



The CEO Water Mandate



Accelerating Corporate Action on WASH

Summary Notes

World Water Week, Stockholm, Sweden 25 August, 2015 2pm – 3.30pm

Background

As part of Stockholm World Water Week 2015, <u>WaterAid</u>, <u>The CEO Water Mandate</u> and <u>WBCSD</u> convened a side event titled 'Accelerating Corporate Action on WASH: Role and Opportunity for business'.

The session set out the business case for action on water, sanitation and hygiene (WASH) and highlighted 2 areas of action and guidance available to companies;

- <u>WBCSD WASH at the Workplace Pledge</u> and
- <u>CEO Water Mandate Guidance for Companies on Respecting the Human Rights to</u> <u>Water and Sanitation</u>.

(Full presentations available)

The majority of the session focused on **peer-to-peer learning**, with companies and other organizations sharing their experience in **tackling the WASH challenge** within their own operations, throughout their supply chains, and in the communities in which they operate.







Background

The organisers are grateful to the **panellists**

- Hanna Hallin (Global Sustainability Manager, H&M Group),
- Carlo Galli (Technical Manager for Water Resources, Nestlé),
- Chris Brown (General Manager, Environment and Sustainability, Olam) and
- Carolyn Jones (WASH Expertise and Authority Manager, Unilever)

for kicking off those discussions, sharing their approaches for success and openly reflecting on the challenges, as well as to the 80 attendees for their active participation in the break-out groups.

This note:

- **summarizes** the overarching messages from those discussions
- highlights the key **messages, challenges, and practical suggestions** for companies to help them to take action on WASH within their company **and** externally
- identifies **areas** where **more support and guidance** for companies is needed.
- invites companies to participate in the development of guidance







Overarching Messages: 1

- Water, sanitation, and hygiene (WASH) is vital to all global development outcomes
 - Key to health, gender equality, education, growth and employment, environmental sustainability
- There is a business case for action on increasing access to water, sanitation, and hygiene
 - A lack of WASH can lead to reduced skills in the workforce, increased absenteeism, inadequate infrastructure, reduced consumer spending, and water-related risks (such as water quality issues).
- There is existing guidance to help companies get started
 - <u>The WASH Pledge</u> and <u>Guidance for Companies on Respecting the Human Rights to Water</u> and <u>Sanitation</u>
- Working on WASH within company owned and operated facilities is relatively straightforward to implement
 - It is seen as a compliance issue for many companies and can be integrated into existing company policies and processes (e.g.. Heath and Safety, Employee Wellbeing, Sustainability)







Overarching Messages: 2

- It is more difficult to make the case for action in the value chain and in communities
 - Particularly difficult for those with complicated supply chains, or particular industries with high numbers of seasonal workers
- The business case for action in supply chains and communities needs to be strengthened in order to get management buy-in
 - Need to tie to core business and show impacts of action vs. inaction
 - Need to understand why WASH matters; which may be different for each company and business sector







Taking action within a company

Key Messages

- For owned and operated company facilities, taking action on WASH is generally straightforward and seen as a compliance / employee well-being issue.
- Most companies have existing strong compliance measures and WASH at the workplace can be integrated into these

Challenges

- For some sectors, especially large agri-business, the scale of the operations -sometimes thousands of hectares makes provision of WASH facilities difficult
- There is an assumption within some companies, that WASH is a 'developing world' issue and not a problem for them.
- Internally there is a need to bring about behavior change especially with respect to hygiene and implement basic actions i.e. are all your employees washing their hands?







Taking action within a company

Suggestions for companies

- Integrate guidance on the HRWS or the WASH Pledge into existing structures and practices such as business risk assessments, health and safety guidance or water strategies don't make it feel like a separate, additional compliance issue, instead make it part of continuous improvement
- Time self-assessments (e.g. for the Pledge or any action on WASH) with the budget cycle so once assessments reveal actions that need to be taken, there are resources to make the corrective actions
- Get senior level buy-in/champions WASH often isn't obvious to them, but WASH statistics are compelling and help their understanding







Taking action externally

Key Messages

- The business case for action can differ for each business sector and company
- For action in value chains and communities, it can be more difficult to make the case than for internal action; more 'hard' data on the impact of actions would help companies
- Companies with extensive supply chains are struggling to push action as their leverage becomes weaker the further down the supply chain they go, however WASH has been identified as the number one most important issue for workers in a number of businesses
- Many companies are not WASH experts and those that work with communities usually rely on partnerships with NGOs for delivery and measuring impact

<u>Challenges</u>

- Persuading suppliers to take action, particularly in complex supply chains or where suppliers are shared
- Lack of incentive for companies to go 'beyond the fence' into communities
- Defining an individual company's responsibility and the role of government, particularly where WASH regulation is weak
- For individual business sectors specific challenges include; seasonal workers, mobile workers, large numbers of small scale farmers







Taking action externally

Suggestions for companies (1)

- 1. Build a **business case** to take action beyond your own operations that is **tailored to** *your* **business**, and garners **top-level buy-in**
 - Understand **why** WASH matters to you. For example:
 - Is a lack of WASH impacting the productivity of the workers in your supply chain?
 - Are high levels of absenteeism resulting in reduced quality products or high turnover of supply chain employees?
 - Could open defecation be a source of contamination in your food supply chains?
 - Does hygiene matter to your core business?
 - What reputational impact does a lack of WASH in communities where you're operating have?
 - Is a lack of WASH for your customers reducing the market for your products? Should your brand be aligned with a social purpose?
 - Can you **understand and begin to quantify impacts** of action vs. non-action to make the case?







Taking action externally

Suggestions for companies (2)

- 2. Demonstrate the **benefits of action** to your suppliers
 - Consider piloting action with one/ a small number of suppliers and track key metrics such as absenteeism, quality, staff turnover, error rates, employee satisfaction etc. to demonstrate the case for action and encourage other suppliers to follow suit. Some are starting this journey via pilots in the supply chain and early results suggest a correlation between action and reduction in absenteeism, error and turnover (so less time/resource spent on recruitment and planning)
- 3. Seize the opportunity that the <u>Sustainable Development Goals</u> present to align practice and demonstrate leadership







Next Steps

Based on the discussions, three potential areas for further action have been identified:

1) Action research and/or guidance on WASH in the supply chain

- Host organizations will explore potential areas for work in this area, including identifying other initiatives and the potential to partner with them.
- After initial scoping, feedback will be sought from interested companies to develop this work.

2) Developing sector level guidance

• WBCSD are working on two documents that focus on WASH in agriculture and WASH in forestry that will be available in early 2016

3) Building the business case for action based on impacts of WASH interventions

• Work to be fully scoped, but host organizations will collate available data on the business case for WASH (reduced absenteeism, increased productivity, etc) which is available in the public domain and anonymized data from companies.







Feedback and Invitation for Continued Involvement

WaterAid, WBCSD, and the CEO Water Mandate invite companies to provide any additional feedback on their WASH experience and also to let us know if you have an interest in getting involved in any of the previously mentioned areas for collaborative action (Slide 11)

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