

STATEMENT OF PRINCIPLES AND RECOMMENDED PRACTICES FOR CORPORATE WATER STEWARDSHIP



About these Principles

These principles were developed because of the environmental, social, and business risks posed by global water scarcity and will be used to guide ICCR's Member work on water sustainability and the human right to water with companies, NGOs, and community organizations. We welcome affirmation of the following Statement of Principles and associated Recommended Practices for Corporate Water Stewardship by all stakeholders.

Interfaith Center on Corporate Responsibility
Working Group on Water
January, 2012



ABOUT ICCR

About ICCR: Currently celebrating its 40th year, ICCR is the pioneer coalition of active shareholders who view the management of their investments as a catalyst for change. Its 300 member organizations with over \$100 billion in assets have an enduring record of corporate engagement that has demonstrated influence on policies promoting justice and sustainability in the world.

And God said, “Let the waters under the sky be gathered together in one place, and let the dry land appear.” And it was so. God called the dry land Earth, and the waters that were gathered together he called Seas. And God saw that it was good.

Genesis 1:9-10

We made from water every living thing.

The Qur’an 21:30

I am the Alpha and the Omega, the beginning and the end. To the thirsty I will give water without price from the fountain of the water of life.

Revelation 21:6

He sends down saving rain for them when they have lost all hope and spreads abroad His mercy.

The Qur’an 25:48

Affirm the inherent worth and dignity of every person and respect for the interdependent web of all existence of which we are a part.

Unitarian Universalist Principles

As people of faith, ICCR members have long advocated for protection of the planet’s water as a moral mandate and a matter of both environmental and social justice.

“We believe the aquifers breathe. They breathe in the rain and snow and breathe out in the form of springs. The springs are breathing holes — passageways to Paatumwaqatsi (the water world).”

Hopi – Black Mesa Trust

Water as Sacred

The sanctity of water is acknowledged by virtually every faith tradition. Used in rituals of celebration, purification, initiation and to mark rites of passage, the power of water as a life-giving source permeates and unites the doctrines of every religion, culture and tribe. As people of faith, Interfaith Center on Corporate Responsibility (ICCR) members have long advocated for protection of the planet’s water as a moral mandate and a matter

of both environmental and social justice. Good water stewardship requires responsible planning for resources and ensures the right to water for current and future generations. Recognizing the impact of industry on the planet's limited water resources, helping companies develop sustainable water practices is a strategic priority for ICCR members and a core component in our corporate engagements.

Water as a Human Right

Water is a human right recognized by the member states of the United Nations General Assembly and Human Rights Council.¹ The member states of the UN Human Rights Council appointed the Special Rapporteur on the human right to water and sanitation, and established the mandate to assist governments and stakeholders, including corporations, to respect, protect and fulfill the human right to water.² Yet more than one billion people, one seventh of the world's population, lack access to freshwater that is safe for human consumption and 2.5 billion people lack water for basic sanitation.³ Every day 6,000 children die from diseases associated with lack of access to safe drinking water, inadequate sanitation and poor hygiene.⁴ The multi-stakeholder initiative that resulted in the Guiding Principles on Business and Human Rights: Implementing the United Nations 'Protect, Respect and Remedy Framework,' unanimously endorsed by the UN Human Rights Council, provide important guidance for corporations and their obligation to respect human rights, including the human right to water.⁵

The Freshwater Crisis

Already water scarcity and pollution are constraining social development and economic growth, and are damaging important ecosystems around the world. The global demand for freshwater has doubled every twenty years which is twice as fast as population growth. Humans currently appropriate 54 percent of the Earth's accessible freshwater and by 2028 this figure could rise to 90 percent.⁶ Underground aquifers, where 97 percent of the Earth's available freshwater is stored, are being depleted faster than the rate of replenishment.⁷ There is no question that the current patterns of global water use are deeply unsustainable.

Industrial Impact, Business Risks and Corporate Water Stewardship

Corporations have a critically important role to play in addressing the freshwater crisis as their agricultural and industrial consumption increases. Presently agricultural and industrial water use account for 70 and 22 percent of total water use respectively.⁸ Apart from the stresses on water supply generated by industrial use, declining water quality due to agricultural runoff, industrial wastewater, improper disposal of human waste, and many other issues are contributing to the acute water crises around the world.⁹

Affected communities, civil society, investors, consumers, and the general public are increasingly engaged in issues of water sustainability. Beyond the obvious social impact to affected communities, water issues pose a range of risks to business - from higher costs to major business disruptions stemming from supply chain interruptions and a pos-

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sible loss of license to operate.

The implementation of comprehensive water stewardship policies helps companies to identify and manage water-related business risks and promotes more sustainable management of shared freshwater resources. Stewardship also reduces operational costs; protects the company from ensuing water stress; and improves the company's image in the eyes of consumers, investors, and nearby communities. Understanding this broader context—and how water accounting fits into it—is essential for companies seeking to reduce and mitigate water-related risks.

Due to the environmental, social, and business risks posed by global water scarcity, members of the Interfaith Center on Corporate Responsibility's (ICCR) Working Group on Water have affirmed the following Statement of Principles and Recommended Practices for Corporate Water Stewardship.



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Principles

- 1. Water is sacred. It belongs to the Earth and to all life that inhabits our planet.**
- 2. It is imperative that the Earth's freshwater be protected and conserved.**
- 3. Every person has the right to sufficient, safe, acceptable (clean), physically accessible, and affordable water for personal and domestic use.**
- 4. It is everyone's duty to use water sparingly and with great care so that all living things may share in this sacred resource.**
- 5. Corporations must implement sustainable water stewardship policies that are both environmentally and socially sustainable and that respect the universal human right to water.**

In collaboration with local communities, other stakeholders such as key suppliers, and governmental agencies, corporations should leverage their expertise, influence, and resources to promote water stewardship in local watersheds and globally in key areas of operations

Recommended Practices

As faith-based investors, we call on corporations to adopt and implement water stewardship programs that will protect the environment, society, and long-term shareholder value from the growing threat of water scarcity that includes:

1. Identification and Assessment

- Identification and assessment of water use in core business and key suppliers
- Assessment of water availability, issues, challenges, and levels of sustainable use around business operations

2. Articulation and Implementation

- Articulate and implement a water stewardship policy to reduce water-related impacts and risks at operating facilities and throughout the supply chain, and publicly report data
- Incorporate water risk assessment into business decisions, from facility siting to new product development

3. Policy on Human Rights

- Adopt policy that respects the human right to water and human rights generally
- Prepare human rights impact assessment(s) for water stressed areas and establish procedure to assess and report on impacts, engage with affected individuals and communities on an ongoing basis, utilize dispute resolution mechanisms, and mitigate and remedy impacts

4. Involvement of Key Stakeholders

- In collaboration with local communities, other stakeholders such as key suppliers, and governmental agencies, corporations should leverage their expertise, influence, and resources to promote water stewardship in local watersheds and globally in key areas of operations

5. Reporting

- Measure performance against baselines and goals and publicly report performance
- Report data on water for operations and supply chain, especially in water stressed or scarce areas (including seasonal or periodic water stress or scarcity). Report in context of local climate, ecology, human population, economy (agriculture, industry, service) and define the term “local” and the “watershed” area(s) covered

6. Replenish

- Return water to the watershed from which it was abstracted in environmentally safe and usable condition

As concerned shareholders, we will continue to advocate for good corporate stewardship of the planet’s water through the adoption of the above principles and recommended business practices.

NOTES

1. United Nations Resolution 64/292 , the United Nations General Assembly (A/Res/64/292, August 2010) recognized the human right to water and sanitation and acknowledged that clean drinking water and sanitation are essential to the realization of all human rights; UN Human Rights Council Resolution 15/9 (A/HRC/Res/15/9, September 2010; UN Human Rights Council Resolution 16/2, (A/HRC/Res/16/2), April 2011.
2. UN Human Rights Council Resolution 18/1 (A/HRC/Res/18/1, October 2011).
3. UNICEF, Water, Environment and Sanitation, http://www.unicef.org/wes/index_statistics.html
4. 2003 International Year of Freshwater, Facts and Figures, Water and Sanitation, http://www.wateryear2003.org/en/ev.php@URL_ID=4096&URL_DO=DO_TOPIC&URL_SECTION=201.html
5. Report of the Special Representative of the Secretary General on the issue of human rights and transnational corporations and other business enterprises, John Ruggie, “Guiding Principles on Business and Human Rights: Implementing the United Nations “Protect, Respect and Remedy” Framework,” <http://www.business-human-rights.org/media/documents/ruggie/ruggie-guiding-principles-21-mar-2011.pdf>
6. 2003 International Year of Freshwater, Facts and Figures, Different Water Users, http://www.wateryear2003.org/en/ev.php@URL_ID=1607&URL_DO=DO_TOPIC&URL_SECTION=201.html
7. World Policy Institute, http://www.earth-policy.org/Indicators/indicator7_data2.htm
8. UN Water Statistics, http://www.unwater.org/statistics_use.html
9. CEO Water Mandate, “Declining Water Quality,” <http://ceowatermandate.org/business-case/global-water-trends/declining-water-quality/>