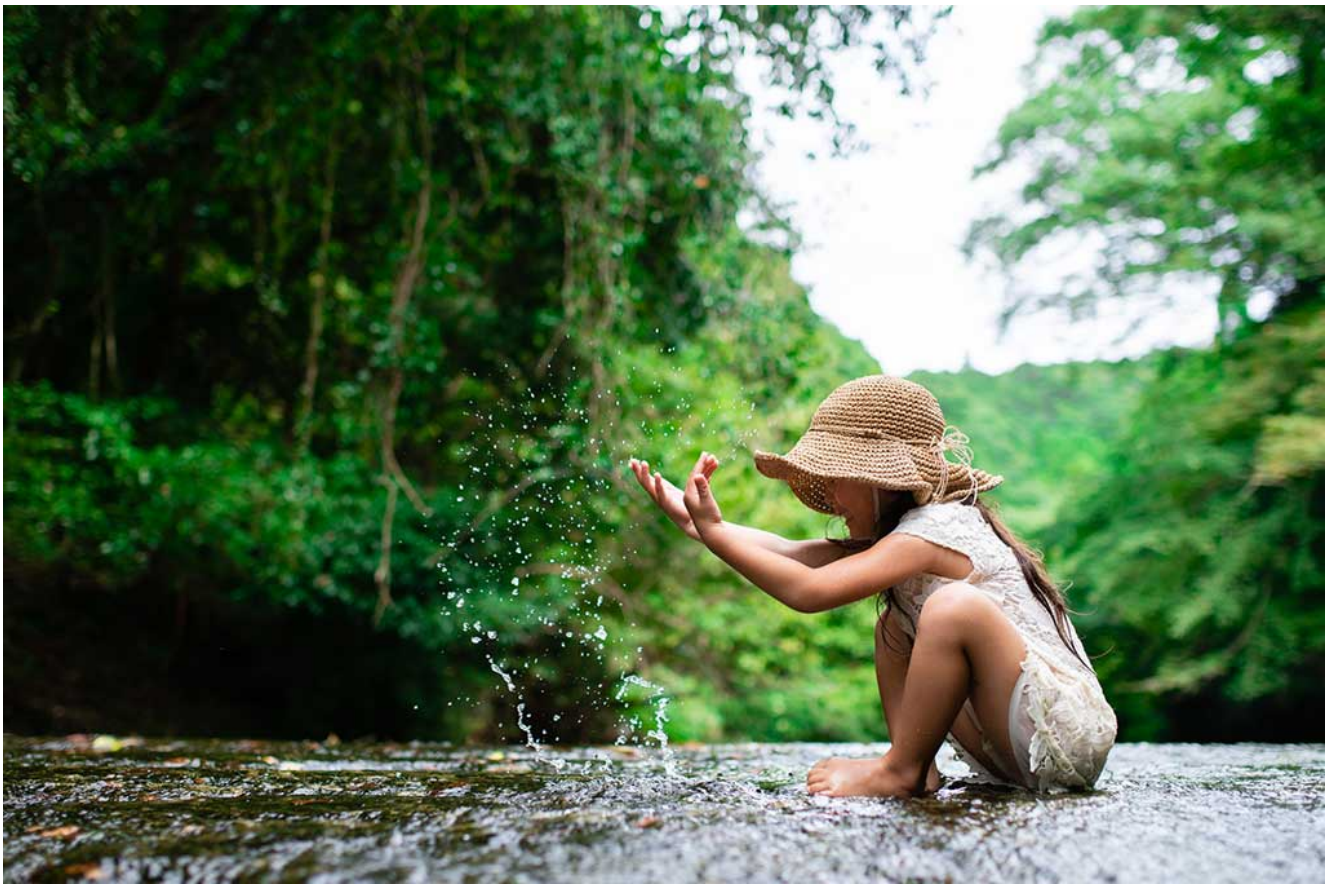
It’s time to measure your company’s water footprint. Here’s how

As water increasingly becomes a limited resource, minimizing your company’s water footprint is a must from both an operations and a sustainability standpoint.



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Over 2 billion people worldwide lack access to safe drinking water and more than half of the world’s population does not have access to safely managed sanitation services. Climate

change is exacerbating these problems, with drought affecting regions from the Middle East to the Mediterranean. The area around Barcelona in northern Spain is a current flashpoint of the crisis, pitting farmers against the tourism industry. Meanwhile, low water levels in the Panama Canal have impacted global shipping.

In a new paper (in Spanish) on managing corporate water footprints, Bruno Martinez and IESE professor Joan Fontrodona, holder of the CaixaBank Chair of Sustainability and Social Impact, advise companies to dedicate more resources to analyzing the impact of their activities on the environment and specifically on water availability. Today's water problem is not a case of growing demand: Insufficient water supply will pose significant operational challenges to organizations in the future.

But responsible water management by businesses can have an extremely positive knock-on effect on society, the economy, aquatic life and the environment.

The impact of water footprints

A water footprint allows a company to estimate the total volume of freshwater it uses. It is calculated by adding together all the water footprints for each of the goods or services produced by the company. This includes both the operational — or direct — water footprint (the volume of freshwater consumed or contaminated by business activities) and the supply chain — or indirect — water footprint, which is generally larger than the direct one.

There are three types of water footprint:

1. **green:** the amount of water from precipitation consumed during the production process.
2. **blue:** the ratio of the volume of water extracted from groundwater or surface water to the volume returned.
3. **gray:** the volume of freshwater required to assimilate the contaminants generated and render them harmless.

Methods and tools for calculating water consumption

There are two reference frameworks for calculating and managing water footprints: the Water Footprint Network (WFN) methodology, which has become a global standard for water

use accounting, and ISO 14046, an international standard that tracks all stages of a product or service.

The authors highlight programs that can be useful for measuring and improving the water impact of the company, notably the CDP and CEO Water Mandates:

- The CDP Water Mandate is a program dedicated to transparent company water management since 2010. It offers companies a questionnaire to report on how they manage water and monitor their improvement indices.
- The CEO Water Mandate is a United Nations Global Compact initiative in which more than 240 companies currently participate, committing to six areas of sustainable water management and reporting on their progress annually.

There are also water footprint software tools designed to automate calculations and simplify data collection, such as Aqueduct (WRI), Water Risk Filter (WWF), Smart Water Navigator (Ecolab) and SimaPro.

Reaching the U.N. Sustainable Development Goals (SDGs)

Water is central to all life, and managing the water footprint can help companies contribute to the U.N. Sustainable Development Goals, both directly and indirectly.

Proper water management has a high impact on health and well-being (SDG 3), clean water and sanitation (SDG 6), affordable and clean energy (SDG 7), industry, innovation and infrastructure (SDG 9), responsible production and consumption (SDG 12), climate action (SDG 13), life below water (SDG 14) and life on land (SDG 15).

“The assessment of the water footprint emerges as the most practical tool for companies to measure their water consumption and the resulting impacts,” state the authors. “Only by understanding how their actions are contributing to the current scenario of water scarcity will they know where to start and then develop real and effective responses to this problem.”

Joan Fontrodona

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