




CDP Global Water Report

Om CDP
Hur vi jobbar med vattenfrågor
Resultat

Emma Henningsson | Director CDP Nordic
emma.henningsson@cdp.net

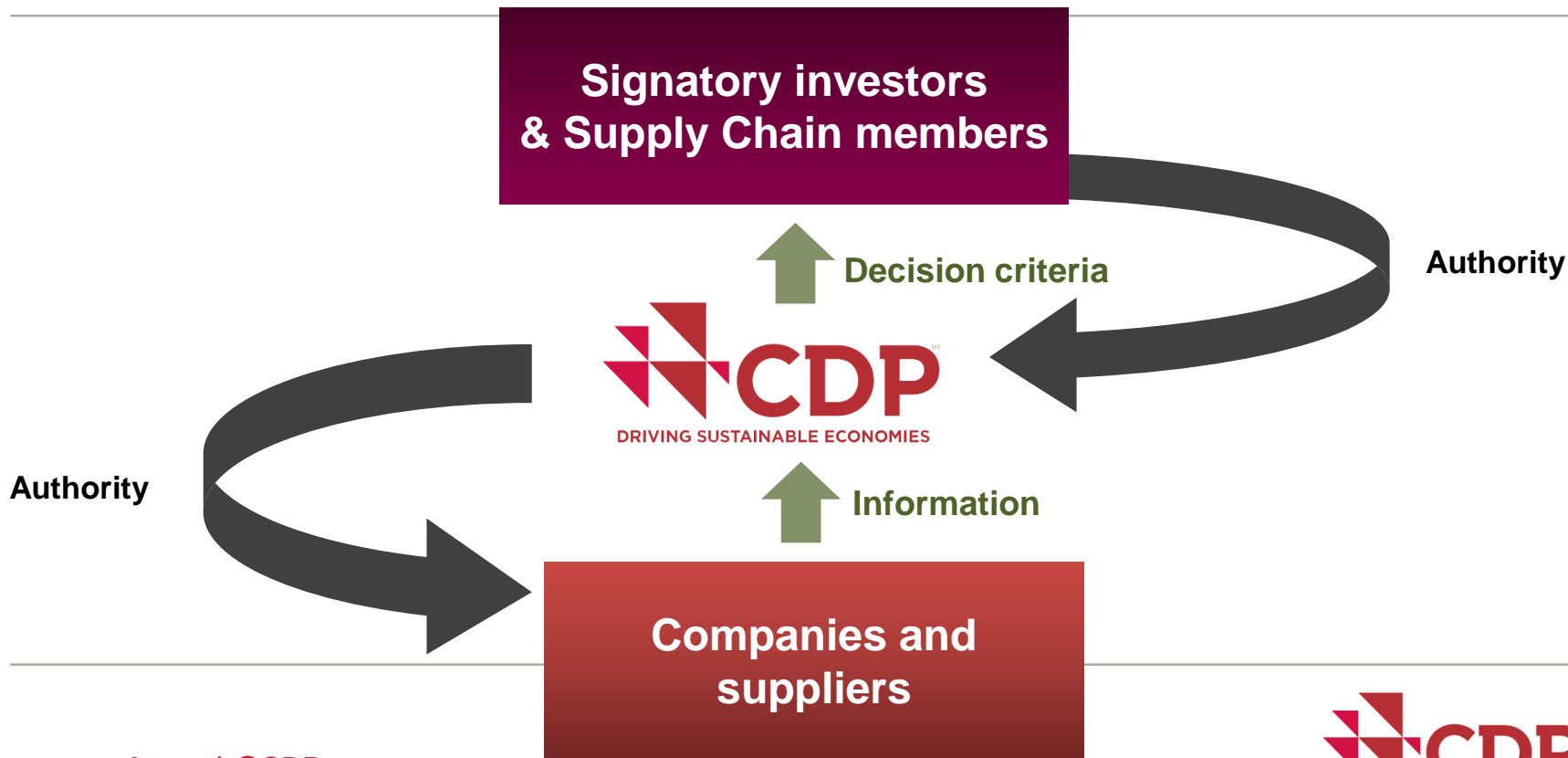


CDP aims to catalyse action on corporate water stewardship to safeguard precious water resources

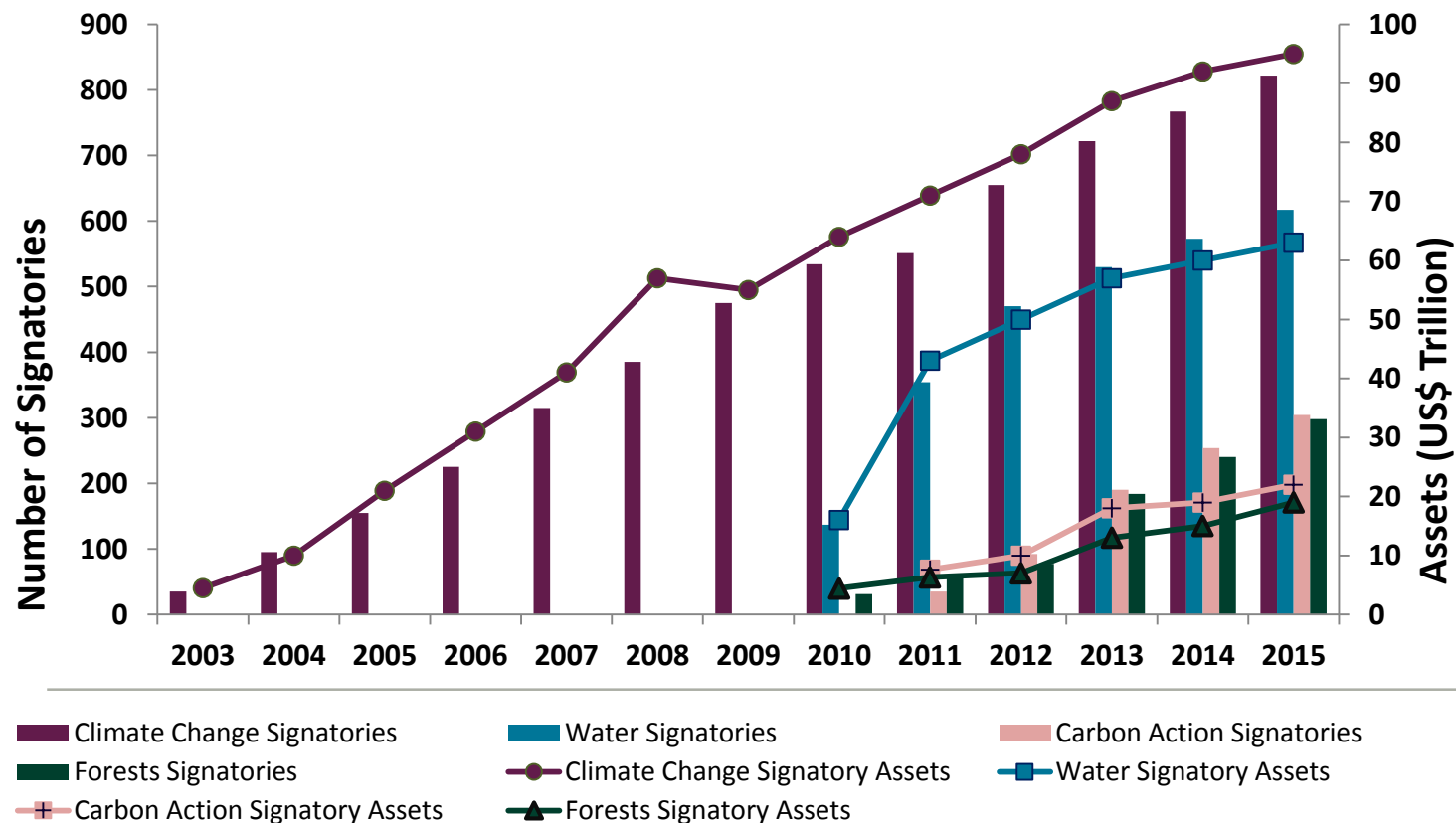
- Vision, CDP's water program



CDP's core work



CDP Investor support continuously rising



Climate change

5,000

Reported in 2014

Water

1,064

Reported in 2014

Forests

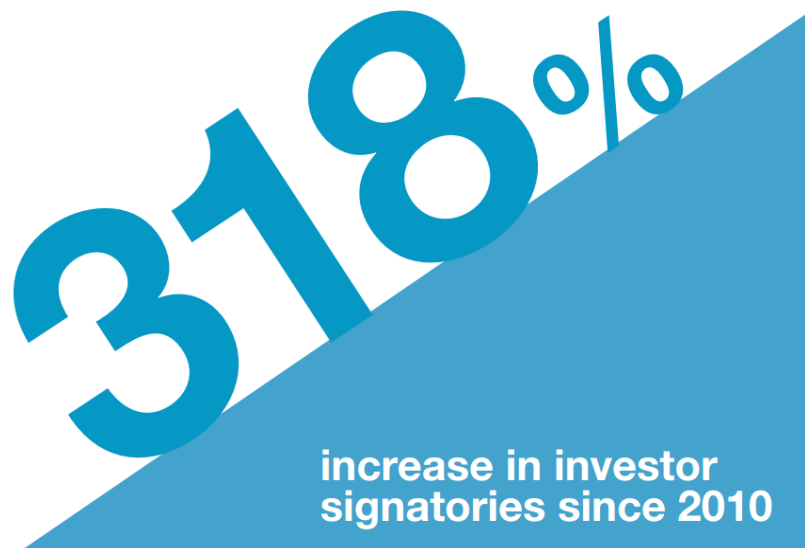
159

Reported in 2014

Investors are waking up to water risk

Through CDP, investors strive to

- ▼ hold companies accountable for the economic, environmental and human consequences of their water use and management.
- ▼ promote corporate water stewardship as a risk reduction strategy.





Water scarcity on a global scale represents a financial risk to the fund.



Norges Bank Investment Management

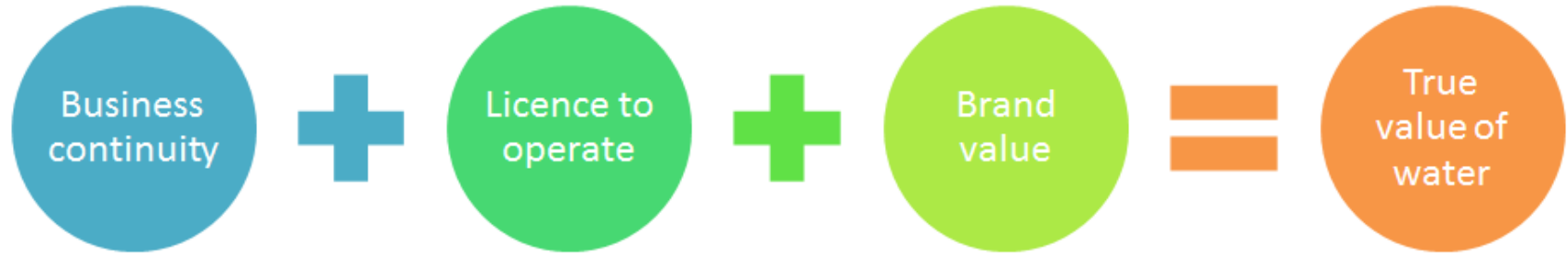


Companies with large supply chains also run the risk of finding themselves in conflict with communities over access to water issues, thus putting their license to operate at risk.

Boston Common Asset Management



Realizing the true value of water



Aims of CDP's water information request

- ▼ Drive greater transparency of water issues
- ▼ Facilitate informed decision making
- ▼ Encourage action to mitigate water risk
- ▼ Promote competent and robust governance of water issues



CDP Water program 2015

617 investor signatories

US\$63 trillion in assets

Water 2014

14 global purchasing organizations

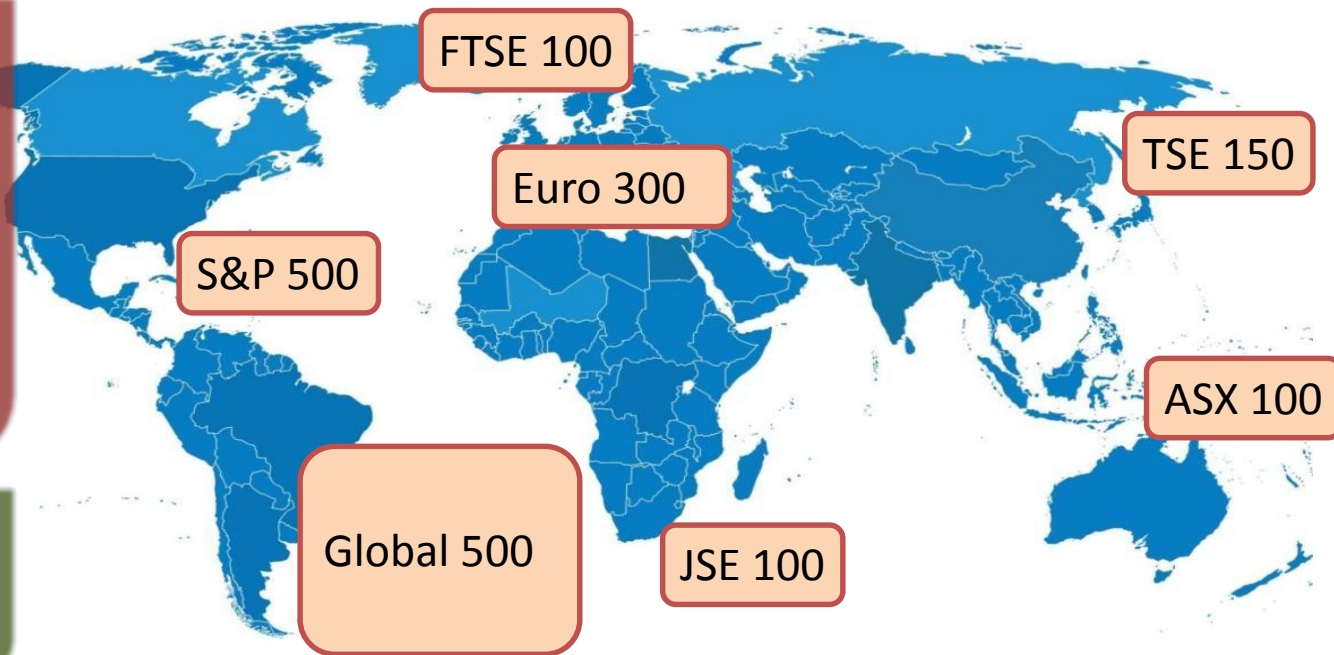
US\$214 trillion procurement spend

Questionnaire sent to over 1500 companies in 2014

Targeted industry sectors include:

- Apparel
- Chemicals
- Food & beverage
- Metals & mining
- Oil & gas
- Pharmaceuticals
- Power generation
- Semiconductors

Companies outside these sectors and regions are welcome to respond voluntarily



CDP's water information request

Five modules

1. Current state (Context)
2. Risk assessment (Procedures and requirements)
3. Implications (Water risks & opportunities)
4. Accounting (Water accounting)
5. Response (Governance & Strategy, Compliance, Targets and initiatives)

CDP's 2014 Water Information Request

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The following set of questions form CDP's 2014 water information request. Companies are asked to answer these questions in the Online Response System (ORS) provided by CDP through its website. As such, this document is a representation of the request and whilst the questions will remain the same, the format may differ online particularly where drop down options and tables have been included for ease of response. Guidance is available on the CDP website from December 2013 which details all of the options available and provides screen shots of the ORS to aid companies in completing the request.

We request a reply to the following questions by 30 June 2014.

Please respond to the information request using our Online Response System (ORS). This is the same ORS as is used for CDP's 2014 climate change and forests information requests. In early February 2014, instructions on how to access the ORS will be sent to you by email. If you are unable to respond via the ORS, please email rsqcdp@cdp.net.

We encourage companies to consult [CDP's 2014 water reporting guidance](#), as well as refer to the guidance within the ORS. Please answer the questions as comprehensively as possible. CDP's signatories are requesting this information to increase their confidence that you are aware of the water risks your organization faces as well as working to develop comprehensive risk mitigation strategies whilst realizing greater strategic advantage. Where you do not have all of the information requested, please respond with what you have as this is more valuable to your investors than no response at all.

Please note that the reporting period and the reporting boundary (i.e. the companies, entities or group) for which you will be providing data will be collected on a page of the ORS prior to the start of the questionnaire.

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Collaboration important

- ▼ Establishing standards and improving disclosure must develop in parallel
- ▼ We work closely with **CEO Water Mandate**, **RebecoSam** and the **DJSI** as well as with **GRI**, **WRI**, **WWF**, **WBCSD**
- ▼ Collaboration to produce paper: [Driving Harmonization of Water Stress, Scarcity, and Risk Terminology](#)

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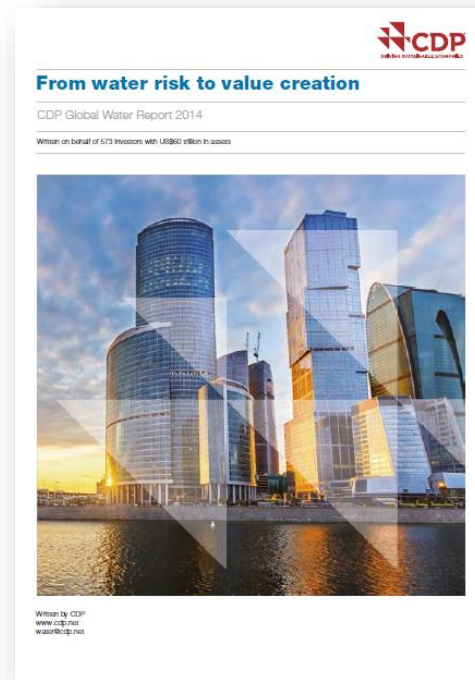
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Global Water Report 2014

Key findings

High level findings

- ▼ 174 Global 500 respondents
- ▼ 42% failed to meet investor demands for transparency
- ▼ 68% report exposure to substantive water risks, 43% of which are anticipated to impact now or in the next 3 years
- ▼ Almost one quarter (22%) report that water could limit the growth of their business. One-third expects that constraint to be felt in the next 12 months



Summary

Amount of water withdrawn by responding companies (megalitres)

912_m

Amount of water consumed by responding companies (megaliters)

11.2_m

Respondents reporting that water poses a substantive risk to their business

68%

Respondents reporting opportunities

75%

Number of risks reported

853

Leaders and laggards



Consumer
Discretionary

49%



Consumer
Staples

69%



Energy

42%



Health Care

72%



Industrials

50%



Information
Technology

50%



Materials

73%



Utilities

74%

Water risks assessments are often inadequate

38% of respondents conduct a review that includes risks to both direct operations and supply chain;

40% include local communities and other water users in water risk assessments;

25% conduct assessment at the river basin level – the crucial geographical area to consider when assessing water risk; and

60% of respondents do not require key suppliers to disclose water risks they may face.

Companies report potential constraint to growth

Unilever: “The use of Unilever products (and other manufacturers of similar products) can account for over 90% of domestic water use e.g. through washing dishes, cleaning hair, skin and clothes. Those consumers experiencing water scarcity in developing countries are making trade-offs about which household tasks will get their scarce ration of water. This is putting the growth of our products at risk.”



Companies report potential constraint to growth

Nestle: “The majority of Nespresso AAA farmers are smallholders, they lack resources to invest in water treatment facilities. The outcome of our Tool for the Assessment of Sustainable Quality indicates that many of these smallholder farms do not have equipment for domestic wastewater treatment or coffee-processing water treatment. Costs of providing such facilities on a farm-by-farm basis for the thousands of farms we buy from is prohibitive, we work with local partners to find more efficient solutions.”



Leading companies account for and manage water to drive sustainable growth

- ▼ 82% companies are setting targets;
- ▼ Responsibility for water issues lies at board level in 62% of respondents (up from 58% in 2013);
- ▼ The vast majority of companies (90%) integrate water into their group-wide business strategies; and
- ▼ 75% report that water offers operational, strategic or market opportunities.

Types of opportunities reported globally

78

Sales of new products and services

COST SAVINGS
103



Staff
retention

88

Improved
water
efficiency



71
brand value
Increased

Policy frameworks are needed

- ▼ Policy frameworks are needed from national and local governments to accelerate more efficient use of water; national and local governments, along with the private sector all have a role to take bold action;
- ▼ Companies identify **152** risks where they require policy clarity from government;
- ▼ Over half of companies consider the impact of increasing regulation around water in their risk assessment processes;

Water Program in the Nordics

▼ 58% response rate in 2014

In 2015

▼ New European expansion means that **49 Nordic companies** will be asked by investors to report



	Country
Metsä Board	Finland
Stora Enso	Finland
Atlas Copco	Sweden
Coloplast	Denmark
H&M Hennes & Mauritz	Sweden
Kemira Corporation	Finland
Nokia Group	Finland
Norsk Hydro	Norway
Sandvik	Sweden
Statoil	Norway
UPM-Kymmene	Finland

Interested in learning more?

- ▼ [From water risk to value creation](#)
- ▼ [Data visualisation](#)
- ▼ [Water questionnaire](#)
- ▼ CDP [website](#) and [Events page](#)
- ▼ [Read responses online](#)



From water risk to value creation

CDP Global Water Report 2014

Written on behalf of 575 investors with US\$60 trillion in assets





Scoring

- ▼ 2014 CDP piloted corporate water scoring for the first time on 162 companies
- ▼ Respondents want objective feedback
- ▼ Investors want simple benchmarking metrics and indicators
- ▼ CDP wants to separate the rhetoric from the reality to catalyse greater corporate water stewardship
- ▼ CDP intends to implement scoring across all responding companies in 2015

