

[Date]

Lead Investor
Logo

[Senior stakeholder]
[Job title]
[Company address]

Dear [Senior Stakeholder]

Request to provide a response to the CDP Water Security questionnaire

We, the undersigned, encourage all companies in our investment universe to provide the requested information to CDP, which has a deadline of 27th July 2022. A partial response is preferable to no response and the reporting platform also provides an opportunity to explain any incomplete information. Companies responding for the first time can complete a minimum non-scored version of the questionnaire, or request to have their score remain private for their first year.

Capital market interest in assessing the water-related impacts and risks to investments is greater than ever. Our beneficiaries hold legitimate interest in your company's financial health and future prosperity. To assess our investment portfolios, we are dependent on reliable, comparable data from companies. In April, your company received a request for information¹ on water-related risk, administered by CDP, on behalf of over [xx] investors globally. Since you have declined to disclose in the past, to compliment that request [#] investors, representing US [#] trillion in AUM, are directly signing this letter requesting your disclosure. The CDP reporting platform provides the financial services community with the most complete source of TCFD-aligned corporate environmental data in a consistent and comparable manner.

It is important for us to know that your company understands the implications of water security for its current and future business; whether it is exposed to substantive water-related risk and what actions your organization is taking to mitigate those risks to reduce its risk exposure in its entire value chain.

An undeniable takeaway from COP26 is the role of the real economy, and how national governments can't achieve 1.5°C alone. All economic actors, including [Organization], must act now to deliver on the commitments made at Glasgow. As the world transitions to a net-zero economy, it is vital that [Organization] remains relevant and profitable.

While we recognize that transition plans and water-security related disclosures may be released through company reports, progress must also be disclosed according to a scored, standardized framework so it can be tracked and held to account by financial institutions. With global water supply expecting to experience a 40% shortfall by 2030, according to the UN, it is important that [Organization] starts protecting their bottom line by reducing the risk and seizing the opportunities of water

management.ⁱⁱ Clear and annual disclosure on water security issues allows a company to show stakeholders that it is delivering on its commitments.

We value your thoughts on this letter and would appreciate a response to this email on [Organization]'s intention to respond to the CDP Information Request. For more information on how to respond to CDP please contact your regional CDP representative found at the bottom of this email. Further guidance can also be found on CDP's websiteⁱⁱⁱ.

Sincerely,

[Lead investor name]

[Lead investor job title], [Lead investor organization]

This letter is undersigned by:

Co-signatory 1 name

Co-signatory 1 job title

Co-signatory 1 organization

Etc.

Etc.

Etc.



For questions on how to respond contact CDP:

[CDP Engagement officer]

Firstname.surname@cdp.net

Or the CDP central support at respond@cdp.net

ⁱ You are asked to respond to the CDP Water questionnaire. You may also have been asked to respond to the climate change and/or forest questionnaires.

ⁱⁱ <https://www.cdp.net/en/water>

ⁱⁱⁱ <https://www.cdp.net/en/guidance/guidance-for-companies>