CDP Water Disclosure

CEO Water Mandate & PRI
Working Conference, 16 May 2011

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CDP seeks corporate water disclosure on behalf of investors

354 Investors representing $43 trillion

408 Corporations from Global 500, Australia 100, South Africa 100
CDP uses a 3-part questionnaire

1. Water management & governance
2. Risks & opportunities
3. Water accounting
1. Water management & governance

Goal: to give investors a high level view of whether companies are engaging on water-related issues

Questions include:

• Does your company have a water policy, strategy or management plan?
  – Who is responsible for it?
  – Does it specify water reduction, quality or efficiency targets or other water-related goals?

• What specific actions has your company taken to manage water resources or engage stakeholders in water-related issues? (Seeks answers by reference to the Mandate’s 6 elements)
2. Risks & opportunities

Goal: to assess companies’ risks and the steps they are taking to mitigate them

Questions include:

• Are you able to identify which of your operations are located in water-stressed regions?
  – Please specify the method(s) you use to characterize water stressed regions
  – Please list the water stressed regions where you have operations and the percentage of your total operations in that area
Questions continued:

• Please describe the current and/or future risks to your operations, the ways in which these risks affect or could affect your operations, and your current or proposed strategies for managing them.

• Please describe any detrimental impacts to business related to water that your company has faced in the past five years, their financial impacts and whether they have resulted in any changes to company practices.

Section also covers supply chain:

• Are you able to identify which of your key water-intensive inputs (excluding water) come from regions subject to water-related risk?

• Do you require your key suppliers to report on their water use, risks and management?
3. Water accounting

Goal: to assess companies’ withdrawals, compliance of discharges with regulations, and intensity of use

Questions are based on relevant GRI indicators and include:

• Are you able to provide data, whether measured or estimated, on water withdrawals within your operations?
• Did your company pay any penalties or fines for significant breaches of discharge agreements or regulations in the reporting period?
• Please provide any available financial intensity values for your company’s water use across its operations

Shift away from requesting globally aggregated data to regional data, and to include water stressed regions only
Final thoughts

• *Evolution* of questionnaire to capture best thinking (or perhaps *revolution* – the process does not have to be slow)

• Changes to the questionnaire must promote *wide participation* by companies and *greater comparability* of data

• Also critical to *minimise corporate reporting burdens*; attracted by ideas such as WWF-DEG risk filter