1. Overview of the Carbon Disclosure Project (CDP)

2. Why water, goals of CDP Water Disclosure

3. The 2010 information request

4. Vision and timeline for CDP Water Disclosure

5. Questions and discussion
An intermediary between investors and companies

Investors

Information

Corporations

Information

Authority

Authority
CDP Water Disclosure in numbers

137
Institutional Signatory Investors

$16 trillion
Assets represented by CDP Water Disclosure’s signatory investors

302
Number of Companies asked to respond to CDP Water Disclosure in 2010
Why water

• ‘If climate change is the shark, water is its teeth’
  – Paul Dickinson, Carbon Disclosure Project CEO

• ‘We recommend that investors assess the reliance of their portfolios on water resources and their vulnerability to problems of water availability and pollution’

• ‘The financial impact of water shortages on sectors and companies is unclear, because information on water use data and impacts is spotty and partial’

• ‘A survey of around 100 FTSE 100 and FTSE 350 companies found that 92% agree that a water crisis is looming and 70% believe that the risks of water scarcity are equal to those of carbon emissions.’
  – WSP Environment & Energy, September 2009
• To raise awareness and understanding of the business risks and opportunities around water
• To make meaningful reporting on water standard corporate practice globally within 5 to 10 years
• To support and accelerate the development of standard measures and performance benchmarks
• To provide data that informs decision-making by investors, companies and governments
• To catalyse action towards sustainable water management
302 companies selected for 2010

- Focus on world’s largest companies in sectors that are water intensive or face particular water-related risk
  - Automotive
  - Chemicals
  - Food & beverage
  - Mining
  - Oil & gas
  - Pharmaceuticals
  - Power generation
  - Semiconductors

- All companies are encouraged to respond (regardless of whether they are one of the 302)
2010 Information Request

1. Water management & governance

2. Risks and opportunities

3. Water accounting
1. Water management & governance

Questions include:

• Does your company have a water policy, strategy or management plan?

• Does it specify water reduction, quality or efficiency targets or other water-related goals?

• What water-related actions has your company taken in respect of its own operations/in respect of factors beyond its own operations?

• What water-related initiatives does your company participate in and what tools or resources does it use?
2. Risks and opportunities

Questions cover:

• For companies’ own operations and supply chains:
  – Water stress (% of own ops/key water-intensive inputs in water-stressed areas)
  – Physical risks
  – Regulatory risks
  – Other risks (e.g. product, reputational and litigation risk)

• Detrimental water-related impacts in past 5 years

• Opportunities

• Linkages between water and energy/carbon
3. Water accounting

Questions are based on relevant GRI indicators and cover:

- Water withdrawals
- Water recycling and reuse
- Water discharges
- Water intensity
- External verification and assurance

Requests global figures but also invites responders to break them down in any manner they deem appropriate, e.g. by country, region or business unit.
CDP Water Disclosure in 2010

GLOBAL 500
(302 companies in water-intensive sectors)

OTHERS

INFORMATION REQUEST

LONDON
Vision (illustrative examples only)

- Short-form request for SMEs
- INFORMATION REQUEST
- Mining module
- Chemicals module
- Power generation module
- OTHERS
- S&P 500
- ASIA
- AUSTRALIA
- SOUTH AFRICA
- Cape Town
- Sydney
- New York
- MADRID
- Beijing

CDP Water Disclosure – Vision for 2011 and beyond
### Timeline

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Issue 2010 information request to target companies on behalf of signatory investors</strong></td>
<td>01 Apr ‘10</td>
</tr>
<tr>
<td>Deadline for disclosure by companies</td>
<td>31 Jul ‘10</td>
</tr>
<tr>
<td>Report writing</td>
<td>Aug to Sep ‘10</td>
</tr>
<tr>
<td><strong>Consultation on 2011 information request</strong></td>
<td>Sep to Oct ‘10</td>
</tr>
<tr>
<td>Global launch of report</td>
<td>Oct to Dec ‘10</td>
</tr>
<tr>
<td>Publish 2011 information request / investor sign-up begins (timing aligned with Investor CDP)</td>
<td>Nov ‘10</td>
</tr>
<tr>
<td>Issue 2011 information request to target companies on behalf of signatory investors (timing aligned with Investor CDP)</td>
<td>Feb ‘11</td>
</tr>
</tbody>
</table>
Key takeaways

• All companies are encouraged to respond to CDP Water Disclosure from April 2010 (31 July deadline)

• There is no expectation that companies will be able to answer all questions initially; this is an opportunity to demonstrate leadership, share best practice and build capacity

• There will be no scoring or ranking of responses until 2012 (year 3) at the earliest

• This is the beginning of a process and we would greatly value your participation and collaboration in shaping the program
Founding Responders

- Ford
- L’Oréal
- Molson Coors
- Pepsico
- Reed Elsevier
Further information / contact

For further information please see:
www.cdproject.net/water-disclosure

Contact:
Marcus Norton
Head of CDP Water Disclosure
marcus.norton@cdproject.net
+44 (0)20 7415 7025