

# Promoting water stewardship in the supply chain

Freshwater ecosystems are vitally important for people and our planet: they provide us with drinking water, food and income. They also control floods and soil erosion, and deliver other important ecosystem services, such as water supply for growing crops, manufacturing, energy and transport. But mounting water crises threaten the health of our ecosystems and are having profound impacts on our society and economies.

According to <u>UN data</u>, 2.3 billion people live in water-stressed countries and 20% of river basins are suffering from water scarcity. Accelerating climate change will only intensify this situation. Moreover, according to <u>WWF's Living Planet Report 2020</u>, freshwater biodiversity has declined by 84% since 1970.

Since 2014, WWF and IKEA have been working together to address water challenges by improving the way in which freshwater use is managed, both within the IKEA supply chain and beyond. The WWF and IKEA partnership aims to improve the quality of water basins as well as restore important rivers in Turkey and India, through technology-driven interventions and multistakeholder initiatives. We also undertake awareness-raising activities about sustainable water use within the IKEA supply chain, and want to better understand the impacts on water from the company's global operations to help develop solutions.

Between 2019 and 2020, we assessed water risks in each of the river basins where 1,268 global IKEA suppliers are located. We developed recommendations for action plans to mitigate those risks and build resilience against water crises.

### WHAT WE PLAN TO ACHIEVE BY 2025

- Assess the IKEA water dependency in its value chain, the impacts of its operations, data accessibility and monitoring system to help create a sustainable supply chain approach
- Set up contextual water targets, by identifying and prioritizing key water issues with supplier sites located in different river basins
- Explore and develop science-based targets for water for IKEA suppliers
- Train IKEA staff and suppliers on water risks and provide information on the latest global water situation, water stewardship tools and good water management practices
- Conduct further water risk assessments in the IKEA supply chain including agricultural and food commodities to get a better understanding of their impact on water basins



## FACT SHEET: WATER

Our current work builds on these achievements, while also exploring new directions that contribute to healthy water flows and improve biodiversity in priority river basins. Through a multi-stakeholder approach, we address the use of water in IKEA supply chain operations, develop meaningful local water targets and undertake further research into water risks affecting the value chain.



#### WHAT WE'RE DOING

### Supporting the development of a sustainable corporate water strategy

WWF provides scientific insight and guidance on how IKEA could further define the concept of "water positive" in its strategy and apply this to its business operations. For IKEA, becoming "water positive" can mean using water as efficiently as possible in its operations, and promoting good water stewardship throughout and beyond its own business. WWF works with IKEA on an integrated approach that addresses water basin risks and impacts, systematically assessing freshwater related issues starting with immediate IKEA suppliers. We evaluate water data, and advise on a monitoring and evaluation system that improves the transparency and data accessibility which will enable better strategic decision making.

#### **Developing contextual water targets**

We're setting time-bound objectives for IKEA operations that address both the company's water performance and the water conditions in specific river basins. These targets draw on our assessment of basin water risks and operational water risks from 2019-2020 as well as the latest data from the IKEA supply chain. We're providing recommendations to address risks in hotspot areas and develop meaningful water targets taking the complexities of the river basins into account. This work will serve as a stepping stone toward setting science-based corporate targets to tackle water risks.

#### PROJECT LOCATION

WWF is working on a global scale with Inter IKEA on water impact reduction and sustainable water management of the IKEA supply chain.



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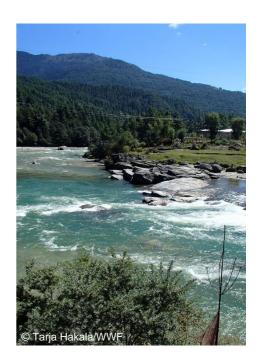
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#### Enhancing understanding of science-based targets for water

Just as businesses like IKEA have been setting targets to reduce their climate impacts in line with what science says is required, science-based targets could provide a clear pathway for companies to reduce their impacts on freshwater ecosystems and contribute their fair share to maintaining or restoring river basin sustainability. Though the methodology and guidelines are still under development, we're building an understanding of the procedures and resources needed to set science-based targets for water. We participate in meetings with the Science Based Targets Network and other stakeholders who are piloting this methodology to keep abreast of the latest developments, and learn from other projects how science-based targets for water can be applied in the context of the IKEA supply chain.

#### Preparing for assessing water risks of commodities

Assessing water risks related to commodities and raw materials used in the IKEA supply chain is a key part of the work we're undertaking together. Clarifying data requirements, understanding current data availability and identifying how to fill data gaps are all part of this effort.



#### For more information

Shirley Shen

Water Stewardship Programme Manager

Email: s.shen@wwf.dk

wwf.se/ikea

