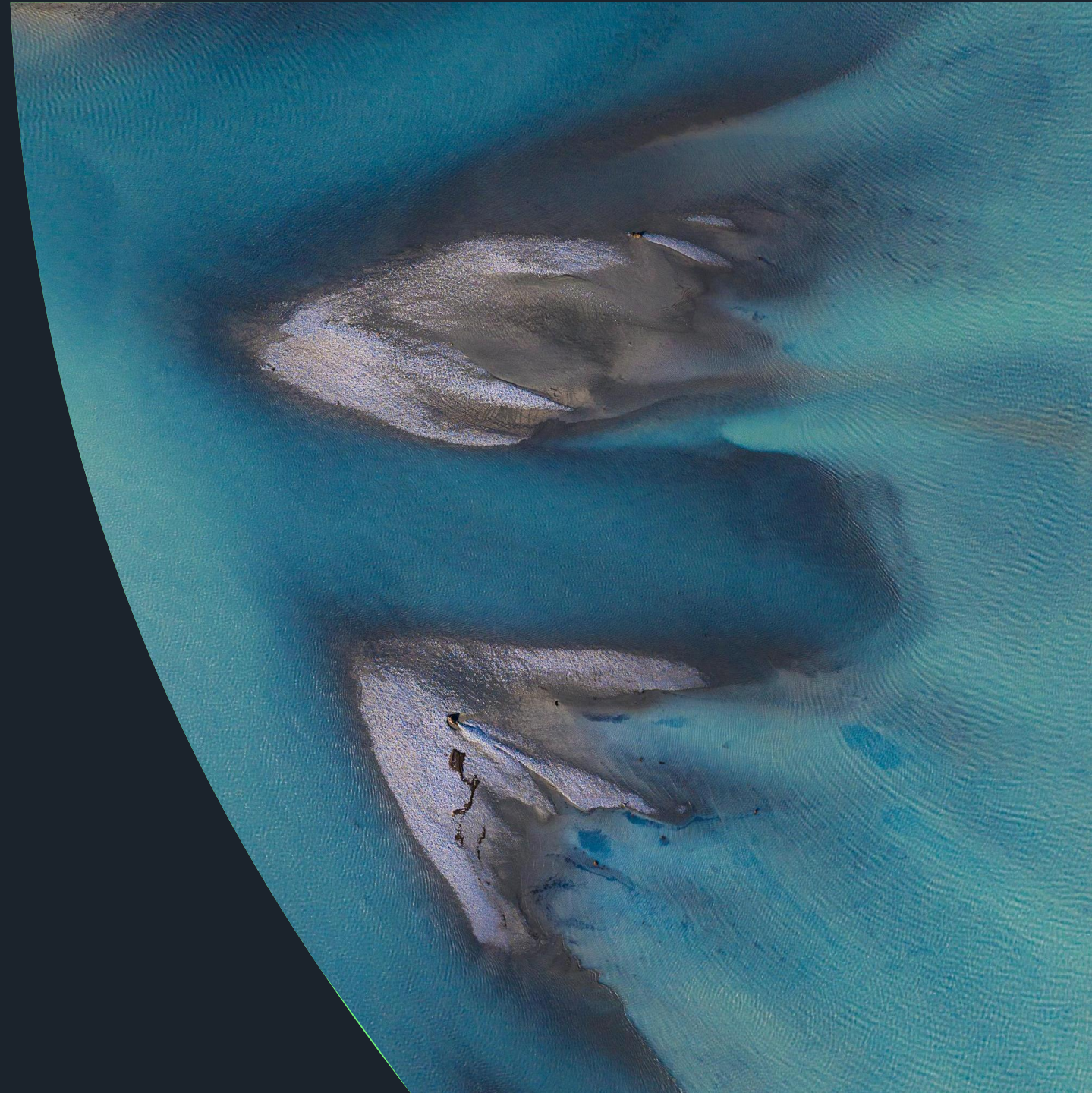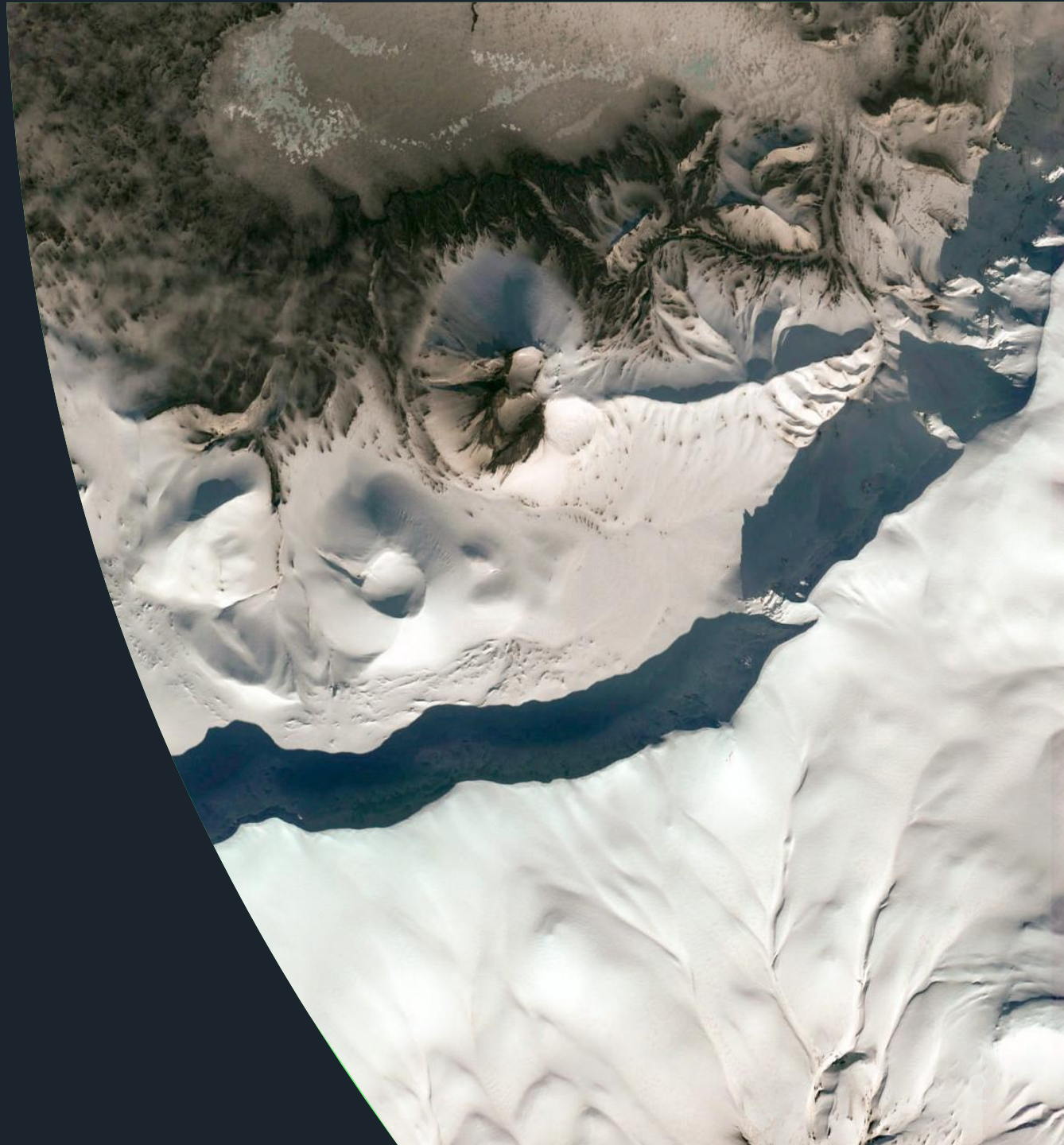The webinar will begin shortly

2025 Disclosing on Nature

July 17th 2025

Harrison Cole-Picton

Engagement Officer UK & MEA

Disclosure

Karoline Einsiedel

Engagement DACH Region Europe

Disclosure

Camille Kawawa

Sector Lead, Disclosure

Disclosure Services NA

Agenda

How financial markets use nature data

Rationale of being requested to disclose on Forest and Water

Overview of the integrated questionnaire

Forest Disclosure Deep Dive

Water Disclosure Deep Dive

Biodiversity & Plastics Disclosure

Tips & resources available

Use of CDP nature data

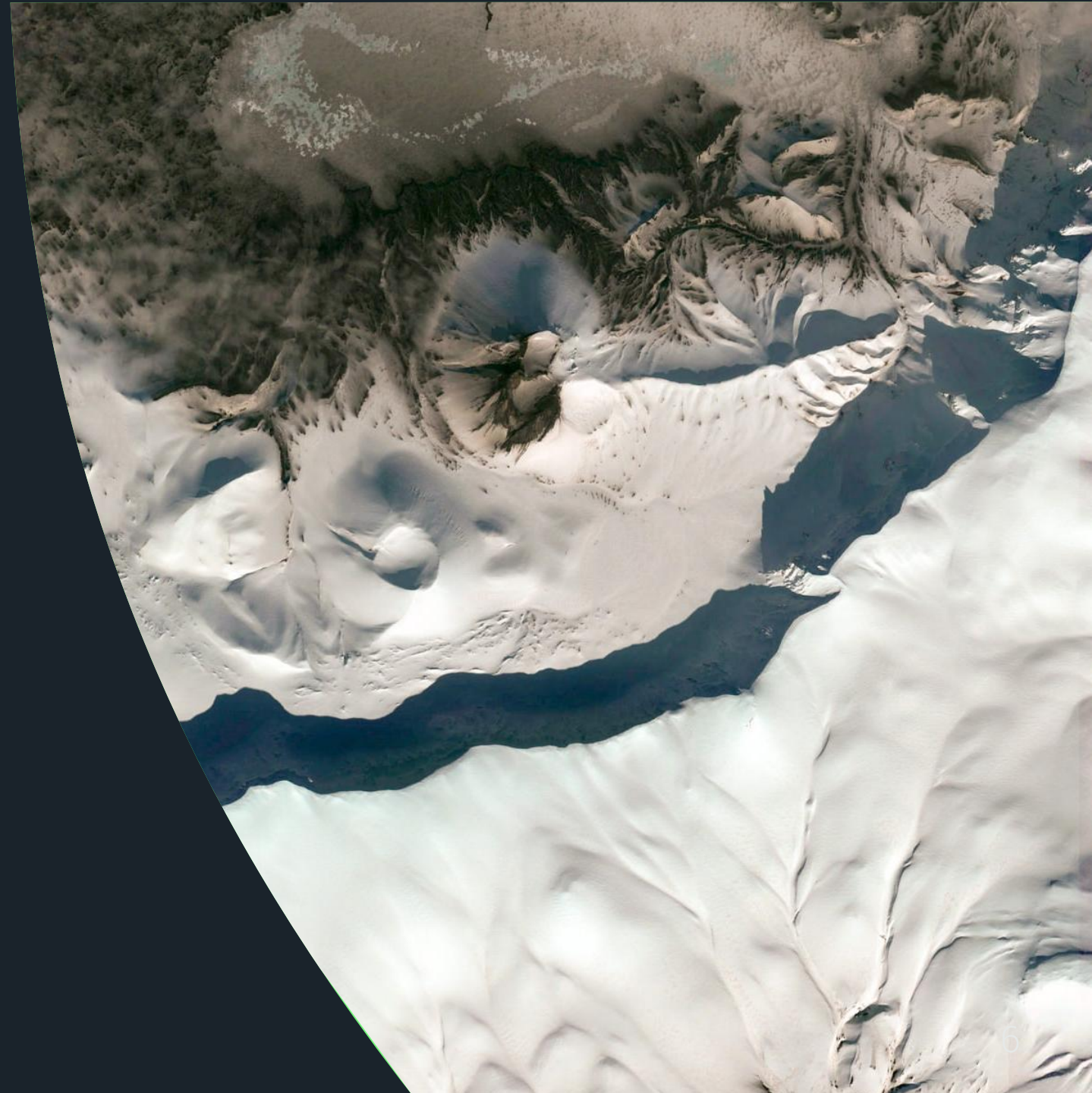## How financial markets use CDP data – and where nature comes in
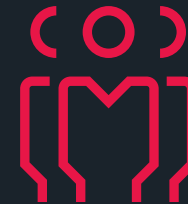
There is a strong business case for preserving nature

58

trillion USD
of economic value is
moderately or highly
dependent on nature
and its services

55%

of global GDP
is reliant on nature

Nature loss and climate change are inextricably linked
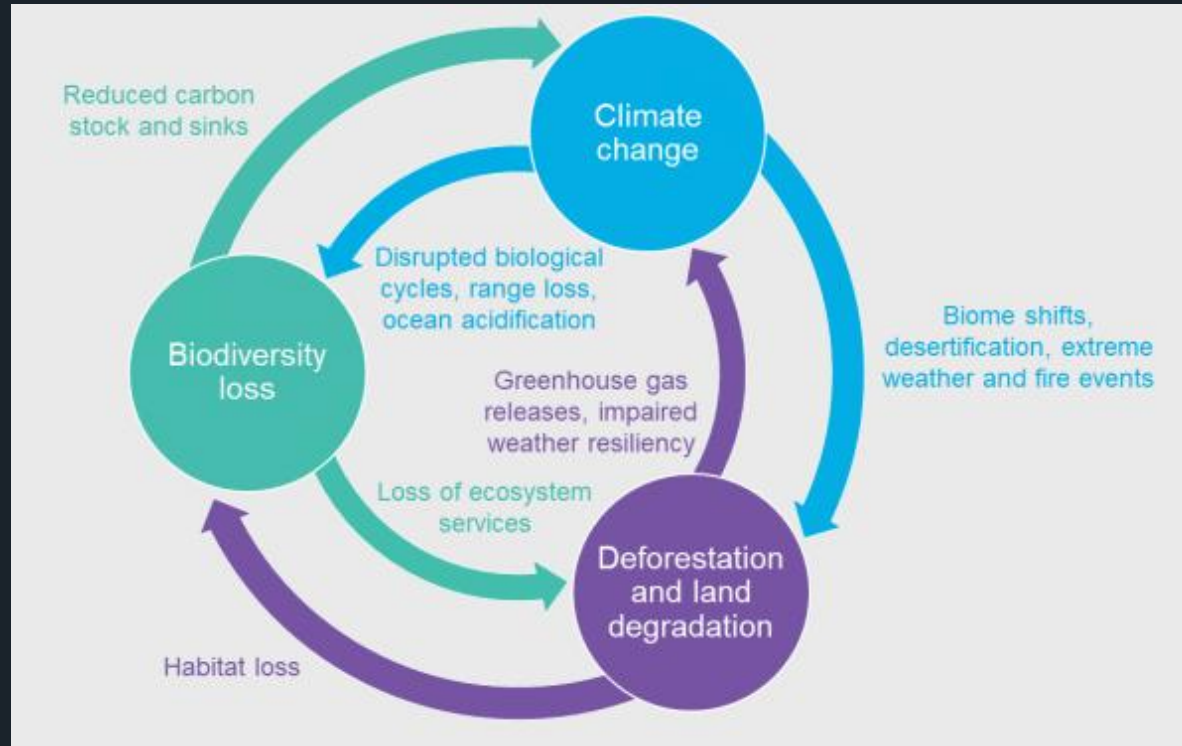
Source: BloombergNEF, When the Bee Stings: Counting the Cost of Nature-Related Risks, 2023

Local sources, global impacts

Figure 17: Flows of water purification ecosystem services embedded in crops traded across Europe, tonnes of nitrogen removed by ecosystems, year 2005. Only main flows are shown

Poland 393
Czechia 186
Denmark 162
Italy 1389
Spain 476
Netherlands 551
France 2208
Ireland 579
Germany 514

Germany 2502
France 536
Spain 603
United Kingdom 1639
Belgium 293
Italy 721
Netherlands 164

Source: JRC

Every industry is tied to nature and value chains cannot be ignored
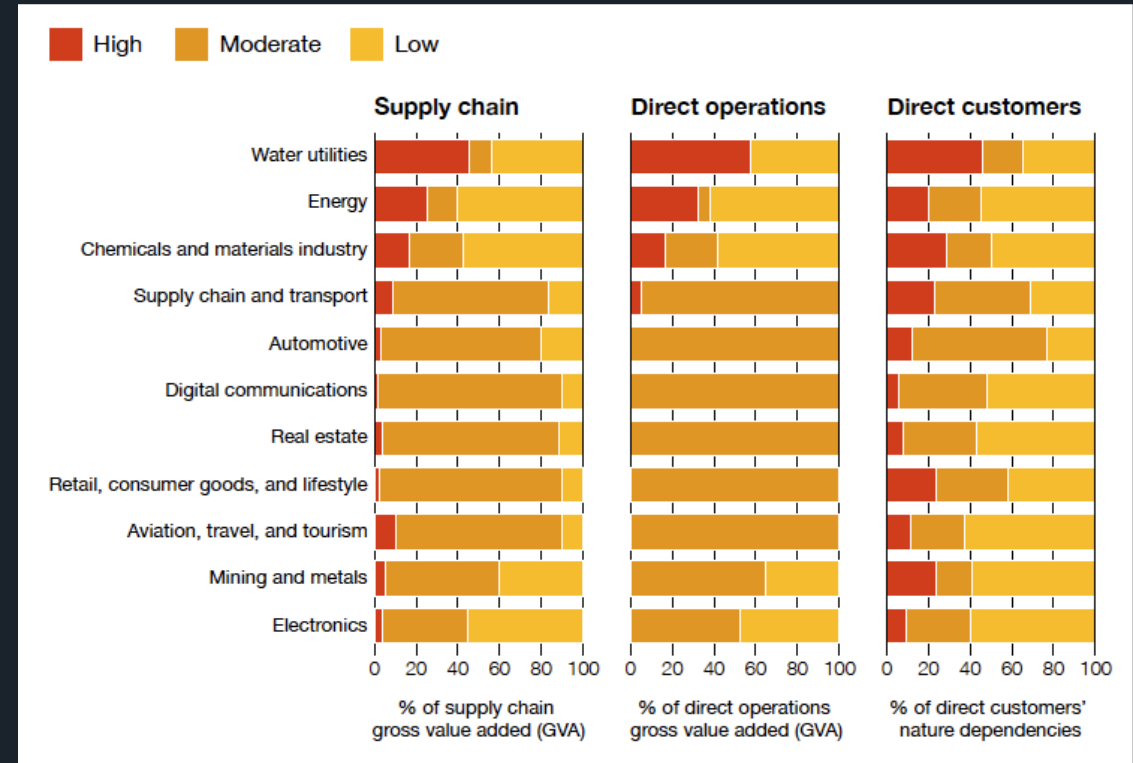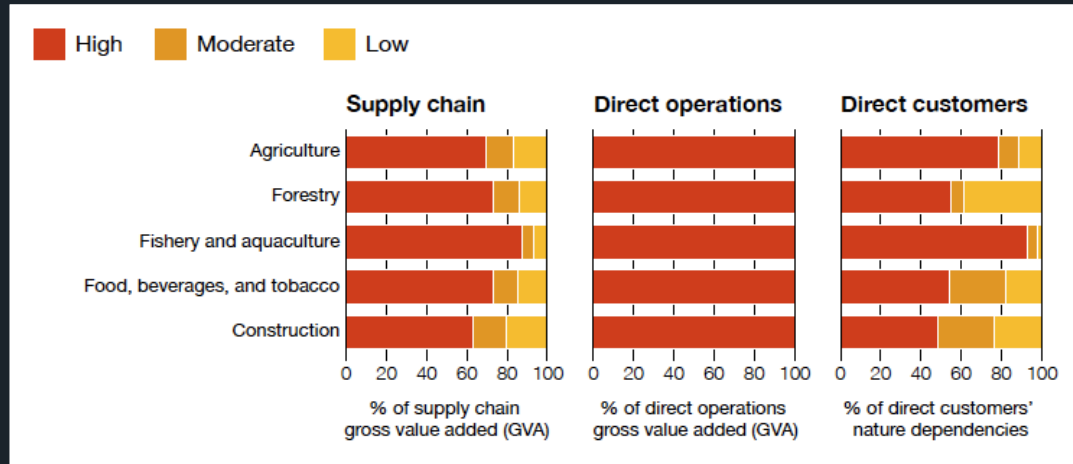
Investors inherit the dependencies

>50% of the value of the
19 largest stock exchanges
depends highly or moderately
on nature

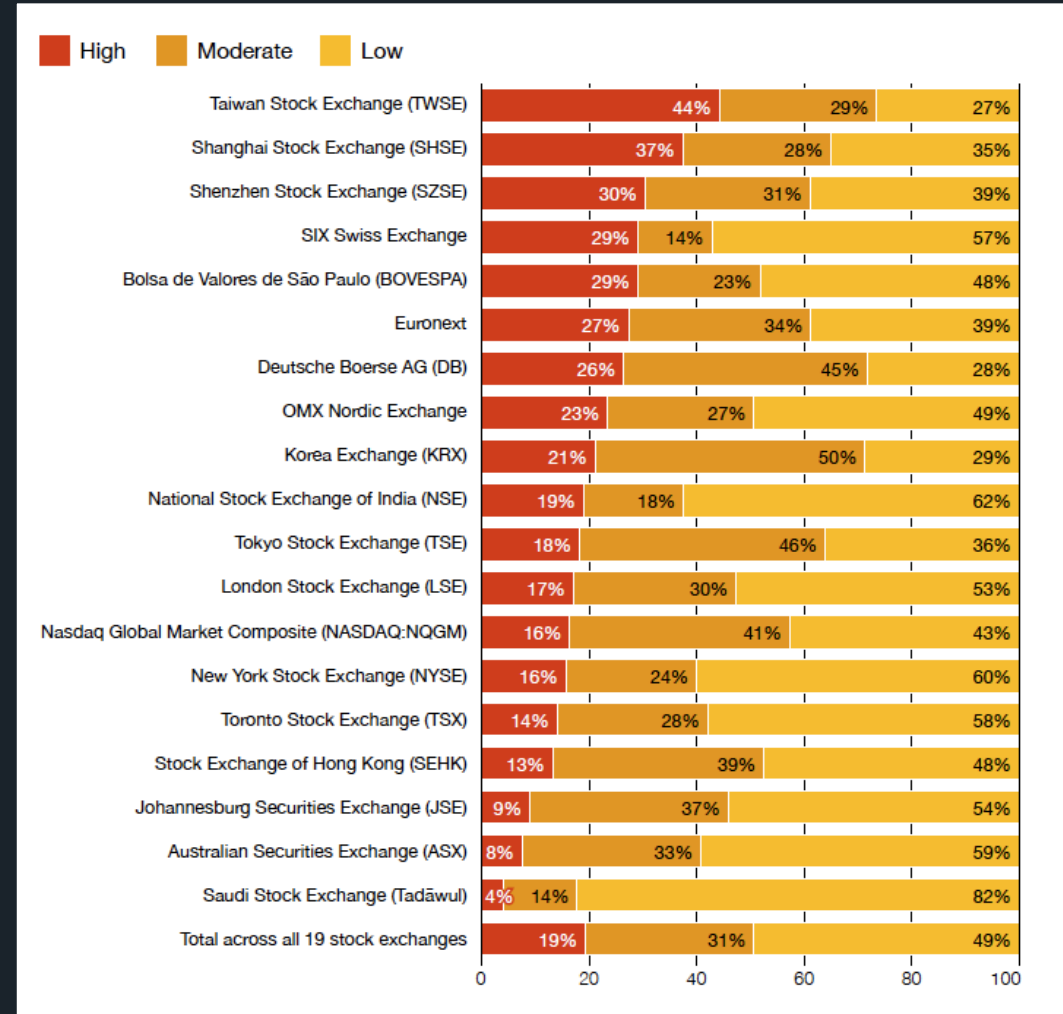|	High	Moderate	Low
Taiwan Stock Exchange (TWSE)	44%	29%	27%
Shanghai Stock Exchange (SHSE)	37%	28%	35%
Shenzhen Stock Exchange (SZSE)	30%	31%	39%
SIX Swiss Exchange	29%	14%	57%
Bolsa de Valores de São Paulo (BOVESPA)	29%	23%	48%
Euronext	27%	34%	39%
Deutsche Boerse AG (DB)	26%	45%	28%
OMX Nordic Exchange	23%	27%	49%
Korea Exchange (KRX)	21%	50%	29%
National Stock Exchange of India (NSE)	19%	18%	62%
Tokyo Stock Exchange (TSE)	18%	46%	36%
London Stock Exchange (LSE)	17%	30%	53%
Nasdaq Global Market Composite (NASDAQ:NQGM)	16%	41%	43%
New York Stock Exchange (NYSE)	16%	24%	60%
Toronto Stock Exchange (TSX)	14%	28%	58%
Stock Exchange of Hong Kong (SEHK)	13%	39%	48%
Johannesburg Securities Exchange (JSE)	9%	37%	54%
Australian Securities Exchange (ASX)	8%	33%	59%
Saudi Stock Exchange (Tadāwul)	4%	14%	82%
Total across all 19 stock exchanges	19%	31%	49%

Source: PwC, Managing nature risks, 2023

Financial institutions are closing the nature data gap with CDP
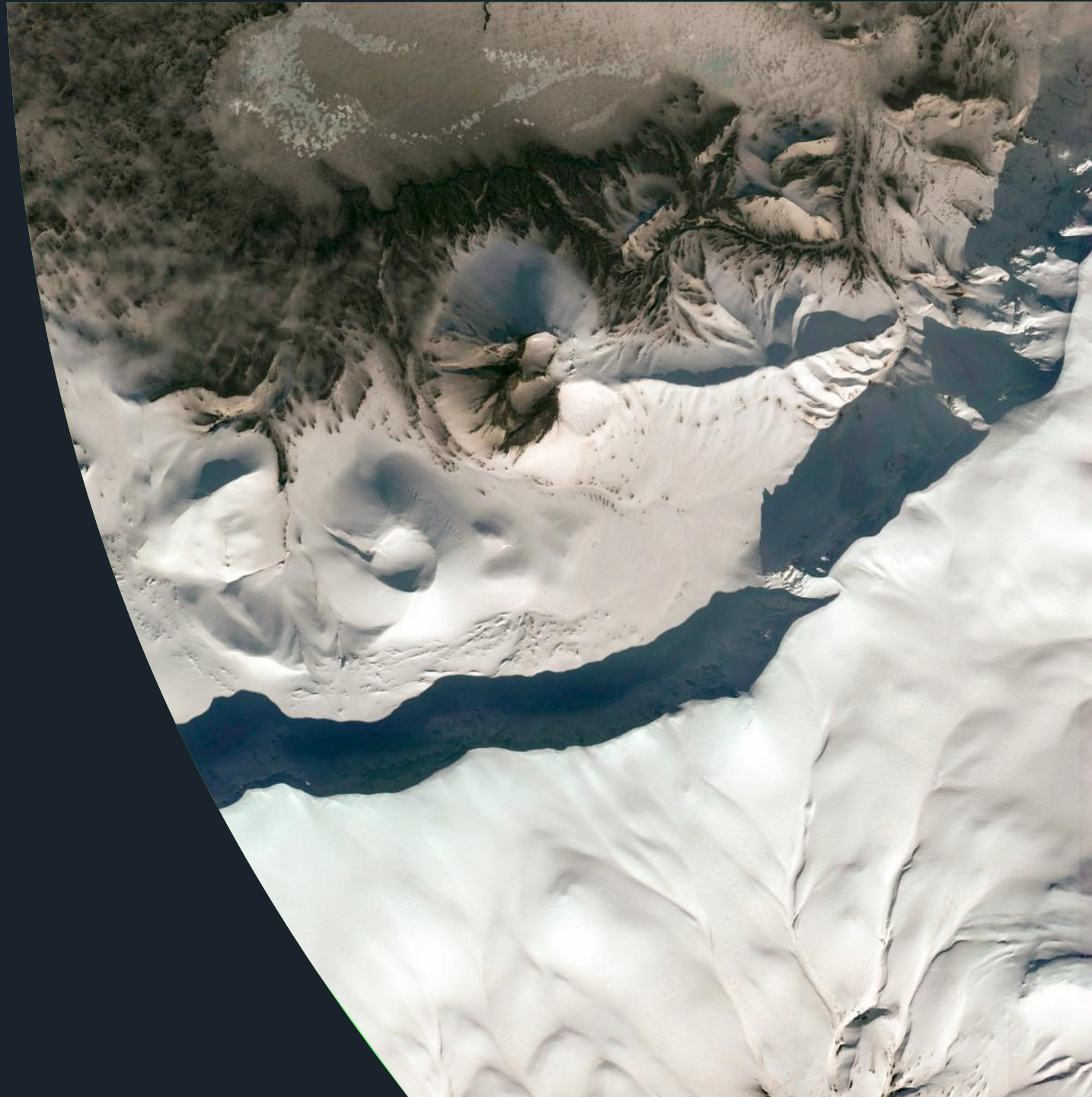
CDP data is particularly helpful

Data comparability
based on internationally harmonized questions
across jurisdictions, using key frameworks

Open-source scoring methodologies
for CDP scores, emissions estimates, and
transition plan indicators

Growing TNFD alignment
to ensure disclosure data follows
best practice to uncover nature risk

Examples of CDP data points

Forests

- Commodity volume data & exclusions
- Deforestation- and/or conversion- free (DCF) progress
- Priority locations

Water

- Pollution risks
- Value chain risks
- Withdrawals in water-stressed river basins

Biodiversity

- Important areas
- Commitment progress
- Usage of indicators

Plastics

- Production, commercialization, and/or use
- Targets
- End-of-life management

Common ways that FIs use CDP data

Manage Risk and Opportunities

Assess company physical and transition risks and associated financial implications.

Assess green 'solution' opportunities.

Assess Transitions

Assess the ambition of company's emissions reduction targets, the credibility of their transition plans, and actual performance.

Ensure compliance with EBA requirements.

Engage

Screen entire portfolios for risks, impacts, and key performance indicators.

Identify and prepare to engage high-priority companies.

Non-Disclosure Campaign
CDP
2024

Common ways that FIs use CDP data

Set Targets

Establish baseline portfolio and/or product footprints.

Set SBTi, NZIF, and other portfolio targets.

Financing

Adjust finance terms based on risks and best practices.

Develop sustainability-linked loans or credit lines.

Ensure compliance with bond standards.

Investment

Establish investment policies or minimum standards.

Select companies for inclusion in thematic funds or indices.

Ensure compliance with labelling requirements.

Reporting

Disclose per SFDR, CSRD, EBA Pillar 3, or other requirements.

16

Case study | *Climate Investment Fund with CDP Scores*

- **CPR Asset Management**, the thematic investment subsidiary of Amundi, manages €58 billion in assets. In partnership with CDP, CPR AM <u>launched</u> in 2019 the CPR Invest – Climate Action fund, with now 1.6bln€ assets under management (1).

- The CPR Invest – Climate Action fund "selects the companies most committed to **energy and environmental transition**", using CDP Climate Change Scores to filter the investment universe.

- Combining value creation with ESG screening: *"The investment objective is to **outperform global equity markets over a long-term period** […] by investing in international equities committed to limiting impact of climate change, while integrating [ESG] criteria in the investment process."(2)*

(1) as of 04/04/2025

(2) Source: *Monthly Reporting (EN). CPR AM.*

Case study | *Sustainability-Linked Loan with CDP Scores*

- BBVA is a Spanish bank and multinational financial services company with €800 billion in assets. BBVA actively supports the U.N. Sustainable Development Goals on water, energy, and climate.

- Accordingly, in 2022 BBVA issued a €2.5 billion syndicated loan to Iberdrola, one of the world's largest renewable energy electric utilities. The interest rate of the loan is based on its credit rating, its disclosed water consumption, and its overall Water score.

- *"With this new product, customers benefit from their efforts to reduce their water footprint. One of the meaningful tools to measure this commitment is the CDP Water [Score]."* – Jorge González Jacob, Global Head of Corporate Lending at BBVA

- Meanwhile, Iberdrola proudly relies on sustainability-linked finance for 90% of its credit.

More information available here

Case study | *Engaging on Forest Risks*

- Etica Sgr, an Italian asset management company, uses CDP forest-related targets and additional KPI data to **identify high-risk companies** and those that are a priority for engagement, and to **measure alignment of their portfolio** with their biodiversity pledges.

- Their use of data is through **CDP's Forest Champions program**, allowing for **gap analysis of company disclosure** versus best practice standards.

- The program assesses **company-level performance for an entire portfolio**, including analysis of the gaps between reported actions and best practices, as well as provides **comparison by geography and sector**.

- **CDP experts train and guide the signatory** in prioritizing engagement points.

Case study | *Biodiversity Transition and Solution Fund*

- This pioneering fund will support companies that are **transitioning to sustainable business models** and investing in **innovative solutions for biodiversity preservation** (2).

- In the original request for proposals, 11 French asset owners (1) made **the use of CDP data mandatory** in the fund methodology.

- **Mirova,** well-known for its impact investing, was selected as the manager of the 100m€ Biodiversity fund.

- CDP data is used to assess company risks, impacts, and opportunities related to **biodiversity,** including **deforestation and land-based emissions,** water security, climate change, and **plastic pollution (circularity).**

Nature disclosure with CDP

Request and questionnaire overview

2025 Full corporate questionnaire

Streamlined, holistic reporting

Module 1 – Introduction

Module 2 – Identification, Assessment & Management of Dependencies, Impacts, Risks, & Opportunities

Module 3 – Disclosure of Risks & Opportunities

Module 4 – Governance

Module 5 – Business Strategy

Module 6 – Environmental Performance – Consolidation Approach

Integrated modules

Module 7 – Environmental Performance – Climate Change

Module 8 – Environmental Performance - Forests

Module 9 – Environmental Performance – Water Security

Module 10 – Environmental Performance – Plastics

Module 11 – Environmental Performance – Biodiversity

Modules specific to one environmental issue

Module 12 – Environmental Performance – Financial Services

Sector-specific module

Module 13 – Further Information & Sign off

Integrated modules

Environmental issue assignment

Environmental issue	Disclosers
Climate change	All corporate disclosers, including SMEs
Forests / **Water security**	All corporate disclosers, if at least one of the following is met: • **CDP's Capital Markets request:** based on the forests/water <u>industry impact classification;</u> • **Another requesting organization** has asked the discloser to report on forests/water security (e.g., a CDP Supply Chain member); • **Opt-in** to forests/water security. Also, full corporate disclosers only: • **Self-assessment** i.e., based on whether disclosers have indicated that you have identified substantive forests- and/or water-related issues in your response to the "Assessment of environmental issues" section in questionnaire setup.
Plastics and Biodiversity	All full corporate disclosers – not applicable to SMEs

CDP Forests module

Disclose to CDP at the best of your abilities, preferably publicly and full questionnaire.

If you don't have capacity to answer all questions, please focus on the following:

1. Exclusions & commodity volume data

2. Deforestation- and/or conversion-free (DCF) progress

3. Supply Chain Request Questions within the questionnaire

8. Environmental Performance – Forests

Exclusions & commodity volume data

Own land use & location (produced volumes)

Commodity sourcing locations (sourced volumes)

Commodity information

Allows for comprehensive and representative data and provides transparency.

Targets

Traceability system

Deforestation- and/or conversion-free (DCF) progress

DF/ DCF Performance

Organizations progress in their journey to achieving deforestation- and conversion-free value chains.

Certified commodity volumes sold & Emissions

CDP Supply Chain request only

Legal compliance

Landscape and jurisdictional approaches & external activities

Ecosystem restoration projects

Actions towards ecosystem stewardship

Showcases commitment and proactive actions towards forests stewardship.

CDP Water Security module
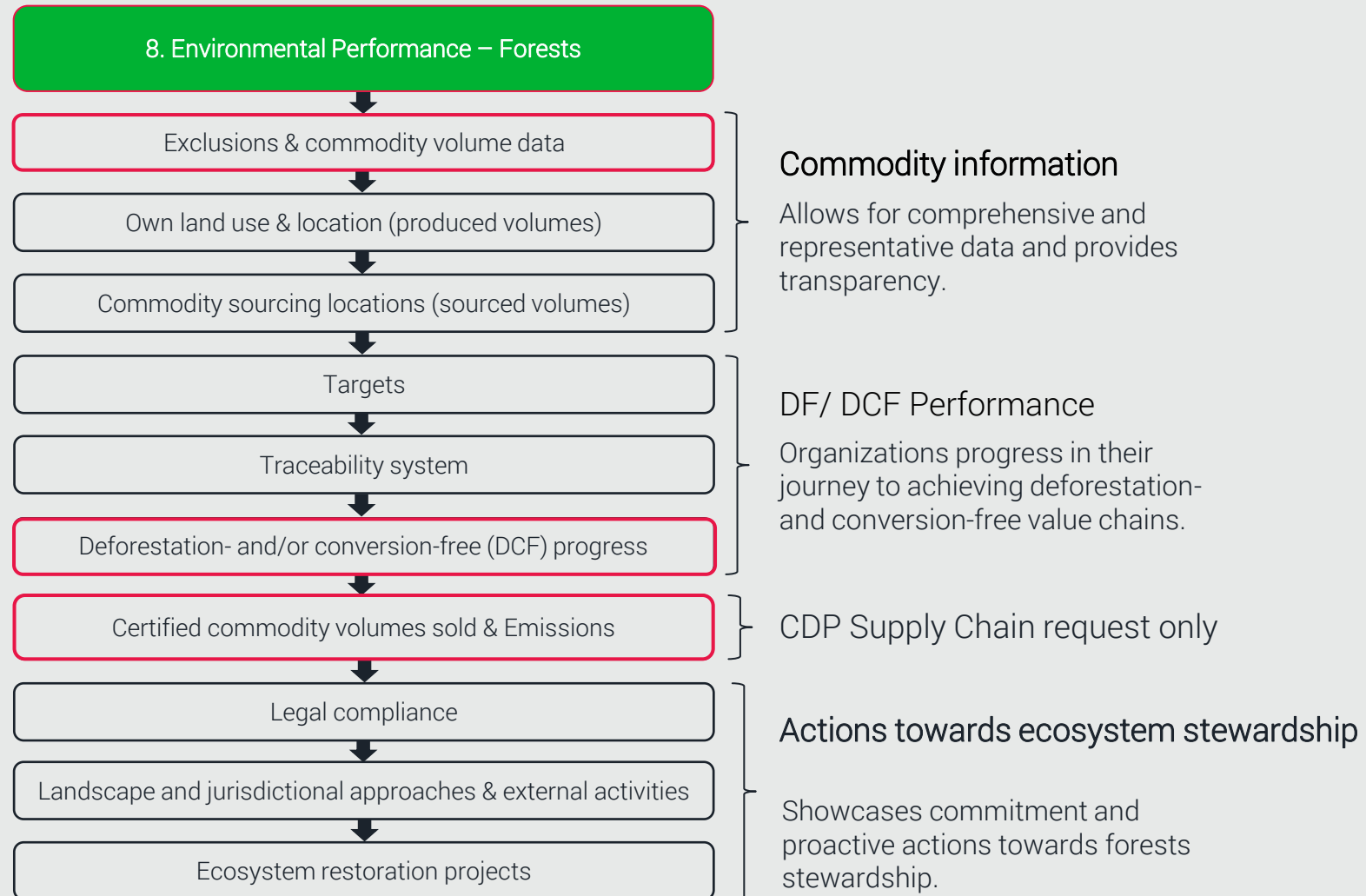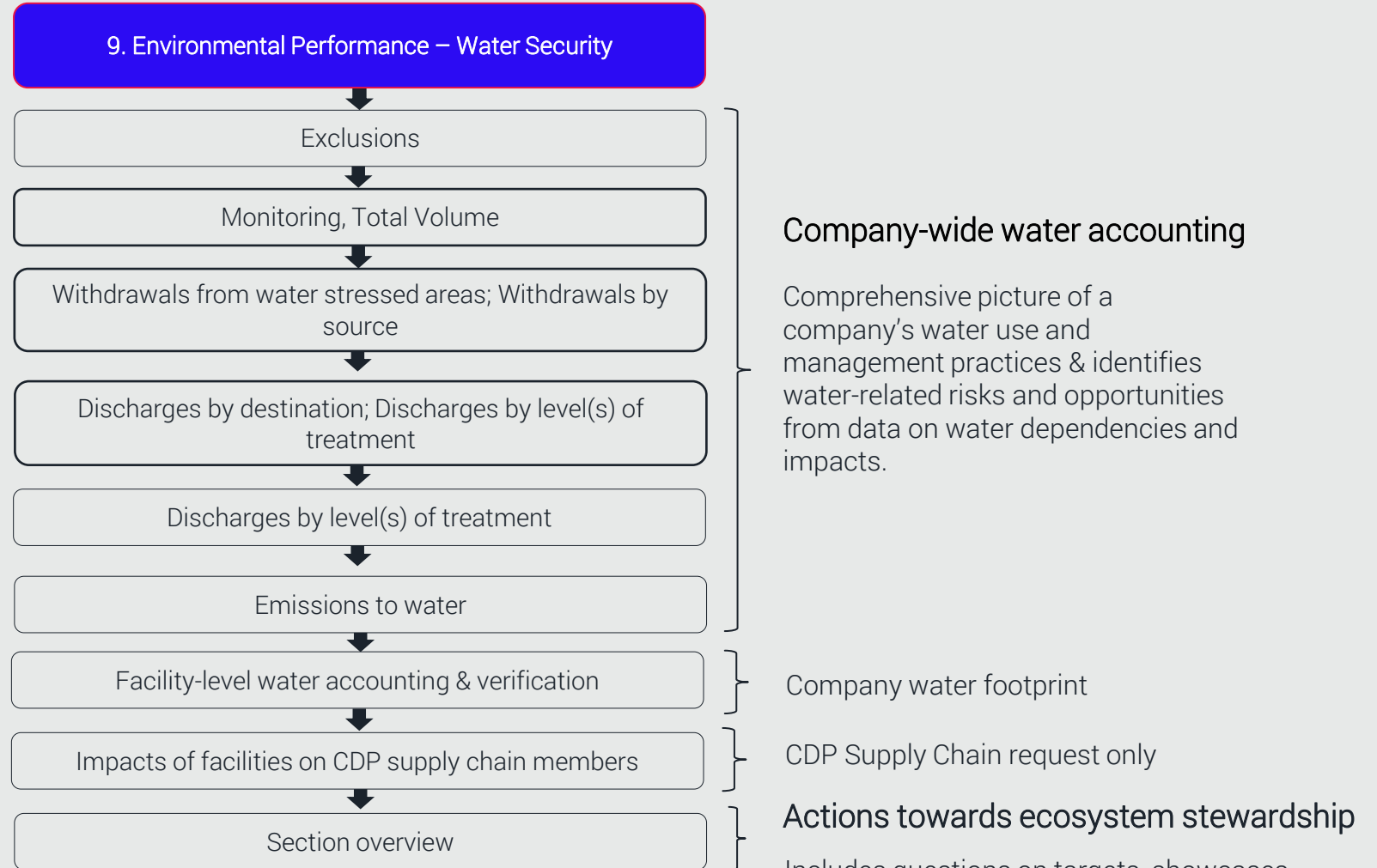
Disclose to CDP at the best of your abilities, preferably publicly and full questionnaire.

If you don't have capacity to answer all questions, please focus on the following:

1. Exclusions & Company-wide water accounting

2. Section Overview

3. Facility-level water accounting & Verification

```
┌─────────────────────────────────────────┐
│ 9. Environmental Performance – Water Security │
└─────────────────────────────────────────┘
                    ↓
┌─────────────────────────────────────────┐
│ Exclusions                              │
└─────────────────────────────────────────┘
                    ↓
┌─────────────────────────────────────────┐
│ Monitoring, Total Volume                │
└─────────────────────────────────────────┘
                    ↓
┌─────────────────────────────────────────┐
│ Withdrawals from water stressed areas;  │
│ Withdrawals by source                   │
└─────────────────────────────────────────┘
                    ↓
┌─────────────────────────────────────────┐
│ Discharges by destination; Discharges   │
│ by level(s) of treatment                │
└─────────────────────────────────────────┘
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┌─────────────────────────────────────────┐
│ Discharges by level(s) of treatment     │
└─────────────────────────────────────────┘
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┌─────────────────────────────────────────┐
│ Emissions to water                      │
└─────────────────────────────────────────┘
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┌─────────────────────────────────────────┐
│ Facility-level water accounting & verification │
└─────────────────────────────────────────┘
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┌─────────────────────────────────────────┐
│ Impacts of facilities on CDP supply chain members │
└─────────────────────────────────────────┘
                    ↓
┌─────────────────────────────────────────┐
│ Section overview                        │
└─────────────────────────────────────────┘
```

Company-wide water accounting

Comprehensive picture of a company's water use and management practices & identifies water-related risks and opportunities from data on water dependencies and impacts.

Company water footprint

CDP Supply Chain request only

Actions towards ecosystem stewardship

Includes questions on targets, showcases commitment and proactive actions towards water stewardship.

25

Questionnaire Sectors

Water security

- Agricultural commodities (AC)

- Chemicals (CH)

- Coal (CO)

- Electric utilities (EU)

- Food, beverage & tobacco (FB)

- Metals & Mining (MM)

- Oil & gas (OG)

- Financial services (FS)

Forests questions in focus

Inaction is costly...

On average nearly US$300 million at risk, versus

US$17.4 million to respond per reporting company.

The cost of inaction could be more than 17x higher than the cost of action.

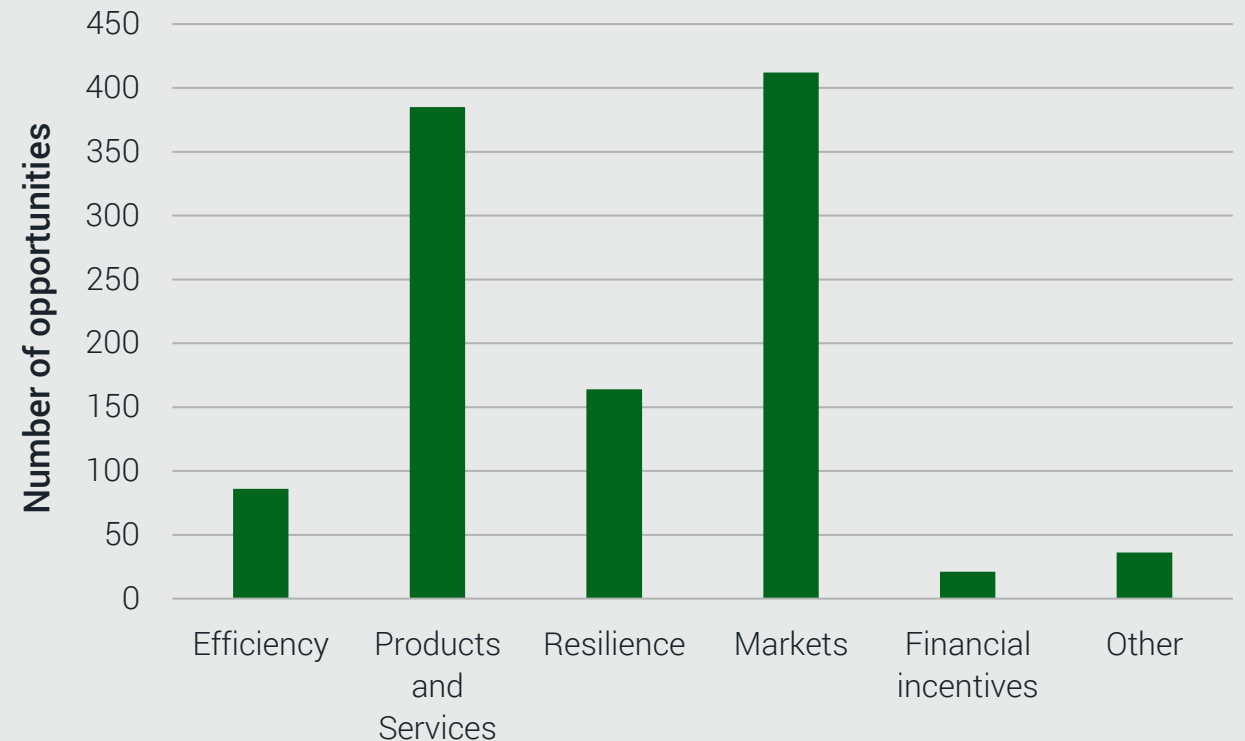*Source: 2022 CDP Data*

…and awareness brings rewards

29% of companies identified forest-related opportunities with potential to have substantive financial or strategic impact on their business.

231 companies reported opportunities worth **US$58 billion**.

Source: 2022 CDP Data

Forests-related opportunities identified by companies

Source: 2023 CDP Data

CDP forest disclosure: commodities

Organizations can disclose on the **seven biggest known global drivers of deforestation** through the CDP forests questions

- Around 30% of the questions shown to forests disclosers are commodity related.

Why focus on commodities?

90% of tropical deforestation is driven by agriculture (WWF).
- Estimated 80% is driven by the production of **beef (cattle products), soy, palm oil and paper (timber).**

Useful resources:

CDP Technical Note: Reporting Commodity Volumes

How does it work?

Respondents need to:

1. Actively choose the commodities they will disclose on in the questionnaire set up.
2. Add a row for each disclosed commodity in add row tables.

Commodity	Has your organization produced, sourced or used this commodity in the reporting period?		Will you be disclosing on this commodity?	
Timber	• Yes	o No	• Yes	o No
Palm oil	o Yes	• No	o Yes	o No
Cattle products	• Yes	o No	o Yes	• No
Soy	o Yes	• No	o Yes	o No
Rubber	o Yes	• No	o Yes	o No
Cocoa	o Yes	• No	o Yes	o No
Coffee	o Yes	• No	o Yes	o No

Refer to the CDP Corporate 'Questionnaire Setup' preview for more details

Minimal Changes to Forests

- The forests module has minimal updates, primarily focused on guidance, explanation of terms, and column appearances.

- Notable changes:

- Question 8.7.2, where the 'Third-party certification scheme' column has been updated from single-select to multi-select to reduce reporting burden.

- Question 8.11.1, the 'Main measures identified to manage or resolve the challenges' column now only appears if respondents indicate barriers or challenges in the previous column.

- Question 8.3, the 'Indicate if you can...' column is now shown only if 'Produced' is selected in 8.2.

- Additional updates include enhanced guidance in 8.8.1 on how traceability points relate to specific locations or facilities, as well as the addition of hyperlinks to forest-related technical notes in 8.9.

Module 1

Introduction

Module 1

Commodity information

| Module 1 – Introduction |
| Module 2 – Identification, Assessment & Management of Dependencies, Impacts, Risks, & Opportunities |
| Module 3 – Disclosure of Risks & Opportunities |
| Module 4 – Governance |
| Module 5 – Business Strategy |
| Modules 6-12 – Environmental Performance |
| Module 13 – Further information & Sign off |

Commodity information

Ambition

The organization discloses all commodities and volumes that they produce and/or source.

1.22 Provide details on the commodities that you produce and/or source.

Column 5: Total commodity volume (metric tons)

2025 best practice:

- In this question, companies should disclose on their **total commodity volume** = the total volume of a commodity produced and/or sourced by the organization including used, purchased, and consumed volumes. This is regardless of whether this commodity **is included or excluded from their CDP disclosure.**
    - This is key information for EC-F3 to be assessed

- The scoring implications of excluding specific portions from the total commodity volumes are assessed in questions 8.1.1, 8.2 and EC-F12 (on exclusions).

Focus:
Value chain mapping

What is it?

The process of understanding the flow of activities, processes, and value creation within an organization. It involves:

1. identifying actors in the value chain;
2. locating where they operate; and
3. understanding the relationships between them.

Indirect Suppliers i.e., Tier 2+ — **Direct Suppliers i.e., Tier 1** — **Your organization**

Example first steps

1. Identify organizational activities
2. Assign group-level codes (categorizing activities, entities, or data points into predefined groups or categories)
3. Identify direct suppliers in high-risk activities for forests
4. Create value chain maps for these suppliers

Useful resources:

- CDP's Activity Classification system
- CDP's Forest impact classification (See Appendix 1)
- Accountability Framework initiative (AFi) guidance on supply chain management
- SBTN guidance on value chain assessment
- TNFD guidance on value chains

Module 8

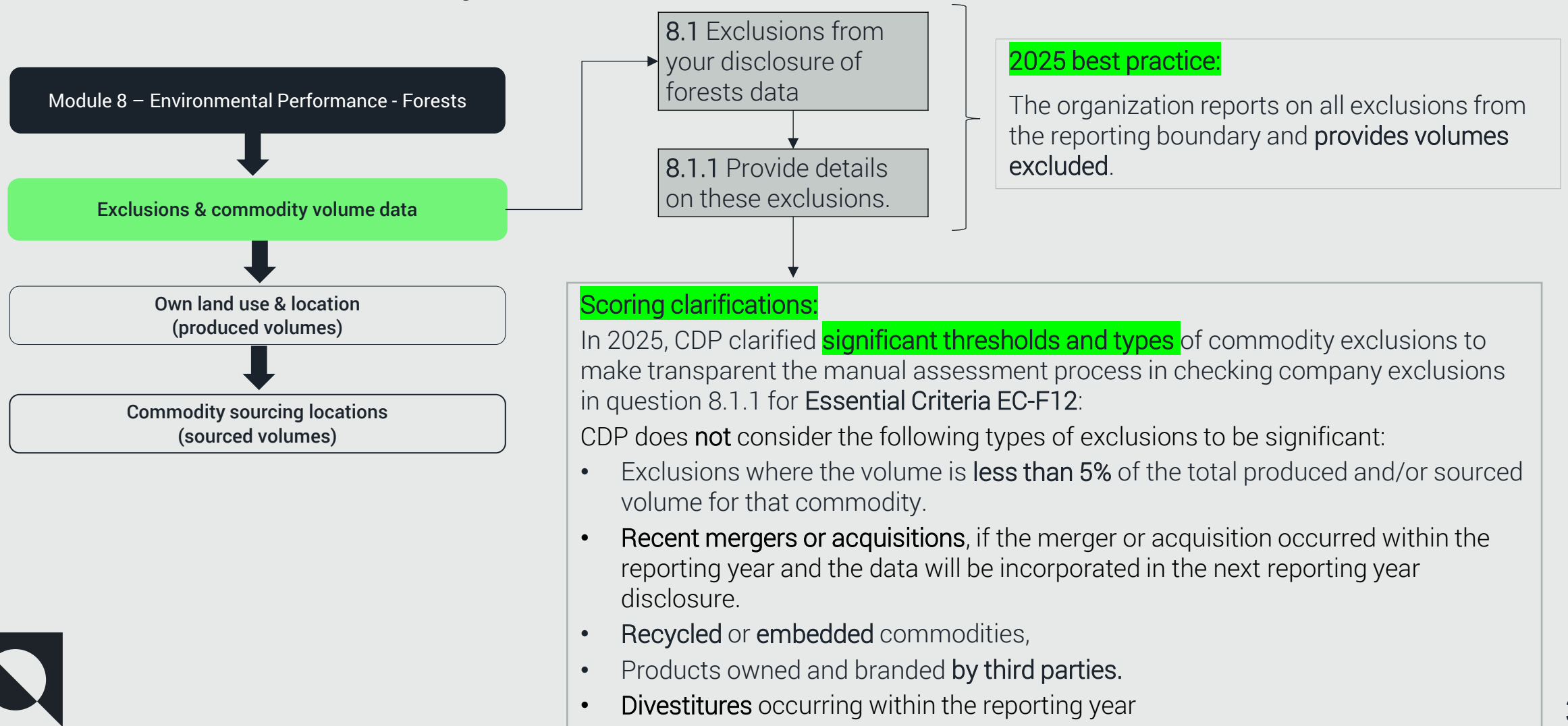**Environmental Performance — Forests**

Module 8
Exclusions & commodity volume data

Module 8 – Environmental Performance - Forests

Exclusions & commodity volume data

**Own land use & location
(produced volumes)**

**Commodity sourcing locations
(sourced volumes)**

8.1 Exclusions from your disclosure of forests data

8.1.1 Provide details on these exclusions.

2025 best practice:

The organization reports on all exclusions from the reporting boundary and **provides volumes excluded**.

Scoring clarifications:

In 2025, CDP clarified **significant thresholds and types** of commodity exclusions to make transparent the manual assessment process in checking company exclusions in question 8.1.1 for **Essential Criteria EC-F12**:

CDP does **not** consider the following types of exclusions to be significant:

- Exclusions where the volume is **less than 5%** of the total produced and/or sourced volume for that commodity.
- **Recent mergers or acquisitions**, if the merger or acquisition occurred within the reporting year and the data will be incorporated in the next reporting year disclosure.
- **Recycled** or **embedded** commodities,
- Products owned and branded **by third parties.**
- **Divestitures** occurring within the reporting year

36

Focus: Deforestation and conversion of other natural ecosystems

What is it?

Conversion

the change of a natural ecosystem to another land use, or a profound change in the natural ecosystem's species composition, structure, or function.
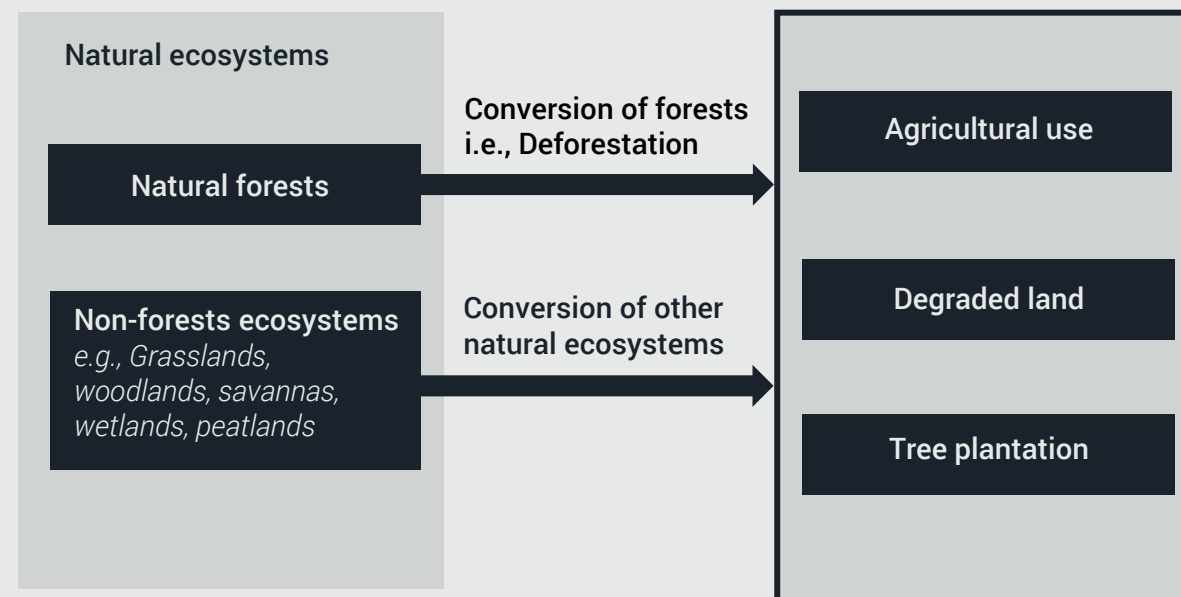
Deforestation

The change of natural forest to another land use, or a profound change in the natural forests species composition, structure, or function.

8.9

Forests are one type of natural ecosystem...
...Deforestation is one type of conversion.

Natural ecosystems

- **Natural forests** → Conversion of forests i.e., Deforestation →
- **Non-forests ecosystems** *e.g., Grasslands, woodlands, savannas, wetlands, peatlands* → Conversion of other natural ecosystems →
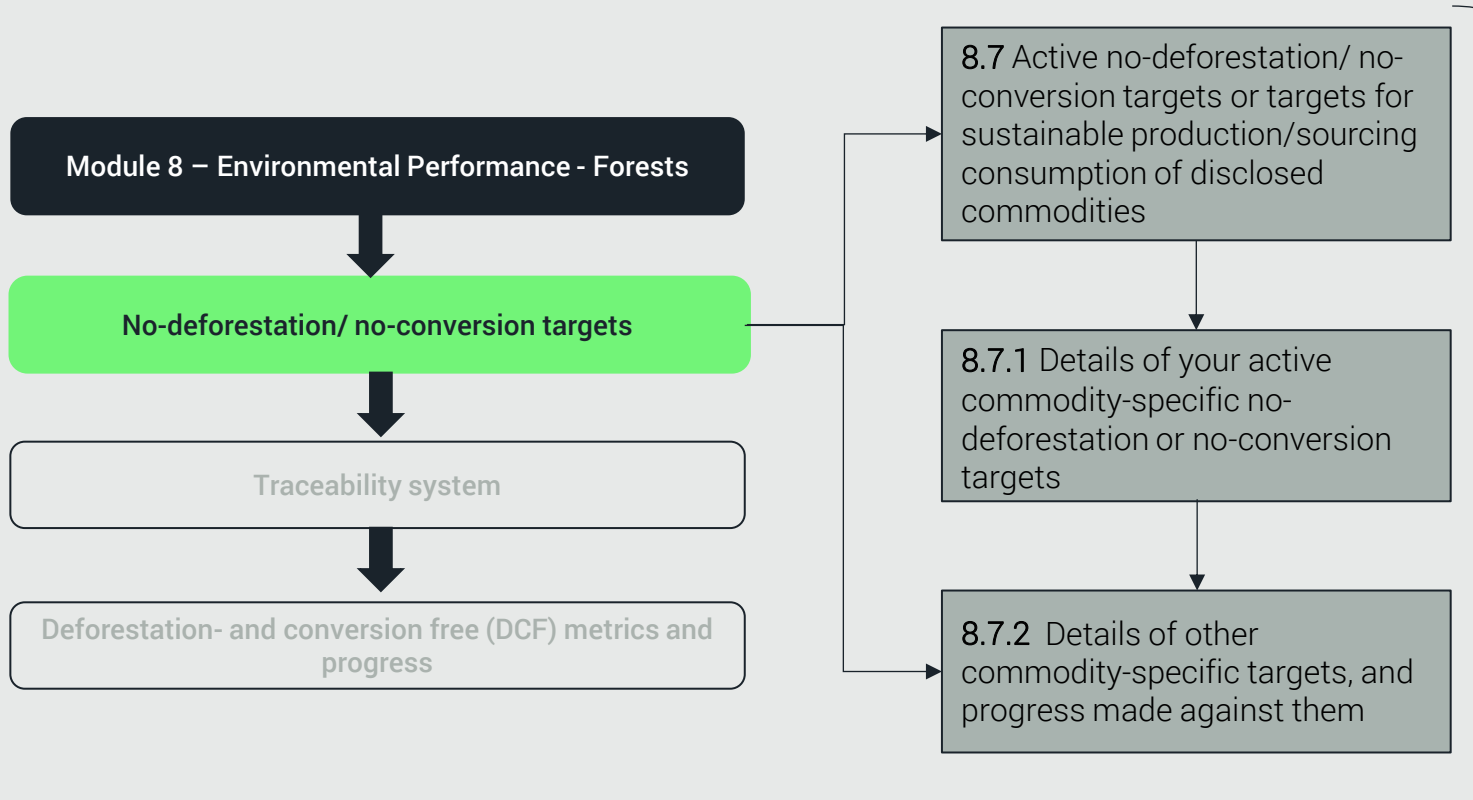
- Agricultural use
- Degraded land
- Tree plantation

Useful resources

- Accountability Framework initiative (AFi) guidance on applying defintions related to deforestation and conversion

37

Module 8

No-deforestation and no-conversion targets

Module 8 – Environmental Performance - Forests

↓

No-deforestation/ no-conversion targets

↓

Traceability system

↓

Deforestation- and conversion free (DCF) metrics and progress

---

8.7 Active no-deforestation/ no-conversion targets or targets for sustainable production/sourcing consumption of disclosed commodities

↓

8.7.1 Details of your active commodity-specific no-deforestation or no-conversion targets

↓

8.7.2 Details of other commodity-specific targets, and progress made against them

---

==2025 best practice:==

The organization has active organization-wide **timebound and quantifiable targets** to eliminate deforestation and conversion of other natural ecosystems with the following characteristics:

- Both **no-deforestation** and **no-conversion target** to achieve by 2025 (aligned with SBTN and AFi)

- With a cut off date **no later than 2020**

- Other **commodity-specific targets** contributing to either no-deforestation or no-conversion targets aligned with or supported by:

  - Kunming-Montreal Global Biodiversity Framework

  - Paris Agreement

  - Sustainable Development Goals

  - Planetary Boundaries

- Note: leading companies must demonstrate linear progress towards achieving their commodity-specific targets.

Water questions in focus

Inaction is costly…

US$596 billion is the potential financial impact of water risk, according to CDP data.

US$100 billion would be the money required to mitigate those risks.

The cost of inaction could be more than 5x higher than the cost of action.
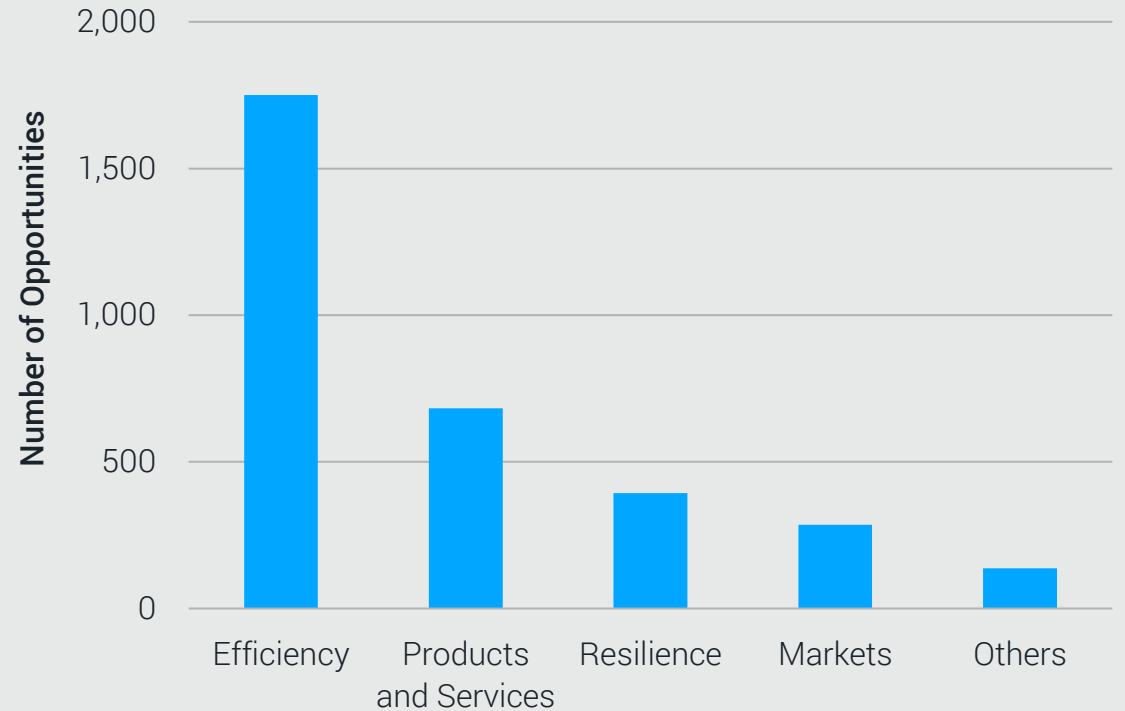
Source: 2023 CDP Data

... and awareness brings rewards

45% of companies identified water-related opportunities with potential to have substantive financial or strategic impact on their business.

24% of companies reported opportunities worth **US$242bn**.

Source: 2023 CDP Data

Number of Opportunities

| Efficiency | Products and Services | Resilience | Markets | Others |

Goal:

To reduce total water use globally and reach water neutrality by 2030.

Driver:

Shifting demands from customers.

Supply chain engagement:

Firmenich is a member of CDP's Supply Chain Program. 82% of its suppliers that responded through CDP have set water reduction targets.

Potential financial benefit:

Firmenich has developed a tool that allows customers to access environmental data on perfume ingredients and formulations.

Firmenich

Firmenich is a fragrance company based in Switzerland.

Minimal Changes to Water

- Module 9 remains largely unchanged, with only minor refinements aimed at improving clarity and usability.

  Notable changes:

- Update to list of river basins for questions that require them

  9.1, 9.1.1, 9.2 improved guidance to accommodate various measurement frequencies

- Data updates to WWF Water Risk Filter, and more guidance for how to use them.

Module 2

Identification, Assessment & Management of Dependencies, Impacts, Risks, & Opportunities

Focus: Water pollution

Why is this important?

Water pollutants pose a threat to the quality of surface and groundwater bodies and their dependent ecosystems. These questions allow organizations to indicate that they identify and classify the potential water pollutants associated with the substances they handle and the properties of their discharges.

It is important that companies identify and classify potential water pollutants linked to their business operations and products and are able to effectively manage these.

- **Water pollutants:** physical (including thermal), biological, or chemical agents (organic, inorganic substances or heavy metals) that have the direct or indirect potential to negatively modify/contaminate water bodies and/or water ecosystems or affect human health.

Full	2.5 and 2.5.1

Ambition: Companies identify and classify potential water pollutants linked to their business operations and products, and they reduce and manage pollution effectively

Examples of pollutants:
- Inorganic pollutants
- Oil
- Nitrates
- Phosphates
- Pesticides
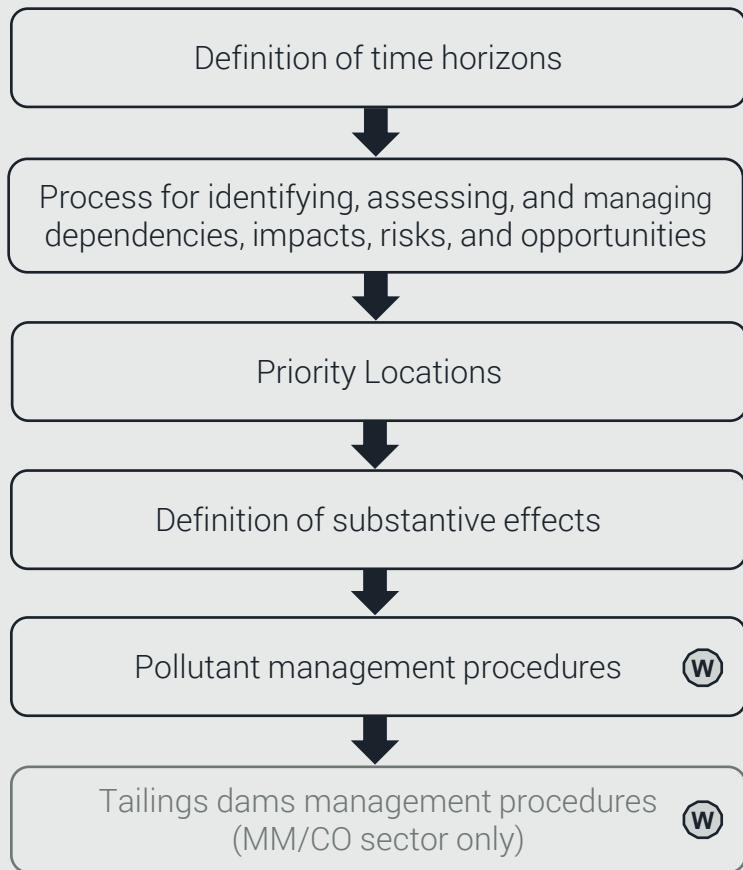- Microplastics

→

Examples of actions and procedures to minimize adverse impacts:
- Assessment of critical infrastructure and storage condition (leakages, spillages, pipe erosion etc.) and their resilience
- Implementation of integrated solid waste management systems
- Industrial and chemical accidents prevention, preparedness, and response
- Reduction or phase out of hazardous substances

45

Module 2
Water Pollutant Identification

Definition of time horizons

Process for identifying, assessing, and managing dependencies, impacts, risks, and opportunities

Priority Locations

Definition of substantive effects

Pollutant management procedures (W)

Tailings dams management procedures (MM/CO sector only) (W)

2.5 Identification / classification of potential water pollutants

2025 qualitative best practice:
Responses should demonstrate robust policies and/or processes aimed to identify and classify potential water pollutants linked to their business operations, thereby reducing and managing pollution effectively.

Describe the **policies and processes** in place to identify and classify potential water pollutants

Details of policies and/or processes (i.e. corporate and site-specific control measures, classification systems, audits or testing protocols, etc)

Reference established **standards** followed by the organization

(i.e. UN Globally Harmonized System, Central Pollution Control Board, EPA's Safer Choice, Green Screen, meeting permitted regulatory levels, etc)
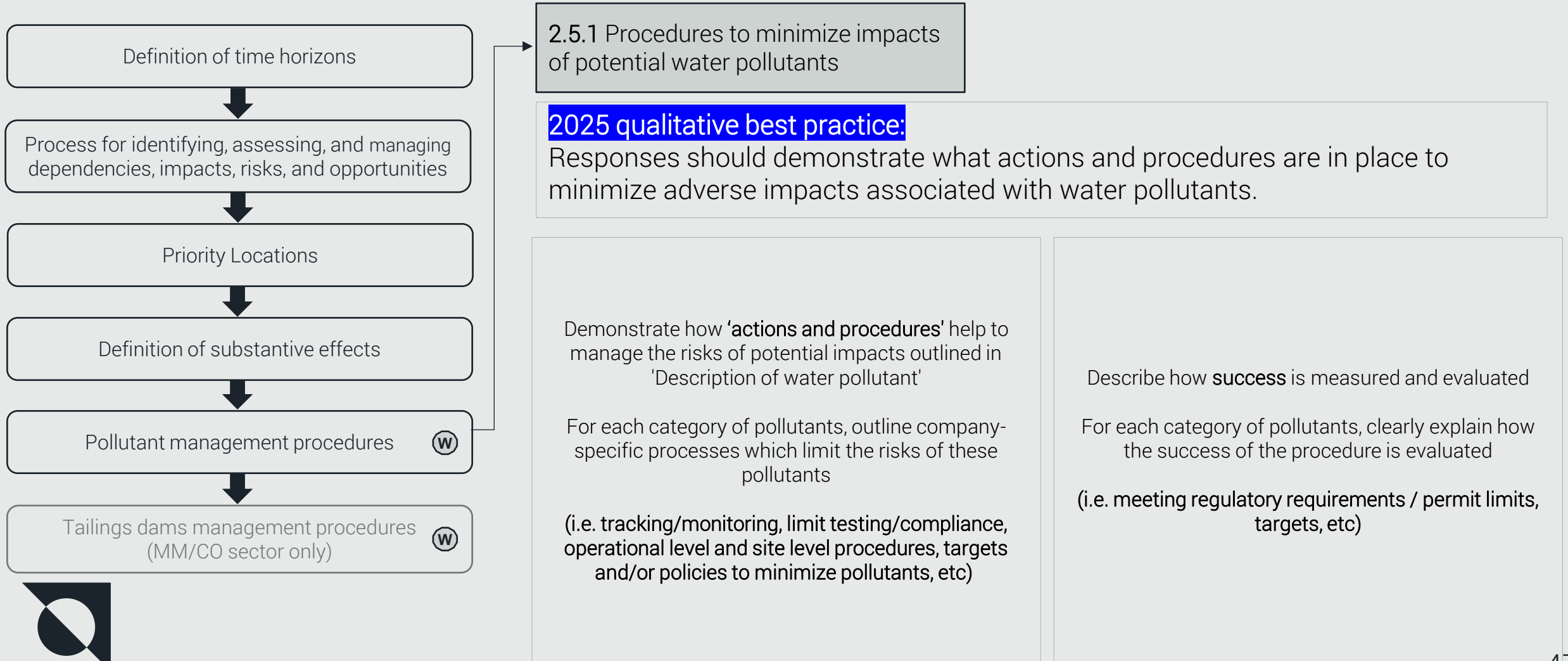
Outline **metrics and/or indicators** used to identify pollutants

(i.e. temperature, colour, taste and turbidity, chemical indicators such as electrical conductivity, salinity, pH level, biological indicators such as presence of organic materials, supplier assessment metrics such as the number of suppliers utilizing water pollutants, etc)
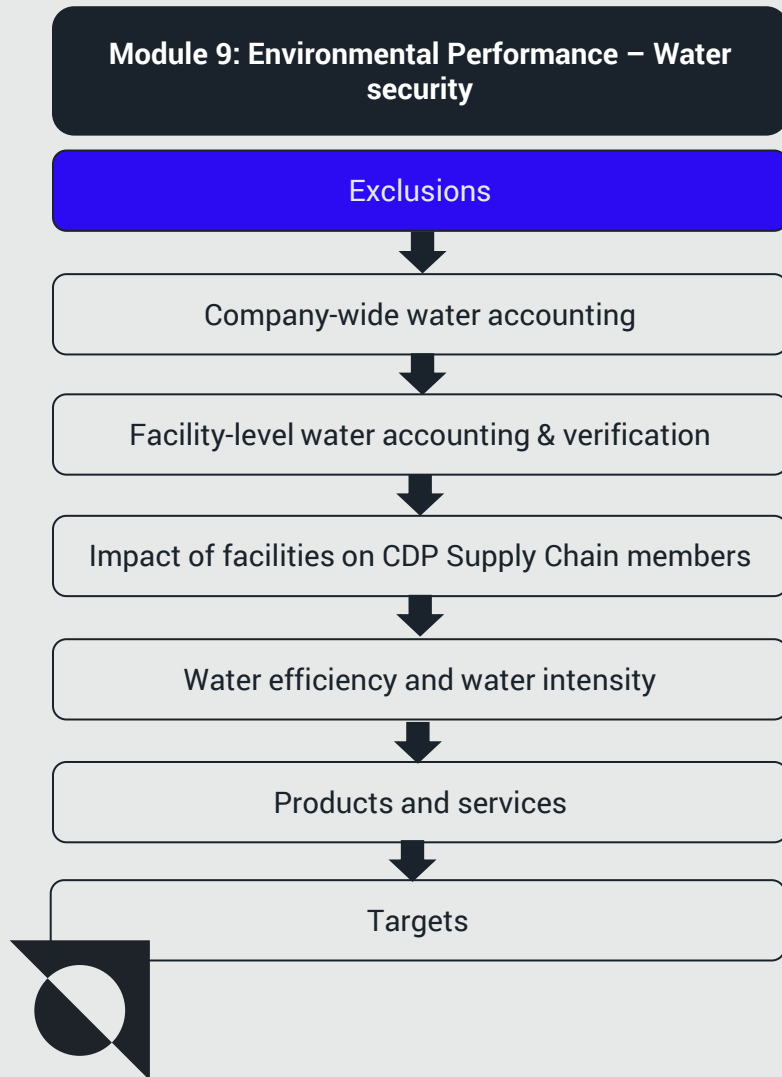
Module 2
Water Pollutant Management

Definition of time horizons

Process for identifying, assessing, and managing dependencies, impacts, risks, and opportunities

Priority Locations

Definition of substantive effects

Pollutant management procedures (W)

Tailings dams management procedures (MM/CO sector only) (W)

2.5.1 Procedures to minimize impacts of potential water pollutants

2025 qualitative best practice:
Responses should demonstrate what actions and procedures are in place to minimize adverse impacts associated with water pollutants.

Demonstrate how 'actions and procedures' help to manage the risks of potential impacts outlined in 'Description of water pollutant'

For each category of pollutants, outline company-specific processes which limit the risks of these pollutants

(i.e. tracking/monitoring, limit testing/compliance, operational level and site level procedures, targets and/or policies to minimize pollutants, etc)

Describe how success is measured and evaluated

For each category of pollutants, clearly explain how the success of the procedure is evaluated

(i.e. meeting regulatory requirements / permit limits, targets, etc)

Module 9

Environmental Performance – Water Security

Module 9
Exclusions

Module 9: Environmental Performance – Water security

Exclusions

Company-wide water accounting

Facility-level water accounting & verification

Impact of facilities on CDP Supply Chain members

Water efficiency and water intensity

Products and services

Targets

9.1 Exclusions from your disclosure of water data

9.1.1 Provide details on these exclusions.

2025 best practice:
The organization reports on all exclusions from the reporting boundary and does **not** have any significant exclusions from their disclosure.

Scoring clarification: In 2025, CDP clarified **significant thresholds and types of exclusion** to make transparent the manual assessment process in checking company exclusion in question 9.1.1 and EC-W13.

CDP does **not** consider the following types of exclusions to be significant:

- **Recent mergers or acquisitions**, if the merger or acquisition occurred within the reporting year and the water-related data will be incorporated in their disclosure in the next reporting year.
- **Divestitures** occurring within the reporting year
- Rainwater which constitutes **< 5%** of the total water volume
- Water used for **internal WASH** services
- **Water supply network** (data related to the production of drinking water)

Focus:
Water accounting

Why is this important?

It refers to the measurement and monitoring of water-related data within an organization's boundaries.

Companies must understand and eliminate negative impacts on water ecosystems to support water security and reduce water-related risks

Key elements:
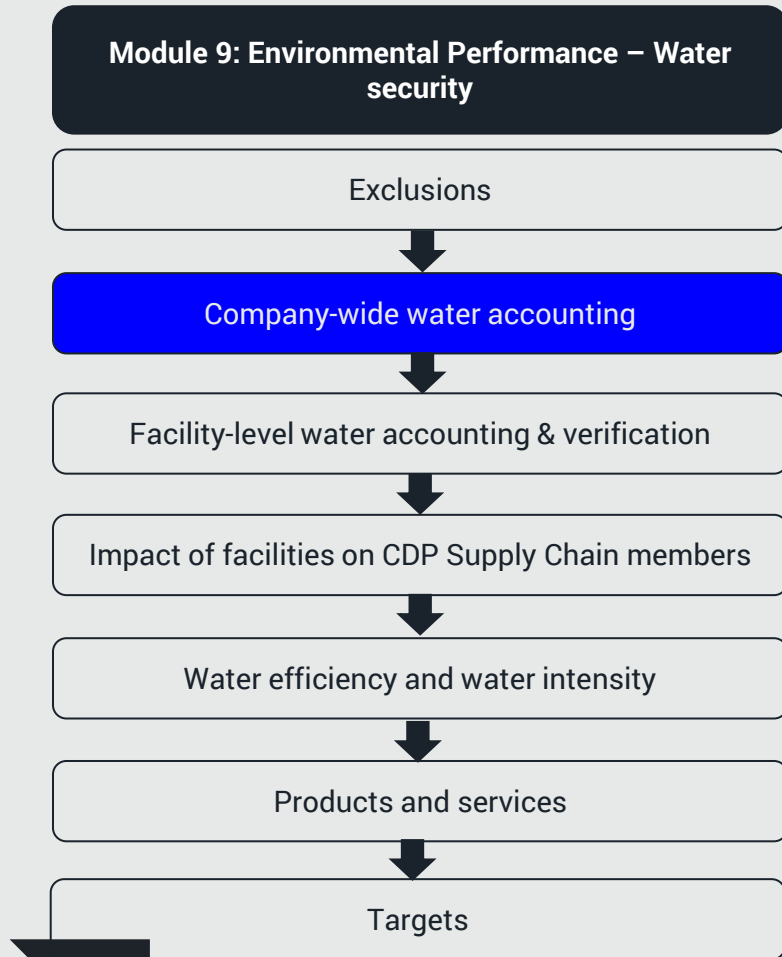Water withdrawals
Water discharges
Water consumption
WASH services

- Most important is that companies have robust **monitoring** and **accounting** in place for all aspects of their corporate hydrology, and that they demonstrate an understanding of their dependence on water.

- For more information, see the Technical Note on Water Accounting

Module 9
Water Accounting

Module 9: Environmental Performance – Water security

- Exclusions
- **Company-wide water accounting**
- Facility-level water accounting & verification
- Impact of facilities on CDP Supply Chain members
- Water efficiency and water intensity
- Products and services
- Targets

9.2: Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

2025 best practice to all sectors excluding (FS, OG, MM, CO, and EU):

- **100%** of sites/facilities/operations monitored per *relevant* water aspect. The following aspects **must be relevant**:
  - Water Withdrawals – total volume
  - Water Discharges – total volume
  - Water Consumption – total volume
  - Provision of WASH services
  - Water withdrawals – volumes by source
  - Water discharges – volumes by destination
  - Water discharge quality – by standard effluent parameters (if 100% of water is not discharged to a 3rd party)
- Specify the frequency of measurement (excluding 'Other, please specify and 'Unknown)

Module 9
Targets

Module 9: Environmental Performance – Water security

Exclusions

↓

Company-wide water accounting

↓

Facility-level water accounting & verification

↓

Impact of facilities on CDP Supply Chain members

↓

Water efficiency and water intensity

↓

Products and services

↓

Targets

9.15.1: - Indicate whether you have targets relating to water pollution, water withdrawals, WASH, or other water-related categories.
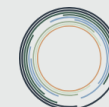
To meet full **Leadership criteria** for 9.15.1, organizations are expected to set target for **all three categories:**
- Reduce Water Withdrawals
- Eliminate Water Pollution
- Improve Access to Water, Sanitation, and Hygiene (WASH Services)

These **three water categories** are core aspects of sustainable water management, are part of the five pillars of the fair water footprint and are aligned with the TNFD, the SBTN on freshwater targets and the CEO Water Mandate.

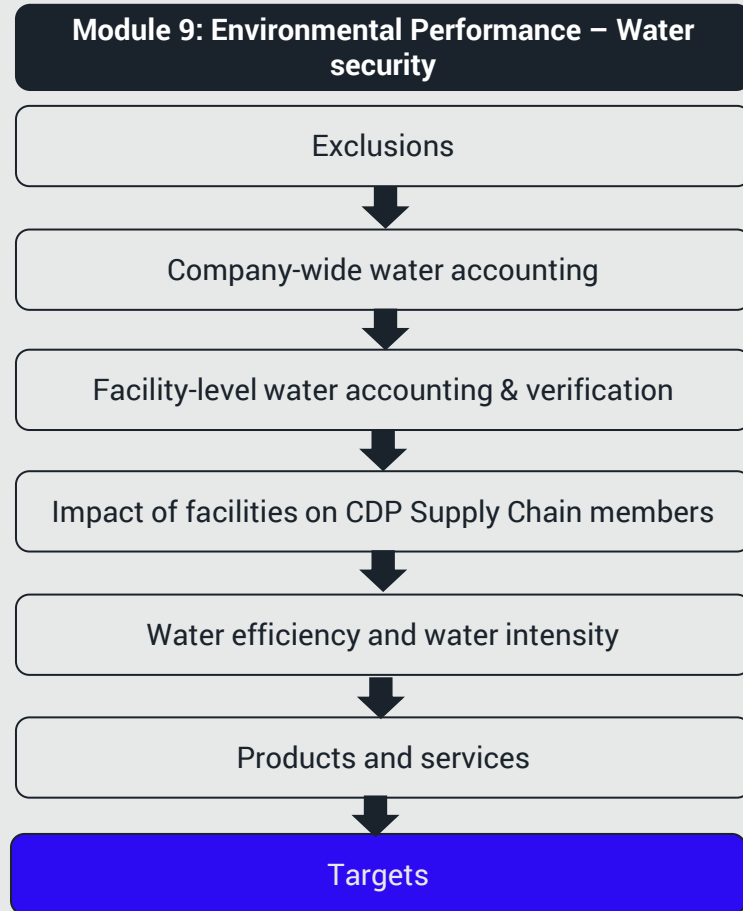**TNFD** Taskforce on Nature-related Financial Disclosures

SCIENCE BASED TARGETS NETWORK GLOBAL COMMONS ALLIANCE

UN GLOBAL COMPACT **CEO WATER MANDATE**

Module 9:
Targets

Module 9: Environmental Performance – Water security

Exclusions

↓

Company-wide water accounting

↓

Facility-level water accounting & verification

↓

Impact of facilities on CDP Supply Chain members

↓

Water efficiency and water intensity

↓

Products and services

↓

Targets

9.15.2: - Provide details of your water-related targets and the progress made.

An organization reporting a year-on-year rolling target or a maintenance target may meet Awareness criteria, however, **at Management**, it is incentivized to set **timebound**, **tracked**, and **ambitious targets**. Target status such as 'New", 'underway', 'achieved', and 'revised' are incentivized at management level.

At **Management level**, companies should indicate that their target(s) is/are aligned or supported by:
- 'Zero Discharge of Hazardous Chemicals (ZDHC)'
- 'Water Resilience Coalition'
- 'Sustainable Development Goal 6'
- 'Science Based Targets for Nature'
- 'Wastewater Zero Commitment '

- Note: leading companies must demonstrate linear progress towards achieving their water-related targets. This is assessed at **Leadership** level.

Why disclose on biodiversity?

Biodiversity underwrites business and society
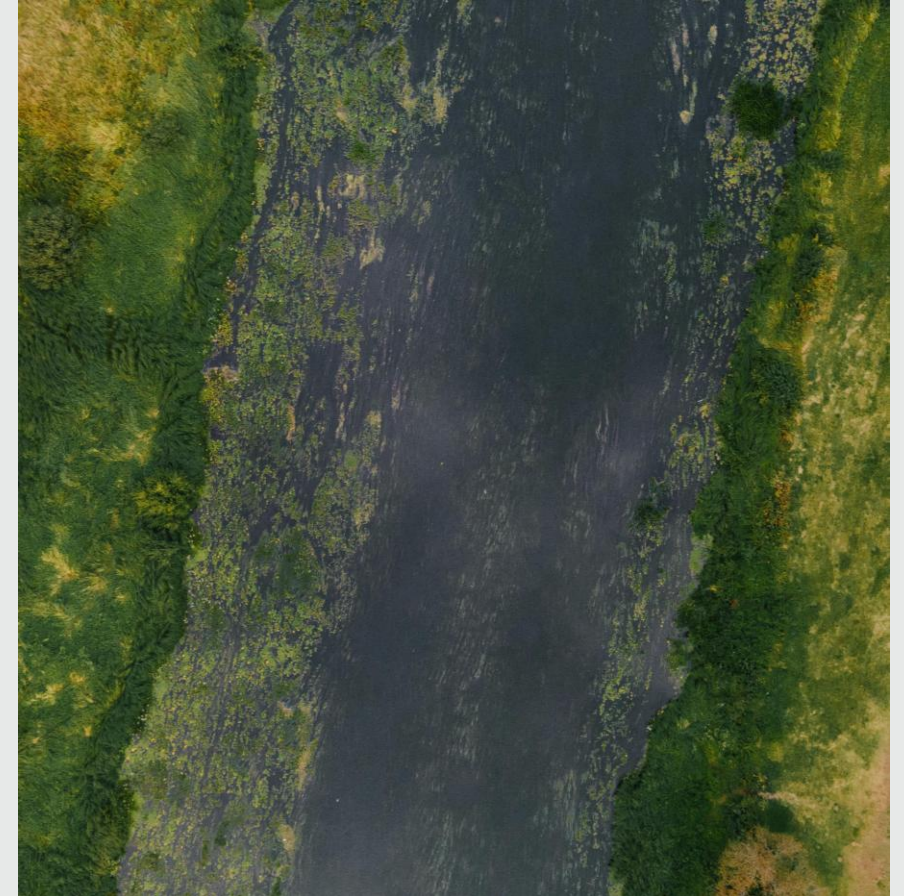
$150tn
worth of ecosystem services provided by forests that businesses depend upon [Source]

55%
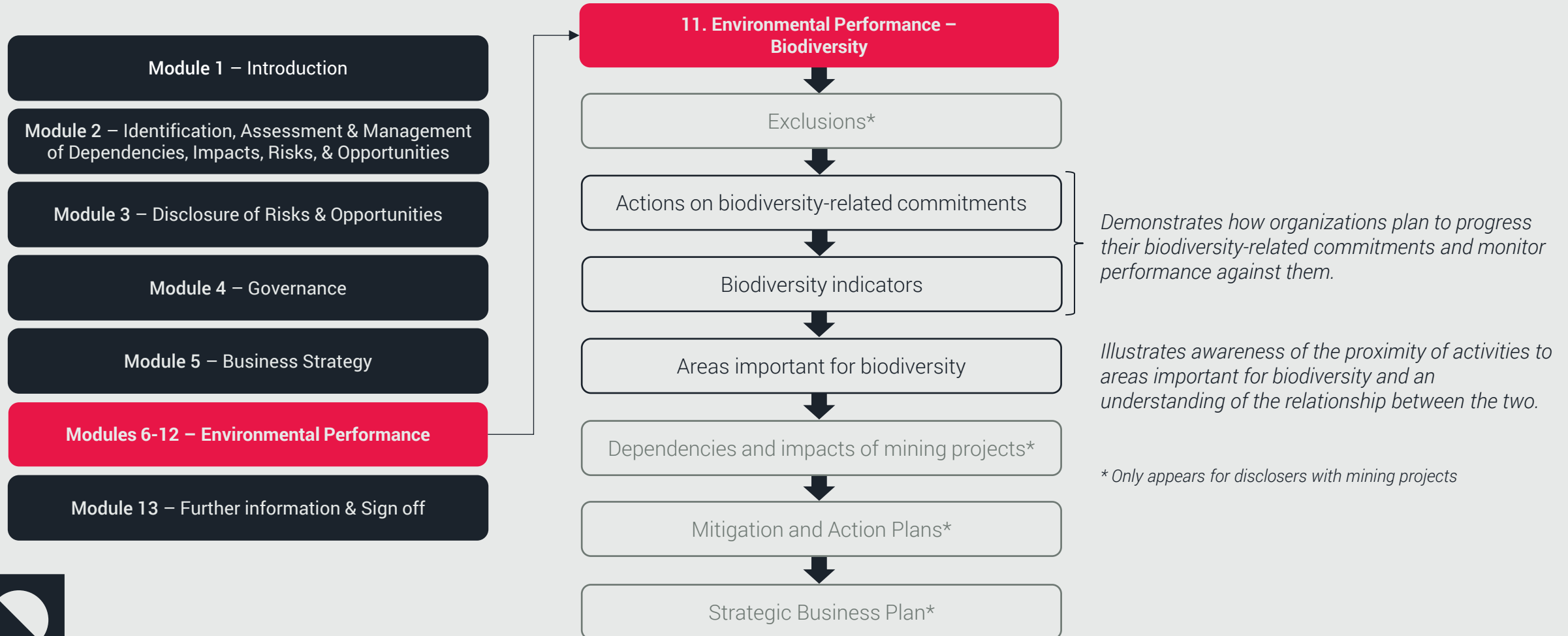of global GDP highly or moderately dependent on nature [Source]

$4-20tn
lost each year due to environmental destruction [Source]

Module 11:
Environmental Performance – Biodiversity

Module 1 – Introduction

Module 2 – Identification, Assessment & Management of Dependencies, Impacts, Risks, & Opportunities

Module 3 – Disclosure of Risks & Opportunities

Module 4 – Governance

Module 5 – Business Strategy

Modules 6-12 – Environmental Performance

Module 13 – Further information & Sign off

11. Environmental Performance – Biodiversity

Exclusions*

Actions on biodiversity-related commitments

Biodiversity indicators

Demonstrates how organizations plan to progress their biodiversity-related commitments and monitor performance against them.

Areas important for biodiversity

Illustrates awareness of the proximity of activities to areas important for biodiversity and an understanding of the relationship between the two.

Dependencies and impacts of mining projects*

* Only appears for disclosers with mining projects

Mitigation and Action Plans*

Strategic Business Plan*

Business risks of plastics

Physical

Marine pollution may affect tourism or fishing

Production may affect health of workers and communities

Policy

Plastics and circular economy regulations are growing globally.

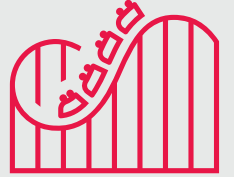Global Plastics Treaty will be finalized this year

Liability

There have been many cases of legal action against companies that produce plastic waste and pollution.

Reputational

NGOs, civil society, scientists, and journalists are subjecting companies to more scrutiny for their plastics footprints.
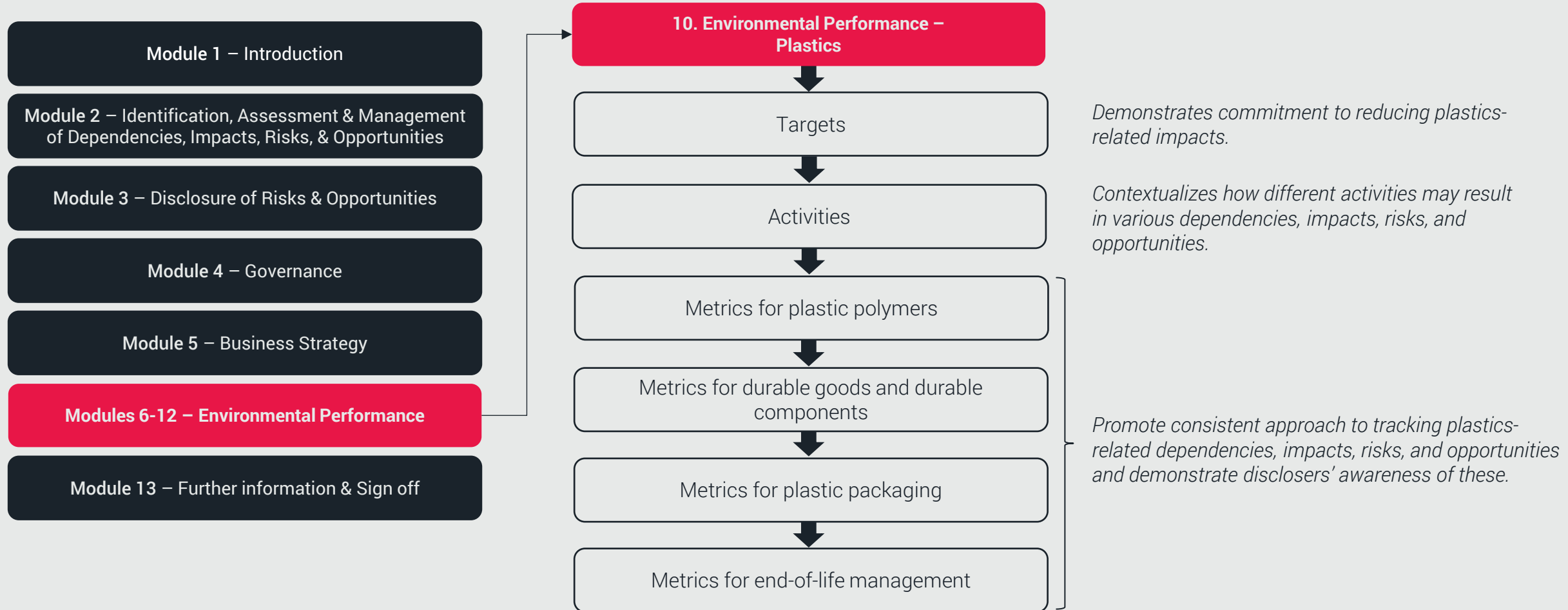
Market

Procuring recycled feedstocks and changing consumer behavior comes with risks and opportunities.

Module 10:
Environmental Performance – Plastics

Module 1 – Introduction

Module 2 – Identification, Assessment & Management of Dependencies, Impacts, Risks, & Opportunities

Module 3 – Disclosure of Risks & Opportunities

Module 4 – Governance

Module 5 – Business Strategy

Modules 6-12 – Environmental Performance

Module 13 – Further information & Sign off

10. Environmental Performance – Plastics

Targets

Activities

Metrics for plastic polymers

Metrics for durable goods and durable components

Metrics for plastic packaging

Metrics for end-of-life management

Demonstrates commitment to reducing plastics-related impacts.

Contextualizes how different activities may result in various dependencies, impacts, risks, and opportunities.

Promote consistent approach to tracking plastics-related dependencies, impacts, risks, and opportunities and demonstrate disclosers' awareness of these.

Resources Summary

- [2025 CDP Questionnaire Overview](#)

- [2025 Industry Impact Classification](#)

- [Disclosure across environmental themes](#)

- 2025 Questionnaire & Guidance

    [Modules 1-6](#): Integrated questions

    [Module 7](#): Climate Change

    [Modules 8 to 13](#): Water Security, Forests, Biodiversity, Plastics and Financial Services

- CDP Technical Notes on Nature

    [On Water Accounting](#), [On Deforestation and Conversion-free value chains](#), [On Commodity Volumes](#), [On Plastic Disclosure](#)

- [2025 CDP Scoring Introduction](#)

- CDP 2025 Scoring Methodology

    [Climate Change](#), [Water Security](#), [Forests](#)

  - 2025 Full Essential Criteria

    [Climate Change](#), [Water Security](#), [Forests](#)
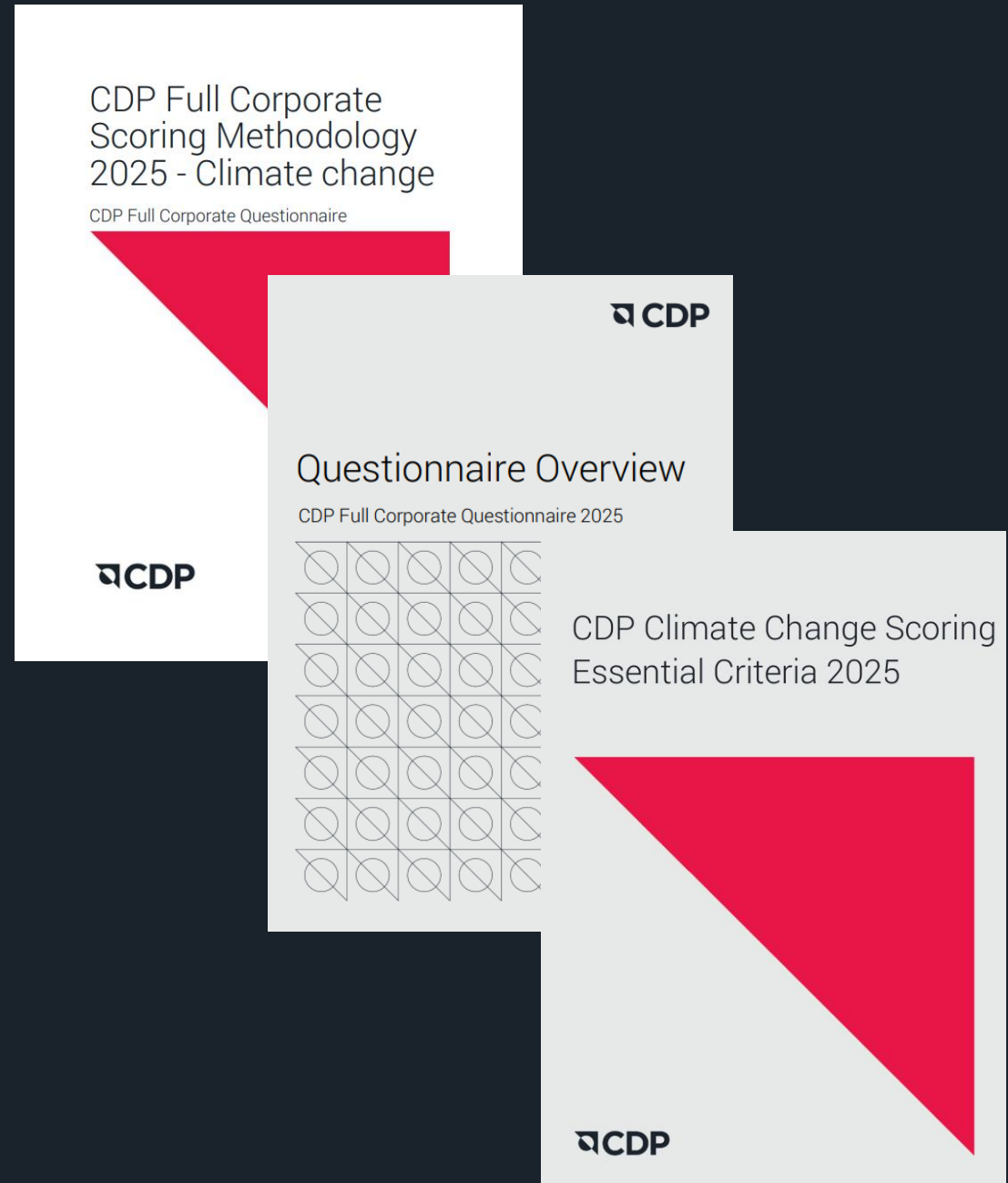
Thank you!

**Please contact our support team
through <mark>Help Centre</mark> for any questions**