



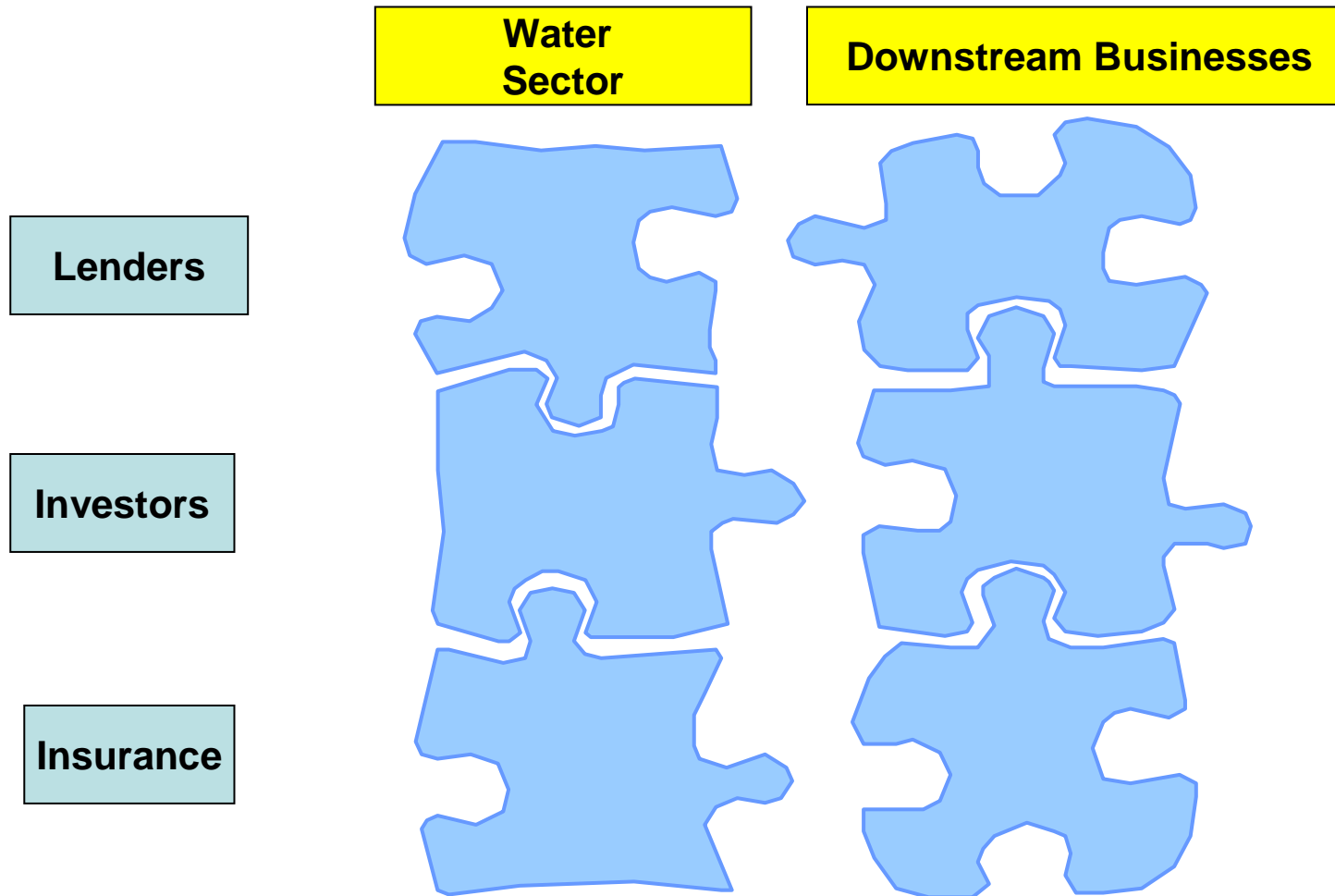
UNEP **Finance Initiative**  
Innovative financing for sustainability

UNEP FIs Water & Finance Workstream  
&  
WAFNE

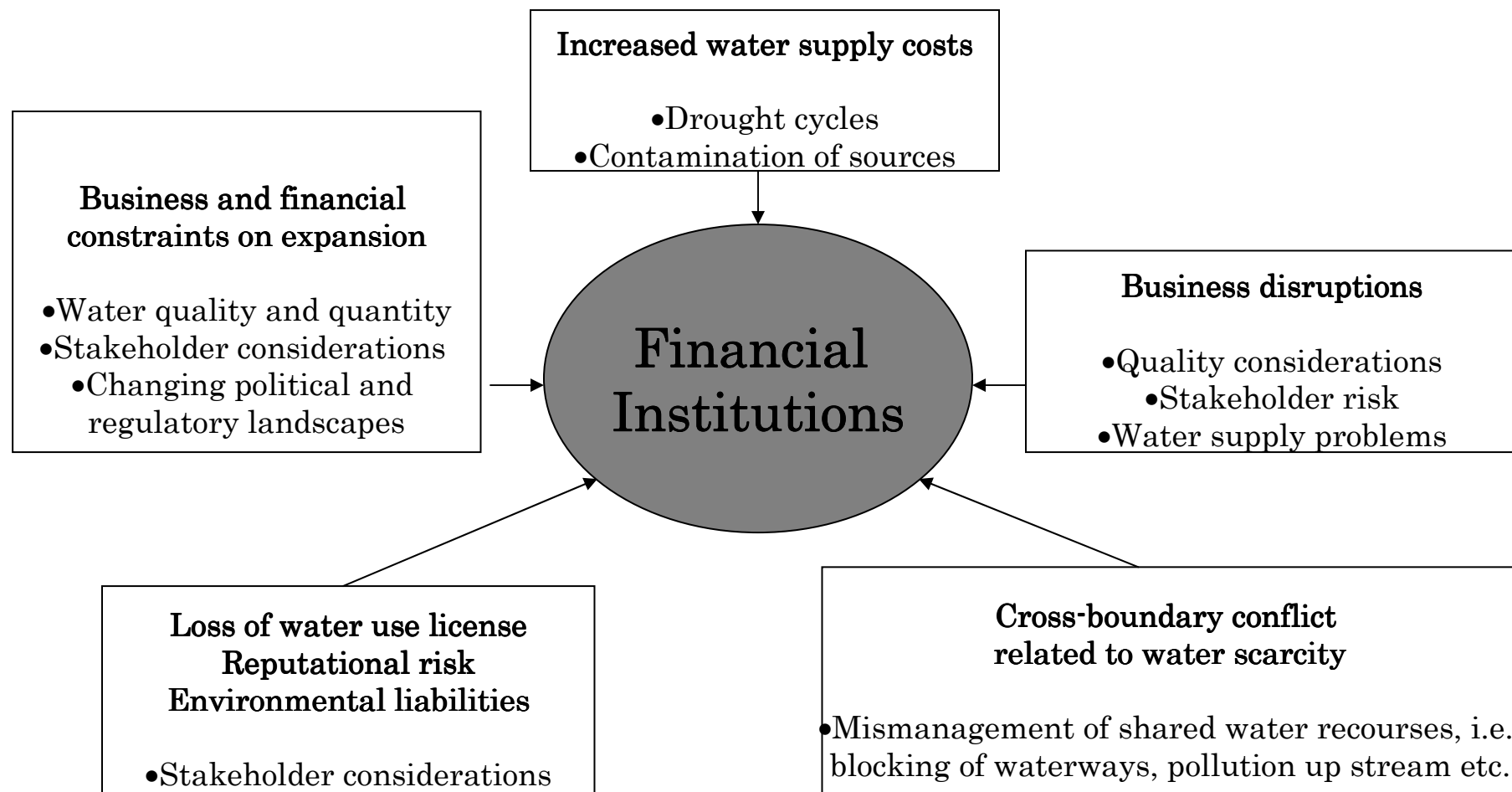
[www.unepfi.org](http://www.unepfi.org)

# UNEP FIs Work on Water & Finance

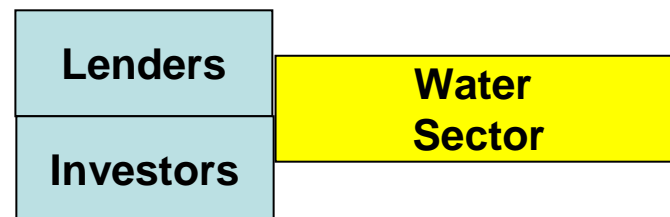
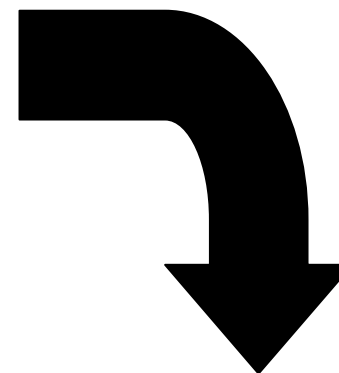
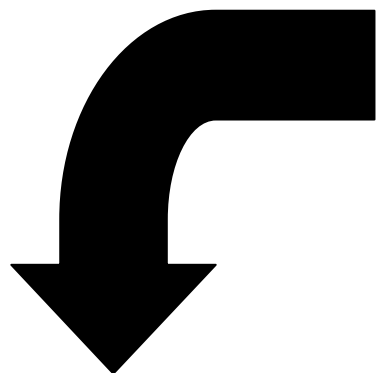
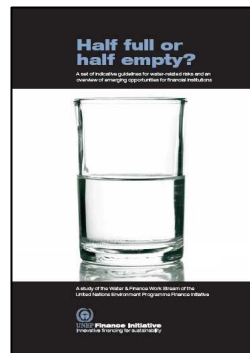
→ multifaceted



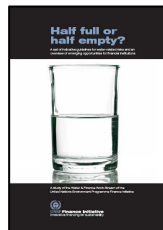
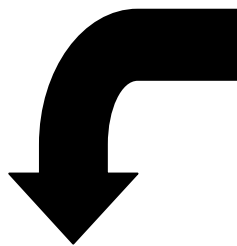
# Water Related Pressures become Financial Risks



# Working Stream on Water & Finance: Current Activities: *WFWS*



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## Strategy:

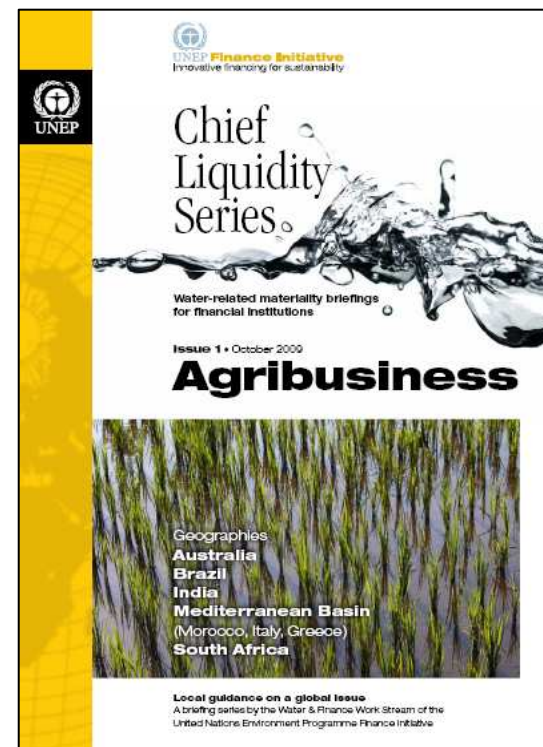
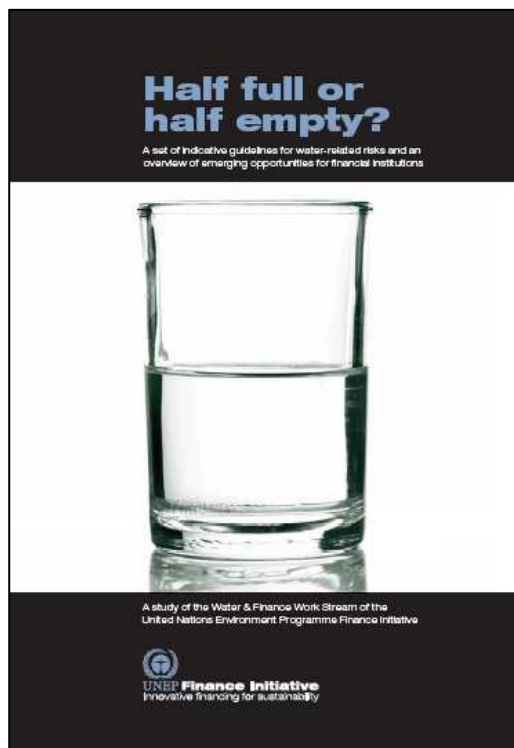
- Moving from 'general' to 'specific /concrete /practical'
- From 'awareness raising' to real 'implementation support'
- Need in parallel to look at scientifically sound, comprehensive and thorough ways of assessing water related risks and opportunities → Using the water foot-printing concept?



# Working Stream on Water & Finance: Current Projects: WFWS

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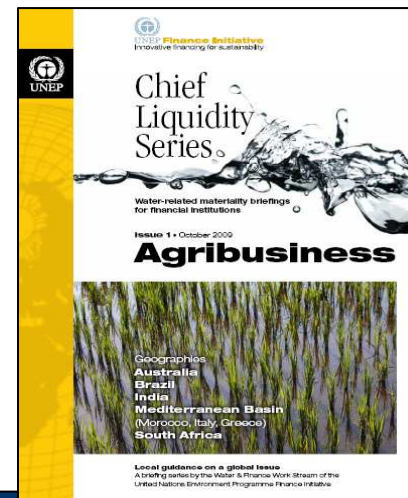
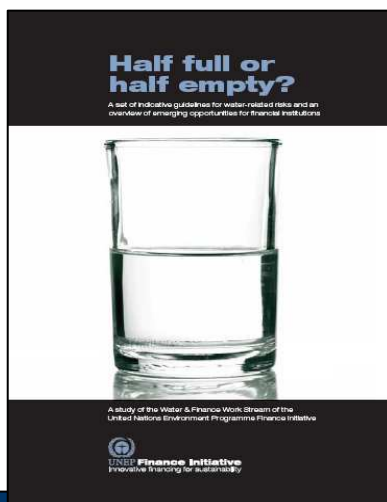


# Working Stream on Water & Finance: Current Projects: WFWS

## Strategy:

Need in parallel to look at scientifically sound, comprehensive and thorough ways of assessing water related risks and opportunities → Using the water foot-printing concept?

# WAFNE



# Working Stream on Water & Finance:

## WAFNE

### ***General thoughts....***

*“Central to this project will also be the engagement with the financial services sector which, through its lending, investment and insurance operations, can serve as a powerful conduit to promote more water efficient corporate behaviour. “*

*“Such disclosure efforts are needed for investors and financiers – and others that allocate financial resources in the economy - to have the information to determine which activities and companies are best positioned to cope with the strategic business threads imposed by different water issues. “*



# Working Stream on Water & Finance:

## Objectives

“

## WAFNE

•

*To refine methods and management tools for the water footprint and water neutrality concepts;*

•

*To build capacity and to raise awareness among the public and private sector in order to apply the water footprint and neutrality concepts on a greater scale and with greater consistency;*

•

*To demonstrate the applicability of harmonised concepts in enhancing water efficiency and improving water quality in high water impact and water dependent industries and in water stressed regions.”*



# Working Stream on Water & Finance:

## WAFNE

### **Activities...**

**Activity component 1:** *Refinement and promotion of methodologies and tools for application of water footprinting, related concepts and tools [SCP Branch-led, with participation by IETC and UNEP FI]*

**Activity component 2:** *Applying water footprinting, related concepts and management tools in selected industry sectors [SCP]*

**Activity component 3:** *Applying water footprint concepts, methods and tools in the financial sector as well as exploring and testing innovative loan products tailored to water efficiency improvements [UNEP FI] – (i) **Testing, demonstration, training;** (ii) **National Dialogue;** (iii) **Reporting and communicating results;** (iv) **Assessing, developing and piloting new financial service products.***



# GRI / CEO Water Mandate Disclosure Needs Assessment

A summary

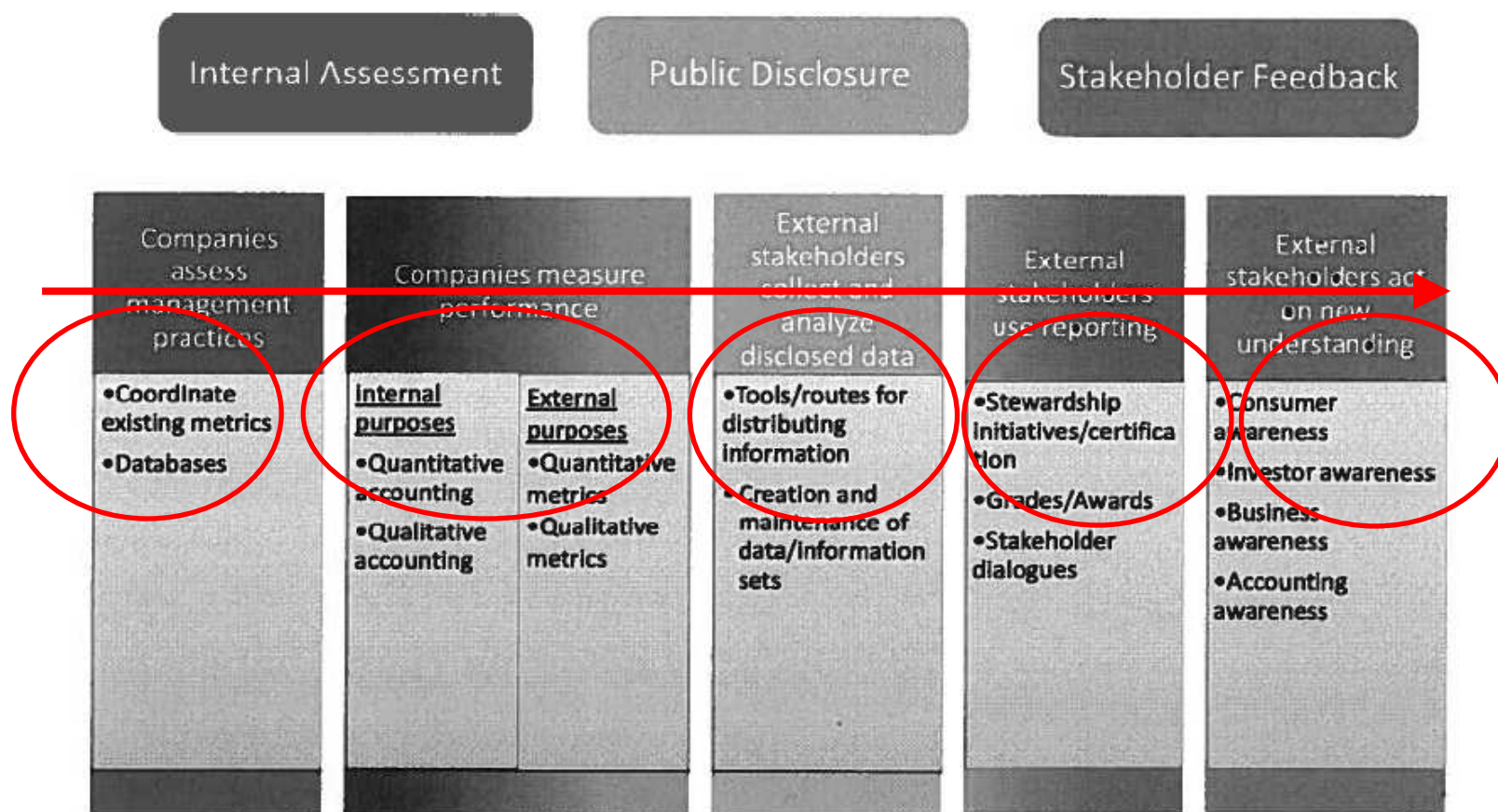


# 1. Objective study

UNEP commissioned CEO Water Mandate & GRI  
to map corporate water disclosure practices



## 2. Actions necessary for water disclosure to be an effective driver of management & performance



### 3. Roles that initiatives seek to play

Companies assess management practices	Companies measure performance		External stakeholders collect and analyze disclosed data	External stakeholders use reporting	External stakeholders act on new understanding
<p><b>Risk assessment</b></p> <ul style="list-style-type: none"> <li>•Ceres/PI report</li> <li>•WRI "Watching Water"</li> <li>•WRI water risk index</li> </ul> <p><b>Impact assessment</b></p> <ul style="list-style-type: none"> <li>•WFN DSS</li> <li>•LCA</li> <li>•WBCSD Measuring Impact Framework</li> </ul>	<p><b>Internal Quantitative accounting</b></p> <ul style="list-style-type: none"> <li>•WBCSD Global Water Tool</li> <li>•WFN</li> <li>•LCA</li> </ul> <p><b>Qualitative accounting</b></p> <ul style="list-style-type: none"> <li>•CEO WM guide for process-oriented reporting</li> </ul>	<p><b>External Quantitative metrics</b></p> <ul style="list-style-type: none"> <li>•GRI G3</li> <li>•UN-Water water sector indicators</li> <li>•CDP Water Disclosure Module</li> </ul> <p><b>Qualitative metrics</b></p> <ul style="list-style-type: none"> <li>•CEO WM guide for process-oriented reporting</li> <li>•CDP risk disclosure framework</li> </ul>	<p><b>Tools/ routes for distributing information</b></p> <ul style="list-style-type: none"> <li>•CDP pilot project</li> <li>•CEO WM "Water Disclosure 2.0"</li> <li>•ICCR "Liquid Assets"</li> <li>•UN-Water "Water Monitoring"</li> </ul> <p><b>Creation and maintenance of data/information sets</b></p> <ul style="list-style-type: none"> <li>•ICCR "Data Commons"</li> </ul>	<p><b>Stewardship initiatives/ Certification</b></p> <ul style="list-style-type: none"> <li>•AWS</li> <li>•WFN</li> <li>•CEO WM</li> </ul> <p><b>Grades/Awards</b></p> <ul style="list-style-type: none"> <li>•GRI G3</li> <li>•ACCA-Ceres Sustainability Awards</li> </ul> <p><b>Stakeholder dialogues</b></p> <ul style="list-style-type: none"> <li>•Ceres</li> <li>•WEF</li> <li>•CEO WM</li> </ul>	<p><b>Consumer awareness</b></p> <ul style="list-style-type: none"> <li>•CDP Water Disclosure Project</li> </ul> <p><b>Investor awareness</b></p> <ul style="list-style-type: none"> <li>•GRI G3</li> <li>•Ceres/PI report</li> </ul> <p><b>Business awareness</b></p> <ul style="list-style-type: none"> <li>•ICCR business engagement</li> <li>•WFN business engagement</li> <li>•WBCSD</li> </ul> <p><b>Accounting awareness</b></p> <ul style="list-style-type: none"> <li>•ACCA "Water Jigsaw"</li> </ul>



## 4. Initiatives covered

Name	Objective	Applicability
Alliance for Water Stewardship	Freshwater Stewardship Standard / Certification	Large water users & managers
Association of Chartered Certified Accountants	Sustainability reporting awards / Overall company awards and individual awards (incl. on water)	Private sector general
Carbon Disclosure Project	Collect corporate water-related data relevant to cc / generate stakeholder “pull” for disclosure	Private sector general
UN Global Compact CEO Water Mandate	“State of play” corporate water disclosure practices / guidance quality water reporting / convene for endorsing companies	Private sector general
CERES	Research and advocacy on water-related business risks	Private sectors general & investors
GRI	Standardize sustainability reporting / Some env. indicators focus on corp. water use	Private sector general
World Economic Forum	Water disclosure methodology / universal indicators of water management	Private sector general
World Resources Institute	Sector-specific water risks and opportunities for investors	Investors and banks
World Business Council for Sustainable Development	Business tools for water management	Private sector general (specifically signatories)
Interfaith Centre on Corporate Responsibility	Accountability measures for monitoring and reporting corporate water use	Private sector general
Pacific Institute	Research on “state of play” and emerging practice on corporate water reporting	Private sector general
UN Water	Water sector monitoring & reporting	Private sector general
Water Footprint Network	Standardize water footprint methods and tools	



## 5. Conclusions

- Need for a common framework (among initiatives) to advance water disclosure
- Challenges
  - Convergence of metrics
  - Organisational performance data into an external context
  - Common risk framework
- The various initiatives offer complementary and valuable capacities
- Need for a meeting to specifically discuss metrics

