

CDP Water-related Indicators for Financial Institutions Consultation Briefing Document

This document forms part of the CDP Water-related Indicators for Financial Institutions (FIs) consultation, which will inform questionnaire development for 2023 and beyond. The consultation consists of three main parts:

- ▼ Consultation briefing document (this document)
- ▼ Water-related Indicators for FIs document
- ▼ Consultation feedback form

Please read this briefing document prior to viewing the consultation content or responding to the feedback form. It includes a background to the consultation, information on the development of indicators, and more information about the consultation process.

We invite you to provide feedback through the online form that accompanies this document. We are requesting specific feedback on the **Water-related Indicators for Financial Institutions**. Your feedback is very important in informing our process of indicator development (for 2023 and beyond) and will be completely confidential; it will not be attributable and will be used only internally to inform CDP's decisions.

To provide feedback on the Water-related Indicators for Financial Institutions, **please click here** or paste the following URL into a new window in your browser:
<https://www.surveymonkey.co.uk/r/BM77XYG>

Background, purpose and aims

Achieving a water secure, net zero economy will require a complete transformation of our global economy. To succeed, companies responsible for the greatest impacts on water resources must transform their business models, products and practices in ways that decouple production and consumption from the depletion of water resources. Global financial institutions can offer unique, systemic incentives for change by ensuring their lending, investment, and insurance underwriting practices drive these water users to use water wisely and to not pollute water.

Last year, CDP partnered with [Mercer](#) and [Water Footprint Network](#) to kickstart the [Surveying Financiers on Valuing Water project](#), supported by the [Valuing Water Initiative](#). The outcome we seek is increased water-related transparency and awareness among financial institutions. The development of the first ever set of standardized, global water security reporting indicators for the financial sector is a critical step in achieving this.

The water-related indicators that are presented in this consultation represent the second phase of indicator development. During the first phase last year, CDP developed an initial set of water security indicators that were informed by a technical working group of industry participants. Those indicators have already been incorporated into a [nature-related module](#) as

part of CDP's Climate Change [questionnaire](#) for the financial sector. Over 1,100 financial institutions will be requested to respond to the questionnaire in April this year.

The scope of this consultation is to request feedback on the second phase of water-related indicators, which are *quantitatively* focused as opposed to the *qualitatively* focused initial set of indicators. The feedback collected through this consultation will be used to refine and prioritize the indicators before they are incorporated into CDP's reporting framework for the financial sector in 2023 and beyond.

The aims of this consultation are to:

- ▼ Receive feedback that will inform the development of the water-related indicators for financial institutions that will be incorporated into CDP's disclosure framework.
- ▼ Inform stakeholders of the expansion of CDP's disclosure framework for the financial sector to cover water security, starting this year and advancing in future years.

How to respond

Step 1: Read this consultation briefing document

Step 2: Review the [Water-related Indicators for FIs document](#)

Step 3: [Provide feedback](#)

Timelines

The consultation will be open for four weeks, from **9th March 2022 to 6th April 2022**.