Finnish water stewardship commitment
a tool for advancing company contributions towards SDGs and water security

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Introduction

Water security crises pose growing risks to companies and their value chains. To guide company water risk management in public interest, Finnish research institutes, ministries and WWF launched a Finnish Water Stewardship Commitment in spring 2017.

The commitment draws together the best research-based tools and international guidelines for five steps of water stewardship progression as detailed in Figure 1. It challenges Finnish companies and organizations to assess water risks in their value chains, to take care of sustainability of water use at their own and their value chains' operation locations, and to engage in collective action with stakeholders to develop sustainable water use and governance.

As a part of the Finnish national framework for implementing Agenda2030, the commitment provides a platform for companies to set public policy aligned targets and develop their practices in collaboration with stakeholders.

This study reports the experiences of developing and implementing the commitment to date and identifies challenges and opportunities of a voluntary stewardship commitment as a tool for advancing company contributions towards SDGs and water security.
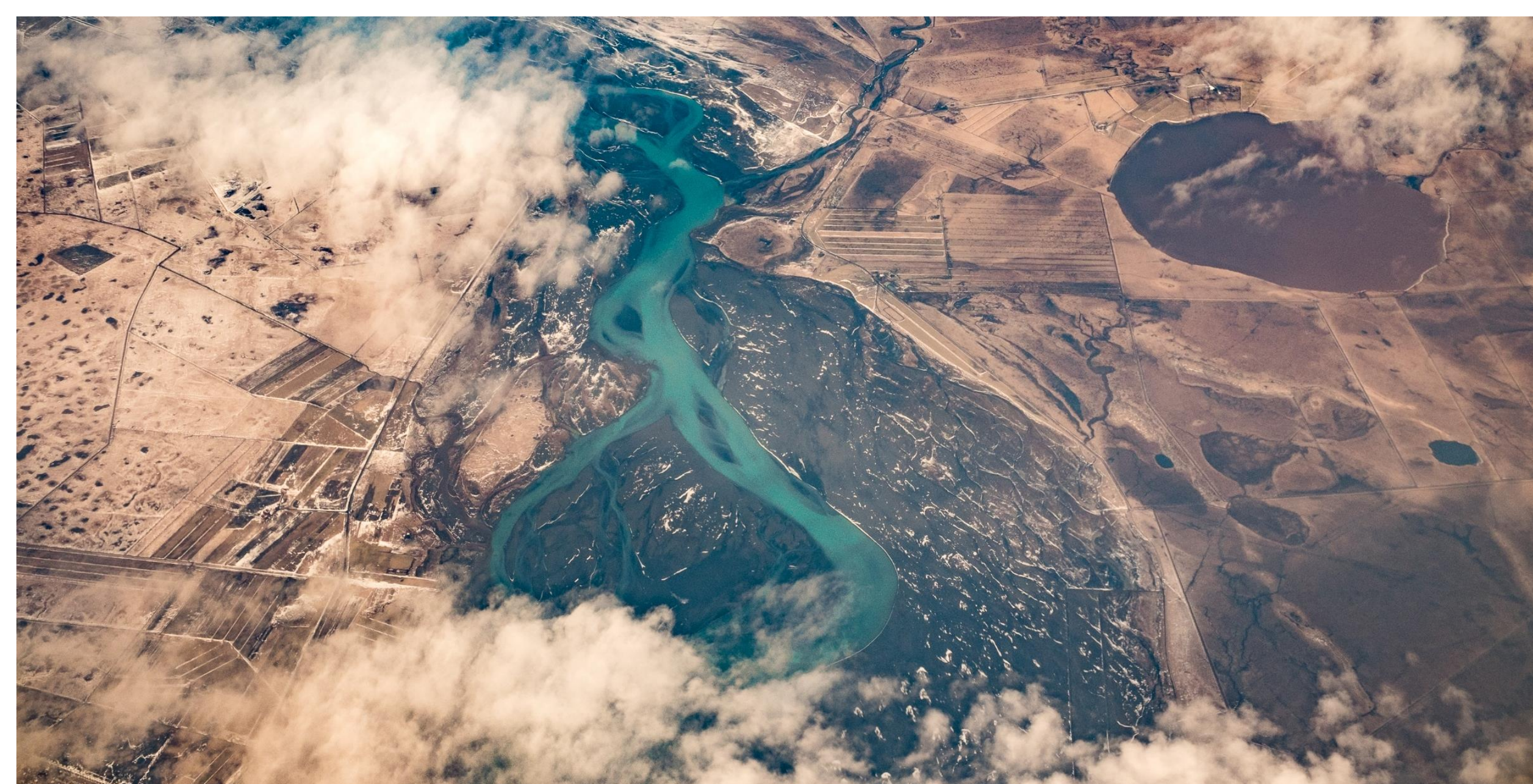
Background

Finland has abundant water resources and has been ranked among the top performers internationally on its water and environmental governance (EPI 2018).

However, sustainability of Finnish water use comes to a new light when looking at the water footprint of Finnish consumption. As detailed in Figure 2, nearly 50% of it is left abroad, also to areas suffering from water scarcity (Nikula 2012). Finnish companies operate and their value chains extend also to areas suffering from different kinds of water related problems affecting local communities, environment and the companies alike (Sojamo *et al.* 2012).
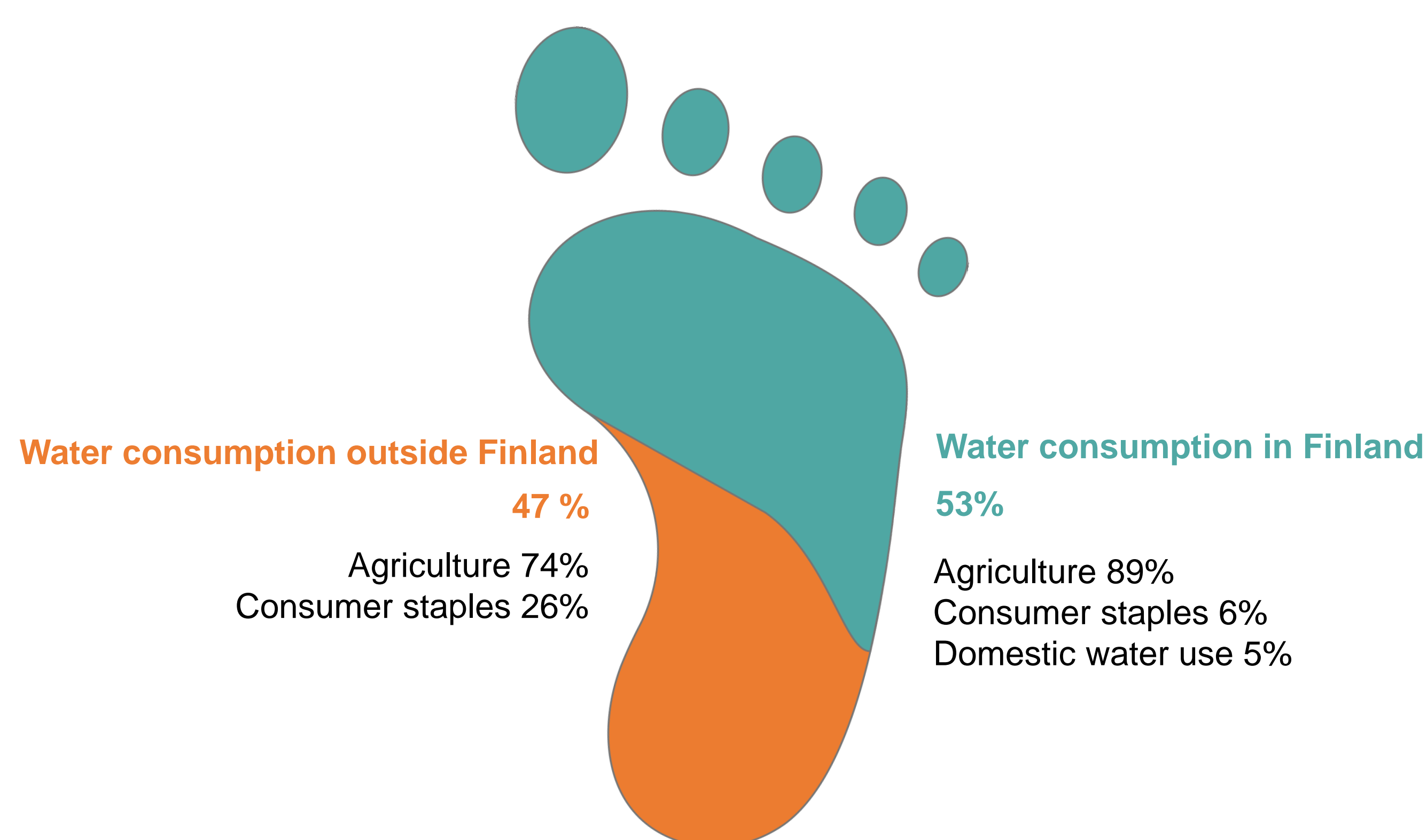

Water consumption outside Finland
47 %
Agriculture 74%
Consumer staples 26%

Water consumption in Finland
53%
Agriculture 89%
Consumer staples 6%
Domestic water use 5%

Figure 2. The water footprint of Finnish consumption (Nikula 2012).

Figure 1. The five steps of Finnish Water Stewardship Commitment.

Methods

The findings of the study are based on observing participation in the multi-stakeholder development and implementation processes of the commitment in March 2017- June 2018, key-informant interviews and comparison of company water strategies before and after joining the commitment.

Results to date

The commitment has been awarded for its support to policy coherence and multi-stakeholder collaboration by the Finnish Prime Minister's Office and the Finnish NGDO Platform to the European Union, Kehys. The commitment has been welcomed by Finnish companies and industry federations as a clear framework for action, four leading companies from key water-using sectors having already committed to date: Fazer Group (food and bakery, confectionery, food services), Finlayson (textiles), Sinebrychoff (beverages) and UPM (forestry).

Main challenges of company participation have been related to the limited internal resources currently being focused on other themes such as climate change, but communicating the connection of water to them as well as to all the SDGs has helped in identifying the business case. Companies have identified value chain water risk management and setting meaningful targets as the key challenges on their water stewardship progression – challenges which they can only solve in collaboration with their stakeholders.

Discussion

Voluntary commitments have become increasingly popular due to their ability and agility to accelerate action on water compared to regulatory means. Other examples of water stewardship commitments include the CEO Water Mandate, Business Alliance for Climate and Water and the Courtauld Commitment in the UK. The Finnish Water Stewardship Commitment differs from them by its direct linkage to the national Agenda 2030 framework and strong emphasis on research and development work to support its implementation. Even though companies increasingly operate at a transnational level, country contexts still define SDG and water security challenges. Strong involvement of independent research institutions ensures corporate engagement on water happens in joint and public interest (Sojamo 2016).

Conclusion

Solving global water challenges is a task no actor can take on their own. Even though its impacts on the ground remain yet to be seen, the Finnish Water Stewardship Commitment is an encouraging example of a tool that could be replicated in other country contexts too to advance company contributions towards SDGs and water security.

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