CERES/WWF AGWATER CHALLENGE - FREQUENTLY ASKED QUESTIONS

1. What is the AgWater Challenge?
The AgWater Challenge is a collaborative effort led by Ceres and World Wildlife Fund (WWF). Launched in 2016, the Challenge aims to engage some of the most influential companies with significant agricultural supply chains on water stewardship. Specifically, it spurs companies to make strong, transparent, time-bound and measurable commitments that better protect our limited freshwater resources.

2. Why did we launch the AgWater Challenge?
The world’s water crisis is one of the most serious risks facing society and a key material risk for businesses. Population growth, pollution, and climate change are just a few of the forces that increasingly threaten water availability and water quality. Operating at the center of this risk is the $5 trillion global food and agribusiness sector, because it uses 70% of the world’s freshwater supply, and will be among the first to feel the impacts as water becomes scarce and agricultural production more volatile. Importantly, the communities in which these businesses operate will also be vulnerable to these impacts and hit hardest by the water crisis. We launched the AgWater Challenges because companies with agricultural supply chains can and must play a powerful role in protecting water supplies for the future health of communities, businesses and the planet.

While there are many meaningful, local, agriculture-related programs being implemented globally, especially those geared at mitigating carbon emissions, there are few efforts that aim to improve water outcomes. Because agricultural practices contribute to local water challenges, and farms can be severely affected by these challenges, it is essential that sustainable agriculture efforts improve water outcomes locally — both for farm resilience and watershed health.

3. How has the AgWater Challenge helped to drive corporate leadership on water?
There are currently nine AgWater Challenge participants representing over $264 billion in annual revenue. Participants include: ADM, Danone North America, Diageo, Driscoll’s, General Mills, Hormel Foods, Kellogg Company, PepsiCo and Target.

Some of the impacts of the AgWater Challenge include:
- Greater understanding of the role companies can play in protecting freshwater resources through strengthening water stewardship in agricultural supply chains
- Increased implementation of time-bound goals to tackle water quantity and quality risks across key commodities and sourcing regions, and new stewardship commitments to engage in watershed-level collaboration
- New water risk assessments and strong sourcing policies that have helped companies and their suppliers address water risks
- Increased dialogue among companies and suppliers around shared barriers and potential solutions

For more information on specific participants, see the 2020 AgWater Challenge Progress Report.
4. **What is the new focus of the AgWater Challenge?**

Companies that want to participate in the Ceres/WWF AgWater Challenge in the coming year will be asked to apply locally relevant sustainable agriculture principles that improve water-related outcomes, with an emphasis on soil health and nutrient management practices, for key agricultural commodities produced in high-risk watersheds.

Soil health can be promoted through a suite of practices that lead to notable improvements in ecosystem processes including water quality. These practices have been shown to support crop productivity, reduce erosion, increase water holding capacity, promote biodiversity, improve water quality and, in many cases, increase soil carbon levels. The Challenge’s new emphasis on soil health allows for companies to identify specific practices that are locally relevant, and take into consideration crop types, variations in climate, and suitability of key practices by farmers in the region.

This year, companies will also be asked to provide detail on how they plan to assess the potential impact of their water stewardship commitments and how they plan to implement their respective commitments through farmer support and engagement and collective watershed action, which can include water policy engagement. See the 2020 AgWater Challenge Progress Report for additional information.

5. **What are the benefits of participating in the AgWater Challenge?**

Beyond opportunities to earn recognition as a corporate leader responding to water scarcity and pollution challenges through new bold commitments, AgWater Challenge participants benefit from:

- Access to leading experts at two influential nonprofit organizations, Ceres and World Wildlife Fund
- Peer-to-peer learning on best practices for managing water risks and challenges with meaningful goal setting
- Access to investor and shareholder dialogues on water
- Improved standing in Ceres’ next corporate water benchmarking report
- Insight from communications experts on how to effectively tell their water story to a range of key stakeholders

6. **Who decides whether my company can participate in the AgWater Challenge?**

A group of agriculture, water, and communications experts from Ceres and WWF will work with interested companies to determine eligibility, develop and assess commitments, evaluate progress, and publicize commitments, appropriately.

7. **Will there be an acknowledgement of existing corporate actions and commitments on agricultural water stewardship?**

Yes. While the intent of the AgWater Challenge is to spur improvement and further actions and commitments, we also want to recognize first movers who have already made significant progress to address water risks in their agriculture supply chains. This could include current AgWater Challenge participants (should existing goals still be in progress or aligned with new Challenge focus) along with other companies with existing soil health commitments that are interested in expanding on those commitments by, for example, increasing the footprint of effort (e.g. acreage or the number of farmers reached). Participants may already be engaged in projects through other platforms like Field to Market, Midwest Row Crop Collaborative, or others. Within the structure of the AgWater Challenge, these platforms and projects are viewed as the implementation pathways for a company to meet its AgWater Challenge commitments.
8. **How much of a time commitment is the AgWater Challenge?**
Participants are required to meet with Ceres and/or WWF water experts to review and hone commitment language, follow-up to assess progress, and engage in peer-to-peer learning events and opportunities. Companies may choose to leverage the Challenge to advance and add value to existing efforts to address agriculture supply chain water risks, and/or publicize their commitments, in which case more time may be invested to reap the full potential value of the initiative. Ceres/WWF agriculture, water, and communication staff resources will be available for the following:

- Share Challenge details, determine eligibility and answer general questions (1 meeting)
- Develop and hone commitment language (1-2 meetings)
- Review company progress after implementation of commitment/s begins (1 meeting)
- Engage in peer-to-peer learning events/opportunities (2-3 per year)
- Support execution of communications activities related to participation in the AgWater Challenge (1-2 meetings)

9. **How much does it cost to be a part of the AgWater Challenge?**
Participation in the Challenge is free. However, technical advice beyond established Challenge events and meetings outlined above is not included.

10. **Do companies participating in the AgWater Challenge have to disclose information about their actions and commitments?**
The Challenge is not a certification of good practice. However, Ceres and WWF will keep in contact with participants to track progress towards meeting the commitments made as a part of the Challenge. Companies will also be required to report on commitment progress through approved public disclosure channels, such as company sustainability reports, CEO Water Mandate’s annual progress updates or CDP Water disclosure reports. No sensitive or proprietary company information will be released as part of the Challenge.

11. **How is AgWater Challenge progress measured?**
Ceres evaluates the companies’ progress toward their commitments by evaluating water management practices in its corporate water benchmarking report. Ceres and WWF will also continue to monitor progress made individually and may share public insights into progress.

12. **What if we aren’t able to make a commitment in the end or hit the thresholds for recognition?**
We hope this won’t be the outcome for any Challenge participant. We are committed to working with companies to ensure engagements with Ceres and WWF, as well as corporate peers and other nonprofit leaders, deliver key insights and value to companies wherever they are on their water stewardship journey.

However, if circumstances do change, this will be reflected on the AgWater Challenge websites and also in any upcoming AgWater Challenge progress reports. The Ceres/WWF AgWater Challenge relies on transparency in order to be effective and honestly communicate progress, so it is important for us to also be transparent.

13. **When do I need to make a decision by?**
Companies will be asked to indicate intent to participate by October 1, 2020. Commitments are refined through October 2020 and publicly launched with the full 2020 cohort in November 2020 (specific dates, TBD). After this date, new participants will be considered on a rolling basis.

To learn more about the AgWater Challenge and how you can engage, contact:
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