



The CEO Water Mandate

CEO Water Mandate: Water Disclosure Guidelines Overview November 2011

Context

Water consumption, scarcity, and quality are increasingly bubbling up as stakeholder issues of concern across the globe, particularly in countries where water is a rapidly depleting natural resource. Many industry and non-governmental organizations ("NGOs") are driving innovative programs and initiatives intended to provide guidance and to establish potential expectations for corporations disclosing their water related performance and activities. However, with the proliferation of potentially duplicative programs and initiatives, corporations are challenged with identifying how to effectively move forward.

These two trends - an interest in driving innovative programs and initiatives by a variety of well-intentioned and well-informed NGOs and industry groups, along with the proliferation and potentially duplicative set of emerging frameworks within the water accounting and disclosure area - is making it challenging for corporations, regulators, and other stakeholders to understand and to act upon the disclosed performance and activities.

The CEO Water Mandate's upcoming Water Disclosure Guidelines seek to advance a common approach to corporate water disclosure. In doing so, they will offer common corporate water disclosure metrics that can begin to harmonize practice, and also provide guidance for determining report content relevance and aligning water disclosure to stakeholder expectations. It is envisaged that guidelines delineating a single global overarching approach to corporate water disclosure might ultimately pave the way for a Water Protocol (similar in nature to the "GHG Protocol").

Content and functionality

The Guidelines will feature a disclosure framework that assists company in communicating relevant and meaningful water-related information that addresses key stakeholder needs. In doing so, the Mandate hopes to help companies more effectively communicate with and demonstrate good practice to their stakeholders; better understand water-related risks, impacts, and appropriate response strategies; and drive convergence/harmonization so as to encourage improved comparability among companies and support a common approach for talking about and understanding corporate water stewardship.

The Guidelines will delineate an approach to communicating a wide range of corporate water stewardship practice and policy. They will identify common and emerging corporate disclosure metrics that address water consumption and water quality, as well as methods of assessing and reporting on water-related risks, impacts, and response strategies throughout the value chain. As part of this process, the Guidelines will emphasize a process by which companies can communicate how their management practices respond to specific risks and impacts identified in the accounting/assessment phase. This project will also articulate a method through which companies can communicate meaningful qualitative information such as how they educate their employees, engage with communities, and advocate for more sustainable public policies, among other things. Further, the Guidelines will also help companies identify and report which water-related issues are most relevant/material to their business and their stakeholders.

Where possible and appropriate, the Guidelines will bring together and build upon existing water disclosure initiatives, tools, and methodologies, rather than "reinventing the wheel". In doing so, they aim to minimize reporting burden for companies, rather than adding to an already complex and crowded space. Possible resources included in this guidance, include (but are not limited to) projects such as: the Water Footprint Network's Water Assessment, Ceres' Investor Framework, Dow Jones Sustainability Index Questionnaire, the Alliance for Water Stewardship's upcoming certification system, Carbon Disclosure Project's Water Information Request, Global Reporting Initiative's G3 Guidelines, WWF's



Water Risk Filter, World Resource Institute's Aqueduct, World Business Council for Sustainable Development's Global Water Tool, and ISO 14046. For issues where there is no established practice, the Project Team will work with technical experts and stakeholders to develop meaningful reporting strategies that are useful to a wide range of stakeholders.

Project work plan

The development of the Guidelines will consist of five core tasks:

- Task 1: Discovery and inventory
- Task 2: Scoping and assessment
- Task 3: Consultation on preliminary findings and path forward
- Task 4: Development of the proposed water disclosure guidelines
- Task 5: Testing and validation (Subject to securing funding)

Each task will be divided into two workstreams.

- Workstream A will focus on identifying and reaching broad agreement on the core water-related metrics relevant across the range of existing initiatives, as well as areas where gaps exist and new, innovative metrics can better address stakeholders' information needs.
- Workstream B will aim to develop guidance to improve and harmonize qualitative water reporting. Among other things, the guidance will offer practical insights relating to the Mandate's "process-oriented" elements (i.e., Watershed and Supply Chain Management, Community Engagement, Collective Action, and Public Policy), along with how such elements speak to water-related business risk. In addition, Workstream B will offer guidance to support companies in better understanding relevant water information to report and in a manner that more effectively reflects the sustainability context.

A beta version of the Guidelines is currently slated to be released in August 2012 in time for the Mandate's convenings at World Water Week in Stockholm, Sweden.

Governance, Project Partners, and Funding

The development of this [UN CEO Water Mandate](#) offering will be led by the Mandate Secretariat (represented by the [Pacific Institute](#)) and [PricewaterhouseCoopers](#). This Core Team will seek to collaborate with three key strategic project partners – [Carbon Disclosure Project](#), [World Resources Institute](#), and [Global Reporting Initiative](#), which will provide technical expertise, strategic insight, and operational support at the relevant stages of the project. These partners will draft discreet portions of the guidelines and/or provide technical input into the drafting process in order to leverage their expertise and existing work in this area and to increase the alignment between the water disclosure guidelines and their own initiatives.

Project development will be overseen by the Mandate's Water Disclosure Working Group (comprised of representative from Mandate endorsing companies), in conjunction with the involvement of other key stakeholders through the formation of the Stakeholder Advisory Group (which will include representatives from relevant NGOs, UN agencies, and other technical experts), where primary responsibilities will be to provide input and guidance along defined points of the project.

Current estimates place the total project cost at USD \$250,000. Of that, roughly 70% has been secured to date. In the case that the Project Team is unable to secure full funding, the project will be de-scoped accordingly.