



## **Water is everyone's business**

### ***Diageo Africa: example of the role of business and enterprise in achieving water and sanitation targets***

Norah Odwesso, Corporate Relations Director Diageo Africa, speaking at Foreign Policy Centre Event, Better Water for a Better Life, Wednesday 7 March, 2007

Good afternoon everyone. First of all I would like to thank you all for joining us here today.

I would also like to thank our Chair, the Right Honourable Malcolm Bruce and today's organisers from the Foreign Policy Centre. I would like to acknowledge and thank the Right Honourable Gareth Thomas and Emanuele Lobina for their valuable contributions today.

Diageo Africa is proud to be engaging in the debate around better water for a better life, and it is a great honour for me to be sharing this platform with such a distinguished panel.

They have given us all a lot to think about and Diageo never stops learning from experts like these. I would like to share Diageo's experience and thinking around water projects and partnerships in Africa, and why we believe that Water is Everyone's business.

I would like to start with a brief introduction to Diageo and our businesses in Africa.

As you may already know, Diageo is the world's leading premium drinks company, trading in over 180 countries and employing over 22,000 people worldwide. If you don't know Diageo by name, you probably know our brands – Guinness, Smirnoff, Baileys, to name a few. And what many of you may not know is that Africa represents one tenth of our business and is our second largest market region by volume.

The importance of our African businesses reflects a long-standing relationship with the continent. The first recorded exports of Guinness to Africa were to Sierra Leone in 1827. The Guinness Nigeria brewery opened in 1963. This was the second overseas Guinness brewery in the world after London. And today Diageo's brands are enjoyed in over 40 African countries.

Diageo Africa has different approaches to different markets in recognition of the vast variety which exists in Africa. With 13 breweries, production and sales operations all throughout Africa, we know that working in partnership at local level is crucial to our success. And we understand that what it takes to win can vary significantly by market. The same is true of delivering access to water, and our experience across all these markets is a key asset which Diageo can contribute to water partnerships, to which I will return in a moment.

All together we employ over 4,000 people, representing nearly 20% of Diageo's global workforce. Our communities essentially give us the licence to operate. We depend on the strength of our local communities – the communities of our employees, the farmers who supply grain to our breweries, the schools that educate their children, the hospitals that keep them healthy, and so on. So as you can imagine, Diageo cannot afford to disregard the challenges of poverty in Africa – Africa's challenges are our challenges, too!

We live in an era in which it is increasingly understood that business have a valuable role to play in the development process. Governments, NGOs and civil society recognise the phenomenal resources that businesses can bring to development initiatives. For their part, businesses are increasingly interested to explore how they can make a material difference over and beyond the bottom line to the communities in which they operate.

Above all, to be a successful business in Africa, you must be a good corporate citizen. This includes more than philanthropy – it includes building local capacity, through the training of staff and support for local businesses, to setting high standards of corporate governance, including the prompt payment of taxes and a refusal to engage in corrupt practices. It also involves playing an active role in contributing to the achievement of the Millennium Development Goals.

Diageo is committed to supporting the achievement of the MDGs in all the communities where we operate. However, we also recognise the need to focus. With that I return to water, the MDG which Diageo Africa is specifically dedicated to.

Water is high on the global development agenda and it is easy to understand why. Over a billion people on this blue planet do not have access to safe drinking water. Forty per cent of African's – 300 million people – lack safe water supply and adequate sanitation facilities. Recent studies, such as the report *Africa – Up in Smoke* last October from the New Economics Foundation, have provided evidence that climate change has already started to put extra strain on Africa's water resources.

And given this context of scarcity, the MDGs become even harder to achieve. Water is essential for the reduction of poverty, hunger, disease, infant mortality; for the achievement of universal primary education, the empowerment of women, and so much more. Of course, these facts are already seared on the minds of all of us in this room today.

Diageo's commitment to water derives from the obvious: Water is critical to Diageo's business. With over 13 breweries and distilling operations in Africa, we use a lot of water in our businesses. We also employ over 4,000 people, contribute hundreds of millions in tax and contribute to the growing strength of the communities and economies in which we operate.

Due to the nature of where we locate our operations – where water supply is good – our immediate communities usually have access to water. But that is not always the case, and also our businesses touch the lives of people far beyond these locations, where water access is often a critical issue. And as we all know, poor access to water is not only bad for health but also restricts opportunities: education, and the economic empowerment of women, to name just two. Diageo Africa's extended communities can only thrive if they have access to clean and safe drinking water.

It is therefore no wonder that Diageo Africa has identified responsible and efficient use of water by our businesses, and sustainable access to clean drinking water for our communities, as key to our future success.

Throughout our businesses in Africa, our commitment to the seventh Millennium Goal of 'halving by 2015 the proportion of people without sustainable access to safe drinking water' is articulated through a dedicated, long-term programme with projects in eight African countries – 'Water of Life'.

Water of Life is a community-based programme which supports projects that improve access to safe drinking water in developing countries or aid environmental conservation. Alongside Water of Life, we also look to improve our own water usage and efficiencies – that is, we are working to link our efforts to deliver safe water in Africa to our drive for efficient water use throughout the business. We believe that integration will help to instil a culture of respect for water across Diageo.

First, efficiency. Water efficiency has long been a priority for Diageo around the world. Over the last 25 years, Diageo and the brewing industry as a whole have reduced their water consumption by nearly 75%. In the past year, Diageo Africa has reduced water consumption by 14%. Continuing to improve in this area relies on better technology, effluent processing and most importantly the engagement of staff in water vigilance. We have also been working closely with supply chain partners in Africa to identify ways to improve water efficiency in their activities.

Of course water is at the heart of our business – how else can we deliver a pint of Guinness! – but there is still a great deal we can do to increase our efficiency, enabled by new technologies and of course the commitment to make it happen at every level of the business. And, we are committed to using what we learn about water efficiency to contribute to wider debates about sustainable water use.

Alongside efficiency improvement, for the past six years Diageo Africa's Water of Life programme has been investing in projects to improve access to water and sanitation in our communities. Water of Life has lent its support to projects improving water supply and delivering capacity-building training to over 500,000 people. A commitment to sustainability is inherent in these projects – from building entrepreneurial and technical skills, enabling local ownership, water usage education and of course environmental protection. Today, projects are ongoing in Ghana, Nigeria, Sierra Leone, Uganda, Tanzania, Kenya, Cameroon and Ethiopia.

We are proud of this achievement. It has relied on the amazing hard work and dedication of our staff, our international NGO partners such as AMREF, EnterpriseWorks and WaterAid, and most of all local stakeholders and NGO partners on the ground.

It has also relied on a variety of approaches, depending on local demands and needs.

Our partnership with EnterpriseWorks in Ghana and Nigeria is a good example.

In the urban setting of Accra, a local enterprise producing and selling affordable ceramic water filters is enabling thousands of families to afford a simple technology which has a big impact on health – removing 99% of bacteria from water - while at the same time creating jobs and new sources of income for a local small enterprise.

In rural Northern Nigeria a very different project has been developed to help meet the agricultural needs of farmers, for subsistence use. Local artisans participate in training to build treadle pumps and farmers use them to irrigate their crops which helps increase their output and secure long-term sustainable income.

My final example comes from Uganda, where we have been working with a grassroots Women's Group, Two Wings Agro-forestry Network on household rainwater harvesting in Kabale district. Rainfall is abundant, but access to clean water was a problem in this community – it was also a challenge to irrigate household gardens during the dry season. Local women participated in training and education in water tank construction, use and maintenance. These women have improved the water security of their villages and, importantly, decreased the time spent by themselves and their children on water collection each day. On the back of this project's success, we are supporting the creation of a national Rainwater Harvesting Centre which will provide training to spread the success more widely.

What all these projects have in common is that they have been designed to not only improve water supply and hygiene, but also to make the transition to self-stewardship, the key to sustainability.

But, on a continent where an estimated 300 million people lack access to clean drinking water, we know that we can't stop with these projects. Our initiatives in these eight countries make only a small contribution to achieving the seventh Millennium Goal.

Diageo Africa wants to make a bigger impact. We realise that we cannot replace the role of Governments and the international community in the big investments that are still necessary, but there is plenty of room to complement their work, particularly in peri-urban and rural areas where millions of people may live beyond the reach of major infrastructure projects. To reach more of these people, we know that we have to keep going, up our game, scale up existing projects and find new ones to invest in. But even then what can our

impact be? Can we provide access to water for one million, three million or even 10 million people? And how can we ensure that delivery on this scale is sustainable?

It is clear that no one body – African governments, international donors, development organisations, civil society or the private sector - can meet this Millennium Development Goal alone. We believe in the positive role that companies like us can play, but we also recognise that we cannot do it without great partnerships.

Partnerships between businesses and other stakeholders can apply the resources and competencies of business for social gain. At Diageo Africa, we count among our strengths: huge brand presence, passionate people and amazing relationships with stakeholders; and our partnerships have delivered access to safe drinking water to over 500,000 people. But we aspire to do much more and are investigating ways to scale up our involvement in water.

We are currently looking back at the past six years of experience to identify lessons that will ensure the next 10 years of the Water of Life programme have an even bigger impact - because this is a long term commitment for us and one which we want to get right. We're exploring what has worked best in terms of sustainability, capacity-building, efficiency and reach to inform future projects. We are also investigating new technologies with the potential to help widen our impact. What I'm hoping is that all of us can come together again in a few months time to share our experiences in this area. I think there may be a lot we can learn from each other that will help us all move closer to achieving the MDG for water.

We are also working to raise the profile of Water of Life throughout Diageo worldwide, sharing learning and best practice and attracting further support from our partners and other stakeholders. We want Water of Life to give our people and partners a focal point for engagement and action, and provide a launch pad for larger scale activity in the future.

In closing, I would like to urge all businesses operating in Africa, and not just the drinks industry, to consider ways in which we can all support increased access to safe water and sanitation facilities as well as improving water usage efficiencies. In the coming months and years, we hope to leverage Diageo's voice and our relationships to help raise Water's position on the global development agenda and deliver sustainable solutions. After all, Water is everybody's business.