Meeting everyday water needs – a company’s contribution

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Abstract As a packaged consumer goods company serving mass markets around the world for household and personal hygiene products, laundry detergents and foods, Unilever’s business is inextricably linked with consumers’ interest in meeting their everyday water needs. Once the basic need for drinking water is met, almost all other “everyday” water needs derive from consumption associated with the type of products Unilever sells. Use of some of these products, such as basic toilet soap, involve “actual” water consumption; others, such as margarine, concern “virtual” water consumption through agricultural production.

Global scenarios for water and sanitation present a major challenge to long-term business strategies that assume sustained economic growth particularly in emerging and developing markets. Responsibility for finding and delivering solutions lies with all major actors in society. For companies such as Unilever, a priority is to help break the link between economic development on the one hand, and increased water use and water degradation on the other. Water catchment level perspectives are central to realising this vision. Unilever uses such a framework, building an experience-based model that demonstrates how a “consumer” company can engage in meeting everyday water needs with a sustained positive impact.

Keywords Company; consumer; consumption; impact

Introduction
My role is head of Global Research and Development for the Home and Personal Care business of Unilever, which is a €50 billion consumer goods company. Each day we meet the everyday needs of some 150 million consumers around the world with food brands like Lipton and Knorr, and Home and Personal Care brands like Omo, Dove, Lux and Lifebuoy. So you might wonder what on earth I’m doing here talking to you about meeting everyday water needs.

Well, our business is inextricably linked with water. Almost all our products need water either to grow the ingredients, to make them in our factories, or for consumers to be able to use them. Without water there is no tea, no soup, no bath and no washing: it’s that simple.

But it’s not just that. We all know that the water issues we face are huge and complex. They are linked to poverty, health, economic development, involve all members of society, and cross country borders. Let me put it this way: Unilever brands are sold in 150 countries around the world, many of them among those predicted to suffer high water stress by 2025 – of course there are implications for our business. To cite the UN in this Year of Freshwater: “The availability of clean, fresh water is one of the most important issues facing humanity today.”

In short, Unilever has a corporate responsibility towards water – there’s no doubt in our minds about that. We are already playing our part – and we want to do more – to help ensure that in the future there is enough clean water to meet people’s everyday needs – everywhere.

Unilever’s initiatives in meeting everyday water needs
One of our earliest water partnerships began back in 1990, with the German NGO Deutsche Umwelthilfe, working to restore and protect the heavily polluted Lake Constance. This evolved into our working with the Global Nature Fund as the world wide operating partner of Living Lakes, which by 2005 will comprise a network of some 40 lakes.
Since 1998, we have been focusing on water through our sustainable water initiative, which I lead, and which is one of three Unilever sustainable development initiatives – the others being fisheries and agriculture.

So the question is not whether we want to play our part in finding sustainable solutions to water issues, but how? It’s a very good question. And it’s basically the same one we all face – which is, how do we break the link between economic development and lifestyle… and increased water use and degradation of water quality?

Looked at from Unilever’s point of view, the apparent dilemma is this: ever-wider access to our products helps more and more people improve their lives. But consumers depend heavily on water to use our products successfully. As our business grows, so – in theory – does pressure on water availability.

Our thinking on this has led us to two conclusions:
1. Firstly, we need to make our own water imprint sustainable so that our business growth and success does not mean more pressure on water availability.
2. Secondly, we need to work to raise awareness about water with consumers so that increased use of our products does not increase the pressure on clean water. This is really part of the first point, because we take a full lifecycle view of our products and their imprint on water, but it also goes beyond our products, and is such a challenge in itself that it is worth emphasising.

As you see, our task is not an easy one. Especially when you think that, taking the lifecycle view, Unilever’s imprint goes from irrigating tea in Tanzania and tomatoes in Brazil, to water used by consumers washing their hair in Stockholm, or doing their laundry in Tokyo. But we are convinced it’s the right way to go. After all, there’s no future for any of us in unsustainable development. We also know we cannot go it alone, and the core of our approach for some time now has been to work at the river basin level (using our SWIM principles – of which, more later), in wide-ranging partnerships, which we are looking to develop, replicate and make ever more effective.

At the 3rd World Water Forum in Japan earlier this year, one Unilever chairman Antony Burgmans spoke of the need for new forms of dialogue and action between all sectors of society – including business – to meet the Millennium Development Goals for water and sanitation. It seemed clear to me in Kyoto that we simply can’t wait until we have all the answers. We need to work together on this urgently, and better than ever. And that’s why I’m so pleased to be making a contribution to this Symposium.

A more sustainable water imprint

The first step to making one’s water imprint more sustainable is simply to measure, as best you can, the current imprint of the business on water. This surely has to be an important step for all businesses to take.

To come up with Unilever’s water imprint, we have analysed across our full product range our water use from raw material sourcing to consumer use. It may not be completely accurate, but it gives us a firm basis for moving forward. Our water imprint confirms that most of our water impact is in two areas upstream – in the production and sourcing of ingredients – and downstream, in consumer use of our products.

Our biggest user of water is ingredient production, for our Foods business. Two-thirds of our raw materials come from agriculture, and we estimate that this accounts for half of our overall water imprint. In our Home and Personal Care business, by far the biggest part of our water imprint is the water that consumers use when using our products. We all need clean water to shower or bathe, do our laundry and clean our teeth. Without clean water many of our branded products would be unusable. Our own manufacturing operations...
account for only 3% of our total water imprint. With this water imprint, we can then better identify priority areas for action and set targets.

Good housekeeping in our factories – though only a small proportion of our total water imprint – is an area we have worked on for a long time, and we’re still making improvements. Last year, we reduced water consumption by 16% compared with 2001 – well ahead of our target – and overall, we’ve reduced it by 37% since we started systematic measurement in 1997. Also, over half the water we use now is not of drinking quality.

We also work on wastewater and, for many of our sites, the target is zero liquid effluent. For example, we’ve achieved it already in 53 out of 76 sites in India. Treated wastewater there is recycled, or used to irrigate land on the site.

It’s clear that upstream water use must be a big priority for us, and we are tackling that primarily through our sustainable agriculture team, working closely with our growers. Our key raw materials that use freshwater for production are tea, palm oil, spinach, peas and tomatoes.

Let us consider tomatoes as an example. Unilever is one of the world’s largest producers of tomato-based sauces and pastes, and some of the tomatoes we use are grown on over 4,000 hectares of farmland in Australia. As we know, agriculture is the biggest user of freshwater overall, and getting more “crop per drop” is one of the priorities highlighted by the UN Year of Freshwater. Tomatoes are particularly demanding because they need lots of water to achieve both yield and fruit quality.

So out there in Australia, where drought is a problem, we have worked with our growers to reduce water consumption by converting from furrow to drip irrigation. So far, some 80% of the land has switched to drip irrigation and water consumption has more than halved. What’s more, our farmers in Australia discovered that not only has drip irrigation cut their water use, it also resulted in better yields – fully 100% better.

Now onto Brazil, where we also source tomatoes. Water is not so scarce there, so there has not been such motivation to reduce water consumption. But the news of better yields in Australia travelled through our sustainable agriculture team to our tomato growers in Brazil. And so, inspired by the success in Australia, we did some trials of drip irrigation in Brazil, and found that indeed yields increased there too – by as much as 50%, and enabled a 25–50% reduction in fungicide application and a 25% reduction in insecticides. So we are now helping more and more growers in Brazil convert to drip irrigation.

**Downstream water use**

Now let us go downstream. Downstream is where we get into how to motivate consumers in Europe to use less product when they wash their clothes or to understand what happens when someone uses our soap for washing in a river in India, Egypt, or China. Downstream is where we get into complex issues of sustainable consumption, and how to encourage the sustainable supply and management of water that promotes economic development.

As I outlined before, we have a responsibility to develop products and services that allow consumers to meet their aspirations but with less water. At the same time we must do more to raise awareness with our consumers about sustainable water issues and the consequences of the choices they make. The two go hand in hand.

On the product innovation side, the big challenge is to design products so they need less water to function and have less impact on water without compromising on performance or value. That is at least as important in developing markets as in developed ones.

Back in 1998, when addressing the World Detergents conference, our other chairman, Niall FitzGerald, challenged the detergents industry to “raise the priority of product development for the toughest conditions, including washing in little water, cold water, grey
water… even salt water.” I can tell you, as head of R and D for Home and Personal Care in Unilever, we are working on it.

But there’s a lot more to do. It takes working in partnership with appliance manufacturers and others to determine what might be the wash process of the future. It takes embedding sustainable consumption firmly in our innovation processes and in all our minds. And I’d like to add that we believe in competing through brands, but co-operating on sustainable development advances – shouldn’t technology that delivers major improvements be shared so that it can have the widest possible benefit?

As for raising awareness, the issues are even more tricky, if that’s possible. People do have genuine concerns about sustainability issues and the world they will leave to their children. Yet they don’t always make the link between that and their desire to drive their four-wheel drive off-roaders to the supermarket and what they buy when they get there.

So we are very wary of being seen as coming at consumers from the top down on sustainable water through our brand communication. Because that might be seen by a sceptical public as another marketing ploy from a multinational trying to sell more products.

**Developed market**

In developed markets we have found a way to do it, in Europe, where the detergents industry agreed a voluntary Code of Good Environmental Practice with the European Commission. This led to the introduction of new formulations and innovative products. In parallel, consumers have been provided with useful information on how to optimise their washing habits. This was achieved through a unique pan-European communications campaign called “Washright”, using on-pack advice, an internet site and TV advertising.

And it has worked. Over the 5-year period from 1997 to 2001, we’ve seen a significant reduction in the consumption of household laundry detergents, poorly biodegradable ingredients, and the use of energy and packaging. The focus has been very much on helping consumers to wash more effectively and more efficiently, whilst at the same time, helping to protect the environment.

Therefore, much of our effort goes into raising awareness from the bottom up. Working together with others, on shared issues and needs, from a local perspective. That may mean – in developed markets – partnerships like the one we’re involved with in the Mersey Basin in the UK, looking at local river catchment conservation. Or it may mean using our marketing skills in partnership with a local NGO to raise awareness in Canada about the pressures of tourism on the Columbia River Wetlands.

**Developing markets**

In developing markets, we have had most success through getting more involved in raising awareness at a local level on sanitation, hygiene and helping to build more sustainable communities.

In Indonesia, Unilever has been working for just over two years on the Clean Brantas river basin project. It’s an incredible challenge, because the Brantas is 300 km long, and it’s the most urbanised river basin on Java.

Unilever Indonesia has focused much of its effort on how to motivate four villages to use and maintain the sanitation units, waste bins, and composting facilities that have been introduced. This has been achieved in close partnership with the villagers themselves, a local university, NGOs and government agencies. As a result the riverbank has been cleaned up and the villagers have been encouraged to turn their houses round so they face the river.

They are now less inclined to dump waste in what is now, effectively, their front yards. We’ve also helped the villagers to plant merinda trees, whose fruit is prized for export, and to start some small-scale fish farming, so there’s an economic element too. It may only be a
small part of the catchment, but the idea is that the project can be replicated, by encouraging other companies along the river to “adopt” their local villages.

Using our marketing knowhow to reach and communicate with people effectively is also a big part of a hygiene project in Hindustan Lever. In India, every 30 seconds a child dies from a diarrhoea-related illness. Yet studies have shown that these deaths could be reduced by half if people would use soap to improve hygiene. So we are now running a Lifebuoy Hand wash Campaign called “Awakening to One’s Health”, which aims to educate people about invisible germs, and how simple hygiene practices can promote disease prevention.

Looking even further downstream, we know we need to do more to understand the impact of our products on water in water-stressed areas. We’re very good at understanding the fate of our products where there’s effective wastewater treatment, but what about where there isn’t? Unfortunately this situation often happens in areas that also suffer water stress, and where concentrations of salts are likely to be higher.

Recognising this concern, Unilever South Africa has developed a partnership with Rhodes University to open the Unilever Centre for Environmental Water Quality, with the aim to improve environmental water quality management in South Africa. Researchers at the centre are investigating the effects of chemicals in water ecosystems, and developing a new method of combining water chemistry, biomonitoring and ecotoxicology information. The centre also offers training to students and employees of the Department of Water Affairs and Forestry.

All of these projects are developed and implemented by our operating companies together with other members of the local communities. They can and do take advantage of the global nature and reach of Unilever, but with a local touch.

**Sustainable Water Integrated Catchment Management**

As mentioned briefly before, our water projects all have one other thing in common – SWIM. SWIM – or Sustainable Water Integrated Catchment Management – was developed together with UK sustainability organisation Forum for the Future and is based on three principles.

1. Water development and management should be based on a participatory approach, involving users, planners, policymakers and all other appropriate stakeholders, at all levels, taking account of social and cultural diversity.
2. Fresh water is a bounded, finite but infinitely renewable and vulnerable resource, essential to sustain life, development and the environment.
3. Water has an economic, social and environmental value in all its competing uses.

Our SWIM principles give us a practical partnership approach to ensuring that the sustainable water efforts we engage in are firmly rooted at the local river basin or catchment level, and are effective and successful.

Considering these principles brings me back to my starting point – meeting everyday water needs. What can Unilever contribute to meeting these needs? In fact, businesses – like ours – can contribute to the water agenda on surprisingly many levels:

- we can contribute, not just financial resources, but also people and knowhow;
- we can use our marketing and communications skills, and access to media channels;
- we have broad science and technology expertise;
- we have global reach and at the same time local connections.

We in Unilever are fully aware that action needs to be stepped up if we are to meet the Millennium Development Goals on water and sanitation, and on poverty eradication, and we want to play our part.

To achieve these goals, a fundamental challenge that faces all of us is to work to break the link between economic development on the one hand, and increased water use and
water degradation on the other. It’s an absolutely critical challenge. In Unilever, we believe we can contribute best by continuing to make progress on the sustainability of our water imprint. That’s where it makes sense for us to focus, that’s where we have some influence, and that’s where we can make a real difference.

It is hardly a limited scope. In fact, as part of that effort, we are working hard on the very broad and complex area of sustainable consumption, which includes product innovation and how to raise awareness and influence consumer behaviour on sustainable water.

There’s much still to do here and we know we can’t – any of us – go it alone. We need to multiply the many successful community-based water initiatives that are already out there. And we also need to think afresh to develop new kinds of wide-ranging and effective partnerships, all the while grounded in a river basin perspective. I sincerely hope this Stockholm Water Symposium will prove to be a valuable step in that direction.

Conclusions

- Unilever is seeking to make its water imprint sustainable so that business growth and success does not mean more pressure on water availability.
- Unilever will work to raise awareness about water with consumers so that increased use of its products does not increase the pressure on clean water.
- All sectors of society have to work to break the link between economic development and increased water use and water degradation.