

Water of Life: Reaching one million people with clean drinking water

Water is at the heart of Diageo's business, and Diageo is a firm believer in ensuring water security, not only for its operating businesses, but for its supply chains, and the communities where it operates. Diageo understands that as water is an integral part of business, so it is equally important in achieving the United Nations Millennium Development Goals. The company has committed to having a positive impact on the communities where it operates, and a key focus of its corporate responsibility programme is on community water supply, which runs in tandem to Diageo's internal water management systems.

With a specific interest in Africa and water, Diageo has set a target under their Water of Life corporate citizenship programme. The One Million Challenge aims to reach one million people in Africa with clean, safe and sustainable drinking water by the end of 2007, and will continue to set stretching targets to reach individuals year on year until 2015. The One Million Challenge supports community-based projects that improve access to drinking water, enhance environmental conservation and deliver capacity-building training to African communities. Since 2000, Diageo has delivered clean and safe drinking water to 500,000 people and provided training on water usage to communities. To ensure that the One Million target is met, Diageo has invested in additional projects in Kenya, Uganda, Tanzania, Nigeria, Burkina Faso, Ethiopia, South Africa and Ghana.

The Water of Life programme is a bottom-up initiative. Projects are selected and funded by Diageo's local businesses which contribute 1% of net operating profit after tax to CSR activities, of which half is on water. In addition, internal employee contributions are made worldwide such as through Diageo's Nile Miles initiative, and the Diageo Foundation provides additional funding for larger scale projects. This grass-roots approach ensures that projects address local needs and priorities and utilise local resources and enterprise, as shown in the examples below.

In Uganda, Diageo and Uganda Breweries Ltd partnered with a local NGO, Two Wings Agro-Forestry Network, to fund the construction of 4,000-litre tanks next to homes. The community were engaged and trained in water tank construction, use and maintenance, and targeted women as a key group. 110 households can now collect and store rainwater. Due to the success of the project, Diageo also funded a national Rainwater Harvesting Centre, which provides training and capacity building on rainwater harvest construction and maintenance to communities. In Ghana, Diageo teamed up with EnterpriseWorks Ghana, a local NGO, to fund the construction and distribution of clay line filters, produced by local resources. For US\$10, one filter provides clean safe water to a family of six for one year.

Diageo wants to make sure these projects are sustainable and that positive impacts are measured. One of Diageo's corporate values is to set high standards and stretch to exceed them. Therefore, a focus on measurement



and evaluation is integral to the Water of Life programme. A consistent measurement tool has been devised to record and assess the impact at each water project. A private sector reporting framework on reaching MDG 7 will also be developed. Diageo aims to share its experiences with all in the water community - be they governments, local communities, the private sector or non-governmental organisations, in order to promote best 'water' practice.