

## Ripple Effects – Why textiles need to get serious about water risk

Aimed at apparel corporates and their investors, this webinar presentation will set out how textile manufacture is dependent on water and how it can be responsible for significant negative water impacts across the supply chain. This dependency and impact makes water a material risk to businesses active in this sector.

Water Stress is already significant in many major apparel supplying regions. Since projected changes in water stress are also often significant and paired with sanitation/drinking water concerns, they pose a problem for brands/retailers attempting to move to a sustainable business model.

Given a potential material impact to revenues and margins, major apparel corporates need to consider water risk as a strategic threat and develop plans to manage and reduce this risk over time.

For investors to appropriately price water-related risk in the apparel sector, they need consistent and comparable data. However, today the textile sector remains some way from meeting this need. Investors need to work with their holdings to address this data gap.

Once data is available, investors should work to push corporates to set targets (preferably based on Science Based Targets for freshwater) and develop a water “transition plan”, where they reduce their negative water impacts and move to a sustainable water footprint for both direct and indirect operations.