# INTRODUCTION TO THE CEO WATER MANDATE

Garnering commitments and building capacity for corporate water stewardship









## INTRODUCTION TO THE UN GLOBAL COMPACT'S CEO WATER MANDATE

#### What is water stewardship?

Water is perhaps humanity's most vital natural resource. By the same token, water crises pose some of the most vital sustainable development challenges of our time. According to the <u>World Economic Forum</u>, water crises have been among the top five global risks in terms of impact in each of the last four years.

Water stewardship is the use of water in ways that are socially equitable, environmentally sustainable, and economically beneficial. Stewardship can be adopted by businesses - through corporate water stewardship - as well as by growers, communities, and others. Ultimately, stewardship is a key practice to address critical water challenges, drive water security, and achieve the Sustainable Development Goals.

Corporate water stewards implement five core activities that drive water security:

- 1. Provide water, sanitation, and hygiene for all employees
- 2. Drive water use efficiency and reduce pollution throughout their operations
- 3. Facilitate improved water performance throughout their value chain
- 4. Advance collective action in river basins
- 5. Achieve continuous, meaningful dialogue with stakeholders

In addition, stewards often implement several actions that inform and support these core activities, such as risk and impact assessments, target setting, and embedding water into corporate strategy.

#### What is the CEO Water Mandate?

The <u>CEO Water Mandate</u> is a global **commitment platform** for corporate water stewardship. By endorsing the Mandate, companies publicly commit to advancing water stewardship across six commitment areas\*:

- 1. Direct Operations
- 2. Supply Chain & Watershed Management
- 3. Collective Action
- 4. Public Policy
- 5. Community Engagement
- 6. Transparency

<sup>\*</sup>To learn more about the commitment areas, go to: https://ceowatermandate.org/about/the-six-commitment-areas/

Endorsing the Mandate is an **aspirational pledge**; we welcome companies of all sizes and all levels of water stewardship maturity so long as they commit to continuous improvement.

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>. Established in 2007, the initiative was created out of the acknowledgement that global water challenges create risk for a wide range of industry sectors, the public sector, local communities, and ecosystems alike. As such, cross-sectoral collaboration is the most effective and credible path to water security. The private sector can be a critical partner in this effort.

In addition to garnering public commitments, the Mandate also advances stewardship by:

- Developing research, guidance, and tools
- Convening multi-stakeholder events
- Facilitating meaningful on-the-ground collective action

#### What is required of companies wishing to endorse the Mandate?

Companies of all sizes, industry sectors, geographies, and levels of water stewardship maturity are eligible and encouraged to endorse the Mandate. We welcome endorsements from companies with limited experience with water who want to use the initiative to spark their stewardship efforts. All that is required is that companies make an earnest commitment to continuous improvement regarding the Mandate's six commitment areas.

However, to endorse the Mandate, companies must already be signatories of the UN Global Compact **OR** agree to become UN Global Compact signatories within one year of endorsing the Mandate.

There is **no financial commitment required** to endorse the Mandate.

Once they have endorsed the Mandate, **companies must publicly report on their progress** toward water stewardship on an annual basis, in what are known as Communications on Progress or COPs. COPs for the Mandate can take several forms (see examples here) including:

- A company's CDP Water Questionnaire response
- A section within the company's broader UN Global Compact COP reports
- A section within the company's broader annual sustainability report
- A standalone report

**NOTE:** For companies that are already UN Global Compact signatories and already complete the CDP Water Questionnaire on an annual basis, no extra work is required.

### What are the benefits of endorsing the Mandate?

By endorsing the Mandate, companies can:

- Attend Mandate events to learn about stewardship trends and cutting-edge best practices
- **Demonstrate their commitment** to sustainability to investors, customers, employees, communities, and other key stakeholders

• **Keep abreast of engagement opportunities** through quarterly email communications from Mandate Secretariat to all endorsing companies

The Mandate is now endorsed by more than 200 companies worldwide include: AB InBev, The Coca-Cola Company, Danone, Diageo, Dow Chemical, Ecolab, Ford Motor Company, General Mills, H&M, Hilton, Mars, Microsoft, Nestle, Netafim, Nike, PepsiCo, PVH, Radisson, Siemens, Unilever, and many others.

#### How do companies endorse the Mandate?

Endorsing is easy! Companies can endorse the Mandate by simply filling out this <u>form</u> on behalf of their CEO, C-suite representative, or equivalent.

#### What is the Mandate's Water Resilience Coalition?

Companies that wish to take their water stewardship engagement even further can join the Mandate's Water Resilience Coalition by committing to the Water Resilience Pledge.

In signing this pledge, signatories confirm that their company will achieve the following by 2050, through both individual and collective actions:

- Net positive water impact: Achieve a measurable and net positive impact in waterstressed basins on availability, quality and accessibility through industry-leading water operations and basin initiatives
- Water-resilient value chain: Develop, implement, and enable strategies to support leading impact-based water resilience practices across the global value chain
- Global leadership: Raise the global ambition of water resilience through public and corporate outreach

And will reach the half-way mark by 2030.

Pledge signatories commit to achieving interim targets toward the 2050 goals as outlined in the pledge through:

- Active support of existing and new watershed coalitions and partnerships
- Enabling new tools and technology
- Spreading shared water use and reporting standards for supply chain
- Advocating for smart water management and equitable access policies by government
- Partnering with members and NGOs on water basin investment and access initiatives

Companies must be Mandate endorsers to join the Water Resilience Coalition. Coalition participation is entirely optional. We can provide all the support companies require to join both the CEO Water Mandate and UN Global Compact.

The Coalition has two levels of engagement. Coalition member and Leadership Committee member.

Joining as a member allows companies to connect with other members and join our working groups to advance technical work on resilience and practical collective actions on priority basins.

Joining as a Leadership Committee member allows companies to take a more active role in modeling leadership in the realm of water stewardship and collaborating with partners on implementation.

Endorsing the Pledge has no cost, but its members fund the Coalition's work, which is achieved through an annual fee. Members provide the budget to sustain the meetings, technical work, comms, and actions. Without this funding, it would not be possible to maintain the Coalition, so if, in addition to the Pledge, your organization has an interest in supporting the Coalition, here is our fee structure.

Company revenue (\$USD)		<\$1B	\$1-5B	\$5-10B	>\$10B
Annual commitment for first 3 years (\$USD)	Leadership Committee member	N/A	\$50K	\$75K	\$100K
	Coalition member	\$10K	\$15K	\$20K	\$20K

The business sector is in a unique position to help lead the way toward water resilience because of its reach and the resources it can leverage to accelerate progress. We must expand the scale and scope of our efforts to address the magnitude of the mounting water crisis. With this pledge, we plan to catalyze a movement to achieve our shared vision: freshwater basins able to consistently supply what's needed for communities, businesses and the environment on which we all depend.

The path toward a water resilient future must be meaningful and measurable.

