



# The CEO Water Mandate – Fact Sheet

## The United Nation's Corporate Water Initiative

Launched in July 2007, the CEO Water Mandate is a non-binding, voluntary public-private initiative of the United Nations Global Compact. It is presented as a model of environmental stewardship, as well as, a platform for assisting companies with the development, implementation and disclosure of water sustainability policies and practices.

Since it was announced, activists from the global water justice movement have argued that the real agenda of the CEO Water Mandate is to facilitate greater control over water sources and services by for-profit corporations. This is a prime example of an international institution helping corporations greenwash socially and environmentally damaging practices.

Voluntary initiatives like those used by the UN Global Compact in its collaboration with corporations have repeatedly been shown by numerous critics to be flawed. Not only are the principles narrowly conceived, but the companies typically fail to put them into practice and they are also allowed to 'opt in' or 'opt out' of the standards set.

The United Nations should not be involved in legitimizing this process. In a time when corporations are scrambling to secure vital inputs for future growth, the United Nations should be more critical in its analysis and action on corporate behaviour. Instead, the United Nations through the Global Compact and the CEO Water Mandate rely on the 'best practice' mantra that permeates corporate social responsibility initiatives. This easily leads away from concrete action, towards greenwashing.

## About the CEO Water Mandate

Only signatories of the UN Global Compact can endorse the CEO Water Mandate. The 59 companies (as of September 16, 2009) which have signed on to the CEO Water Mandate are reliant on water as a primary input and therefore have a vested interest in securing control over water sources and services.

CEO Water Mandate endorsers include Suez, Nestlé, Coca Cola, PepsiCo and Groupe Danone. Suez is the world's largest privatizer of water services and Nestlé is the world's leading bottled water company. PepsiCo and Groupe DANONE are also major players in the global bottled water industry. Other signers include food giants like Unilever, clothing manufacturers like Levi-Strauss, and chemical companies like Dow Chemical, all of whom are greatly dependent on water sources for the production of their products.

The Mandate – like the Global Compact itself – is voluntary and non-binding. It is broken into six core elements: direct operations; supply chain and watershed management;

collective action; public policy; community engagement; and transparency. Each key area concludes with a pledge for signers to commit to a number of related actions.

The core elements can be divided into two themes. The first three elements - direct operations, supply chain and watershed management, collective action - are part of the corporate water footprinting trend and the last three elements – public policy, community engagement, and transparency - all pertain to water governance issues.

## **Water Footprinting**

In the first two key areas – direct operations, and supply chain and watershed management – the Mandate calls on CEOs to pledge to assess their companies' water use and impact, set targets, invest in new technology, and encourage a greener corporate culture for themselves and their suppliers.

These key areas are in line with a broader movement among corporations and institutions called water footprinting, where water supply consumption is assessed throughout a company's supply chain. The idea of exposing the amount of water used to produce consumer and other products is very important, however when water footprinting initiatives are driven by multi-national corporations the goal becomes working out how to use this data to best secure business strategies for the future.

A company that has calculated its 'water footprint' can also hold up the results as an example of its commitment to the environment, when in many cases, based on documented abuses, this 'commitment' is false. Of major concern is that the CEO Water Mandate and the broader water footprinting movement fail to address that companies have a responsibility to their shareholders to make profit. When water is the main resource needed to ensure continued profit making the rhetoric about sustainability and environmental stewardship that accompanies water footprinting initiatives rings hollow.

## **Water governance**

The last four areas (and their associated pledges) read like a handbook on how to force corporate agendas into every organ of global, national, regional, and local water policy making.

In the collective action, public policy and community engagement segments of the Mandate, the CEOs' state that corporations need to work closely with all levels of government, civil society and international institutions. This is a plan to increase influence and/or take the lead in designing legislation and "finding solutions", in order to protect and expand profits.

The fourth section – public policy – states that the Mandate will only be successful if the pledges are adopted as policy or in the CEOs' words are "embedded in effective global, regional and local water governance structures with the right incentives for water efficiency and allocation." This position highlights the underlying purpose of this initiative: to protect the companies' access to water as a commodity, ensuring their future success.

The final pledge in the public policy section asks endorsers to work with public authorities to develop adequate water infrastructure including water and sanitation

delivery systems. This crosses into the realm of the solicitation of contracts for water services company endorsers like Suez.

## **Transparency**

The final key area calls for transparency from Mandate endorsers. Transparency for the CEO Water Mandate is based on endorsing companies pledging to report regularly on the ways in which they are implementing Mandate's elements. To demonstrate their progress, endorsing companies are encouraged by the CEO Water Mandate organizers to use reporting mechanisms such as the Global Reporting Initiative and the UN Global Compact's Communication on Progress.

The use of both the Global Reporting Initiative and the Global Compact's Communication on Progress does nothing to make this initiative more transparent. Both of these are voluntary reporting initiatives where corporations control the messaging.

The Global Reporting Initiative (GRI) is a portal for companies looking to promote their corporate sustainability reports (CSR). Companies post their sustainability and CSR reports on the GRI website. These reports allow corporations to carefully control the type and amount of information they release. The information presented in CSR and environmental reports does not address harmful operations but focuses on investments in 'sustainable' projects. This quote from the GRI website sums up the public relations aspect of what you call a commitment to transparency: "Enjoy considerable profile and register your report today."

The Global Compact's Communication on Progress is similar to the GRI in that it is voluntary and is geared toward highlighting companies' glossy PR initiatives which say nothing about impacts of ongoing operations.

## **Greenwashing**

The Mandate claims to be legitimate because it is a multi-stakeholder initiative where Companies commit to working with UN agencies, non-governmental organizations, and other non-business stakeholders to address the emerging water crisis. By endorsing the CEO Water Mandate companies' can easily state that they are working with all of these actors in order to appear involved with solving problems of water scarcity, pollution and overexploitation, while their damaging production processes can continue unchecked. Voluntary platforms, such as the CEO Water Mandate, are used by endorsing companies to make people forget that they overexploit water sources and are major polluters of the environment.

**For more information on the CEO Water Mandate follow the links below or visit the United Nations Global Compact website:** <http://www.unglobalcompact.org>

Recent CEO Water Mandate reports:

- White Paper - Climate Change and the Global Water Crisis (May 2009): [http://www.unglobalcompact.org/docs/issues\\_doc/Environment/ceo\\_water\\_mandate/UNGC-PI\\_climate-water\\_whitepaper\\_FINAL.pdf](http://www.unglobalcompact.org/docs/issues_doc/Environment/ceo_water_mandate/UNGC-PI_climate-water_whitepaper_FINAL.pdf)

- Discussion Paper: Water and Human Rights: Exploring the Roles and Responsibilities of Business (March 2009):  
[http://www.unglobalcompact.org/docs/issues\\_doc/Environment/ceo\\_water\\_mandate/Business\\_Water\\_and\\_Human\\_Rights\\_Discussion\\_Paper.pdf](http://www.unglobalcompact.org/docs/issues_doc/Environment/ceo_water_mandate/Business_Water_and_Human_Rights_Discussion_Paper.pdf)
- Discussion Paper: From Footprint to Public Policy (March 2009):  
[http://www.unglobalcompact.org/docs/issues\\_doc/Environment/ceo\\_water\\_mandate/From\\_Footprint\\_to\\_Public\\_Policy.pdf](http://www.unglobalcompact.org/docs/issues_doc/Environment/ceo_water_mandate/From_Footprint_to_Public_Policy.pdf)
- Mapping of Global Freshwater Initiatives (March 2008):  
[http://www.unglobalcompact.org/docs/issues\\_doc/Environment/ceo\\_water\\_mandate/Mapping\\_of\\_Global\\_Freshwater\\_Initiatives\\_FINAL.pdf](http://www.unglobalcompact.org/docs/issues_doc/Environment/ceo_water_mandate/Mapping_of_Global_Freshwater_Initiatives_FINAL.pdf)
- Endorser Survey Synthesis Report (March 2008):  
[http://www.unglobalcompact.org/docs/issues\\_doc/Environment/ceo\\_water\\_mandate/CEO\\_Water\\_Mandate\\_Survey\\_Synthesis\\_Report\\_FINAL.pdf](http://www.unglobalcompact.org/docs/issues_doc/Environment/ceo_water_mandate/CEO_Water_Mandate_Survey_Synthesis_Report_FINAL.pdf)
- Briefing Note High Commissioner for Human Rights on the Right to Water (March 2008):  
[http://www.unglobalcompact.org/docs/issues\\_doc/Environment/ceo\\_water\\_mandate/Right\\_to\\_Water\\_Briefing\\_Note.pdf](http://www.unglobalcompact.org/docs/issues_doc/Environment/ceo_water_mandate/Right_to_Water_Briefing_Note.pdf)
- The Mandate itself:  
[http://www.unglobalcompact.org/Issues/Environment/CEO\\_Water\\_Mandate/](http://www.unglobalcompact.org/Issues/Environment/CEO_Water_Mandate/)

### List of endorsers (as of January 22, 2010):

A&E Conveyor Systems Co. (USA)	Hong Kong Beijing Air Catering (China)
Agbar (Spain)	Levi Strauss & Co. (USA)
Aluminum Corporation of China (China)	Metito Ltd (United Arab Emirates)
Arup Group (UK)	Molson Coors Brewing Company (USA)
Athens Water and Sewerage Company - EYDAP S.A. (Greece)	Nestlé S.A. (Switzerland)
Avon Metals Ltd (UK)	Netafim (Israel)
Banesto Bank (Spain)	PepsiCo, Inc. (USA)
Baosteel Group Corporation (China)	PricewaterhouseCoopers (USA)
Bayer AG (Germany)	Progressive Asset Management (USA)
Cadbury (UK)	Ranhill Berhad (Malaysia)
Calvert Asset Management Company, Inc. (USA)	Reed Elsevier (UK)
Carlsberg Group (Denmark)	Royal Dutch Shell plc (The Netherlands)
Coca-Cola Enterprises Inc. (USA)	SABMiller (South Africa)
Coca-Cola Hellenic Bottling Company (Greece)	Sasol Ltd. (South Africa)
Compagnie de Saint-Gobain (France)	SEKEM Holding (Egypt)
Cool House (Thailand)	Siemens AG (Germany)
De Beers (South Africa)	Stora Enso (Finland)
Deloitte South Africa (South Africa)	SUEZ (France)
Diageo plc (UK)	SunOpta Inc. (Canada)
Dow Chemical Company (USA)	Sustainable Living Fabrics (Australia)
DSM NV (The Netherlands)	Talal Abu-Ghazaleh Organization (Egypt)
Finlay International (Bangladesh)	The Coca-Cola Company (USA)
Firmenich SA (Switzerland)	Unified Technologies Group, Inc. (USA)
GlaxoSmithKline plc (UK)	Unilever (UK)
Groupe DANONE (France)	Westpac Banking Corporation (Australia)
Grupo Via Delphi (Mexico)	Wilmar International Limited (Singapore)
H&M Hennes & Mauritz (Sweden)	
Hayleys Limited (Sri Lanka)	
Heineken NV (The Netherlands)	
Hindustan Construction Co. (India)	