CDP Southeast Asia and Oceania Disclosure Workshops

2023 Water Security Disclosure Workshop

11th May 2023, 16:00-17:00 GMT+8

Please note:

- All attendees are muted upon entry
- Please ensure you have connected your device’s audio
- Please raise questions in the Q&A box
- Slides and recording of this webinar will be shared with all registrants
Speakers

Erica de Souza
Regional Manager, Water Security

Maria Isabel Cruz Gutierrez
Technical Manager,
Water Security Questionnaire & Guidance Team
Business Case for Water Disclosure

Overview of 2022 Water Security Disclosure

Overview of the 2023 Water Security Questionnaire

2023 Disclosure Cycle and Support for Companies

Q & A
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.
Companies take action to tackle climate change, safeguard water resources and prevent the destruction of forests.

How We Work

Use CDP to make informed decisions and reward companies with superior performance.

Measure their impact to improve performance.

INVESTORS

PREPARING COMPANIES

COUPON COMPANIES

PURCHASING COMPANIES

SUPPLIERS

Prospective

How We Work

Provide data on environmental impacts, risks, opportunities, investments and strategies.
Growing Momentum
Overall number of disclosures grew by 38% since 2021

18,700+
Companies in over 90 countries reporting

over 64% of the world’s market cap

280+
Global corporate supply chains

US$ 130 trillion in assets

1,100+
Cities, states, and regions sharing best practice

740+
Institutional investors requesting information

US$6.4 trillion in buying power

www.cdp.net | @CDP
BUSINESS CASE FOR WATER DISCLOSURE

Erica de Souza
Regional Manager, Water Security
Global headlines on Water Security

The economic imperative to act on Water

Opportunities from acting on Water Security

Mandatory reporting
> 50% Shortfall of the available global water supply expected by 2030

4 billion People experience severe water scarcity for at least one month each year

6 out of 9 Planetary boundaries have passed the safe zone, including freshwater

WRI 2020
UNICEF 2021
Stockholm Resilience Center 2022
THE ECONOMIC IMPERATIVE TO ACT ON WATER IS STRONGER THAN EVER

US$ 392 bn
potential financial impact of water risk

US$ 79 bn
Money required to mitigate those risks

The cost of inaction could be over 5x higher than the cost of action

Based on responses from companies that recorded both potential financial impact of water risks and the cost of mitigating those risks in their 2022 response to CDP’s Water Security questionnaire.
WATER ISSUES ARE ALREADY STRANDING ASSETS

- US$13.5 billion has been stranded, and US$2 bn is at risk across oil and gas, coal, mining and power gen.

- A tail of potential knock-on events including:
  - Non-delivery of product to offtake partners and hedging mismatches - an open liability;
  - Make-good and clean-up liabilities and fines;
  - Shareholder class actions; and
  - Changes to loan funding and wider financial relationships, including banking and insurance.
The private sector is more engaged than ever on water security and is taking action.

In 2022, CDP disclosure was higher than ever.

275 global financial institutions disclosed for the first time.

3,900 companies disclosed, an 85% increase over five years.

1,729 companies, including H&M, Microsoft, and Ford, have committed to invest in water-related opportunities.
WATER SECURITY IS NO LONGER JUST A QUESTION OF RISK, BUT OF REAL VALUE READY TO BE CAPTURED BY COMPANIES

Global brands report water-related opportunities worth US$436 billion

2,718 water-related opportunities were disclosed by corporates in 2022 with a combined financial value of US$436 billion

Based on responses from 3,909 companies who responded to CDP’s 2022 Water Security questionnaire
4x more opportunities for firms integrating water into business strategy
THE RIPPLE EFFECT OF WATER-RELATED OPPORTUNITIES

Water also provides huge opportunities for climate adaptation as 90% of natural disasters are water-related.

The water sector contributes to 10% of global carbon emissions, so water-related opportunities are key to the net-zero transition.

Water security also equals food- and job-security. Almost half of the world’s workers are employed in water-related sectors, such as agriculture, fisheries, and hydropower, but all jobs depend in some way upon water and those that ensure its safe delivery.

Freshwater ecosystems are home to at least 10% of the earth’s species. Halting the loss and degradation of healthy rivers is critical to stop the further decline of freshwater species seen since 1970.

Every year, about 8 mn tons of plastic waste escapes into the ocean. Nitrogen concentrations in the ocean have increased by threefold from pre-industrial times, causing the overgrowth of plants and algae. Both pollutants have a devastating impact on marine life and ecosystems, but ensuring wastewater is properly treated is a clear solution.
Large companies and investors are now calling for stronger water regulation to provide guidance on the way forward.

35 financial institutions with over US$3 trillion in assets have signed an open letter calling for much stronger water policies from governments.

National governments must build on corporate progress by setting ambitious policies, including mandatory water disclosure, to further boost action.
OVERVIEW OF 2022 WATER DISCLOSURE

Erica de Souza
Regional Manager, Water Security
3,909
Organizations reporting on Water Security to investors and customers through CDP.

16%
Growth in disclosure from 2021 to 2022

Disclosure response rate 2015-2022
WATER DISCLOSURE IS GROWING IN ASIA

In 2022:

- **1482** responses submitted
- **54%** Disclosure rate

Since 2021 (2 years):

- **327** Disclosure increase
- **28%** Disclosure increase

Since 2018 (5 years):

- **804** Disclosure increase
- **119%** Disclosure increase
Globally 107 companies made the 2022 Water Security A list

Japan reported the largest number of A listers

Southeast Asia has 3 A-listers combined, 2 from Thailand and 1 from Singapore

JAPAN LEADS THE A LIST

- Japan: 35
- USA: 15
- Taiwan, China: 7
- France: 6
- Turkey: 6
- Germany: 5
- Switzerland: 5
CORPORATE RESPONSES IN ASIA BY SECTOR

Across Asia, the response rate for sectors with “Critical” and “High” water impact is still low

<table>
<thead>
<tr>
<th>Primary Industry</th>
<th>Companies reporting</th>
<th>Percentage of Total</th>
<th>Water Impact Banding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>941</td>
<td>63.5%</td>
<td>Very high</td>
</tr>
<tr>
<td>Materials</td>
<td>238</td>
<td>16.1%</td>
<td>Critical</td>
</tr>
<tr>
<td>Food, beverage &amp; agriculture</td>
<td>79</td>
<td>5.3%</td>
<td>Very high</td>
</tr>
<tr>
<td>Services</td>
<td>51</td>
<td>3.4%</td>
<td>Low/Not relevant</td>
</tr>
<tr>
<td>Biotech, health care &amp; pharma</td>
<td>41</td>
<td>2.8%</td>
<td>Very high</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>32</td>
<td>2.2%</td>
<td>High</td>
</tr>
<tr>
<td>Retail</td>
<td>31</td>
<td>2.1%</td>
<td>Medium</td>
</tr>
<tr>
<td>Apparel</td>
<td>20</td>
<td>1.4%</td>
<td>Critical</td>
</tr>
<tr>
<td>Power generation</td>
<td>16</td>
<td>1.1%</td>
<td>High</td>
</tr>
<tr>
<td>Transportation services</td>
<td>14</td>
<td>0.9%</td>
<td>Medium</td>
</tr>
<tr>
<td>Fossil Fuels</td>
<td>12</td>
<td>0.8%</td>
<td>Critical</td>
</tr>
<tr>
<td>Hospitality</td>
<td>4</td>
<td>0.3%</td>
<td>High</td>
</tr>
<tr>
<td>International bodies</td>
<td>2</td>
<td>0.1%</td>
<td>Low/Not relevant</td>
</tr>
</tbody>
</table>

- Five critical threats: groundwater depletion, metals contamination, plastic pollution, diversion and transfer of water, eutrophication
- Key Industries: Food Products, Textiles, High Tech and Electronics, Manufacturing
Nature Incorporated
2022 Performance of 123 Southeast Asian companies in this CDP Water Security analysis

61% Water-related targets monitored at the corporate level

>5% Have targets relating to pollution reduction

40% Do not monitor water discharge quality based on standard effluent parameters

OVERVIEW OF THE 2023 WATER SECURITY QUESTIONNAIRE

María Isabel Cruz Gutiérrez
Technical Manager, Water Security Questionnaire & Guidance
Content

➢ Overview
  ▪ Questionnaire structure
  ▪ Changes for 2023

➢ 2023 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

```
[Introduction*] [Current state*] [Business impacts] [Procedures*] [Risks & opportunities] [Facility-level accounting] [Governance]

[Business strategy] [Targets] [Verification] [Plastics] [Signoff] [Supply chain]
```

* Contains some sector-specific content
Headlines for 2023

Revisions and new content to drive strategic priorities for CDP’s mission.

Disclosure strengthened on:

- Driving action in the value chain
- Water pollution and hazardous substances
- Transition metrics – anticipated future trends for water accounting data
- Targets – water withdrawals, water pollution, and WASH
- Coal sector and Agricultural commodities sector
Sectors in 2023

- Oil & gas
- Electric utilities
- Chemicals
- Metals & Mining, and Coal (new for 2023)
- Food, beverage & Tobacco, and Agricultural commodities (new for 2023)

Coal and Agricultural commodities sectors were added in 2023. Their activities have a ‘Critical’ water impact rating in CDP’s Water Watch tool and will now be shown sector-specific questions on tailings dams and agricultural production in areas of water stress.
Scope of changes for 2023

- 73% of the questionnaire has no change or a minor change

- Removed questions:
  - 1 core question was removed completely.
  - 2 core questions are removed, and the data points incorporated into other questions.

- 18 new questions
  - 9 for WS and 9 for Plastics

- Sector-specific changes
  - 8 FB sector questions now also presented to the AC sector.
  - 7 MM sector questions now also presented to the CO sector.
  - 2 modified questions for CH, EU, FB, and OG are now presented to all respondents.

Total questions in 2023: 85
(excludes sector-specific questions and the supply chain module)
Details of all 2023 revisions

Refer to the ‘Changes’ documents on the Guidance for companies page of the CDP website

CDP questionnaire changes 2022-2023

Climate change
A map of the relationship between questions in the 2022 climate change questionnaire and the 2023 climate change questionnaire.

Forests
A map of the relationship between questions in the 2022 forests questionnaire and the 2023 forests questionnaire.

Water security
A map of the relationship between questions in the 2022 water security questionnaire and the 2023 water security questionnaire.
INTRODUCTION TO THE 2023 WATER SECURITY QUESTIONNAIRE
WATER SECURITY REPORTING GUIDANCE

Available by clicking through the Guidance button on every page of the CDP website.
Collects information about the company and its disclosure.

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

NEW QUESTIONS FOR CO AND AC

2023 MODULES

W0 Introduction

- General description
- Reporting boundary
- Reporting year
- Exclusions
- Country
- Unique market identifier(s)
- Currency

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 Plastics
W11 Sign off
SW Supply Chain
W1 CURRENT STATE

- 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

Provides a picture of the company’s dependence on water quality and quantity 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.

Allows the company to demonstrate if they monitor hazardous substances in their products.

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

*Section has additional content for high-impact sectors
W1 – Current state: Water accounting

(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, how do they compare to the previous reporting year, and **how are they forecasted to change?**

(W-OG1.2c) In your oil & gas sector operations, what are the total volumes of water withdrawn, discharged, and consumed (by business division), how do they compare to the previous reporting year, and **how are they forecasted to change?**

(W1.2d) Indicate whether water is withdrawn from areas with water stress, provide the proportion, how it compares with the previous reporting year, and **how it is forecasted to change.**

<table>
<thead>
<tr>
<th>Primary reason for comparison with previous reporting year</th>
<th>Five-year forecast</th>
<th>Primary reason for forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Select from:</td>
<td>Select from:</td>
<td>Select from:</td>
</tr>
<tr>
<td>• Change in accounting methodology</td>
<td>• Much lower</td>
<td>• Change in accounting</td>
</tr>
<tr>
<td>• Divestment from water intensive technology/process</td>
<td>• Lower</td>
<td>methodology</td>
</tr>
<tr>
<td>• Facility closure</td>
<td>• About the same</td>
<td>• Divestment from water</td>
</tr>
<tr>
<td>• Facility expansion</td>
<td>• Higher</td>
<td>intensive technology/process</td>
</tr>
<tr>
<td>• Increase/decrease in business activity</td>
<td>• Much higher</td>
<td>• Facility closure</td>
</tr>
<tr>
<td>• Increase/decrease in efficiency</td>
<td>• Unknown</td>
<td>• Facility expansion</td>
</tr>
<tr>
<td>• Investment in water-smart technology/process</td>
<td>• Other, please specify</td>
<td>• Increase/decrease in</td>
</tr>
<tr>
<td>• Maximum potential volume reduction already achieved</td>
<td></td>
<td>business activity</td>
</tr>
<tr>
<td>• Mergers and acquisitions</td>
<td></td>
<td>• Increase/decrease in</td>
</tr>
<tr>
<td>• Unknown</td>
<td></td>
<td>efficiency</td>
</tr>
<tr>
<td>• Other, please specify</td>
<td></td>
<td>• Investment in water-smart</td>
</tr>
</tbody>
</table>

**Ambition:** Companies assess anticipated forward trends in water demand, and transition towards business models which do not pose threats to rivers, lakes, aquifers, and streams.
W1 – Current state: Water accounting

(W1.2k) Provide details of your organization’s emissions of nitrates, phosphates, pesticides, and other priority substances to water in the reporting year.

This question allows organizations to indicate their emissions to water of priority substances, helping them understand, manage, and reduce the use of nitrates, phosphates, pesticides, and other priority substances listed under the EU Water Framework Directive.

**Ambition**: Companies monitor and reduce their emissions to water to protect water bodies against pollution from nutrients, phosphates, pesticides, and other priority substances.

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emissions to water in the reporting year (metric tonnes)</td>
<td>Category(ies) of substances included</td>
<td>List the specific substances included</td>
<td>Please explain</td>
</tr>
<tr>
<td>Numerical field [enter a number from 0-999,999,999,999 using a maximum of 2 decimal places]</td>
<td>Select all that apply.  - Nitrates  - Phosphates  - Pesticides  - Priority substances listed under the EU Water Framework Directive</td>
<td>Text field [maximum 1,000 characters]</td>
<td>Text field [maximum 1,500 characters]</td>
</tr>
</tbody>
</table>
W1 – Current state: Hazardous substances

(W1.4) Do any of your products contain substances classified as hazardous by a regulatory authority?

Minimum

Products contain hazardous substances
Select from:
- Yes
- No
- Unknown

(W1.4a) What percentage of your company’s revenue is associated with products containing substances classified as hazardous by a regulatory authority?

<table>
<thead>
<tr>
<th>Regulatory classification of hazardous substances</th>
<th>% of revenue associated with products containing substances in this list</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Select from:</td>
<td>Select from:</td>
<td>Text field [maximum 1,500 characters]</td>
</tr>
<tr>
<td>- Annex XVII of EU REACH Regulation</td>
<td>- Don’t know</td>
<td></td>
</tr>
<tr>
<td>- Candidate List of Substances of Very High Concern for Authorisation above 0.1% by weight (EU Regulation)</td>
<td>- Less than 10%</td>
<td></td>
</tr>
<tr>
<td>- EU Persistent Organic Pollutants (POPs) Regulation</td>
<td>- 10-20</td>
<td></td>
</tr>
<tr>
<td>- Annex XIV of UK REACH Regulation</td>
<td>- 21-40</td>
<td></td>
</tr>
<tr>
<td>- Candidate List of Substances of Very High Concern (UK Regulation)</td>
<td>- 41-60</td>
<td></td>
</tr>
<tr>
<td>- Federal Water Pollution Control Act / Clean Water Act (United States Regulation)</td>
<td>- 61-80</td>
<td></td>
</tr>
<tr>
<td>- Water Pollution Prevention Act (Japan Regulation)</td>
<td>- More than 80%</td>
<td></td>
</tr>
</tbody>
</table>

Tracing and eliminating the use of hazardous substances in all sectors is pivotal in safeguarding the quality of water bodies and by extension the effects on humans and ecosystems.

Keeping track of the hazardous substances present in their products allows companies to phase out these substances.

Ambition: Companies track their use of hazardous substances and transition away from sourcing/using hazardous substances in their products.
W1 – Current state: Value chain engagement

(W1.5a) Do you assess your suppliers according to their impact on water security?

This question allows data users to understand whether a company is aware of where in its supply chain water security impacts are occurring.

Ambition: Companies assess their suppliers according to impact on water security to identify the suppliers with a substantive impact, and use this to inform and prioritize their engagement with suppliers.
W1 – Current state: Value chain engagement

NEW QUESTIONS

(W1.5b) Do your suppliers have to meet water-related requirements as part of your organization’s purchasing process?

For many companies, their impact on water security may lie beyond direct operations. Setting and monitoring water-related requirements drives supplier action.

Ambition: Companies contractually require their suppliers to address and eradicate negative impacts of their operations on water security.

(W1.5c) Provide details of the water-related requirements that suppliers have to meet as part of your organization’s purchasing process, and the compliance measures in place.

The full table is not shown here

[Add row]
W1 – Current state

W1.1 section: Dependency
- W-FB1.1a/W-AC1.1a on water intensive agricultural commodities

W1.2 section: Water accounting data
- W-FB1.2e/W-AC1.2e water intensive commodities from areas with water stress
- W-FB1.2f/W-AC1.2f proportion of water intensive commodities produced in areas of water stress
- W-FB1.2g/W-AC1.2g proportion of water intensive commodities sourced from areas of water stress

W1.3 section: Water intensity
- W-FB1.3/W-AC1.3 water intensity calculation for agricultural commodities
- W-FB1.3a/W-AC1.3a water intensity information for produced commodities
- W-FB1.3b/W-AC1.3b water intensity information for sourced commodities

NEW QUESTIONS for AC
- MODIFIED QUESTION

NEW QUESTIONS for CO
- W-MM1.3/W-CO1.3 water intensity calculation for mining activities
- W-MM1.3a/W-CO1.3a water intensity information for top 5 products by revenue
W2 BUSINESS IMPACTS

Allows CDP data users to 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

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.
Requests information about the procedures organizations have in place to manage water pollutants, to understand inherent risk exposure, and to manage other issues salient to their sector.

This data helps provide data users with confidence that the organization’s disclosure of water risks in module 4 is comprehensive.
The robustness, comprehensiveness and integrity of an organization’s risk assessment process (W3.3).

Company-specific actions and procedures in place to minimize the impacts associated with the water pollutants identified.

Specific procedures in place in high-impact sectors to manage water-related issues.

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

(W3.1) Does your organization identify and classify potential water pollutants associated with its activities that could have a detrimental impact on water ecosystems or human health?

NEW QUESTION

Water pollutants pose a threat to the quality of surface and groundwater bodies and their dependent ecosystems.

This question allows organizations to indicate that they identify and classify the potential water pollutants associated with the substances they handle and the properties of their discharges.

<table>
<thead>
<tr>
<th>Identification and classification of potential water pollutants</th>
<th>How potential water pollutants are identified and classified*</th>
<th>Please explain*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Select from:</td>
<td>Text field [maximum 1,500 characters]</td>
<td>Text field [maximum 1,000 characters]</td>
</tr>
<tr>
<td>• Yes, we identify and classify our potential water pollutants</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• No, we do not identify and classify our potential water pollutants</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Unknown</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Columns 2 and 3 only presented if 'Yes...' is selected in column 1.
W3 – Procedures

(W3.1a) Describe how your organization minimizes the adverse impacts of potential water pollutants on water ecosystems or human health associated with your activities.

**Ambition:** Companies identify and classify potential water pollutants linked to their business operations and products and have actions and procedures in place to reduce and manage pollution effectively.

<table>
<thead>
<tr>
<th>Water pollutant category</th>
<th>Description of water pollutant and potential impacts</th>
<th>Value chain stage</th>
<th>Actions and procedures to minimize adverse impacts</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Select from:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Inorganic pollutants</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Oil</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Nitrates</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Phosphates</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Other nutrients and oxygen demanding pollutants</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Pesticides</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Other synthetic organic compounds</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Pathogens</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Microplastics and plastic particles</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Other physical pollutants</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Other, please specify</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Text field [maximum 1,500 characters]
W3 – Procedures

NEW QUESTIONS for CO

W3.2 section: Tailings dams management procedures

- **W-MM3.2/W-CO3.2** number of tailings dams by river basin
- **W-MM3.2a/W-CO3.2a** evaluation/classification of tailings dams
- **W-MM3.2b/W-CO3.2b** details for dams classified as hazardous or highly hazardous
- **W-MM3.2c/W-CO3.2c** procedures in place for managing tailings dams
W4 RISKS & OPPORTUNITIES

- 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 (11 Qs)

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

W6 Governance (13 Qs)

- Water policy (2 Qs)
- Board oversight (5 Qs)
- Management responsibility (1 Qs)
- Employee incentives (2 Qs)
- Public policy engagement (2 Qs)
- Reporting (1 Qs)

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.
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**

**2023 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 Plastics
- W11 Sign off
- SW Supply Chain

**W7 Business strategy (6 Qs)**

1. **Strategic plan (1 Qs)**
2. **CAPEX/OPEX (1 Qs)**
3. **Scenario analysis (2 Qs)**
4. **Water pricing (1 Qs)**
5. **Products and services (1 Qs)**

**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.
W8 TARGETS

CDP data users wish to know about your organization’s tracked, timebound, quantitative targets for achieving its water policy and commitments, improving water management, and responding to current and future water risks.

W8 Targets (4 Qs)

Targets (4 Qs)

Allows organizations to indicate their water-related target setting, as well as to report the details of targets and the progress made.
W8 – Targets

(W8.1) Do you have any water-related targets?

MODIFIED QUESTION

2022 Question text: Describe your approach to setting and monitoring water-related targets and/or goals.

Question structure has been simplified into a ‘Yes/No’ question about targets; ‘goals’ have been removed.

(W8.1c) Why do you not have water-related targets?

MODIFIED QUESTION

References to ‘goals’ have been removed, in alignment with the removal of the question W8.1b (2022) on water-related goals.
It is good practice for companies to set targets to reduce water withdrawals, reduce water pollution, and improve water, sanitation, and hygiene (WASH) services where these water aspects are relevant to the impact of their business activities on water security.

**Ambition**: Companies have timebound, tracked, quantitative targets which are informed by science to eliminate pollution, reduce water withdrawals, and improve access to WASH services across their value chain.

### Target category

<table>
<thead>
<tr>
<th>Target category</th>
<th>Target set in this category</th>
<th>Please explain*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water pollution</td>
<td>Select from:</td>
<td>Text field [maximum 1,000 characters]</td>
</tr>
<tr>
<td></td>
<td>– Yes</td>
<td></td>
</tr>
<tr>
<td></td>
<td>– No, but we plan to within the next two years</td>
<td></td>
</tr>
<tr>
<td></td>
<td>– No, and we do not plan to within the next two years</td>
<td></td>
</tr>
<tr>
<td>Water withdrawals</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water, Sanitation, and Hygiene (WASH) services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Column 2 only presented if one of the “No” options is selected in column 1
W8 – Targets

(W8.1b) Provide details of your water-related targets and the progress made.

**Ambition:**
Companies have timebound, tracked, quantitative water-related targets for critical aspects of their business operations, including water pollution, water withdrawals, and access to WASH services.

<table>
<thead>
<tr>
<th>Target reference number</th>
<th>Category of target</th>
<th>Target coverage</th>
<th>Quantitative metric</th>
<th>Year target was set</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base year</td>
<td>Base year figure</td>
<td>Target year</td>
<td>Target year figure</td>
<td>Reporting year figure</td>
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<td>Numerical field</td>
<td>Numerical field</td>
<td>Numerical field</td>
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<td>[enter a number between 1900 and 2023 with no decimal places]</td>
<td>[enter a number between 0 and 999,999,999,999,999 using a maximum of 2 decimal places]</td>
<td>[enter a number between 2018 and 2100 with no decimal places]</td>
<td>[enter a number between 0 and 999,999,999,999,999 using a maximum of 2 decimal places]</td>
</tr>
</tbody>
</table>

**Remove columns:**
"Primary motivation" and "Description of target"

**New and modified options:**
- Auto-calculation field from numerical field.
- New column
- New columns

**New column:**
- Auto-calculation field from numerical field.
W9 VERIFICATION

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.
This module provides decision makers with data on the production, use and disposal of plastics across the global economy.

It requests information on plastics mapping, potential impacts to the environment and human health, business risks, and targets.

Companies with specific plastics production and use activities are asked to provide quantitative metrics: such as total weight, raw material content, and circularity potential.

These questions are informed by existing plastics disclosure frameworks including the Ellen MacArthur Foundation and UN Environment Programme’s Global Commitment framework.
## W10 PLASTICS

### 2023 MODULES

<table>
<thead>
<tr>
<th>Module</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>W0</td>
<td>Introduction</td>
</tr>
<tr>
<td>W1</td>
<td>Current state</td>
</tr>
<tr>
<td>W2</td>
<td>Business impacts</td>
</tr>
<tr>
<td>W3</td>
<td>Procedures</td>
</tr>
<tr>
<td>W4</td>
<td>Risks &amp; opportunities</td>
</tr>
<tr>
<td>W5</td>
<td>Facility-level water verification</td>
</tr>
<tr>
<td>W6</td>
<td>Governance</td>
</tr>
<tr>
<td>W7</td>
<td>Business strategy</td>
</tr>
<tr>
<td>W8</td>
<td>Targets</td>
</tr>
<tr>
<td>W9</td>
<td>Verification</td>
</tr>
<tr>
<td><strong>W10</strong></td>
<td>Plastics</td>
</tr>
<tr>
<td>W11</td>
<td>Sign off</td>
</tr>
<tr>
<td>SW</td>
<td>Supply Chain</td>
</tr>
</tbody>
</table>

### W10 Plastics (9 Qs)

1. **Mapping plastics (1 Q)**
2. **Potential impacts (1 Q)**
3. **Risks to the business (1 Q)**
4. **Targets (1 Q)**
5. **Activities (1 Q)**
6. **Metrics for production of plastic polymers (1 Q)**
7. **Metrics for durable goods/components (1 Q)**
8. **Metrics for plastic packaging (2 Qs)**

**Qualitative questions presented to all companies.**

**Quantitative questions presented to companies with specific plastics production or use activities.**
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.
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.
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!

Water secure future for all
MINIMUM VERSION QUESTIONNAIRES

An option for organizations:

- With an annual revenue of less than EUR/US$250 million

AND

- Disclosing in response to a request from a customer (i.e. CDP supply chain members), the CDP banks program members, the RE100 initiative, or the NZAM initiative.

---------------

Organizations will not be eligible to complete the minimum version questionnaire if they are disclosing in response to an investor request.

- Sector specific content is not included in the Min version.

<table>
<thead>
<tr>
<th></th>
<th>FULL</th>
<th>MINIMUM</th>
<th>REDUCTION</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>85 questions</td>
<td>42 questions</td>
<td>51%</td>
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</tbody>
</table>

Note: count excludes the SC module
Additional sector questions:

- Business activities
- Water intensity (water withdrawal or consumption per unit of product)
- Other management procedures (tailings dams)
SECTORS IN 2023

- Oil & gas
- Electric utilities
- Chemicals
- Metals & Mining, and Coal (new for 2023)
- Food, beverage & Tobacco, and Agricultural commodities (new for 2023)

Coal and Agricultural commodities sectors were added in 2023. Their activities have a ‘Critical’ water impact rating in CDP’s Water Watch tool, but until now they were not shown sector-specific questions on tailings dams and agricultural production in areas of water stress.
WHAT TO LOOK OUT FOR:

“Copy FORWARD”: you must check your responses!

Note: If you submitted a response to the 2022 questionnaire, your answers, where applicable, will be auto-populated into your 2023 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.
2023 DISCLOSURE CYCLE

Kelly So
Corporate Engagement Officer, Corporate Relations
2023 Disclosure Timeline

- Official disclosure requests sent to companies: March
- Disclosure platform opens in mid-April: April
- Scoring deadline: 26th July
- Disclosure platform closes: 27th September
- Score release: Early 2024

Disclosure Workshops:
- 2023 Beginner Workshop: 9th May 2023
- 2023 Climate Change Workshop: 10th May 2023
- 2023 Forests Workshop: 10th May 2023
- 2023 Water Security Workshop: 11th May 2023

www.cdp.net | @CDP
## Admin Fee

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

<table>
<thead>
<tr>
<th>Admin Fee</th>
<th>Report through CDP, receive score</th>
<th>Use CDP reporting frameworks and guidance</th>
<th>Free entry/priority registration to CDP event</th>
<th>*CDP Supporter badge</th>
<th>Recognition at CDP events and by the CDP director for use in sust. comms</th>
<th>Access to 100 company resources of your choice</th>
<th>Detailed CDP Benchmark Report</th>
<th>1-Hour Consultation with CDP ASP (optional)</th>
<th>Screening of top 50 suppliers</th>
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</tr>
</tbody>
</table>

*CDP Supporter badge

Admin Fee:
https://www.cdp.net/en/info/admin-fee-faq
## Options for First-time Disclosers

### Questionnaire version

<table>
<thead>
<tr>
<th>Submission</th>
<th>Full Version</th>
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</thead>
<tbody>
<tr>
<td>On/ before 26 Jul</td>
<td>On/ before 27 Sep</td>
</tr>
</tbody>
</table>

### Score

- ✓

### Score report

- ✓

### Private score option

- ✓

### Score status on CDP website

- Your 2023 score
  - or
  - “Not available” if you want a private score
- “Not scored”

### Your response

- Response can be made public or private on CDP website, but investor signatories will have access to the response regardless

**Recommended approach**

Companies will receive an “F” if they fail to submit their response on/ before 27 September 2023
SUPPORT FOR COMPANIES
Key Resources Available on CDP Guidance Page
Available on www.cdp.net/en/guidance/guidance-for-companies

- 2023 Questionnaires
- 2023 Reporting Guidance
- Questionnaire Changes 2022-2023
- Linking GRI and CDP – Water Security 2018 (remains relevant for CDP water security 2022)

- 2023 Scoring Methodologies
- CDP Scoring Methodology Changes documents: 2022-2023
- CDP Scoring Categories and Weighting Documents 2023
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?

Using the CDP systems
For further information on the dashboard, and activating, completing and submitting questionnaires in the ORS, please view our guide to **Using the disclosure platform**. This guide contains details of the features of the ORS including:
- Copy forward
- Extending text boxes
- Exporting and importing your response(s)

Guide to using the disclosure platform
CDP Help Center

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

Welcome to the CDP Help Center

Use the search bar to explore our knowledge articles and find instant answers to your questions

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.

1. Understand CDP disclosure and benefits
2. Manage my account and access
3. Find questionnaire guidance
4. Find out about cities, states and regions partners and initiatives
5. Understand corporate payments and fees
6. Manage my submitted questionnaire response
7. Find scoring guidance
8. Resolve a platform issue

Most Popular

Questionnaire guidance for companies
CDP request for companies
Account user types
CDP Help Center

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

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

Please use the Q&A box to ask questions
THANK YOU

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Contact us at sea@cdp.net | anz@cdp.net
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- Insights on the latest trend with an exclusive invitations to leading CDP and industry speakers presenting on the global trends in environmental reporting
- Exclusive invitations to CDP’s flagship events across Asia Pacific where you can network with fellow ESG professionals
- Stay up-to-date with inside’s access to monthly newsletter covering blogs and latest report brief from CDP

US$1,000/year (corporate membership)
US$500/year (individual membership)

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