



## Water Management: How Are Leading Companies and Industries Responding to Growing Global Concerns?

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### Speakers:

Greg Koch, Managing Director, Global Water Stewardship, Coca-Cola Corporation  
Dr. Wilfred Staudt, Senior Environmental Advisor, Petro-Canada

Greg Koch, Coca-Cola Corporation

Presentation: [http://www.cbsr.ca/cbsrftp/Summit\\_Presentations/Summit - Coca-Cola.pdf](http://www.cbsr.ca/cbsrftp/Summit_Presentations/Summit - Coca-Cola.pdf)

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- Coca-Cola is a local business because there is a relatively small amount of import and export necessary in manufacturing where the company operates (Coca-Cola is in every country in the world except two).
- Coca-Cola has a zero-waste aspiration and by 2015 a recovery rate aspiration of 50%. Water is the main ingredient in all of its beverages, and is therefore essential to the manufacturing processes.
- CSR is not just social, it is good business sense to treat wastewater, to use less water, to work with agricultural providers etc. It is the underpinning of sustainable communities.
- Climate change can be seen as manifesting itself as water (e.g. melting ice, glaciers).
- Human impact concerns, particularly in the developing world and the issues surrounding severe water shortages and climate change.
- Coca-Cola has been working on understanding what the water issues are and what it means for business, taking it globally and bringing it down to local level. In 2005 the company spent the year on a quantitative risk assessment of water and translated it to dollars and cents to provide priorities and focus of efforts to where it makes most business sense.

The water conservation goal is to return to communities and nature, an amount of water equivalent to what is used in all beverages and their production.

Water neutrality = reduce, recycle and replenish.

- Between 2002 and 2007 Coca Cola improved global water efficiency by over 20% while sales volume increased over 21%. The company continues to set targets to improve water use efficiency.
- With World Wildlife Foundation, Coca-Cola has developed a water efficiency toolkit, harvesting best practices throughout the system.

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All wastewater is treated in accordance with applicable laws and regulations.

Source water protection is part of risk management; it sets standards requiring plants to map water sources, complete vulnerability assessments and to develop a plan by 2013.

Issued water scarcity guidelines to be used by all plants.

- International and transformational partnerships (China, UNDP, WWF). In Canada, working with WWF-Canada and using the power of communication to reach out to customers to raise awareness on the issues.

Dr. Wilfred Staudt, Petro-Canada

Presentation:

[http://www.cbsr.ca/cbsrftp/Summit\\_Presentations/Summit-Petro-Canada.pdf](http://www.cbsr.ca/cbsrftp/Summit_Presentations/Summit-Petro-Canada.pdf)

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Four principles of water management:

1. Employ responsible water practices;
  2. Reduce water impacts;
  3. Build capacity with local communities; and
  4. Measure and report performance.
- The Oil & Gas industry value chain is high in water use and wastewater discharge. Petro Canada's global water footprint is significant - there is no part of the organization not affected by water.
  - There are associated water related challenges and risks including:
    - Insufficient water supplies;
    - Competition from industries;
    - Climate change;
    - Wastewater management and disposal;
    - Liability due to disposal;
    - Current watershed governance models;
    - Allocation; and
    - Legal and social license to operate.
  - Public's growing concern is and will be a primary driver:
    - Continue to work and with engage local communities amongst others.
    - As projects are being developed, increased consciousness of ecosystem water needs – qualitative and quantitative – is necessary.
    - The four above stated water principles guide the response and actions to stakeholder expectations.
  - Water, like climate change, is a strategic business issue as well as social and environmental.

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- It is critical to all operations, growing corporate responsibility expectations and license to operate is at stake.
- Responsible water management is a strategic opportunity.

*What is needed strategically?*

- To successfully manage water footprint:
  - Corporate set of water principles
  - Stay informed and engaged with stakeholders
  - Take a risk-based approach to water;
  - Understand the value of water;
  - Strive toward industry leading practices;
  - Develop management systems and metrics
  - Measure and report on performance.
  - State commitment to effectively manage water footprint.

### **Q & A Session:**

*What would you say to companies that may not yet been thinking that water is an issue or haven't yet linked water to the corporate strategy?*

You Need to understand what stakeholders think is important in relation to water; it is about the communication and involvement of all stakeholders. Step one is to measure water use, knowing not only how much water is used in operations, but what the materials/ services you are using in the product's life cycle (i.e. understanding water footprint).

*What lessons did Coca-Cola learn with water issues in India and how would it be done differently?*

What India taught us was licenses; physical, regulatory and social licenses to operate. It is important to try to understand the community's needs. It is from the community the company receives the social license to operate.

*What role does government have in the protection of water?*

Reflected in various governance models, but quite convoluted. No one owns water. Government has a role in fair allocation and wise use of water, but it is not a resource that anyone can own.

Governments have two choices:

1. Is the government going to treat water services to generate revenue, and price water services accordingly?
2. Are they going to provide it for free?

When government caught in the middle there is a problem; some under-value water and some do not have the revenue base to manage that issue.

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*Do you or your organization view water as a constraint on growth?*

- There is enough water in the world to meet needs of nature and humans. It is finite; but infinitely renewable. It is a question of choice, and making smart choices on where and how water is used.
- Could pose a limit on growth but not if managed smartly. Management of water and access to the resource requires full attention. There are parts in Canada where water is scarce, south-eastern part of Alberta is very arid. These areas should be focused on reducing, reusing and recycling water, which is critical.

*In designing water neutrality policies, what lessons are you drawing on water offsets? And is a water offset market on its way?*

- There is a water quantity trading program in Australia. Coca-Cola is actively looking to learn as much as possible from experience with carbon offsets. Need first to gather and understand the science behind it and the dialogue to occur, then reach consensus before it can be commoditized.
- Key issue is that we do not actually have a value of water, it is not priced. Petro Canada is also following the research and looking at experiences in South Africa and focused on identifying risk areas and ways to reduce and recycle.