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## Coke vows to reduce water used in drink production

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By Ben Blanchard

BEIJING (Reuters) - Coca-Cola Co. (KO.N: [Quote](#), [Profile](#), [Research](#)) faces a long-term threat to its future from falling global water resources and will reduce the amount of water that goes into making its drinks, its chief executive said on Tuesday.

The world's top beverage company will also put more effort into recycling the water it uses in manufacturing and spend \$20 million protecting seven major watersheds around the world with the World Wildlife Fund, said Chief Executive E. Neville Isdell, at a news conference on World Environment Day.

"I don't see in the short-, or even in the medium-term, that it's going to threaten our business, but in the long-term it is," Isdell told Reuters after making the announcement, referring to water shortages.

"And if we don't get on with solving it now, then when the long-term arrives people are going to look over their shoulder and ask who didn't solve the problem at the right time when it was solvable," he said.

"It isn't a serious risk in terms of the sustainability of the business today," added Isdell, who joined Coke in 1966 in Zambia.

Drought, rising populations and overuse by industry and agriculture means that by 2025 two-thirds of the world could face a serious lack of water, according to the WWF. More than one billion people have no access to safe water today.

Coke, which along with its bottlers used 290 billion litres of water for beverage production last year, has itself been accused in the southern Indian state of Kerala of helping to suck the water table dry.

That plant has not operated for at least two years, and Isdell said Coke had been found not responsible for depleting the water table by the Indian government.

"If you're not welcome in a community, then you will suspend your operations, which we've done," he told the news conference. The Irish native said that while their new water initiative would cut costs, there was another fundamental business reason for doing it -- you can't work somewhere if the community thinks you are hurting the environment and hates you for it.

"If the communities around us do not flourish, and are not sustainable, our business will not be sustainable in the future," Isdell said. "If we do not act responsibly, that society will not give us the social license in that broader context to continue to operate."

More than half the water Coke used in 2006 was dedicated to processes like rinsing, cleaning, heating and cooling, rather than going into the drinks themselves.

The company has already made some improvements, and it now only takes 2.54 litres of water to make one liter of Coke, compared with 3.14 litres five years ago, Isdell said.

Rival PepsiCo Inc. (PEP.N: [Quote](#), [Profile](#), [Research](#)) has also made improvements.

Pepsi's Gatorade unit has started rinsing with highly compressed air instead of water, reducing its water consumption by about 20 percent, according to spokeswoman Elaine Palmer. Its Tropicana unit also saves about 500,000 gallons of water a day, Palmer said, by reusing water from washing oranges to wash equipment.

Coke's new measures include setting water efficiency targets for global operations by next year, and aligning its manufacturing system to return all

water used in manufacturing to the environment.

The Atlanta-based company will also expand support of local water preservation efforts, like harvesting rain water, reforestation, improving water efficiency in farming, Coke and the WWF said in a statement.

(Additional reporting by Nick Zieminski and Martinne Geller in New York)

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