water footprint implementation

Water Materiality Checklist (v2.0)

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As an organization, you may face issues linked to water. This checklist is here to support you in identifying if water is likely to be a material issue. Three factors facilitate the materiality screening: (1) the industry sector; (2) the geographic location of the operational sites; (3) the presence of High Impact Commodity in the supply chain (SBTN, 2025)[1].

The use of the Water Materiality Checklist (v2.0) provides information to generate the working hypothesis at the basis of the LEAP Approach. The LEAP approach, as developed by TNFD, consists of 4 elements (locate, evaluate, assess and prioritize)[2], and is a recommended framework for conducting materiality assessments. Also, the use of this checklist satisfies the requirements of the Materiality screening (step 1a and 1b of the target setting process)[3] as defined by the SBTN.

1. Sector and Industry

The first factor to consider is whether your company belongs to a sector associated with high water risk in the operational sites or along the Value Chain. Drawing from the Ceres' research - Global Water Assessment of Private Sector Impacts on Water as classification of industries, sectors and its impact on water, Table 1 below shows the sectors and industries with the most severe and systemic impacts on freshwater resources. Industries with the most severe (very high) impacts throughout their activities are Food Products, Beverage, Textiles, Apparel, and Luxury Goods, Oil and Gas, Pharmaceuticals, Chemicals, Metals and Mining, Paper and Forest Products, and Renewable Electricity.

Industry-Level Water Risk Overview

Very High Risk | High Risk | Medium Risk | Not enough information found

GICS Industry	Supply Chain		Direct Operations		Product Use/End of Life	
	Water Quantity	Water Quality	Water Quantity	Water Quality	Water Quantity	Water Quality
Food Products						
Beverage						
Household Products						
Personal Products						
Textiles, Apparel, and Luxury Goods						
Automobiles and Components						
Hotels, Restaurants, and Leisure						
Oil and Gas						
Consumable Fuels						
Construction and Building						
Electroplating						
Pharmaceuticals						
Chemicals						
Construction Materials						
Metals and Mining						
Paper and Forest Products						
High-tech and Electronics						
Semiconductor and Circuit Board						
Battery						
Renewable Electricity						
Electric Utilities						

[1] SBTN (2024). *High Impact Commodity List v1.*
[2] TNFD (2023). *Guidance on the identification and assessment of nature related issues: The LEAP approach Version 1.1*
[3] SBTN (2025). *Technical Guidance Steps 1&2.*

Figure 1: Industry-Level Water Risk Overview. Figure from the Ceres Global Assessment of Private Sector Impacts on Water, 2022.

The Materiality Screening Tool[4] and released in 2023 can also be used to determine what the pressures on nature related to your activity, and weather they are likely to be material or not.

2. Operational sites location

The second factor to consider is the location of your operational sites. Indeed, the location of your operations in areas associated with a high level of water scarcity indicates that water is likely to be a material topic for your organization.

The Water Footprint Assessment Tool developed in collaboration with the Water Footprint Network and the Sciences Based Targets Networks offers a range of free-access functionality. Among these functionalities The World (HS) enables users to compare the levels of water scarcity and water pollution levels at the sub-catchment scale, as delineated by the HydroBASINS database level 05. It is important to note that water scarcity can differ over time: the same region may experience different levels of scarcity throughout different seasons or years.

You can access the tool via the following link: Water Footprint Assessment Tool

Figure 2 below illustrates how freshwater use varies in sustainability across different river basins around the world.

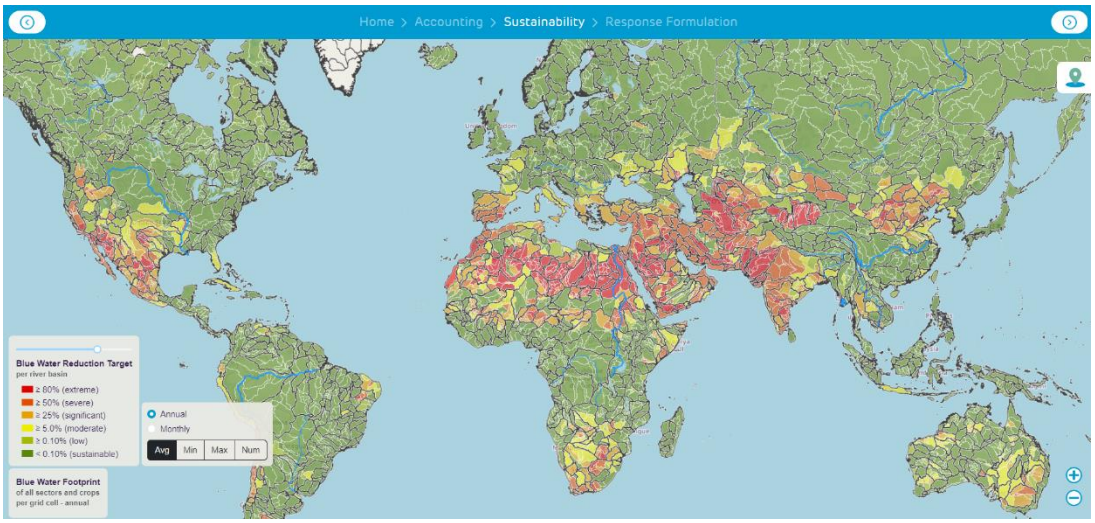

Figure 2: Sustainability of current freshwater use per river basin. Colours refer to the required Blue Water Reduction Target for the use to become sustainable on a river basin level.
Source: Water Footprint Assessment Tool, 2025

[4] Science Based Targets Network (2024). Materiality Screening Tool. Available at: https://amandahyman.shinyapps.io/MST_shiny/.

3. High Impact Commodity in the Supply Chain

For water materiality screening in the upstream value chain, the High Impact Commodity List (HICL) from the SBTN is organised into three categories: Food & Agriculture, Mining & Metals, and Energy & Industry. If any of the listed commodities are part of your company's supply chain, it is recommended to evaluate if their pressures on water are material and may represent a risk for your activity.

Table 1: High impact commodities by category and material pressures on water

Category	Material Pressures on Water	
	Water Use[5] Pressure	**Water Pollution[6] Pressure**
Food & Agriculture	Avocado, Banana, Cattle, Coffee (bean), Cotton, Rice, Rubber (natural), Soybean, Sugarcane, Tobacco, Timber / Roundwood, Tree nuts (almonds, walnuts), Poultry, Dairy (derived from Cattle), Pulp, cellulosics, paper, paperboard, cardboard, tissue, Beef, Leather	Banana, Cattle, Cotton, Oil palm, Pigs/Swine, Sugarcane, Tobacco, Timber / Roundwood, Farmed seafood / Aquaculture, Tree nuts (almonds, walnuts), Wild capture seafood (freshwater), Wild capture seafood (saltwater), Poultry, Dairy (derived from Cattle), Pulp, cellulosics, paper, paperboard, cardboard, tissue, Beef, Leather
Mining & Metals	Copper, Gold, Iron, Silver, Bauxite / Aluminium	Copper, Gold, Lead, Platinum, Silver, Zinc, Bauxite / Aluminium
Energy & Industry	Cement, Coal, Liquefied natural gas (LNG), Lithium, Oil (crude) / Petroleum, Potash, Gasoline	Cement, Coal, Liquefied natural gas (LNG), Lithium, Oil (crude) / Petroleum, Potash, Sand (construction-grade), Phosphorus fertilizer (from phosphate rock), Nitrogen fertilizer, Gasoline, Steel

Source: High Impact Commodity List, SBTN, 2023

[5] Water use: Consumption of freshwater for production processes.
[6] Water pollution: Release of nitrogen and/or phosphorus into freshwater systems, affecting water quality.