



Water

Insights

FUTUREScape : THE CUSTOMER EXPERIENCE COMPANY

FS/2018

Water

INTRODUCTION

Most parts of India are water stressed. Companies as large users and influencers are playing an important role in water management.

Insight |

Most cities in India are water stressed with no city having 24/7 water supply and most of it being contaminated. Hence, the need to manage water and waste water cannot be over emphasized.

Companies play a crucial role in this environment as they are large scale consumers and can contribute significantly to water management.

At government policy level, the focus is primarily on water treatment driven by

- the mandate for zero liquid discharge (ZLD) systems across industries,
- the Supreme Court's 'green order' for all industrial units to set up effluent treatment plants (ETP)
- the reuse of treated water in nearby thermal power plants
- National Water Mission's target is to reduce water consumption by 20% in all sectors by 2030.

Indian companies have programs to manage water not only in their operations but also across various stakeholder groups such as community, suppliers, employees and customers.

Sector	% companies with water management programs	
	1 or more	4 or more (out of 10 studied)
Capital Goods	88%	38%
Cons. Discretionary	80%	46%
Cons. Staples	87%	33%
Diversified	78%	50%
Energy	90%	60%
Healthcare	100%	40%
Materials	100%	70%
Utilities	100%	42%
IT	100%	67%
Financials	50%	6%
Telecom	40%	20%
Other financials	32%	0%
Other industrials	57%	14%

Note: Industries highlighted in blue have more focus; while grey have less

Water initiatives become wider and deeper

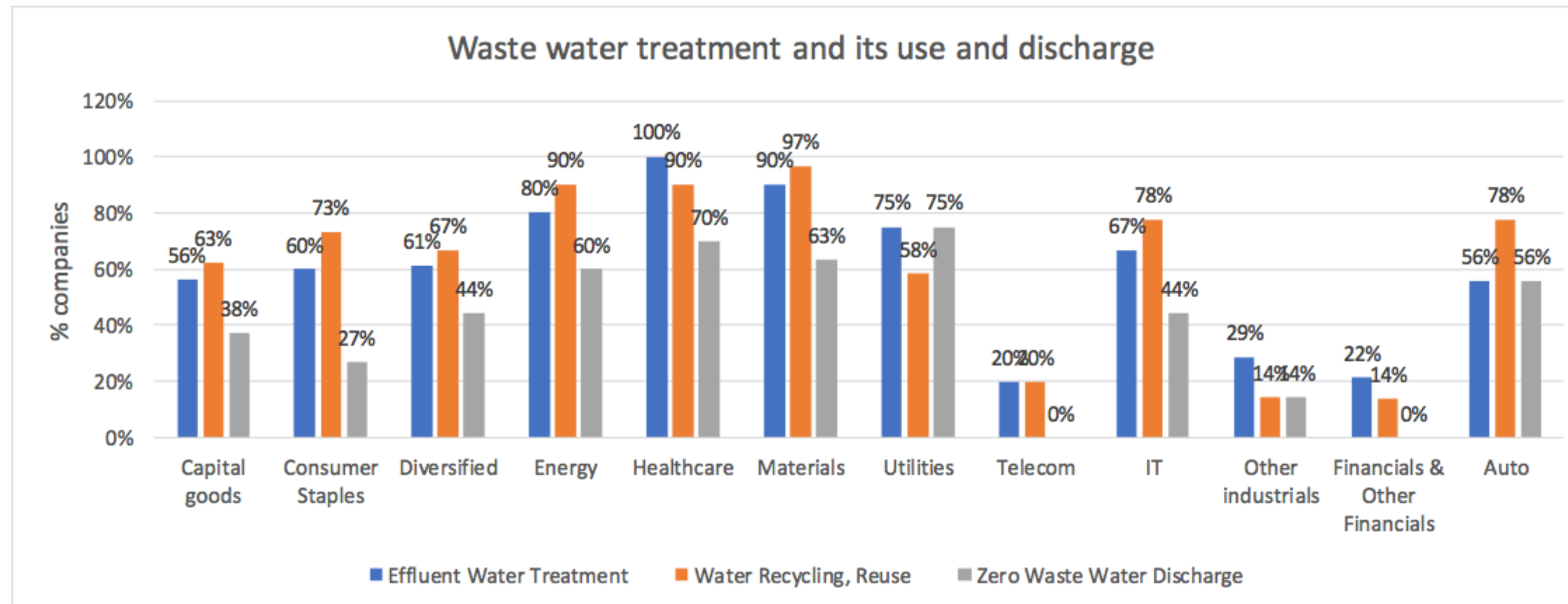
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There are broadly 10 types of water projects that companies undertake and a significant number of companies have several initiatives in 4 or more of these areas.

02

Over 70% manufacturing companies treat waste water vs 30% services firms

Waste water treatment and its discharge



Water treatment and reuse addresses dual concerns of contamination and limited fresh water availability. Over 70% manufacturing companies treat waste water (both process effluent and sewage water) and recycle it either into process or for peripheral purposes such as gardening, toilet flushing and cleaning. This is in contrast to service sector where only around 30% companies treat and reuse water. Most banks reported that as they are service oriented and their operations are not water intensive, water management programs are not a priority. While at the same time, all IT companies manage water used in their operations, despite being non-water intensive.

Sector	% water recycled	
	2015-16	2016-17
Capital Goods	NA	NA BEL & Thermax: 100%
Consumer Staples	NA	NA
Diversified	NA Titan: 63.5% of water consumed is recycled	NA Reliance Industries: 45.5%
Energy	70%-90% of treated effluent water is reused in operations	12%-70%
Healthcare	NA; Lupin: c48% waste water reused	63%-100%
IT	NA Wipro: 32% water is recycled water	38%-70%
Materials	14%-49%	10%-84%
Utilities	NA	NA Adani Power: 41.3%
Cons. Discretionary	NA Hero MotorCorp: recycled 90% of waste water	13%-60%

The disclosure on the percentage of water recycled and used was scanty. However, in general the recycled and reused water ranged between 10% to 84% of total water consumed in the year across some key companies.

03

Fresh water intake is reducing across industries

Waste water treatment and its reuse helped reduce fresh water intake across most industries. Some companies reported 2%-30% reduction in fresh water intake or water consumption in 2016-17 over previous year in their reports.

Energy companies such as ONGC and MRPL were subjected to fresh water restrictions during the year and hence they are setting up desalination plants to meet their operational water requirements.

Sector	% reduction in water consumption	
	2015-16	2016-17
Capital Goods	NA Siemens India – ~12%	11%-25% ITNL: 84%
Consumer Staples	NA	3%-11%
Financials	NA	NA
Healthcare	NA DRL: reduced 57% in 5 years	NA DRL: aims to reduce by 40% by 2020
IT	5%-24%	8%-15%
Materials	4%-15% Asian Paints: 43% in non-product	2%-20% Asian Paints: 58% reduction in specific water
Other Industrials	NA	NA Cummins: 3% reduction yoy
Auto	Bajaj Auto: 17% in one plant	3%-31%
Energy	NA	8%-30%

04

Companies are turning water positive

Many companies are already water positive – some even multiple times such as ITC and Ambuja Cements. And many more aim to be water positive in the near future.

Industry	Water Positive Companies
Capital goods	L&T, HCC, Havells India
Auto	Bajaj Auto (Waluj and Chakan Plants)
Consumer Staples	Coca-Cola India
Diversified	Dalmia Bharat Group (in 3 plants)
Energy	HPCL's Rajahmundry LPG Plant
Materials	Ambuja Cements, Asian Paints
Other Industrials	APSEZ and Cummins India

Company	Target
Godrej Consumer Products	2020: Aim to achieve water positivity by implementing the 3Rs
Dabur India	Water positive in the next two years
Marico	Water positive by 2022
TCS	Water neutral by 2020
Ambuja Cements	Aims to be 6 times water positive by 2030

Key companies in water management programs by sector

Sector	Key companies
Capital Goods	L&T, Havells India, ABB India
Consumer Staples	Tata Global Beverages, Dabur
Telecom	Bharti Airtel
Diversified	ITC
Energy	HPCL, IOCL, GAIL, ONGC,
Financials	IDBI Bank, Kotak Mahindra Bank,
Healthcare	DRL, Jubilant LifeSciences, Glenmark Pharma, Apollo Hospitals
Other Industrials	Adani Ports & SEZ
Utilities	Reliance Infrastructure, NTPC, KEC Intl, Adani Power
Consumer Discretionary	Vardhaman Textiles, TKM, Tata Motors, Maruti Suzuki, Hero MotorCorp, ABFRL
Materials	Ambuja Cements, Asian Paints, Hindalco, Hindustan Zinc, Jindal Steel & Power, NALCO, Tata Chemicals, Vedanta
IT	HCL Technologies, Infosys, TCS, Tech Mahindra, Wipro

05

Water conservation is becoming a product feature

Within operations, some industries manage water not only as an important input resource, but also as a key component in their product or service offering. In the Financials industry, conservation of water in projects is now a norm under the screening criteria. And few consumer staples companies offer water or its conservation as a green feature in their product.

P&G India's cold-water laundry detergents (Tide Coldwater, Ariel) enable consumers to conserve resources such as water.

Hindustan Unilever's (HUL) Pureit provides affordable and safe drinking water and Tata Global Beverages markets nutrient water.



06

Community water programs become a CSR focus

Community is a significant stakeholder in water. Indian companies focus on provision of safe drinking water and rainwater collection & storage. Almost half of the companies studied had contributed to community drinking water projects. YES Bank has installed Water ATMs that provide safe and clean drinking water at railway stations across India at nominal prices.

15% companies had taken up rainwater harvesting projects which mostly comprised building rainwater harvesting structures (like dams, farm ponds, ring wells), increasing ground water levels, strengthening existing water structures, developing water sheds, and recharging ground water. There were few waste water treatment projects for community. Drinking water projects for communities are small ticket relative to other areas - only around 1% of total funds were allocated to it. Materials, utilities and consumer staples industries allocated over 2% of their aggregate CSR funds to drinking water projects, rest all sectors spent less than a percent. In absolute terms, materials companies spent the most – Rs27.6cr, followed by utilities (Rs 15.9cr) on community drinking water projects.

Community water programs	Lead industries
Rainwater harvesting	Other financials, Other Industrials, Capital Goods
Water infrastructure development and maintenance	Consumer staples, IT
Drinking water	Materials, Capital Goods, Healthcare

07

Participation in industry water alliances is very poor

The participation in water specific initiatives is extremely poor. We found only four companies that participate in water specific programs.

Water Initiative	Participating Companies
CEO Water Mandate	Tata Steel, Infosys, Hindustan Construction Company
CDP Water Disclosure Project	Tata Chemicals, Cisco Systems India

08

Water programs for suppliers emerge, while employees and customers mostly remain forgotten

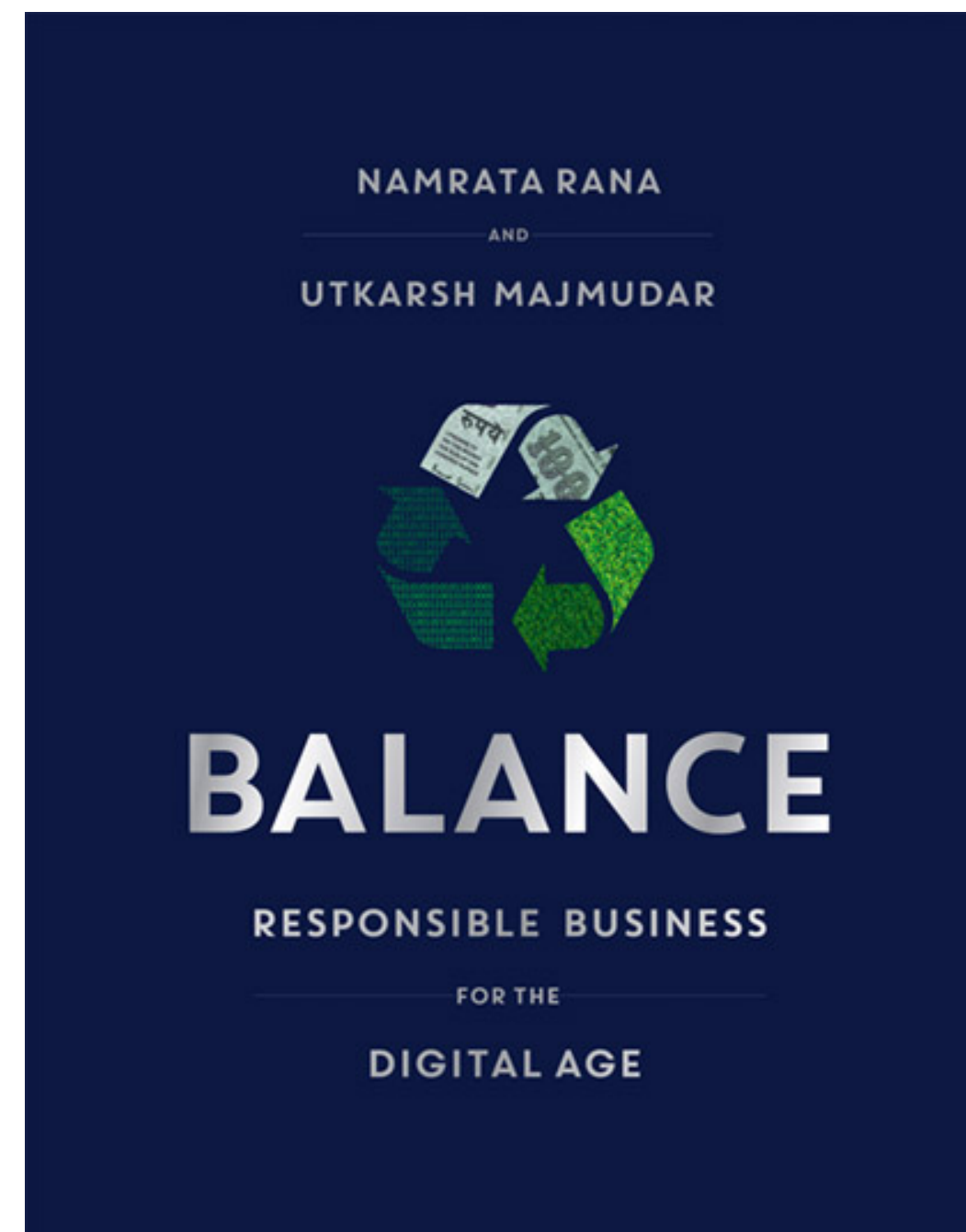
Supplier programs for responsible water management were reported by companies across consumer staples, auto, and materials industries.

Employees are an under-tapped stakeholder. Only a-third of the IT companies, the highest across industries, reported that they conduct awareness programs on water for their employees.

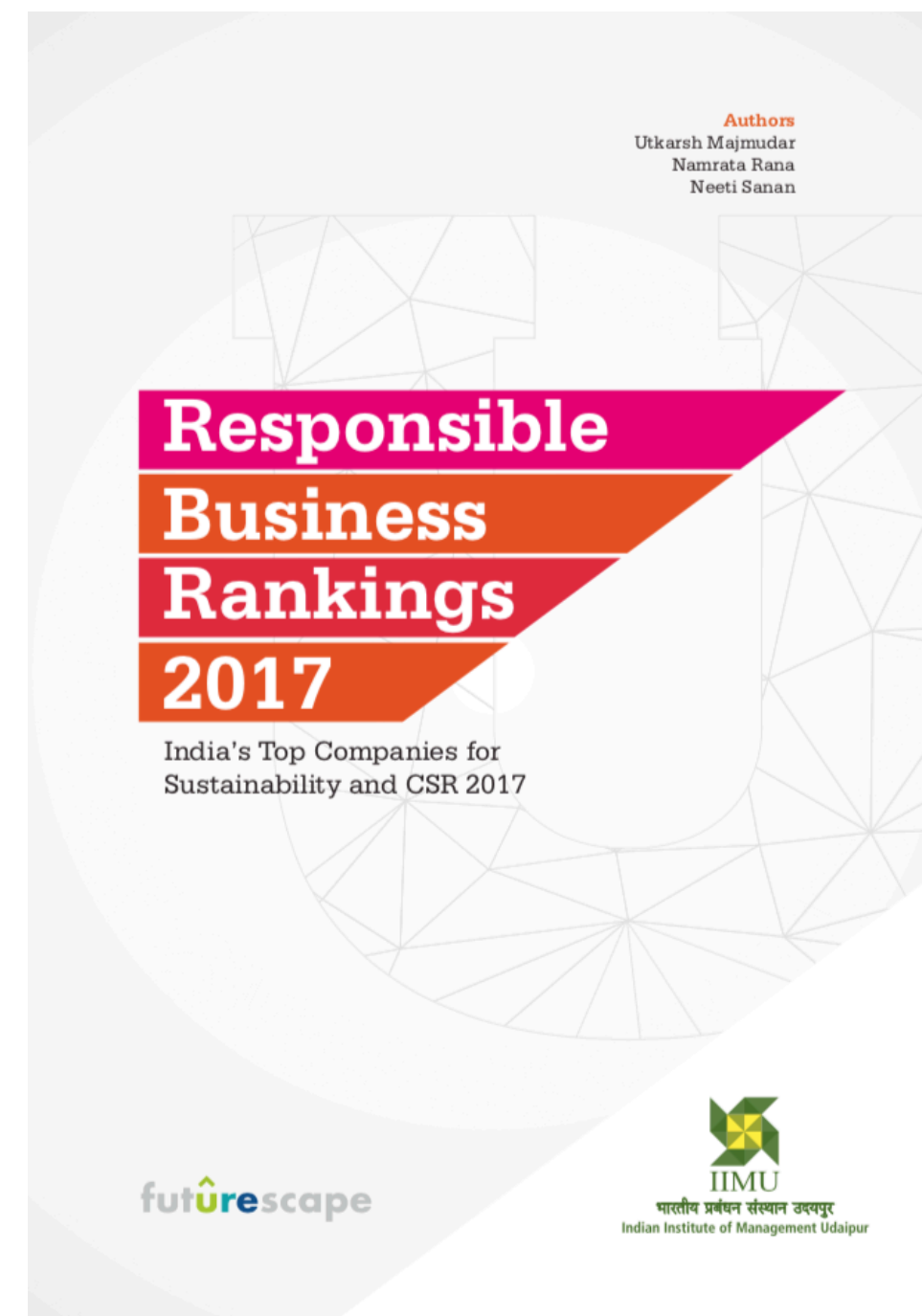
Very few companies reported water specific programs for their customers. Chemical companies conduct programs to address water use by customers (farmers). Separately, Maruti Suzuki promoted water-less washing and dry wash among customers during the year.

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