Ceres

October 2025

The 2025 Valuing Water Finance Initiative Benchmark

Food Industry

Background

The following section presents a review of the food 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 Food Industry

The food industry is increasingly exposed to water risks due to its dependence on freshwater for agriculture, livestock, and food processing. These risks are intensifying as climate change drives more frequent and severe droughts, floods, heatwaves, and seasonal variability. Today, 50% of the world's food production is at risk, with many production regions already facing high to extremely high water stress.

Extreme weather events undermine crop yields, disrupt livestock production, damage infrastructure, and cause logistical and transportation challenges disrupting supply chains globally. Effects are further magnified from the compound effect of these weather extremes. Between 2023 and 2025, the world experienced the most widespread and severe droughts in history because of climate change, mismanagement of land and freshwater, and heightened susceptibility of people and ecosystems to environmental stress. Now, 40% of the world's land faces increasingly frequent and severe droughts with agriculture bearing the brunt, experiencing up to 80% of direct impacts. The consequences of this are visible in drought hotspots such as Southern and Eastern Africa, the Mediterranean, the Amazon Basin, Panama, Mexico, and Southeast Asia. The risk isn't limited to drought hotspots. Extreme storms such as in the Southeast U.S. in September 2024 destroyed cotton, pecan, soybean, and peanut crops, while heat and drought in December 2024 destroyed cocoa plantations in Ghana. Flooding is also a major concern, with Arkansas experiencing crop-related flood damage this year, particularly for rice acres, estimated to be at least $79 million.

Water contamination adds further stress, especially from on-farm activities, such as fertilizer and pesticide use that cause nutrient runoff. The meat industry alone accounts for nearly one-third of the water use globally and has significant negative impacts on water quality due to the raising of animals in concentrated animal feeding operations, where manure creates vast quantities of often untreated pollution and contamination.

With global food production projected to rise 70% by 2050, and "sudden food production losses" becoming more frequent, the private sector needs to address the mounting challenges by appropriately considering the water and climate risks within its operations and supply chains, scaling action to drive resilience and secure the future of food.

Benchmark Progress Update

The following sections highlight the progress food companies have made on water stewardship, as well as the 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, including company actions to address value chain impacts on water availability and to advance positive freshwater outcomes, such as reduced water use and pollution, through sustainable sourcing efforts.

- **Sustained focus on addressing water availability impacts through target setting** Twenty-seven out of 38 companies (up from 20 in 2023) have established water availability-related targets, disclose their plans to achieve their commitments through interim targets or roadmaps, and publish progress. Additionally, 12 of these companies (one fewer company than in 2023) have set targets specifically addressing impacts in water stressed areas where they are operating or sourcing from. For instance, as part of its 2030 water-positive impact commitment across its operations, supply chains, and communities, **Cargill** is implementing water stewardship practices at its 68 priority facilities by 2025 and restoring 600 billion liters of water in water stressed regions by 2030. These targets cover more than 90% of its water footprint across operations and agricultural supply chains. Overall, the company reported making 14.4% progress towards its goal of enabling a water positive impact, implementing 85% of its planned water stewardship practices across its 68 priority facilities, and restoring 38 billion liters of water. It is driving progress by improving wastewater management, enhancing water-use monitoring and risk assessment, and working with suppliers to scale regenerative agriculture practices, in particular for beef and row crops.

- **Sustainable sourcing practices that enhance water quality and availability** Food companies are implementing strategies to increase water use efficiency and improve water quality in nearby streams, rivers, and lakes, including cover cropping, reduced tillage, buffer strips, riparian zones, efficient irrigation practices, and nutrient management. For example, **Conagra** is working with tomato farmers in California to deploy drip irrigation on 98% of fields, reducing water use by up to 15% compared to traditional systems. Its BirdsEye farmer network in the U.S. Midwest is helping reduce fertilizer use through variable rate application and nitrogen management, reducing use of weed killers by over 8,700 gallons and soil fumigants by 145,000 gallons, leading to improved water quality and soil health. Along with the U.S. Environmental Protection Agency, **Hershey** provides funding for The Sustainable Dairy PA program, focusing on Pennsylvania dairy farms that supply **Hershey**. The program helps implement riparian forest buffers, nutrient management, conservation tillage, and manure management. During the pilot phase, interventions prevented 1.7 million pounds of sediment, 2,210 pounds of phosphorus, and 24,200 pounds of nitrogen from entering waterways annually.

- **Progress in understanding value chain impacts on ecosystems and nature-related risks** Although overall industry performance for Ecosystem Protection declined slightly due to methodological updates in 2025, companies have made progress on conducting nature-related risk and impact assessments by using the Taskforce on Nature-related Financial Disclosures (TNFD) framework and tools such as The Biodiversity Intactness Index and Science Based Targets Network (SBTN) guidance. For instance, **Hershey** partnered with The Biodiversity Consultancy to assess its biodiversity footprint using the SBTN Materiality Screening Tool and High Impact Commodity List. The work identified sugar, cocoa, corn, dairy, and palm as the highest-impact commodities, and water as the key operational dependency. **Bunge** applied TNFD's LEAP approach to map its impacts and dependencies, finding that roughly 26% of its facilities, 25% of its total production, and 24% of its storage capacity are in biodiversity-sensitive areas. The company's critical biomes are Brazil's Cerrado and Mata Atlântica, which account for 60% of its impacts and 71% of dependencies. **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.

Areas for Improvement

As in 2023, corporate strategies to address water quality impacts remain limited, as do actions to leverage advocacy and lobbying efforts to ensure a more water-secure future.

- **Water quality targets remain limited** Nine out of 38 companies (up from five in 2023) have now set time-bound water quality targets. Commitments span reducing the amount of pollutants discharged (such as Chemical Oxygen Demand (COD), Biological Oxygen Demand (BOD), and nitrogen), expanding buffer zones, recycling wastewater, minimizing upstream agrochemical pollutants, and tightening limits for effluent discharge. Of these, **Cargill** and **Danone** remain the only companies with water quality commitments that target areas with water stress. **Cargill** aims

to reduce 5,000 metric tons of water pollutants in water stressed regions by 2030, focusing on its agricultural supply chain through regenerative agriculture and nature-based solutions.

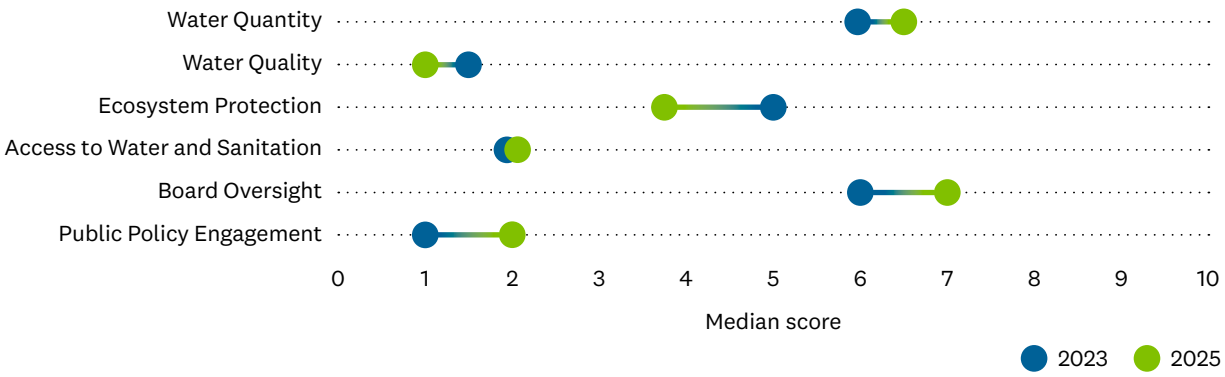
- **Limited progress in addressing access to water, sanitation and hygiene (WASH) for all stakeholder groups across the value chain and through target setting** Thirty-three out of 38 companies (up from 32 in 2023) have disclosed actions on WASH for at least one of their stakeholder groups (employees, suppliers, or communities). These include monitoring employee access to WASH, integrating WASH standards into business and supplier codes of conduct, and supporting community WASH initiatives through targeted projects. As in 2023, **Nestlé** remains the only company to fully meet the highest assessment criteria for providing WASH access to all stakeholder groups, exemplified by its 2023–2025 WASH Action Plan. This is part of its Human Rights Framework, which targets WASH efforts across the value chain, prioritizing 56 countries. Only six companies (up from four in 2023) now have a time-bound target to strengthen employee, supplier, or community access to WASH, and just three companies (**Cargill**, **Nestlé**, and **Tyson**) assess WASH risk across all three stakeholder groups to identify where WASH efforts are needed most, up from one in 2023.

- **Limited progress on public policy engagement as companies lack details on how advocacy and lobbying directly advance sustainable freshwater management** Thirteen out of 38 companies (up from eight in 2023) advocate on water issues through participation in industry groups, civil society, and multi-stakeholder initiatives to advance sustainable water management. Additionally, only five companies—**Danone**, **Mars**, **General Mills**, **Olam**, and **Unilever** (the same number of companies as in 2023)—ensure that their lobbying activities are consistent with their corporate water strategies, demonstrated through a formal commitment and a process for addressing discrepancies. For instance, **Danone** takes part in policy discussions, such as those on the EU Soil Health Law and the EU Nature Restoration Law, to support regulation and share local water basin insights. Corporate transparency and robust disclosures on advocacy and lobbying efforts to further water management policies remain limited.

Detailed Industry Performance

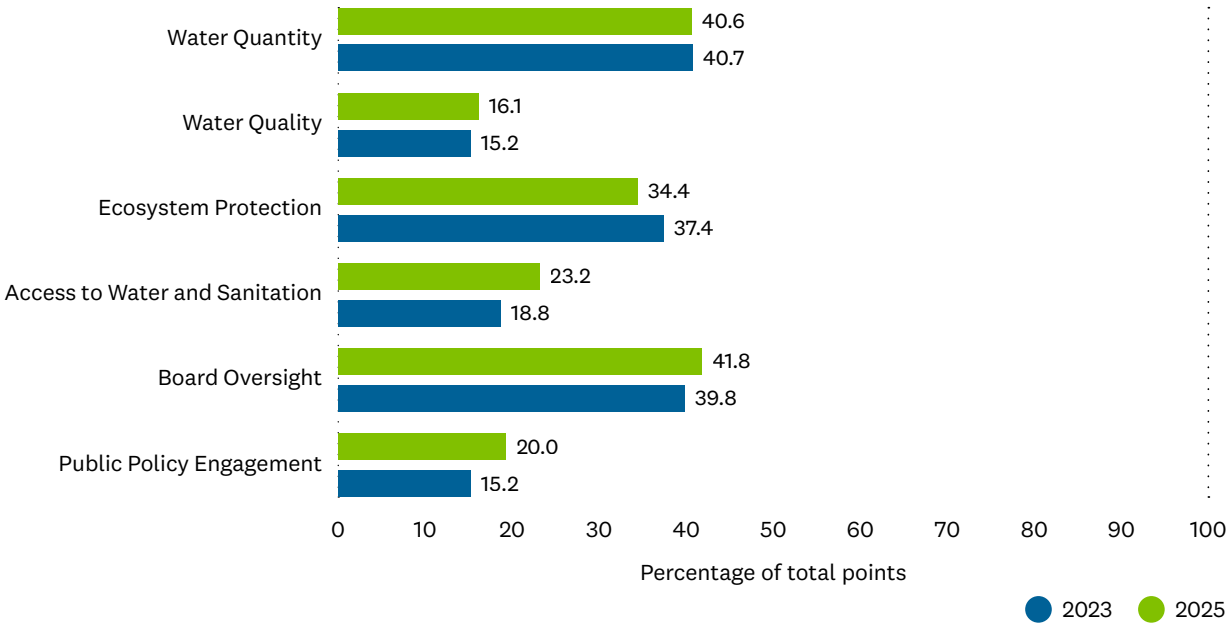
In 2025, food companies demonstrated best relative performance on the **Water Quantity** and **Board Oversight** Expectations, with median scores of 6.5 and 7 respectively (out of 15 total available points) (Figure 1). Companies performed lowest on **Water Quality**, with a median score of 1, and on the **Access to Water and Sanitation** and **Public Policy Engagement** Expectations, with median scores of 2.

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



Across the six Corporate Expectations for Valuing Water, from 2023 to 2025, improvements were observed in industry-wide performance, with an upward trend in the **Access to Water and Sanitation** (▲ 4.4 percentage points), **Board Oversight** (▲ 2 percentage points), and **Public Policy Engagement** (▲ 4.8 percentage points) Expectations (Figure 2). Despite a slight increase in **Water Quality** (▲ 0.9 percentage point), this is still quite low, given it is the lowest performing expectation across the food companies evaluated. **Water Quantity** (▼ 0.1 percentage point) stayed approximately the same, dropping negligibly. Additionally, while company performance on **Ecosystem Protection** was stronger in 2023 compared to 2025 (▼ 3 percentage points), the overall scores dipped due to 2025 methodological refinements. (Note: The 2023 dataset includes 72 companies versus 71 in 2025 as Kellogg Company was removed due to its split and sale. Median values and percentage comparisons were used to ensure normalized food industry trend analysis).

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



Detailed Company Performance

The benchmark assessment evaluated 38 food companies from four sub-industries with high exposure to water risks: **Packaged Food** (18), **Agricultural Products** (8), **Restaurants** (6), and **Meat** (6). **The average industry score of the 38 food companies is 26.4 out of 90 points, up from 25.1 in 2023.**

Across the four food sub-industries, **Agricultural Products** performed best, with an average of 32.2 points in 2025 (an increase from 31.5 in 2023) and **Cargill** remaining the top performer. This is followed by **Packaged Food** and **Meat**, with averages of 30.5 (29.1 in 2023) and 18.3 (15.8 in 2023), respectively, with **Danone** and **JBS** maintaining top performance in their respective sub-industries. **Restaurants**, though improving, remained the lowest performing segment, with an average of 14.6 points (up from 13 points in 2023). **YUM! Brands** continues to perform well among peers in this sub-industry (Figures 3–6).

Danone has the highest individual score across sub-industries, reflecting its consistently strong performance across the Corporate Expectations and its improved transparency about the contextual factors it considers in its water risk and impact assessments. The company is closely followed by **Mars** and **Cargill**. **Unilever** demonstrated the most significant improvement, increasing its benchmark score to 54.5 from 42.5 (out of 90 total available points). This progress is due to the company improving performance in Water Quality, Ecosystem Protection, and Public Policy Engagement.

Twenty-one companies improved their performance since 2023. However, 16 companies saw a decline in total points, primarily due to fewer public disclosures and methodological refinements in the 2025 benchmark.

Figure 3 · Breakdown of Company Performance within the Agriculture Products Sub-Industry

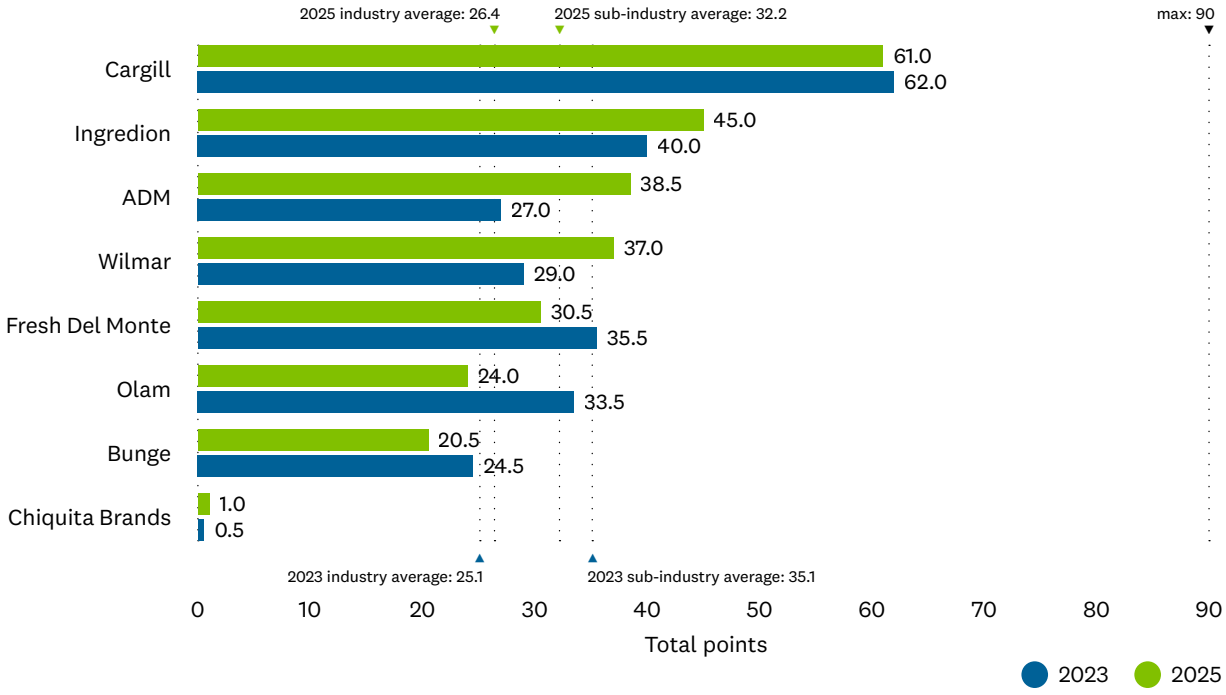


Figure 4 · Breakdown of Company Performance within the Packaged Food Sub-Industry

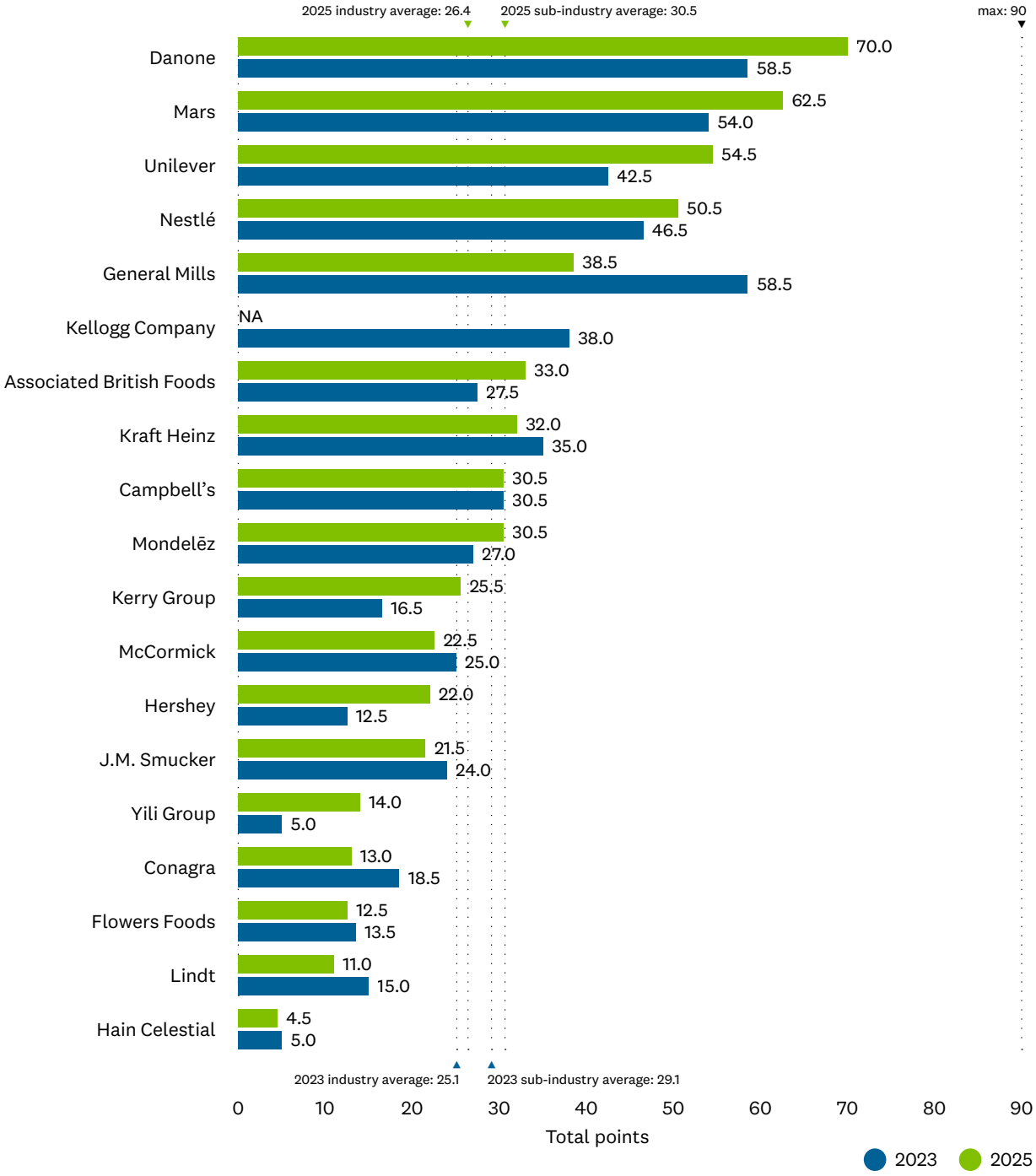


Figure 5 · Breakdown of Company Performance within the Restaurants Sub-Industry

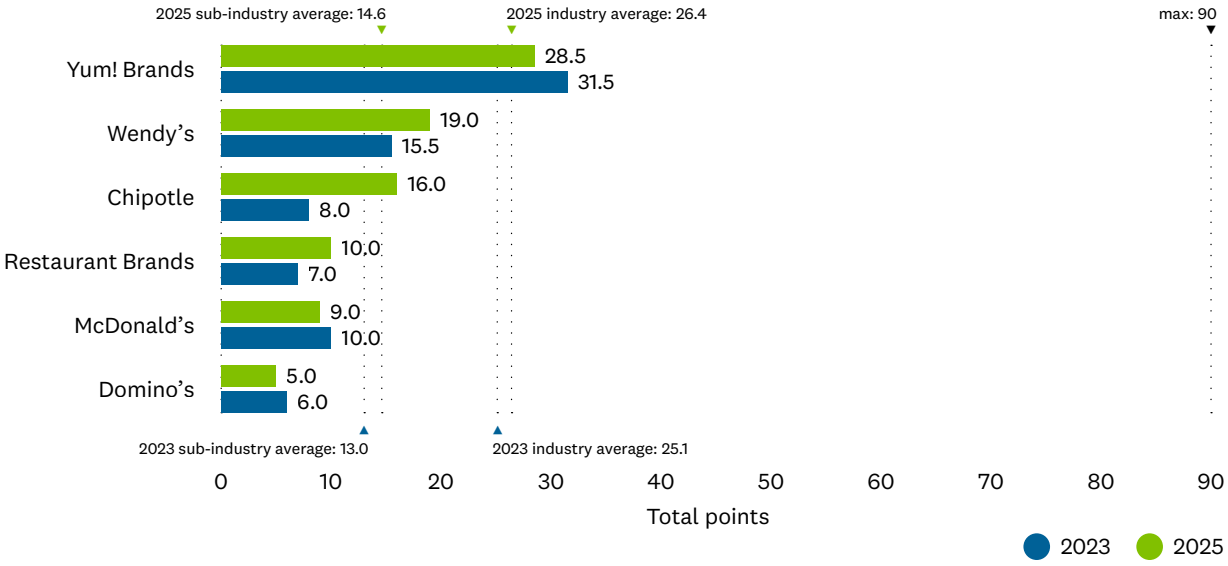
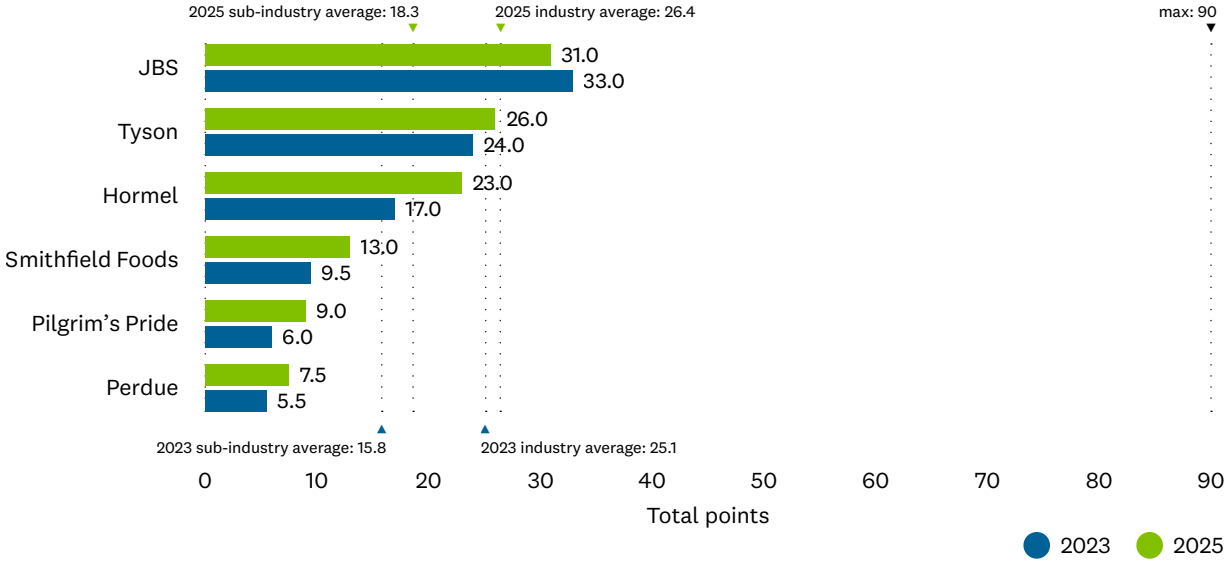


Figure 6 · Breakdown of Company Performance within the Meat Sub-Industry



Water Quantity

Average company performance on the Water Quantity Expectation remained unchanged at 6.1 points for 2023 and 2025 (out of 15 total available points).

In 2025, 27 out of 38 companies (the same number as in 2023) have set time-bound targets addressing impacts to water availability targeting direct operations and/or parts of the supply chain. Corporate targets include reducing water withdrawals, minimizing unsustainable water use, implementing conservation plans, improving water use efficiency, achieving water balance, and restoring water resources.

Twelve (out of the 27 companies with targets) have established targets to address their impacts on water availability, specifically focusing on water stressed areas, compared to 13 in 2023. While the

list of companies remains largely consistent with 2023, it now includes **Hershey**, which has committed to reducing absolute water use by 20% by 2030 at priority sites that face the greatest water scarcity. Notably, **Danone**, **Cargill**, and **Ingredion** are the only companies with targets covering all their direct operations and supply chains in areas of high-water stress. **Danone** has a 4R strategy to reduce, reuse, recycle, and reclaim water in all its production sites by 2030 (in 2024, 99.3% of **Danone**'s production sites had an active 4R action plan), with the goal of reducing water consumption intensity by 50% or achieving a best-in-class water usage ratio (per category of product) at high-risk sites by 2030. The 4R strategy accounts for watershed stress, local contexts and regulations, and technological feasibility. **Danone** has also committed to reaching 100% locally reclaimable water in and around its production sites by 2030, ensuring that water discharged is treated in a way that it can be reused. Within its supply chain, it prioritizes ingredients from high water stressed areas and has pledged to reduce total water use by 25% through better irrigation management by 2030. **Ingredion** is committed to reducing water use intensity by 30% by 2030 in all the extremely high-stress geographies where it manufactures products and to implement local water conservation programs in 100% of such communities by 2027. By 2025, it also aims to implement water conservation projects with growers in all of its extremely high water stressed sourcing geographies. The company reports being "on track" to meet its 2025 commitments but acknowledges "slow progress" towards its 2030 commitment.

Monitoring the ambition and scope of new goals will be critical since many corporate water commitments within the food industry expire within the next five years. Current 2025 targets include **Kerry Group**'s goal of reducing water withdrawal intensity per ton of production by 15%, **Mars**' full value chain goal to halve the gap to sustainable water usage levels, and **Campbell's**'s target of reducing water use across its direct operations by 20%. Looking ahead to 2026, **Bunge** has set a target to reduce the freshwater withdrawal intensity by 25% for priority locations located in high stressed areas (per ton of product). As of 2023, the company had achieved 9.6% of this commitment, building on its earlier global goal of a 10% intensity reduction by 2026, which it has already met. Some companies are also updating their approach to water stewardship in response to new risk assessments, double materiality assessments, or changes in organizational structure. For example, **General Mills** has a continuous improvement goal to regenerate water resources in priority watersheds and is currently updating its risk assessment to establish three-year action plans with context-based goals in each watershed. This represents a shift in approach from its previous commitment to develop watershed stewardship plans for its most material and at-risk watersheds in its global value chain by 2025. **Olam** is developing new strategies, such as setting 2030 targets for processing facilities, plantations, and supply chain farmers, following its recent demerger into Olam Food Ingredients, Olam Agri, and Olam Group, according to data provided by CDP (2024).

At the time of assessment, the majority of the food companies had conducted a water risk assessment, a critical foundational step in setting targets. Companies are employing commonly available tools such as the World Resources Institute's (WRI) Aqueduct and WWF's Water Risk Filter to identify and evaluate water risks within their operations and supply chains. Comprehensive water risk assessments are critical for effective target setting because they reveal where operations and supply chains face the greatest exposure, enabling companies to develop site and watershed specific strategies that address material risks and drive meaningful impact. **Danone**'s water risk assessment evaluates both its impact on water resources and the dependence of its business on those resources. The company has found that about 40% of its sites are in watersheds facing high water scarcity risk. It annually assesses its agricultural supply chain covering 69 ingredients and has identified its 20 most material ingredients, 54% of which are sourced from water stressed areas. **General Mills** conducts a comprehensive water risk assessment every three years using WWF Water Risk Filter and SBTN freshwater guidance to prioritize stewardship in at-risk watersheds. Its analysis of 108 major basins and 48 direct materials across its ingredient and packaging supply chains revealed several commodities by volume being sourced from high-risk areas.

Twenty-six out of 38 companies assessed (up from 20 in 2023) disclose the volumes of water withdrawn and consumed by all their direct operations. None disclose this information for the supply chain. However, some companies are collecting annual irrigation water use data from their suppliers or updating water footprint assessments of their top commodities using datasets from the Water Footprint Network. For instance, **Campbell's** collects water usage data annually from its tomato and wheat growers, with 94% of tomato volume and 44% of wheat volume participating in the company's sustainable agriculture programs. **Cargill** calculated the water intensity for all key commodities using the Water Footprint Network dataset and watershed level data from Hydrobasin6, a global dataset that outlines watershed boundaries and sub-basins.

Only three companies — Danone, Kerry, and Mars — disclose both the current and potential impacts of their water withdrawals on local water availability and explain how they identify those impacts. Danone's double materiality assessment identified operational water withdrawals as potentially impacting local water sources and its agricultural sourcing as potentially impacting water quality and quantity. The company acknowledges that its water bottling factories rely on renewable groundwater in the North Pacific watershed, which the WWF's Biodiversity Risk Filter identifies as critical to biodiversity. Given this, the company enforces its internal groundwater protection policy, limiting withdrawals to sustainable spring yields. For its bottling factories located in Mexico's North Pacific watershed, it has worked to mitigate a 280 million m^3 annual aquifer deficit in Aguascalientes. **Mars** assesses water impacts by crop and location using a geographic information system that overlays sourcing data with water stress indicators from WRI Aqueduct, Mapspam, and Earthstat. This allows

the company to identify materials with high water impact due to water usage and sourcing from water stressed areas and to prioritize supplier interventions.

Water Quality

Water Quality remains one of the lowest performing expectations, with average company performance at 2.4 points in 2025 compared to 2.3 points in 2023 (out of 15 total points).

Nine out of the 38 companies now have water quality targets (up from 5 in 2023). Water quality commitments continue to focus on direct operations and include meeting local regulations (**YUM! Brands** and **Wilmar**), addressing agrichemical pollution (**General Mills** and **Mars**), reducing a specified percentage of COD or BOD from wastewater discharges (**Ingredion**), reducing the concentration of pollutants in products (**Unilever**), and improving wastewater treatment (**Hormel**).

Additionally, Cargill and Danone remain the only two companies that have contextual, time-bound water quality commitments. By 2030, **Danone** has committed to reclaiming 100% of wastewater at its production sites facing physical water risk, ensuring compliance with its Clean Water Standard, reducing runoff through 15% land designated as buffer zones, and optimizing fertilizer use across 75% of its volumes of milk, fruit, almond and soy. These commitments are guided by annual site and ingredient water risk assessments that factor in water quality using tools like the WRI Aqueduct and WWF Water Risk Filter. **Cargill** aims to reduce 5,000 metric tons of water pollutants in water stressed regions by 2030, focusing on its agricultural supply chain (which accounts for more than 90% of its water footprint) through regenerative agriculture and nature-based solutions. The water risk assessment underpinning this commitment evaluated supply chain water quality risk using total nutrient loading to surface waters. Watersheds with nutrient loadings above the 75th percentile—higher than at least 75% of all watersheds—were prioritized due to the severity of their water quality challenges.

In 2025, 26 companies disclosed the wastewater discharge volumes by all of their direct operations (a slight increase from 25 companies in 2023). While no companies disclose wastewater discharge volumes for their supply chains, some identify and disclose the pollutants of concern in wastewater discharges from their operations and supply chain. Food companies are largely addressing organic pollutants and nutrients, measured by indicators such as COD and BOD, that contribute to eutrophication of waterways and deteriorated drinking supplies when untreated. For instance, **Nestlé** reports that water pollution from agriculture can contaminate rivers, aquifers, and soils through fertilizer runoff, pesticides, and manure mismanagement, leading to eutrophication and degraded water quality. It also reports that livestock operations contribute organic waste and fecal contamination, depleting oxygen in water and harming wildlife. Emerging risks include veterinary pharmaceuticals entering waterways and accumulating in ecosystems.

The 2025 benchmark methodology has been refined to evaluate whether companies establish internal discharge limits when local regulations are insufficient. Based on this refinement, seven companies meet the criterion in 2025 (down from 15 in 2023). This includes **Danone**, which has its internal Clean Water Standards (CWS) that set strict compliance KPIs and limits for treating wastewater discharged directly into the environment, covering nine indicators, including COD, BOD, total nitrogen, and total phosphorus. The CWS meet or exceed local regulations, such as the U.S. Clean Water Act and the EU Urban Wastewater Treatment Directive. **Danone**'s Global Risk Evaluation

for Environment program uses internal and external audits to identify and manage environmental risks at its production sites, including those from wastewater and treatment plant sludge that can pollute soil. The program complements the company's CWS to manage pollution impacts from operations. Within its supply chain, the company's Regenerative Agriculture Program identifies potential pollutants used in cultivation and includes guidance on manure management, pesticide use, and soil and water quality practices to avoid environmental pollution. **Nestlé** goes beyond local regulations by setting discharge limits aligned with the European Council Directive for all operations. Its Responsible Sourcing Core Requirements extend upstream, establishing standards for water protection, wastewater treatment, and optimized irrigation. It also regulates agrochemical use by restricting hazardous pesticides and fertilizers to prevent contamination.

Six companies (a decrease from 15 in 2023) disclose current and potential impacts of wastewater discharges on local water quality, as well as their approach for identifying these impacts. For instance, **Ingredion** reports that excess nitrogen from its operations may contribute to oxygen depletion from organic effluents and lead to algal blooms, according to data provided by CDP (2024). The company identifies these impacts through site-level environmental assessments and instances of non-compliance with water quality standards such as Canada's Provincial Water Quality Objectives, while mitigating them through treatment systems, resource recovery, and regenerative agriculture initiatives. **Kerry** recognizes that site wastewater discharges can impact local water quality and ecosystems, according to data provided by CDP (2024). While most wastewater is treated municipally, direct discharges pose higher risks if unmanaged. The company monitors discharges, takes corrective actions, and engages stakeholders to protect water sources. For example, in Ireland, after the Environmental Protection Agency identified a polluted water source in an area where it sources milk, the company launched the Farming for Water Initiative, working with farmers and authorities to mitigate impact.

Ecosystem Protection

Average company performance on the Ecosystem Protection Expectation declined to 5.2 points from 5.6 points in 2023 (out of 15 total points).

Projects and Targets

Within the industry, 22 companies participate in projects aimed at preventing the conversion of natural ecosystems that are critical to freshwater supplies and aquatic biodiversity. This is an increase from 15 companies in 2023. Companies are working to protect and restore ecosystems through regenerative agriculture to improve soil health, reduce erosion, prevent excess use of fertilizers and pesticides and through land management, including the restoration of riparian zones and wetlands, reforestation, and grassland management. For instance, **Cargill** partners with Ducks

Unlimited, an organization conserving wetlands, grasslands, and wildlife habitats, to help sustainably manage watersheds across North America. The company's most recent funding supports projects in the Ogallala Aquifer, Lake Ontario Watershed, Upper Mississippi River, and Canadian Prairies. These initiatives focus on replenishing groundwater, responsibly managing nutrients, improving soil health, promoting healthier and more diverse ecosystems, restoring and protecting wetlands, and supporting farmers and ranchers with adopting practices that improve soil health, reduce runoff, and conserve water.

Of the 22 companies participating in ecosystem projects, nine have also established targets that protect or restore ecosystems critical to freshwater supplies and aquatic biodiversity. Danone plans to develop preservation and restoration plans for all production sites in high water stress areas—approximately 60 watersheds—by 2030. These plans use landscape-based approaches and nature-based solutions, such as agroforestry and wetland preservation, to reduce environmental degradation and strengthen ecosystem resilience. At the time of assessment, 57 watersheds already had plans in progress or planned out. **Wilmar** aims to restore, rehabilitate, and maintain 1,000 hectares of riparian zones by 2030 and implement conservation and biodiversity initiatives in 3,000 hectares outside of company concessions by 2050. **Unilever**'s target is to help protect and restore 1 million hectares of natural ecosystems by 2030, focusing on conserving areas or improving ecosystem quality. This commitment covers around 25% of its crop sourcing footprint. Since 2021, it has launched 13 projects covering roughly 425,000 hectares, including efforts critical to freshwater resources, such as riparian zones, river corridors, and wetland habitat restoration and protection in Sabah, Malaysia. **Mars** has a target to maintain the total land area associated with its value chain to reduce pressure on natural ecosystems and implement more than one million acres of regenerative agriculture practices globally by 2030. Its goal is to reduce emissions, improve water quality and soil health, and enhance biodiversity.

Sustainable Sourcing and Supplier Engagement

In 2023, most companies assessed (28 out of 39) had developed sourcing commitments and policies and were engaging with their suppliers to sustainably source ingredients and reduce negative environmental impacts. Actions included sustainable sourcing policies emphasizing efficient water use and pollution reduction in agriculture, alongside measures supporting ecosystem health such as certified material sourcing, no-deforestation commitments, adoption of regenerative agriculture, and improved supply chain transparency.

In 2025, methodological refinements emphasize the importance of explicitly linking sourcing practices to reductions in freshwater impacts. Thirty companies (out of 38) acknowledge that either their sustainable sourcing commitments, policies, or supplier engagement have intended benefits for freshwater resources (such as improved water availability and quality). However, only 11 of these companies disclose the intended water benefits across all their sustainable sourcing strategies—commitments, policies, and supplier engagement—clearly connecting sourcing practices with reductions in freshwater impacts. For instance, **Danone** has committed that by 2030, 50% of its key water material ingredients sourced from water-risk areas will be produced under improved water management. This covers 13 out of the company's 20 most water material ingredients, including fresh fruits, nuts, and sugars, sourced from seven priority countries facing water risk. Suppliers

must comply with **Danone**'s Sustainable Sourcing Policy, which establishes progressive levels of engagement for suppliers, from meeting mandatory water efficiency and toxic wastewater discharge standards, to implementing management systems requiring suppliers to implement wastewater treatment and monitoring process, to adopting advanced practices for tracking, reducing, and reclaiming water use. To deliver on this commitment, the company engages with suppliers on locally tailored, water-smart solutions aligned with regenerative agriculture standards to improve soil water retention, irrigation efficiency, and reduce pollution and runoff. As an example, the company's support of regenerative strawberry farming in Mexico has resulted in reduction of on-farm water use by 50%.

General Mills is advancing regenerative agriculture on 1 million acres by 2030, with over 600,000 acres currently enrolled in related programs. This represents about 30% of the company's total land footprint covering high volume ingredients such as wheat, oats, dairy, nuts, popcorn, and cassava. The company views regenerative agriculture as a critical component of its water stewardship approach, given its role in improving water quality and availability. It has committed to advancing water stewardship plans for its most material and at-risk watersheds in its global value chain, seven of which represent a sourcing location for at least one ingredient. The company's supplier engagement strategies include farmer training, pilot funding and research (such as for regenerative almonds in California), and participation in the Ecosystem Services Market Consortium, which pays farmers for ecosystem services protected through regenerative agriculture practices. Additional efforts include partnering with organizations such as the Soil Health Academy and Understanding Ag to provide programs in key growing regions. These programs equip farmers with practical tools, such as multi-year coaching, customized implementation plans, soil health testing, networking opportunities, and biodiversity and economic assessments to track impact over time.

Nestlé has committed that 50% of its key ingredients will be sourced from farmers adopting regenerative agriculture principles by 2030—having surpassed its 2025 ambition of 20%. To support this work, the company partnered with the University of Wageningen to identify key proxy metrics for the quantification of water benefits from agricultural practices found in the Nestlé Agriculture Framework.

Six companies assess the ecosystem impacts of their current and projected capex and sourcing decisions to ensure water resilience and habitat integrity (the same number as in 2023). Danone combines climate risk modeling, the EU Taxonomy, local environmental studies, and annual water risk assessments with science-based biodiversity impact analyses and regenerative agriculture practices to strengthen water resilience and protect habitat in its upstream agricultural supply chain, where the biodiversity risks are concentrated. **Wilmar** has implemented a No Deforestation, No Peat, No Exploitation Policy (NDPE) across its entire supply chain and actively monitors suppliers through traceability systems and satellite data to ensure compliance. Its "suspend first" approach halts sourcing immediately from any supplier found in violation.

Eleven out of 38 companies (up from four in 2023) now disclose their processes for identifying nature-related risks in their direct operations and supply chains. For instance, in 2024 **Mondelēz** launched a nature risk assessment of its global operations and supply chain. It used TNFD guidance to identify risks and opportunities related to climate, biodiversity, and water, with the findings intended to inform its sustainability programs. **Olam** identifies and assesses nature-related risks in its direct operations and supply chain through structured processes, including TNFD-aligned materiality assessments and sustainability performance audits. Its Food Ingredients division evaluates biodiversity risk at 155 Tier 1 and Tier 2 processing sites using the IBAT Multi-Site Reporting framework. This analysis informs mitigation actions such as wastewater reduction, deforestation prevention, and landscape regeneration in areas identified with biodiversity risk.

Access to Water and Sanitation

Average company performance on Access to Water and Sanitation increased to 3.5 points in 2025 from 2.8 points in 2023 (out of 15 total points).

Thirty-three out of 38 companies (up from 32 in 2023) take action on WASH for at least one of their stakeholder groups (employees, suppliers, or communities). 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. **Cargill** partners with Global Water Challenge through Cargill Currents to support innovative WASH programs. To date, this initiative has improved WASH access and enhanced water security for 150,000 people across Brazil, Cameroon, Côte d'Ivoire, Ghana, India, and the U.S. The partnership supports **Cargill**'s ambition to enable a water positive impact in its operations, supply chains and communities and contributes to its goal of improving access to safe drinking water for 500,000 people by 2030. **Danone** requires all sites to annually complete the WBCSD's WASH Pledge, targeting a compliance score of more than 80% by 2030 to increase the proportion of employees using safely managed drinking water. The company has currently achieved 77% of this target. The company also supports community WASH in Poland,

providing surveys, drills, and boreholes in areas where 60% of local communities lack municipal water access. In Indonesia, **Danone** works near 25 production sites to improve water access, sanitation, and agricultural practices, benefiting both the environment and local farmers' livelihoods. **General Mills** supports community WASH through its Alliance for Water Stewardship certified Albuquerque facility. Efforts include rainwater capture projects and water storage, in addition to collaborating with The Nature Conservancy to support indigenous-led projects to improve drinking water access. The company also funds the Rio Grande Water Fund to protect local water supplies from wildfire-related contamination, benefiting both community access and watershed health.

As in 2023, Nestlé continues to be the only company to ensure WASH across all stakeholder groups—employees, suppliers, and communities. Recognizing WASH as essential, especially in high water stress regions, the company has developed a WASH Action Plan (2023–2025) as part of its Human Rights Framework. Goals include strengthening its risk assessment approach to prevent and mitigate WASH risks across **Nestlé**'s value chain (especially in the agricultural supply chain), promoting WASH related Human Rights Due Diligence across its value chain, collaborating with other companies and stakeholders to help address systemic WASH risks, and identifying government engagement opportunities to strengthen access to WASH. To date, the company has identified 56 priority countries for WASH action based on global data sets 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 in its Salient Issues Action Plan disclosure.

Thirteen companies have codified the human right to water and sanitation in a publicly available corporate policy, up from nine in 2023. This includes corporate human rights policies (**ADM**, **Lindt**, **Nestlé**, **Olam**, **Hershey**, and **Kraft**), water policies (**Campbell's**, **Danone**, **Ingredion**, **Mars**, and **Mondelēz**) and general environmental policies (**Kerry** and **J.M. Smucker**).

Additionally, six companies (up from four in 2023) have a time-bound WASH target. **Mars**, **Ingredion**, **Danone**, and **General Mills** have commitments either focused on employee or supplier access to WASH through compliance with WBCSD's WASH Pledge or internal standards. **Danone** also has a community WASH target, aiming to provide safe drinking water access to 20 million people by 2025. Other companies with community WASH include **Unilever** that has a commitment to improve health and well-being and advance equity and inclusion reaching 1 billion people per year through its brands by 2030. The company reports that a large majority of this target will be met through sanitation and hand hygiene programs. Beyond target setting, only three companies (**Cargill**, **Nestlé**, and **Tyson**, up from just **Cargill** in 2023) assess WASH risk across all three stakeholder groups to identify where WASH support is needed the most.

Board Oversight

Average company performance on the Board Oversight Expectation increased to 6.3 points in 2025, up from 6 points in 2023 (out of 15 total points).

Fifteen companies (up from 14 in 2023) disclosed information on the frequency of their board briefings on water issues, the specific water-related issues being discussed, and the incentive structures linking water stewardship to senior management and board member compensation. **Danone**'s Global Impact Steering Committee, including the Chief Operations Officer, the Chief Human Resources, Research & Innovation, Quality and Food Safety Officer, Deputy CEO, Finance, Technology & Data, and all members of its Executive Committee, oversees the implementation of the company's water reduction programs. The Board of Directors and the CSR committee of the Board annually review the progress the company has made towards its water ambitions. At **Mars**, progress against global water targets is regularly reported to the Board, Leadership Team, and the Operational and Commercial Leadership Teams responsible for delivering the targeted improvements. **Nestlé** links 15% of its executive incentives to ESG goals, set annually by the Compensation Committee. In 2024, this included water use reduction in factories, which accounted for 3% of the incentives linked to ESG goals.

Seven companies (up from two in 2023) explicitly address water issues in a board committee charter, while 24 companies (up from 22 in 2023) have at least one board member with expertise in water management.

Twenty-nine companies (compared to 30 in 2023) make statements around or consider water-related risks and opportunities in business planning. Of these, 14 integrate water risks and opportunities into decisions on strategy, risk, and revenue for their assets or supply chain (compared to 9 in 2023). The most reported water risks include water scarcity, operational disruptions, and regulatory tightening, while opportunities often focus on efficiency driven cost savings, enhancing brand value, and improving supply chain resilience. **Fresh Del Monte** integrates water-related risks and opportunities into decision-making for its owned farms, particularly in countries like Guatemala for crops such as bananas, pineapples, and melons, according to data provided by CDP (2024). It identifies flooding and worsening water stress as key risks and is responding by investing in flood prevention infrastructure, emergency planning, and more efficient irrigation systems. For water-related opportunities, the company leverages its Responsible Farming Program to target reductions in pesticide usage, support yield productivity and soil quality, and enhance resilience to droughts, floods, and diseases. The company also evaluates land quality before development for farming through its Land Suitability Index, which assesses various factors such as soil composition, climatic conditions, and the potential risk of natural disasters.

Only six companies (down from 12 in 2023) report integrating water risks and opportunities into decisions on strategy, risk, and revenue across both assets and supply chain. For instance, **JBS** identifies water stress as a key operational risk, driven by factors including reduced rainfall,

competition among water users, and potential loss of water access at certain facilities. The company reports that some facilities may need to spend over $200,000 annually to access deeper groundwater or source water from other locations. In response, **JBS** is improving monitoring at high-risk sites and implementing its Sustainable Water Management Program to develop water management plans and prioritize critical facilities and watersheds. Water-related opportunities identified by the company include reduced operational costs and improved profit margins through water efficiency gains, water reuse projects, and advanced technologies. Additionally, the company notes the potential for improved resilience to regulatory changes, such as a proposed update to the U.S. EPA Effluent Limitation Guidelines for the Meat and Poultry Sector, which would enforce more restrictive limits on nitrogen and phosphorous. If the proposal is adopted, to comply, the company would be required to invest in its pre-treatment operations to ensure sufficient nutrient removal. **Associated British Foods** uses scenario analysis and the USDA's EPIC crop modeling tool to assess drought risks for sugarcane in Africa. To insulate its business from sugar supply risk, the company has an end-to-end supply chain target of reducing water usage 30% by 2030. To help growers meet this goal, **Associated British Foods** is supporting the implementation of improved farming practices and investments in drip irrigation to increase the water use efficiency in crop production. The company has also identified reducing water usage and consumption through efficiency improvement of water transport systems to minimize losses, enhancing irrigation efficiency in sugarcane production, and refining irrigation scheduling to ensure effective crop watering as a key opportunity in its direct operations for Illovo Sugar Africa. Additionally, its Azucarera subsidiary in Spain has installed over 80 sustainable watering systems to further improve water use efficiency.

Mars and Danone are the only companies that use an internal price on water, down from five companies (Mars, Danone, Kellogg, Olam, and General Mills) in 2023. Danone applies a cost–benefit analysis (CBA) to calculate the water-related environmental and social externalities facing its business beyond the market price of water withdrawal. According to data provided by CDP (2024), this covers water quantity, water quality, wastewater treatment, reputational and regulatory issues. Through this tool, the company can gain insight into the cost of inaction and the total value of addressing risks. **Mars** uses an internal True Cost of Water Tool to capture the operational costs of electricity and filtration associated with treatment and transport of water used for production, according to data provided by CDP (2024). The tool is being used at all of its Wrigley manufacturing sites in water stressed locations, with expansion to other business segments in review.

Public Policy Engagement

Average company performance increased to 3 points in 2025 from 2.3 points in 2023 (out of 15 total points).

Advocacy

Thirteen companies disclose external advocacy efforts specifically related to water issues, up from eight in 2023. Reported activities include advocating for public policies that strengthen water governance, improve local water management, support infrastructure improvements, and ensure equitable access to water. Most advocacy occurs through multi-stakeholder platforms such as the UN Global Compact, WBCSD, CEO Water Mandate, WASH4Work, and Alliance for Water Stewardship (AWS). However, as observed with the last benchmark assessment, companies' disclosure around the extent of their participation in the advocacy efforts and how those have resulted in positive freshwater impact remains limited. **Nestlé** supports and co-chairs the 2030 Water Resources Group, participates in the AWS Technical Committee and Agriculture Working Group, and supports integration of WASH into the AWS standard, demonstrating active involvement in shaping water-stewardship frameworks. This not only helps the company meet its corporate commitments but also supports stronger water stewardship across the industry.

Lobbying

Fourteen companies report aligning lobbying with corporate sustainability strategies, not explicitly including water, such as climate and regenerative agriculture, up from 11 in 2023. Alignment is demonstrated through a clear public statement of commitment, and disclosure of internal action plans to address any misalignment. For instance, **Unilever** prioritizes lobbying that supports public policy frameworks aligned with the Paris Agreement and its climate policy positions. The company works with governments to accelerate its efforts regarding policies that protect and restore land, forests, and oceans and that incentivize regenerative agriculture. The company also has a robust process for addressing misalignment with trade associations, finding 18 aligned with its climate policy positions and eight misaligned, out of the 27 trade associations it works with. To remedy misalignments, the company assesses the causes, determines whether and how the association's position can be influenced, provides specific recommendations to address the misalignment, and reviews progress over time.

In contrast, few companies extend this rigor to water stewardship. As in 2023, companies' disclosure on lobbying and alignment with corporate water stewardship strategies remains quite limited. **Only five companies (Danone, General Mills, Mars, Olam, and Unilever), the same number as 2023, report having mechanisms in place to ensure lobbying corresponds specifically with their corporate water stewardship strategies. Danone** does so through its Advocacy Policy, overseen by its Board and CEO, and engages in policy discussions such as EU Soil Health Law and the EU Nature Restoration Law, bringing localized basin insights to support regulatory discussions. **General Mills**' Public Responsibility Committee and Global Impact Governance Committee, led by the CEO, oversees lobbying activities and supports policy discussions on regenerative agriculture to advance water stewardship.