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Good evening, and thank you to the US Water Alliance for convening such a timely and interesting symposium.

Indeed, we are here to discuss one of the biggest challenges facing the planet today—the global crisis of water insecurity. Daunting, yes...but I'd like to begin my remarks on a more optimistic note.

Given our unique venue, a testimony to the positive societal impact that can be had when people put their minds to it, I want to begin by asking everyone here to imagine a better world. Imagine a better world like I presume those who were involved with the underground railroad imagined a better world.

I want you to imagine a world where, in the space of one lifetime, nearly a billion people are lifted out of poverty...a world where life expectancy increases by one-third and child mortality falls by two-thirds.

...a world where the average human being EARNs nearly three times more,
...goes less hungry because they EAT one-third more calories of food,
and people LIVE one-third longer.

Laudable goals, for sure—and some might say hard to imagine.

But it shouldn't be.

As our Chairman and CEO, Indra Nooyi, reminded college graduates a year ago: that is exactly the world we are living in today. Every one of these remarkable leaps has happened in the course of my lifetime. It's a reminder that we are living in an age of incredible promise. If anything, it should give us confidence as we meet to tackle the issue before us—recognizing that water is, in fact, a truly shared resource—and acting accordingly to respect and preserve it.

As we know, for all of those accomplishments, we still face some of humanity's oldest challenges: hunger, thirst, disease and illiteracy. And at the center of every single challenge is water—ONE WATER.

Nothing else can claim that position.

And it's the intersection between food, water and agriculture that is at the very heart of our water issue today.

We probably all know the numbers—or at least some of them.

Nearly one billion people lack access to clean water—some estimates suggest five times that if we talk about water that would meet USEPA drinking water standards.

Every 20 seconds, a child dies from water-related illness.

Every day, women and girls spend 200 million hours collecting water.

Every year, 443 million school days are lost to this most basic of needs.

And it is only getting worse: the United Nations estimates that if current trends continue, two-thirds of the world's population will not have enough water by 2025.

In some ways, it comes down to a question of basic math.

Consider that just one percent of the world's fresh water is readily accessible for direct human use, and a full 70% of our available water is used in agriculture (as high as 90% in some developing countries).

It takes about 200 million liters per second to grow the food for the people we currently have on the planet.

We need to be more efficient—we have an obligation to be more efficient—and more innovative.

Last year, the United Nations found that one-third of all food produced for human consumption is lost or wasted each year. If we waste a third of that food, it also means we are wasting about 66 million liters of water *per second* – every minute of every hour of every day.

And talk about a “burning platform”: by 2050, the world is expected to add another two billion people. We have to grow as much food over the next 40 years as the world has produced over the past 8,000 years.

We have to do it at a time when climate change is causing more flooding and more droughts; and when billions of more prosperous people are demanding more protein in their diets—which drives up food prices, and uses much more water.

It is a monumental task. But again, who 40 years ago would have believed that China and India would have the fastest-growing middle classes in the world, or that we’d all live a third longer?

We need to be just as creative now. At PepsiCo, we believe that what our planet needs today is a Force Multiplier—something that will enable us to grow more food—better yet, more nutritious food—with fewer acres and fewer liters of water—and we need to do it in less time.

Somehow, we have to find a way to make $1 + 1 = 6$.

The only multiplier effect that is capable of producing those kinds of results is a word that literally means, “creating a whole greater than the sum of its parts”: collaboration.

We have to find a way to bring the public sector, the private sector, NGOs, academia, and individual citizens together to fight water insecurity and feed nine billion people.

We need to truly recognize the concept of “one water”—not just talk about it because it makes for a pithy elevator speech—or because it looks good on a website!

We need to LIVE the concept of one water.

We need to bring together water users, and water sellers, and water processors...water academics, and water policy makers...we need to come to the reality that only through innovative collaboration will there be lasting change.

We need to recognize the challenges of things like urban water sustainability.

How do we grapple with the accurate valuation of water? How do we assure sustainable maintenance of existing and new water infrastructure? How do we manage population growth and population shifts, as people migrate to areas where infrastructure is not capable of supporting growth? How do we balance limited resources with the on-going need for social and economic development? And how do we advocate for policies that are not subject to election cycles—but, rather have the foundation to help assure long-term commitment and success?

Tough questions, and I certainly don't have all the answers. No one does. But together we need to find them.

What does industry bring to the table? The key ingredient: human capital. It is experience and knowledge—our ability to invent locally-relevant technology; to manage projects; to set budgets and deploy resources; to set goals and benchmarks and meets them.

Where does PepsiCo enter the equation? You probably know us as a food and beverage company—and that's true. But we are also one of the largest agricultural companies in the world!

Every product we make depends on agricultural raw materials. PepsiCo grows or sources more than four million tons of potatoes for our Frito-Lay brand; three million tons of oranges and other fruits and vegetables for our Tropicana, Naked Juice and SoBe brands; and 600,000 tons of oats for our Quaker brands. We have agricultural operations in more than 30 countries worldwide.

Efficient and effective management of water, land, energy and other resources isn't just important to our business or good for our business – it is our business. As a company that generates about half of its more than \$65 billion in sales from outside the U.S., water is a constant concern.

As I stand here today, nearly 50 percent of our manufacturing facilities suffer some form of water stress today. We use just over a billion liters of water each year—and that is only in our direct operations—many times more than that if we include our supply chain water use.

And let's be clear--this is NOT just a crisis of the developing world.

Let me share excerpts from Undersecretary of State, Maria Otero, in a speech she gave in May of this year. The context was the Intelligence Community Assessment on Global Water Security released by the National Intelligence Council. The report reinforces the view that water is not just a human health issue, not just an economic development or environmental issue, but also a security issue.

In her speech, she referred to Secretary of State Clinton's five imperatives for the United States to successfully address water security:

First, build and strengthen institutional and human capacity at the local, national and regional levels. Countries and communities must take the lead in securing their own water futures. We need to help build their capacity so they can deliver.

This includes building support for and strengthening regional mechanisms for advancing cooperation on shared waters. We are already active in many basins throughout the world – from the Nile to the Mekong – supporting riparian country efforts.

Second, increase and better coordinate our diplomatic efforts. We need to work to raise international awareness; to encourage developing countries to prioritize water and sanitation in national plans and budgets; and to integrate water into global food security, health, and climate change initiatives.

Third, mobilize financial support. We need to work to mobilize resources within countries towards water and sanitation infrastructure by strengthening local capital markets, providing credit enhancements, and exploring other avenues for support.

Fourth, promote science and technology. There is no silver bullet. That said, science and technology can have a huge impact. We need to work harder to incentivize the development of technologies that can make a difference at scale and to share U.S. expertise and knowledge with the rest of the world.

And finally fifth, build and sustain partnerships. We cannot solve this problem on our own.

So, it's easy to stand here and proselytize, but what is PepsiCo doing that gives us at least some permission to engage in this global dialog?

Water stewardship is fundamental to our Performance with Purpose mission: our belief that what is good for business and good for the world can be the same thing. We take an integrated approach—across a spectrum that includes conservation in our direct operations, supply chain and watersheds; provision of safe water to communities in the most need; and advocacy to help find lasting solutions to the crises we face—with terrific partners, like the US Water Alliance.

Simply put, we are doing more and using less.

Across our manufacturing operations, we have improved water by 21 percent since 2006. And in fact, we originally planned to reach this target in 2015 – but we did it last year, 4 years early. We won the Stockholm Industry Water Award last month, and were proud to win the US Water Prize from this Alliance earlier this year, based largely on the successes of our “near net zero” plant in Casa Grande, Arizona, which is using MBR and other technology to reuse nearly 80% of the incoming water—and getting over two-thirds of its energy from renewable sources—and sending less than 1% of its waste to landfill.

We also understand that there would be no business without the communities we serve, so we have set a goal of providing access to safe water to three million people by the end of 2015.

Years ago, we had some water trouble at one plant in India which made international headlines. Claims of “water thievery” severely threatened our social license to operate. This license to operate can just as easily be threatened in Atlanta as it can be in Andhra Pradesh. In Joliet as easily as in Johannesburg.

That experience in India renewed our commitment to be part of the solution, and underscored the critical need for collaboration—to take the perspective of all stakeholders into account.

We made a bold commitment in India: that we would achieve positive water balance, to replenish more than we consume.

We focused our efforts on the demand side: helping farmers and communities grow crops more efficiency and more abundantly. We innovated a process called “direct seeding,” which allows us to grow a staple food crop—rice—with 30 percent less water and reduce greenhouse gases by 70 percent.

We worked to create a low-cost device that measures the soil’s moisture content, enabling farmers in India to reduce water use by 20 percent over more traditional irrigation methods. We are now expanding this to potato farmers.

I’m proud to say: we were able to achieve our goal of positive water balance in India for the last three years in a row! And we are now looking to adapt and adopt this model across other geographies.

The key is partnerships: from the Columbia University Earth Institute to Water.org to the Safe Water Network to the Inter-American Development Bank, we are working in partnership to provide the fundamental building blocks for a healthy community—while growing the future consumers of PepsiCo.

Sometimes, it even means working with competitors—since many aspects of this crisis are precompetitive. Along with 12 other companies and organizations, we joined forces with other food and beverage companies at the World Economic Forum and International Finance Corporation to launch the 2030 Water Resources Group, or WRG.

The overarching goal of WRG is to work with governments—collaboratively and at their invitation—to together close the estimated gap of 40% between water supply and demand over the next 20 years. It allows us to share ideas and deploy best practices, at the invitation of governments, in regions where unique approaches like direct seeding make sense.

The idea that no single entity can solve the crises of the magnitude of those we face alone is precisely why organizations like the US Water Alliance are so very critical to sustainable success.

As we think about this Conference, but more broadly the vision for your respective organizations-- I would ask all of you: who can you form unique partnerships with?

Which organizations could you collaborate with to make a real difference?

Even if it means taking a leap of faith, we have to be willing to look at the person in the seat to our right and to our left and find common ground, even if we don't agree on everything.

That's the only way we'll be able to make $1 + 1 = 6$. That's the Force Multiplier we need.

At PepsiCo, we look forward to being part of the journey, and I close with one of my favorite quotes from famed anthropologist and humanitarian, Margaret Mead: "Never doubt that a small group of thoughtful, committed people can change the world. Indeed, it is the only thing that ever has."

Thank you.