

The 3rd Governing Council Meeting of the Asia-Pacific Water Forum

**A Call to Action:
Asia-Pacific Businesses to Address the Water Challenge
Concrete Initiative of 1st Asia-Pacific Water Summit**

June 23, 2008

United Nations Global Compact

CEO Panel on Water: A Mandate for Action

Organized by UN Global Compact

[Summary]

- Communicated CEOs' key messages on the role of Asia-Pacific's private sector in meeting the water challenge before a select audience of policy makers, civil society representatives and business colleagues
- Showcased their companies' best business practices
- Offered policy recommendations from the private sector to attending policy-makers
- Called on other business leaders in the region to explore participation and commitment to the **CEO Water Mandate**



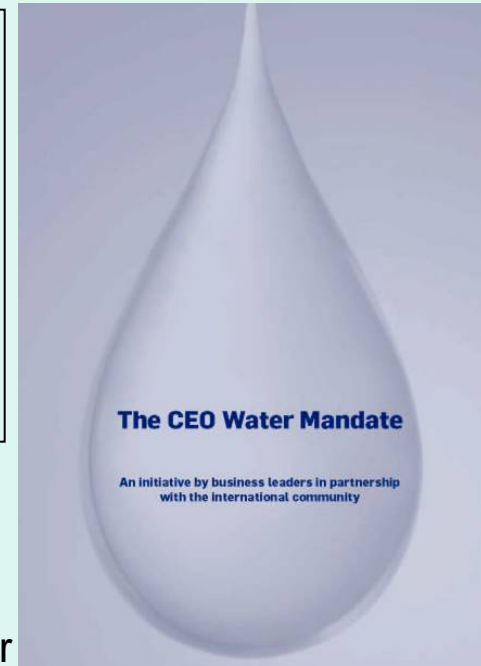
The CEO Water Mandate

- An initiative by business leaders in partnership with the international community -

Preamble (excerpt)

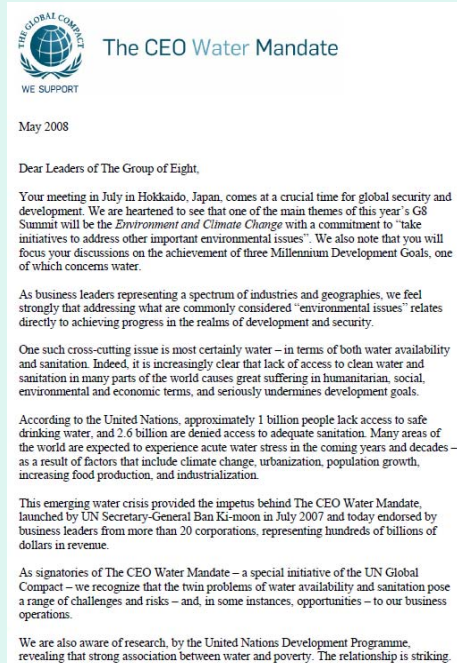
As leaders of business organizations we recognize that the private sector has an important stake in helping to address the water challenge faced by the world today. It is increasingly clear that lack of access to clean water and sanitation in many parts of the world causes great suffering in humanitarian,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

- 6 Founding endorsers of this initiative (The Coca-Cola Company, Levi Strauss & Co., Läckeby Water Group, Nestlé S.A., SABMiller) committed their actions to be implemented towards resolution of water issues. At present, 30 CEOs signed this initiative.
- This initiative is open to companies of all sizes and from all sectors, and from all parts of world.
- 6 Key Areas are **Direct Operations; Supply Chain and Watershed Management; Collective Action; Public Policy; Community Engagement; and Transparency.**
- 20 endorsers of the CEO Water Mandate issued the letter to urge G8 Governments to take action towards the resolution of water issues.



Letter to Leaders of The Group of Eight from The CEO Water Mandate

1. Re-affirm the importance of achieving the Millennium Development Goal related to water in G8 Summit preparatory documents and in final communiqués;
2. Include discussions of the emerging water crisis in the agenda of the G8 Summit;
3. Fulfill the Gleneagles commitment on water and sanitation by ensuring that allocations for safe drinking water and sanitation increase as a percent of all official development assistance (ODA) and that ODA increases overall;
4. Increase your respective Governments' efforts vis-à-vis progress against this critical Millennium Development Goal by making it a top priority of your development agencies;
5. Develop and take immediate actions to raise awareness and implement adaptation strategies with regard to water in response to climate change at home and abroad;
6. Stimulate research in relation to increasing water efficiency in crop and food production;
7. Encourage non-G8 nations to pay more attention to this Millennium Development Goal and to take similar actions;
8. Commit to working more actively with the international business community, civil society organizations and other non-state actors to achieve progress in this area.





6 Key Areas; 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.

Preamble; The CEO Water Mandate

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.
- 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).

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, wastewater 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.

6 Key Areas; 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.

6 Key Areas; 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.

6 Key Areas; 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 the supporting or actively engaging with communities and grass-roots organizations and initiatives as 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.

6 Key Areas; 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**.