



Shortlist 2010

Greenwash Award

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**Nominated for the Public Eye Greenwash Award 2010
by the Polaris Institute (Canada):**

CEO Water Mandate

In Brief

Water privatization driven by altruism: The CEO Water Mandate (CWM) is a non-binding, voluntary initiative by the world's largest drinking water companies. Among the 59 members are Nestlé, Coca-Cola, Pepsi and Danone. The CWM presents itself as a model of environmental responsibility while it formulates narrowly-defined principles that frequently aren't even respected, because the undersigned companies can simply opt out of individual standards they don't like. Ultimately, no one is held to the defined environmental and social principles. Rather, the CWM legitimizes its member firms, and with it their control over water resources with the goal of maximizing profits. The CWM is a textbook example of how international institutions – such as the UN – help corporations wash their questionable business practices green (or blue in this case, the color of the UN).

Brief Profile of the Nominated Institution

The CEO Water Mandate (CWM) was founded in July 2007 and is a non-binding voluntary public-private partnership, originating from the UN Global Compact, and both are controversial for similar reasons. The CWM presents itself as a model initiative for environmental and social responsibility. Only members of the Global Compact can join the CWM. The 59 CWM signatories are dependent upon water as a primary natural resource, and therefore they have a vital interest in ensuring access to “blue gold” under the most beneficial conditions possible. The signatories include Nestlé, Coca-Cola, Pepsi, Danone and Suez. Suez is the world's largest privatizer of water, and Nestlé is the global leader in the sector of bottled water. Pepsi and Danone also belong to the world leaders in bottled water sales. The business models of other signatories such as food multinational Unilever, clothing manufacturer Levi Strauss, and chemical companies like Dow Chemical are reliant upon easy access to large quantities of water.

Criticized Corporate Misconduct

The CWM is a textbook example of how international institutions – such as the UN – help companies to wash their socially- and environmentally-damaging practices green (or in this case blue, the color of the UN). Critics claim that the CWM is primarily used as a lobbying platform to

simplify the control over water resources for the participating corporations. The Global Compact itself is an example of how voluntary initiatives like the CWM often have counterproductive consequences. The principles are not only narrowly defined, but these “soft standards” are often not complied with. In addition, member corporations can simply choose to opt out of individual standards they don’t like. At first glance, the CWM appears to be a socially and politically welcome initiative. But a closer examination shows primarily the advantages for the participating corporations, because the CWM is aimed at allowing water companies to make better risk assessments, so that future investments are more profit oriented. To provide local populations with enough clean water to live is not a primary goal. Particularly shocking about the CWM is that companies can use their CWM-related data to polish their images, although these corporate statements are not subject to any independent verification. The CWM gains its legitimacy as a multi-stakeholder initiative by facilitating the collaboration of water resources management with UN directorates, NGOs and other stakeholders. Corporations bearing the CWM seal can act as though they were endorsed by the stakeholders, even when it is not the case. Environmentally and socially unfriendly business practices do not even appear in CWM reports, due to inadequate reporting mechanisms. In addition, the agreement proposes solutions to global problems without attempting to implement them.

Demands

The UN must stop contributing to the legitimization of such a pseudo-standard. The majority of the CWM reads like a handbook for companies to push through their wishes in any governing body – whether global, national, regional or local – that drafts policy for water usage. The CWM disguises its focused lobbying as “cooperation” between water corporations and governments, civil society and international institutions. This leads to more corporate influence on policies with the aim of guaranteeing profits and enabling corporate growth with minimal risk.

Further Information

- <http://www.polarisinstitute.org/files/11%20March%202009.pdf>
- http://www.polarisinstitute.org/coalition_urges_un_to_stop_providing_cover_for_lifethreatening_privatization_of_water
- http://www.polarisinstitute.org/coke_nestl_and_suez_push_greenwashing_envelope_to_the_highest_level
- http://www.unglobalcompact.org/docs/issues_doc/Environment/ceo_water_mandate/UNGC-PI_climate-water_whitepaper_FINAL.pdf