

**BLUEPRINT
FOR BUSINESS
LEADERSHIP
ON THE SDGS**

**6 CLEAN WATER
AND SANITATION**



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How business leadership can advance Goal 6 on Clean Water and Sanitation



Sustainable water management is essential for human dignity and wellbeing, economic productivity, and environmental resilience. Current water resources are highly stressed, with two thirds of the world's population projected to be living in water stressed areas in 2025, a problem climate change and population growth will only exacerbate. In addition, 2.1 billion people worldwide lack access to safe, readily available water at home, and 4.5 billion lack safely managed sanitation.

Businesses are impacted by and directly impact the quality and quantity of water resources through the production of goods and services, primarily through consumption of water and discharge into shared water resources. In water-stressed areas, these impacts are more acutely felt and where businesses need to pay particular attention. Ninety per cent of water consumed in the world today is used for agricultural or industrial purposes, highlighting the crucial role that businesses must play in promoting the responsible use and effective governance of global water resources. Infrastructure funding required to achieve SDG targets related to water and sanitation are estimated to be as high as \$45 billion per year, with the private sector expected to provide a significant portion of investment. To help deliver on Goal 6, all businesses must respect the rights of communities to water and sanitation and are encouraged to support government, business and other stakeholder efforts to provide universal access to clean water and sanitation. This involves understanding impacts on local ecosystems and communities, particularly the cumulative impacts that businesses have on water resources; monitoring own water use; and taking appropriate action ranging from internal (improving water efficiency, reducing water inputs, investing in wastewater treatment, water reuse) to external collaborations to address risks and impacts in water intensive sectors such as manufacturing, agriculture, and extractives.

Leading businesses build on responsible business practices and take extraordinary steps to understand and respond to identified water risks to, and impacts of, their end-to-end operations on watersheds and communities. They can do so by implementing water stewardship plans developed in consultation with other water users. Leading action can also involve improving access to clean water and sanitation across own facilities, throughout supply chains, and the wider community. Business can do this through investment and engagement with government and civil society for the provision of water and sanitation (WASH) and the holistic management of water resources to meet social, economic and environmental needs. They can also protect and restore natural infrastructure that supports clean water provision.

The case for business leadership on water issues is supported by the key role water resources play in production across industries. Over 80 per cent of all jobs globally are dependent on sustainably managed water resources and related services. Unabated, water scarcity is estimated to cost as much as 6 per cent in GDP by 2050.

Goal 6 is closely interlinked with all other SDGs, reflecting the essential role water resources play in society, economy, and the environment. Specifically, managing water resources sustainably will enable progress on environmental and economic Goals, by avoiding potential costs of pollution and scarcity. Progress on people-related Goals, including those related to gender, poverty, education, hunger and health, will be boosted by improvements to water and sanitation. Access to clean water and sanitation supports healthier families and a more productive workforce. Mitigating the impacts of water scarcity on climate vulnerable populations is essential to make progress on this goal. Efforts to deliver other goals including Goals 2 and 7, can impact water supplies if characterized by water-intensive activities. Leading businesses will manage these risks by reducing potential conflicts between water, energy and food systems.



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Business Actions in Support of Goal 6

Targets of Goal 6

6.1 Universal, equitable access to safe and affordable drinking water

6.2 Adequate and equitable sanitation and hygiene for all and end open defecation, with special attention to the needs of women, children and those in vulnerable situations

6.3 Improve water quality by reducing pollution and increasing recycling

6.4 Increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity

6.5 Implement integrated water resources management at all levels, including transboundary cooperation

6.6 Protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes

Business Actions

1

Develop and implement holistic water strategies that are socially equitable, environmental sustainable, and economically beneficial in watersheds around company and supply chain operations

2

Protect and/or restore water-based ecosystems around own operations and supply chain

3

Ensure access to water and sanitation by addressing impacts of company and supply chain operations on local water supplies and supporting stakeholders to deliver clean water and sanitation

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Do your actions satisfy the Leadership Qualities?



Guiding Questions
to apply to the Leadership Qualities to your business

Intentional

- Is your company committed to supporting the achievement of Goal 6? Have you developed a holistic strategy that reflects this commitment, covering end-to-end operations and the wider community?
- Are you committed to learn from your actions and do you have processes in place to improve them accordingly?
- Is your strategy supported by the highest levels of management, including the Board of Directors?

Ambitious

- Do your actions achieve long-term outcomes that greatly exceed those resulting from current industry practice?
- Are your actions aligned with what is needed to achieve Goal 2?

Consistent

- Is support for Goal 6 embedded across all organizational functions?
- Are staff and board incentives aligned with achieving Goal 6?

Collaborative

- Do you proactively look for opportunities to partner with Governments, UN agencies, suppliers, civil society organizations, industry peers and other stakeholders to inform how to advance Goal 6?

Accountable

- Do you publicly express your commitment to advance Goal 6?
- Do you identify, monitor, and report on impacts, including potentially adverse impacts?
- Do you mitigate risks associated with your action?
- Do you remediate negative impacts associated with this action?
- Do you engage stakeholders in a meaningful way?

Key Considerations
for Goal 6

Actions related to Goal 6 should be in line with a company-wide water strategy that considers current and future impacts and risks on environmental, economic, and social uses of water in strategic watersheds around end-to-end operations

Ambitious action that takes a watershed approach to identify and respond to environmental and social issues throughout end-to-end operations, must aim for lasting outcomes that align with what is required to realize the Goal 6 targets.

Consistency in the context of Goal 6 means that all departments, including government relations, the legal department, and external communications are committed to all aspects of water stewardship. This includes respecting the rights to water and sanitation in all areas of operations in engagement with suppliers

Collaboration with all water users and stakeholders in a watershed is crucial to developing a holistic water management strategy that addresses local water and sanitation challenges. Companies may also support joint advocacy or partnerships that promote greater WASH outcomes.

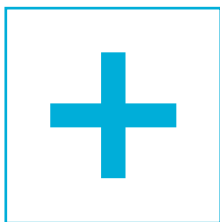
Accountability includes monitoring and reporting on how business impacts water resources, water related natural infrastructure, and community access to water and sanitation. These impacts must be reported publicly, and placed in the context of other users' impacts on shared water resources.



How taking action on Goal 6 is interconnected with other Goals



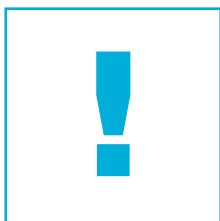
The Global Goals are inherently interconnected. Action taken toward one Goal can support or hinder the achievement of others. Identifying and addressing these interconnections will help business to build holistic and systemic solutions that amplify progress and minimize negative impacts. To help build a greater understanding, we have illustrated some of the ways in which the Goals connect. These are not exhaustive, and we encourage business to consider how they apply in their own operations.



Maximise likelihood of positive impact on:



Water and sanitation are strongly connected to the delivery of most Goals, but have especially strong links to people-oriented goals. This is because water is a prerequisite for the realization of other human rights, and reducing water-borne and waste-related illnesses (Goal 3). Reduced illness and low costs of water collection can help further employment, boost productivity (Goal 8) and reduce poverty (Goal 1), and increase education rates amongst children and women in rural areas (Goal 5). Improving the use of water resources in business operations will also boost the ecological integrity of natural ecosystems (Goal 14 and 15) that critically depend on clean water.



Minimise risk of negative impact on:



Efforts to reduce water waste and misuse can have unintended effects on water-dependent systems through changes in pricing and availability. In agriculture, water rationing actions may have short-term effects on food production that can impact food supplies (Goal 2). Energy produced from hydroelectric dams could be impacted by water planning, causing a switch to less sustainable forms of electricity (Goal 7). Infrastructure projects can impact on Goal 3, including through impacting land and water rights, as well as the affordability of water. These impacts, especially those on local communities, must be managed to deliver sustainable development, which should result from watershed-level water management practices.

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BUSINESS ACTION 1

Develop and implement holistic water strategies that are socially equitable, environmental sustainable, and economically beneficial in watersheds around company and supply chain operations

As major users of water in production, and as producers of waste that can impact access to clean water resources, businesses play an important role in serving as stewards of water resources in watersheds around their end-to-end operations. All businesses are expected to assess, monitor, and report on their water use and its impacts on water resources and develop strategies to improve local watershed conditions by mitigating impacts and/or investing in programs and activities to support responsible water management and use. Leading companies take a watershed approach, setting local context based water targets that take into account hydrological, social, and political conditions. They can make a strategic commitment to shared governance of watershed resources in cooperation with other users and beneficiaries. These should be applied consistently in watersheds on which its end-to-end operations have a significant impact. Shared governance of water resources includes support for Integrated Water Resource Management plans by Governments and collaboration with other users to understand and respond to aggregate impacts on shared resources

Example practice

- A mining company **develops an investment plan for improving watershed functions** through an inclusive process involving all relevant catchment stakeholders
- A food manufacturer develops water stewardship master plans in regions it sources from, in collaboration with farmers and households, which results in substantial reduction in agricultural water use in areas of high water stress
- A chemical manufacturer **sources reused water from an urban wastewater treatment plant** avoiding industrial uptake of fresh water, and providing 500,000 people with drinking water
- An agricultural distributor **applies a well-known, credible water risk filter** to its value chain to identify impacts of its operations on other users of shared water resources and inform mitigation efforts and investment decisions



Consider the leadership qualities and interconnectedness of your action, including...

Intentionality: business action should be informed by a commitment to watershed stewardship that reflects consultation with all users and beneficiaries of shared water resources and addresses environmental, economic and social impacts and risks, with particular attention to the access of vulnerable populations to clean water.

Accountability: companies should evaluate, monitor and report the impact of operations, supply chains and planned investments on other users of shared water resources, including the environment. There are various tools available that can help companies begin a risk assessment process that could be integrated in an impact assessment and response strategy.

Interconnectedness: healthy watersheds are fundamental to human livelihoods (Goals 1, 2, 3) and animal and plant life (Goals 14 and 15)

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BUSINESS ACTION 2

Protect and/or restore water-based ecosystems around own operations and supply chain



Business must, at a minimum, respect applicable environmental laws governing the protection of ecosystems that may be harmed as a result of their operations. Leading companies take action that goes beyond this responsibility and recognize the value of natural infrastructure that regulates water availability and quality to all stakeholders in the watersheds around their end-to-end operations. Leading companies commit to protect and/or restore water-based ecosystems to sustain the services they deliver. In line with holistic watershed management, they also collaborate with other water users and watershed dependent communities to ensure the sustained delivery of ecosystem services.

Example practice

- An energy company invests in **natural wetlands and reed beds** around company operations to treat at least the same amount of water resources as the amount it extracts and refines, replacing deep aquifer storage pumps
- An automobile manufacturer **invests in natural rainwater catchment infrastructure to replenish at least as much groundwater as it uses in production** and ensure adequate water supply for environment, population, and industry
- A beverage manufacturer **invests in water recharge technologies and practices on farms in areas it sources from** to replenish groundwater assets for agricultural inputs to its products



Consider the leadership qualities and interconnectedness of your action, including...

Collaboration: business should work with local governments to gain permits for natural infrastructure projects, financial institutions to increase financing available for natural infrastructure, national and regional governments to advocate policies supportive of natural infrastructure expansion, and local communities to understand their needs.

Accountability: companies should adopt adequate safeguards and manage any negative impacts of their actions on vulnerable communities that depend on watersheds for their livelihoods

Interconnectedness: action to protect, restore and expand natural infrastructure can help achieve goals related to ecosystems on land (Goal 15) and below water (Goal 14). By replacing high carbon grey infrastructure with carbon sequestering vegetation, these actions also support climate targets (Goal 13)

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BUSINESS ACTION 3

Ensure access to water and sanitation by addressing impacts of company and supply chain operations on local water supplies and supporting stakeholders to deliver clean water and sanitation



Businesses play a pivotal role in ensuring access to water and sanitation. They undertake assessments that focus on understanding how company practices impact local community water resources and devising strategies in response. These responses can be to mitigate or remediate impacts. Leading companies create and drive partnerships to address the cumulative impacts of all stakeholders on WASH and address systemic issues. Business can lead in collaborations with Governments, other businesses, NGOs, and communities to devise plans that ensure adequate provision of WASH services, including through addressing joint local impacts, sharing knowledge, technologies, and infrastructure. They pay particular attention to protecting and expanding the access of vulnerable populations to clean water and sanitation, including poor and indigenous communities

Example practice

- An energy utility **shares municipal modelling capabilities** with local Governments to aid with water supply planning
- A mining company **shares water treatment facilities for mine tailings with municipalities** to provide safe drinking water and wastewater treatment services in water-scarce regions, support water reuse in the company's own operations, and alleviate water stress stemming from local population growth related to displacement of rural populations from mining activities
- A hydroelectric dam operator **provides sanitation facilities to villages downstream from a new dam** to ensure quality water resources are provided for energy and other uses throughout the watershed



Consider the leadership qualities and interconnectedness of your action, including...

Collaboration: strong, long-term multi-stakeholder partnerships are fundamental to promoting adequate wash provision that respects the rights of local communities

Accountability: wash provision often affects vulnerable groups. Companies should adopt adequate safeguards and manage any negative impacts of their actions on these groups, and also monitor the accumulation of impacts from actions of partners they work with. Meaningful engagement in relation to this business action includes ensuring free, prior, and informed consent for local and indigenous populations for all major water infrastructure operations, as part of a comprehensive engagement strategy with all watershed stakeholders.

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Global Opportunity Explorer

Navigating the SDGs: a business guide to engaging with the UN Global Goals

SDG Reporting - An Analysis of the Goals and Targets

International Council on Mining and Minerals Catchment-based water management guide

Sustainable Development Knowledge Platform, Goal 6

WWF Water Risk Filter

CEO Water Mandate

Guidance for Companies on Respecting the Human Rights to Water and Sanitation