



The CEO Water Mandate

Communications on Progress – Water: Trends and Innovative Practice in Corporate Water Disclosure

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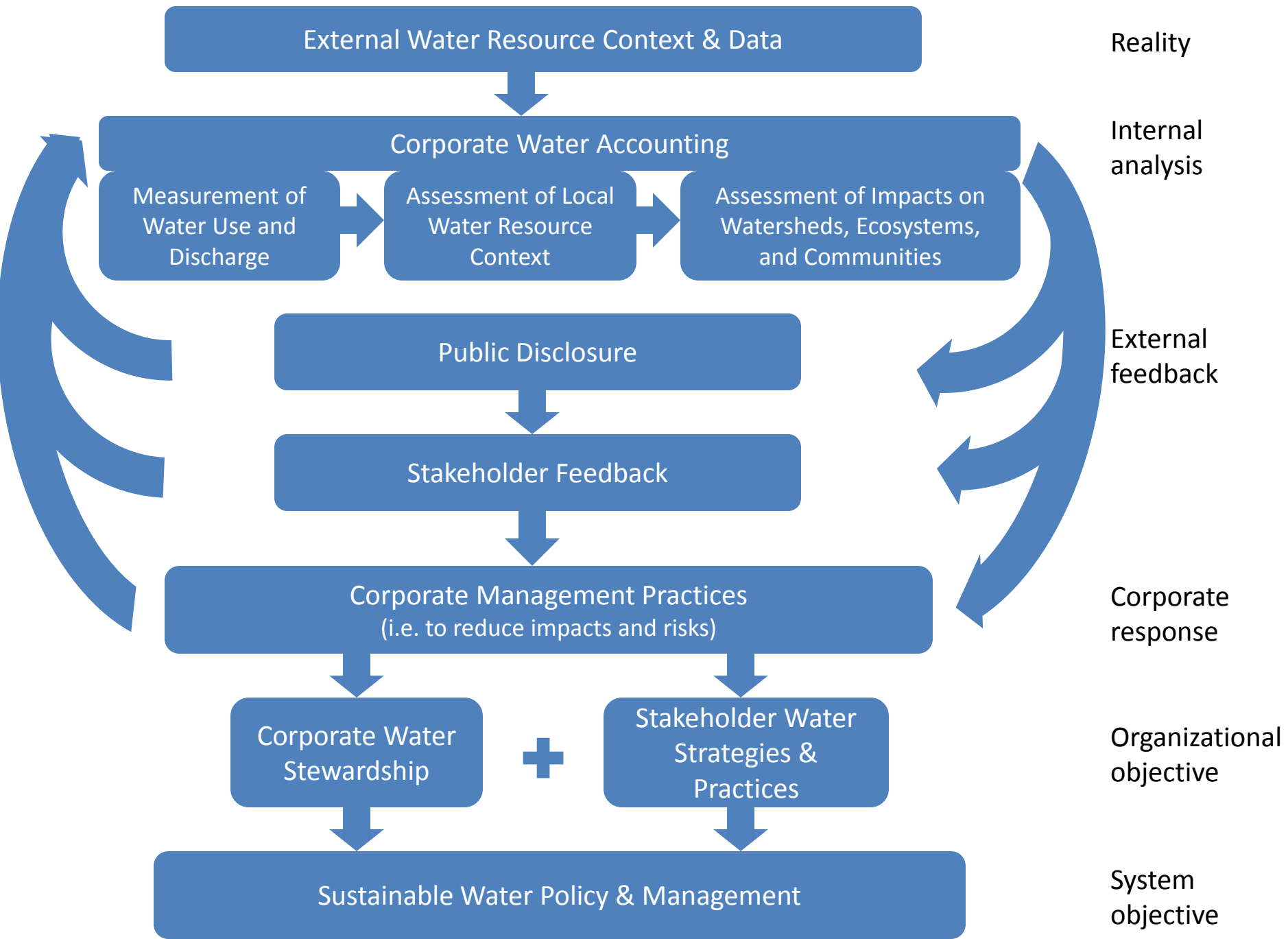
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A Framework for Corporate Action

1. **Measure** corporate water use and wastewater discharge
2. **Assess** the physical, regulatory & reputational risks; align assessment with climate & energy risk
3. **Engage** key stakeholders
4. **Integrate** water issues into strategic business planning & governance
5. **Disclose** water performance & associated risks

Source: *Water Scarcity & Climate Change*, Ceres and Pacific Institute 2009



Mandate Transparency Policy

Transparency is one of the Mandate's six core elements

All Mandate endorsers are required to communicate with their stakeholders about progress in implementing the Mandate's six elements.

These reports are known as:

Communications on Progress - Water

Failure to prepare a publicly available COP-Water report will result in delisting

Transparency Framework Phase 1: COP-Water Requirements

While there is **no specific format** for a COP-Water, it must include the following **three basic elements**:

- *Statement of continued support for the Mandate.*
- *Description of policies and practical actions to implement the six core elements*
- *Measurement of outcomes or expected future outcomes*

Transparency Framework Phase 2: Objectives

Our analysis of corporate water reporting:

1. Illustrated various forms of reporting approaches and contents, highlighting best practices and innovative approaches,
2. Identified commonalities, differences and gaps among water reports (both endorsers and others),
3. Summarized and presented the findings in a way that can serve as de facto guidance for corporate water reporting.

Transparency Framework Phase 2: Conclusions on needs

Reporting could be improved by:

1. Expanding reporting to include actions and impacts outside of direct operations, especially for the “process-oriented” elements.
2. Ensuring conformity to and harmonization within existing corporate reporting guidelines.
3. Increased cross-sectoral learning and actions with regard to water impacts and management.
4. Provide greater detail in their reporting on individual corporate actions.

COP-Water Analysis: Objectives

We have undertaken a project that compiles and analyzes the first round of COP-Water reports in order to:

1. Determine progress in corporate reporting practice since Water Disclosure 2.0
2. Highlight good and emerging practice particularly regarding qualitative reporting
3. Identify key areas in which companies could use further support and guidance

This analysis will spread knowledge of good practice and inform the Mandate's upcoming guidance documents for corporate water reporting.

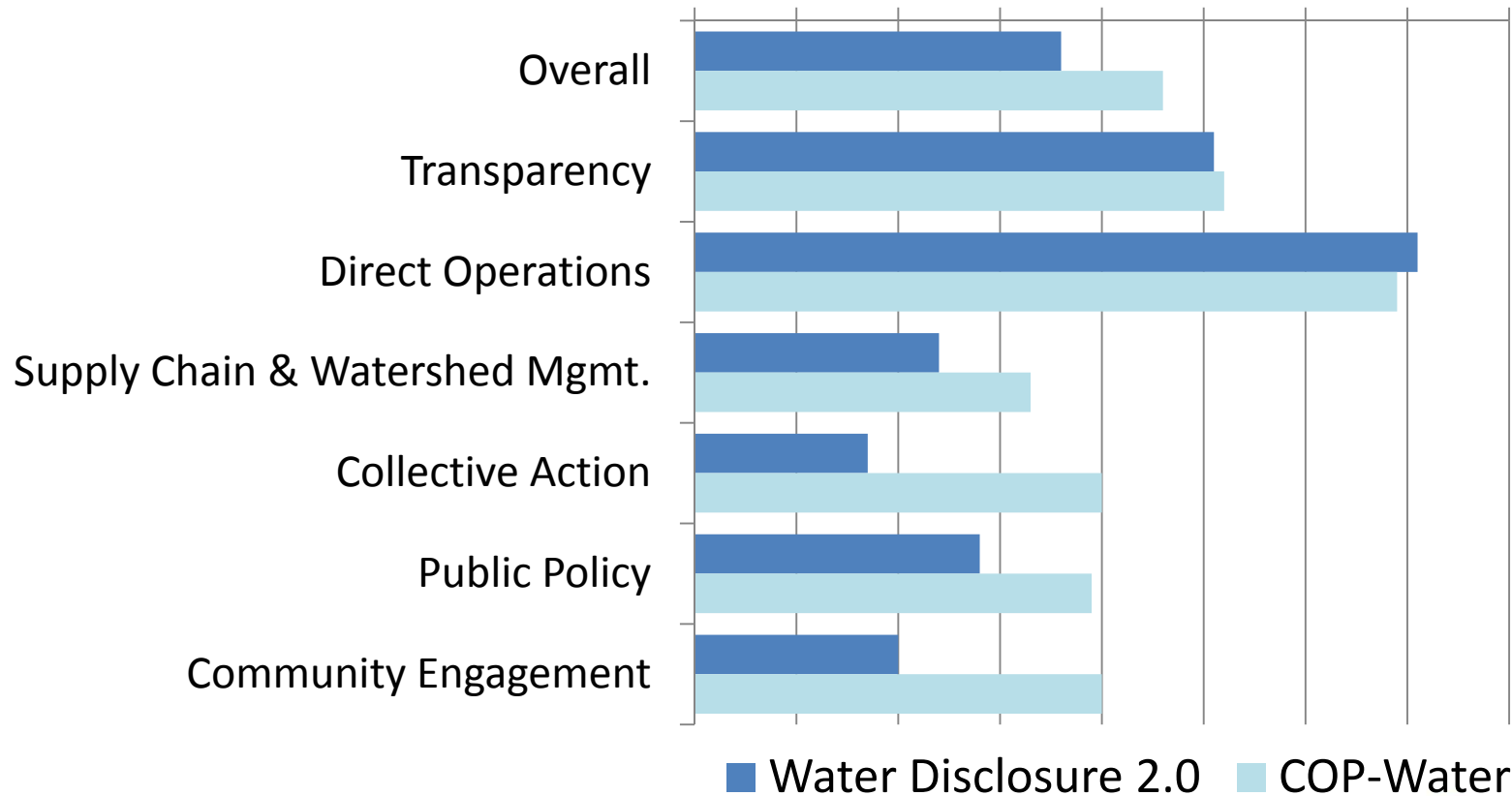
Upcoming Mandate Projects

1. **Guidance on Reporting on Process-Oriented Elements:**
 - Will identify and describe practical steps and criteria for reporting on policy engagement, community engagement, partnerships, philanthropic actions, etc.
2. **Guidance on Determining Relevant Information for Reports:**
 - Will lay out a process through which companies can determine the most relevant disclosure information for themselves, investors, consumers, affected stakeholders, etc.

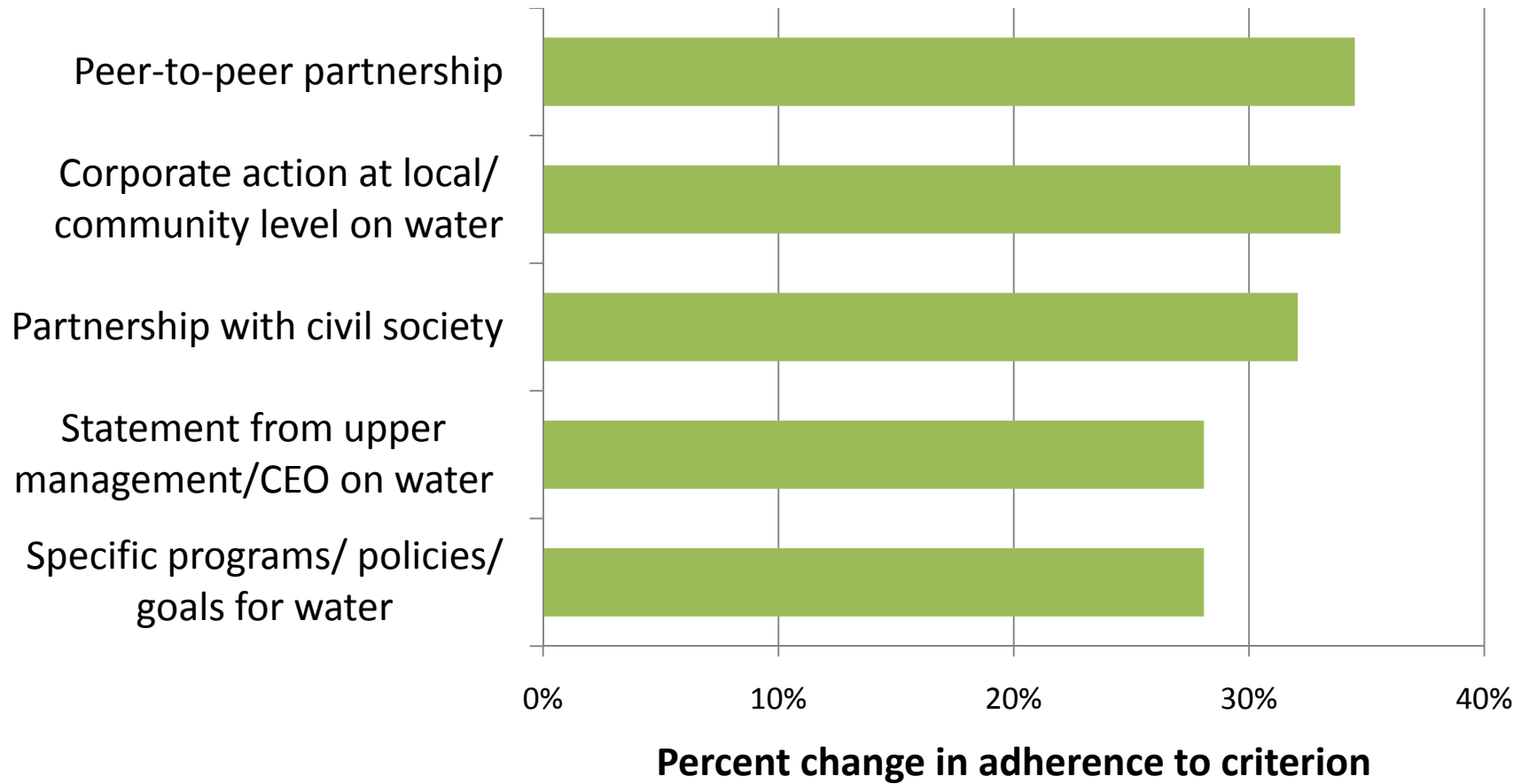
COP-Water Analysis: Progress since TF Phase 2

Percent of companies adhering to criteria

0% 10% 20% 30% 40% 50% 60% 70% 80%

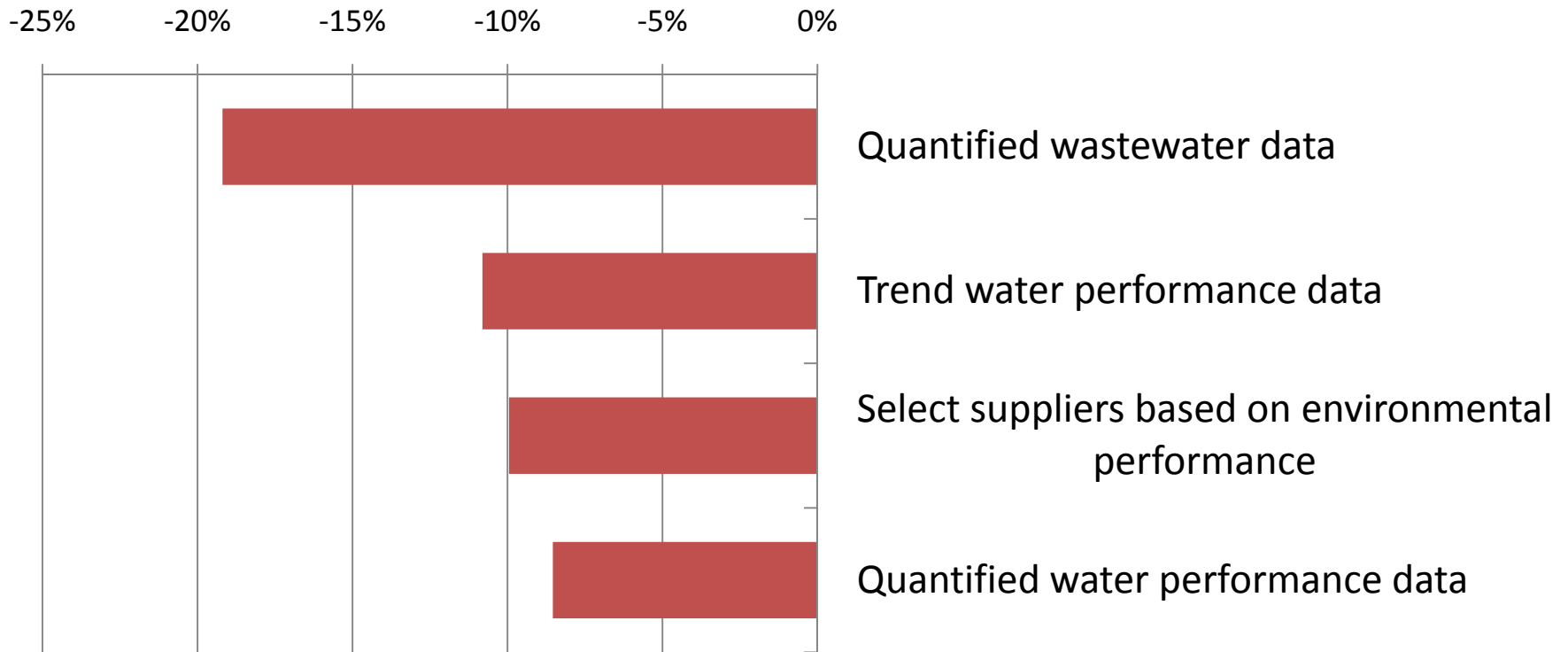


Criteria showing the most improvement between WD2.0 and COP-Water reports



Criteria showing the greatest decline

Percent change in adherence to criterion



Trends: Direct Operations

Trends: Supply Chain Management

Trends: Watershed Management

(contextualization, measurement of water stress)

Trends: Public Policy

Trends: Community Engagement

Areas for improvement

- Further contextualizing water performance data
- Materiality assessment
- Harmonization of reporting
- Business and the human right to water
- More concrete description of projects and practices



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