

Corporate Expectations for Valuing Water

Overview and Vision Statement

With input from the Valuing Water Finance Task Force and Investor Working Group and a range of NGO and scientific stakeholders, Ceres has developed a set of six expectations for investors to deploy in their engagement with investee companies on valuing water.

The expectations are underpinned by the following vision statement: Companies will recognize fresh water as the world’s most precious natural resource, essential to whole industries and all communities and ecosystems. By sustainably managing water use, eliminating point and nonpoint pollution, taking collective action, adopting good governance practices, and supporting the human right to water, companies will achieve sustainable water management.

6
water expectations
AMBITION
2030

- Water Quantity
- Water Quality
- Ecosystem Protection
- Access to Water/Sanitation
- Board Oversight
- Public Policy Engagement

The Corporate Expectations

These Valuing Water Corporate Expectations are aligned with the UN Global Compact CEO Water Mandate’s six commitment areas and the UN’s 2030 Sustainable Development Goal for Water (SDG6), including the broader Global Sustainability Agenda, and are informed by the state of the science, as detailed in the **Global Assessment on Private Sector Water Impacts**, and the Ceres Roadmap 2030 (a 10-year action plan for sustainable business leadership). The Expectations are intended to serve as:

- An ambition for large companies to reach by 2030
- The foundation for informing and measuring progress of investor engagements with companies as part of the Valuing Water Finance Initiative

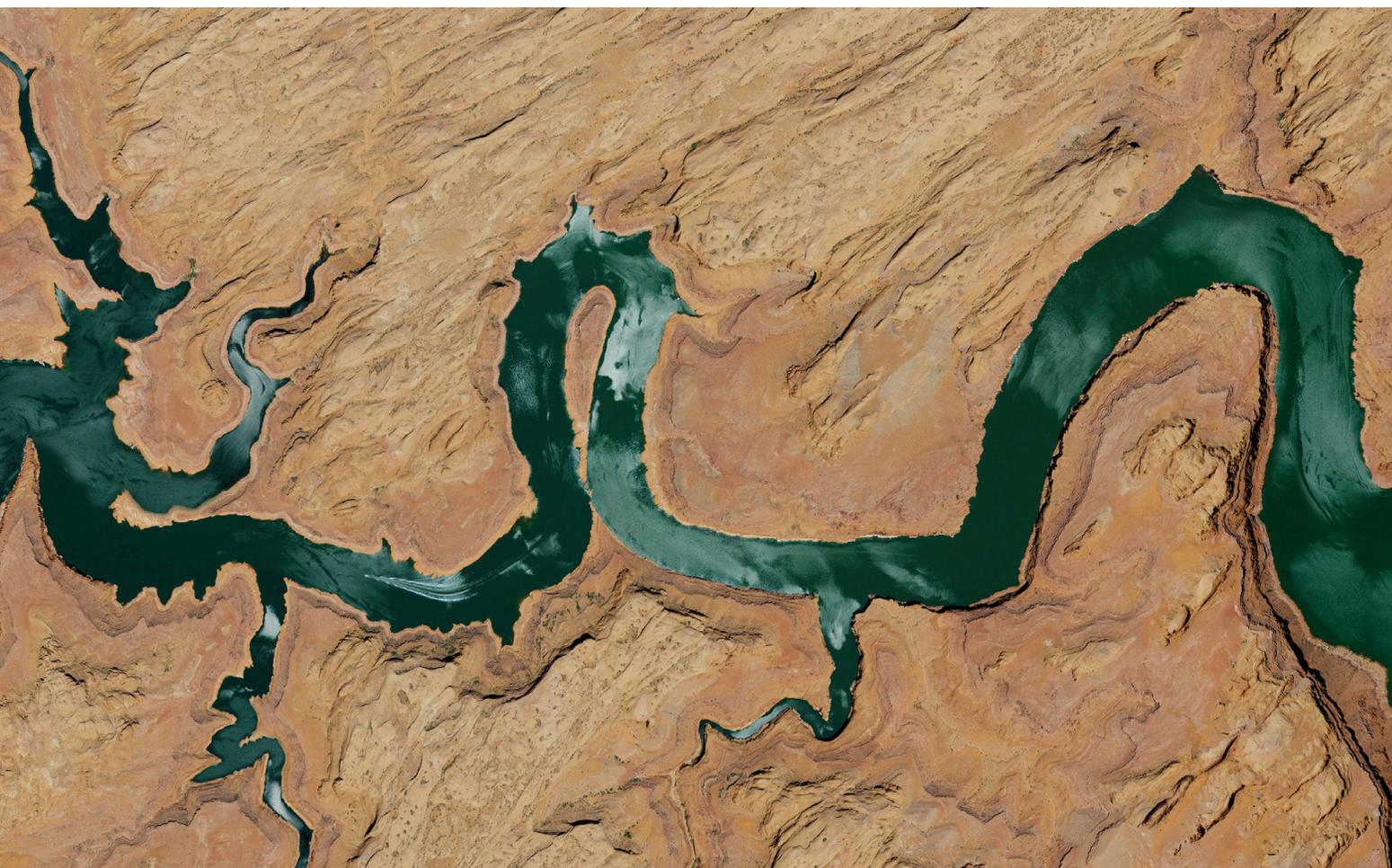
The six Expectations are as follows:

- 1. Water Quantity.** Companies do not negatively impact water availability in water-scarce areas across their value chain.
- 2. Water Quality.** Companies do not negatively impact water quality across their value chain.
- 3. Ecosystem Protection.** Companies do not contribute to the conversion of natural ecosystems critical to freshwater supplies and aquatic biodiversity and actively work to restore degraded habitats that their businesses depend upon.
- 4. Access to Water and Sanitation.** Companies contribute to the social, economic and ecological resilience of communities they interact with by contributing to achieving universal and equitable access to WASH across their value chain.
- 5. Board Oversight.** Corporate boards and senior management oversee water management efforts.
- 6. Public Policy Engagement.** Companies ensure that all public policy engagement and lobbying activities are aligned with sustainable water resource management outcomes.

In setting indicators to inform investor engagements and to track progress of the engagements, we are cognizant of several issues:

1. Disclosure is important and critical for assessing corporate governance, goals, and progress and there are a number of disclosure frameworks that incorporate key water indicators, including CDP, GRI, CDSB, and SASB. Ceres views disclosure as an essential step in the risk management process. While the Valuing Water Expectations do not explicitly call out water disclosure as an expectation, disclosure is an implicit requirement for meeting all six Expectations, as progress tracking will be tied to information that companies formally and publicly disclose.

2. Ceres recognizes the often decades-long efforts undertaken by CDP, GRI, and other disclosure frameworks and data providers to identify and provide investors with a range of meaningful indicators and data sets for understanding corporate water management, goals, and performance. The intent of the Valuing Water Expectations is to tap into this existing body of indicators and data in service of aligning the investment community around an ambitious and comprehensive set of performance expectations in regard to water stewardship for companies. The intent is NOT to create a new disclosure framework or reporting system. The Core and Supporting indicators outlined below are largely derived from or map to the existing disclosure frameworks.



2030 Expectation Core Indicators	Core Indicators
<p>1. Water Quantity</p> <p>Companies do not negatively impact water availability in water-scarce areas across their value chain</p>	<p>Set time-bound, science or contextual goals, targets, and/or policies to address impacts on water availability in water-scarce areas across the value chain</p> <p>Publish progress towards meeting commitments to address impacts on water availability</p>
<p>2. Water Quality</p> <p>Companies do not negatively impact water quality across their value chain</p>	<p>Set time-bound, science or contextual goals, targets, and/or policies to address impacts on water quality from point and nonpoint sources across the value chain</p> <p>Publish progress towards meeting commitments to address impacts on water quality from point and nonpoint sources across the value chain</p>
<p>3. Ecosystem Protection</p> <p>Companies do not contribute to the conversion of natural ecosystems critical to freshwater supplies and aquatic biodiversity and actively work to restore degraded habitats that their businesses depend upon</p>	<p>Companies have set ecosystem protection targets and/or policies</p> <p>Companies have set ecosystem restoration targets and/or policies</p> <p>Companies ensure capital expenditures and sourcing decisions do not contribute to conversion of natural ecosystems in regions where they operate and in sourcing decisions</p>
<p>4. Access to Water and Sanitation</p> <p>Companies contribute to the social, economic, and ecological resilience of communities they interact with by contributing to achieving universal and equitable access to WASH across their value chain</p>	<p>Adopt a corporate policy with designated financial and human resources that respects the human rights to water and sanitation</p> <p>Implement access to safe water, sanitation, and hygiene at the workplace at an appropriate level of standard for all employees in all premises</p> <p>Commit to taking action on WASH across their value chain, including among their suppliers, as well as in the communities that surround their workplaces and/or where their workers live</p> <p>Proactively advocate for strengthened water governance, infrastructure, and equitable access to clean water and sanitation across their value chain</p>
<p>5. Board Oversight</p> <p>Corporate boards and senior management oversee water management efforts</p>	<p>Corporate boards and senior management formally oversee material and salient water issues</p> <p>Corporate boards and senior management integrate water risks and opportunities into decisions on strategy, risk, and revenue</p> <p>Companies adopt sustainability-linked governance practices; for example, linking water management to pay or incentive compensation for senior executives</p>
<p>6. Public Policy Engagement</p> <p>Companies ensure that all public policy engagement and lobbying activities are aligned with sustainable water resource management outcomes</p>	<p>Companies proactively advocate for strengthened water governance, infrastructure, and equitable access to clean water and sanitation</p> <p>Companies align policy engagement with science or contextual water policies</p> <p>Companies ensure direct and indirect lobbying activities are aligned with these policy positions</p>



Ceres is a nonprofit organization working with the most influential capital market leaders to solve the world's greatest sustainability challenges. Through our powerful networks and global collaborations of investors, companies, and nonprofits, we drive action and inspire equitable market-based and policy solutions throughout the economy to build a just and sustainable future. For more information, visit ceres.org and follow [@CeresNews](https://twitter.com/CeresNews).



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