Bringing a Human Rights Lens to Corporate Water Stewardship – Phase 2 Progress Report

Jason Morrison, CEO Water Mandate and Rachel Davis, Shift

CEO Water Mandate Multi-Stakeholder Conference
Stockholm, September 4th, 2013
Overview of Presentation

• Project Background – Phase 1 findings and Phase 2 methodology

• Exploring the relationship between water and human rights management systems

• Key Points from confidential company interviews in Phase 2
CEO Water Mandate: History of the Human Rights Workstream

Q1-Q2 2009:
• Established Human Rights Working Group to discuss and inform Mandate’s work.
• Released discussion paper on the “corporate responsibility to respect” in water context.

November 2010:
• Released white paper: *The Human Right to Water: Emerging Corporate Practice and Stakeholder Expectations*.
• Cape Town working conference: endorsers and Secretariat agreed to develop guidance.

Q3 2011:
• Drafted preliminary annotated outline of Guide for review by endorsers and stakeholders at World Water Week in Stockholm.

2012:
• Following feedback, project is reframed and divided into two phases, working with Shift.
• Phase 1 resulted in discussion paper: *Bringing a Human Rights Lens to Corporate Water Stewardship: Results of Initial Research*, released during World Water Week in Stockholm.
Project Scope and Objectives

Scope

• Explore implications of the responsibility to respect for corporate water stewardship programs
• Focus on businesses in their capacity as large-scale water users

Objectives

• To develop practical guidance for companies that is also of interest/relevance to interested stakeholders
• To highlight areas of convergence between the responsibility to respect and current water stewardship and to identify possible approaches to address areas of divergence
Phase 1: Initial Research Findings

Areas of Potential Convergence:
• Importance of stakeholder engagement
• Need to understand impacts in supply chain
• Disclosure/communication about efforts to address impacts
• Relevance of collective action approaches
• No “one size fits all” approach

Possible Divergence:
• Responsibility to respect focused on *risks to human rights*, rather than to business – particular implications for impact assessment processes
Phase 2: Further Research and Development of Guidance – Progress Report

Methodology to date (Q1-Q3 2013):

• Mapping human rights and water management process elements
• Confidential interviews with human rights and water leads from >20 companies from sectors including: food and beverage, extractives, ICT, agriculture, apparel, automotive, chemicals, consumer products
• Identification of key points emerging from interviews

Next steps (Q4 2013-Q1 2014):

• Further company interviews and analysis of possible approaches
• Consultation/testing with project’s Technical Expert Group, Human Rights Working Group, Special Rapporteur
• Attention to affected stakeholder perspectives

Guidance drafting (and piloting?) - 2014
UN “Protect, Respect and Remedy” Framework

1. **State Duty to Protect** against human rights abuses by third parties, including business

2. **Corporate Responsibility to Respect** human rights, which means to avoid infringing and address negative impacts with which a business may be involved

3. **Access to Effective Remedy** for those affected, through judicial and non-judicial means
Responsibility to Respect – Foundations

- Importance of embedding in existing systems – not a re-labeling exercise;
- Understanding what is unique: focus is on risk to stakeholders not risk to business;
- Assess impacts before considering leverage to address them;
- Distinct from philanthropy – supporting/promoting human rights cannot offset negative impacts;
- Applies throughout value chain;
- Applies regardless of whether state is meeting its duty to protect.
Relationship between Human Rights and Water Management

• Water-related impacts on human rights *beyond* HRWS: eg, impacts on adequate livelihoods, health, food, safety

• Water stewardship *beyond* managing impacts on HRWS, especially environmental aspects (eg, groundwater recharge, environmental flows)

• Translating HRWS for environmental colleagues – and translating water stewardship for human rights colleagues

• Actions to promote/support HRWS? Not focus of the guidance, but respect provides strongest possible foundation
Corporate Water Management – Process Elements

Commit

Define

Implement

Monitor

Communicate

Account

Assess

Ongoing:
- Determine relevance
- Engage stakeholders
## Mapping Water and Human Rights Management Process Elements

<table>
<thead>
<tr>
<th>UN Guiding Principles</th>
<th>CEO Water Mandate Guidance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Policy Commitment and Embedding Respect</strong></td>
<td>Commit; Define</td>
</tr>
<tr>
<td><strong>Assessing Impacts</strong></td>
<td>Account; Assess</td>
</tr>
<tr>
<td><strong>Integrating &amp; Acting on Potential Impacts</strong></td>
<td>Implement</td>
</tr>
<tr>
<td><strong>Tracking Performance</strong></td>
<td>Monitor</td>
</tr>
<tr>
<td><strong>Communicating Performance</strong></td>
<td>Communicate</td>
</tr>
<tr>
<td><strong>Remediation</strong></td>
<td><em>No clear match – part of Implement?</em></td>
</tr>
</tbody>
</table>
Key Points from Interviews

• **Policy Commitment and Embedding / Commit and Define**
  – Companies who have identified water as a leading risk are adopting explicit policy commitments;
  – Embedding is critical to effective integration/implementation;
  – Importance of cross-functional coordination.

• **Assessing Impacts / Account and Assess**
  – Use is not equivalent to impact ("partial water footprinting");
  – Variance in methodologies for assessing impacts (eg, LCA for product-based assessments, evolving understanding of social impacts)
  – Assessing impacts throughout value chain
  – Relevance of cumulative/legacy impacts
  – Need to move beyond risk to business to *risk to stakeholders*
Key Points from Interviews

• Integrating and Acting / Implement
  – Need to prioritize based on severity of impact on affected stakeholders (defined by: scale, scope and irremediability);
  – Evolving good practices for managing supply chain impacts;
  – Effective approaches to collective action, including with governments.

• Tracking and Communicating / Monitor and Communicate
  – Focus on being prepared to communicate with affected stakeholders;
  – Leverage current CEO Water Mandate work on disclosure;
  – Need for KPIs, but is beyond current project scope.

• Remediation
  – Expectation where a business causes or contributes to negative human rights impacts that it will actively participate in remediation;
  – Building effective and scalable grievance mechanisms.
Key Points from Interviews

• Stakeholder Engagement
  – Should be ongoing throughout management processes;
  – Companies themselves recognize there is more to be done;
  – Challenges of engaging at the micro versus macro levels;
  – Meaningful engagement with affected stakeholders – distinct from experts, other stakeholders.

• Sanitation-specific issues
  – Generally receive less attention in practice than access to water;
  – Stand-alone section in guidance to help highlight distinct issues as well as identify opportunities for greater integration with existing systems?
Discussion Questions

1. What are the opportunities and challenges regarding how business and government can engage one another on the HRWS?

2. How do you take into account the perspective of affected stakeholders and communities in the context of impacts on the HRWS and other water-related human rights, so that risk to these stakeholders (and potential negative impacts they experience) are included in your organization's approach?

3. Do you have examples of good practice around internal policy alignment, coordination, or governance accountability structures within your organization with respect to the HRWS?