



United Nations Global Compact

The CEO Water Mandate

Seventh Working Conference

May 16-17, 2011

Copenhagen, Denmark

MEETING SUMMARY



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Meeting summary prepared by the Pacific Institute, a non-profit sustainability policy research and advocacy center based in Oakland, California. (www.pacinst.org)





Background

In July 2007, the UN Secretary-General in partnership with international business leaders and under the auspices of the UN Global Compact launched the CEO Water Mandate – an initiative established to better understand and advance water stewardship in the private sector. The Mandate is built upon six core elements critical to addressing corporate water management: Direct Operations, Supply Chain and Watershed Management, Collective Action, Public Policy, Community Engagement, and Transparency.¹

Following conferences in New York City (March 2008), Stockholm (August 2008), Istanbul (March 2009), Stockholm (August 2009), New York City (April 2010), and Cape Town (November 2010), the UN Global Compact – with support from the Pacific Institute – convened the Mandate’s seventh working conference on May 16-17 in Copenhagen, Denmark. This workshop consisted of over 90 participants representing 35 endorsing companies and prospective signatories, six UN and government agencies, six civil society groups, and various other organizations. In addition to the working conference, representatives of the Mandate Secretariat and a few Mandate endorsing companies participated on a panel at the annual meeting of UN Global Compact’s Caring for Climate initiative to discuss the linkages between water and carbon sustainability issues, as well as potential for collaboration between the two initiatives.

Unlike past Mandate conferences, this multi-stakeholder working conference focused primarily on only one current Mandate workstream: corporate water disclosure. The entirety of the sessions on May 16th sought to better understand how water-related business risks are being conceptualized and communicated and what management practices companies are using to respond to water risk. In this process, sessions explored the current landscape of corporate water management initiatives as they relate to water disclosure, what analytical tools and metrics are available to understand and characterize water risk, and how companies determine materiality and relevance with regard to water risks. These topics were explored to improve awareness of existing and emerging initiatives, drive convergence and harmonization in corporate water disclosure practice, and inform the development of the Mandate’s upcoming *Water Disclosure Guidelines*.

In addition to this primary focus on disclosure, the second day of the conference featured sessions relating to other Mandate projects. Tuesday morning’s sessions explored the potential for cross-sectoral action on shared water risks and explained the objectives and preliminary design of the Mandate’s *Water Action Hub* – an online platform that will facilitate collective action on water in specific river basins among businesses, governments, NGOs, and other sectors. A session also sought to garner feedback on the objectives and preliminary structure of the Mandate’s upcoming operational guidance on the roles and responsibilities of business with respect to the human right to water, to review how companies are currently attempting to meet their responsibility to respect the human right to water in practice, and to identify challenges where operational guidance on water and human rights is particularly needed.

¹ To learn more about the CEO Water Mandate and its six elements, go to:
http://www.unglobalcompact.org/docs/news_events/8.1/Ceo_water_mandate.pdf



Key Learnings and Outcomes

The working conference set out to garner perspectives and opinions on key water-related challenges and dilemmas, particularly with respect to corporate water disclosure, as a way to build companies' understanding of these issues and determine how the Mandate can best promote good practice. Below is a summary of the key learnings and major outcomes from the meeting.

Corporate Water Disclosure

Sessions on disclosure provided an opportunity for participants to discuss their approaches and needs in assessing and reporting water performance and related risks and impacts. They also provided updates by initiatives that are developing tools or methods that advance water accounting, watershed mapping, or water disclosure, including the World Resource Institute's Aqueduct Project; World Wildlife Fund's Water Risk Filter; the water-related components of the Dow Jones Sustainability Index; the Carbon Disclosure Project's Water Information Request; Ceres' Framework for Corporate Water Management; and the Alliance for Water Stewardship. The dialogue highlighted the need to better clarify and harmonize an approach to water disclosure to reduce burden and improve the quality of the private sector's response to such information requests, while also better defining a process by which companies can identify the appropriate management response strategy for specific types of risk. Endorser comments also reiterated a concern expressed at previous Mandate working conferences regarding "assessment fatigue" and called for standardized approaches that streamline reporting obligations.

The Mandate – in collaboration with PricewaterhouseCoopers – will continue the development of its *Water Disclosure Guidelines*. The *Guidelines* will aim to offer a unifying conceptual framework for corporate water disclosure based on needs and objectives, and also act as a mechanism through which to promote convergence among water disclosure-related initiatives. A preliminary version of the *Guidelines* is scheduled to be tested by interested companies in Q2-3 2012.

Water and Human Rights

Discussion on the Mandate's water and human rights workstream focused on how companies are presently respecting the right to water and sanitation in practice and how Mandate guidance on this topic can best inform and improve current practice. Current practices respecting the right to water include a wide range of activities, including simply improving operational efficiency, working to improve local water policy and management, and by directly facilitating community access to water services. The Mandate is currently in the process of developing operational guidance that identifies companies' responsibilities with respect to the right to water and elucidates a process by which they can fulfill those responsibilities.

Collection action and the Water Action Hub

Much of the second day focused on the need for cross-sectoral collective action to address shared water challenges, strategies for encouraging such collaboration, and how the Mandate's Water Action Hub will facilitate it. The Hub – under development in collaboration with Deloitte, International Business Leaders Forum, and World Resources Institute – will provide a platform whereby companies communicate and partner with governments, NGOs, communities, and other businesses to advance sustainable water management on a location-specific basis. It is slated to be operational by the end of 2012.

Other Outcomes

The next Mandate working conference will take place 25-26 August 2011 during World Water Week in Stockholm, Sweden. It will provide more opportunities to discuss and garner feedback on the Mandate's on-going projects.

The Mandate Secretariat is facilitating two collective action projects over the next year: one with the apparel sector in Southeast Asia and the other in South Africa. The Mandate Secretariat – in collaboration with the UN Environment Programme – is also developing an online capacity platform to serve as a clearinghouse for corporate water stewardship information and tools that facilitates the implementation of better corporate water management practices. It will be completed in Q3 2011.



Multi-Stakeholder Working Conference Summary

Broad Goals

The CEO Water Mandate's working conferences are meant to shape and advance the initiative's work by:

- Discussing key issues relating to each focus area and identifying common interests among companies, governments, civil society groups, and local communities regarding how companies (and the Mandate) can address them;
- Garnering feedback from Mandate endorsers and key stakeholders on the scope, objectives, and approach for outputs in the three current workstreams, and
- Exploring options for increased participation and engagement in the initiative and its workstreams by key stakeholders from the private sector, government, civil society, and other interests.

Specific Objectives

Discussions at the meeting primarily explored the initiative's projects and activities. Specifically, discussions aimed to:

- Strengthen companies' and stakeholder's understanding of water risk, how to manage it, what to disclose, and how to disclose it;
- Determine how investors, NGOs, and other stakeholders might evaluate companies' based on their water performance and related risks;
- Garner input to inform the scope and design of the Mandate's upcoming *Water Disclosure Guidelines*.
- Better understand company and stakeholder perspectives and interest in collective action on water as a means of informing the development of the Mandate's *Water Action Hub*;
- Determine how companies are currently attempting to meet their responsibility to respect the human right to water and sanitation; and
- Identify challenges for which operational guidance on water and human rights will be particularly helpful for companies.

Welcoming Remarks from Gavin Power, Olivia Watson, and Jason Morrison

Gavin Power (Head, CEO Water Mandate) began the conference with a recap of the origins, mission, and approaches of the UN Global Compact and CEO Water Mandate. He provided background on the Mandate's previous meetings, actions, and research leading up to this meeting and outlined broad goals for the initiative moving forward. Power spoke of the initiative's commitment to transparency, highlighting the Secretariat's continued willingness to delist endorsers if they fail to comply with the Mandate's disclosure requirements. He also provided an overview of the Mandate's Steering Committee for 2010-2011, noting the addition of two special advisors from the UN Development Programme and The Nature Conservancy.² Lastly, Power thanked the meeting's sponsors: Dow, Nestlé, PepsiCo, and Stora Enso for their sponsorships of the conference.

Olivia Watson (Manager: Environmental Engagements, UN Principles for Responsible Investment) provided an overview of the UN Principles for Responsible Investment (UN PRI) – an investor initiative in partnership with the UN Environment Programme Finance Initiative and the UN Global Compact. Watson highlighted UN PRI's philosophy that socially responsible and environmentally sustainable business practices are not only critical to the well-being of people and the planet, but also an increasingly important consideration in assessing a company's long-term viability. Watson stressed that water is one of the most

² For a summary of the Mandate's 2010-2011 Steering Committee, go to: http://www.unglobalcompact.org/docs/issues_doc/Environment/ceo_water_mandate/CEOWaterMandate_Steering_Committee_2010_11.pdf



important environmental externalities investors must consider and will only become more critical over time.

Jason Morrison (Program Director, Pacific Institute; Technical Director, CEO Water Mandate) gave an overview of the Mandate's three workstreams and identified some key challenges for the next few years, while giving special note to the importance of assessing and communicating water-related business risks and facilitating convergence among existing corporate water disclosure initiatives, frameworks, and metrics. He stressed that the ensuing discussions would be critical in understanding company and stakeholder needs with respect to water disclosure, and ultimately in developing the Mandate's *Water Disclosure Guidelines*.

Introductions and Event Orientation from Mr. Greenwood

Meeting facilitator Rob Greenwood (Principal, Ross & Associates) provided an overview of the working conference agenda and ground rules³, as well as a brief introductory exercise to better understand the different sectors represented in the room. Greenwood emphasized that – though under contract with the Pacific Institute – he is a neutral third-party who has no stake in the outcome of discussions and whose main role is to ensure that the meeting is on topic and balanced.

First Day Sessions

The first day of the working conference focused exclusively on the Mandate's corporate water disclosure workstream. Specifically, it sought to better understand the range of ways companies, investors, and NGOs understand and communicate water-related business risks and the current landscape of initiatives, tools, and metrics relevant to corporate water disclosure.

The Impetus, Objectives, and Development Plan for the *Water Disclosure Guidelines* (Session 1)

Douglas Dean (Partner, PricewaterhouseCoopers LLC) and Lauren Koopman (Manager, PricewaterhouseCoopers LLC) provided an overview of the context and need for the *Water Disclosure Guidelines* – a Mandate project being developed in collaboration with PricewaterhouseCoopers and key partners World Resources Institute (WRI), Global Reporting Initiative (GRI), and Carbon Disclosure Project (CDP), and overseen by the Mandate's Water Disclosure Working Group.

Dean and Koopman explained that as water sustainability has become a greater concern for companies, investors, NGOs, and other stakeholders, a variety of disclosure initiatives, frameworks, and metrics have emerged.⁴ This has led companies to spend much of their time and resources fulfilling often overlapping reporting requirements, thus diverting attention away from actually managing water risks and impacts. At the same time, the wide range of different reporting frameworks - and the subsequent disparities on the definitions of key concepts - has made it difficult for investors and NGOs to compare different companies' water performance.

The Mandate's *Water Disclosure Guidelines* will offer a common conceptual approach to water disclosure, and also serve as a practical mechanism that drives convergence among water disclosure initiatives with respect to how water performance is assessed and communicated. The Project Team will use existing disclosure initiatives and frameworks to identify common metrics and provide guidance on disclosure practices with the assistance of technical expertise from CDP, GRI and WRI. This will include not only guidance on the disclosure of water use and wastewater discharge data, but also how to identify and report on material and relevant issues, and how to contextualize water performance based on local watershed conditions. The Project Team will begin assessing existing initiatives, tools, and metrics in Q3 2011 with an aim to complete a version of the *Guidelines* for testing by Q2-Q3 2012.

³ The ground rules for the meeting are summarized in Appendix B.

⁴ For a summary of the various existing and emerging water accounting and disclosure initiatives, see Appendix C.



Facilitated discussion on the topic suggested several common threads:

- The *Guidelines* must find a way to assess and effectively report on the social and environmental impacts of corporate water management practices,
- The Mandate's project is not an academic exercise: it must be tailored to be usable by businesses while addressing stakeholder needs,
- It must provide guidance on how to report on particularly critical local issues while remaining relatively digestible and manageable at the corporate/group level,
- Since this is still an emerging space, guidance such as this should be piloted and built upon before a global standard or protocol is created.
- The *Guidelines* should be available for free and to the public via the Mandate's website,
- This project is not meant to make existing disclosure initiatives obsolete, but rather to drive convergence of thought and practice.

Understanding and Communicating Water Risks and Subsequent Management Responses (Sessions 2, 3, 4, 5, & 7)

Presentations and ensuing discussions indicated there are many ways companies and investors understand and assess water-related business risks, and many methods are employed to manage those risks. Discussions also highlighted the idea that a company's water risks are constantly changing. They change as watershed conditions change, but also as companies progress in their water management responses. As such, companies must constantly reevaluate their water performance and relevant local conditions.

Comments suggested widespread agreement that understanding water risks requires an entity to assess a range of issues, including:

- How it uses water and the composition and characteristics of its wastewater;
- The efficiency of its operations;
- The regulatory compliance of its operations;
- The impacts of its operations on local ecosystems, water supply and quality, and community access to water and water services,
- The environmental, socio-economic, and governance conditions of the watershed in which it operates;
- The strength of communication and partnership with local stakeholders;
- The effectiveness of disclosure to consumers and investors.

There was also consensus that there are no "one size fits all" solutions to managing water risks. In nearly all situations, the nature and degree of water risk is inherently dependent on local conditions. As such, the management response must be specifically designed and/or adapted to address the challenges associated with that context. That said, the sessions suggested widespread comfort with a range of broad management practices companies can implement in response to risk, such as:

- Investing in operational efficiency;
- Assessing and reporting data on water for operations and supply chains particularly in water stressed or scarce areas;
- Assessing and reporting contextual issues such as local climate, ecology, human population, economy – with clear definition of "local" water resources
- Following GRI protocols for reporting disaggregated data
- Returning water to the watershed from which it was abstracted
- Adopting a policy that recognizes the human right to water and sanitation and installs processes by which to assess and address related impacts;
- Stating publicly water-related goals and targets;
- Implementing water management strategy throughout the value chain;
- Working with local partners - including civil society, communities, governments, and water managers - to facilitate more sustainable management of water resources;



- Using communications and marketing resources to raise awareness and advocate for sustainable water management

While discussions indicated common interests on these broad issues and response strategies, there was little agreement on the proper way to evaluate them or how to identify the appropriate response for specific risks. For instance, while water stress is seemingly universally considered a critical factor in assessing water-related business risks, audience members had differing methods and tools with which they assessed water stress.⁵ Similarly, there was little understanding of how appropriate response strategies might differ depending on the type of water stress (e.g., whether it is due to physically-limited supplies, pollution, inadequate infrastructure or management, etc.).

Existing and Emerging Corporate Water Disclosure Initiatives, Related Analytical Tools, and Metrics (Sessions 2 & 6)

Several representatives from initiatives shared information and provided updates on tools and frameworks they are developing that might advance or support corporate water disclosure. A summary of these tools and frameworks is provided below.

World Resource Institute's Aqueduct Tool

Charles Iceland (Associate, WRI) updated participants on WRI's Aqueduct project which aims to provide a publicly-available online global database of local-level water risk indicators and a global standard for measuring and reporting geographic water risk. By doing so, it hopes to inform public-private engagement on sustainable water management, facilitate smarter public and private investments on water technologies and infrastructure, and allow investors to better respond to differences in company exposure and response to water risk.

Aqueduct will consist of three primary components:

1. An information platform for public-private action for more efficient and sustainable water management
2. A standard to measure, map and compare local water risk and opportunity
3. A database with localized data on water risk and opportunity

Aqueduct's framework for assessing water risk is comprised of three primary measures: 1) Access and growth constraints, 2) Cost risks, and 3) Disruption potential. It will look not only at water supply issues, but also those related to water quality, potential regulatory pressure, governance, climate change impacts, and socio-economic dynamics, while tracking the distribution of population, industry, and irrigated agriculture. It will also assess the extent to which local energy supplies are vulnerable to water risk. WRI will provide baseline water stress data globally. In addition, it will perform "deep-dives" on some river basins. It has already extensively mapped the Yellow River, and plans to do so for the Yangtze, Murray Darling, Orange-Vaal, and Colorado river basins in 2011.

DEG-World Wildlife Fund's Water Risk Filter

Jochem Verberne (Manager of Network Development and Corporate Relations, WWF International) discussed WWF's water risk filter – developed in collaboration with German development bank Deutsche Entwicklungsgesellschaft (DEG) – that allows investors and companies to better understand relative water risks based on their geographic location and industry type. One of the filter's core principles is that companies in high-risk geographic contexts should be encouraged to invest in improved water management, rather than simply leave the area. In support of this goal, the filter offers a "mitigation toolbox" that lists a variety of good practices for operating in water stressed regions. The filter will be expanded in the future to include more in-depth geographic and industry data as well as possibly supply chain risks.

⁵ An overview of some of these tools is provided in the following section.



Carbon Disclosure Project's Water Information Request

Marcus Norton (Head of Water Disclosure, CDP) provided an update on CDP's Water Information Request and his impression of current trends in corporate water disclosure. The CDP Water Information Request is a set of questions distributed to companies on behalf of the investment community meant to better understand corporate water risks and response strategies. It is built around the idea that improved disclosure will drive efficiency improvements in corporate water use, while providing investors a base of information by which to compare companies' water performance. He explained that the Request will constantly evolve to make disclosure more robust, while also remaining accessible to a wide range of companies. As part of this evolution, the next iteration of the Request will move away from global water data and focus more on granular/local data.

The Request is based on three primary components:

1. Water Management & Governance: Gives investors a high-level view of whether companies are engaging on water-related issues.
2. Risks & Opportunities: Assesses companies' water risks and the steps they are taking to mitigate them.
3. Water Accounting: Assesses companies' withdrawals, compliance of discharges with regulations, and intensity of use.

Norton ended by stressing the need to minimize companies' reporting burdens to allow them to spend more time and resources actually improving their water performance and managing related risks and impacts.

Ceres' Framework for Corporate Water Management

Ceres and Irbaris LLP are currently developing a framework that allows investors, asset owners, and asset managers to better understand what constitutes good corporate water management. This framework is not intended as a disclosure framework, but rather as a way for investors to understand and evaluate information that is being disclosed. This framework includes assessment, management & governance, and engagement & disclosure activities at the corporate, direct operations, and supply chain levels. For each activity, it identifies milestones along the path to best practice. It also highlights certain activities which it deems particularly important to strong corporate water management. The framework will be released in September 2011.

Sustainable Asset Management (SAM) and the Dow Jones Sustainability Index

Marc-Olivier Buffle (Equity Analyst, SAM) explained how SAM publishes and licenses the Dow Jones Sustainability Index (DJSI) that assesses over 1000 companies based on various sustainability and CSR criteria, including water performance. The DJSI assesses companies based on 20 questions spread across four different water categories: awareness, exposure, response, and results. It also looks at several different types of risk, including economic, environmental, and social risks. Despite great strides in companies' understanding of water, Buffle stated that 90% of companies still are not even aware of water-related business risks.

Alliance for Water Stewardship

Alexis Morgan (Global Roundtable Coordinator, Alliance for Water Stewardship) shared information about the Alliance for Water Stewardship's development of a program that uses a certification standard to encourage and incentivize improved corporate water management and provide environmental, social, and economic benefits at the watershed level. This standard will apply at the facility and watershed level and will target agriculture, industry, and water service providers. In addition to the certification standard, AWS is developing a verification process that ensures company claims are credible and beneficial. It will also include a tool that helps companies identify a suitable risk response strategy. The AWS standard is currently expected to be finalized in mid-2013.



Second Day Sessions

While the first day focused on the Mandate's corporate water disclosure workstream, the second day explored the Mandate's other current projects, particularly operational guidance on the roles and responsibilities of businesses with respect to the human right to water and sanitation and the *Water Action Hub*. These sessions were meant primarily to inform endorsers and other stakeholders of the progress to date on these Mandate projects, while seeking participant feedback on their direction.

Overview of Upcoming Mandate Projects (Session 8)

Jason Morrison (Program Director, Pacific Institute; Technical Director, CEO Water Mandate) started the day's sessions with an overview of the Mandate's upcoming 2011-2012 projects, most notably, 1) operational guidance on the roles and responsibilities of business with respect to the human right to water, 2) collective action projects in Southeast Asia and South Africa, 3) an online capacity platform for corporate water management practices, and 4) the online Water Action Hub.

Operational guidance on the right to water

At the Mandate's November 2010 working conference in Cape Town, South Africa, Mandate endorsers and the Secretariat agreed to develop a guidance document that will illuminate the roles and responsibilities of businesses with respect to the human right to water and sanitation, including:

1. How to act consistently with the Ruggie Framework's responsibility to respect as well as with emerging national legislation on the right to water,
2. How to appropriately and effectively "go beyond respect" by proactively assisting in the fulfillment of water-related human rights,

This project (discussed in more detail on page 12) will be conducted with oversight from the Mandate's Human Rights Working Group and will include stakeholder dialogues and an empirical assessment of corporate practice.

South Africa Collective Action Project

The CEO Water Mandate Secretariat, in collaboration with the German International Development Agency, GIZ (formerly known as GTZ), is exploring interest in a joint project to help address shared public-private water risks in South Africa. The Mandate Secretariat conducted a preliminary survey of companies to assess their relative interest in action on water in specific watersheds in South Africa and scales of engagement. In February 2011, the Mandate convened an informal gathering of South African companies, public officials, and NGOs to explore how they can collectively act to improve corporate water practices and water management in South Africa.

Southeast Asia Apparel Water Action

The Mandate is also coordinating a project in collaboration with UNEP, Nautica, H&M, Levi, and Nike to improve corporate water management among apparel supply chain companies in Cambodia and Vietnam. The project's primary objectives are to:

- Drive operational water use efficiency and improved wastewater discharge among apparel companies' supplier facilities;
- Facilitate better communication among companies and their suppliers;
- Foster cooperative relationships among apparel companies and their stakeholders in the region to address shared water risks.

The Mandate will convene two national training workshops in Vietnam and Cambodia in July 2011 in order to share good practices and promote communication amongst sectors. This will be followed by technical assistance where apparel facilities are assessed on their water performance and encouraged to implement good practices.



Online capacity platform for corporate water stewardship and Water Action Hub

The Mandate – in collaboration with UNEP – is also developing an online capacity platform to serve as a clearinghouse for corporate water stewardship-related information and tools that facilitate improved corporate water management practices. The site will consist of three primary components/modules:

1. Understanding the business case for corporate action on water,
2. Identifying the range of corporate water accounting and risk/impact assessment methods and tools available,
3. Water Action Hub: Connecting companies with other companies, public sector agencies, NGOs, and other businesses within specific watersheds in order to facilitate collective action on water

Collective Action to Address Shared Water Risk and the Water Action Hub (Sessions 9a, 9b, & Facilitated Discussion)

The next session focused on the value of cross-sectoral collective action to address shared water challenges, strategies for encouraging effective collaboration on water, and how the Mandate's Water Action Hub might help facilitate both. This topic stemmed from the reality that many of today's global water challenges pose risk for the private sector, public sector, communities, and the environment alike. As such, there is a strong case for collaboration among these players on solutions. Such collaboration allows for pooled resources, a more dynamic understanding of the issues, and heightened visibility. Currently, many organizations either cannot find suitable partners or collaborate in an *ad hoc* fashion, which is often inefficient and ineffective.

The Water Action Hub will provide a platform where companies can communicate and partner with governments, NGOs, communities, and other businesses to advance sustainable water management on a location-specific basis. The Hub will initially be targeted at few select river basins worldwide, but will expand over time. The Mandate will conduct this work in collaboration with key partners Deloitte, the International Business Leaders Forum (IBLF), and World Resources Institute. It is currently slated to be completed within two years. The Hub's development will consist of three stages:

1. Project feasibility, market need, and scoping (survey)
2. Content development, "pre-seeding" of the Hub and beta-testing (piloting)
3. Public launch, marketing and outreach (and medium term content management)

Ensuing discussions explored key steps companies can take to ensure effective and equitable collective action on water and how the Hub can facilitate them. Speakers stressed the importance of companies conducting due diligence on potential partners in advance of any collaboration in order to understand the complexity of water governance dynamics, stakeholder needs, the local watershed, and water challenges more generally. This due diligence will often require a robust stakeholder engagement process. Understanding these dynamics is critical to achieving buy-in from potential partners. Companies must also assess their own capacity to undertake partnerships, to fund them, and to come up with informed and effective project plans. Discussions also suggested that an articulation of the business case for collective action is necessary in order to coordinate internal actors as well as easing any skepticism potential partners may have of companies.

The Project Team is currently seeking input and feedback on key questions regarding the design and content of the Hub, such as:

- What types of information will be most useful for users?
- What types of information are companies willing to share?
- What concerns do companies have about sharing information on a platform of this type?
- What geographies and river basins are priorities for action for companies?



Roles and Responsibilities of Businesses with Respect to the Human Right to Water (Sessions 10, 11, & Facilitated Discussion)

The final session of the working conference discussed how companies are currently respecting the right to water and sanitation in practice and how Mandate guidance on the topic can best inform their practices and policies. Current practices respecting the right to water include a wide range of activities, including simply improving operational efficiency (and therefore potentially freeing up more water for other needs), working to improve local water policy and management, and directly facilitating community access to water services. Leading companies have also utilized their associates and employees as a means of advocating and spreading awareness on the right to water in many different regions and to numerous types of actors around the world. Companies have also embedded language referring to the right to water into many of their typical operational tools/protocols, thereby better identifying how basic practices either can contribute to or prevent human rights abuses.

Panelists stressed the need to incorporate key principles, such as public participation, non-discrimination, accountability, and integration with other human rights, when considering the right to water. Comments also suggested a need to better understand how impacts differ for women and to find solutions that specifically address women's access to water services. Some stressed the danger of construing these concepts as new legal norms, rather than simply guiding principles. They continued to suggest that while heavy involvement from corporate legal teams can add a sense of urgency to addressing the issue, it can also stymie the process with unnecessary complexities and barriers. The discussion emphasized the importance of transparency and openness about what a company is doing to address the right to water, particularly in instances where it is proactively fulfilling the right to water through philanthropic projects.

With respect to the upcoming Mandate guidance on the roles and responsibilities of businesses regarding the right to water, many participants strongly preferred that the guide must not only reveal how to assess whether/how companies might impact the right to water, but also concretely explain what they can do to manage those impacts. Comments also generally supported the idea that the guide should provide a definition of what it is to abuse/infringe upon the human right to water and also lay out a process through which companies can understand and address stakeholder needs.

Discussions also indicated several questions that have yet to be sufficiently answered, such as:

- How do companies assess impacts on the human right to water? How can this be harmonized across companies?
- How can companies integrate impact assessments for the right to water into existing human rights and/or social and environmental impact assessments?
- Given the recent resolutions on the right to water from the UN General Assembly and Human Rights Council, is the distinction between explicitly acknowledging the right to water and taking a rights-based approach still valuable?
- How do companies impact communities' access to sanitation services? What does "respect" look like with regard to sanitation?



CEO Water Mandate / Caring for Climate Joint Panel on the Water-Carbon Nexus

On Tuesday afternoon, representatives from the Mandate joined a panel during the annual meeting of the UN Global Compact's Caring for Climate initiative (C4C). C4C is a voluntary and complementary action platform for UN Global Compact participants who seek to demonstrate leadership on the issue of climate change.⁶ It provides a framework for business leaders to advance practical solutions and help shape public policy as well as public attitudes.

The two UN Global Compact initiatives decided to convene a joint session due to the inextricable link between water and climate change. Climate change is projected to lead to great disruptions in the hydrologic cycle; changing precipitation patterns, melting snowpack earlier, often leading to more intense floods and longer periods of drought. Likewise, alternative energy sources designed to reduce greenhouse gas emissions can have large water footprints. As such, companies trying to manage their water and climate risks will typically have to consider how these two issues interact and inform one another and develop adaptation plans that consider these linkages. However, currently many companies are failing to do so, rather addressing each individual issue in silos.

This session focused on exploring ways companies are integrating their approaches to water and climate, as well as how the two initiatives can collaborate to facilitate such integration. Panelists discussed their companies' techniques to address water and climate change and what barriers they have faced during this process. Many stressed the importance of understanding the local context in which they operate, as climate change will affect water very differently depending on the hydrologic, ecological, socio-economic, and political contexts. Speakers also noted the energy-intensity of many water solutions, such as wastewater treatment and desalination. Discussions indicated there is a great need for methods to integrate water and climate considerations during the accounting phase and to better understand the energy, food, water nexus as it plays out in the context of projected climate change.

The session revealed a series of outstanding questions, such as:

- Most climate change and water plans are oriented around short-term efficiency. What is the vision for addressing and integrating these issues over the long-term?
- How can companies balance climate-and-water-related mitigation and adaptation plans?
- How can companies effectively communicate the linkages between water and climate change to their stakeholders in order to build awareness and understanding of their policies? How can one handle the inherent complexity of these issues?
- What are the key barriers to creating an "enabling environment" where the water-energy-climate nexus can be efficiently and effectively addressed?
- What practical tools are available to understand and address this nexus?
- Are there ways to understand the nexus in relation to other key issues such as food security and human rights?
- What are the opportunities for multiple economic sectors to collaborate on a systems view of the sustainability of their products and services?

Discussions also suggested a keen interest in further collaboration between the Mandate and C4C. Participants suggested that together the two initiatives could help urge governments to address shared risks, participate in cross-sectoral partnerships, and better integrate a holistic approach to sustainability issues in their research. Some also expressed a desire to hold more joint workshops and on-the-ground projects between the two initiatives in the future.

⁶ For more information on Caring for Climate, see: http://www.unglobalcompact.org/Issues/Environment/Climate_Change/



Appendix A: List of Working Conference Participants

(Monday and Tuesday events only)

Affiliation	Name	Title
Endorsing Companies and Prospective Endorsers		
AkzoNobel	Martijn Kruisweg	Manager Eco-Efficiency Programs
APP China	Rui Zheng	Senior Director – Head of Marketing & Strategy Planning
APP Indonesia	Dewi Bramono	Deputy Director of Sustainability
APP Indonesia	Librian Angraeni	Supervisor of Sustainability
Atlas Copco Group	Pernilla Nilsson	Environmental Advisor
Braskem SA	Marcelo Lyra do Amaral	International Affairs Manager
Braskem SA	Jorge Soto Delgado	Sustainable Development Director
The Coca-Cola Company	Greg Koch	Director – Global Water Stewardship
The Coca-Cola Company	Lisa Manley	Group Director- Sustainability Communication
The Coca-Cola Company (also representing European Water Partnership)	Ulrike Sapiro	Corporate Responsibility Director – Environment, Coca-Cola Europe
DeBeers Group	Nicky Black	Corporate Citizenship Manager
Edelman	Shona Sabnis	Senior Vice-President, Lead, Energy Vertical
GANT AB	Sara Lindén	Coordinator Production and CSR
GlaxosmithKline	Brett Fulford	Climate Change Director
GlaxoSmithKline	Richard Pamenter	Head of Environmental Sustainability
H&M	Mikael Blomme	CSR Group Manager Environment
Hindustan Construction Company Limited	Mohit Bhutani	Engineer – CSR – UN Water Mandate
Hindustan Construction Company Limited	Manoj Chaturvedi	General Manager – CSR – UN Water Mandate
Levi Strauss & Co.	Anna Walker	Senior Manager – Government Affairs & Public Policy
Metsäliitto Group	Jukka Karppinen	Vice President Environmental Affairs, Industry
Merck	Mary Buzby	Director, Environmental Technology
Merck	Eric Dziedzic	Director, Corporate Responsibility
Molson Coors Brewing Co.	Benjamin Moline	Manager, Water Resources
Nalco	Mike Bushman	Division VP Communications and Investor Relations
Nalco	Mohan Kelkar	Marketing Manager
Nestlé S.A.	Christian Frutiger	Public Affairs Manager
Nestlé S.A.	Yann Wyss	
Netafim Irrigation	Naty Barak	Director of Global Corporate Responsibility
Novo Nordisk	Anne Gadegaard	Advisor Corporate Responsibility
Novozymes A/S	Claus Pedersen	Head of Sustainability Development
Oil and Natural Gas Corporation Limited	Gopal Krishna Vijayvargiya	Deputy General Manager
PepsiCo, Inc.	Dan Bena	Director of Sustainability, Health, Safety and Environment
PriceWaterhouseCoopers	Douglas Dean	Partner, Sustainable Business Solutions
PriceWaterhouseCoopers	Helle Bank Jorgensen	Partner, Sustainable Business Solutions
PriceWaterhouseCoopers	Lauren Koopman	Director, Sustainable Business Solutions



Affiliation	Name	Title
PriceWaterhouseCoopers	Jeff Senne	Director of Environment and Marketplace
PriceWaterhouseCoopers	Jon Williams	Partner, Sustainability and Climate Change
Reed Elsevier	Mark Gough	Global Environmental Manager
Rosy Blue	Iris Van der Veken	Manager, Corporate Affairs Global
SABMiller	David Grant	Sustainable Development Project Manager
Saint-Gobain Group	Patricia Andy	Responsible Relations Institutionnelles et Développement Durable
SAM – Asset Management	Marc-Oliver Buffle	Equity Analyst
Sasol	Martin Ginster	Environmental Advisor (Water and Cleaner Production)
Stora Enso	Johan Holm	Vice-President, Environment
Tata Steel	Anand Sen	Vice President (Total Quality Management & Shared Services)
Veolia North America	Edwin Pinero	Executive Vice-President & Chief Sustainability Officer
Veolia Water	Peirre-Alain Mahe	Project Manager
Veolia Water	Laila Morsli	Project Officer
Virtusa Corporation	Rasika Withanage	Director – UNGC Ceylon Network
UN and Government Agencies		
GIZ	Ann-Ulrike Henning	Focal Point German Global Compact Network
GIZ	Robin Farrington	Senior Advisor
International Finance Corp.	Usha Rao-Monari	Senior Manager – Infrastructure Department
Ministry Foreign Affairs	Karla Basselier	Attaché
UN Office of the High Commissioner for Human Rights	John Grova	Associate Expert
UN Office of the High Commissioner for Human Rights	Lene Wendland	Advisor on Business and Human Rights
UN Development Programme	Bogachan Benli	Project Manager
UN Environment Programme	Maite Martinez Aldaya	PhD Consultant
Civil Society		
African Youths International Development Foundation	Dorothy Omon Osimen	Representative
Oxfam America	Heather Coleman	Senior Policy Advisor
Water Aid	Daniel Yeo	Senior Policy Analyst (Water Security & Climate Change)
Water Integrity Network	Teun Bastemeijer	Director
World Resources Institute	Charles Iceland	Associate
WWF International	Stuart Orr	Freshwater Policy Officer
WWF International	Jochem Verberne	Manager – Network Development & Corporate Relations
Other		
Alliance for Water Stewardship	Alexis Morgan	Water Roundtable Coordinator
Avvocato Michela Cocchi – Studio Legale	Michela Cocchi	Founder - CEO
Business for Social Responsibility	Linda Hwang	Associate, Research & Development Team
Carbon Disclosure Project	Marcus Norton	Head of CDP Water Disclosure



Affiliation	Name	Title
Council of Ministries	Lubna Abbas	General Secretariat
Danske Bank	Thomas Kjaergaard	Head of SRI and Corporate Governance
Deloitte Consulting, LLP	Derrick Sturisky	Senior Manager Governance, Regulatory & Risk Strategies
Global Reporting Initiative	Bastian Buck	Technical Development Coordinator
	Gunawan Hermanto	Program Manager
International Business Leaders Forum	Steve Kenzie	Senior Programme Manager
International Council on Mining & Metals	Anne Marie Fleury	Associate Program Director
Instituto Ethos	Tabata Marchetti Villres	International Relations Coordinator
Irbaris, LLP	Will Lynn	Senior Consultant
International University of Fundamental Studies	Shanti Jayasekara	Chairman
Muslim Business Council of India	Mohammad Ariff	General Secretary
Nigerian Economic Summit Group	Frank Nweke Junior	Director General
Office for Business Sustainable Development Vietnam Chamber of Commerce and Industry	Vinh Nguyen Quang	Director
Robeco	Lara Yacob	Senior Engagement Specialist
SEB Investment Management	Viktor Andersson	Co-Head ESG Analysis
The Co-operative Asset Management	Anna Kaasinen	Responsible Investment Analyst
TIMA GMBH	Achim Deja	President and CEO
UN Global Compact – Japan Network	Miho Hanafusa	Deputy Chief Secretariat
UN Global Compact – Japan Network	Takako Sakurai	Representative
Unitarian Universalist Service Committee	Patricia Jones	Environmental Justice Program Manager
Universidad Andres Bello	Steve Weitzman	Coordinator
Water Footprint Network	Ruth Mathews	Executive Director
	Natalie Allan	Independent Researcher & Consultant
Event Organizers		
UN Global Compact	Gavin Power	Head, CEO Water Mandate
UN Global Compact	Jayoung (Jay) Park	Program Consultant, Environment
UN Principles for Responsible Investment	Olivia Watson	Manager, Environmental Engagements
Pacific Institute	Jason Morrison	Globalization Program Director
Pacific Institute	Peter Schulte	Research Associate
Ross and Associates	Robert Greenwood	Vice President and Principal



Appendix B: Meeting Ground Rules

This CEO Water Mandate event offers a unique opportunity for endorsing companies and other key stakeholders to share approaches and emerging practices, build relationships and explore partnership opportunities, and generate enthusiasm and consider near-term strategies for this new public-private initiatives.

The day and a half-long Working Conference offers a mix of panel presentations and discussion opportunities intended to foster in-depth deliberations. Rob Greenwood, as facilitator, is a neutral third party with no stake in the outcome of discussions. Although under contract to the Pacific Institute, he works for the process and treats all meeting participants as equal “clients.” The organizing team puts forward the following streamlined ground rules for all meeting participants to guide conference deliberations:

- *Active, focused participation:* The conference is structured to encourage an active exchange of idea among participants. Voicing these perspectives is essential to enable meaningful dialogue. To that end, we encourage attendees to actively participate in the discussion and fold in their perspectives throughout the day.
- *Constructive input:* Meeting participants are encouraged to frame observations in terms of needs and interests, not in terms of positions; opportunities for finding solutions increase dramatically when discussion focuses on needs and interests.
- *Respectful interaction:* Conference participants are encouraged to respect each other’s values and legitimacy of interests. We further ask that you strive to be open-minded and integrate participants’ ideas, perspectives and interests.
- *Focused comments:* Our 1.5 day-long agenda is ambitious, with many topics to cover and numerous perspectives to fold in. Given the limited time, we ask that participants keep their comments as succinct and focused as possible and help ensure that all participants have an opportunity to contribute their thoughts to the dialogue.
- *Chatham House Rule:* To encourage free discussion, workshop participants are welcome to share discussion points with other non-attendees, but comments are not to be attributed directly to particular speakers or entities (Chatham House Rule).
- *Other:* To keep the meeting as effective as possible, we ask that you honor the following meeting management aspects:
 - Keep cell phones off
 - Use scheduled breaks, as possible
 - Wait to be recognized before speaking
 - Avoid side-discussions

We look forward to a productive dialogue and thank you for your participation.

Appendix C: Existing and Emerging Water Accounting and Reporting Initiatives

Water Accounting Tools & Initiatives

Tool	Objective	Scope	Audience
GEMI: Collecting the Drops	<i>Contextualize impacts & evaluate risks</i>	Site-specific	Site operators
GEMI: Local Water Tool*	<i>Contextualize impacts & develop strategy</i>	Site-specific	Site operators
CSO: Corporate Water Gauge	<i>Quantify impacts</i>	Business-wide	Managers
WBCSD: Global Water Tool	<i>Contextualize impacts & evaluate risk</i>	Business-wide	Managers
GEMI: Connecting the Drops	<i>Contextualize impacts & develop strategy</i>	Business-wide	Managers
BR: Water Brief for Business	<i>Determine materiality</i>	Business-wide	Managers
WRI: Aqueduct Water Risk Atlas	<i>Identify & quantify risk</i>	Site, watershed or regional level	Investors
WWF: Water Risk Filter*	<i>Identify & evaluate risk</i>	Business- or portfolio-wide	Investors
WFN: Water Footprint Assessment Manual	<i>Develop a water footprint</i>	Business or product level	Managers
ISO: ISO 14046*	<i>Develop a water footprint</i>	Business or product level	Managers
ISO: ISO 14040 & 14044	<i>Conduct a life cycle assessment</i>	Business or product level	Managers



Water Reporting Guidelines & Initiatives

Guidelines	Objective	Scope	Audience
GRI G3.1 Guidelines	<i>Provide guidance for companies reporting water-related information</i>	All firms	Companies
UK DEFRA Reporting Guidelines	<i>Provide guidance for companies reporting water-related information</i>	UK firms	Companies
Environment Australia Framework	<i>Provide guidance for companies reporting water-related information</i>	Australian firms	Companies
Japan MOE Reporting Guidelines	<i>Provide guidance for companies reporting water-related information</i>	Japanese firms	Companies
CDP Water Disclosure	<i>Collect & centralize corporate water data to inform water risk & opportunity</i>	Large firms in water-intensive sectors	Investors
Ceres: Investor Framework*	<i>Identify & evaluate risk</i>	Business- or portfolio-wide	Investors
Bloomberg ESG Data	<i>Incorporate water criteria into Bloomberg ESG Data</i>	All firms who publicly disclose water data	Investors/ Bloomberg users
DJSI Questionnaire	<i>Incorporate water criteria into DJSI performance index</i>	Large firms in water-intensive sectors	Investors
Alliance for Water Stewardship	<i>Develop stewardship standard & certification program to facilitate objective evaluation of water performance & recognition of water leaders</i>	Any water user or manager	All stakeholders