

# Results

WEC Roundtable, hosted by sanofi-aventis S.A.  
April 13<sup>th</sup> and 14<sup>th</sup> 2010 in Paris, France:

## “WATER AS A STRATEGIC ISSUE FOR BUSINESS AND SOCIETY”

### WHAT:

Water resource management is increasingly becoming a strategic issue for business and society in various regions as the result of such factors as climate change, rapid industrialization, and a fast growing population in countries with limited water availability. Access to water resources for agriculture, communities, manufacturing, recreational and other purposes creates the need for innovative decision making processes to reconcile these potentially conflicting demands. Water pollution is also an immense challenge, especially in some developing countries. More specifically, these factors pose risks to business such as the availability of water to maintain operations throughout the year, reputational damage and even hostility against a company. The roundtable was structured into five parts:

- (a) Global water trends and related business risks
- (b) Key elements of evaluating a company's water use
- (c) Water availability: strategies for effective operation in water sensitive regions
- (d) Water quality and water law: business implications from poor water quality
- (e) Business' role in managing water resources for civil society

### WHO:

The Roundtable was structured to provide a highly interactive process of discussion amongst 32 sustainability experts from seven countries. 63% of participants came from WEC member companies, 3% from non-member companies, and 34% from scientific bodies, NGOs and consultancies.

#### HOST

**Sanofi-aventis:** Mr. Gilles Lhernould and Mr. Pierre Jomier

#### MODERATORS

**Bayer:** Ms. Ursula Mathar  
**Entreprises pour l'Environnement (EpE):** Ms. Cécile Joucan  
**F. Hoffmann – La Roche AG:** Dr. Peter Schnurrenberger  
**Sanofi-aventis:** Ms. Elisabeth Poy  
**University of Augsburg:** Prof. Dr. Armin Reller

#### SPEAKERS

**IBM:** Mr. Victor Duarte Belloque  
**Institute for Human Rights and Business (IHRB):** Mr. John Morrison  
**International Union for Conservation of Nature (IUCN-ELC):** Dr. Alejandro Iza  
**Marks and Spencer:** Mr. Mike Barry  
**Sanofi-aventis:** Mr. Pierre Jomier  
**Schlumberger Water Services:** Mr. Richard Boak  
**SustainAbility:** Dr. Alexander Nick  
**Veolia Water:** Mr. Olivier Gilbert  
**WBCSD:** Ms. Anne-Leonore Boffi  
**WWF UK:** Dr. Ashok K. Chapagain  
**WWF UK:** Robin Farrington

### MAJOR POINTS OF DISCUSSION AND RESULTS:

- (1) Identifying the water-related risks to a business is, by itself, an insufficient value proposition and will be unlikely to attract the interest of senior executives on a sustained basis. Additional **water management strategies** must be developed targeting at business opportunities that can apply a company's knowledge to help solve customers' problems and develop technologies and services that generate new revenue sources.
- (2) Since water is subject to regional limitations, calculating **water footprints** has a different strategic value than calculating carbon footprints – when GHG-emissions are dispersed globally and developing corporate goals to reduce the overall footprint are common. Knowing its (regional) water footprint especially helps a company to manage water related risks in their supply chains. The great value lies with the process of measuring the water use and understanding its regional context in complex supply chains with thousands of suppliers. Manufacturing companies that source from a limited number of suppliers and are therefore able to integrate a detailed analysis of their water use in their life cycle assessments do not get as much value from water footprint calculation and may find the tool less valuable.
- (3) Major unresolved issues surround the roles and responsibilities of business, government, multilateral institutions and NGO's in solving water challenges. At the present, there remains a **lack of clarity** about the role of government policy, the setting of business and policy targets, and the most effective means of collaboration across multi-institutional boundaries. While there are a growing number of local partnerships aimed at preserving and protecting water resources, these difficulties currently **reduce the ability to achieve greater scale in water resource management**, especially in developing countries. The roundtable's discussion also revealed that business favours a clearer and more demanding regulatory framework in certain areas, such as e.g. **groundwater protection**, as market-based mechanisms seem to be less effective.
- (4) **Water law is in a transition:** Although the state continues to be the stuart of water resources its role has been subject to change as the management of water resources has continuously been moving into PPP (Private Public Partnership) settings. It also became clear that access to water is a human right, and no matter of debate anymore.
- (5) **Companies will make very different strategic choices** in managing water issues based on their business sector. For example, a company in a highly regulated sector, whose products address important societal needs and whose operating processes are presently not greatly impacted by water resource limitations will make a very different set of business decisions than a company in a much less regulated sector, whose heavily promoted products address societal wants in which development of the products are influenced by the need for continuing access to clean water resources.