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Research for People and the Planet

Business Risks of Water Fact Sheet, Pacific Institute, 8/15/04

From Bangalore to New Orleans water shortages, groundwater contamination, and competition over limited resource have threatened and, in some cases, shut down major industrial facilities. Below is a partial list of companies and regions that have faced restrictions or closures due to water scarcity, water pollution, or competition over water. Below that are selected examples of businesses that have responded to the threat by improving water conservation and efficiency, working with local communities, or altering industrial processes.

Businesses at Risk

(8/12/2004) The government of **Victoria, Australia** is considering plant closures to help eliminate the discharge of untreated industrial wastewater in the pulp and paper industries.

<http://www.theage.com.au/articles/2004/08/12/1092102596047.html?oneclick=true>

(7/29/04) The city of **Bangalore, India** is losing information technology firms because of worries about water scarcity and reliability.

<http://economictimes.indiatimes.com/articleshow/793907.cms>

(7/17/2004) Textile plants in **India** have been forced to shut down due to water shortages and conflicts with local farmers over water allocations.

<http://www.bharattextile.com/newsitems/1991080>

(7/14/2004) According to the **New York** Attorney General, Pepsi Bottling Group admitted that over a period of several years it improperly disposed of soft-drink syrup mix and other waste soda products into the creeks and sewer systems of Onondaga, Oneida, and Essex counties. Pepsi agreed to pay a settlement of \$3 million (\$200,000 fine plus \$2.8 million additional compensation) to make amends for the dumping.

http://www.oag.state.ny.us/press/2004/jul/jul14b_04.html

(7/8/2004) Protests against a Coca-Cola bottling plant in **Rajasthan, India**, including calls for the shut down of the plant, are becoming more intense as NGOs and local villagers blame the plant for declining water levels.

<http://economictimes.indiatimes.com/articleshow/770044.cms>

(3/17/04) Depleted groundwater and competition from local farmers has forced the closure of the Coca-Cola plant in **Plachimada, India** by the regional government. This case is still unresolved and other beverage plants in India are facing the threat of closure as well.

http://www.enn.com/news/2004-03-16/s_14044.asp

(3/11/2004) Facing severe shortages, authorities in **Beijing, China** plan to veto any new water-intensive businesses and reward companies that use water-saving technology. The plan will block approval of new businesses in the textile, leather, metal smelting, and chemical industries according to published reports. Makers of beverages, plastics, and pharmaceuticals must meet water conservation restrictions

http://www.enn.com/news/2004-03-11/s_13936.asp

(1/10/2004) The Nestle Corporation is being sued by a coalition of local community groups to force the closure of their \$150 million **Michigan**-based bottled water plant for overtaxing local groundwater resources.

<http://www.jsonline.com/news/state/jan04/199128.asp>

(11/1/2003) Swiss-based Novartis subsidiary CIBA Vision is facing new limits on its wastewater discharges at its facility in **Johns Creek, Georgia** that are constraining its production growth.

<http://www.bsr.org/CSRResources/IssueBriefDetail.cfm?DocumentID=49620>

Solutions

A wide range of companies is beginning to look at, and address, water issues. Below are just a few examples of positive actions that have been taken.

Anheuser-Busch's aggressive water conservation efforts have reduced the company's water use by about ten percent since 1999. Conservation and efficiency, changes to the beer-making process, employee education, water reuse, and close tracking of results have all played a role in this effort.

<http://www.abehsreport.com/docs/water.html>

The Coca-Cola Company has become well aware of the connections between water and their business operations in recent years. In response, they have initiated programs to monitor the water-use efficiency of their plants, improve treatment of wastewater, and engage with outside stakeholders concerned about water issues. They played a leading role in the Global Environmental Management Initiative (GEMI) for water. According to their 2003 Environmental Report, the company improved water-use efficiency by 7 percent between 2002 and 2003, saving over 10 billion liters of water.

The Procter and Gamble Company, which markets approximately 250 brands of consumer products has significantly reduced water usage and pollution at its manufacturing plants over the last few years, according to a GEMI study. However, one of the company's biggest challenges is addressing consumer use of water, which is essential for the use and disposal of virtually all of P&G's products. To focus on this

subject, P&G has established a water sustainability guideline for its product development efforts and is pursuing cleaning and laundry products that use less water. They are developing shampoo and personal cleaning products that use less water or no water at all.

<http://www.gemi.org/water/>

The Sulzer Corporation, a maker of industrial products, has been working to improve efficiency and reduce waste at its various facilities around the world. According to their environment report, “One key was employee training programs that emphasized employee inclusion in the program as well as environmental purchasing, handling, storage, and waste disposal”. In the textile division, a process-related innovation reduced water consumption by 90 percent and chemical use by 75 percent. In an effort to continue to make improvements, Sulzer has put into place an internal environmental audit system that reviews major production facilities every five years, according to their website. Due to these efforts, from 1995 to 1999, water consumption per worker has decreased by 6.6 percent.

<http://www.sulzer.com/com/ExploreSulzer/Environment/environment.html>

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