



SPLASH SOCIAL ENTERPRISES
2020 ANNUAL REPORT



LETTER FROM LEADERSHIP

Dear friends,

When Splash Social Enterprises launched, it was a bold experiment. We saw the incredible potential for a social impact business to fill the market need for better, more affordable, more accessible handwashing and drinking water stations – the physical infrastructure needed for work in the water, sanitation, and hygiene (WASH) space to be successful.

I also knew that it wouldn't be easy. To be successful, Splash Social Enterprises would have to be nimble and creative. We would have to solve difficult supply chain problems in some of the most difficult places to reach.

What I didn't know was that a global pandemic would make Splash Social Enterprises more necessary than ever. During the COVID-19 pandemic, the entire world became aware of the urgent need for hand hygiene – a core part of our station business.

During a global shutdown, Splash Social Enterprises continued to strengthen its supply chain partnerships and fulfill orders for stations on schedule. By the end of 2020, Splash International and Splash Social Enterprises together made sure that nearly 200 schools in Africa and Asia had our stations in place when they re-opened.

In the face of challenges posed by COVID-19, we were more determined than ever to mature Splash Social Enterprises quickly. We leveled up across the board, not only strengthening our supply and production systems as planned but launching research and development for a new product to meet needs for new markets identified during pandemic response.

The changes, and more, are described in this year's report. We are grateful to and full of admiration for all of our partners in Kolkata, Addis Ababa, and elsewhere who led the way. 2020 was a hard year, but thanks to all of you, it was also a year of collaboration, inspiration, and unstoppable commitment to water and hand hygiene for all.



Eric Stowe, CEO & Founder

Our Values

People: People first.
People second. People third.

Quality: Beautiful products
that function and last.

Honesty: No drama,
no surprises, no BS.

Joy: Kids at heart, seeing
potential everywhere.

Mistakes: Make them,
don't repeat them.



ABOUT US

More than 40% of the global population lacks access to handwashing facilities. Hundreds of millions of people lack safe water to drink. Splash Social Enterprises was launched to increase access to durable, affordable handwashing and drinking water products.

We have evolved rapidly since our launch, and even more so in the past year. The COVID-19 pandemic pushed us to improve supply chains to keep station orders on track. It also created new opportunities in the station market.

Our model is unique, and we are positioned to address disparities in water, sanitation, and hygiene that are now a global focus. Having met the urgent demands of 2020, we are poised for a new phase of growth, from our product line to our customer base and beyond.

Our Theory of Change



Institutions install better handwashing and drinking water stations...



...so that kids practice healthy drinking and handwashing habits each day...



...resulting in improved access to water and hygiene for kids and better overall health.

Why Stations Matter

Access to water for handwashing and drinking, in schools and beyond

Up to 50% of all water, sanitation, and hygiene projects fail within five years. Splash Social Enterprises' stations are more durable, easier to maintain, and more adaptable than any other option on the market.

Behavior change for the toughest customers — kids

Kid-friendly designs ensure that children gravitate to our stations. Our data suggest that when Splash stations are present, children wash their hands more often and use more soap. Our new stations (to be released in early 2022) are designed to do the same for adults.

Better hygiene = better health

Improving water, sanitation, and hygiene conditions has the potential to prevent hundreds of thousands of deaths every year.

Why Splash Social Enterprises Matters

Splash Social Enterprises is a global leader in designing and delivering drinking and hand hygiene stations for low- and middle-income markets. Our products are the result of 10 years of applied development and field testing, and we understand pricing dynamics and supply chains inside and out.

Through our relationship with Splash International, we have access to deep expertise in behavior change and hygiene infrastructure and to a consistent flow of product feedback from the communities where stations are installed.

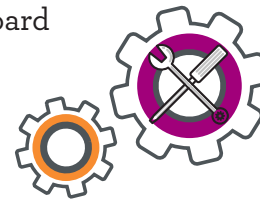
2020 IMPACT

Splash Social Enterprises met critical milestones for growth in 2020, including successfully shipping stations around the globe, onboarding new manufacturers in key markets, and securing US patents for our existing station designs.

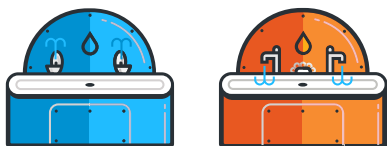
**Successfully shipped
17 40-foot containers**
of stations around the globe



2 new manufacturers
in India and China
brought on board



1,647 stations installed
in Ethiopia and India through Project
WISE (see spotlight), reaching
171,388 kids and adults



\$1.6M raised
for a new station
design tailored to
post-pandemic needs

Photo by Mekbib Tadesse

Project WISE

The link between Splash Social Enterprises and Splash International leverages the best of both – for world-changing impact. During the COVID-19 outbreak in 2020, our collaboration on Project WISE (WASH in Schools for Everyone) moved stations moved quickly into use, helping 171,388 people.

Case in point: Project WISE, an ambitious initiative launched by Splash International to change hygiene-related health outcomes at 100% of government schools in two major growth cities: Addis Ababa, Ethiopia, and Kolkata, India. The program is bringing improved water, sanitation, and hygiene infrastructure; behavior change programs for kids and adults; and strengthened menstrual health services for girls aged 10 years and above. Splash Social Enterprises supplies handwashing and drinking water stations for the effort.

The COVID-19 pandemic drew a bright line around the importance of hand hygiene. In partnership with government leaders in both India and Ethiopia, Splash International made station installation one of its highest priorities. In support of this goal, Splash Social Enterprises was able to move quickly – and make hand-washing stations available at schools in both countries as they reopened.



We evolve *with* and *for* the people who use our stations

One of our core competencies is responsiveness to the changing needs (and our changing understanding) of the people who use our stations for drinking and handwashing. The relationship between Splash Social Enterprise and Splash International means we have a level of insight few product developers can match.

We rely on both surveys and direct observation. The quantitative and qualitative data we collect can lead us to changes that improve usability, simplify maintenance, or facilitate access by simplifying the supply chain.

In India

People told us ...

Grains of rice were clogging the drains. Why? In India, it's common for students to eat with their hands—and then rinse the sticky rice away.

We responded ...

By replacing the “traps” in the station with larger-diameter drainpipes. Then we added a new type of trap that makes it easier to clean the drain line – and as a bonus, blocks odors from returning through the drain.

People told us ...

The self-closing taps, which are essential to save water and ensure schools can afford to keep water running to the stations, were expensive and difficult to source. In some situations, they were also difficult for small children to use due to the force required to push the taps. When they were stolen or broke, headmasters replaced them with standard taps, eliminating the water-saving function.

We responded ...

By doing an in-depth exploration of locally produced taps. We identified several replacement taps that were more affordable and could be easily found in the local markets of Kolkata.

Because we had already established strong feedback systems, the evolution of the product during and after the initial wave of the COVID-19 pandemic has been rapid. As we develop our newest station product for use cases beyond schools, we are already examining how we can expand the successful feedback structure that we have created to our third-party customers.

In Ethiopia

People told us ...

Standard-sized anchor bolts didn't work to securely attach stations to the walls of Ethiopian schools.

We responded ...

By working with a manufacturer to identify stronger-than-standard bolts that hold stations steady—even with rough handling by kids.

People told us ...

Water drained too slowly from the station basins in some settings and leaked in others.

We responded ...

By changing the slope of the drinking water basin and adjusting the size of the drain to fit a wider range of needs.



Photo by Mekbib Tadesse

2020 BUSINESS GROWTH

Over the last year, we have substantially strengthened our operational capacity and infrastructure. These planned changes held us steady during COVID-19.

The challenges of 2020 influenced our work in 2021 and beyond – for the better. We are on track to launch third-party customer sales in 2021 and expect to complete design work on a new handwashing station for release in 2022. Both of these goals draw on lessons and partnerships developed during our response to urgent pandemic needs.

Funding Increasing

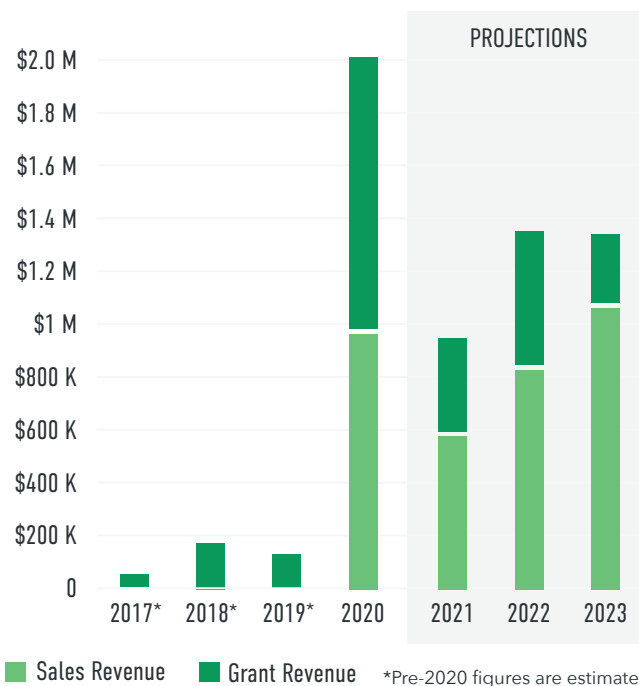
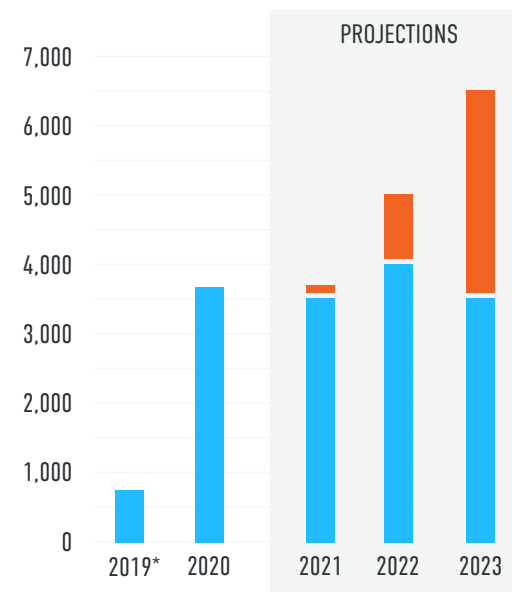
We completed significant fundraising in 2020 to support development of our new handwashing station product.

Stations Sold

In 2020, we sold **3,628 stations** for use in schools in Africa and Asia, with the potential to reach **544,200 kids and adults**. We conservatively project sales of 3,700 stations in 2021, with more significant increases in 2022 and 2023. Each of our stations can provide access to drinking water or handwashing for 150 people every day.

■ Stations Sold to Third Parties
■ Stations Sold to Splash International

*Pre-2020 figures are estimates.



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Financial Growth

We are on track to achieve financial sustainability through a combination of grants, sales revenue, and impact investments. Our goal is to grow our revenue streams and identify additional impact investors, with grants continuing to be an important component of the model to allow us to drive research, product development, and innovation. In addition to the growth in sales revenue and grants shown here, we accepted a **\$50,000 impact investment** in 2018.

A NEW BUSINESS MODEL FOR STATIONS

We continue to refine and iterate on our station designs. We are currently working on a new model specifically targeted for health care facilities and rural schools.



The drinking water and hand washing stations that Splash produces are an exciting development for the WASH sector, particularly for institutions like schools. We have seen the innovative design of the stations and the behavioral nudges that Splash implements translate to better outcomes for kids in schools.”

— Christoph Gorder,
Chief Global Water Officer, *charity: water*

Now

Tailored to the needs of kids — and adults — in schools and similar settings.



New

Ready for anything, anywhere.

Our original station designs are highly effective in schools, where kids are the primary customer. During the Nepal earthquake and the COVID-19 pandemic, our designs have been put to use in hospitals and community hubs – wherever water access was needed.

Our stations are highly adaptable. But seeing them in play during disaster relief suggested new possibilities. Based on market research in Africa and Asia, we are adapting our design to improve durability (particularly around taps), reduce disease transmission pathways, and serve a wider range of people, from children to adults. The new product will reach markets in 2022.

ADVANCING WATER STATION ACCESS

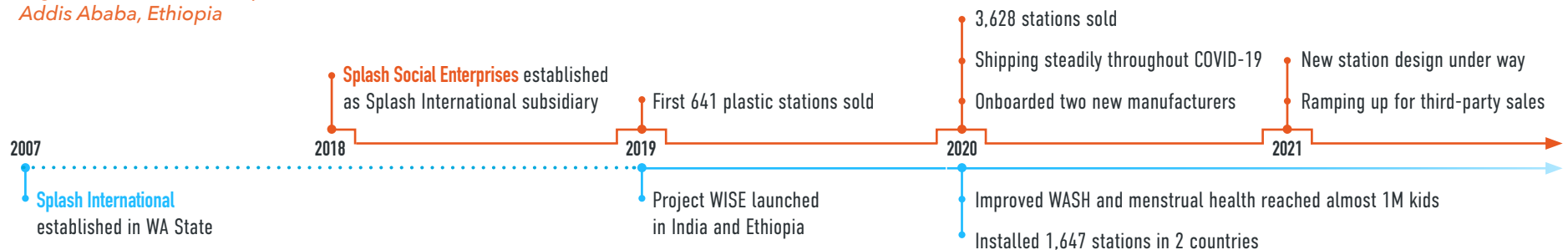
Splash Social Enterprises fills an essential gap: high-quality, long-lasting stations that are affordable and available in low- and middle-income markets.

We're able to deliver something different because the way we work is different.



Due to a shortage of handwashing stations, the handwashing practice at the hospital was poor before Splash installed handwashing stations. Now, staff and patients regularly wash their hands.”

– Environmental health specialist,
Nigist Zewditu Kirkos Hospital,
Addis Ababa, Ethiopia



Stable funding

Our business model blends grants, impact investments, and sales revenue for stability.

True social business

We sell our products at a minimal markup to create impact in low- and middle-income countries. Our stations are priced accessibly – but not so low that we can't scale.

Behavior-centered design

Behavior-centered design is at the heart of our work, helping us develop and modify our products in a way that ensures long-term use.

Rapid evolution

As a small organization, we are skilled at rapidly evolving our products and approach to serve new customers and use cases.

Scale in the toughest countries

We don't hesitate to scale our work in tough geographies where regulatory and other challenges may deter other organizations.

Resilient distribution

Currently Splash Social Enterprises is responsible for all product production and distribution. As we scale, we are ready to adapt our distribution model as needed to expand our impact.

The **human** side of the hygiene equation

Megan Williams is the director of behavior change at Splash International. It's her job to consider the human ecosystem around station use and to design an environment that encourages hygiene-friendly decisions.



Photo by Dawit Alemishet Gebremichael



My role is to make sure that every stakeholder is acting in ways that lead to success and sustainability. What are the behaviors we want to see, and how do we motivate them?

In schools, the most obvious example is the students—the main people who use our stations. Our stations are bright because when you put a brightly colored station in an environment that's very grey, it draws the eyes—and students subconsciously move in that direction. We add mirrors to stations because students are motivated to go to them. Once they're in front of a station, they wash their hands.

But we also look at less obvious things, like operations, maintenance, and decision-making. Janitors are one of our most critical stakeholders. They complete basic maintenance on the stations and keep them clean. Many of them have kids themselves, but they don't always see the ways in which their jobs directly affect the health and success of the students. So we conduct training to build that connection and host school-wide events where they're recognized for their work.

The version of stations that we have currently was designed from the start with behavior change in mind. We've learned so much from COVID-19 about how to influence hand hygiene, and the research behind our next station will be even more extensive.

We try to foster change that is embedded in the culture and the social norms. We don't do teacher training in one or two schools—we bring ten or twenty schools together. We foster networks that encourage and influence each other. When kids are influencing their kids, then we've achieved long-term, habitual change.

Splash is doing something very unique and powerful by taking this holistic, systemic approach. I have yet to see other organizations have something that's so comprehensive, and therefore has such a big potential for success. My hope is that, through use of our stations and other proven elements of our approach, others can take our model and apply it at scale."



Photos by Mekbib Tadesse

LOOKING FORWARD

We are entering a period of significant growth and transformation: introducing a new product, entering new markets, and opening to third-person sales for the first time since we launched.

Here's what's coming next for Splash Social Enterprises.



Photos by Mekbib Tadesse

New station model for rural schools and health care facilities

Usability testing of station concepts began in summer 2021; we expect product launch in early 2022. Learning from the challenges we experienced while developing our existing stations, we have created (and funded) a more streamlined design process for our newest station.

Full launch of third-party sales

With a robust supply chain in place, we have engaged a team to help us refine our B2B sales and marketing approach, hire and train new sales team members, and launch third-party sales in the second half of 2021.

Building our operations, sales, and product management team

We have raised \$750k to support growth of our operations, sales, and product management team in 2022 and 2023. We are seeking \$750k in additional grant and impact investment funding to help us reach our ambitious goals.

Local manufacturing in Ethiopia

Establishing manufacturing on the ground in Ethiopia is an opportunity to both support Splash International's existing footprint for Project WISE and more effectively fulfill third-party sales in Ethiopia. We have identified a strong local partner and expect them to produce the first run of stations in late 2021.

Equitable and environmentally responsible supply chain

Ensuring that our supply chain is socially equitable and environmentally responsible is a high priority. For example, we require that vendors use recycled plastic and water-conserving taps when possible. As our production increases, we are developing a comprehensive supply chain sustainability strategy.

Growing presence in the water and hygiene sector

We have recently joined a hand hygiene market accelerator led by UNICEF and the World Economic Forum, which brings together a range of public- and private-sector partners to deliver improved hand hygiene products and services. This initiative brings new collaboration opportunities and increased visibility.

FINANCIALS

Splash Social Enterprises' revenue comes from two primary sources: station sales, and grants for product development work. Increasing our pool of philanthropic and impact investment partners will support critical growth in both of these areas.

Station sales remained stable in 2020 despite the challenges of COVID-19, and we expect them to grow in 2021 and beyond due both to Splash International's activity and to expansion to third-party sales. In 2020, we obtained several multi-year grants to support a new station design, materially increasing SSE's net assets, which will reduce again as that funding is used over time.

Splash Social Enterprises' profits are directly invested into Splash International's philanthropic activities.

Opening net assets		\$133,450
Income	Grants	\$1,146,361
	Gross margin on station sales	\$274,977
	Other	\$159
	TOTAL	\$1,421,498
Expenses	Personnel	\$99,954
	Consulting	\$131,118
	Professional services	\$35,914
	Other	\$65,620
TOTAL		\$332,606
Increase in net assets		\$1,088,892
Closing net assets		\$1,222,342

Source: Unaudited financial reporting



It's been a pleasure working with the Splash Social Enterprises team and watching them grow their social enterprise business and pay off their loan early due to this growth. We see their efforts as a strong example of how Program Related Investment can be used as a tool to support early stage social enterprises and we're glad to have been able to play a role in supporting their work."

– Community Credit Lab**

** Splash Social Enterprises received our first impact investment from a private foundation via a Program Related Investment (PRI) in 2018, which provided flexible and fair capital that helped us purchase critical infrastructure (our station molds) as the business launched and establish a foundation for successful repayment. This loan account receivable was donated to Community Credit Lab who then continued to service SSE's loan.

Splash Social Enterprises is grateful to our partners for providing funding, pro bono support, and advisory services.

- Alwaleed Philanthropies
- Autodesk Foundation
- Children's Investment Fund Foundation
- Community Credit Lab
- Conrad N. Hilton Foundation
- Vitol Foundation



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Splash International is a registered 501(c)(3) nonprofit.
Splash Social Enterprises is a Washington-based LLC.



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