Ceres

October 2025

The 2025 Valuing Water Finance Initiative Benchmark

Beverage Industry

Background

The following section presents a review of the beverage industry-specific highlights and areas for improvement compared to the 2023 baseline benchmark to assess corporate water stewardship practices against the 2030 ambition of the six Corporate Expectations for Valuing Water. Examples of leading company practices are provided throughout and should be used alongside the 2025 Key Findings report to strengthen corporate water stewardship strategies. By assessing both strengths and gaps in industry wide water stewardship, companies can identify the steps necessary to address a range of water issues. The refined 2025 methodology along with the downloadable spreadsheet containing company-specific data offers valuable tools for deeper analysis into individual company performance and the identification of areas requiring further action.

Water Risks in the Beverage Industry Value Chain

The beverage industry is heavily dependent on water at every stage along its value chain, from growing ingredients to manufacturing and packaging, making strong water stewardship essential for the long-term resilience of the industry. Given that agriculture consumes 70% of global freshwater, the beverage industry's reliance on agricultural inputs places it at significant risk from water stress. In addition, over 60% of global beverage manufacturing facilities are in areas facing medium to extremely high water risk. Supply chains across industries also face growing exposure to water-related risks, with at least $77 billion in value at stake. This highlights the beverage industry's ongoing exposure to water risks, which are expected to grow under the pressures of climate change. The beverage industry also impacts water quality through the agricultural production of key inputs, including barley, sugarcane, coffee, and grapes that contribute to the runoff of pollutants such as nitrogen and phosphorus, resulting in toxic algal blooms or oxygen depletion. With the global beverage market expected to increase by 4.2% annually, addressing these impacts and dependencies requires a concerted effort to implement robust water stewardship practices across all stages of beverage production.

Benchmark Progress Update

The following sections highlight the progress beverage companies have made on water stewardship, as well as the persistent gaps that remain. A notable trend is the increase in corporate disclosures around water stewardship. More companies are now publicly stating their water stewardship commitments and reporting on targets, initiatives, and progress since 2023. This reflects a positive shift towards transparency and an increasing acknowledgment of water risks, impacts, and dependencies. However, disclosure alone, while foundational, is not sufficient to elevate companies to a higher ambition of water stewardship performance. Corporate water stewardship leadership requires evidence of concrete action across the six Corporate Expectations for Valuing Water.

Notable Highlights

Several key highlights stand out, reflecting both continued trends and notable advancements since the 2023 benchmark. This is particularly true in areas such as company engagement in ecosystem restoration and protection projects to support freshwater ecosystems and actions to ensure access to water, sanitation, and hygiene (WASH) across the value chain.

- **Continued focus on setting context-based targets for water availability** Twelve out of 17 companies now set time-bound, context-based water quantity targets, up from 10 in 2023. As seen in 2023, targets related to water quantity include "water intensity," "water withdrawal reduction," "water balancing," "water positive," or "water replenishment" commitments.
- **Industry involvement in ecosystem protection and restoration projects grows** Fourteen companies engage in ecosystem restoration or protection projects to support freshwater ecosystems or aquatic biodiversity, an increase from 2023 when 12 participated in projects. These projects focus on nature-based solutions such as reforestation, waterway rehabilitation, wetland restoration, and forest management to support groundwater recharge and enhance the long-term resilience of watersheds.
- **Significant improvements supporting access to WASH** In 2023, WASH was identified as an area for improvement. Encouragingly, the number of companies with targets addressing access to WASH within the value chain has doubled (eight companies in 2025 compared to four in 2023), and the total number of companies recognizing the critical nature of access to WASH in a publicly available corporate policy has risen to 11 companies in 2025 from eight in 2023. Additionally, all but one beverage company (16 out of 17) now has dedicated resources to address WASH among at least one stakeholder, including employees, suppliers, and communities (an increase from 14 out of 17 companies in 2023). Companies have demonstrated more action on addressing WASH through disclosures on corporate audits and assessment processes for employee access to WASH, code of conduct documents, and details on community WASH projects.
- **Advocacy around water is growing** The number of beverage companies engaging in advocacy around water-related issues grew to 12 companies in 2025 compared to 8 in 2023. These efforts include participation in global initiatives such as the CEO Mandate's "Open Call to Accelerate Action on Water" and the World Bank's 2030 Water Resources Group, engagement in multi-stakeholder platforms to encourage multiple actors (companies, NGOs, governments) to engage

on water, participation in regional groups like the California Water Action Collaborative to tackle water challenges, and co-development and testing of industry-wide standards to support corporate action on water issues, such as supporting WASH4Work's efforts to develop a WASH standardized accounting framework.

Areas for Improvement

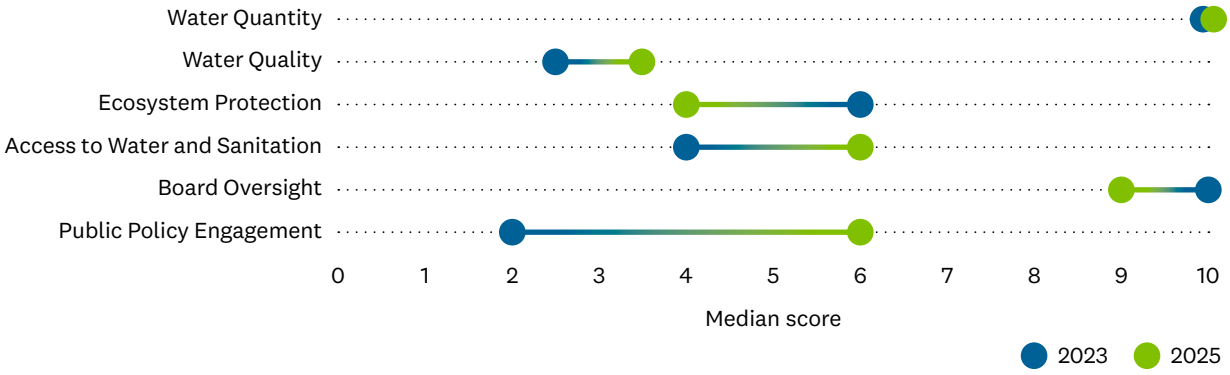
As in 2023, corporate strategies to address water quality impacts through target setting remain limited, as do actions to address supply chain water use and quality impacts.

- **Water quality target setting lacks value chain coverage** Though 9 companies now disclose water quality targets, compared to 4 companies in 2023, none of the targets' scope applies to the entire value chain. Out of the companies setting targets, only **AB InBev** has set a context-based target related to the measurable improvement of water quality in 100% of its communities in high-stress sites.
- **Disclosure of impacts on water availability and quality remain limited** Similar to 2023, few companies disclose the current and potential water impacts that the activities in their value chain have or explain how these impacts are monitored within the local catchments. In 2025, only one company, **Suntory**, disclosed information on impacts and the process it uses to monitor water availability, while only **Diageo** provided this kind of disclosure for water quality.
- **Persistent supply chain data gaps** While disclosure of water withdrawals and consumption for all direct operations improved from 13 to 16 companies (out of 17) between 2023 and 2025, none report this data for their supply chains. The same lack of transparency applies to wastewater discharge volumes. This ongoing gap limits comprehensive visibility into companies' water-related risks.

Detailed Industry Performance

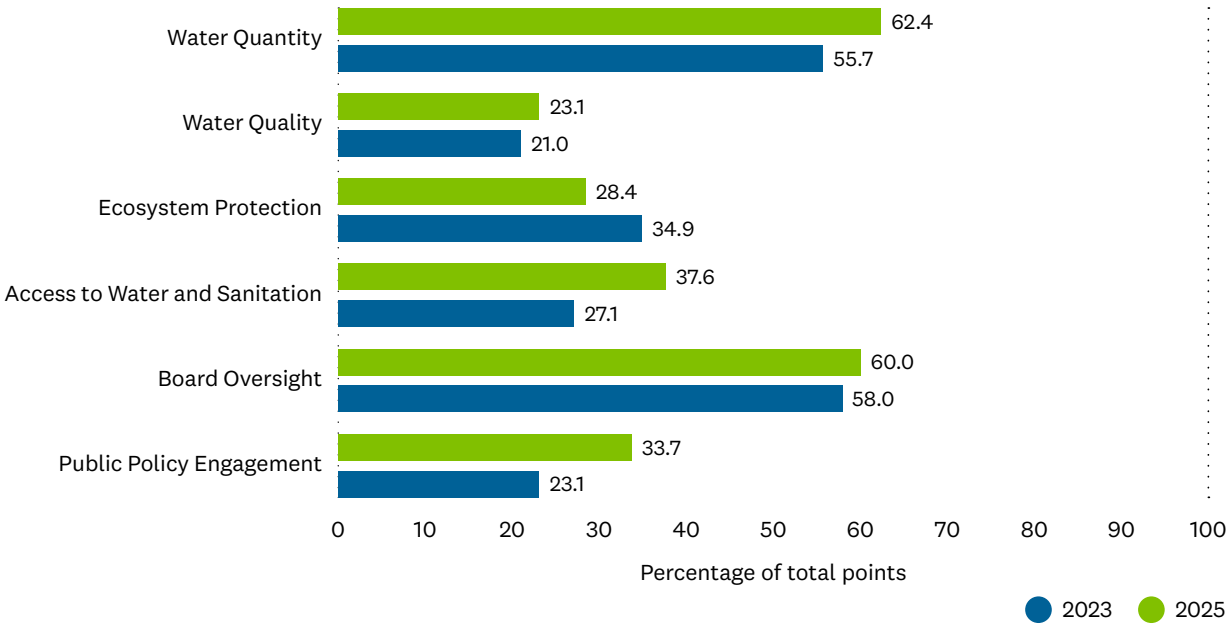
Beverage companies demonstrated the strongest disclosure and performance in the **Water Quantity** and **Board Oversight** Expectations, with median scores of 10 and 9 respectively (out of 15 total available points) (Figure 1). Companies performed the lowest on the **Water Quality** and **Ecosystem Protection** Expectations, with median scores of 3.5 and 4 respectively.

Figure 1 · Beverage Industry Performance (2023 vs. 2025) across the Corporate Expectations



Across the six Corporate Expectations for Valuing Water, from 2023 to 2025, notable improvements were observed in industry-wide performance across **Water Quantity** (▲ 6.7 percentage points), **Access to Water and Sanitation** (▲ 10.5 percentage points), and **Public Policy Engagement** (▲ 10.6 percentage points) (Figure 2). Companies also maintained strong performance in **Board Oversight** (▲ 2 percentage points). Progress remains limited in **Water Quality** (▲ 2.1 percentage points). While company performance weakened in **Ecosystem Protection** (▼ 6.5 percentage points), the drop partially reflects limited company progress and refinements in the 2025 methodology which introduced more rigorous assessment criteria.

Figure 2 · Beverage Industry Performance (2023 vs. 2025) across the Corporate Expectations



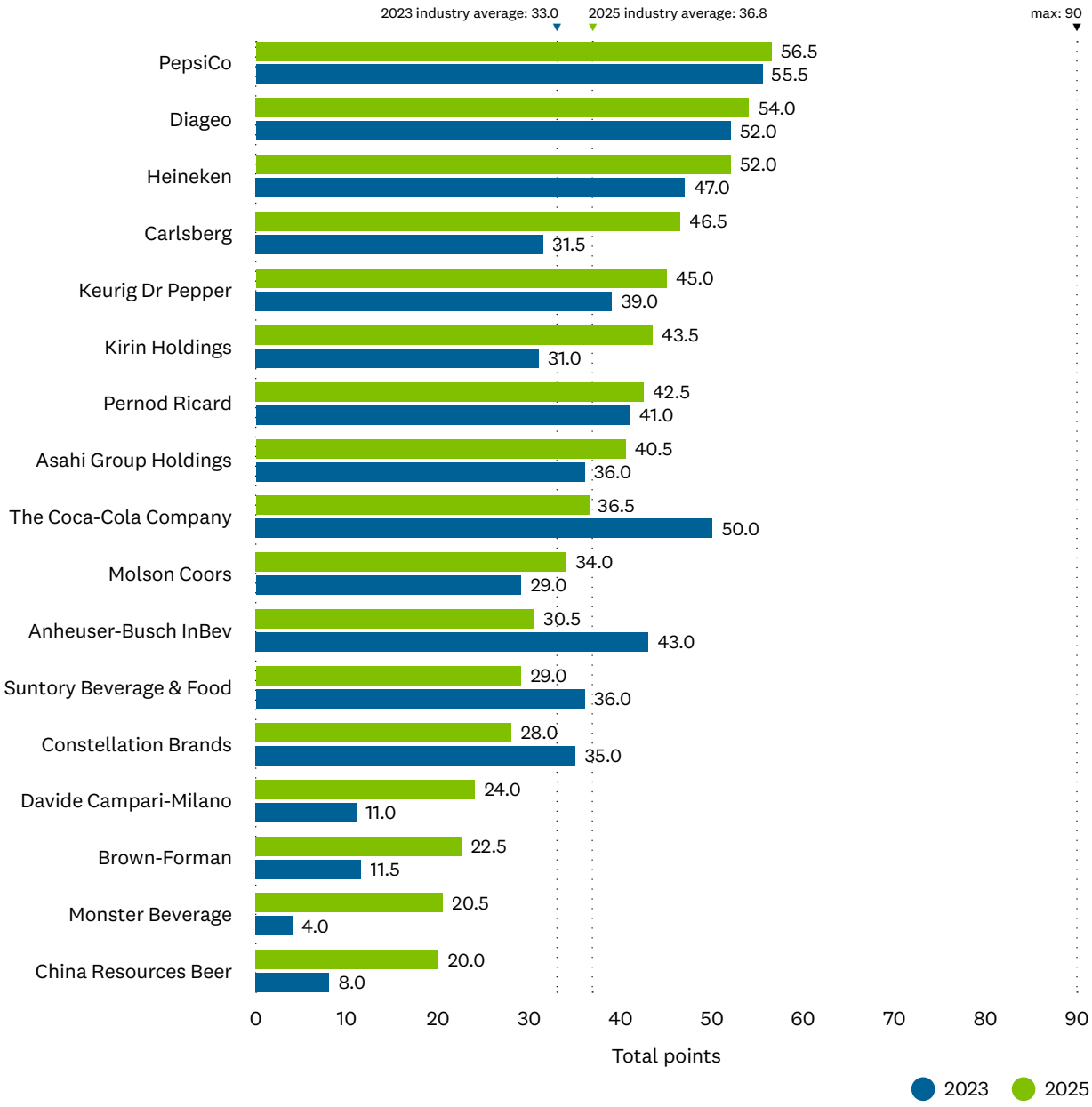
Detailed Company Performance

PepsiCo continues to hold the highest individual score, driven by sustained performance across the Water Quantity, Ecosystem Protection, Board Oversight, and Public Policy Engagement Expectations, closely followed by **Diageo** and **Heineken** (Figure 3).

Monster Beverage demonstrated the most significant improvement, increasing its benchmark score to 20.5 points from 4 (out of 90 total available points). This progress is due to the company beginning to address Water Quantity, Water Quality, and Access to Water and Sanitation and its improved disclosure on Board Oversight. In contrast, **Constellation Brands**, **Suntory**, **Coca-Cola**, and **AB InBev** are among the few companies in the overall benchmark analysis across industries that saw a decline in total points. This decline is primarily attributable to reduced public disclosures, reorganization and assessment of voluntary reporting, and evolving corporate sustainability strategies. Minor methodological refinements in the 2025 benchmark also contributed to the changes.

Of the 17 beverage companies assessed, the average industry score is 36.8 out of 90 points, up from 33 in 2023.

Figure 3 · Breakdown of Company Performance (Total Points Scored) from 2023 to 2025



Water Quantity

Average company performance on the Water Quantity Expectation increased to 9.4 points in 2025 from 8.4 points in 2023 (out of 15 total available points).

All 17 beverage companies now have time-bound targets to address impacts on water quantity (up from 15 in 2023). Among these, 12 companies have set contextual or risk-differentiated targets to address impacts on water availability in water stressed areas (up from 10 in 2023).

Most targets continue to focus on direct operations, with only a few companies extending their water availability targets to the supply chain. These commitments range from water-use efficiency and consumption intensity goals to water balance and replenishment strategies. **Brown-Forman** has committed to achieving "net water balance" in at risk watersheds for its owned production sites by

2030. **Asahi** has specific water-use intensity targets for manufacturing sites located in priority basins and aims to implement basin-level initiatives to address water risk by 2030. Additionally, **Molson Coors** has committed to making its products with 22% less water per hectoliter in its large breweries, to improve water availability in water-stressed watersheds where it operates, and to restore 3.5 billion gallons of water by 2025 across water stressed regions, with a focus on Texas and Colorado. The company also has a supply chain commitment to grow barley with 10% less water by 2025, though it's unclear whether this target is informed by water risk assessment findings.

PepsiCo is the only company that has context-based targets covering its direct operations, third-party manufacturing facilities, and direct agricultural supply chain. The targets are all focused in areas of high water risk and include commitments regarding achieving best-in-class water use efficiency at 100% of **PepsiCo** and third-party manufacturing facilities meeting a specified product intensity by 2030, replenishment of more than 100% of water used in areas of high water risk, adoption of the Alliance for Water Stewardship (AWS) Standard, and an improvement of water-use efficiency in the company's direct agricultural supply chain by 15% in high water risk sourcing areas by 2025.

Of note, some companies have stated their intention to expand their targets, currently focused on direct operations, to include the supply chain. **Diageo** has a water replenishment commitment (to replenish more water than used within operations in water-stressed areas by 2026) and a water efficiency commitment (40% improvement in water use efficiency in water-stressed areas) for its direct operations. The company has disclosed plans to extend its replenishment and collective action programs to include third-party operators and key suppliers in its most at-risk basins, increasing its list of priority basins from 12 to 20. Similarly, **Campari Group**'s current commitment is to reduce water usage intensity (liters per liter of product) by 60% for 2025 and 62% for 2030. Moving forward, the company plans to define water use targets for the value chain, informed by a two-year review phase focused on supplier engagement and the identification of key commodities and sourcing regions exposed to water risks.

Public disclosure of water use by companies remains largely limited to direct operations. Sixteen out of 17 companies (up from 13 in 2023) disclose their water withdrawal and consumption volumes across their entire direct operations. However, none currently disclose water withdrawal and consumption volumes associated with their supply chain. While these supply chain metrics are not currently reported, some companies are taking steps to better understand water use beyond their operations. This includes collecting or estimating the water intensity of key commodities using databases like ecoinvent or regional and crop-specific inventory data provided by the Water Footprint Network. For instance, **Asahi** requires its direct suppliers to report on water-related risks, including dependence on water resources and impacts to water quality. This information is used to inform water risk mitigation strategies across the supply chain.

The beverage industry acknowledges the importance of collective action in meeting contextual and risk-differentiated water targets. Twelve out of 17 companies include collective action initiatives in their internal strategies to achieve water availability targets. Commonly, this includes leveraging nature-based solutions. For instance, **Keurig Dr Pepper** has partnered with Ducks Unlimited, Texas Parks and Wildlife Department, and the Texas Water Action Collaborative to address water stress in the Texas' Trinity Water Basin. They constructed around 111 acres of wetlands and installed water control infrastructure to enhance the water holding capacity and support water replenishment, improve water quality, and create suitable habitat for wildlife. **Carlsberg** is working towards its replenishment target through projects at breweries in high-risk areas, some of which involve collective action. In 2024, the company established new replenishment projects in collaboration with the World Wildlife Fund at four high-risk locations (one in Cambodia and three in India) to help increase groundwater levels, reduce agricultural water demand, protect and restore ecosystems, and strengthen local communities' resilience against climate hazards. **Brown-Forman** continues its engagement in the Charco Bendito Collaborative Watershed Project, in the Municipality of Tlajomulco de Zuniga, Jalisco, Mexico, a part of the Lerma Santiago Watershed. The company focuses on the project impacts specifically for water infiltration, achieving water balance, and ensuring community access to water.

Diageo stands out for having a specific target to engage in collective action in all priority basins by 2030, improving water accessibility, availability, and quality to contribute to a "net positive water impact." The company focuses its efforts in 12 priority water-stressed basins across 10 countries, with collective action efforts already in 67% of its priority basins with NGOs, companies, public sector groups, and communities. Recent examples include two new initiatives launched with the support of The Nature Conservancy. One is in partnership with WaterAid targeting WASH services in Lagos (under the Lagos Aqua Initiative) and another is in Turkey's Gediz Basin, focused on fertilizer management and conservation of water resources. **Diageo**'s efforts to engage stakeholders and address shared water challenges are exemplified through its designation as "basin champion," an initiative of the Water Resilience Coalition, for the Santiago Lerma River Basin (Mexico), the Upper Godavari River Basin (India), and the Upper Tana Basin (Kenya).

Water Quality

Similar to 2023, Water Quality remains the lowest performing Expectation, with average company performance increasing only slightly to 3.5 points in 2025 from 3.1 points in 2023 (out of 15 total points).

Nine out of the 17 companies assessed now have water quality targets (up from four in 2023); all are focused on direct operations. Of these, eight companies have non-contextual, time-bound commitments focused on wastewater treatment and compliance. For instance, **Carlsberg** has committed that 100% of wastewater from its majority-owned breweries will be treated to required standards by 2030, either through on-site or off-site wastewater treatment plants. **Campari Group** maintains an annual commitment to return 100% of wastewater from its operations to the environment safely, while **PepsiCo** has a rolling commitment to ensure that 100% of wastewater from its operations meets its internal environment protection standards. Only **AB InBev** has a risk-differentiated water quality target. It is working to ensure 100% of communities in high-stress areas have measurably improved water quality and availability by 2025, going beyond wastewater treatment and compliance to deliver water quality improvements focused on addressing high-water stressed basins.

As of 2025, all but one company disclosed aggregated wastewater discharge volumes for all their direct operations (an increase from 14 companies in 2023). This being said, no company disclosed wastewater discharge volumes in their supply chains.

In addition to target setting, it is also critical that companies identify and disclose the pollutants of concern in wastewater discharges from their operations and supply chain, along with their approach to setting internal discharge limits. Of note, beverage companies are largely addressing Chemical Oxygen Demand (COD), Biochemical Oxygen Demand (BOD), nitrogen, phosphorous, Total Suspended Solids (TSS), and Total Dissolved Solids (TDS), which can significantly impact water quality, potentially causing eutrophication and harming ecosystem and human health. While 12 companies disclosed this type of information in 2023, the 2025 benchmark methodology was refined to reflect current best practices. The updated methodology now evaluates whether companies not only identify pollutants of concern but also establish internal discharge limits when local regulations are insufficient. **Based on this refined methodology, eight companies meet the criterion in 2025.**

PepsiCo is among the companies aligning with this more ambitious criterion. Its Global Environment Health and Safety Management System includes a Discharge of Wastewater Standard that requires all company-owned and operated facilities to meet applicable regulatory discharge limits, comply with **PepsiCo**'s internal discharge standards, and maintain effluent quality that does not degrade the quality of local water bodies. Within its supply chain, the company uses its Sustainable Agriculture Policy to manage the discharge of pollutants of concern. Like **PepsiCo**, several other companies also control for pollutants of concern in the supply chain (pesticides, nitrates, phosphates) through additional policies, such as **Coca-Cola**'s Principles for Sustainable Agriculture (PSAs) and **Pernod Ricard**'s Sustainable Agriculture Key Principles, and **Diageo**'s internal Water Management Standard, which requires that wastewater discharge should meet or exceed regulatory requirements to protect receiving water bodies and surrounding ecosystems. At facilities with wastewater treatment plants and those that discharge into surface water, **Heineken** follows World Bank guidelines for COD, BOD, nitrogen, and phosphorous where local limits are absent.

Only one company, Diageo, discloses both potential and actual impacts of its wastewater discharges on local water quality, as well as its approach for identifying these impacts, according to data provided by CDP (2024). The company monitors and measures potential impacts, such as the disruption of ecological balance and degradation of biodiversity caused by high BOD from its operations. These discharges are either directly treated by **Diageo** or by third parties to reduce potential negative impacts. Environmental impact assessments are conducted at priority sites and wastewater is monitored at 100% of sites globally. Through this approach, **Diageo** calculates its annual reduction in "wastewater polluting power" (measured in BOD tonnes). Based on these assessments, the company reports no known significant impact on protected water bodies from its wastewater discharge and runoff from its operations.

Ecosystem Protection

Average company performance on the Ecosystem Protection Expectation declined to 4.3 points from 5.2 points in 2023 (out of 15 total points).

Projects and Targets

In 2023, 12 companies disclosed participating in projects aimed at preventing the conversion of natural ecosystems critical to freshwater supplies and aquatic biodiversity. As of 2025, this number has increased to 14.

Heineken engages in ecosystem conservation and protection initiatives, in line with its goal to "fully balance the water" used in its products in water-stressed areas by 2030. The company defines "fully water balanced" as replenishing 1.5 liters of water for every liter used based on the WRI's Volumetric Water Benefit Accounting guidance. In Indonesia, all three of its sites achieved 100% water balancing by restoring 490 hectares within the Brantas and Cisadane Watersheds. In Nigeria, **Heineken** collaborated with the International Institute of Tropical Agriculture on reforesting 292 hectares, enhancing water infiltration, and reducing soil erosion. As part of **Diageo**'s Preserving Water for Life strategy, the company leverages collective action and water replenishment to implement nature-based solutions in its sourcing and production watersheds. In the Upper Tana Basin in Kenya, it supports agroforestry approaches and the restoration of degraded natural habitats. The company's broader replenishment projects also include reforestation, wetland restoration, desilting ponds, and aquifer recharge. To support its water replenishment goal, **PepsiCo** has partnered with River Partners on the Feather River Floodplain Restoration Project in Northern California. This initiative aims to reconnect 15 miles of side channels to nearly 7,000 acres of to-be-revitalized floodplain habitat in California's Sacramento Valley. Another project example is the company's work in the Dominican Republic's Ozama River Basin, with the Arbor Day Foundation to plant 160,000 trees, helping reduce soil erosion, improve groundwater recharge, and replenish water.

Only two companies (PepsiCo and Keurig Dr Pepper) have a time-bound ecosystem protection or restoration target (down from three companies in 2023). This decline is primarily attributed to methodological refinements that now require companies to explicitly report intended freshwater ecosystem benefits of their targets.

Sustainable Sourcing and Supplier Engagement

Only three out of 17 companies, Heineken, Carlsberg, and Kirin, have sourcing policies, commitments, and supplier engagement measures to prevent ecosystem conversion and degradation with specific attention to freshwater protection. This marks a decline from 10 companies in 2023, largely attributable to a refined methodology that now evaluates whether companies disclose tangible water outcomes as part of their sustainable sourcing strategies, such as improved water availability and quality. This methodology refinement emphasizes the critical role of sourcing practices in mitigating negative impacts on freshwater through sourcing decisions.

Carlsberg links its commitment to sourcing 100% of raw materials from regenerative agricultural practices to water outcomes, stating its regenerative agriculture efforts aim to mitigate the impacts of raw material sourcing on waterways, groundwater, and soil. As part of its Zero Farming Footprint ambition, the company also plans to tackle supply chain water use through supplier engagement programs focused on reducing water use in high water risk areas. **Heineken** plans to achieve 100% sustainable sourcing of barley and hops by 2030, using the Farm Sustainability Assessment (FSA) by the Sustainable Agriculture Initiative. The FSA helps the company assess water risks, reduce water use, treat wastewater from farming, and promote responsible water management practices. **Kirin** has supplier engagement programs for hops, black tea leaves, and malt, raw materials identified as having high water risk within the **Kirin**'s portfolio. To mitigate this risk, **Kirin** supports Sri Lankan tea plantations in obtaining Rainforest Alliance certification, which includes a focus on wastewater management and the prevention of water pollution. For example, the company helps prevent pesticide runoff from black tea production by encouraging suppliers to reduce pesticide use, establish buffer zones at a certain distance from rivers, and avoid the spraying of pesticides within the buffer zones.

Only two companies (up from one in 2023) assess the ecosystem impacts of their current and projected capital expenditures and sourcing decisions to ensure water resilience and habitat integrity. Diageo conducts biodiversity impact assessments for new operational sites, particularly those in or near sensitive locations. It identified 54 sites located in or adjacent to protected areas or areas of high biodiversity value, as defined by the Integrated Biodiversity Assessment Tool (IBAT). In response, the company states having developed a framework to inform biodiversity management plans for these sites. Additionally, **Diageo** has conducted a nature baseline assessment of its upstream raw material and packaging supply chains and direct operations, aligned with the TNFD's LEAP approach. The company also identifies suppliers with significant environmental dependencies or impacts based on geography and commodity. Suppliers in identified hotspots are asked to provide deforestation policies and water risk assessments, with **Diageo** focusing on upskilling and capacity building to reduce environmental impacts.

While most companies have not yet integrated assessments of current and projected assets and sourcing decisions on ecosystem integrity, some are advancing in this area. For instance, **Carlsberg** conducted its first nature-related assessment in 2024, evaluating both its brewery operations and upstream sourcing of aluminum and barley at 10 sites in Asia. The assessment was aligned with TNFD guidance, used ENCORE and IBAT tools, and identified that all 10 sites are within 31 miles of biodiversity-sensitive areas, including International Union for Conservation of Nature Red List habitats, protected areas, or key biodiversity areas. Through the assessment, **Carlsberg** identified upstream activities, particularly agriculture and aluminum production, as key drivers of potential ecosystem degradation and soil pollution.

Five out of 17 companies (up from one in 2023) provide details of risk management processes for identifying and assessing nature-related risks in direct operations and supply chain. Asahi evaluates environmental risks for key agricultural raw materials such as barley, hops, corn, coffee beans, and sugar through analysis aligned with TCFD and TNFD. The company has assessed its dependence and impact on nature in producing these commodities across regions, identifying potential environmental degradation and business implications. The company has identified barley, hops, and coffee beans as priority materials, given their role in the company's operations and their higher associated environmental risk profiles. **Kirin** has applied the TNFD LEAP approach to assess nature-related risks in its key agricultural ingredients, through which it was able to identify that its tea farms in Sri Lanka are in regions with high biodiversity.

Access to Water and Sanitation

Average company performance on Access to Water and Sanitation increased to 5.6 points in 2025 from 4.1 points in 2023 (out of 15 total points).

All but one company, China Resources Beer, disclosed actions on WASH for at least one of their stakeholders (employees, supply chain, or communities). This is an increase from 14 companies

in 2023. Company actions include monitoring employee access to WASH facilities, integrating WASH standards into business and supplier codes of conduct, and supporting community WASH initiatives through targeted projects. **However, only two companies (Coca-Cola and Pernod Ricard) meet the assessment criteria to achieve the highest indicator ambition for ensuring WASH for all stakeholder categories — employees, suppliers, and communities — where they operate.** For instance, **Coca-Cola** is a member of WASH4Work, a platform seeking to establish an industry-wide approach to ensuring provision of WASH to all employees. The company conducts Facility Water Vulnerability Assessments for all facilities every three years, which includes analysis of WASH-related risks at the watershed level. In Turkey's Bursa Watershed, the company has developed a watershed health plan to address severe water scarcity and pollution from agriculture and industry. The plan included initiatives to provide clean water access to rural farming villages, improve irrigation efficiency, reduce water contamination, and plant trees to enhance water quality. This represents an improvement from 2023, when no companies met this level of ambition.

Eleven companies have now codified the human right to water and sanitation in their publicly available corporate policy, up from eight in 2023.

The beverage industry is showing progress on setting targets to address WASH gaps. Eight companies (up from four in 2023) have a WASH target. By 2030, **Carlsberg** plans to undertake water replenishment projects, including a WASH component, in the communities surrounding its 16 breweries in high-risk areas. **Brown-Forman** continues to advance its commitment to ensuring 100% of employees have full WASH provisions at their place of work by 2030.

Beyond target setting, companies are also beginning to assess stakeholder access to WASH more systematically. **Coca-Cola** maps priority communities based on lack of access to WASH and vulnerability to water-related impacts of climate change, such as floods and droughts. **Diageo** remains the only company currently disclosing the methods it uses to identify where WASH support is needed most across its employees, suppliers, and communities where it operates and where its suppliers live. The company integrates WASH risk considerations into its assessments using global tools, expert validation and site surveys, prioritizing investments where WASH needs are identified. Employee access to WASH is evaluated through the WBCSD-WASH Pledge self-assessment tool, which helps the company identify areas for improvement and supports decision-making for investment and prioritization. To guide its annual investment in improving access to WASH for communities near its operational and sourcing sites located in water-stressed areas, **Diageo** assesses water-stress and WASH investment at the country level. In countries where it does not identify a demand for new WASH projects, it ensures this conclusion is validated by its implementation partners and by government databases on WASH risk.

Two companies (**Diageo** and **Coca-Cola**) have tailored their WASH strategies with a gender inclusive lens. Both companies recognize that women and girls often face disproportionate barriers to accessing WASH. **Diageo** continues to make its WASH programs more sustainable in the face of climate impacts and more inclusive of women and other underrepresented groups. The company works with WaterAid and CARE International UK to ensure that, when WASH services are provided to communities in water-stressed markets, it also facilitates community dialogues to address the barriers that limit women's equal access and control over these resources.

Board Oversight

Average company performance on the Board Oversight Expectation increased to 9 points in 2025, up from 8.7 points in 2023 (out of 15 total points).

In 2025, 11 companies disclosed information on the frequency with which their board is briefed on water issues, the presence of incentive structures linking water stewardship to senior management and board member compensation, and the specific water-related issues the board and senior management oversee. This represents a slight decrease from 13 companies that provided this information in 2023. At **Asahi**, water is a standing agenda item at every board meeting and the company has established a Sustainability Committee to further integrate sustainability, including water, into strategic management discussions and decision-making. **Carlsberg** ties 20% of C-suite and board-level incentives to key performance indicators related to climate, water, and DEI. **Diageo** also has governance incentives linked to water. Its long-term incentive plan for senior leaders links 20% of the performance share to ESG performance—10% specifically focused on carbon emissions and water efficiency.

Two companies (**Keurig Dr Pepper** Inc. and **Suntory**) explicitly include water as a board level issue in their board committee charters, down from four companies in 2023. Notably, 14 companies now have a board member with water-related expertise, up from 10 companies in 2023. While this progress is encouraging, most companies do not provide insight on the specific competencies board members have when it comes to water and how board members' knowledge on water management is strengthened over time.

All but two companies (AB InBev and Monster Beverage) integrate water risks and opportunities into decisions on strategy, risk, and revenue (up from 13 companies in 2023). **AB InBev** acknowledges water risks but does not report how they are integrated into decision-making and **Monster Beverage** provides no information on water-related risks and opportunities.

Commonly disclosed water risks include water stress, the increasing cost of water and regulations, flooding, changes in precipitation patterns, and impaired water quality. For example, **Asahi** has assessed the risk of flooding at manufacturing sites and identified 10 facilities likely to experience flood related shutdowns, with an estimated opportunity loss of $24.4 million. Regarding water opportunities, companies report supply chain resilience, improved operational, efficiency, along with brand value and reputation. For instance, **Brown-Forman** implements projects in water risk regions aimed at reducing water consumption and wastewater discharges, resulting in improved efficiency and lowered operating costs for its facilities.

Of the 15 companies integrating risks and opportunities into decision-making, only seven meet the highest ambition criteria for integrating water risks and opportunities across both assets (operations) and supply chain (a decrease from 10 in 2023). **Heineken** integrates material water risks, such as water security in upstream operations and potential disruptions to sourcing, alongside opportunities like reducing water use and enhancing value chain resilience in its operational and supply chain strategies. For example, the company is implementing projects to promote sustainable barley cultivation, including drought- and disease-resistant varieties, and water-efficient farming practices and investing in water-saving technologies to reclaim and recycle water for its direct operations. **Molson Coors** has identified water risks in its direct operations, such as water stress and drought risks at its brewery sites, and within its supply chain, such as how changes in precipitation patterns impact key agricultural commodities. These risks inform the company's water management strategies, such as improving production efficiencies and water reuse. In its direct operations, the company highlights

opportunities to enhance brand value through the contributions its Coors Seltzer product makes to water restoration efforts in Canada. It also identifies opportunities to mitigate risk and advance productivity in its supply chain, including developing barley cultivars that can better withstand reduced water conditions while producing higher yields and improved malt quality, according to data provided by CDP (2024).

Three companies (PepsiCo, Diageo, and Heineken) have an internal price on water to reflect the value of water beyond the cost ascribed through utilities or other water sources, up from zero in 2023. **PepsiCo** uses a water cost model in its manufacturing operations, which includes various water-related costs that are not included in the price of water paid to a utility, such as energy, maintenance, and chemical costs.

Public Policy Engagement

Average company performance increased to 5 points in 2025 from 3.5 points in 2023 (out of 15 total points).

Advocacy

Twelve companies (up from eight in 2023) disclose advocacy efforts related to water issues. These efforts include advocating for strengthened water governance, infrastructure improvements, and equitable access to water in high water stress priority regions within operations and supply chains. As part of its water strategy, **Diageo** states its intent to support the development of water-related public policy and promote capacity building on water governance and management of watersheds among regulators, particularly in water stressed regions where it operates. The company is also a member of water focused groups including the Alliance for Water Stewardship and Water Resilience Coalition. At COP28, the UN SDG Summit, and World Water Week, **Diageo** called for more action on water and advocated for collective action. **Coca-Cola**, along with its bottling partners, joined the "Open Call to Accelerate Action on Water," a joint initiative by the UN Global Compact and CEO Water Mandate aimed at achieving collective positive water impact in at least 100 vulnerable basins by 2030. This demonstrates a public commitment to advance solutions that tackle shared water challenges and encourage peers, governments, and stakeholders to engage in basin-level collaboration.

Coca-Cola also advocates for scaled action on water through water funds, a governance and financing mechanism to bring together stakeholders to support sustainable watershed management. These funds are backed by The Nature Conservancy and other private partners and public groups. One example is the water fund for the City of Monterrey, which focuses on flood prevention and improving groundwater infiltration in the San Juan River basin to enhance water supplies.

No company currently meets the highest ambition criteria for advocating on water issues, providing examples of these efforts in high water stress priority regions within operations and supply chains, and disclosing advocacy efforts around water for environmental justice and frontline communities.

Lobbying

Eight companies (up from three in 2023) report having mechanisms in place to ensure that their direct corporate lobbying and the activities of their industry associations are aligned with the companies' water policy.

To ensure alignment with lobbying activities and environmental policies, including water, **Pernod Ricard** engages with its Public Affairs, Sustainability & Responsibility, and Operations teams to strategically select its engagements and ensure alignment with its corporate strategies and targets. **Asahi** ensures alignment between its strategy and that of industry associations through involvement of its executives in these groups. For example, Asahi Breweries' president is a part of the Japan Brewers Association and Asahi Soft Drinks' executive director is a board member of the National Soft Drink Association of Japan. This helps the company shape these associations' perspectives on water, reducing the risk of misalignment between the associations' positions and the company's own policies.

Very few companies provide examples of their lobbying activities that influence water, and the majority of companies still do not provide transparency into how their lobbying activities, whether direct or through trade associations, may impact freshwater resources. Greater disclosure and action in this area are needed to ensure responsible water stewardship.