



The CEO Water Mandate

COMMUNIQUÉ

BUSINESS LEADERS TO HEADS OF GOVERNMENTS ATTENDING RIO+20 SUMMIT: “MAKE WATER SUSTAINABILITY A PRIORITY”

June 2012

Your Excellencies,
Distinguished Delegates,

As you gather for crucial deliberations on the occasion of the UN Conference on Sustainable Development (“Rio+20”), we wish to urge you to take decisive action during and after this Summit on one of our world’s great challenges – water.

Water is well recognized as one of the critical sustainability challenges of the 21st century. Problems related to water availability, quality, and sanitation are undermining development in many regions of the world – exacting an enormous human cost while also undermining critical life-giving ecosystems.

At the same time, it is important to consider the strong linkages between water-related challenges and other sustainability issues, including energy, arable land and food security. Indeed, water is a profoundly cross-cutting issue.

The escalating water crisis is the impetus behind the UN Global Compact’s CEO Water Mandate initiative, launched by UN Secretary-General Ban Ki-moon in July 2007 and today endorsed by nearly 100 major corporations, representing hundreds of billions of dollars in revenue. The endorsers of the CEO Water Mandate are eager to collaborate more actively with Governments at all levels.

As signatories of the CEO Water Mandate, we recognize that inadequate water management, investments, and governance pose a range of challenges and risks to our business operations. These include business continuity risks; reputational and regulatory risks; and health risks for our employees and those living in the communities where we operate.

While we represent a diverse range of industries and geographies, we are united in our belief that improving water resource management and governance are urgent global priorities. In this regard, we support international efforts to improve water management, and the exchange of experiences, lessons, and best practices. We are committed to helping to accelerate progress in achieving international development goals, both in the coming years and over the long term.

Through the CEO Water Mandate, we are advancing the concept of corporate water sustainability by developing, implementing, and disclosing policies and practices in relation to six key areas – Direct Operations; Supply Chain and Watershed Management; Collective Action; Public Policy; Community Engagement; and Transparency.

Actions being undertaken by endorsers of the CEO Water Mandate include setting targets on water efficiency and waste-water management in our factories and operations; working with suppliers to improve their water practices; and partnering with non-governmental organizations, UN agencies, Governments and public authorities, investors, and other stakeholders on water-related projects and solutions.

Given the scale of the global water challenge, we pledge to expand and deepen our efforts. In Appendix we have provided a summary of recent and/or planned activities and commitments by CEO Water Mandate endorsers in support of more sustainable water management.

As we look beyond Rio+20, we commit to working more actively with Governments and public authorities – in responsible and transparent ways – to help solve the global water crisis.

However, we feel strongly that as an international community we will not make meaningful progress towards global water security without much greater action by Governments to create an enabling environment in the form of proactive funding and supportive policies in the coming years and decades. While important strides have been made by some Governments in recent years, we believe much more could be done.

Therefore, on the occasion of the Rio+20 Summit, we call on you to make global water security a top policy priority. Specifically, we ask that you:

1. Commit to developing and implementing more comprehensive and long-term water planning with particular attention to the following:

- 1.1 Developing policies and incentives to improve water productivity and efficiency in all sectors, especially agriculture.
- 1.2 Increasing investment in infrastructure and developing policies to accelerate progress in improving access to, and ensuring efficient and reliable delivery of, water and sanitation services.
- 1.3 Establishing fair and appropriate valuation of water for agriculture, industry, and people – while at the same time ensuring access to water and sanitation in accordance with the UN human right to safe water and sanitation.
- 1.4 Integrating water policies with other key sustainable development issues, most notably energy, agriculture/food, and climate change. This should be done in order to bring freshwater withdrawals back in line with natural renewal.
- 1.5 Increasing investment in the research and development of new and enhanced technologies for water productivity and efficiency across sectors.
- 1.6 Supporting development of a standardized cross-industry framework for measuring and reporting water use and impacts.
- 1.7 Creating public awareness campaigns and education programs highlighting the importance of water conservation and encouraging both consumers and policy makers to be mindful of direct and indirect water associated with producing goods and services.

2. Commit to working at the international level to coordinate strategies and actions, especially those in relation to working with the private sector, with particular attention to the following:

- 2.1 Sharing policies, innovations, and tools among Governments and other stakeholders in order to scale up good practice and improve general effectiveness over time.
- 2.2 Working with relevant UN entities and other multilateral bodies on water initiatives and related projects and solutions.

3. Commit to collaborating more actively with the business community, private finance, and civil society, with particular attention to the following:

- 3.1 Engaging with business-oriented water initiatives such as the UN Global Compact's CEO Water Mandate.
- 3.2 Initiating and supporting more strategic and systemic multi-stakeholder partnerships particularly at the river basin and watershed levels.
- 3.3 Encouraging all businesses to make corporate water sustainability a business priority, and supporting and promoting market-based instruments that incentivize and reward good practices.
- 3.4 Creating better incentives and pooling resources to stimulate more private investment – particularly from the sustainable finance and responsible investment communities – in water-related projects, assets, funds, and other vehicles.

Excellencies,

The growing global water crisis demands immediate attention and action. As business leaders, we believe strongly that we have a responsibility to make water sustainability a top management priority. The CEO Water Mandate reflects our commitment and passion.

But to truly address this challenge, we need your leadership, vision, and courage as never before. The years ahead will undoubtedly test all of us. Let us work together to create a world where water sustainability and security are no longer lofty ambitions – they are reality.

We stand ready to support your efforts, and wish you a successful Summit.

Sincerely,

Carlos Brito
CEO
AB InBev

Ton Buchner
CEO
AkzoNobel

David Pyott
CEO
Allergan

Aldemir Bendine
CEO
Banco do Brasil

Marijn Dekkers
CEO
Bayer

Barbara J. Krumsiek
CEO
Calvert Investments

Jørgen Buhl Rasmussen
CEO
Carlsberg Group

John F. Brock
CEO
Coca-Cola Enterprises

Dimitris Lois
CEO
Coca-Cola Hellenic

Philippe Mellier
CEO
De Beers Group

Paul Walsh
CEO
Diageo

Andrew N. Liveris
CEO
Dow Chemical Company

Feike Sijbesma
CEO
DSM

Brian Dames
CEO
Eskom

Gérard Mestrallet
CEO
GDF SUEZ

Andrew Witty
CEO
GlaxoSmithKline

Karl-Johan Persson
CEO
H&M

Jean-François van Boxmeer
CEO
Heineken

Liu Hanhung
Chief Executive Officer
Hainan Jinhai Pulp & Paper Company

Ajit Gulabchand
Chairman and Managing Director
Hindustan Construction Company

Agustian Rachmansjah Partawijaya
CEO
Indah Kiat Pulp & Paper; Pabrik Kertas Tjiwi Kimia

Chip Bergh
CEO
Levi Strauss & Co.

Lin Fu Li
CEO
Lontar Papyrus Pulp and Paper Industries

Kenneth C. Frazier
CEO
Merck

Peter Swinburn
CEO
Molson Coors Brewing Company

Mike Brown
CEO
Nedbank Group

Paul Bulcke
CEO
Nestlé S.A.

Igal Aisenberg
CEO
Netafim

Indra K. Nooyi
CEO
Pepsico

Pierre Pringuet
CEO
Pernod Ricard

Tsai Huan Chi
CEO
Pindo Deli Pulp and Paper Mills

Erik Enstrom
CEO
Reed Elsevier

Paul Voser
CEO
Royal Dutch Shell

Frans van Houten
CEO
Royal Philips Electronics

Graham Mackay
CEO
SABMiller

Pierre-André de Chalendar
CEO
Saint-Gobain

David E. Constable
CEO
Sasol

Helmy Abouleish
CEO
Sekem

Lejiang Xu
Chairman
Shanghai Baosteel Group

Jouko Karvinen
CEO
Stora Enso

H.M. Nerurkar
Managing Director
Tata Steel

Muhtar Kent
CEO
The Coca-Cola Company

Paul Polman
CEO
Unilever

Jean Michel Herrewyn
CEO
Veolia Water

Ian Moir
CEO
Woolworths

Michael L. Davis
CEO
Xstrata

Appendix

CEO Water Mandate Endorsers: Select List of Activities and Commitments*

* Examples provided by companies

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| AB InBev | <p>AB InBev has set a target to reduce water use to 3.5 hectoliters of water per hectoliter of production by the end of 2012. Already in 2011, AB InBev has reduced water use by 8.2 percent and is on track to meet the 2012 target. Other activities include working with a variety of stakeholders in Brazil to increase public awareness of water issues and to protect at-risk watersheds.</p> <p>>http://www.abinbev.com/go/social_responsibility/environment/water_use.cfm</p> |
| AkzoNobel | <p>AkzoNobel has a long-term objective to have sustainable fresh-water management at all its production sites by 2015. In 2011, 76 percent of its sites had reached this goal. In addition, AkzoNobel will extend its water risk management approach to include its supply chain in the coming years.</p> <p>>http://www.akzonobel.com</p> |
| Allergan | <p>Recognizing that water is a core product ingredient, Allergan identified a critical need to strategically manage its water use and to ensure that water remains available and of high quality. Since 1994, Allergan has significantly reduced its water consumption while its business has more than quadrupled. Allergan continues to seek efficiencies in conducting its business and has committed to increase targets to demonstrate its commitment.</p> <p>> http://www.allergan.com/index.htm</p> |
| APP Group | <p>APP has implemented initiatives in its operations aimed at increasing process efficiency, reducing water consumption and increasing the quality of its water effluent. APP also leads collaborative actions through the Indonesia Water Mandate Working Group to address community water issues. Recent programs include the provisions of clean water to communities in conservation areas and the global Save Water Campaign with various stakeholders including corporate partners, NGOs, and government agencies.</p> <p>> http://www.rainforestrealities.com</p> |
| Banco do Brasil | <p>Banco do Brasil has created the Água Brasil Program in partnership with WWF-Brazil, the National Water Agency (ANA) and the Banco do Brasil Foundation (FBB). The program is currently structured around four issues: social and environmental projects in urban and rural areas, communication and engagement with society on responsible consumption, risk mitigation in financing and investment, and developing new products and services that incorporate social and environmental attributes in the bank's portfolio of products and services.</p> <p>> http://www.bb.com.br</p> |
| Bayer AG | <p>Bayer's commitment to protect and use water responsibly focuses on developing activities that improve water-use efficiency as well as innovative products and technologies for the market and providing support to water-related community projects. An important part of this commitment is the involvement of many different stakeholders – e.g., regulators, NGOs, academia, the public, and the private sector, through partnerships and water-related initiatives that involve international and local partners.</p> <p>> http://www.bayer.com/en/bayer-water-position.aspx</p> |
| Carlsberg Group | <p>Carlsberg Group's specific water consumption in its breweries was reduced 5.6 percent in 2011. The company, on average, is using 3.3 hl of water to produce 1 hl of beer. Carlsberg plans to reduce water consumption by 9 percent in relation to 2010 targets. Related, the company plans to install new technologies, and work with local communities, governments, and other stakeholders to manage water resources more effectively, especially in water-scarce locations.</p> <p>> http://www.carlsberggroup.com</p> |

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| Coca-Cola Enterprises | CCE has made a commitment to set a standard for water efficiency, establish a water sustainable operation and minimize water impacts throughout its entire value chain. CCE has focused on increasing efficiency in its operations, reducing the amount of water used to make 1 liter of product by 13 percent, from 1.64 liters/liter in 2007 to 1.43 liters/liter in 2011. CCE has committed to replenishing the water in its products that originate in water-stressed areas. In addition, CCE recently entered into a 3-year partnership with WWF-UK to improve water quality in key river catchments in South East England and measure the results. > http://www.cokecce.com |
| De Beers Group | To build ties with civil society organizations and build capacity to analyze and respond to watershed risk, De Beers is collaborating on a catchment management project with the Worldwide Fund for Nature-South Africa (WWF) in the Limpopo Basin that straddles four southern African countries. An action plan has been set that includes performing technical and research work on water data and ecological change, establishing a link with the GIZ on regional work, setting up of an active water forum and liaising with the Limpopo Watercourse Commission (LIMCOM). > http://www.debeersgroup.com |
| Diageo | Diageo's water stewardship strategy includes expanding targets to improve water use efficiency by 30 percent and reduce 'water-wasted' at water stressed sites by 50 percent by 2015 against a baseline year of 2007. The target to improve water use efficiency in its operations is well on-track, reporting an improvement in this metric of 15.8 percent from last year. Progress against the target to reduce water wasted at water stressed operations is also advancing, reporting a 9 percent improvement since the baseline year. > http://www.diageo.com |
| Dow Chemical | Dow Chemical has pursued different activities in relation to water such as contributing to deliver technologies to make water purification available to people living in water scarce areas in Africa and India or partnering with other stakeholders to implement water-reduction and cost-saving technology at one of its largest manufacturing site located in Texas. Dow has implemented water conservation programs that have enabled the company to become more energy-efficient and decrease its global footprint. > http://www.dow.com/sustainability/challenges.htm |
| DSM | In order to achieve sustainable water management, DSM is determining its water footprint throughout the value chain and is aiming to have no adverse effect on quality and quantity of its water resources by 2020. DSM is developing and executing water risk assessments for all critical manufacturing sites in water scarce areas based on a partnership with the World Business Council for Sustainable Development and the Water Footprint Network, and contributing with local initiatives to create awareness and improvements concerning water use. > http://www.dsm.com/en_US/cworld/public/sustainability/pages/water_facts_and_figures.jsp |
| Eskom | Eskom is working with its coal suppliers to develop and implement joint mine water treatment and re-use facilities to supply water to its power stations thereby reducing Eskom's freshwater usage over the next five years by about 6% of its current usage. Additionally, Eskom has initiated a water conservation and water demand management awareness and education campaign to raise the importance of water to its business and encourage employees to change their behavior and save water across Eskom's operations, new projects, facilities and at home. > http://eskom.co.za |
| GlaxoSmithKline | GSK has committed to reduce its direct use of water by 20 percent by 2015 from a 2010 baseline. In addition, before the end of 2015, GSK will calculate its value chain water footprint and will reduce this impact by 20 percent before the end of 2020. |

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| | > http://www.gsk.com |
| Heineken | Heineken seeks to reduce the amount of water for production by 2020 with a target of 3,7 hl water per hl of beer produced compared with 5,1 hl in 2008. Three waste water treatment plants are under construction in Africa and five more are scheduled to be completed by 2015. Other activities include determining water usage in the value chain (water footprint) and performing source water vulnerability assessments. By 2020 in water scarce areas Heineken will compensate for the water that is not treated and returned to the watersheds where they operate through “community water projects” aiming at sustainable and equitable use of water and/or focused on conserving or restoring water quantity in the water sheds. > http://www.heineken.com |
| Hindustan Construction Company | HCC has focused on optimizing the utilization of water, which has led to conserving this resource and minimizing the carbon footprint from sourcing and pumping freshwater from the company’s construction site. HCC has also been involved in the articulation and promotion of actions and activities focused on water management undertaken by civil society, multilateral agencies, corporate groups etc. HCC is also participating in key policy advocacy forums at the local, regional, national, and international levels. > http://www.hccindia.com . |
| H&M | Recognizing the stress the cotton production places on natural resources such as water and arable land, H&M aims to (by 2020 at the latest) only source cotton from sustainable sources (organic cotton, Better Cotton, and recycled cotton) that require less water, pesticides and fertilizers, and help farmers and communities to improve their livelihood. H&M is also in the process of developing a holistic water strategy in collaboration with WWF with the aim of integrating good water stewardship principles into core activities. > http://www.hm.com |
| Levi Strauss & Co. | Levi Strauss & Co. has committed to reducing the amount of water used to create its products. Levi’s designers created a new method to produce the same styles and finishes on jeans but with significantly less water. This year, Levi’s made more than 13 million Water<Less™ products and saved over 172 million liters of water. > http://www.levistrauss.com |
| Merck | Merck’s global water strategy seeks to achieve sustainable water management within its operations and supply chain. To this end, Merck has engaged in a 3-year partnership with the Safe Water Network to bring sustainable water solutions to the rural poor in India. Merck is also working with UNHABITAT, Coca-Cola and NDTV on an innovative partnership, <i>Support My School</i> , aimed at helping to increase access to clean water and sanitation facilities for school children across India. > http://www.merck.com |
| Molson Coors Brewing Company | Molson Coors maintains an internal Global Water Strategy that addresses all six-core elements of the CEO Water Mandate. Specifically, Community Engagement was an important highlight of 2011 and continues to be a focus area for 2012. > http://www.everydropeveryripple.com ; www.redleafproject.ca ; ww.molsoncoors.com/responsibility . |
| Nedbank Group | The Nedbank Group has set a new water reduction target of a 10 percent reduction on 2009 levels by the end of 2011. Water consumption for Nedbank Group campus sites in 2011 amounted to 266 316 kL, which represented a reduction of 9 percent per full time employee. The growing water crisis has prompted the group to expand its focus on water quantity, quality and access and make a R9m investment in the WWF Water Balance Programme. This programme will fund the removal of alien invasive plant species, thereby releasing more than 550 000 KL of water per year back into two of South Africa’s priority water catchment areas. |

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| | > http://www.Nedbankgroup.co.za |
| Nestle S.A. | Nestlé's goal is to produce food and beverages that have minimum environmental impact by focusing on continuously improving its operational efficiency and environmental performance. Nestlé's long-term success depends on the water resources that supply business operations and support the livelihoods of suppliers and consumers, which is why water is one of the three key focus areas of Creating Shared Value. Nestlé's W.A.T.E.R. Commitments and related set of KPI are key to driving and enabling a systematic measurement of water performance through operations, supply chain and with communities. > http://www.nestle.com/csv/ |
| Netafim | Netafim is working with Bharti-Walmart,(joint venture) to provide water conservation and sustainable food production training to 40,000 farmers throughout India. The project began in March 2012 and involves installation of Netafim's drip irrigation and greenhouse systems in model farms and 6 training centers across India as part of the Bharti-Walmart Direct Farm Initiative (DFI). The 3-year project aims to drive sustainable agriculture, enhance agri-input spending efficiency, reduce intermediation and waste, and move farmers up the value chain while increasing their income by at least 20 percent. In Brazil, Netafim is partnering with the Ministry of Integration and CODEVSAF to install Family Drip Systems on small-scale farms in areas where growers are suffering from low-productivity. > http://netafim.com |
| PepsiCo | PepsiCo uses its Resource Conservation Water Tool (ReCon) throughout global operations to improve water-use efficiency. Through 2010, water-use efficiency improved by 18.7 percent for foods manufacturing, and 17.8 percent for beverage manufacturing. These conservation efforts reduce stress on the aquifers from which the company sources and translate to water savings of nearly 13.8 billion liters compared with the 2006 baseline. > http://www.pepsico.com |
| Pernod Ricard | Pernod Ricard strives to preserve water in the company's area of influence by investing in water-use efficiency and ensuring that waste-water is properly treated. The company trains its employees to understand and share the concern for the need to preserve this resource and act accordingly. > http://www.pernod-ricard.com/fr/pages/199/pernod/Developpement-durable/Environnement.html |
| Reed Elsevier | Reed Elsevier uses a watershed risk management system to identify the river basins from which water is drawn. The company reviewed its 2011 property portfolio finding 46 percent of locations in areas at risk of water stress or severe water stress. Accordingly, the company is aiming for 100 percent of its key locations in water stressed areas to achieve the RE Environmental Standard of 10m3 of water per person per year by 2015. > http://www.reedelsevier.com |
| Royal Dutch Shell | Royal Dutch Shell, in consultation with environmental regulators and non-governmental organizations, developed and published industry global onshore "tight" oil and gas operating principles. For example, at Groundbirch in western Canada, Shell invested approximately C\$10 million to build a waste-water treatment facility with Dawson Creek city authorities. The plant will reclaim 4000 cubic metres of waste water each day. In addition, Shell has reduced its fresh-water use by around 50 percent at its Pinedale tight gas project in Wyoming, USA, through recycling water. > http://www.shell.com |
| Royal Philips Electronics | Philips reports on its operational water footprint and has set targets to reduce it by 10% in 2015 compared to its 2007 baseline. In addition, it has implemented the community program "Simply Healthy at Schools" engaging thousands of its employees and reaching hundred-thousands of pupils each year in many countries around the globe. > http://www.philips.com |

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| SABMiller | SABMiller has programmes in place to improve water and energy efficiency and reduce waste in its breweries. Since 2008, when the company first set its target to reduce water use per hectoliter of beer by 25% by 2015, its water efficiency has improved by 8%. Other activities include the Water Futures Partnership first established in 2009 by SABMiller, GIZ and WWF to work in countries such as Peru, South Africa, Tanzania, Ukraine and expanded to Colombia, Honduras, India and USA. SABMiller also published details on how each of its businesses is performing against its water management objectives. > http://www.sabmiller.com |
| Saint-Gobain | Saint-Gobain has implemented a Group-wide water policy to extract minimum resources, and to work towards “zero discharge” of industrial process water in liquid form, while avoiding the creation of new impacts on other environments or stakeholders. The Group has launched an evaluation grid to assess sites’ awareness of this issue, and to establish action plans. A “Water” EHS standard will also be put in place in 2012 to form a basis for improving the sites’ water management performance, and their prevention of water constraint, water pollution, and flooding risks. > http://www.saint-gobain.fr/ |
| Sasol | Sasol reports that site-specific water efficiency targets have been set by its main operating facilities located in Sasolburg (Sasol Infrachem) and Secunda (Sasol Synfuels). The target for Sasol Synfuels is a 5 percent water-use intensity improvement (m/ton product) and for Sasol Infrachem a 15 percent intensity improvement by 2015 from a 2010 baseline. These targets are linked to specific capital projects. In addition, Sasol has entered into three external water conservation partnerships with municipalities in the Vaal River catchment to repair household leaks and jointly reduce water losses in order to make a more meaningful contribution to water security to all stakeholders in this catchment. > http://www.sasol.com |
| Sekem | At the end of 2011, Sekem started a project to analyze the water efficiency of subsurface irrigation under local conditions. Together with the Austrian company Hydrip GmbH, the company directly compares drip irrigation and subsurface drip irrigation on combination with different soil conditioners at a test field of 1.7 feddan for tomatoes and rosemary at Adleya. The project is planned for 2 years and aims at getting higher yields with less use of water and fewer costs. > http://www.sekem.com |
| Stora Enso | Stora Enso has established public targets to reduce its process water discharges and average Chemical Oxygen Demand from benchmark levels. In addition, the company is working with local universities in key growth markets such as China, Brazil and Uruguay on hydrological monitoring programs in its tree-planting locations. In Brazil, Stora Enso's joint venture Veracel is advancing forest-certification programs involving local tree farmers. > http://www.storaenso.com |
| The Coca-Cola Company | Coca-Cola’s global water stewardship goal is to safely return to nature and to communities an amount of water equivalent to what it uses in all its beverages and their production by 2020. To this end, the entire Coca-Cola system has a range of water targets, including: reducing its water-use ratio to improve water efficiency by 20% by 2012 (using 2004 efficiency as the baseline); and recycling the water used in its manufacturing processes at all plants by ensuring water is treated and returned to the environment at a level that supports aquatic life. > http://www.thecoca-colacompany.com/ |
| Unilever | Unilever aims to reduce the total amount of water used across its value chain, especially in water-scarce regions. In November 2010 the company set a new target to halve the water associated with the consumer use of our products by 2020 as part of its Sustainable Living Plan. > http://www.unilever.com |
| Woolworths | Woolworths is working with farmers to help them incorporate more responsible farming practices in |

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| | <p>order to establish a thriving and sustainable microbial population in the soil through the Farming for the Future programme. Farming for the Future measures the water required for the plants and irrigation. The latest audits show water savings of 16 percent across top supplier farms. By 2012 all of Woolworth's locally grown fresh produce (other than organically certified produce) will be grown this way. >http://www.woolworthslimited.com.au</p> |
| <p>Xstrata</p> | <p>Xstrata is contributing to the International Copper Association's (ICA) global lifecycle inventory. Part of this research is considering the use of copper in the construction of cages used in aquaculture. This is aimed at developing more sustainable production of farmed fish in the marine environment. Xstrata remains committed to supporting this and other research into the appropriate management of copper in the fresh water, marine and estuarine environments undertaken by the ICA. >http://www.xstrata.com</p> |