



PIONEERING
WATER
STEWARDSHIP
FOR FASHION



MAKING WATER OUR BUSINESS

H&M and WWF Pioneering Water Stewardship 2013-2015



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INTRODUCTION

The World Economic Forum has predicted that in the years to come water crises will be one of the biggest threats to our economy and society. Today, roughly 40 per cent of the world's population lives in areas of severe water stress, and already by 2030 water demand is predicted to exceed supply by 40 per cent. In the manufacturing industry alone, water demand is projected to grow by 400 per cent between 2000 and 2050.

In 2011, global conservation organization WWF and fashion brand H&M entered into a partnership, united by a desire to ensure access to sufficient quality freshwater for people and nature. To date, the partnership has broken new ground in water stewardship – as it goes far beyond factory lines and promotes better water practices in entire business sectors and river basins.

Water is one of our biggest sustainability challenges. Companies that plan to stay in business in the future need to look at joint solutions for tackling the growing water challenges as water is a shared resource with shared risks.”

Karl-Johan Persson,
CEO at H&M



Photo: H&M

WWF and H&M - Pioneering water stewardship for fashion

WWF and H&M have a shared interest in reducing the consumption of natural resources – and water is a strong bridge that connects both organizations. Water is essential for biodiversity, which is at the heart of WWF's mission, and an important resource in textile production for H&M.

Between 2011 and 2015, the partnership formed and implemented a game changing water strategy for H&M that moved beyond its factory gates, with the goal of inspiring a shift in the whole fashion industry towards more sustainable water management. Together, WWF and H&M transformed internal water management at H&M, from decision-making at head office to staff practices in retail stores and manufacturing processes on the factory floor.

WWF and H&M have also run projects in China and Bangladesh, two of H&M's most important production countries and major textile exporters, to promote capacity development and policy change for sustainable use of water resources in the textile industry. Water stewardship work started within H&M's own operations and expanded beyond the company itself.

The partnership has also striven to raise awareness on water issues and to invite other companies and networks to take joint action for water stewardship. The partnership also aspired to align work with the UN Sustainable Development Goal (SDG) process.



“Our collaboration was the first of its kind so we didn’t exactly have the road mapped out. But both H&M and WWF realized that together we could accomplish more,” said Stuart Orr, WWF Leader, Freshwater Practice.

Together towards better water management

In 2011, WWF had been tackling global freshwater conservation issues for a long time, and found that the fashion industry was part of the problem – and that it therefore must be part of the solution. H&M had worked with water issues for a decade and was well aware of the challenges facing the company and the industry. As the water situation seemed to be getting more and more critical every day, H&M and WWF decided to form an official water stewardship partnership.

“Our collaboration was the first of its kind so we didn’t exactly have the road mapped out. But both H&M and WWF realized that together we could accomplish more. Solving global water challenges is not something a single company or organization can do alone,” said Stuart Orr, WWF Leader, Freshwater Practice.

A bold new programme

The partnership was formed according to WWF’s water stewardship programme and tailored after H&M’s business and sustainability strategy. The programme aimed to increase water awareness, improve responsible water use throughout H&M’s value chain and to engage with other stakeholders in China and Bangladesh – two of H&M’s main countries of production, which both suffer from severe water stress.

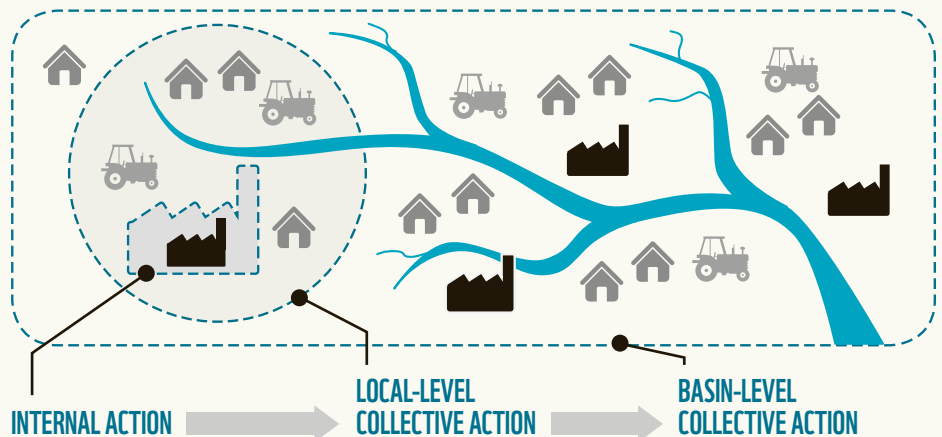
H&M would also support the wider local community through the WWF conservation project in the Yangtze river basin, aiming to help save the finless porpoise and restore the Yangtze by developing more sustainable agricultural practices.

Water Stewardship needs to happen at all levels

BEING A WATER STEWARD ...

... means going beyond being an efficient water user. It means contributing to the responsible and sustainable management of freshwater resources, and finding solutions for risks shared with other stakeholders.

Becoming a good water steward requires shifting from ad hoc and charitable initiatives to recognising water as a strategic and core business issue that is material to long-term profit and growth.



1. An organization or a factory with improved water management can save water, energy and reduce environmental impacts. It will still use the same water as other organizations or factories, which may pose a risk when other actors’ water management is poor.
2. Working together with other stakeholders locally, for example factories in an industrial park, to improve water management. This will reduce negative impacts in the nearby river basin but may not be enough to impact the wider basin.
3. When surrounding stakeholders and communities that use water from the same river basin also improve their water management, effects are further enhanced. Stakeholders collaborate on long-term risk reduction, policy objectives and governance.



THE WWF WATER RISK FILTER

HELPS COMPANIES TO DEAL
WITH WATER RISKS. ASSESS
YOUR COMPANY'S RISK AT:
WATERRISKFILTER.PANDA.ORG

APPROXIMATELY 3 000 LITRES

OF WATER IS USED TO MAKE
ONE PAIR OF JEANS

Water – a key resource and a joint challenge for the textile industry

Water is essential for biodiversity, and a key resource in textile production. But with growing water shortages and water contamination spreading rapidly across the globe, the textile industry needs to address their risks and commit to responsible water usage – to ensure a long-term success for business and to safeguard natural resources for generations to come.

In the textile industry water plays an important role in the life of a garment; from the growing of cotton, to the manufacturing of fabric, and finally the way in which customers take care of the garment after it leaves the store.

Most of the water consumption in a garment's life-cycle takes place when the cotton is cultivated and during wet processing in production, such as dyeing and washing. While textile supply chains and raw material production are heavily dependent on water availability and quality, many production and processing sites are located in the world's most water stressed and polluted river basins.

Solving water issues together

Historically, fashion brands that have worked to solve water issues have focused on reducing their own water impacts. While internal actions are important, they miss the real driver of water risk for their businesses – the cumulative impact of all actors within river basins.

“Cutting back on water use and reducing pollution are critical first steps, but companies cannot act in isolation. They need to look beyond their own operations, and work with communities and governments to minimize their water risks and ensure that river basins continue to provide sufficient water for people and nature in the long term,” said Stuart Orr, WWF Leader, Freshwater Practice.

The challenge of finding enough clean water is evident not only to the textile industry, but also to the public, decision makers and other business sectors. As economies expand, so does the demand and competition for water resources around the world.

“Water is one of our biggest sustainability challenges. Companies that plan to stay in business in the future need to look at joint solutions for tackling the growing water challenges as water is a shared resource with shared risks. Water has a strong business case connected to sustainability both in short-term and long-term perspectives. At H&M we realize the urgency and are keen to drive the changes needed to improve water practices in all our places of operation,” said Karl-Johan Persson, CEO at H&M.



DID YOU KNOW THAT ...

- **one pair of jeans** requires approximately 3 000 litres of water to produce.
- **recycling one t-shirt** saves 2 100 litres of water.
- **most of the world's textile** production is located in areas with high water risks.
- **water pollution is high**, especially in developing countries where up to 70 per cent of industrial wastewater is disposed without treatment.

Photo: Africa Studio / Shutterstock

Why fashion companies should care about water risks

Water risks for companies are the result of the cumulative use of water in a river basin by all water users. While businesses might be highly water efficient or only use a relatively small amount, if they are operating in a water stressed catchment where rules and allocations are non-existent or where water is apportioned poorly to people or ecosystems, they remain exposed to some level of risk. Water risks, whether they are physical, reputational or regulatory are often connected and can directly affect profitability and, in turn, investor confidence. In the worst cases, poor water management can force closure or relocation of business operations.



Photo: WWF / Simon Rawles

Physical risks, such as shortage and pollution of water, may stand in conflict with the needs of local communities and could disturb production.



Photo: Charlotta Järnmark / WWF

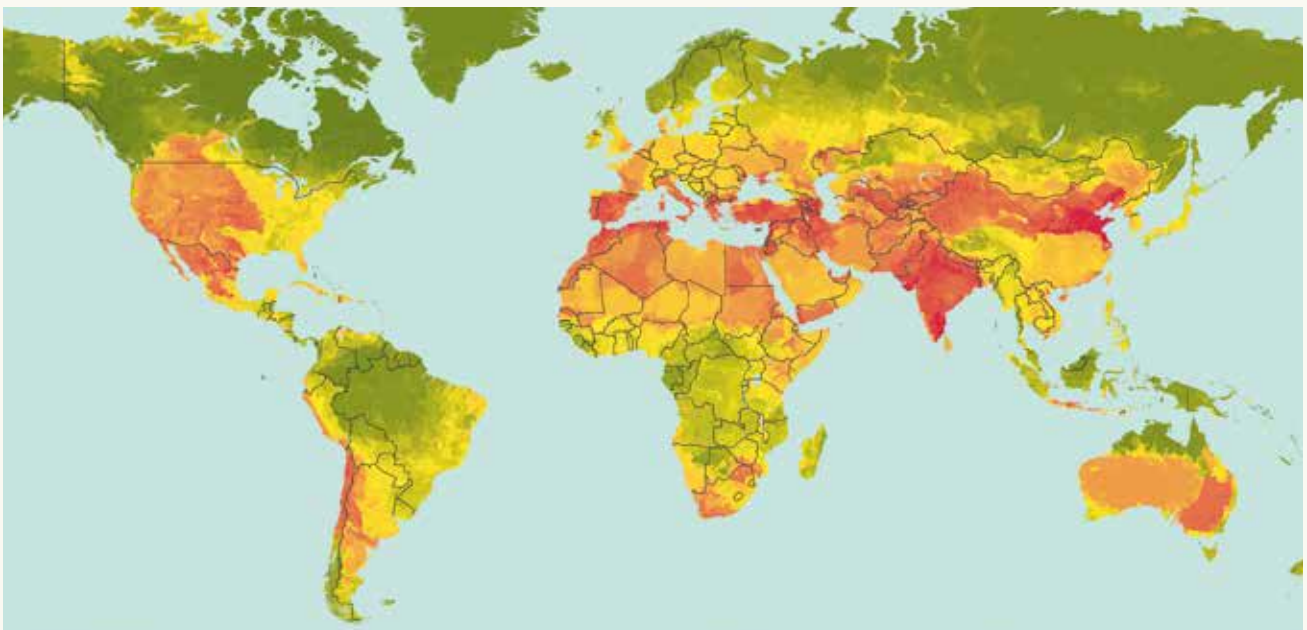
Regulatory risks include unforeseen changes in legislation, which the business may not be in compliance with. Could lead to fines or factory closure.



Photo: IKEA

Reputational risks occur when businesses do not address the impact of their activities. Can lead to brands being scrutinized by the media, organizations or communities.

Areas with high water risks for textile production



Areas with high water risks are red. Main textile production areas for H&M are China, India, Bangladesh, Turkey and the Mekong river basin.

WORKING WITH THE VALUE CHAIN

A significant part of the programme involved increasing awareness and improving water management in the H&M value chain. Here the goal was to better understand the supply chain and to strengthen supplier relations.

“The programme has given me a better insight into water treatment practices. I have realized that water improvements have a positive impact on my business, and how these are linked with other sustainability aspects, such as energy and climate.”

Marvin So at Sanflag Fashion Dongguan Co. Ltd.

ABOUT 75 000 OF H&M'S EMPLOYEES

- FROM STAFF IN STORE TO TOP MANAGEMENT TOOK PART IN WATER TRAININGS

Between 2013 and 2015, more than half of H&M's 148 000 employees, ranging from staff in store, designers, buyers and top management took part in water trainings.

Technical water trainings were also conducted with H&M auditors, sustainability managers and more than 500 suppliers, with the goal of improving water and wastewater management in the supply chain and setting a new internal standard for all H&M water operations.

“When you are a player the size of H&M, water risks can be critical anywhere. We realized that moving out of one high-risk location would not change anything. A key to raising the bar on water practices along the entire global production chain was for us to understand our supply chain better and to further strengthen our supplier relations,” said Olle Blidholm, Environmental Sustainability Manager at H&M.

Alongside the technical trainings, an internal Standard of Operative Procedures on water (SOP) was developed. H&M are engaged to improve water management according to the global Business for Social Responsibility (BSR) water quality standard.

“The programme has given me a better insight into water treatment practices. I have realized that water improvements have a positive impact on my business, and how these are linked with other sustainability aspects, such as energy and climate,” said Marvin So at Sanflag Fashion Dongguan Co. Ltd, one of H&M's suppliers in China.

BSR IS A GLOBAL WATER QUALITY STANDARD FOR BUSINESS

BSR's benchmark can be used globally to create a high level of best practice in countries where local regulations are inadequate.

Where local regulation is higher than BSR, national regulation is used instead.

By the end of 2015, 75 per cent of H&M suppliers had reached the BSR standard.



Photo: H&M

TRANSFORMING BASINS AND SECTORS IN CHINA

China's textile industry brings business opportunities to the country and its people, but increased industrialization affects access and quality of water. In addition to working with the H&M supply chain in China, the partnership focused on bringing together various stakeholders to promote more

sustainable water methods, support water governance and to demonstrate the business case for adopting water stewardship.



©: WWF China ADO

In April 2015, thanks to joint partnership efforts, the WWF China water stewardship programme could announce Changzhou Xixiashu Textile Industrial Park as the first industrial park to apply the water stewardship approach in China.

Starting China's first industrial park project for better water management

In April 2015, thanks to joint partnership efforts, the WWF China water stewardship programme announced Changzhou Xixiashu Textile Industrial Park as the first industrial park to apply the water stewardship approach in China. The park is located in the Taihu basin near Shanghai, one of three priority wetland areas for WWF biodiversity conservation work targeting the Yangtze river. The park has a textile industry focus with 23 textile and dyeing mills, an industrial water supply plant and a shared wastewater treatment plant.

“We wanted a pilot case to demonstrate the water stewardship method, but it was a challenge to find a park willing to participate. The regulations in place in the Taihu area prohibited upgrading technical equipment for the purpose of ramping up investment in new technology. This complicated things. After some hard work, we were given permission to include upgrades in the pilot project and could carry on with the project,” said Dr Ren Wenwei, Water practice lead, WWF China.

We wanted a pilot case to demonstrate the water stewardship method, but it was a challenge to find a park willing to participate.”

Dr Ren Wenwei,
Water practice lead, WWF China

Together with key stakeholders, such as local politicians, financial institutions, textile trade organizations and the industrial park management, WWF and H&M initiated an action plan for the park and developed an indicator system that evaluated company risk and basin health from an ecological, economic and social perspective. Other brands joined H&M in the WWF water stewardship initiative. The scaling up of the initiative created collective action not only within Taihu but also between brands.



“The project helps us to reduce risks of being unprepared for changes in governmental regulation and to save production costs by more efficient water and energy usage.

I also see how my staff's attitudes have changed as they become more aware of environmental issues and how to handle resources more efficiently.

I hope our work will attract others to join in.”

Song Lingyong is the owner of Weile Dyeing, the first mill to sign up for the project.



Photo: H&M

New high-tech equipment is sometimes a necessity to achieve positive environmental effects faster, but it is also a heavy investment for factory owners.

“The Chinese government has declared a stronger focus on environmental legislation for industries. This is encouraging, but there are still big differences in legislation between regions and when it comes to implementing policies efficiently.”

Dr Ren Wenwei,
Water practice lead, WWF China

“When all mills and plants work together to apply more sustainable water methods, this will lead to positive effects for the entire park. When additional industrial parks and companies join the programme, the effects will spread and benefit a whole river basin. The indicator system lets us measure both the financial and environmental effects of the programme. The aim is to provide an inspiring example to other basins and sectors in China and beyond,” said Dr Ren Wenwei, Water practice lead, WWF China.

Another aim is to show that upgrading current technology used in production is worthwhile. New high-tech equipment is sometimes a necessity to achieve positive environmental effects faster, but it is also a considerable investment for factory owners. Potential collaboration with government leads to a better outlook for financial support, knowledge exchange and alignment in finding additional solutions to reduce on-site impacts.

Creating movements for optimized policies

As part of the efforts to stimulate engagement and achieve optimized water regulations in China, WWF China is engaging with water stewardship partners in policy work at a national and a local level.

“The Chinese government has declared a stronger focus on environmental legislation for industries. This is encouraging, but there are still big differences in legislation between regions and when it comes to implementing policies efficiently. It is also difficult for smaller players to get access to policy makers, so much of our work focuses on setting up platforms to bring different parties together,” said Dr Ren Wenwei.

“As a leading industrial actor, we are playing an important role in the continued optimization of water governance in industrialized regions like Taihu. We now want more partners to join us in scaling up the work in China, creating responsible leverage together,” said Olle Blidholm, Environmental Sustainability Manager at H&M.



WORKING AT NATIONAL AND REGIONAL LEVELS

At a national level, WWF is developing an agreement with the China National Textile and Apparel Council (CNTAC) to speed up the green transformation of China’s textile industry and to promote actions for water stewardship in China and globally.

As part of this work, H&M and WWF have carried out a baseline analysis of a stakeholder mapping of China’s Textile Industry. The study targeted environmental, energy, water resource, chemicals, and human rights issues and was conducted in collaboration with the China National Institute of Standardization (CNIS).

At a regional level, as part of a project to refine the IP methodology, H&M and WWF founded a multi stakeholder platform for the voices from factories, companies, industry associations, local policy makers and non-profit organizations in the Taihu area.

A first gathering in Taihu was held in August 2015 and this was the first time local non-profits met to jointly discuss water stewardship issues.

This was later expanded to include more water stewardship partners.

ADVOCATING GOOD GOVERNANCE IN BANGLADESH

Bangladesh is a major producer of textiles and clothing, and the apparel sector is vital for the country's economy. But textile and leather processing have significant negative impacts on water sources, leading to environmental degradation and potential health problems for people. In Bangladesh, WWF and H&M have focused on facilitating better water

governance by analyzing the roots of governance problems and creating a road map for improvement.

"In Bangladesh, we experienced major challenges around water. Water depletion and quality issues were posing potential risks to our suppliers' long term operations, and we knew that they needed a lot of support if they were to meet H&M's ambitious water quality standards."

Olle Blidholm, Environmental Sustainability Manager at H&M

"In Bangladesh, we experienced major challenges around water. Water depletion and quality issues were posing potential risks to our suppliers' long term operations, and we knew that they needed a lot of support if they were to meet H&M's ambitious water quality standards. At the same time, we realized that a player our size could make all the difference when it came to supporting a national dialogue on reforms and addressing the root causes of the challenges we were seeing," said Olle Blidholm, Environmental Sustainability Manager at H&M.

"We wanted our collaboration with H&M to spread positive change in two directions. We worked with H&M suppliers to raise their water awareness and implement standards that demonstrated affordable best practice. We also carried out research and started a national dialogue, aiming to reach better national water management through functional and inclusive governance," said Laila Petrie, Manager Corporate Relations at WWF International.



WWF and H&M have supported development of the water programme of the 2030 Water Resources Group (WRG) in Bangladesh.

The Global Water Standard BSR was implemented

As part of the training programme for suppliers, the global water standard BSR was implemented among H&M suppliers in Bangladesh. The standard was higher than the current national standard in Bangladesh, which helped illustrate to decision makers that implementing better standards was not only feasible, but also aligned with the interests of international customers like H&M.

Two research reports were conducted, one to identify potential gaps in water policy and implementation, the other to assess how these gaps, if not addressed, could negatively affect the country's economic growth.

"Initial findings suggest that if existing policies were implemented to better govern Bangladeshi water resources, this would likely have a positive impact on the country's GDP, living standards, food security and textile sector growth by 2030," said Laila Petrie.

Within the partnership, WWF and H&M have also led efforts to engage other organizations to address water governance issues, in particular through supporting development of the water programme of the 2030 Water Resources Group (WRG) in Bangladesh.

SUPPORTING THE WIDER COMMUNITY – FROM PORPOISES TO FARMING

H&M has supported the wider local community through a WWF conservation project in Yangtze in China, aiming to help save the endangered finless porpoise and to restore the Yangtze river by developing more sustainable agricultural practices.

The purpose is to decrease over fertilization and pollution of the Yangtze river and enhance water quality – a win-win outcome for both porpoises and people.

The Yangtze river provides livelihood for millions of people and species in China, but due to extensive industrialization, farming, overfishing and shipping, the river's health is in poor condition. The finless porpoise, also called the Yangtze river pig, is the only remaining finless porpoise in the Yangtze river. Today, only around 1 000 individuals are left.

“We look for ways to restore the river, while protecting and supporting the reproduction of the porpoise. If the porpoise prospers, so does the river. We collaborate with businesses, governments and the local community to find long-term solutions,” said Dr Ren Wenwei, Water practice lead, WWF China.



Photo: Kent Truog

The finless porpoise is the only remaining porpoise in the Yangtze river. Today, only around 1 000 individuals are left.



Photo: Asim Hafeez / WWF-UK

Pesticides are not only bad for the soil and the farmers who use them, but also destroy the water resources which people depend on for their livelihoods.



Photo: Humphery / Shutterstock

Local farmers have begun to realize the importance of an ecological balance.

Education of local farmers

One of the ways to restore the river and protect and support the reproduction of porpoises has been to educate local farmers to grow crops like cotton, corn and soy beans sustainably. This means implementing more efficient irrigation methods and using natural bacteria instead of fertilizers. The purpose is to decrease over fertilization and pollution of the Yangtze river and enhance water quality – a win-win outcome for both porpoises and people.

“Local farmers have begun to realize the importance of an ecological balance and traditional agriculture ways are gradually being restored. Pesticides and fertilizers are not only bad for the soil, but also destroy the water resources which people depend on for living,” said He Xiuping, a local farmer.

MAIN RESULTS 2013-2015

The partnership's water stewardship initiative has led to an increased global engagement in water issues, spanning from H&M's organization, to suppliers, local communities and governments in China and Bangladesh and to players across the entire fashion industry.

BY 2020 ALL H&M STORES

AND WAREHOUSES WILL
HAVE INSTALLED WATER-
EFFICIENT EQUIPMENT



Collaboration and engagement with key water organizations in Bangladesh, such as the WRG.

The partnership has provided us with better risk management, improved our long-term planning and led to better relations with stakeholders such as suppliers, partners and other brands."

Olle Blidholm, Environmental Sustainability Manager at H&M

- **Approximately 75 000 of H&M's employees have taken part in water training.** This has fostered an increased awareness about how water, materials and other resources are linked to the product life cycles.
- **By 2020, all H&M stores and warehouses,** around 5 000 sites, will use water-efficient equipment.
- **H&M publically announced a goal** that by 2020 all of its cotton should come from more sustainable sources. During the partnership period, H&M almost doubled the share of more sustainable cotton (BCI, recycled and organic) in its total cotton use.
- **More than 500 supplier factories** with wet processes received water training and implemented the BSR standard for better water and chemical management. As a result, supplier relations have been strengthened, leading to increased transparency and more efficient business relations.
- **WWF and H&M advocated for the water stewardship approach** at industry and regional level in China and Bangladesh. This has resulted in:

The Taihu forum, the first stakeholder platform in Taihu in China, where politicians, local NGOs, companies and brands have joined together to work for improved water management.

China's first industrial park pilot project, aiming to bring social, economic and ecological benefits to participating suppliers and the surrounding ecosystem. In the long term, the project will serve as model for other industrial parks in the world.

China's first water stewardship guidelines for the textile industry.

The release of reports that identify ways to address water policy and implementation gaps, and how these gaps could negatively affect Bangladeshi's economic growth.

Direct collaboration and engagement with key water organizations in Bangladesh, such as the WRG, to increase the focus on water governance.

- **By supporting a WWF project to restore the health of the Yangtze River,** the partnership contributed to the survival of the endangered finless porpoise and to the use of more sustainable agricultural practices by farmers in the river basin. At least 750 tea farmer households are expected to switch to sustainable tea cultivation. In November 2015, the number of finless porpoises in the conservation project had increased and nine porpoise babies were expected.
- **H&M has successfully been used as a best practise and inspiring case.** This has helped WWF to recruit new partners to the water stewardship programme, marking powerful steps towards the vision of availability and quality of freshwater for people and nature.

NEXT STEP FOR THE PARTNERSHIP

Building on the successful results of the water stewardship initiative, H&M and WWF are expanding the partnership. From 2016, the partnership has added climate action and a strategic dialogue, related to H&M's and the fashion industry's broader sustainability challenges and opportunities, to the work with water stewardship.

FROM 2016 H&M AND WWF

HAVE ADDED CLIMATE
ACTION AND A STRATEGIC
DIALOGUE TO
THE PARTNERSHIP

The water stewardship work in river basins will continue, expand and multiply, both in China and elsewhere. From 2016, H&M will continue to improve water management internally and in their supply chain and take part in WWF's water stewardship programme for collective action, together with other brands and organizations.

On climate, H&M and WWF will work to further reduce greenhouse gas emissions in prioritized parts of H&M's value chain by engaging suppliers, customers and policy makers towards a low carbon future.

The strategic dialogue will involve topics like more sustainable materials and circular processes, and aims to bring sustainable and science-based solutions to both H&M and the fashion industry.

INFORMATION AND CONTACT

Do you want to know more about the partnership or find out how to get involved in WWF's change programme for the textile sector?

Please get in touch with foretag@wwf.se

Further information at www.panda.org,
www.wwf.se and www.hm.com

- Get to know your business water risks by using "WWF Water Risk Filter"
- Learn more on how to apply water stewardship in your business – "WWF Water Stewardship Guide for Companies"
- A study on water risks in seven water dependant business sectors – "No Water No Business – Water Risks in the Swedish Private Sector"
- A study on water related risks in Bangladesh – Economic Risk in Bangladesh
- H&M water strategy and work



Photo: H&M

MAKING WATER OUR BUSINESS

H&M and WWF pioneering water stewardship 2013-2015

WATER STRESS

Today 40% of the world's population lives in areas of severe water stress.

40% IN 2030

Water demand will exceed supply by 40% in 2030.

PRIVATE SECTOR

The private sector is impacted by the way in which global water resources are managed.

400% BY 2050

The manufacturing industry is predicted to increase its water demand by 400% between 2000 and 2050.

WATER RISK INFO

Want to know more about your water risk?
Please visit www.waterriskfilter.org



Why we are here
To stop the degradation of the planet's natural environment and to build a future in which humans live in harmony with nature.
www.panda.org

