

# WATER STEWARDSHIP



Water is a vital resource which is essential to nature, the communities we serve and the beverages we make. It is the main ingredient in our products, critical to our manufacturing processes and to ensuring a sustainable supply of the agricultural ingredients we depend upon.

Water-related risks continue to increase and deepen around the world as many of the natural systems that provide water – watersheds – are deteriorating to the extent that ecological benefits and services can no longer be sustained.

We have a responsibility to contribute to the ability of watersheds to sustainably support thriving businesses, communities and nature in the areas where we operate and source ingredients. We do this via water stewardship.

A watershed (also commonly referred to as a catchment or basin) is an area of land where all water that enters it, either through precipitation or springs, drains to a common outlet or outflow point, such as a stream, lake, wetland or estuary.

Investing in watershed protection and restoration is therefore a critical part of the solution to achieving water security. Healthy watersheds are essential for supporting sustainable communities, livelihoods and business operations. Watershed health investments can also help sequester carbon to help mitigate climate change, maintain biodiversity and support adaptation to climate change impacts.

## What is water stewardship?

Watershed health challenges cannot be solved by individual efforts alone. Water stewardship enables water users to work together to identify and achieve common goals for shared water security with the goal of reducing watershed degradation.

We have a strong track record in water stewardship and know that, to be good water stewards, we need to understand the interdependencies between our use of water and watershed health and act collectively on the shared challenges in our local watersheds.

## Our approach



For all our production sites, we have developed context-based water reduction targets. These help us to address the needs of the local watershed by reducing the water consumption of our manufacturing and cleaning processes and reusing and recycling wastewater. We also return pre-treated wastewater to nature from our operations.

Water efficiency is measured by a water-use ratio. In 2022, our water use ratio was lower than the industry average at 1.6 litres/1 litre of product produced and we will continue to reduce it further.

In addition to these site-specific metrics, we aim to replenish 100% of the total volume of the water used in our finished drinks. This means returning water to nature and communities which helps to protect and reinstate watersheds that foster biodiversity and contribute towards secure access to water. We do this in partnership with local NGOs and community groups in our main operating and sourcing regions.

Our context-based approach to water security also enables us to prioritise action in the watersheds which face increased levels of shared water challenges. We call our sites in these watersheds 'leadership locations'. We endeavour to elevate our water stewardship further in these locations to achieve 100% regenerative water use by 2030. This means that, each year, the water withdrawn at each leadership location should be equal to the volume of water that is returned to the local watershed through replenish projects and the beneficial use of wastewater such as for irrigation or recreation.

## Collective Action



To improve watershed health, we need to engage with as many of the stakeholders in each watershed as possible. We believe collective action, advocacy and transparency are essential to create meaningful change and greater global impact on water security. This is why we adopt The Alliance for Water Stewardship standard, endorse the CEO Water Mandate and were a signatory of the 2023 Business Leaders' Open Call to Accelerate Action on Water.