

---

## CDP Water Security Scoring Essential Criteria 2024

---



## Full Water Security Essential Criteria 2024: Version Control

Version number	Release/revision date	Revision summary
1.0	14/06/2024	First version
1.1	08/07/2024	<ul style="list-style-type: none"> <li>• Correction to 'How to use this document' section on pg. 3.</li> <li>• 'Reporting of portfolio activity' essential criteria added for Financial Services' sector.</li> <li>• Clarification of value chain stage coverage requirement of 'Identification, assessment, and management of risks' essential criteria.</li> <li>• Clarification that full Leadership points in question 2.6.1 required to satisfy 'Tailing dams' essential criteria for Coal and Metals &amp; Mining sectors.</li> </ul>

## Introduction

To acknowledge organizations' positive and effective actions to mitigate risks due to climate change, water issues and deforestation, CDP recognizes organizations awarded a high leadership score via inclusion in the A List of their respective environmental issue area. In order for an organization to achieve A List status, organizations must ensure several items are included within their response, as well as pass several checks carried out by CDP after the submission of the response. In 2024, CDP has introduced new A-list checks for each environmental issue, reflecting the need for transformational, urgent and collaborative change in the face of ever-increasing environmental concerns across the world.

Every year, CDP increases the ambition of its disclosure framework, recognizing the practices that have been mainstreamed and, as a result, the changed criteria for what can be considered as 'leadership' in terms of environmental disclosure and performance. In 2024, essential criteria will be applied at Leadership and A-list level for the Full Corporate questionnaire – Water Security. This will set a consistent baseline of reporting, ensuring that organizations include key datapoints that are critical to understanding how they are assessing and responding to environmental issues. It also ensures that high scoring companies are disclosing in the most consistent and comprehensive way and clarifies the critical data points that organizations must disclose on to earn Leadership status and sufficiently demonstrate progress towards environmental stewardship.

Please note: in 2024, essential criteria will only be applied to organizations responding to the Full Corporate Questionnaire, excluding those organizations with Financial Services as their primary sector.

## How to use this document

This document aims to outline the essential criteria across Leadership level and A-list. This document is ordered to reflect the order of topics that arise in the 2024 Full Corporate Questionnaire – Water Security. For each essential criteria topic there is a table that outlines the following:

**Essential criteria level** – Essential criteria will be applied at Leadership or A list levels. Not all topics will have criteria applied to both levels. If a criterion is applied to Leadership level and the check is not met, this will limit an organization's final score to a B. Similarly, if the A-list criteria are not met then the final score will be limited to an A-.

**Question** – Each essential criteria will be linked to a question or multiple questions from the 2024 Full Corporate Questionnaire. Each question will be listed in this column in line with each criterion. Where two or more question numbers are referenced in a cell, this indicates that a combination of questions are assessed to meet the overall essential criteria at that level. Question numbers that are combined with an 'OR' indicate that the essential criterion can be met through data points in either question.

**Scored data points** – The essential criteria have been broken down into their individual components based on key data points that they assess. In this column each criterion is outlined in detail. Organizations must meet all criteria within a level to meet the overall essential criteria check unless stated otherwise. An ‘AND’ indicates where multiple criteria must be met for clarity. Some criteria may specifically link to criteria that are present within the 2024 Full Corporate Scoring Methodology.

## Contents

Full Water Security Essential Criteria 2024: Version Control.....	2
Introduction .....	3
Public response .....	6
Reporting of portfolio activity [Financial services] .....	6
Tailing dams [Coal sector].....	6
Tailing dams [Metal & mining sector].....	7
Identification, assessment, and management of risks [General & all sectors excl. Financial services].....	7
Board-level oversight [General & all sectors excl. Financial services] .....	7
Environmental policies [General & all sectors excl. Financial services].....	8
CAPEX breakdown [Coal sector] .....	8
CAPEX breakdown [Oil & gas sector].....	9
Engagement with suppliers [General & all sectors excl. Financial services] .....	9
Emissions targets (near-term) [Coal sector] .....	9
Emissions targets (near-term) [Oil & gas sector] .....	10
Exclusions from disclosure [General & all sectors excl. Financial services] .....	10
Company-wide water accounting [General & all sectors excl. Electric utilities and Financial services].....	11
Company-wide water accounting [Electric utilities] .....	11
Withdrawals from water stressed areas [General & all sectors excl. Financial services]	12
Targets [General & all sectors excl. Financial services].....	12

## 2024 Full Water Security Essential Criteria

### Public response

Essential Criteria Level	Question	Scored data points
Leadership	N/A	<ul style="list-style-type: none"> <li>▼ The organization has submitted a public response to the CDP Full Corporate questionnaire.</li> </ul>
A-list	N/A	<ul style="list-style-type: none"> <li>▼ No additional essential criteria; Leadership-level essential criteria also apply.</li> </ul>

### Reporting of portfolio activity [Financial services sector]

Essential Criteria Level	Question	Scored data points
A-list	1.10	<ul style="list-style-type: none"> <li>▼ The organization undertakes at least one of the following portfolio activities in question 1.10:               <ul style="list-style-type: none"> <li>▪ Banking (Bank),</li> <li>▪ Investing (Asset manager),</li> <li>▪ Investing (Asset owner),</li> <li>▪ Insurance underwriting (Insurance company)</li> </ul> </li> </ul>

### Tailing dams [Coal sector]

Please note: This essential criterion does not apply if the organization does not have any mining activities (as reported in question 1.13). Additionally, this essential criterion does not apply if the organization does not have any active or inactive tailing dams (as reported in question 2.6).

Essential Criteria Level	Question	Scored data points
A-list	2.6.1	<ul style="list-style-type: none"> <li>▼ The organization evaluates and classifies the consequences of tailings dams' failures, providing a minimum level used to classify a dam as hazardous and how these classifications help inform management procedures as outlined in the Leadership level criteria in the 2024 Full Corporate Scoring methodology - Water Security.</li> </ul>

## Tailing dams [Metal & mining sector]

Please note: This essential criterion does not apply if the organization does not have any mining activities (as reported in question 1.17). Additionally, this essential criterion does not apply if the organization does not have any active or inactive tailing dams (as reported in question 2.6).

Essential Criteria Level	Question	Scored data points
A-list	2.6.1	<ul style="list-style-type: none"> <li>▼ The organization evaluates and classifies the consequences of tailings dams' failures, providing a minimum level used to classify a dam as hazardous and how these classifications help inform management procedures as outlined in the Leadership level criteria in the 2024 Full Corporate Scoring methodology - Water Security.</li> </ul>

## Identification, assessment, and management of risks [General & all sectors excl. Financial services]

Essential Criteria Level	Question	Scored data points
A-list	2.2.1	<ul style="list-style-type: none"> <li>▼ The organization has a process for identifying, assessing and managing environmental risks.</li> </ul>
	2.2.2	<ul style="list-style-type: none"> <li>▼ The organization provides details on the process for identifying, assessing, and managing water-related risks with all information required as per the Management level criteria in the CDP Full Corporate Scoring Methodology – Water Security. This also includes an indication of the process coverage. The process covers both direct operations and upstream value chain.</li> <li>▼ Only row(s) where 'Water' is selected in column 'Environmental issue' are assessed.</li> </ul>

## Board-level oversight [General & all sectors excl. Financial services]

Essential Criteria Level	Question	Scored data points
A-list	4.1 AND 4.1.2 AND 4.2	<ul style="list-style-type: none"> <li>▼ If the organization has a board of directors or an equivalent governing body:</li> <li>▼ The organization identifies the positions of individuals or committees on the board with accountability for water-related issues.</li> </ul>

		<ul style="list-style-type: none"> <li>▼ The organization has board-level competency on water-related issues</li> <li>▼ Only row(s) where 'Water' is selected in column 'Environmental issue' are assessed.</li> </ul>
	OR	OR
	4.1 AND 4.3 AND 4.3.1 AND 4.4	<ul style="list-style-type: none"> <li>▼ If the organization does not have a board of directions or an equivalent governing body:             <ul style="list-style-type: none"> <li>▼ The organization has management-level responsibility of water-related issues, and identifies the highest senior management-level position or committee with responsibility for water-related issues.</li> <li>▼ The organization has management-level competency on water-related issues.</li> </ul> </li> <li>▼ Only row(s) where 'Water' is selected in column 'Environmental issue' are assessed.</li> </ul>

### Environmental policies [General & all sectors excl. Financial services]

Essential Criteria Level	Question	Scored data points
A-list	4.6 AND 4.6.1	<ul style="list-style-type: none"> <li>▼ The organization has a publicly available water-related policy which includes at least three of the following commitments:             <ul style="list-style-type: none"> <li>▼ Reduce or phase out hazardous substances</li> <li>▼ Control/reduce/eliminate water pollution</li> <li>▼ Reduce water consumption volumes</li> <li>▼ Reduce water withdrawal volumes</li> <li>▼ Manage WASH in local communities</li> <li>▼ Conservation of freshwater ecosystems</li> <li>▼ Water stewardship and/or collective actions</li> <li>▼ Stakeholder engagement and capacity building on environmental issues</li> <li>▼ Recognition of environmental linkages and trade-offs</li> <li>▼ Take environmental action beyond regulatory compliance</li> </ul> </li> <li>▼ Only row(s) where 'Water' is selected in column 'Environmental issue' are assessed.</li> </ul>

### CAPEX breakdown [Coal sector]

Please note: This essential criterion references questions within the Environmental Performance – Climate Change module. This criterion applies to scoring for this sector in all three environmental issue areas.



Essential Criteria Level	Question	Scored data points
A-list	5.6	<ul style="list-style-type: none"> <li>▼ The organization is not involved in the development or expansion of any new coal mines.</li> </ul>

### CAPEX breakdown [Oil & gas sector]

Please note: This essential criterion references questions within the Environmental Performance – Climate Change module. This criterion applies to scoring for this sector in all three environmental issue areas.

Essential Criteria Level	Question	Scored data points
A-list	5.6	<ul style="list-style-type: none"> <li>▼ The organization is not involved in any explorations of new oil or natural gas fields.</li> </ul>

### Engagement with suppliers [General & all sectors excl. Financial services]

Essential Criteria Level	Question	Scored data points
A-list	5.11	<ul style="list-style-type: none"> <li>▼ The organization engages with its suppliers on water-related issues</li> </ul>
	5.11.6	<ul style="list-style-type: none"> <li>▼ The organization reports at least one water-related environmental requirement that suppliers have to meet as part of their purchasing process.</li> </ul>
	OR 5.11.7	OR <ul style="list-style-type: none"> <li>▼ The organization reports at least one type of engagement with their suppliers on water-related issues.</li> </ul> <ul style="list-style-type: none"> <li>▼ Only row(s) where 'Water' is selected in column 'Environmental issue' are assessed.</li> </ul>

### Emissions targets (near-term) [Coal sector]

Please note: This essential criterion references questions within the Environmental Performance – Climate Change module. This criterion applies to scoring for this sector in all three environmental issue areas.

Essential Criteria Level	Question	Scored data points
A-list	7.53.1 OR	<ul style="list-style-type: none"> <li>▼ The organization discloses an organization-wide Scope 1 and 2 emissions reduction target that either is validated by the Science</li> </ul>

	7.53.2	Based Targets Initiative OR that is fully aligned with a 1.5°C scenario (at least a 4.2% absolute annual emissions reduction between base year and target year).
--	--------	--

### Emissions targets (near-term) [Oil & gas sector]

Please note: Please note: This essential criterion references questions within the Environmental Performance – Climate Change module. This criterion applies to scoring for this sector in all three environmental issue areas.

Essential Criteria Level	Question	Scored data points
A-list	7.53.1 OR 7.53.2	<ul style="list-style-type: none"> <li>▼ The organization discloses near-term Scope 1, Scope 2 and Scope 3 emissions targets that are aligned with best practice as outlined on either the Science Based Targets Initiative Route OR the 1.5°C aligned CDP Route in the Leadership level criteria in the 2024 Full Corporate Scoring Methodology - Climate change.</li> </ul>

### Exclusions from disclosure [General & all sectors excl. Financial services]

Essential Criteria Level	Question	Scored data points
A-list	9.1 AND/OR 9.1.1	<ul style="list-style-type: none"> <li>▼ The organization does not have any significant exclusions from their disclosure.</li> <li>▼ Where the organization reports exclusions from their disclosure:               <ul style="list-style-type: none"> <li>▼ A description and reason for each exclusion is provided.</li> <li>▼ The percentage of water volume that is excluded is provided, where applicable.</li> </ul> </li> <li>▼ Exclusions due to recent mergers or acquisitions are exempt from the above criteria and will not be considered as significant exclusions, as long as:               <ul style="list-style-type: none"> <li>▼ The organization indicates that the merger or acquisition occurred within the reporting year.</li> <li>▼ The organization indicates that the water-related data will be incorporated in their disclosure in the next reporting year.</li> </ul> </li> </ul>

### Company-wide water accounting [General & all sectors excl. Electric utilities and Financial services]

Essential Criteria Level	Question	Scored data points
A-list	9.2	<ul style="list-style-type: none"> <li> <span style="color: #0056b3;">▼</span> The organization regularly measures and monitors more than 75% of their sites/facilities/operations for the following water aspects:               <ul style="list-style-type: none"> <li><span style="color: #0056b3;">▼</span> Water withdrawals - total volume</li> <li><span style="color: #0056b3;">▼</span> Water discharges - total volume</li> <li><span style="color: #0056b3;">▼</span> Water discharge quality - by standard effluent parameters</li> <li><span style="color: #0056b3;">▼</span> The provision of fully -functioning, safely managed WASH services to all workers.</li> </ul> </li> <li> <span style="color: #0056b3;">▼</span> The organization may not deem 'Water discharge quality – by standard effluent parameters' as a relevant water aspect to be regularly measured and monitored if the organization discharges 100% of it's wastewater to a third party (as reported in question 9.2.9).             </li> </ul>

### Company-wide water accounting [Electric utilities]

Essential Criteria Level	Question	Scored data points
A-list	9.2	<ul style="list-style-type: none"> <li> <span style="color: #0056b3;">▼</span> The organization regularly measures and monitors more than 75% of their sites/facilities/operations for the following water aspects:               <ul style="list-style-type: none"> <li><span style="color: #0056b3;">▼</span> Water withdrawals - total volume</li> <li><span style="color: #0056b3;">▼</span> Water discharges - total volume</li> <li><span style="color: #0056b3;">▼</span> Water discharge quality - by standard effluent parameters</li> <li><span style="color: #0056b3;">▼</span> The provision of fully -functioning, safely managed WASH services to all workers.</li> </ul> </li> <li> <span style="color: #0056b3;">▼</span> The organization may not deem 'Water discharge quality – by standard effluent parameters' as a relevant water aspect to be regularly measured and monitored if the organization discharges 100% of its wastewater to a third party (as reported in question 9.2.9).             </li> <li> <span style="color: #0056b3;">▼</span> <b>[Electric Utilities companies]</b> CDP recognizes that discharge quality data is rarely measured in organizations operating with wind, solar and hydropower generation sources. In light of this:               <ul style="list-style-type: none"> <li><span style="color: #0056b3;">▼</span> Organizations with more than 70% of their power generation coming from these sources (as reported in</li> </ul> </li> </ul>

		question 1.16.1) may not deem 'Water discharge quality – by standard effluent parameters' as a relevant water aspect to be regularly measured and monitored.
--	--	--

### Withdrawals from water stressed areas [General & all sectors excl. Financial services]

Essential Criteria Level	Question	Scored data points
A-list	9.2.4	<ul style="list-style-type: none"> <li>▼ Organizations do not withdraw from areas with water stress.</li> <li>OR</li> <li>▼ Organizations with withdrawals from water stressed areas show a trend towards lower or stable withdrawals from water-stressed areas compared to the previous reporting year.</li> <li>▼ An organization disclosing higher withdrawals from water-stressed areas primarily due to a recent merger/acquisition may still be eligible for the A-list.</li> </ul>

### Targets [General & all sectors excl. Financial services]

Essential Criteria Level	Question	Scored data points
A-list	9.15 AND 9.15.1	<ul style="list-style-type: none"> <li>▼ The organization has set a target(s) in at least two of the following categories:               <ul style="list-style-type: none"> <li>▼ Water withdrawals</li> <li>▼ Water pollution</li> <li>▼ Water, Sanitation, and Hygiene (WASH) services</li> </ul> </li> </ul>