

Working Groups: What They Are and How CEO Water Mandate Endorsing Companies Can Engage VERSION: December 2016

Scope and Purpose of Working Groups

The CEO Water Mandate is endorsed by over 140 companies from around the world and spanning a variety of industry sectors. The Mandate Secretariat works to serve these endorsers by providing salient water stewardship research, guidance, and tools. To do so, the Secretariat continuously engages endorsers to understand their water-related challenges and needs.

One of the key ways through which Mandate endorsing companies engage in the work of the initiative is via its Working Groups. Through Working Groups, the Mandate Secretariat convenes small groups of endorsing companies (and often other key stakeholders) to support and guide the Mandate's work. Working Group members help shape the direction and design of Mandate projects by:

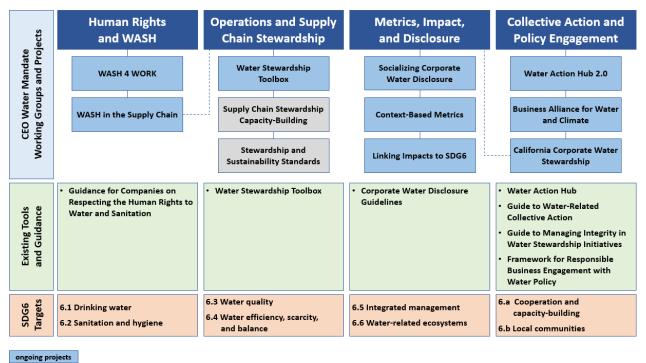
- Providing feedback on normative guidance and tools under development
- Helping to develop relevant resources and best practice case examples
- Testing and implementing Mandate guidance and resources
- Participating in collective action initiatives

In 2016, the Mandate revamped its Working Groups to more accurately reflect its current strategic priorities and to engage a broader base of endorsing companies. This document captures changes to the Working Group structure approved by Mandate endorsers in Q3 2016.

Moving forward, the Mandate's four Working Groups are as follows:

- 1. Human Rights & WASH
- 2. Operations & Supply Chain
- 3. Metrics, Impact & Disclosure
- 4. Collective Action & Policy Engagement

The scope of the Working Groups is at times integrated and inter-related. The products and outcomes of each Working Group often build upon one another, and certain projects may be overseen jointly by two Working Groups. Further, the scope of Working Groups is intentionally designed to align with the targets of Sustainable Development Goal #6 (SDG6), given the Mandate's commitment to meaningful action on the SDGs. The following diagram illustrates the structure of the Working Groups, their projects, and their alignment with SDG6.





----- joint working group projects

Engagement Opportunities and Expectations

Participating in Working Groups is one of the most significant benefits of becoming a Mandate endorser. Through Working Groups, endorsers can engage in the Mandate's work from the early days of scoping a project through its dissemination and socialization phase. Endorsing companies benefit from participating in Working Groups through:

- Scoping of projects so that final outputs support company needs and initiatives
- Peer learning from best practice sharing
- Strategic insight through Working Group deliberations with key stakeholders
- First access to thought leadership via the development of new projects

Working Group members are expected to attend periodic teleconference calls (approximately once per quarter) and contribute in-kind and/or financial resources to support the workstream. Any Mandate endorsing company is eligible to join any Working Group. To join one or more of the Working Groups, please email: ceowatermandate@unglobalcompact.org.

Human Rights and Water, Sanitation, and Hygiene (WASH)

The **Human Rights and WASH Working Group** (HRWASH-WG) focuses on access to water and sanitation in the workplace, supply chain, and communities. Previously, this Working Group focused on helping companies deliver on their responsibly to respect the human rights to water and sanitation (HRWS), and when appropriate, to assist them in fulfilling these rights. In 2015, in partnership with Shift, and drawing on Oxfam America's extensive subject matter expertise,

the Mandate released <u>Guidance for Companies on Respecting the Human Rights to Water and</u> <u>Sanitation</u>. This guidance helps companies translate their responsibility to respect the HRWS into their existing water management systems, operations, and company cultures. It complements other efforts to clarify the HRWS obligations and responsibilities of other actors.

Ongoing Projects

WASH4Work

<u>WASH4Work</u> brings stakeholders together to coordinate, collaborate, align, and scale business efforts on WASH to the benefit of communities and businesses. WASH4Work also supports governments and the public in their efforts to encourage action. The initiative seeks to increase collaborative research and peer learning, implement local collective action, engage in advocacy at the national and global levels, and highlight innovative business achievements. WASH4Work calls on businesses to take several actions including:

- Understanding and responding to impacts that inadequate WASH in communities has on business operations
- Ensuring all workers have access to clean water and gender-separated toilets
- Leveraging influence to bring about these changes in their supply chain
- Mitigating negative impacts on community WASH
- Collaborating with governments and civil society to improve community WASH,
- Working with WASH4Work partners to implement on-the-ground action, learn from others, and share experiences

WASH in the Supply Chain¹

Though the private sector has made progress in improving WASH, business can play a greater role in realizing universal access. While the workplace has largely been an overlooked setting from governments and NGOs, a growing number of companies have committed to the <u>WASH at the Workplace Pledge</u> and are looking to meet their responsibilities to respect the HRWS.

For the most part, companies have greater ability to implement WASH services in their owned and operated facilities. However, they face hurdles when looking to influence their supply chains where compliance measures may have limited effectiveness. The objectives of the WASH in the supply chain work is to:

- Understand current obstacles to improving WASH in companies' supply chains, particularly in key sectors such as forestry and agriculture
- Explore and develop guidance, tools, and resources needed to help companies leverage improved WASH in their supply chains
- Explore the potential for developing and/or utilizing existing collaboration platforms (such as *Sanitation and Water for All* and *WASH4Work*) to help learning, implementation and measuring impact

¹ This project is overseen jointly with the Operations and Supply Chain Working Group

Operations & Supply Chain Stewardship

In many industries, water risks and impacts are more substantial in supply chains than direct operations. For example, the water impacts of apparel industry activities like cotton cultivation and dyeing textiles occur outside the direct operational control of most brands and retailers. In some cases, water risks originate from physical or political conditions outside the direct influence of brands and suppliers. As such, the **Operations and Supply Chain Stewardship Working Group** (OSCS-WG) seeks to:

- Reduce suppliers' water risks and impacts, particularly in key industries and geographies of strategic value to endorsing companies, by expanding the operational tools in the <u>Water Stewardship Toolbox</u>
- Advance supply chain water stewardship globally by identifying or developing communication tools and guidance materials to build supplier awareness, responsibility, leadership, and collective action capacity
- Improve metrics and performance by seeking input from leading companies, defining core metrics for effective supply chain stewardship, and improving industry impact data, particularly for key raw materials

Ongoing Projects

Water Stewardship Toolbox

The Mandate's <u>Water Stewardship Toolbox</u> is a collection of guidance documents, discussion papers, online tools, and other resources that help companies build their stewardship practice. The Toolbox is structured around the Mandate's <u>Water Stewardship Progression</u> and allows users to identify what activities they want to pursue, filter resources by *Purpose*, *Type*, and *Scope*, and identify relevant resources.

WASH in the Supply Chain

This project is overseen jointly by the HRWASH-WG. See above.

Metrics, Impact, and Disclosure

The **Metrics, Impact, and Disclosure Working Group** (MID-WG) is concerned with helping companies establish a meaningful dialogue with their stakeholders about their water practices, thereby creating trust, accountability, and effective action. Formerly the Water Disclosure Working Group, this work to date has largely consisted of defining key terms and identifying and promoting harmonized metrics and qualitative approaches that support effective reporting and communication. In 2014, the Mandate published <u>Corporate Water Disclosure Guidelines</u> in collaboration with partners CDP, World Resources Institute, Global Reporting Initiative, and PricewaterhouseCoopers (PwC). This project brought together and built on the experiences of water disclosure-related initiatives to advance a common, globally relevant approach.

Ongoing Projects

Socializing Corporate Water Disclosure

Going forward, the Mandate will continue to promote the Disclosure Guidelines and harmonize the framework, key concepts, and terminology with other international and sector-specific

indicators and reporting frameworks, including the emerging international indicator sets relating to the six targets underpinning SDG6, the GRI G4 Guidelines and the SASB framework. Such a harmonized set of metrics can communicate progress credibly and meaningfully across the private and public sectors and thus can help drive more effective joint action on shared water challenges.

The Mandate will also promote the uptake of the Disclosure Guidelines with other reporting initiatives, particularly focusing on the human rights components of the Guidelines. The Mandate is supporting endorsers' efforts to report against the Disclosure Guidelines in their annual Communications on Progress-Water reports (COP-Waters) and encouraging reporting profile metrics in their COP-Water submissions.

Context-Based Metrics and Target Setting

With partners WRI, WWF, TNC, and CDP, the Mandate is developing a science-based approach for setting meaningful and measurable corporate targets that are aligned with stewardship principles and the SDGs. The team is producing a discussion paper that explores the efficacy of specific, yet somewhat generic cross-sector basin metrics, as well as the value of a decision-tree based framework for target setting in both operations and supply chains. The paper explores options and helps drive consensus on the need for context-based metrics and target setting.

Linking Corporate Water Stewardship Impacts to SDG6

SDG6 includes a set of targets that offers an opportunity to rally Mandate endorsing companies and strategic partners from the public and nonprofit sectors around a set of common endpoints. The Mandate will evaluate the opportunity to align its work with SDG6 targets, consider the potential to report contributions of Mandate endorsers' collective action initiatives to the achievement of the targets, and build consensus around impact metrics and best practices for monitoring SDG progress.

Collective Action & Policy Engagement

The **Collective Action & Policy Engagement Working Group** (CAPE-WG) facilitates partnerships and corporate engagement on water policy towards more sustainable water management around the world. Work in this area has sought to define key principles for action, assist companies and others in identifying strategic actions, and connect potential partners with shared water goals. The Mandate's previous work in this area has included:

- Integrity in Water Stewardship Initiatives
- Guide to Water-Related Collective Action
- Guide to Responsible Business Engagement with Water Policy

Ongoing Projects

Water Action Hub

In 2012, the Mandate launched the <u>Water Action Hub</u>, an online platform that connects businesses, government agencies, and other stakeholders seeking collaborative solutions to water challenges. Hub users can search a global database of stewardship projects and potential

partners. Since its launch, the Hub has attracted interest and participation from a wide range of organizations around the world. The Hub is currently undergoing a substantial renovation to facilitate multi-stakeholder collective action initiatives that drive mainstream adoption of best practices across the value chain and increase sustainable water management and progress toward SDG6 targets in key regions.

Business Alliance for Water and Climate

Preparing for and adapting to new climate realities will be one of the defining challenges of the 21st Century. Recognizing the considerable environmental, social, and economic value at stake due to worsening water stress and climate change, signatory companies of the <u>Business</u> <u>Alliance for Water and Climate</u> (BAFWAC) COP21 Declaration have called for water to be integrated into the global climate policy and financing architecture. They have pledged to take meaningful action to address water and climate challenges.

Over thirty companies have joined the Alliance, which is led by the Mandate, CDP, and WBCSD, along with the corporate partner, Suez. In support of BAFWAC, CDP and the Mandate host webinars and workshops showcasing best practices and supporting companies in tackling risks at the water-climate nexus and in reporting their progress.

California Corporate Water Stewardship

California's social, environmental, and economic well-being is jeopardized by extreme drought, climate change, groundwater depletion and land subsidence, and a complicated legacy of water rights, allocations, transfers, and other policy decisions. Companies with strategic interest in California increasingly recognize the need to develop new water stewardship initiatives together with diverse stakeholders to improve measurement, management, and stewardship of shared water resources.

In 2016, the Mandate is facilitating a statewide collaboration to accelerate <u>Corporate Water</u> <u>Stewardship in California</u>. It is engaging the California business community to identify and explore specific opportunities to contribute to the Governor's <u>California Water Action Plan</u>. This collective action by business leaders, industrial operations, agricultural producers, government agencies, policymakers, communities, and water experts will accelerate the state's progress toward a sustainable water future.