



The CEO Water Mandate

Bringing a Human Rights Lens to Corporate Water Stewardship – Progress Report on Draft Guidance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- **Project background** and progress on Draft Guidance
- **Core Concepts in Draft Guidance** – bringing a human rights “lens” to corporate water stewardship and highlighting overlaps and where differences exist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Development of Draft Guidance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Development of Draft Guidance cont.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- Finalize Draft Guidance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

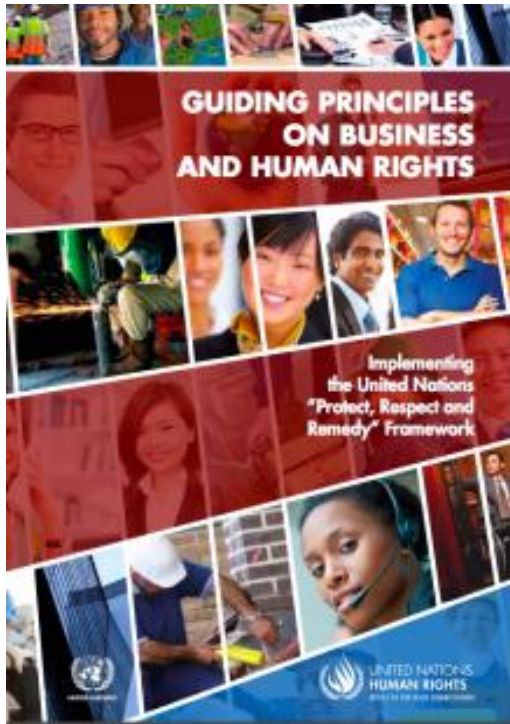
- **Corporate responsibility to respect** human rights, which means to avoid infringing and address negative impacts with which a business may be involved

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



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Putting Principles into Practice

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)

UN Guiding Principles elements	CEO Water Mandate Guidance elements
Policy Commitment and Embedding Respect	Commit; Define
Assessing Impacts	Account; Assess
Integrating & Acting on Potential Impacts	Implement
Tracking Performance	Monitor
Communicating Performance	Communicate
Remediation	<i>No clear match – part of Implement?</i>



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



Core Concepts: Policy Commitment & Embedding

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



Core Concepts: Policy Commitment & Embedding

Questions and Discussion



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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



Core Concepts: Assessing Impacts

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



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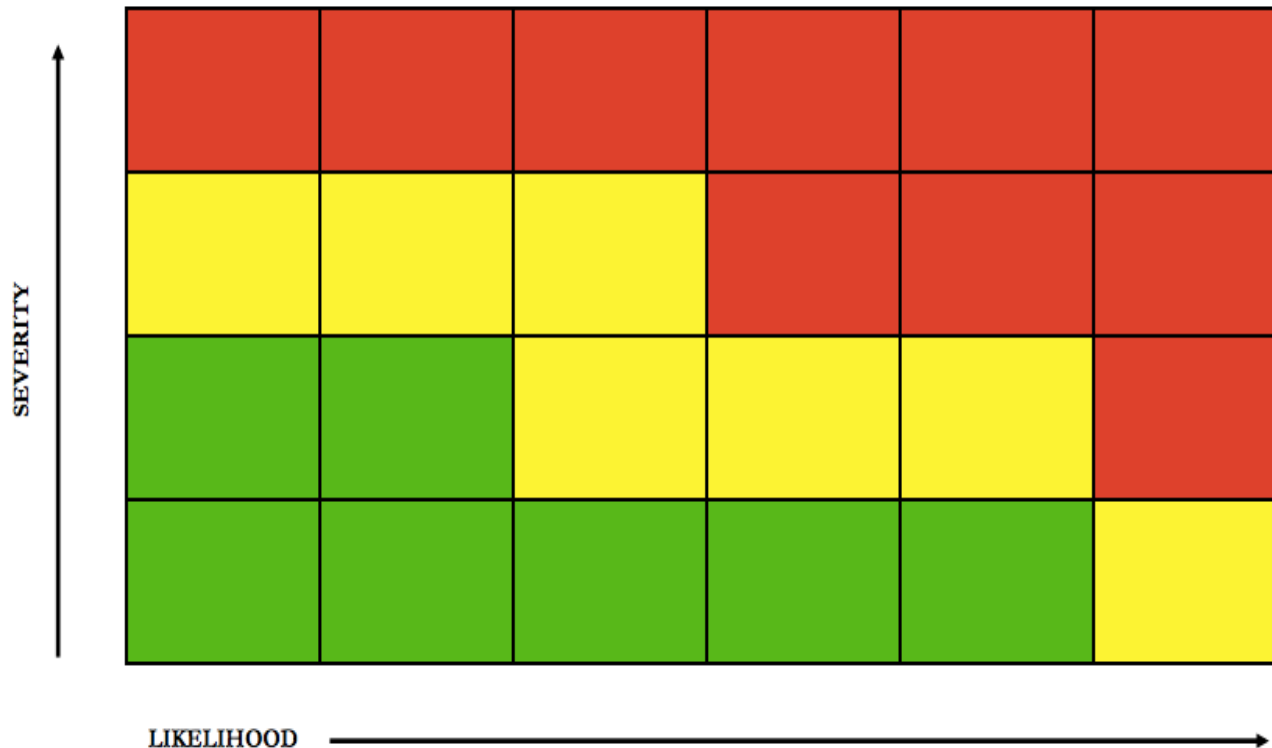
Core Concepts: Integrating & Acting / Implementation

- **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



Core Concepts: Integrating & Acting / Implementation

- Bringing a human rights lens to prioritization means ensuring severity drives the process:



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Putting Principles into Practice

Core Concepts: Integrating & Acting / Implementation

Questions and Discussion



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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

3. Release of Draft Guidance - late Summer 2014



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