

CDP DISCLOSURE, WATER SECURITY, AND PLASTICS

Introducing CDP disclosure

- CDP is a global non-profit that runs the world's environmental disclosure system for companies, cities, states and regions. In 2022, nearly 20,000 organizations around the world disclosed data through CDP on climate change, forests, and water security, including more than 18,700 companies worth half of global market capitalization.
- 680+ financial institutions worth US\$130+ trillion in assets support our requests for data. CDP data provides decision makers and **investors** with clear, comprehensive, and comparable data on environmental impacts across the global economy.
- For a more detailed explanation of the business benefits of CDP disclosure, please refer to <u>Disclosing through CDP: the business benefits</u>, and <u>CDP website</u>.
- Disclosing also allows organizations to identify opportunities for action, please refer to our <u>Organizational Guide for Environmental Action</u> for more information.

Water security and plastics

- With increasing water stress, pressure is growing for companies to build long-term resilience to water challenges in their business. CDP water security questionnaire allows companies disclose business critical water-related information, to inform their decision-making process and drive effective action.
- Companies reported potential financial impacts of US\$301 billion from water risks through CDP in 2021. Disclosure through CDP increases the transparency of water security and pollution reduction measures to shareholders and customers. Disclosure also helps accelerate the development of standard water impact metrics and performance benchmarks.
- While the impacts of plastic pollution touch many areas of the environment, the link between plastic pollution and water security is clear: plastic pollution threatens the function of the world's terrestrial, ocean, and freshwater ecosystems, which serve as sanctuaries for biodiversity, vital food sources, and major carbon sinks.
 - Despite the scale of the problem and extent of its impacts, many companies still have a limited understanding and disclosure of how they contribute to plastic pollution.
 - Their exposure to commercial, legal, and reputational **risks** linked to their dependence on plastics is unknown. As a result, decision makers lack clear, comprehensive, comparable plastic-related data across the global economy. Voluntary disclosure on plastics at scale will be critical in bridging this gap.
- CDP has expanded its global environmental disclosure system to help solve the plastic pollution problem. For the first time, CDP's Water Security questionnaire will include a **plastics module** – five to nine unscored questions that cover plastics-related business risks, targets, and raw material content, among other topics. You can find the plastics questions on <u>CDP website</u> under the **Guidance & questionnaires** tab.
- The plastics metrics are informed by existing frameworks and aligned with the Ellen MacArthur Foundation and UNEP's New Plastics Economy Global Commitment.
- Corporate plastics disclosure will provide decision makers with clear, comprehensive, and comparable data on the production, use, and disposal of plastics across the global economy.
- CDP Water Security questionnaire will enable your company to address these two important issues, water security and plastic pollution, side by side.