

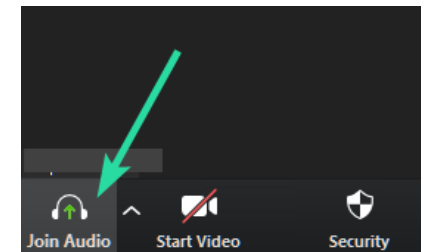
CDP Southeast Asia and Oceania Disclosure Workshops

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

Agenda



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.

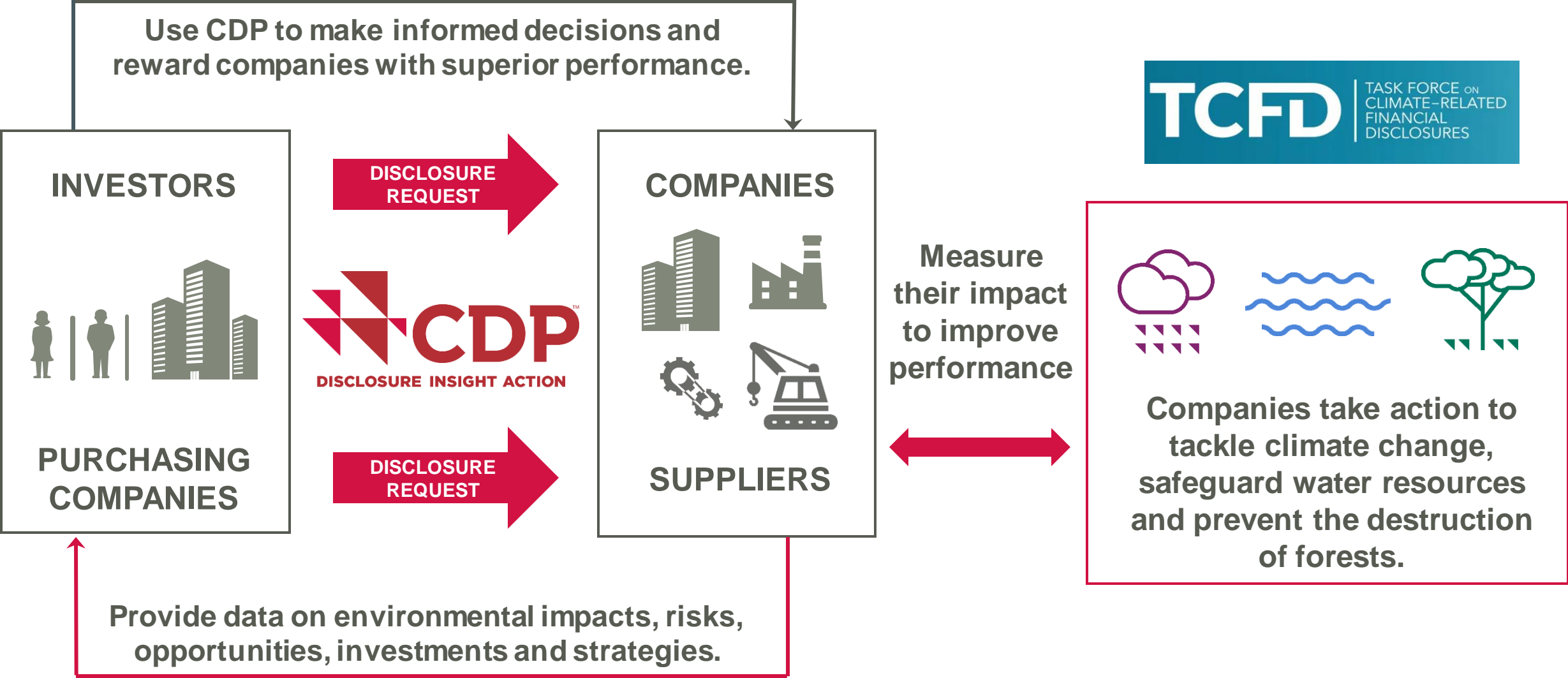


The world's economy looks to CDP as the gold standard of environmental reporting with the most comprehensive dataset on corporate and city action.



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

How We Work



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*

740+

Institutional investors
requesting information

280+

Global corporate
supply chains

*US\$6.4 trillion in
buying power*

*US\$ 130 trillion
in assets*

1,100+

Cities, states, and
regions sharing
best practice

BUSINESS CASE FOR WATER DISCLOSURE

Erica de Souza
Regional Manager, Water Security



CONTENT

- ▼ 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**

WRI 2020



4 billion

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

UNICEF 2021



6 out of 9

**Planetary boundaries
have passed the safe
zone, including
freshwater**

Stockholm Resilience Center 2022

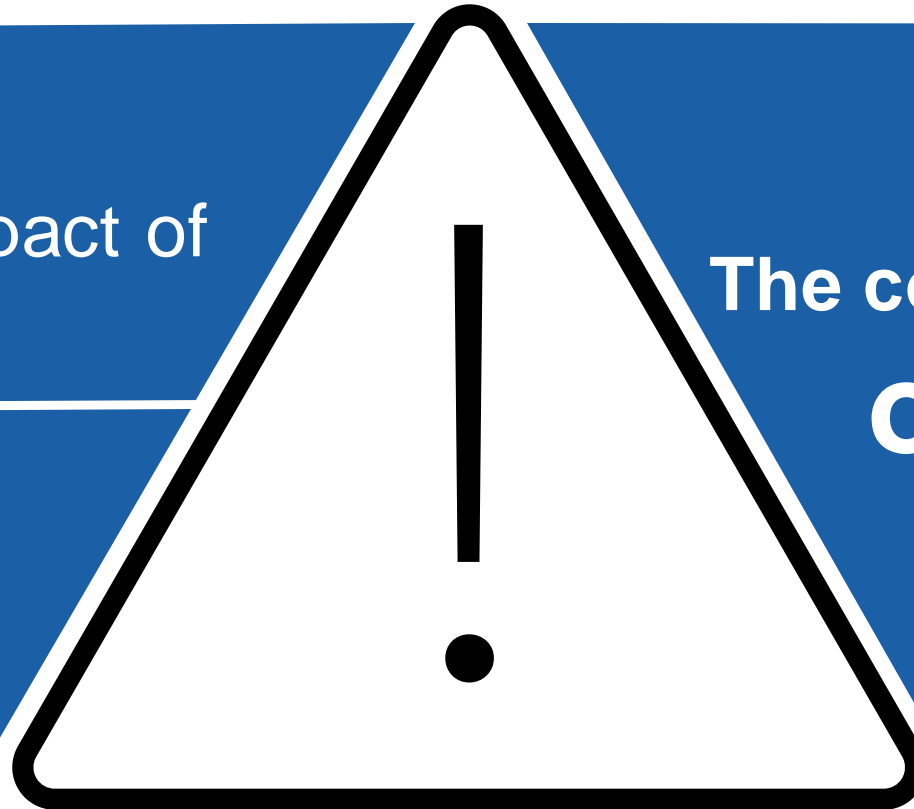
THE ECONOMIC IMPERATIVE TO ACT ON WATER IS STRONGER THAN EVER

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.



HIGH AND DRY

HOW WATER ISSUES ARE STRANDING ASSETS

A report commissioned by the Swiss Federal Office for the Environment (FOEN)



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



Riding the Wave

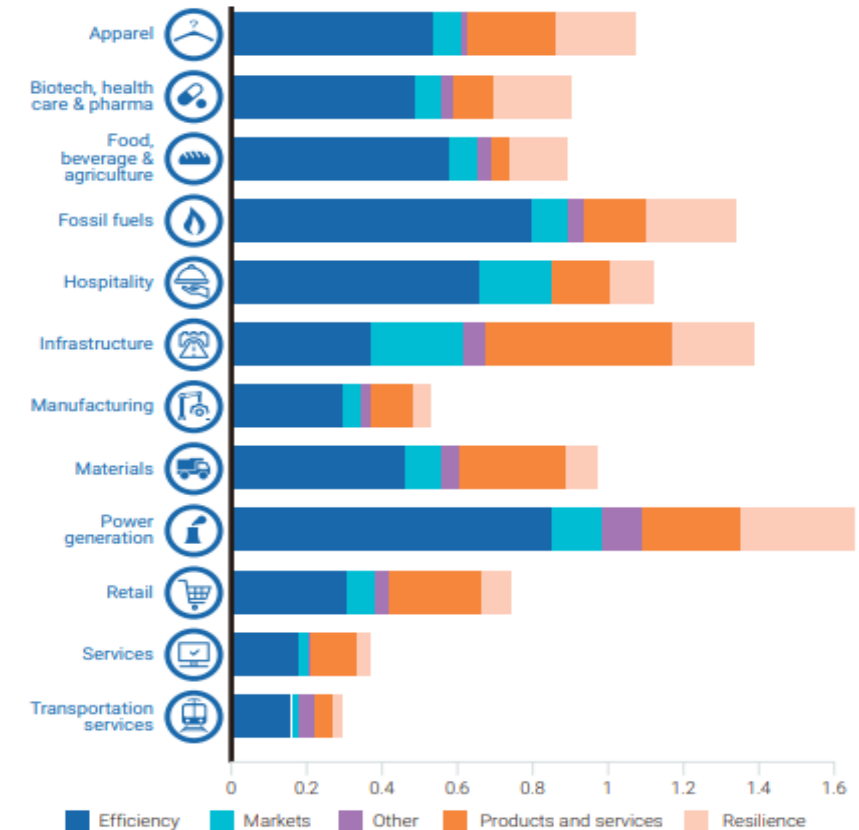
How the private sector is seizing opportunities to accelerate progress on water security

March 2023

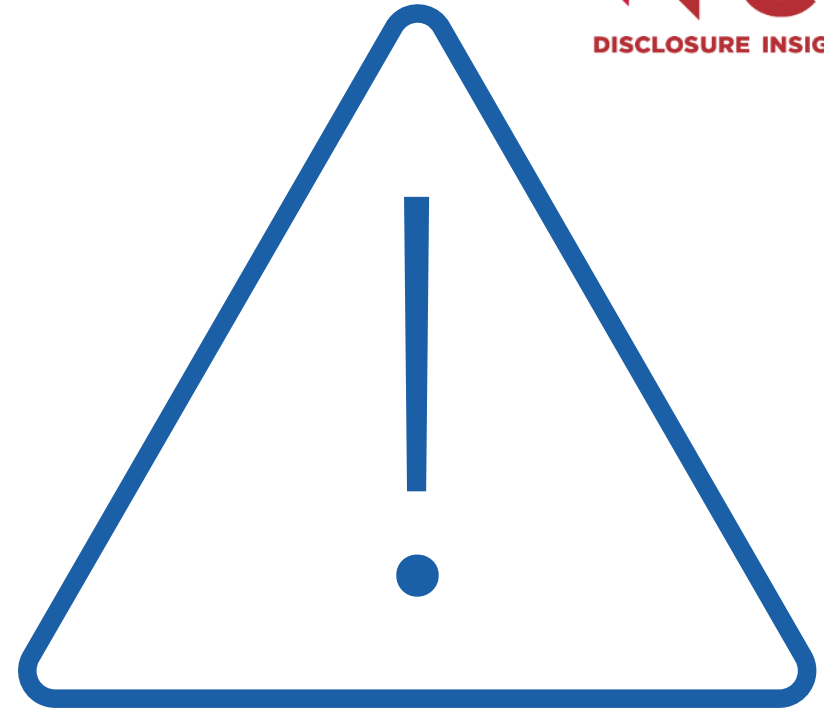
Global brands report water-related opportunities worth US\$436 billion

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

Average number of reported opportunities per organization by sector

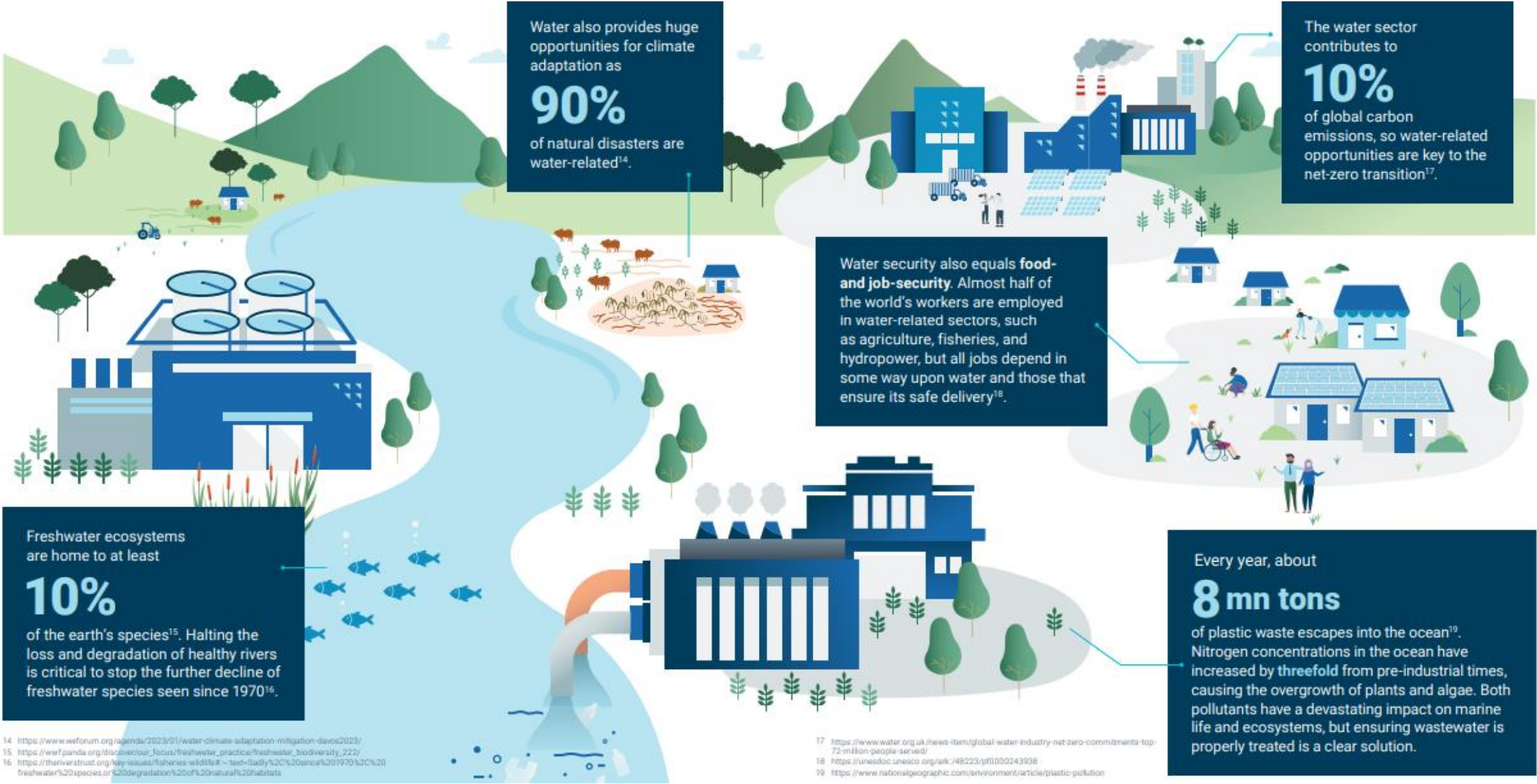


Based on responses from 3,909 companies who responded to CDP's 2022 Water Security questionnaire



4x more
opportunities for firms
integrating water into
business strategy

THE RIPPLE EFFECT OF WATER-RELATED OPPORTUNITIES



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

MAINSTREAMING ENVIRONMENTAL TRANSPARENCY



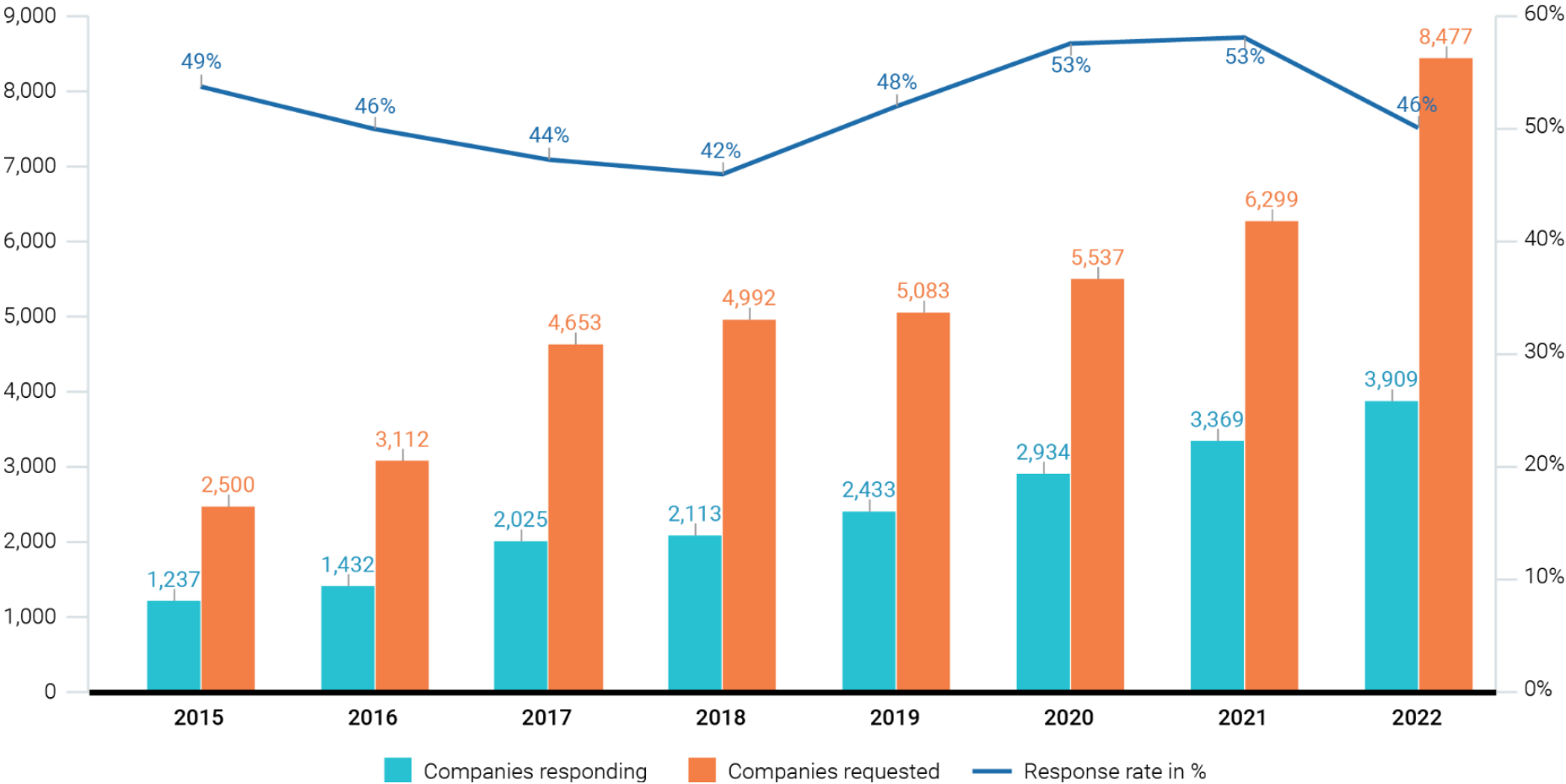
3,909

Organizations reporting on Water Security to investors and customers through CDP.

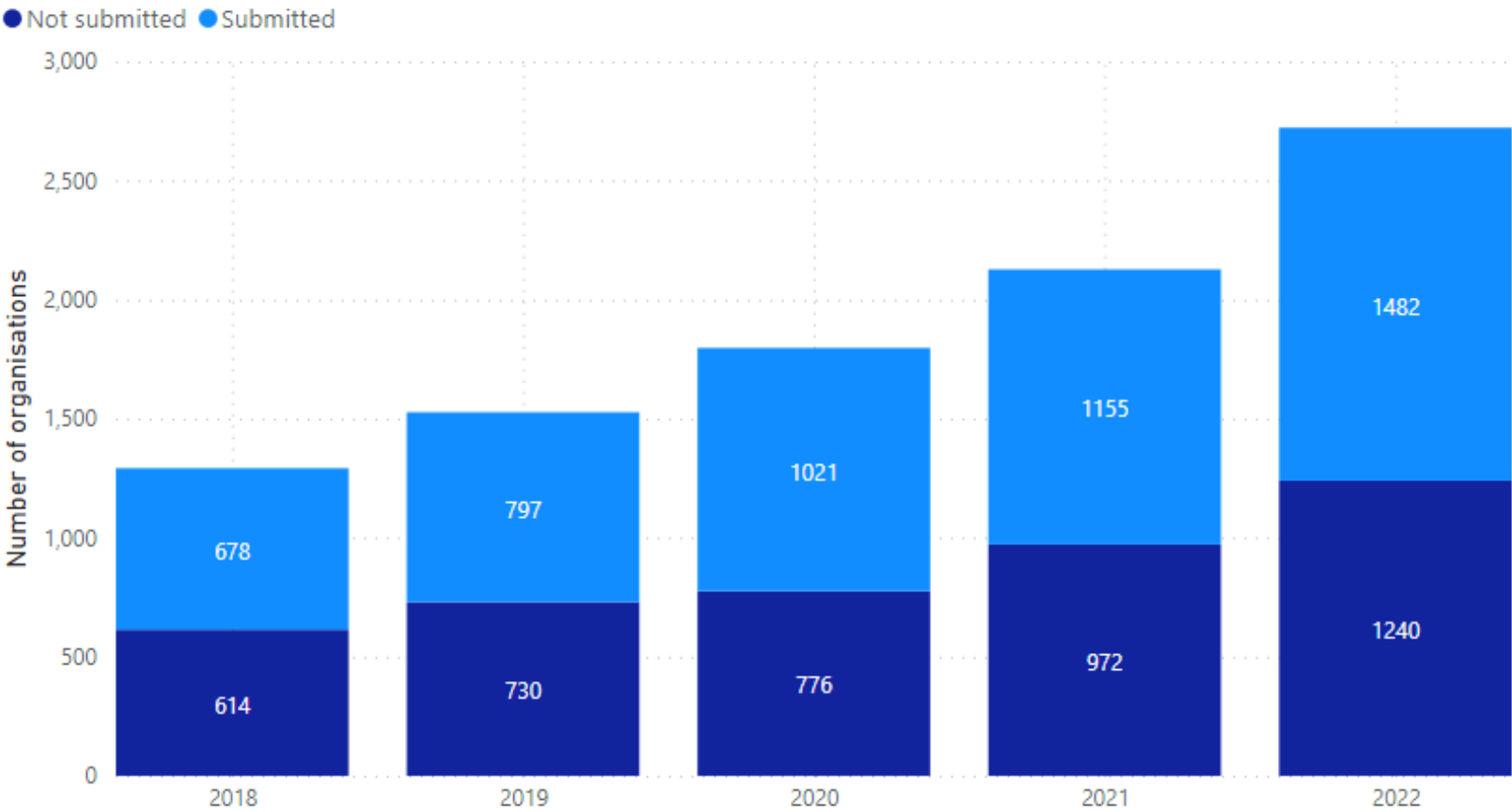
16%

Growth in disclosure from 2021 to 2022

Disclosure response rate 2015-2022



WATER DISCLOSURE IS GROWING IN ASIA



In 2022:

1482	54%
Responses submitted	% Disclosure rate

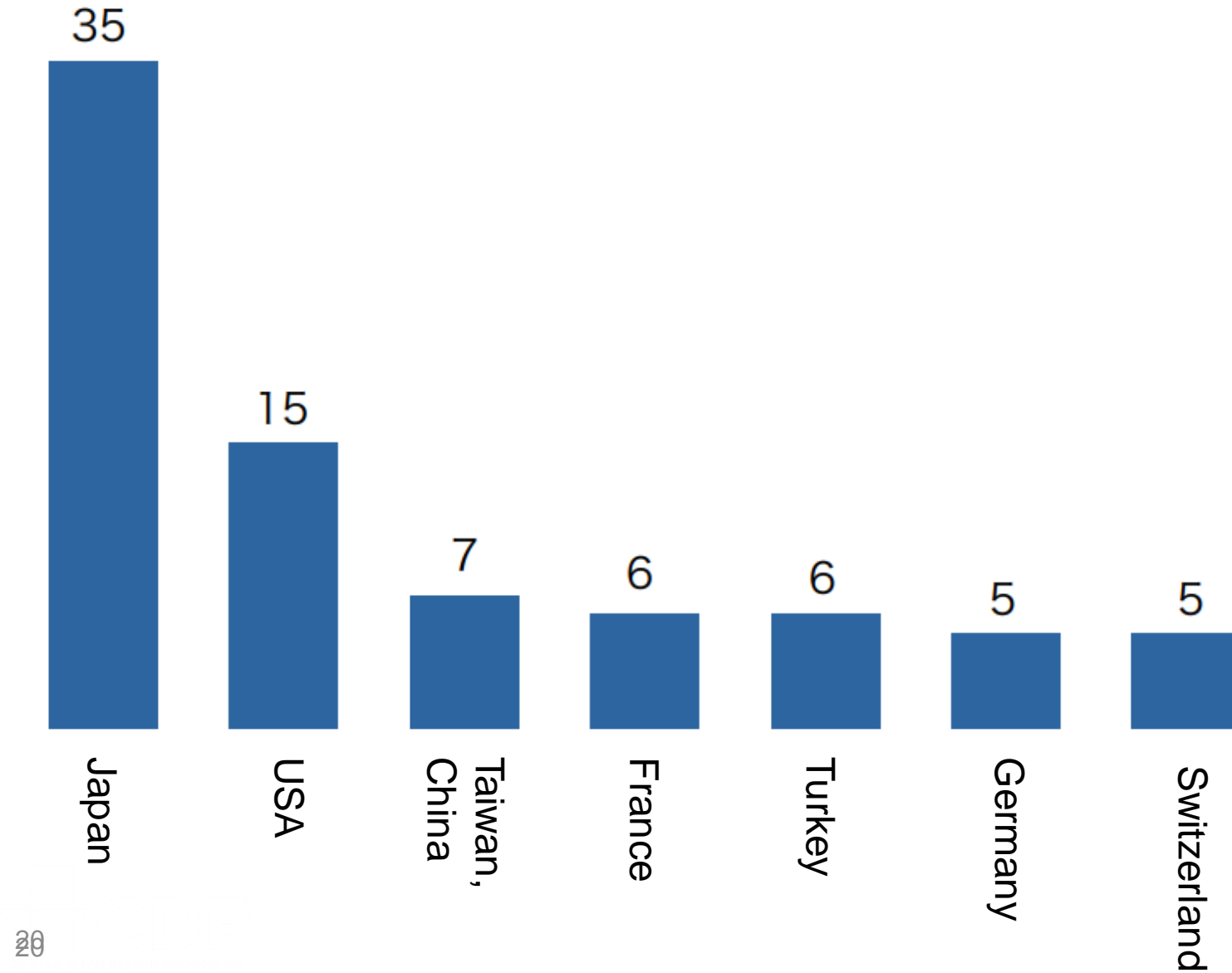
Since 2021 (2 years):

327	28%
Disclosure increase	% Disclosure increase

Since 2018 (5 years):

804	119%
Disclosure increase	% Disclosure increase

JAPAN LEADS THE A LIST



- ▼ 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

CORPORATE RESPONSES IN ASIA BY SECTOR

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

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

- ▶ 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

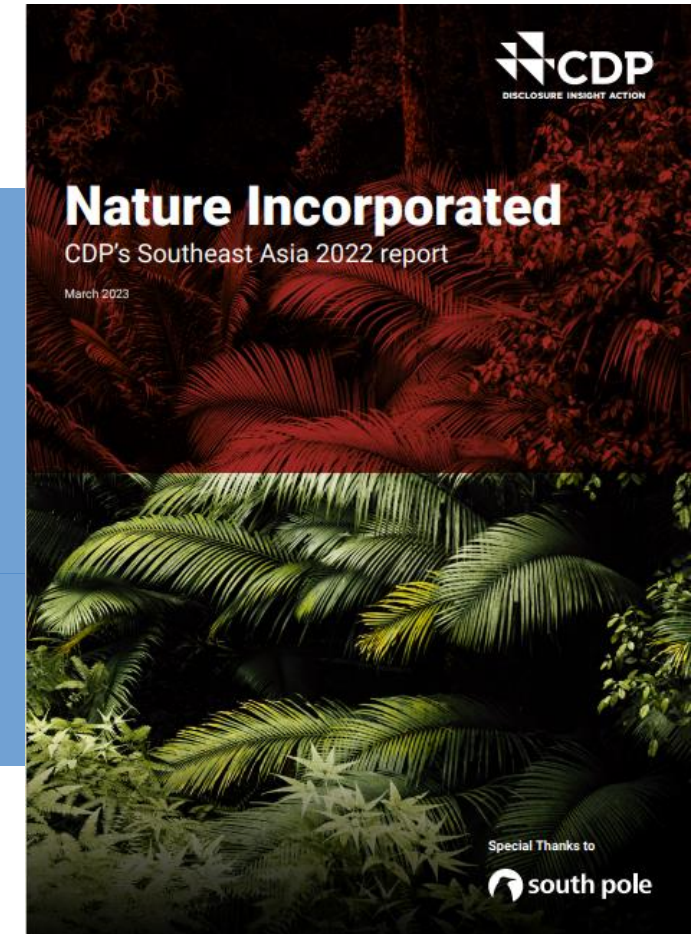
2022 Performance of 123 Southeast Asian companies in this CDP Water Security analysis



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



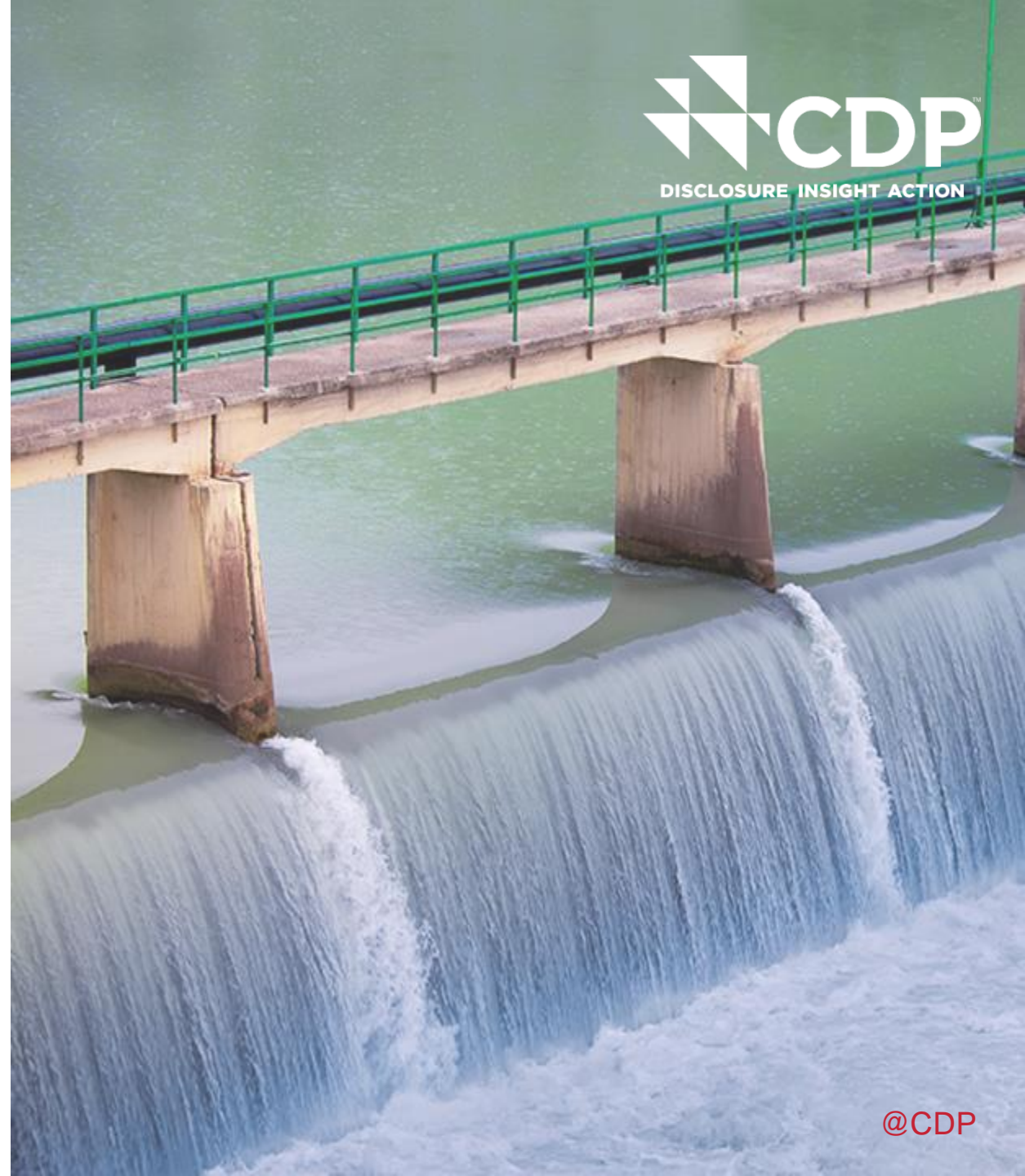
OVERVIEW OF THE 2023 WATER SECURITY QUESTIONNAIRE

María Isabel Cruz Gutiérrez

Technical Manager, Water Security Questionnaire & Guidance

Content

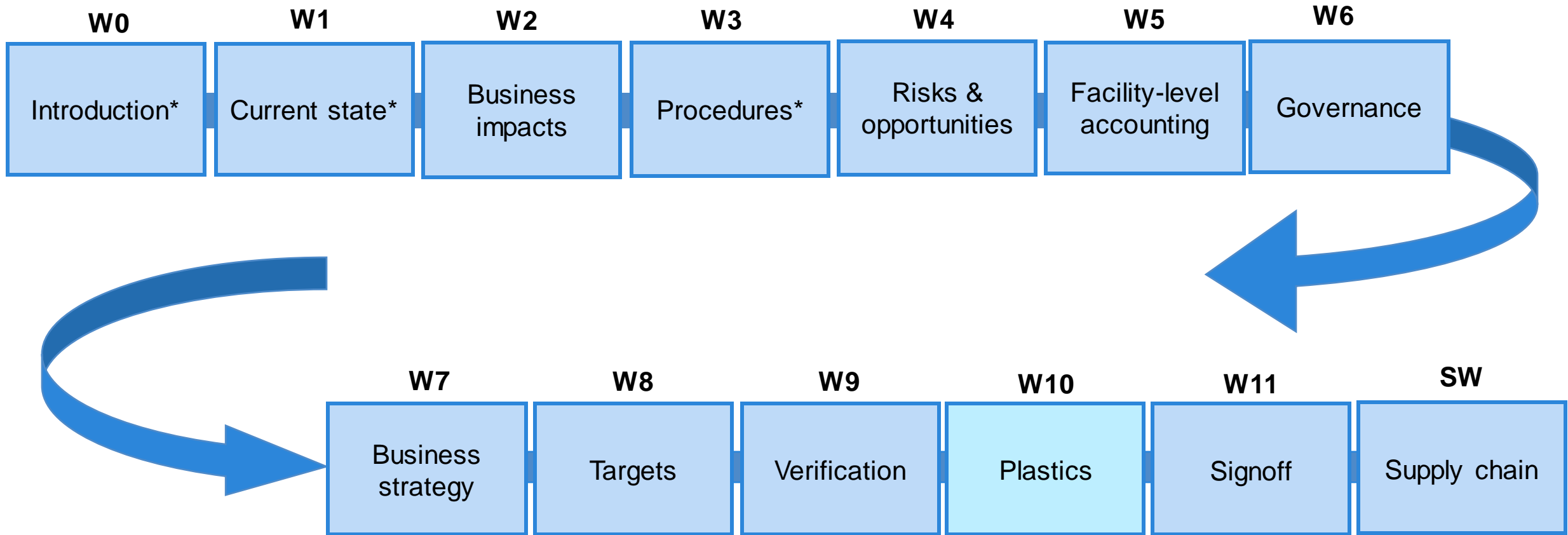
- Overview
 - Questionnaire structure
 - Changes for 2023
- 2023 Questionnaire
 - Module details with key changes
 - Minimum version & sector questions
- Reporting tips



Water Security Questionnaire Structure



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



* 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.

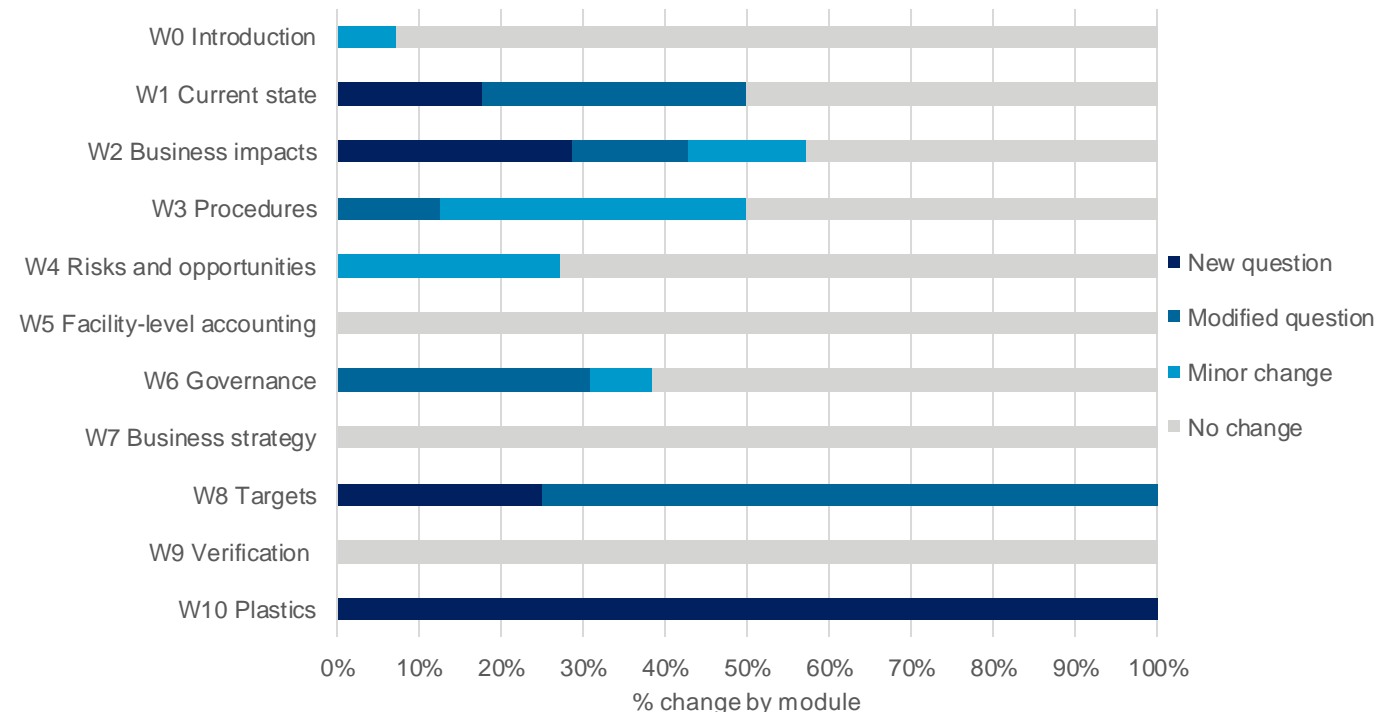
▼ **18** new questions

- **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.

Changes by module



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.



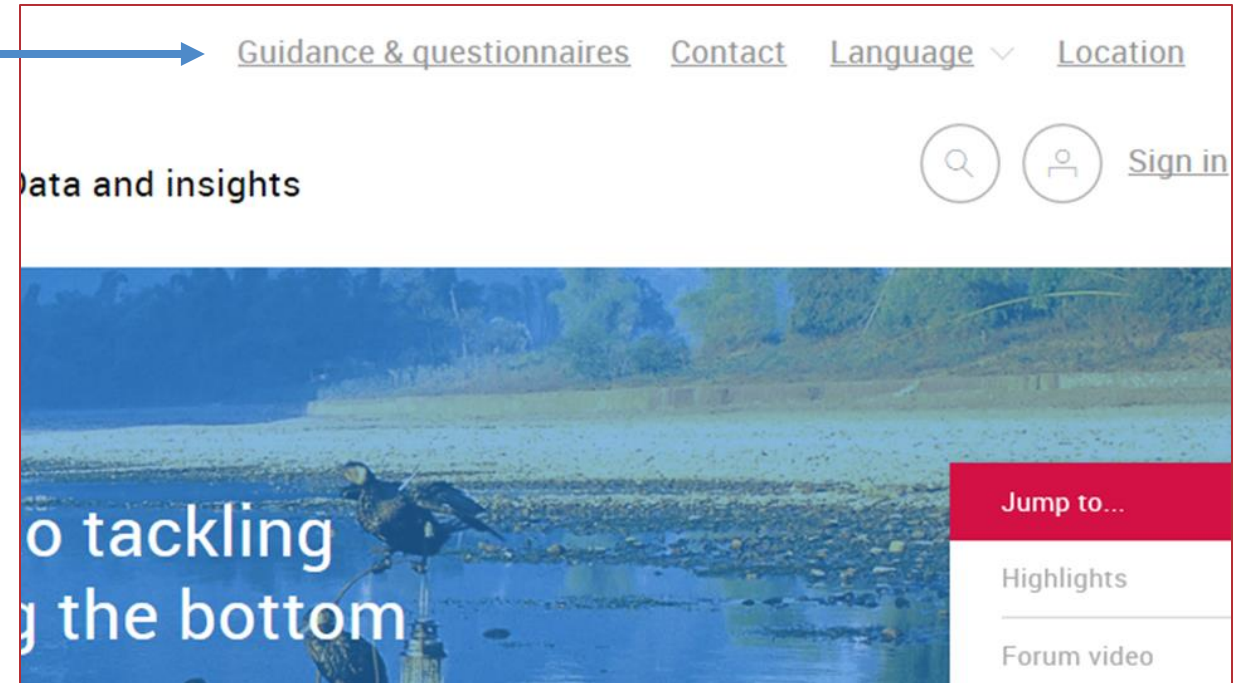
Water security

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



W0 INTRODUCTION

2023 MODULES

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W6 Governance

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W10 Plastics

W11 Sign off

SW Supply Chain

Collects information about the company and its disclosure.

NEW QUESTIONS FOR CO AND AC

General description

Reporting year

Country

Currency

Reporting boundary

Exclusions

Unique market identifier(s)

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

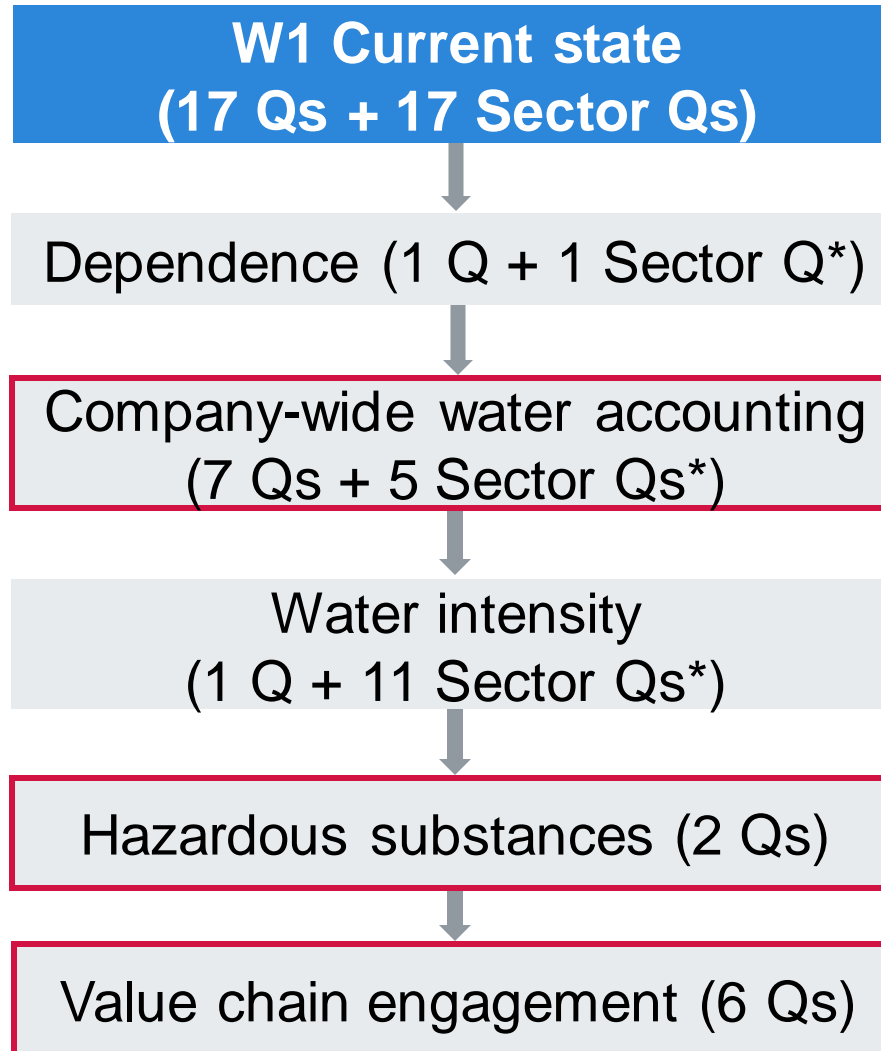
W1 CURRENT STATE

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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 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.

MODIFIED QUESTIONS

The full tables are not shown here

Primary reason for comparison with previous reporting year	Five-year forecast	Primary reason for forecast
Select from: <ul style="list-style-type: none"> Change in accounting methodology Divestment from water intensive technology/process Facility closure Facility expansion Increase/decrease in business activity Increase/decrease in efficiency Investment in water-smart technology/process Maximum potential volume reduction already achieved Mergers and acquisitions Unknown Other, please specify 	Select from: <ul style="list-style-type: none"> Much lower Lower About the same Higher Much higher Unknown 	Select from: <ul style="list-style-type: none"> Change in accounting methodology Divestment from water intensive technology/process Facility closure Facility expansion Increase/decrease in business activity Increase/decrease in efficiency Investment in water-smart technology/process Maximum potential volume reduction already achieved Mergers and acquisitions Unknown Other, please specify

New columns

Added: Forecasted to change

► **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.

NEW QUESTION

- ▼ 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.

1	2	3	4
Emissions to water in the reporting year (metric tonnes)	Category(ies) of substances included	List the specific substances included*	Please explain
Numerical field [enter a number from 0-999,999,999,999 using a maximum of 2 decimal places]	Select all that apply: <ul style="list-style-type: none">• Nitrates• Phosphates• Pesticides• Priority substances listed under the EU Water Framework Directive	Text field [maximum 1,000 characters]	Text field [maximum 1,500 characters]

W1 – Current state: Hazardous substances

NEW QUESTIONS

(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

- 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.

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

1	2	3
Regulatory classification of hazardous substances	% of revenue associated with products containing substances in this list	Please explain
Select from: <ul style="list-style-type: none">• Annex XVII of EU REACH Regulation• Candidate List of Substances of Very High Concern for Authorisation above 0.1% by weight (EU Regulation)• EU Persistent Organic Pollutants (POPs) Regulation• Annex XIV of UK REACH Regulation• Candidate List of Substances of Very High Concern (UK Regulation)• Federal Water Pollution Control Act / Clean Water Act (United States Regulation)• Water Pollution Prevention Act (Japan Regulation)	Select from: <ul style="list-style-type: none">• Don't know• Less than 10%• 10-20• 21-40• 41-60• 61-80• More than 80%	Text field [maximum 1,500 characters]

The full table is not shown here

[Add row]

W1 – Current state: Value chain engagement

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

NEW QUESTION

- ▶ 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.

1	2	3	4	5
Assessment of supplier impact	Considered in assessment*	Number of suppliers identified as having a substantive impact*	% of total suppliers identified as having a substantive impact*	Please explain
Select from: <ul style="list-style-type: none">• Yes, we assess the impact of our suppliers• No, we do not currently assess the impact of our suppliers, but we plan to do so within the next two years• No, we do not assess the impact of our suppliers and have no plans to do so within the next two years	Select all that apply: <ul style="list-style-type: none">• Basin status (e.g., water stress or access to WASH services)• Supplier dependence on water• Supplier impacts on water availability• Supplier impacts on water quality• Procurement spend• Other, please specify	Numerical field [enter a number from 0-999,999,999,999 using no decimal places]	Select from: <ul style="list-style-type: none">• None• Less than 1%• 1-25• 26-50• 51-75• 76-99• 100%• Unknown	Text field [maximum 1,000 characters]

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?

Suppliers have to meet specific water-related requirements

Select from:

- Yes, water-related requirements are included in our supplier contracts
- Yes, suppliers have to meet water-related requirements, but they are not included in our supplier contracts
- No, but we plan to introduce water-related requirements within the next two years
- No, and we do not plan to introduce water-related requirements within the next two years

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.

1	2	3	4	5	6
Water-related requirement	% of suppliers with a substantive impact required to comply with this water-related requirement*	% of suppliers with a substantive impact in compliance with this water-related requirement*	Mechanisms for monitoring compliance with this water-related requirement	Response to supplier non-compliance with this water-related requirement	Comment
Select from: <ul style="list-style-type: none">• Response drop-down options below table <div>[Add row]</div>	Select from: <ul style="list-style-type: none">• Unknown• Less than 1%• 1-25• 26-50• 51-75• 76-99• 100%	Select from: <ul style="list-style-type: none">• Unknown• None• Less than 1%• 1-25• 26-50• 51-75• 76-99• 100%	Select all that apply: <ul style="list-style-type: none">• Certification• Community-based monitoring• Fines and penalties• Geospatial monitoring tool• Grievance mechanism/Whistleblowing hotline	Select from: <ul style="list-style-type: none">• Exclude• No response• Retain and engage• Suspend and engage• Other, please specify	Text field [maximum 1,000 characters]

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W1 – Current state

NEW QUESTIONS for AC

W1.1 section: Dependency

MODIFIED QUESTION

- [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 CO

W1.3 section: Water intensity

- [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

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SW Supply Chain

- ▼ 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



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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

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SW Supply Chain

- ▼ 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.

W3 PROCEDURES



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SW Supply Chain

W3 Procedures (6 Qs + 4 sector Qs)



Water pollutant management (2 Qs)



Other management procedures (4 Qs)*
(MM/CO)



Risk assessment (4 Qs)

*Section for high-impact sectors only (as specified)

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

MODIFIED QUESTION FOR CH, EU, FB, OG

- 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.

1	2	3
Identification and classification of potential water pollutants	How potential water pollutants are identified and classified*	Please explain*
Select from: <ul style="list-style-type: none">Yes, we identify and classify our potential water pollutantsNo, we do not identify and classify our potential water pollutantsUnknown	Text field [maximum 1,500 characters] <div>Column 2 only presented if 'Yes...' is selected in column 1</div>	Text field [maximum 1,000 characters] <div>Column 3 only presented if 'No...' or 'Unknown' is selected in column 1</div>

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.

NEW QUESTION

MODIFIED QUESTION FOR CH, EU, FB, OG

▼ **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.

1	2	3	4	5
Water pollutant category	Description of water pollutant and potential impacts	Value chain stage	Actions and procedures to minimize adverse impacts	Please explain
Select from: <ul style="list-style-type: none">Inorganic pollutantsOilNitratesPhosphatesOther nutrients and oxygen demanding pollutantsPesticidesOther synthetic organic compoundsPathogensMicroplastics and plastic particlesOther physical pollutantsOther, please specify	Text field [maximum 1,500 characters]	Select all that apply: <ul style="list-style-type: none">Direct operationsSupply chainProduct use phaseOther, please specify	Select all that apply: <ul style="list-style-type: none">Assessment of critical infrastructure and storage condition (leakages, spillages, pipe erosion etc.) and their resilienceResource recoveryBeyond compliance with regulatory requirementsImplementation of integrated solid waste management systemsIndustrial and chemical accidents prevention, preparedness, and responseProvision of best practice	Text field [maximum 1,500 characters]
The full table is not shown here				[Add row]

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

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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

- ▼ 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

2023 MODULES
W0 Introduction
W1 Current state
W2 Business impacts
W3 Procedures
W4 Risks & opportunities
W5 Facility-level water verification
W6 Governance
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W11 Sign off
SW Supply Chain

W4 Risks & opportunities (11 Qs)



Risk exposure (4 Qs)



Risks and response (4 Qs)



Opportunities (3 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).

W5 FACILITY-LEVEL WATER ACCOUNTING



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W4 Risks & opportunities

W5 Facility-level water verification

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W11 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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W4 Risks & opportunities
W5 Facility-level water verification
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W11 Sign off
SW Supply Chain

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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W1 Current state

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W3 Procedures

W4 Risks & opportunities

W5 Facility-level water verification

W6 Governance

W7 Business strategy

W8 Targets

W9 Verification

W10 Plastics

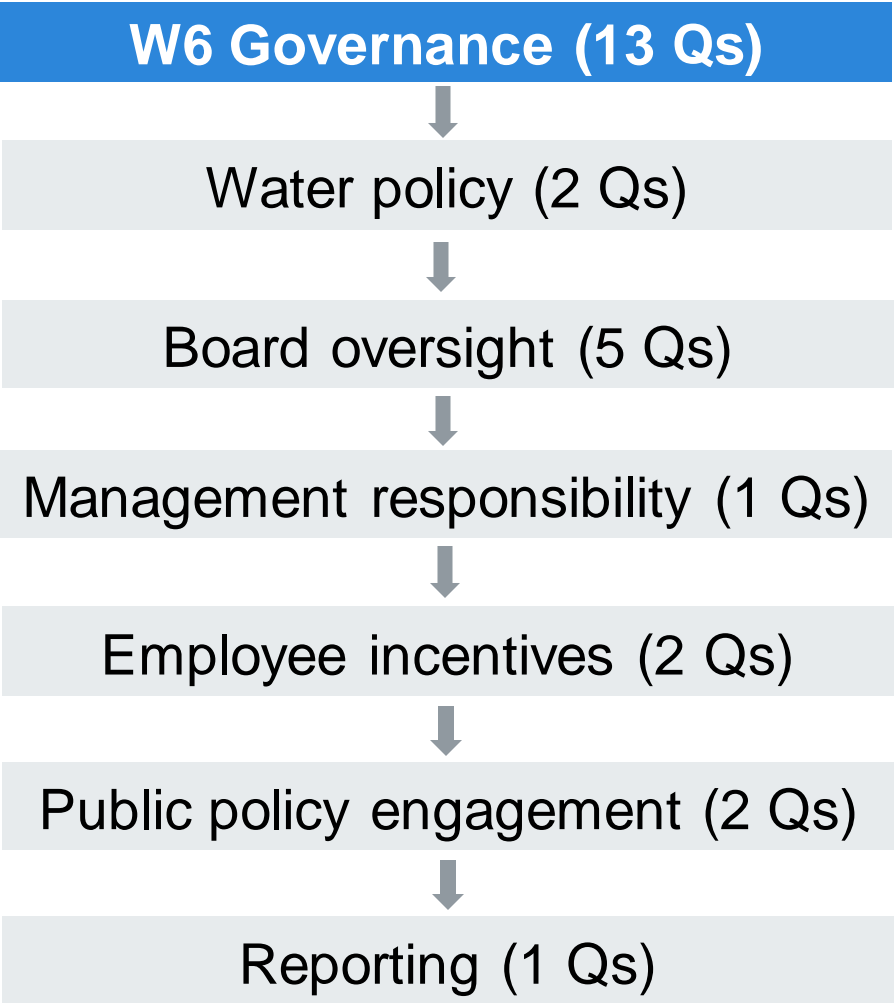
W11 Sign off

SW Supply Chain

- ▼ 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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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



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.

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

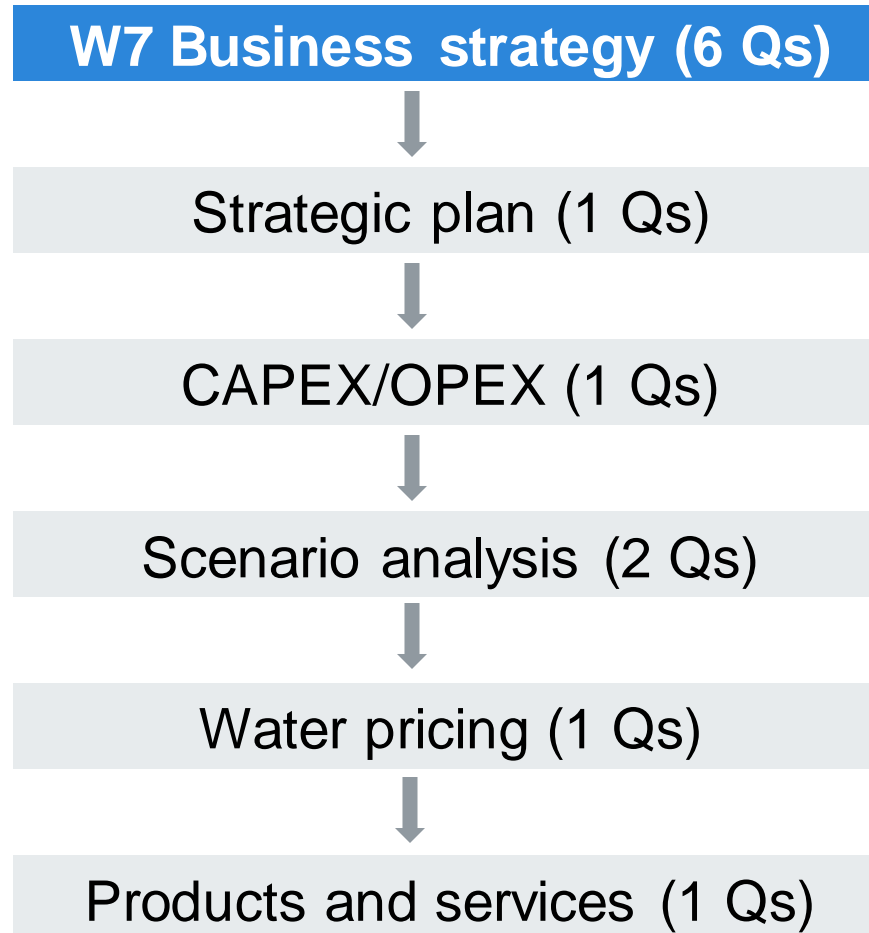
W11 Sign off

SW Supply Chain

- ▼ 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
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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



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



2023 MODULES
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SW Supply Chain

▶ 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.



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.

2022

Levels for targets and/or goals	Monitoring at corporate level	Approach to setting and monitoring targets and/or goals
Select all that apply: <ul style="list-style-type: none">• Our company sets no targets or goals• Company-wide targets and goals• Business level specific targets and/or goals• Activity level specific targets and/or goals• Site/facility specific targets and/or goals• Brand/product specific targets and/or goals• Country level targets and/or goals• Basin specific targets and/or goals• Other, please specify	Select all that apply: <ul style="list-style-type: none">• None are monitored at corporate level• Targets are monitored at the corporate level• Goals are monitored at the corporate level	Text field [maximum 3,000 characters]

2023

Response options

Select from:

- Yes
- No, but we plan to within the next two years
- No, and we do not plan to within the next two years

(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.

W8 – Targets



(W8.1a) Indicate whether you have targets relating to water pollution, water withdrawals, WASH, or other water-related categories.

NEW QUESTION

Minimum

- 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.

0	1	2
Target category	Target set in this category	Please explain*
Water pollution	Select from: <ul style="list-style-type: none">YesNo, but we plan to within the next two yearsNo, and we do not plan to within the next two years	Text field [maximum 1,000 characters]
Water withdrawals		
Water, Sanitation, and Hygiene (WASH) services		
Other		

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.

MODIFIED QUESTION

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.

New and modified options

1	2	3	4	5
Target reference number	Category of target	Target coverage	Quantitative metric	Year target was set
6	New column	7	8	New columns
Base year	Base year figure	Target year	Target year figure	Reporting year figure
Numerical field [enter a number between 1900 and 2023 with no decimal places]	Numerical field [enter a number between 0 and 999,999,999,999,999 using a maximum of 2 decimal places]	Numerical field [enter a number between 2018 and 2100 with no decimal places]	Numerical field [enter a number between 0 and 999,999,999,999,999 using a maximum of 2 decimal places]	Numerical field [enter a number between 0 and 999,999,999,999,999 using a maximum of 2 decimal places]
		11	12	13
		% of target achieved relative to base year	Target status in reporting year	Please explain
		[Auto-calculated]	Select from: <ul style="list-style-type: none"> • New • Underway • Achieved • Expired • Revised • Replaced • Retired 	Text field [maximum 2,000 characters]

Removed columns: "Primary motivation" and "Description of target"

Auto-calculation field from numerical field.

New column

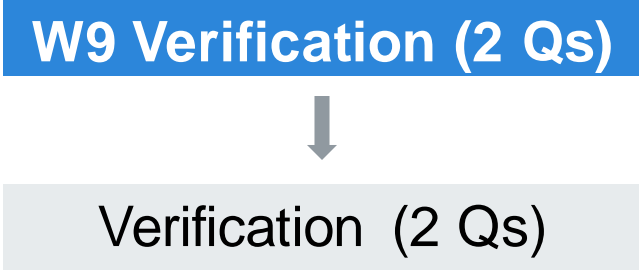
[Add row]

W9 VERIFICATION



2023 MODULES
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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.



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

W10 PLASTICS

2023 MODULES

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W3 Procedures

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W5 Facility-level water verification

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W10 Plastics

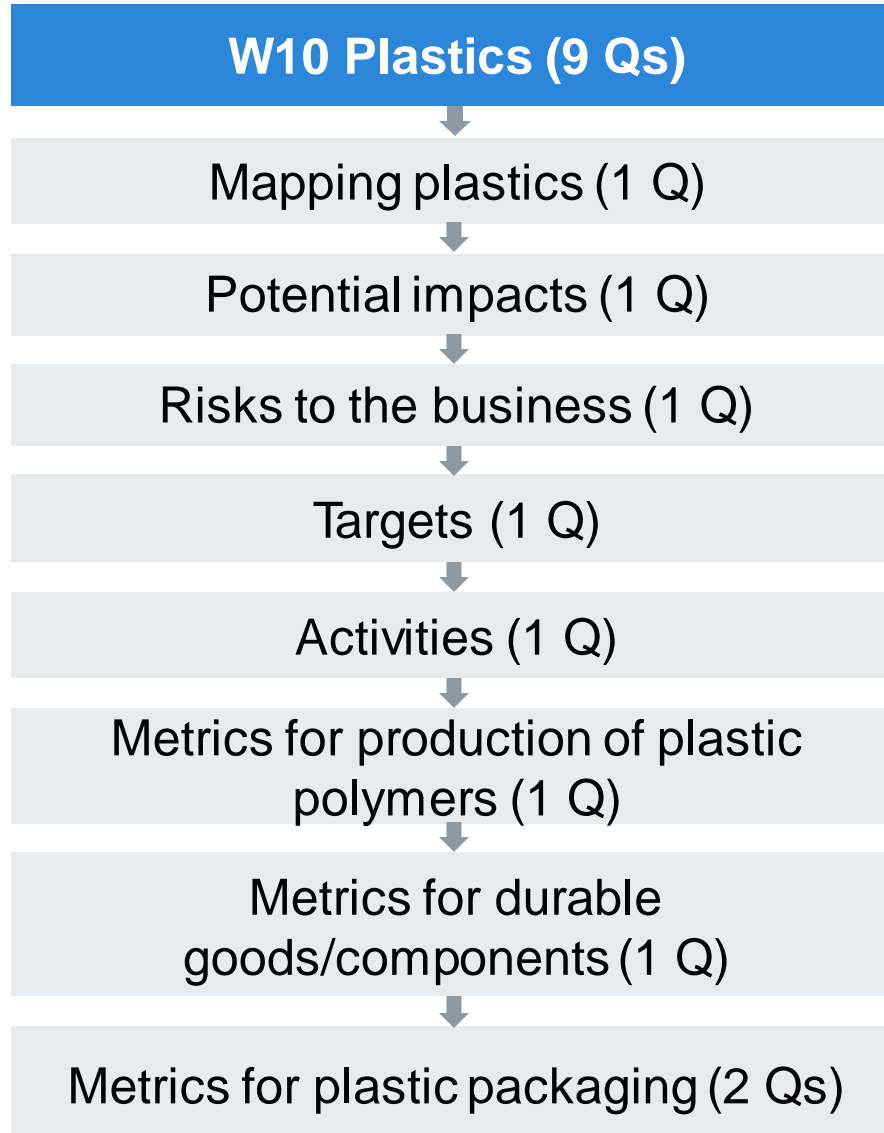
W11 Sign off

SW Supply Chain

- ▶ 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

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W5 Facility-level water verification
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W11 Sign off
SW Supply Chain



Qualitative questions presented to all companies.

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

W11 SIGN OFF

2023 MODULES
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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

2023 MODULES

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W4 Risks & opportunities

W5 Facility-level water verification

W6 Governance

W7 Business strategy

W8 Targets

W9 Verification

W10 Plastics

W11 Sign off

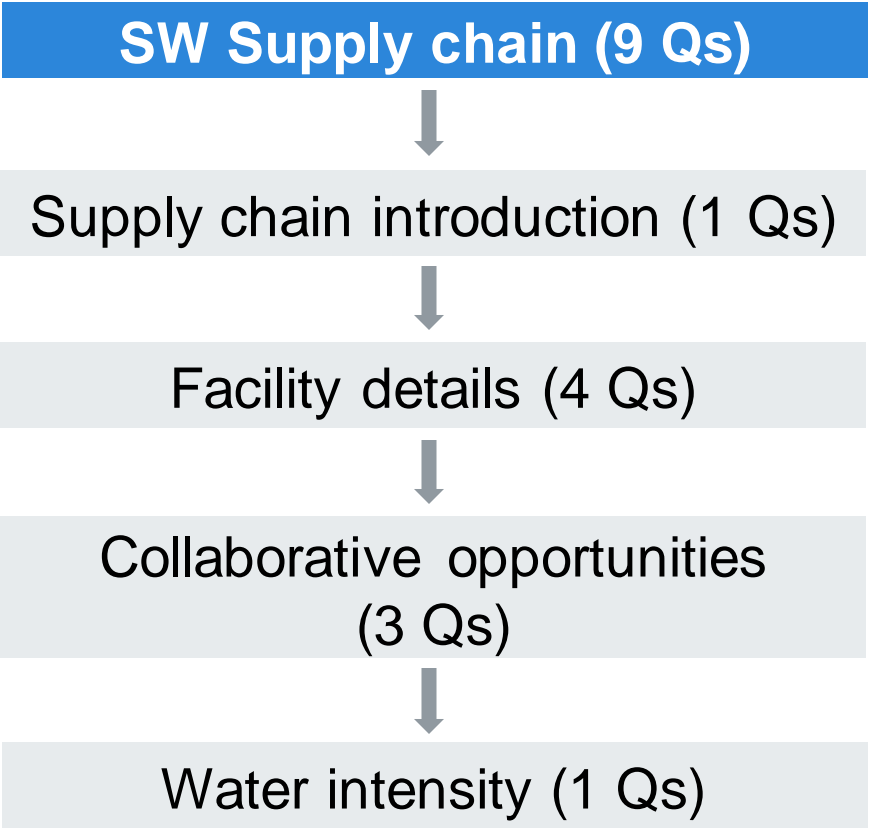
SW Supply Chain

- ▼ 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



2023 MODULES
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W5 Facility-level water verification
W6 Governance
W7 Business strategy
W8 Targets
W9 Verification
W10 Plastics
W11 Sign off
SW Supply Chain



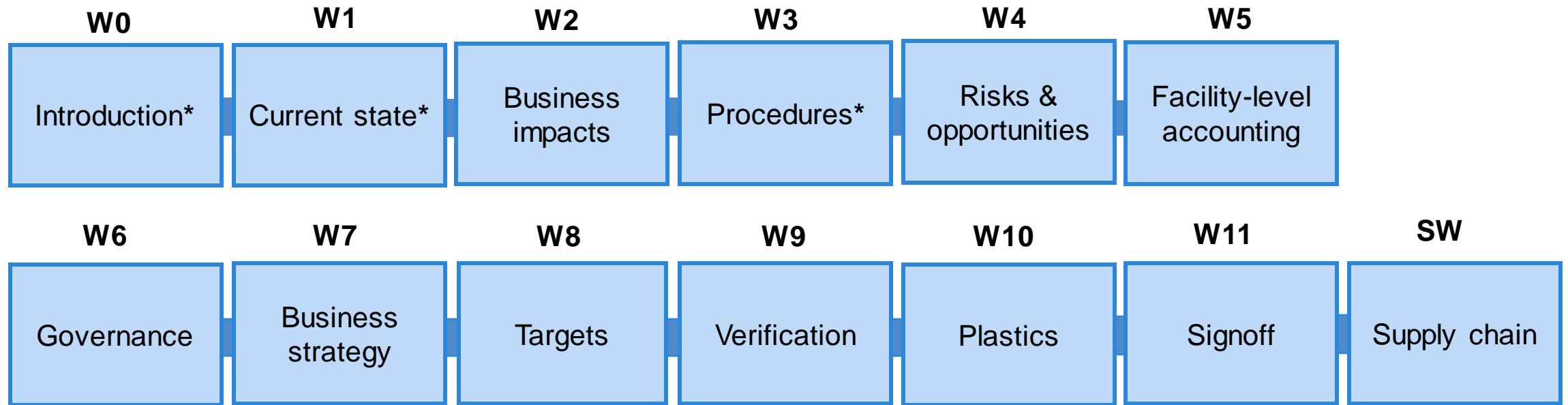
Annual revenue.

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!



Water secure future for all

MINIMUM VERSION QUESTIONNAIRES



An option for organizations:

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

AND

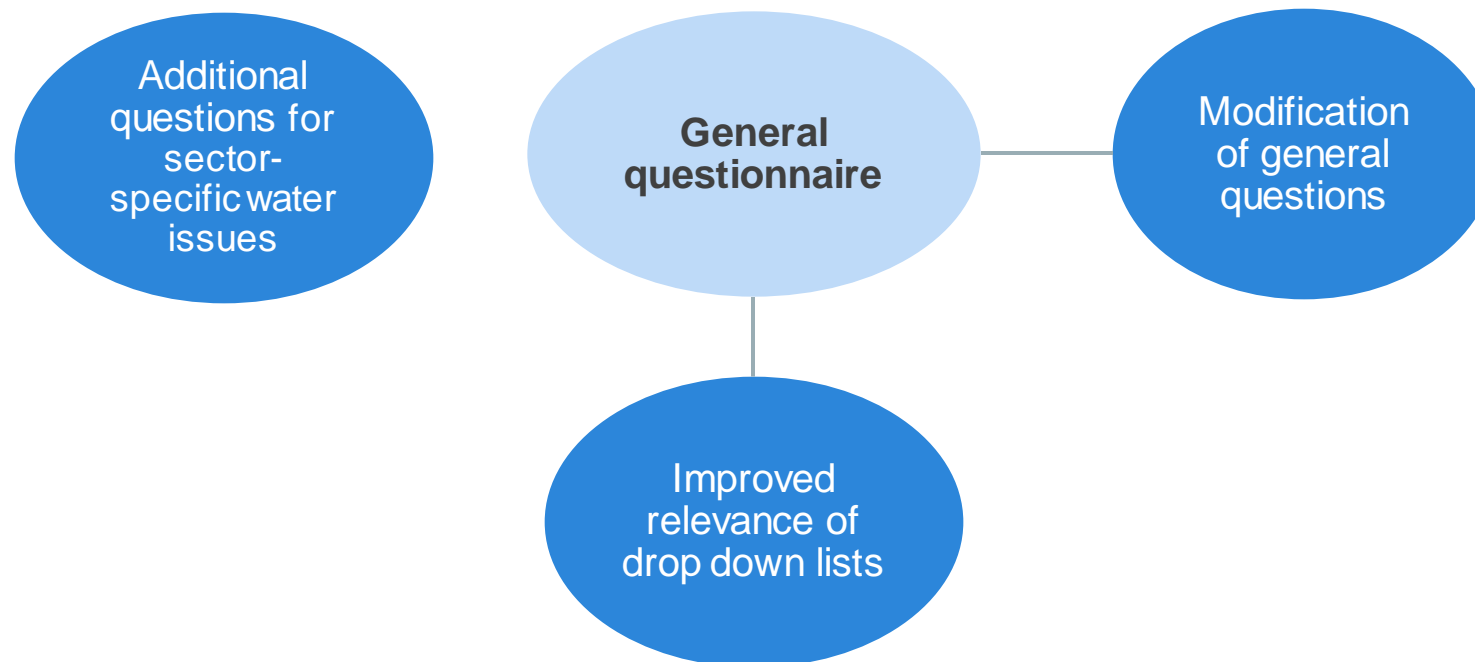
- Disclosing in response to a request from a customer (i.e. CDP supply chain members), the CDP banks program members, the RE100 initiative, or the NZAM initiative.

- 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.

FULL	MINIMUM	REDUCTION
85 questions	42 questions	51%

Note: count excludes the SC module

SECTOR-SPECIFIC QUESTIONS/RESPONSE OPTIONS



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.

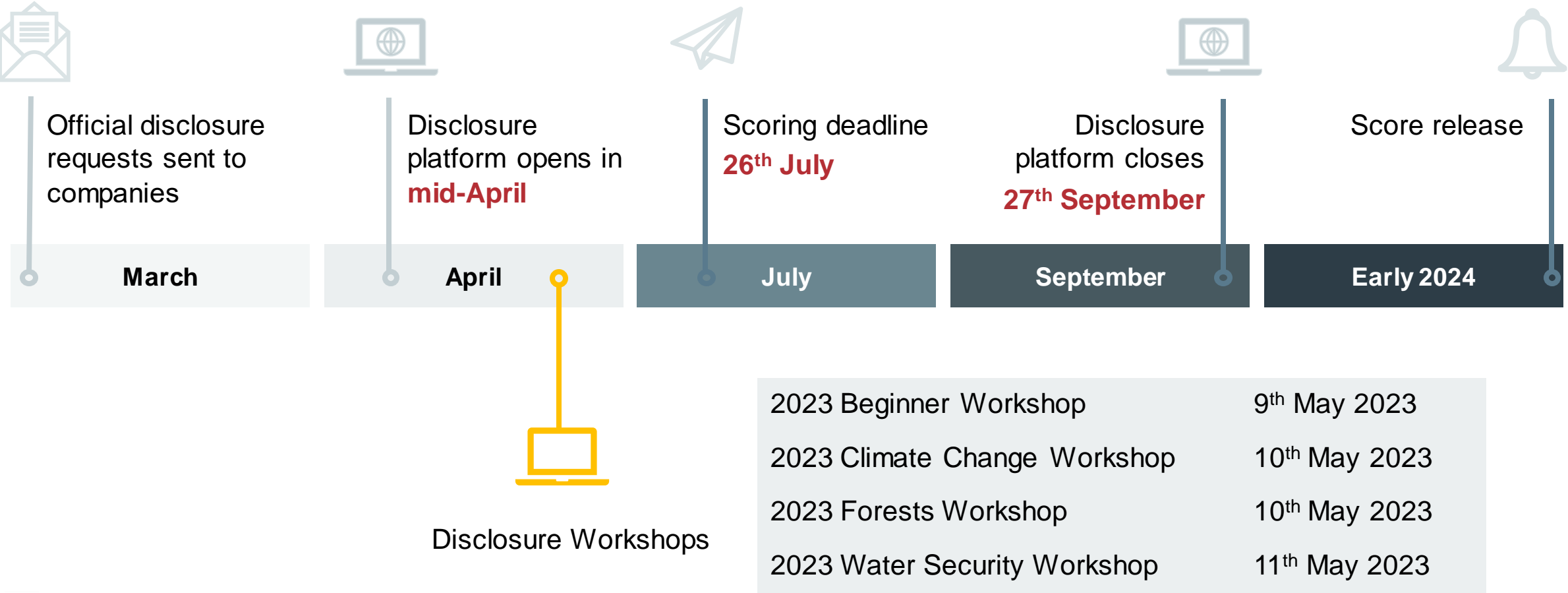
▼ Reporting your water-related risks

- ▼ 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



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 (USD6,950)	✓	✓	✓	✓	✓	✓	✓	✓	✓
Standard (USD2,950)	✓	✓	✓						

Options for First-time Disclosers

Recommended approach

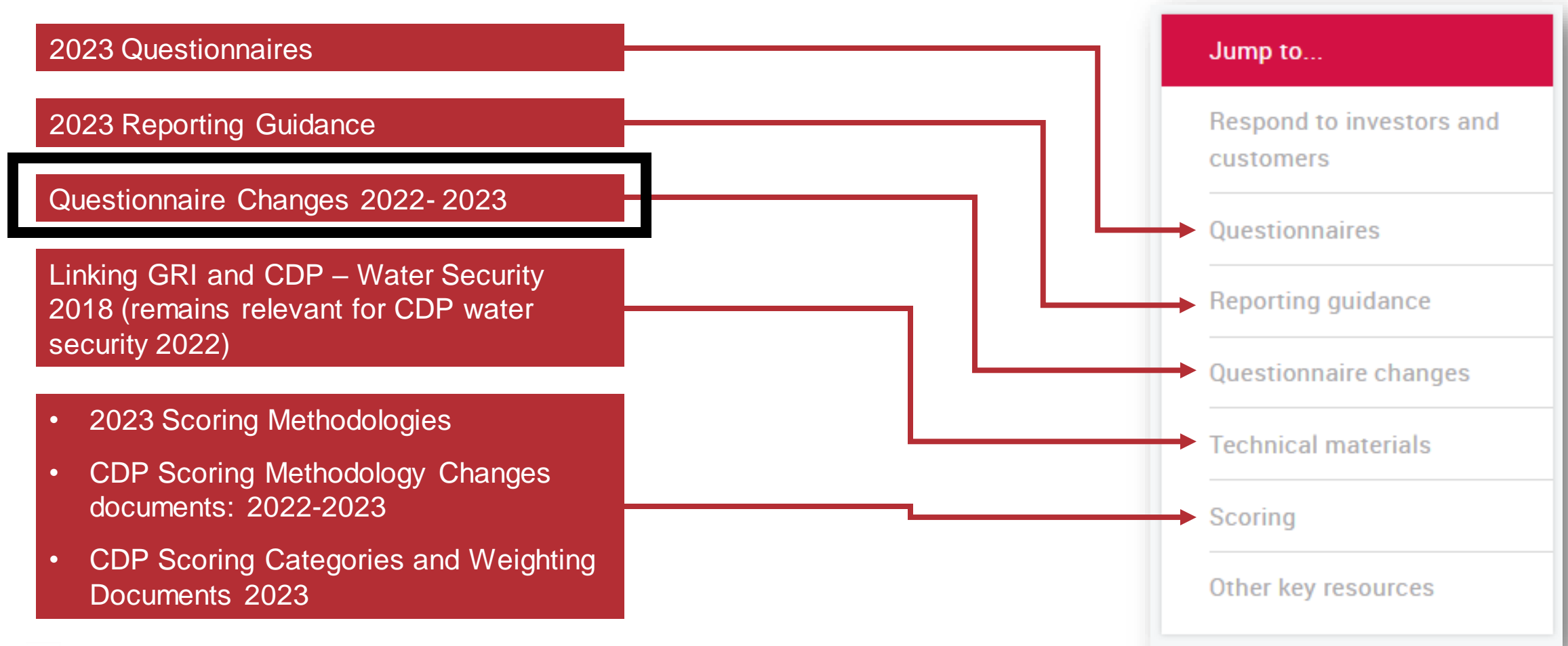
Questionnaire version	Full Version	
	On/ before 26 Jul	On/ before 27 Sep
Submission	✓	✗
Score	✓	✗
Score report	✓	✗
Private score option	✓	✗
Score status on CDP website	Your 2023 score or “Not available” if you want a private score	“Not scored”
Your response	Response can be made public or private on CDP website, but investor signatories will have access to the response regardless	

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



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:

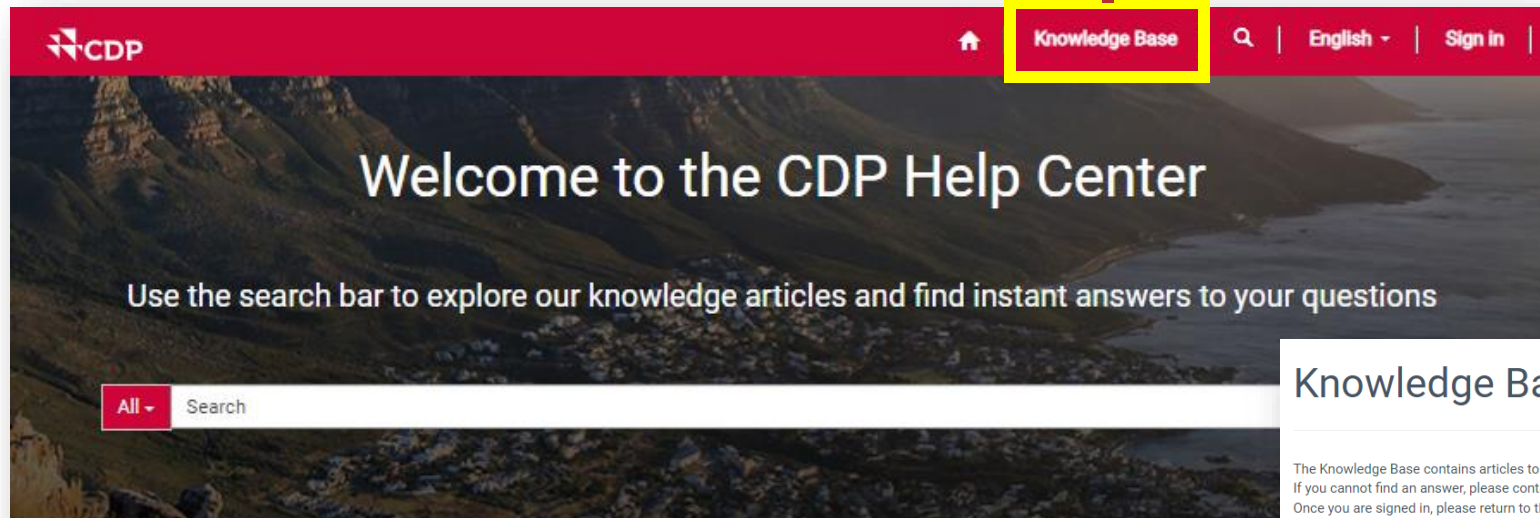
- Copy forward
- Extending text boxes
- Exporting and importing your response(s)



Guide to using the disclosure platform

CDP Help Center

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



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

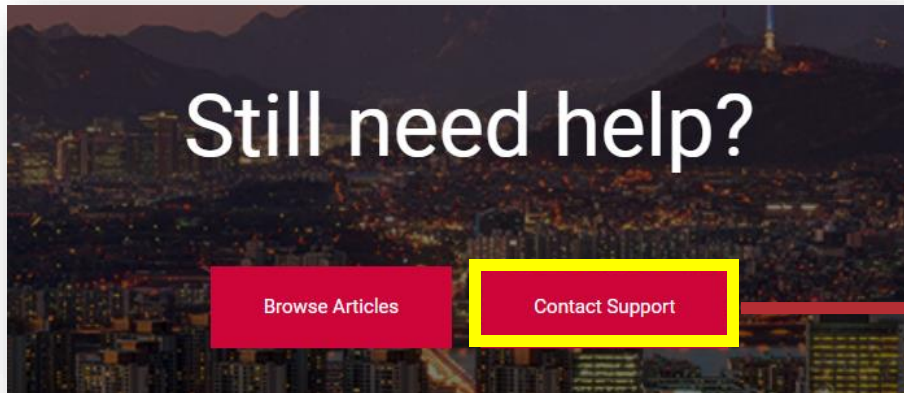


Resolve a platform issue



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

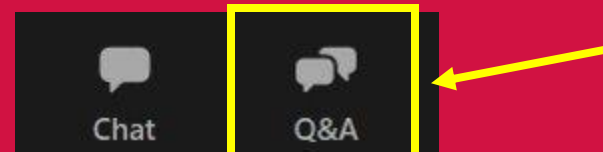
Please fill in and submit the form.
Your query will be processed.

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 sea@cdp.net | anz@cdp.net

Feedback Form 2023 Water
Security Disclosure Workshop



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Further questions: email to asiapacific@cdp.net