



The 2025 Valuing Water Finance Initiative Benchmark

**Assessing Company Performance
on Corporate Expectations
across Four Water-Intensive Industries**

October 2025

Acknowledgments

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About Ceres

Ceres is a nonprofit advocacy organization working to accelerate the transition to a cleaner, more just, and resilient economy. With data-driven research and expert analysis, we inspire investors and companies to act on the world's sustainability challenges and advocate for market and policy solutions. Together, our efforts transform industries, unlock new business opportunities, and foster innovation and job growth—proving that sustainability is the bottom line. For more information, visit ceres.org.



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Foreword

There isn't a business on earth that can survive without water. Yet global water risks are escalating fast, with demand for fresh water expected to outstrip supply by 40% in just five years. Growing water scarcity and pollution threaten communities, ecosystems, climate resilience—and the financial stability of businesses and economies alike.

That is what makes the Valuing Water Finance Initiative benchmark an essential resource for companies, investors, and stakeholders advancing water stewardship.

Coming two years after the inaugural assessment, this second edition conducted in partnership with Quantis provides critical insight into how large companies in four water-intensive industries—apparel, beverage, food, and high-tech—are responding to mounting financial, regulatory, and reputational risks tied to their water use and impacts. The assessment shows that companies are making progress, but unevenly and not quickly enough.

Across industries, water challenges are intensifying. The rapid expansion of data centers is colliding with limited water availability: nearly two-thirds of new construction in the U.S. is planned in regions already facing water stress. More frequent and severe droughts are straining cotton production worldwide and the apparel supply chains that depend on them. Food and beverage companies face increasing threats of water stress, with 60% of irrigated crops grown in highly stressed areas, threatening yields and supply stability.

Companies and investors must act now to safeguard long-term value and secure a water-resilient future. In just 25 years, more than 30% of global GDP is expected to be exposed to water stress.

This benchmark is intended to serve as both a reference point and a catalyst. By providing a data-driven assessment of how the private sector is integrating water risk into its operations, supply chains, governance, and strategy, it illustrates corporate progress, identifies gaps in corporate water stewardship and highlights leading practices across and within industries.

Above all, it underscores the opportunity for companies to innovate, learn from peers, grow, and thrive by tackling their water challenges head on.



Mindy Lubber
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Introduction

Two years ago, Ceres' benchmark established the first-of-its-kind view of corporate water stewardship across companies in the food, beverage, apparel, and high-tech industries.

By examining company actions on water use and pollution, protecting clean water for ecosystems and communities, and ensuring board oversight and public policy engagement, the benchmark highlighted both the promising steps companies are taking to safeguard the water resources their value chains rely on and the urgent need to accelerate action and ambition across the board.

Now, with global water challenges intensifying — fueled by extreme weather, population pressures, and industry demand — the second edition of the benchmark comes at a pivotal moment.

It assesses [company performance](#) against six [Corporate Expectations for Valuing Water](#), a set of goals for 2030 and beyond, aimed at minimizing impacts on freshwater resources and strengthening ecosystem and business resilience. These expectations guide the [Valuing Water Finance Initiative](#), the only investor-led global effort focused on water.

With just under five years until 2030, what the assessment shows is that no matter how complex the risks, progress is possible — and it's happening. Companies, such as Danone, Gap, Microsoft, and PepsiCo, are making advances on several fronts to reduce water impacts and strengthen resilience.

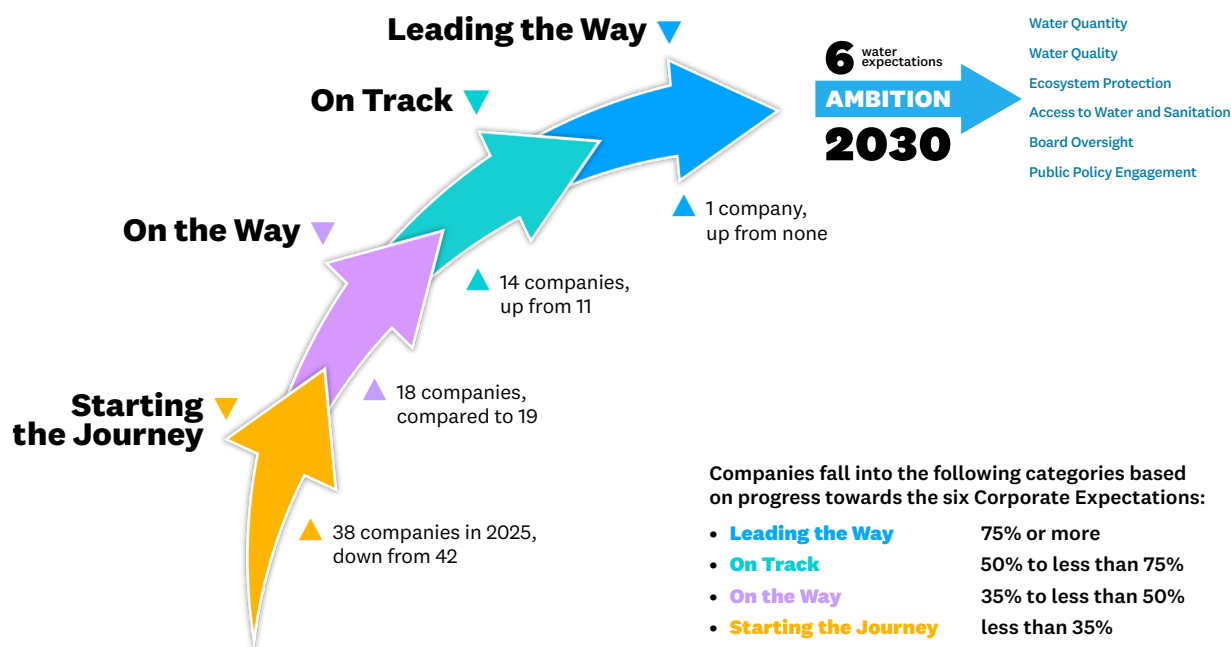
Yet, while the overall picture is stronger than two years ago, **this progress is uneven and isn't happening at the scale and pace needed to meet escalating challenges.**

The assessment pinpoints where gaps persist and highlights emerging best practices, offering a roadmap for companies, stakeholders, and investors to focus action. What matters now is follow through, turning insights into measurable progress to secure the freshwater resources vital to business resilience, community wellbeing, and planetary health.

Progress towards the 2030 Ambition

Since 2023, companies have made measurable but uneven progress, as demonstrated by the ambition spectrum, which illustrates each company's overall benchmark score along the trajectory toward meeting the 2030 ambition of the Corporate Expectations for Valuing Water.

Ambition Spectrum: Companies on Their Journey towards the 2030 Ambition of the Six Corporate Expectations for Valuing Water



- One company is now **Leading the Way**, up from none in 2023, receiving 75% or more of total points. This demonstrates strong performance across all Corporate Expectations and robust water stewardship strategies across the suite of water-related issues.
- 14 companies are **On Track**, up from 11 in 2023, receiving 50% to less than 75% of the total points. These companies are acting on the majority of the Corporate Expectations.
- 18 companies are **On the Way**, compared to 19 in 2023, receiving 35% to less than 50% of the total points. These companies are making progress across some of the Corporate Expectations, but significant advancement is required across all to set a course toward the 2030 ambition.
- 38 companies are **Starting the Journey**, down from 42 companies in 2023, receiving less than 35% of the total points. Companies in this category are at the initial stages of acting on all the Corporate Expectations.

Individual Company Progress

Company Performance Changes between 2023 and 2025

▲ 48

company scores have improved. Of these, 18 have progressed to the next ambition spectrum category—6 apparel, 4 beverage, 6 food, and 2 tech.

Starting the Journey ► On the Way

11 companies

On the Way ► On Track

6 companies

On Track ► Leading the Way

1 company

▼ 20

company scores have declined. Of these, 9 have dropped down a category—4 beverage and 5 food.

On the Way ► Starting the Journey

7 companies

On Track ► On the Way

2 companies

Score improvements (48 companies)

- Gains are driven by stronger action across most of the Corporate Expectations, along with expanded disclosure of water-related impacts and dependencies, often through reporting in line with the Corporate Sustainability Reporting Directive (CSRD), using the European Sustainability Reporting Standards (ESRS), including double materiality assessments.
- Some companies that are improving scores are also meeting the benchmark's more advanced indicators, including conducting impact assessments for water availability, quality, and ecosystems, in addition to assessing nature-related risks.

Score declines (20 companies)

- Marginal declines stem from refinements to the benchmark methodology, such as the sharpened focus on explicitly linking sourcing strategies to freshwater benefits.
- Larger declines are due to companies being in the process of updating their water strategies, resetting targets, or restructuring stewardship approaches at the midpoint to 2030. These shifts can temporarily lower scores, as the benchmark assesses only current public reporting on active strategies, targets, and programs.
- Several companies are reevaluating their disclosures in light of regulatory changes, such as the EU CSRD. While this is delaying assessments and public reporting, many indicate that future reporting may provide more details of corporate water stewardship strategies.

Benchmark Results

Company Performance Towards Meeting the 2030 Ambition of the Six Corporate Expectations for Valuing Water

Ambition Spectrum: Leading the Way (75% or more)

Industry	Company	2025 Score (%)	Percentage point change from 2023
Food	Danone S.A.	77.8	12.8 ▲

Ambition Spectrum: On Track (50 to less than 75%)

Industry	Company	2025 Score (%)	Percentage point change from 2023
Food	Mars, Inc.	69.4	9.4 ▲
Food	Cargill, Inc.	67.8	-1.1 ▼
Beverage	PepsiCo, Inc.	62.8	1.1 ▲
Food	Unilever PLC	60.6	13.4 ▲
Beverage	Diageo plc	60.0	2.2 ▲
Beverage	Heineken N.V.	57.8	5.6 ▲
Food	Nestlé S.A.	56.1	4.4 ▲
Apparel	The Gap, Inc.	53.3	3.3 ▲
Apparel	Kering SA	52.8	14.5 ▲
Beverage	Carlsberg A/S	51.7	16.7 ▲
Tech	Microsoft Corporation	51.7	1.1 ▲
Apparel	LVMH Moët Hennessy Louis Vuitton SE	51.1	8.3 ▲
Food	Ingredion Inc.	50.0	5.6 ▲
Beverage	Keurig Dr Pepper Inc.	50.0	6.7 ▲

Ambition Spectrum: On the Way (35 to less than 50%)

Industry	Company	2025 Score (%)	Percentage point change from 2023
Beverage	Kirin Holdings Company, Ltd	48.3	13.9 ▲
Beverage	Pernod Ricard SA	47.2	1.6 ▲
Beverage	Asahi Group Holdings, Ltd	45.0	5.0 ▲
Apparel	Levi Strauss & Co.	45.0	0 ○
Apparel	Fast Retailing Co., Ltd	44.4	14.4 ▲

Continues ►

Company Performance Towards Meeting the 2030 Ambition of the Six Corporate Expectations for Valuing Water

Ambition Spectrum: On the Way (35 to less than 50%)

Industry	Company	2025 Score (%)	Percentage point change from 2023
Apparel	H & M Hennes & Mauritz AB	43.9	0 
Apparel	Industria de Diseño Textil, S.A.	43.3	15.5 
Food	Archer-Daniels-Midland Company	42.8	12.8 
Food	General Mills, Inc.	42.8	-22.2 
Apparel	Burberry Group plc	42.2	26.6 
Apparel	adidas AG	41.1	6.7 
Food	Wilmar International Limited	41.1	8.9 
Beverage	The Coca-Cola Company	40.6	-15.0 
Tech	Sony Group Corporation	39.4	14.4 
Beverage	Molson Coors Beverage Company	37.8	5.6 
Food	Associated British Foods plc	36.7	6.1 
Food	The Kraft Heinz Company	35.6	-3.3 
Tech	Alphabet Inc.	35.0	11.7 

Ambition Spectrum: Starting the Journey (less than 35%)

Industry	Company	2025 Score (%)	Percentage point change from 2023
Food	JBS SA	34.4	-2.3 
Beverage	Anheuser-Busch InBev SA/NV	33.9	-13.9 
Food	Fresh Del Monte Produce Inc.	33.9	-5.5 
Food	Mondelēz International, Inc.	33.9	3.9 
Food	The Campbell's Company	33.9	0 
Tech	Apple Inc.	33.3	12.7 
Beverage	Suntory Beverage & Food Limited	32.2	-7.8 
Apparel	VF Corporation	32.2	7.8 
Food	Yum! Brands, Inc.	31.7	-3.3 
Beverage	Constellation Brands, Inc.	31.1	-7.8 
Food	Tyson Foods, Inc.	28.9	2.2 
Food	Kerry Group plc	28.3	10.0 

Continues ►

Company Performance Towards Meeting the 2030 Ambition of the Six Corporate Expectations for Valuing Water

Ambition Spectrum: Starting the Journey (less than 35%)

Industry	Company	2025 Score (%)	Percentage point change from 2023
Apparel	lululemon athletica, inc.	27.2	11.6 ▲
Beverage	Davide Campari-Milano N.V.	26.7	14.5 ▲
Food	Olam Group Limited	26.7	-10.5 ▼
Food	Hormel Foods Corporation	25.6	6.7 ▲
Beverage	Brown-Forman Corporation	25.0	12.2 ▲
Food	McCormick & Company, Inc.	25.0	-2.8 ▼
Food	The Hershey Company	24.4	10.5 ▲
Food	The J.M. Smucker Company	23.9	-2.8 ▼
Food	Bunge Limited	22.8	-4.4 ▼
Beverage	Monster Beverage Corporation	22.8	18.4 ▲
Tech	Amazon.com, Inc.	22.2	10.0 ▲
Beverage	China Resources Beer (Holdings) Co. Ltd.	22.2	13.3 ▲
Food	The Wendy's Company	21.1	3.9 ▲
Food	Chipotle Mexican Grill, Inc.	17.8	8.9 ▲
Food	Inner Mongolia Yili Industrial Group Co. Ltd	15.6	10.0 ▲
Food	Conagra Brands, Inc.	14.4	-6.2 ▼
Food	Smithfield Foods, Inc.	14.4	3.8 ▲
Food	Flowers Foods, Inc.	13.9	-1.1 ▼
Food	Chocoladefabriken Lindt & Sprüngli AG	12.2	-4.5 ▼
Food	Restaurant Brands International Inc.	11.1	3.3 ▲
Food	McDonald's Corporation	10.0	-1.1 ▼
Food	Pilgrim's Pride Corporation	10.0	3.3 ▲
Food	Perdue Farms	8.3	2.2 ▲
Food	Domino's Pizza, Inc.	5.6	-1.1 ▼
Food	The Hain Celestial Group, Inc.	5.0	-0.6 ▼
Food	Chiquita Brands International S.à.r.l.	1.1	0.5 ▲

Progress across the Corporate Expectations

In terms of progress on the Corporate Expectations, companies across the four industries continue to perform best in the **Water Quantity** Expectation (median 8 points, up from 6.5 in 2023), driven by continued prioritization of target setting, including new commitments, greater ambition through expanded value chain scope or contextual targets, and more clear strategies that include progress updates.

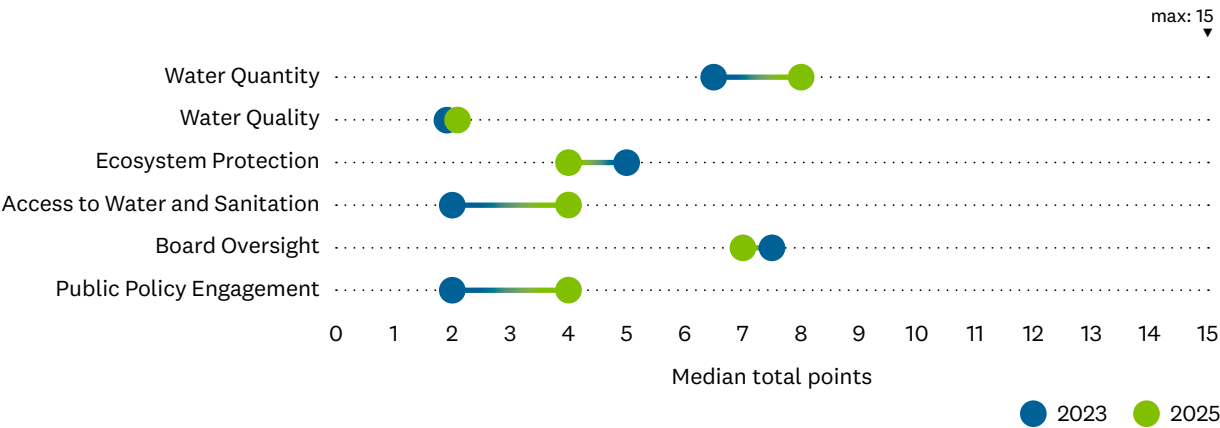
Performance is also relatively strong on the **Board Oversight** Expectation (median 7 points, slightly down from 7.5 in 2023), with more companies strengthening governance by tying incentives to water and ensuring board expertise on water.

Companies have made some progress in addressing the **Access to Water and Sanitation** Expectation (median 4 points, up from 2 in 2023) by engaging stakeholders, establishing WASH commitments, and formally acknowledging the human right to water. The **Public Policy Engagement** Expectation is also seeing increased action from companies (median 4 points, up from 2 in 2023) through greater advocacy on water and some alignment of lobbying with corporate sustainability goals.

Performance remains weakest on the **Water Quality** Expectation (median 2 points, unchanged from 2023), primarily due to a continued lack of supply chain inclusion and contextual targets.

Performance on the **Ecosystem Protection** Expectation declined (median 4 points, down from 5 in 2023) due to methodological refinements requiring clearer links between sourcing practices and freshwater outcomes. Companies, though, are advancing their engagement in ecosystem protection and restoration projects and expanding nature-related impact and risk assessments.

Overall Company Performance in Each Corporate Expectation Relative to 2023 Performance



(Note: The 2023 dataset includes 72 companies versus 71 in 2025 because Kellogg Company was removed due to its split and sale. Median values and percentage comparisons were used to ensure normalized analysis.)

Benchmark Evaluation and Refinements

For the 2025 benchmark assessment, Ceres applied a refined methodology, informed by feedback from partner stakeholders and the Initiative's focus list companies, to improve transparency in how companies are being evaluated, capture emerging trends in water stewardship, and align with the work of partner stakeholders. The methodology balances industry specific materiality with cross-sector comparability, and all six Corporate Expectations are weighted equally at 15 points each for a total of 90 points. Ceres partnered with Quantis, an environmental sustainability consulting firm, to gather and evaluate corporate disclosures, determine the point allocation for each indicator, and synthesize results. During the assessment, only corporate disclosures, such as mandatory financial filings, sustainability reports, press releases, and CDP company disclosures available through the end of March 2025 were used to determine company scores. CDP is a global non-profit that runs the world's only independent environmental disclosure system.





Report Key Findings

Companies continue to focus on water quantity, but only half target high-risk areas

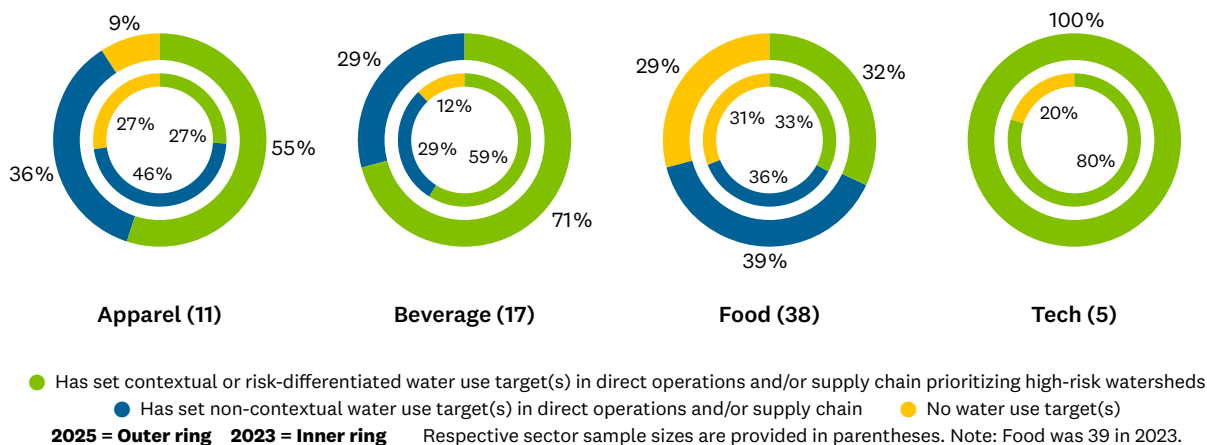
The Water Quantity Expectation for 2030 is that companies do not negatively impact water availability in water-scarce areas across their value chains. To achieve this, companies must establish robust water use targets that are based on comprehensive water risk assessments and that focus on high-risk watersheds across the value chain. Establishing water quantity targets tailored to basin risks ensures companies factor in unique local challenges, so they can fully address water-related risks that could lead to disruptions and additional costs.

Progress since 2023 ►

83% of companies have set time-bound targets for direct operations and/or supply chains (**59** in 2025, up from **54**)

49% of companies have contextual or risk-differentiated targets for direct operations and/or supply chains in high-risk watersheds (**35** in 2025, up from **30**)

Figure 1 • Water Quantity-Related Targets in Direct Operations and/or Supply Chain



Corporate commitments to address water availability remain focused on water use efficiency, consumption intensity, absolute freshwater use reductions, withdrawal reductions, replenishment, or water positive initiatives. Beyond setting time-bound targets for water-stressed areas, to meet the

2030 ambition of the Water Quantity Expectation requires companies to back commitments with clear strategies and transparent year-over-year reporting of progress. **In the 2025 assessment, all 59 companies with water availability commitments provided details on strategies and published year-over-year progress (compared to 43 in 2023).**

Fifteen companies strengthened their water availability commitments by setting a new or more ambitious target (either for value chain scope or contextual target setting), conducting a water risk assessment, or committing to setting a target. Among the companies that strengthened their water availability commitments since 2023, over half adopted context-based targets that consider local watershed conditions.

Kering used the Science Based Target Networks (SBTN) Unified State of Nature Water Layers to identify 10 priority basins where it both depends on and impacts water, including the Arno basin in Tuscany, Italy. In the Arno, **Kering** has committed to reducing water withdrawals by 21% at its own sites and those of its strategic suppliers by 2030, alongside a separate goal to reduce water consumption by 35% at its owned tanneries by 2035. To meet these goals, **Kering** is reducing water use in production, scaling water recycling and low-impact innovations in dyeing and tanning processes, adopting closed-loop and improved wastewater systems, and sourcing lower impact raw materials such as recycled, certified, organic, and regenerative materials. In 2024, **Kering**'s sites reduced water withdrawals by 2%, its tanneries reduced withdrawals by 15%, and it's in the process of developing methods to track the performance of its strategic suppliers.

Apple has committed to replenishing all of its freshwater withdrawals in high-stress locations by 2030 and certifying its data centers with the Alliance for Water Stewardship Standard (AWS). In its supply chain, **Apple** has set a goal to achieve a 50% water reuse rate by 2030. This target is being pursued through its Supplier Clean Water Program, focusing on suppliers in high-stress regions. As of 2023, the company had replenished 31.2 million gallons of freshwater, certified 20 suppliers and five data centers to the AWS Standard, and supported an average 42% water reuse rate across 242 supplier facilities. Its approach combines partnering with AWS on site-level stewardship, enhancing reuse and efficiency through advanced technologies, and applying nature-based solutions to replenish water in high-stress areas.

Mars has committed to reducing unsustainable water use in high-priority basins by 50% by 2025. The company is prioritizing water recycling and rainwater collection in its operations to improve efficiency and focusing on irrigation use in its supply chain for rice, almonds, mint, wheat, and corn in Australia, the U.S., Spain, India, and Pakistan — commodities and regions that account for over 84% of unsustainable water in its supply chain and operations. So far, **Mars** has achieved a 27% reduction in unsustainable water use. Though short of its 50% target, the company notes that this goal is deliberately ambitious. It has helped the company shape its water stewardship programs and sharpen its efforts where action is needed most in areas of water stress.

2

Corporate action on water quality remains insufficient

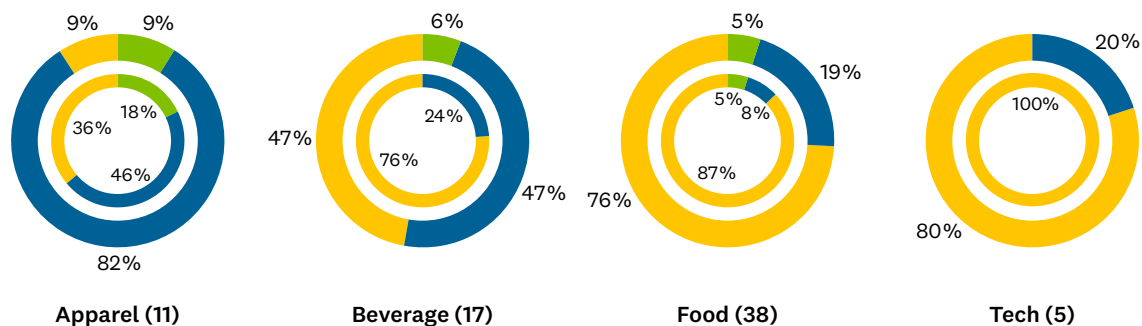
The Water Quality Expectation for 2030 is that companies do not negatively impact water quality across their value chain. To meet the ambition, companies must establish robust risk-based water quality targets, especially in priority areas facing poor water quality. Establishing context-based or risk differentiated water quality commitments is critical to ensuring that action is tailored to local conditions and addresses the most pressing water quality challenges, such as pollution and ecosystem degradation. By improving water quality where it matters most, companies protect operations from poor water quality, support more resilient supply chains, and reduce regulatory and reputational risks, ultimately supporting long-term profitability and resilience.

Progress since 2023 ►

41% of companies have set time-bound targets for direct operations and/or supply chains (**29** in 2025, up from **16**)

6% of companies have contextual or risk differentiated targets for direct operations and/or supply chains with a focus on high-risk watersheds (**4** in 2025, **same** as in 2023)

Figure 2 • Water Quality Targets in Direct Operations and/or Supply Chain



● Has set contextual or risk-differentiated water quality target(s) in direct operations and/or supply chain prioritizing high-risk watersheds
 ● Has set non-contextual water quality target(s) in direct operations and/or supply chain ● No water quality target(s)
2025 = Outer ring 2023 = Inner ring Respective sector sample sizes are provided in parentheses. Note: Food was 39 in 2023.

Corporate commitments related to water quality focus on safe disposal of pollutants, compliance with local regulations or internal standards, the prohibition or phasing out of certain chemicals, the reduction of Chemical Oxygen Demand (COD)/Biological Oxygen Demand (BOD) in wastewater discharges, and alignment with industry best practice effluent guidelines. Beyond setting time-bound targets, to meet the 2030 ambition of the Corporate Expectation for Water Quality, companies should back these commitments with clear strategies and publish year-over-year progress. **In the 2025 assessment, of the 29 companies with water quality commitments, 23 disclosed strategies for meeting their commitments (up from 9 in 2023) and 24 published year-over-year progress towards their targets (up from 13 in 2023).**

Fifteen companies strengthened their water quality commitments by conducting a water risk assessment, committing to setting a target, or setting a target. These companies include six beverage companies (**AB InBev**, **Carlsberg**, **China Resources Beer**, **Daive-Campari**, **Kirin**, and **Monster Beverage**), three apparel companies (**Burberry**, **Inditex**, and **Lululemon**), one tech company (**Sony**), and five food companies (**Mars**, **Tyson**, **Unilever**, **Wilmar**, and **YUM!**).

Cargill has committed to reducing 5,000 metric tons of pollutants in water-stressed regions as part of its water positive impact goal across its operations, supply chains, and communities by 2030. The company advances this commitment through improved agricultural practices, such as nutrient management and the restoration and regeneration of lands and surrounding watersheds. **Cargill** has achieved 297 metric tons of nitrogen equivalent reduction in water-stressed regions across its supply chain. To monitor and measure outcomes, it attributes benefits based on its role in each project (direct implementer or financial sponsor) and aligns reporting with established methodologies, including the Volumetric Water Benefit Accounting 2.0, to ensure consistency and credibility in target progress accounting.

Replenishment and Co-benefits

Eighteen companies have adopted water replenishment, water balance, or water positive commitments, to meet water quantity-related outcomes but also deliver benefits for water quality, WASH, and ecosystem health (though these are not always quantitatively measured). For instance, **Microsoft** aims to replenish more water than it uses by 2030 and is implementing several projects, including those that help address specific local water quality challenges. In Iowa, it partners with the Department of Agriculture and Land Stewardship and Ducks Unlimited to establish conservation easements and wetlands that annually remove an estimated 17,470 tons of nitrogen from drainage systems. In Santiago, Chile, the company supports Fundación Chile in rehabilitating an existing wastewater treatment plant to improve the effluent quality for farmers and ranchers and the Puangue Estuary ecosystem. In Chennai, India, **Microsoft** works with the Nature Conservancy to build

a wetland system at Sembakkam Lake, treating 6 to 7 million liters of wastewater entering the lake daily, and improving groundwater quality and quantity.

Similarly, **Google** has committed to replenishing 120% of freshwater volume consumed across its offices and data centers by 2030 and, as of the end of 2024, has invested in 16 projects that incorporate water quality outcomes. In Iowa, it is helping protect one of the state's largest wetlands, securing long-term benefits for habitat, water quality, and flood resilience. In Tennessee and Kentucky, the company partners with the Cumberland River Compact to fund agricultural best management practices such as cover cropping and conservation crop rotation in the Red River Watershed where runoff has degraded water quality. This effort involves working with local agencies and farmers to reduce nonpoint source pollution by lowering nutrient loads and improving soil health. In Malaysia, the company partners with the Global Environment Centre and Petaling Jaya City Council to restore Taman Aman Lake by deploying floating wetlands, pollution management, beneficial microbes to reduce excess nutrients, and habitat enhancements to reduce nutrient loads and improve water quality and aquatic ecosystems.

Regenerative Agriculture and Co-benefits

Companies also have regenerative agriculture strategies that deliver co-benefits for water quality. For instance, **General Mills** is promoting regenerative agriculture to improve water efficiency and quality. Farmers participating in its programs adopt practices such as cover cropping and no-till farming, which improve soil health, reduce erosion, and deliver water-related benefits. The company tracks results, such as soil infiltration improvements and reductions in nitrogen and other potential water pollutants, but notes that measuring regenerative agriculture outcomes is resource intensive. It also cautions that requiring farmers to track and report additional data, such as pesticide use, could be costly, discourage participation, and ultimately undermine the environmental benefits these programs achieve.

While these commitments contribute to water quality outcomes, companies must monitor and measure specific water quality outcomes, report progress transparently, and consider setting time-bound, quantifiable targets for water pollution within their broader replenishment or regenerative agriculture commitments. This creates an opportunity for companies to leverage existing efforts while demonstrating greater ambition and accountability in addressing water quality impacts.



3

Inclusion of local context in water risk assessments remains limited

The Corporate Expectations for Water Quantity and Quality for 2030 call for companies to conduct a comprehensive water risk assessment that enables them to understand water-related risks, identify priority watersheds, and engage stakeholders for collective action. Effective assessments incorporate local watershed conditions, including regulatory requirements and community and other stakeholder water demands, using local knowledge, surveys, and scenario analysis. Without these contextual insights, gaps arise that hinder water management decisions and risk abatement.

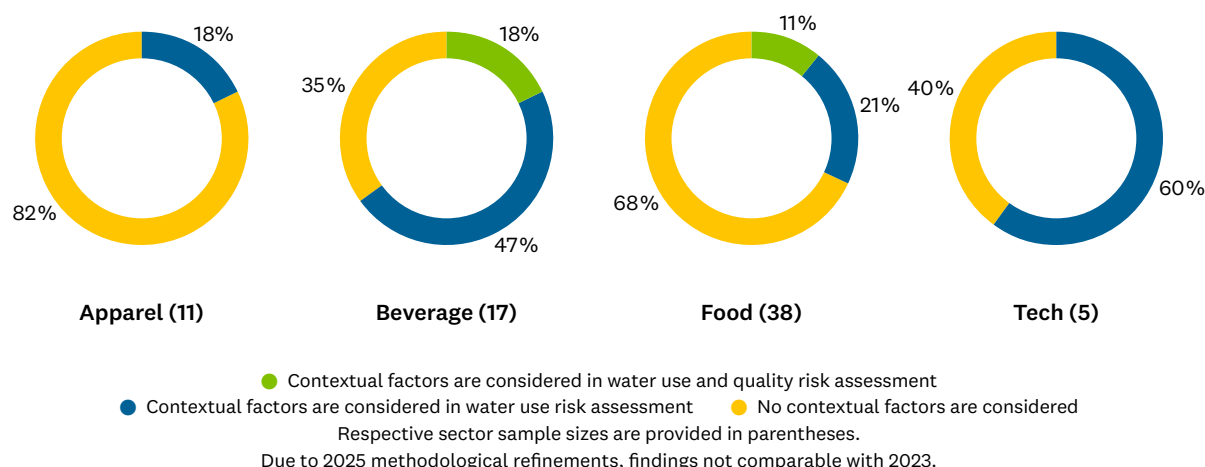
Progress since 2023* ►

39% of companies consider contextual factors in water quantity risk assessments (28 in 2025, up from 25)

10% of companies consider contextual factors in water quality risk assessments (7 in 2025, down from 10)

*The 2025 benchmark methodology requires companies to also have a water-related target, or a commitment to set one, to be awarded a score.

Figure 3 • Consideration of Contextual Factors in Water Risk Assessments (2025)



Apple set a target to replenish 100% of its freshwater withdrawals in high-stress locations, guided by a risk assessment process that integrates global datasets with local context. At its Maiden Data Center in North Carolina, initial baseline datasets suggested that water stress was primarily driven by availability. However, further assessment showed that catchment water quality posed the greater challenge in the area. The company adjusted its replenishment and nature-based strategies to address this issue. **Nestlé** integrates global tools with local engagement to account for contextual considerations in its water risk assessments across its operations and supply chains. For bottled water operations, the company supplements this with its Community Relations Process (CRP) that involves mapping, context analysis, and direct engagement with neighbors, authorities, and other water users to capture local concerns about water resource management. The CRP helps identify current and emerging issues around water access, quantity, and quality, leading to tailored action plans and to identifying stakeholders to work within shared basins to strengthen watershed-level management.

Microsoft combines global datasets with localized assessments to evaluate water risk. Using WRI Aqueduct as a baseline, the site level evaluations consider water source conditions, discharge practices, and shared basin challenges such as water quantity, quality, biodiversity, governance, access, and reputational risks. For data centers, the company prescreens for supply and quality issues and engages with local representatives to mitigate community impacts. Insights from these processes shape the company's water stewardship strategies, including urban and agricultural water efficiency initiatives in the drought-stressed Colorado River basin, wetland restoration in Shanghai to address pollution risks, and a partnership with WaterAid in Karnataka, India, for groundwater assessments.



4 Water use and discharge disclosures are growing, though impact assessments still trail behind

Measurement and monitoring of water use and discharge, whether at the site, corporate, or basin level, and assessing the environmental impacts of these activities are essential data for companies to understand the extent of their dependencies and impacts on freshwater resources.

Under the Corporate Expectations for Water Quantity and Quality for 2030, companies must report the volumes of water used and discharged across the value chain and evaluate the externalities on water availability and quality, especially in high-risk regions.

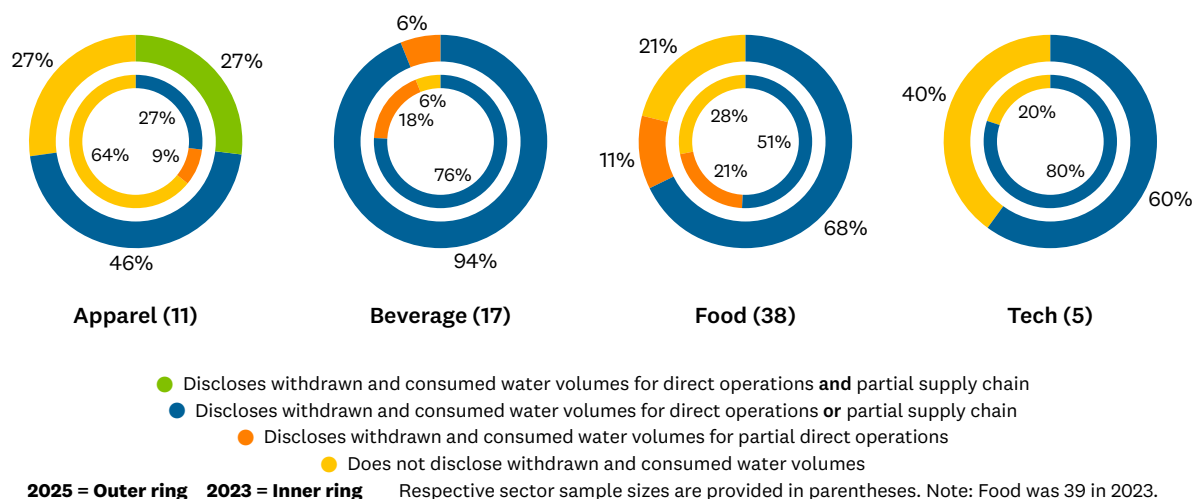
Disclosure on Water Use

Progress since 2023 ►

82% of companies disclose volumes of water withdrawals and consumption (58 in 2025, up from 52)

4% of companies report volumes of water withdrawals and consumption for both direct operations and parts of their supply chain (3 in 2025, up from zero)

Figure 4 • Company Disclosure of Water Volumes Withdrawn and Consumed



Disclosure on Water Discharge

Progress since 2023 ▶

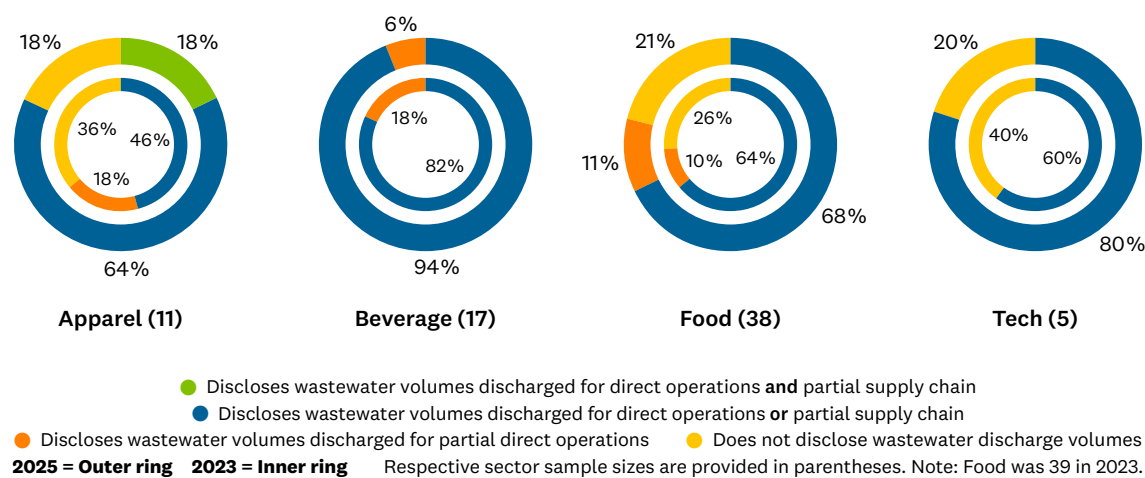
85%

of companies disclose volumes of wastewater discharge (60 in 2025, up from 56)

3%

of companies report volumes of water discharge for both direct operations and parts of their supply chain (2 in 2025, up from zero)

Figure 5 • Company Disclosure of Discharge Volumes



Companies should also provide more robust disclosure of supply chain water use and discharge. Given that the majority of water risk often lies within the supply chain, this data is essential for identifying and managing water-related risks, setting credible targets, and prioritizing actions in high-risk areas. While some companies are beginning to build or further develop supply chain datasets (for instance, some food and beverage companies are estimating the water intensity of key commodities using databases such as regional and crop-specific inventory data provided by the Water Footprint Network and some apparel companies are leveraging the Higg Facility Environmental Model), few disclose actual volumes of water use and discharge across their supply chain. **H&M** collects and discloses data from Tier 1 and Tier 2 suppliers with intensive wet production processes, and **Fast Retailing** discloses water withdrawal and consumption data from its major garment factories and fabric mills.

Disclosure on Impact Assessments

While disclosure on water use and discharge has improved, less progress is being made by companies in assessing and reporting on the potential and current impacts caused from water withdrawals on local water availability and from wastewater discharges on water quality for both direct operations and supply chain.

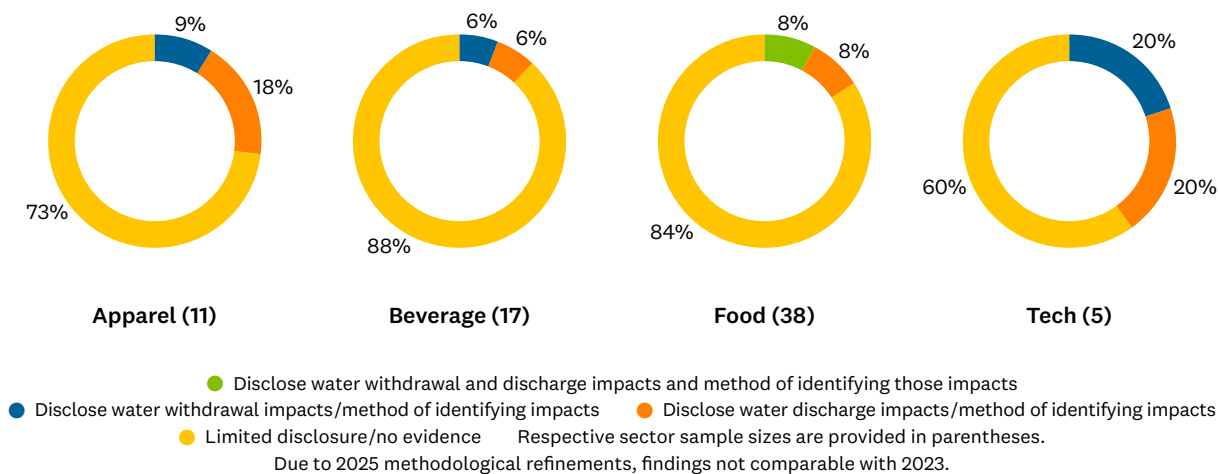
Progress since 2023* ►

8% of companies disclose the current and potential impacts from their water withdrawals (**6** in 2025, up from **5**)

14% of companies disclose the current and potential impacts from their wastewater discharges (**10** in 2025, down from **16**)

*The 2025 benchmark methodology requires companies to disclose impacts for both direct operations and supply chain.

Figure 6 • Identification of Water Impacts (2025)



LVMH identifies operations with material water quality impacts, including winemaking, distilling, and tanneries, where effluents contain organic and mineral pollutants that can cause eutrophication. The company's supply chain water quality impacts stem from mineral extraction and processing for watches and jewelry, the release of mineral pollutants, and industrial processes such as textile finishing. The company's pollution prevention strategy includes effluent analyses, annual data collection from its brands, and centralized data review. In its fashion and leather goods segment, effluents are tested by Zero Discharge of Hazardous Chemicals (ZDHC) accredited labs and verified via the ZDHC Gateway. Facilities with the highest COD loads are equipped with treatment systems to minimize organic pollutants.

Danone applies a double materiality assessment to evaluate the impacts from its operational water withdrawals and agricultural sourcing on local water availability and quality. Its bottling factories in the North Pacific watershed, which the WWF's Biodiversity Risk Filter identifies as critical to biodiversity, rely on renewable groundwater. To safeguard resources, the company enforces a groundwater protection policy, limiting withdrawals to sustainable yields and helping mitigate a 280 million cubic meter annual aquifer deficit in Aguascalientes, Mexico. **Suntory Beverage and Food** goes beyond identifying water-related issues in the watersheds where it operates by engaging with local stakeholders and communities. By the end of 2023, 33% of its plants were collaborating with communities to address watershed concerns, while 42% had identified issues but had not yet begun engagement.

5

Companies are engaging in freshwater ecosystem projects, but few set targets to ensure positive impacts

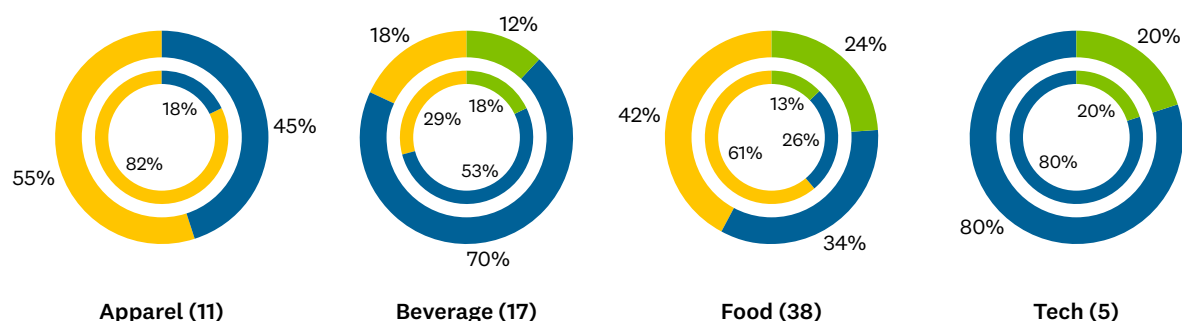
The Ecosystem Protection Expectation for 2030 is that companies do not contribute to the conversion of natural ecosystems critical to freshwater supplies and aquatic biodiversity and work to restore degraded habitats that their businesses depend upon. To achieve this, companies should set time-bound targets for protecting or restoring freshwater ecosystems and implement projects to meet the targets. Freshwater ecosystems, such as rivers, lakes, and wetlands, regulate the water availability and quality companies depend on. Without freshwater ecosystem protection, corporate strategies risk being undermined, and more exposed to water-related disruptions.

Progress since 2023 ►

48% of companies are engaged in ecosystem protection or restoration projects with intended freshwater outcomes, but have not set associated targets (**34** in 2025, up from **25**)

17% of companies have time-bound targets, with associated projects, to avoid ecosystem conversion or restore degraded habitats with freshwater outcomes (**12** in 2025, up from **9**)

Figure 7 • Restoring and Safeguarding Ecosystems



- Has set an ecosystem protection/restoration target critical to freshwater and aquatic biodiversity and participate in supporting projects
- Participates in ecosystem protection/restoration projects critical to freshwater supplies and biodiversity, but has not set a target
- No ecosystem protection/restoration projects or target

2025 = Outer ring 2023 = Inner ring Respective sector sample sizes are provided in parentheses. Note: Food was 39 in 2023.

It is encouraging that **over half of the companies (34, compared to 25 in 2023) are engaged in ecosystem protection or restoration projects that deliver direct or co-benefits for freshwater resources, despite not having a specific target.** This increase is notable, especially given the 2025 benchmark methodology set a higher bar to evaluate whether such projects demonstrate outcomes supporting natural ecosystems critical to freshwater supplies and aquatic biodiversity. As part of its water replenishment work, **Google** implemented 18 projects specifically focused on aquatic habitat restoration. This includes working collaboratively with local stakeholders to restore wetlands in Sint-Onolfspolder Nature Reserve in Belgium, and restoring aquatic, wetland, and riparian habitat near its Sunnyvale, California campus. The company is also collaborating with American Rivers, Yosemite National Park, Stanislaus National Forest, and Yosemite Conservancy to restore Ackerson Meadow in Yosemite National Park and improve hydrology, increase water storage, and enhance habitat. **Suntory**'s Natural Water Sanctuaries in Japan cultivates forests around its plants to recharge groundwater, replenishing more than twice the volume withdrawn. These forests enhance hydrology, support healthy watershed function, and secure sustainable water availability, while also supporting improved biodiversity through ongoing ecosystem monitoring and bird conservation projects.

However, only **17% of companies have an ecosystem protection or restoration target to not contribute to the conversion of natural ecosystems and to restore degraded habitats critical to freshwater supplies and aquatic biodiversity.** The 12 companies (up from 9 in 2023) setting these targets are from the food, beverage, and tech industries.

Wilmar has reached a little over half of its 2030 target of restoring and maintaining 1,000 hectares of riparian zones by 2030, restoring 531 hectares across Indonesia, Malaysia, and West Africa through 2023. It achieved this in part by working in Ghana to integrate biodiversity conservation with sustainable palm oil production and improving river health by planting native tree species in riparian buffer zones. **Nestlé** subsidiary Nestlé Waters has committed to “regenerate water cycles” and restore wetlands in its operating regions by 2025 through its Nestlé Waters Pledge. The company deploys nature-based solutions such as planting riparian buffers to protect water sources from pollutants and erosion that may be caused by nearby land use and helping to restore peatlands to maintain water tables. **Nestlé** also implements reforestation to support water retention and improved agricultural practices to reduce water use while also educating farmers on wastewater management. The company uses the Volumetric Water Benefit Accounting methodology to quantify results from projects. Through these interventions, the company exceeded its target of 8 million cubic meters of volumetric water benefits by 200,000 cubic meters.



6

Sustainable sourcing strategies are evolving, but monitoring of freshwater outcomes remains weak

To achieve the 2030 ambition of the Ecosystem Protection Expectation, companies must also ensure that sustainable sourcing practices, including commitments, policies, and supplier engagement, enhance rather than degrade ecosystems critical to freshwater resources. This requires supplier engagement to support efforts, such as scaling regenerative agriculture and efficient irrigation practices, that demonstrate benefits for water availability and quality. As significant portions of a company's water footprint lie within the supply chain, tracking outcomes is critical to confirm that sourcing strategies are reducing impacts, protecting ecosystems, and strengthening supply chain resilience. This minimizes business disruptions, helps suppliers withstand water-related shocks, and safeguards business continuity while advancing responsible water stewardship.

Findings in 2025* ►

82% of companies acknowledge the intended water benefits for at least one of their sustainable sourcing strategies including sourcing commitments, policies, or supplier engagement (**58** in 2025)

27% of companies clearly connect their sourcing strategies to reduced freshwater impacts (**19** in 2025)

*The 2025 benchmark methodology requires companies to disclose freshwater benefits as part of their sustainable sourcing strategies.

LVMH has committed that 100% of its strategic raw materials, including cotton, wool, and precious metals, will be certified to standards that guarantee the conservation of ecosystems and water resources by 2026. The company also targets a 30% reduction in water withdrawals from its scope 3 suppliers by 2030. **LVMH** reports making progress towards its commitments through reductions and optimization in vineyard irrigation, cotton cultivation, leather production, wool production and processing, and precious metal extractions and processing. Key measures implemented by **LVMH** and its suppliers include wastewater reuse and rainwater recovery within the value chain, as well as support for livestock farmers, growers, and vineyard operators through raw materials certification and the adoption of regenerative agriculture in its cotton, wool, leather, and beet supply chains.

Carlsberg has committed to sourcing 30% of its key raw materials such as malt, barley, wheat, and hops more sustainably and from regenerative agricultural practices by 2030, scaling to 100% by 2040. Regenerative agricultural practices are prioritized because they deliver multiple co-benefits such as improving water quality, soil health, and biodiversity. To accomplish this, **Carlsberg** is mapping its supply areas and partners, embedding regenerative agriculture requirements into procurement processes, and collecting supplier data on certification. Early engagements include projects to ensure brewing with 100% regenerative barley in the U.K. by 2027, reducing fertilizer use, and promoting alternative wetting and drying practices in rice paddies in Laos.

More companies are starting to assess nature-related risks and impacts across their value chains, with consideration for freshwater ecosystems. **Twenty-three companies (up from nine in 2023) now disclose their processes for identifying nature-related risks in their direct operations and supply chains. Thirteen companies assess the ecosystem impacts of their current and projected capex and sourcing decisions to ensure water resilience and habitat integrity (up from 10 in 2023).**

Diageo has assessed its direct operations, agricultural upstream supply chain, and some packaging supply chains for nature-related risks, impacts, and dependencies, in line with the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD). Across land, water, biodiversity, and ecosystem services, the company identified that agricultural raw material sourcing accounts for its greatest risk due to water scarcity and that agave, broken rice, sugarcane, sorghum, and barley are its raw materials with the highest relative impact on nature. **Olam** uses satellite imagery paired with Global Forest Watch data to identify land conversion impacts and deforestation risks within its direct operations. The company assesses freshwater ecosystem impacts through watershed analyses to determine whether any of its sites are hydrologically connected to sensitive areas via rivers.





7 Most companies have yet to embed WASH considerations into corporate strategies

The Access to Water and Sanitation Expectation for 2030 is that companies contribute to the social, economic, and ecological resilience of the communities they interact with by advancing universal and equitable access to water access, sanitation, and hygiene (WASH) across their value chain. Meeting this Expectation requires a corporate policy that explicitly recognizes the human right to water and sanitation, designation of human and financial resources to prioritize WASH efforts across the value chain in operations, supply chains, and communities, and target setting. Given companies often operate and source from areas where WASH access is limited, investing in WASH, such as providing handwashing stations, sanitation blocks, hygiene training, and ongoing system upkeep, is a business imperative. It reduces health-related disruptions, strengthens supply chain reliability, and enhances a company's license to operate, supporting positive financial returns. At the same time, it is also a responsible business practice that advances the human right to water and accelerates progress toward Sustainable Development Goal 6, linking social impact directly to long-term business resilience and value creation.

Progress since 2023 ►

92% of companies act on WASH for at least one stakeholder group within their value chain (**65** in 2025, up from **62**)

41% of companies recognize access to WASH as a human right, in a corporate policy (**29** in 2025, up from **20**)

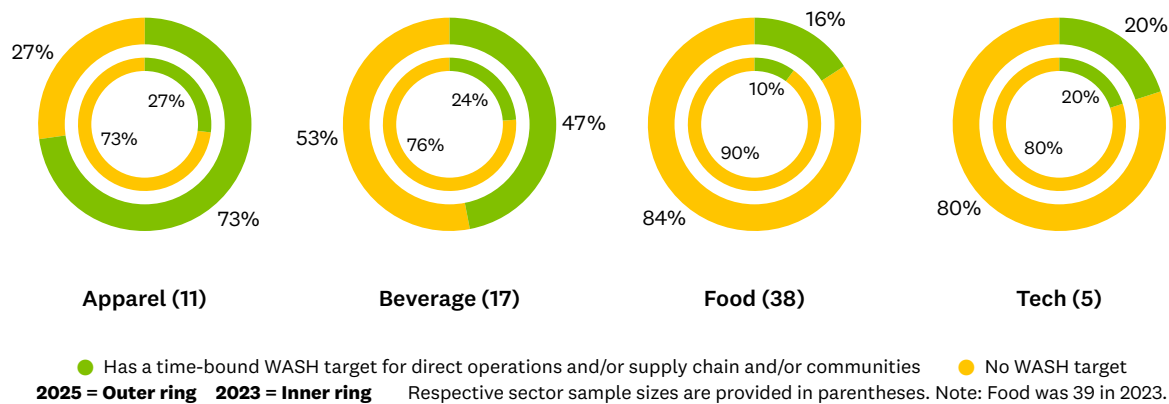
4% of companies act on WASH across their value chain (**3** in 2025, up from **1**)

Actions to strengthen WASH include monitoring employee access to WASH facilities, integrating WASH standards into business and supplier codes of conduct, and supporting community WASH through targeted projects. **Nestlé** has developed a 2023–2025 WASH Action Plan within its Human Rights Framework. Goals include enhancing risk assessment to prevent and mitigate WASH risks across its value chain, promoting WASH-related Human Rights Due Diligence, collaborating with peers to address systemic WASH risks, and working with governments to strengthen access to WASH.

Community projects include replacing and rehabilitating water storage and transport infrastructure in Kafr Arbeen, Egypt, and ensuring that reliable, clean water is available near its Benha bottling facility in Egypt. In addition, **Nestlé** includes WASH requirements in its Responsible Sourcing Core Requirements and applies the Supplier Human Rights and Environmental Due Diligence Assurance Framework to prioritize areas for support. For employees, the company conducts regular audits to ensure compliance with the World Business Council for Sustainable Development WASH Pledge.

Broader organizational support for WASH can be advanced by integrating WASH considerations into risk assessments. However, companies rarely disclose which aspects of WASH are assessed (such as access, quality, or reliability) and the scope of these assessments typically remains limited to direct operations rather than extending across supply chains or communities. **Only five companies (up from two in 2023) conduct comprehensive risk assessments to identify where WASH support is needed the most within the value chain.** **Nestlé** identified 56 priority countries for WASH action based on global datasets, including WRI Aqueduct tool, stakeholder perspectives, and raw material-specific risk assessments on WASH. The company publicly discloses priority countries based on high and extremely high WASH risk, identifying if the risk lies within its own operations, Tier 1 suppliers, or agricultural supply chains.

Figure 8 • Delivering on Equitable Access to Water and Sanitation



The number of companies that have set a time-bound WASH target for direct operations, supply chains, or communities nearly doubled since 2023, from 12 to 23 companies in 2025. **Diageo** has an annual commitment to invest in improving WASH in communities near its sites and local sourcing areas in all its markets that are facing water stress. In 2024, the company invested in 23 WASH projects in nine countries, supporting access to safe water and sanitation for 128,000 people. It also partnered with WASH4Work to develop and pilot a standardized accounting framework to better measure the environmental and social benefits of WASH, strengthen the business case for investment, and more effectively communicate the value of its initiatives. **Microsoft** met its 2030 commitment to provide 1.5 million people with access to water and sanitation services by investing over \$3 million on projects in Brazil, India, Indonesia, Mexico, and Chile. To implement many of these projects, **Microsoft** partnered with Water.org, which focuses on providing affordable financing so that communities can install household WASH services like taps and toilets and collect and purify rainwater and water from municipal sources.

8

Companies are improving board oversight of water risk and governance incentives

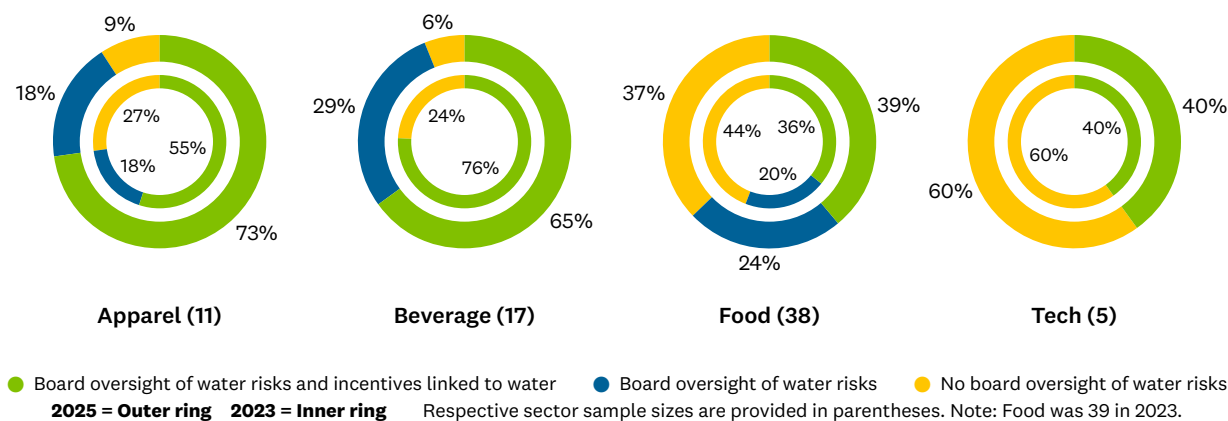
The Board Oversight Expectation calls on corporate boards and senior management to formally oversee material and salient water issues by 2030. To meet this ambition, companies must integrate water into corporate governance, including sustainability-linked incentives tied to water. Effective board and senior management oversight of water stewardship efforts help ensure strategic focus, adequate resource allocation, and proactive mitigation of water-related risks. Linking financial incentives to water performance further strengthens accountability, aligning executive decision-making with water stewardship goals. This not only drives stronger water outcomes but also reinforces long-term business resilience, investor confidence, and competitive advantage.

Progress since 2023 ►

73% of companies have formal board and senior management oversight over water-related issues (**52** in 2025, up from **45**)

51% of companies have incentives linked to water (**36** in 2025, up from **35**)

Figure 9 • Board Oversight of Water Risks and Governance Incentives Linked to Water



PepsiCo's water stewardship strategy is led by experts in its Global Sustainability Office, working with sector teams and external partners, with oversight from the Board's Sustainability and Public Policy Committee. Progress on water goals is reviewed quarterly by the Executive Committee (comprised of **PepsiCo**'s Chairman and CEO, the CFO, sector CEOs, and functional heads) and monthly by its Sustainability Committee sub-group. Executive officers also have annual objectives tied to the company's long-term sustainability agenda, including water stewardship. **LVMH**'s Chairman and Chief Executive Officer's compensation is tied to both quantitative and qualitative targets, including advancing the LIFE 360 program with water-related goals. In 2023, ESG factors accounted for 10% of total variable compensation. Additionally, the company's CEO is directly incentivized to implement, monitor, follow-up, and update the company's water-related commitments and policy.

Further actions to strengthen internal prioritization and accountability include appointing board members with water expertise. **In 2025, 72% of companies (51 companies) reported at least one board member with water competence (up from 42 in 2023)**, although disclosures rarely specify any further details about the specific qualifications. Some companies also integrate water explicitly into corporate board committee charters, making oversight clear. **In 2025, 13% of companies (9 out of 71, up from 6 in 2023) mention water in a board committee charter.** **Ingredion** updated its Corporate Governance and Nominating Committee Charter in February 2025 to include water and **Wendy's** Board Charter of the Corporate Social Responsibility Committee explicitly mentions water.



9

Water risks and opportunities remain insufficiently integrated into business planning

Assessing water risks and opportunities and incorporating them into strategic business planning, at both the asset and supply chain level, is essential towards meeting the 2030 ambition of the Board Oversight Expectation. Companies should integrate water risks and opportunities into business planning because water challenges can affect every stage of the value chain. Proactive action can drive efficiency gains, cost savings, innovation, and resilience. Considering both operations and supply chain ensures preparedness for regional and local water challenges and supports the mitigation of systemic risks.

Progress since 2023* ►

85% of companies make statements around or consider water-related risks and opportunities in business planning (**60** in 2025, **same** as in 2023)

44% of companies integrate water risks and opportunities into business planning activities for assets or the supply chain (**31** in 2025, up from **20**)

24% of companies integrate water risks and opportunities into business planning activities for both assets and the supply chain (**17** in 2025, down from **26**)

*The 2025 benchmark methodology refined 2023 assessment criteria to ensure evaluation of risks and opportunities across the value chain.

Based on risk assessments the company conducted in 2023, **Danone** identified 77 facilities across 58 watersheds at risk of water stress, including a key production site in South Africa at risk due to water scarcity from severe droughts, according to data provided by CDP (2024). To mitigate the risk, the company evaluated site level water use and enhanced resilience by adopting processes that reduce, reuse, recycle, and reclaim water. Beyond operations, the company identified upstream opportunities for increasing resilience through the use of regenerative agriculture practices. The company also conducted a cost and benefit analysis across its agricultural supply chains and priority locations to help understand the business case for action and prioritize interventions. It compared a “business-as-usual” scenario, where suppliers are not engaged in regenerative agriculture, with an “intervention” scenario, where suppliers achieve **Danone** Regenerative Agriculture Scorecard level 3 by adopting

practices that have the greatest positive impact on water quantity and quality. Results showed that under the “business-as-usual” scenario, the total projected water-related cost is nine times the cost of implementing regenerative agriculture by 2030 (900 million euros vs. 103 million euros), demonstrating a strong financial case for risk mitigation.

For its manufacturing sites and facilities, **Asahi** assesses water risk and opportunities using TCFD and TNFD frameworks, according to data provided by CDP (2024). Physical risks include flooding and groundwater depletion, while transitional risks include new regulations such as Germany’s groundwater conservation tax for businesses. Opportunities include cost savings for reduced operating costs in Australia, Japan, and Poland through time-bound water use targets to improve water use efficiency and reclaim wastewater. Within its supply chain, **Asahi** surveys 173 factories to assess their dependence on water and how exposed their raw material procurement is to water shortage risk. Two factories reported experiencing drought-related crop failures. As a result, one factory secured multiple water sources to prepare for drought risks, while the other factory is considering diversifying its agricultural raw material suppliers.





10

Few companies use internal water pricing to integrate water into business planning

An additional way companies can progress towards the Board Oversight Expectation for 2030 is through internal pricing on water: placing a monetary value on water beyond utility tariffs to make informed decisions regarding water usage and impacts. An internal price on water makes some of the hidden costs explicit, enabling companies to account for water-related risks, drive efficiency, and create resilient supply chains. However, a company's dependency on water is much bigger than what an internal price on water typically represents. Companies must think about broader dependencies such as sustainable water supplies strengthening supply chains and creating social value in the watersheds in which they operate. By embedding the full value of water in investment decisions, companies can protect profitability while supporting long-term water stewardship.

Progress since 2023 ►

11% of companies use an internal price on water (**8** in 2025, **same** as in 2023)

8% of companies that have an internal water price do not consider wider environmental or societal benefits in their internal water price (**6** in 2025)

3% of companies apply internal water pricing considering wider environmental and societal benefits (**2** in 2025)

Diageo, Heineken, PepsiCo, Mars, Microsoft, and Sony apply internal water pricing, although this price does not consider wider environmental or societal benefits that would represent the full value of water. **Microsoft** applies an internal water fee, modeled after its carbon fee, to incentivize its business groups to reduce water use and fund replenishment and water access projects to progress towards its water positive commitment. **Sony's** business units apply a shadow price on water to their investment decisions, such as the costs of installing water recycling facilities, according to data provided by CDP (2024). Facilities compare water recycling versus purchased water, based on costs and risks.

Kering and **Danone** have set an internal price for water that considers the wider externalities, including broader environmental and societal benefits. **Kering** uses its Environmental Profit & Loss accounting tool to measure the impact it has on water consumption, water pollution, and land use and to convert this impact into a monetary value that guide investments, water efficiency measures, and procurement and value chain decisions.

Most companies still avoid water pricing, citing lack of internal expertise or resources, absence of strategic priority, or lack of standardized methodology.



11

Companies are improving public policy engagement, but gaps remain

The Public Policy Engagement Expectation calls on companies to ensure that advocacy and lobbying activities align with sustainable water resources management by 2030. Advocating for strengthened water governance, infrastructure improvements, and equitable access to water, particularly in high water stress regions, is critical as systemic water challenges cannot be solved by companies alone. By engaging governments, communities, and civil society, companies help shape effective policies and create enabling conditions to deliver their water stewardship strategies to ensure a more resilient operating environment.

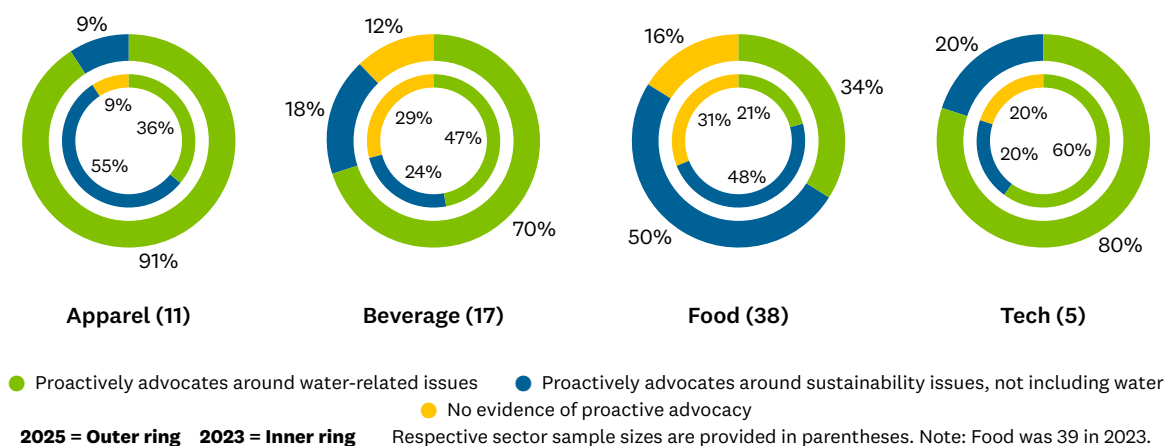
Public Policy Engagement

Progress since 2023 ►

55% of companies advocate for water-related issues (**39** in 2025, up from **23**)

20% of companies provide clear examples of advocacy, including in water-stressed areas (**14** in 2025, up from **10**)

Figure 10 • Proactive Advocacy for Water-related Issues



Most companies engage in advocacy through multi-stakeholder initiatives, industry groups, and partnerships with civil society and governments, but disclosure remains limited on the depth of their involvement and the outcomes of these efforts for freshwater resources.

As part of its water replenishment efforts, **Google** supports the work of Westside Water Resources (WWR) Group in San Francisco to reduce artificial diversions and restore natural water flows, protecting the Westside Basin Aquifer, a key groundwater source for several municipalities. Its support helped WWR advocate for increased access to grants for resilient infrastructure projects to mitigate the impacts of urban development, reduced aquifer recharge, and sewer overflow in the area. In Sacramento County, California, **Google** supports the Carmichael Water District to improve groundwater reliability by rehabilitating existing production wells and installing new ones to capture unused water that would otherwise flow downstream. This support will equip the La Sierra Well with aquifer storage and recovery capacity, storing excess drinking water underground during low-demand winter periods.

Diageo's water strategy emphasizes the need for advocacy to drive recognition and action on local, national, and international water challenges. The company has committed to supporting water-related public policy and strengthening watershed governance, particularly in water-stressed areas. It participates in forums and initiatives that help advance these goals, including the UN SDG Summit, World Water Week, Water Resilience Coalition, and Alliance for Water Stewardship. **PepsiCo** participated in the World Resource Institute's Public Water Management pilot to test a novel data collection approach that would leverage crowdsourced data from multinational companies on the state of public water management. The company also continues to be a member of the California Water Action Collaborative, a group of more than 30 leading companies and NGOs, which is focused on understanding California's water challenges, identifying geographies and issues of shared interest, and working together to make measurable positive impacts on water security in the state.

Lobbying

In addition to advocacy activities, companies must ensure direct and indirect lobbying are consistent with their water stewardship strategies and policies. Companies can demonstrate this through a specific commitment or position statement, along with a formal internal process to assess direct corporate lobbying and the activities of their industry associations. This is imperative to ensure that policies support, rather than undermine, corporate water stewardship commitments and strategies.

Progress since 2023 ►

25% of companies ensure lobbying aligns with water-related strategies
(18 in 2025, up from 9)

3% of companies disclose examples demonstrating how the company ensures alignment (2 in 2025, down from 4)

General Mills participates in public policy discussions aimed at advancing water stewardship through advancing regenerative agriculture and encouraging the U.S. Congress to strengthen collaboration between organizations, supply chain actors, and domestic agriculture producers. The company also encourages investment by governments and the private sector in organizations that support public private partnerships between industry and farmers. To ensure alignment, the company's Public Responsibility Committee of the Board of Directors oversees political activities, including membership in major trade associations.

Danone's Advocacy Policy identifies watershed preservation and restoration as a priority, with global oversight of lobbying activities led by its Public Affairs and Compliance teams. The company's lobbying includes support for the EU Soil Health Law, reporting that the legislative framework corresponds with its goals of protecting and restoring healthy soil and expanding regenerative agriculture practices. Through its promotion of sustainable soil management and monitoring, the company links its policy engagement directly to SDG6, improving water retention, reducing contamination and contributing to sustainable water management. Additionally, **Danone** signed the Business for Nature open letter, urging the European Commission to maintain the timeline, integrity, and ambition of the implementation of the CSRD and corresponding ESRS to harmonize corporate sustainability reporting, improve the availability and quality of ESG data, and ensure company assessment of environmental impacts, including on water.



12

Corporate water stewardship strategies can play a greater role in advancing justice and equity for communities

Water is essential to society, and the way companies manage it directly affects community wellbeing and equitable access. Corporate stewardship efforts are inherently linked to both environmental sustainability and the needs of local communities. To advance justice and equity, companies must consider both the intended and unintended impacts of their strategies on community freshwater resources and take deliberate action to align stewardship with community priorities. The following examples illustrate how companies are integrating these considerations across WASH, climate resilience, advocacy, and replenishment initiatives.

Incorporating a focus on women and girls into WASH strategies

In 2025, 6 out of 71 companies (8%) demonstrated having a WASH strategy prioritizing women and girls, up from two in 2023. Prioritizing women and girls in WASH initiatives promotes justice and equity in communities by improving education, health, and economic participation. The Women+Water Collaborative, a collective action initiative between **Cargill**, **Gap**, and GSK, in partnership with WaterAid and the Water Resilience Coalition (WRC), strengthens health, livelihoods, and climate resilience in water-stressed communities in India, such as those in the Krishna and Godavari Basins. The Collaborative's goal is to harness women's leadership to build water resilience, improve water security, and enable equitable access to water and sanitation for communities at scale. Similarly, **Diageo** has committed to making its WASH programs more inclusive and resilient, especially in water-stressed communities near its sites and sourcing regions. By 2024, women represented 50% of WASH committee members across its programs in nine countries.

Supporting climate-resilient WASH programs

A new indicator in the 2025 benchmark methodology examined whether companies integrate climate risks into WASH initiatives. Climate resilient WASH strategies protect vulnerable communities—often disproportionately affected by climate impacts—by ensuring reliable access to safe water and sanitation, even under stress from climate-related hazards such as droughts, floods, and heat waves. **While no company has yet met the benchmark criterion of disclosing how climate and water risks are assessed for their impact on WASH within their value chain, some companies are acting.** For instance, **Amazon** partnered with Water.org to launch the Water.org Water & Climate Fund. It has already provided resilient water and sanitation access to 690,000 people, well on its way to its target of reaching 1 million by 2025. **Microsoft**'s partnership with WaterAid is delivering groundwater recharge and rainwater harvesting for over 60,000 people in Hyderabad and rural

Karnataka, conserving more than 235 million gallons of water and improving long-term water security. In Lagos, Nigeria, the initiative is focusing on improving water access for over 21,000 people while accounting for climate-related events such as heat waves and flooding within its planning.

Strengthening communities through advocacy

The benchmark evaluates companies' advocacy activities on water infrastructure and access, including actions that consider environmental justice or frontline communities and water-stressed regions. In the 2025 benchmark assessment, the methodology was refined to strengthen this emphasis. While several corporate advocacy efforts may relate to justice and equity as they serve to improve community access to and use of water, most companies do not discuss the specific outcomes for communities in terms of justice and equity. One company which specified these outcomes in both 2023 and 2025, **Google**, has an Environmental Justice Data Fund. The fund is a collection of grants that aim to help frontline communities that have been historically underserved and disproportionately impacted by climate change and environmental injustices, including those connected to water quality concerns. Additionally, in Chicago's South Side, the company is partnering with Delta Institute and Emerald South Economic Development Collaborative to implement ecological infrastructure in Black, Indigenous, and People of Color majority neighborhoods. Using monitoring technologies, the project will collect data on stormwater capture and project effectiveness, helping to reduce costs and make ecological infrastructure more accessible for environmental justice communities. Beyond specific disclosure of actions to support environmental justice or frontline communities, companies demonstrate supporting communities through other initiatives, such as **Gap** which is partnering with the U.S. International Development Finance Corporation alongside Starbucks, Ecolab, Reckitt, and DuPont to invest in WaterEquity's \$150 million Global Access Fund IV. It aims to support financial institutions and enterprises in emerging markets to scale water and sanitation lending activities, such as loans that enable low-income and marginalized customers to install household water and sanitation solutions.

Embedding community needs into replenishment projects

Corporate water stewardship strategies can advance justice and equity by addressing the social and environmental impacts related to water availability and quality, ensuring local community needs are prioritized and explicitly communicating this intent in public disclosures. As part of its 2030 water positive commitment, **Microsoft** integrates environmental justice into selection criteria for its replenishment projects. The set criteria include assessing potential community health impacts, community participation in decision-making, and historical cultural sensitivity to reduce impacts to cultural resources. To do this, the company partners with on-the-ground organizations. Its work with WaterAid in Karnataka, India involved a participatory assessment and establishment of Village Water Sanitation Committees to ensure the local community is involved in project design and delivery. **Danone** takes a community-focused approach to its water stewardship efforts by working with local authorities, communities, and other partners to ensure fair and sustainable water use. The company does this through combining scientific expertise with local knowledge and sharing best practices to help communities address water challenges like scarcity, floods, and ecosystem loss.

13

Companies have yet to ensure collective action initiatives directly support water targets

To advance the 2030 ambition of the Corporate Expectations for Water Quantity and Water Quality, companies need to demonstrate how collective action initiatives with external stakeholders, including local communities, supports water-related targets. Effective collaboration at the basin level can deliver co-benefits for water availability, quality, access, and ecosystems, while propelling large-scale impact and accountability when aligned with corporate commitments. Without this alignment, collective action projects risk being ad hoc, less relevant to overall corporate strategies, and less likely to generate measurable water outcomes.

Of the **83%** of companies with water quantity targets (**59** in 2025),
41% link collective action to their water quantity targets (**24** in 2025)

Of the **41%** of companies with water quality targets (**29** in 2025),
17% link collective action to their water quality targets (**5** in 2025)

Carlsberg aims to replenish 100% of the water it consumes at breweries in high-risk areas by 2030. To achieve this, the company engages in projects with other stakeholders to increase groundwater levels, reduce agricultural water demand, and protect and restore ecosystems. In the U.K., **Carlsberg** works with WWF-UK and the Norfolk Rivers Trust to support farmers with reducing water use and pollutant runoff, contributing to the replenishment of 100 million liters of freshwater on farmland in East Anglia. In southern India, its partnership with WaterAid to improve stormwater collection, rainwater harvesting, pond restoration and groundwater recharge is expected to replenish 85,000 cubic meters of water annually by 2026. In China and Laos, where four of its breweries are located and facing deteriorating water quality and ecosystem services, the company works with WWF to restore wetlands and purify water sources. By the end of 2024, a total of 365,000 cubic meters of water had been replenished across these four sites.

To meet its commitment to replenish more than 100% of the water used at high water-risk sites by 2030, **PepsiCo** participates in collective action projects such as land restoration, land conservation, wetland preservation, and aquatic habitat protection. Along the Verde River in Arizona, the company works with The Nature Conservancy and local farmers to support the adoption of less water intensive crops, such as barley, resulting in nearly 240 million liters of water being replenished to the watershed during the 2023 growing season. In 2024, the company launched four watershed replenishment projects in high-risk U.S. regions, developed in collaboration with local partners. For instance, in California, it is working with River Partners on the Feather River Floodplain Restoration Project, reconnecting 15 miles of side channels to 7,000 acres of revitalized floodplain to replenish 150 million gallons of water annually.

Amazon is working toward its commitment to be water positive by 2030 through watershed restoration projects in multiple regions. In China, it partners with the Beijing LongTech Environmental Technology Co., Ltd in the Miyun Reservoir to rebuild degraded riverbanks and install wetlands and buffer zones, expected to return up to 39 million liters of clean water each year. It is also working with GreenCity Guangzhou to build wetlands that will treat sewage flows, projected to return over 40 million liters of water into the rivers by 2026. In the U.S., **Amazon** collaborates with the Stroud Research Center to address water pollution and degraded ecosystems from agriculture by working with farmers and agricultural landowners in Virginia's Bull Run and Broad Run watersheds near its operations. Through improving soil health and cropland management around headwater streams, the project is expected to restore over 254 million liters of water annually while also advancing long-standing Chesapeake Bay pollution reduction goals.

Transparency in tracking the progress and impact of collective action initiatives is critical. Most companies rarely provide robust details of their role within collaborative projects, how outcomes are monitored and measured, or which tools are used to ensure accountability. While the 2025 methodology refinements attribute to some of the decline in scores — due to requiring collective action be tied to a water-related target — many companies still reference older initiatives or fail to provide updates. Companies can provide more updated, detailed information to continue to demonstrate leadership and build stakeholder confidence in their stewardship efforts.





Moving Forward: Elevating Water Stewardship and Accelerating Action to Mitigate Financial Risks and Build Long-Term Resilience

The message is clear: companies are making progress, but not fast enough.

Corporate actions to address dependence and impacts on freshwater resources must accelerate. With 2030 fast approaching—and as many companies set goals for 2030 or 2035—this assessment provides valuable insights into where efforts need to be accelerated to fill gaps and what leading practices can be scaled and used as inspiration for action in line with the 2030 ambition of Corporate Expectations for Valuing Water. Every step toward alignment—no matter the company’s starting point—helps safeguard finite water resources fundamental to business resilience, planetary health, and human wellbeing.

A call to action:

For companies

- **Use the benchmark as a tool** to elevate water issues to boards, senior leadership, and cross-functional teams and help garner support for further action and better integration into business planning and decision-making.
- **Identify opportunities** to further corporate water stewardship by embedding it within holistic sustainability strategies that include water, nature, and climate. Cross-team collaboration can help unlock co-benefits.
- **Draw inspiration and lessons from peers**, including successes and challenges within and across industries, to accelerate implementation of best practices and get out ahead on challenges others have experienced in implementing similar strategies.
- **Strengthen strategies by setting or updating commitments** in line with leading practices and the 2030 ambition of the Corporate Expectations, particularly to scale strategies that are making progress and impact to fill gaps.

For investors

- **Use findings from the benchmark to guide engagement** with portfolio companies on managing risks through strengthened water stewardship and identifying opportunities for improvement in the company's value chain.
- **Support accountability and encourage ambition** by asking companies to demonstrate measurable progress over time on corporate water stewardship strategies.
- **Share insights from the benchmark with peers** to reinforce sector wide expectations and amplify impact.
- **Support transparency and disclosure** by encouraging companies to provide more robust and timely reporting on corporate targets and initiatives.

For NGO stakeholders

- **Develop refined or tailored guidance, tools, and thought leadership** to support companies in addressing weak spots and opportunities, as highlighted in the benchmark.
- **Use benchmark findings** as a reference point for the current “state of play” on water stewardship when convening companies, investors, and other actors to further progress on water issues.
- **Engage with a range of stakeholders** to build alignment on water stewardship expectations and to advance the adoption of leading practices.
- **Elevate community voices** in collaborations with companies to ensure justice, equity, and local community needs are integrated into corporate strategies.

