

Big Business, Little Splash – Tackling the World Water Crisis

By Wayne Visser

About 2.4 billion people live in water-stressed countries, according to a report by the Pacific Institute. Water demand in the next two decades will double in India to 1.5 trillion cubic meters and rise 32% in China to 818 billion cubic meters, according to the 2030 Water Resources Group. China is home to roughly 20% of the world's population, but has only about 7% of the world's water. That means there are around 300 million people living in water-scarce areas. According to a World Bank report, water scarcity and pollution reduce China's gross domestic product by about 2.3%.

When I interviewed Fred Pearce about his book, *When the River Runs Dry*, he told me that, for the average Westerner to get through the day, it takes about a hundred times their own weight in water – that's every day; not every year, every day. The water used is mainly to grow the things that we eat. Pearce gave me some of the facts and figures: To grow a kilogram of wheat takes about a ton of water, a kilogram of rice takes more. Once you start feeding grains to livestock to produce meat and dairy products, the numbers are even higher. To produce enough meat for one hamburger takes about 10,000 litres of water, which is about 10 tons. If you are a vegetarian you are not doing too much better because it typically takes 4,000 litres of water to produce one litre of milk.

That's for food. What about drinks? Coca-Cola sells 1.5 billion beverages a day in over 200 countries and uses about 2.5 litres of water to produce one litre of its products. The company received its water wake up call in 2002, when residents of Plachimada, a village in India's southern state of Kerala, accused the company's bottling plant there of depleting and polluting groundwater. Two years later, the local government forced Coke to shut down the plant. In 2006, their situation got worse when a New Delhi research group found high levels of pesticides in Coca-Cola and PepsiCo's locally produced soft drinks, resulting in several Indian states banning their products. Coke denied any wrongdoing, claiming that bore-hole water fed farming was mainly responsible for lowering the water table and that the pollution claims were unsubstantiated. However, the public perceptions battle had already been lost.

Speaking to Time magazine in 2008, Jeff Seabright, the company's vice president of environment and water resources, admitted that Coke had mishandled the controversy. 'If people are perceiving that we're using water at their expense, that's not a sustainable operation,' he said. This realisation resulted in a serious shift in Coke's strategic positioning of its CSR towards tackling water as priority number one. 'It's great that companies used to hand out checks for scholarships or to clean up litter,' said Seabright, 'but increasingly the real relevance is using the company's core competence to address issues that are of societal concern.' And for Coke and the communities in which it operates, the concern is water.

Coke realised that it needs to be seen as part of the solution, not part of the problem. As a result, it has put resources into water at an unprecedented scale. In 2007, the company announced it would spend \$20 million over five years to help the WWF preserve seven of the world's major rivers. It also set up the \$10 million Coca-Cola India Foundation, which began installing over 4,000 rainwater harvesting programmes and providing clean drinking water to 1,000 schools across the country. More significantly, in June of the same year, CEO Neville Isdell flew to Beijing and pledged that his company would become 'water neutral', saying, 'Water is the main ingredient in nearly every beverage that we make. Without access to safe water supply, our business simply cannot exist.'

Coke uses the term 'water neutral' to describe the ratio of ground water usage by any user as against the quantity put back into nature. It is a contentious topic and not everyone believes it is possible. But the scale of Coke's ambition – and indeed the progress it is making towards its targets – is going a long way to advancing the CSR 2.0 circularity agenda. Speaking in 2009, Coca Cola

India's Director of Quality and Environment, Navneet Mehta, said: 'Our target is to neutralise all ground water usage by the company in India by the end of the current calendar year and become water neutral for all products and processes by 2012.' Mehta reported that the company had already achieved a replenishment level of 82% on its annual ground water usage in India and that their ground water usage ratio had improved over 42% between 1998 and 2008.

The second largest beer manufacturer in the world, SABMiller, has also been working hard on understanding their water footprint, and launched a joint-report with WWF-UK in 2009 called 'Water Footprinting: Identifying & Addressing Water Risks in the Value Chain'. The report reveals that in South Africa, the total water footprint is equivalent to 155 litres of water for every 1 litre of beer, while in SABMiller's Czech operation the overall water footprint is significantly smaller at 45 litres of water to every 1 litre of beer. In both cases, the vast majority of this (over 90%) comes from the cultivation of crops, both local and imported.

Efforts like these of Coca-Cola SABMiller are being supported by the Water Footprint Network, which launched its Water Footprint Manual in 2010, covering a comprehensive set of methods for water footprint accounting. It shows how water footprints can be calculated for individual processes and products, as well as for consumers, nations and businesses, and includes methods for water footprint sustainability assessment and a library of water footprint response options. It's time for us all to make less of a splash – either we 'drop down' our water consumption, or we 'dry up' our very source of life.

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