Water Matters:
Making Ripples in Corporate Sustainability

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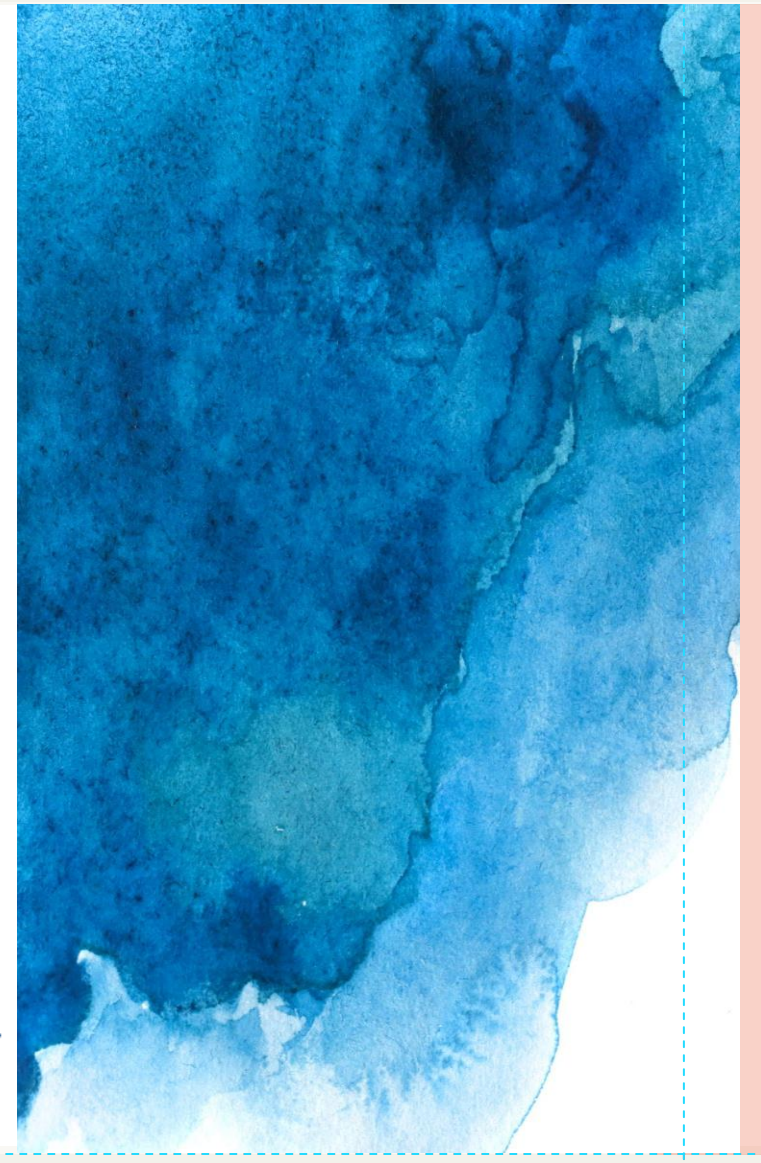
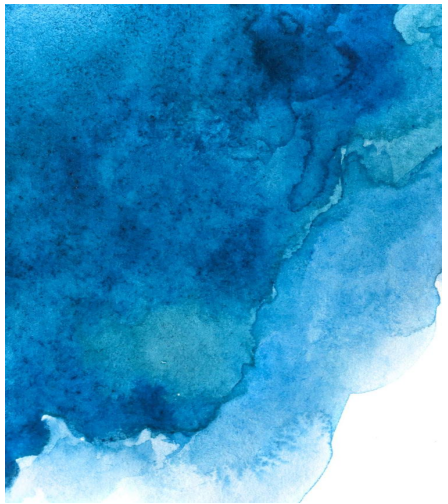
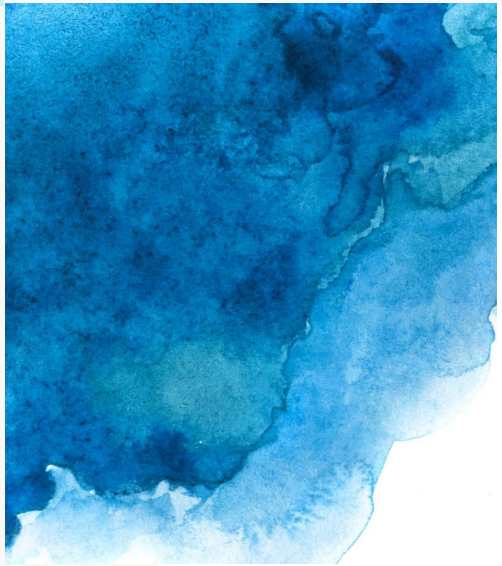


Agenda

1. Context
2. About the Study
3. General Findings
   i. EESG at the central of water stewardship
   ii. Internal water management efforts and gaps
4. Recommendations

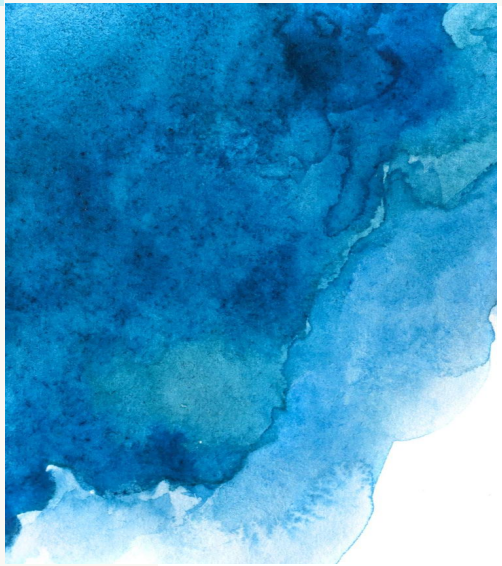




Why water matters?

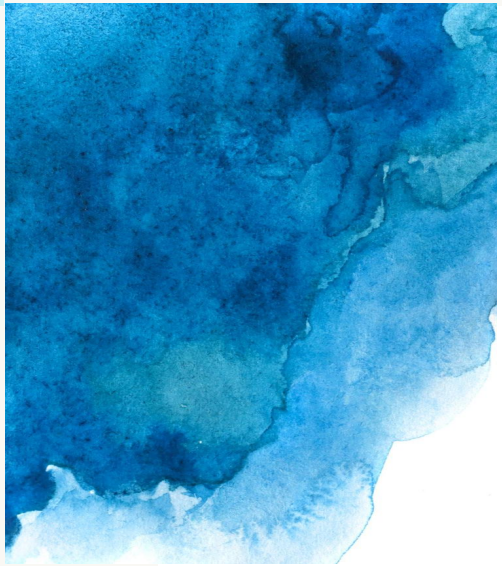
- Water is an essential fundamental resource for human survival and various economic activities

- Only 0.3% of all water on earth is available and accessible for human use (WMO 2021)



Water scarcity - the problem

- Our water demand has exceeded available water supply, causing water stress, leading to economic, social and governance problem
- Under a business-as-usual scenario, water scarcity could cut GDP by up to 6% in parts of Africa and Asia by 2050 (UN-Water 2025)
- For the private sector, profits could decline by 18% in the chemical sector and by as much as 116% in the food and beverage (UN-Water 2025)



Water - as part of sustainability

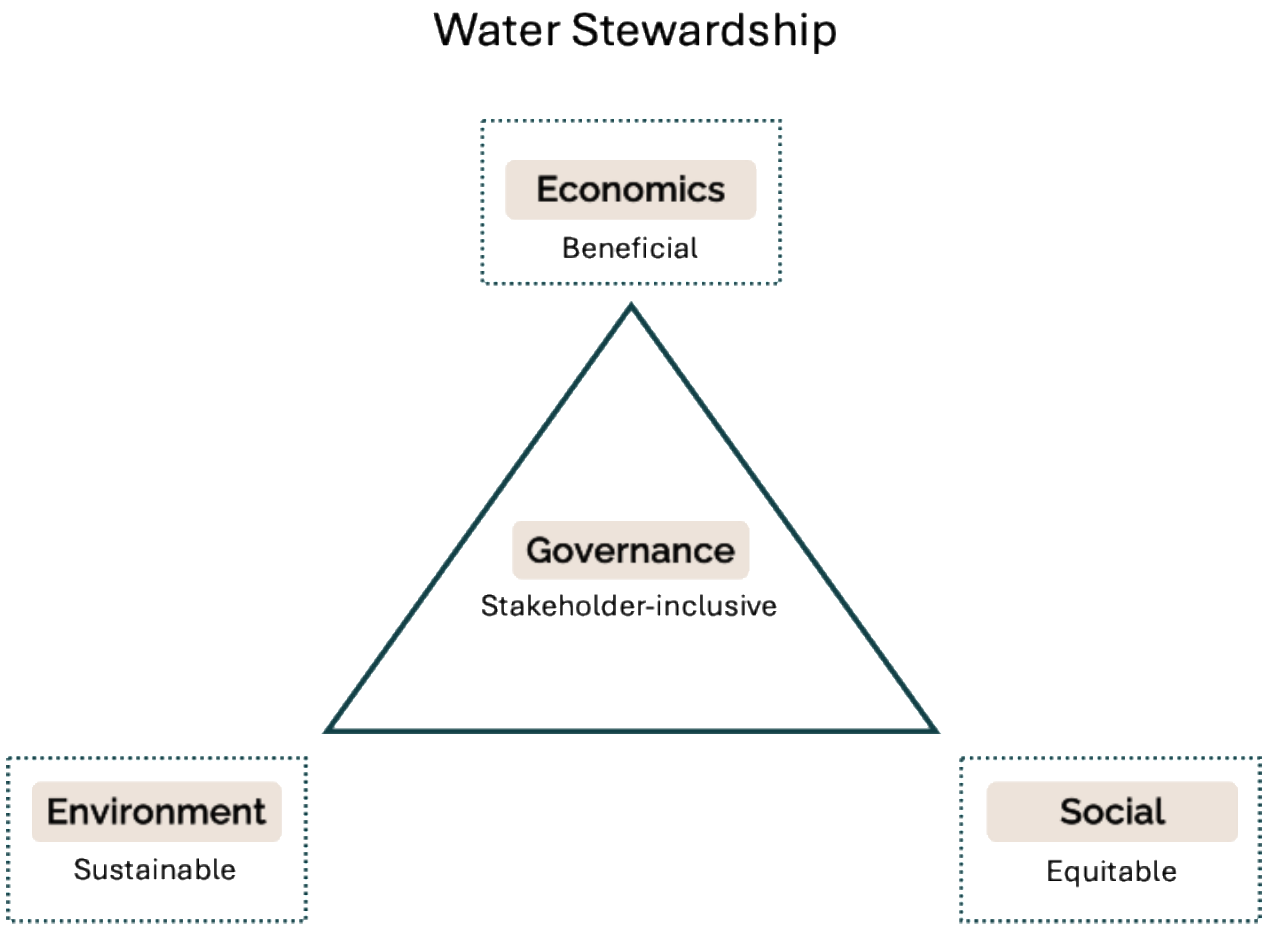
- Water issues are critical component of corporate sustainability strategy, especially for high water usage industries.
- The private sector is the largest consumer, and the most influential force affecting global freshwater resources, making them key players in tackling water-related issues
- However, **water is often understated** and **overlooked** in **corporate sustainability strategies**.

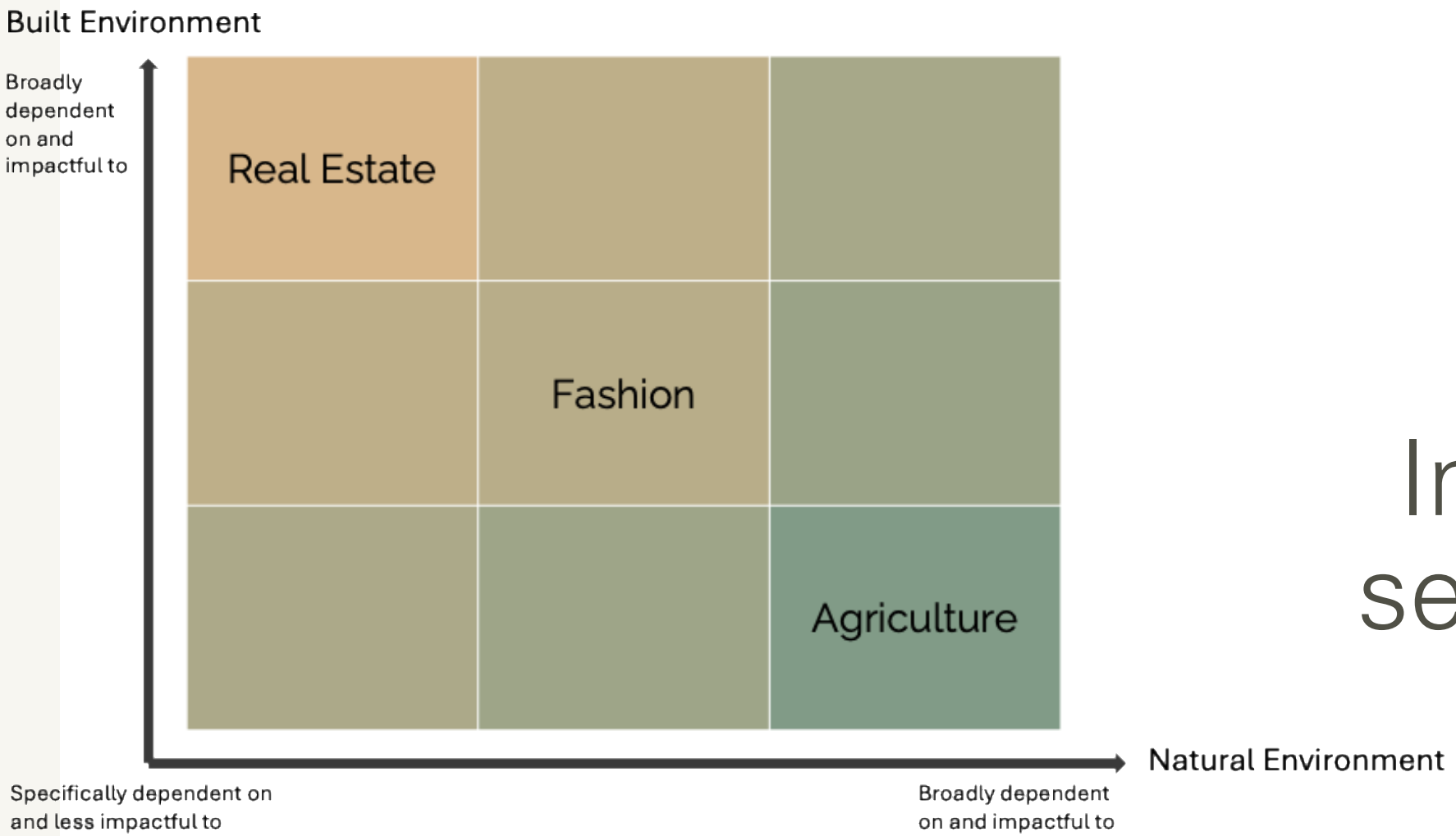
Study approach

- The report studies six companies with leading water practices across three most water-intensive sectors: agriculture, fashion, real estate

- The aim is to offer illustrative insights into corporate engagement within the broader water management ecosystem

Conceptual framework



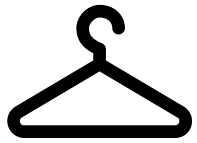


Industry selection

AGRICULTURE	Fonterra	Olam Group
Industry characteristic	• One of the most water intensive industry, accounting for approximately 70% of total water withdrawal (UNESCO 2024) • Main water usage is for irrigation, which directly affects crop productivity, hence profit	
Business	New Zealand publicly-traded dairy co-operative owned by farmer-shareholders	Singapore publicly-traded food and agri-business company
Water Initiatives: Economically beneficial (E)	Installing water treatment plant, recycling of water evaporated from milk to reduce freshwater withdrawal	Alternate Wetting and Drying (AWD) in rice farming and eco-pulpers (Mexico) to reduce water withdrawal for rice irrigation and coffee processing
Water Initiatives: Environmentally sustainable (E)	• Promotes rotational grazing to improve soil health • Reduces runoff by planting native species along riparian areas	Promotes regenerative agriculture, including cover cropping, which helps retain soil moisture
Water Initiatives: Socially equitable (S)	Established the 10-year Living Water partnership with the New Zealand Department of Conservation to explore scalable solutions for freshwater and ecosystem health	Regenerative practices in cotton farming in Cote d'Ivoire generate societal value of approximately S$180 per hectare of cotton produced due to the reduction in water pollution caused by synthetic fertilisers
Water Initiatives: Stakeholder-inclusive Governance (G)	• Engages its farmer-shareholders to develop and maintain Farm Environment Plans which include water management as a key topic • Executive remuneration is linked to the delivery of Water Improvement Plans	Engage local farmers in various generative agriculture practices at farming sites

Case studies

FASHION	Youngone	Shisheido
Industry characteristic	• One of the biggest industrial freshwater consumers, taking up 4% of total water withdrawal globally (Ellen MacArthur Foundation 2017) • Water is present in every stages of the value chain, from raw material cultivation to end user consumption	
Business	Korean original equipment manufacturer (OEM) manufacturer of outdoor apparel and footwear	Japan beauty company housing several beauty brands ranging from skincare, makeup to fragrance
Water Initiatives: Economically beneficial (E)	Recycling wastewater, harvesting rainwater and installing water storage facilities to reduce water withdrawal	Various water consumption reduction and recycling initiatives including double wastewater treatment, water use tracking, alcohol-based cleaning in place of water-based cleaning
Water Initiatives: Environmentally sustainable (E)	Installs advanced technologies in major production plants to decontaminate wastewater	Treats wastewater twice at Nasu site before discharge to ensure compliance with standards stricter than public requirements
Water Initiatives: Socially equitable (S)	Development of the Korean Export Processing Zone (KEPZ) that transform barren land into eco-friendly industrial complex with water harvesting facilities to deliver water to local communities for domestic and agricultural purposes	Double wastewater treatment before returning to the local water basin which is then used by the community for domestic and industrial needs
Water Initiatives: Stakeholder-inclusive Governance (G)	Engage local Bangladesh government for the development of KEPZ and other water initiatives	Engage with strategic suppliers, experts, relevant local authorities, land improvement districts, neighbouring farmers, and agricultural high schools to carry out different water-related efforts

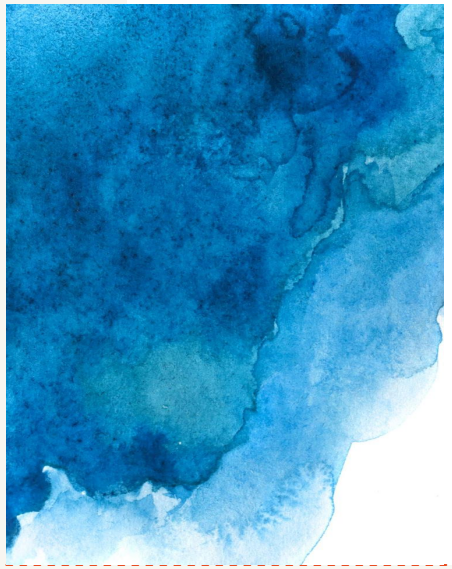


Case studies

REAL ESTATE	Central Pattana	Link REIT
Industry characteristic	Contributes to significant freshwater consumption through both construction and operational life of the buildings, accounting for 13% of total freshwater withdrawals in 2021 (United Nations 2025)	
Business	Thailand publicly traded real estate developer and manager specialising in retail property development and investment, including largescale shopping complexes and related businesses	Largest Hong Kong Stock Exchange listed REIT in Asia by asset value acting as manager, integrating capabilities across asse management, property management, and fund management across the APAC region
Water Initiatives: Economically beneficial (E)	• Employs rainwater harvesting as part of its operational strategies • Piloting the innovative use of ozone technology for chemical-free water treatment in cooling towers to reduce water demand	Deploys 260 IoT flood sensors across 48 Hong Kong properties to monitor leakage and overflow risks
Water Initiatives: Environmentally sustainable (E)	Employs treatment systems such as Sequencing Batch Reactors (SBRs) for wastewater management	Use seawater for flushing, collect rainwater for irrigation where feasible; incorporates drought-resistant plants to lower irrigation demand into landscaping
Water Initiatives: Socially equitable (S)	Expands water recycling systems (in 17 projects) to supply water for cleaning and irrigation	Enhances water quality by participating in the "Quality Water Supply Scheme for Buildings" in Hong Kong, and manages wastewater handling
Water Initiatives: Stakeholder-inclusive Governance (G)	Collaborates with the Royal Forest Department and the Ministry of Natural Resources and Environment on joint tree-planting programmes that engage local community members to support watershed health	Utilises Green Leases, which include clauses for mutual data sharing and commitments to water use reduction for tenants

Case studies

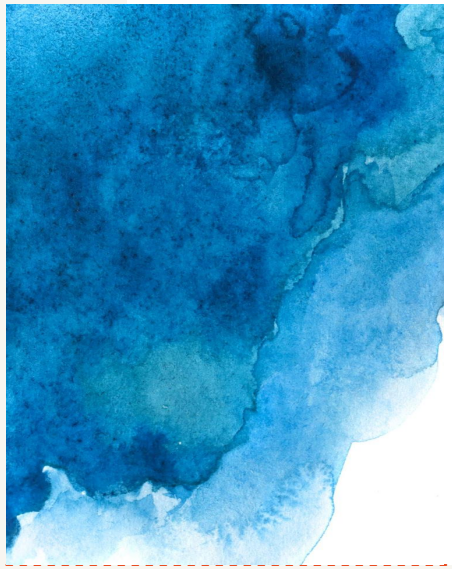
EESG at the central of water stewardship



Water stewardship: the use of water that is socially and culturally equitable, environmentally sustainable and economically beneficial, achieved through a stakeholder-inclusive process that includes both site- and catchment-based actions

A holistic approach that can be customised to suit local context

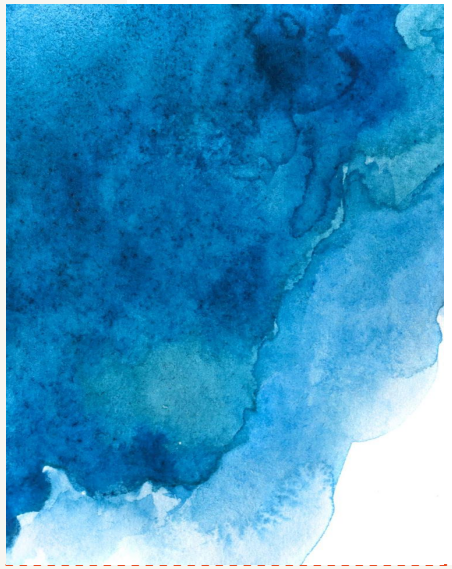
Internal water management – efforts and gaps



Companies generally begin the water journey by focusing on internal water management through increasing water usage efficiency and reducing consumption waste

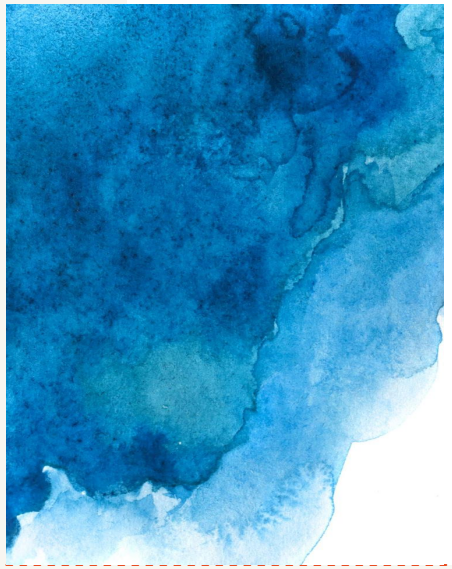
There are still gaps in actions to address wider water risks beyond direct operations, particularly within supply chain and shared catchment areas

Internal water management – examples



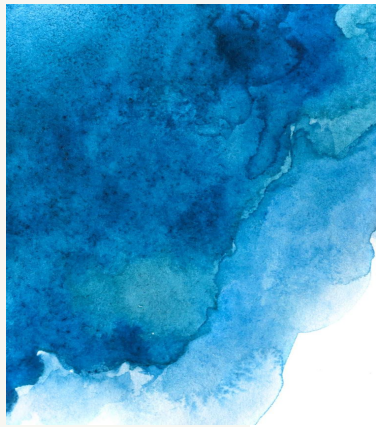
Internal Water Management examples	Industry presence
Monitoring and accounting	
Water efficiency measures	
Integrating external scientific tools to assess water risks and opportunities	
Water-saving innovations	
Water treatment	
Water recycle – circularity initiatives	
Nature-based solutions	

Internal water management – economic data needed



- Quantitative disclosures on water-related investments and their financial costs, returns, risks or benefits remain limited, despite the measures taken on water management

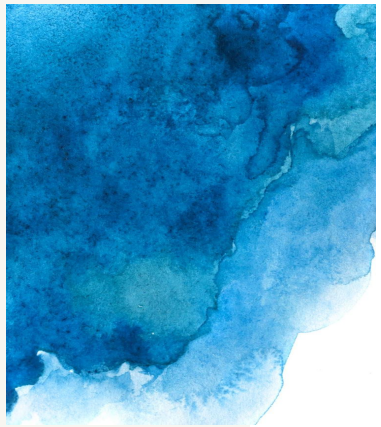
- "Economic" within the EESG has been oversighted: enhanced quantitative financial disclosure related to water strategies will provide substantial value not only within individual industries but also across the broader corporate community



Recommendations

1. **Move beyond the "fence line":** Companies must **go beyond internal water management** and engage in **stakeholders-inclusive, catchment-based actions**

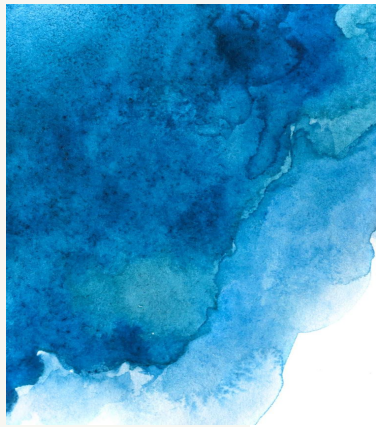
- **Supply chain and local authority engagement** are crucial
- Collaboration with community and local experts at the **basin-level**



Recommendations

2. **Contextual targets:** Firms must ensure their strategic responses are **contextual by setting performance targets based on local basin needs and scientific measurements**, moving away from generic metrics

- Scientific frameworks **like Science Based Targets Network** and **Alliance for Water Stewardship** are good sources for setting context-based freshwater goals



Recommendations

3. Transparency **and disclosure are imperative to track progress and link company water efforts with business performance**

- **Quantitative disclosure on financial and operational outcomes** of water stewardship measures demonstrate sustained business value

"Mere compliance with water regulations is insufficient to tackle the growing range of **water-related challenges**. Much like climate action, effective **water stewardship** demands collaboration among corporations, suppliers, consumers, communities, and local governments. Water lies at the heart of the **water–nature–climate nexus**, meaning that threats to water inevitably affect other interconnected systems. Just as with climate, **companies must act swiftly and collectively** to address water challenges."

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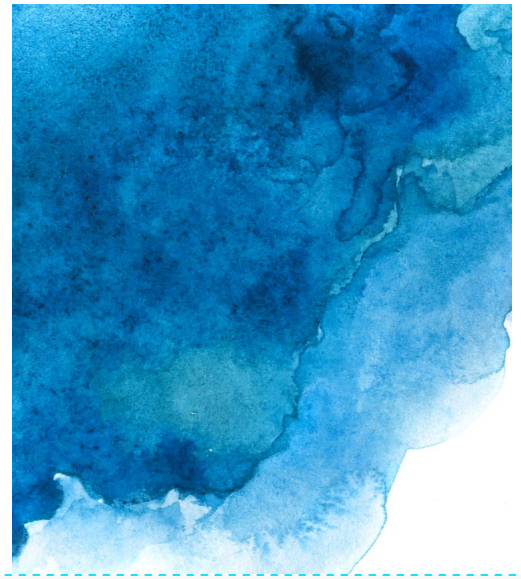

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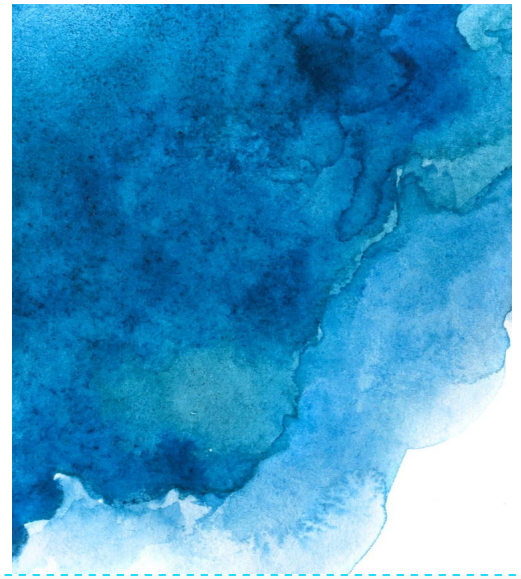

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