

Water Replenishment as a NBS to address societal challenges

Piloting the natural capital methodology on 7 water replenishment projects across Europe

**GLOBE EU CONFERENCE ON FINANCING
NATURE-BASED SOLUTIONS**

September 28th 2021



**Jan
Burger**

Our Global Vision

Increase water security for our business, people and nature where we operate, source ingredients and touch people's lives



Availability

Quality

Ecosystems

Access

Governance



Regenerative Operations

Reduced local shared water challenges



Healthy Watersheds

Improved watersheds and sustainable supply chains



Resilient Communities

Enhanced community water resilience, focus on women and girls

GLOBAL GOALS

- 100% **Regenerative Water Use** in Leadership Locations
- Drive **advanced water efficiency improvement** in water-stressed contexts (target subject to context-based validation)
- 100% compliance with **KO global water stewardship requirements**

- **Implementation of watershed stewardship plans** in priority operating watersheds
- 100% **'water-sustainable' ingredients sourcing** in priority sourcing watersheds

- **Provide access to water and sanitation** in workplace, supply chain and communities where we operate, sell and source
- **Support communities to adapt** to the impacts of climate change
- **Help communities recover** faster from crisis situations through water access

Replenish 100% of our water use where it matters most
(local regeneration, watershed replenishment and community resilience)

PRIORITY LEVERS FOR CHANGE

- **Advocate** for good water governance
- **Scale collective action** and science.
- **Report and disclose** meaningfully

Why natural capital?

Natural Capital (NC) is a means to facilitate the assessment of the net impact of a business/project on the environment and society.

For us, at its core is **water replenishment**, returning to nature the equivalent of all water used in our products.

WE SUPPORT:

Nearly
250 watershed conservation and community projects

300 further programs



Diverse partners implementation

We've developed and piloted a **standardized methodology** to account for the ecosystem service benefits of water replenishment.

Our pilot projects prove, in different contexts, water restoration can enhance:



Carbon sequestration and climate resilience



Recreation and economic development



Water Quality



Food and raw materials provisioning



Flood protection



The overall biodiversity

PROJECT GOAL & CONTEXT

Develop a method to measure the ecosystem service benefits of Replenish!

PROJECT GOALS

Quantify the natural capital benefits of water replenishment projects of TCCC in Europe

Allow for regular review and updating of key parameters over time

The methodology and results are to undergo external auditing so as to ensure their validity

Method be based on sound and up-to-date science

PROJECT PROCESS

MATERIALITY

Scope out the methodology - measure what matters

METHOD DEVELOPMENT

Decide on appropriate key indicators and valuation approaches. Define minimum viable data sources.

DATA COLLECTION

Test and refine method with site-specific data. Apply sensitivity analysis. Apply to all projects where possible.

EXTERNAL QUALITY ASSURANCE

Feedback from 2 external reviewers.
Feedback from TCCC project partners (high-level global & local NGOs)

WRAP-UP

Finalize outputs, write external-facing report

PROJECT NEEDS

A fit-for-future approach

Relevant

Applicability to any project and to material issues. Support wider narrative.

Rigorous

Robust, auditable, conservative methodology that can stand up to external scrutiny.

Replicable

Standard, well-documented and easy-to-use approach.

Consistent

Comparability, able to sum-up individual project results

Fit for future



ISO
14008

MATERIALITY ASSESSMENT PROCESS

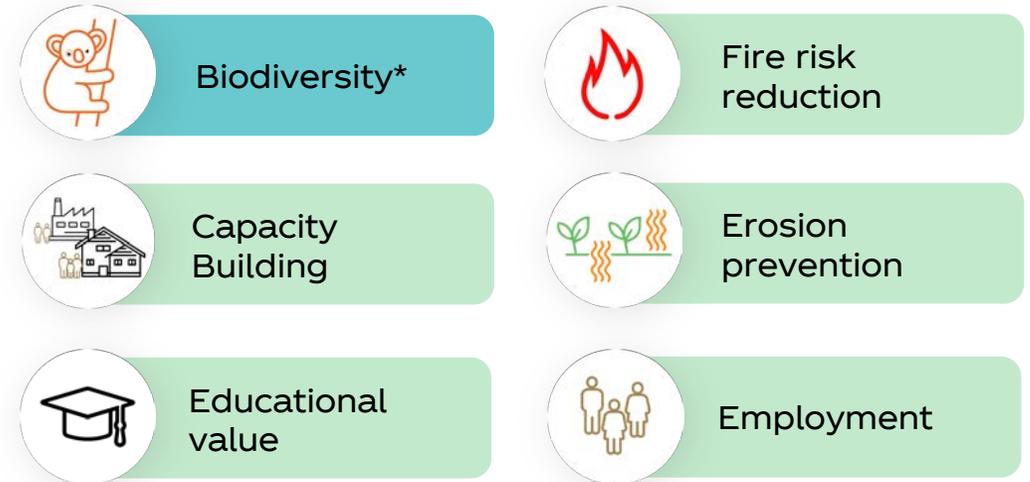
Measure what matters the most (and most often)

PROJECT BENEFITS

Quantitative estimation



Qualitative estimation



TOTAL VALUE OF PROJECTS (BOTH QUANTITATIVE AND QUALITATIVE)

* Biodiversity is a core (material) benefit but is currently not assessed quantitatively due to lack of standardized data and methods. Tackling of this issue is ongoing.

Legend ● Material benefits ● Non-material benefits

THE METHOD IN ACTION

Example project results: Let's Save Yelnya Together!

Yelnya is Europe's 5th largest peat bog. It is a designated Nature Preserve, an Important Bird Area (IBA), and a Ramsar territory.



BEFORE THE PROJECT (BASELINE)

Deep-drained soil (water table >30 cm below surface)

Nutrient-poor soil (typical for rainfed wetlands)

Drainage due to historic dams for irrigation canals (disused)

Large annual peat fires, deteriorated biodiversity



Information on change in environment + qualitative benefits



ROI information



Breakdown of benefits in economic units (EUR per year)

PROJECT KEY ACHIEVEMENTS

- Water replenished: 10,903 ML/year
- C sequestration: -21,100 tCO₂-eq/year (0.41 tC/ha/year)
- Additional berry harvest for local people: 7 t/year
- Additional visitors: 1,500/year
- Fire risk reduction: Major change (much reduced peat fires)
- Improvement in educational value: Minor change
- Scenic quality: Significant habitat recovery with fire cessation
- Biodiversity benefits: Substantial benefits, the site provides habitat for 98 bird species (incl. 23 endangered), and 11 endangered plant species.



Total TCCC investment

297,500 EUR

Total ecosystem services value per year

1,046,500 EUR/year

Project payback time

-0.3 years (approx. 4 months)

Total value of ES after 10 years

10,465,000 EUR

Total investment multiplier after 10 years

35



AFTER THE PROJECT

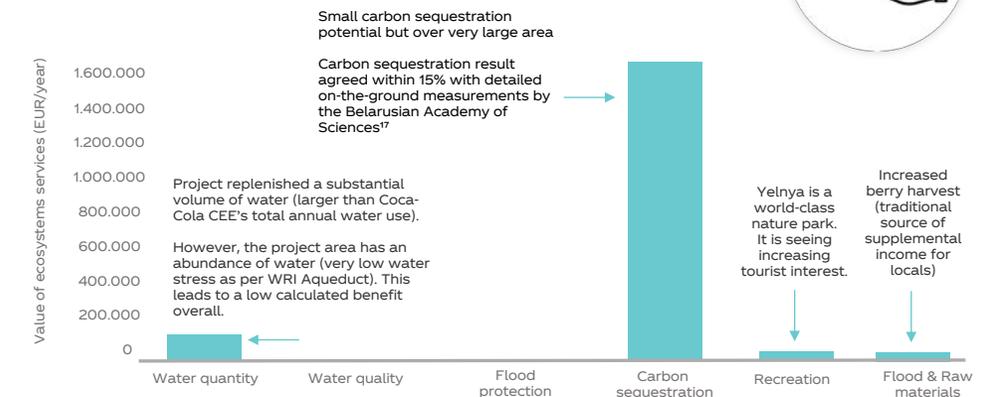
Removal of dams

Rewetting of **14 000 ha** of land

1 m depth of water table

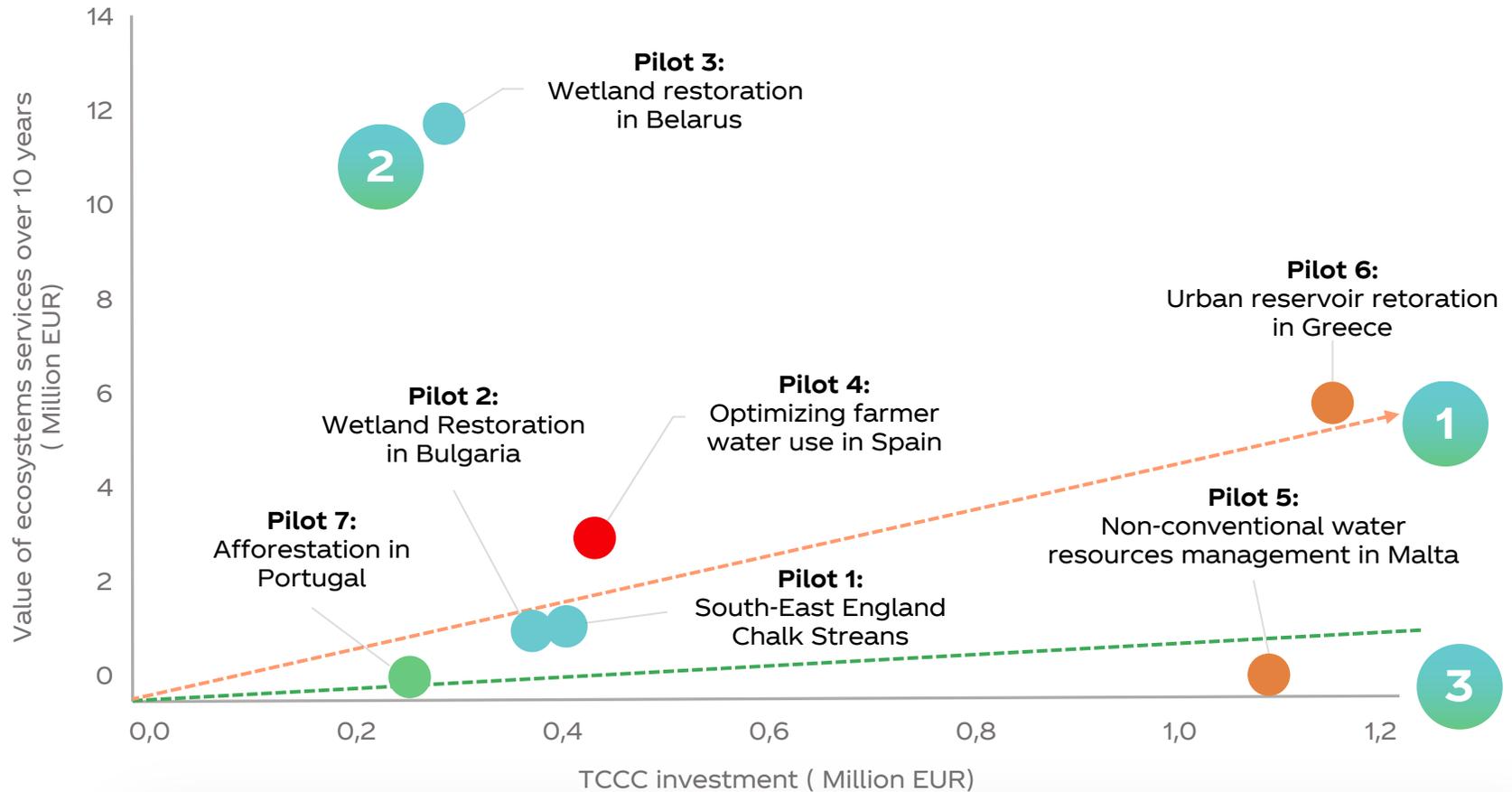
Significantly reduced peat fires' size and frequency. Biodiversity recovering over time.

Project by Coca-Cola Beverages Belorussiya, in partnership with APB-Birdlife Belarus



THE METHOD IN ACTION

Summary of pilot results



1 In general, the larger the investment, the larger the ecosystem service benefits. Water quantity benefits are largest overall, though C-seq has the highest ROI.

2 Certain projects can have disproportionately large ROI. These projects typically enhance severely degraded ecosystems. In such cases, relatively small interventions can potentially bring very large benefits.

3 Some projects may at first glance have poor ROI. This may be due to poor performance, though our piloting shows that another reason is that not all relevant benefits can be monetized (esp. related to social capital). This is why qualitative assessment of additional benefits is useful.

Next steps

We believe Nature-Based Solutions through watershed restoration can be a powerful tool, and will continue to **work, share, listen and learn** in this space.

Our methodology for **assessing** the NC benefits of water replenishment projects will help us in building a truly comprehensive understanding of the value of **nature restoration for both our business and the communities we operate in.**

This is not the final answer, but a starting point for a wider discussion for all.

We will continue to work on **NC/NBS both locally and globally** by engaging with our partners and other stakeholders to advance the dialogue.

We're **BUILDING BACK BETTER** by:

- 1 Continuing with assessment of **7 more water replenishment projects** focused on climate benefits
- 2 Start new projects in line with our 2030 water strategy and **use NC benefits assessment** for selection

This is a unique opportunity to steer the state of play towards a “new normal” where enhancing nature and good business go hand-in-hand.

CHECK OUT OUR REPORT

How to create Natural Capital through nature-based solutions

Piloting the methodology
on 7 water replenishment
projects across Europe



[CLICK TO VIEW REPORT](#)

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