

Diageo Water Blueprint

WHO

DIAGEO

Project Lead: Diageo

Collaborators: CEO Water Mandate, Beverage Industry Environment Roundtable, Alliance for Water Stewardship, WaterAid, Gap Inc., Unilever, HSBC.

WHAT

The Diageo Water Blueprint lays out a roadmap for the company to address water challenges across four key areas:

1. Sourcing. Diageo works closely with its suppliers to reduce water impacts in its supply chain by providing tools for its suppliers, improving water efficiency in its third-party operations, ensuring water stewardship on its owned agricultural lands, and sourcing drought-tolerant agricultural materials in water-stressed areas.

2. Production. Diageo set a target to safely return 100% of water consumed its operations back to the catchment from which the water was withdrawn. The company engages with the CEO Water Mandate, the Beverage Industry Environment Roundtable, and the Alliance for Water Stewardship to set a water targets informed by priorities for local catchments.

3. Communities. For over a decade, Diageo has had a program to support adequate access to safe water, sanitation, and hygiene (WASH) for communities in the water-stressed areas where the company operates, particularly Africa and India. Collaborating with WaterAid, Gap Inc., Unilever, and HSBC, Diageo is working to quantify the financial benefits of providing WASH in local communities.

4. Advocacy. Global and local advocacy is an important part of Diageo's water strategy. Diageo engages in local and international collaborative efforts to address the water crisis.

WHY

As a beverage company, Diageo uses significant amounts of water in its production, from growing raw materials to manufacturing operations to producing beverages. With its international reach across 150+ facilities in 30 countries, Diageo leverages its scale to address water issues in direct operations, supply chains, and local communities.

WHERE



Diageo completed a water risk assessment of owned sites located in water-stressed areas, which account for approximately one third of its global production volume. The water-stressed sites are predominantly in Eastern Africa and India.



Diageo's Water Blueprint lays out a roadmap for the company to reduce its water use and address global water challenges along its value chain, focusing on sourcing, production, local communities, and advocacy.

CHALLENGES

- **Financial:** It can be challenging to make a financial case for water-related capital investments and identify projects that have a strong ROI.
- **Partnerships:** For water replenishment and WASH initiatives, it can be difficult to find the right implementation partner who can deliver the project efficiently and meet defined project specifications. It can also be difficult to find collaborators to take on collective catchment-based water stewardship, as this requires getting stakeholder alignment on objectives for the catchment.
- **Communication:** Local advocacy can be a challenge, as it can be difficult to engage with local governments and advocate for more public investment in water-related initiatives.
- **Impact measurement:** Due to some loose definitions of water stewardship and related activities, it can be hard to select the right metrics, track and measure impact of water-related projects.

SUCCESSSES

- In 2019, Diageo replenished 60% of the water used in final product in water-stressed areas. A significant proportion of this has been in India and East Africa through WASH, aquifer recharge and other replenishment activities.
- With its history of strong commitments and meaningful engagement, Diageo has established itself as global corporate water stewardship leader. For example, the company now requires 100% of operations and production sites worldwide to report water-related metrics.

KEY INSIGHTS

- Partnerships are key to establishing successful water replenishment programs. It is important to identify and build relationships with an intermediary organization which has developed expertise and network in the field.
- To set up an impactful water stewardship project, there must be a consistent, methodical, feasible, and robust approach to ensure smooth implementation. It's critical to develop numerical targets to track and measure impact.
- Excellence in water management is often indicative of strong overall management of a production unit or facility.

SCALING & REPLICATING

Scaling and replication of projects, strategies, and ideas is facilitated through collaboration and peer-to-peer learning in platforms like the CEO Water Mandate and the Beverage Industry Environment Roundtable (BIER).

TAGS

Stewardship Strategies

Water Management
in Direct Operations

Value Chain
Engagement

Collaboration at
Watershed Scale

Nexus Approaches

SDG 6 Targets

