

Elevating Water in ESG Governance, Stewardship & Sustainable Growth



Water: lens to look at the world



***Elevating Water in ESG:
Governance, Stewardship & Sustainable Growth***

What are the issues?

What is the reality on the ground?

Are we asking the right questions?

Who is the “we” who is asking?

And why?

South Africa – a world in one country?



Offers useful perspectives on managing challenges in an unequal world

on the ESG,
(Environmental
Social & Governance)

water-related issues that face corporates and their societies

Water issues are very local and diverse – unlike climate & energy

- Geographical scale
 - dwelling, community, region, country, continent
- Social scale, involves
 - household, community, city, country, continent
- Technical issues
 - scarcity (drought), surplus (flood) or infrastructure management
- Economic issues
 - Public good? Private property? Common pool resource?

Governance of water is equally diverse & complex

‘Water Security’

goal of water governance and management

‘the reliable availability of an acceptable quantity and quality of water for health, livelihoods and production, coupled with an acceptable level of water-related risks to people, environments, and economies.’

- Not the same as ‘food security’ and ‘energy security’,
 - reliable access to sufficient supplies.
- water security also captures destructive aspects of water
 - floods and droughts
 - as well as damage to the ‘natural’ environment ...

Water Resources / Water Services

river & lakes / taps & toilets

- **Water resources** (‘natural’ water:- rivers, lakes and groundwater)
 - Natural resource based, obey natural laws
 - Large climate system dependent
 - Foundation for human societies
- **Water supply & sanitation services** (pipes & pumps for taps & toilets)
 - Built infrastructure systems (using the natural resource)
 - Supports households, social and economic activities
 - Implemented by diversity of – largely public – institutions

Which is the environmental & social priority?? Algae upsetting recreation?



... or

Children walking through streams of sewage? Environmental and social issues often overlap



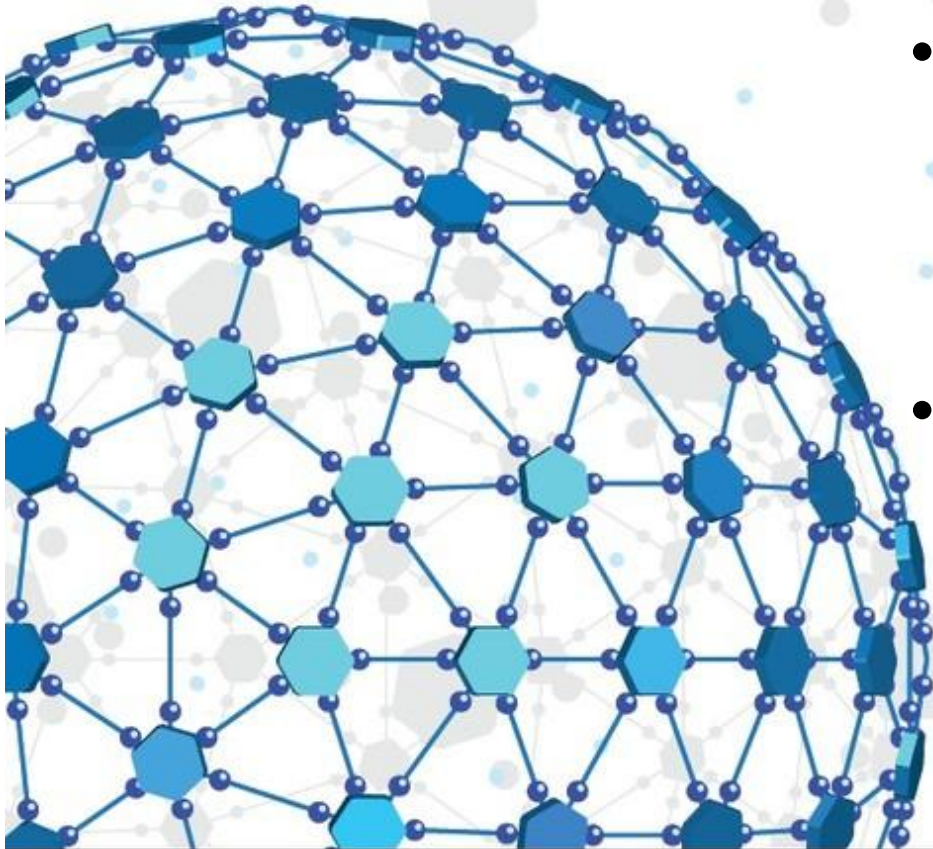


OECD Principles on Water Governance

Welcomed by Ministers at the OECD Ministerial
Council Meeting on 4 June 2015

Directorate for Public Governance and Territorial Development

- **There cannot be a single, uniform policy response to the water challenges worldwide** given the diversity of situations within and across countries in terms of legal and institutional frameworks, cultural practices, as well as climatic, geographic and economic conditions at the origin of diverse water challenges and policy responses.
- ... use these Principles to design and implement their national policies in light of country-specific circumstances.
- Water governance is an important component of the overall framework of water policies; broader principles of good governance apply to the water sector....



Public expectations of corporates?

- **Corporates behave as ‘good citizens’**
 - Comply with regulatory requirements inside the factory fence
 - Support regulatory authorities
 - Participate where affected by public policy and action
- *beyond that*
- **Corporates participate as ‘active citizens’**
 - In sector policy development & implementation
 - Using the public language of the sector
 - To promote wider water security
- ***But:- Is that domain of ESG/sustainability or Public Affairs?***

**Public policy
vs corporate
stewardship
universes**

**Just and sustainable
social and economic
development**

**Water
stewardship
priorities**

Can decision-makers reflect majority priorities?

Beware of group-think cultural mindsets

In an unequal society, danger is that 'haves' are more influential than have-nots!

Doesn't end well.

