact of water on production, environment and society, adding to its value beyond operations.

Business challenges:

- Urgency to stimulate companies to perceive the real value of water, mainstreaming it in the materiality matrix. It is indisputable that water is a basic human need and right. However, in order for safe water to be available broadly to all population groups, water needs to be valued appropriately, with the support of a wide array of tools (including water charges) to support sufficient investments and to ensure efficiency in water use. Valuing water appropriately, in particular in the WASH sector, involves, among others, taking into account operational and maintenance costs, to ensure that provision and treatment services for water and sanitation be sustainably delivered over time by existing and new infrastructure.
- Need to generate and have access to better data to help develop good projects and strategies. It was a consensus that sometimes the problem is not to innovate and develop technologies or have finance available, but have enough data to be able to design a project that is cost/effective and attract investors.

Enabling environment:

- Need for robust regulation that recognize and provide incentives for companies that invest, or wants to invest, on new water management approaches and technologies increasing efficiency in both use and quality. Government is an important and constructive partner for private sector. Good practices from countries that regulate the water sector appropriately should be highlighted. This can be an opportunity to building a conducive environment of trust between different stakeholders.
- Innovation in financing and business models. Traditional funding models are unable to fill the critical financing gap on water. New financing models are needed, involving private actors, and including performance-based models. To operationalize such models, new types of hybrid institutions are needed that have the capacity to bridge public and private actors and opportunities to attract projects and manage these sustainably.

WATER RISK — METRICS, MONITORING AND REPORTING

WORKSHOP 2

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GOAL OF THE WORKSHOP AND WHY IT'S IMPORTANT TO INDUSTRY

The aim of workshop 2 was to explore water risks, from metrics and monitoring to reporting. Two panels were held; the first on corporate water risk and the second on water as a systemic issue, exploring the link with forests and finance. It is now well established that assessing and publicly reporting corporate water use and impacts can help companies to identify risks and opportunities and begin a journey towards water stewardship. And yet, many companies still do not disclose this vital information, sometimes because they do not understand the risks, and sometimes because they do not have the data available.

SPEAKERS

- **Panel 1:** Patrícia Bosen, FIEMG; Renato Junio Constancio, CEMIG; Carlos Gonzalez, Petrobrás; Leonardo Guimarães Ribeiro, ArcelorMittal Brasil; Keyvan Macedo, Natura.
- **Panel 2:** Kathleen Dominique, OECD; Christopher Stephan Wells, Santander Brasil; Nathália Granato, IBA; Frineia Rezende, Reservas Votorantim.
- **Rapporteurs:** Aline Caldas Bressan ABQUIM; Alexandre Vilella, FIESP.

OUTCOMES

Companies reported several areas of improvement and action:

- Companies are integrating internal and external water governance into their business strategy. External water governance involves working with water management authorities. In Brazil, for example, this means the river basin committees.
- Companies are using medium and long-term studies of water availability to guide their actions and set ambitious targets.

Business challenges:

- Companies are now realizing that water management does not simply involve management of consumption and effluent. They must address their supply chains as well as client use of water. For example, a consumer goods company will be affected in drought situations when its customers are no longer able to use water-reliant products, like soap and shampoo.
- The financial sector has piloted some tools to incorporate company best practice on water into their investment decisions and creditworthiness assessments. However, these methodologies must now be embedded and scaled up.

Enabling environment:

- Companies identified the need for national and international databases on consumption, supply, demand and quality, and for easy access to these databases. This will help inform strategy and planning.
- Companies called for landmark regulation to ensure that the investment in reuse of water and wastewater is 'safe', both in terms of water quality and continued regulatory certainty.

**WATER
STEWARDSHIP
TO ADVANCE THE
SDGS & CREATE
SHARED
VALUE**

WORKSHOP 3

GOAL OF THE WORKSHOP AND WHY IT'S IMPORTANT TO INDUSTRY

The workshop explored the role that corporate water stewardship plays in achieving SDG 6 focused on water and sanitation and other water-related SDGs. Discussion during the session suggested that water stewardship and SDG 6 are already quite well aligned and mutually supportive. Both water stewardship and achieving SDG 6 enable companies to tackle local water challenges and reduce local water risks, offering direct business benefits and value for stakeholders. Similarly, while both frameworks can be advanced through individual action, particularly within companies' fencelines, collaborative partnerships are often the most credible and ultimately effective approach. This session featured a wide range innovative practices involving companies working with others to address local water challenges, including water management tools, collective actions, efforts to build the sanitation economy, and more.

SPEAKERS

- **Panel 1:** Rodrigo Brito and Daniela Redondo, Coca-Cola Brazil; Filipe Augusto Barolo Lopes de Araujo, Ambev; Silvana Dias, Nestle; Mario Pino and Adriana Leles, Braskem and SANASA; Adrian Sym, Alliance for Water Stewardship.
- **Panel 2:** Iris Tebeka, Dow Chemicals; Marcio Gama, Banco do Brasil; Cheryl Hicks, The Toilet Board Coalition; Martin Jaggi, Swiss Development Cooperation; Jehanne de Fabre, Danone.
- **Rapporteurs:** Peter Schulte, CEO Water Mandate; Abigail Warner, CEO Water Mandate.

OUTCOMES

Companies reported several areas of improvement and action

- Companies implementing water stewardship are already inherently contributing to SDG 6 and other water-related SDGs.
- Multistakeholder collaboration, especially involving government, contributes to both the success and scope of water stewardship projects and must continue as new projects emerge and develop.

Business challenges:

- Companies identified the need to create trust within the private sector so as to motivate more knowledge sharing and collaboration.
- While some valuable progress has been made, there is a continued need for businesses to engage in collective action projects at the river basin and national levels.

Enabling environment:

- SDG 6 provides a common language and shared goal that can be used to drive collective action among business, governments, NGOs, and other stakeholders.
- Companies can be a powerful force in building the enabling environment by sharing their internal tools, good practices, and knowledge with suppliers, SMEs, and other companies. In doing so, they help build capacity and facilitate action on SDG 6.

PATROCÍNIO MASTER



PATROCÍNIO OURO



APOIO



The CEO Water Mandate



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