

Sink or swim:

A fresh approach to business and water
in tomorrow's companies

Young Managers Team 2003





“We started out with a big question: how can we, as young professionals contribute to sustainable development in our companies and society?”

Francisca Dominguez, Codelco, YMT 2003.

Young Managers Team 2003

Comprised of young professionals from a diverse range of countries, disciplines and companies, the WBCSD’s Young Managers Team (YMT) 2003 have committed themselves to being sustainable development agents of change. From the first team event in March, the team actively participated in WBCSD meetings and promoted sustainable development in their own business and location, bringing a fresh perspective to the debate.

Recognizing the importance of contributing to the Millennium Development Goals highlighted by last year’s team, the YMT 2003 selected water as their key theme. Each team member gave around 20 days of their time as they worked to discover different angles on the value of water and innovation, and opportunities in meeting sustainable development goals.

Through dialogue events and interviews with a broad set of stakeholders and professionals involved in water issues, the YMT provided a sounding board for the voice of young people on the topic of business and water. To present and communicate their conclusions, the team developed two outputs: a set of “water principles”, which they, as individuals, believe should be adhered to by businesses; and a unique education tool, to facilitate increased knowledge about water and business, and stimulate others to action.



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Foreword

Sustainable development has become firmly established on the policymaking landscape, presenting business leaders with growing demands on social and environmental responsibilities.

The managers of tomorrow will need new leadership skills and experience if they are to respond to these opportunities and the challenges of sustainable development. This makes them a vital audience for training today.

Through the WBCSD's young managers initiative, decision-makers with an eye on the future are helping to build and foster this capacity among their successors, both for the health of their enterprises and that of the planet and all its inhabitants.

The inaugural YMT came together in 2002 to communicate sustainability messages and raise the profile of the WBCSD during the Johannesburg World Summit on Sustainable Development. They balanced their "talking" with "doing", participating in a global dialogue with young Summit delegates from disparate backgrounds and groups, while supporting a South African bicycle cooperative.

The current group – YMT 2003 – grasped the baton with admirable energy and commitment, and has exceeded expectations throughout the year. They honed in on one of the biggest challenges facing sustainable development: the water and sanitation shortages afflicting billions of the world's people.

This program provides a great learning experience and networking opportunities for the participants as well as for the companies they represent. At the WBCSD it is our hope that these young managers will become sustainable development ambassadors, spreading the message within their companies, at business schools and events at all levels from the local to the international. I have every confidence that they will.

Björn Stigson
WBCSD President



Ensuring a legacy

Sustainable development is a wide reaching topic, which affects us all and brings responsibilities for business, government and non-governmental organizations (NGOs). It combines global and local issues, looking to the past and to the future and incorporating northern and southern perspectives. It encompasses economics, history, anthropology and geography and needs both a policy and practical response. Yet the YMT had only one year, in fact, only 20 days each, to make a difference towards a sustainable future.

“The choice of water came naturally, and consensus on water principles too. Our experience should demonstrate that consensus is possible when the issue is vital.” **Walter van Hecke, Cogema, YMT 2003.**

“I repeat that we need water as badly as we need air.” **Woman from Tash-Bulak, The Kyrgyz Republic, from Voices from the Poor.**



So instead of starting from scratch, we listened carefully to last year's recommendations and built on their experiences and findings. We heard about the Johannesburg Summit and the major challenge we have in meeting the Millennium Development Goals (MDG) around energy, education, water, environment and health. We agreed the YMT should act as sustainable development ambassadors and our contribution should balance conceptual work with implementation around the world.

Going with the Flow

Water was a particularly relevant topic in 2003 as it was the United Nations Year of Freshwater. The team also felt that it was important to consider the contribution business can make to meeting the MDGs. As part of Goal 7 to ensure environmental sustainability the 10th Target aims to halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation.

The 2003 YMT strongly believe that statistics such as these demand immediate action:

- > 450 million people in 29 countries suffer from water shortages;
- > 1.1 billion people still lack access to safe drinking water and 2.4 billion lack access to improved sanitation;
- > Lack of access to safe water supply and sanitation results in hundreds of millions of cases of water related diseases, and as many as 5 million deaths, every year;
- > It is estimated that in less than 25 years two thirds of the world's people will be living in water stressed countries;
- > Lack of clean water close to people's homes affects how people spend their time, their livelihoods and their quality of life.

There is also a strong business case for focusing on water, even when none of the 2003 YMT originated from a water company. It has been said that business cannot succeed in societies that fail. If so, there is a strong justification for business to make a contribution to solving water issues. Many businesses also require water to operate and so increasing scarcity of water poses a direct threat that needs to be managed.



“ While some of us were new to sustainable development issues, and came from different industrial sectors, countries and cultures, we had, surprisingly, very similar visions and goals for our work in the YMT 2003. ”

Peter Scott, Shell, YMT 2003.

“ The YMT members openly acknowledged we were not experts in water! So, defining our niche and where we could add value to this topic was an important step. ”

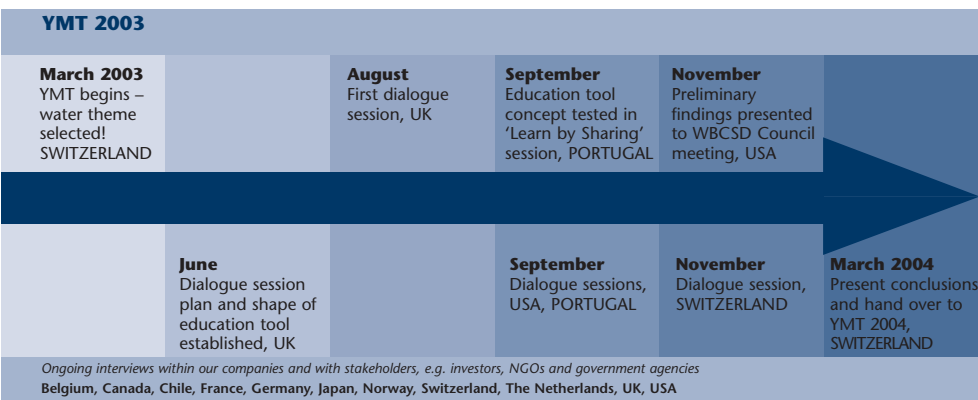
Alex Mung, Alcan, YMT 2003.

Ideas begin to pour...

There was a common interest in learning from the experiences of others and strengthening our relationships with key groups from other sectors, particularly young professionals. At the same time we grew to understand the importance of education and communication in making a contribution to sustainable development. Within that context, we agreed that the issue of water was essential in any discussion of sustainable development today.

From this, our project objectives and work streams emerged. Our objectives were to:

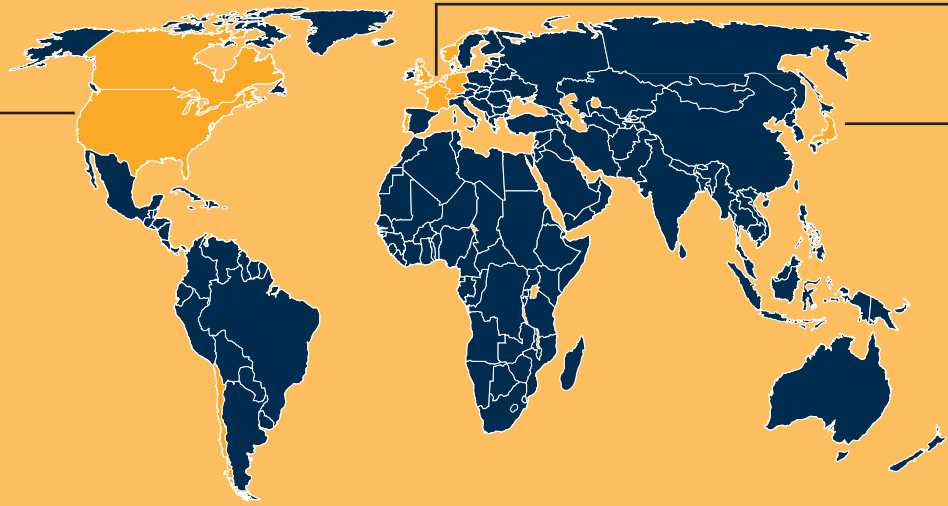
- > Raise awareness among young professionals of sustainable development in business, specifically around water issues (e.g. development of an education tool);
- > Engage multiple sectors – including the private sector, non-governmental organizations and government (e.g. through interviews and dialogue sessions);
- > Develop a vision (in the form of a set of principles) around specific issues for business and water for the future; and
- > Challenge views of those around us in our organizations.



Acknowledging the breadth and depth of the water topic, the YMT decided to focus in on just two themes. These were used in the development of the stakeholder dialogue and education tool.

<p>Value of Water</p> <ol style="list-style-type: none"> 1 What are the different ways of valuing water? 2 What variables impact these values? 3 What should businesses do to take account of this range of values, and how can business be encouraged to act and improve the management, use and cleaning of water? 	<p>Water Innovation and Opportunities in meeting the Millennium Development Goals</p> <ol style="list-style-type: none"> 1 What will/could drive business to investigate innovation and new opportunities? 2 How can business generate ideas? And ensure they are appropriate? 3 How can business create/maintain an internal mindset that promotes innovation and opportunity to meet sustainable water goals? 4 What are specific examples/suggestions for how business can contribute to water challenges?
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"Water should be valued through a balanced consideration of social, environmental and economic values. The political value of water is an overriding element in this equation and water must be seen as much more than a 'political football'. Stakeholder dialogue Bozeman, MT.



What we did and who we talked to

One of the main goals set by the 2003 YMT was to learn from the experience of others and build cross sector relationships with other stakeholder groups. We conducted a series of dialogues in the cities where we were located, as well as interviews with other relevant stakeholders around the world. Through this process we obtained views on the issues from over 100 different people. A cross section of ages, countries and a broad range of sectors including NGOs, business, government, agriculture, water service providers and consultants.

Young Managers in discussion during meeting in Lisbon, September 2003.



The dialogues and interviews were valuable in bringing new ideas, perspectives, and understanding of the issues to the YMT members. The support, enthusiasm and input provided were important in shaping the thinking of the YMT. Through the process it quickly became clear that water issues are both numerous and complex. However, common themes did emerge from the discussions and lead the YMT to draw conclusions and establish their 10 water principles (page 10).

Valuing Water

While water is a global issue, the impacts are felt locally. The impact of water on communities and the understanding of this impact outside the communities vary widely based on, among other things, water availability, climate, culture, industry, the local environment and the infrastructure in place. The value of water can even vary extensively within one community with alternative water uses resulting in competing interests such as jobs versus food.

Water is an issue for both the developed and developing worlds. Today, many people in the developed world take water for granted; they assume that it will always be available at minimal cost and that their activities will have no lasting effect on the local environment and future access. However, the amount paid for water in many countries does not actually reflect the true cost of delivery or treatment. Infrastructure and clean-up costs need to be taken into account. It is only by raising people's awareness that change can be brought about in behavior and attitudes.

Another issue connected with the value of water is the lack of appropriate attention to water conservation, which seems to be mainly due to the perception of an abundant water supply and the low cost of water in many countries. From the companies that we have spoken to during our research we have found that even in the countries that experience water shortages, water is usually one of the cheapest raw materials. Water may be well understood but not well enough valued.

“We have seen words like ‘sustainable development’, ‘human rights’, ‘transparency’, and ‘accountability’ entering the vocabulary of decision-makers. Now we need to go beyond vocabulary to real implementation.” **Mekong Watch (NGO-Japan).**

“Getting the message to investors is critical since they can influence developments across a wide range of companies. They also help to set the criteria for what is acceptable in terms of business sustainability practices.” **Stakeholder dialogue NL**

“I interviewed an environmental NGO in Japan. When asked about stakeholder relations, the NGO told me that communicating with the headquarters staff of multinationals was straightforward but liaising with onsite local staff much harder. I believe this underlines just how important it is to share the same vision throughout the entire company.”

Masami Kittaka, Sony, YMT 2003.

Water Innovation and Opportunities

Within many multinationals, there is a demonstrable high-level commitment to sustainable development, with water being a fundamental component of sustainable development. However, this is not always reflected by middle management, which tends to focus on the delivery of short-term targets. This is also true of water management, particularly as water is usually one of the cheapest raw materials used during processing. The financial returns from projects designed to minimize water’s usage are usually small and can receive little attention from middle management. To change this trend, the YMT strongly believe that middle management must be given incentives, and be accountable regarding responsible water management.

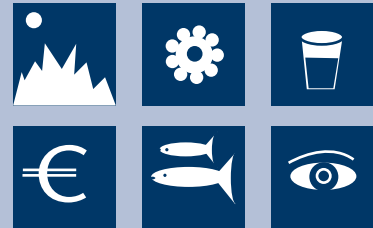
Water is a human right not a business right. If business is going to continue to be able to use fresh water over the medium to long term, we need to understand our own impacts, and understand how we can mitigate them. To gain this understanding, organizations should be encouraged to look at the water footprint of their products and services. This could include buildings and services, manufacturing, and the amount of water used in the life cycle of any products. This information can be used to identify areas of high water impact, develop new solutions for improving water efficiency and reduce overall water usage.

By consulting with stakeholders, business can understand the needs and values of communities and this input can help all groups come together to develop innovative ways of solving water problems.

For example, a good step to improve common understanding of the economic value of water would be to develop indicators and guidelines through an existing organization such as the WBCSD, which could bring together water experts and facilitate multi-stakeholder input. As a successful example of this approach, the Greenhouse Gas Protocol Initiative (www.ghgprotocol.org), established in 1998 by the WBCSD and the World Resources Institute, has developed internationally accepted accounting and reporting standards for greenhouse gas emissions from companies.

Finally it becomes ever more apparent that all of us, as individuals and businesses need to act now!

Examples of different ways to value water include:



Economic development,
Education, Health, Livelihoods,
Public trust, Human right,
Reservoirs, Religious and cultural,
Recreation activities, Fishing, Scenic,
Tourism, Drinking water,
Energy source, Landscaping,
Irrigation, Agriculture, Property
values, Biodiversity,
Possible future uses/value.



The Education Tool

The Idea

Ensuring business is part of a sustainable water solution requires all employees from the shop floor to top management to understand the value of water. This requires effective awareness raising and education, motivating employees and companies towards action. Acknowledging this, the YMT designed an education tool to support business in overcoming the challenge. Education on the issues is needed to stimulate companies to action. Through consultation with WBCSD members, and using the output of our stakeholder dialogues and interviews, the YMT tool was developed to facilitate understanding of:

- > Challenges faced by business today, and how vital water is in our daily activities,
- > Consequences and impacts of our actions, and
- > Opportunities to contribute towards responsible water management.

To reach the widest audience possible, the YMT education tool is an interactive software package, available online with the option to download. It provides a combination of water facts and a case study where dialogues between stakeholders are explored.

The Case Study

The objectives of the education tool are met through a detailed, interactive case study allowing the user to slip into the shoes of a young manager who has been asked by the CEO of his company “Wonderful” to assess the feasibility of a proposed production plant in the fictitious Rastava Region. The project is economically viable, but the young manager is confronted with challenges concerning limited water reserves, requirements of different stakeholders, sensitive ecosystems and, differing cultural perspectives.





The aim for the user is to contemplate the issues from different stakeholder perspectives, and ultimately address their concerns by recommending a course of action for the company to pursue.

While there is no “right” or “wrong” answer to this dilemma, the emphasis is on the message that water influences business in many different ways. Business needs to enter into dialogue with all affected stakeholders, who often hold dissimilar views and are more numerous than they first appear. We, as young managers, believe that it is worthwhile in almost all business situations to look for solutions that satisfy a company’s internal and external stakeholders.

Find out more about the Rastava region and the water issues faced by the “Wonderful” company. Be the young manager and learn about the challenges of sustainable business decisions. Will you accept the challenge, or choose to look the other way?



“Our YMT work has made it evident for me that the increasing strain on water globally makes new thoughts on roles and responsibilities imperative. Our ability to promote thinking ‘outside the box’ in our companies will not only help improve the lives of a large number of people, but also determine our ability to achieve future business success.”

Petter Vilsted, DNV, YMT 2003.





Sink or Swim



“ Sustainable development involves meeting the needs of the present without compromising the ability of future generations to meet their needs. In some ways the YMT represents future generations – so we believe our vision can assist business in trying to decide how to make a valuable contribution to water. ” **Julie-Anne Braithwaite, Rio Tinto, YMT 2003**

“ Our goal is a future based on ‘common ground’ water principles. A future where all stakeholders understand these principles and together realize how to utilize them in a globally effective manner. ” **Matt Helms, Holcim, YMT 2003.**

Our Commitment:

The 2003 YMT has distilled its year of research into a number of “water principles”. The team is committed to these principles and to be advocates for them within our own companies and peer groups.

Water Principles:

The 10 principles have been developed under the banner ‘Sink or Swim’. We used the terms ‘sink’ and ‘swim’ to refer to the potential different futures that we face if we, as businesses, do not begin to examine the water issues facing us locally, regionally and as part of a global society.

While the focus of the principles is based on the positive (i.e. “We swim if”), we realize that if we do not begin to seriously address the water issue as outlined in the MDGs then there will be severe water and sanitation issues now and into the future. The scope for organizations to implement these principles vary depending on the nature of the individual businesses, but one thing they all share is the need to work with local stakeholders to fully understand the issues and improve their own water management performance.

The Water Principles:

Every member of the YMT 2003 has signed up, as an individual, to these principles and firmly believes that they represent some of the things which a responsible business must do to help meet the MDGs and ensure that both society and individual businesses 'swim' in today's ever-changing environment.

We swim if...

1 We develop a set of global, regional and industry specific **indicators and reporting standards** for water management.



2 Organizations work with stakeholders to select indicators and **report on them** publicly.



3 Organizations determine the **water footprint** of products and services.



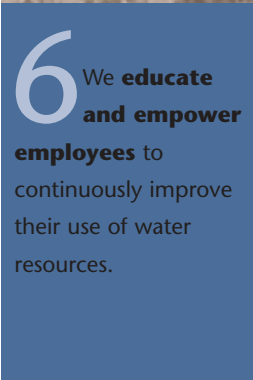
4 Organizations **minimize their negative impact** on water ecosystems.



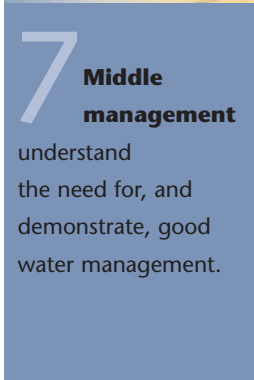
5 We understand regional water issues and **work in partnership to develop innovative solutions.**



6 We **educate and empower employees** to continuously improve their use of water resources.



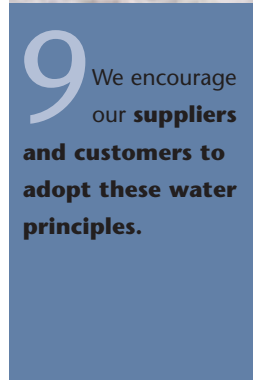
7 **Middle management** understand the need for, and demonstrate, good water management.



8 We raise the issue of water management on the agenda of business forums in which we participate in order to **share best practices and innovation.**



9 We encourage our **suppliers and customers to adopt these water principles.**



10 **We work together.**



If you are interested in the education tool and there is no CD in this brochure, you can order the CD from the WBCSD:
WBCSD, 4, chemin de Conches, 1231 Conches-Geneva, Switzerland.
Tel: +41 (22) 839 3100. Fax: +41 (22) 839 3131. E-mail: info@wbcSD.org

The tool is also available in an online version and can be downloaded from the WBCSD's website: www.wbcSD.org

About the WBCSD

The World Business Council for Sustainable Development (WBCSD) is a coalition of 175 international companies united by a shared commitment to sustainable development via the three pillars of economic growth, ecological balance and social progress. Our members are drawn from more than 30 countries and 20 major industrial sectors. We also benefit from a Global Network of 48 national and regional business councils and partner organizations involving more than 1,000 business leaders globally.

Our mission: To provide business leadership as a catalyst for change toward sustainable development, and to promote the role of eco-efficiency, innovation and corporate social responsibility.

Our aims: Our objectives and strategic directions, based on this dedication, include:

- Business leadership – to be the leading business advocate on issues connected with sustainable development.
- Policy development – to participate in policy development in order to create a framework that allows business to contribute effectively to sustainable development.
- Best practice – to demonstrate business progress in environmental and resource management and corporate social responsibility and to share leading – edge practices among our members.
- Global outreach – to contribute to a sustainable future for developing nations and nations in transition.

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