
Water Footprint – Part 2

Corporate sustainability:
Recording and reporting
water footprint



Regulatory requirement

- SEBI has mandated the top 1000 listed companies, based on market capitalization, to publish their Business Responsibility and Sustainability Report (BRSR).
- Furthermore, the top 150 listed companies by market capitalization are required to obtain reasonable assurance on 9 core parameters of BRSR, which is a subset of the entire BRSR.
- The Principle 6 of BRSR has 2 Essential (mandatory) and 1 Leadership (voluntary) indicators related to an entity's water footprint.
- Among the 9 identified core parameters of BRSR, one specifically addresses Water Footprint (consumption and discharge), and it is obligatory for companies, especially the top 150 listed ones, to accurately report their footprint data as it requires assurance.





Principle 6 of BRSR

Essential indicator 3: Details of total water withdrawn, consumed and water intensity.

Expected disclosure:

1. Total water withdrawn from different sources
2. If the entity cannot directly measure its water consumption, it may calculate this using the following formula:

Total water consumption = Total water withdrawal – Total water discharge

3. Water intensity per rupee of turnover

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY ____ (Current Financial Year)	FY ____ (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water		
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater / desalinated water		
(v) Others		
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)		
Total volume of water consumption (in kilolitres)		
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)		
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)		
Water intensity in terms of physical output		
Water intensity (optional) – the relevant metric may be selected by the entity		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.





Principle 6 of BRSR

Essential indicator 4: Details related water discharged.

Expected disclosure:

1. Water discharged by levels of treatment and destination.
2. The levels of treatment can be broken down to
 - a. Primary
 - b. Secondary
 - c. Tertiary



4. Provide the following details related to water discharged:

Parameter	FY ____ (Current Financial Year)	FY ____ (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment		
- With treatment – please specify level of treatment		
(ii) To Groundwater		
- No treatment		
- With treatment – please specify level of treatment		
(iii) To Seawater		
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties		
- No treatment		
- With treatment – please specify level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.



Principle 6 of BRSR

Leadership indicator 1: Details of water withdrawal, consumption and discharged.

Expected disclosure:

1. Total water withdrawn from different sources
2. Total water discharged by levels of treatment



1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

- (i) Name of the area
- (ii) Nature of operations
- (iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY ____ (Current Financial Year)	FY ____ (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water		
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater / desalinated water		
(v) Others		
Total volume of water withdrawal (in kilolitres)		
Total volume of water consumption (in kilolitres)		
Water intensity per rupee of turnover (Water consumed / turnover)		
Water intensity (optional) – the relevant metric may be selected by the entity		
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water		
- No treatment		
- With treatment – please specify level of treatment		
(ii) Into Groundwater		
- No treatment		
- With treatment – please specify level of treatment		
(iii) Into Seawater		
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties		
- No treatment		
- With treatment – please specify level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.



Challenges in measuring water footprint

- For companies falling in service sector, assessing their water footprint is a challenge as they typically lack dedicated measuring equipment or systems. In our opinion, an entity can use consumption standards provided by Bureau of Indian Standards (BIS) and Central Ground Water Authority (CGWA) to estimate their water usage.
- It's important to note the difference between water withdrawn or purchased and water consumed. Often, the quantity of water withdrawn exceeds the amount consumed due to losses incurred in between water withdrawn and consumed.
- Similarly, when it comes to water discharge, companies sometimes equate the quantity of water discharged with the amount consumed. However, the outflow of water may differ from the inflow.



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Importance of assessing corporate water footprint

- Assessing water footprint helps companies identify potential risks to their operations posed by water scarcity, pollution, or regulatory changes.
 - Identifying opportunities to reduce water consumption and improve efficiency can lead to significant cost savings for companies.
 - Assessing water footprint and taking measures to mitigate the impact helps in aligning with Sustainable Development Goal 6.
 - Institutional investors, asset managers, and sustainable investment funds increasingly incorporate ESG criteria, including water management practices, into their investment decision-making processes.
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Recommendations

- Companies can encourage their supply chain partners to assess their water footprint, to understand both direct and indirect impacts.
- Installing calibrated water meters at inflow and outflow points can accurately measure water consumption and discharge, aiding in better understanding of water usage.
- Conducting regular water audits helps companies assess their water usage patterns, identify inefficiencies, and prioritize areas for improvement.
- Conducting Life Cycle Assessment (LCA) to evaluate the overall environmental impact of products or processes, including their water footprint. LCAs provide a holistic view of water usage from raw material extraction to disposal, helping companies identify hotspots and opportunities for improvement.



THANK YOU