



OUR COMMITMENT

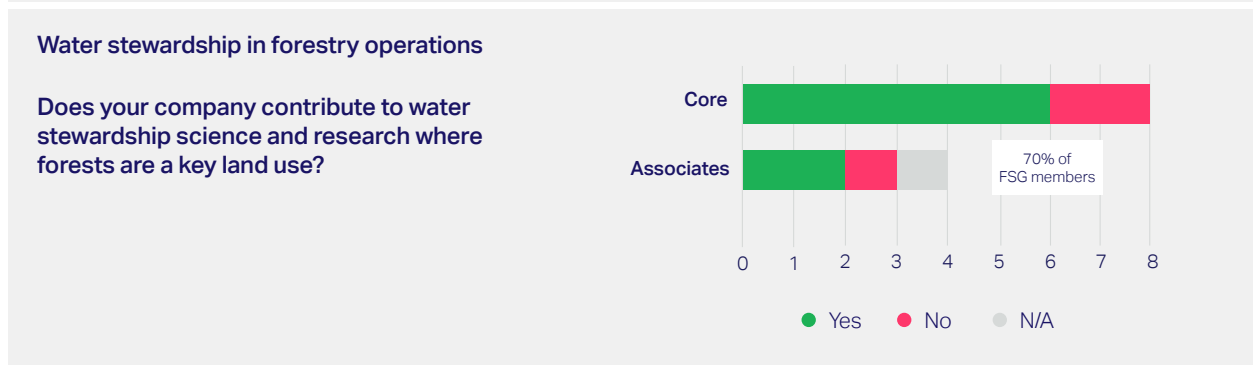
SDG impact

Expand context-based water stewardship approaches

1. Identify and implement water-use reductions, wastewater treatment and circular **water management practices in manufacturing operations**, focusing in particular on water-stressed regions.
2. Contribute to **water stewardship science and research where forests are a key land use** and scale up collaborative action through local multi-stakeholder initiatives, for example on watershed management.
3. Support the **development and implementation of effective tools to value and manage water risks**, impacts and dependencies along the full spectrum of the forest products value chain.

KPI RESULTS

Water stewardship in manufacturing	2019	CAGR (2015-2019)
Water use: average amount of water returned to the water source/supply/third parties for reuse (%) (weighted average)	92.4% 7 core	0%
Water quality: chemical oxygen demand (COD) per ton of sellable production (kg) (weighted average)	7.1kg 6 core	+1%



Water security and forest health are intrinsically linked. The Food and Agriculture Organization of the United Nations (FAO) suggests that about 75% of the world's accessible freshwater for domestic, industrial or agriculture use comes from forests.²³ Forest plantations, pulp and paper mills, and even paper recycling operations use large amounts of water. Managing water impacts and dependencies is therefore a key sustainability priority for the sector. Failure to do so could bring harmful environmental impacts and physical, regulatory, financial and reputational risks for business. In the SDG Roadmap, we commit to water stewardship in our manufacturing operations and in forestry, focusing in particular on water stressed regions. We also commit to supporting the development of improved tools and methodologies to better value and manage water.

1. Water stewardship in manufacturing operations

Water is a critical input in all stages of manufacturing operations. We use it mostly to pulp the wood and recover fiber, to make paper and generate power. Mills generally use surface water as their primary source and discharge treated wastewater to receiving streams. Water is location specific; for some mills it is an abundant resource, for others it is scarce. Failing to manage this heavy dependency on water in manufacturing can cause considerable risk to the

business, as some mills have seen their water supply restricted due to overdrafting of aquifers or climate change effects. It can also have undesirable impacts on neighboring communities.

In manufacturing, water use is largely non-consumptive, which means that the forest sector returns, on average, 90% of the water used in production facilities to water sources. **In 2019, FSG members returned on average 92.4% of water to water sources, supplies or third parties for reuse.** Reuse of water in facilities is common, with sites in North America reusing water up to 10 times before returning it to the source.²⁴ When investing in wastewater treatment, it is important to consider the energy source and processes to minimize GHG emissions. We also rigorously monitor the quality of water returned by tracking and reporting on the water chemical oxygen demand (COD). **In 2019, FSG members reported an average of 7.1 Kg COD per ton of sellable production.** Both figures have remained stable over the last five years, as local regulation and technological improvements largely drive them.

2. Water stewardship in forestry

In recognition that most of the available freshwater in the world originates in forests, water stewardship in forestry starts with the promotion of responsible forest management practices such as establishing forest buffer zones bordering

watercourses, the conservation of forest landscapes as important watersheds, and the restoration of valuable ecosystems for water quantity and quality such as wetlands. We implement dedicated water stewardship plans, particularly in regions that experience water stress and high competition for water use.

Some 70% of FSG members contribute to water stewardship science and research by working directly with universities or research institutions such as NCASI on water-related topics ranging from the development of guidelines on forest management planning at the water-catchment level to the long-term effects of plantations on water balance.

Water is a common good and therefore calls for a collective response at the local and global levels. As part of our various water stewardship strategies, many of us participate in multi-stakeholder alliances, such as the Water Stewardship Alliance or WRI's Aqueduct Alliance, to exchange on best practices and conduct research on water stewardship. In South Africa, in collaboration with WWF, **Mondi** has established a partnership initially focused on wetland restoration that is now working to promote a landscape-level approach to maintaining freshwater ecosystems by engaging with the main land users (such as agricultural users, the dairy sector, small forest growers, etc.) across entire water catchments to improve their water stewardship practices.