



Business language research

Understanding the language of
corporate engagement for Water
Stewardship

Action B1 Learning: Understanding the language of corporate engagement on Water Stewardship

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Objective:

Seek to provide a rationale for prioritising the types of language that WWF-UK should use while trying to engage UK private sector audiences for their river basin management work in the UK (should either support or at least not directly undermine WWF International's current risk based language).

Provide recommendations on the "engagement language" with business in the UK

Water scarcity context:

Business risks might be clearer in many water scare regions of the world, in the UK, it appears that at this point in time, awareness of the risks is lower and therefore risk language is not driving action in the same way as internationally

Need to understand how WWF-UK and its allies can use framing and language to better engage UK headquartered corporates when discussing the benefits of engaging in water stewardship in catchments in the UK in which they source and operate

Study Methodology

- Consultations with different types of business to understand what type of framing and language might engage (and conversely what might dissuade or put off engagement)
- The topics for discussion will concentrate on
 - discussing the strategies that internal sustainability staff use within their business to engage senior or board members to sanction an involvement in water stewardship.
 - understanding cross-overs with how business promote other corporate engagement with communities - for businesses within the UK there may be other drives to undertake community projects including river restoration due to motivations other than direct risks to their business (such as HSBC's involvement in Rivers on the Edge for the English chalk streams).
- A literature review to seek out any relevant thinking and examples from other advocacy organisations

Conversation framework (1)

- What type of projects does your organisation currently support?
 - Do you have Water Stewardship strategies/long term water management strategies in place (that go beyond one off projects)? Do you see the value in creating one?
 - Do these support or work with the local community or other stakeholders?
 - What is the motivation and is there a perceived business gain for the company?
- And some specifically on water stewardship and water related projects

To be frank – the conversations tended to be more free-flowing as some of the questions seemed to elicit “yes” or “no”, and or no answer without more delving on the part of the interviewee.

The contacting of people

Emails invitations/sent	27
Reminders sent	18
No response	9
Refusniks	7
Participants	11
Total accounted for	27

- Largely a website search for relevant articles and website text
 - Relevant water issue websites: Circle of Blue, 2 Degrees, Alliance for Water Stewardship, European Water Partnership, Pacific Institute, CEO Water Mandate, World Resources Institute, various industrial sector and company websites.
 - Other websites: advocacy websites such as Common Cause, VIVA, Circle of Blue

Some observations from websites

- Tend to expose different ways of thinking about water stewardship, on the one hand:
 - specifically related to business risk
 - signing up corporate entities to support high profile initiatives
 - global impact and international examples
 - a technical emphasis...and a “bottom line” perspective
 - directed at large international corporations, with their international supply chains and impacts on their international reputations and business risks
- On the other hand water stewardship built in to wider issues of
 - “corporate values”
 - responsibility
 - reputation issues
 - employee and local community priorities for CSR

- All participants were active in managing reductions in their water use and making operational savings; e.g. Tesco and their water data collection and working dashboard
- Agenda for water stewardship driven by big supermarkets – their procurement power and influence has been critical in shaping the behaviour of the supply chain food producers and growers
- Significant levels of awareness and knowledge about the international context of water scarcity and climate change impacts on water “crisis” (droughts and flooding) and risks to business in this context
- Water risk and stewardship issues embedded in the policy realm of wider environmental, climate change, sustainable supply chain strategies.
- Senior boards of companies are aware! But it varies and is often dependent on the presence of a “leadership champion” in the Board Room

- Collaboration and working through sector organisations such as FDF, Business in the Community and with their larger customers, is important and often the only way they can access the expertise and knowledge. Participation in initiatives such as LEAF, Profitability for Sustainability, Cool Farm etc. regarded as valuable by all participants...good for reputation, recognition and accessing best practice
- Localism is critical; it's where the activities take place and it is where the community "attachment" and "interests" reside. So a language that resonates with local sensitivities to rivers is important...question – who is best placed to identify these sensitivities, risks and stakeholder interests and therefore own the corporate approach?
- Increasing interest in the marketing benefits and product differentiation and an increasing recognition that water stewardship as a part of sustainable supply chain management is a way of "protecting the future" for the company

Observations from the conversations (3)

- BIG issue on language is that directed and able to influence middle management – easy to get to the board room and gain its commitment, but it is about translating that in to the commitment of operations managers
- Local operations management often too focused on direct short term business operations management requirements – water risks not taken too seriously in the UK and often seen as a Board driven reputation “thing”; “motherhood and apple pie” mentioned a number of times.
- Larger businesses often see their role as “convenors” of action; providing support to others more technically able and knowledgeable...with NGO 3rd party relationships provide added reputational kudos
- Reputation, reputation, reputation...the critical driver that permeates all aspects of the business’ risk assessments
- All wanted to do more to develop local relationships (River Trusts especially highly regarded) but face “old school” resistance at a local level who are not so convinced about the benefits and seem to be in a “closed loop conversation” on the matter

Observations from the conversations (4)

- Understanding the economic risk is a difficult one to get over (again especially in the UK) – that is understanding “true cost” v “true value” – early days in understanding the thinking in this respect and about the longer term economic risks and need for long term relationships to mitigate these risks
- Water is a poor relation to energy, especially of seen through the narrow lens of operational costs – big cost makes it a big issue and water is generally not treated as a “transactional commodity”)
- Surprisingly (maybe) most detailed knowledge, understanding, expertise exists in the producer/grower businesses organisations than the retailers
- **BIG ISSUE!** There is some confusion when it comes to understanding and developing strategies on water stewardship in the *UK (river quality better, standards more stringent, flooding and abundance...)*. Question – *what can we do about it? What is the water stewardship narrative in the UK?* Managing water not the water situation seems to be the main identified business risk; and this is reinforced by reputation risk being the main driver for any water stewardship initiatives
- Highest level of awareness and commitment is in those organisation where water is regarded as their “ingredient”

Has your organisation considered any short-term or long-term projects within this area (for example, a project to improve water quality and/or availability in the natural environment)?

All the organisations were involved in projects which covered the main principles of water stewardship but the nature of the involvement differed in the following ways:

- Larger retail companies focused on their water use savings and in the UK participated in sustainable supply chain initiatives which mostly embraced water use. Their involvement cascaded to encourage and support (usually by sponsoring initiatives such as LEAF to disseminate best practice
- Producers and growers (with greater degrees of knowledge and expertise) were more engaged with local organisations such as the Rivers Trust, but the extent of their involvement constrained by funding priorities.
- Often involvement in programmes driven by retailer requirements and increasing profile of sustainable supply chain measures and supply partnerships with buyers
- Most engaged were the brewers/drinks producers that were water supply abstractors and not dependent on utility suppliers, food growers and producers in the supply chain
- Much of the water stewardship work is caught within land management, agricultural practice, environmental sustainability initiatives

If not...why not; and if so what were the driving forces or criteria for your organisation considering these approaches/projects?

There were no negative perspectives on the importance and on the desirability of being engaged in water stewardship projects. But there are constraining factors:

- Lack of expertise and knowledge in the organisations that have the most influence to drive change – i.e. the major retailers
- Lack of funding options (often because of other priorities, especially food wastage) for those organisations where there is real knowledge and expertise
- Board level is just a starting point (and very important) for a company's commitment to water stewardship engagement, but operational management too often have other priorities and there can be instances of environmental, sustainability initiative “fatigue”.

Why get involved:

- Most compelling reason is for those organisations where water is their primary “ingredient”
- If the “water issue” has the risk of damaging reputation – pollution or depriving other local community water users
- If their customers require their involvement through their buying practices

What information would your company value to help secure senior level buy-in on Water Stewardship (and where do they get information from at present)?

A key requirement is less for senior management buy-in (because the international narrative is compelling for them), rather it is for the UK narrative on the need for prioritising water stewardship within middle and operational management

UK related best practice from industry wide initiatives and from industry sector federations – plenty of these seem to be available but need to find this information at the local level. Patchy relationships with the Environment Agency (and some reluctance to engage with them despite their having much of the information and data that would be useful). River Trusts highly regarded for their technical knowledge and expertise.

Often finding it difficult to comply and to find out requirements of each collaboration initiative they are asked or required to join...perhaps too many initiatives and crossing over in their requirements that operational managers see compliance more as a “tick box”

Have you thought about future water scenarios that may have an impact on your business (for example, reform of abstraction licenses, increased regulation?)

Much of this work is in its early stages and this is where there are big gaps in knowledge and an understanding of the potential implications on business

Having said this...yes, respondents are aware that there are reforms taking place and developing in a way that might impact their businesses, but they as individual businesses generally do not directly engage with the regulators; preferring instead to work through sector federation organisations. On whole rather reactive to regulatory change rather than proactive; and assess risk once the change or reform has taken place.

Must remember that for many businesses, as in society at large (and the people working in business bring their assumptions and prejudices with them to work) - water in the UK is not regarded as a high economic cost item...and generally regarded as plentiful. It is those organisations with water as their ingredient (and more obviously a critical item) that are more knowledgeable and develop water supply strategies working in partnership with regulators and others – MC especially has a culture of doing so which has been “imported” from their US history of proactive community and catchment based water source management and research.

Example of business “interest”

- The level of business response to RBMP is very low compared to other “stakeholder”



Consultation responses for EA River Basin Management Plan - breakdown of responses by sector

	Individual	Academia	Consultant/ contractor	Business	Environmental management (including NGO)	Farming/land management	Transport/ Navigation	Local Government	National Government	Leisure/ tourism	Utilities	Other	Total
Anglian	30	2	0	1	21	4	1	18	2	4	3	17	103
Humberside	8	1	0	0	22	3	3	8	1	0	3	6	55
Northumbria	6	0	1	0	10	2	0	5	0	1	1	0	26
North West	2	0	0	0	26	4	4	9	2	3	1	2	53
South East	1	0	0	1	9	4	0	4	2	1	2	9	33
South West	1	0	0	1	9	6	1	5	0	1	4	13	41
Thames	8	0	0	1	29	2	2	13	1	0	3	27	86
Severn	6	0	0	2	16	4	2	3	3	1	6	4	47
	62	3	1	6	142	29	13	65	11	11	23	78	444



Does risk come into the decision, and if so, what type – reputational, operational/physical or regulatory? Or are you more focussed on opportunities?

Business risk is critical but it arises in a number of ways:

- The technical risks on operations are without doubt the most significant long term and strategic risks, the water stewardship narrative resonates, but it does so within the context of a wider strategic risk associated with climate change, food waste, sustainable land management and ethical supply chains
- Companies see an immediate risk by not complying with the new approach from the large retailers and grower see the risks by not meeting the requirements of the food producers who are responding to the requirements of their retailer customers – the business risk permeate down the supply chain by need for compliance. With out the long term procurement contracts with these customers these business will loose out
- Link with this is reputation; and again that is a permeating risk through the supply chain top down. Opportunities emerge from doing more that the tick box requires but with prices very keen, and buyers still incentivised on controlling costs and “good deals” then producers are rather risk averse to opportunity based decisions on water stewardship projects.

Whose decision is it within your company to engage in such projects – long term and short term?

- Not a great deal to say here – respondents stated that generally it was the Board's decision; no significant differences on long and short term projects.
- Decisions on small and modest local CSR community projects were often delegated to local managers, but not much done in the field of water stewardship in this respect – generally tree planting or support to youth sports and other charitable causes

In your decision making process on community engagement projects, and or investment projects in water related programmes – what would be the outputs or expected “rewards” that you would seek to achieve?

Business benefits that improve customer relationships and reputation...for the supply chain it is critical to assure and reassure their customers that their business is sustainable and their product supply is secure...and meeting their customers requirements in order to support their strategic objectives on sustainable (and ethical) supply chain.

Meeting the requirements (whatever they are) of their customers (generally the big retailers) will help them secure long term purchase agreements that fit in to the “partnership” approaches that are beginning to characterise retail supply chain agreements. Example CC for all suppliers to meet specifications of their Farm Sustainability Agreement

Interested in these benefits being reflected in more favourable and longer term contracts with buyers...often the driver is to ensure compliance with the “ethos” or environmental requirements of their end customers...certainly a case of enlightened self interest.

For local community projects there is often intangible “rewards” – staff satisfaction by supporting CSR initiatives inspired by them; local community “trust” and support which would help if the business has plans to develop or grow – local CSR and local community engagement projects seem as increasingly more important and beneficial to the business than national or international projects

What have you learnt about the language and approach that has helped ensure senior level buy in?

The big picture water narrative that discusses California and other international crisis points is useful for those businesses that operate internationally, but there is a mismatch with a UK based narrative – *“what relevance has it to us in water plentiful England”* – for UK based food producers and growers

Appropriate language on water operates at different levels within the businesses and for different types of business (water as the ingredient for example is very powerful) and it seems that the most challenging need for adaption is in the bringing on board the middle managers and operating staff who are pressed more by short term responsibilities, performance reporting requirements

The local water narrative is the critical one to develop if water stewardship rhetoric is to be translated in to meaningful action and embedded in the business. Business partnerships with River Trusts are important in this respect.

Reputation risk based language and the emphasis on requirements of customers (*this is what they want, we have no choice but to comply*) is an effective way to discuss and ensure managers deliver environmental standards, including on water but other aspects such a carbon reduction, food waste, energy usage, animal welfare etc. are embraced

How have you tracked the outcomes delivered by these projects?

Outcomes matter, but again respondents outside MC and CC, regarded outcome measurement at an early stage. Most direct form of measure is in water saving and money saved through water efficiency measures.

With the various sustainable supply chain partnership initiatives it is clear that the collaboration, goals, aims and outcomes need to be clear. Especially what each party would be able to benefit and gain from the programme. Otherwise, suppliers will lose the motivation to participate.

When driven by the requirements of retailers such as Tesco and M&S (and others) producers and growers would expect their commitment and participation to be recognised by the buying processes of their goods and products – long term and secure contracts included....good for customers & good for business!

Essential message is that outcome tracking and measurement is in its early days of formulation – significant element of goodwill within the motivation reasons for participating and that is difficult to assess as an outcome (many CSR activities are undertaken on the basis of a motivation to generate goodwill with the local community and with staff)

Some conclusions & thoughts (1)

Some recommendations and thoughts on the language used in the water stewardship engagement of business:

- There is no simple answer to why companies support water projects and their causes. Many contribute out of a combination of altruism and self-interest in the context of business risk, and it is nearly impossible to determine where one leaves off and the other begins.
- The attitudes of top management more than any other factor seem to impact the giving philosophies of corporations. CEOs often play a primary role in company giving, with environmental or CSO managers usually reporting directly to the CEO.
- Most companies agree that giving and participating is good, and beneficial for their business... but how you integrate philanthropy and sustainability overall really depends on the senior leadership and how they set the strategic direction; *“Then the challenge is how does that percolate down to the rest of the organisation – middle management need to be supported to translate that strategy into operational reality.”*

Some conclusions & thoughts (2)

- Having said that...it is not just about addressing the members of the Board Room; the language and narrative on water stewardship needs to resonate with those at middle management and business unit operation level
- Employee retention is a relevant business driver for CSO... environmental & community engagement - *“There used to be a divide between who you are in your personal life and your professional life, but that is changing and people are applying the same profile to their professional life as their personal life. They need to feel authentic in the workplace and, therefore, the values of their organisation become much more important.”*
- There is a very long tradition of businesses donating money, goods or staff time to charitable causes, all of which falls under the umbrella of corporate philanthropy. However, *there is a now a growing awareness that philanthropy can be a powerful way of tackling issues that affect their business operations, as well as society more broadly including water stewardship*
- Reputational risk seems to be at the heart of the concerns for instigating water stewardship related projects; technical risk is there but needs an improved UK based water “crisis” narrative in the language to be used.

Some conclusions & thoughts: SMEs (3)

- Most SMEs are owner-managed, the values of the director play a crucial role, thus most SME owners live in their communities and that responsibility often comes naturally to them.
- They are more in touch with their staff, customers and communities than larger organisations and will be much more reliant on their local communities
- Water stewardship needs to be broken down into a more usable concept that is applicable to every business regardless of size and scope. It needs to evolve into a position where small but significant advances are made by a large number of businesses, rather than striving for complicated and sophisticated policies and auditing amongst an elite few.
- Some of the business case considerations may carry less weight with SMEs, at least in terms of their own operations. For example, while reputation is important for any business, there are typically greater reputational risks for large companies. Similarly, license to operate, in the broad sense of corporate legitimacy, is also more of a concern for a larger corporate than an SME.
- SMEs increasingly find that they are part of a value chain where a large company downstream (for example, a major brand or a retailer) is demanding attention by suppliers to enhance their sustainability metrics and performance.