

CDP Water Security Scoring Essential Criteria 2025

Version

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Introduction

CDP recognizes the importance of environmental transparency in incentivizing positive and effective actions to mitigate risks due to climate change, water security, and deforestation. In order for an organization to achieve A List status, they must receive a high leadership score, ensure key data points have been met within their response, as well as pass several checks carried out by CDP.

In 2025, essential criteria are applied at Leadership and A List level for the full corporate questionnaire. This sets a consistent baseline of reporting, ensuring that organizations include key datapoints that are critical to understanding how they are assessing and responding to Water security issues. It also ensures that high scoring companies are disclosing in the most consistent and comprehensive way and clarifies the critical data points that organizations must disclose on to earn Leadership status and sufficiently demonstrate progress towards environmental stewardship.

For 2025, minimal changes were made to the CDP Water security essential criteria consisting of additional clarifications on the scoring of essential criteria. In particular, clarifications on the scoring requirements for the exclusions from disclosure essential criteria have been added. For more information on changes made to the essential criteria in 2025, please refer to the 2025 full corporate scoring changes document.

Essential criteria for water security will be applied to organizations responding to the full corporate questionnaire, excluding those organizations with financial services as their primary sector. Some essential criteria are specific to organizations in the coal, metals & mining and oil & gas sectors.

How to use this document

This document outlines the essential criteria for water security across Leadership level and A List. This document is ordered to reflect the order of topics that arise in the full corporate questionnaire 2025. For each essential criteria topic there is a table that outlines the following:

Essential criteria level – The water essential criteria will be applied at Leadership or A list levels. Not all topics will have criteria applied to both levels. If a criterion is applied to Leadership level and the check is not met, this will cap an organization’s final score to a B. Similarly, if any A List criterion are not met then the final score will be capped at an A-.

Question – Each essential criteria will be linked to a question or multiple questions from the CDP full corporate questionnaire 2025 for water. Each question will be listed in this column in line with the corresponding criterion. Where two or more question numbers are referenced,

this indicates that a combination of questions are assessed to meet the overall essential criteria at that level. Question numbers that are combined with an 'OR' indicate that the essential criterion can be met through data points in either question.

Scored data points – The essential criteria have been broken down into their individual components based on key data points that they assess. In this column each criterion is outlined in detail. Organizations must meet all criteria within a level to meet the overall essential criteria, unless stated otherwise. An 'AND' indicates where multiple criteria must be met for clarity. Some criteria may specifically link to criteria that are present within the CDP full corporate scoring methodology 2025.

Essential criteria identifier – Each essential criteria in this document has an accompanying unique identifier. These are composed of 'EC' for 'essential criteria,' a dash followed by an 'F' for forests, and a specific number eg. EC-W1. Essential criteria may be referred to using their essential criteria identifiers in this document.

Common terms used in this document

For consistency, we have used common wording to identify actions or references in this document. These are clarified below:

Partial disclosure - In some cases, we do not require the entirety of a row in a question to be completed for it to qualify for assessment for the essential criterion. Criterion like this can be identified through the phrases outlined below. Please note, this is in addition to any other required datapoints outlined in the criterion:

Scenario 1

Request for an essential criterion that requires both the 'Environmental Issue...' column in a question to be complete AND evidence from additional column(s) as indicated in the criteria.

Example wording

One row disclosed where 'water' is selected in column 'Environmental issue' is assessed.

Example essential criteria

- EC-W5 A List
- EC-W6 A List

Scenario 2

Request for an essential criterion that references questions without an 'Environmental issue...' column. Unless the above partial disclosure scenario or the below complete

disclosure scenario are requested, please assume that partial disclosure requirements are based on the datapoints specified within the essential criterion itself.

Example essential criteria

- EC-W3 A List
- EC-W13 A List

Complete disclosure – Some questions within essential criteria require all relevant information to be disclosed in accordance with the full corporate scoring methodology. Unless stated otherwise, completion does not include ‘Comment’ columns. The following distinct phrases are used to identify these:

Scenario 3

Request for complete disclosure as per fulfilling the criteria outlined in the full corporate scoring methodology for water security. Please note, eligibility criteria and question level scores in the full corporate scoring methodology are assessed in this scenario.

Example wording

Awareness level eligibility and criteria in the CDP full corporate scoring methodology 2025 – Water security must be fulfilled.

Example essential criteria

- EC-W3 A List
- EC-W8 A List

2025 Full Water Security Essential Criteria

EC-W1: Public response [All sectors]

Essential criteria level	Question	Scored data points
Leadership	N/A	<ul style="list-style-type: none"> The organization has submitted a public response to the CDP full corporate questionnaire.
A List	N/A	<ul style="list-style-type: none"> No additional essential criteria; Leadership-level essential criteria also apply.

EC-W2: Reporting of portfolio activity [Financial services only]

Essential criteria level	Question	Scored data points
A List	1.10	<ul style="list-style-type: none"> The organization undertakes at least one of the following portfolio activities: <ul style="list-style-type: none"> Banking (Bank), Investing (Asset manager), Investing (Asset owner), Insurance underwriting (Insurance company)

EC-W3: Tailing dams [Coal only]

Please note: This essential criterion does not apply if the organization does not have any mining activities (as reported in question 1.13). Additionally, this essential criterion does not apply if the organization does not have any active or inactive tailing dams (as reported in question 2.6).

Essential criteria level	Question	Scored data points
A List	2.6.1	<ul style="list-style-type: none"> Eligibility criteria and Leadership level criteria in the full corporate scoring methodology 2025 - Water security must be fulfilled. The organization fully completes all rows, evaluates and classifies the consequences of tailings dams' failures, follow a named regulation or guideline from an industry body or public agency, provides the minimum level used to classify a dam as hazardous and how these classifications help inform management procedures.

EC-W4: Tailing dams [Metals & mining only]

Please note: This essential criterion does not apply if the organization does not have any mining activities (as reported in question 1.17). Additionally, this essential criterion does not apply if the organization does not have any active or inactive tailing dams (as reported in question 2.6).

Essential criteria level	Question	Scored data points
A List	2.6.1	<ul style="list-style-type: none"> Eligibility criteria and Leadership level criteria in the full corporate scoring methodology 2025 - Water security must be fulfilled. The organization fully completes all rows, evaluates and classifies the consequences of tailings dams' failures, follow a named regulation or guideline from an industry body or public agency, provides the minimum level used to classify a dam as hazardous and how these classifications help inform management procedures.

EC-W5: Identification, assessment, and management of risks [General & all sectors excl. Financial services]

Essential criteria level	Question	Scored data points
A List	2.2.1	<ul style="list-style-type: none"> The organization has a process for identifying, assessing and managing environmental risks.
	2.2.2	<ul style="list-style-type: none"> The organization provides details on the process for identifying, assessing, and managing environmental risks with all information required as per the Management level criteria in the full corporate scoring methodology 2025 - Water security. The organization also specifies whether they have full or partial coverage. The process covers both direct operations and upstream value chain. One row disclosed where 'Water' is selected in column 'Environmental issue' is assessed.

EC-W6: Board oversight [General & all sectors excl. Financial services]

Essential criteria level	Question	Scored data points
A List	4.1 AND 4.1.2 AND 4.2	<ul style="list-style-type: none"> • If the organization has a board of directors or an equivalent governing body in question 4.1: <ul style="list-style-type: none"> ○ The organization identifies the positions of individuals or committees on the board with accountability for water-related issues (excluding option 'Other, please specify') in question 4.1.2. ○ The organization has board-level competency on water-related issues in question 4.2. • One row disclosed where 'Water' is selected in column 'Environmental issue' is assessed.
	OR 4.1 AND 4.3 AND 4.3.1 AND 4.4	<p style="text-align: center;">OR</p> <ul style="list-style-type: none"> • If the organization does not have a board of directors or an equivalent governing body in question 4.1: <ul style="list-style-type: none"> ○ The organization has management-level responsibility of water-related issues in question 4.3, and identifies the highest senior management-level position or committee with responsibility for water-related issues (excluding any option 'Other, please specify' option) in question 4.3.1. ○ The organization has management-level competency on water-related issues in question 4.4. • One row disclosed where 'Water' is selected in column 'Environmental issue' is assessed.

EC-W7: Environmental policies [General & all sectors excl. Financial services]

Essential criteria level	Question	Scored data points
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A List	4.6 AND 4.6.1	<ul style="list-style-type: none"> • The organization has a publicly available water-related policy which includes at least three of the following commitments: <ul style="list-style-type: none"> ○ Reduce or phase out hazardous substances ○ Control/reduce/eliminate water pollution ○ Reduce water consumption volumes ○ Reduce water withdrawal volumes ○ Manage WASH in local communities ○ Conservation of freshwater ecosystems ○ Water stewardship and/or collective actions ○ Stakeholder engagement and capacity building on environmental issues ○ Recognition of environmental linkages and trade-offs ○ Take environmental action beyond regulatory compliance • One row disclosed where 'Water' is selected in column 'Environmental issue' is assessed.
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EC-W8: CAPEX breakdown [Coal only]

Please note: This essential criterion references questions within the Environmental Performance – Climate change module. This criterion applies to scoring for this sector in all three environmental issue areas.

Essential criteria level	Question	Scored data points
A List	5.6	<ul style="list-style-type: none"> • The organization is not involved in the development or expansion of any new coal mines in the reporting year and over the next 5 years. • Awareness level criteria in the full corporate Scoring Methodology 2025 - Climate change must be fulfilled.

EC-W9: CAPEX breakdown [Oil & gas only]

Please note: This essential criterion references questions within the Environmental Performance – Climate change module. This criterion applies to scoring for this sector in all three environmental issue areas.

Essential criteria level	Question	Scored data points
A List	5.6	<ul style="list-style-type: none"> The organization is not involved in any explorations of new oil or natural gas fields in the reporting year and over the next 5 years. Awareness level criteria in the 2025 full corporate Scoring Methodology - Climate change must be fulfilled.

EC-W10: Value Chain Engagement [General & all sectors excl. Financial services]

Essential criteria level	Question	Scored data points
A List	5.11	<ul style="list-style-type: none"> The organization engages with its suppliers on water-related issues. 'One row disclosed where 'Water' is selected in column 'Environmental issue...' is assessed.
	5.11.6 OR 5.11.7	<ul style="list-style-type: none"> The organization reports at least one water-related environmental requirement that suppliers have to meet as part of their purchasing process (excluding option 'Other, please specify'). One row disclosed where 'Water' is selected in column 'Environmental issue' is assessed. <p>OR</p> <ul style="list-style-type: none"> The organization reports at least one type and detail of engagement with their suppliers on water-related issues (excluding any 'Other, please specify' option). One row disclosed where 'Water' is selected in column 'Environmental issue...' is assessed.

EC-W11: Emissions targets (near-term) [Coal only]

Please note: This essential criterion references questions within the Environmental Performance – Climate change module. This criterion applies to scoring for this sector in all three environmental issue areas.

Essential criteria level	Question	Scored data points
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A List	7.53.1 OR 7.53.2	<ul style="list-style-type: none"> The organization discloses an organization-wide Scope 1 and Scope 2 emissions reduction target that either is validated by the Science Based Targets Initiative OR discloses a target that is fully aligned with a 1.5°C scenario (at least a 4.2% absolute annual emissions reduction between base year and target year). Leadership level eligibility criteria and criterion i) in either the SBTi Route OR CDP Route in either question 7.53.1 OR 7.53.2 in the full corporate scoring methodology 2025 - Climate change must be fulfilled.
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EC-W12: Emissions targets (near-term) [Oil & gas only]

Please note: This essential criterion references questions within the Environmental Performance – Climate change module. This criterion applies to scoring for this sector in all three environmental issue areas.

Essential criteria level	Question	Scored data points
A List	7.53.1 OR 7.53.2	<ul style="list-style-type: none"> The organization discloses near-term Scope 1, Scope 2 and Scope 3 emissions targets that are aligned with best practice as outlined on either the Science Based Targets Initiative Route OR the 1.5°C aligned CDP Route in the Leadership level criteria in the full corporate scoring methodology 2025 - Climate change. Leadership level eligibility criteria and criteria i) to iii) in either the SBTi Route OR CDP Route in either question 7.53.1 OR 7.53.2 in the full corporate scoring methodology 2025 - Climate change must be fulfilled.

EC-W13: Exclusions from disclosure [General & all sectors excl. Financial services]

Please note: The appendix (page 17) contains example responses to provide further guidance on exclusions considered significant by CDP.

Essential criteria level	Question	Scored data points
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<p>A List</p>	<p>9.1 AND 9.1.1</p>	<p>The organization does not have any significant exclusions from its disclosure, as reported in question 9.1 and 9.1.1.</p> <ul style="list-style-type: none"> • Where the organization reports exclusions from their disclosure in question 9.1.1, the following information must be provided: <ul style="list-style-type: none"> ○ A description and reason for each exclusion ○ The percentage of water volume that is excluded ○ The business activity the excluded water is used for and the environmental impacts (including the pollution load) associated with these activities ○ The river basin the excluded water is withdrawn from and the availability and quality of water in the area • Significance of an exclusion will depend on factors such as the size of the exclusion, pollution load associated with the exclusion, sector and related business activities of the company, the impact of the activities the excluded water is used for, geographical location if the exclusion represents operations in a specific place (and the watershed context of that location, such as if it is an area of limited water availability or poor water quality), and how much environmental impact the exclusion represents relative to the whole. The qualitative information provided should address the above points as much as possible. <ul style="list-style-type: none"> ○ CDP may use WRI Aqueduct or WWF Water Risk Filter as tools for determining if the location of water withdrawals is in areas of water stress. ○ CDP may use Water Watch (CDP Water Watch - CDP) as a tool for determining the water impacts of business activities associated with the exclusion at different stages of the value-chain. ○ Please note, CDP has not set a % threshold for the size of exclusion that is considered significant as the volume of water excluded from the disclosure is considered by CDP in conjunction with the factors already listed above. • The following types of exclusions are not considered to be significant:
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	<ul style="list-style-type: none"> o Recent mergers or acquisitions, as long as the organization indicates that the merger or acquisition occurred within the reporting year and that the water-related data will be incorporated in their disclosure in the next reporting year. o Divestitures occurring within the reporting year o Rainwater which constitutes less than 5% of the total water volume o Water used for internal WASH services o Water supply network (data related to the production of drinking water) • If the organization has multiple exclusions, each exclusion will be assessed against the above criteria. • CDP recommends that an organization includes all water-related data in its disclosure in line with best practice. Where an organization that is eligible for the A list does report an exclusion that CDP considers significant, the organization’s final score will be capped at an A-. • Failure to provide sufficient information for CDP to determine the significance of an exclusion (i.e. size of exclusion and its pollution load, business activity the excluded water is used for, the river basin the excluded water is withdrawn from and watershed context of that area) is grounds for a score to be capped: any exclusion must be clearly justified.
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EC-W14: Company-wide water accounting [General & all sectors excl. Electric utilities and Financial services]

Essential criteria level	Question	Scored data points
A List	9.2	<ul style="list-style-type: none"> • The organization measures and monitors more than 75% of their sites/facilities/operations for the following water aspects and states the frequency that they measure the aspects (excluding option 'Unknown'): <ul style="list-style-type: none"> o Water withdrawals - total volume o Water discharges - total volume

	<ul style="list-style-type: none"> ○ Water discharge quality - by standard effluent parameters ○ The provision of fully -functioning, safely managed WASH services to all workers. ● The organization may not deem 'Water discharge quality – by standard effluent parameters' as a relevant water aspect to be regularly measured and monitored if the organization discharges 100% of its wastewater to a third party (as reported in question 9.2.9).
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EC-W15: Company-wide water accounting [Electric utilities only]

Essential criteria level	Question	Scored data points
A List	9.2 AND 9.9.2 AND 1.16.1	<ul style="list-style-type: none"> ● The organization measures and monitors more than 75% of their sites/facilities/operations for all of the following water aspects and states the frequency that they measure the aspects (excluding option 'Unknown'): <ul style="list-style-type: none"> ○ Water withdrawals - total volume ○ Water discharges - total volume ○ Water discharge quality - by standard effluent parameters ○ The provision of fully -functioning, safely managed WASH services to all workers. ● The organization may not deem 'Water discharge quality – by standard effluent parameters' as a relevant water aspect to be regularly measured and monitored if the organization discharges 100% of its wastewater to a third party (as reported in question 9.2.9). ● [Electric Utilities companies] CDP recognizes that discharge quality data is rarely measured in organizations operating with wind, solar and hydropower generation sources. In light of this: ● Organizations with more than 70% of their power generation coming from these sources (as reported in question 1.16.1) may not deem 'Water discharge quality –by standard effluent parameters' as a relevant water aspect to be regularly measured and monitored

EC-W16: Withdrawals from water stressed areas [General & all sectors excl. Financial services]

Essential criteria level	Question	Scored data points
A List	9.2.4	<ul style="list-style-type: none"> • The organizations does not withdraw from areas with water stress OR • The organizations does withdraw from areas of water stress, but the volume withdrawn from water-stressed areas is lower or stable compared to the previous reporting year. • An organization disclosing higher withdrawals from water stressed areas compared to the previous reporting year will still be eligible for the A List, if it is primarily due to a recent merger/acquisition.

EC-W17: Targets [General & all sectors excl. Financial services]

Essential criteria level	Question	Scored data points
A List	9.15 AND 9.15.1:	<ul style="list-style-type: none"> • The organization has set a target(s) in at least two of the following categories: <ul style="list-style-type: none"> ○ Water withdrawals ○ Water pollution ○ Water, Sanitation, and Hygiene (WASH) services

Appendix

Examples of responses in column 'Please explain' of question 9.1.1 that would be considered as significant exclusions by CDP according to the essential criteria. The responses below are for exemplar purposes only and do not represent a singular organizations' disclosures to CDP.

Example 1

Q1.4

End date of reporting year

30/12/2024

Q9.1.1

Our disclosure includes water data from all our entities except company x. We acquired company x, a paper packaging company, in 2020 to improve the efficiency of our production process. However, the integration into our organization has been more challenging than anticipated. We are still in the process of integrating the water data into our accounting systems, which means we are not able to include the data in our disclosure this cycle.

Explanation for fail decision - The company has excluded an acquisition; therefore, the response was assessed against the criteria for companies who select 'Merger or Acquisition' in column 'Reason for exclusion'. CDP will not consider the exclusion significant if either:

- The organization indicates that the merger or acquisition occurred within the reporting year.

OR

- The organization indicates data will be included in their disclosure next year.

Both elements of the criteria need to be met for the exclusion to not be considered significant. According to the company's response, the acquisition occurred in 2020, but their reporting year ended in 12/2024. Therefore, the acquisition did not occur within the reporting year, and the first element of the criteria is not met.

The response doesn't state that the data will be included in their disclosure next year, so neither of the two criteria are met. As a result, the response does not satisfy the criteria check.

Example 2

Our production facilities located in Georgia, USA, Central France and Portugal are the focus of our disclosure as they account for 95% of the company's withdrawals and 94% of our discharges. Water is a vital resource used for multiple steps of the chemical production process in these facilities.

The resulting water discharge from these facilities has a high pollution load which requires a high level of specialised treatment and, if not treated correctly, has the potential to have a sizable impact on our local communities and environment.

Five facilities, located in Türkiye and India, use water to heat and cool equipment during the production of chemicals. They represent 5% of the company's total withdrawals and 6% of the

total discharges. These facilities have not been included in the disclosure whilst we prioritise managing the risk of the high impact facilities.

Explanation for fail decision - Whilst the company has excluded a smaller element of their water usage at 5% of the total withdrawals and 6% of the total discharges, the excluded water is used in the production of chemicals, a heavily water intensive process ranked as 'Critical' on Water Watch. Furthermore, the excluded facilities are located in regions with high and extremely high water stress (WRI Aqueduct). When we consider the impact of the business activity with the degree of water stress, the exclusion is impactful, with a high risk factor for the local community, water basin and company.

Example 3

The water accounting data from our one overseas metal refinement operation in Paraguay is not included. Water is used for cleaning at the facility. This is a subsidiary of an acquisition that is not our main business activity and thus is not considered a priority. The data systems in our Paraguayan facility are not aligned with the systems we use throughout the rest of our organization to process our data for our disclosure, and as a result has not been verified by a third party. However, we estimate the water volume withdrawn is roughly 15% of our total water withdrawals. We have focused our disclosure on the larger part of our operations which are expected to have a larger impact.

Explanation for fail decision - The operation is located in a region with low water stress according to WRI aqueduct. However, the criteria states that the significance of an exclusion depends on multiple factors, not only on the location of the operations. Other factors include 'the size of the exclusion, pollution load associated with the exclusion, sector and related business activities of the company, the impact of the activities the excluded water is used for...'. The response states that the water is used for cleaning in metal refinement operations which has a high water impact due to the pollution load of the discharge. Water Watch ranks the Metal smelting, refining & forming activity group as 'Critical' for its impact on Water.

Example 4

We have reported on our granola cereals production operations which covers 17 wheats, 10 corn, 5 barley and oat crops farms, milling processing and cooking production sites. Additions to our final products such as flavourings, fruits and nuts are predominately purchased from suppliers and our associated water risks, opportunities and engagement activities have been disclosed accordingly.

However, we have recently begun producing our own pistachios for our products in Arizona, USA, and the water used for our farm and production processes has been excluded from our disclosure. We are still experimenting and refining our processes for producing pistachios, so the volumes are irregular and not what we forecast them to be in the future. Nonetheless, we can state that in 2023 the withdrawals for our pistachio farm were 9% of our total withdrawals. Once the trees and our processes are established and we feel the water data is an accurate representation of the long-term water impact, we will include it in our disclosure.

Explanation for fail decision - Crop farming ranks as critical on Water Watch. Furthermore tree nuts, including Pistachios, are one of the most water intensive crops to produce, which means they can have a large water impact. The company states their pistachio production site is located in Arizona, an area of water stress, where water consumption can have a large impact on the water availability to local communities and downstream users. This indicates a large volume of water in a vulnerable area with a potentially large water impact has been excluded.