

Chain Reaction: Making Corporate Supply Chains Work for WASH and the SDGs

Session Report

World Water Week, Stockholm, Sweden

August 27, 2017

4:00pm – 5:30pm



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Overview

As part of Stockholm World Water Week 2017, [WaterAid](#), the [CEO Water Mandate](#), Water Witness International, and [WBCSD](#) hosted a session on WASH in supply chains.

The session sought to:

- **Highlight the key findings** from the report and raise awareness surrounding the **need to scale up** corporate action on WASH
- Share ideas and **identify opportunities for an actionable way forward** considering how different stakeholders can provide both unique and collaborative contributions to a **“chain-reaction” promoting WASH in supply chains**.
- Collaboratively identify the **right levers for action** to generate **self-reinforcing and sustainable change** in corporate supply chains towards better WASH outcomes and identify the next steps.

It consisted of 3 parts:

- **Summary presentation** on the findings of the new [report](#) authored by Water Witness International and commissioned by WaterAid, the CEO Water Mandate and WBCSD, *“Corporate Engagement on Water Supply, Sanitation, and Hygiene”*
- **Highlights from the field** to showcase current approaches to WASH in supply chains
- Interactive **“WASHopoly”** game played in breakout groups to generate input for next steps



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Background

- This session continues a conversation started in 2015 that looked to identify the **opportunities for greater corporate engagement** on water supply, sanitation, and hygiene (WASH).
- The first session recognized the **critical gaps that still exist** for taking action on WASH in supply chains and the need to identify barriers and opportunities.
- In 2016, the three lead organizations released an initial report titled, [Scaling Corporate Action on WASH in supply chains](#) that identified a few areas for closer examination and hosted a second session at Stockholm World Water Week titled, “*Scaling-up WASH action in companies’ supply chains: Promoting sustainable growth*” to explore the potential options moving forward.
- Based on those discussions it was decided that the organizations would take a deep dive to:
 - 1) Further unpack the **drivers and opportunities** for engagement on WASH,
 - 2) Explore the **potential avenues for engagement** with sustainability standards, and
 - 3) Develop **case studies** on company action on WASH.
- **Water Witness International** was commissioned to carry out this research.



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Presentation: Findings from 2017 Report on Corporate Engagement on WASH

Nick Hepworth, Water Witness International

- There is significant **potential to drive positive change** through action on WASH in supply chains and engagement needs to be stepped up.
- **Data and knowledge** among stakeholders are sparse, or at least disclosure is. There is a need for **better understanding of drivers and levers** of change.
- **Regulatory pressure** is driving corporate action on WASH.
- Companies want a better understanding about **what to do if you find that WASH is an issue** in your supply chain.
- There is **ubiquitous incorporation** of requirements for improved WASH in corporate “**supplier codes**” but most **require greater specificity** and enforcement. **Third party standards** provide a promising approach.



Corporate engagement on water supply, sanitation and hygiene:

Driving progress on Sustainable Development Goal 6 (SDG6) through supply-chains and voluntary standards

A high-level summary of research findings and recommendations 2017



With case studies from:

DIAGEO

Gap Inc.



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Report Findings, Continued: Opportunities

- Good guidance needed on **what companies *should be doing*** to address WASH in supply chains, with specific direction and metrics of success.
- Need for **differentiated guidance for different sectors** – e.g. factory floor versus farm field.
- Guidance could consider elements such as actions required when company operations lead to an influx of people/immigration overtaking local WASH facilities.
- Need for better understanding of the **level of WASH provision in employee homes**, and the distinction of the impact of that versus the impact of WASH at work for things like work attendance and productivity.
- Need to put WASH activities in **context of catchment sustainability and management**.
- Need to develop **knowledge and capacity-building** at on-the-ground level.



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From the Field: Approaches to Addressing WASH in Supply Chains



Pendo Hyera,
Shahidi wa Maji /
Water Witness
International
Tanzania

Approach: Direct Communication with Workers in Supply Chain

- **Survey agricultural workers** to characterize water challenges across quantity, quality, and WASH. Based on survey, work with farmers on actions to take.
- SMART actions on **WASH in Diageo supply chains in Tanzania**
 - Working with barley farmers on water-related challenges
 - Actions on WASH include:
 1. hydro-geological survey to look for new sources,
 2. rainwater harvesting,
 3. rehabilitation of old groundwater wells,
 4. strengthening water management institutions.



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From the Field: Approaches to Addressing WASH in Supply Chains



Zhenzhen Xu,
Alliance for Water
Stewardship

Approach: Certification Programs

- The Alliance for Water Stewardship is integrating WASH into its standard; see examples below for how it is doing so:
 - Commit to **CEO Water Mandate** and **WBCSD WASH Pledge**. Advanced commitment includes agreeing to directly assist with **community water needs** in times of scarcity.
 - Identify **WASH-related business risk**, evaluate potential for **value creation** through WASH projects.
 - Implement WASH projects and **build awareness on WASH for workers onsite**. Advanced implementation includes offsite as well, including water education programs in communities.



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From the Field: Approaches to Addressing WASH in Supply Chains

Approach: Strengthening the Business Case for WASH

Interview companies, select companies for assessment of WASH interventions. develop approach & models to quantify specific business benefits from WASH interventions and ultimately strengthen the business case for WASH.

- Context:
 - WASH is critical for human health and economic prosperity
 - SDG6 links and underpins many other SDGs
 - Business return on WASH investment - increased productivity, reduced employee turnover, social impact, brand value – BUT need to pin down financial value
- Theory of change:
 - WASH interventions → benefits to workers → benefits in supply chain → benefits to supplier → benefits to lead company



Ruth Romer,
WaterAid



Lilian Wang,
PwC UK



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WASHopoly breakout discussions

Develop an idealized approach to WASH in corporate **supply chains** and influence/ advocate for uptake within supplier codes and standards



Work with **certification schemes** and **performance standards** to embed WASH into their standards



Stimulate and support a global investigation by **journalists** and **human rights activists** to expose poor performance on WASH in corporate supply chains



Undertake a global study focused on establishing **quantitative financial data on the business case** for WASH investments



Advocate for mandatory reporting on WASH by signatories of sustainability initiatives, investment portfolios or within financial sustainability indices



Develop a new certification programme to audit and demonstrate good performance on WASH in supply chains



Launch **global campaign** with advocacy organizations to examine links between corporate tax policies, shortfalls in national WASH budgets, and the impacts that result



Undertake joint development with certification schemes, standard bodies, or companies to **test and demonstrate approaches** to WASH in supply chains



Other suggestions?



The latter half of the session was spent playing “WASHopoly.” Participants prioritized the most important actions to promote WASH in corporate supply chains, and discussed what else is needed to advance progress.



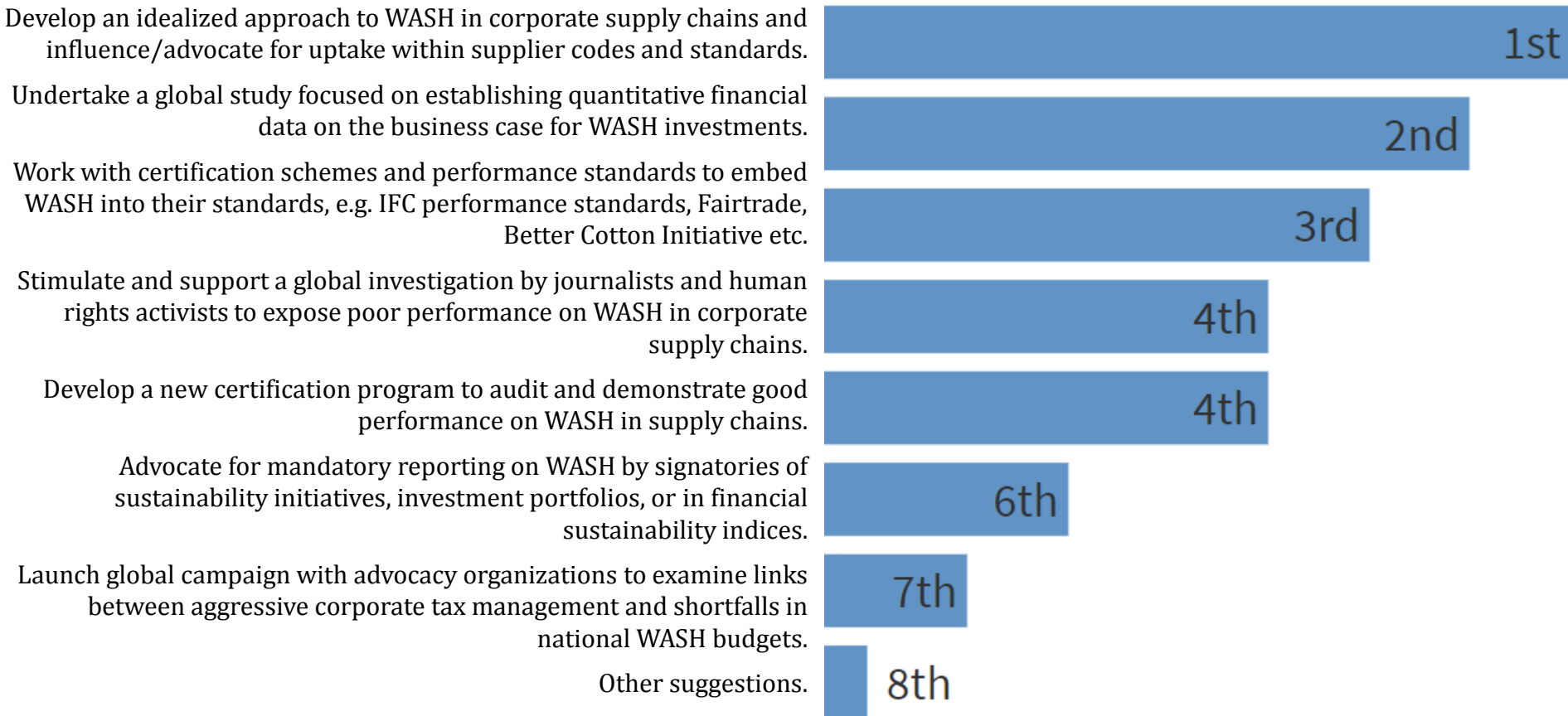
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WASHopoly Results

Participants prioritized the following actions:



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WASHopoly Results – other suggestions



- Joint **national-regional level advocacy** of universal WASH
 - Demonstrate how WASH is the tie between **human rights and water stewardship**
 - Global **awareness campaign** backed by a strategic body (e.g. UN) and linked to SDGs
 - **Joint development** with certification schemes, standard bodies, or companies to test and demonstrate approaches to WASH in supply chains
-
- Provide a **case for government** to enforce WASH services in supply chains
 - Cultivate a handful of **corporate icons**, CEOs to make public commitments to supply chain business-wide performance on WASH
 - Sharing **best practices** between companies (and across industry sectors)
 - **Bottom-up approach** with workers' feedback loops and input
 - Mobilize **consumer** pressure



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Feedback from Audience Discussion

- This should not be top-down – how do you integrate **workers' voices**?
- There are always going to be companies who don't do what they're supposed to – is there a way to expose them to discourage others from doing the same?
 - **Media attention** could further drive action of consumer facing companies.
 - **Investor perspectives** on this issue should be more apparent / explored more.
- How can we better bring WASH to the consciousness of the **general public**?
- Several people advocated for developing a **new certification program**, because the current ones are inadequate. However those advocates recognize that this would be a long-term initiative (i.e. 10-20 years).
- How can the **role of government** be embedded into strengthening the business case?
- Sequencing and **interlinkages** between activity options in WASHopoly. Some short-term and some-long term, some logically flow one after the other.



Key Takeaways for the Session

- Given the geographic overlap between global supply chains and under-provision of WASH, there are clear drivers, opportunities, and interest by companies to take action.
- Participants highlighted the need for a few crucial building blocks centering on
 - 1) **evidence and financial data for WASH interventions**, and
 - 2) development of **good guidance for WASH in supply chains** going beyond what companies currently include in their supply chain codes of conduct.
- To drive change, participants also highlighted the opportunities for both internal and external measures by highlighting the potential for
 - 1) **engagement with voluntary standards**, and
 - 2) the recognition that **external pressure from investigative reports** can be helpful to encourage action.
- There is a need to consider the **governmental role** to these discussions and find linkages where possible to ensure systemic change.



Next Steps

The CEO Water Mandate, Wateraid, and WBCSD will take the following steps given their current capacities:

- Continue **work on data analysis** started earlier this year to strengthen the business case for WASH being led by Wateraid
- Scope out a concept note that will focus on **developing Guidance for Good Practice on WASH in supply chains** to be pursued in 2018
 - Within this piece of work, explore the potential to work with companies to test out the guidance
- Utilize the [WASH4Work](#) initiative to pursue **outreach to third party certification schemes and other standards for integration** of WASH and make ties to the governmental piece
- Continue to **encourage companies to be the advocates** in their own forum & networks



Contact

Questions & Comments?

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