Bringing a Human Rights Lens to Corporate Water Stewardship – Progress Report on Draft Guidance

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Overview

• **Project background** and progress on Draft Guidance

• **Core Concepts in Draft Guidance** – bringing a human rights “lens” to corporate water stewardship and highlighting overlaps and where differences exist

• **Questions and discussion** throughout
Background

- CEO Water Mandate Water and Human Rights Workstream established in 2009
- Heightened attention after recognition of human right to water and sanitation (HRWS) in 2010 by UN General Assembly and Human Rights Council
- Issue discussed in various mandate working conferences between 2010-2011
- Current project started in 2012 – Release of paper

*Bringing a Human Rights Lens to Corporate Water Stewardship: Results on Initial Research*
Project Scope and Objectives

Scope

• Explore implications of the “corporate responsibility to respect human rights” under UN Guiding Principles on Business and Human Rights for corporate water stewardship
• Focus on businesses that are large-scale water users

Objectives

• To develop practical guidance for companies that other stakeholders find useful too
• To highlight areas of convergence between the responsibility to respect and water stewardship efforts and identify possible approaches to address areas of divergence
Development of Draft Guidance

Interview Phase (Q2-Q3 2013):
- Confidential interviews with human rights and water leads from >20 companies in 8 sectors (food and beverage, extractives, ICT, agriculture, apparel, automotive, chemicals, consumer products)

Guidance Drafting (Q4 2013-present):
- Annotated Outline of Guidance
- Further company interviews and analysis of possible approaches
- Identification of Core Concepts
Development of Draft Guidance cont.

**Next Steps (Q2 2014-onwards):**

- Consultation/testing with project’s Technical Expert Group, CEO Water Mandate Human Rights Working Group, UN Special Rapporteur on HRWS
- Finalize Draft Guidance
- *Consider pilot tests?*
- *Ideally, revisit guidance one year later and consider how to reflect evolving practice*
UN “Protect, Respect and Remedy” Framework

**Protect**

- *State duty to protect* against human rights abuses by third parties, including business

**Respect**

- *Corporate responsibility to respect* human rights, which means to avoid infringing and address negative impacts with which a business may be involved

**Remedy**

- Greater *access to effective remedy* for victims, both judicial and non-judicial
UN Guiding Principles on Business and Human Rights

- Provide guidance on 3 pillars of UN Framework
- Developed through extensive consultation and with support of governments, business and civil society
- Unanimously endorsed by UN Human Rights Council in 2011
- Now reflected in OECD, IFC, ISO and other standards
Responsibility to Respect – Foundations

• Defines a company’s responsibility – and its limits
• Focus is on risk to people not risk to business
• Based on a company’s impacts not on its influence
• Applies to all internationally-recognized human rights
• Distinct from philanthropy – supporting/promoting human rights cannot offset negative impacts
• Applies to own activities and throughout value chain
• Applies regardless of whether state is meeting its duty to protect
Annotated Outline of Draft Guidance

Part I: Objectives, Scope, Audience

Part II: Relationship between Human Rights & Corporate Water Stewardship

- Defining human rights and the HRWS
- Relationship between impacts on the HRWS and broader human rights impacts
- Understanding corporate water impacts through a human rights lens: how impacts and risk are understood
- Framework for understanding potential impacts on the ground in both human rights and water stewardship terms
Annotated Outline of Draft Guidance cont.

Part III: Putting Respect for the HRWS into Practice

5 sections that follow a common structure (Core Concepts; Why is this Important; Key Steps; Questions to Ask; Case Studies)

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Core Concepts: Policy Commitment & Embedding

- **Policy commitment** – a deliberate statement to respect the HRWS
  - Approved at the highest levels of the company
  - Communicated internally and externally
  - May be stand-alone or integrated
  - Draws on internal and external stakeholder input

- **Embedding** - ensuring that the commitment is incorporated into the business, its values and culture
  - Continuous process
  - Importance of cross-functional coordination
  - Embedding in the terms of business relationships
Why is cross-functional coordination important?

- Responsibility for water and human rights are often located in different functions/departments—how to bring the lenses together?
- Range of approaches including:
  - Parallel steering groups with quarterly meetings
  - Joint steering group
  - Identifying a liaison
  - Relying on high levels of coordination in practice with parallel reporting lines to Head of Sustainability
  - Embedding human rights/water practitioners in core operations
Questions and Discussion
Core Concepts: Assessing Impacts

**Assessing** – gathering information about a company’s actual and potential impacts on the HRWS

- Impacts arising from the company’s own activities and business relationships – all need to be within scope
- Impacts exist on a continuum – social/environmental impacts may lead to human rights impacts
- Focus on risks to people (“affected stakeholders”) with particular attention to potentially vulnerable groups
- Importance of meaningful stakeholder engagement in understanding severity of impacts – severity drives prioritization
- Should build on existing assessment processes
Defining cause/contribute/linkage

UN Guiding Principles set out 3 main ways companies may be involved with negative impacts. A company may:

1. **Cause** an impact through its own activities

2. **Contribute** to an impact by incentivizing or facilitating another party to cause one, or by contributing in parallel with others to a cumulative impact

3. Or an impact may be **directly linked** to a company’s operations, products or services by a business relationship
Core Concepts: Assessing Impacts

Understanding cause/contribute/linkage

• Helps clarify the scope of assessment (where you need to look) as well as what action is expected of companies (what you need to do)
• Puts limits on the responsibility to remediate – applies to impacts a company causes or contributes to
• Where an impact is directly linked to a company, but there is no cause/contribution, expectation is that company will take forward-looking steps to try to mitigate risk
• Cumulative and legacy impacts are particularly challenging
Core Concepts: Assessing Impacts

Questions and Discussion
Core Concepts: Integrating & Acting / Implementation

• **Integrating** – using findings from impact assessments to inform decisions
  ✓ Identify internal colleagues that need to be involved
  ✓ Define strategies and targets to mitigate or prevent impacts

• **Acting** – taking action on identified impacts
  ✓ Understand the nature of involvement (cause/contribute/linkage) to determine appropriate action
  ✓ Where necessary, prioritize impacts for attention based on their severity (scale, scope, irremediability)
  ✓ Use leverage to address risks from business relationships
• Bringing a human rights lens to prioritization means ensuring severity drives the process:
Core Concepts: Integrating & Acting / Implementation

Questions and Discussion
Conclusion & Next Steps

1. Working Session during lunch today
   • Discuss draft framework for “translating” water impacts

2. Continued drafting
   • Project team welcomes all feedback/questions
   • Draft Guidance will be tested with CEO Water Mandate Human Rights Working Group and project Technical Expert Group in early summer

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