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2015

Making an impact that matters
2015 Global Report

Home

Global CEO and Chairman letter

Delivering service that matters

Cognitive computing = smarter, faster choices

Global capabilities and China's State Grid

Cyber resilience begins in the boardroom

HP completes largest Workday HCM implementation

Innovating the audit, attracting talent

Equipping clients to manage, recover from crises

Norwegian oil company builds a platform for growth

Irish pharma company's dramatic turnaround

Drivers and the Internet of Things

Data privacy and security

Risk-intelligent approach promotes quality

Promoting water stewardship in the paper industry

Building careers that matter

Having influence that matters

Making waves in water stewardship

Tailored tool helps Smurfit Kappa assess and mitigate risks from water scarcity

Water is an important resource input in the pulp and paper industry. During the paper-making process, most of the water withdrawn from surface or groundwater is returned to its source, with about 10 percent of the water "consumed." Given the increasing importance of water globally, companies are now developing strategies to manage this precious resource.

One of the organizations focused on addressing water related risks is Smurfit Kappa, Europe's leading corrugated packaging company and one of the leading providers of paper-based packaging solutions in the world. "Smurfit Kappa, and companies like it, are seeking to implement water stewardship strategies to evaluate operational risks and costs associated with disruptions to their water supplies and to identify actions to mitigate these risks," says Olivier Jan, partner, Deloitte France, Sustainability Services.

Assessing the risk

In May 2014, the manufacturer approached Deloitte France to conduct a water-related risk assessment across Smurfit Kappa's global industrial operations throughout FY2015. The member firm enlisted the assistance of BIO by Deloitte—Deloitte France's Sustainability Services center of excellence—and Will Sarni, director and practice leader of Deloitte US's enterprise water strategy. "Assessing potential risks from water availability and quality is a complex process, which covers multiple aspects specific to each geographical location, such as physical scarcity, regulatory issues—and influence of external stakeholders," Sarni explains.

In the first phase of the project, 36 Smurfit Kappa mills were screened for water-related risks using traditional tools and methods. In the second phase—where the scope is limited to mills which present a significant potential risk of water availability—on-site assessments are being performed using a tool built and owned by Deloitte France that is designed specifically for Smurfit Kappa to use for its mills. "This customized tool allows us to tailor the assessments to the company's specificities and challenges, confirm the potential vulnerability of individual mills, and initiate local monitoring and mitigation plans," Jan says. These assessments include the collection of data on the mills' operations, in-depth discussion with local managers, and engagement with external stakeholders. Evaluations of company mills are ongoing.

"Smurfit Kappa will use these assessments to help us identify whether our most strategic industrial assets—and the investments we contemplate for those facilities—might be at risk in the medium-term future due to potential limited availability of water resources, and how we could monitor and mitigate those risks," says Steven Stoffer, Smurfit Kappa's group vice president, Development. "Very few companies have taken steps to assess local risks with such care. Through this proactive approach, with Deloitte France's help, we are in a better position to set the standard for the paper-based packaging industry."



Fresh water is critical to the paper-making process. Deloitte France is working with Smurfit Kappa to help the paper manufacturer mitigate risks of disruption to its water supply.

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