

A. O. Smith Addresses Water Stewardship Across the Enterprise



As a global water technology company, A. O. Smith Corporation understands the importance of water stewardship.

When the company wanted to create a water strategy, it struggled to find a program with an enterprise-wide view. A. O. Smith partnered with The Water Council to develop a thoughtful long-term strategy around this issue. The WAVE program helped A. O. Smith look at its organization as a whole and identify its top areas of focus.

A. O. Smith Corporation

A. O. Smith Corporation is one of the world's leading manufacturers of residential and commercial water heaters and boilers and water treatment solutions.

The company was founded in 1874 in Milwaukee, Wisconsin. As a global leader, A. O. Smith and its employees pride themselves on applying innovative technology and energy-efficient solutions to products marketed worldwide. It is a founding member of The Water Council and one of the original WAVE pilot companies.



“A. O. Smith has a global footprint, and WAVE gave us a framework to understand our water uses and risks so that we could prioritize our actions and build a roadmap.

Using a phased approach, WAVE allows companies to adjust and adapt as they learn more about their water uses and the watersheds that their businesses are impacting.”

—Noelle Brigham, ESG Director,
A. O. Smith Corporation

Process

First, the company created a water stewardship statement and made a commitment to understand its water risks and challenges. It then identified opportunities where it could have the greatest positive impact and mitigate the highest-priority risks.

The next steps involved evaluating water use through collecting water meter data and surveying its global manufacturing and product development locations to obtain data on water procurement, on-site water use, water discharge, water stewardship practices and potential improvements. These steps helped identify the company's top water uses by facility type and location and informed the next steps for deeper analysis to pinpoint opportunities.

Through the WAVE process, A. O. Smith completed an enterprise-wide water risk assessment, bringing visibility to the organization's highest water risks. It used a risk assessment tool, the World Resources Institute's Aqueduct Water Risk Atlas, to identify risks at operating locations in categories including quality,



quantity and regulatory. Using this and other tools, as well as WAVE's source water vulnerability assessment step, it created a risk heat map that helped the company better understand the types of risk and determine where it can improve outcomes. The heat map served as a key input to the company's water stewardship strategic planning process.

Outcomes/Next Steps

As a result of WAVE, A. O. Smith adopted a water stewardship statement and a roadmap to develop specific goals in this area, directly informed by the contextual nature of its water uses and impacts. In 2024, it announced its first public water goal.

The road map included conducting a pilot program at one of its large manufacturing plants to assess measurement systems, administrative and engineering controls, and opportunities for water reuse at the facility level. The pilot study generated a list of lessons learned and best practices that were expanded across all global locations.

In addition to implementing the internal pilot assessment outcomes, the company's global operations leadership team, led by its global manufacturing and process engineering director, hosted a multi-site collaborative workshop to generate a list of additional opportunities for water optimization and reuse at its facilities. The opportunities were consolidated and prioritized, and task teams were formed to complete a deeper analysis.

A. O. Smith engaged third-party experts to advise on process design and capital requirements for opportunities that required installation of technology for water reuse. The result was a list of actionable projects along with estimated impacts as a key input to setting a water goal. In 2023, A. O. Smith also established a water data collection program and identified its enterprise-wide baseline water use.

The outcome is a prioritized list of initiatives and projects with estimated impacts. In 2024, A. O. Smith announced its first public water goal – **annual water savings of 40 million gallons by 2030**. To achieve that goal, the company will focus on administrative controls, process optimization and water recycling technologies to advance its commitment to water stewardship.

"Being WAVE verified demonstrates our commitment to water stewardship and brings credibility to our program through the independent review," said Noelle Brigham, ESG director at A. O. Smith. "This program is a starting point for our water stewardship work that will continue to evolve. We look forward to working with The Water Council on the next phases."

"There aren't a lot of organizations focused on assisting companies in the water stewardship journey. We appreciate The Water Council's efforts to provide a framework that companies can then utilize internally to start talking about the importance of water stewardship.

As a water technology company that strives to be a good citizen in the communities in which we do business, we feel that water stewardship is an absolute necessity for our company."

–Jim Stern, Executive Vice President, A. O. Smith Corporation

