WATER SUSTAINABILITY OF DUTCH INVESTORS

Growing concerns over water sustainability (WS) have percolated into the business community, as evidenced by the World Economic Forum mentioning "water crises" in the top three of global risks in terms of impact. This study aims to find what topics relevant to WS are included in the policies of big Dutch investors, to what depth, and how the investors rank compared to each other.

A framework was developed to assess WS of investment policy based on publicly disclosed policy information of investors. The derived framework consists of nine equally weighted assessment categories which together cover water sustainability considerations related to investment decisions. These include three dimensions of water use which are the pillars that underpin wise water allocation, namely: efficient use of resources, environmental sustainability, and social equity. In addition, the categories cover the topics of accounting for water use and disclosure of policy. Several of these aspects relate to the operational water use of companies and investments, as well as to the water use within their supply chains. Both these parts are also incorporated in the different assessment categories. An overview of these categories (A to I) is shown in the legend of Figure 1.

Twenty Dutch investors were scored and ranked by this framework. For this, a total of 44 different websites (unique domain names) and 226 documents which were relevant to investment policy and/or (water) sustainability (published on or linked to by those websites), were analysed.

The results (Figure 1) show the highest rank for NIBC Direct, with a 46% score. The average score being low at 25%, WS is currently not reflected as a priority in the policies of the biggest Dutch investors. Almost half of the investors do not mention water aspects have influence on their investment decision making. The role of the supply chain part of water use receives little to no attention (average score 5% within those categories) in investment policy, when compared to the part of water use in operations (average score 34%). It seems investors are not aware of the concept of virtual water incorporated in supply chains of their investments.

Coherent water policy is largely lacking, and investors do not show they see a bigger picture for the topic of WS. They seem unaware to complexities involved, which can only fully be understood if WS is treated as a coherent topic.

Figure 1: Ranking of Dutch investors on incorporation of water sustainability in investment policy.

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