Introduction

The description of Sustainable Development Goal 6 (SDG6) as stated in *Transforming our world: the 2030 Agenda for Sustainable Development* (United Nations 2015) is “ensure availability and sustainable management of water and sanitation for all”, and the 6 primary and 2 supplemental targets with this goal are:

6.1 By 2030, achieve universal and equitable access to safe and affordable drinking water for all
6.2 By 2030, achieve access to adequate and equitable sanitation and hygiene for all and end open defecation, paying special attention to the needs of women and girls and those in vulnerable situations
6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally
6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity
6.5 By 2030, implement integrated water resources management at all levels, including through transboundary cooperation as appropriate
6.6 By 2020, protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes
6.a By 2030, expand international cooperation and capacity-building support to developing countries in water- and sanitation-related activities and programs, including water harvesting, desalination, water efficiency, wastewater treatment, recycling and reuse technologies
6.b Support and strengthen the participation of local communities in improving water and sanitation management (UN 2015, page 18-19)

Meeting this goal and these targets will require the actions of anyone and anything that has an interaction with water for consumption, production or waste. The following are some sobering facts highlighted in a UNESCO report (UNESCO 2017).

“Globally, water demand is predicted to increase significantly over the coming decades. In addition to the agricultural sector, which is responsible for 70% of water abstractions worldwide, large increases in water demand are predicted for industry and energy production. Accelerated urbanization
and the expansion of municipal water supply and sanitation systems also contribute to the rising demand.

Climate change scenarios project an exacerbation of the spatial and temporal variations of water cycle dynamics, such that discrepancies between water supply and demand are becoming increasingly aggravated. The frequency and severity of floods and droughts will likely change in many river basins worldwide. Droughts can have very significant socio-economic and environmental consequences. The crisis in Syria was, among other factors, triggered by a historic drought (2007–2010).

Two thirds of the world’s population currently live in areas that experience water scarcity for at least one month a year. About 500 million people live in areas where water consumption exceeds the locally renewable water resources by a factor of two. Highly vulnerable areas, where non-renewable resources (i.e. fossil groundwater) continue to decrease, have become highly dependent on transfers from areas with abundant water and are actively seeking affordable alternative sources.” (UNESCO, 2017, pages 1-2)

As noted above, a major user of water is agriculture. Agriculture is essentially a private sector activity, which means that the private sector will need to be a major part of the effort to achieve SDG 6. The role of the private sector in meeting this and other SDGs is identified in article 67 of Transforming our world: the 2030 Agenda for Sustainable Development, which says, in part:

“Private business activity, investment and innovation are major drivers of productivity, inclusive economic growth and job creation. We acknowledge the diversity of the private sector, ranging from micro-enterprises to cooperatives to multinationals. We call upon all businesses to apply their creativity and innovation to solving sustainable development challenges.”

So what can the private sector do to help achieve SDG 6? Clearly, as the above facts noted, agriculture and power generation are two areas in which water use is high. This paper will focus on agricultural uses of water, but also will narrow that focus on companies for which water is a major component of their product lines. And because multinational enterprises (MNEs) are major players in global food production (see BEHIND THE BRANDS: Food justice and the “Big 10” food and beverage companies, Oxfam 2013), only MNEs will be examined.

The Nature of the Study

The starting point was a list of the 100 largest food MNEs (reference), and from that list those MNEs for which water was a major component of its product line were chosen at random. The next step was to access these MNEs’ Corporate Social Responsibility (CSR) and/or Sustainability Reports to see if they discussed water, using the terms ‘sustainable,’ ‘sustainability’ or ‘SDG’ in a keyword search. If the CSR or Sustainability report contained a significant number of ‘hits’ in the keyword search, that MNE was selected for a more in depth review of what was actually said about water with respect to sustainability in general and SDG 6 in specific. The 5 MNEs chosen for further study included both well-known and lesser known companies, with headquarters in both developed and developing/emerging countries. The
MNEs examined are (in alphabetical order)\(^1\):

- AB-InBev
- Coca-Cola
- Diageo
- Nestle
- Pepsico

In the following section, each company will be described briefly, followed by excerpts from their CSR and/or sustainability reports covering their approaches to water in general, and what they say about access to clean water, conservation/stewardship, communities and partnerships, and climate change, sustainability or SDG 6.

### The Selected MNEs

#### AB-InBev

AB-InBev, following its merger with SABMiller in 2016, is the world’s largest brewer with over 400 brands. Global sales in 2016 (prior to the merger) were over $45.5 billion, and 2017 sales are expected to be over $55 billion.

**AB-InBev’s Approach to Water:**

“We are dedicated to enhancing water access and security across our markets through watershed restoration and conservation programs, and by mobilizing a global movement for water access.” (AB-InBev, page 3)

“Water is a key ingredient in all of our products and [is] a scarce, unreliable or unsafe resource in many parts of the world (water scarcity already affects more than 40% of the global population)……. As a brewer, water is critical for us. Without water, there is no beer. Working in partnership with others, we have the opportunity to use our scale and expertise to work towards ensuring a reliable, clean supply of water is available for not just ourselves, but also for local communities and the environment.” (AB-InBev 2016, page 14)

**AB-InBev on access to clean water:**

“In 2015, we partnered with AB InBev to leverage the power of the Stella Artois brand to help us change the lives of people affected by the global water crisis. We are proud that to date, 800,000 people have benefited from this partnership. And we know we can do more. In 2017, we expanded our ambition to provide access to safe water to 3.5 million people in the developing world by 2020, significantly increasing our impact to date.” (AB-InBev 2016, page 17)

**AB-InBev on conservation/stewardship:**

“Water stress is a major challenge affecting agriculture globally. In 2012, we set ourselves a

\(^1\) Incidentally, 3 of these companies – Coca-Cola, Nestle and Pepsico - are in the top 10 food and beverage companies listed in the Oxfam report, with Associated British Foods, Danone, General Mills, Kellogg, Mars, Mondelez International and Unilever being the other 7.
goal of reducing water risks and improving water management in 100% of our key barley-growing regions by 2017. We have achieved this by working with growers in our supply chain and setting up projects to improve productivity and water-use efficiency across key regions in the US and Mexico. But we recognize water issues are complex and long term in nature, and we will continue to work collaboratively with to strengthen water stewardship.” (AB-InBev 2016, page 9)

“In addition to saving water in our own plants, we are dedicated to enhancing water access and security for people and ecosystems across our markets through watershed restoration and conservation projects.” (AB-InBev 2016, page 15)

“[Our stewardship efforts include engaging with local stakeholders and focus on] high stress areas across Argentina, Bolivia, Brazil, China, Colombia, Mexico, Peru, South Africa, the United States and Zambia [and work with] local authorities, other water users and NGOs.” (AB-InBev 2016, page 15)

**AB-InBev on communities and/or partnerships:**

“We strive to empower communities to become stronger and more sustainable. As a company, we’re committed to driving growth and improving lives across our entire value chain—from our growers and retailers to our consumers and their communities.” (AB-InBev 2016, page 2)

“Tackling water scarcity, reliability and quality issues requires collaboration between governments, affected communities, businesses, and other stakeholders. South Africa is a water-stressed country ranked as the 30th driest in the world [and is expected to have a 17% gap between water demand and supply by 2030]. "In an effort to tackle this issue, we play a leading role in the Strategic Water Partners Network (SWPN), through which government and the private sector are working together to address pressing water challenges in South Africa.” (AB-InBev 2016, page 16)

We are also working directly with farmers to help institute better farming practices in South Africa.……..By using precision irrigation of barley, the amount of water used to grow malting barley was cut in half, from 117mm to 58mm per ton in two years, while improving productivity. We look forward to taking our learnings from programs like these to other water-stressed regions in Africa and beyond. (AB-InBev 2016, page 16)

**AB-InBev on climate change, sustainability or SDG 6:**

Water resource challenges are increasingly magnified by climate pressures, inadequate infrastructure, mismanagement and poor governance. Left unmanaged, water risks negatively impact livelihoods, often among the poorest in society, resulting in significant missed opportunities for our communities. Goal 6 of the Sustainable Development Goals (SDGs) is to ensure access to water and sanitation for all by 2030. Within this goal are targets for reducing water use, improving water quality and managing water resources in an integrated way that involves local communities, business and civil society. (AB-InBev 2016, page 14)
Coca-Cola

Coca-Cola is a global producer and seller of beverages which can be found in virtually every country of the world. Revenues in 2016 were just under $41.9 billion. Interestingly, Coca-Cola just produces syrup concentrate which is used by franchised bottlers worldwide to produce Coca-Cola beverages. But water is of vital importance to the company not only because the bottlers need water to produce the Coca-Cola beverages, but also its other brands include ‘healthy beverages’ such as orange juice, tea and sports drinks, which also need water. The following excerpts regarding water are taken from the company’s 2015-2016 Sustainability Update.

Coca-Cola’s Approach to Water:

“Water, the primary ingredient in our products, is essential to the sustainability of our business. In 2015, we achieved our goal of replenishing 100 percent of the water we use in our finished beverages as calculated using generally accepted scientific methods and with the assistance of independent, reputable partners like Deloitte, The Nature Conservancy and LimnoTech. But reaching 100 percent replenishment doesn’t mean our work is done and as our business grows, we will continue to maintain our stewardship of this valuable resource.” (Coca-Cola 2016, page 3)

Coca-Cola on access to clean water:

“Access to water brings new employment opportunities through new businesses related to agricultural programs or even water kiosks where safe water access is managed for the community. Women who no longer transport water for their families can spend time learning entrepreneurial skills to run businesses and can provide for their families in a different way.” (Coca-Cola 2016, page 2)

[Through the Coca-Cola Foundation, which supports the company’s sustainable communities initiatives, the company provided] “$7 million to the Replenish Africa Initiative, or RAIN, which improves sustainable access to safe water and supports women’s empowerment and sustainable agriculture across Africa.” (Coca-Cola 2016, page 24)

Coca-Cola on conservation/stewardship:

“We are increasingly addressing water stewardship in the context of the “water-energy-food nexus”—the inextricable connections among resources that demand a 360-degree perspective and an integrated approach. Through our work with the World Resource Institute’s Aqueduct project, the 2030 Water Resource Group, and other efforts, we support initiatives that take a balanced approach and build synergies as they seek to equally ensure water, energy and food security for everyone. Also, we have extended our water stewardship efforts beyond our bottling plants and local water sources to our agricultural supply chain, one of the largest in the world. Because embedded water associated with our products is much greater at the farm than in our own operations, we are helping our suppliers improve efficiency and reduce their water use. In all, we have contributed to sustainable agriculture initiatives in 25 countries, helping farmers protect water, increase crop yields and reduce environmental impacts. And we plan to do more.” (Coca-Cola 2016, page 22)
Coca-Cola on communities and/or partnerships:

“An important priority for the company going forward is to work with major suppliers, retail customers and commercial partners to help advance their water management and optimize their water efficiency in the context of the water-food-energy nexus.” (Coca-Cola 2016, page 22)

“Also, we have extended our water stewardship efforts beyond our bottling plants and local water sources to our agricultural supply chain, one of the largest in the world. Because embedded water associated with our products is much greater at the farm than in our own operations, we are helping our suppliers improve efficiency and reduce their water use.” (Coca-Cola 2016, page 22)

Coca-Cola on climate change, sustainability or SDG 6:

“Climate change is expected to have a major impact on water availability—a critical issue for our business. One of our key climate adaptation areas is our replenish strategy—the goal of which is to replenish 100 percent of the water used in our finished beverages back to communities and nature.” (Coca-Cola 2016, page 9)

[As part of its ‘World’ pillar in its 2020 sustainability strategy, the company’s goals for water is to]:

“Safely return to communities and nature an amount of water equivalent to what we use in our finished beverages and their production”;

“Improve water in manufacturing operations by 25% compared with a 2010 baseline (liters of water used per liter of product produced by the Coca-Cola system).” (Coca-Cola 2016, page 5)

Diageo

Diageo is a British-based manufacturer of alcoholic beverages and was, until 2017, the world’s largest distiller. Its brands include Smirnoff vodka, Johnnie Walker Scotch whiskey, Bailey’s and Guinness, and its products can be purchased in over 180 countries. Revenues in 2016 were approximately $19.3 billion.

Diageo’s Approach to Water:

Water is the main ingredient in all of our brands. To sustain production growth and respond to the growing global demand for water, we aim to improve efficiency, minimising our water use, particularly in water-stressed areas. (Diageo(a) 2016, Page 8)

Water remains one of our most material environmental issues: as a drinks company, water is an essential resource, and its careful management is a business priority. (Diageo(a) 2016, page 46)

Diageo on access to clean water:

“Our Water of Life program (to bring access to clean water, better sanitation, and education around hygiene to those who need it) contributes in some places to the development of local infrastructure. We have increasingly prioritized communities in close proximity to our operations and communities from which we source our local raw materials.” (Diageo(b), 2016 page 26)
**Diageo on conservation/stewardship:**

Water is also a shared resource, with complex interdependencies between different users, which means that its use, especially in water-stressed areas, can have impacts on communities and the wider environment. The map on page 15 shows the number of our sites located in water-stressed areas. These account for approximately a third of our total production by volume. Our strategic aim is to reduce our overall impact, especially in water-stressed areas such as Africa, India and Brazil which this year saw severe droughts. (Diageo(a) 2016, page 46)

**Diageo on communities and/or partnerships:**

“Partnerships are key to delivering positive outcomes, and we have recently announced a global strategic partnership with the NGO WaterAid, building on our efforts to improve access to safe water across Africa. Also this year, through a partnership with the United States Agency for International Development, we have extended our work on skills as part of their program in Colombia, and have set up a new farming supply chain in South Sudan, supporting livelihoods for hundreds of people. These partnerships, with more to follow, increase the reach of our programs and help us contribute to the UN Global Goals.” (Diageo(a) 2016, page 11)

**Diageo on climate change, sustainability or SDG 6:**

“We are dependent on the natural resources we share with the communities around us, and with the wider world. We want to use those resources responsibly, and make a net positive contribution to the environment through our operations and supply chain. We are working to reduce our impacts in the areas of water, carbon, packaging, and waste.” (Diageo(a) 2016, page 16)

“Our programs support the three main strands of our strategy, which align with the UN Global Goals: Enabling entrepreneurship, employability and skills; Improving health and wellbeing, including through access to clean water, sanitation and hygiene; [and] Helping to empower women.” (Diageo(a) 2016, page 42)

“Our [Water of Life program] has reached more than 10 million people in 18 countries in Africa since 2006. It is focused on access to water, sanitation and hygiene (WASH) in line with UN Global Goal 6: ‘Clean water and sanitation’, and is increasingly active in rural areas that supply raw materials to our business.” (Diageo(a) 2016, page 43)

**Nestle:**

Nestle, a Swiss-based multinational, is the world’s largest food MNE with 2016 revenues of approximately $87.9 billion. Its products include both food and beverages, and has operations in over 194 countries. Some of its best known brands are the range of Nescafe products, bottled water (including Perrier, Poland Spring, Pelligrino, Nestle Pure Life) and Nestea iced tea drinks.

**Nestle’s Approach to Water:**

“Water is critical to every part of our value chain: our business depends on water. However, the global gap between water supply and demand is increasing, further exacerbated by climate change, with different regions affected by water surplus or scarcity. It is our responsibility to ensure that we protect the ecosystems in which we operate.” (Nestle 2016, page 98)
**Nestle on access to clean water:**

More than 2 billion people globally are affected by a lack of safe water, with not enough water to wash, or grow sufficient crops. The WHO estimates that more than 630 million people lack access to clean drinking water and almost 2.4 billion people are exposed to contaminated water. As producing our food and beverages takes a lot of water, it is essential we are as efficient as possible. We are always exploring how to reduce and where possible reuse water. (Nestle 2016, page 109)

“Work to achieve water efficiency and sustainability across our operations Advocate for effective water policies and stewardship Treat the water we discharge effectively Engage with suppliers, especially those in agriculture [and] raise awareness on water conservation and improve access to water and sanitation across our value chain.” (Nestle 2016, page 26)

**Nestle on conservation/stewardship:**

“We aim to be responsible stewards of water, ensuring it is available and managed sustainably, protecting it through high-profile collaborations, treating the water we use as effectively as possible, supporting our supply chain in the use of water, educating communities in how to use water efficiently, and improving access to water and sanitation.” (Nestle 2016, page 95)

**Nestle on communities and/or partnerships:**

“Our 2030 ambition is to strive for zero environmental impact in our operations. Water is a universal human right. It is critical to every part of our value chain: our employees, suppliers, customers and consumers all need access to safe, clean water and sanitation, as do the farmers we work with and the communities in which we operate. In the next 15 years, almost half of the world’s population will be living in areas that are running out of water. Water, and the lack of it, is the biggest challenge the world faces going forward. As we are committed to responsible stewardship of this precious resource, we seek continuous improvement in our withdrawal, use and treatment of water. (Nestle 2016, page 94)

“We work with expert partners to improve access to water and sanitation across our value chain. We support education initiatives to help our employees, communities, suppliers and consumers make better-informed decisions on how to protect water.” (Nestle 2016, page 106)

**Nestle on climate change, sustainability or SDG 6:**

[Nestle’s 2016 report, Nestle in Society – Creating Shared value and meeting our commitments discusses issues such as climate change, sustainability and the SDGs more comprehensively than any of the other MNEs examined in this study. These themes, and what Nestle thinks about them appear extensively throughout the report. The following excerpts, though, provide a good sense of Nestle’s views on them.]

“By 2050 the world will have to produce 50% more food than today to feed the population – but climate change is making it harder for farmers in rural communities to grow enough crops and earn a living. We rely on people living and working in rural communities to produce the ingredients that go into our food. We have a responsibility to make sure that our farmers and their families are healthy and have sufficient resources and food. By supporting them and
helping their children to thrive, we build stronger communities.” (Nestle 2016, page 75)

“Guided by SDG 6 (Clean water and sanitation), the Ghana Sustainable Water, Sanitation and Hygiene Project (Gha-WASH) aims to: increase access to sustainable equitable water services for 43,500 people, including children (by building water points for schools and communities); increase access to adequate, equitable and safe sanitation (by installing latrines at schools and homes); train the local community in how to build and maintain the latrines; and increase awareness and encourage behavioural change to manage water hygiene-related diseases.” (Nestle 2016, page 106)

**Pepsico**

Pepsico is a US-based global food and beverage company with 2016 revenues of about $62.8 billion. It is the second-largest food and beverage company in the world (and first in North America by net revenue). In addition to its wide range of soft drink products, Pepsico’s brands include Tropicana orange juice, Gatorade, sports drinks such as Propel, bottled water such as Aquafina, and Lipton teas.

**Pepsico’s Approach to Water:**

“[We sill] work to achieve positive water impartct by: [Improving] water-use efficiency among growers and in our operations; [Replenishing] water within local watersheds; and [Advocating] for and collaborate on local solutions & enable access to safe water, with a focus on communities near where we work.” (Pepsico 2015, page 4)

“PepsiCo will work to address the world’s largest user of freshwater — agriculture — by working to improve water-use efficiency among our direct agricultural suppliers by 15 percent, and to deliver an additional 25 percent increase in water-use efficiency in our direct manufacturing operations.” (Pepsico 2015, page 24)

**Pepsico on access to clean water:**

Access to safe water is a UN-recognized, fundamental human right, and essential to good health and prosperity. That is why the PepsiCo Foundation and its partners have worked to enable access to safe water for 9 million people to date, with a goal of reaching another 16 million around the communities where PepsiCo works by 2025. (Pepsico 2015, page 24)

**Pepsico on conservation/stewardship:**

“Replenish the water consumed to make our products within the water- shed — meaning the land from which it came — in high-water-risk areas [and] support watershed conservation projects where we work, such as reforestation and wetland preservation, and contribute to programs that lead to the more productive use of water in high- water-risk areas, which can be as simple as repairing leaks and educating youth on responsible water use.” (Pepsico 2015, page 25)

“We will strive to achieve Positive Water Impact by applying a strategic approach to water stewardship globally, informed by PepsiCo’s respect for water as a fundamental human right and the imperative for integrated water management within local watersheds.” (Pepsico 2015, page 26)
Pepsico on communities and/or partnerships:

[With respect to advocacy and collaboration]: “Advocate for strong water governance locally and nationally, with the aim of promoting solutions that meet local needs and reflect best practices in water management [by]: [Working] with cross-sector partners to develop new tools and methods that mitigate water insecurity, which we intend to make available to the public, [and through] the PepsiCo Foundation and water partners, [enabling] access to safe water for 25 million people (2006–2025), with a focus on communities near where PepsiCo works.” (Pepsico 2015, page 25)

[With respect to its direct agricultural suppliers] “Work to increase water-use efficiencies of direct agricultural suppliers [by] [promoting] less-water-intensive irrigation methods, low-water crop varieties where appropriate, and use of on-farm water-saving technology and tools, and [helping] growers manage the water leaving their farm fields that can carry pollution — as part of what is known as agricultural water runoff — to avoid contamination of local surface and ground water.” (Pepsico 2015, page 26)

[With respect to direct manufacturing operations] “[increasing] water-use efficiencies in manufacturing operations; [ensuring] wastewater from operations meets PepsiCo’s high-quality standards to protect the environment, and [providing] water, sanitation and hygiene for our global manufacturing employees.” (Pepsico 2015, page 26)

Pepsico on climate change, sustainability or SDG 6:

“Our 2025 agenda has been informed by many of the world’s leading experts and institutions. We have closely mapped our plans to the United Nations 2030 Sustainable Development Goals, as we work to make valuable contributions to our shared global agenda.” (Pepsico 2015, page 5)

“Surely, changing the current environmental equation will require many hands. We will work with others, therefore, to achieve our Planet goals while also striving to contribute to global frameworks such as the Paris Climate Agreement and the UN 2030 Sustainable Development Goals.” (Pepsico 2015, page 21)

“PepsiCo will contribute to Positive Water Impact in and near the communities where we work — meaning our efforts and partnerships will be designed to enable long-term, sustainable water security for our business and others who depend on water availability.” (Pepsico 2015, page 25)

Comparisons and Discussion

Some common themes emerge from examining what these 5 beverage MNEs are saying about water. First, it is clear that all 5 recognize how important water is for their businesses. Second, each one is committed to working on water conservation and stewardship, both with respect to production and in the locations from which they get water. Third, although it is done with different degrees of involvement, all work with partners (global and local) and local communities to address water-related issues. And fourth, all recognize how important effective, efficient and intelligent use of water is to their own sustainability. But while all 5 mention sustainability, not all address the SDGs, particularly SDG 6, the same way. AB-InBev mentions the SDGs in general and SDG 6 specifically, Coca-Cola refers to the SDGs but does not highlight any one in particular, Diageo does not mention the SDGs at all, Nestle makes all SDGs, including SDG 6,
an integral part of its reporting, and Pepsico also addresses all SDGs. Nestle and Pepsico go so far as to map just how their activities affect the SDGs.

Another feature that emerged when reviewing these MNEs' CSR/sustainability reports is that all of them have set goals and developed metrics with which to measure their progress toward those goals. The extensiveness of this monitoring and measuring differs among them (Nestle, for example, is far and above the most comprehensive with respect to its reporting, while Diageo provides much less detail), but the existence of measures by themselves gives more weight to the seriousness these MNEs give their approach to water.

What has not been discussed in this study (but which did appear, again with varying degrees of emphasis, in the reports) is what these MNEs do about water management within their supply chains. Now, to be sure, all 5 MNEs know that what happens in their supply chains is important, but the relationship between supply chains and the achievement of SDG 6, and, by extension, how these 5 MNEs can contribute to achieving SDG 6, can be seen by taking another look at the targets for SDG 6. Targets 6.1 through 6.6, and 6a and, particularly, 6b, all explicitly or implicitly refer to actions that will occur at a local level. One can reasonably argue that, if SDG 6 targets are accomplished at a local level, then those local levels should have a say in how the targets indeed are accomplished. Achieving SDG 6 is worthwhile, of course, but what is better for local communities, having the changes needed to achieve it dictated to you by a non-local actor (an MNE), or having an active role in determining what those actions both should be and how they should be made? Examining this question can be an interesting and important follow-up study to this one.
References


