

CDP APAC Disclosure Workshops

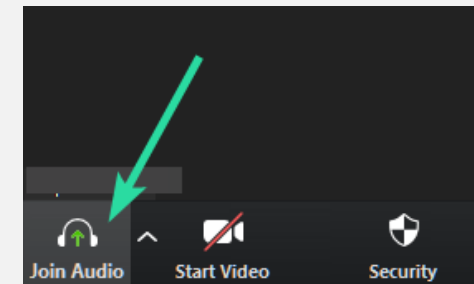
2022 Water Security Disclosure Workshop

22nd April 2022, 16:00-17:15 GMT+8

Thank you for joining us!

Please note:

- ▼ All attendees are muted upon entry
- ▼ Please ensure you have connected your device's audio
- ▼ Please use the Q&A box to ask speakers questions
- ▼ Slides and recording of this webinar will be shared with all registrants





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Mabel Smith
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Agenda



Overview of 2021 Water Disclosure

Kelly So
Corporate Engagement Officer,
Corporate Relations

Business Case for Water Disclosure

Patricia Calderon
Associate Director,
Water Security

Overview of the 2022 Water Security Questionnaire

Mabel Smith
Technical Manager,
Water Security Questionnaire & Guidance

2022 Disclosure Cycle and Support for Companies

Kelly So
Corporate Engagement Officer,
Corporate Relations

About CDP



CDP is a global environmental impact non-profit working to secure a thriving economy that works for people and planet.



Information is the fundamental basis for action. We help investors, companies and cities to measure, understand and address their environmental impact.

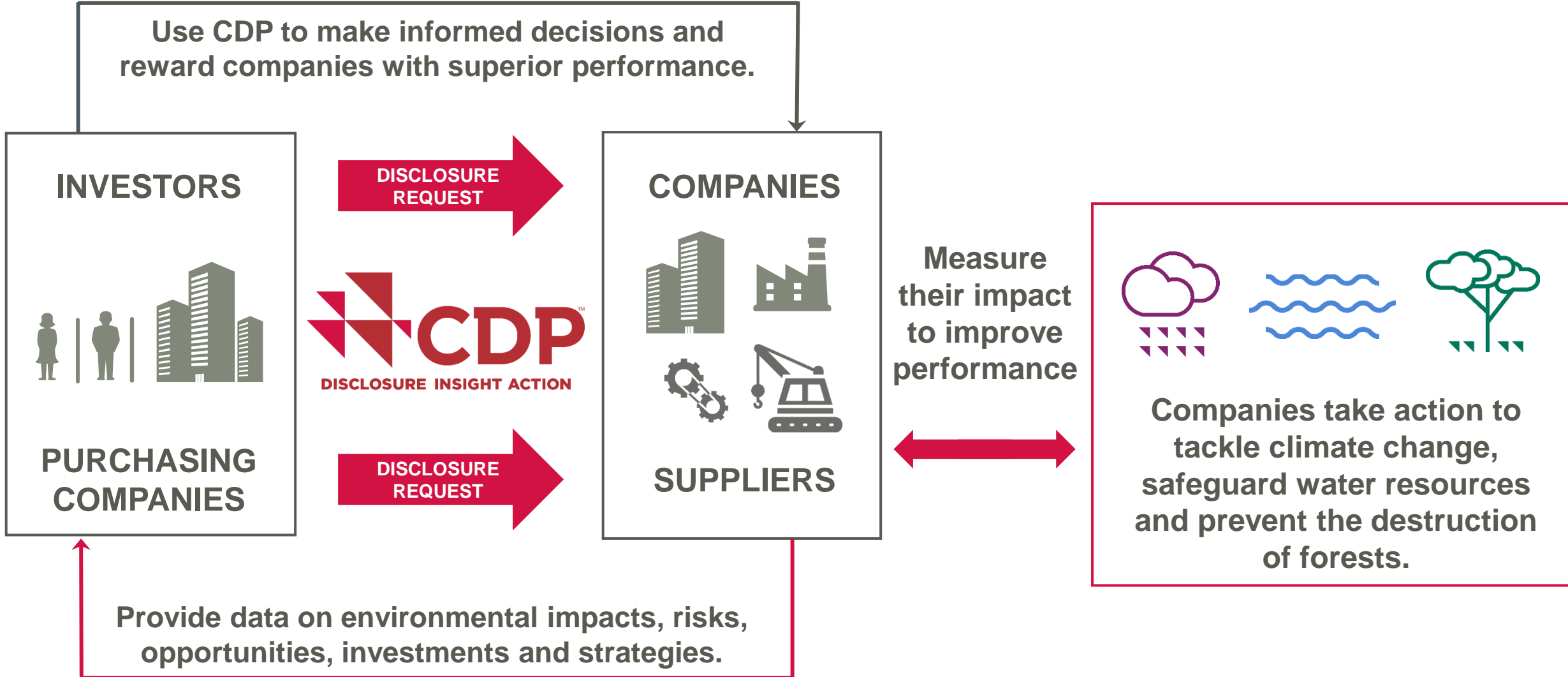


The world's economy looks to CDP as the gold standard of environmental reporting with the most comprehensive dataset on corporate and city action.

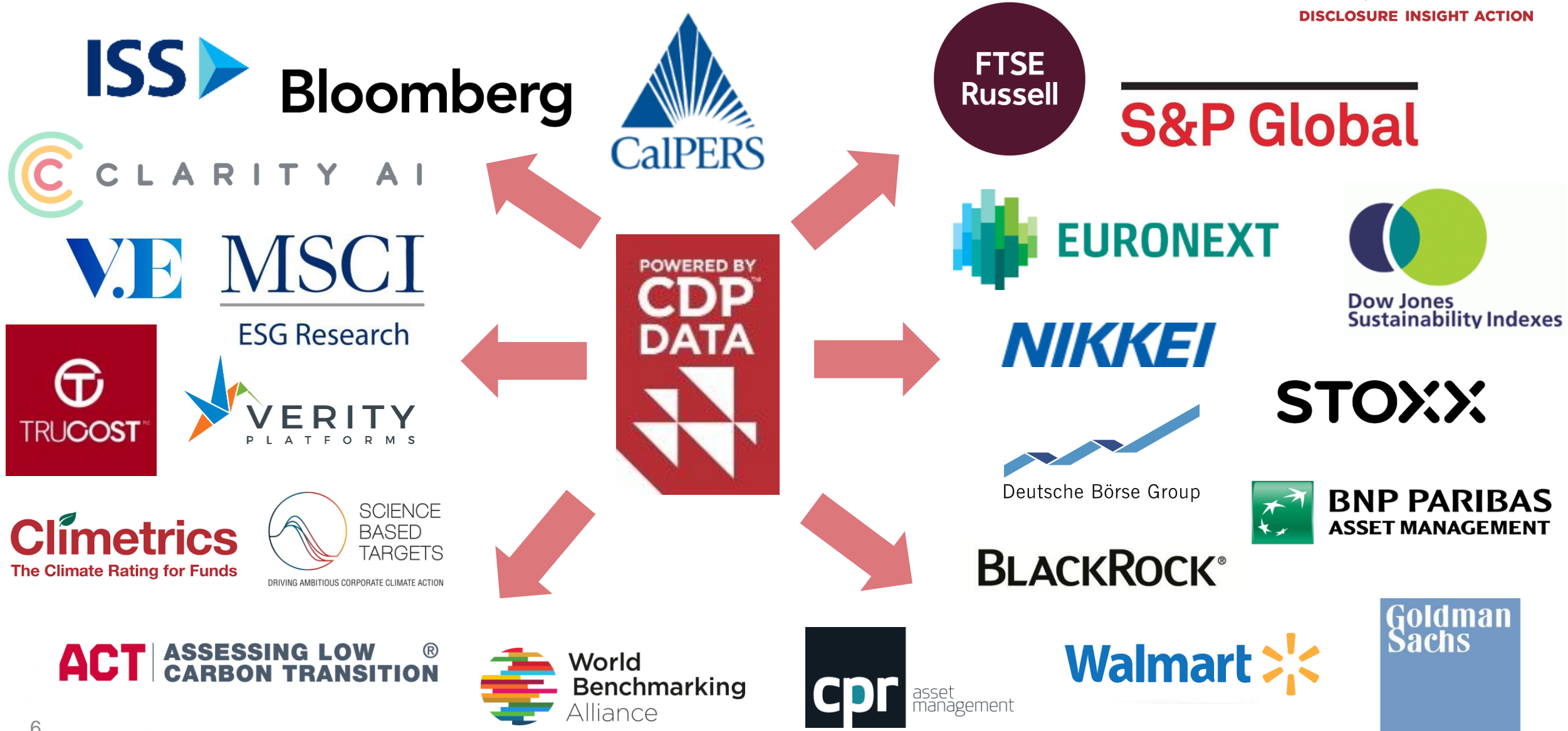


We aim to make environmental reporting mainstream and provide detailed insights to drive action for a climate safe, water secure, deforestation free world.

How We Work



The Amplification Effect



Growing Momentum

Overall number of disclosures grew by 37% in 2021

13,000+

Companies in over 90
countries reporting

*over 64% of the
world's market cap*

1,100+

Cities, states, and
regions sharing
best practice

200+

Global corporate
supply chains

*US\$5.5 trillion in
buying power*

680+

Institutional investors
requesting information

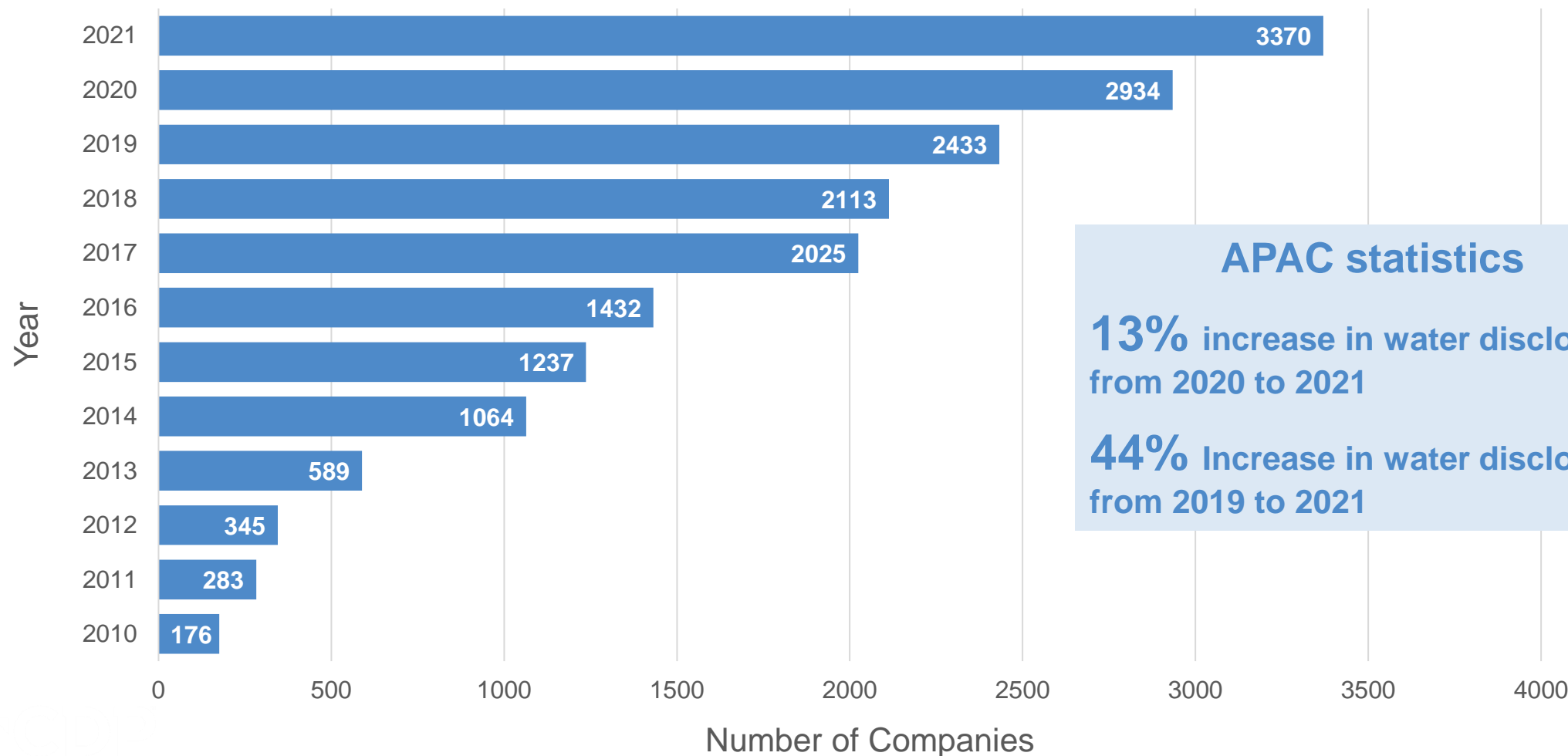
*US\$ 130 trillion
in assets*

OVERVIEW OF 2021 WATER DISCLOSURE

Kelly So
Corporate Engagement Officer, Corporate Relations

15% Global Increase in Water Security Disclosure from 2020 to 2021

Number of Companies Responded to CDP Water Security Questionnaire



APAC statistics

13% increase in water disclosure from 2020 to 2021

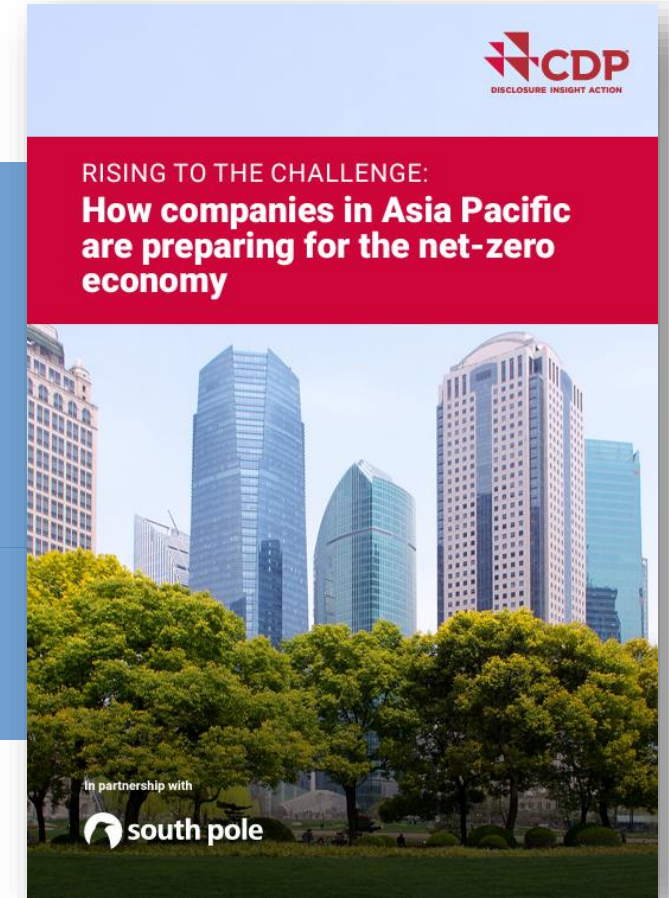
44% Increase in water disclosure from 2019 to 2021

Need for a Wave of Change to Secure Water Resources

2021 Performance of 1,185 APAC companies in this CDP
Water Security analysis



| | |
|-----|--|
| 72% | Reported board-level oversight on water-related issues |
| 16% | Set targets on water consumption |
| 6% | Set targets on water intensity |



How Did APAC Responders Manage Water Risks in 2021



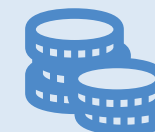
50%

Integrated water-related issues into their **long-term strategy**



44%

Integrated water-related issues into their **financial planning**



33%

Increased capital expenditure (CAPEX) for water-related issues

**for Asia companies only*

Total investment value for managing water risks in APAC

USD16.79 billion in total
3% increase from last year's value

Measuring and Monitoring in 2021

80%

Monitored water withdrawal volume

67%

Monitored water discharge volume

68%

Measured and monitored the quality of water discharge*



*for Asia companies only

BUSINESS CASE FOR WATER DISCLOSURE

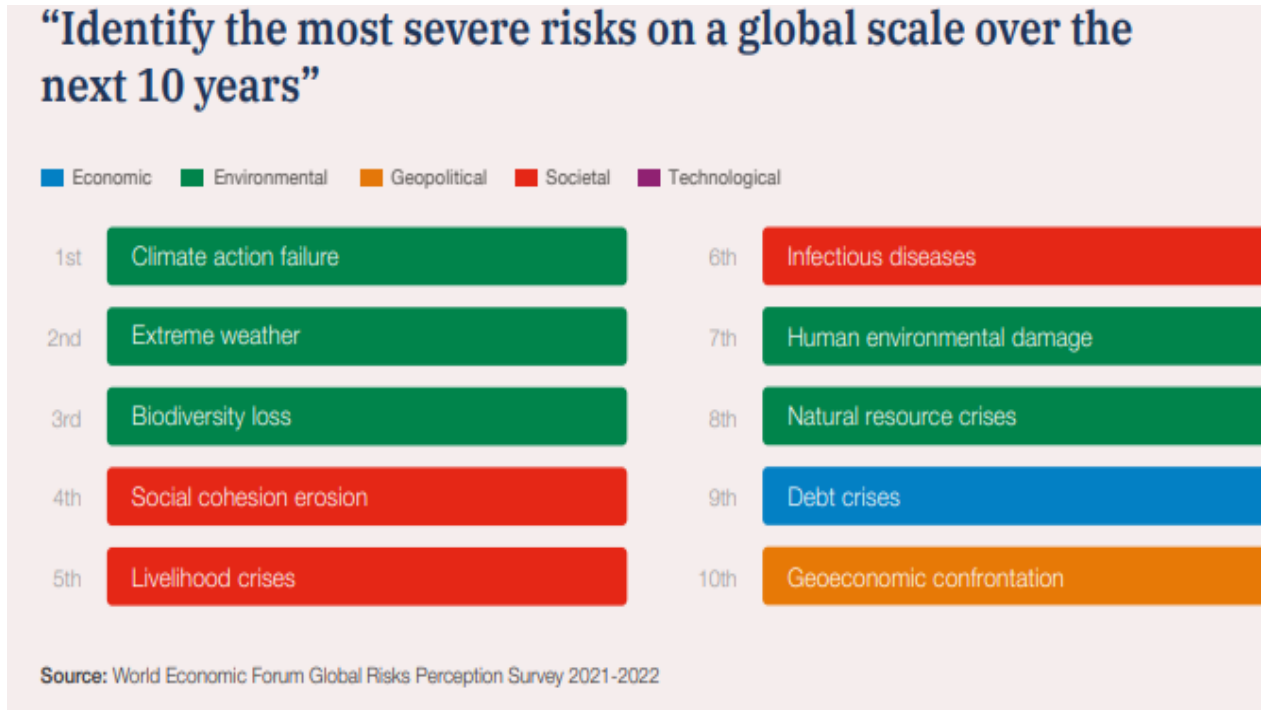
Patricia Calderon
Associate Director, Water Security



CONTENT

- ▼ Water – global risk driver
 - ▼ Potential financial risks versus cost of response
- ▼ Opportunities
 - ▼ A listers
 - ▼ Transformation examples
- ▼ Mandatory reporting
- ▼ CDP Ambition Loop project

Water Security – A Global Risk Driver



- ▼ IFPRI suggests that current business-as-usual water management practices and levels of water productivity will put at risk US\$63 trillion, or 45% of the projected 2050 global GDP (2011).
- ▼ WEF (2020) identified the need for US\$670 billion worth of annual investment to meet water-related SDGs.
- ▼ CDP’s 2020 global water report identified that the cost of inaction (US\$301 billion) is 5x greater than the cost of action (US\$55 billion) across 357 companies.

Water Security – A Common Interest



THE PRIVATE SECTOR IS VITAL TO DELIVERING A WATER SECURE FUTURE

- ▼ Companies in the food, textile, retail, energy, industrial, chemicals, pharmaceuticals and mining sectors account for and wield influence over 70% of the world's water use and pollution.
- ▼ Crucially, failure to achieve our water goals will constrain business growth.
 - ▼ Mitigating water risks makes business sense

Potential Financial Risks Versus Cost of Response – Per APAC Countries



| Countries | Maximum potential financial impact, US\$ million | Cost of Response, US\$ million | Ratio (Max financial impact / Cost of response) |
|--------------------------|--|--------------------------------|---|
| Australia | \$115.4 | \$257.5 | 0.4 |
| China | \$0.3 | \$0.1 | 3.7 |
| Hong Kong | \$389.9 | \$3.4 | 115.0 |
| India | \$6,007.5 | \$365.8 | 16.4 |
| Indonesia | \$4.0 | \$4.0 | 1.0 |
| Israel | \$0.0 | \$10.0 | 0 |
| Japan | \$68,703.2 | \$15,286.7 | 4.5 |
| Kazakhstan | \$448.6 | \$59.4 | 7.6 |
| Malaysia | \$0.0 | \$10.0 | 0 |
| Philippines | \$10.4 | \$1,583.0 | 0 |
| Republic of Korea | \$22,856.6 | \$625.9 | 36.5 |
| Singapore | \$29.3 | \$4.9 | 6.0 |
| Taiwan | \$6,973.6 | \$987.7 | 7.1 |
| Thailand | \$1,081.0 | \$222.4 | 4.9 |

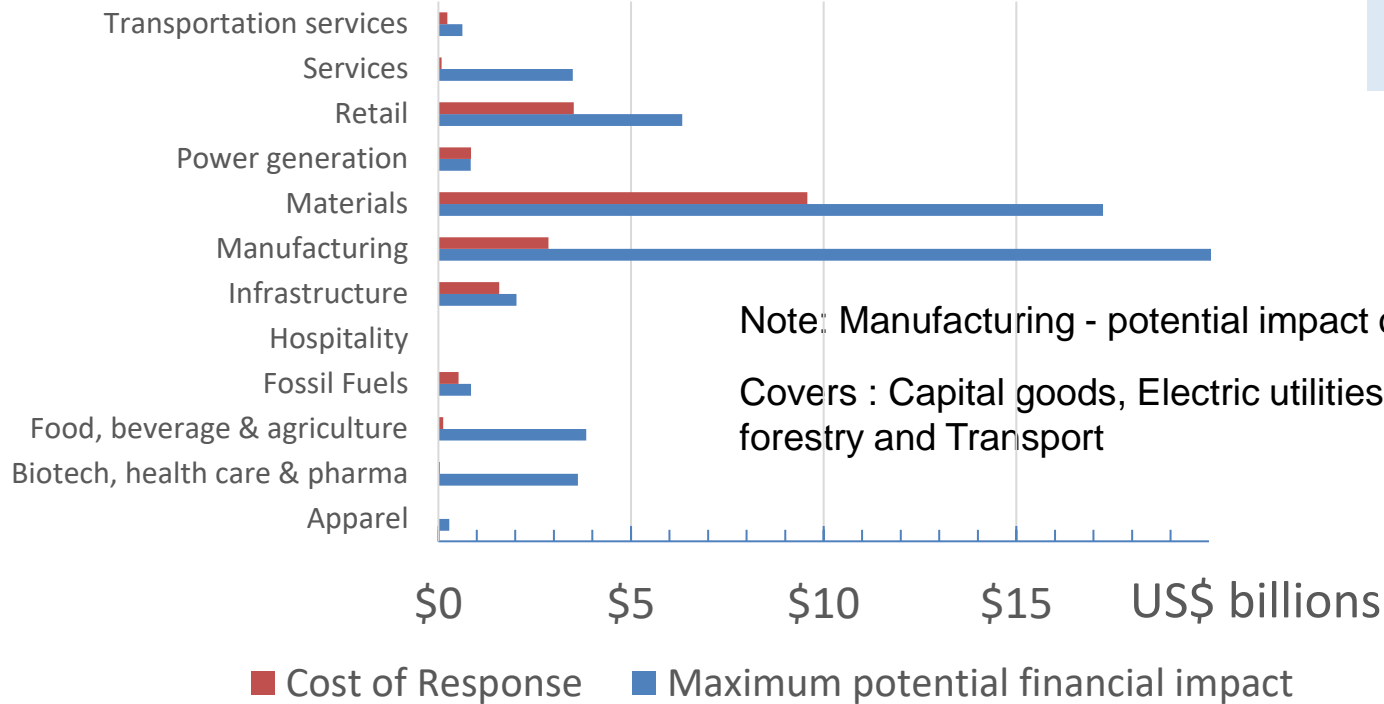
In the majority, the cost of action is less than the cost of inaction.

Japan based companies reported highest potential financial impact at US\$68 billion

2021 CDP water data from 1,263 top publicly listed companies in Asia Pac region

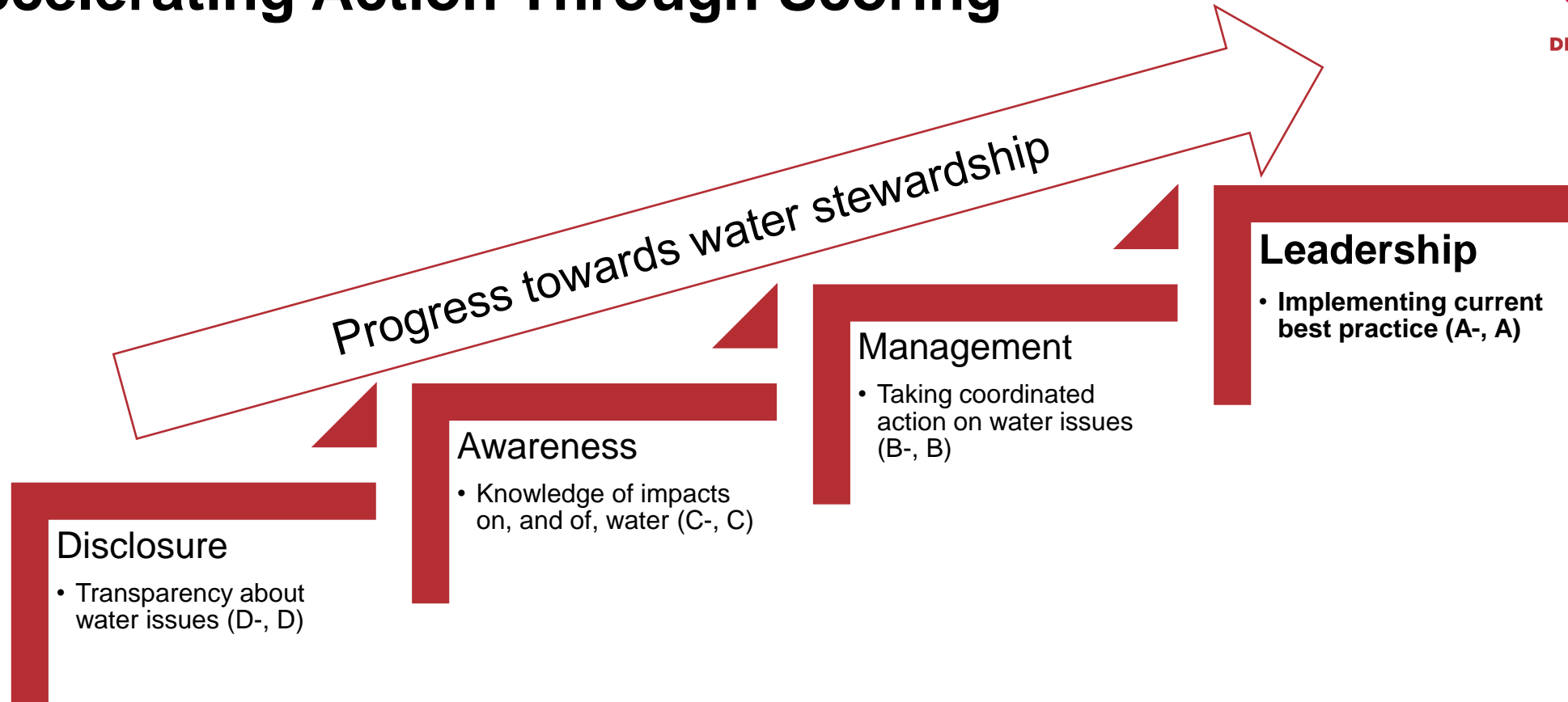
Potential Financial Risks versus Cost of Response – Per Sector (APAC)

In most sectors, the cost of action is less than the cost of inaction.
Exception is power generation due to energy transition



2021 data from 1,263 top publicly listed companies in Asia Pac region

Accelerating Action Through Scoring



➤ 2021 A list companies

- 58 out of 118 total are from Asia Pac region
- Japan has highest number at 38 followed by Taiwan at 9

Opportunities from managing water sustainably



“Innovation, circular economy, new products & services => cost savings, transforming business models, new markets”

Apparel: Formosa Taffeta Co (Taiwan)

Uses supercritical fluid dyeing technology (SFD) – **waterless dye.**

Benefits: new markets (sustainable conscious customers), and increased efforts against regional water shortages.

Manufacturing, Electronics: Seiko Epson Corporation (Japan)

Developed PaperLab, a **dry office papermaking** machine that uses recycled paper to make new paper.

This initiative aims to reduce freshwater consumption, eliminate waste paper and reduce costs.

Chemicals: Mitsubishi Chemical Holdings Corporation

Water efficiency: Water primarily used for cooling purposes. Decreased water withdrawals (seawater 4%, groundwater 7% and third party sources 5%), due to ongoing improvements on recycled water rates.

Mandatory Water Reporting is Coming



- Mandatory water disclosures initiatives have been identified in eight G20 countries (forthcoming in three jurisdictions), including **China and India** in APAC
- **Indonesia, Vietnam and the Philippines** have introduced mandatory water disclosure requirements
- Bursa **Malaysia** has launched a consultation in March 2022 to review of their sustainability reporting requirements.

Project Overview



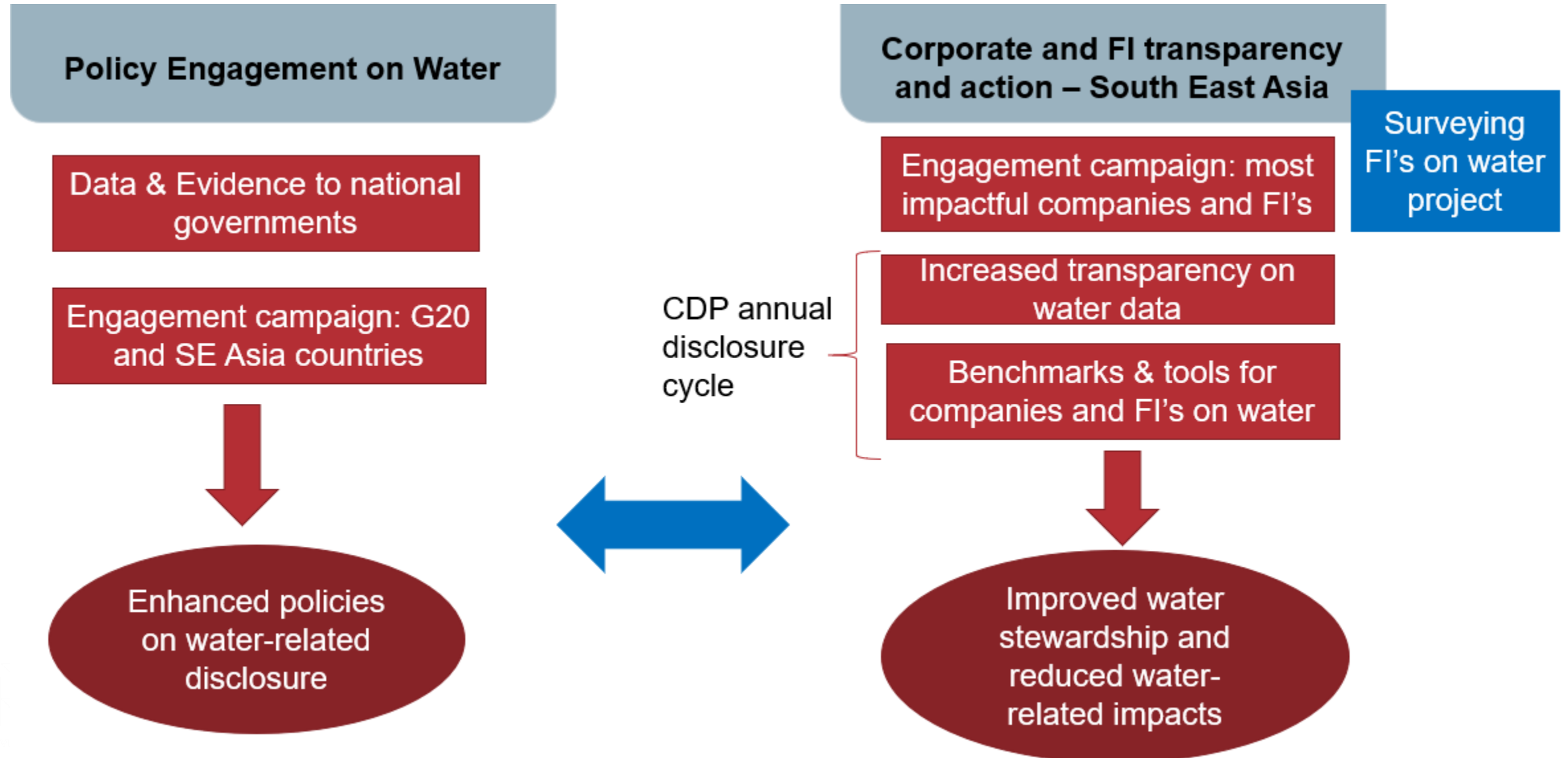
Funder: SDC – Swiss Agency for Development and Cooperation



Timescale: March 2021 – February 2024

- ▼ **Project Objective** – to scale up water-related transparency
- ▼ **Outcome 1** National governments enhance policy conducive to more and better private sector water disclosure.
- ▼ **Outcome 2:** Companies in major water consuming and polluting sectors are integrating water into fundamental business governance processes.





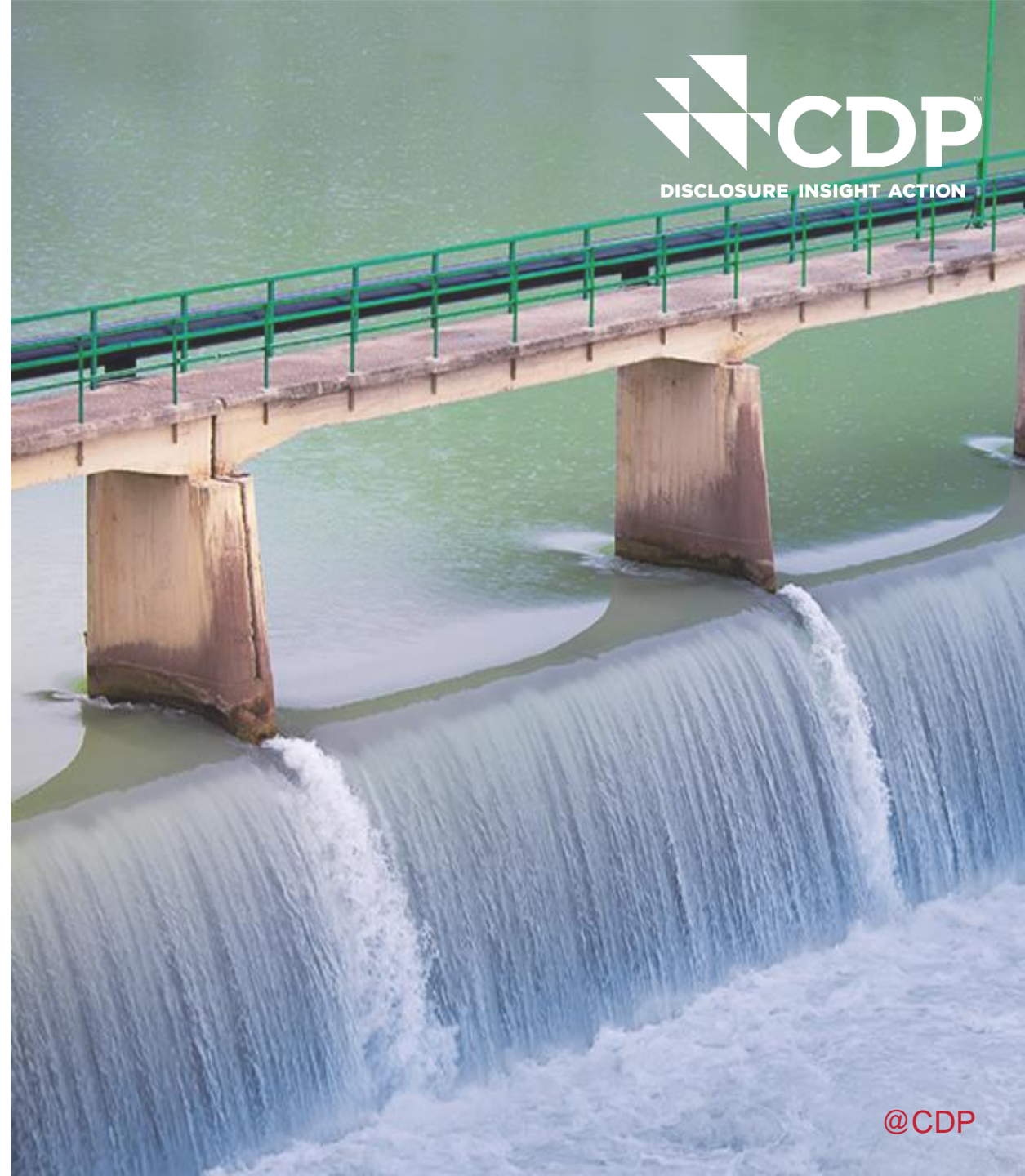
OVERVIEW OF THE 2022 WATER SECURITY QUESTIONNAIRE

Mabel Smith

Technical Manager, Water Security Questionnaire & Guidance

Content

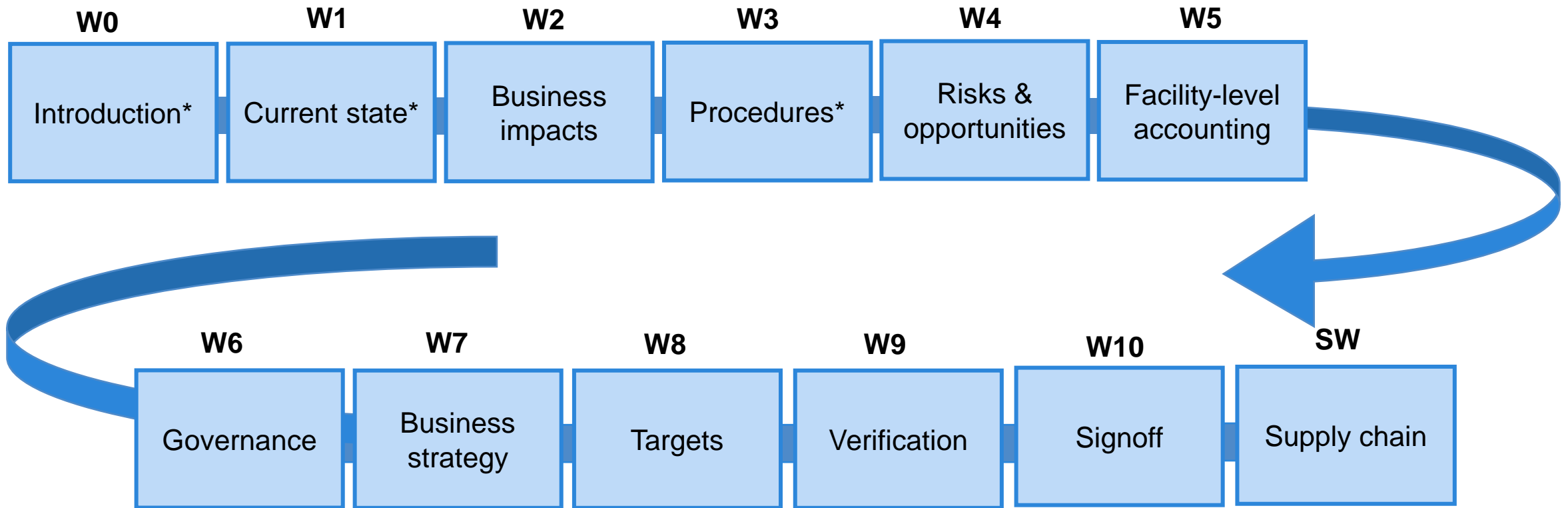
- Overview
 - Questionnaire structure
 - Changes for 2022
- 2022 Questionnaire
 - Module details with key changes
 - Minimum version & sector questions
- Reporting tips



Water Security Questionnaire Structure



- ▼ To align business with success in a water secure future
- ▼ To eliminate negative impacts on freshwater resources



* Contains some sector specific content

Headline changes for 2022



Minimal revisions and new content drive strategic priorities for CDP's mission

Disclosure strengthened on:



Governance – board competency



Water efficiency (by revenue)



Future water trends



Scenario analysis



Low water impact products and/or services

Scope of changes for 2022



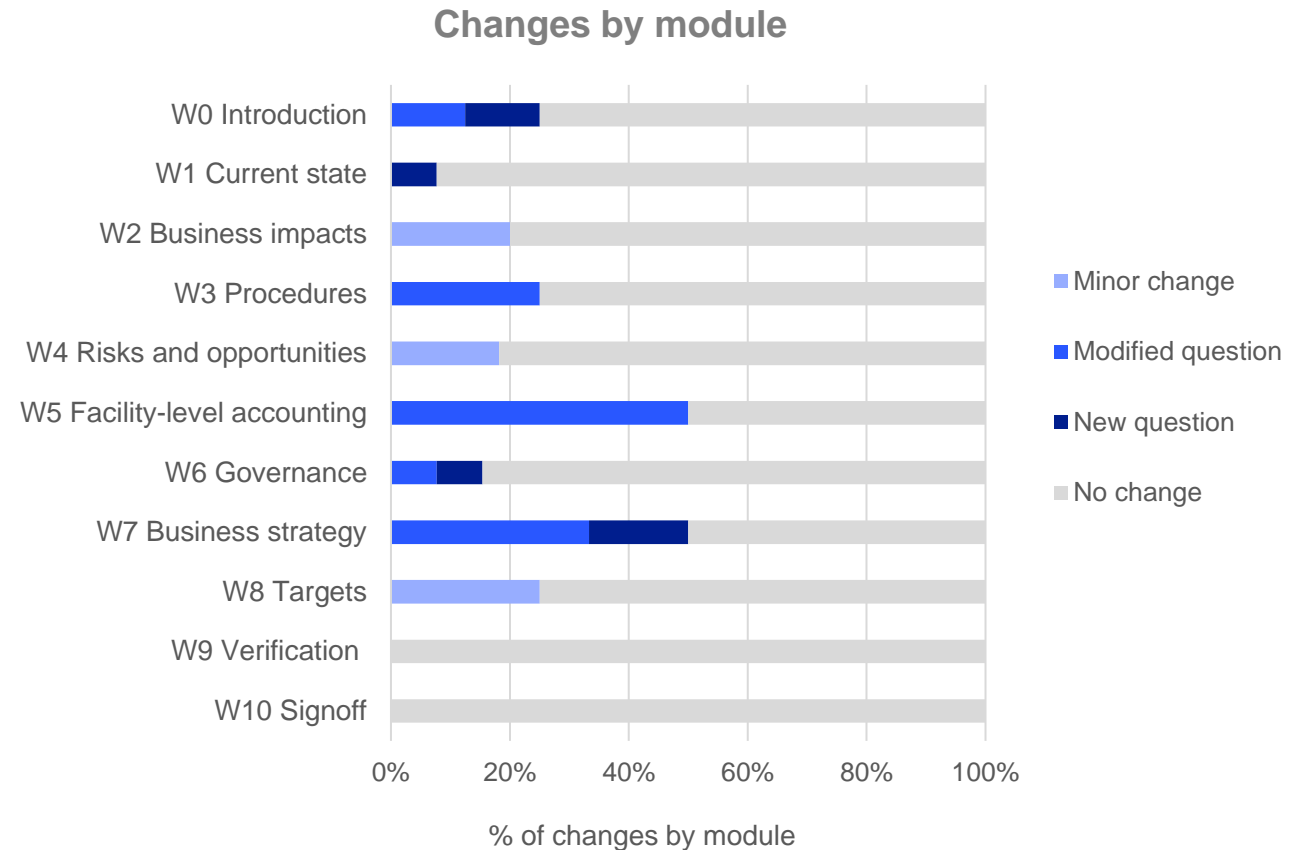
▼ **87%** of the questionnaire has no change or a minor change

▼ **3** removed questions

▼ **4** new questions

▼ **6** modified questions

▼ No new or revised sector-specific content






Total questions in 2022: **71**
(excludes sector specific questions and supply chain module)

Detailed Revisions of 2022 Water Security Questionnaire

Please refer to the “Changes” Documents on www.cdp.net/en/guidance/guidance-for-companies

CDP questionnaire changes 2021-2022

| | | |
|---|--|---|
|  |  |  |
| <p>Climate change</p> <p>A map of the relationship between questions in the 2021 climate change questionnaire and the 2022 climate change questionnaire.</p> | <p>Forests</p> <p>A map of the relationship between questions in the 2021 forests questionnaire and the 2022 forests questionnaire.</p> | <p>Water security</p> <p>A map of the relationship between questions in the 2021 water security questionnaire and the 2022 water security questionnaire.</p> |

Jump to...

- Respond to investors and customers
- Questionnaires
- Reporting guidance
- Questionnaire changes**
- Technical materials
- Scoring
- Other key resources

INTRODUCTION TO THE 2022 WATER SECURITY QUESTIONNAIRE

W0 INTRODUCTION

2022 MODULES

W0 Introduction

W1 Current state

W2 Business impacts

W3 Procedures

W4 Risks & opportunities

W5 Facility-level water verification

W6 Governance

W7 Business strategy

W8 Targets

W9 Verification

W10 Sign off

SW Supply Chain

▼ Collects information about the company and its disclosure.

▼ General description

▼ Reporting boundary

▼ Reporting year

▼ Exclusions

▼ Country

▼ Unique market identifier(s)

▼ Currency

▼ Allows data users to better understand the company's activities and contextualize the information reported to CDP.

W1 CURRENT STATE



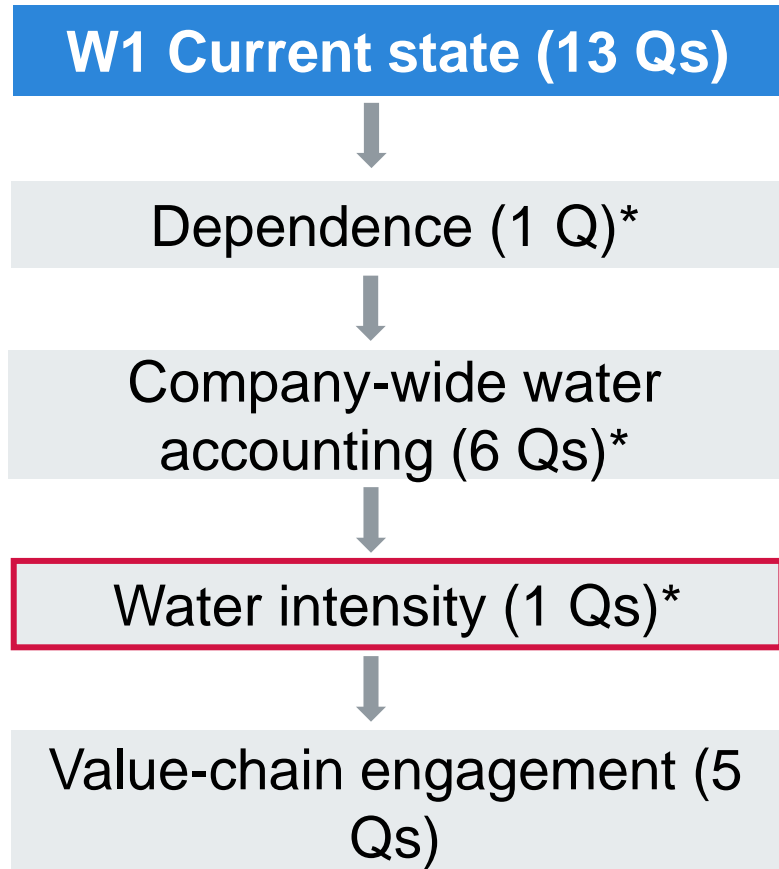
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| SW Supply Chain |

- ▶ Allows CDP data users to build a picture of the dependence of direct operations and wider value chain on water.
- ▶ Investors use this current state information to better assess the adequacy, robustness and relevance of water governance, management and stewardship activities, as well as disclosure of water risks and opportunities.

W1 CURRENT STATE



| |
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| SW Supply Chain |



Provides a picture of the company's dependence on freshwater in its value chain, currently and in the future.

Allows the company to demonstrate how well it understands its corporate hydrology.

Helps to track water efficiency.

Gives data users confidence that the company looks beyond the corporate fence to build resilience.

*Section has additional content for high-impact sectors

Red box = new question

W1.3 – Water intensity



(W1.3) Provide a figure for your organization’s total water withdrawal efficiency.

NEW QUESTION

- ▶ A water withdrawal efficiency metric enables companies to track the water-dependency of their revenue, as well as benchmark their water use. Awareness of water efficiency can drive cost savings, increased brand value, and product or service innovation.
- ▶ This metric helps data users track a company’s transition towards a water secure future
- ▶ **Note:** Compared to water intensity sector-specific questions focused on products/activities, this is a more high-level, company-wide metric aligned with SDG indicator 6.4.1.

| Revenue | Total water withdrawal volume (megaliters) | Total water withdrawal efficiency | Anticipated forward trend |
|---|---|-----------------------------------|--|
| Numerical field [enter a number from 0-999,999,999,999 using a maximum of two decimal places] | Numerical field [enter a number from 0-999,999,999,999 using a maximum of two decimal places] | [Auto-calculated] | Text field [maximum of 500 characters] |

W2 BUSINESS IMPACTS

2022 MODULES

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W3 Procedures

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W8 Targets

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W10 Sign off

SW Supply Chain

- ▼ Lets CDP data users know:
 - ▼ whether a business has already been impacted by water-related issues during the reporting period
 - ▼ that a business is keeping track of impacts
- ▼ Helps the company:
 - ▼ understand how water security is already affecting its operations, and what could be on the horizon
 - ▼ prioritize its sustainable water management practices

W2 BUSINESS IMPACTS

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|---|
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| W10 Sign off |
| SW Supply Chain |

W2 Business impacts (5 Qs)

Recent impacts (2 Qs)

Compliance impacts (3 Qs)

Location, type, response and financial impact.

Regulatory violations: fines, enforcement orders, other penalties.

W3 PROCEDURES



2022 MODULES

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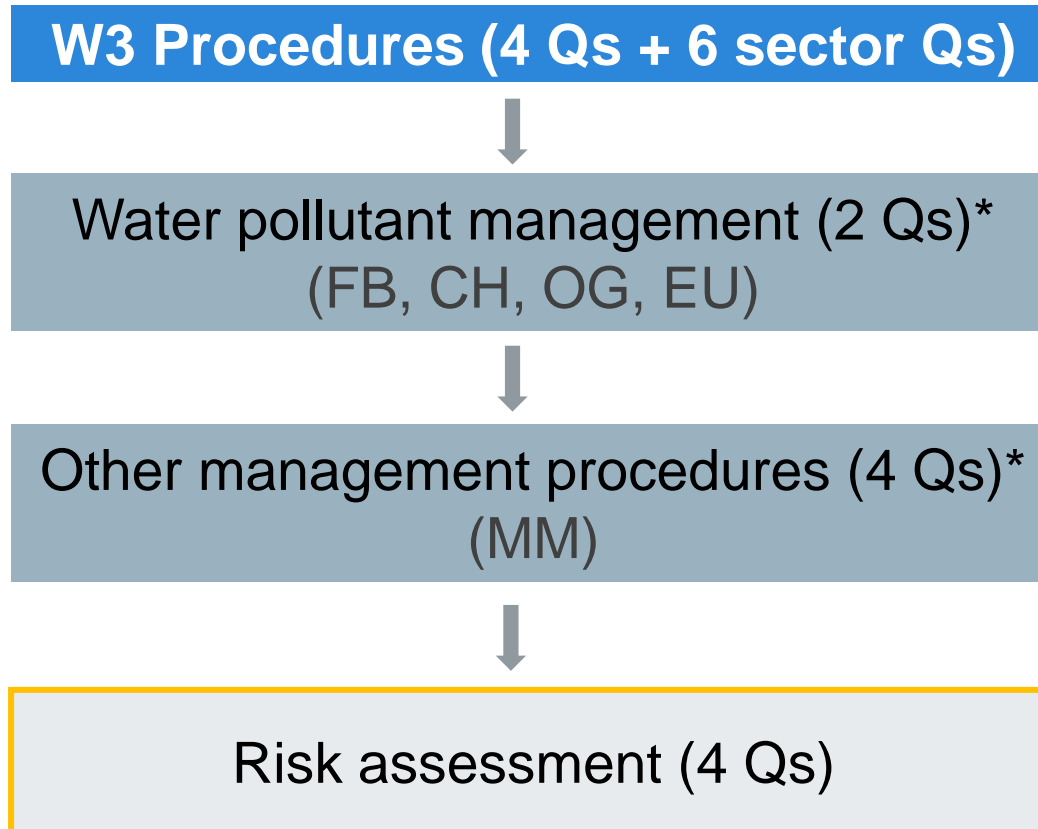
W10 Sign off

SW Supply Chain

- ▼ Requests information about the procedures organizations have in place to manage issues salient to their sector and to understand inherent risk exposure.
- ▼ This data helps provide data users with confidence that the organization's disclosure of water risks in module 4 is comprehensive.

W3 PROCEDURES

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Specific procedures in place in high impact sectors to manage water-related issues (W3.1; W3.2).

The robustness, comprehensiveness and integrity of an organization’s risk assessment process (W3.3).

*Sectors only (as specified)

Yellow box = modified question

W3.3 – Risk assessment

(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks

MODIFIED QUESTION

To reduce reporting effort:

- ▼ Table structure is modified: procedures for each stage of the value chain can be reported together rather than on separate rows.
- ▼ W3.3b on stakeholders and W3.3c on contexts removed and merged into this question.
- ▼ The list of ‘Tools and methods used’ has been updated.

| 2021 | 2022 | Contextual issues considered | Stakeholders considered | | | | | | | |
|--|-------------------|------------------------------|-------------------------|---------------------------------|---|-------------------|--|-----------|---|--|
| <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #0070C0; color: white;"> <th>Value chain stage</th> </tr> </thead> <tbody> <tr> <td style="height: 150px; vertical-align: top;">Direct operations</td> </tr> <tr style="background-color: #D9E1F2;"> <td>Supply chain</td> </tr> <tr> <td>Other stages of the value chain</td> </tr> </tbody> </table> | Value chain stage | Direct operations | Supply chain | Other stages of the value chain | <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #0070C0; color: white;"> <th>Value chain stage</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;"> <div style="border: 2px solid red; border-radius: 50%; padding: 5px; display: inline-block;">Select all that apply:</div> <ul style="list-style-type: none"> Direct operations Supply chain Other stages of the value chain </td> </tr> <tr> <td style="text-align: center;">[Add Row]</td> </tr> </tbody> </table> | Value chain stage | <div style="border: 2px solid red; border-radius: 50%; padding: 5px; display: inline-block;">Select all that apply:</div> <ul style="list-style-type: none"> Direct operations Supply chain Other stages of the value chain | [Add Row] | <div style="border: 2px solid red; padding: 5px;"> <p>Select all that apply:</p> <ul style="list-style-type: none"> Water availability at a basin/catchment level Water quality at a basin/catchment level Stakeholder conflicts concerning water resources at a basin/catchment level Implications of water on your key commodities/raw materials Water regulatory frameworks Status of ecosystems and habitats Access to fully-functioning, safely managed WASH services for all employees Other, please specify </div> | <div style="border: 2px solid red; padding: 5px;"> <p>Select all that apply:</p> <ul style="list-style-type: none"> Customers Employees Investors Local communities NGOs Regulators Suppliers Water utilities at a local level Other water users at the basin/catchment level Other, please specify </div> |
| Value chain stage | | | | | | | | | | |
| Direct operations | | | | | | | | | | |
| Supply chain | | | | | | | | | | |
| Other stages of the value chain | | | | | | | | | | |
| Value chain stage | | | | | | | | | | |
| <div style="border: 2px solid red; border-radius: 50%; padding: 5px; display: inline-block;">Select all that apply:</div> <ul style="list-style-type: none"> Direct operations Supply chain Other stages of the value chain | | | | | | | | | | |
| [Add Row] | | | | | | | | | | |

New columns

W4 RISKS & OPPORTUNITIES

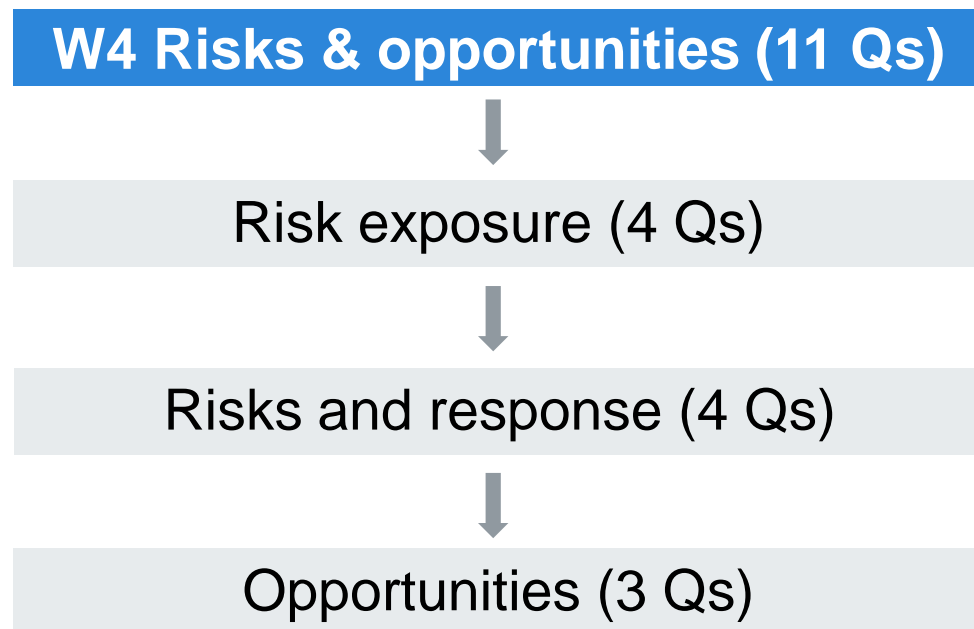


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| SW Supply Chain |

- ▼ Asks companies to report their exposure to **substantive water-related risks** and give details, including location and the potential financial impact.
- ▼ Provides data users with information about **operational, commercial and other opportunities** related to water:
 - ▼ Only opportunities that could substantively benefit the business.
 - ▼ Only opportunities that the company is realizing – not potential opportunities.

W4 RISKS & OPPORTUNITIES

| |
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Risks: Companies demonstrate an awareness of their exposure to water-related risks and how they are responding (W4.1; W4.2).

Opportunities: Informs data users of significant market opportunities, their potential financial value and how the company is realizing those opportunities (W4.3).

W5 FACILITY-LEVEL WATER ACCOUNTING



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W5 Facility-level water verification

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W10 Sign off

SW Supply Chain

- ▶ Leading organizations are monitoring water use and dependency at a facility level.
 - ▶ Investors are using the ability of an organization to report at this level as a proxy for sound risk management.
 - ▶ **IMPORTANT TO NOTE** – only requests data for sites exposing the company to substantive risk. Not all sites.
 - ▶ Asks if the accounting data has been verified.

W5 FACILITY-LEVEL WATER ACCOUNTING



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W5 Facility-level water accounting (2 Qs)



Facility water accounting (2 Qs)

Asks for data for sites exposing the company to a potential substantive impact, and if the accounting data has been verified.

W6 GOVERNANCE



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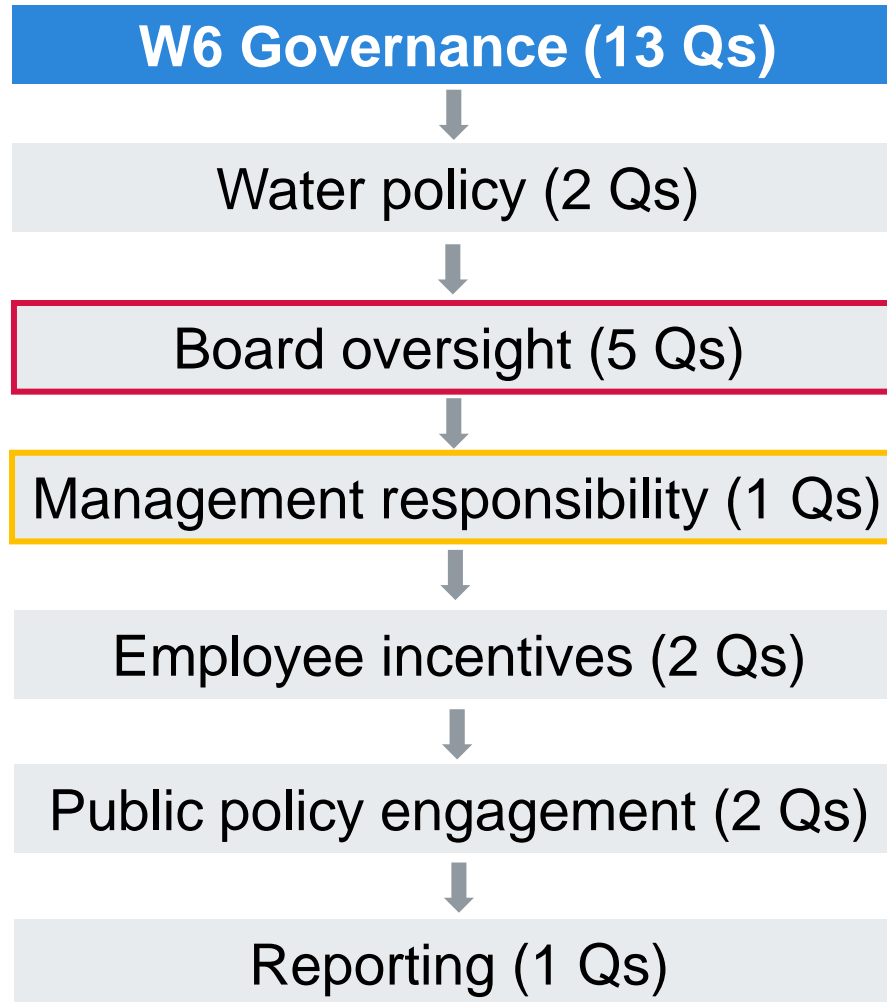
W10 Sign off

SW Supply Chain

- ▶ Provides CDP data users with evidence that companies have governance mechanisms in place to deliver water security, build resilience to water challenges and fulfil water stewardship commitments.
- ▶ Governance mechanisms should match the organization's risk exposure.
- ▶ It provides data users with an understanding of the organization's approach to water-related issues at board and senior management levels.

W6 GOVERNANCE

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| SW Supply Chain |



Water policy scope and content.

Board-level oversight and competence on water-related issues.

High level management responsibilities for water-related issues.

Senior employee incentives.

Engagement in public policy on water, and consistency with company water policy/commitments.

Reporting on responses to water risks in main stream financial reporting.

W6.2 – Board oversight



(W6.2d) Does your organization have at least one board member with competence on water-related issues?

NEW QUESTION

Transitioning a business for success in a sustainable future requires related experience within its decision-making bodies. Having this capability at board level signals a company's commitment to understanding and responding to risks, opportunities, and impacts.

| Board member(s) have competence on water-related issues | Criteria used to assess competence of board member(s) on water-related issues* | Primary reason for no board-level competence on water-related issues* | Explain why your organization does not have at least one board member with competence on water-related issues and any plans to address board-level competence in the future* |
|---|--|---|--|
| Select from: <ul style="list-style-type: none"> • Yes • No, but we plan to address this within the next two years • No, and we do not plan to address this within the next two years • Not assessed | Text field [maximum 2,500 characters] | Select from: <ul style="list-style-type: none"> • Important but not an immediate priority • Judged to be unimportant, explanation provided • Other, please specify | Text field [maximum 2,500 characters] |

W6.3 – Management responsibility



(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals)

MODIFIED QUESTION

▲ A new response option allows companies to indicate management responsibility for assessing future trends in water demand. The addition of this data point reflects the importance of anticipating future water trends.

| Name of the position(s) and/or committee(s) | Responsibility* | Frequency of reporting to the board on water-related issues* | Please explain |
|---|--|--|---------------------------------------|
| Select from: <ul style="list-style-type: none"> • There is currently no management-level responsibility for water-related issues • Chief Executive Officer (CEO) • Chief Financial Officer (CFO) • Chief Operating Officer (COO) • Chief Procurement Officer (CPO) • Chief Risk Officer (CRO) • Chief Sustainability Officer (CSO) • Other C-Suite Officer, please specify • President • Risk committee | Select all that apply: <ul style="list-style-type: none"> • Assessing future trends in water demand • Assessing water-related risks and opportunities • Managing water-related risks and opportunities • Other, please specify | Select from: <ul style="list-style-type: none"> • More frequently than quarterly • Quarterly • Less frequently than annually • As important matters arise • Not reported to board | Text field [maximum 1,000 characters] |

**New option:
Assessing future trends in water demand**

W7 BUSINESS STRATEGY

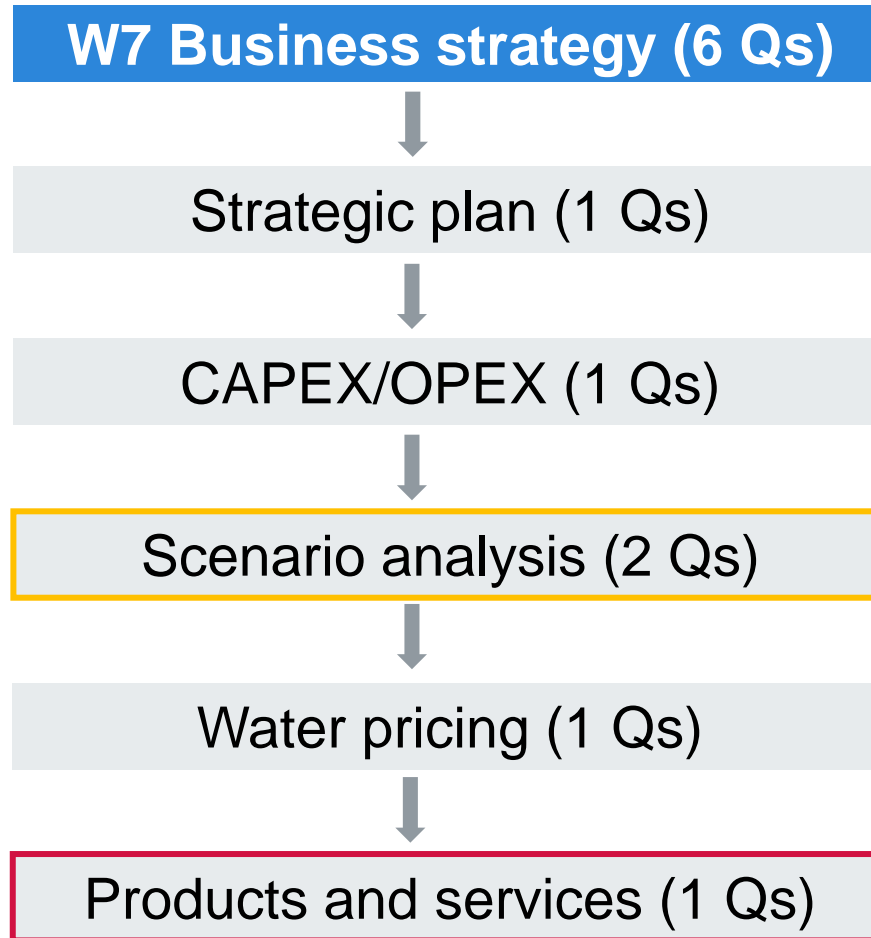


| |
|---|
| 2022 MODULES |
| W0 Introduction |
| W1 Current state |
| W2 Business impacts |
| W3 Procedures |
| W4 Risks & opportunities |
| W5 Facility-level water verification |
| W6 Governance |
| W7 Business strategy |
| W8 Targets |
| W9 Verification |
| W10 Sign off |
| SW Supply Chain |

- ▼ Informs CDP data users on how a company is adapting its long-term strategic plan towards water security. It is a forward-looking module.

W7 BUSINESS STRATEGY

| |
|---|
| 2022 MODULES |
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| SW Supply Chain |



Integration of water-related issues into business objectives, strategy, and long term financial planning.

Past and future trends.

Use of scenario analysis to consider possible water futures.

Any internal water valuation activity to understand the cost of water provision and the best opportunities for efficiency.

Classification of current products and/or services as low water impact.

W7.3 – Scenario analysis



(W7.3) Does your organization use scenario analysis to inform its business strategy?

(W7.3a) Provide details of the scenario analysis, what water-related outcomes were identified, and how they have influenced your organization's business strategy.

MODIFIED QUESTIONS

- ▼ The focus on '**climate-related**' scenario analysis has been removed.
- ▼ W7.3a question has new columns to report the types of scenario analysis used, further details of the scenario analysis, and how water related outcomes have influenced business strategy.

| Type of scenario analysis used | Parameters, assumptions, analytical choices | Description of possible water-related outcomes | Influence on business strategy |
|--|---|--|---------------------------------------|
| Select all that apply: <ul style="list-style-type: none"> • Water-related • Climate-related • Socioeconomic • Land-use change • Other, please specify | Text field [maximum 2,500 characters] | Text field [maximum 1,500 characters] | Text field [maximum 1,500 characters] |

W7.5 – Products and services



(W7.5) Do you classify any of your current products and/or services as low water impact?

NEW QUESTION

- ▼ Reducing the water impact of products, in the production or use phase of the value chain, will hasten the transition to a water-secure future. This question informs investors and other data users on the action that companies are taking towards this.
- ▼ There is no common definition of what constitutes a low water impact product and/or service, so companies are asked to explain the criteria and threshold used for classifying products and/or services as low water impact.

| Products and/or services classified as low water impact | Definition used to classify low water impact* | Primary reason for not classifying any of your current products and/or services as low water impact* | Please explain |
|---|---|--|--|
| Select from: <ul style="list-style-type: none"> • Yes • No, but we plan to address this within the next two years • No, and we do not plan to address this within the next two years | Text field [maximum 5,000 characters] | Select from: <ul style="list-style-type: none"> • Important but not an immediate business priority • Judged to be unimportant, explanation provided • Lack of internal resources • No instruction from management • Other, please specify | Text field [maximum 1,000 characters] |

W8 TARGETS

| |
|---|
| 2022 MODULES |
| W0 Introduction |
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| SW Supply Chain |

- ▼ CDP data users wish to know about the use of targets and goals for improving water security and responding to water risks.



Allows organizations to explain their approach to target and goal setting at all levels, and to report the details of targets and goals that are significant at the corporate level.

W9 VERIFICATION

2022 MODULES

W0 Introduction

W1 Current state

W2 Business impacts

W3 Procedures

W4 Risks & opportunities

W5 Facility-level water verification

W6 Governance

W7 Business strategy

W8 Targets

W9 Verification

W10 Sign off

SW Supply Chain

- ▶ Enables companies to report any verification activity related to water – in addition to the verification question for facility water accounting in W5.

W9 Verification (2 Qs)



Verification (2 Qs)

The information requested in this question could help strengthen confidence in an organization's response to the water security questionnaire.

W10 SIGN OFF



2022 MODULES

W0 Introduction

W1 Current state

W2 Business impacts

W3 Procedures

W4 Risks & opportunities

W5 Facility-level water verification

W6 Governance

W7 Business strategy

W8 Targets

W9 Verification

W10 Signoff

SW Supply Chain

- ▼ CDP asks companies to identify the job title of the person signing off (approving) the CDP response.
- ▼ This information signals to data users where in the corporate structure direct responsibility is being taken for the response and the information contained therein.

SW SUPPLY CHAIN MODULE



2022 MODULES

W0 Introduction

W1 Current state

W2 Business impacts

W3 Procedures

W4 Risks & opportunities

W5 Facility-level water verification

W6 Governance

W7 Business strategy

W8 Targets

W9 Verification

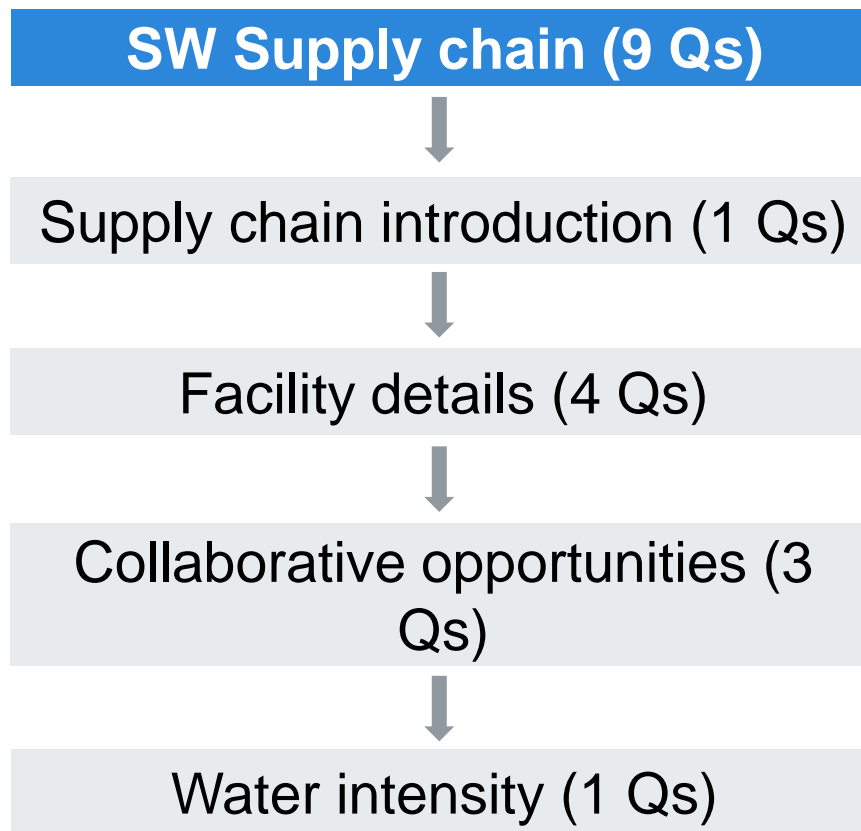
W10 Sign off

SW Supply chain

- ▶ Purchasing organizations have potential to incentivize significant environmental changes in their supply chain.
- ▶ This module is a set of questions targeted at organizations supplying companies that are members of the CDP supply chain program:
 - ▶ an understanding of their supplier's water management and
 - ▶ information about their suppliers' facilities.

SW SUPPLY CHAIN MODULE

| |
|--------------------------------------|
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| SW Supply chain |



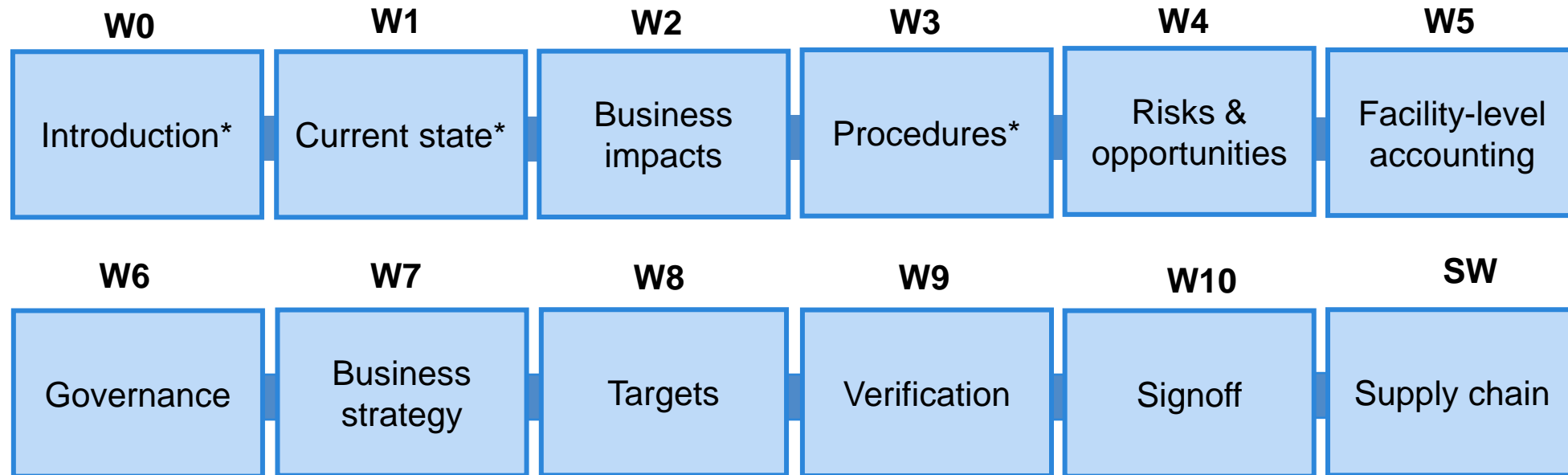
Annual revenue.

Potential impacts on requesting CDP supply chain members and geolocation data for all facilities.

Potential and past collaborative projects.

Water intensity values for products/services across all operations.

A FRAMEWORK FOR ACTION



* Contains some sector specific content



Water secure future for all

Minimum version questionnaires



An option for organizations:

- Disclosing to the water security questionnaire for the first time;
OR
- With an annual revenue of less than EUR/US\$250 million

Sector specific content is not included in the Min version.

| FULL | MINIMUM | REDUCTION |
|--------------|--------------|-----------|
| 71 questions | 41 questions | 42% |

Note: count excludes the SC module

Sector-specific questions / response options



FIVE SECTORS

Energy

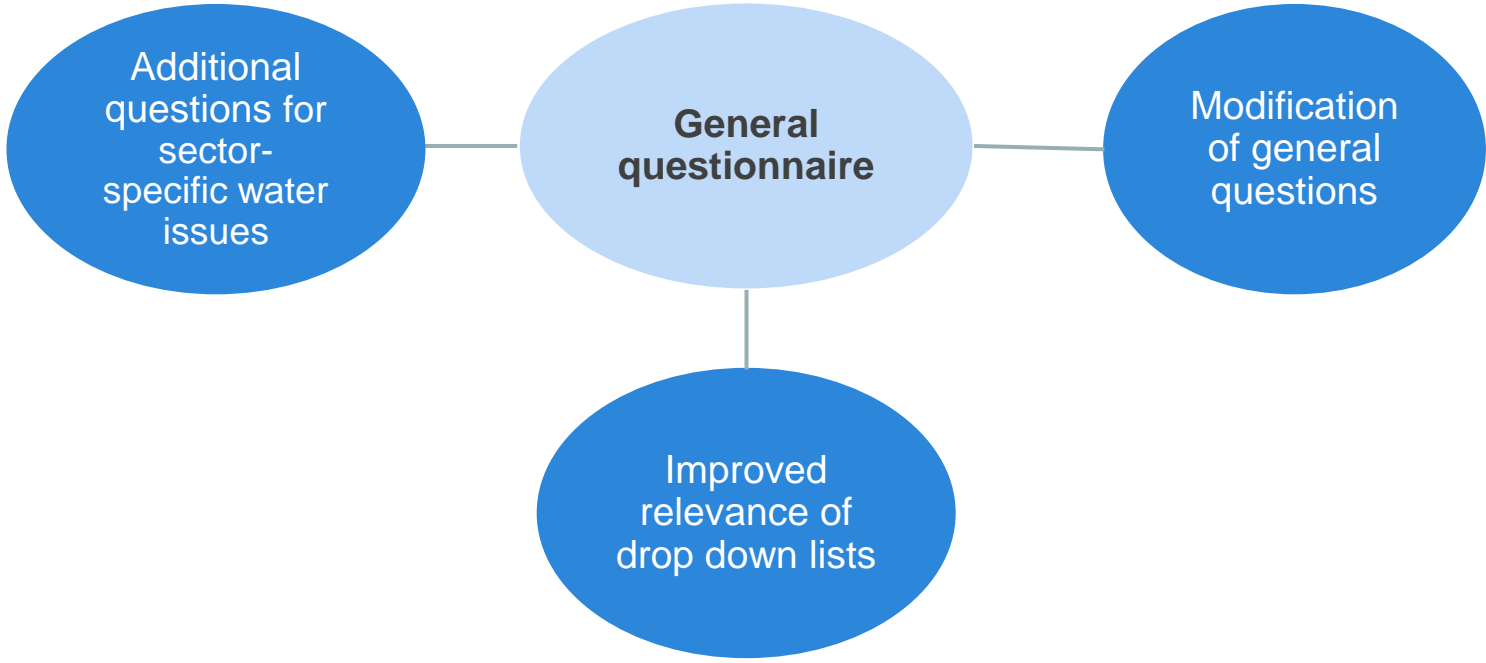
- Oil & gas
- Electric utilities

Materials

- Chemicals
- Metals & mining

Agriculture & Land use

- Food, beverage & tobacco



Additional sector questions:

- Business activities
- Water intensity (water withdrawal or consumption per unit of product)

Reporting tips - What to look out for:



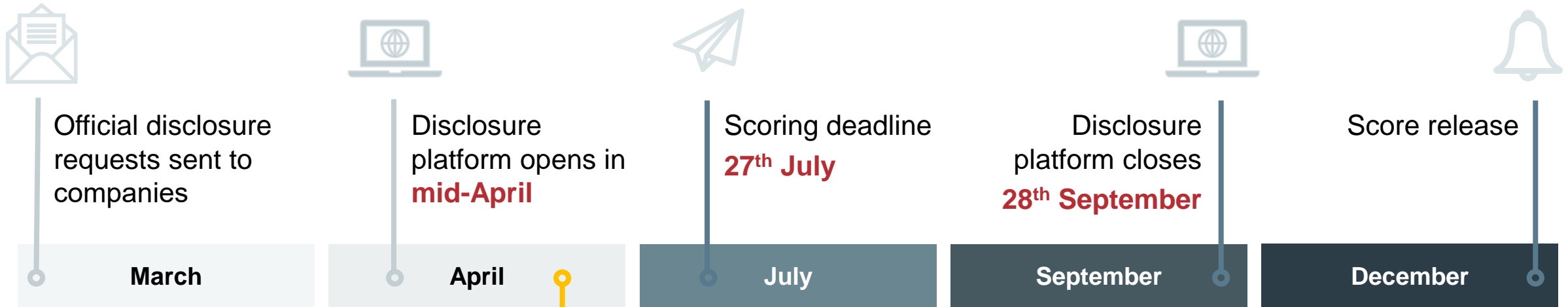
- ▼ “Copy FORWARD”: you must check your responses!
 - ▼ Note: If you submitted a response to the 2021 questionnaire, your answers, where applicable, will be auto-populated into your 2022 questionnaire.

- ▼ Reporting your water-related risks
 - ▼ Note that we ask for details of substantive risks only.
You tell us how you set the threshold for what is substantive – what exposes your company to impacts that would be significant operationally or financially, for example.
 - ▼ Note that we ask for water accounting data at the facility level – but **only for** facilities that expose your company as a whole to substantive risk.

2022 DISCLOSURE CYCLE

Kelly So
Corporate Engagement Officer, Corporate Relations

2022 Disclosure Timeline



Disclosure Workshops



| | |
|------------------------------|-----------------------------|
| 2022 Beginner Workshop | 19 th April 2022 |
| 2022 Climate Change Workshop | 20 th April 2022 |
| 2022 Forests Workshop | 21 st April 2022 |
| 2022 Water Security Workshop | 22 nd April 2022 |

Admin Fee

Support the CDP disclosure system and contributes to the ongoing development of resources



| Admin Fee | Report through CDP, receive score | Use CDP reporting frameworks and guidance | Free entry/priority registration to CDP event | *CDP Supporter badge | Recognition at CDP events and by the CDP director for use in sust. comms | Access to 100 company resources of your choice | Detailed CDP <u>Benchmark Report</u> | 1-Hour Consultation with CDP ASP (optional) | Screening of top 50 suppliers |
|------------------------------|-----------------------------------|---|---|----------------------|--|--|--------------------------------------|---|-------------------------------|
| Enhanced (USD6,500) | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Standard (USD2,725) | ✓ | ✓ | ✓ | ✓ | | | | | |
| Subsidized (USD1,055) | ✓ | ✓ | | | | | | | |

Options for First-time Disclosers



Recommended approach



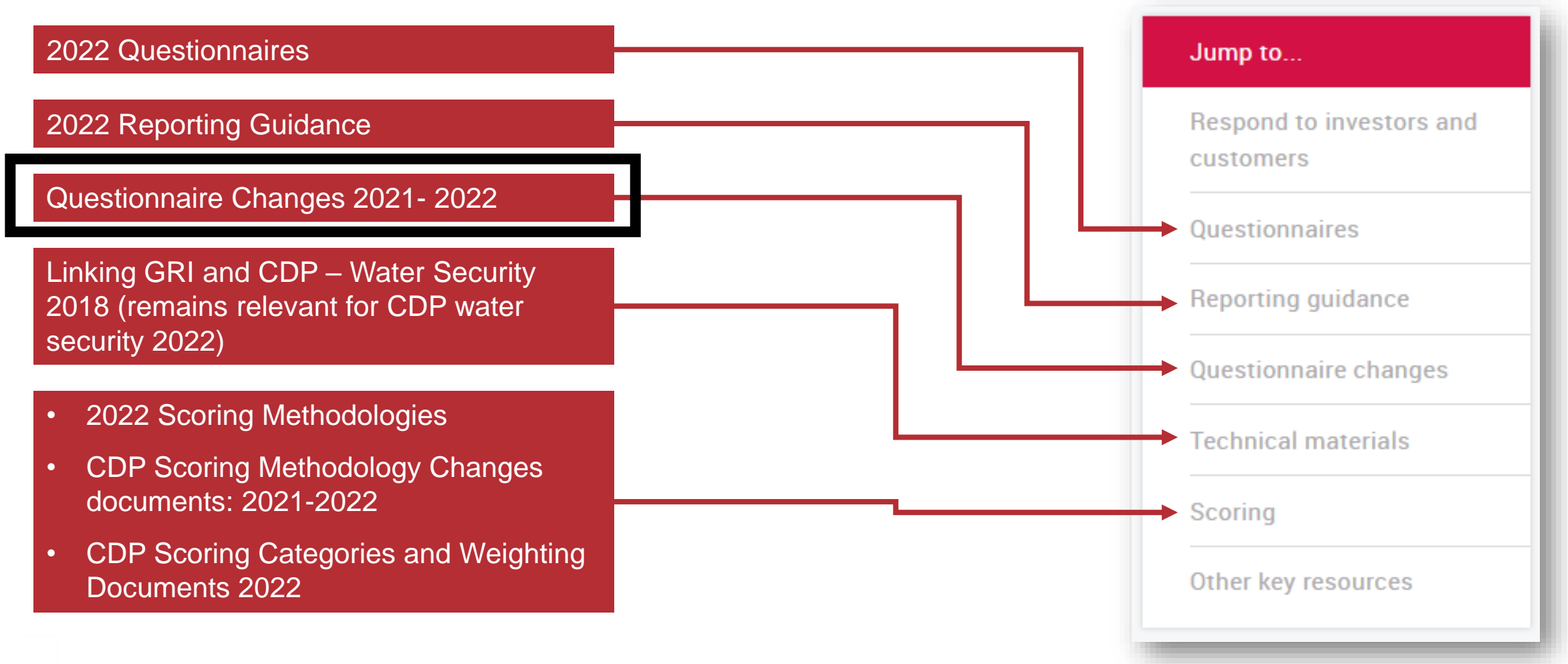
| Questionnaire version | Full Version | | Minimum Version | |
|-----------------------------|---|-------------------|-------------------|-------------------|
| | On/ before 27 Jul | On/ before 28 Sep | On/ before 27 Jul | On/ before 28 Sep |
| Submission | ✓ | ✗ | ✗ | ✗ |
| Score | ✓ | ✗ | ✗ | ✗ |
| Score report | ✓ | ✗ | ✗ | ✗ |
| Private score option | ✓ | ✗ | ✗ | ✗ |
| Score status on CDP website | Your 2022 score or "Not available" if you want a private score | "Not scored" | "Not scored" | "Not scored" |
| Your response | Response can be made public or private on CDP website, but investor signatories will have access to the response regardless | | | |
| Admin fee | Waived for first-time disclosers | | | |

Companies will receive an "F" if they fail to submit their response on/ before 28 September 2022

SUPPORT FOR COMPANIES

Key Resources Available on CDP Guidance Page

Available on www.cdp.net/en/guidance/guidance-for-companies



CDP Frequently Asked Questions

www.cdp.net/en/companies-discloser/how-to-disclose-as-a-company/faqs-for-companies

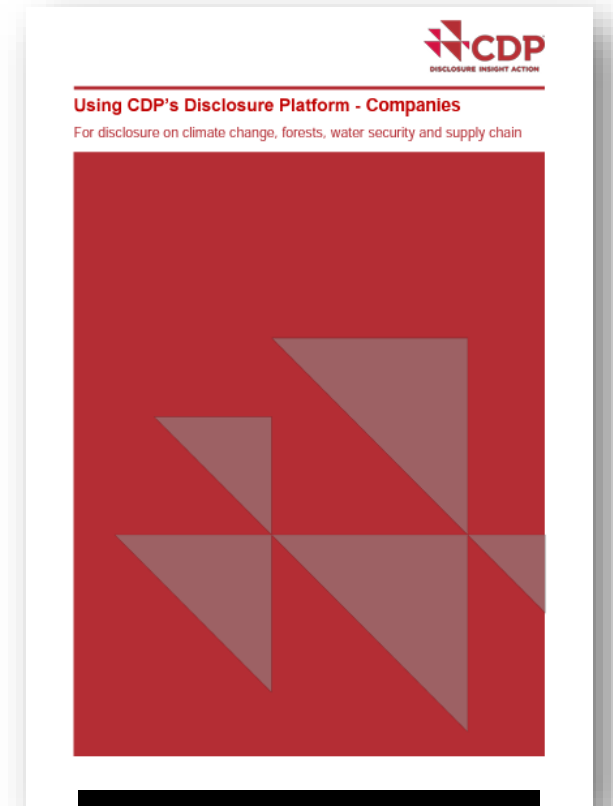
- Who is requesting my environmental data via CDP?
- How does CDP keep companies updated?
- How do I add another user to my account? What type of user permissions exist?
- What happens to my response?
- How do I view public responses?
- When will my score be available?

How do I add another user to my account? What type of user permissions exist?

To add additional users to your account and update permissions, you will need to become the Main User. There are three user types, the different permissions of which are outlined below.

There is no limit to the number of users that can be added to your account.

For more information on the different user roles and how to become the Main User for your organization, please view our [Guide to using the disclosure platform](#).



Guide to using the disclosure platform

CDP Help Center

casemgmt-crm.cdp.net/en-US/



Most Popular

Questionnaire guidance for companies

CDP request for companies

Account user types

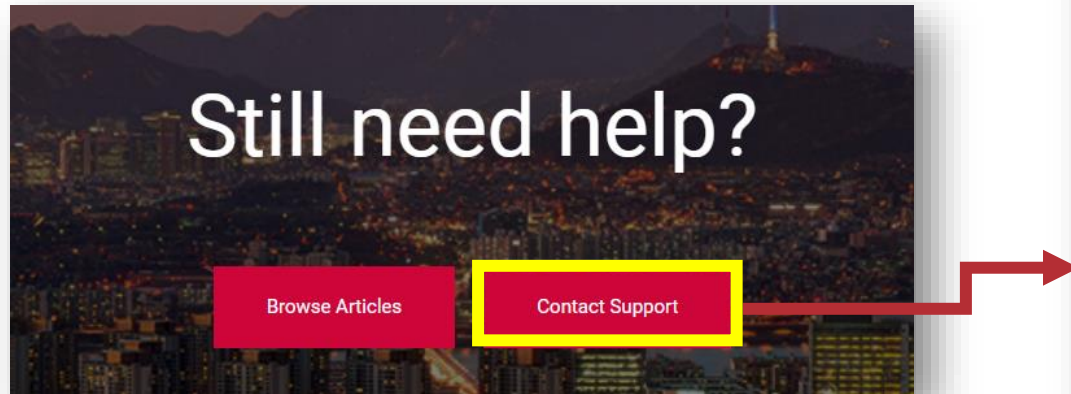
Knowledge Base

The Knowledge Base contains articles to help you use our platform and respond to CDP. They are created by our support team who have answered questions for our users. If you cannot find an answer, please contact our support team through My Support. You will need to be **signed in** to access this. If you are a new user, you can register [here](#). Once you are signed in, please return to the Help Center via the link at the top of the page.

- Understand CDP disclosure and benefits
- Manage my account and access
- Find questionnaire guidance
- Find out about cities, states and regions partners and initiatives
- Understand corporate payments and fees
- Manage my submitted questionnaire response
- Find scoring guidance
- Resolve a platform issue

CDP Help Center

casemgmt-crm.cdp.net/en-US/



If you have signed in to your account, you will be able to see “Contact Support” at the bottom of the page

Contact our Support Team

Subject *

Category * Sub-Category *

-

Description *

Tell us how we can help you

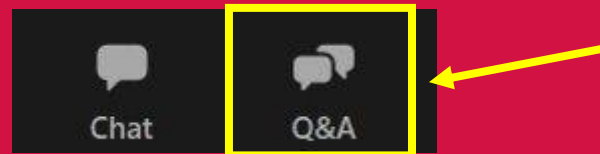
Please fill in and submit the form.
Your query will be processed.

Attach a file

No file chosen

Q&A

Please use the Q&A box to ask questions



THANK YOU



www.cdp.net



Contact us at hk.sea@cdp.net | australianz@cdp.net