


Water

Supply Chain Standard Support Webinar

July 2025

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Agenda

Why disclose on water?

What is the cost of inaction?

Why are supply chains important?

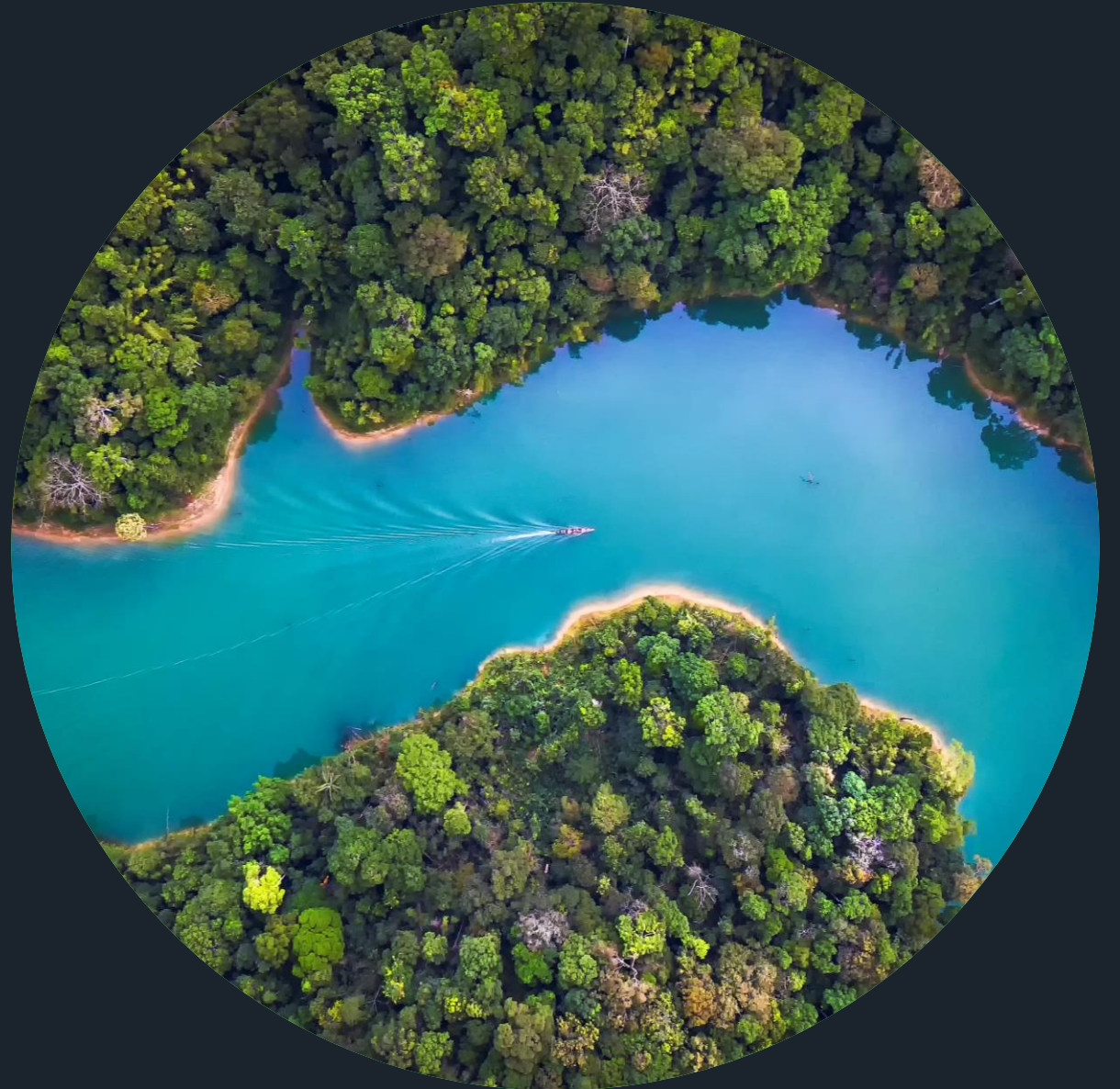
Benefits for suppliers

Water disclosure journey



Why disclose on water?

An overview of impacts, dependencies, risks & opportunities and the economic case for action



The state of global water resources

2 billion people live in countries under water stress [\[source\]](#)

20-30% projected increase in water demand by 2050 [\[source\]](#)

88% of freshwater withdrawals are made by agriculture & industry [\[source\]](#)

27% of industrial wastewater discharged is safely treated [\[source\]](#)



Why disclose on water security?

Water supply is the most common business dependency

\$58tn

freshwater's
economic value

50%

of water supplies in high-
income economies drawn
from water scarce areas

\$13.5bn

of assets already
stranded by water issues

\$596bn

potential financial
impact of water risk



Driving more holistic disclosure

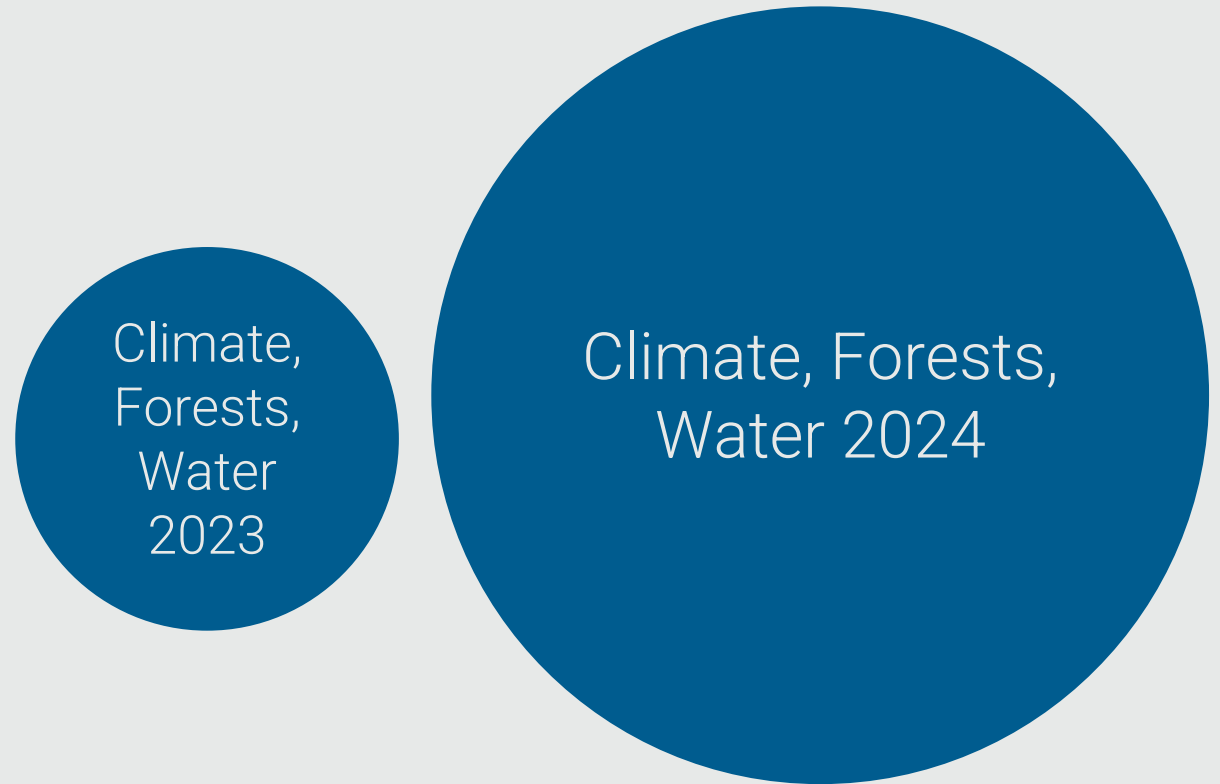


By bringing climate change, forests and water together in a single questionnaire, and opening access to biodiversity and plastics to every company, CDP drove more environmental reporting than ever before in 2024.

3,500+ companies disclosed on all environmental issues in 2024

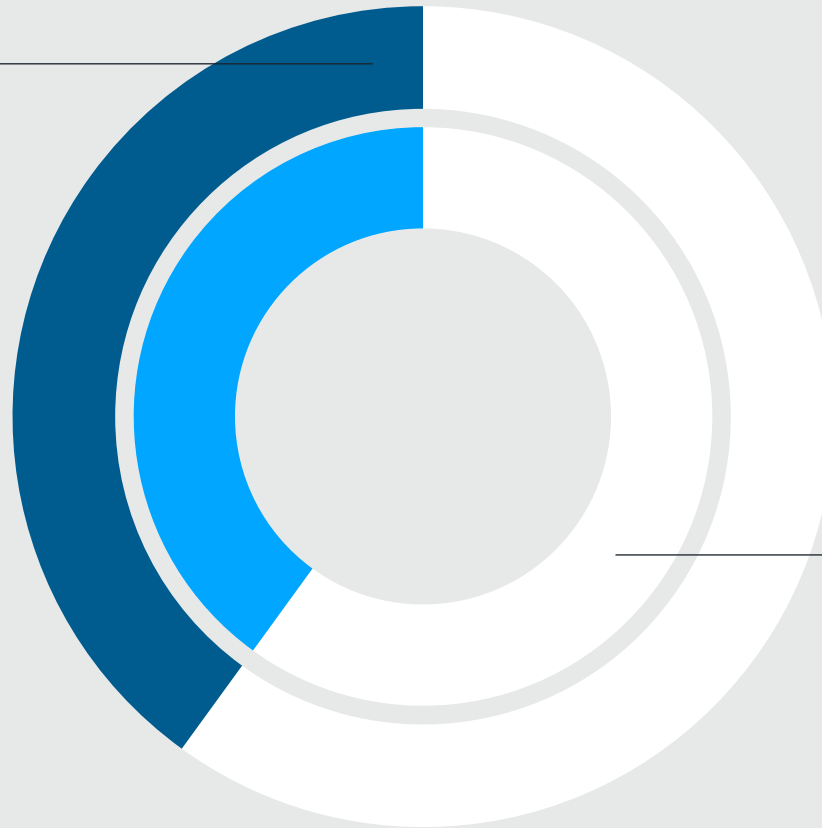
316% increase on 2023

60% of 2024 survey respondents agree new questionnaire structure is an improvement on previous version with separate themes



Water disclosure is driving awareness...

28% of water disclosers responding to CDP for the first time assess the business growth implications of water security.



By their third year of disclosure, this rises to **40%**.



...and action

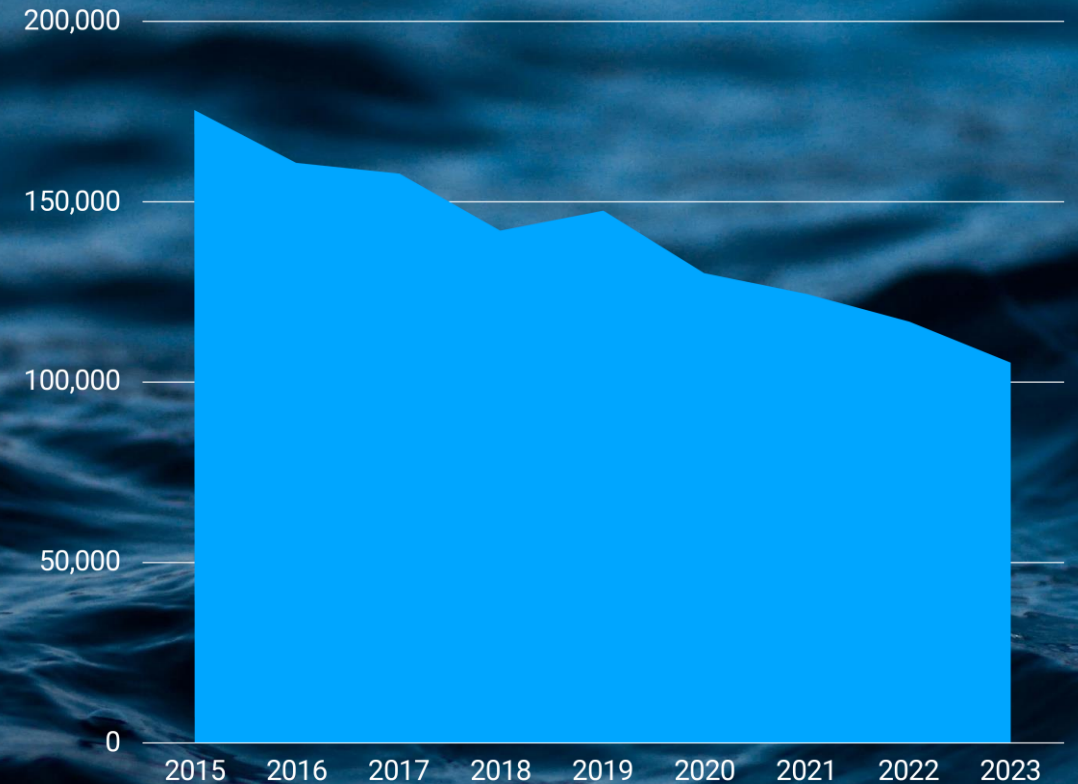
About half of 223 companies consistently disclosing over last 9 years have reduced their water withdrawals

30% of all disclosers are setting withdrawal reduction targets

9% are setting Water, Sanitation, Hygiene (WASH) targets



Total water withdrawals (million m3)



What is
the cost of
inaction?



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: CDP 2023 Data

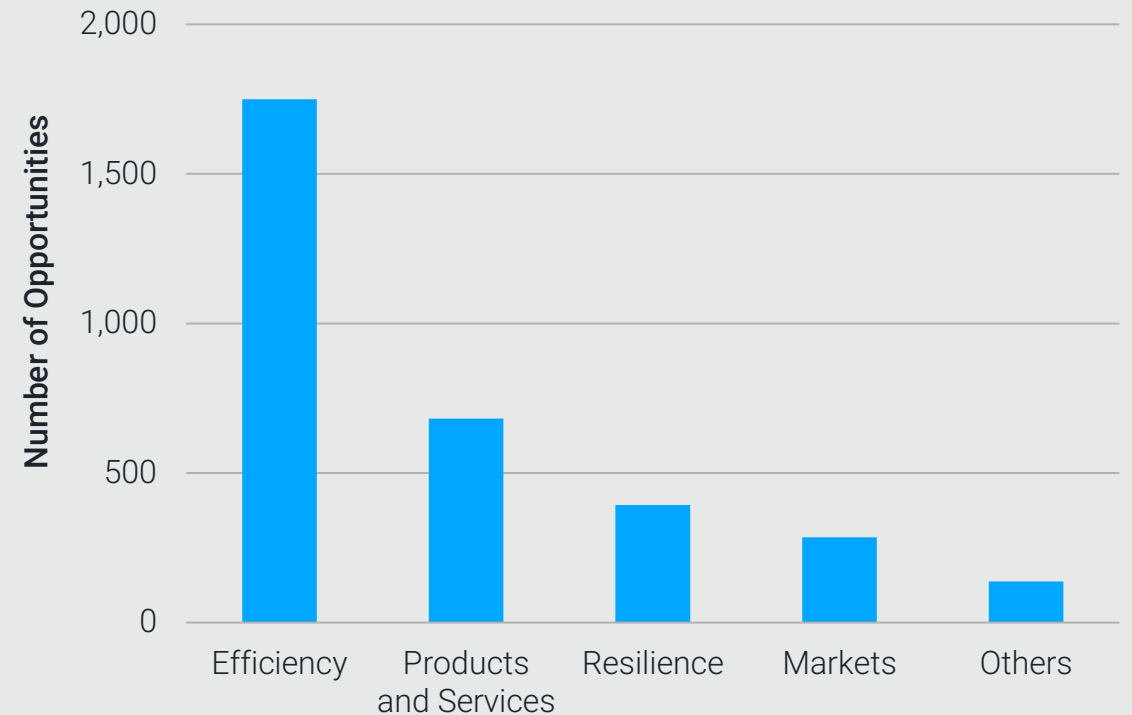


...and awareness brings rewards

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.

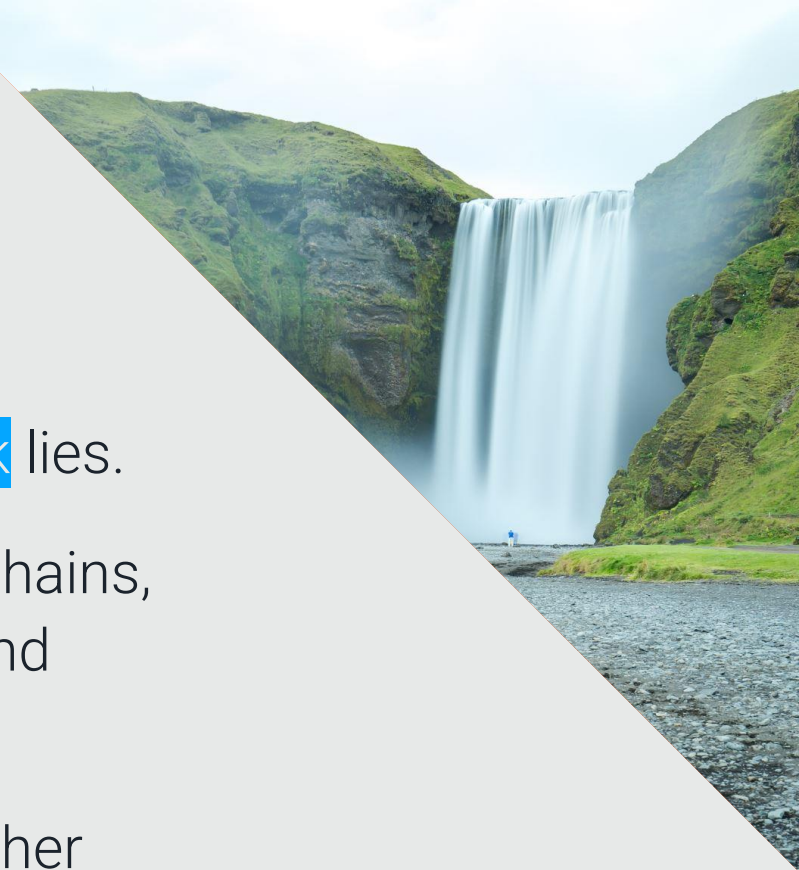


Why are
supply chains
important?



Pivotal role of supply chains in addressing water insecurity

- Supply chains are often where the **greatest exposure to water risk** lies.
- Many industries are exposed to water risks through their supply chains, as they rely on energy and input from water-intensive industrial and agriculture sectors, or on rivers to transport goods.
- Water security has unique characteristics that set it apart from other environmental issues, most notably, its **highly localized nature**. Organizations must consider **geographic specificity** and **contextual variability** for their assessment of water issues.



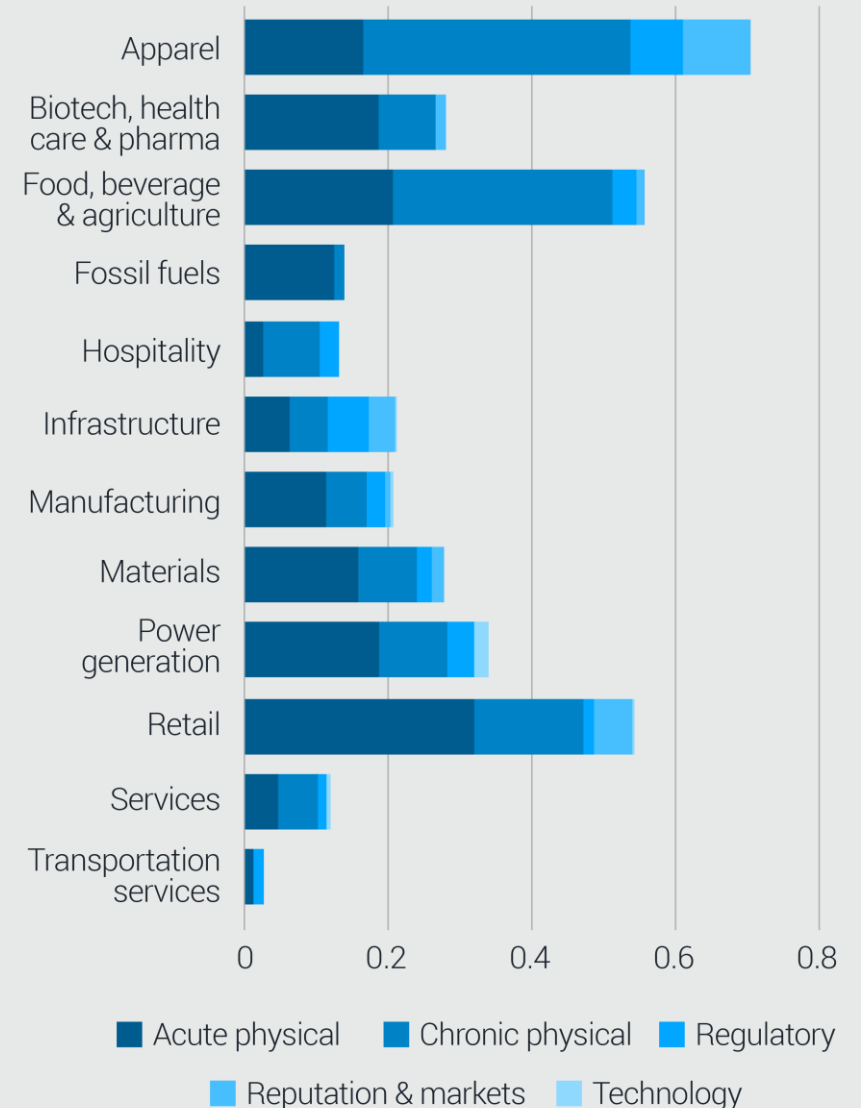
Water risks are overlooked in supply chains

- 1 in 5 companies report supply chain water risks which could have a significant impact on their business.
- Companies integrating suppliers into risk assessments are 7x more likely to report supply chain risks.
- 50% of buyers engage with their suppliers on water.
- 20% of companies disclosing annually reported supply chain water risks in 2023, rising from 16% in 2021.

Source: CDP 2023 Data



Average number of risk type per sector



Benefits for suppliers



Key benefits of disclosure



Access to capital

Enhancing supplier position

250+ purchasing organizations with an annual spend of US\$6.4 trillion use CDP supplier data for procurement decisions.



Business competitiveness

Managing risks and unlocking opportunities

Companies engaging with suppliers are **14x** more likely to report opportunities



Compliance

Mandatory or voluntary

CDP's disclosure platform improves consistency of information for purchasing companies and investors.



Enabling standards-aligned disclosure globally

CDP turns standards into something tangible an organization can use; questions and datapoints to be answered and actioned, sharing this high-quality data back to stakeholders and the market in one dataset.

Aligned



S2 since 2024



Partially aligned.
Technical coordination ongoing.



Expanding alignment



Substantial alignment between
CDP questionnaire and ESRS E1.

Exploring further alignment via an
official partnership.



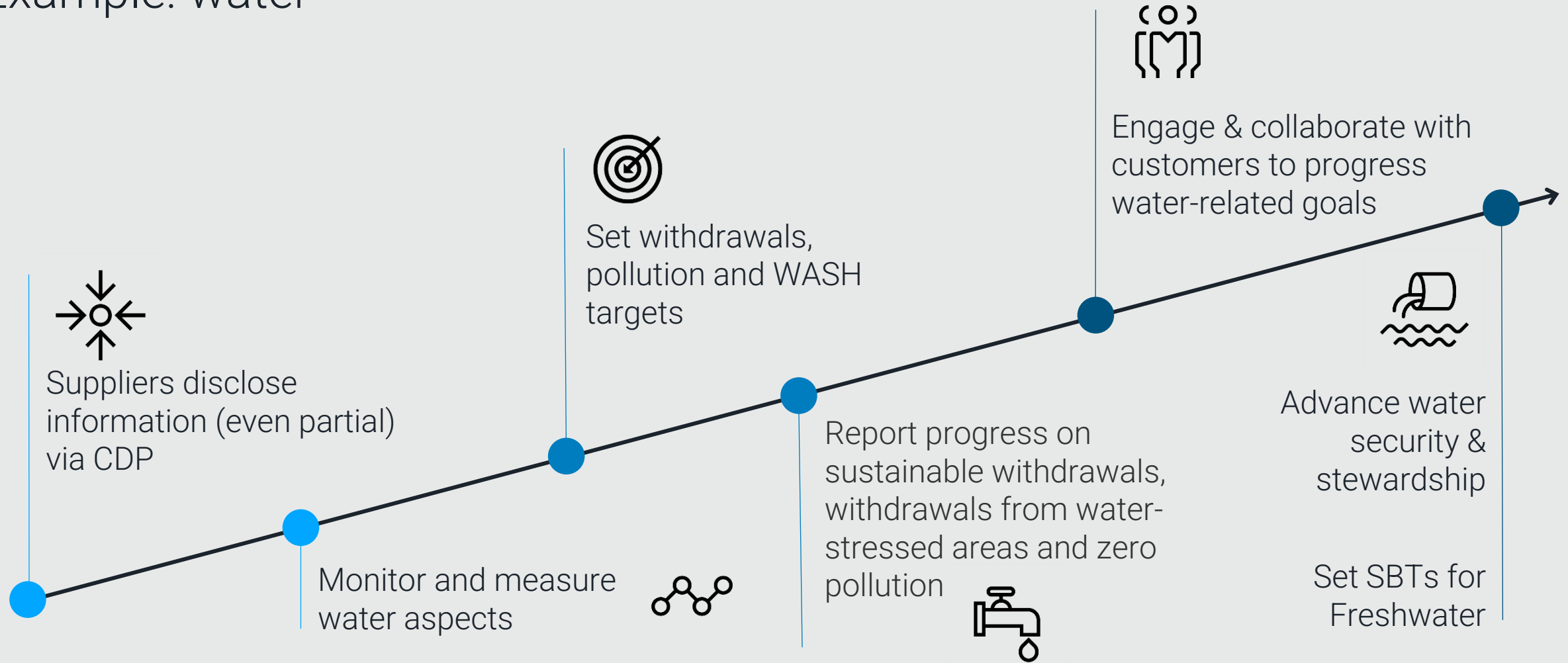
Partially aligned with TNFD
disclosure recommendations,
working towards full alignment.



Roadmap for Disclosing Suppliers



Example: water



Phase 1: Establish foundation

Phase 2: Build capacity

Phase 3: Improve performance

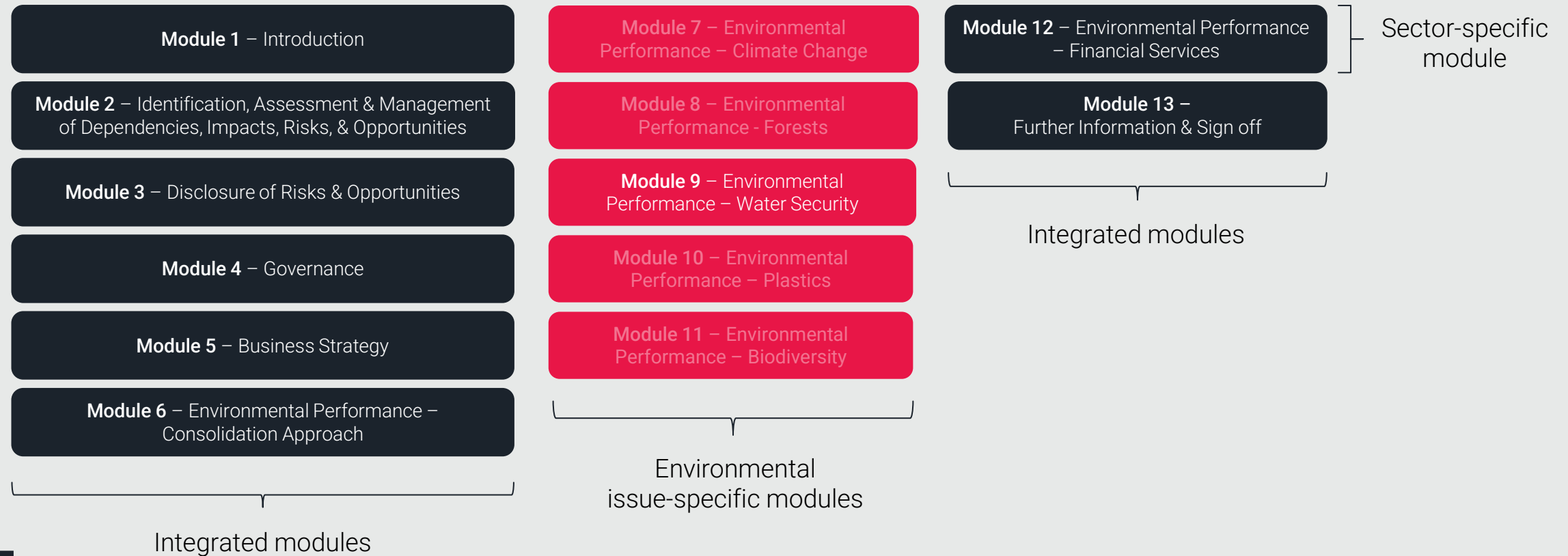
Water disclosure journey

Using disclosure to drive
environmental improvement



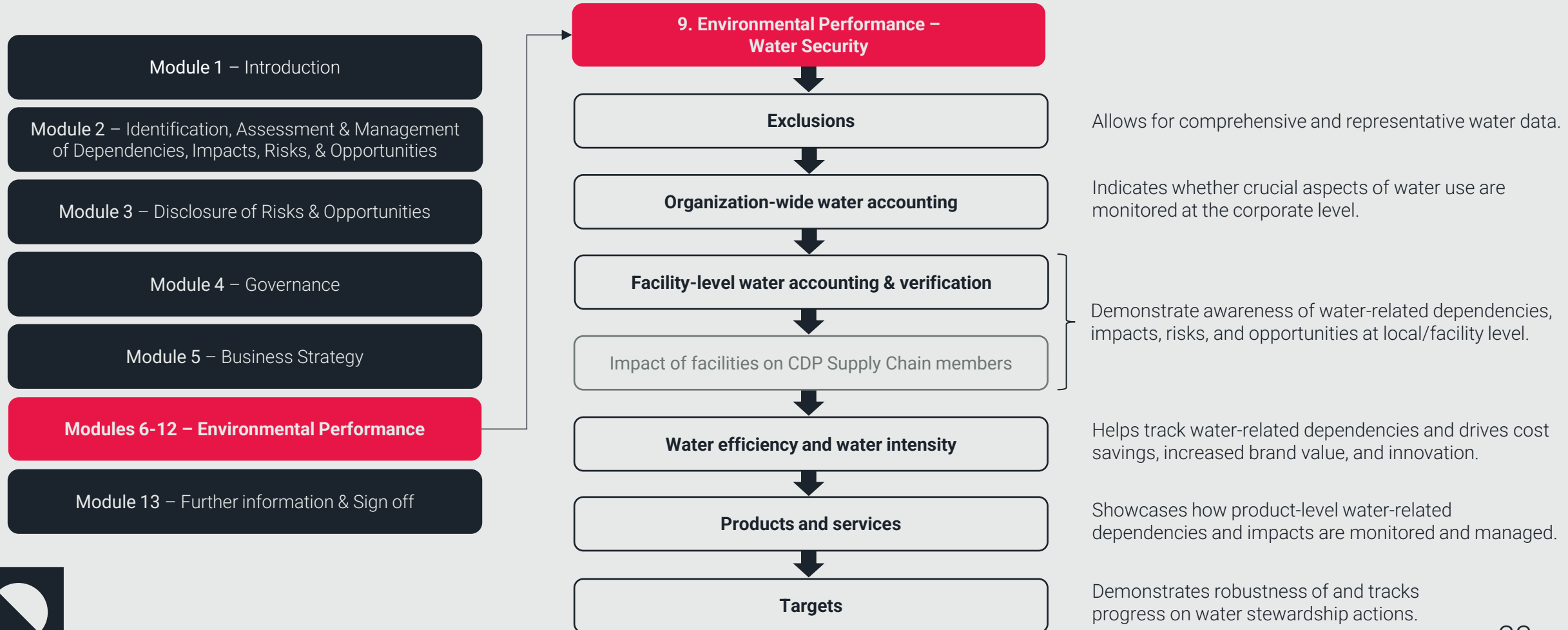
Full corporate questionnaire:

Streamlined, holistic reporting



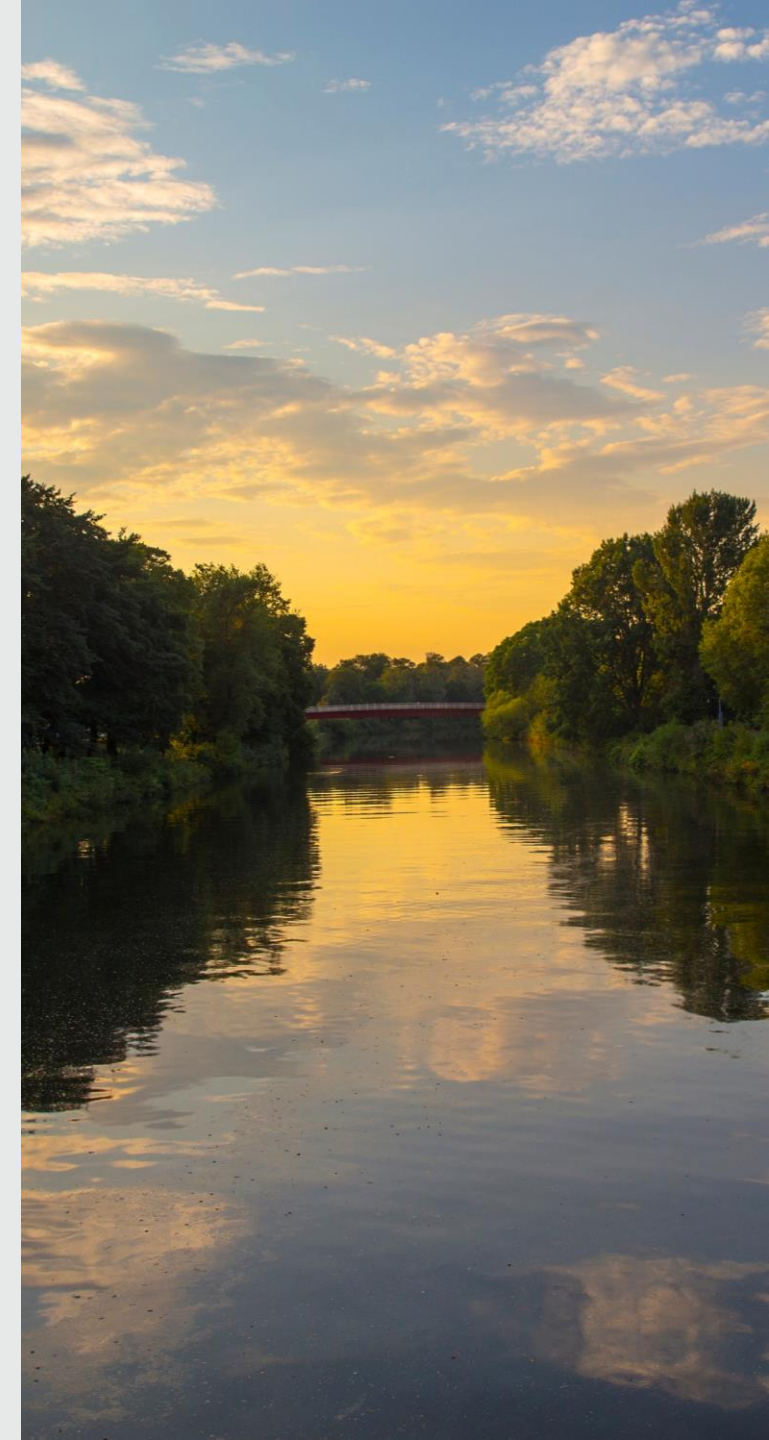
Module 9:

Environmental Performance – Water Security



Introduction to water accounting

- Measurement and monitoring of water-related data within an organization's boundaries.
- Key concepts:
 - Water withdrawals
 - Water discharges
 - Water consumption
- 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](#)



Focus:

Water accounting (organization-wide and facility level)



The questions in this section allow your organization to demonstrate how well it understands its corporate hydrology by providing information on the monitoring of relevant water aspects. This includes volumetric data on withdrawals, including from water stressed areas, discharges by level of treatment, and consumption.

- **Measurement:** The collection of quantified data for a water aspect - either as a single volume/quality figure or an aggregation of volumes/ quality figures.
- **Monitoring:** This is the tracking of measurements over time, i.e. a trend or indication of change in measured figures.
- **Water withdrawals:** The sum of all water drawn into the boundaries of the organization (or facility) from all sources for any use over the course of the reporting period.
- **Water discharges:** The sum of effluents and other water leaving the organization's boundary and released to surface water, groundwater water or to third parties over the course of the reporting period.
- **Water consumption:** The amount of water drawn into the boundaries of the organization (or facility) and not discharged back to the water environment or a third party over the course of the reporting period.

Full	Section 9.2 and 9.3
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Example – Organization X

9.2: Monitors the following water aspects:

- Water withdrawals – total volumes in 100% of their facilities monthly.
- Water discharges – total volumes in 100% of their facilities monthly.
- Water consumption – total volumes in 100% of their facilities monthly.

9.2.2: Reports the following volumes:

- Total water withdrawals: 150,000m³
- Total water discharges: 30,000m³
- Total water consumption: 120,000m³

Useful resources:

[CDP Technical Note: Water Accounting](#)

Focus:

Withdrawals from water stressed areas



Why is this important?

Water stress is a driver of business risk and, as stress is likely to worsen, transparency is critical. Understanding elevated business risk due to operations in water stressed areas is important for the investor community, and this question allows data users to review the trend in dependency on water from stressed basins.

Full	9.2.4
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Water stress ('areas with'): a concept that considers physical quantity aspects related to water resources, including water availability. As good practice, a water stressed area should be measured at the catchment level as a minimum. Commonly accepted global indicators to assess areas as water stressed and their thresholds for reporting to CDP include:

- **Water availability** – category greater than 'High risk': 3.4 ([WWF Water Risk Filter](#)).
- **Baseline water stress** – indicator equal to/greater than 'High': 40-80% ([WRI Aqueduct Water Risk Atlas](#)).
- **Baseline water depletion** – indicator equal to/greater than 'High': 50-75% ([WRI Aqueduct Water Risk Atlas](#)).



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 allows 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
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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



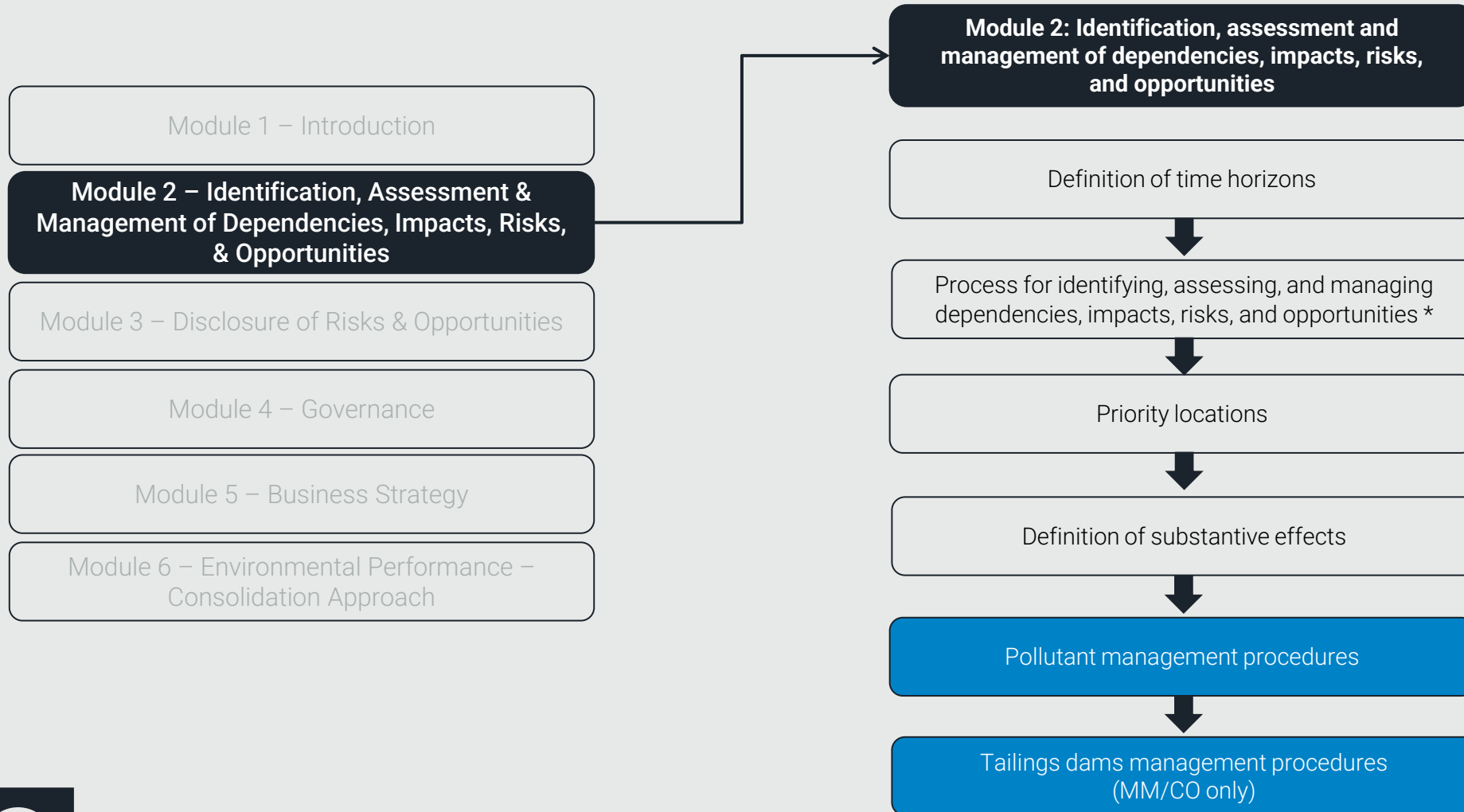
Examples of actions and procedures to minimize adverse impacts:

- 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

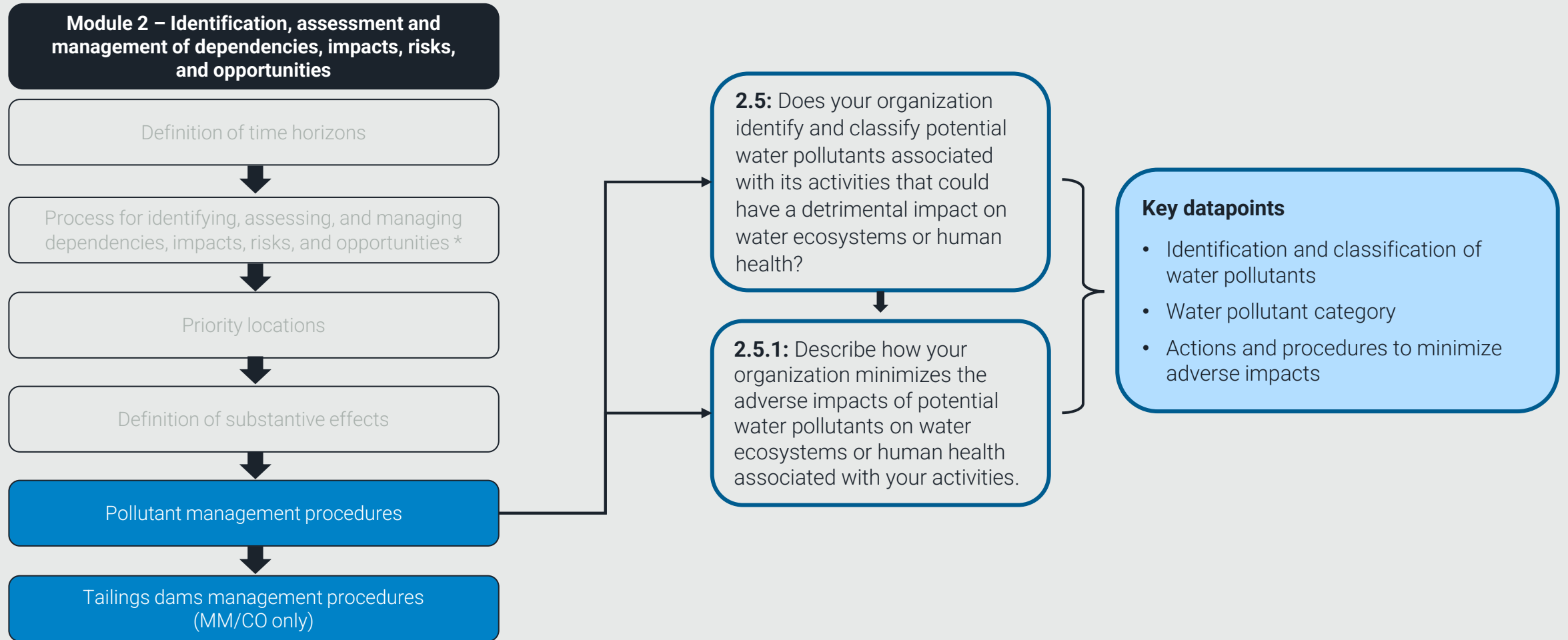
Water disclosure journey – deep dive



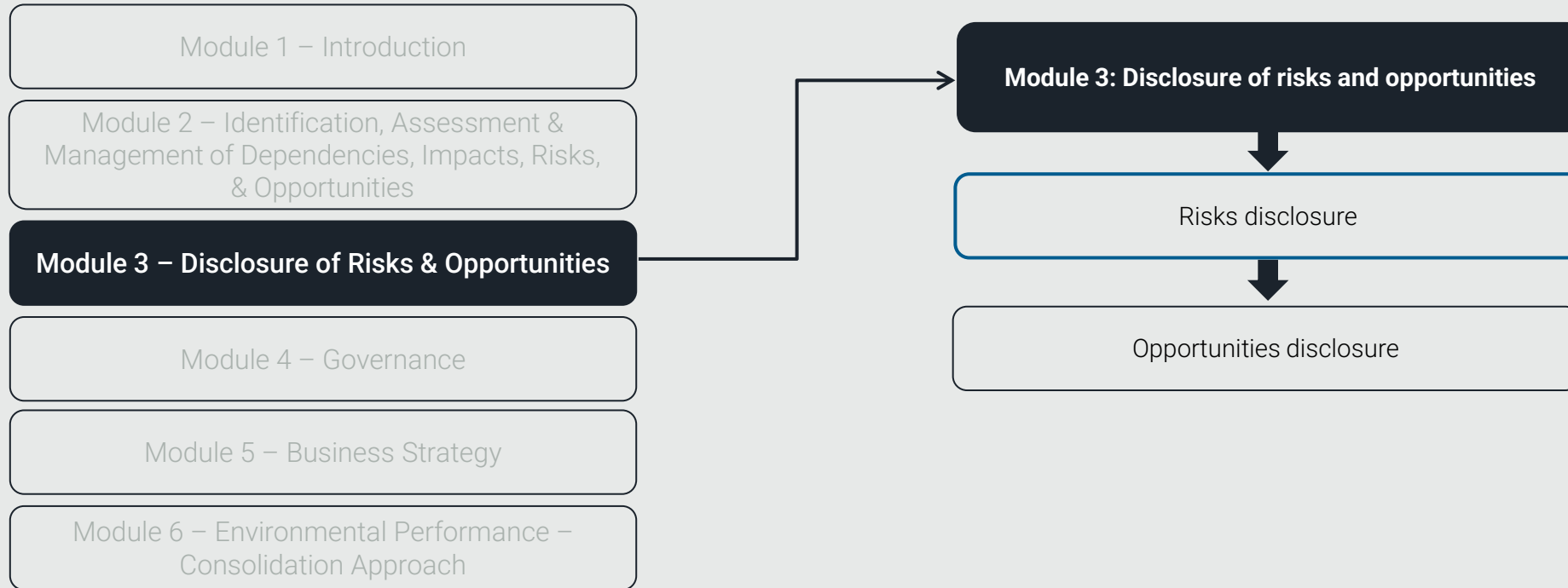
Module 2: key sections for Water



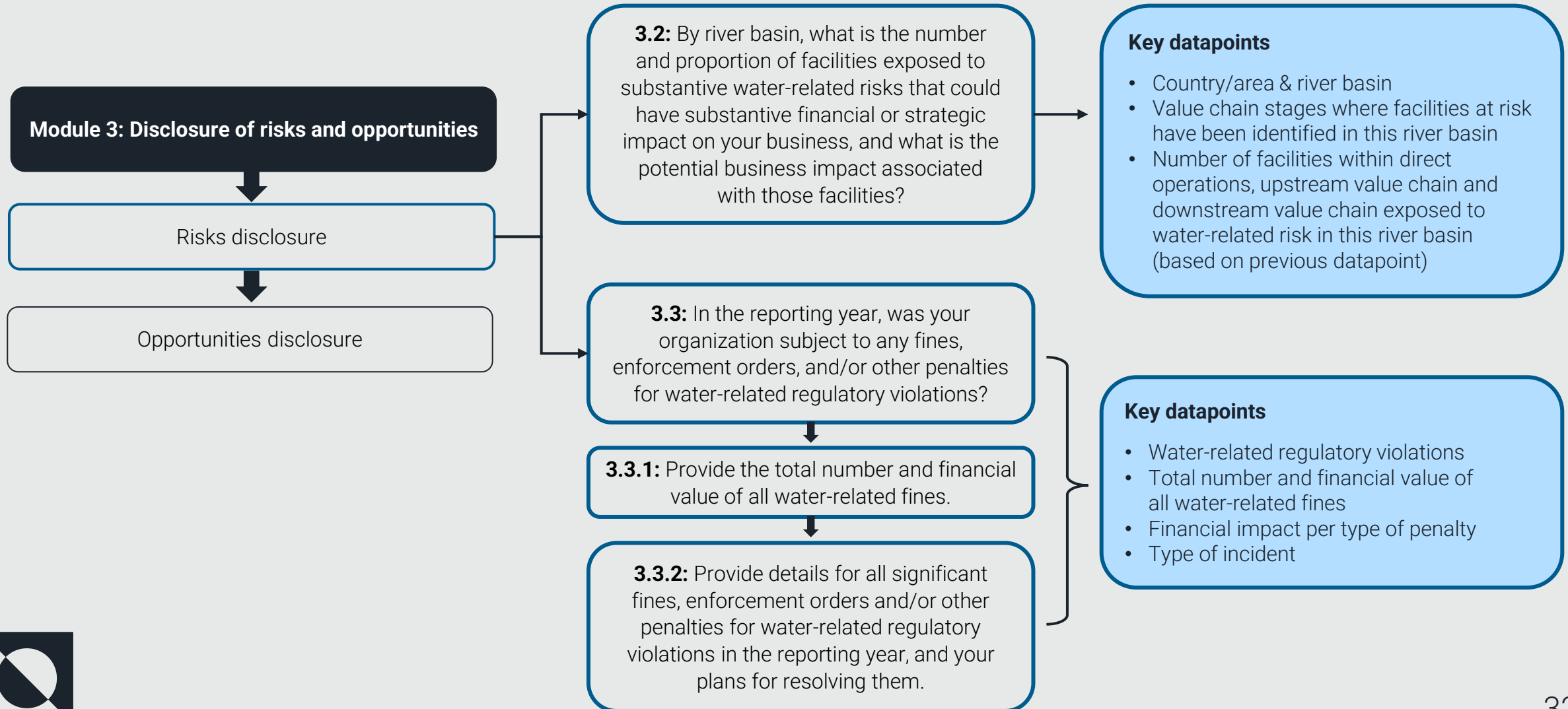
Module 2: key questions for Water



Module 3: key sections for Water



Module 3: key question for Water



Module 5: key sections for Water

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

Module 5: Business strategy

Scenario analysis

Transition plans

Effect of RO on Strategy and Financial Planning

CAPEX/OPEX alignment

Low-carbon R&D **

CAPEX breakdown **

CAPEX and OPEX trends

Pricing environmental externalities

Value chain engagement *

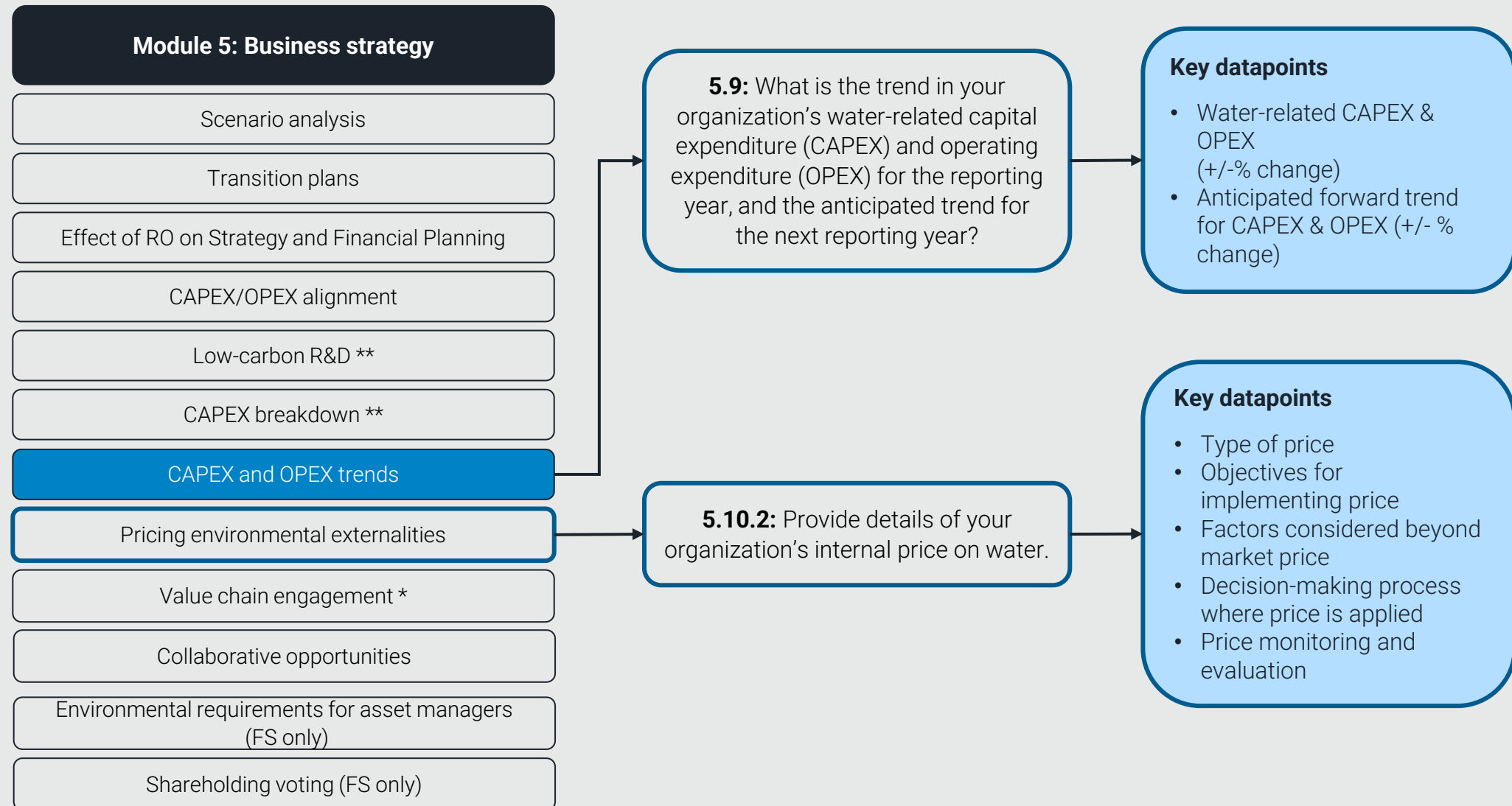
Collaborative opportunities

Environmental requirements for asset managers (FS only)

Shareholding voting (FS only)

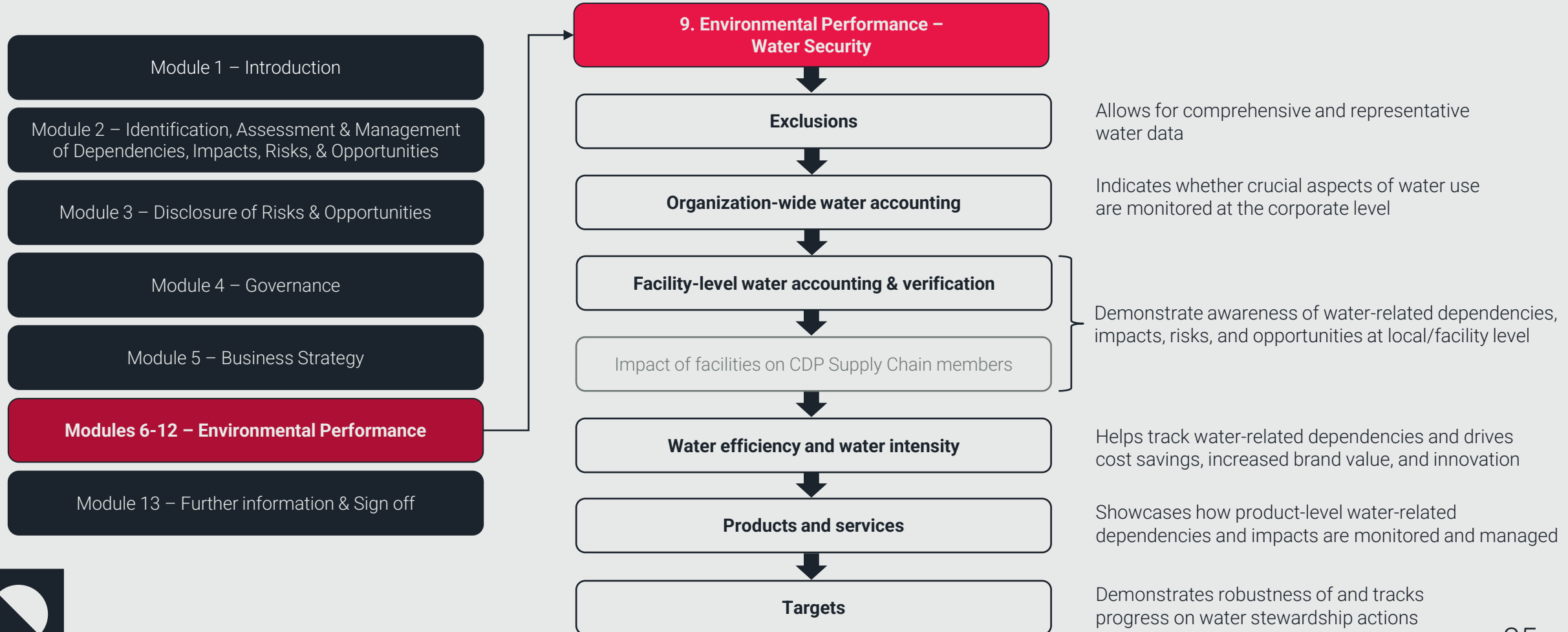


Module 5: key sections for Water

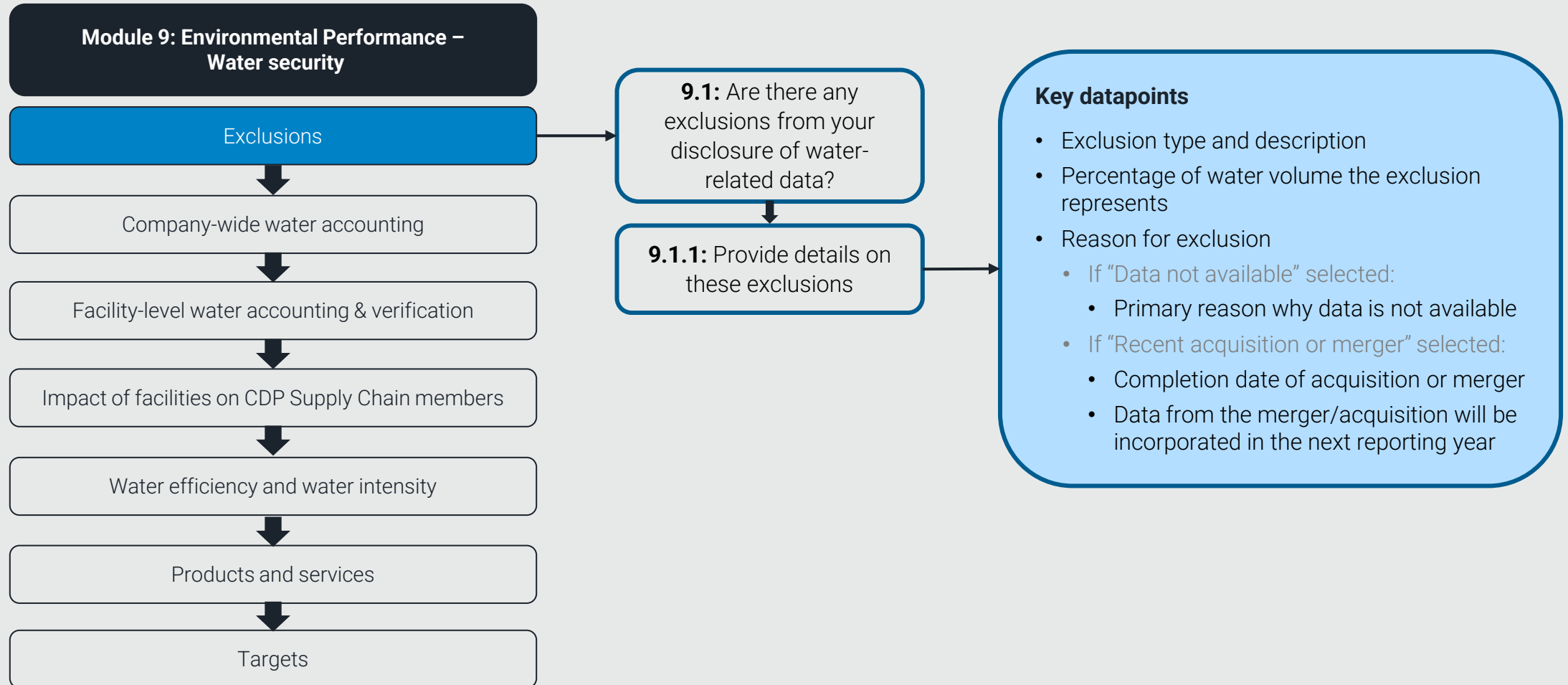


Module 9:

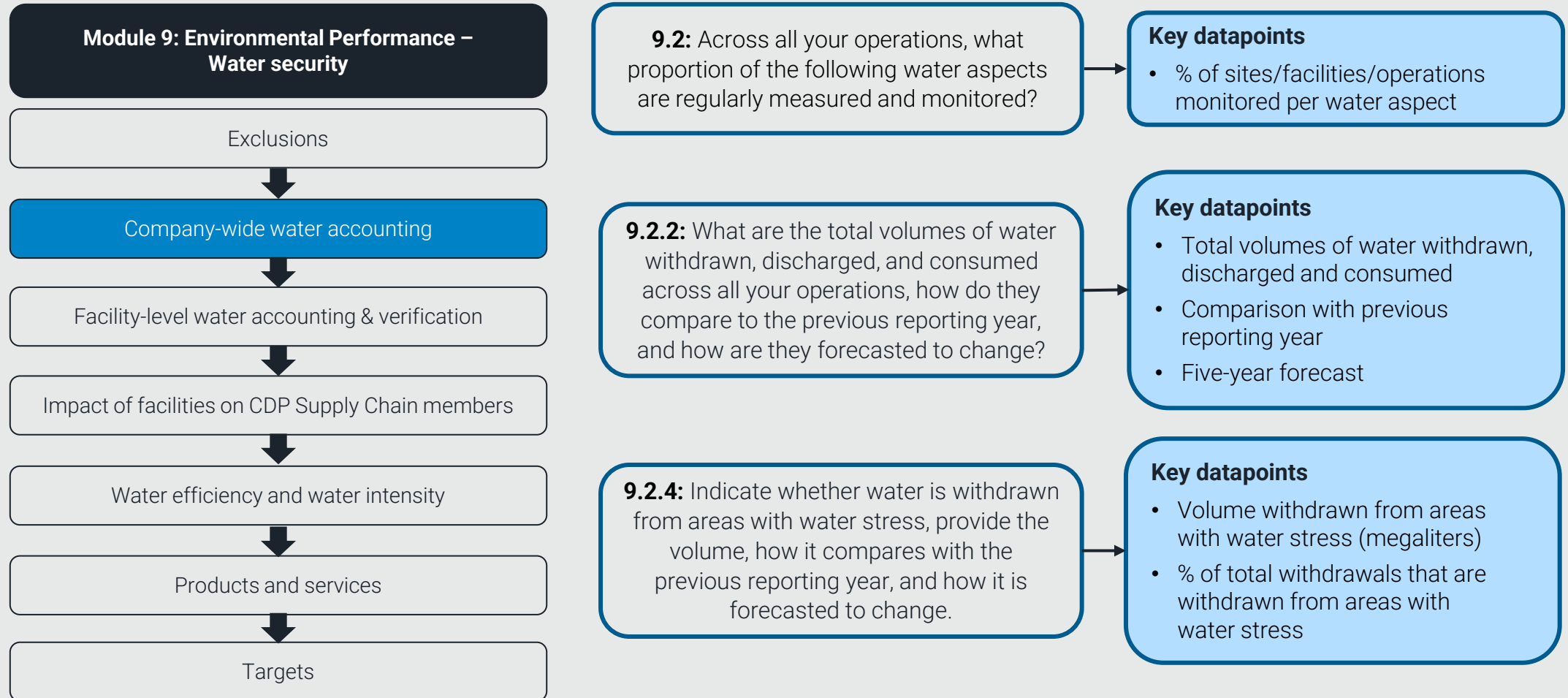
Environmental Performance – Water Security



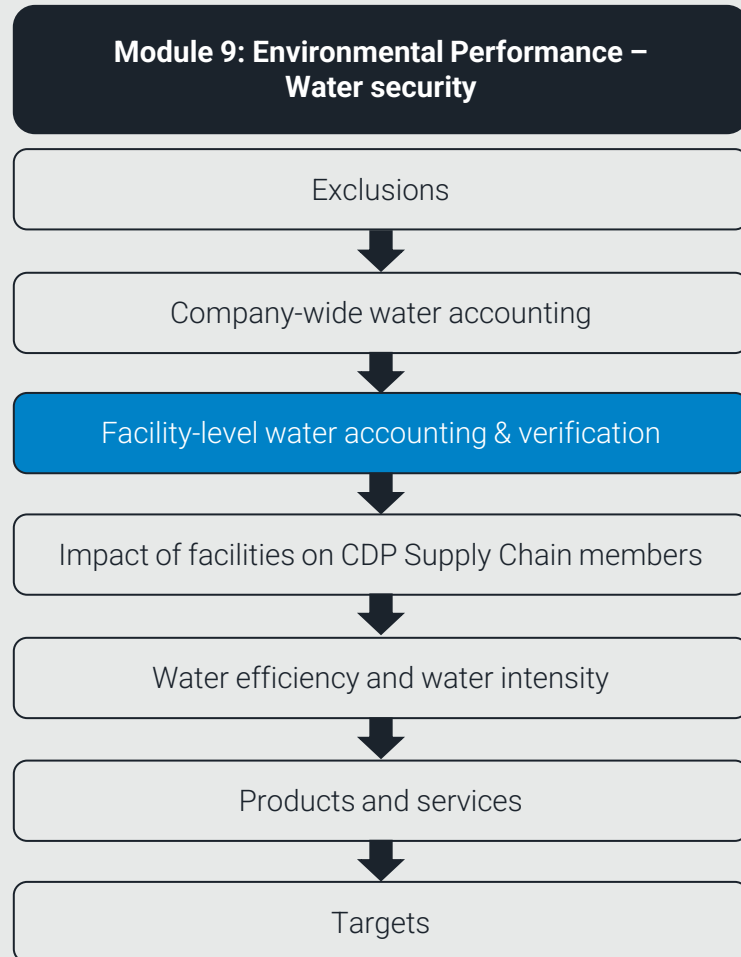
Module 9: Exclusions



Module 9: Company-wide water accounting



Module 9: Facility-level water accounting



9.3: In your direct operations and upstream value chain, what is the number of facilities where you have identified substantive water-related dependencies, impacts, risks, and opportunities?

9.3.1: For each facility referenced in 9.3, provide coordinates, water accounting data, and a comparison with the previous reporting year

9.3.2: For the facilities in your direct operations referenced in 9.3.1, what proportion of water accounting data has been third party verified?

Key datapoints

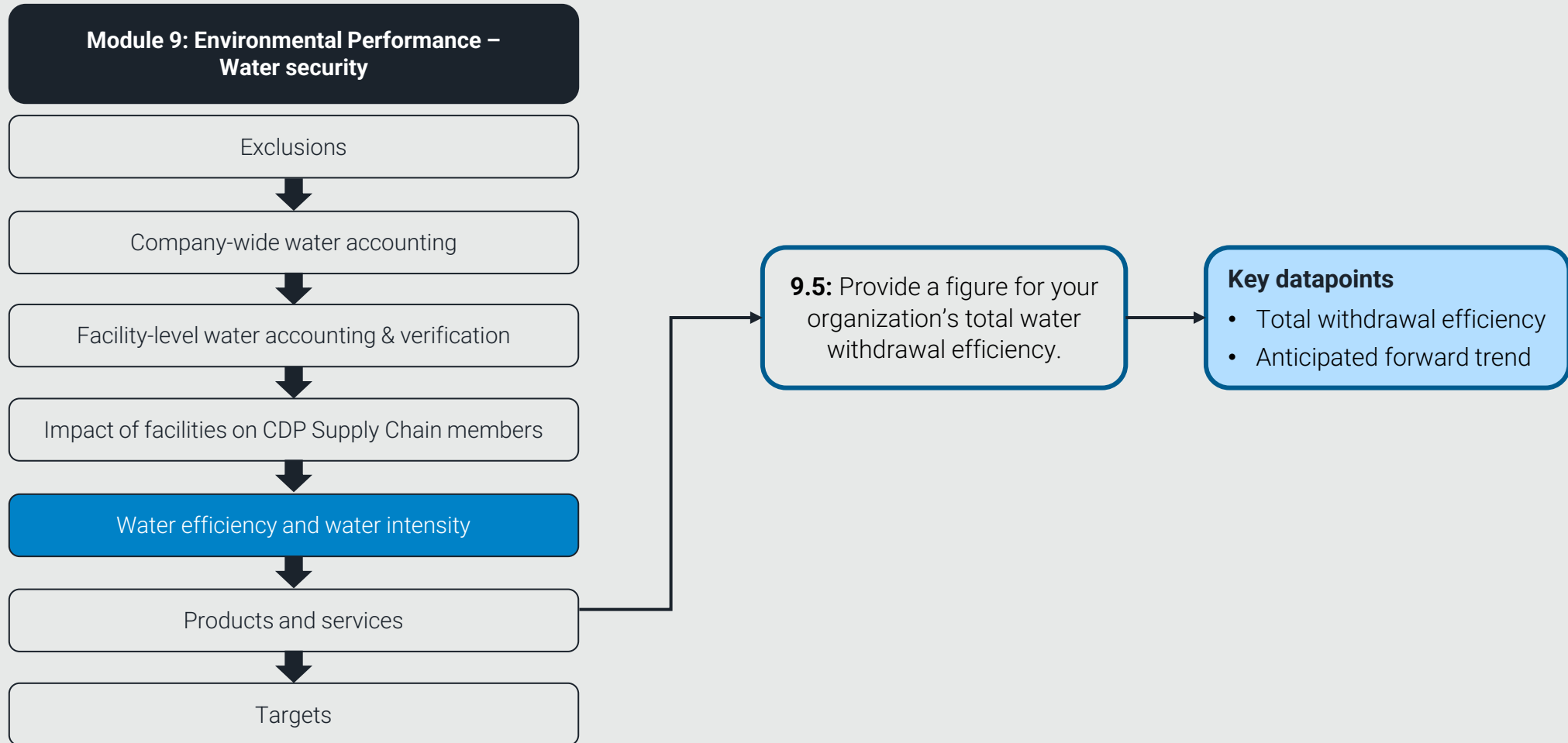
- Identification of facilities with substantive water-related DIRO per value chain stage
 - Direct operations
 - Upstream value chain

For each facility:

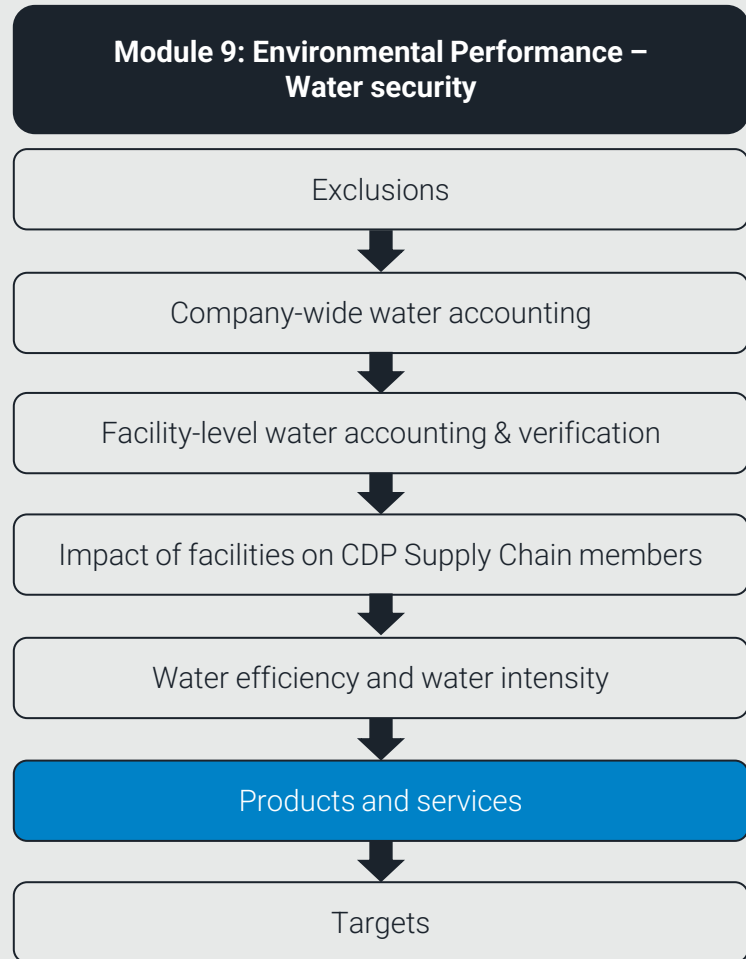
- value chain stage
- whether it relates to dependencies, impacts, risks, or opportunities identified
- whether it relates to water withdrawals or water discharges



Module 9: Water efficiency and intensity



Module 9: Products and services



9.13: Do any of your products contain substances classified as hazardous by a regulatory authority?

9.13.1: What percentage of your company's revenue is associated with products containing substances classified as hazardous by a regulatory authority?

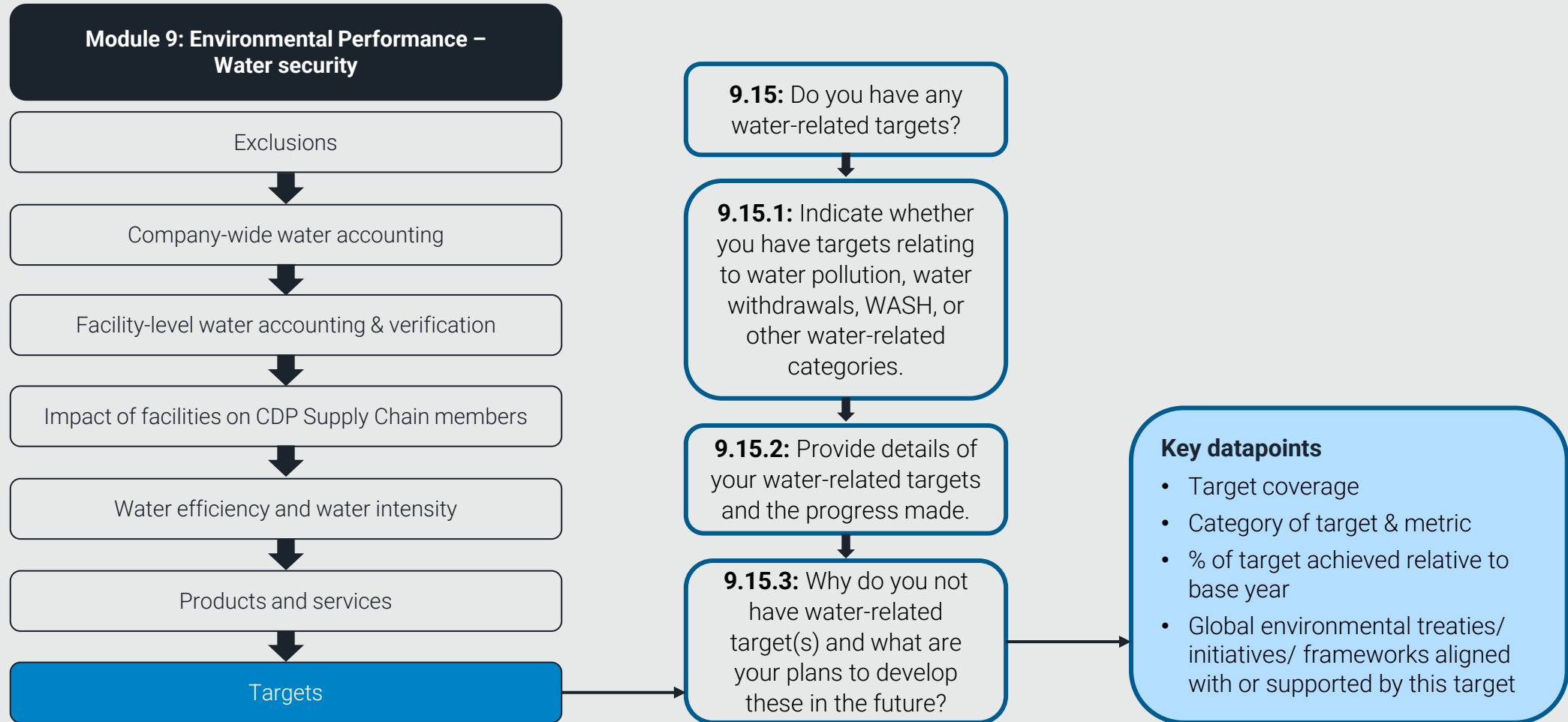
9.14: Do you classify any of your current products and/or services as low water impact?

Key datapoints

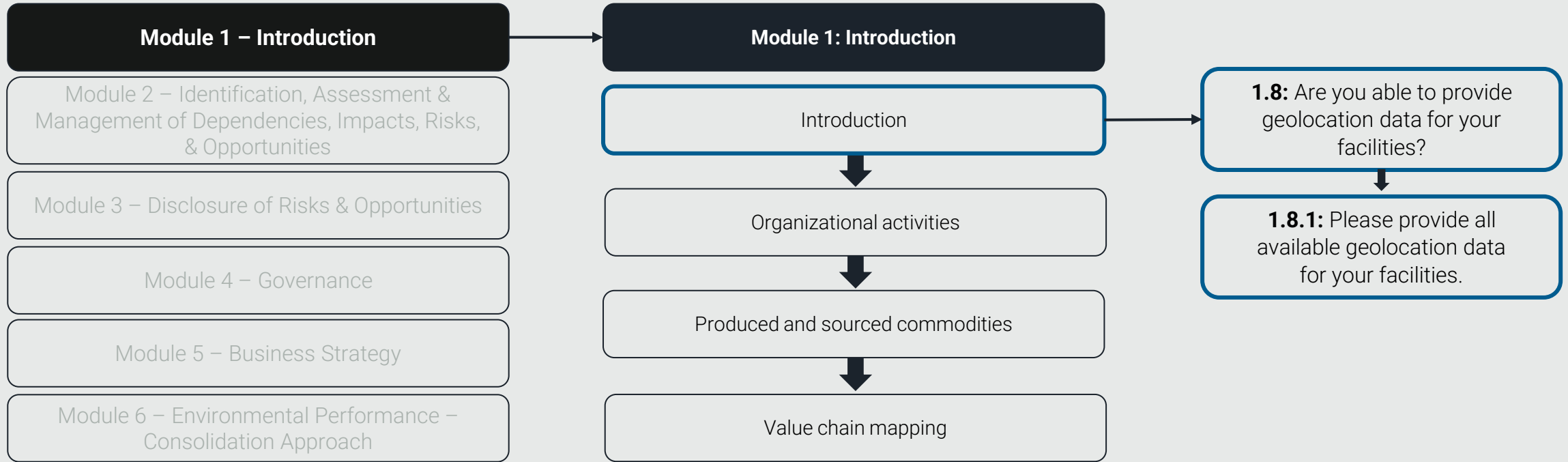
- Products contain hazardous substances
- Regulatory classification of hazardous substances
- % of revenue associated with products containing substances in this list



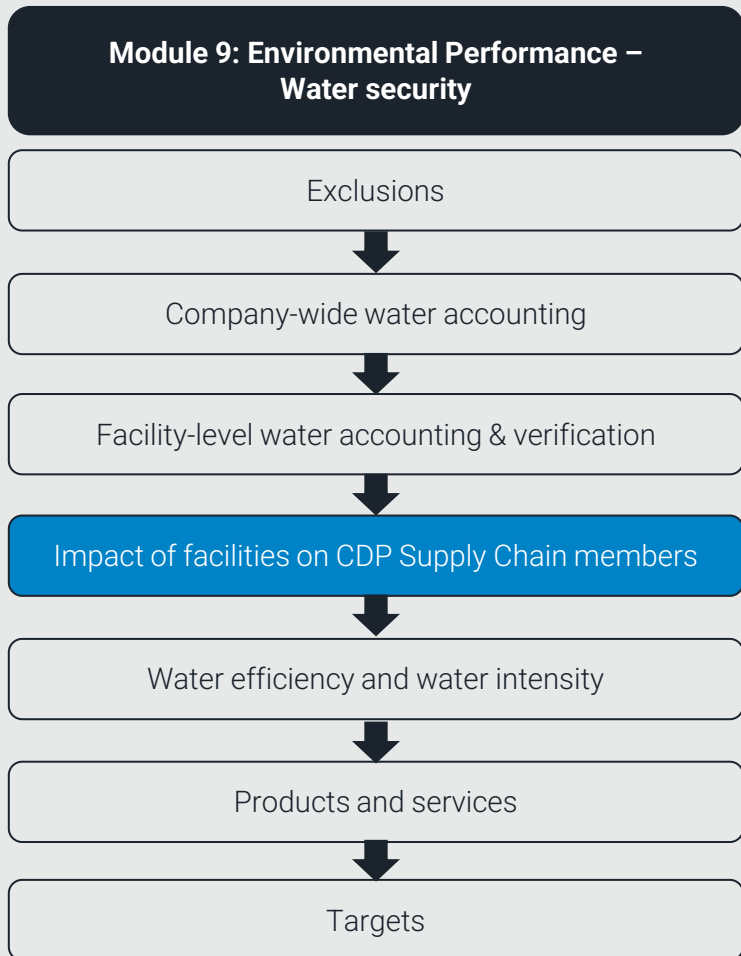
Module 9: Water-related targets



Module 1: SC questions for Water



Module 9: Impact of facilities on CDP Supply Chain members



9.4: Could any of your facilities reported in 9.3.1 have an impact on a requesting CDP supply chain member?

9.4.1: Indicate which of the facilities referenced in 9.3.1 could impact a requesting CDP supply chain member.

Key datapoints

- Requesting member
- Description of potential impact on member



2025 SME Questionnaire

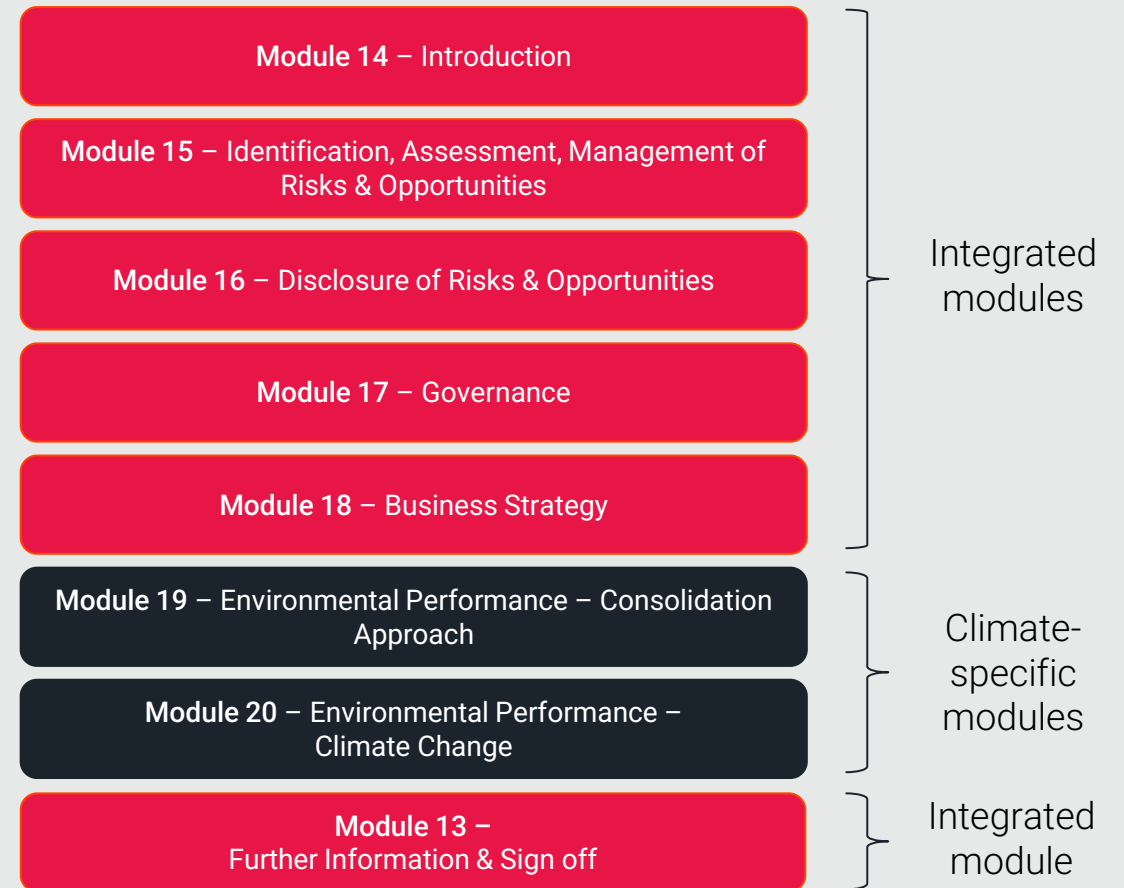
An overview



SME Questionnaire

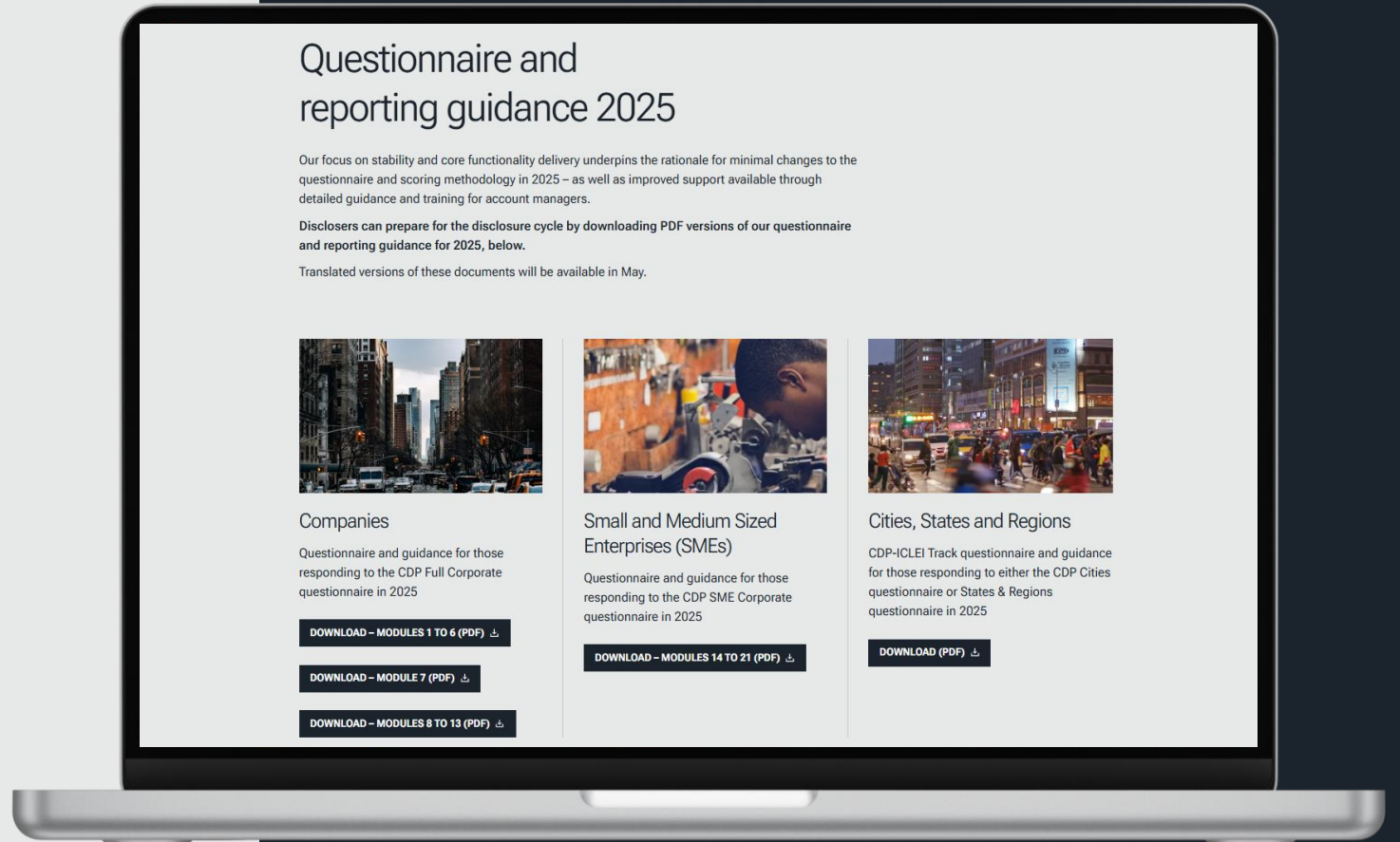
Layout and Structure

- CDP's SME questionnaire is mostly focused on climate to match the resources of SMEs.
- Integrated modules (14-18) also include a select few questions where SMEs can start to provide water data on topics such as:
 - Risks and opportunities assessment process
 - Engagement with suppliers, customers, and other stakeholders
 - Water-related initiatives you could collaborate on with CDP Supply Chain members



Guidance and Support

- Visit our online Disclosure Guidance page: [Our Question Bank - CDP](#)
- Hub for all available guidance documents.



Resources

Resources for Disclosure in 2025

- [Questionnaire and reporting guidance 2025](#)
- [Corporate Disclosure Key Changes for 2025](#)
- [CDP Guidance and scoring methodology for companies](#)
- [CDP Help Center: Knowledge Base and Support Tickets](#)
- [FAQs: General disclosure information](#)

Water-related resources

- [CDP Water Watch – CDP](#)
- [CDP Technical Note on Water Accounting](#)
- [Water Disclosure in EU Regulation](#)
- [Corporate water stewardship and science-based targets for freshwater – CDP](#)
- [CDP Global Water Report 2023: Stewardship at the Source](#)



Scoring Deadline
15 September 2025



A photograph of three people in an office environment. On the left, a person with dark hair is seen in profile, looking towards the center. In the middle, a man with curly blonde hair is looking down at a desk. On the right, a woman with dark hair is also looking down at a desk, holding a pen. The background shows office equipment like monitors and a desk lamp. A large dark blue semi-circle is overlaid on the bottom half of the image, containing the text and logo.

Any Questions?





Thank you!

Any questions please visit cdp.net

[Post-training survey](#)

