

Chapter 29



The AWS Standard: A common language for the global water stewardship community

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29.1 WATER STEWARDSHIP: AN INTRODUCTION

Globally, our water challenge is becoming ever-more evident, and increasingly, governments and other organisations are turning to the private sector to help address the challenges we face. The UN Global Goals (Sustainable Development Goals) help focus corporate sustainability work, and water stewardship plays a clear role in achieving SDG6 (clean water and sanitation for all) but also SDG3 (health), SDG5 (gender quality) and SDG12 (responsible production and consumption). The Alliance for Water Stewardship (AWS), through our multi-stakeholder membership network and the AWS Standard, offers a common language through which all water users from government, business and civil society can come together and collaborate to achieve our shared goals.

In practice, water stewardship is about shifting the focus from individual ways in which water is ‘managed’ to more collaborative approaches rooted in the context of a catchment (or watershed). Good water management by farms, factories and other water-using sites can go some way in ensuring non-domestic water users reduce their water impact. However, it is not enough to simply improve efficiency and concentrate on site water use. To guard against unintended or perverse outcomes from well-intentioned actions, sites need to ensure that they understand the shared water challenges impacting communities and nature in their local area. This means working beyond their fence line, encouraging others to take positive steps, and supporting good water governance.

Water stewardship is based on the principle that sustainable management of a common pool resource can be enhanced by engaging users of that resource in transparent and inclusive processes. Water users need to know where their water comes from, and how their use, and use by others impacts

upon the continued availability and quality of the water on which they, and others, depend. Water stewardship processes aim to ensure that everyone who is reliant upon the same water source can meet their needs and work collaboratively based on trust and a common vision. By doing so, water users actively support public policy that achieves fair access to water for all. This is the essence of water stewardship.

The rest of this chapter provides an overview of the AWS International Water Stewardship Standard ('AWS Standard') and its global system before a deeper dive into water stewardship through four case studies from around the world.

29.2 THE AWS STANDARD SYSTEM

AWS is a global, multi-stakeholder membership-based organisation. Our mission is to ignite and nurture global and local leadership in credible water stewardship that recognises and secures the social, cultural, environmental and economic value of freshwater. We do this through our global membership and the International Water Stewardship Standard, or AWS Standard. Multi-stakeholder governance is core to AWS, and our members come from the private and public sectors, and civil society. AWS Members adopt a shared definition of water stewardship and endorse a common approach to robust, independently verifiable site and catchment-level water stewardship: the AWS Standard. We define water stewardship as 'the use of water that is socially equitable, environmentally sustainable and economically beneficial, achieved through a stakeholder-inclusive process that includes both site- and catchment-based actions'.

Since the AWS Standard was first launched, it has been implemented in a wide range of countries and industries. In line with best practice, in 2016, a public review and revision of the AWS Standard V1.0 was initiated to take on board feedback from implementations around the world. At the end of this process, in early 2019 AWS Members were presented with the final version of the AWS Standard V2.0, and they voted overwhelmingly to introduce it as the new version of the AWS Standard.

29.2.1 The AWS Standard 2.0

The AWS Standard is structured around five steps which take the user on a journey to assess their water risks and opportunities and then act on them (as shown in [Figure 29.1](#)). The process is built around a cycle of evaluating impact and striving for continual improvement, with communication and disclosure being a core part of the process to improve transparency. Within each of the five steps, there are a range of criteria with their own related indicators which must be met to be in conformance with the Standard. Some indicators are 'advanced indicators' through which sites are motivated to increase their performance beyond core certification. Sites that accumulate enough points through achieving advanced indicators may achieve gold or platinum certification.

There are five outcomes that the AWS Standard contributes towards:

1. Good water governance
2. Sustainable water balance
3. Good water quality status
4. Protected Important Water-Related Areas (IWRAs)
5. Safe water, sanitation and hygiene (WASH) for all

Each criterion contributes towards one or more of the five outcomes. Comprehensive guidance is provided to support implementers through the process.

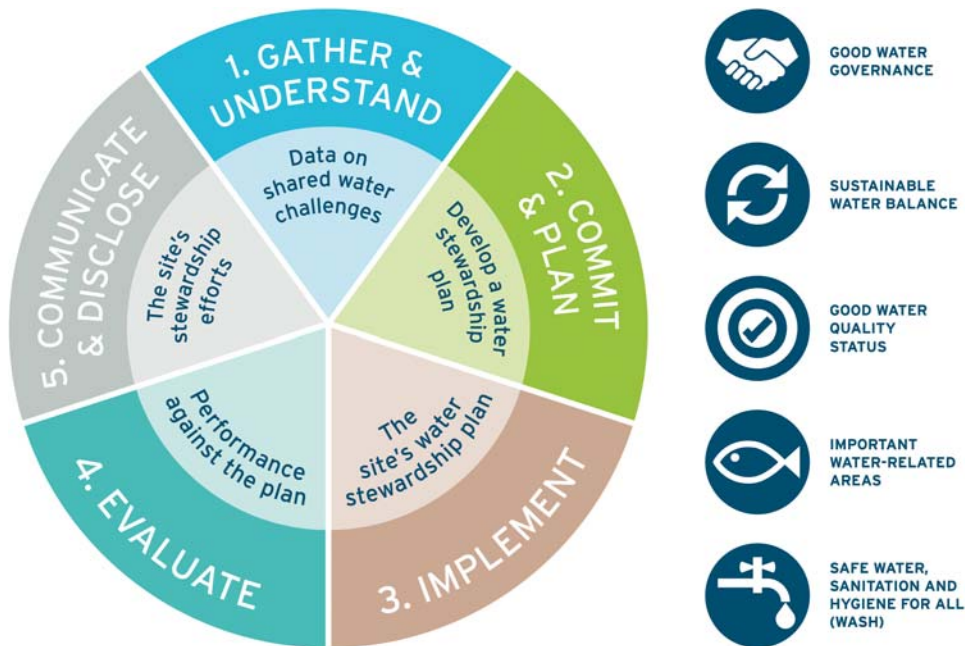


Figure 29.1. The AWS Standard, showing the five steps and the five outcomes (AWS, 2019).

The Standard is responsive to site and catchment context. As a result, it can be implemented by any water user, anywhere in the world. Through certification, sites can make credible, robust claims relating to their water stewardship performance. This is enabled through the use of independent third-party verification.

Throughout the implementation process, there are a range of services available to support sites. Training provides a good grounding in the concept of water stewardship, as well as insight into implementing the AWS Standard. A global network of Professionally Credentialed Individuals can support an organisation through implementation. In addition, membership of AWS provides access to the latest knowledge and innovations on water stewardship, as well as access to peer support and learning.

29.2.2 Water stewardship in action

For industry, a water stewardship journey typically begins with acknowledgement that water efficiency and site-level water management are not enough to mitigate water risks, and that opportunities exist through sustainability-related activity. At this stage, internal stakeholder engagement is vital to gain insight into how the company currently engages on water, and where potential risks and opportunities lie. Once there is sufficient internal buy-in to explore a water stewardship approach, the next step is to gather data and information on current practices and processes, and to map operations and supply chains across the business. This information is used to conduct a water risk assessment. There are a range of tools available which can be used to do this, and many businesses use WWF's Water Risk Filter or WRI's Aqueduct, or a combination of the two. They also engage with experts to understand local water challenges and gather contextual water-related information for their sites to build a picture of their water risks. The water risk assessment highlights where a company has clusters of its operations or supply chains facing high water

risk, which then enables the businesses to take a judgement on which of those high-risk sites are valuable enough to the business to warrant investment through water stewardship.

The priority sites identified through this process are prime candidates for implementation of the AWS Standard. An initial gap analysis can be undertaken on just a small sample of sites to ascertain how their current practices relate to the Standard's requirements. This will help build a greater internal understanding of the potential activities required in a water stewardship approach. Following this, the business can then decide when, where, and how to implement the AWS Standard, and as part of this process, they can pursue AWS Certification.

29.3 WATER STEWARDSHIP AROUND THE WORLD

Because the AWS Standard can be used by any water user, anywhere in the world, there are emerging examples of approaches and uses of the AWS Standard from a growing range of sectors and countries. In each of the four case studies discussed here, the company involved has taken a different approach to addressing water risk and realising the opportunities from water stewardship.

29.3.1 Ingham's: catalysing a water stewardship community in the Western port biosphere, Australia

Through water stewardship, companies critically assess their water risks and turn risk into opportunity at a site and catchment level. Ingham's, Australia's largest integrated poultry producer and a major water user, faced water scarcity and public scrutiny at the height of the nationwide Millennium Drought. Further compounding their troubles was a large fire in 2012 that destroyed most of their site in Somerville, Victoria. Ingham's leadership saw these business risks as an opportunity to rethink the way the company approaches water management, prompting them to join the growing global water stewardship movement.

The Somerville plant, situated in the UNESCO Mornington Peninsula and Western Port Biosphere Reserve, became a global pilot site for the AWS Standard. Ingham's rebuilt Somerville to include an advanced water treatment plant that enabled them to reuse 65% of their onsite water use. In the wider catchment, they began collaborating with a diverse group of stakeholders, including the Western Port Biosphere Reserve Foundation, water service providers, government agencies, local government, and commercial and private landholders.

Ingham's demonstrated the range of uses of the AWS Standard not just for large water users, but also smaller users. This prompted other sites in the catchment to take water stewardship action alongside Ingham's, catalysing a community of water stewards in the Biosphere. The community comprises 28 sites actively practising water stewardship and growing. Through the collaborative, stakeholder-inclusive nature of water stewardship, site-level improvements are commonly assisted by public funding for achieving catchment outcomes that benefit all water users in the area. An example of this is the on-site waterway and wetland rehabilitation work undertaken with support from the waterways agencies. It improves water quality in the catchment, helps stabilise tributary banks and reduces sediment inflow. Ultimately, this protects the internationally significant Ramsar wetlands and Yaringa Marine National Park in the Western Port.

In 2015 Ingham's Somerville plant became the second site in the world to be certified against the AWS Standard (Gold-level) and through their continued efforts in championing water stewardship, the plant became the first site in the world to achieve AWS Platinum Certification in 2018. Ingham's is now implementing water stewardship across their sites in Australia and New Zealand, with four currently AWS Certified (Somerville, Murarrie, Te Aroha and Bolivar).

Through their commitment to transparent, inclusive stakeholder engagement, Ingham's water stewardship activities have stimulated others to follow their lead. This approach has not only benefited the business, through recognition via awards from McDonalds and KFC and becoming a Banksia finalist, but it has also ensured that Ingham's isn't acting alone, creating a legacy through the Western Port Biosphere water stewardship community.

29.3.2 EDEKA and Netto Marken-Discount: responding to supply chain risks through collaboration

EDEKA is a supermarket with 11,000 stores throughout Germany. Since 2009, they have had a partnership with WWF, and in 2012, freshwater became one of the main workstreams for EDEKA and its subsidiary Netto Marken-Discount. Food retail is arguably one of the riskiest businesses when it comes to water due to the complex agricultural supply chains that our food systems rely on. Much of the food and drink consumed globally is produced in countries facing water scarcity, pollution and poor water governance. EDEKA and Netto are reducing their supply chain water risks by increasing transparency, engaging with suppliers and collaborating with other water users.

EDEKA and WWF have created an internal web-based tool based on WWF's Water Risk Filter to enable EDEKA and Netto to evaluate water risks. When the tool identifies suppliers situated in a water risk hot spot (due to water quality, quantity or governance issues), those suppliers are engaged to undertake water stewardship activities to mitigate those risks.

One important response to clusters of suppliers facing significant water risks is water stewardship capacity building and strengthening local networks to share knowledge and provide peer support. EDEKA and Netto have encouraged suppliers to attend AWS Training to increase their water stewardship expertise. In Colombia, the region around the Río Sevilla is an important source of bananas for EDEKA, but water scarcity, flooding and conflict between water users creates water risks. In response, EDEKA has worked with local partners to initiate a multi-stakeholder water stewardship platform with representatives from the banana, coffee and palm oil sectors as well as local and national authorities, communities and civil society. The platform provides a constructive space for discussion, knowledge sharing and collaboration, and acts as a hub for collective projects in the basin. In 2020, 11 privately-owned banana farms involved in this project became the first in the world to achieve AWS Group Certification, a highly significant achievement (AWS *et al.*, 2020).

Standards play an important role in reducing supply chain risks in the agricultural sector, and EDEKA and Netto have several projects underway supporting suppliers to implement the AWS Standard in South America and Spain. Iberesparragal, a citrus farm in southern Spain owned by EDEKA supplier Iberhans achieved AWS Gold Certification in 2018 and was the first AWS certified agricultural site in Europe. The positive experiences from this first farm have led to over 12 more farms engaging in the project in Spain. EDEKA and Netto have found that supply chain cooperation helps create a business case for producers that may otherwise be unwilling to invest in water stewardship activities.

As an AWS Member since 2016, EDEKA have played an important role in communicating their experiences and lessons learnt via the AWS Global Network, encouraging others to engage in water stewardship.

29.3.3 Nestlé: leveraging a global commitment to achieve maximum impact

In June 2018, Nestlé Waters CEO Maurizio Patarnello announced that all bottled water factories would be certified with the AWS Standard by 2025. 'Water is one of the most critical sustainability challenges facing society and our business', said Patarnello. 'We are 100 percent committed to safeguarding water resources

for future generations. By pledging to certify all our Nestlé Waters sites to this publicly recognized, credible water stewardship standard, we demonstrate how we positively contribute to water resources where we operate for the shared benefit of all’.

At Nestlé, the AWS Standard is used as a key reference to guide in the deployment of local water stewardship activities. It is an eye-opening process to identify areas where improvement is needed, it provides a common language in engaging and discussing with our stakeholders, and finally it offers a robust third-party auditing/certification. In particular, AWS promotes a mindset and tools to engage with stakeholders, sharing knowledge on water, to understand collectively the potential water challenges and therefore act collaboratively to address them with relevant and effective solutions. ‘We are convinced that achieving certification allows us to communicate better about our good practices. It enables us to move away from self-declarations of good water stewardship’, says Carlo Galli, Nestlé’s Technical Director for Water Resources and Head of Sustainability at Nestlé Waters. ‘Instead, we have a credible third-party process with conformity assessment bodies coming to our sites and screening our practices deeply’.

Nestlé Waters initiated the AWS journey at Nestlé, leading the way to a broader deployment of the Standard within the group. Indeed, water is important and has always been a ‘natural’ management priority for Nestlé since its beginnings, more than 150 years ago. Farmers need water to grow food, factories need water to operate, and consumers need water to prepare and consume Nestlé’s products – water touches every part of Nestlé’s value chain.

Therefore, Nestlé is committed to contributing to sustainable water resources management. While they continue to ensure best water use efficiency internally, they need to collectively address, at pre-competitive level, the water challenges that are shared with other users. At company level, Nestlé has crystallized both internal and external focus elements into a comprehensive water stewardship strategy – the ‘Caring for Water’ Initiative. Caring for Water is their internal platform to deliver the water stewardship approach and principles of AWS everywhere within their operations.

29.3.4 Apple: moving beyond site-based water management to catchment-wide water stewardship

Apple joined AWS as a Member in 2018, but their engagement and activity on water started much earlier than that. Since 2013, Apple’s Clean Water Program has provided support and education that enables suppliers to conserve water, find ways to reuse or recycle water in manufacturing operations, and ensure that the water discharged from supplier facilities is as clean as possible. Apple has seen the benefit of stakeholder engagement, a core component of water stewardship, with the number of suppliers participating in the Clean Water Program growing from 13 to 116 in the last five years. In 2018, participating suppliers saved more than 60 million cubic litres of freshwater, bringing the total cumulative savings to 21 billion gallons. Crucially, as the program has scaled, Apple has worked with participating suppliers to expand efforts from conservation to water stewardship.

True water stewardship requires industrial users to go beyond their own facilities, and work with partners in government and civil society to protect water supplies on a basin-wide basis. Recognizing this, Apple began to engage with AWS, and joined as a member in 2018. Through this engagement, Apple is taking their water management and supplier engagement activities beyond the factory and into the community and wider catchment. Through the AWS Standard, Apple’s suppliers are beginning to extend their efforts outside of their factories into the communities and catchments in which they operate.

In 2018, efforts to expand beyond conservation to stewardship began with suppliers in the Kunshan region of China. Participating suppliers committed to stricter water stewardship efforts, extended water programming beyond their factories, and engaged their surrounding communities. In 2018, two Apple

suppliers received AWS certification, including the first gold certification ever to be awarded in the electronics industry and more suppliers have followed in 2019 and 2020.

As the program continues, suppliers committing to extend efforts beyond their factory walls will establish a comprehensive water management plan, have a deeper understanding of internal and external water risks associated with their operations, promote better water management practices and awareness throughout their own supply chains, and ultimately help improve the water resources in their region.

These experiences from around the world demonstrate the range of contexts within which the AWS Standard can be used to provide a framework for a consistent approach across a business, and the variety of benefits and positive impacts this approach can lead to at a site, catchment and corporate level.

29.4 LOOKING AHEAD: THE FUTURE OF WATER STEWARDSHIP

Water stewardship is now firmly established and accepted as a key part of efforts to ensure the sustainable use of water resources. While huge progress has been made through leadership like that illustrated in the previous section, the fact remains that the vast majority of water use is by smaller companies or farmers within global value chains. Ensuring water stewardship reaches these users remains a critical challenge.

One way to achieve this is to ensure that water stewardship actions and learnings are better connected to policy priorities like Integrated Water Resources Management (IWRM) and climate resilience. Similarly, municipalities and other forms of local government have been largely absent from water stewardship discussions, yet have huge potential as levers of change, either through motivation or legislation. Effective participation by municipalities can also bring water stewardship to the attention of the general public. Experience from other sustainability standards and initiatives shows that this is a crucial route to scale.

Specific to AWS, we will work in different ways to grow water stewardship activity worldwide. Harnessing the expertise of the AWS membership is critical if we are to grow participation in water stewardship, ensure that the benefits are widely accessible, and make sure that water stewardship drives positive change where it is most needed. One of our key roles is to enable peer support and knowledge sharing across a wide range of sectors and geographies.

Another role for AWS is to deepen our collaboration with other water and sustainability initiatives, helping to provide a clear and accessible pathway to engage in water stewardship. At a strategic level there is growing international cooperation focusing on key sectors and framed by the UN Global Goals and, increasingly, climate resilience.

More practically, AWS and other organizations need to work together to develop the range of tools and support that reduce the barriers of entry to water stewardship. One example is in the agricultural sector where we are working with GLOBALG.A.P. to develop an AWS 'add-on' to enable GlobalG.A.P. certified sites to improve their water stewardship activities beyond the farm and achieve AWS Certification. At the corporate level, we collaborate with organisations such as the CEO Water Mandate, the World Business Council on Sustainable Development (WBCSD) and others to raise awareness of water stewardship and make the links between site and catchment-based action and corporate level commitment required to tackle our shared water challenges.

The common thread through all of these is collaboration: only by working together across sectors, geographies and interests can we ensure the potential of water stewardship can be realised.

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