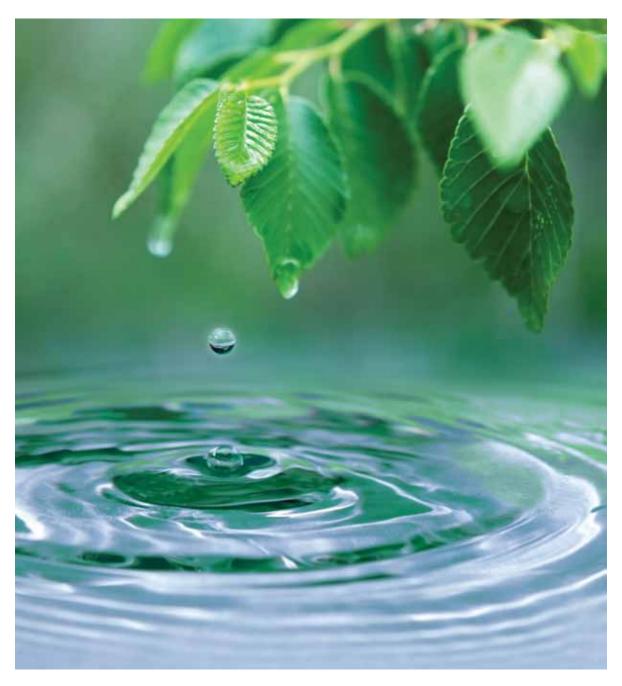# THE CEO WATER MANDATE

An initiative by business leaders in
partnership with the international community

The CEO Water Mandate

Background and Overview

This initiative grew out of a highly collaborative partnership between the United Nations Global Compact, the Government of Sweden and a group of committed companies and specialized organizations dealing with the problems of water scarcity and sanitation. Launched at the Leaders Summit in July 2007, it is designed as a private-public initiative with a focus on developing strategies and solutions to contribute positively to the emerging global water crisis. The CEO Water Mandate will seek to engage a critical mass of companies from around the world, willing to undertake serious efforts, in partnership with other stakeholders, to address this challenge. Whenever possible, this initiative will coordinate efforts and work with existing water programs – both global and local – in order to maximize impact.

How to Join

The CEO Water Mandate seeks to build an international movement of committed companies, both leaders and learners. The initiative is open to all UN Global Compact participating companies. The initiative requires the endorsement of a company's Chief Executive Officer, or equivalent. Companies that join the CEO Water Mandate commit to pursuing the implementation of the framework's six core elements for water management, and publicly report progress annually. A company wishing to join the CEO Water Mandate should indicate their endorsement by submitting a letter, signed by the Chief Executive Officer, to: **ceowatermandate@unglobalcompact.org**

About the United Nations Global Compact

The United Nations Global Compact is a call to companies everywhere to voluntarily align their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption, and to take actions in support of UN goals, including the Millennium Development Goals. Endorsed by chief executives, the UN Global Compact is a leadership platform for the development, implementation, and disclosure of responsible corporate policies and practices. Launched in 2000, it is largest corporate responsibility initiative in the world – with over 8,000 signatories based in more than 135 countries. For more information: www.unglobalcompact.org.

Note

In January 2011, this CEO Water Mandate document was amended to refer to the 2010 UN resolutions which recognize the human right to safe drinking water and sanitation.
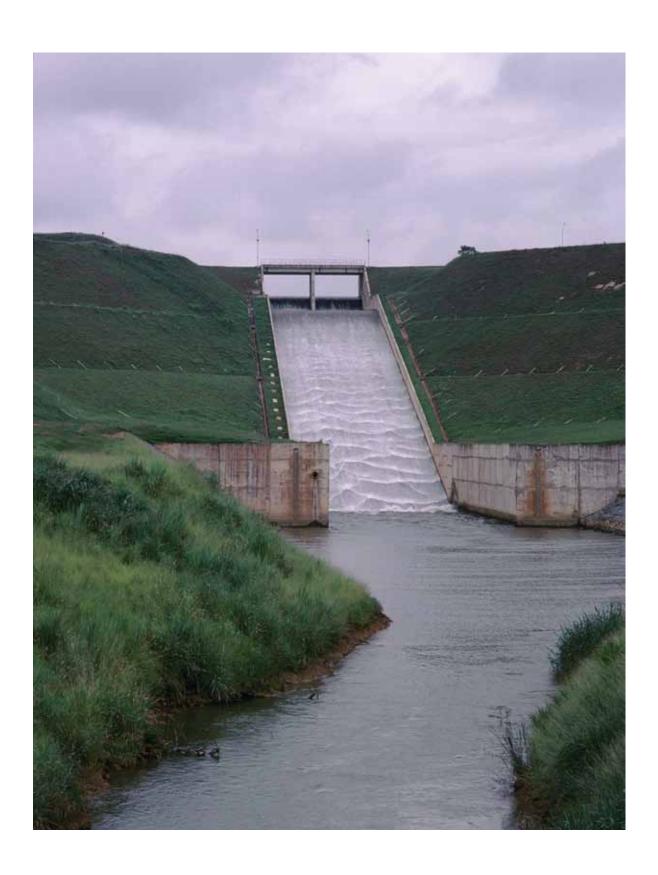
Preamble

As leaders of business organizations we recognize that the private sector has an important stake in helping to address the water challenge faced by the world today. It is increasingly clear that lack of access to clean water and sanitation in many parts of the world causes great suffering in humanitarian, social, environmental and economic terms, and seriously undermines development goals. We also recognize the following:

- Water stress is expected to worsen in many parts of the world as a result of factors including urbanization and population growth, increasing food production, changing consumption patterns, industrialization, water pollution, and climate change.
- The main user of fresh water is agriculture. Though much less is used in manufacturing and services, these sectors can still contribute positively.
- Scarcity and related problems pose material risks but can also, when well managed, create opportunities for improvement and innovation.
- Unsafe drinking water and lack of appropriate sanitation profoundly affect the health and well-being of billions of people, including those who are our customers and employees. In this regard, we note the 2010 resolutions by the UN Human Rights Council and the UN General Assembly recognizing the human right to safe drinking water and sanitation.
- Companies can have a direct impact on water management in their own business, as well as an indirect impact by encouraging and facilitating actions by those in their supply chains to improve water management.
- In order to operate in a sustainable manner, and contribute to the vision of the UN Global Compact and the realization of the Millennium Development Goals, companies have a responsibility to make water-resources management a priority.
- Individual and collective efforts — involving partnership with the public sector and civil society and through the supply chain — will be required to adequately address this crisis.

Recognizing these facts, and the positive role that the international business community can play, we hereby present this "CEO Water Mandate" and invite other business leaders to endorse its vision and objectives, and to adopt its strategic framework. The CEO Water Mandate is voluntary and aspirational. Nonetheless it represents a commitment to action. Its structure covers six key areas and is designed to assist companies in developing a comprehensive approach to water management. The six areas are: Direct Operations; Supply Chain and Watershed Management; Collective Action; Public Policy; Community Engagement; and Transparency.

Water and sanitation management are vital in both developing and developed economies. Certain areas of the world are experiencing, or are expected to experience, acute water stress. These areas are identified and discussed in the Global Environment Outlook Report and Global International Waters Assessment, published by the United Nations Environment Programme (UNEP), and the Human Development Report 2006, published by the United Nations Development Programme (UNDP).

Direct Operations

Virtually all business organizations, whether small or large, utilize water in the production of their goods and services. The extent of this use varies across industrial and economic sectors. For instance, water-infrastructure companies play a direct role in working with governments and municipalities to manage water and wastewater systems. In other cases, water is a primary ingredient in an organization's final product. Water is also crucial in the manufacturing or development process of many companies. In still others, water is a primary resource in the supply chain.

In areas of water stress, rapid industrialization and economic development place significant demands on water resources.

Therefore, we pledge to undertake the following actions, where appropriate, over time:

- **Conduct a comprehensive water-use assessment to understand the extent to which the company uses water in the direct production of goods and services.**

- **Set targets for our operations related to water conservation and waste-water treatment, framed in a corporate cleaner production and consumption strategy.**

- **Seek to invest in and use new technologies to achieve these goals.**

- **Raise awareness of water sustainability within corporate culture.**

- **Include water sustainability considerations in business decision-making – e.g., facility-siting, due diligence, and production processes.**
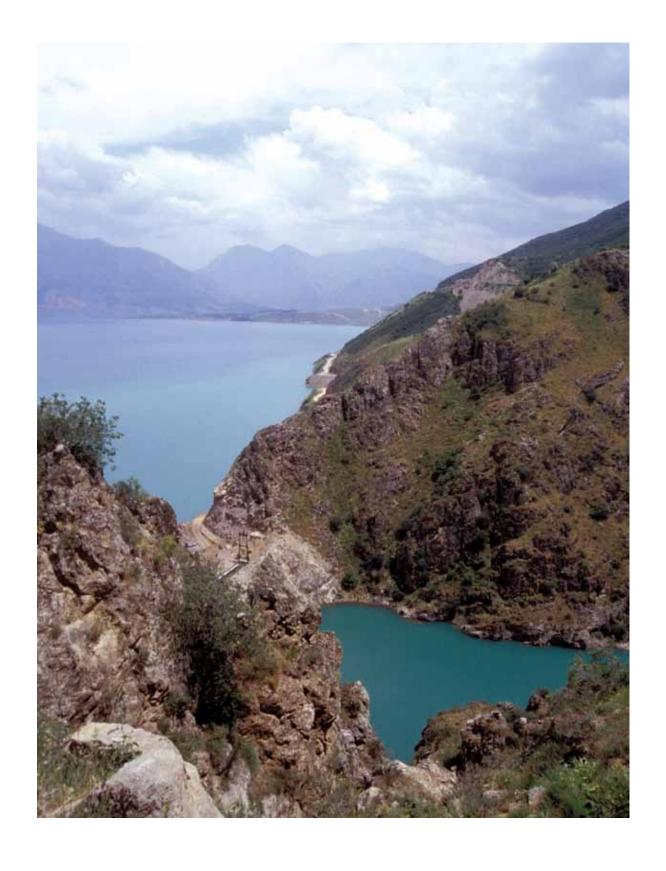
Supply Chain and Watershed Management

In recent years more and more business organizations have focused on issues and activities along their supply chains — recognizing that many impacts are beyond their direct control. With respect to water, this understanding is quite new, with many companies just beginning
to examine the degree to which their suppliers utilize water in their operations.

The role of agriculture is particularly important as it accounts for 70 percent of all fresh water withdrawn, and must play a primary role in helping to address improved water management.

At the same time, companies operating in communities and areas of water stress increasingly see that as local stakeholders they have an interest and can play a role in helping to protect and manage the area watershed — understanding and recognizing the leading role that governments and local authorities must play.

Therefore, we pledge to undertake the following actions, where appropriate, over time:

- **Encourage suppliers to improve their water conservation, quality monitoring, waste-water treatment, and recycling practices.**

- **Build capacities to analyze and respond to watershed risk.**

- **Encourage and facilitate suppliers in conducting assessments of water usage and impacts.**

- **Share water sustainability practices – established and emerging – with suppliers.**

- **Encourage major suppliers to report regularly on progress achieved related to goals.**

Collective Action

While individual organizational efforts will be critical in helping to address the water challenge, collective efforts — across sectors and societal spheres — will also be required. Such multi-stakeholder collaboration can draw on significant expertise, capacities and resources. Utilizing frameworks such as the UN Global Compact, companies can participate in collective efforts to address water sustainability.

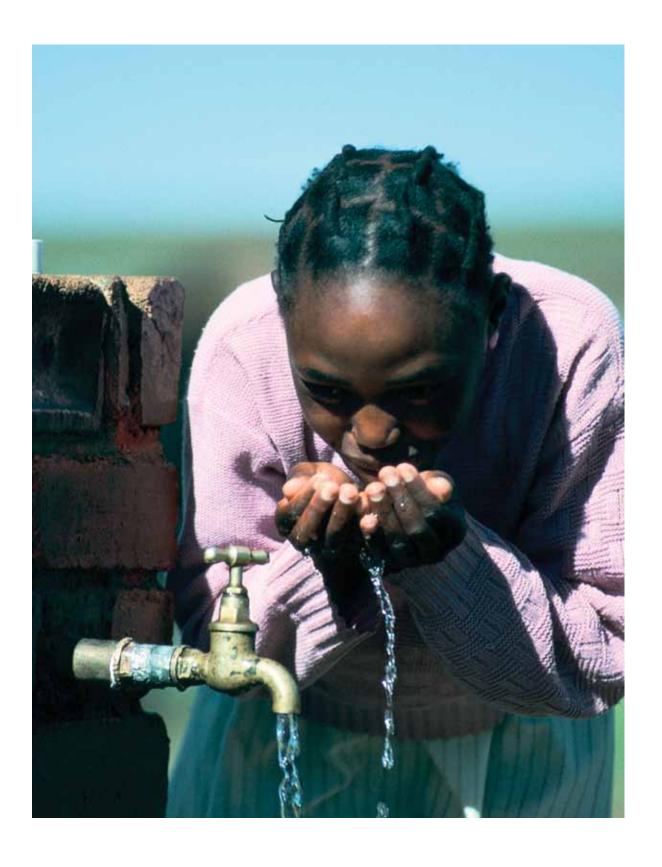**Therefore, we pledge to undertake the following actions, where appropriate, over time:**

- Build closer ties with civil society organizations, especially at the regional and local levels.

- Work with national, regional and local governments and public authorities to address water sustainability issues and policies, as well as with relevant international institutions – e.g., the UNEP Global Programme of Action.

- Encourage development and use of new technologies, including efficient irrigation methods, new plant varieties, drought resistance, water efficiency and salt tolerance.

- Be actively involved in the UN Global Compact's Country Networks.

- Support the work of existing water initiatives involving the private sector – e.g., the Global Water Challenge; UNICEF's Water, Environment and Sanitation Program; IFRC Water and Sanitation Program; the World Economic Forum Water Initiative – and collaborate with other relevant UN bodies and intergovernmental organizations – e.g., the World Health Organization, the Organisation for Economic Co-operation and Development, and the World Bank Group.

Public Policy

Actions such as those proposed in this Mandate will only be sustainable and efficient if embedded in effective global, regional and local water governance structures with the right incentives for water efficiency and allocation. As a consequence, the topic of water sustainability is increasingly rising to the top of the international policy agenda as governments, multilateral organizations and other stakeholders, including civil society, debate the challenge.

Some of these discussions relate to government policy and regulation; others focus on the interplay of regulatory and voluntary efforts; while still others involve efforts to create the proper environment and enabling spaces for partnerships and collective efforts to flourish. Basic issues of water governance and the market value of water remain to be resolved and are fundamental to making progress in water management.

Therefore, we pledge to undertake the following actions, where appropriate, over time:

- **Contribute inputs and recommendations in the formulation of government regulation and in the creation of market mechanisms in ways that drive the water sustainability agenda.**

- **Exercise "business statesmanship" by being advocates for water sustainability in global and local policy discussions, clearly presenting the role and responsibility of the private sector in supporting integrated water resource management.**

- **Partner with governments, businesses, civil society and other stakeholders – for example specialized institutes such as the Stockholm International Water Institute, UNEP Collaborating Centre on Water and Environment, and UNESCO's Institute for Water Education – to advance the body of knowledge, intelligence and tools.**

- **Join and/or support special policy-oriented bodies and associated frameworks – e.g., UNEP's Water Policy and Strategy; UNDP's Water Governance Programme.**
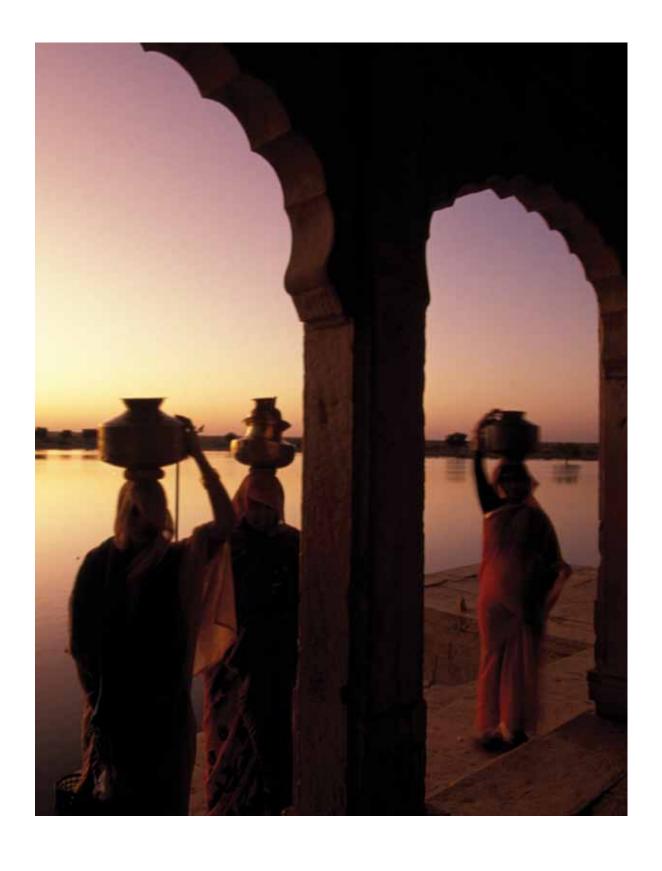
Community Engagement

Companies operate not in a vacuum but in a broader societal context. Indeed, it is increasingly recognized that businesses are part of the social fabric of the communities in which they operate — and as corporate citizens share in the responsibility of the sustainability and wellbeing of these communities. More and more companies — both multinationals operating abroad and local enterprise — see that supporting or actively engaging with communities and grass-roots organizations and initiatives is in their enlightened self-interest.

Therefore, we pledge to undertake the following actions, where appropriate, over time:

- **Endeavor to understand the water and sanitation challenges in the communities where we operate and how our businesses impact those challenges.**

- **Be active members of the local community, and encourage or provide support to local government, groups and initiatives seeking to advance the water and sanitation agendas.**

- **Undertake water-resource education and awareness campaigns in partnership with local stakeholders.**

- **Work with public authorities and their agents to support – when appropriate – the development of adequate water infrastructure, including water and sanitation delivery systems.**

Transparency

Transparency goes to the heart of accountability. Leading companies recognize that transparency and disclosure are crucial in terms of meeting the expectations of a wide group of stakeholders. Such efforts help companies focus on continuous improvement and turning principles into results — a process which is crucial in terms of realizing gains and building trust.

Therefore, we pledge to undertake the following actions, where appropriate, over time:

- Include a description of actions and investments undertaken in relation to The CEO Water Mandate in our annual Communications on Progress for the UN Global Compact, making reference to relevant performance indicators such as the water indicators found in the Global Reporting Initiative (GRI) Guidelines.

- Publish and share our water strategies (including targets and results as well as areas for improvement) in relevant corporate reports, using – where appropriate – the water indicators found in the GRI Guidelines.

- Be transparent in dealings and conversations with governments and other public authorities on water issues.

Appendix: Resources And Tools

Business for Social Responsibility
www.bsr.org

Global International Waters Assessment
www.giwa.net

Global Programme of Action for the Protection of the Marine Environment from Land-Based Activities
www.gpa.unep.org

Global Reporting Initiative
www.globalreporting.org/Home

Global Water Challenge
www.globalwaterchallenge.org

Human Development Report
hdr.undp.org

International Federation of Red Cross and Red Crescent Societies Global Water and Sanitation Initiative
http://www.ifrc.org/what/health/water/gwsi.asp

Organisation for Economic Co-operation and Development
www.oecd.org

Pacific Institute
http://www.pacinst.org/topics/water_and_sustainability/index.php

Stockholm International Water Institute
www.siwi.org

UN Global Compact
www.unglobalcompact.org

UN Millennium Development Goals
www.un.org/millenniumgoals

UNDP Water Governance Programme
www.undp.org/water/about_us.html

UNEP Collaborating Center on Water and Environment
www.uccwater.org/iwrm05/index.html

UNEP Freshwater Activities
www.unep.org/themes/Freshwater/index.asp

UNEP Global Environment Outlook
www.unep.org/geo/

UNESCO Institute for Water Education
www.unescoihe.org/vmp/articles/contentsHomePage.html

UNICEF Water, Environment and Sanitation Program
www.unicef.org/wes/

WaterAid
http://www.wateraid.org/

Water Footprint Network
http://www.waterfootprint.org

World Bank Group
www.worldbank.org

World Business Council for Sustainable Development
www.wbcsd.org

World Economic Forum Water Initiative
www.weforum.org/en/initiatives/water/index.htm

World Health Organization
HTUwww.who.int/en/

WWF International
http://wwf.panda.org/

The Ten Principles of the United Nations Global Compact

HUMAN RIGHTS

Principle 1   Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2   make sure that they are not complicit in human rights abuses.

LABOUR

Principle 3   Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4   the elimination of all forms of forced and compulsory labour;

Principle 5   the effective abolition of child labour; and

Principle 6   the elimination of discrimination in respect of employment and occupation.

ENVIRONMENT

Principle 7   Businesses should support a precautionary approach to environmental challenges;

Principle 8   undertake initiatives to promote greater environmental responsibility; and

Principle 9   encourage the development and diffusion of environmentally friendly technologies.

ANTI-CORRUPTION

Principle 10   Businesses should work against corruption in all its forms, including extortion and bribery.