

Guidance for Companies on Respecting the Human Rights to Water and Sanitation

21 April 2015 at 10 am EDT



United Nations Global Compact



Putting Principles into Practice



The CEO Water Mandate

Agenda

1. Welcome Remarks

- Shubha Chandra, *United Nations Global Compact*

2. Introduction to the CEO Water Mandate and key content of *Guidance for Companies on Respecting the Human Rights to Water and Sanitation*

- Jason Morrison, *Pacific Institute*
- Rachel Davis, *Shift*

3. Reflections on Guidance for Companies on Respecting the Human Rights to Water and Sanitation

- Chris Jochnick, *Oxfam America*

4. Human Rights to Water and Sanitation – Due Diligence at Nestlé

- Yann Wyss, *Nestlé*

5. Question & Answer

6. Closing Remarks, Further Resources



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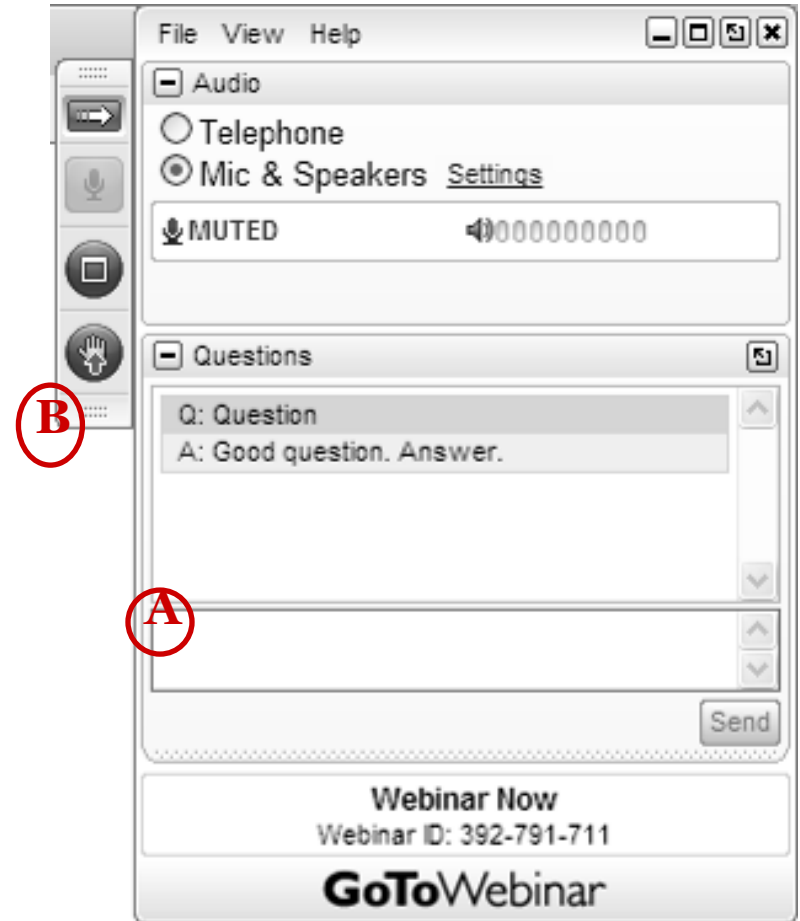
The CEO Water Mandate

Questions

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Example: *Question for John Doe: What is Human Trafficking?*



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UNITED NATIONS GLOBAL COMPACT

8,000+

Business participants

4,000+

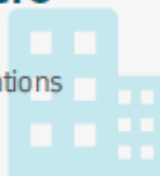
Non-business participants

28,000+

Disclosure reports submitted

Stakeholders

Business
Industry Associations
Investors
Civil Society
Labour
Academia
Government



Global Network

Europe
Latin America
North America
Asia & Oceania
Africa
MENA

160+

Countries

85+

Local Networks



Platforms & Programmes

- Human Rights & Labour
- Women's Empowerment Principles
- Children's Rights and Business Principles
- Child Labour Platform
- Caring for Climate
- CEO Water Mandate
- Food + Agriculture Business Principles
- Anti-Corruption
- Business for Peace
- Business for the Rule of Law
- Business and Education
- Supply Chain Sustainability
- Global Compact LEAD



Business Partnership Hubs

- Water
- Climate and Energy
- Social Enterprise
- Anti-Corruption Collective Action
- UN-Business Partnership



Sister Initiatives

- Global Compact Cities Programme
- Principles for Responsible Investment (PRI)
- Principles for Responsible Management Education (PRME)
- Sustainable Stock Exchanges (SSE)



Relationship between the UN Global Compact's Human Rights principles and the Guiding Principles

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.

The same minimum requirement to **RESPECT** human rights as in the Guiding Principles

Voluntary opportunity to also **SUPPORT** human rights through:

- core business
- strategic social investment / philanthropy
- public policy advocacy
- partnerships / other forms of collective action

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The CEO Water Mandate

Guidance for Companies on Respecting the Human Rights to Water and Sanitation

Jason Morrison, Pacific Institute and Rachel Davis, Shift

UNGC Webinar, April 21, 2015



The CEO Water Mandate



Overview of Presentation

- Project Background
- Objectives, Audience, and Development of Guidance
- Key Content of Guidance



The CEO Water Mandate



CEO Water Mandate Overview

Launched by UN Secretary-General in 2007 as partnership between companies and the UN Global Compact.

Administered as a partnership between the UN Global Compact and the Pacific Institute.

Functions

1. Constitutes a call-to-action and forum for companies to improve their water stewardship practices
2. Provides a strategic framework, good practice guidance, and enabling tools designed to advance corporate water stewardship



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Commitment Areas

Direct Operations:

water-use assessments; targets for conservation and waste-water, etc.

Supply Chain and Watershed Management:

supplier sustainability strategies; assess and respond to watershed risk, etc.

Collective Action:

peers, civil society, governments, UN, other water initiatives, etc.

Public Policy:

inputs to public-policy making; advocacy on water sustainability, etc.

Community Engagement:

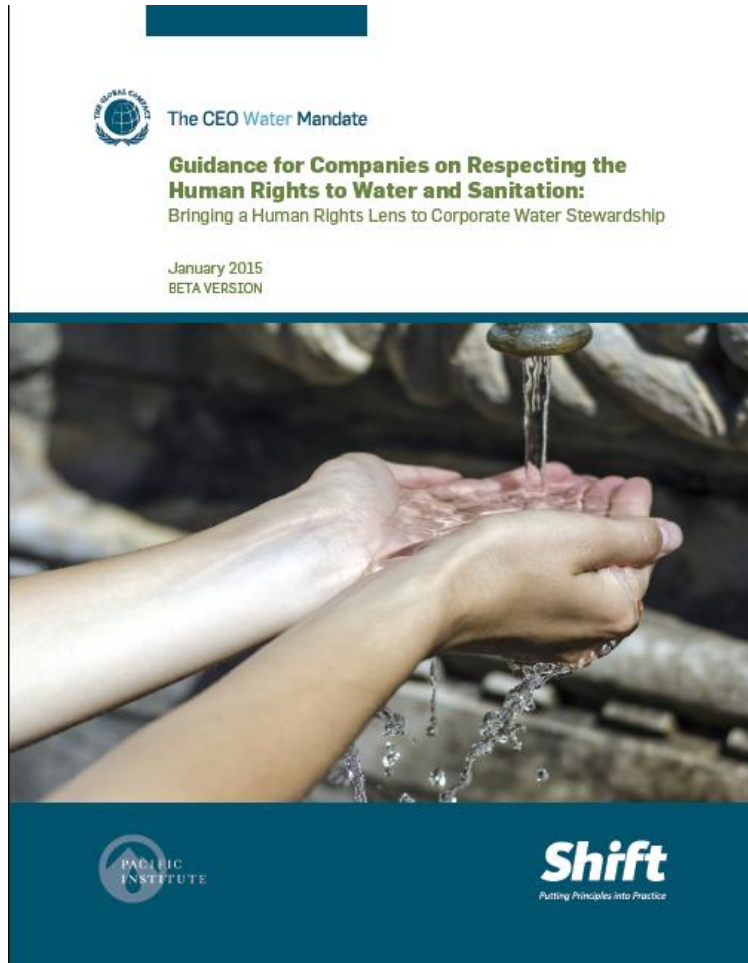
support local groups; water education; infrastructure, etc.

Transparency:

report on implementation and progress



Business and the Human Rights to Water and Sanitation



Guidance for Companies on Respecting the Human Rights to Water and Sanitation: *Bringing a Human Rights Lens to Corporate Water Stewardship*

<http://www.ceowatermandate.org/humanrights>

PDF and online tool versions available



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Background to the Project

- CEO Water Mandate Water and Human Rights workstream started in 2009
- Members saw need for greater attention after 2010 recognition of human rights to water and sanitation (HRWS) by states in the UN
- Issue discussed in mandate conferences between 2010-2011
- UN Guiding Principles on Business and Human Rights unanimously endorsed by UN Human Rights Council in 2011
- Project launched in 2012
- Phase 1 Resulted in discussion paper *Bringing a Human Rights Lens to Corporate Water Stewardship*



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Guidance Objectives and Audience

Objectives

- Help companies translate responsibility to respect the HRWS into existing water management policies, processes and company cultures
- Complement related efforts to clarify responsibilities of states and public/private water and sanitation service providers

Audience

- Staff with responsibility for water stewardship and for human rights
- Other stakeholders interested in supporting, incentivizing or requiring companies to respect the HRWS



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Development of Guidance

- Mapping of UN Guiding Principles and corporate water stewardship management frameworks
- Confidential interviews with human rights and water leads from >20 companies in 8 sectors (food and beverage, extractives, ICT, agriculture, apparel, automotive, chemicals, consumer products)
- Draft version released for public comment in late 2014
- Multistakeholder Technical Expert Group provided critical input throughout
- Coordination with UN Special Rapporteur on the HRWS



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Key Steps: Policy Commitment & Embed Respect

A. Develop a policy commitment

1. Define the content of the commitment
2. Engage internal colleagues
3. Engage stakeholders
4. Communicate the commitment

B. Embed Respect for the HRWS

1. Establish appropriate accountability
2. Build cross-functional coordination
3. Set expectations for staff
4. Apply the commitment to business relationships



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Key Steps: Assess Impacts on the HRWS

A. Assess how the company may be involved in impacts

1. Understand who may be impacted
2. Review how the company may be involved
3. Consider impacts arising through business relationships
4. Engage with stakeholders in assessing impacts

B. Prioritize impacts for attention where necessary

1. Evaluate the severity of impacts on affected stakeholders
2. Evaluate the likelihood of impacts occurring
3. Prioritize impacts

C. Build a Systematic Approach to Assessment

1. Review and build on existing systems
2. Pay particular attention to cumulative impacts



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Key Steps: Integrate and Take Action

A. Identify options to prevent or mitigate potential impacts

1. Understand the expectations of companies to respond to impacts
2. Identify appropriate prevention and mitigation options

B. Build and Use Leverage in Business Relationships

1. Evaluate possible sources of leverage in business relationships
2. Focus on addressing supply chain impacts
3. Focus on relationships with state authorities



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Key Steps: Track and Communicate Performance

A. Build a Systematic Approach to Tracking

1. Review existing tracking systems
2. Track efforts through business relationships
3. Develop appropriate indicators
4. Engage affected stakeholders in tracking

B. Review and Improve Communication

1. Improve communication with affected stakeholders
2. Improve formal reporting on severe impacts on the HRWS



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Key Steps: Remediation & Grievance Mechanisms

A. Establish Appropriate Processes to Provide Remedy

1. Understand the responsibility to remediate negative impacts
2. Map existing external grievance mechanisms and their effectiveness

B. Design Effective Operational-Level Grievance Mechanisms

1. Understand what makes a grievance mechanism effective
2. Review and build on existing internal mechanisms
3. Define the scope of the mechanism



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Rachel Davis, Shift rachel.davis@shiftproject.org



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- Reflections from Chris Jochnick, Oxfam America



Human Rights to Water and Sanitation Due Diligence @ Nestlé

Yann Wyss, Human Rights Manager



Nestlé's Business Activities

We make Nestlé exemplary
...in respecting human rights and good labor practices.

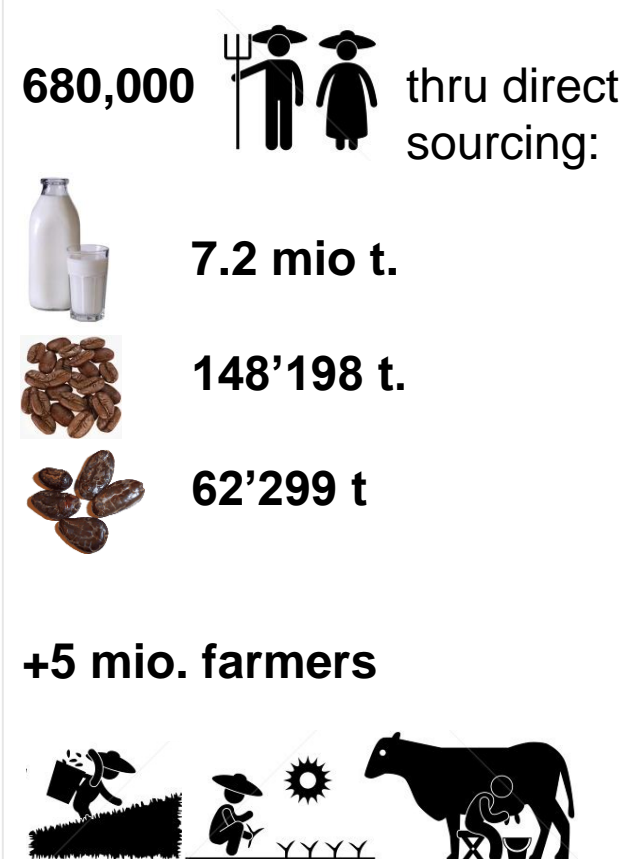
Nestlé facilities



Tier-1 suppliers



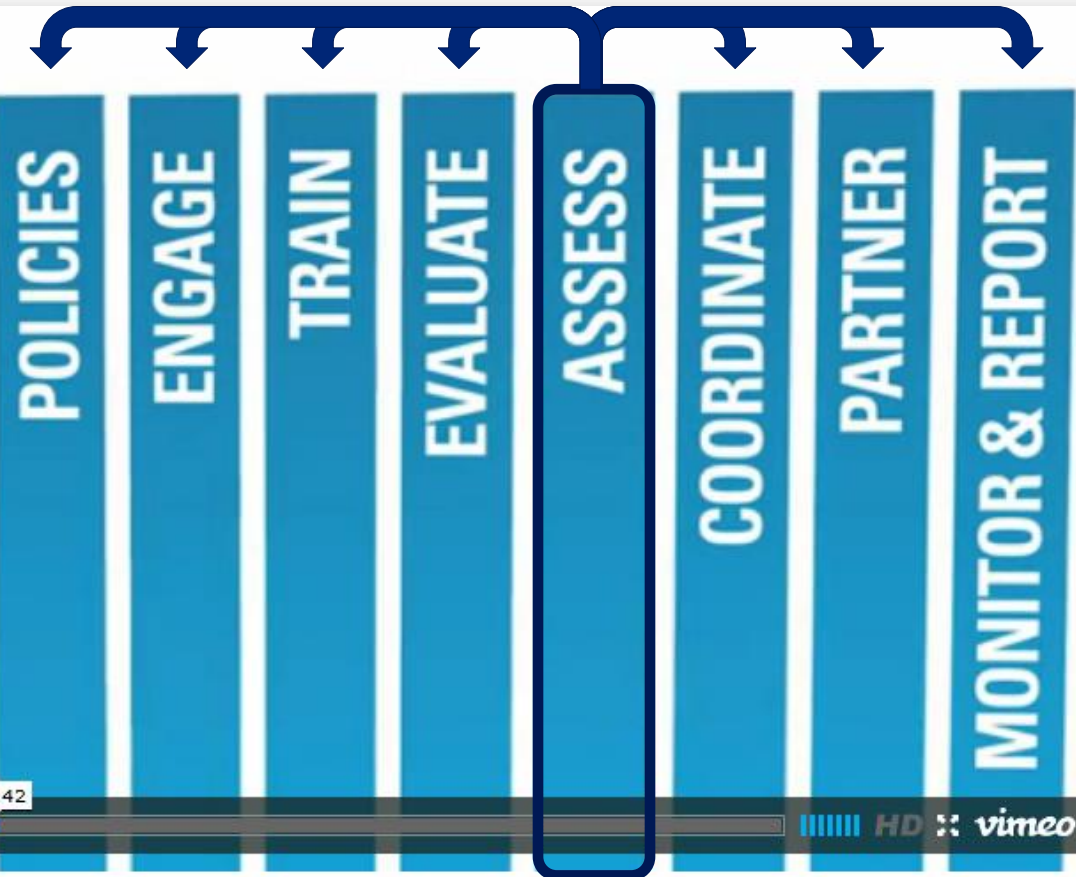
Upstream suppliers



Knowing and Showing: Our Human Rights Due Diligence Programme

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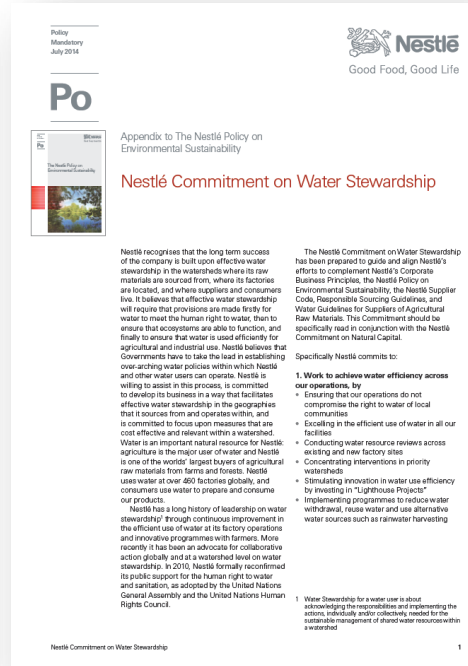
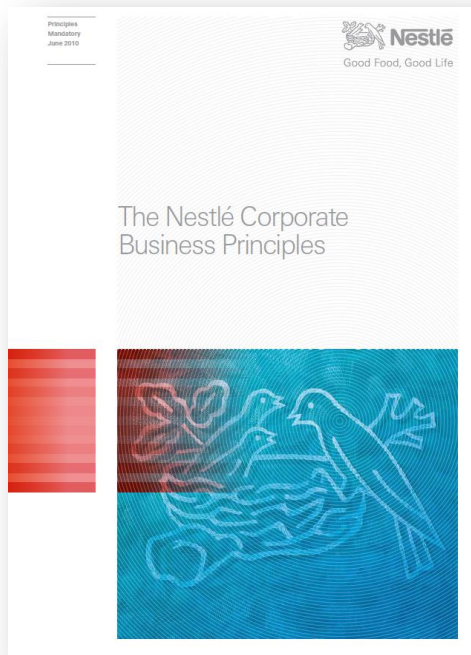
Nestlé's
Human Rights
Due Diligence
Programme
has 8 pillars.



1. Policy Commitments

We make Nestlé exemplary
...in respecting human rights and good labor practices.

Mainstreaming human rights into relevant policies and procedures



W
A
T
E
R

Work to achieve water efficiency across our operations

Advocate for effective water policies and stewardship

Treat the water we discharge effectively

Engage with suppliers, especially those in agriculture

Raise awareness of water access and conservation

2. Stakeholders Engagement (1)

We make Nestlé exemplary
...in respecting human rights and good labor practices.

Engaging with key stakeholders on human rights issues



Washington D.C.
2008

Kuala Lumpur
2009

Geneva
2009

New Delhi
2011

Nairobi
2012

London
2011, 2012,
2013, 2014

Jakarta
2014



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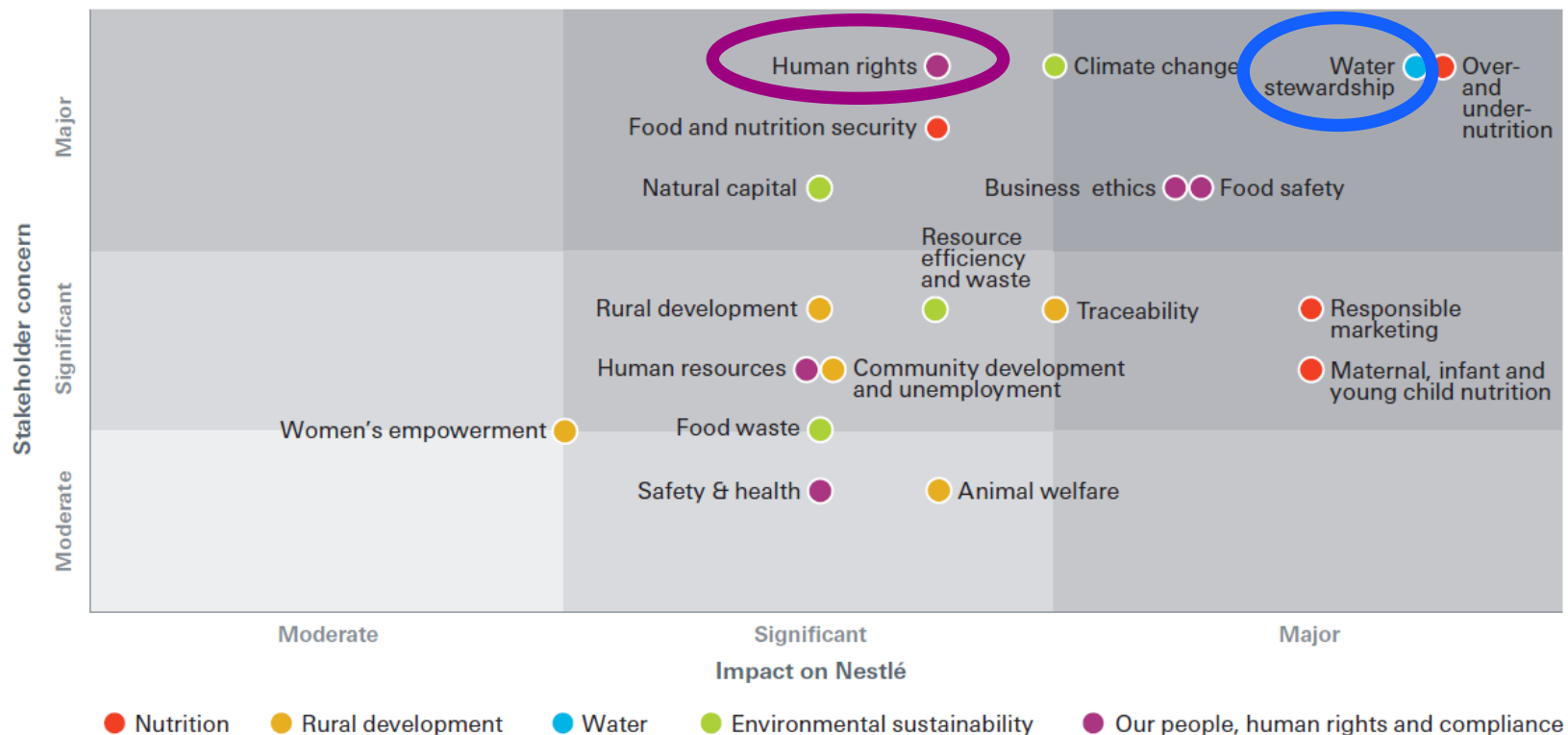
World Business Council for
Sustainable Development



2. Stakeholders Engagement (2)

Engaging with key stakeholders on human rights issues

2014 Nestlé materiality matrix



3. Training

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...in respecting human rights and good labor practices.

Increasing the awareness and building the capacity of our employees worldwide



49'292 employees trained
in 64 countries



117 employees trained at HQ

4. Risk Evaluation

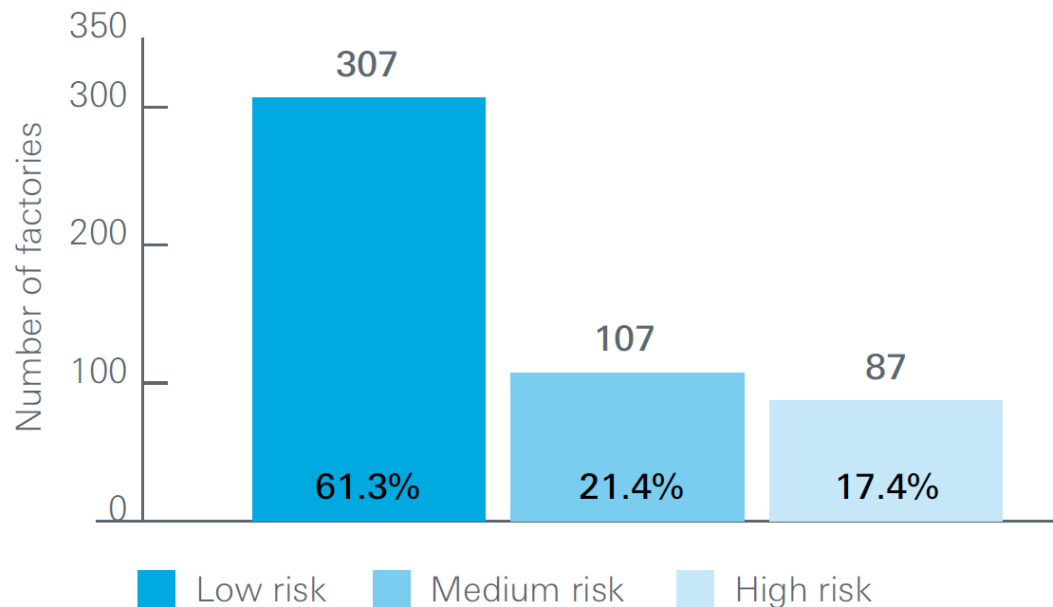
We make Nestlé exemplary
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Integrating human rights risks into our overall Enterprise Risk Management System

Community access to water & sanitation at operations and supply chain levels identified as one of the 43 high human rights risks for the company

2014 Combined Water Stress Index

Nestlé manufacturing facilities



 THE WATER RISK FILTER

 **AQUEDUCT™**
Measuring and Mapping Water Risk

ETH

Eidgenössische Technische Hochschule Zürich
Swiss Federal Institute of Technology Zurich

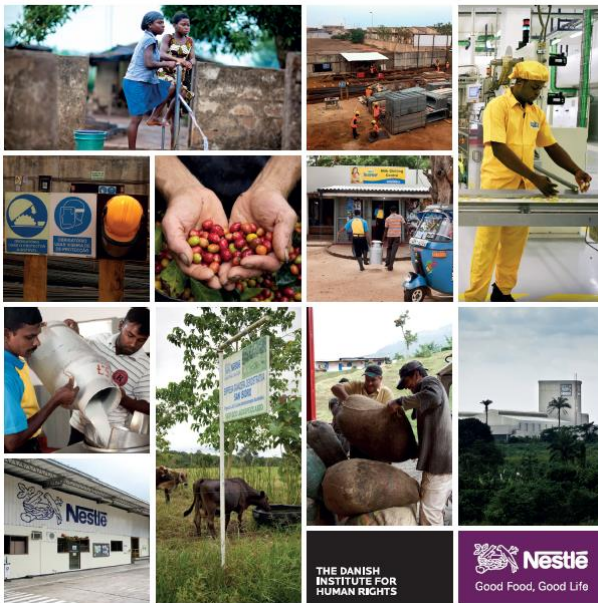
5. Impact Assessments

We make Nestlé exemplary
...in respecting human rights and good labor practices.

Assessing our actual and potential impacts on rightsholders: employees, communities, consumers, suppliers, etc.

Talking the Human Rights Walk

Nestlé's Experience Assessing Human Rights Impacts in its Business Activities



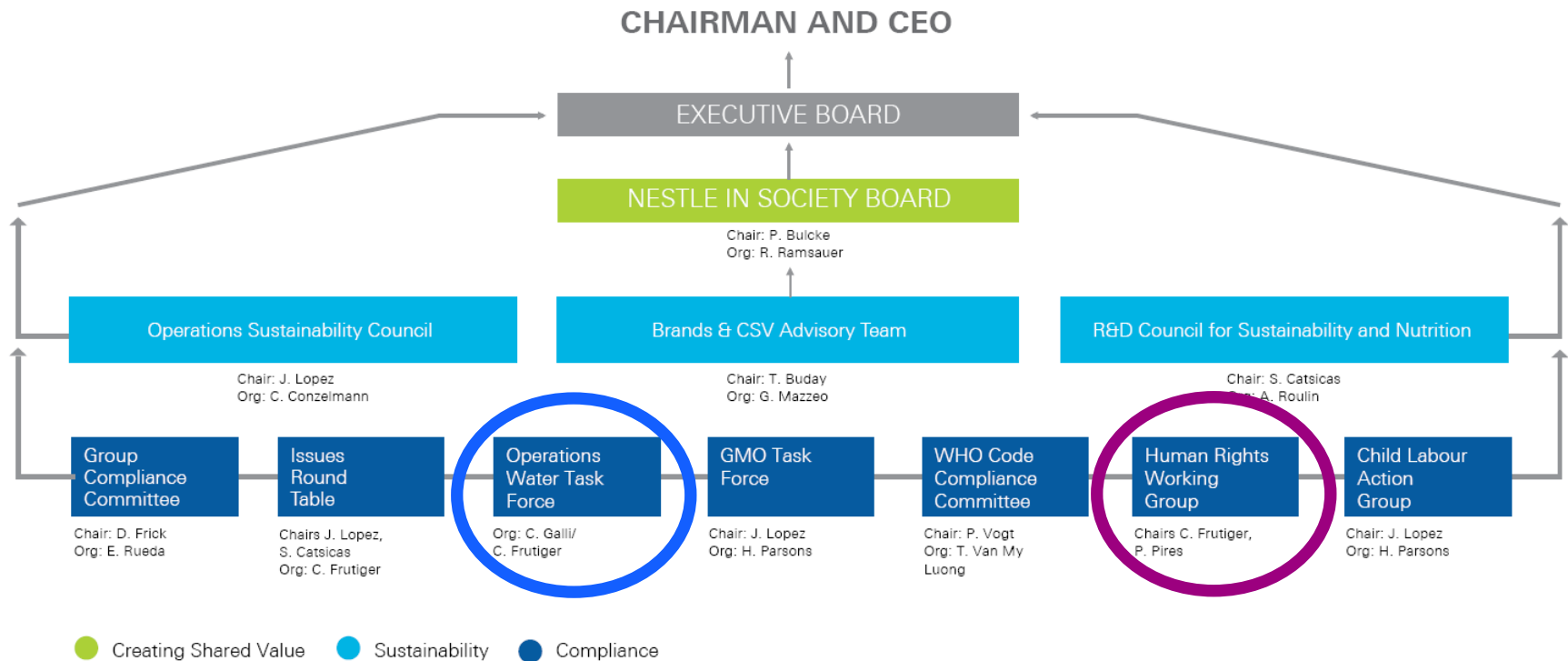
Water Resource Reviews

6. Governance & Accountability

We make Nestlé exemplary
...in respecting human rights and good labor practices.

Nestlé's HRWG is fully integrated into Nestlé overall governance structure

Internal governance structure



7. Partnerships

We make Nestlé exemplary
...in respecting human rights and good labor practices.

Partnering with expert organisations to further improve our human rights performance

Global partnership:



THE DANISH
INSTITUTE FOR
HUMAN RIGHTS

Issue-specific partnerships:



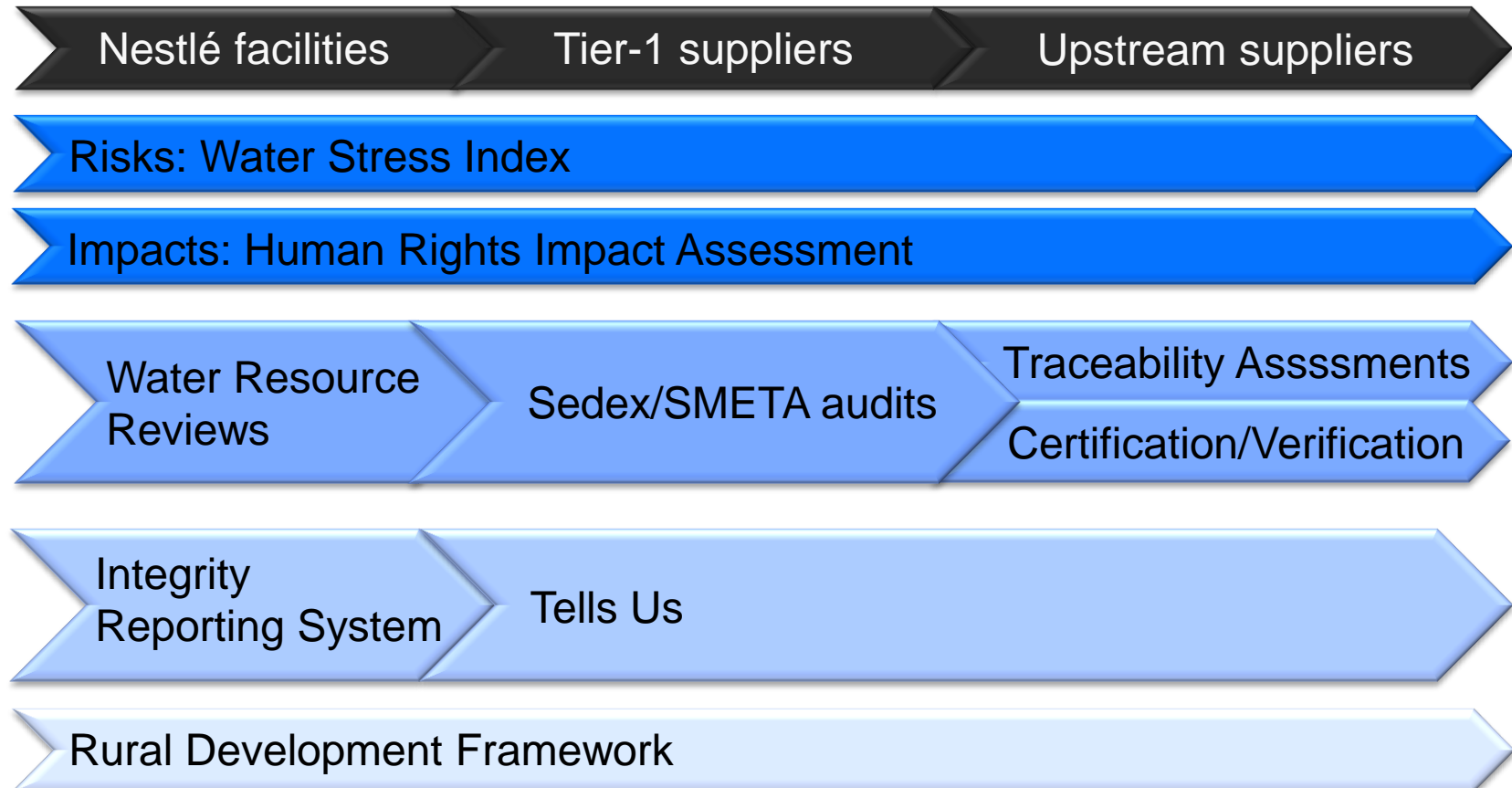
International Federation
of Red Cross and Red Crescent Societies

www.ifrc.org Saving lives, changing minds.

8. Monitoring & Reporting

We make Nestlé exemplary
...in respecting human rights and good labor practices.

Maintreaming human rights into monitoring systems and procedures



8. Monitoring & Reporting

We make Nestlé exemplary
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Reporting on our human rights and water performance and challenges



2014 highlights

376 water-saving projects

taking place at our factories to save around 1.8 million m³ of water

CHF 5 million contribution

to the IFRC, over five years, renewing our long-standing partnership to improve access to water and sanitation

Most water-efficient

factory is operating in Mexico

37.3% reduction

in our direct water withdrawals per tonne of product (since 2005)

18

new Water Resource Reviews carried out at our sites

Challenges

Water scarcity

38% of our manufacturing facilities are situated in water-stressed regions.

More interest in water

Increased level of public interest around water withdrawals for business and the impact on the human right to water and sanitation.

Catchment-level collaboration

Improvements to a water catchment often need the collaboration of many stakeholders and local water users (including ourselves).

Next Step: Delivering on Our Commitments



Water

- Work to achieve water efficiency and sustainability across our operations
- Advocate for effective water policies and stewardship
- Treat the water we discharge effectively
- Engage with suppliers, especially those in agriculture
- Raise awareness on water conservation and improve access to water and sanitation across our value chain

Due diligence on human rights to water and sanitation

Our objective

By 2015 – Establish and implement detailed guidelines on human rights to water and sanitation due diligence.

Water, Sanitation and Hygiene (WASH) considerations are being integrated into the Water Resource Review process. The right to water and sanitation is also systematically included in our corporate Human Rights Impact Assessments.

We make Nestlé exemplary
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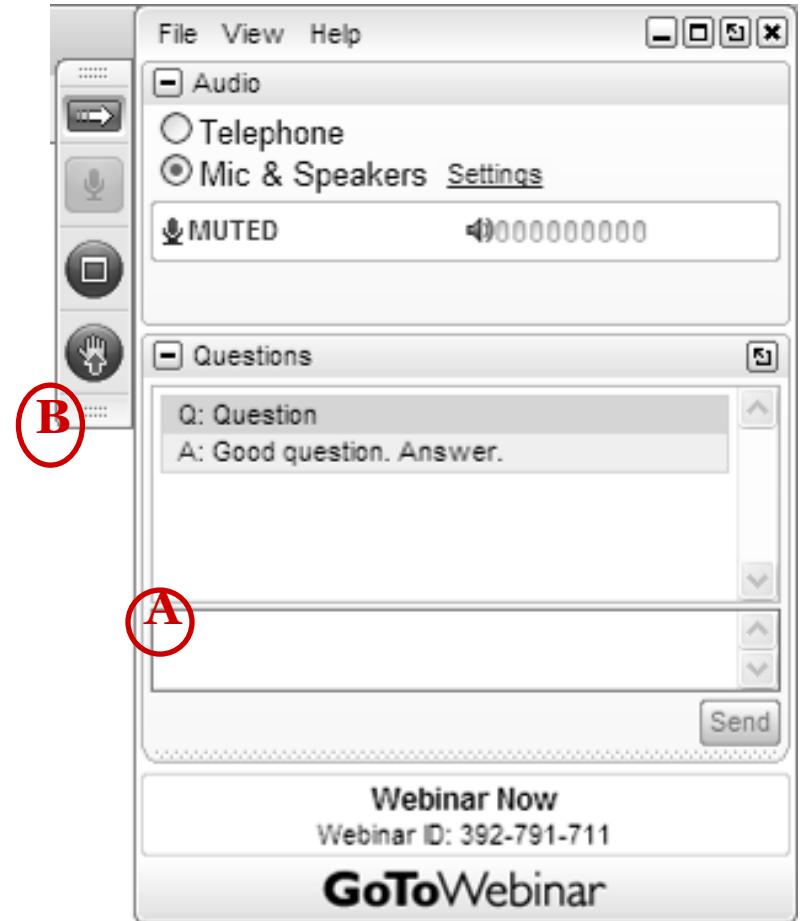
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Resources

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- Special Rapporteur on Human Right to Safe Drinking Water and Sanitation - <http://www.ohchr.org/EN/Issues/WaterAndSanitation/SRWWater/Pages/SRWWaterIndex.aspx>
- Human Rights to Water and Sanitation in Courts Worldwide: A Selection of National, Regional and International Case Law <http://www.waterlex.org/new/wp-content/uploads/2015/01/Case-Law-Compilation.pdf>



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Questions?

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