

MOVING WATER RESILIENCE FORWARD FASTER ACTION GUIDE



INTRODUCTION

The action guides for the Forward Faster initiative provide companies that have committed or are considering committing with additional, target-specific details on key definitions, examples of actions and Key Performance Indicators (KPIs), including interim targets, resources and options that companies can utilize as they define a strategy to meet the target(s) by 2030.

CONTEXT

The Forward Faster Water Resilience Target is aligned with the commitment areas of the CEO Water Mandate, an initiative of the United Nations Global Compact in partnership with the Pacific Institute that seeks to mobilize a critical mass of business leaders to address global water challenges through corporate water stewardship. To plan how your company can achieve this 2030 target, reach out to the CEO Water Mandate team (email: CEOWATERMANDATE@UNGLOBALCOMPACT.ORG) for more information.

The global water crisis is one of the most urgent sustainability challenges of the 21st century, presenting humanitarian, environmental and economic concerns. More than two billion people lack safe drinking water, and there will be a 40 per cent gap between projected available water and demand for water by 2030. Gross Domestic Product (GDP) may be reduced by up to six per cent in some regions by 2050 as the result of water risks. Further, freshwater ecosystems have experienced rapid destruction and declines in functions and biodiversity. Climate change continues to intensify these risks, adding urgency to the imperative to act.

Businesses of all kinds rely on water — some more intensely than others. The majority of businesses use water as a critical input in the production of their goods and services both in their own direct operations and throughout their supply chains. As a result, the private sector has a significant role in improving water resilience through corporate water stewardship.

Businesses also serve as private water operators and must manage water resources effectively, efficiently and equitably. While businesses have invested billions in water solutions, current investments and progress are starkly insufficient. Water challenges can increase commodity and borrowing costs while also posing business continuity, regulatory and employee and community health risks. As a result, taking action on water resilience across operations and supply chains is important to a company's long-term prosperity. Taking action is also vitally necessary to secure a prosperous and equitable future for people and nature.

Resilient water systems profoundly impact our collective ability to achieve the broader Sustainable Development Goals (SDGs), including supporting food security, human health, biodiversity, gender equality and other priorities. Collaboration between the public and private sectors is critical to achieving these shared goals and unlocking the co-benefits of water security for other SDGs. To address the global water crisis, businesses must both take individual actions and unite in collective action with other businesses, civil society and Governments at all levels to improve the health of water-stressed basins worldwide.

TARGET ON WATER RESILIENCE

Build water resilience across global operations and supply chains and join hands to achieve collective positive water impact in at least 100 vulnerable prioritized water basins by 2030.



DEFINITION OF KEY TERMS AND ELEMENTS OF THE TARGET

To achieve collective positive water impact in 100 priority basins by 2030, companies must coordinate action, share learnings, and measure impact through a common, validated approach. For this reason, to commit to the Forward Faster Water Resilience Target, companies must become endorsers of the CEO Water Mandate.

100 Basins:

- When developing the list of 100 basins, co-organizing corporate water stewardship initiatives looked to
 identify those basins with high risks across water quality, water quantity and water accessibility. Biodiversity
 importance and future climate risks in terms of drought and flood were also considered. Basins were
 further prioritized according to those with economic relevance, significant corporate presence and
 interest in collaboration as well as the presence of local partners to enact programs that address local
 water challenges and bring about positive change.
- Committed companies are not expected to take action in all 100 basins listed but rather a subset of those that have been identified by the company, prioritized based on the overlaying of direct operations, supply chains and key markets.
- It is also recognized that companies may also have water stewardship activities or collective actions outside of the initial list of 100 identified basins. As such, the co-organizers will be looking to expand the list over time to ensure that we capture those collective action activities that have a positive impact.
- The 100 Priority Basins list should be thought of as dynamic and responsive to changing conditions and actions by companies and other actors. The goal of having a positive impact in 100 basins will remain as the "North Star" to guide our water resilience approaches and goals.
- The CEO Water Mandate's 100 priority basins are available via the WATER ACTION HUB.

Positive Water Impact:

Focuses on ensuring that company actions contribute towards reducing water stress in its three dimensions: water quantity, water quality and water accessibility. It ensures the company's contributions exceed impacts on water stress in the same region.

EXAMPLES OF COMPANY KPIS AND INTERIM TARGETS

KPIs for companies' actions to avoid or reduce operational impacts:

Water Quantity:

- Water efficiency (megaliter/year /production unit)
- Total water consumption in megaliter/year (GRI 303-5)

Water Quality:

- Per cent (or total) water discharged for beneficial use in megaliter/year.
- Per cent (or total) pollutant load reduction in pollutant mass/year.

Water Accessibility:

• 100 per cent of employees with safely managed drinking water, sanitation and hygiene services.



KPIs to replenish, restore or regenerate operational footprints:

Water Quantity:

Volumetric Water Benefits / Water replenishment target achieved (megaliters/year)

Water Quality:

- Per cent (or total) pollutant load reduction in pollutant mass/year.
- Volumetric Water Benefits / Water restoration target achieved (megaliters/year)

Water Accessibility:

- Proportion of population using safely managed drinking water services (per cent)
- Proportion of population using safely managed sanitation services (per cent)
- Proportion of population using safely managed hygiene services (per cent)

KPIs for positive impact in basins: Outcome and impact indicators identified by the project partners and local stakeholders, for example:

Water Quantity:

- Per cent of unsustainable groundwater consumption reduced in the watershed
- · Per cent of unsustainable seasonal surface water consumption reduced in the watershed

Water Quality:

- · Per cent of excess nutrient removed from the watershed
- Per cent of excess pollutant removed from the watershed
- Per cent of increased wastewater safely treated in the watershed

Water Accessibility:

· Per cent of population gaining threshold service in the watershed

REPORTING

UN Global Compact participant companies committing to the action will report annually to the UN Global Compact by responding to the following questions: This reporting will enable the CEO Water Mandate to measure collective impact and coordinate action between companies.

1. Corporate Water Targets

Water Dimension	Does your Company have a Target? (Yes/No)	What is the Target – include achievement year (if applicable)	Target Applies to Direct Operations? (Yes/No)	Target Applies to Supply Chain? (Yes/No)	Target Applies to Communities (either where you operate or in a market)? (Yes/No)	Progress towards the target in this reporting year.
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Water Quantity			
Water Quality			
Water Accessibility (WASH)			

2. Please indicate all water-stressed basins where your company has direct operations (from list of CEO Water Mandate 100 Priority Basins)

Basins	Basin 1	Basin 2	Basin 3	Basin 4	Basin 5	Basin 6
	Basin 7	Basin 8	Basin 9	Basin 10	Basin 11	Basin 12

3. Indicate your company's 10 highest priority water-stressed basins and the actions you are engaging in.

Basin	Currently Engaging ? (Y/N)	Planning to Engage? (Y/N)	Quality	Quality	Acces- sibility (WASH)	Direct Ops	Supply Chain	Commu- nities	Is the Engage- ment a Colle- ctive Action? (Y/N)	Addi- tional Informa- tion

4. Identify all other basins outside of the CEO Water Mandate 100 Priority Basins where your company is currently engaging or has plans to engage (from the list of WMO HydroSHEDs Level IV basins).

Basin	Engaging Actively	Planning to Engage

The primary focus of tracking the progress of the open call will be to track companies' targets and progress against those targets in relation to the three dimensions of water: water quantity, water quality and water accessibility. The questions are also designed to evaluate the current engagement and potential future engagement in water-stressed basins and beyond against the needs within each basin. In parallel, the CEO Water Mandate will develop digital monitoring systems.



ACTIONS COMPANIES CAN TAKE TO ADVANCE PROGRESS

To support companies' commitments in direct operations and supply chains, companies can implement a variety of practices as relevant to their business over time including by taking the following actions:

In Direct Operations:

- 1. Implementing water-related standards.
- 2. Integrating context and/or science into target-setting practices. Recognizing that guidance on science-based target setting for freshwater is just being released in early 2023, companies will need time to assess and implement updated water targets in line with best practices.
- 3. Implementing best practices in water efficiency and wastewater management.
- 4. Implementing proven innovative technologies for water reuse, recycling and circularity.
- 5. Ensuring safe, resilient access to water, sanitation and hygiene (WASH) for employees.
- **6.** Implementing practices that optimize climate-energy-water co-benefits and ensure ecosystem protection.

In Supply Chains:

- **1.** Understanding where the greatest water dependencies and impacts exist within supply chains and setting appropriate internal targets and plans to ensure long-term resilience.
- **2.** Working with suppliers in water-stressed basins to improve water efficiency, wastewater management and the provision of safe resilient access to water, sanitation and hygiene in the workplace.

Working collaboratively may entail several actions and activities, including:

- **1.** Mapping the water basins where your company operates or has significant interest, and internally disclosing that information to the CEO Water Mandate Secretariat to help coordinate action.
- 2. Working with public sector actors, integrating best practices in data information and transparency to inform decision-making.
- **3.** Engaging with local communities including frontline, Indigenous and under-represented communities to improve conditions by taking a human rights-based approach.
- **4.** Identifying and advancing new co-financing mechanisms with Governments and multilateral funding agencies to close the financing gap. Implementing proven innovative technologies for water reuse, recycling and circularity.
- **5.** Applying companies' unique expertise and innovation through supporting the curation and development of key technologies that can bring new tools and solutions to scale..

RESOURCES TO INFORM IMPLEMENTATION STRATEGIES

- WATER ACTION Hub to find interactive maps of the initial 100 Prioritized Basins, potential partners and implementers.
- GUIDE TO WATER RELATED COLLECTIVE ACTION.
- GUIDE TO MANAGING INTEGRITY IN WATER STEWARDSHIP INITIATIVES.
- Basins Diagnostic Guide to understand how positive impact at the basin level will be measured by implementers.
- Setting SCIENCE-BASED TARGETS FOR FRESHWATER and other key areas will help assess, prioritize, set targets, act and track progress.
- The TASKFORCE FOR NATURE-RELATED FINANCIAL DISCLOSURES is a risk management and disclosure framework to identify, assess, respond and, where appropriate, disclose their nature-related issues.



- The ALLIANCE FOR WATER STEWARDSHIP (AWS) INTERNATIONAL WATER STEWARDSHIP STANDARD is a globally applicable framework for major water users to understand their water use and impacts and to work collaboratively and transparently for sustainable water management within a catchment context.
- Setting CONTEXTUAL WATER TARGETS and ENTERPRISE LEVEL WATER TARGETS.

UN GLOBAL COMPACT PROGRAMMING TO GUIDE IMPLEMENTATION

- UN GLOBAL COMPACT ACADEMY: The Academy is the main learning platform of the UN Global Compact that provides
 business leaders and practitioners with the skills and knowledge to fast track their sustainability strategy. The
 self-paced learning helps companies get acquainted with the topic of just transition and get ready to take action
 at their own pace.
- WATER RESILIENCE COALITION: The Water Resilience Coalition (WRC) is an industry-driven, CEO-led initiative to
 address the global water crisis. It aims to elevate action on mounting water stress and its connection to climate
 change to the top of the global corporate agenda. WRC members work to preserve the world's freshwater resources
 through collective action in water-stressed basins and through ambitious, quantifiable goals. For more information,
 please see HERE.

ENABLING ENVIRONMENT

To scale action towards the SDGs, companies can send strong signals to Governments to implement enabling policies that support them in meeting the ambitious targets under the Forward Faster initiative and provide the clarity and confidence they need to catalyze further investments.

Companies can call on Governments to support the business community to increase action on water through six solutions for policy action. Companies can also commit to engaging their networks of private sector leaders to align agendas to achieve Goal 6 on clean water and sanitation for all, and water security for all by 2030.

The Fundamentals:

- 1. Ensure strong foundations for sustainable water management
- 2. Enable mechanisms that better value and manage water
- 3. Create open access to accurate data

The Keys to Unlock Exponential Improvements:

- **4.** Mobilize frameworks and approaches that drive innovation
- 5. Scale-up funding mechanisms and capacity development
- **6.** Harness the power of collective action

Fundamental Government Actions include:

1. Ensure a strong foundation for sustainable water management

 Determine location and time-specific water balance by basin to properly assess the quantity of water available currently and projected for the future, together with determining the total use by users in that basin, including the amount needed for environmental and social safeguards.



- Determine location and time-specific water balance by basin to properly assess the quantity of water available currently and projected for the future, together with determining the total use by users in that basin, including the amount needed for environmental and social safeguards.
- Set caps on water allocation for use based on both long-term precipitation records (considering climate impacts) and projected water availability and setting aside first the amount needed to maintain basic human needs and environmental function and improving allocation mechanisms so that they are equitable and sustainable.
- Prioritize equitable access to water and sanitation as a human right (aiming to achieve Goal 6.1 and 6.2) while actively improving access for vulnerable communities by ensuring investments and policies are in place.
- Issue commitments and investments, assigning commensurate budgets to protect water quality (Goal 6.3) from both point and non-point sources. Invest in the expansion and long-term operation, maintenance and treatment of wastewater, fecal sludge, stormwater and urban runoff, including stronger efforts to tackle novel substances such as PFAS and pharmaceuticals.
- Implement and coordinate nature-related commitments made across Multi-lateral Environmental Agreements (MEAs) like Ramsar COP14, CBD CoP15 and COP 27 to protect, restore, manage and remove threats to freshwater ecosystems and their watersheds.

2. Enable mechanisms that better value and manage water

- Incentivize corporate water stewardship to accelerate credible, verified corporate action on water —
 including the strengthening of trade policy levers through international conventions and protocols —
 and support sustainability-related trade mechanisms (e.g., certifications and standards) that
 promote water stewardship.
- Support investments to transition to climate-smart, water-resilient and nature-positive agriculture. Redirect current subsidies in the agricultural sector to support investments that enable the future success of farmers and farming communities through the adoption of climate-smart, water-resilient and nature-positive practices. These investments can be aligned with current commitments to finance climate mitigation and adaptation efforts.
- Reform water policy on water pricing for industry and agriculture to incentivize water saving while providing safeguards for human access and environmental functions. Introduce efficient mechanisms for assessing water risks and impacts and the removal of environmentally harmful subsidies.
- Support global policy and frameworks on the valuation of water to enable, and ultimately mandate, the valuation of water as a natural asset to be recognized and managed alongside traditional financial assets as one mechanism that enables the private sector to better value water.

3. Create open access to accurate data

- Strengthen monitoring systems by establishing centralized open water data and information platforms to make high-quality local data covering all aspects (quantity, quality, river flow, groundwater, river connectivity, pollution levels, freshwater habitat extent and possibly eDNA) accessible for use by all parties at local and national levels and in alignment with global platforms.
- Incentivize comprehensive water disclosure by companies and financial institutions covering impacts
 and dependencies on water, resulting water risk, actions being taken to mitigate risk and opportunities
 to further water stewardship. Disclosures should include details on water use (withdrawn and consumed),
 pollution, ecosystem protection efforts, governance of water-related issues and public policy
 engagements to further water outcomes.
- Evaluate progress towards Goal 6 and involve the business community in efforts to evaluate progress on water resources management. Identify significant challenges and opportunities that result in shared action plans.



• Strengthen the accountability of all water users through transparent monitoring and reporting of their performance, enabling responsive mechanisms for all voices to be heard, and effective development refinement and enforcement of water-related laws to ensure a level playing field.

Key Government actions to unlock exponential improvements and enable water resilience include:

4. Mobilize frameworks that drive innovation

- Support innovation in water technologies (including circular water management and nature-based solutions), financial schemes, data collection and dissemination, operating procedures, production processes and services.
- Support the digitization of water infrastructure and services to optimize water use efficiencies, operations and maintenance, replenishment and reliable access to water, sanitation and hygiene services to support all communities and ecosystems.
- Support local entrepreneurship ecosystems. Develop education and capacity development programmes for entrepreneurship to support the growth of entrepreneurship ecosystems for more diverse and inclusive water services.

5. Scale-up funding mechanisms and capacity development

- Review public investment policy and guidance to require consideration of natural infrastructure and natural areas in water infrastructure investment decisions.
- Incentivize the increase of financial flows to water security solutions by establishing blended financing
 mechanisms and supporting the growth of diverse investment opportunities that leverage the capital
 markets that enable more diverse investors to participate while also protecting the water services
 of low- and middle-income countries.
- Establish investments in ecosystem service markets (Goal 6.6) with provisions, guidelines and criteria to give certainty to the private sector that their funds will be used adequately and in support of the attainment of water security.

6. Harness the power of collective action

- Encourage collective action that compounds individual private sector contributions in basins through Government support via ministerial participation, multi-sectoral collaboration policies and allocation of funds to support the implementation of improvement action.
- Establish collective funding mechanisms that act as a channel towardsscalability and sustainability. These funds can help channel investments in numerous areas from natural conservation or restoration to water access, sanitation and hygiene while strengthening water governance by bringing together relevant stakeholders and providing sound scientific knowledge to facilitate the decision-making process.
- Encourage the removal of departmental barriers to promote coordination across sectors such as agricultural, financial, energy, planning, private and NGO actors. UN agencies can be particularly helpful when such boundaries include national divides (i.e., transboundary basins).

THE TEN PRINCIPLES OF THE UNITED NATIONS GLOBAL COMPACT



HUMAN RIGHTS

- Businesses should support and respect the protection of internationally proclaimed human rights; and
- **2** make sure that they are not complicit in human rights abuses.



LABOUR

- 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- 4 the elimination of all forms of forced and compulsory labour;
- 5 the effective abolition of child labour; and
- **6** the elimination of discrimination in respect of employment and occupation.



ENVIRONMENT

- **7** Businesses should support a precautionary approach to environmental challenges;
- **8** undertake initiatives to promote greater environmental responsibility; and
- encourage the development and diffusion of environmentally friendly technologies.



ANTI-CORRUPTION

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

The Ten Principles of the United Nations Global Compact are derived from: the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption

ABOUT THE UNITED NATIONS GLOBAL COMPACT

As a special initiative of the United Nations Secretary-General, the UN Global Compact is a call to companies worldwide to align their operations and strategies with Ten Principles in the areas of human rights, labour, environment and anti-corruption. Our ambition is to accelerate and scale the global collective impact of business by upholding the Ten Principles and delivering the Sustainable Development Goals through accountable companies and ecosystems that enable change. With more than 18,000 companies and 3,800 non-business signatories based in over 160 countries, and 62 Local Networks, the UN Global Compact is the world's largest corporate sustainability initiative — one Global Compact uniting business for a better world.

For more information, follow **@globalcompact** on social media and visit our website at UNGLOBALCOMPACT.ORG.



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