

PRESS RELEASES

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Water Risk Monetizer Provides New Data for Businesses to Factor Water Risks Into Critical Business Decisions

First-of-its-kind tool, available at no cost, quantifies water risks in financial terms

ST. PAUL, Minn.--(BUSINESS WIRE)-- Water scarcity is impacting the vitality of communities around the world. For businesses, it is a significant constraint to growth. The [Water Risk Monetizer](#) is industry's first financial modeling tool that enables businesses to factor water into decisions that support business growth and help ensure the availability of this limited natural resource for future generations. The Water Risk Monetizer provides actionable information to help businesses understand the impact of water scarcity to their operations and quantify those risks in financial terms.

The Water Risk Monetizer was developed by Ecolab Inc., the global leader in water technologies and services, and Trucost, the global leader in valuing natural capital. Ecolab and Trucost are committed to advancing the principles of water stewardship by increasing understanding of global water risks and helping others make the business case for responsible water use. The Water Risk Monetizer is available at no cost to businesses throughout the world, and the secure site is designed so only the user has access to the information entered.

Insufficient access to clean water can significantly disrupt operations, increase costs and curtail growth. Despite increasing risks to businesses and communities, the cost of water today in many regions of the world remains relatively low. The Water Risk Monetizer helps bridge the gap between market price and risk (based on scarcity) by calculating a risk-adjusted price comprising forecasted future water costs, plus a risk-based premium that represents the value that should be placed on water based on real and future water scarcity risks. The premium makes it easier to factor the potential cost or impact of water risks into business decisions in the same way other risks are considered in planning and capital allocation.

"As a company committed to partnering with customers to address water challenges, we understand that companies need tools to help interpret the value of water," said Douglas M. Baker, Jr., Ecolab chairman and chief executive officer. "Most companies acknowledge the need to take action to mitigate risk and reduce impact, but making the business case to address these challenges is difficult without the type of financial information now available through the Water Risk Monetizer."

"Water is greatly undervalued in many markets around the world, meaning business and society often take it for granted," said Richard Mattison, chief executive of Trucost. "As water scarcity worsens due to climate change, increasing consumption and inefficient use, companies with operations and supply chains in affected regions face increasing risks from water shortages and higher costs."

"The Water Risk Monetizer provides companies with a robust, but easy-to-use way to put a price on their use of water which reflects its true value to sustaining natural capital," Mattison continued. "Companies can then take focused action at a strategic and operational level to reduce risks through more informed water efficiency, procurement processes and site location decisions."

The Water Risk Monetizer uses a scientific model developed by Trucost to quantify the potential impact of water scarcity on a facility in monetary terms. The model correlates local water scarcity to considerations that contribute to the full value of incoming water, based on scarcity, for a specific facility, including:

- Current and projected water use
- Current and projected local water scarcity
- Economic variance and purchasing power
- Population and GDP forecast

Using algorithms derived from published scientific studies on water scarcity and in-stream water values, such as groundwater recharge, waste assimilation, wildlife habitat and recreational activities, the tool correlates a facility's water use to these local water scarcity considerations to calculate a "water risk premium."

The water risk premium, when added to the local price a business pays for water, quantifies the value a business should place on water based on real and future water scarcity risks. The model aligns scarcity data with current market conditions to cap the water risk premium at the highest price paid for water globally today.

The result is a financial assessment of water risks, calculated in current and three-, five- and ten-year projections, including:

- Forecasted water bills based on the historical relationship between country level GDP and water price
- Water risk premiums based on scarcity calculated by Trucost's scientific model
- Total value (risk adjusted water price) that should be placed on water based on real and future risk related to water scarcity

The information provided by the Water Risk Monetizer can be used by businesses around the world to better understand water risks and the potential cost implications of water scarcity for a particular facility. The data provides valuable information to help assess different business models, determine how water costs or scarcity may affect growth plans, help inform business goals and provide a catalyst for collaboration and stewardship for greater impact.

For more information and to try the tool, visit www.WaterRiskMonetizer.com.

An online press conference will be held at 10:00 a.m. Eastern Time on Wednesday, Nov. 5 to discuss the new Water Risk Monetizer, provide an overview of its capabilities and answer media questions about the tool. Details to join the online press conference:

Press Conference [URL: bit.ly/1nKIBeN](https://bit.ly/1nKIBeN)

North America Conference line number: 1-877-668-4493

Click [here](#) for international conference line information

Access code: 294 520 212

About Ecolab

A trusted partner at more than one million customer locations, Ecolab (ECL) is the global leader in water, hygiene and energy technologies and services that protect people and vital resources. With 2013 sales of \$13 billion and 45,000 associates, Ecolab delivers comprehensive solutions and on-site service to promote safe food, maintain clean environments, optimize water and energy use and improve operational efficiencies for customers in the food, healthcare, energy, hospitality and industrial markets in more than 170 countries around the world. For more Ecolab news and information, visit www.ecolab.com.

About Trucost

Trucost has been helping companies, investors, governments, academics and thought leaders to understand the economic consequences of natural capital dependency for over 14 years. Our world-leading data and insight enable our clients to identify natural capital dependency across companies, products, supply chains and investments; manage risk from volatile commodity prices and increasing environmental costs; and ultimately build more sustainable business models and brands. Key to our approach is that we not only quantify natural capital dependency, we also put a price on it, helping our clients understand environmental risk in business terms. For more Trucost news and information, visit www.trucost.com.

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