



BSR Conference 2010

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## The Art and Science of Reporting Water-Related Risk

Breakout Session Summary

Wednesday, November 3, 2010 | 2:45-5 p.m.

### Speakers

- » **Chrystina Gastelum**, U.S. Account Manager, CDP Supply Chain, Carbon Disclosure Project
- » **Gary Niekerk**, Director, Global Citizenship, Intel
- » **Andy Wales**, Global Head of Sustainable Development, SABMiller
- » **Linda Hwang**, Manager, Research & Innovation, BSR (moderator)

### Highlights

- » Reporting on water use requires a narrative that provides local context rather than just quantitative data and targets.
- » Companies should form partnerships to address the external aspects of local watershed management and participate in policy decisions.
- » Water footprinting can let companies prioritize investments and understand relative water impacts, which may be linked to energy use.

### Memorable Quotes

*"The reason we're looking at water is because of the intimate connection between climate change and water—if climate change is the shark, water is the teeth."*—Chrystina Gastelum, Carbon Disclosure Project

*"For me at this stage, reporting is not so important. Transparency on the lessons we're learning is important. Trying to condense everything now to a standard reporting template? It's far too early."*—Andy Wales, SABMiller

*"If you want to be a leader, then you need to get involved in regional policies on how water is distributed and managed. To have a real impact you must get involved in the broader discussion."*—Gary Niekerk, Intel

### Overview

Hwang opened by noting that just a few years ago, not many companies had water strategies or a perspective on water stewardship, and even now there is no consistency in water reporting in terms of metrics or scope. The speakers then gave brief introductions to their work on water-related reporting.

Gastelum described CDP's addition of a section on water issues to this year's annual survey of companies, and reported that there have been good levels of engagement from companies and investors, although the metrics still need improvement.

Intel has been reporting on its water use since 1994, in part because its facilities use large volumes of water and some are located in arid places such as Israel, Arizona, and New Mexico. Niekerk posed the question: Even if we know that we use 8 billion gallons of water per year, how



can we know if that is a lot of water? It can be very confusing, he said, to compare different types of products and their water requirements. Intel focused mainly on its own operational water use, but also discovered that energy use (especially the type of energy used) was highly relevant. For example, Intel is the largest purchaser of renewable energy certificates (RECs) in the United States, but found that the type of renewable energy purchased using credits—solar, wind, or biomass—affected the company’s water footprint dramatically.

Another question the chipmaker considered was where its investment would be most effective. For example, spending money on external projects such as community water conservation actually saved 10 times more water than internal projects, but also carried the risk of being labeled as greenwashing.

Wales described a few of SABMiller’s partnerships in different regions, such as with the World Bank, International Finance Corporation, and World Wildlife Fund (WWF). SABMiller used the World Business Council on Sustainable Development’s [water tool](#) to identify the relative risks of the company’s international brewery locations, and those sites identified as high risk developed local action plans. Wales noted that for many parts of the world, water data is limited and companies may need to invest more time in collecting high-quality data on water availability and use. Also, while water footprinting can be a very useful tool in the business context, Wales suggested that this type of data is actually not that useful for communicating with consumers.

Hwang asked the panelists for their thoughts on what kind of water data is useful for investors. Gastelum noted that the CDP Water Disclosure effort will continue to evolve. For example, since water is such a local issue, next year’s survey will ask about risk on a regional scale. Wales suggested that if he were an investor, he would want to understand how a business is building the capability to understand and manage its water risks.

During the Q&A session, the participants and panelists discussed water offsets, the relationship between water shortage and global conflicts, and the link between water and carbon.

Wales credited NGOs with being very helpful on corporate water issues. Instead of calling for product water labels, they have often formed practical partnerships with companies and have been more focused on applied projects that make a tangible difference.

Louise Nicholls from Marks and Spencer mentioned a recent WWF project in Kenya that engaged multiple stakeholders to evaluate data and decide on a strategy and priorities. Bert Share from Anheuser-Busch InBev talked about the [Beverage Industry Environmental Roundtable](#), in which several beverage companies are working together on metrics and reporting, including a footprint concept that combines foot “size” with foot “weight,” or impact.

The panelists also discussed the role of stakeholder engagement and its relative value compared to partnerships and project work. Hwang closed by reviewing the discussion highlights and noted that companies should not develop a strategy based on the disclosure requests they receive, but rather should build on a practical, data-based perspective of their material issues.

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