



2014

Best Practice Category:

Country of the Best Practice:

Launched in Singapore - Worldwide

**Company name:
Veolia Water Technologies**

**Industry:
Water treatment**

**Turnover (2013):
Worldwide: 2.1 Billion
Asia Pacific: 11%**

**Workforce (2013):
Worldwide: 11 000
Asia Pacific: 1200
Singapore: 200**

**Headquarter (country):
France**

**Company Website :
www.veoliawaterst.com**

Company logo:



BEST PRACTICE TITLE :

True Cost of Water

COMPANY NAME :

Veolia

BACKGROUND

Please briefly describe your line of Business. Who Initiated this Best Practice Project? What drove the company buy into this initiative?

Veolia Water Technologies provides the complete range of services required to design, build, maintain and upgrade water treatment facilities for municipal and industrial clients.

The True Cost of Water is a new Business Intelligence methodology developed by Veolia, which monetizes 'blue risks', assesses water-related risks and allows major companies around the world to make sustainable business decisions ensuring long-term profitability.

The True Cost of Water focuses on the financial implications of water-related risks for public authorities and industrial companies.

The need for this game-changing methodology is becoming increasingly important on the growth agendas of various companies who are now looking to optimize their water performance, mitigate risks and ensure social license to operate.

With the True Cost of Water, Veolia enables Decision Makers from the industry, local authorities and citizens to optimize their use of resources for more efficient, environmentally-friendly and socially responsible outcomes.

OBJECTIVE(S)

Which Best Practice objective(s) does the company want to achieve with Your Project?

By including the concept of the True Cost of Water into business decisions, decision-makers can take better decisions and understand deeply the importance of investing in sustainable practices such as water reuse and wastewater resource recovery. Return on investment is no longer simply based on current costs but is instead corrected to the risk based costs.

The True Cost of Water provides companies with vital information to assist in the selection of appropriate water strategies to diminish their overall water risk.

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APPROACH

Which were the critical phases of Your Project implementation? Were other department(s) or function(s) involved in your project?

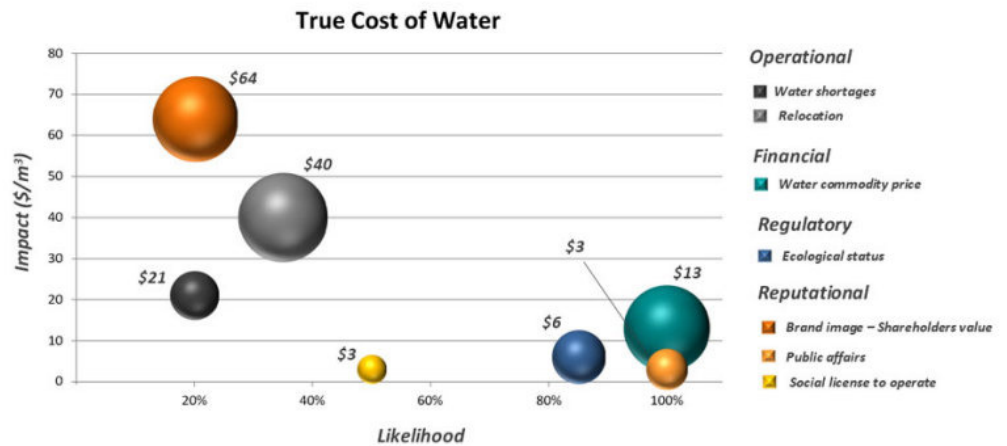


The True Cost of Water combines traditional CAPEX and OPEX calculations with analysis of water risks and their financial implications.

The True Cost of Water tool takes into account:

- **Direct water costs:** Capital & Operational Expenditures of water infrastructures,
- **Indirect water costs:** existing costs that are usually not attributed to water, e.g. water-related legal costs,
- **Financial implications of water risks:** costs arising during the lifetime of a plant that were not anticipated

These risks are organized in four categories: **operational** such as water shortages; **financial**, such as increase in cost of capital; **regulatory** such as obligation to meet ecological status; and **reputational** such as temporary loss of license to operate.



Veolia’s True Cost of Water tool focuses on the financial implications of water-related risks. It helps the user anticipate, prioritize, and more effectively mitigate water-related risks that can negatively affect the bottom line by creating a risk-reward tradeoff analysis.

RESULTS

Was your project successful? Which tangible results could be highlighted? Also please state any challenges and obstacles encountered if any.

Veolia’s True Cost of Water tool focuses on the financial implications of water-related risks. It helps the user to anticipate, prioritize, and more effectively

THANK YOU FOR YOUR CONTRIBUTION TO A BETTER WORLD !

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mitigate water-related risks that can negatively affect the bottom line by creating a risk-reward tradeoff analysis.

List of the benefits and results brought by the True Cost of Water project:

- Anticipate risks; create new business opportunities, co-creation of shared value, license to growth, optimization of insurance fees, improvement of cost capital, better rating from agencies...

KEY SUCCESS FACTORS

CONTRIBUTION TO CORPORATE PERFORMANCE

Describe the concrete measurable benefits and outcome of Your Projects (if possible give numerical results)

The True Cost of Water gives a global 'water' picture that puts a dollar value on the impact of future investment associated with water risks and opportunities. With this tool, financial and high level decision-makers are now able to make better, more calculated choices when investing in industrial water sustainability solutions around the world.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE BENEFITS

What are the social, environmental and/or governance benefit(s) and impact(s) resulting from your Best practice?

Water crises will be the second major global risk for business over the next ten years according to a report published at the 2013 World Economic Forum. Nature is starting to send us the bill for unsustainable development. Pricing water appropriately is the only way to make sound sustainable business decision.