



Water Stewardship as a tool supporting reporting and business development

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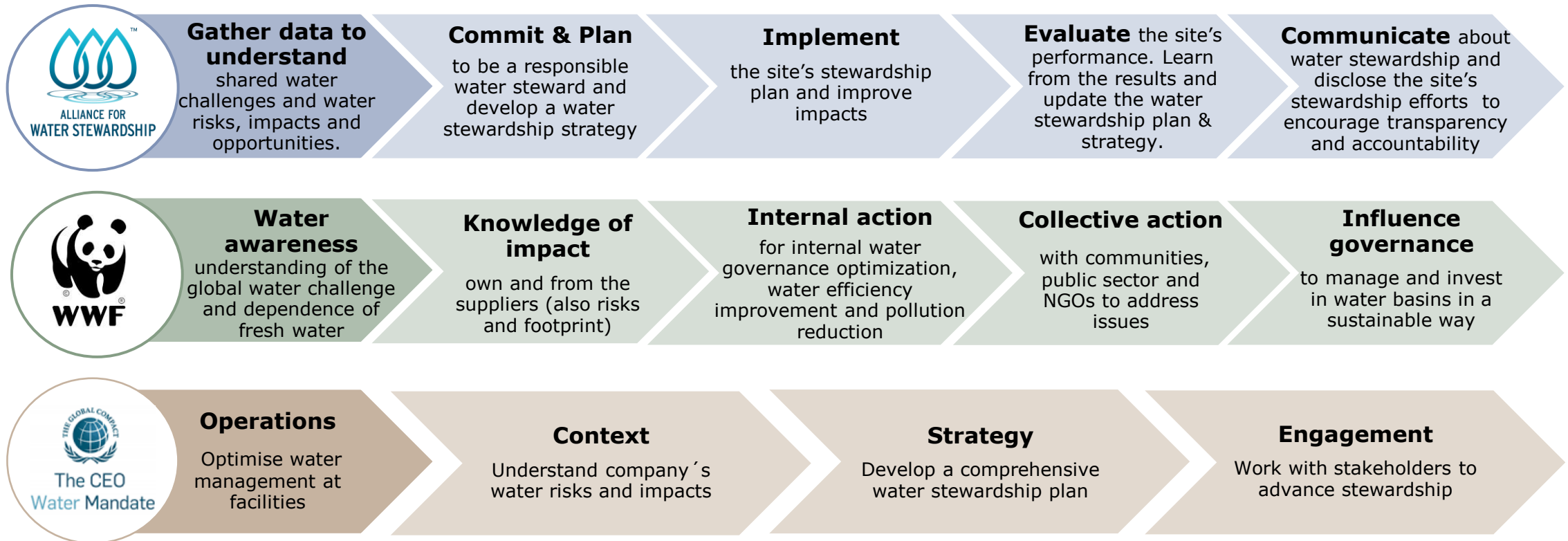
FIBS WEBINAARI – VESI OSANA CSRD RAPORTOINTIA

Water stewardship as a tool supporting your reporting and business development



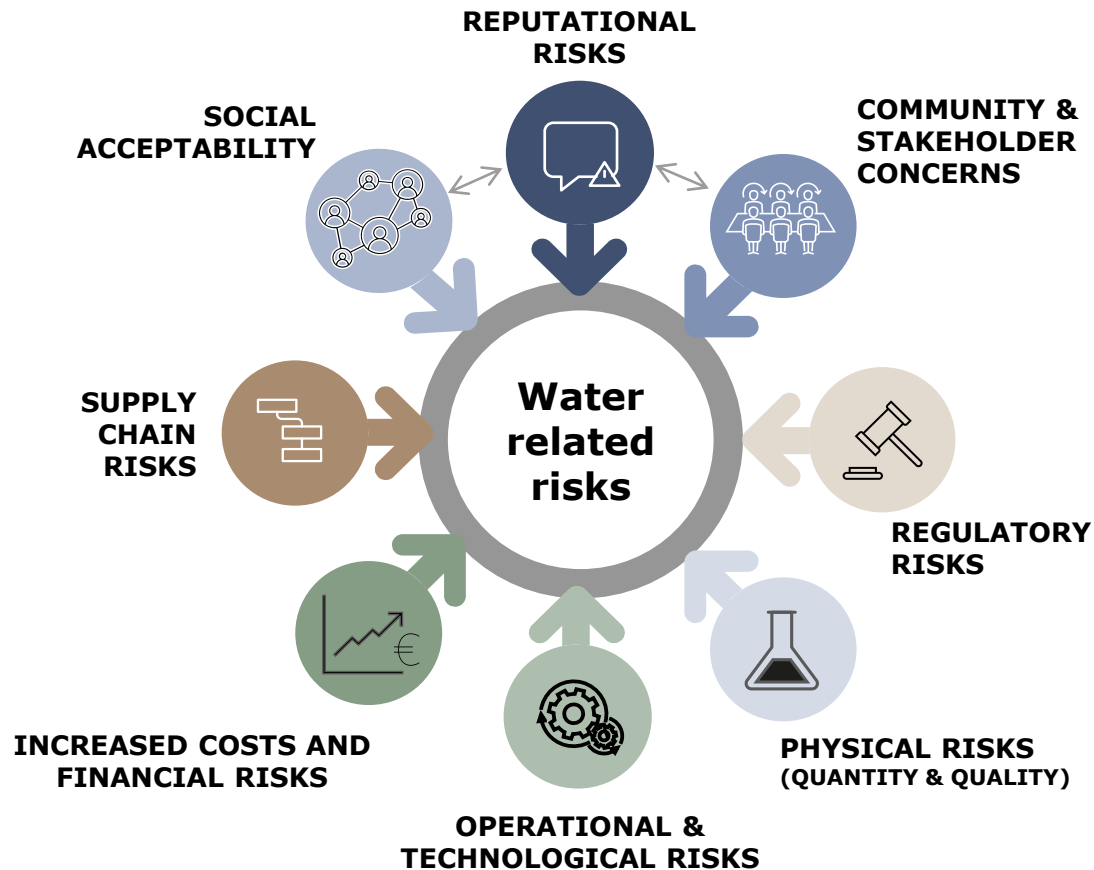
Different ways of conceptualizing an organisation's engagement in water stewardship

Water Stewardship = Use and treatment of water in ways that are socially equitable, environmentally sustainable, and economically beneficial achieved through a stakeholder-inclusive process. Its actions take entire catchments into consideration and cover the company's whole supply chain.

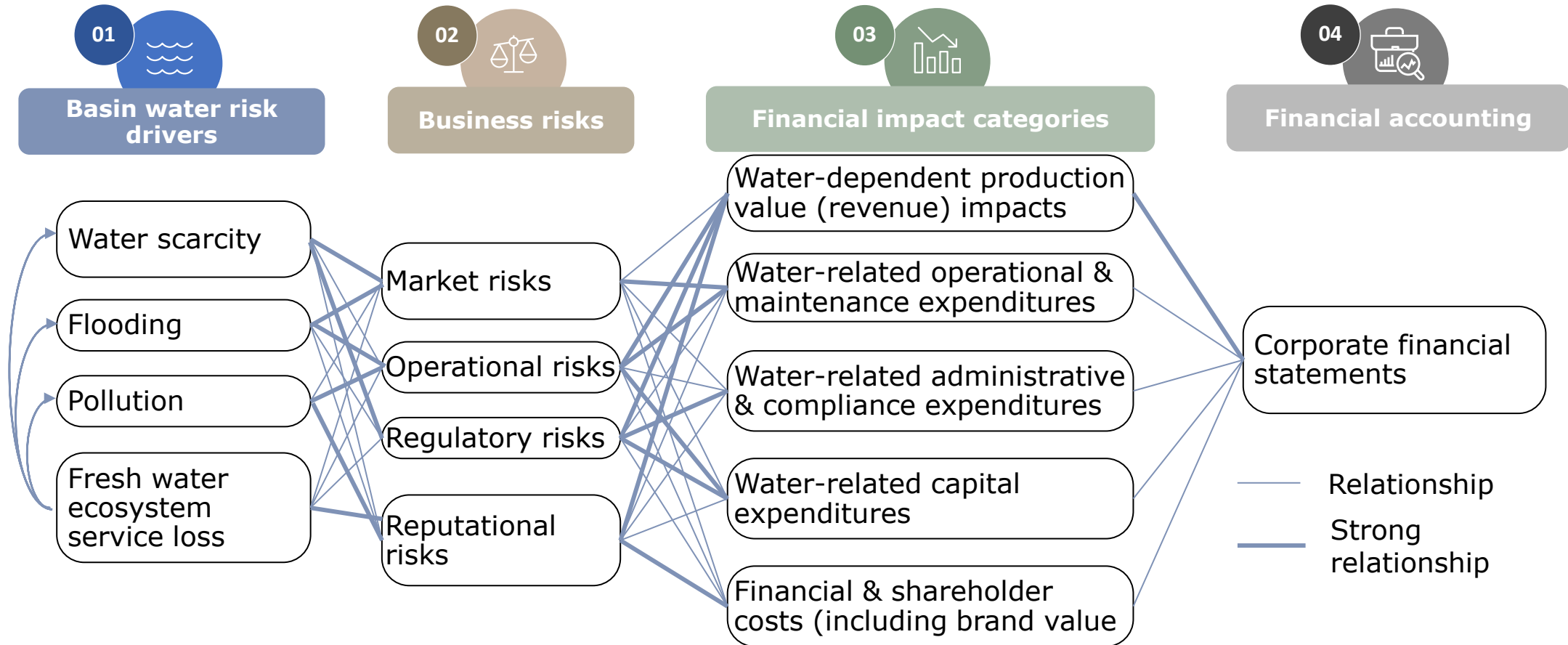


WATER-RELATED RISKS

Water risks may create operational and supply chain disruptions for business, as well as increased costs



Water risks can affect a company's business activities via various interdependencies



Growing financial opportunities are reported related to water even with a significant increase in water risks

The cost of water risks has jumped from \$2.5 billion in 2015 to **\$77 billion** in 2023. (CDP)



Despite the rising risks, water-related opportunities could be worth up to **\$436 billion**. (CDP)

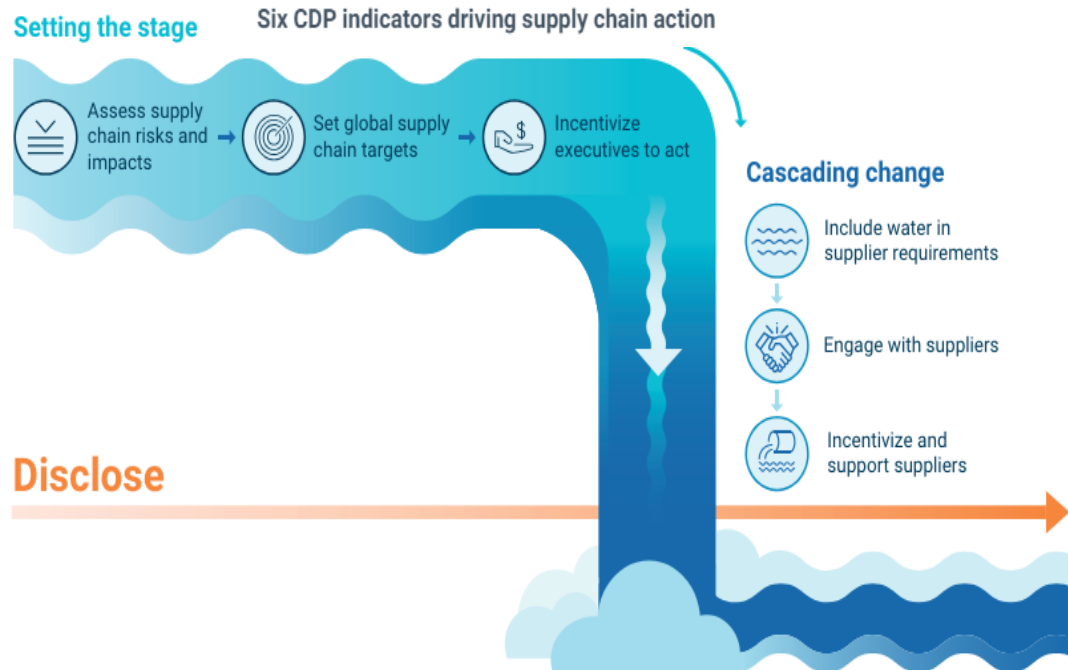


Finland's water footprint related to the consumption of fresh surface and groundwater, **is largely generated outside of Finnish borders — 50-80%** comes from companies' value chains and international trade. About a quarter of this impact occurs in regions facing water scarcity.

TURNING RISKS INTO OPPORTUNITIES

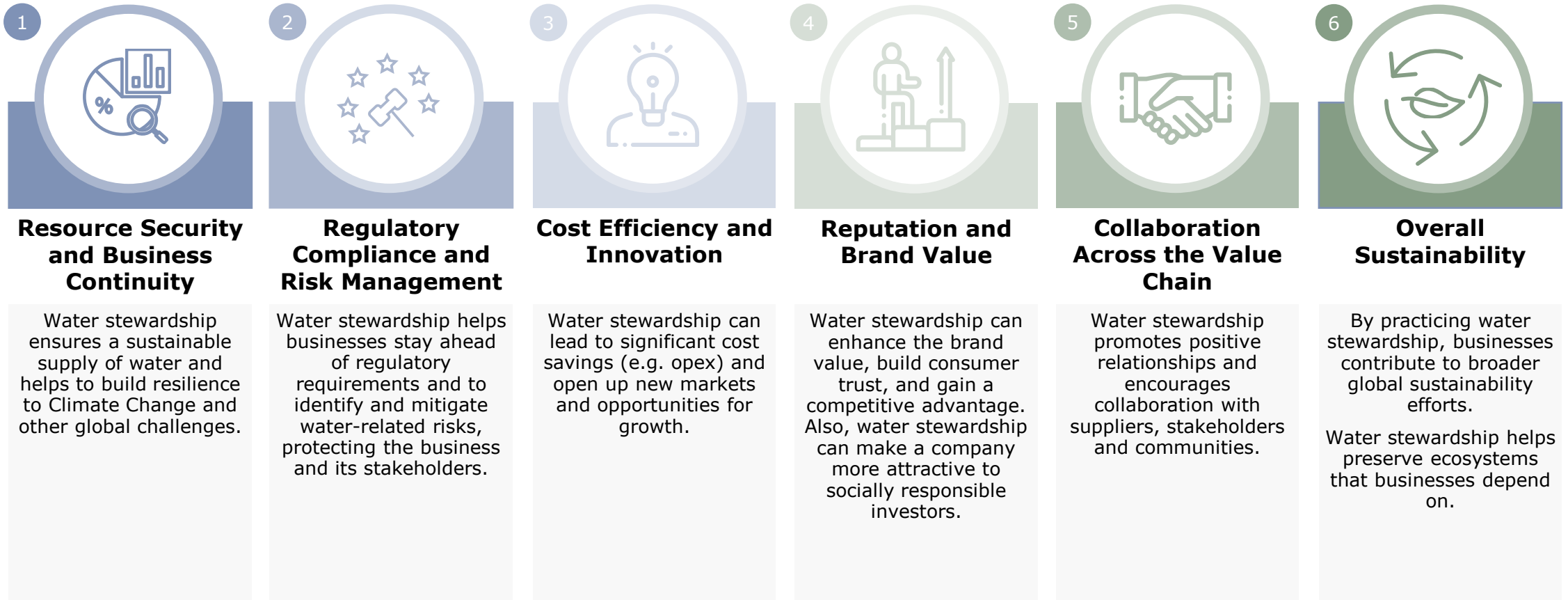
According to CDP, six enablers can help to turn risks into opportunities and accelerate action

SUPPLY CHAIN WATER RISKS INTO OPPORTUNITIES



1. Risk and impact assessments
2. Set global supply chain water targets
3. Motivate leaders to act
4. Integrate water in supplier requirements
5. Engage with suppliers → Innovation and collaboration
6. Engourage and support the suppliers

Water stewardship as a Driver for Business Development, enhancing overall sustainability, resilience, and growth



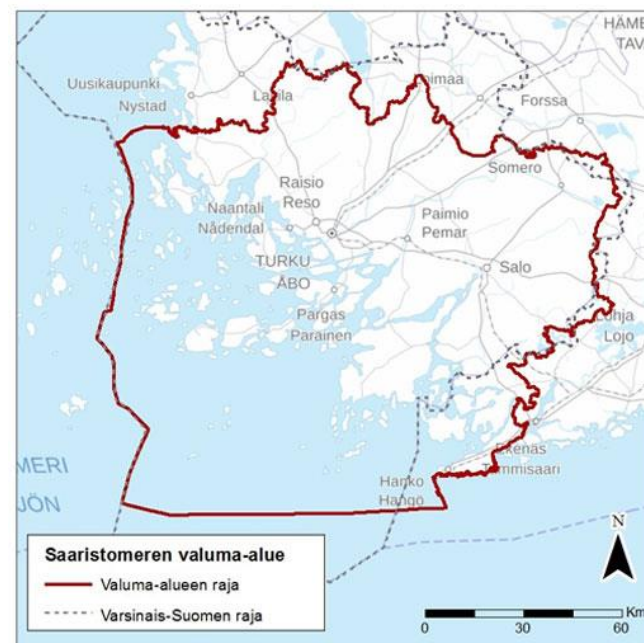
Water stewardship is a holistic approach providing not only support but also direct results for sustainability reporting

E/S/G	Standard	Water-related requirements	Water stewardship
Environmental Standards	E1 Climate Change	Acute and chronic physical risks arising from water and ocean-related hazards caused or exacerbated by climate change	Water-related risks (scarcity, flooding, pollution)
	E2 Pollution	Emissions to water and prevention, control and reduction of such emissions	Water stewardship involves monitoring and mitigating these effects
	E3 Water and marine resources	Policies, targets, action plan, water management & performance, water -related impacts, risks and opportunities (IRO) in value chain	Setting and reporting on water-related policies, targets, actions, risks, impacts, opportunities
	E4 Biodiversity and ecosystems	Conservation and sustainable use of and impact on freshwater aquatic ecosystems	Contributing to biodiversity and ecosystem health reporting, especially the role of water in maintaining natural habitats
	E5 Resource use and circular economy	Policies, actions, metrics and targets related to resource use (incl. water), Non-renewable resources from wastewater; the recycling of wastewater	Setting and reporting on water-related policies, targets, actions, risks, impacts, opportunities
Social Standards	S1 Own workforce	-	Enhancing social and governance aspects; ensures that companies uphold the right to clean and safe water for all stakeholders, including workers, local communities, and indigenous peoples; collaboration with local communities, governments, and other stakeholders
	S2 Workers in the value chain	Water and sanitation	
	S3 Affected communities	Water and sanitation	
	S4 Consumers and end-users	-	
CSDDD		Identify and mitigate existing and potential adverse impacts on the environment and human rights along the entire supply chain (e.g. water or air pollution, excessive water consumption)	Preventing Water-Related Human Rights Violations; Right to Clean Water; Mitigating environmental impacts; Biodiversity protection; Supplier engagement; Supply chain resilience & management

A CASE EXAMPLE

Enhancement of the water stewardship of the food value chain in the Archipelago Sea catchment area

- Centre for Economic Development, Transport and the Environment of the Southwest Finland has appointed AFRY to develop a water stewardship model tailored to support the food chain.
- The companies invited to participate include actors from various parts of the food chain, such as primary producers, food processing facilities, the food industry as well as retail and wholesale sectors.
- The aim of the work is to engage stakeholders in the food chain in water stewardship efforts to reduce the environmental load on the Archipelago Sea's catchment area.
- The goal is to involve companies in the creation and development of a process that promotes water stewardship in the region, making it easier for companies to commit to the necessary measures.



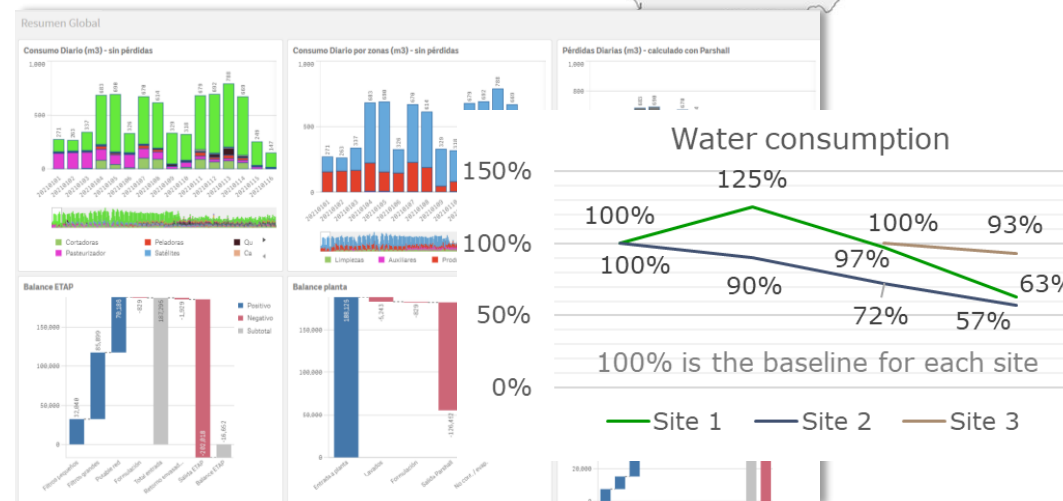
Implementation of onsite equipment together with data collection technology and cloud environment for data analytics for Palacios Group

INFO

- Palacios is a leading business group in the Spanish food sector
- AFRY provided Water Management System for all the plants in Spain. This includes Water consumption monitoring and Optimization opportunities with an action plan.

KEY RESULTS

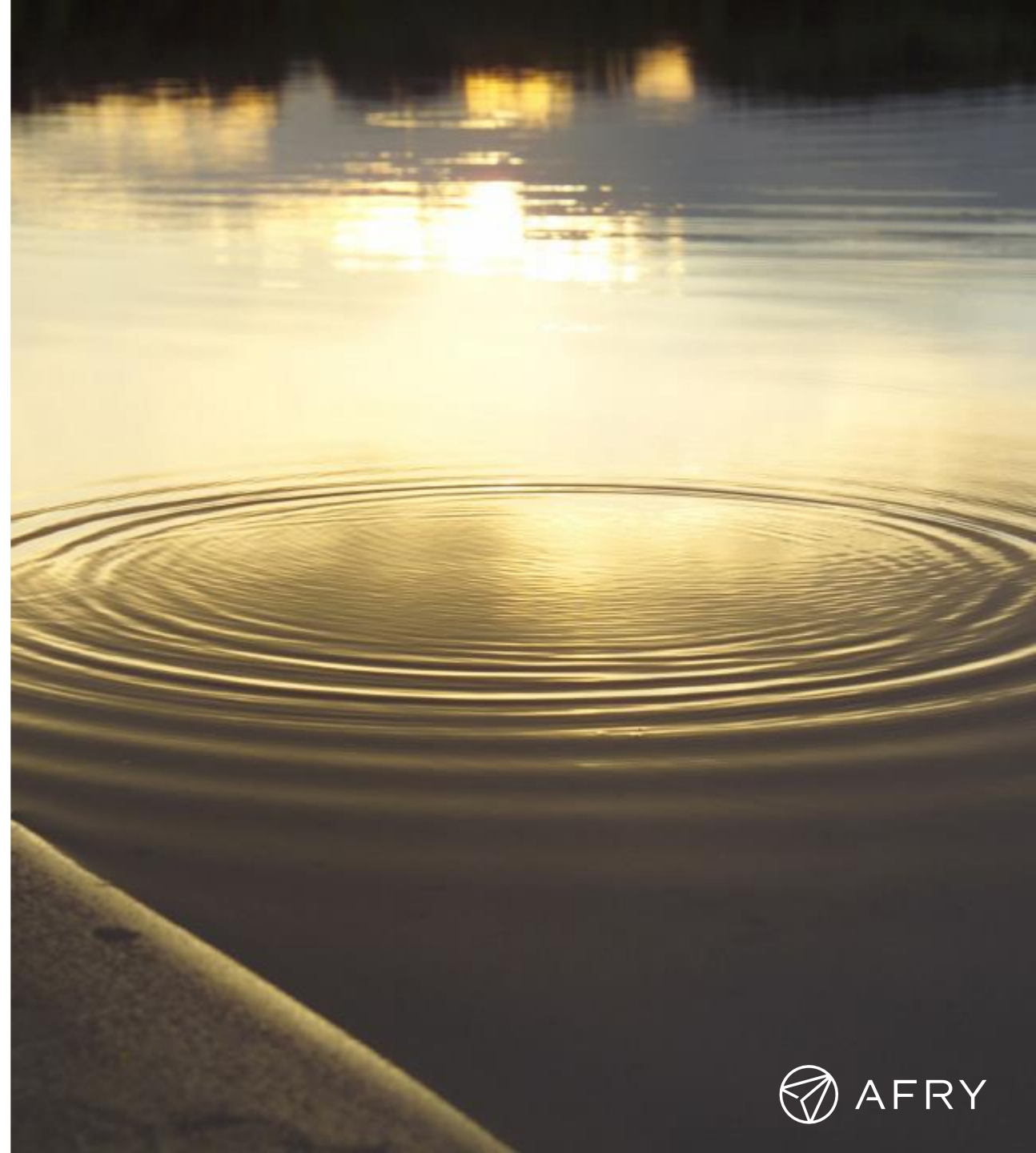
- Optimized closed loops.
- Monitoring definition to increase knowledge of water consumption, including the installation of water meters and use of IoT technology for data communications (e.g. dashboarding and automatic reporting).
- Water Management System implementation (all sites), (remote water manager supporting daily water management activities)
- Identification of deviations in water consumption
- Water reduction opportunities



Key Takeaways

THE MOMENT OF ACTION IS NOW!

- **CSRD and CSDDD** should be seen as **a huge opportunity** for companies **to look deep into their water-related topics** also within their supply chains
- Water stewardship helps to unify the efforts, creating a consistent and strategic method to address all water-related issues
 - You don't need to strictly follow some framework or guideline → Start somewhere, increase understanding, set targets, follow progress
 - Holistic understanding is essential → From risk management to business opportunities
 - Collaboration is the key → Water has a role as a connector between sectors



Contact details



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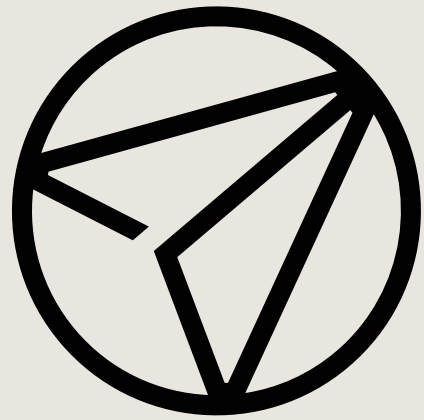
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