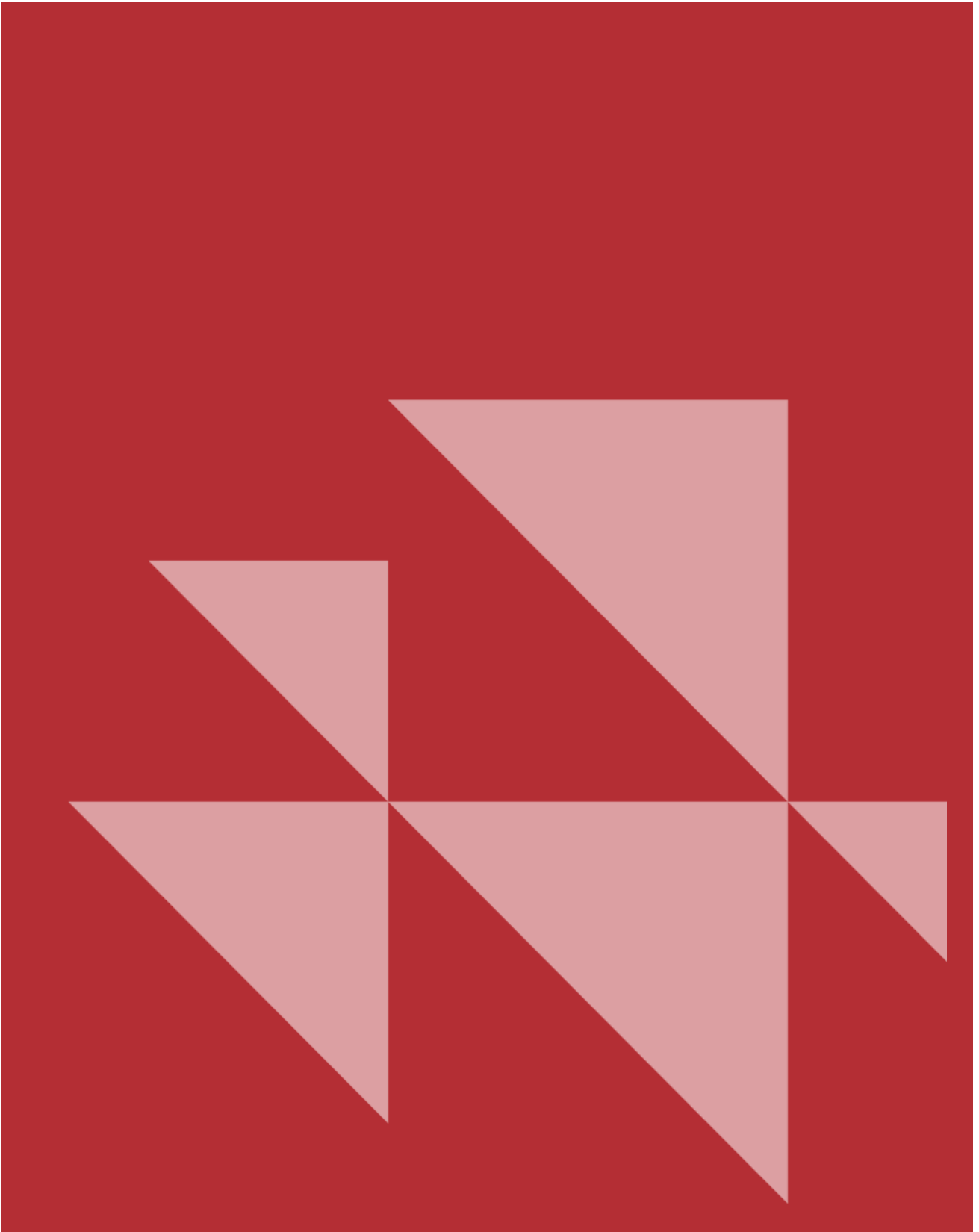


# CDP Industry Impact Classification

2024 Methodology



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## Version

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Version number	Release / Revision date	Revision summary
1.0	Released: April 16, 2024	Publication of CDP's 2024 Industry Impact Classification.
1.1	Revised: June 18, 2024	Appendix 1 and 2 updated.

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## CDP Industry Impact Classification – 2024 Methodology

This document outlines CDP's industry impact classification relating to forests and water security, through which CDP selects organizations to respond to datapoints on forests and/or water security.

CDP recognizes that several business activities have a significant role to play in reducing environmental impact as we transition to a sustainable economy. Therefore, through this process, CDP assesses organizations to better understand how relevant a range of forests- and water-related issues are to their business and activities. These steps ensure that businesses around the world are only requested to report on relevant environmental issues, where they can have the biggest potential environmental impact.

## Forests

This section outlines how organizations are assessed to determine if commodity-driven deforestation is relevant to their business and activities.

**The focus of how organizations are assessed, and CDP's forests impact classification (detailed below) is on five commodities: palm oil, timber products, cattle products, soy, and natural rubber<sup>1</sup>.** Palm oil, timber products, cattle products, and soy are covered because they are responsible for the largest share of commercial tropical and sub-tropical deforestation, and natural rubber is also included because it plays a significant role in commercial tropical deforestation in Asia. Organizations can additionally disclose on cocoa and coffee using CDP's questions on forests.

### What criteria is used to select organizations?

The following environmental and financial criteria are used to select organizations:

- ▼ **Forests impact assessment:** Does any aspect of the value chain associated with the given business activity have the potential to detrimentally impact upon forests through its **production or use of one or more of the focus commodities** (palm oil, timber products, cattle products, soy and/or natural rubber)? How significant are the potential forests impacts associated with the business activity?
- ▼ **Revenue threshold:** How much of an organization's revenue is associated with this business activity? What percentage of an organization's revenue is associated with this business activity?

### 1. Forests impact assessment

CDP conducts a thorough assessment of each of the 200 business activities in our [Activity Classification System \(CDP-ACS\)](#) in terms of their association with deforestation. We assess how each business activity relates to deforestation in either direct operations or in the value chain.

For each stage of the value chain, the forests impact assessment establishes the level of potential detrimental impact upon forests through the production or use of one or

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<sup>1</sup> While requested organizations can disclose data on natural rubber, cocoa, coffee, in 2024 they are only scored on palm oil, timber products, cattle products, and soy.

more of the focus commodities (palm oil, timber products, cattle products, soy and/or rubber).

The assessment is informed solely by independent, trusted academic and industry recognized sources, such as: published academic research and credible government, trade and NGO publications.

CDP then uses a ranking system to establish the significance of a business activity’s potential impact on forests, relative to other activities, at each stage of the value chain. Based on extensive research conducted, the direct operations and value chain for each business activity is scored between 0 and 4 points according to the severity of the potential impact:

Overall number of points – potential forests impact rank	Banding (Forests impact)
4	Critical
3	Very high
2	High
1	Medium
0	Low/Not relevant

Activities receive a minimum score of 0 points and a maximum score of 4 points. Refer to [Appendix 1](#) for the list of CDP-ACS activities and their associated forest impact banding.

## 2. Revenue threshold

Organizations with activities with the highest potential to impact forests are prioritized based on the results of the forests impact assessment. CDP combines the forests impact assessment with revenue data from the various business activities associated with each organization requested to disclose to CDP. The higher the potential impact of the activity on forests, the lower the revenue threshold for the activity. This ensures that organizations engaging in the most impactful activities will be requested to report on Forests, even if those activities only represent a small part of the overall business. Conversely, the lower the potential impact, the higher the revenue threshold. This ensures the size and volume of operations are accounted for, even when the activity in question has a relatively low potential to impact on forests.

Banding (Forests impact)	Revenue threshold US\$	Percentage of revenue threshold
Critical	1	1%
Very high	1	1%
High	US\$ 30 billion	90%
Medium	US\$ 30 billion	100%
Low/Not relevant	Activity not included	Activity not included

**An organization will be asked to disclose data on commodity-driven deforestation through the CDP corporate questionnaire, if:**

- ▼ The organization has at least one CDP-ACS activity whose forests impact banding is either “Critical” or “Very High” and its associated revenue exceeds US\$ 1 and 1%; or
- ▼ The organization has at least one CDP-ACS activity whose forests impact banding is “High” and its associated revenue exceeds US\$ 30 billion and 90%; or
- ▼ The organization has at least one CDP-ACS activity whose forests impact banding is “Medium” and its associated revenue exceeds US\$ 30 billion and 100%.

The result of this process is a list of organizations for which deforestation is likely to represent a significant environmental and financial issue, thereby ensuring that only relevant businesses around the world are requested to report on deforestation issues.

## Water Security

This section outlines how organizations are assessed to determine if water-related issues are relevant to their business and activities.

### What criteria is used to select organizations?

The following environmental and financial criteria are used to select organizations:

- ▼ **Water impact assessment:** Does any aspect of the value chain associated with the given business activity have the potential to detrimentally impact on and/or be impacted by water security? How significant are the potential water-related impacts associated with the business activity?
- ▼ **Revenue threshold:** How much of an organization's revenue is associated with this business activity?

### 1. Water impact assessment

CDP uses a CDP-developed tool which ranks each of the over 200 business activities in our [Activity Classification System \(CDP-ACS\)](#) according to their potential impact on water quantity and quality, to identify which organizations have significant potential impact on water resources and should be requested to disclose datapoints on water security through the CDP corporate questionnaire.

We assess each business activity for their potential impact on water resources across each stage of the industrial value chain – 1) direct operations, 2) supply chain, and 3) product use with regard to:

- ▼ **Water quantity:** Dependence on relatively high volumes of freshwater withdrawal and/or consumption associated with the activity.
- ▼ **Water quality:** Water pollution/degradation potential associated with the activity (chemical, biological or thermal).

This assessment is informed solely by independent, trusted academic and industry-recognized sources, such as academic publications, multilateral development organization publications (e.g. UN, OECD, EBRD, FAO publications), industry reports, and trusted civil society publications.



The assessment is denoted by a rank from 0 (“no impact”) to 3 (“high impact”) in each of these value chain stages, for each of their potential impact on water quantity and quality. The sum of these ranks is then used to determine an overall impact rank between 0 to 18. This corresponds to 5 overall bands of impact to reflect the potential impact of each business activity on water resources, as summarized in the table below:

Overall water impact rank	Banding (Water impact)
15 to 18	Critical
11 to 14	Very high
8 to 10	High
5 to 7	Medium
0 to 4	Low/Not relevant

The overall water impact rank only gives an indication of an organization’s potential impacts on freshwater resources and are not necessarily an accurate indication of the resulting water-related risks that might in turn affect the organization. The ranks are based on a global assessment and reflect industry norms and present-day technologies. They do not factor in geographical contexts, or what a particular business or facility might be doing to address these impacts.

Refer to [Appendix 2](#) for the list of CDP-ACS activities and their associated water impact banding. The full [Water Watch](#) tool can also be freely accessed on CDP’s website.

## 2. Revenue threshold

CDP compares the water impact assessment with revenue data from the various business activities associated with organizations requested to disclose to CDP. The higher the potential impact of the activity on water security, the lower the revenue threshold for the activity. This ensures that organizations engaging in activities that have the highest impact will be requested to report on water security, even if those activities only represent a small part of their overall business. Conversely, the lower the potential impact, the higher the revenue threshold. This ensures the size and

volume of operations are accounted for, even when the activity in question has a relatively low potential to impact on water security.

**An organization will be asked to disclose data on water security through the CDP corporate questionnaire, if:**

- ▼ The organization has at least one CDP-ACS activity whose water impact banding is either “Critical” or “Very High”; or
- ▼ The organization has at least one CDP-ACS activity whose water impact banding is “High” and its associated revenue exceeds US\$ 100 million; or
- ▼ The organization has at least one CDP-ACS activity whose water impact banding is “Medium” and its associated revenue exceeds US\$ 250 million.

The following table details the revenue thresholds applied to each water impact band as described.

Banding (Water impact)	Revenue threshold US\$
Critical	Any amount of revenue
Very high	Any amount of revenue
High	US\$ 100 million
Medium	US\$ 250 million
Low/Not relevant	Activity not included

This forms the criteria used to select which organizations will receive a request to provide data on water in the CDP corporate questionnaire. The result is a list of organizations for which water security is likely to represent significant environmental and financial issues, thereby ensuring that only relevant businesses around the world are asked to report on water security issues.

## Appendix 1 – Excerpt of CDP’s forests impact classification

CDP Industry	CDP Activity Group	CDP Activity	FORESTS IMPACT
Apparel	Textiles & fabric goods	Apparel & footwear design <sup>2</sup>	High
Apparel	Textiles & fabric goods	Apparel & footwear <sup>2</sup>	High
Apparel	Textiles & fabric goods	Apparel design & manufacturing	High
Apparel	Textiles & fabric goods	Luggage & bags	High
Apparel	Textiles & fabric goods	Textiles	High
Biotech, health care & pharma	Biotech & pharma	Biotechnology	Low/Not relevant
Biotech, health care & pharma	Biotech & pharma	Pharmaceuticals	Medium
Biotech, health care & pharma	Health care provision	Health care facilities	Low/Not relevant
Biotech, health care & pharma	Medical equipment & supplies	Health care supplies	Low/Not relevant
Biotech, health care & pharma	Medical equipment & supplies	Medical equipment	Low/Not relevant
Food, beverage & agriculture	Crop farming	Biofuel supply	Critical
Food, beverage & agriculture	Crop farming	Cocoa bean farming	Low/Not relevant
Food, beverage & agriculture	Crop farming	Cotton farming	Low/Not relevant
Food, beverage & agriculture	Crop farming	Fruit farming	Low/Not relevant
Food, beverage & agriculture	Crop farming	Grain & corn farming	Critical

<sup>2</sup> Historic CDP-ACS, now *Apparel design & manufacturing*

CDP Industry	CDP Activity Group	CDP Activity	FORESTS IMPACT
Food, beverage & agriculture	Crop farming	Other crop farming	Critical
Food, beverage & agriculture	Crop farming	Other oilseed farming	Critical
Food, beverage & agriculture	Crop farming	Palm oil farming	Critical
Food, beverage & agriculture	Crop farming	Rice farming	Low/Not relevant
Food, beverage & agriculture	Crop farming	Soybean farming	Critical
Food, beverage & agriculture	Crop farming	Sugarcane farming	Low/Not relevant
Food, beverage & agriculture	Crop farming	Vegetable farming	Low/Not relevant
Food, beverage & agriculture	Fish & animal farming	Aquaculture	Very High
Food, beverage & agriculture	Fish & animal farming	Cattle farming	Critical
Food, beverage & agriculture	Fish & animal farming	Fishing	Low/Not relevant
Food, beverage & agriculture	Fish & animal farming	Other animal farming & processing	Critical
Food, beverage & agriculture	Fish & animal farming	Poultry & hog farming	Critical
Food, beverage & agriculture	Fish & animal farming	Poultry & other animal farming <sup>3</sup>	Critical
Food, beverage & agriculture	Food & beverage processing	Alcoholic beverages	Low/Not relevant
Food, beverage & agriculture	Food & beverage processing	Animal processing	Critical
Food, beverage & agriculture	Food & beverage processing	Baked goods & cereals	Very High

<sup>3</sup> Historic CDP-ACS, now *Poultry & hog farming*

CDP Industry	CDP Activity Group	CDP Activity	FORESTS IMPACT
Food, beverage & agriculture	Food & beverage processing	Chocolate confection	Very High
Food, beverage & agriculture	Food & beverage processing	Coffee	Low/Not relevant
Food, beverage & agriculture	Food & beverage processing	Dairy & egg products	Critical
Food, beverage & agriculture	Food & beverage processing	Fruit, nut & vegetable processing	Low/Not relevant
Food, beverage & agriculture	Food & beverage processing	Grain & corn milling	Critical
Food, beverage & agriculture	Food & beverage processing	Non-alcoholic beverages	Medium
Food, beverage & agriculture	Food & beverage processing	Non-chocolate confection	Medium
Food, beverage & agriculture	Food & beverage processing	Oilseed processing	Critical
Food, beverage & agriculture	Food & beverage processing	Other food processing	Very High
Food, beverage & agriculture	Food & beverage processing	Palm oil processing	Critical
Food, beverage & agriculture	Food & beverage processing	Seafood processing	Very High
Food, beverage & agriculture	Food & beverage processing	Soybean processing	Critical
Food, beverage & agriculture	Food & beverage processing	Sugar	Low/Not relevant
Food, beverage & agriculture	Food & beverage processing	Tea	Low/Not relevant
Food, beverage & agriculture	Logging & rubber tapping	Logging	Critical
Food, beverage & agriculture	Logging & rubber tapping	Rubber farming	Very High
Food, beverage & agriculture	Tobacco	Tobacco products	Very High

CDP Industry	CDP Activity Group	CDP Activity	FORESTS IMPACT
Fossil fuels	Coal mining	Coal extraction & processing	Low/Not relevant
Fossil fuels	Oil & gas extraction & production	Natural gas extraction	Low/Not relevant
Fossil fuels	Oil & gas extraction & production	Oil & Gas Extraction	Low/Not relevant
Fossil fuels	Oil & gas extraction & production	Oil & gas extraction initial	Low/Not relevant
Fossil fuels	Oil & gas processing	Oil & gas refining	Low/Not relevant
Fossil fuels	Oil & gas retailing	Oil & gas marketing & retailing	Low/Not relevant
Fossil fuels	Oil & gas storage & transportation	Oil & gas pipelines & storage	Low/Not relevant
Hospitality	Bars, hotels & restaurants	Fast food	Critical
Hospitality	Bars, hotels & restaurants	Food & beverage amenities	Very High
Hospitality	Bars, hotels & restaurants	Hotels & lodging	Medium
Hospitality	Entertainment facilities	Gambling	Low/Not relevant
Hospitality	Entertainment facilities	Recreation & entertainment facilities	Low/Not relevant
Infrastructure	Construction	Energy infrastructure construction	Low/Not relevant
Infrastructure	Construction	Infrastructure Construction	Low/Not relevant
Infrastructure	Construction	Non-residential building construction	High
Infrastructure	Construction	Renewable energy construction	Low/Not relevant
Infrastructure	Construction	Residential building construction	High

CDP Industry	CDP Activity Group	CDP Activity	FORESTS IMPACT
Infrastructure	Construction	Transportation infrastructure & other construction	High
Infrastructure	Construction	Utility line construction	Low/Not relevant
Infrastructure	Energy utility networks	Electricity networks	Low/Not relevant
Infrastructure	Energy utility networks	Gas utilities	Low/Not relevant
Infrastructure	Land & property ownership & development	Infrastructure upkeep & management	Low/Not relevant
Infrastructure	Land & property ownership & development	Land sales & leasing	Low/Not relevant
Infrastructure	Land & property ownership & development	Real estate owners & developers	High
Infrastructure	Non-energy utilities	Recycling	Low/Not relevant
Infrastructure	Non-energy utilities	Waste management	Low/Not relevant
Infrastructure	Non-energy utilities	Waste water management	Low/Not relevant
Infrastructure	Non-energy utilities	Water supply networks	Low/Not relevant
International bodies	Government agencies	Agencies local	Low/Not relevant
International bodies	Government agencies	Agencies national	Low/Not relevant
International bodies	Government agencies	Agencies regional	Low/Not relevant
International bodies	Government banks	Government banks	Low/Not relevant
International bodies	Government bodies	Government local	Low/Not relevant
International bodies	Government bodies	Government national	Low/Not relevant

CDP Industry	CDP Activity Group	CDP Activity	FORESTS IMPACT
International bodies	Government bodies	Government regional	Low/Not relevant
International bodies	International bodies	Supranationals	Low/Not relevant
Manufacturing	Diversified Industrials	Diversified Industrials	Low/Not relevant
Manufacturing	Electrical & electronic equipment	Batteries	Low/Not relevant
Manufacturing	Electrical & electronic equipment	Communications equipment	Low/Not relevant
Manufacturing	Electrical & electronic equipment	Computer hardware	Low/Not relevant
Manufacturing	Electrical & electronic equipment	Electrical equipment	Low/Not relevant
Manufacturing	Electrical & electronic equipment	Electronic components	Low/Not relevant
Manufacturing	Electrical & electronic equipment	Electronic equipment	Low/Not relevant
Manufacturing	Electrical & electronic equipment	Household appliances	Low/Not relevant
Manufacturing	Electrical & electronic equipment	Semiconductors	Low/Not relevant
Manufacturing	Leisure & home manufacturing	Accessories	High
Manufacturing	Leisure & home manufacturing	Furniture	High
Manufacturing	Leisure & home manufacturing	Homeware	Very High
Manufacturing	Leisure & home manufacturing	Sporting goods	Low/Not relevant
Manufacturing	Leisure & home manufacturing	Toys & games	Medium
Manufacturing	Light manufacturing	Automotive interior	Very High



CDP Industry	CDP Activity Group	CDP Activity	FORESTS IMPACT
Manufacturing	Light manufacturing	Munitions	Low/Not relevant
Manufacturing	Light manufacturing	Other building products	High
Manufacturing	Light manufacturing	Other containers & packaging	Low/Not relevant
Manufacturing	Light manufacturing	Pollution control equipment	Low/Not relevant
Manufacturing	Light manufacturing	Tires	Very High
Manufacturing	Metal products manufacturing	Fabricated metal components	Low/Not relevant
Manufacturing	Metal products manufacturing	Metal containers & packaging	Low/Not relevant
Manufacturing	Paper products & packaging	Paper packaging	Critical
Manufacturing	Paper products & packaging	Paper products	Critical
Manufacturing	Plastic product manufacturing	Plastic products	Low/Not relevant
Manufacturing	Powered machinery	Agriculture, construction & mining machinery	Low/Not relevant
Manufacturing	Powered machinery	Engines & motors	Low/Not relevant
Manufacturing	Powered machinery	Industrial machinery	Low/Not relevant
Manufacturing	Powered machinery	Other vehicle equipment & systems	Low/Not relevant
Manufacturing	Renewable energy equipment	Other renewable energy equipment	Low/Not relevant
Manufacturing	Renewable energy equipment	Solar energy equipment	Low/Not relevant
Manufacturing	Transportation equipment	Aerospace	Low/Not relevant

CDP Industry	CDP Activity Group	CDP Activity	FORESTS IMPACT
Manufacturing	Transportation equipment	Alternative vehicles	Low/Not relevant
Manufacturing	Transportation equipment	Automobiles	Very High
Manufacturing	Transportation equipment	Heavy vehicles	Low/Not relevant
Manufacturing	Transportation equipment	Railroad rolling stock	Low/Not relevant
Manufacturing	Transportation equipment	Recreational vehicles	Low/Not relevant
Manufacturing	Transportation equipment	Shipbuilding	Low/Not relevant
Manufacturing	Wood & rubber products	Finished wood products	Critical
Manufacturing	Wood & rubber products	Rubber products	Very High
Materials	Cement & concrete	Cement	Low/Not relevant
Materials	Cement & concrete	Concrete products	Low/Not relevant
Materials	Chemicals	Agricultural chemicals	Low/Not relevant
Materials	Chemicals	Basic plastics	Low/Not relevant
Materials	Chemicals	Biofuels	Critical
Materials	Chemicals	Inorganic base chemicals	Low/Not relevant
Materials	Chemicals	Nitrogenous fertilizers	Low/Not relevant
Materials	Chemicals	Non-nitrogenous fertilizers	Low/Not relevant
Materials	Chemicals	Other base chemicals	High

CDP Industry	CDP Activity Group	CDP Activity	FORESTS IMPACT
Materials	Chemicals	Personal care & household products	Critical
Materials	Chemicals	Specialty chemicals	Medium
Materials	Metal smelting, refining & forming	Aluminum	Low/Not relevant
Materials	Metal smelting, refining & forming	Copper	Low/Not relevant
Materials	Metal smelting, refining & forming	Iron & steel	Low/Not relevant
Materials	Metal smelting, refining & forming	Metal processing	Low/Not relevant
Materials	Metal smelting, refining & forming	Other non-ferrous metals	Low/Not relevant
Materials	Metal smelting, refining & forming	Precious metals	Low/Not relevant
Materials	Metallic mineral mining	Bauxite mining	Low/Not relevant
Materials	Metallic mineral mining	Iron ore mining	Low/Not relevant
Materials	Metallic mineral mining	Other non-ferrous ore mining	Low/Not relevant
Materials	Metallic mineral mining	Precious metals & minerals mining	Low/Not relevant
Materials	Other materials	Ceramics	Low/Not relevant
Materials	Other materials	Glass products	Low/Not relevant
Materials	Other materials	Other non-wood building materials	Low/Not relevant
Materials	Other mineral mining	Other non-metallic minerals	Low/Not relevant
Materials	Wood & paper materials	Pulp & paper mills	Critical

CDP Industry	CDP Activity Group	CDP Activity	FORESTS IMPACT
Materials	Wood & paper materials	Sawmills & wood materials	Critical
Power generation	Biomass & waste generation	Biomass & waste generation <sup>4</sup>	Very High
Power generation	Nuclear power generation	Nuclear generation	Low/Not relevant
Power generation	Renewable power generation	Biomass generation	Very High
Power generation	Renewable power generation	Geothermal generation	Low/Not relevant
Power generation	Renewable power generation	Hydro generation	Low/Not relevant
Power generation	Renewable power generation	Other renewable generation	Low/Not relevant
Power generation	Renewable power generation	Solar generation	Low/Not relevant
Power generation	Renewable power generation	Wind generation	Low/Not relevant
Power generation	Thermal power generation	CCGT Generation	Low/Not relevant
Power generation	Thermal power generation	Coal Generation	Low/Not relevant
Power generation	Thermal power generation	Fossil generation	Low/Not relevant
Power generation	Thermal power generation	Non-CCGT Generation	Low/Not relevant
Power generation	Thermal power generation	Power generation	Low/Not relevant
Power generation	Waste power generation	Waste Generation	Low/Not relevant
Retail	Convenience retail	Hypermarkets & superstores	Critical

<sup>4</sup> Historic CDP-ACS, now *Biomass generation* and *Waste Generation*

CDP Industry	CDP Activity Group	CDP Activity	FORESTS IMPACT
Retail	Convenience retail	Supermarkets, food & drugstores	Critical
Retail	Discretionary retail	Apparel stores	High
Retail	Discretionary retail	Department stores	Very High
Retail	Discretionary retail	Discretionary delivery retail	Medium
Retail	Discretionary retail	Specialist retail	High
Retail	Trading, wholesale, distribution, rental & leasing	Agricultural products wholesale	Critical
Retail	Trading, wholesale, distribution, rental & leasing	Animal products wholesale	Critical
Retail	Trading, wholesale, distribution, rental & leasing	Chemicals wholesale & distribution	Low/Not relevant
Retail	Trading, wholesale, distribution, rental & leasing	Construction & building materials dealing & distribution	High
Retail	Trading, wholesale, distribution, rental & leasing	Consumer goods wholesale & rental	Low/Not relevant
Retail	Trading, wholesale, distribution, rental & leasing	Food & beverage wholesale	Very High
Retail	Trading, wholesale, distribution, rental & leasing	Home & office wholesale	Very High
Retail	Trading, wholesale, distribution, rental & leasing	Industrial machinery distribution	Low/Not relevant
Retail	Trading, wholesale, distribution, rental & leasing	Metals supply, wholesale & trading	Low/Not relevant
Retail	Trading, wholesale, distribution, rental & leasing	Pharma & health care supplies wholesale & distribution	Medium
Retail	Trading, wholesale, distribution, rental & leasing	Technology hardware wholesale & distribution	Low/Not relevant

CDP Industry	CDP Activity Group	CDP Activity	FORESTS IMPACT
Retail	Trading, wholesale, distribution, rental & leasing	Textile & apparel wholesale	Very High
Retail	Trading, wholesale, distribution, rental & leasing	Transportation equipment wholesale & dealing	Low/Not relevant
Retail	Trading, wholesale, distribution, rental & leasing	Vehicles & machinery rental & leasing	Low/Not relevant
Retail	Trading, wholesale, distribution, rental & leasing	Wood & paper products wholesale	Critical
Services	Commercial & consumer services	Commercial services	Low/Not relevant
Services	Commercial & consumer services	Consumer services	Low/Not relevant
Services	Commercial & consumer services	Travel services	Low/Not relevant
Services	Financial services <sup>5</sup>	Asset managers	Critical
Services	Financial services <sup>5</sup>	Banks	Critical
Services	Financial services <sup>5</sup>	Insurance	Critical
Services	Financial services	REIT	Low/Not relevant
Services	Industrial support services	Energy services & equipment	Low/Not relevant
Services	Industrial support services	Industrial services	Low/Not relevant

<sup>5</sup> Financial institutions' impact on forests, and their exposure to forest-related risks, come almost entirely from the activities they finance and/or insure in the wider economy. As a result, all these activities fall in the "Critical" forests impact band. Financial institutions are requested to report information related to forests and water security in an integrated manner **through the Financial Services sector questions**.

CDP Industry	CDP Activity Group	CDP Activity	FORESTS IMPACT
Services	Industrial support services	Mining & metals support services	Low/Not relevant
Services	Industrial support services	Transportation support services	Low/Not relevant
Services	IT & software development	IT services	Low/Not relevant
Services	IT & software development	Software	Low/Not relevant
Services	Media, telecommunications & data center services	Media	Low/Not relevant
Services	Media, telecommunications & data center services	Servers & data centers	Low/Not relevant
Services	Media, telecommunications & data center services	Telecommunications services	Low/Not relevant
Services	Other services	Education services	Low/Not relevant
Services	Other services	Health care services	Low/Not relevant
Services	Other services	Real estate services	Low/Not relevant
Services	Print & publishing services	Print publishing	Critical
Services	Print & publishing services	Printing services	High
Services	Specialized professional services	Engineering services	Low/Not relevant
Services	Specialized professional services	Other financial	Low/Not relevant
Services	Specialized professional services	Other professional services	Low/Not relevant
Services	Web & marketing services	Marketing	Low/Not relevant
Services	Web & marketing services	Web-based services	Low/Not relevant

CDP Industry	CDP Activity Group	CDP Activity	FORESTS IMPACT
Transportation services	Air transport	Air freight	Low/Not relevant
Transportation services	Air transport	Passenger airlines	Low/Not relevant
Transportation services	Intermodal transport & logistics	Intermodal transport	Low/Not relevant
Transportation services	Intermodal transport & logistics	Logistics	Low/Not relevant
Transportation services	Intermodal transport & logistics	Logistics - 3rd party	Low/Not relevant
Transportation services	Intermodal transport & logistics	Logistics - transport	Low/Not relevant
Transportation services	Marine transport	Cruise lines & ferries	Low/Not relevant
Transportation services	Marine transport	Marine freight	Low/Not relevant
Transportation services	Passenger transport	Passenger transport	Low/Not relevant
Transportation services	Rail transport	Passenger rail	Low/Not relevant
Transportation services	Rail transport	Rail freight	Low/Not relevant
Transportation services	Road transport	Bus & taxi	Low/Not relevant
Transportation services	Road transport	Road freight	Low/Not relevant



## Appendix 2 – Excerpt of CDP’s water impact classification, Water Watch

CDP Industry	CDP Activity Group	CDP Activity	Water Impact Band
Apparel	Textiles & fabric goods	Apparel design & manufacturing	Critical
Apparel	Textiles & fabric goods	Luggage & bags	Very High
Apparel	Textiles & fabric goods	Textiles	Critical
Biotech, health care & pharma	Biotech & pharma	Biotechnology	Medium
Biotech, health care & pharma	Biotech & pharma	Pharmaceuticals	Critical
Biotech, health care & pharma	Health care provision	Health care facilities	Medium
Biotech, health care & pharma	Medical equipment & supplies	Health care supplies	High
Biotech, health care & pharma	Medical equipment & supplies	Medical equipment	Very High
Food, beverage & agriculture	Crop farming	Biofuel supply	Very High
Food, beverage & agriculture	Crop farming	Cocoa bean farming	Critical
Food, beverage & agriculture	Crop farming	Cotton farming	Critical
Food, beverage & agriculture	Crop farming	Fruit farming	Critical
Food, beverage & agriculture	Crop farming	Grain & corn farming	Critical
Food, beverage & agriculture	Crop farming	Other crop farming	Critical
Food, beverage & agriculture	Crop farming	Other oilseed farming	Critical

CDP Industry	CDP Activity Group	CDP Activity	Water Impact Band
Food, beverage & agriculture	Crop farming	Palm oil farming	Critical
Food, beverage & agriculture	Crop farming	Rice farming	Critical
Food, beverage & agriculture	Crop farming	Soybean farming	Critical
Food, beverage & agriculture	Crop farming	Sugarcane farming	Critical
Food, beverage & agriculture	Crop farming	Vegetable farming	Critical
Food, beverage & agriculture	Fish & animal farming	Aquaculture	Critical
Food, beverage & agriculture	Fish & animal farming	Cattle farming	Critical
Food, beverage & agriculture	Fish & animal farming	Fishing	Very High
Food, beverage & agriculture	Fish & animal farming	Other animal farming and processing	Very High
Food, beverage & agriculture	Fish & animal farming	Poultry & hog farming	Critical
Food, beverage & agriculture	Food & beverage processing	Alcoholic beverages	Very High
Food, beverage & agriculture	Food & beverage processing	Animal processing	Very High
Food, beverage & agriculture	Food & beverage processing	Baked goods & cereals	High
Food, beverage & agriculture	Food & beverage processing	Chocolate confection	Very High
Food, beverage & agriculture	Food & beverage processing	Coffee	Very High
Food, beverage & agriculture	Food & beverage processing	Dairy & egg products	Very High
Food, beverage & agriculture	Food & beverage processing	Fruit, nut & vegetable processing	Very High

CDP Industry	CDP Activity Group	CDP Activity	Water Impact Band
Food, beverage & agriculture	Food & beverage processing	Grain & corn milling	High
Food, beverage & agriculture	Food & beverage processing	Non-alcoholic beverages	Very High
Food, beverage & agriculture	Food & beverage processing	Non-chocolate confection	Very High
Food, beverage & agriculture	Food & beverage processing	Oilseed processing	Very High
Food, beverage & agriculture	Food & beverage processing	Other food processing	Very High
Food, beverage & agriculture	Food & beverage processing	Palm oil processing	Very High
Food, beverage & agriculture	Food & beverage processing	Seafood processing	High
Food, beverage & agriculture	Food & beverage processing	Soybean processing	Critical
Food, beverage & agriculture	Food & beverage processing	Sugar	Very High
Food, beverage & agriculture	Food & beverage processing	Tea	Very High
Food, beverage & agriculture	Logging & rubber tapping	Logging	Very High
Food, beverage & agriculture	Logging & rubber tapping	Rubber farming	Critical
Food, beverage & agriculture	Tobacco	Tobacco products	Very High
Fossil fuels	Coal mining	Coal extraction & processing	Critical
Fossil fuels	Oil & gas extraction & production	Natural gas extraction	Critical
Fossil fuels	Oil & gas extraction & production	Oil & gas extraction	Critical
Fossil fuels	Oil & gas processing	Oil & gas refining	Critical

CDP Industry	CDP Activity Group	CDP Activity	Water Impact Band
Fossil fuels	Oil & gas retailing	Oil & gas marketing & retailing	High
Fossil fuels	Oil & gas storage & transportation	Oil & gas pipelines & storage	High
Hospitality	Bars, hotels & restaurants	Fast food	High
Hospitality	Bars, hotels & restaurants	Food & beverage amenities	High
Hospitality	Bars, hotels & restaurants	Hotels & lodging	High
Hospitality	Entertainment facilities	Gambling	High
Hospitality	Entertainment facilities	Recreation & entertainment facilities	Very high
Infrastructure	Construction	Energy infrastructure construction	Very High
Infrastructure	Construction	Non-residential building construction	High
Infrastructure	Construction	Renewable energy construction	Very High
Infrastructure	Construction	Residential building construction	High
Infrastructure	Construction	Transportation infrastructure & other construction	Very High
Infrastructure	Construction	Utility line construction	High
Infrastructure	Energy utility networks	Electricity networks	Low
Infrastructure	Energy utility networks	Gas utilities	Very High
Infrastructure	Land & property ownership & development	Infrastructure upkeep & management	High
Infrastructure	Land & property ownership & development	Land sales & leasing	Medium

CDP Industry	CDP Activity Group	CDP Activity	Water Impact Band
Infrastructure	Land & property ownership & development	Real estate owners & developers	High
Infrastructure	Non-energy utilities	Recycling	Low
Infrastructure	Non-energy utilities	Waste management	Low
Infrastructure	Non-energy utilities	Waste water management	High
Infrastructure	Non-energy utilities	Water supply networks	Medium
International bodies	Government agencies	Agencies local	Low
International bodies	Government agencies	Agencies national	Low
International bodies	Government agencies	Agencies regional	Low
International bodies	Government banks	Government banks	Low
International bodies	Government bodies	Government local	Low
International bodies	Government bodies	Government national	Low
International bodies	Government bodies	Government regional	Low
International bodies	International bodies	Supranationals	Low
Manufacturing	Electrical & electronic equipment	Batteries	Very High
Manufacturing	Electrical & electronic equipment	Communications equipment	Very High
Manufacturing	Electrical & electronic equipment	Computer hardware	Very High
Manufacturing	Electrical & electronic equipment	Electrical equipment	Very High

CDP Industry	CDP Activity Group	CDP Activity	Water Impact Band
Manufacturing	Electrical & electronic equipment	Electronic components	Critical
Manufacturing	Electrical & electronic equipment	Electronic equipment	Very High
Manufacturing	Electrical & electronic equipment	Household appliances	Very High
Manufacturing	Electrical & electronic equipment	Semiconductors	Critical
Manufacturing	Leisure & home manufacturing	Accessories	High
Manufacturing	Leisure & home manufacturing	Furniture	High
Manufacturing	Leisure & home manufacturing	Homeware	High
Manufacturing	Leisure & home manufacturing	Sporting goods	Low
Manufacturing	Leisure & home manufacturing	Toys & games	High
Manufacturing	Light manufacturing	Automotive interior	High
Manufacturing	Light manufacturing	Munitions	High
Manufacturing	Light manufacturing	Other building products	Refer to most relevant manufacturing/materials within CDP Activity
Manufacturing	Light manufacturing	Other containers & packaging	Refer to most relevant manufacturing/materials within CDP Activity
Manufacturing	Light manufacturing	Pollution control equipment	High
Manufacturing	Light manufacturing	Tires	Very High
Manufacturing	Metal products manufacturing	Fabricated metal components	Critical

CDP Industry	CDP Activity Group	CDP Activity	Water Impact Band
Manufacturing	Metal products manufacturing	Metal containers & packaging	Very High
Manufacturing	Paper products & packaging	Paper packaging	High
Manufacturing	Paper products & packaging	Paper products	Very High
Manufacturing	Plastic product manufacturing	Plastic products	Very High
Manufacturing	Powered machinery	Agriculture, construction & mining machinery	Very High
Manufacturing	Powered machinery	Engines & motors	Very High
Manufacturing	Powered machinery	Industrial machinery	Very High
Manufacturing	Powered machinery	Other vehicle equipment & systems	Very High
Manufacturing	Renewable energy equipment	Other renewable energy equipment	Very High
Manufacturing	Renewable energy equipment	Solar energy equipment	Very High
Manufacturing	Transportation equipment	Aerospace	Very High
Manufacturing	Transportation equipment	Alternative vehicles	Critical
Manufacturing	Transportation equipment	Automobiles	Very High
Manufacturing	Transportation equipment	Heavy vehicles	Very High
Manufacturing	Transportation equipment	Railroad rolling stock	Very High
Manufacturing	Transportation equipment	Recreational vehicles	Very High
Manufacturing	Transportation equipment	Shipbuilding	Very High

CDP Industry	CDP Activity Group	CDP Activity	Water Impact Band
Manufacturing	Wood & rubber products	Finished wood products	Medium
Manufacturing	Wood & rubber products	Rubber products	Very High
Materials	Cement & concrete	Cement	Very High
Materials	Cement & concrete	Concrete products	Very High
Materials	Chemicals	Agricultural chemicals	Critical
Materials	Chemicals	Basic plastics	Critical
Materials	Chemicals	Biofuels	Very High
Materials	Chemicals	Inorganic base chemicals	Critical
Materials	Chemicals	Nitrogenous fertilizers	Critical
Materials	Chemicals	Non-nitrogenous fertilizers	Critical
Materials	Chemicals	Other base chemicals	Critical
Materials	Chemicals	Personal care & household products	Critical
Materials	Chemicals	Specialty chemicals	Critical
Materials	Metal smelting, refining & forming	Aluminum	Critical
Materials	Metal smelting, refining & forming	Copper	Critical
Materials	Metal smelting, refining & forming	Iron & steel	Critical
Materials	Metal smelting, refining & forming	Metal processing	Critical



CDP Industry	CDP Activity Group	CDP Activity	Water Impact Band
Materials	Metal smelting, refining & forming	Other non-ferrous metals	Critical
Materials	Metal smelting, refining & forming	Precious metals	Critical
Materials	Metallic mineral mining	Bauxite mining	Critical
Materials	Metallic mineral mining	Iron ore mining	Critical
Materials	Metallic mineral mining	Other non-ferrous ore mining	Critical
Materials	Metallic mineral mining	Precious metals & minerals mining	Critical
Materials	Other materials	Ceramics	High
Materials	Other materials	Glass products	Medium
Materials	Other materials	Other non-wood building materials	High
Materials	Other mineral mining	Other non-metallic minerals	Very High
Materials	Wood & paper materials	Pulp & paper mills	Very High
Materials	Wood & paper materials	Sawmills & wood materials	High
Power generation	Nuclear power generation	Nuclear generation	Very High
Power generation	Renewable power generation	Biomass generation	Very High
Power generation	Renewable power generation	Geothermal generation	Low
Power generation	Renewable power generation	Hydro generation	Very High
Power generation	Renewable power generation	Other renewable generation	High

CDP Industry	CDP Activity Group	CDP Activity	Water Impact Band
Power generation	Renewable power generation	Solar generation	High
Power generation	Renewable power generation	Wind generation	Medium
Power generation	Thermal power generation	CCGT generation	Very High
Power generation	Thermal power generation	Coal generation	Very High
Power generation	Thermal power generation	Non-CCGT generation	Very High
Power generation	Waste power generation	Waste generation	Medium
Retail	Convenience retail	Hypermarkets & superstores	High
Retail	Convenience retail	Supermarkets, food & drugstores	High
Retail	Discretionary retail	Apparel stores	Very High
Retail	Discretionary retail	Department stores	Medium
Retail	Discretionary retail	Discretionary delivery retail	High
Retail	Discretionary retail	Specialist retail	Refer to most relevant CDP Activity
Retail	Trading, wholesale, distribution, rental & leasing	Agricultural products wholesale	High
Retail	Trading, wholesale, distribution, rental & leasing	Animal products wholesale	High
Retail	Trading, wholesale, distribution, rental & leasing	Chemicals wholesale & distribution	Very High
Retail	Trading, wholesale, distribution, rental & leasing	Construction & building materials dealing & distribution	High

CDP Industry	CDP Activity Group	CDP Activity	Water Impact Band
Retail	Trading, wholesale, distribution, rental & leasing	Consumer goods wholesale & rental	Medium
Retail	Trading, wholesale, distribution, rental & leasing	Food & beverage wholesale	High
Retail	Trading, wholesale, distribution, rental & leasing	Home & office wholesale	Medium
Retail	Trading, wholesale, distribution, rental & leasing	Industrial machinery distribution	Medium
Retail	Trading, wholesale, distribution, rental & leasing	Metals supply, wholesale & trading	High
Retail	Trading, wholesale, distribution, rental & leasing	Pharma & health care supplies wholesale & distribution	High
Retail	Trading, wholesale, distribution, rental & leasing	Technology hardware wholesale & distribution	High
Retail	Trading, wholesale, distribution, rental & leasing	Textile & apparel wholesale	Very High
Retail	Trading, wholesale, distribution, rental & leasing	Transportation equipment wholesale & dealing	High
Retail	Trading, wholesale, distribution, rental & leasing	Vehicles & machinery rental & leasing	High
Retail	Trading, wholesale, distribution, rental & leasing	Wood & paper products wholesale	High
Services	Commercial & consumer services	Commercial services	Low
Services	Commercial & consumer services	Consumer services	Low
Services	Commercial & consumer services	Travel services	Low

CDP Industry	CDP Activity Group	CDP Activity	Water Impact Band
Services	Financial services <sup>6</sup>	Asset managers	Critical
Services	Financial services <sup>6</sup>	Banks	Critical
Services	Financial services <sup>6</sup>	Insurance	Critical
Services	Financial services	REIT	Critical
Services	Industrial support services	Energy services & equipment	Medium
Services	Industrial support services	Industrial services	Low
Services	Industrial support services	Mining & metals support services	Low
Services	Industrial support services	Transportation support services	Low
Services	IT & software development	IT services	Low
Services	IT & software development	Software	Medium
Services	Media, telecommunications & data center services	Media	Medium
Services	Media, telecommunications & data center services	Servers & data centers	High
Services	Media, telecommunications & data center services	Telecommunications services	Medium

<sup>6</sup> Financial institutions' impact on water security, and their exposure to water-related risks, come almost entirely from the activities they finance and/or insure in the wider economy. Recognizing the extremely high environmental impact of lending/investment portfolios compared to other parts of the value chain, the product use rankings of Financial Services activities have been attributed a rank of 9. As a result, all these activities fall in the "Critical" water impact band. Financial institutions are requested to report information related to forests and water security in an integrated manner **through the Financial Services sector questions**.

CDP Industry	CDP Activity Group	CDP Activity	Water Impact Band
Services	Other services	Education services	Low
Services	Other services	Health care services	Low
Services	Other services	Real estate services	Low
Services	Print & publishing services	Print publishing	High
Services	Print & publishing services	Printing services	High
Services	Specialized professional services	Engineering services	Low
Services	Specialized professional services	Other financial	Low
Services	Specialized professional services	Other professional services	Low
Services	Web & marketing services	Marketing	Medium
Services	Web & marketing services	Web-based services	Medium
Transportation services	Air transport	Air freight	Medium
Transportation services	Air transport	Passenger airlines	Medium
Transportation services	Intermodal transport & logistics	Intermodal transport	Medium
Transportation services	Intermodal transport & logistics	Logistics - 3rd party	Medium
Transportation services	Intermodal transport & logistics	Logistics - transport	Medium
Transportation services	Marine transport	Cruise lines & ferries	Medium
Transportation services	Marine transport	Marine freight	Medium

CDP Industry	CDP Activity Group	CDP Activity	Water Impact Band
Transportation services	Rail transport	Passenger rail	Medium
Transportation services	Rail transport	Rail freight	Medium
Transportation services	Road transport	Bus & taxi	Medium
Transportation services	Road transport	Road freight	Medium