

# Corporate water responsibility

by Judith Crosbie

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**Major corporations have become more attuned to their environmental responsibilities when operating in developing countries.**

Companies are aware of the negative backlash when local communities feel their environmental standards have gone down because of the presence of a new chemicals factory or a food company. In this struggle, water is a particularly sensitive issue.

Coca-Cola has been battling for several years with activists in India who say the company has depleted the local water table. Coca-Cola denies the charge, saying that severe drought has caused the problem. But a factory in Kerala has been closed by a court in India and this issue has caused image problems for the company around the world.

An Australian mining company, Esmeralda Exploration, which partly owned a gold mine in Romania, was accused of contaminating several European rivers in 2000 with cyanide. The disaster led to the deaths of tonnes of fish and other water life.

Because of the negative perception that such cases can bring, many corporations have adopted policies to

address concerns about water. Coca-Cola last month announced a plan to reduce its use of water, recycle the supplies that it uses and increase help for communities to replenish their water supplies in seven of the world's most critical river basins. The plan is focused on China's Yangtze, south-east Asia's Mekong, the Rio Grande/Rio Bravo on the US-Mexico border, the rivers and streams of the south-east US, the water basins of the Mesoamerican Caribbean Reef, the east Africa basin of Lake Malawi and the Danube River.

Nestlé is another example of a corporation keen to show that it is reducing the impact on the environment it operates in. A Nestlé water management report shows that since 2002 the company has reduced its water use per kilogramme of product by 27%. The company says it operates 160 treatment plants and has reduced the amount of waste water produced.

Sally Nicholson, head of EU international relations in WWF's Brussels office, said that corporations were facing up to water supply conservation and maintenance. "A lot of companies have done a lot to be more efficient... It often comes down to cost and it's not just about corporate or social responsibility," Nicholson said.

She said a number of developing countries, such as South Africa and Kenya, in turn had developed laws which impose restrictions on how companies use water.

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