Spectrum of Investor Water Priorities
and Examples of Associated Investor Activities

Improve Water-Risk Disclosure
- Encourage increased disclosure of corporate water risks and impacts in voluntary disclosure platforms and frameworks, such as CDP Water, GRI, and SASB
- Support disclosure of material water risks in financial filings by supporting standardized, mandatory ESG reporting (e.g., engaging securities regulators, stock exchanges)
- Study sector-specific water issues and regional high-water-risk hot spots in investment portfolios (see Portfolio Section)
- Contribute to improving methods of analysis of materiality and impacts of water risks by working with recognized investor working groups such as Ceres’ Investor Water Hub and ESG data providers

Manage Water Risks
- Include specific water criteria in the firm’s proxy voting and engagement guidelines; as needed, engage the board and management of companies facing high water risks (see Engagement Section)
- Build out expertise and oversight of material ESG issues (including water) with the firm’s Board of Trustees or highest level of fiduciary authority
- For portfolio companies, support directors that demonstrate expertise on ESG and water issues, in addition to upper-management compensation structures that promote water awareness and management

Mitigate Water Risks and Prevent Water-Resource Degradation
- Promote portfolio companies, municipalities and private equity projects that encourage both water and supply resiliency, in addition to limiting wastewater discharge and contamination impacts on local communities and natural systems
- Encourage portfolio companies to understand the cumulative impacts to local water resources in key operating regions and to invest in projects and stakeholder engagement activities that limit and/or improve these cumulative impacts
- Encourage companies and municipalities to consider climate change mitigation and adaptation planning in expansion plans, infrastructure development and capital expenditure programs. When issuing a green bond related to water, consider certification through the Climate Water Bond Standard to implement climate-friendly infrastructure programs and strategies

Align with Internationally Recognized Water Standards and Norms
- Support and contribute to water policies, initiatives and recognized local and global targets that protect fresh water (including awareness of and alignment with the UN's SDG 6 water objectives)
- Make a commitment to the Human Right to Water and Sanitation and avoid violations through the firm’s investments and portfolio companies
- Respect water's cultural value to indigenous communities, making sure internationally recognized protocols are being followed and that portfolio companies respect these rights

Promote Positive Water Impact
- Support activities and make investments in companies and infrastructure that improve the health and sustainability of water resources in key watersheds and local communities
- Promote collective action by companies to protect and restore both groundwater and surface-water resources
- Support and promote sustainable watershed management by engaging with local water authorities, or by supporting state or national policies and regulations that improve water management

Description: Spectrum of investor water priorities and examples of associated investor activities. Investors can take on different water priorities as a fund (see examples above). Under each water priority are listed sample ways that investors can follow through via their own actions. These values or priorities can be embedded into responsible investment policies that guide the organization toward better investment decisions.