



July 20, 2007

Coke, Nestlé and Suez push greenwashing envelope to the highest level

On July 5th, 2007, the chief executive officers of bottled water giants [Coke](#) and [Nestlé](#) joined 4 other corporate leaders, including water privateers [Suez](#) and Läckeby Water Group, to announce a new [CEO Water Mandate](#) at the United Nations Global Compact Leaders meeting.

Touted as an extraordinary call to action, it is a devious initiative by some of the global water giants to position themselves as environmental stewards while also exercising even more control over water management.

The Mandate – like the Global Compact itself – appears to be well intentioned but is coyly limited as a voluntary and completely non-binding agreement. It is broken into six key areas: direct operations; supply chain and watershed management; collective action; public policy; community engagement; and transparency. Each key area concludes with a pledge for signers to undertake a number of related actions.

There is no clear commitment in this non-binding document on how companies will be held accountable to any actions they claim they will make.

In the first two key areas – direct operations, and supply chain and watershed management – the CEOs pledge to assess their companies' water use and impact, set targets, invest in new technology, and encourage a greener corporate culture for themselves and their suppliers.

The last four areas (and their associated pledges) read like a handbook on how for-profit water companies can bring their agenda into every aspect of global, national, regional, and local water policy making.

For example, in the collective action, public policy and community engagement areas of the Water Mandate, the CEOs state that corporations need to work closely with all levels of government, civil society and international institutions.

While it is long overdue for industrial and for profit water takers to be monitored and held accountable for their impact on community water systems, it is troubling to see CEOs of water dependent industries taking the lead in water policy making through legislative initiatives, when their corporate profits are at stake.

The fourth section – public policy – implies the Water Mandate will only be successful if the pledges are adopted as policy or in the CEOs' words “embedded in effective global, regional and local water governance structures with the right incentives for water efficiency and allocation.” It appears the CEO's are most comfortable being at the head of the table determining water policy for everyone.

Equally troubling is the CEO view that the basic issues of water governance and ‘the market value of water’ need to be resolved in order to make progress in water management. Factors like the human right to water or environmental considerations appear to be submerged to market forces.

Readers of the Mandate should keep in mind that the offer to help draft global water policy is intimately linked to the sense of urgency these corporations have toward protecting their industries' access to water as a commodity. This is integral for their on-going financial and future success.

The mandate's call for greater community engagement is an example of ‘enlightened self-interest’. Undoubtedly this call is in part a response to the strong criticism corporations like Coke, Nestlé and Suez have faced from community activism in India, California, Bolivia, and Brazil to name a few, who have vigorously opposed rampant water takings. What is not as evident in this section of the water mandate is the explicit role corporations already play in drafting local regulations on local and regional water takings or leveraging subsidies and tax breaks for their operations.

The final pledge in the public policy section to work with public authorities to develop adequate water infrastructure including water and sanitation delivery systems, exposes the business interests of water service companies like Suez to gain greater access to for profit delivery of water system infrastructure.

The Mandate also states: “transparency goes to the heart of accountability. Leading companies recognize that transparency and disclosure are crucial in terms of meeting the expectations of a wide group of stakeholders.” This statement holds no water coming from Coke, Nestlé and Suez; as all three companies have been extremely resistant to release information about the volume of their water takings, the pollutant and contaminant releases associated

with their extraction, production, distribution and marketing components of their operations.

For example, Coca Cola has repeatedly refused to disclose the amount of water it takes from the municipal water system for its bottling plant in Brampton, Ontario. Without this information, residents are unable to assess the company's impact on the local environment. In response to requests for disclosure the company points to an unsourced company environmental report that only states overall annual water consumption.

Much like the Global Compact, which was launched in 2000 and has been criticized as merely a public relations maneuver for global corporate malefactors, the CEO Water Mandate resembles a similar greenwashed fig leaf attempting to cover up less than stellar corporate track records.

It is noteworthy that Coca-Cola's track record has led to its [recent](#) exclusion from the list of socially responsible companies prepared by KLD Research & Analytics, Inc. KLD is considered a world leader in defining corporate responsibility standards.

For its part, Nestlé, no stranger to campaigns against its unethical marketing of infant formula, has recently been targeted by water activists in Canada the US and Brazil over its bottled water operations.

Over the years Suez' private contracts to manage water sewer systems in cities in Bolivia, Argentina and the Philippines, among others, have caused social turmoil due to ever rising water rates and lack of access.

The CEO water mandate appears to be the traditional corporate response to the many successful community based struggles for water justice around the world. Not far under the surface, however, is the familiar position of water taking corporations to advocate for favorable water policies at all levels of government, civil society and local communities

The logic of the market dictates that it is in the companies' self-interest to pursue this mandate to push for control of water governance and to ensure that the 'market value of water' is resolved so shareholders and CEOs can continue to reap higher profit margins.

Corporations who rely on water as the primary resource in their supply chain recognize that communities are beginning to fight for water justice. This Water Mandate sets out how companies can exploit this movement to the level where they will become the new water managers and water policy makers.

Bottled water related articles from the past month:

[Canada] [Water-bottler fails to win over skeptics](#)

July 18, 2007

Guelph Mercury

[Ireland] [Tap into the new thinking](#)

July 14, 2007

Irish Times

[US] [A Battle Between the Bottle and the Faucet](#)

July 15, 2007

The New York Times

[Canada] [Nestlé's water permit renewal a test of new rules, Sandals says](#)

July 12, 2007

Guelph Mercury

[Wales] [Call to ditch bottled water](#)

July 11, 2007

The Western Mail

[UK] [The new formula for H2O](#)

July 11, 2007

The Guardian

[China] [Fake Drinking Water Hits Beijing](#)

July 10, 2007

Associated Press Newswires

[India] [ISI 'question' mark on bottled water](#)

July 9, 2007

The Times of India

[Canada] [Bottled water a green worry, poll discovers](#)

July 9, 2007

Winnipeg Free Press

[Canada] [An unquenchable thirst](#)

July 7, 2007

Montreal Gazette

[UK] [Coca-Cola sales may fizzle out over strike](#)

July 7, 2007

The Daily Express

[UK] Sainsbury's recalls bottled spring water amid fears of bacterial contamination

July 5, 2007

Datamonitor

[China] Bottled Water Is Not So Eco-Friendly

July 5, 2007

China Daily

[US] Franciscans Urge Charitable Use of Water

July 4, 2007

Post-Bulletin

[Thailand] Nestlé Aims High in Bottled Water Market

July 3, 2007

Thai News Service

[Thailand] Put the Lid on Bottled Water

July 3, 2007

The Nation

[US] Legislation would tighten for-profit water rules

July 3, 2007

The Grand Rapids Press

[US] Tapping into water in fashionable ways

July 1, 2007

Buffalo News

[US] Who can Tap State's Liquid Gold

June 30, 2007

Detroit News

[US, Hawaii] Ko Olina gets OK to tap seawater well

June 28, 2007

Honolulu Advertiser

[US] Rocky spurs a study on bottled water

June 27, 2007

Deseret Morning News

[India] Softdrink makers may pay heavy price

June 26, 2007

The Economic Times

[US] Take the pledge: Bottled water is an environmental disaster

June 26, 2007

The Salt Lake Tribune

[Japan] Bottled tap water leaves good taste in consumers' mouths

June 26, 2007

Mainichi Daily News

[UK] Waters don't spring eternal

June 24, 2007

The Sunday Telegraph

[US] Asia will be biggest driver of growth for Coca-Cola, CEO says

24 June 2007

Associated Press

[US] Mayor to cut off flow of city money for bottled water

June 22, 2007

San Francisco Chronicle

[US] Maine bill sets new rules for commercial water extractions

June 21, 2007

Associated Press

[US] Bottled water excise tax has backers

June 15, 2007

The Grand Rapids Press

[US] Bottled water, an oil glutton, gets boot

June 13, 2007

Boston Herald

[US] Tax plan proposed to lure Dasani to Cleveland

June 12, 2007

Chattanooga Times/Free Press

[US] Coke Faces New Charges in India, Including 'Greenwashing'

June 7, 2007

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