



The CEO **Water** Mandate

ANNUAL MEETING SUMMARY

World Water Week, Stockholm
August 2018





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Meeting summary prepared by the Pacific Institute, a non-profit water sustainability policy research and advocacy center based in Oakland, California. (www.pacinst.org)



Annual Multi-Stakeholder Working Conference

Corporate Water Stewardship: Making a Relevant and Meaningful Contribution to Water Security

This invitation-only meeting was an opportunity for Mandate endorsing companies and stakeholders to discuss emerging questions and cutting-edge solutions related to water generally and the Mandate's work specifically in a setting that allows for candid conversation.



Convener
CEO Water Mandate

Overview

This event brought together more than 120 experts from the private sector, civil society, governments, UN agencies, and other organizations to explore critical issues related to water security and advance water stewardship. Topics covered included water metrics and targets, collective action and water governance, disclosure, and water stewardship and investors.

Through presentations, panel discussions, and dialogues in small groups, participants:

1. Learned more about corporate water stewardship challenges and best practices,
2. Received updates on the ongoing work being developed on setting corporate targets and metrics that take into account the basin context; and
3. Identified areas of mutual interest and opportunities for collaborative work and partnerships in regions or issues of common interest through 2018 and beyond.

Session 1: Understanding the Context for Effective Stewardship Action

This session focused on the current work being developed to help companies capture local context in their water targets in order to reduce water risk exposure and contribute to the long-term sustainability of the local basin. The objective of this session was to give an update on the Mandate's and others' corporate water target setting project, provide recent examples of how different companies are approaching this topic, and explore critical questions that need to be addressed to effectively set relevant targets and corresponding response strategies.

Speakers

Troy Jones, Teck Resources
Ian Knight, Mars Global
Ulrike Sapiro, The Coca-Cola Company
Tien Shiao, Pacific Institute and CEO Water Mandate
Emilio Tenuta, Ecolab
Byron Thayer, Levi Strauss & Co.
Kari Vigerstol, The Nature Conservancy

Discussion Questions

1. How do facility level metrics contribute to corporate level targets and vice versa?
2. How can companies balance incorporating the complexity of water and developing an approach that is practical?
3. How can companies choose metrics and targets that are meaningful at all scales including basin, regional, national, and global?

Key Messages and Themes

- Incremental change is not enough to address our water challenges; transformational actions to improve basin conditions are needed to meaningfully drive water security.
- Partnership between corporate and local levels within companies, and corporate support for facility-level analysis and action on water, is critical.
- Defining basin boundaries is challenging, particularly in regions that receive imported water, but setting this scope is a necessary first step to assessing context.
- A robust analysis of a basin's hydrologic and management conditions requires a significant investment of time and money, but once completed it is valuable to users in the basin. This is one reason why a collective action approach is ideal: costs can be pooled and the analysis can be used by multiple users.
- Engagement of local stakeholders, including government, NGOs, community members, and other water users, is extremely important for gaining buy-in and for developing a holistic understanding of basin challenges.
- Some sort of platform or mechanism for data aggregation and sharing is needed in order to scale this work, because data collection is so time-intensive.

- There remains a disconnect between facility and corporate water targets. The benefits of aligning these so that facility targets can roll up to the enterprise level include: improved external communication, providing direction at C-suite level, and coordinating water stewardship progress internally and externally.

Session 2: Public Water Resource Management - How Can the Private Sector Help?

There is growing consensus that the adoption of more integrated approaches to managing and allocating water resources is fundamental to achieving water security. This will require the collaboration of the corporate water stewardship and integrated water resources management (IWRM) communities.

Speakers

Jehanne Angelina Rune Fabre, Danone

Paul Fleming, Microsoft

Ross Hamilton, Pacific Institute and CEO Water Mandate, Global Water Partnership

Gisela Kaiser, City of Cape Town

Paul Reig, World Resources Institute

Hakan Tropp, OECD

Monika Weber-Fahr, Global Water Partnership

Overview

The concept of IWRM is embedded in the 2030 Agenda (target 6.5) and encompasses the:

- Enabling environment for integration (including water laws, policies and basin plans);
- Need for a strong institutional framework (including public participation and robust basin institutions);
- Need for management instruments for effectively managing water resources (including water resource data and monitoring); and
- Financing requirements for water resources development and management.

While the equitable and sustainable allocation and governance of water resources is the responsibility of government, leading companies have come to understand that all water users, including the private sector, have an important role to play in good water management. To date however, efforts to advance corporate water stewardship and activities to further the implementation of IWRM have largely been detached. This session explored how the private sector can contribute to the implementation of IWRM.

Discussion Questions

1. What are some suggestions for the private sector to improve better water resource management?
2. What are some barriers to consider?
3. Are there interesting examples from your work?

Key Messages and Themes

- When it comes to assessing water risks, understanding the state of public sector water management is equally if not more important than understanding biophysical conditions. Water challenges often result from or are greatly exacerbated by ineffective management of water resources (e.g., overallocation, pricing that does not reflect real value of water, inadequate infrastructure, etc.).
- It is typically considerably easier to improve water resource management than change physical water resource characteristics such as amount of precipitation or temperature.
- Where rules are clear and governance is good, investment and engagement in water is more attractive and feasible. In this sense, companies do want strong, clear regulations. They also want regulators to signal future changes so they can plan accordingly.
- Historically, corporate water stewardship and IWRM have developed separately in parallel. Neither are strong enough alone, but engagement and integration come with political and reputational risks (e.g., risk of real or perceived policy capture and undue corporate influence).
- Water managers are hesitant to admit vulnerabilities; in engagement efforts, companies should be abundantly clear that the aim is to help and collaborate, not undercut them. Companies are most helpful when they are honest and frank about their own vulnerabilities, ask what the water managers' needs are, and are willing to address those needs.
- Companies can address governance-related water risks by being part of the solution in terms of compliance, fostering multi-stakeholder dialogues with government about how to improve regulatory systems, and recognizing that typically companies must go beyond compliance in order to attain sustainability and security.

Session 3: Towards a Common Understanding of Water Challenges, Risks, and Response

The corporate water stewardship community needs a common approach and lexicon for analyzing water-related risks and selecting appropriate and meaningful responses.

Speakers

Bastian Buck, Global Reporting Initiative
Inge Huijbrechts, Radisson Hotel Group
Erika Korosi, BHP
Cate Lamb, CDP
Madhu Rajesh, International Tourism Partnership

Overview

At the core of the discussions around basin context assessment, water governance, and water stewardship is an assumption that there is a common understanding among basin actors regarding the water challenges that exist in a basin. In many cases, this is not so. This session explored the extent to which current approaches by companies, industry associations, and

reporting frameworks help build a common understanding necessary to assess basin context and build an effective response.

Discussion Questions

1. How do current tools and resources enable companies and other stakeholders to assess and subsequently to effectively communicate a common understanding of river basin context including challenges, risks, and responses?
2. How well do current tools and resources address both public and private sector approaches?
3. What challenges remain for building a common understanding and how do we address these challenges?

Key Messages and Themes

- Significant opportunity for collective action is emerging as a result of standardization of disclosure, as alignment of metrics and data collection practices helps to identify shared challenges and goals. But there is more work to be done on this alignment.
- Water disclosure platforms are placing a new emphasis on the local level, on water as a shared resource, and with a focus on water-stressed areas.
- The private sector needs to start looking to the supply chain, as this often contains the largest portion of a company's water footprint and risks.
- A common lexicon for water challenges, risks, and responses across all sectors is needed to promote sharing and transparency; this should be rooted in the SDGs.
- Some companies feel that a single integrated disclosure system would be smarter and more efficient. Some NGOs note that the variety of disclosure systems serve different audiences and needs and thus a single system may not necessarily be feasible or even helpful.

Session 4: The Role of Investors in Scaling Water Stewardship

To drive further progress on water security, stewardship needs to be embedded across the private sector, including the investor community.

Speakers

Amaury de Roujoux, Danone Communities
Monika Freyman, Ceres
Katarina Hammar, Nordea
Gemma James, PRI
Piet Klop, PGGM

Overview

This session included viewpoints on water from institutional investors, many of whom are "universal owners" exposed to broad sets of industries and hundreds or thousands of companies over the long-term. Their investments rely on the health of the overall economy, which is reliant on natural resources, including water. These investors are increasingly aware of

water risks in their portfolios and the link to financial impacts as well as new investment opportunities. In addition, the session explored how investors might measure impacts and the role that emerging methodologies, like context-based metrics, can play an important role.

Discussion Questions

1. How does your organization approach water as an issue?
2. What do you require from investee companies in relation to water?
3. How do you assess the impact of the investment as it pertains to driving greater water security and/or company performance? What tools and resources are missing and how might this be filled?

Key Messages and Themes

- Due to the highly local and inter-related nature of water as a resource, integrating water into investment decisions is complex, evolving, and iterative. It requires peer learning, good data, and stakeholder engagement.
- At the portfolio level, investors need “water risk management for dummies”; metrics and disclosures have to be simple or they will be ignored.
- Within investors’ portfolios, the companies driving risks are not the ones attending sessions such as these. There are many companies much earlier on their “water stewardship journey” that need to be engaged.
- When it comes to data, the investor reality is that coverage beats accuracy; they need comparable data across an entire portfolio, and that data need to speak to material risk exposure.
- It is a challenge to reconcile all the different data needs; different levels of information are needed for different kinds of investment. For portfolio risk management, simple data are needed; for active management and engagement, the enquiry goes much deeper and more information and data are needed.

Nature-Based Solutions for Better Climate Resilience: Business Practice and Solutions

The session convened businesses, governments, and civil society to discuss how multiple benefits in river basins – including source water protection, carbon sequestration, increased standard of living, and more - can be derived from investments in nature-based solutions and how to support and scale corporate action.



Conveners

CEO Water Mandate, The Nature Conservancy (TNC), Danone, Forest Trends, Ramsar Convention on Wetlands

Speakers

Robin Abell, Conservation International
Jay Aldous, Ramsar
Jan Cassin, Forest Trends
Andrea Erikson, TNC
Jehanne Fabre, Danone
Oonagh McArdle, The Dow Chemical Company
Jason Morrison, Pacific Institute and CEO Water Mandate
Eric Soubeiran, Danone

Overview

Our health, prosperity, and security depend on how we manage and protect the natural systems around us, but in the face of climate change and other drivers, river basins worldwide are facing over-extraction, erosion, and degradation. There is an opportunity to manage risk and build resilience through well-managed ecosystems. Given the local context of water, integrated ecosystem management approaches where all actors and communities identify mutually-beneficial solutions are highly valuable, if not essential. By taking this more holistic approach, involved companies can identify multiple points where value can be captured - and even monetized - by the various stakeholders involved in a given local area. This value can then be leveraged to implement river basin solutions to improve environmental, social, and human health impacts.

Key Messages and Themes

- We cannot achieve water security and ecological integrity without co-investing in both. In fact, a TNC study in Colombia found that investing in the multiple benefits of biodiversity, carbon sequestration, and water security in one portfolio reduced public investment costs by 63% on average for the same goals and outcomes ([Beyond the Source Report](#), 2017).
- Local coalitions with public-private partnerships are a powerful tool for river basin investment since they create shared local value. One example is [Association for the Protection of Evian Mineral Water Impluvium](#), formed by Danone 20 years ago to improve farming practices, protect source water, and encourage sustainable development downstream.
- To scale river basin investments in nature-based solutions, it is necessary to de-risk private sector action by quantifying the benefits and as much as possible guaranteeing the outcome (through an established business case and good practice examples) as well by securing financing from public sector and institutions other than just the company.
- To help ensure they are lasting, these projects can also demonstrate a sustainable system of monetization, where in some cases the benefits and their recipients show financial return on investments.
- A coalition of stakeholders - including Danone, Ramsar, TNC, and the CEO Water Mandate - will be working to articulate the multiple benefits of river basin investment, valuing those investments, and identifying new financial investments for nature-based solutions. This coalition is now actively seeking additional collaborators and contributors.

Introducing the Aqueduct Water Management Atlas

Historically, public sector water management has been a weak link in water risk analyses, but this governance is a key component to understanding and improving water security. WRI, MIT, and the Pacific Institute are collaborating to develop a water management index, using crowd-sourced data, to assess its adequacy across the globe.

Conveners

World Resources Institute (WRI), Massachusetts Institute of Technology (MIT)

Speakers

Jutta Hellstern, Novartis Pharma AG

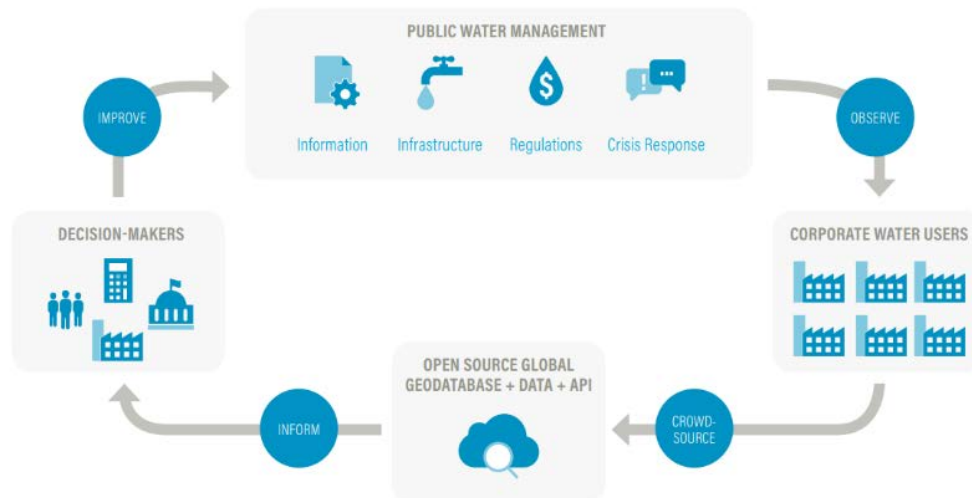
Julian Koelbel, WRI/MIT

Jacques Rey, Global Water Partnership

Håkan Tropp, OECD

Key Messages and Themes

- The ambition of this tool is to improve water risk analyses and foster coordination and alignment between water users and public sector water management entities.
- Data for the water management index are crowd-sourced from commercial and industrial water users through a survey.
- Survey questions address infrastructure, enforcement, crisis response, data, and more.
- Pilot testing has included six corporate partners in 41 locations and 14 countries
- Initial results show only 3% of data points were contested or incorrect, demonstrating the accuracy and feasibility of this approach; the question now is how to scale it.



Announcements

The full report with details on the new tool, including more information about the pilot testing, can be found [here](#).

Water Stewardship Collaboration for the Textiles Sector

In order to scale impact through collective action on water stewardship in the textile sector, it is important to identify and share lessons learned from companies and other organizations, as well as discuss how to better align parallel efforts moving forward.



Conveners

WWF, CEO Water Mandate, HSBC, and GIZ

Speakers

Sue Alexander, HSBC

Roland Bernhard, PVH

Shariful Hoque, H&M

Shan Hua, CNTAC

Pascale Moreau, SAC

Laila Petrie, WWF

Samantha Sims, PVH

Byron Thayer, Levi Strauss & Co

Abbey Warner, Pacific Institute and CEO Water Mandate

Overview

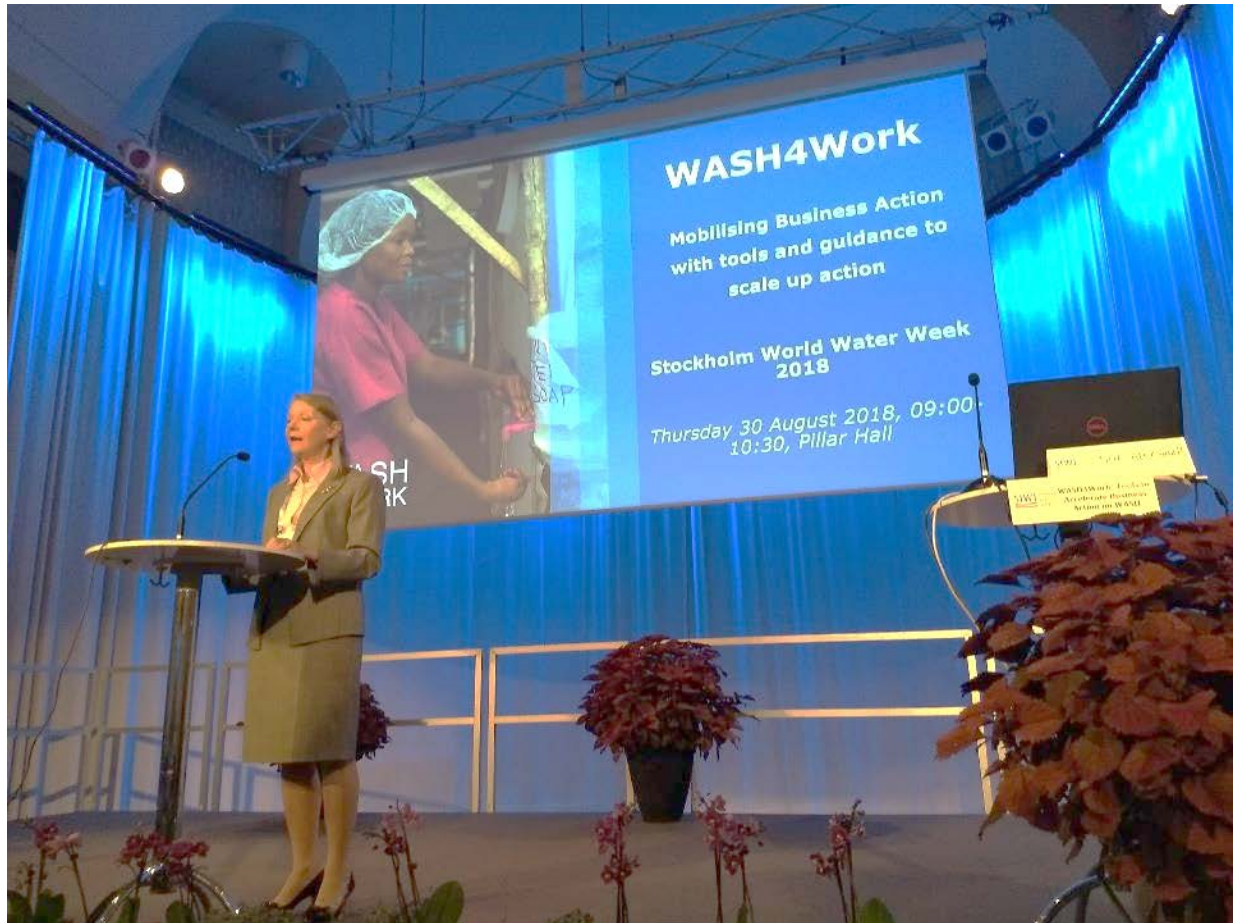
This session convened a multi-stakeholder group of actors with interest in the textile sector to discuss what has been learned so far from collective action on water stewardship and how to align and coordinate water stewardship and collective action. It explored a variety of engagement models across many variables including timescale, geography, funding model, knowledge sharing, organizational alignment, and more.

Session participants were encouraged to discuss and vote on various scenarios related to these variables of coordination. There appeared to be support for in one case a medium amount of integration between different water stewardship projects - with the benefit of being coordinated enough to encourage collaboration but flexible enough to avoid limiting action - and in another case a stronger alignment mechanism to channel joint funding and share direct information to support to on-the-ground implementation.

WWF plans to publish a white paper detailing the findings of the session.

WASH4Work: Mobilizing Business Action with Tools and Guidance to Scale Up Action

The objective of this event was to raise awareness about WASH4Work and share some progress on the development of tools and resources to help mobilize business action on WASH and build the business case for businesses to drive delivery of WASH provision in the workplace, communities and in supply chains.



Conveners

Alliance for Water Stewardship, Diageo, Gap Inc., Global Citizen, ILO, UN Foundation, Sanitation and Water for All, The Toilet Board Coalition, UNICEF, Unilever, WaterAid, WBCSD, WSSCC, and WSUP

Speakers

Una Hrnjak-Hadziahmetovic, Gap Inc.
Guy Hutton, UNICEF
Neil Jeffery, WSUP
Jason Morrison, Pacific Institute CEO Water Mandate
Ruth Romer, WaterAid

Overview

This session focused on progress that has been made on strengthening the business case for water, sanitation, and hygiene (WASH) and the key attributes for developing a business case for action on WASH, the current landscape of WASH in the standards systems businesses rely on for implementation, and the innovative practices businesses are undertaking. The session involved practical exercises and group discussions to explore the interconnection of stewardship and WASH practices towards building a strong business case that enables positive WASH outcomes across the value chain.

Group discussions provided participants with an opportunity to “deep dive” into some key elements of the guide using two scenarios developed, one based on a factory intervention, and the second on a farm field scenario.

Key Themes and Conclusions

- Businesses can be a vital part of the solution to the global WASH crisis, in their own workplaces, in the communities in which they operate, and across their value chains.
- Partnerships between governments, NGOs and the private sector will be essential to drive the systemic change needed to achieve sustainable and equitable WASH services for all.
- Progressive companies have shifted their perspective from viewing WASH as a philanthropic or corporate social responsibility (CSR) issue to a core business priority.
- Challenges in scaling up WASH interventions include the fact that most of the companies do not have a clear idea of how WASH investments might translate into financial benefits. Companies need support, both to identify good-practice WASH interventions in the wide range of contexts where they operate and to understand standards and costs.
- Through practical application of the new guide '[Strengthening the Business Case for WASH](#)' jointly by WaterAid, Diageo, Unilever and Gap Inc., businesses will be able to establish the business value of WASH interventions and calculate their financial return on investment (ROI). Strengthening the business case for WASH will help scale-up action.
- Many factories lack the adequate water and sanitation facilities needed for healthy, productive working environment.
- In global apparel companies, most of the workers are women. Women represent 80% of the workforce in the garment factories and are often the poorest and most marginalized. Gap Inc. wants to work to advance women empowerment by providing WASH access in their supply chains, recognizing WASH as an integral part of their business. Gap Inc. is investing in a variety of programs in many sourcing countries that face challenges in accessing water, sanitation, and hygiene (WASH).
- WaterAid and HSBC are working together to transform working and living conditions of garment factory workers in Bangladesh and India, in the workers' communities, and more generally in apparel manufacturing. Through this work they are assessing the business value of water, sanitation and hygiene interventions. WaterAid and HSBC are bringing long-term change and improving the lives of 11,000 people in Bangladesh and India. Through the

positive impact of projects like this WaterAid and HSBC have the opportunity to influence global supply chains for a sustainable future.

- WSUP is working in India with the communities in human rights and to reduce the chemical waste in the river. They are working in partnership with NGOs to help companies to understand their role in addressing WASH issues.

Announcements

A new guidance report, "[Strengthening the business case for water, sanitation and hygiene](#)," was launched in the lead-up to Stockholm World Water Week. This report was developed jointly by WaterAid, Diageo, Unilever and Gap Inc. and focuses on identifying the ROI for business investments in WASH and whether they take place in workplace settings, in supply chains, or in the broader community. The ambition is that companies and organizations will pilot-test the methodology set forth in the report and that sharing their experiences and compiling results will help to scale-up action on WASH with a clearer business case. Companies or other organizations that implement the guide are encouraged to communicate that with WaterAid so that consistency can be encouraged via use of similar frameworks and templates whilst also ensuring that information and learnings are shared between those piloting the guide. Please contact WaterAid through the email: corporate@wateraid.org.

Water Stewardship: Partnership and Financing Models for Scale

Through a discussion on existing and potential collaboration models for water stewardship within and across countries, this session aimed to identify and explore effective strategies and funding mechanisms for scaling meaningful collective action on water.



Conveners

2030 Water Resources Group, The World Bank Group, International Water Stewardship Program, AWS, CEO Water Mandate, WBCSD, and WWF

Speakers

Doreen Chanje, Water Witness International

J. Carl Ganter, Circle of Blue

Rochi Khemka, 2030 Water Resources Group

Giuliana Chaves Moreira, Pacific Institute and CEO Water Mandate

Peter Schulte, Pacific Institute and CEO Water Mandate

Overview

The event was divided into four discussion tables, organized by geographic interest: Asia, Latin America, Africa, and an international table. Each table was tasked with discussing examples of water stewardship networks that leverage synergies across stakeholder groups, identifying key factors for the effective design and delivery of such programs, and exploring how innovative financing models can drive sustainability of solutions.

Key Messages and Themes

- There is no one-size-fits all approach to driving corporate water stewardship since every river basin poses unique challenges and circumstances.
- Building trust is necessary for a successful long-term collaboration and begins with identifying a shared problem and potential solutions without assigning blame.
- Scaling-up can happen in response to an urgent water issue, but in less drastic situations occurs when measurable impact and business case for action are well-established and platform exists to coordinate and share knowledge.
- There are water stewardship tools and resources available to bring partners together and share best practice: the Water Risk and Action Framework, Water Action Hub, the Water Stewardship Toolbox, etc.
- Large-scale actions require clear organization and an agreed-upon set of rules in order to catalyze large-scale investments.
- Capacity and responsibility for driving water stewardship does not lie solely with NGOs; companies and public agencies need to be a part of the conversation and action.
- Ensuring coherence of the water stewardship movement internationally is important, but we should also acknowledge that this kind of multi-sector, aligned collaboration on water is still in its early stages. It is gaining momentum and successes are emerging; let's continue to incubate the movement.

THE CEO WATER MANDATE'S SIX CORE COMMITMENT AREAS:

Direct Operations

Mandate endorsers measure and reduce their water use and wastewater discharge and develop strategies for eliminating their impacts on communities and ecosystems.

Supply Chain and Watershed Management

Mandate endorsers seek avenues through which to encourage improved water management among their suppliers and public water managers alike.

Collective Action

Mandate endorsers look to participate in collective efforts with civil society, intergovernmental organizations, affected communities, and other businesses to advance water sustainability.

Public Policy

Mandate endorsers seek ways to facilitate the development and implementation of sustainable, equitable, and coherent water policy and regulatory frameworks.

Community Engagement

Mandate endorsers seek ways to improve community water efficiency, protect watersheds, and increase access to water services as a way of promoting sustainable water management and reducing risks.

Transparency

Mandate endorsers are committed to transparency and disclosure in order to hold themselves accountable and meet the expectations of their stakeholders.