



# Water Stewardship

Seventh Generation Interfaith  
August 20, 2021

# Welcome!

- ▶ Participants will be in listen only mode until the Q&A section.
- ▶ We will make a recording, but the recording will not be publicly available. Please, request a link from staff.

# Our Itinerary

- ▶ **Introduction**
- ▶ **Investor Action on Water Risks and Opportunities**
- ▶ **Case Study: Houston’s “Lessons Learned”**
- ▶ **Questions and Answers**

# Our Companions

▶ **Robin Miller**, Manager,  
Investor Engagement, Water,  
Ceres



▶ **Lydia Miller**, Senior Vice  
President, Dana Investment  
Advisors



# Reflection:



# Our Itinerary

- ▶ Introduction
- ▶ **Investor Action on Water Risks and Opportunities**
- ▶ Case Study: Houston’s “Lessons Learned”
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# Investor Action on Water Risks and Opportunities

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Robin Miller, Ceres  
August 2021



# Land & Water Acknowledgement

I would like to acknowledge the Indigenous Peoples of all the lands and waterways that we are on today, which we each call home. I'm currently joining you as a settler on unceded lands of the Massachusetts and Pawtucket Tribes just outside of Boston, Massachusetts.

We are amidst a global water crisis and are feeling the effects of the water crisis in a variety of ways from wherever you are joining today - heat waves, drought, flooding, pollution, and more.





In one word, what does water mean to you?

nourishing

sustaining

essential

life

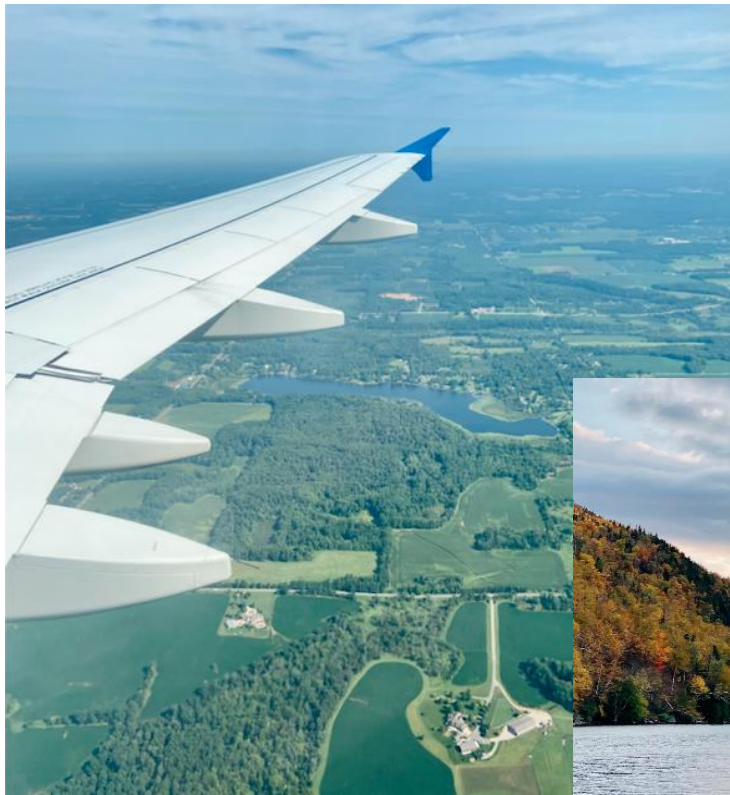
cleansing

everything

sacred



# Water: a sense of place



# Investor Voices

“You can’t manage what you can’t value”

"Water is an expression of climate change. It's completely directly linked, but it's a localized exhibit of climate change... it's an area that is fraught with risk, but also, most importantly, a major opportunity"

“Water net zero is just as important as carbon”

“A colleague told me water isn't that important because the sector is less than 1% of GDP. The problem is that the other 99% can't do without it”

# Investor Voices

“The ultimate stranded asset related to water is people”

“If a plant gets shut down, it could be caused by water, political instability or trade [conflicts]. They all create the same risk”

“Water stress is like a canary in the coal mine ... it is alerting us that the impacts of climate change are visible now”

“Water scarcity can be a great driver for innovation”

# Ceres: Sustainability is the Bottom Line

Ceres is a nonprofit organization transforming the economy to build a just and sustainable future for people and the planet.

- We make the financial business case for sustainability to the largest, most influential investors, companies, policymakers and regulators.
- We encourage individual and collective actions that help stabilize the climate, protect water and natural resources, build a just and inclusive economy, and accelerate sustainable capital markets.
- We move capital, influence systems and strengthen policy to drive large-scale economic transformation.



## COMPANY NETWORK

60+ Fortune 500 firms + other major companies



## INVESTOR NETWORK

180+ Investors managing more than \$31 trillion in assets



## POLICY NETWORK (BICEP)

65 leading companies, mostly consumer brands and Fortune 500



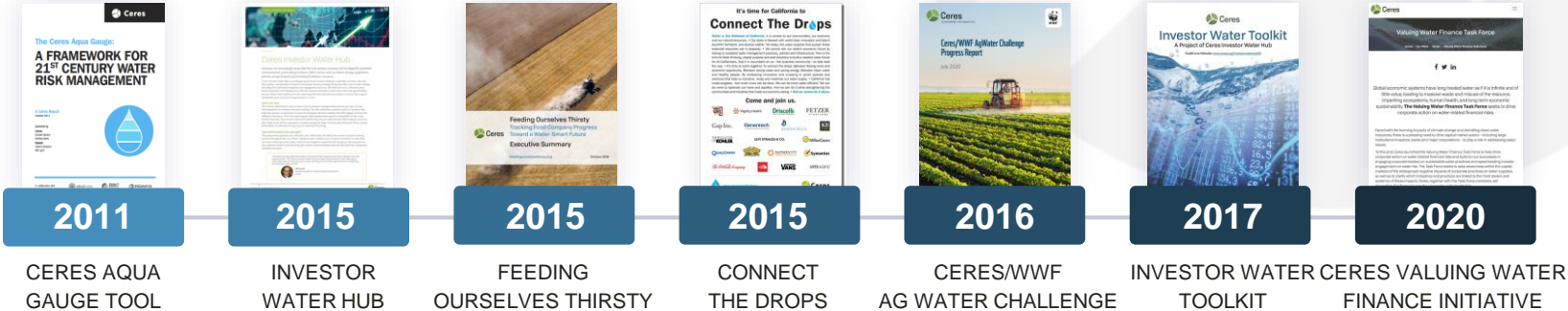
## NONPROFIT NETWORK

100+ environmental, social and labor groups from across the globe

# Ceres Water Program

## Building Investor and Corporate Leadership to Protect Freshwater Supplies

- Extensive research to support institutional investor and corporate awareness of water risk
- Guidance on water integration in the investment process
- Collaboration to drive investor and corporate action on water-related financial risks





# Investor Water Toolkit:

## Key Sections and Elements



Understand  
Water Risks



Establish  
Priorities



Buy/Sell Analysis



Portfolio & Asset  
Class Analysis



Engagement

Recap:

- Provides “**how-to**” guidance
- Allows for **decision-making** support
- Focus on **methods**, but not prescriptive
- Catalyzes better investor water data, **analysis** methods and **research**
- Showcases peer **case studies**
- **Tools**: databases, charts, tables, visuals, etc.

Visit the toolkit [HERE](#)



# Navigating to the Toolkit



About Us Our Work Networks Initiatives News Resources Get Involved

Log Out  
DONATE



## Investor Water Toolkit

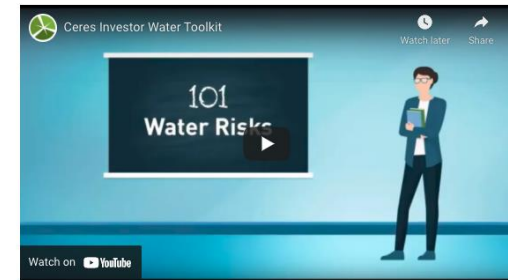
Home / Resources / Investor Water Toolkit



The Investor Water Toolkit is the first-ever comprehensive resource to evaluate and act on water risks in investment portfolios. This 'how-to' guide includes links to resources, databases, case studies and other tools for all investors to use, from pension funds to endowments to asset managers. The Toolkit was developed in collaboration with more than 40 institutional investors from across the globe and is the ultimate resource on water integration written for investors by investors.

ENTER THE TOOLKIT

**Step 1:** In your browser search "Investor Water Toolkit Ceres". Upon entering the toolkit, a quiz comes up that we encourage folks to take as it will help guide users on where to get started in the toolkit!



Understand Water Risks



Establish Priorities



Buy/Sell Analysis



Portfolio & Asset Class Analysis



Engagement



Case Studies



**Step 2:** Once you enter the toolkit you will be brought to the above screen which contains a video on the toolkit and links to key sections of for you to explore and utilize.





## Water Risk Dashboard

*What is a company's water risk exposure?*



*How resilient is a company to this risk exposure?*

### What Questions should investors be asking companies?

**What do you do?**

*Where do water risks lie in your value chain? From supply chain to end of product life cycle?*

**Where do you do it?**

*What are the regions of concern and what water risks are most relevant or material?*

**What are you doing about it?**

*What is the company's response to these risks? And how much might the company lose due to water risks?*



# Toolkit Update: Investment Policy Statements & Proxy Voting Guidelines



## Establish Priorities

**Step 1: Establish Leadership Commitment on ESG and Water**

**Step 2: Research and Understand Material Water Issues**

**Step 3: Set Priorities**

**Step 4: Create a Belief Statement and Investment Policies**

**Step 5: Track Progress Against Key Performance Indicators**

*"Proposals may be filed that ask a company to prepare a report evaluating the business risks linked to water use and impacts on the company's supply chain, including subsidiaries and water user partners. Such proposals may also ask companies to disclose current policies and procedures for mitigating the impact of operations on local communities or ecosystems in areas of water scarcity. The Fund advisor will support proposals seeking the preparation of a report on a company's risks linked to water use or impacts to water. The Fund advisor will support proposals seeking the adoption of programs and policies that enhance access and affordability to safe drinking water and sanitation."* – Calvert Investments, Inc.

*"Water Supply and Conservation: Companies should disclose crucial water supply issues, as well as contingency planning to ensure adequate supply for anticipated company demand levels. SBA often supports proposals seeking disclosure of water supply dependency or preparation of a report pertaining to sustainable water supply for company operations."* – Florida State Board of Administration



# Toolkit Update: Metrics, Maps, Tools and Research Platforms database



## Buy/Sell Analysis

Equities: A Framework for Assessing Water Risk

Sector Analysis

Metrics and Data to Support Buy/Sell Analysis

Stress-Testing, Scenario Analysis and Impact Assessment

Private Equity Water Due Diligence

Fixed Income: Water-Risk Framework for Municipal Water and Wastewater

CHARACTERISTICS OF WATER TOOLS, DATASETS & RESOURCES

Tool/Dataset/Resource	Best Suited For	Type of Tool	Evaluates Corporate Response to Risk	Corporate Locations Embedded in Tool	Financial Data in Output	Price
CDP Corporate Water Database	Equities	Questionnaire & Dataset	●	◐	◐	Free \$*
Ceres Aqua Gauge™	Equities	Questionnaire	●	○	○	Free
Ceres Feeding Ourselves Thirsty	Equities	Dataset	●	◐	○	Free
Earth Genome	Private Equity	Maps & Datasets, Services	◐	○	◐	Free \$*
Ecolab Water Risk Monetizer	Equities	Model & Datasets	◐	○	●	Free
Equarius waterBeta	Equities	Financial Model, Services	◐	◐	●	\$*
NCFA Bank Drought Stress Test Tool	Bank Credit Portfolios	Scenario Models, Datasets	○	○	●	Free
NCFA Corporate Bonds Water Credit Risk Tool	Corporate Bonds	Model & Datasets	○	◐	●	Free
Oxford Earth Observation (OxEO)	Equities	Model & Datasets	○	◐	◐	\$*
Princeton Climate Institute	Equities & Bonds	Model & Datasets	○	○	◐	Free \$*
Sustainable Water Management Profiling	Municipal Bonds	Assessment Standard	●	n/a**	n/a**	Free
WRI Aqeduct™	Equities	Maps & Datasets, Services	○	◐...	○	Free \$*
WWF Water Risk Filter	Equities	Maps & Datasets, Models	◐	○	◐	Free

● Has information    ◐ Some information    ○ No information



# Feeding Ourselves Thirsty

<b>GOVERNANCE</b>
Board oversight
Senior executive oversight
Business planning
Supplier policies
<b>RISK ASSESSMENT</b>
Owned operations
Agricultural supply chain
<b>TARGETS</b>
Water target(s) for owned operations
Water target(s) for agricultural regions/commodities
Time-bound sustainable agriculture commitment(s) that promote water outcomes
<b>IMPLEMENTATION</b>
Financial and educational support for growers
Collective watershed action

**Feeding Ourselves Thirsty  
2019 Company Ranks and Scores**

■ Packaged Food  
 ■ Beverage  
 ■ Agricultural Products  
 ■ Meat

RANK	COMPANY	SCORE	SCORE DELTA	RANK DELTA
1	Unilever	87	+14	↑1
2	Nestlé	85	+3	↓1
3	General Mills	77	+9	↑3
4	The Coca-Cola Company	75	+4	↓1
5	PepsiCo	74	+4	↓1
6	Diageo	72	+4	↓1
7	Danone	69	+4	-
8	Kellogg Company	69	+14	-
9	Mars	68	+27	↑4
10	Molson Coors Brewing Company	60	+13	↑1
11	Campbell Soup	56	+6	↓2
12	Anheuser-Busch InBev	55	+13	-
13	Olam	55	+6	↓3
14	Mondelēz International	42	+12	↑2
15	Archer Daniels Midland	40	+24	↑12
16	Ingredion	39	+18	↑5
17	Smithfield Foods	38	+5	↓2
18	J.M. Smucker	36	+2	↓4
19	Keurig Green Mountain	35	+10	↓1
20	Bunge	35	+19	↑8
21	Constellation Brands	32	+13	↑3
22	McCormick & Company	32	+12	↑1





# Global Investor Engagement on Meat Sourcing

~90

investors

\$ 11.4  
tn

combined  
assets

Coordinated  
by:



[Sample letter](#)



# Next steps for the engagement

1

Public progress report released in April

Key messages:

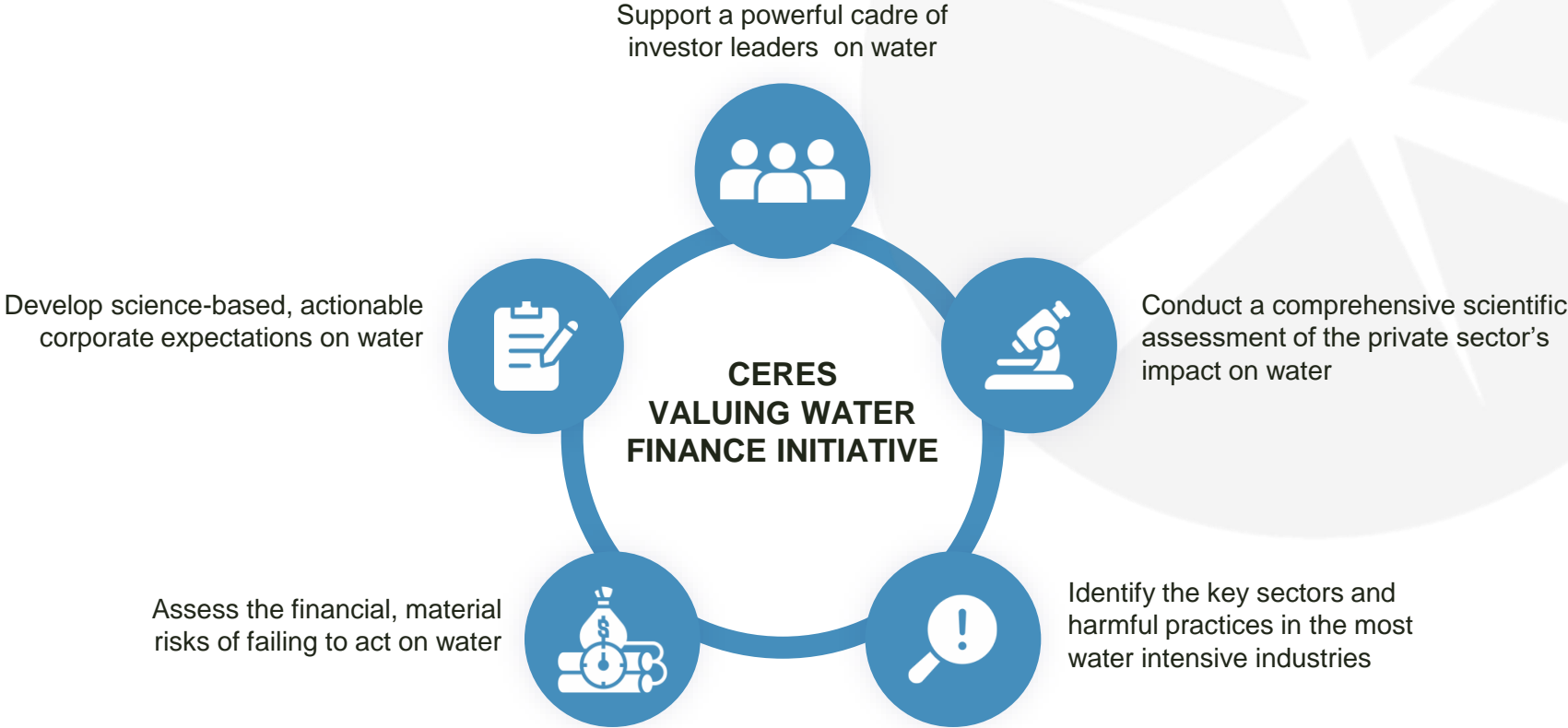
- Commend progress on SBTs
- Emphasize the need for more comprehensive assessment and action on supply chain water risks
- Lack of scenario analysis makes it difficult for investors to assess corporate preparedness for physical and transition risks of climate change

2

Next round of dialogues this fall



# Ceres Valuing Water Finance Initiative: The How



# Call to Action

## *Your* Next Steps:

- **Dive into the Investor Water Toolkit**
  - Establish your priorities, see what other investors are doing, and make an action/engagement plan
- **Get involved in the [Valuing Water Finance Initiative](#)**
  - Now: Join the Valuing Water Investor Working Group.
  - Next year: Sign onto the global investor initiative on valuing water when it launches
- **Look forward to more research**
  - Feeding Ourselves Thirsty in Oct
  - Global Assessment of Private Sector Water Impacts in late 2021 or early 2022
  - Corporate Expectations for Valuing Water in early 2022



# Thank you

For more information:

[Ceres Water Program](#)

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# Questions



# Thank you to our Companions

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- ▶ Lydia Miller, Senior Vice  
President, Dana Investment  
Advisors [lydia@danainvestment.com](mailto:lydia@danainvestment.com)

# Thank You

SeventhGenerationInterfaith.org