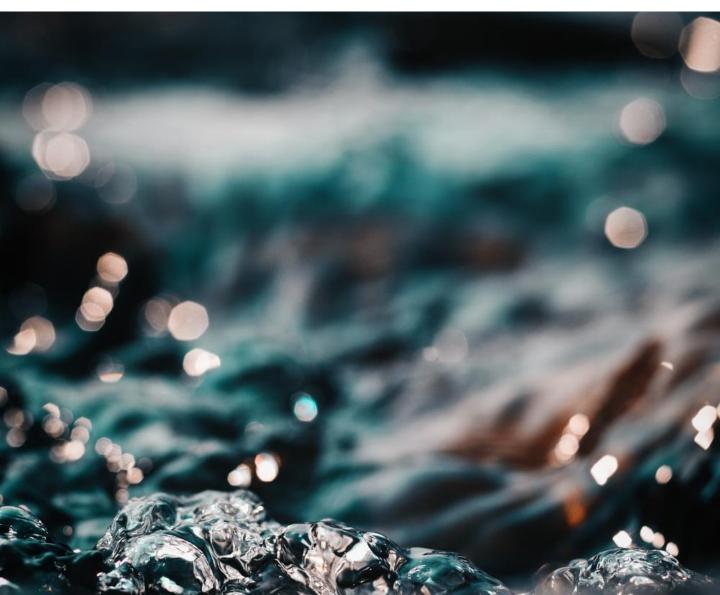


The CEO Water Mandate

CEO WATER MANDATE ANNUAL REPORT 2019



About the CEO Water Mandate

The <u>CEO Water Mandate</u> (the Mandate) is a special initiative of the UN Secretary-General and the <u>UN Global Compact</u>, implemented in partnership with the <u>Pacific Institute</u>. The Mandate offers a unique forum for companies to share good practices and forge partnerships to address challenges related to water scarcity, water quality, water governance, and access to water and sanitation. Through endorsing the Mandate, companies of all industry sectors, sizes, and locations make a public commitment across six commitment areas and report annually on progress.

In addition to garnering stewardship commitments from companies around the world, the Mandate Secretariat (i.e., the joint UNGC-Pacific Institute Team that implements and manages the Mandate initiative) also conducts applied research, develops best practice guidance and tools, facilitates on-the-ground collective action, and more to advance companies' water stewardship efforts. All this programmatic work is housed within the Water Security through Stewardship Action Platform. The subset of highly engaged Mandate endorsers that wish to support, participate in, and guide the Mandate's programmatic work do so by becoming Action Platform members.

This document provides a high-level summary of the Mandate's 2019 work, comprising the programmatic activities within the Action Platform as well as general outreach, recruitment, and engagement.



The <u>Pacific Institute</u> is a global nonprofit organization that provides science-based thought leadership with active outreach to influence local, national, and international efforts in developing sustainable water policies. <u>pacinst.org</u>



The UN Global Compact is the world's largest corporate sustainability initiative, with over 9,000 corporate participants and stakeholders from more than 160 countries. The UN Global Compact is based on <u>ten principles</u> in the areas of human rights, labor standards, the environment, and anti-corruption. <u>unglobalcompact.org</u>





Advanced the Water Security through Stewardship Action Platform, with **35** member companies Welcomed 20 new Mandate-endorsing companies, for a total of 169 companies from 33 countries





Launched the Water Stewardship University with **4** online courses



Led local collective action initiatives in watersheds across **3** continents, engaging over **98** organizations



Added **416** new projects to the Water Action Hub

Added **100** new resources to the Water Stewardship Toolbox





Garnered over **430,000** web views of Mandate website and capacity building resources

Contents

Water Security through Stewardship Action Platform	2
Direct Operations and Supply Chains	5
Human Rights and WASH	6
Collective Action and Policy Engagement	7
Metrics, Indicators, and Disclosure	8
International Events	10
CEO Water Mandate Secretariat Team	14
CEO Water Mandate Endorsing Companies	15

Water Security through Stewardship Action Platform

The overarching goal of the Water Security through Stewardship Action Platform (AP) is to support the achievement of Sustainable Development Goal on water (SDG 6) through engagement with the private sector on corporate water stewardship. Launched in 2018, the AP builds on the Mandate's decade-long leadership on stewardship and enables the initiative to develop and implement activities advancing water security.

Key Objectives of the Action Platform

The AP brings together companies, United Nations (UN) entities, governments, NGOs, and other stakeholders to:

- → Mobilize business leaders and learners to adopt and implement more advanced water stewardship practices;
- → Test, refine, and scale leading practices, including setting corporate water targets, developing water accounting methodologies, creating impact metrics, pioneering drinking water, sanitation, and hygiene (WASH) solutions and climate resiliency measures;
- → Foster local partnerships and policy engagements that advance water security;

Support the UN Global Compact's efforts to track business contributions to SDG 6 and embed water and sanitation into other relevant Action Platforms.

Over the course of three years (2018-2020), the Mandate's Action Platform is focusing on key goals and activities as outlined in the table below. These objectives are pursued within four associated focus areas and Working Groups:

- 1) Direct Operations & Supply Chains
- 2) WASH & Human Rights
- 3) Collective Action & Policy Engagement
- 4) Metrics, Indicators, and Disclosure

All focus areas and Working Groups are overlapping and interdependent with one another.

CEO Water Mandate Mission	n Mobilize a critical mass of business leaders to address global water challenges through corporate water stewardship, in partnership with the United Nations, governments, civil society organizations, and other stakeholders.			
Action Platform Overarching Goal	Build water stewardship capacity and facilitate collective action in support of the achievement of SDG 6 and its contributions to other SDGs.			
Action Platform Anchor Strategy	Engage UN Global Compact Local Networks to disseminate materials, garner commitments, boost use of online platforms, and broker and coordinate collective action partnerships.			
Key Performance Indicators	New Mandate endorsing companies (2020 target: 150) Views for Mandate capacity building resources (e.g., Hub, Toolbox, etc. (2020 target: 1,000,000) Organizations engaged in Mandate-related collective action projects and initiatives (2020 target: 175) Mandate-related collective actions measuring progress against SDGs and other policy objectives (2020 target: 15)			

Action Platform Focus Areas & Working Groups					
Direct Operations & Supply Chains	Human Rights & WASH	Collective Action and Policy Engagement	Metrics, Indicators & Disclosure		
Objectives					
Increase uptake of water stewardship throughout value chains in key geographies and industry sectors by companies new to stewardship and more advanced companies	Increase business action to improve WASH services in the workplace, in communities where companies operate, and across supply chains	 Increase public sector understanding of the benefits of corporate stewardship for achieving SDG6 and other policy priorities Promote credible and effective multi-stakeholder stewardship projects in high-risk river basins 	 Enhance use of water targets that account for local context Enhance ability to measure the impacts of water stewardship initiatives Harmonize water reporting metrics and definitions to improve uptake, communication and collective action outcomes 		





Focus Areas and Activities

Direct Operations and Supply Chains Human Rights and WASH Collective Action and Policy Engagement Metrics, Indicators, and Disclosure

Direct Operations and Supply Chains

The Mandate's work on direct operations and supply chains facilitates the uptake of water stewardship on farms and at manufacturing facilities, offices, and enterprises of all sizes. In 2019 this was accomplished by advancing and promoting:



Water Action Hub

The <u>Hub</u> is an online platform that helps companies and organizations address water risk and advance sustainable water management by raising awareness of water stewardship initiatives and facilitating partnerships and collective action. The Hub maps water stewardship projects and organizations on a global map. Users can filter the hundreds of projects on the Hub by several variables, such as country, project type, SDG targets addressed, and more.

2019 was the Hub's biggest year to date. In addition to seeing highest traffic year on record, there were 416 new projects added (for a total of 1,040), 228 new organizations joined (for a total of 839), and 31 new lessons learned were posted.



Water Stewardship Toolbox

The <u>Toolbox</u> is an online compendium of over 330 resources – including tools, guidance documents, datasets, best practices, technologies, case studies, reports, and more – developed by the Mandate and dozens of other organizations. It guides companies to the resources that can best help them advance water stewardship depending on their objectives, maturity of practice, location, industry sector, and more.

In 2019, an additional 100 resources were added to the Toolbox, for a total of 486 resources.



Water Stewardship University

Launched in 2019, the <u>University</u> is an e-learning series for businesses and others to learn about their water risks what they can do to address them and advance water security.

It features a series of courses, starting with <u>'The Basics</u>' (recommended for those new to stewardship) and continuing on to <u>'Strategy, Targets, and Reporting</u>,' and <u>'Collective Action</u>' (recommended for more advanced audiences).

Human Rights and WASH

The Human Rights and WASH focus area promotes business action on drinking water, sanitation, and hygiene (WASH) in the workplace, in supply chains, and in communities where companies operate. The main mechanism for the work was in 2019 was the support of and engagement in the <u>WASH4Work</u> partnership. Since its launch in 2016, the partnership has grown to 18 organizations representing businesses, NGOs, and UN agencies to work together on promoting WASH outcomes.



The initiative focuses on joint evidence creation, learning, and advocacy to increase business action on WASH. The Mandate serves as Secretariat for the initiative, coordinating the action of all partners, convening events, and working to get companies to take individual action on WASH.



WASH in Agricultural Supply Chains

In 2019, the Mandate—in collaboration with WaterAid, the Alliance for Water Stewardship, Diageo, and other WASH4Work partners—released a <u>booklet</u> outlining the importance of business engagement on WASH in supply chains, particularly in the agricultural context. This booklet helps fill a key knowledge gap and presents an opportunity for sectors that are reliant upon the agricultural supply chain to take leadership in protecting and improving WASH resources for the people and business in the regions in which they operate. Company insights and examples are provided throughout.

Collective Action and Policy Engagement

The Collective Action & Policy Engagement focus area facilitates impactful water stewardship projects and partnerships that span public, private, and non-profit sectors locally and internationally. In 2019 it included the Mandate's engagement in multi-stakeholder initiatives including:



California Water Action Collaborative (CWAC)

CWAC is a consortium of companies and NGOs that collaborate on projects to advance California's water security. CWAC is growing and maturing, now with 19 corporate members, 11 NGO members, and a portfolio of 10 projects. The Mandate, a founding member, remains deeply involved in the collaborative. In 2019 the Mandate chaired the CWAC Metrics Working Group; performed a synthesis of challenges, successes, and needs across current CWAC projects, and participated in both semiannual in-person CWAC meetings. <u>cawateraction.org</u>



Business Alliance for Water and Climate

To better align water and climate issues, the Mandate works with CDP, World Business Council for Sustainable Development, and SUEZ to run BAFWAC, a platform for companies to commit to analyzing and reporting water- and climate-related risks. To date, over 51 companies have joined BAFWAC. In 2019, BAFWAC worked with other organizations to bring the business voice to climate and water policy at COP 25's Water Action Day and in the 2020 World Water Development Report. <u>bafwac.org</u>



Southern California Sustainable Landscapes Initiative

The Mandate is working with businesses in Southern California to advance sustainable landscapes on commercial and industrial properties. In 2018 the project team assessed opportunities and benefits of sustainable landscapes on these properties in the Santa Ana River Watershed. In 2019 the team developed a <u>report</u>, an <u>online mapping tool</u>, and other resources for businesses, and provided site assessments to companies interested in making landscape change.

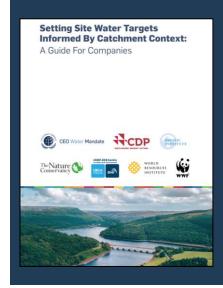


Businesses for Water Security in the Noyyal-Bhavani

<u>This project</u> is a collaboration among the Mandate and Levi Strauss & Co, Gap Inc., and PVH Corp to advance apparel sector leadership in water stewardship in the Noyyal-Bhavani subbasin in India. In 2019, the Mandate completed a basin assessment, developed a map of water risk for the Noyyal-Bhavani basin, and held an in-person stakeholder workshop in Coimbatore to present findings and better understand the ambition and risk for apparel facilities in the basin. Further, the team developed water targets and collective action projects to address the identified water challenges.

Metrics, Indicators, and Disclosure

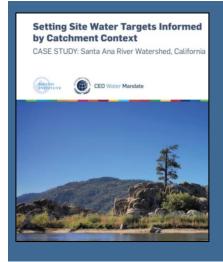
In 2019 the Metrics, Indicators, and Disclosure focus area centered on advancing more meaningful water measurement and reporting with a focus on developing a methodology for setting water targets, creating a harmonized protocol for water accounting, and measuring the impacts of water stewardship activities/collective action projects that in a way that reflects catchment context and priorities. It also included work to help drive common understanding of catchment-related risks and responses.



Guidance on Setting Site Water Target Informed by Catchment Context

In collaboration with CDP, World Resources Institute, WWF International, The Nature Conservancy, and UNEP-DHI, the Mandate launched <u>guidance for</u> <u>companies to set site water targets informed by catchment context</u> to reduce business risk exposure and contribute to overall water security. The guide outlines how companies can set site water targets that maximize impact and improve water security by simultaneously addressing catchment water challenges and aligning corporate water strategies with societal goals, including the United Nations Sustainable Development Goals.

In 2019, the Mandate led three projects pilot-testing this approach across three water-stressed regions: California, Brazil, and South Africa.



Santa Ana River Watershed, California, USA

The Mandate worked with several companies to pilot a catchment-based approach for setting site water targets the Santa Ana River Watershed. This was done in consultation with the Santa Ana Watershed Project Authority, local water utilities, and the California Water Action Collaborative. The purpose of the pilot was to help participating companies understand the local water context and engage peer companies and other stakeholders in the watershed to set water targets and prioritize actions and investments that address key water challenges. At the end of the pilot, a <u>case study</u> was produced to document the process and capture key learnings.



PCJ River Basins, Brazil

The Mandate is working with the UN Global Compact Local Network in Brazil on a site water targets pilot <u>project</u> in the Piracicaba, Capivari, and Jundiaí (PCJ) River Basins and in the Upper Tietê River Basin. This pilot is helping participating companies understand their water challenges; engage with peer companies, the public sector, and other stakeholders; set meaningful targets; and prioritize actions to advance water security in the region.



Western Cape & Upper Vaal River Catchment, South Africa

The Mandate is working with Woolworth's and Hilton in Western Cape and Sasol in Upper Vaal on the site water targets pilot project. The pilot has completed helping participating companies understand their water challenges. Currently, the pilot is working to align with other water stewardship initiatives in the Western Cape to set meaningful targets and identifying collective action opportunities to reduce municipal water use in the Upper Vaal.

CWAC Metrics Framework

The Mandate acts as chair of the CWAC Metrics Working Group; the aim of the working group is to develop a standardized approach for assessing CWAC projects' contributions to advancing water sustainability in California. In 2019 the Mandate led the development of the CWAC Metrics Framework and worked with the organizations leading CWAC projects to track the outcomes of their projects against that framework.



Common Water Accounting Framework

The Mandate and the World Resources Institute are partnering in an initiative to develop a common language for water. The vision is standardization of the "building blocks" of water accounting terminology and metrics to create a common water accounting framework for all users, in all contexts and at all scales – from facility to water catchment. This will facilitate more effective <u>apples to apples</u> conversations, enabling collaborative action and helping to achieve improved water outcomes for all. A preliminary landscape assessment of existing water accounting frameworks was presented at Stockholm Water Week and the project team is currently identifying public sector interest in engaging.





International Events

Stockholm World Water Week Climate Action Summit Side Meeting Brazil CEO Water Mandate Event



Stockholm World Water Week

As with the past several years, the Mandate held its annual multi-stakeholder working conference at Stockholm World Water Week. This side event brought together over 120 experts from the private sector, civil society, governments, UN agencies, and others to explore critical issues related to water security and stewardship. The 2019 multi-stakeholder session explored several themes around sharing and scaling successful water stewardship practices, with a focus on:

- Achieving local water security discussing methodologies and monitoring systems which bring together the work of the private and public sectors, including setting the right targets and valuing your organization's contribution;
- Building a common understanding discussing a joint Mandate and WRI initiative to facilitate effective multistakeholder dialogues and action, by developing a simple common language for water which can be applied by all water users, in all water contexts, and at all scales;
- 3) Achieving global scale exploring lessons learned for scaling between the local and global; and opportunities to address the climate-water nexus.

In addition to the main meeting, the Mandate also held several side meetings, including:

Collective Action to the Last Mile / Kilometer

This session was dedicated to discussing how collective action approaches and multi-stakeholder platforms can ensure that all voices are considered.

Nature-Based Solutions Meeting

This side meeting was a facilitated fishbowl-style conversation among invited stakeholders to share the concept on scaling and implementing nature-based solutions (NBS) for watersheds through a standardized approach to measure and value carbon, water, and wider-co-benefits.

WASH4Work Partner and Steering Committee Meeting

During this meeting the secretariat at the WASH4Work initiative and the workstream leads provided an overview of progress to date. Discussions focused on a few key areas: member recruitment, WASH standards, and planned activities for the remainder of 2019 and into 2020.

Water Action Hub 3.0 Launch Meeting

This side meeting entailed a summary of the Water Action Hub 3.0 update, and solicitation of feedback from users and other stakeholders in the room about how the platform can be made even more useful and how to encourage uptake.

Setting Contextual Water Targets: Concept and Application

This World Water Week showcase session shared new approaches for companies to set water targets that consider the local catchment conditions.



Climate Action Summit Side Event

The Mandate held a side meeting at the 2019 UN Climate Action Summit in New York City to explore the role of water stewardship towards achieving a water resilient world, with two objectives:

1) Build a greater shared understanding of what it means to achieve water resilient basin, and

2) Understand how corporate water stewardship practice can contribute to its achievement, and what needs to happen to accelerate and scale the transformation.

Key Takeaways:

- → Business as usual cannot continue for the water stewardship or the integrated water resources management space; resilience must be the lens through which water management occurs.
- → Water resilience requires understanding the limits of a system but also accounting for and acknowledging the deep amount of uncertainty in terms of how climate's impacts will play out at the local level.
- → Attention must also be focused on governance and financing structures to ensure that resilience is integrated into water management planning.
- → Resilience responses can take place at the basin, cities, or country level. Each of these lenses offers lessons that can be shared with others.
- → Water can provide both mitigation and adaptation benefits, and there is great opportunity to harness the power of nature-based solutions.
- → Companies are looking at the role of planetary boundaries on climate, water, and other topics in helping them craft integrated strategies across value chains and address inter-related issues.



Brazil CEO Water Mandate Event

In 2019, the first annual Brazil CEO Water Mandate Event was held in São Paulo. The focus of the multi-stakeholder convening was on how the UN Global Compact Network Brazil can help the Brazilian private sector meaningfully incorporate SDG 6 into their business operations and targets. During the event, CEO Water Mandate head Jason Morrison called on Brazilian companies to improve water efficiency in their operations and promote action on WASH in the communities where they operate.

Presentation and discussion topics included:

- → How water stewardship collective action can support water security and local resilience in Brazil
- \rightarrow How can companies help achieve SDG 6? Examples of corporate best practices in Brazil
- → <u>Report launch</u>: Strengthening the Business Case for Water, Sanitation, and Hygiene How to Measure Value for Your Business
- → Awards ceremony to recognize corporate water stewardship activities that advance progress towards achieving SDG 6 targets





Secretariat & Endorsers

CEO Water Mandate Secretariat Team CEO Water Mandate Endorsing Companies

CEO Water Mandate Secretariat Team



Jason Morrison Oakland, CA, USA



Ross Hamilton Perth, Australia



Mai-Lan Ha New York, NY, USA



Tien Shiao Oakland, CA, USA



Karina De Souza London, England



Dr. Hannah Baleta Cape Town, South Africa



Peter Schulte Bellingham, WA, USA



Amy Herod Paris, France



Cora Kammeyer Oakland, CA, USA



Sao Paulo, Brazil



Sonali Abraham Oakland, CA, USA



Lillian Holmes

Giuliana Chaves Moreira

Oakland, CA, USA

CEO Water Mandate Endorsing Companies

In 2019 we welcomed 20 new companies as Mandate endorsers, including:

Abercrombie & Fitch Artistic Milliners Asia Pulp & Paper (APP) Bioazul Braskem Cargill Carroll Properties Corporation Cummins Elevate Textiles En+ Group

Eni Flood Barrier America Grupos Rotoplas S.A.B. de C.V. Mexichem/Orbia Naveena Exports Ltd. Sabará Participações Servicios Ambientales y Geograficos Sun Ltd. TAM Ceramics Unishka Research Service

The full list of 169 Mandate endorsers includes the following companies (asterisk indicates that the company was an Action Platform member in 2019):

AAR Health Care Holdings Ltd. **AB** Electrolux Abercrombie & Fitch* Aeguator Groen & Ruimte Agricola Chapi S.A. Aguas Andinas Akzo Nobel N.V. Allergan ALON Aluminum Corporation of China Ambev Anadolu Efes Biracilik ve Malt Sanayii A.S Anheuser-Busch InBev NV* Asia Pulp & Paper (APP) Sinar Mas* Archemics Ltd Artistic Milliners Avon Metals Ltd Banco do Brasil S.A. Banka BioLoo Pvt Ltd **Baosteel Group Corporation** Bavaria S.A. Bayer* Belgicast Internacional, SLU BHP* Bioazul Braskem* **Bunge Limited**

Calvert Research and Management Calvin Klein Cargill* Carlsberg Group **Carroll Properties Corporation** CH2M Coca-Cola Company* Coca-Cola European Partners (CCEP) Coca-Cola Hellenic Colgate-Palmolive Company* **Corporation Solar Alliance** Coway Co., Ltd. Cummins Danone* De Beers Group of Companies DGB Financial Group **Diageo Plc* Dints International Ltd** Dow Chemical Company* E.ON SE Ecolab Inc.* Ecopetrol FlectroHuila Elevate Textiles Empowermen Empresas Publicas de Medellin En+ Group

Enel Engie* Eni EPMAPS, Agua de Quito Eskom Famoc Depanel S.A. Ferrero International Firmenich* Flood Barrier America Ford Motor Company Gap Inc.* General Mills GlaxoSmithKline* Gold HongYe Paper Group Co., Ltd. Grundfos Grupo Angel Camacho, S.L. Grupo Bancolombia Grupo Nutresa S.A. Grupo Rotoplas S.A.B. de C.V. Gruppo Hera H&M, Hennes & Mauritz AB Hainan Jinhai Pulp & Paper Co., Ltd. Hayleys PLC Heineken N.V.* Hilton* Hindustan Construction Company Ltd (HCC) Hospital Público Estadual Galileu Iberdrola SA Inditex, Industrias de Diseno Textil, S.A. Infineon Technologies AG Infosys Ltd International Flavors & Fragrances Inc. International WaterCentre ISAGEN S.A. E.S.P. Keurig Dr Pepper Kikkoman Corporation Kumbaya, Inc. Levi Strauss & Co.* LM Ericsson Lvdec Mahou San Miguel Mars, Incorporated* Marshalls plc

Mazaya Investment Group Mazzetti, Inc. Merck & Co., Inc.* Metito (Overseas) Ltd. Metsa Group Microsoft* Molson Coors Brewing Company Mondi Monsanto Company Natural Capital Partners Naveena Exports Ltd. Nedbank Group Nestle S.A.* Netafim* Nike, Inc.* Ningbo Asia Pulp & Paper Co., Ltd. Olam **Opportunity Two Excel Foundation** Orbia Pavimentos Colombia S.A.S. PepsiCo, Inc.* Pernod Ricard Phoenix Global DMCC Postobon S.A. PT Ekamas Fortuna PT. Indah Kiat Pulp & Paper, Tbk. PT. Lontar Papyrus Pulp & Paper Industry PT. Pabrik Kertas Tjiwi Kimia, Tbk PT. Pindo Deli Pulp And Paper Mills PT. Singaland Asetama (SGA) PVH Corp.* R R Kabel Ltd. Radisson Hotel Group* **RELX Group plc** RobecoSAM Royal DSM Royal Philips NV Sabará Participações Saint-Gobain Sanasa Campinas* Sasol Ltd. Sekem Group Servicios Ambientales y Geograficos

- Siemens AG Smurfit Kappa Group PLC Sociedade de Abastecimento de Agua S/A – Sanasa – Campinas* Soorty Enterprises Stoddart Creek Water Services Inc. Stora Enso Oyj SUEZ* SUEZ Water Spain Sun Ltd Suntory Holdings Limited Sustainable Living Fabrics Pty Ltd. Syngenta International AG TAM Ceramics Tata Steel
- Teck Resources Limited* The Svirin Family Company Thomas Schumann Capital Tommy Hilfiger Tongaat Hulett Unilever* Unishka Research Service UPM-Kymmene Corporation Veolia Westpac Banking Corporation Vilmar International Limited Woolworths Holdings* WWTEC Xylem Inc. Yara International ASA

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.

ceowatermandate.org