Environmental Sustainability

Water Access and Sustainability

Water is the world's most essential resource because it sustains life and the food chain that sustains us. Water is also essential for industry, and thus supports our global economy. Since 2002, the United Nations has recognized the human right to water and defines it as "the right of everyone to sufficient, safe, acceptable, physically accessible and affordable water for personal and domestic uses." Not all nations are in agreement with water as a human right, including the U.S. and Canada.

Until recently, water was viewed as an abundant resource, and available without restriction. While more than 70% of the world is covered in water, it is mostly ocean water, which is unfit for human consumption. The Global Environmental Outlook 4 (2007) of the United Nations Environmental Programme (UNEP) reports that available freshwater resources are declining: by 2025, 1.8 billion people will live in countries with absolute water scarcity, or about 1 out of every 4 people, and two-thirds will live in water-stressed areas. With the global population increasing to 8 billion during the next 20 years, freshwater supply will need to increase 25% to meet the population's needs, and access to an adequate supply will be hampered because most population growth will occur in developing countries where water supply is already limited. In addition, contaminated water remains the greatest single cause of human disease and death globally. In developing countries today, 3 million people die annually from water-borne diseases, most of them younger than 5 years old, and an estimated 2.6 billion people lack suitable sanitation facilities.

While the global supply of water has been relatively consistent throughout the years, global demand has been rapidly increasing. The quality and quantity of existing freshwater resources is affected by a long list of environmental, political, and economic factors, such as growth in population and living standards, industrial use, source water pollution, agricultural needs, tsunamis, droughts, dams, and hydropower projects. These changes to freshwater resources are being exponentially increased by climate change, which is disrupting typical weather and rainfall patterns. The impact of these developments on water availability has led to greater regulation, commoditization, privatization and ownership claims to water. According to UNEP, industrial uses account for one-quarter of the world's consumption of available water resources. Industry is also a major source of water pollution, particularly in developing countries, with close to 70 percent of all industrial waste dumped untreated.

The water crisis and the impact of industries – not only on freshwater supply available to support people but also the impact that an inadequate source of water can have on industries – has resulted in a number of initiatives designed to assist companies in the development, implementation and disclosure of water use sustainability policies, practices and outcomes. Examples include the CEO Water Mandate of the U.N. Global Compact, which has developed reporting standards, and the Carbon Disclosure Project, which recently sent a questionnaire to

the world's largest 300 companies in water-intensive sectors, requesting enhanced disclosure of water-related risks.

Because water is an ingredient used in production across numerous sectors, shareholders have been engaging companies on various questions in an effort to encourage companies to take responsible actions to prevent water overuse and restrict pollution. In most instances, engagement begins with asking a company to measure its "water footprint," which measures a company's total freshwater use and wastewater pollution in its products and operations. To be complete, a water footprint should also include the water use throughout the production chain, including in raw materials used in production and by the company's suppliers. While companies have begun to measure their water footprint and disclose it publicly, there remains significant work in this area to ensure that disclosure is meaningful and results can be measured within sectors. It is also essential that disclosure be by location because that is where water is sourced, rather than company-wide disclosure. Shareholders are also requesting that companies include reporting of water-related issues as part of a comprehensive sustainability report that addresses environmental, social and governance issues (see Sustainability Reporting overview). Other areas of engagement are requesting a company to adopt a comprehensive water policy and to adopt a comprehensive policy that recognizes water as a human right.

Water-intensive industries include agriculture, oil and gas production, metals/mining, beverage, electrical power/energy and apparel companies. In addition to a focus on water footprint, water disclosure and/or a policy on the human right to water, some other engagements by sector include:

> Beverage: adoption of a container recycling program with quantifiable goals for improving recycling; reporting on efforts to use alternatives to Bisphenol A (BPA) in cans; reduction of environmental impacts of bottled water versus tap water.
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> Food: limitation of the use of pesticides and other chemicals in food production; actions to limit wastewater pollution.
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> Metals/mining: actions to remediate wastewater pollution.

Addressing the environmental impact of companies is aligned with the Critical Concerns of the Sisters of Mercy to reverence Earth and work more effectively toward the sustainability of life and toward universal recognition of the fundamental right to water. Efforts in this broad scope of engagement are also aligned with acting from an international perspective and in harmony and interdependence with all creation.

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