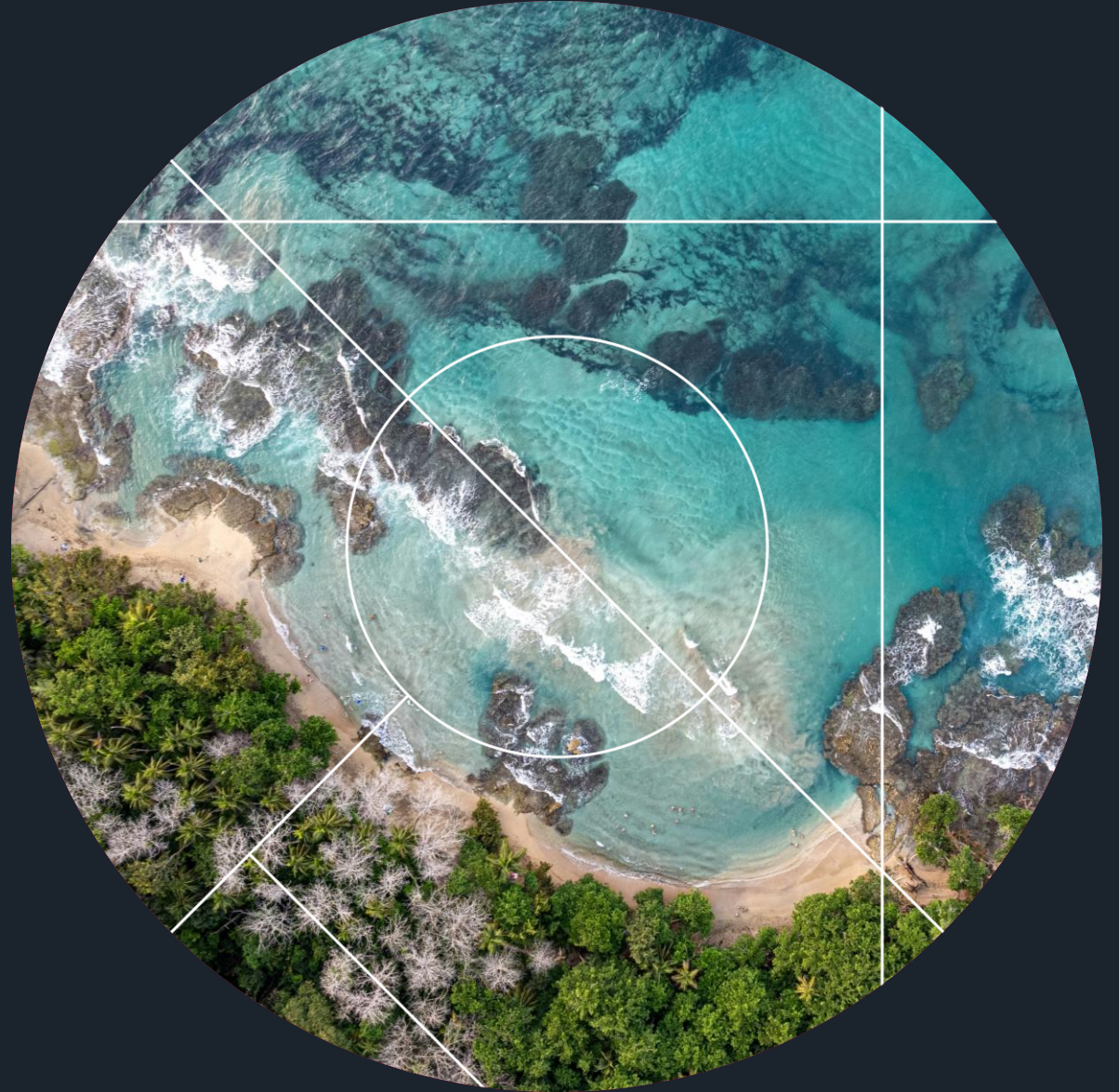


Water

Group Support Webinar

July 2026



Agenda

Why water, why now?



Fair Water Footprints



Water materiality



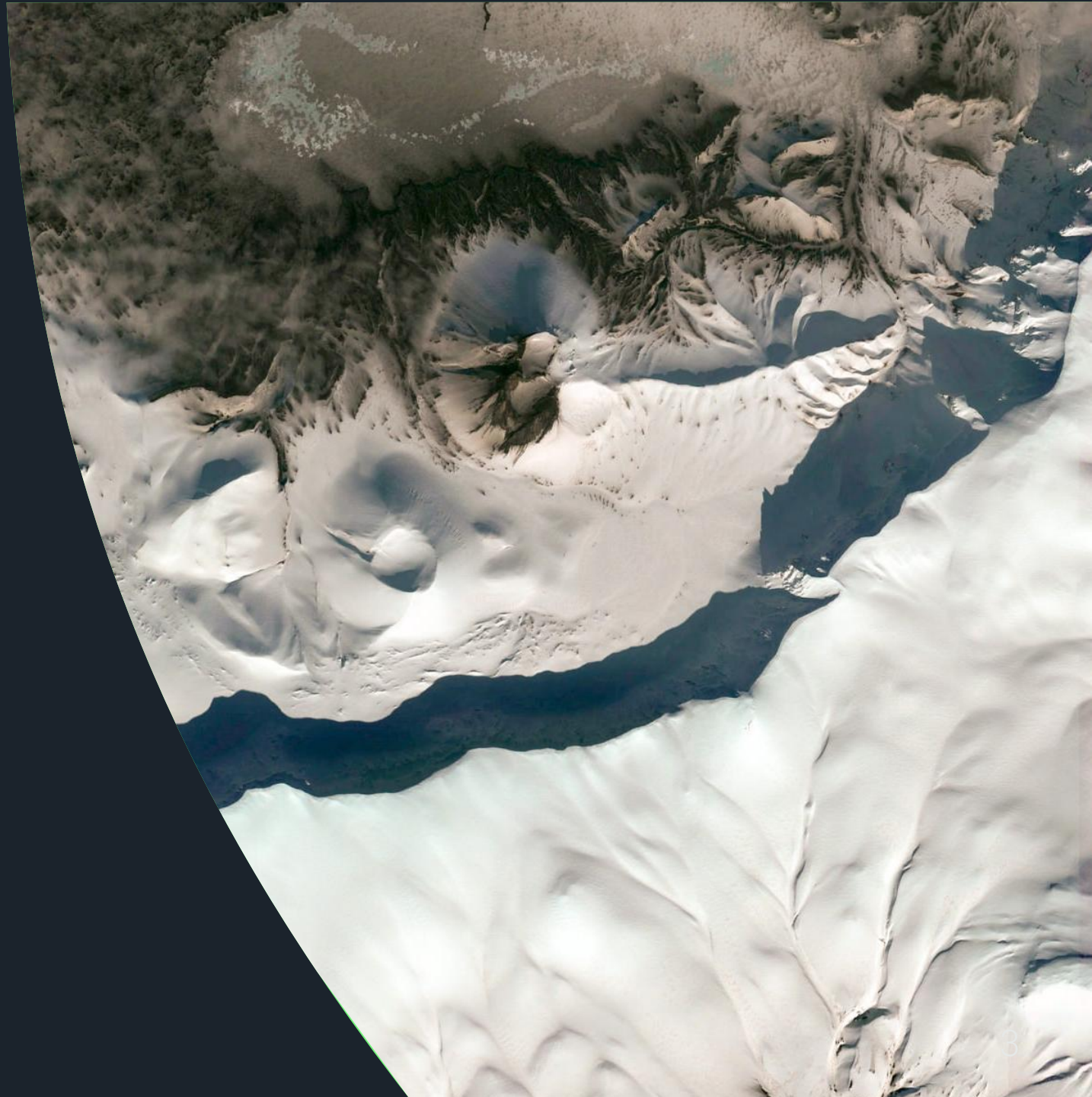
Water disclosure journey



Benefits for suppliers



Why water,
why now?



A changing global operating environment



Geopolitical fragmentation is **reshaping trade and global supply chains**



Supply chains are being **re-shaped for security, not efficiency**



Industrial policy and trade are **tightening around critical resources**



Water **governance capacity is under pressure** in many production regions



Physical impacts are intensifying: **scarcity, flooding, declining water quality**



Reading material: Making water use in global trade more sustainable: The challenge to improve supply-chain resilience and water security in the context of geopolitical change

Water is going to become a competitiveness variable

ESG, sustainability & stewardship → Competitiveness, economic security & resilience



Water influences supply chain continuity, production capacity, cost stability.

Today, water affects whether production can continue, whether supply chains remain stable, and whether costs remain predictable.



Exposure often sits upstream, across multiple basins, outside of direct control.

Traditionally, stewardship activity has focused on direct operations, where companies have the greatest control and visibility. Yet the most material vulnerabilities frequently sit beyond Tier 1 suppliers.



Despite its importance, water is still not treated as an economic variable in most cases.

Only around **7% of companies** report applying an internal price on water, and even fewer factor in broader costs.



Water risk is embedded in global trade

When production depends on stressed basins, water risk becomes trade risk and economic security risk

Companies depend on water systems they do not control

Risks are often remote but material

80%

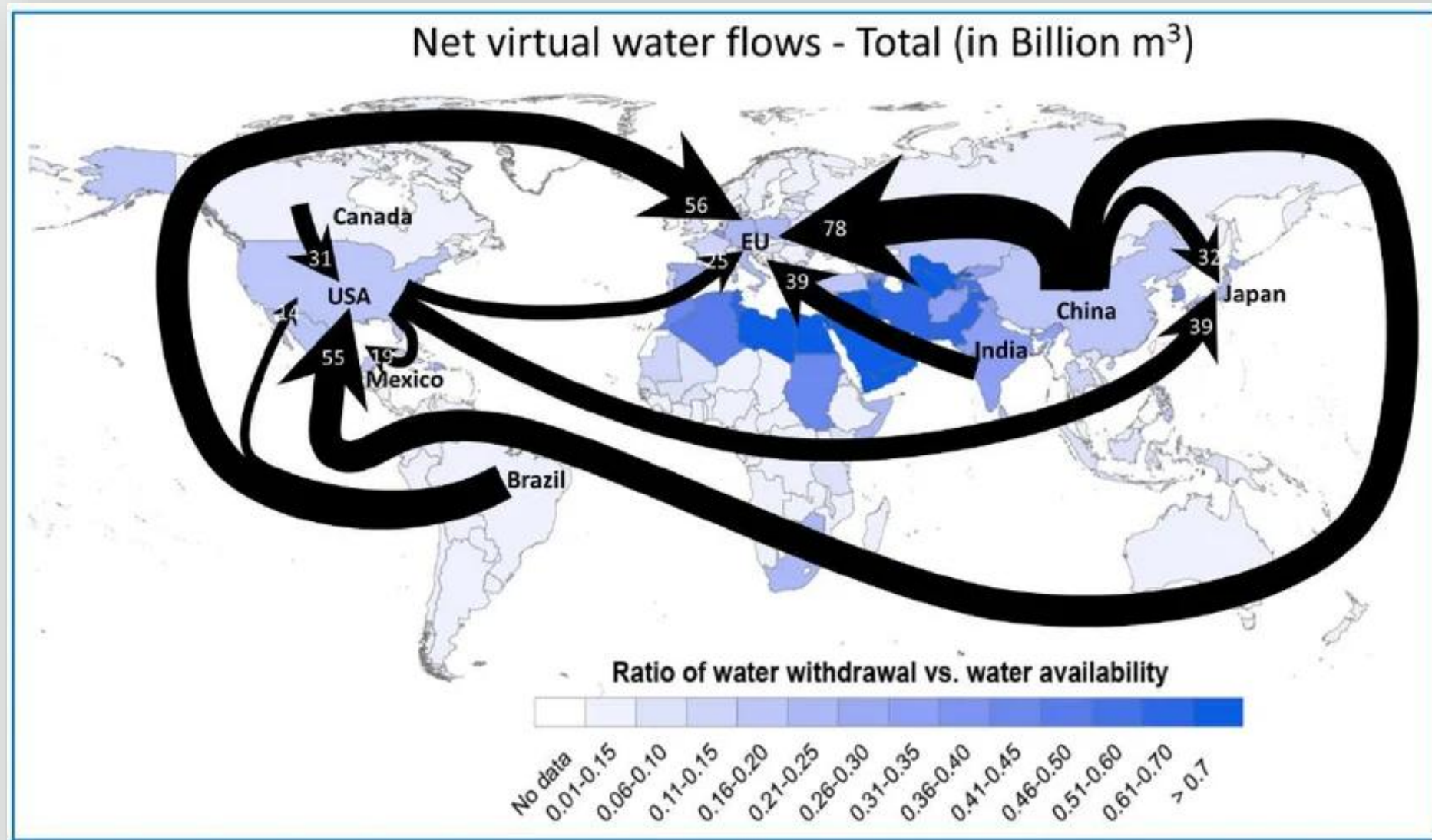
of upstream supply chain facilities of companies HQ in the Global North are located in the Global South

56%

of these are in water-stressed areas.



Map of global net virtual water flows



Why this matters for companies now

- Water shocks are more **frequent, system-wide, less predictable**
- **Impacts are no longer local**, they spread across facilities, supply chains, and markets
- Markets are responding
 - Investors request exposure transparency
 - Regulators increase scrutiny during crises

27% of companies report withdrawing **water** from stressed areas

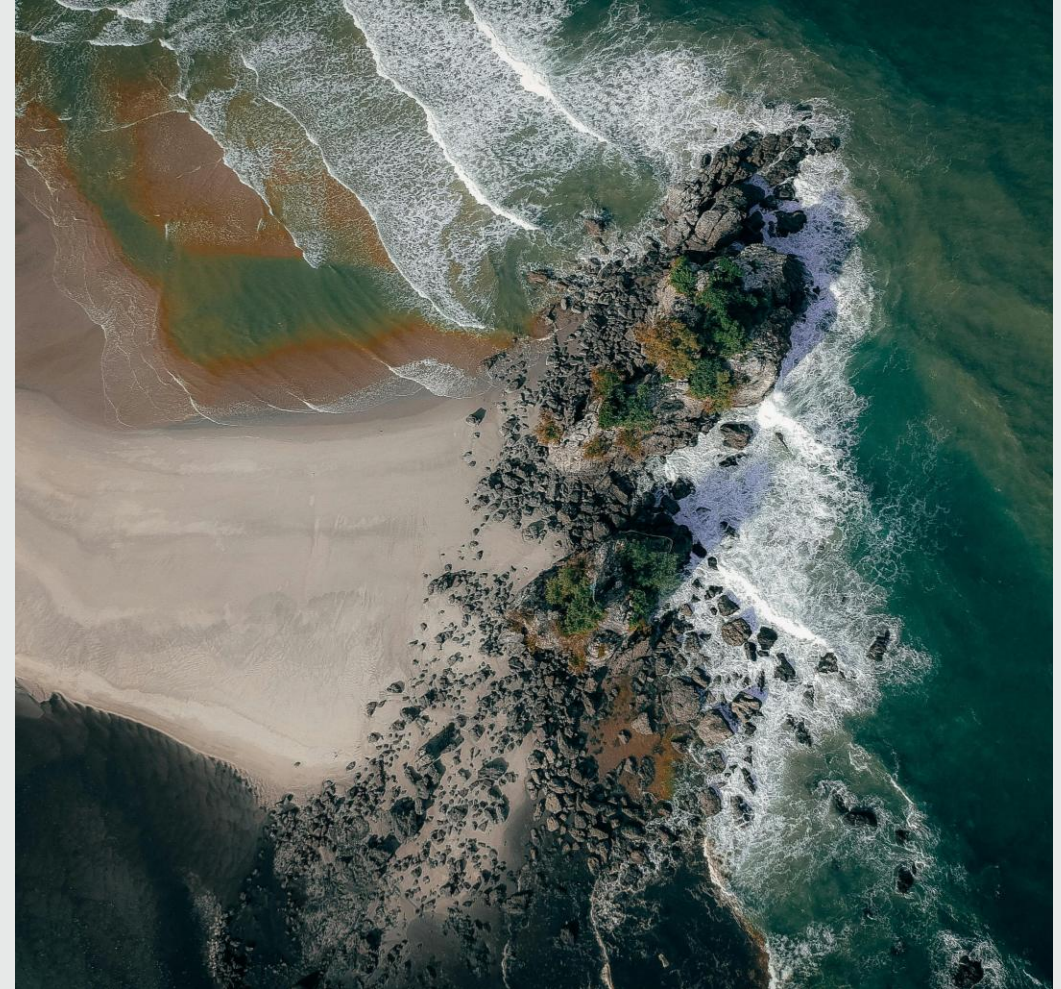


Most water risk remains hidden

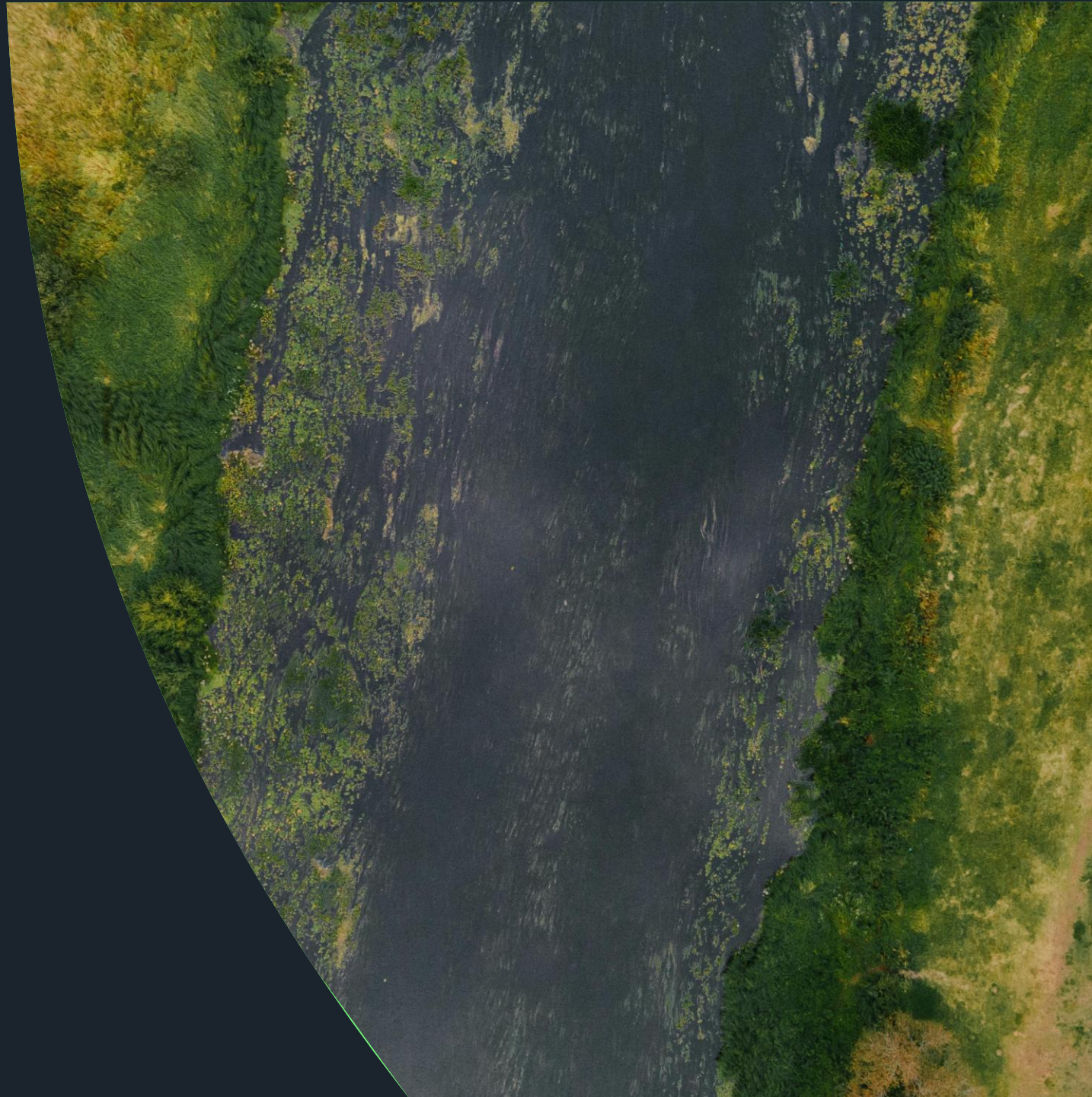
- Water is an **invisible input across global value chains**
- Consumer economies rely heavily on external ('virtual') water
- Supply chains link water-stressed regions to global demand

78% of companies are mapping their value chains

- But most only map to Tier 1 suppliers
- This equals **limited visibility beyond direct suppliers**



The Fair Water Footprints (FWF) Programme



Fair Water Footprint

- **Goal** - By 2030, Fair Water Footprints (FWF) will become the business norm in global supply chains with the highest water and climate risks, benefiting vulnerable people and promoting systemic change in governance, policy, and practice in major trading partnerships.
- It focuses on **sustainable & equitable water use** at basin level, so **trade & investment support local water security** rather than undermine it.
- **Water footprint**: total amount of water a company uses to create food, clothing, and other consumer goods.
- FWF provides a **practical framework** to help businesses secure water resilience across their supply chains.
- By **joining FWF**, businesses demonstrate leadership, influence policy, and gain access to cutting-edge data and tools to future-proof their supply chains while contributing to global water security.



Fair Water Footprint Principles

Ensure that the water footprints over which we have control and influence will be fair by 2030, so that business operations, services, and supply chains associated with significant water and climate-related risks will demonstrate:



1. Zero water pollution



2. Sustainable withdrawal and equitable allocation of water



3. Protection of nature



4. Access to safe water, sanitation, and hygiene



5. Resilience to drought, floods, climate variability, and water conflict



When is Water Material?

Water Watch Tool



Water becomes material when

Operations depend on water availability or quality



Supply chains are exposed to stressed basins



Disruption can affect cost, revenue or continuity



Water impact assessment

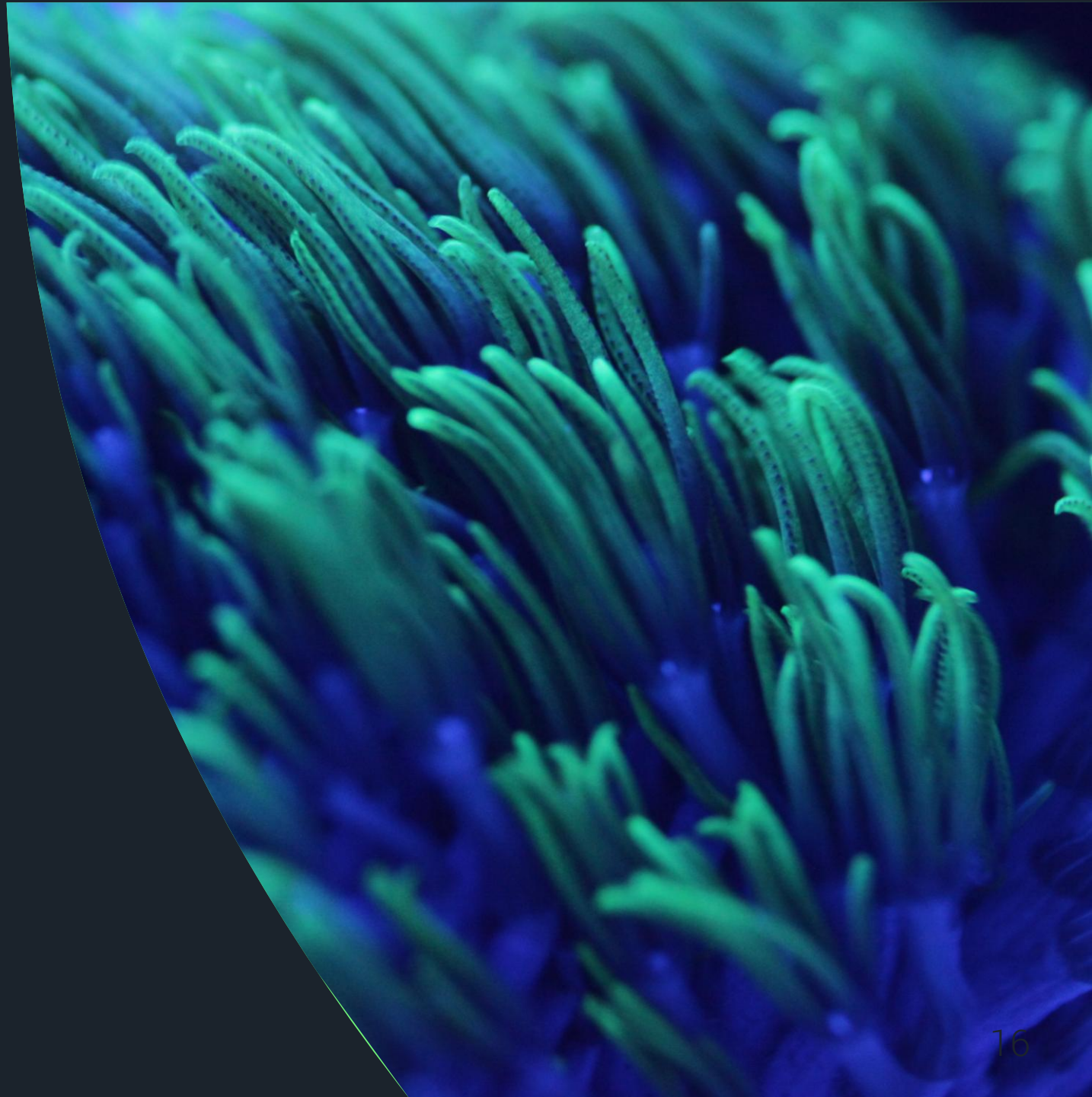
Water Watch Tool

- The CDP-developed independent assessment tool Water Watch is used to **evaluate each organization's water impact**.
- The tool ranks each of the 200+ industrial activities (based on CDP-ACS classification system), according to their potential impact on **water quantity and quality across all value chain stages**.
- This activity-based assessment is informed solely by independent, trusted academic and industry-recognized sources.



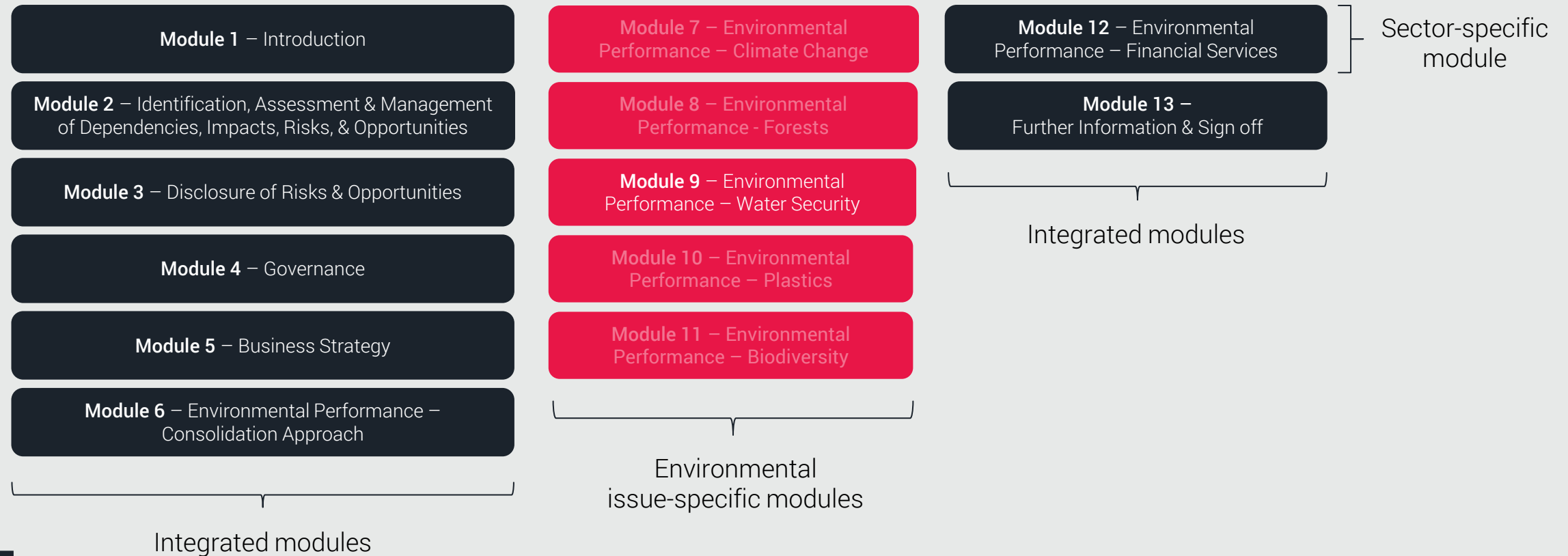
Water Questions Recap

Using disclosure to drive
environmental performance



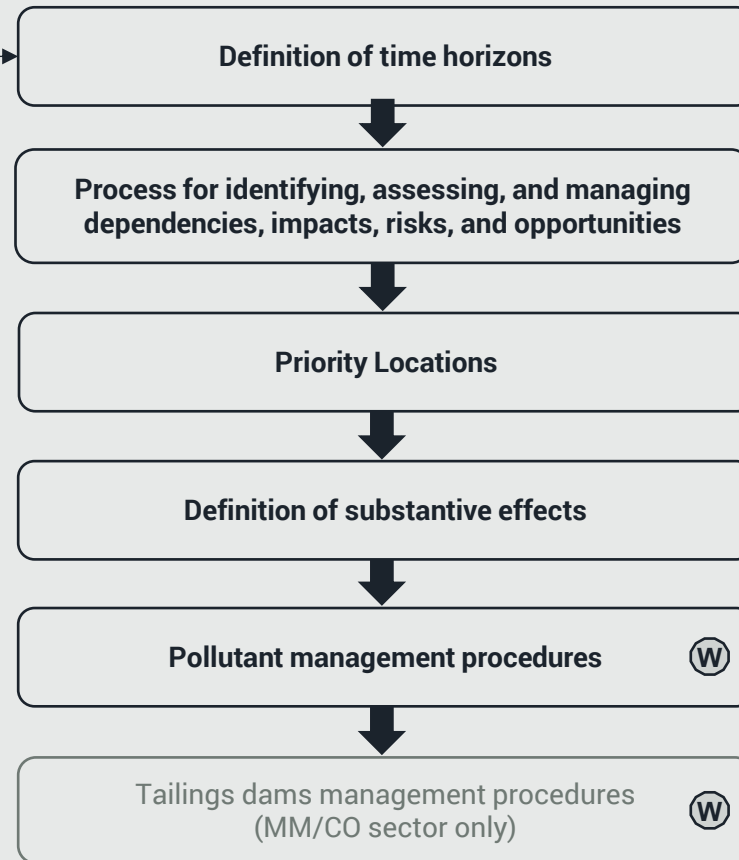
Full corporate questionnaire:

Streamlined, holistic reporting



Module 2:

Identification, Assessment & Management of DIRO



Contextualizes the different timescales at which organizations consider environmental issues in their assessment procedures.

Demonstrates the robustness of the assessment process and awareness of environmental dependencies, impacts, risks, and opportunities.

Helps to focus on locations where action is needed most urgently, maximizing the potential for positive impact.

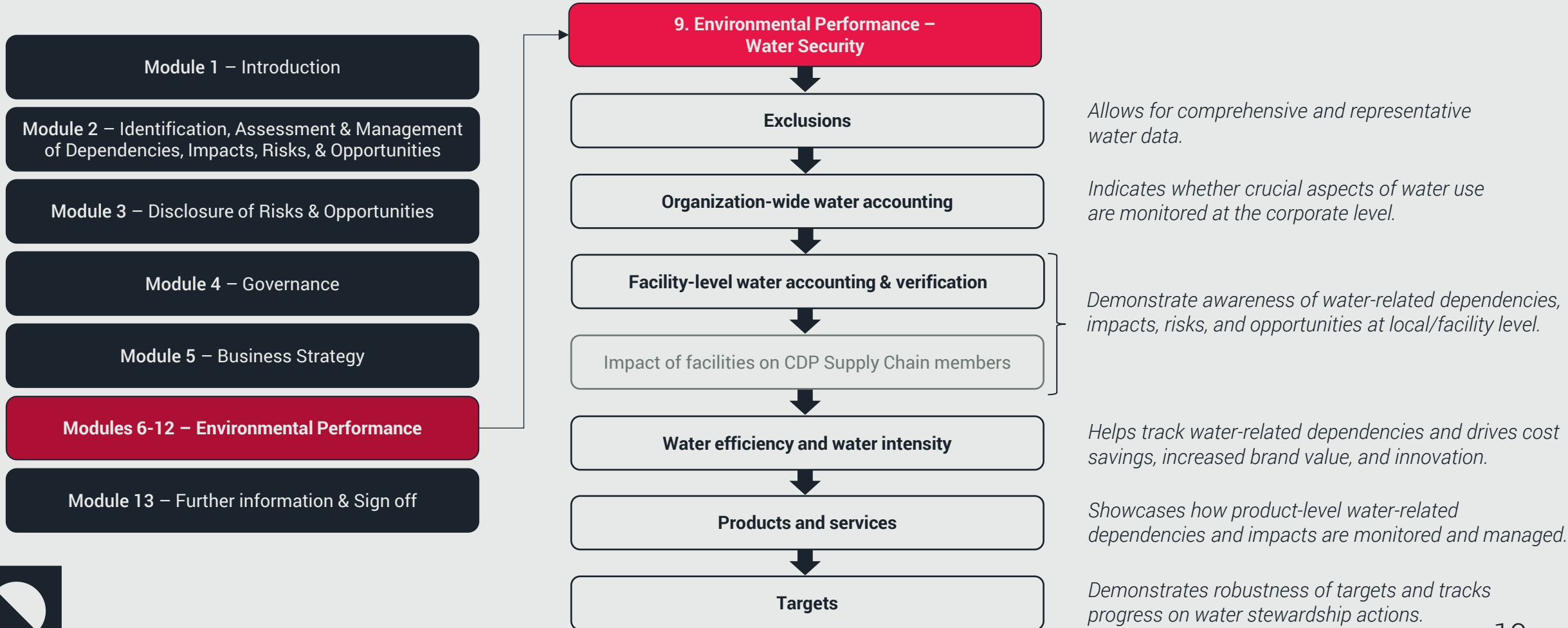
Increases transparency and improves clarity across disclosure.

Highlights actions and procedures in place to minimize the impacts associated with water pollutants.



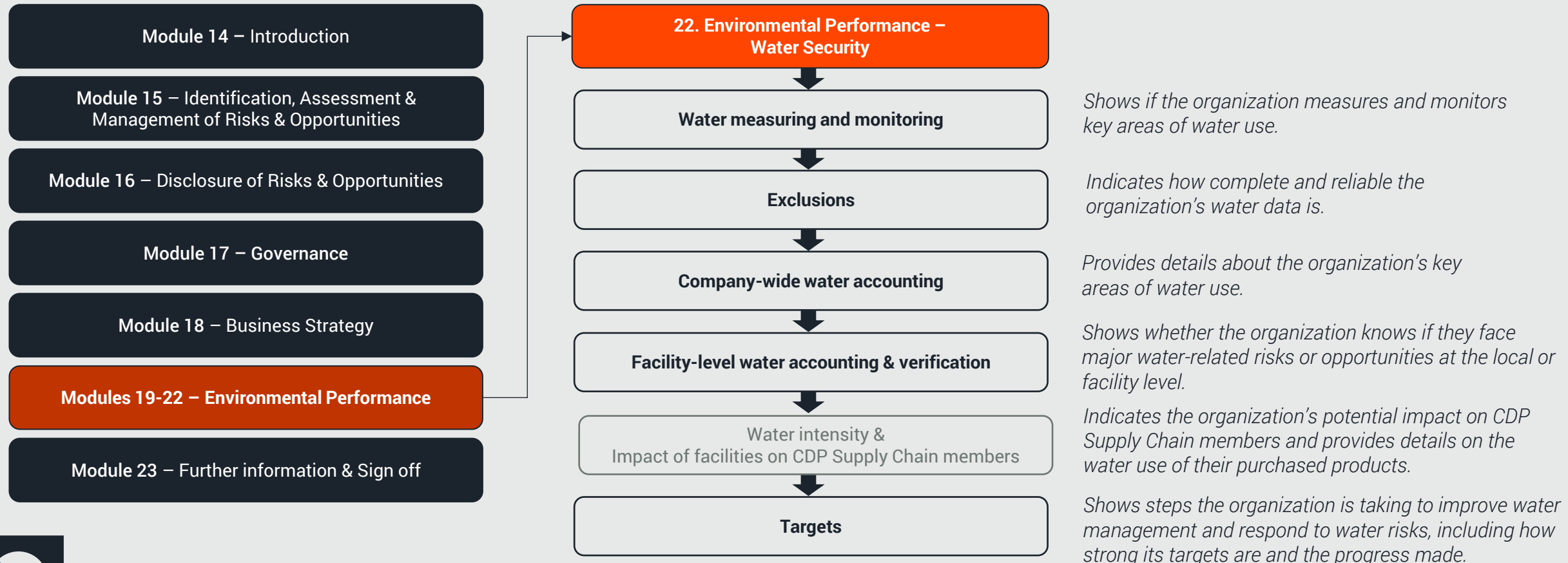
Module 9:

Environmental Performance – Water Security



Module 22:

SME Environmental Performance - Water Security



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
------	---------------------------



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
------	-------



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
------	---------------



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



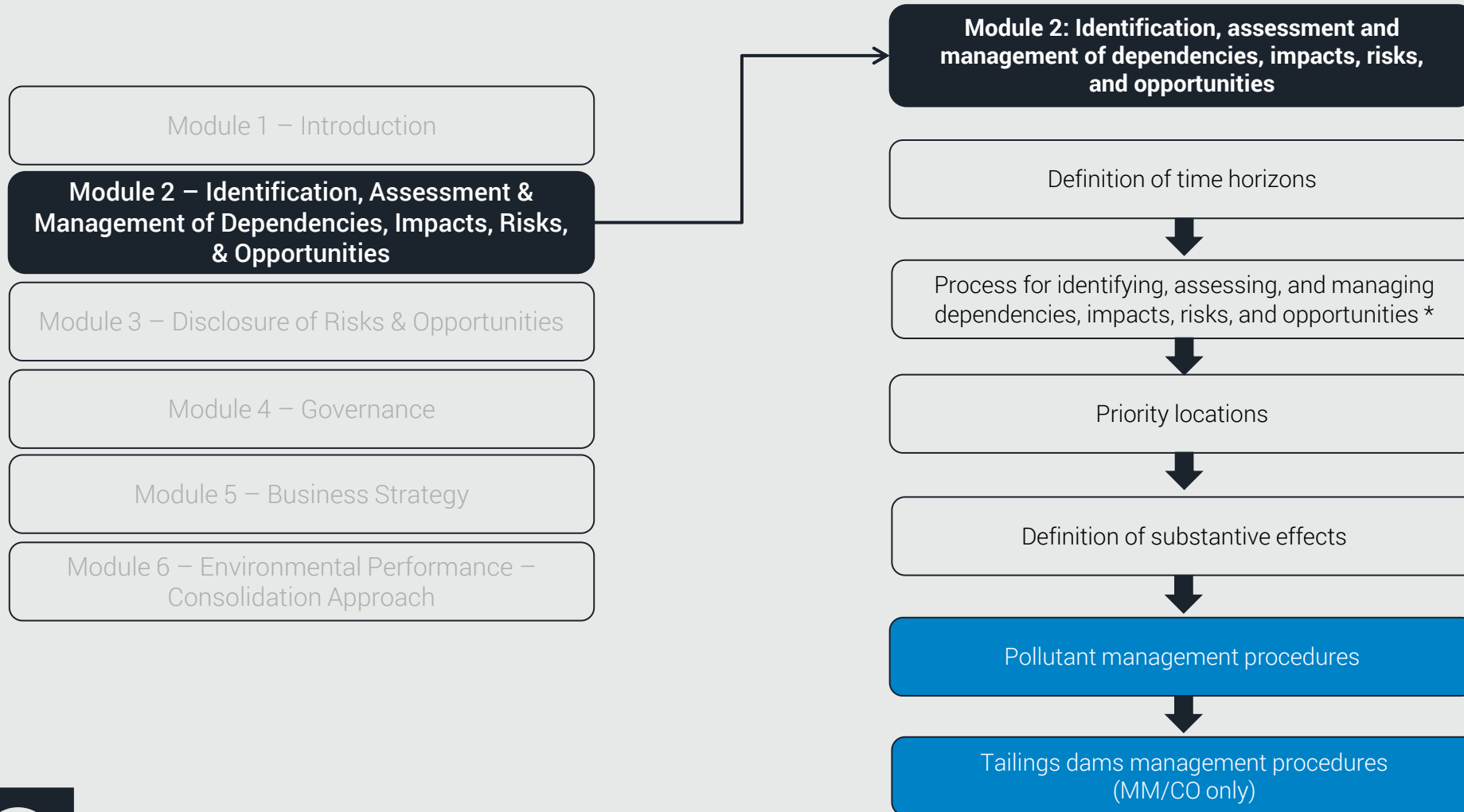
Examples of actions and procedures to minimize adverse impacts:

- 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

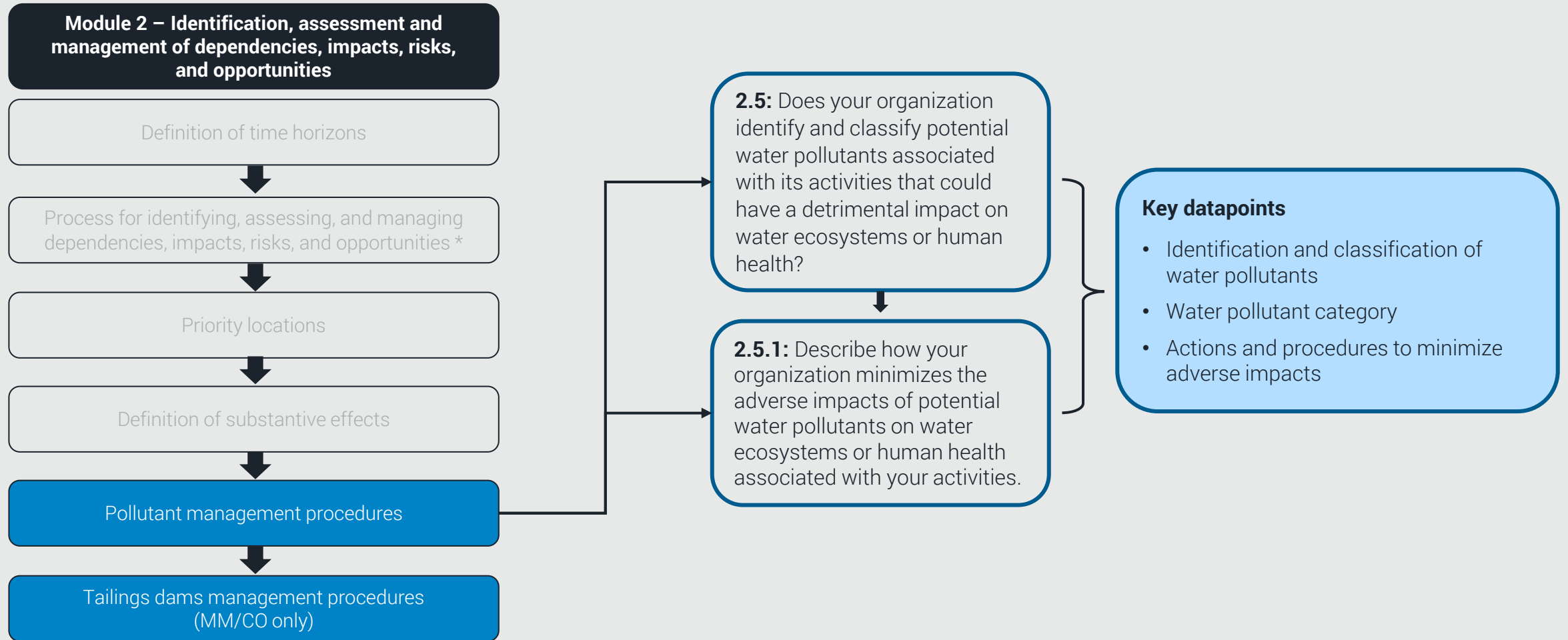
Water disclosure journey – deep dive



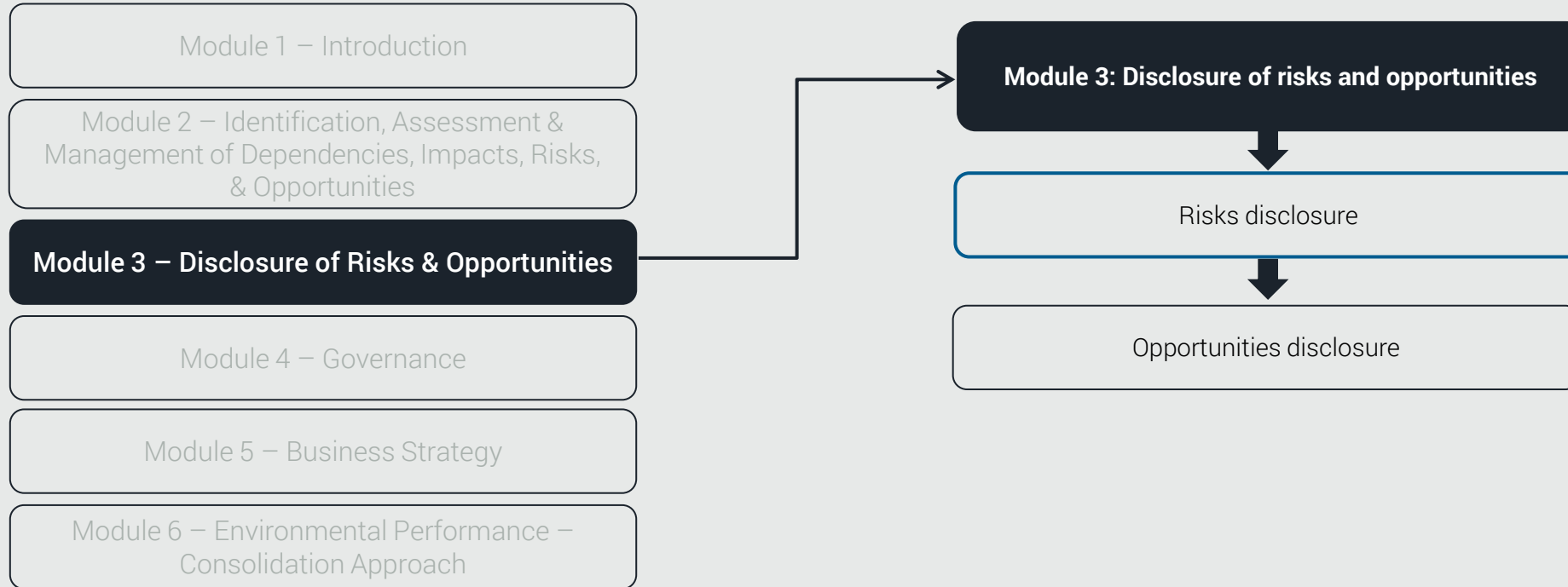
Module 2: key sections for Water



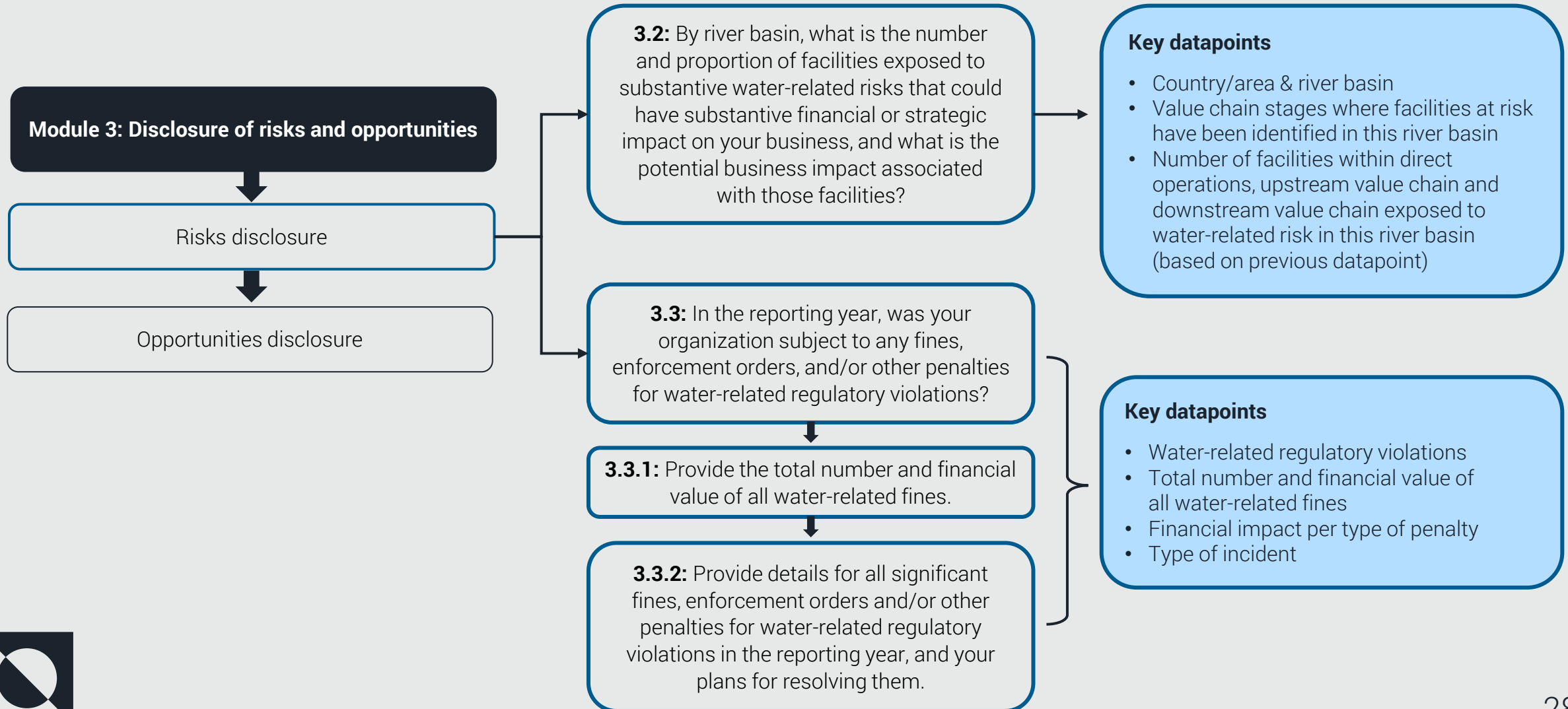
Module 2: key questions for Water



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 *

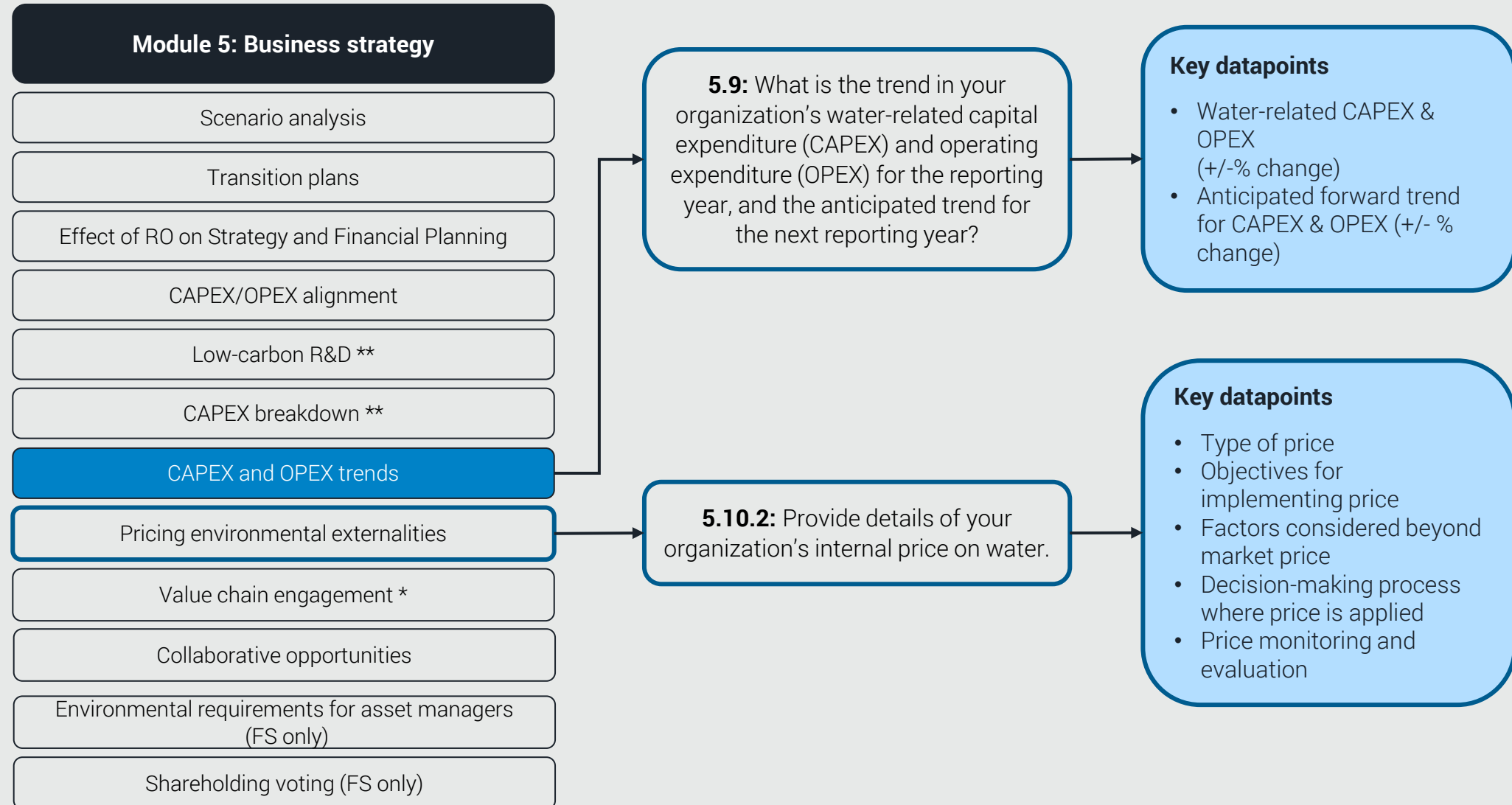
Collaborative opportunities

Environmental requirements for asset managers (FS only)

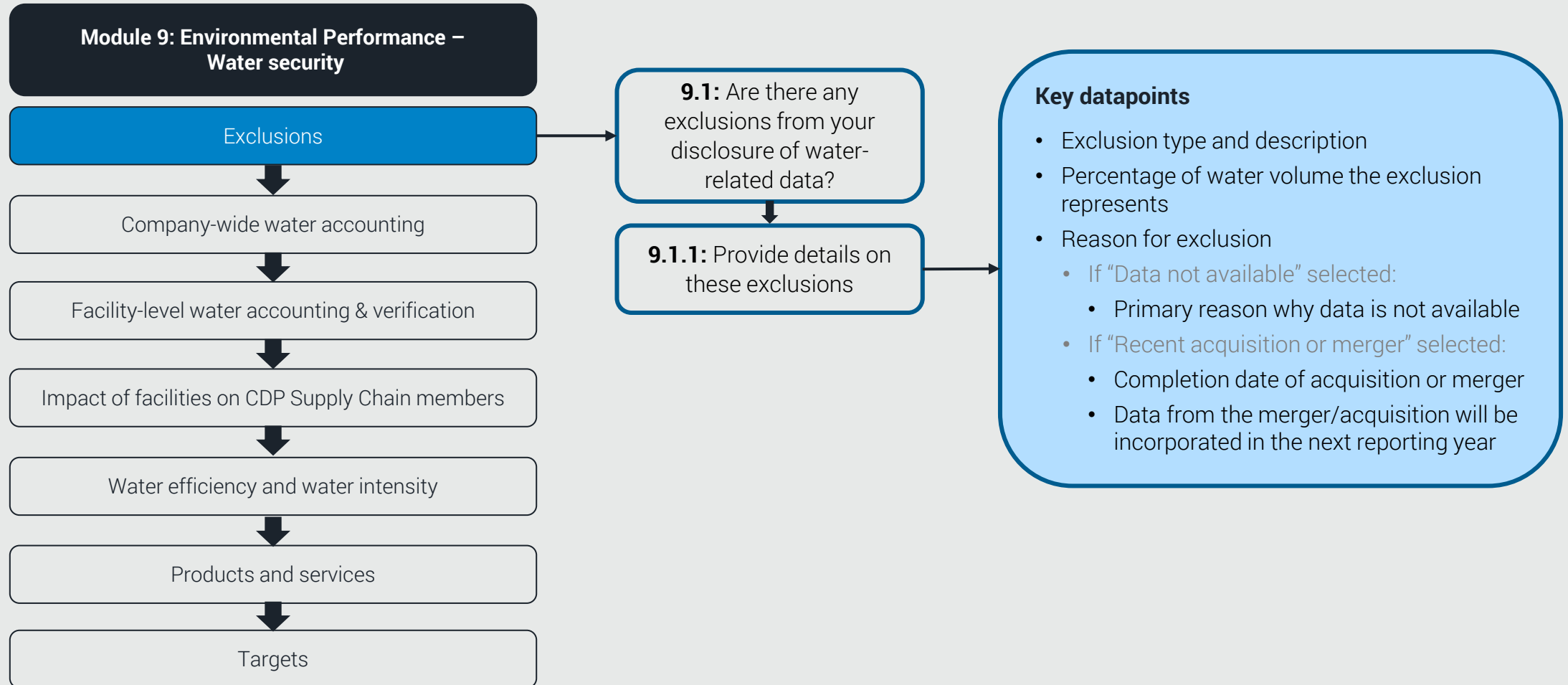
Shareholding voting (FS only)



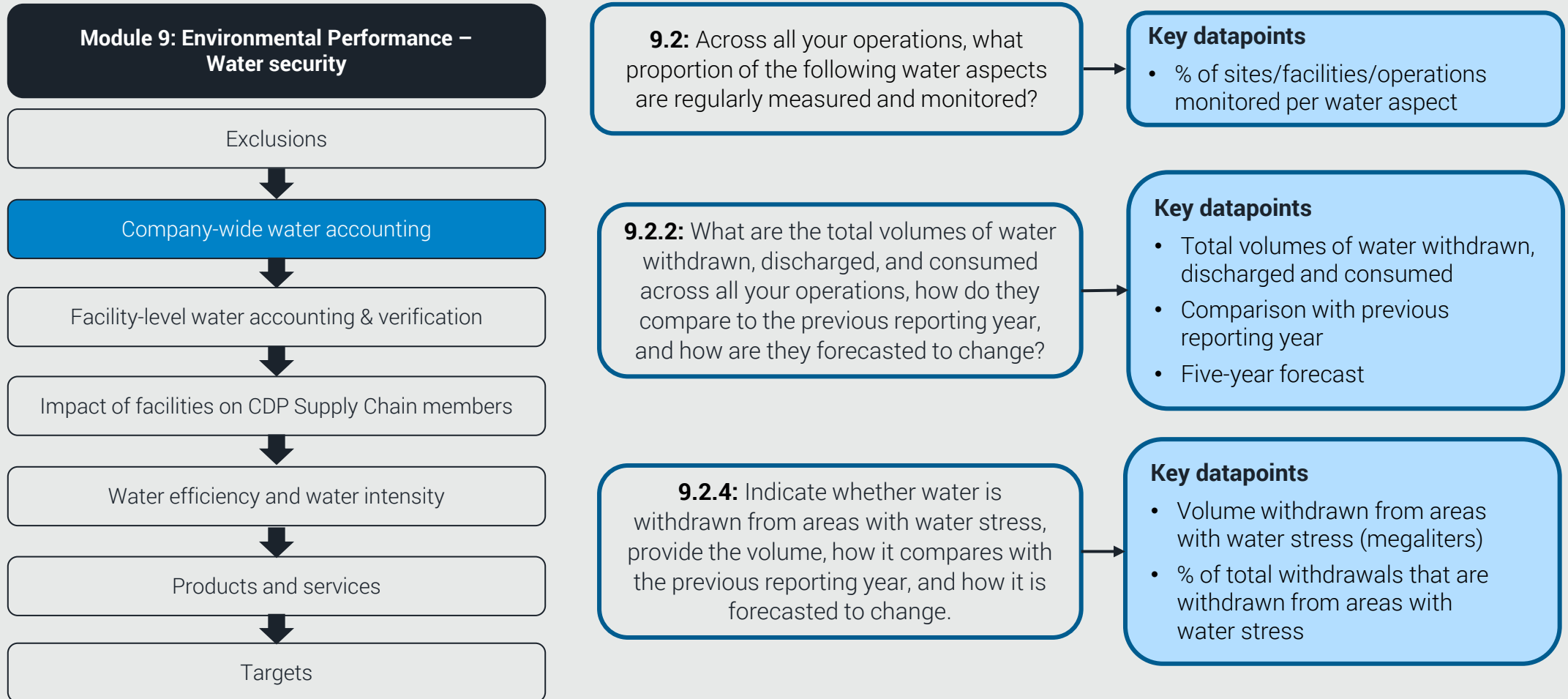
Module 5: key sections for Water



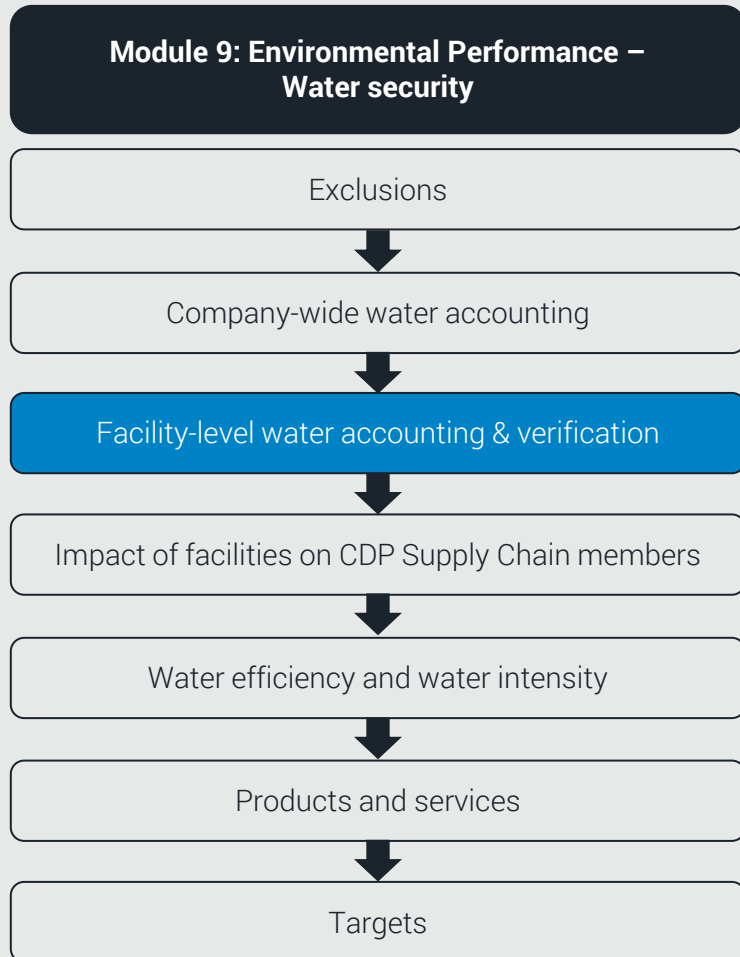
Module 9: Exclusions



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

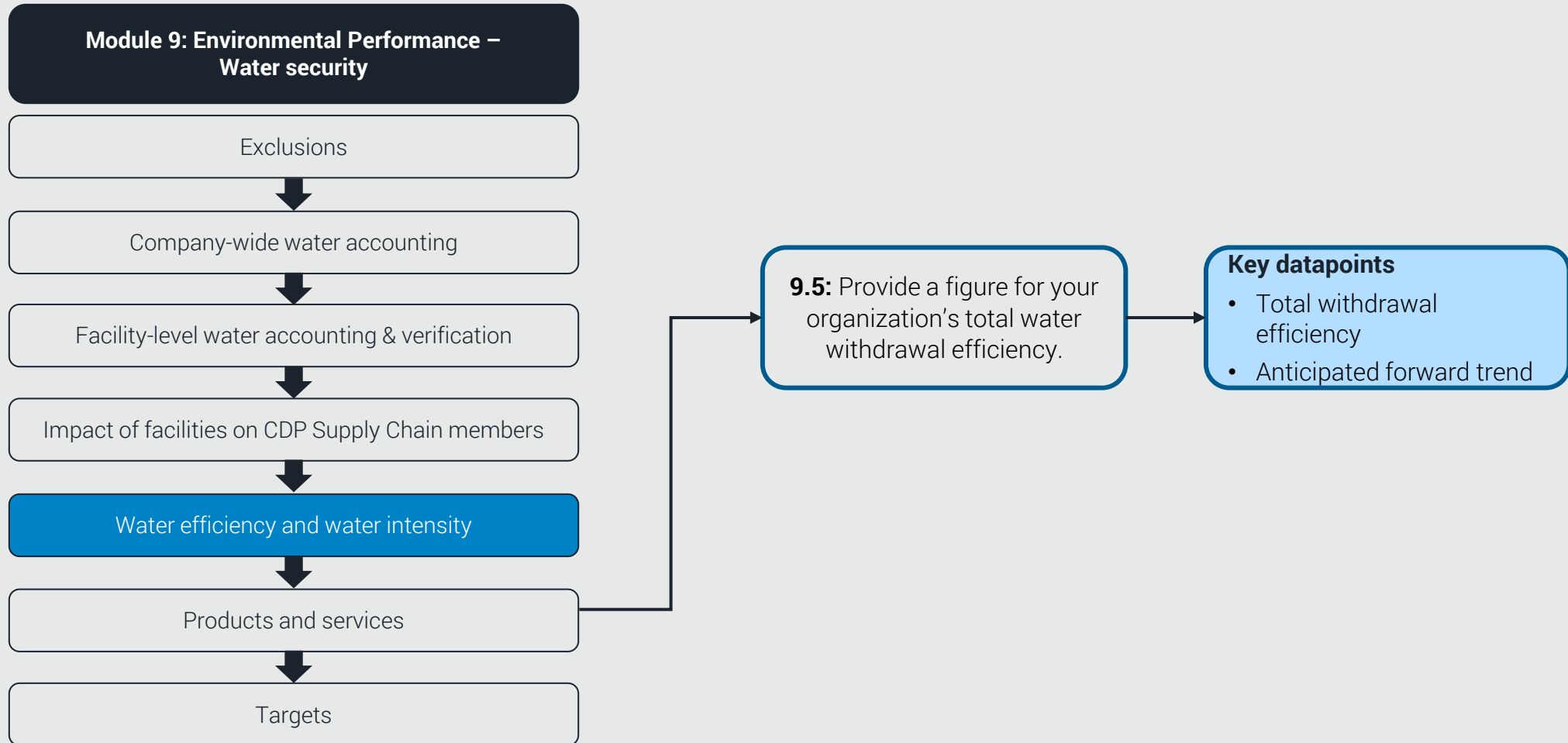
- Identification of facilities with substantive water-related DIRO per value chain stage
 - Direct operations
 - Upstream value chain

For each facility:

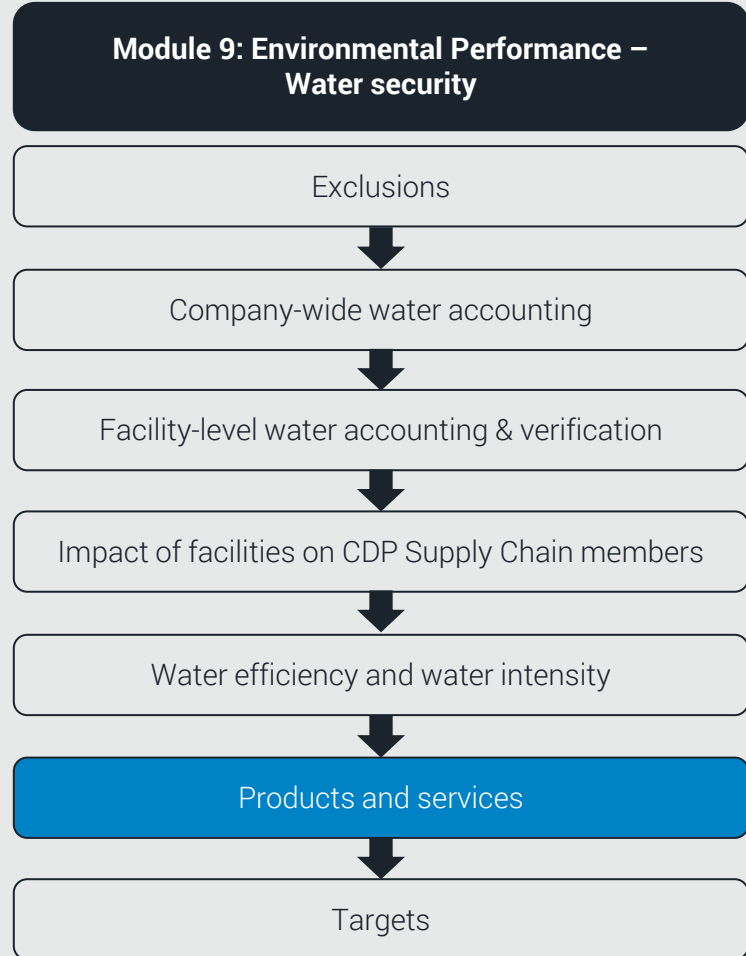
- value chain stage
- whether it relates to dependencies, impacts, risks, or opportunities identified
- whether it relates to water withdrawals or water discharges



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?

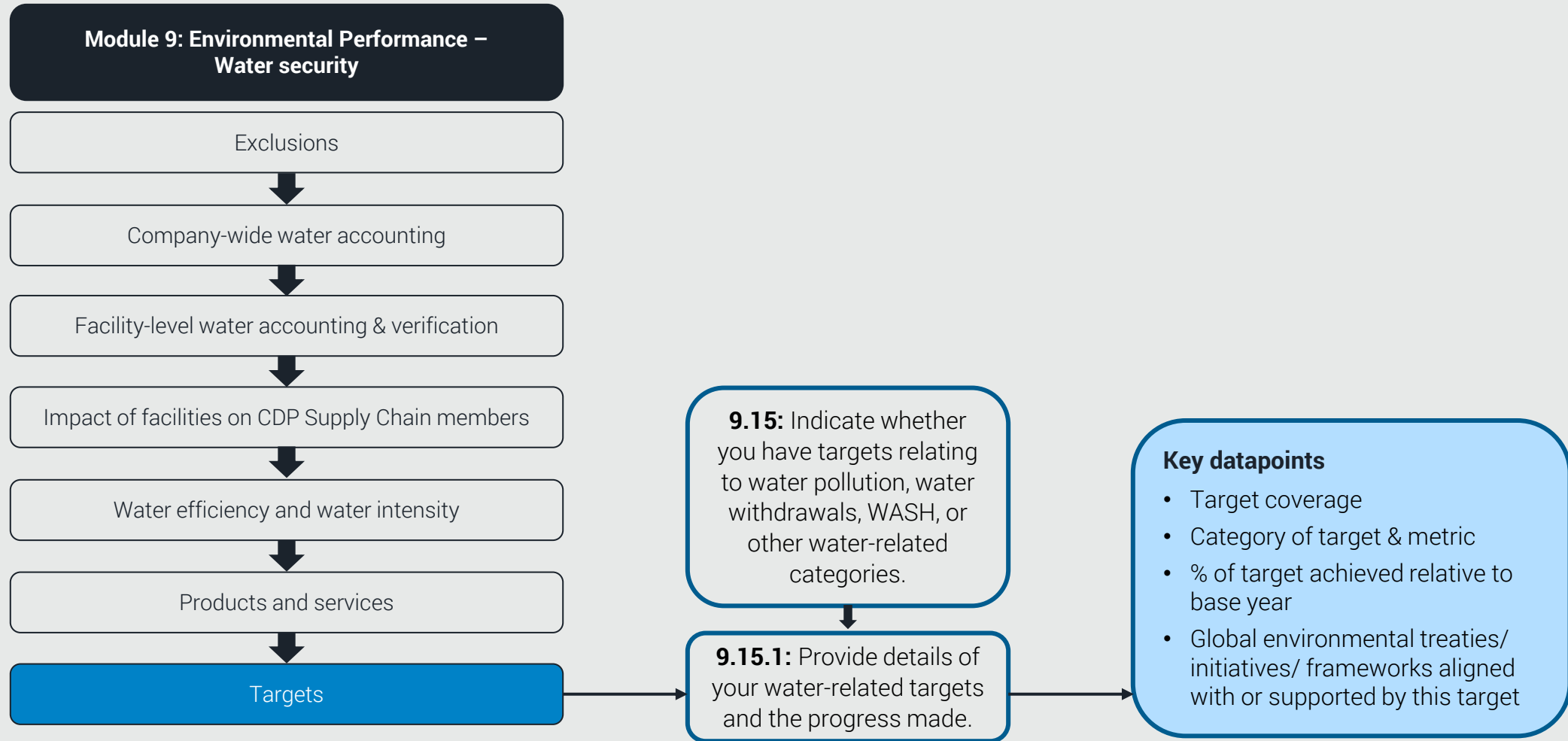
9.14: Do you classify any of your current products and/or services as low water impact?

Key datapoints

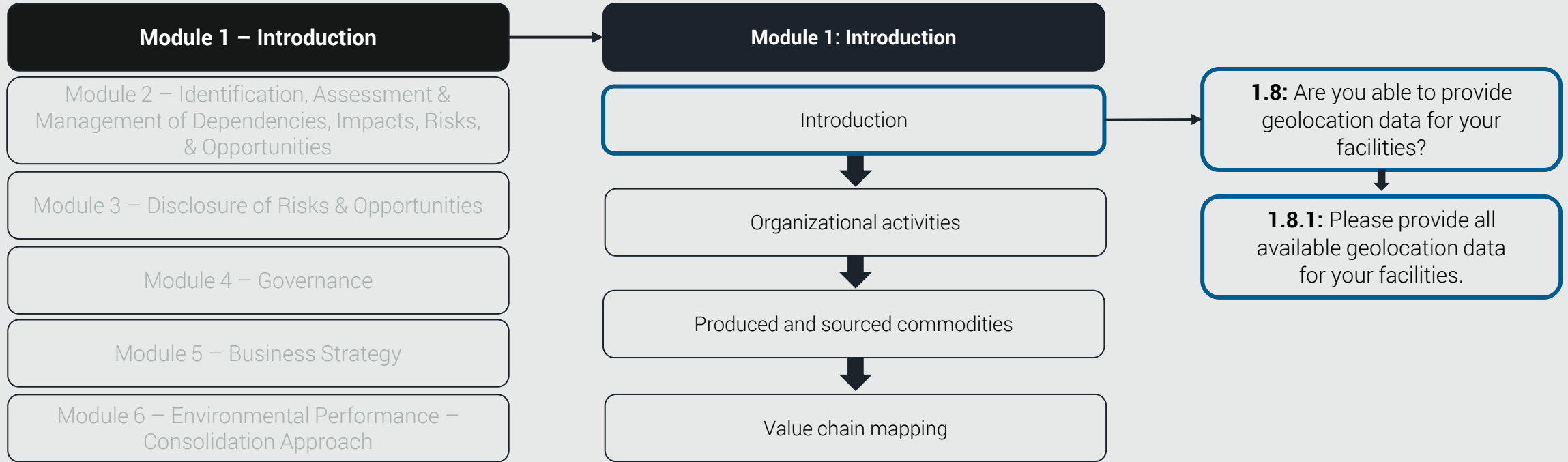
- Products contain hazardous substances
- Regulatory classification of hazardous substances
- % of revenue associated with products containing substances in this list



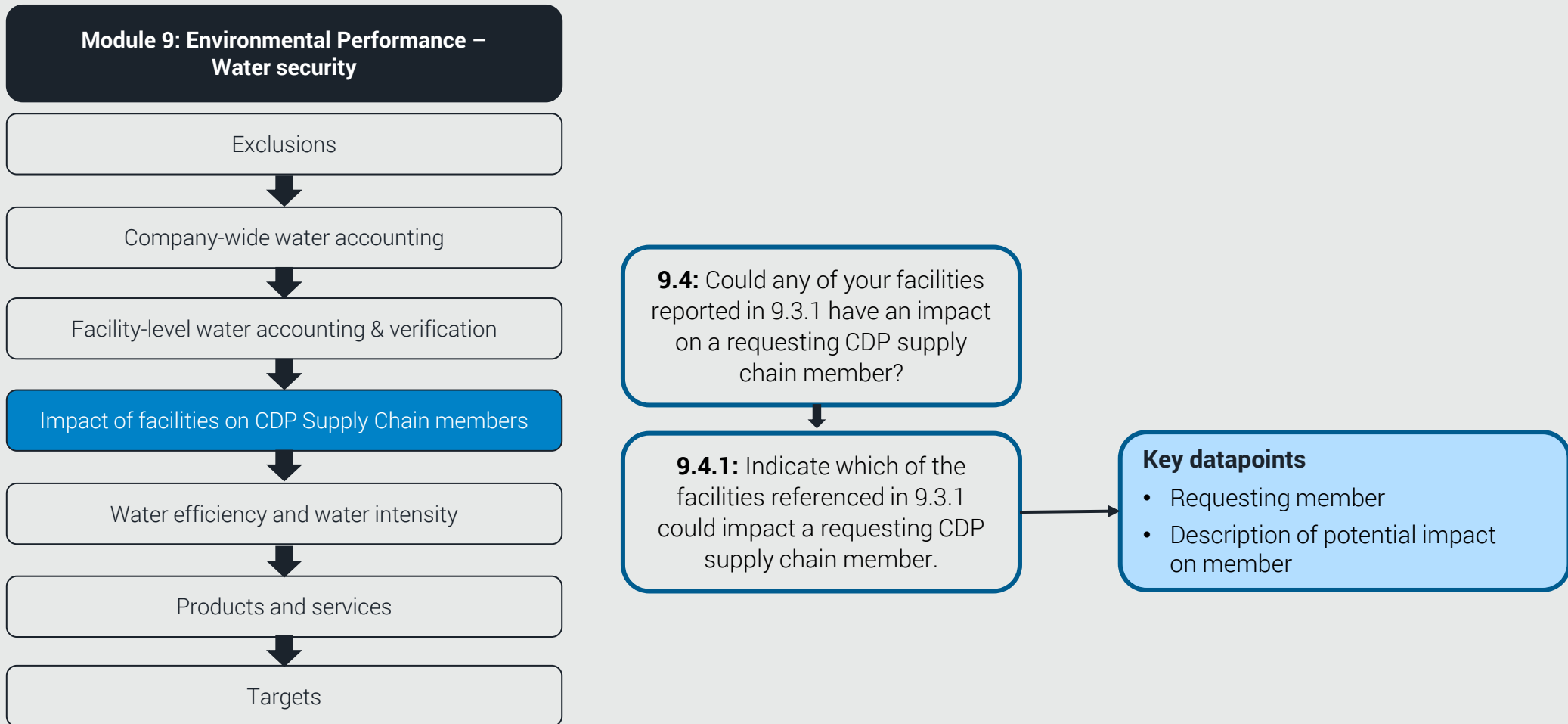
Module 9: Water-related targets



Module 1: SC questions for Water



Module 9: Impact of facilities on CDP Supply Chain members



Benefits for suppliers



Key benefits of disclosure



Access to capital

Enhancing supplier position

200+ purchasing organizations use CDP supplier data for procurement decisions.



Business competitiveness

Managing risks and unlocking opportunities

Companies reducing emissions through their supply chains are saving up to US\$54.4 billion.



Compliance

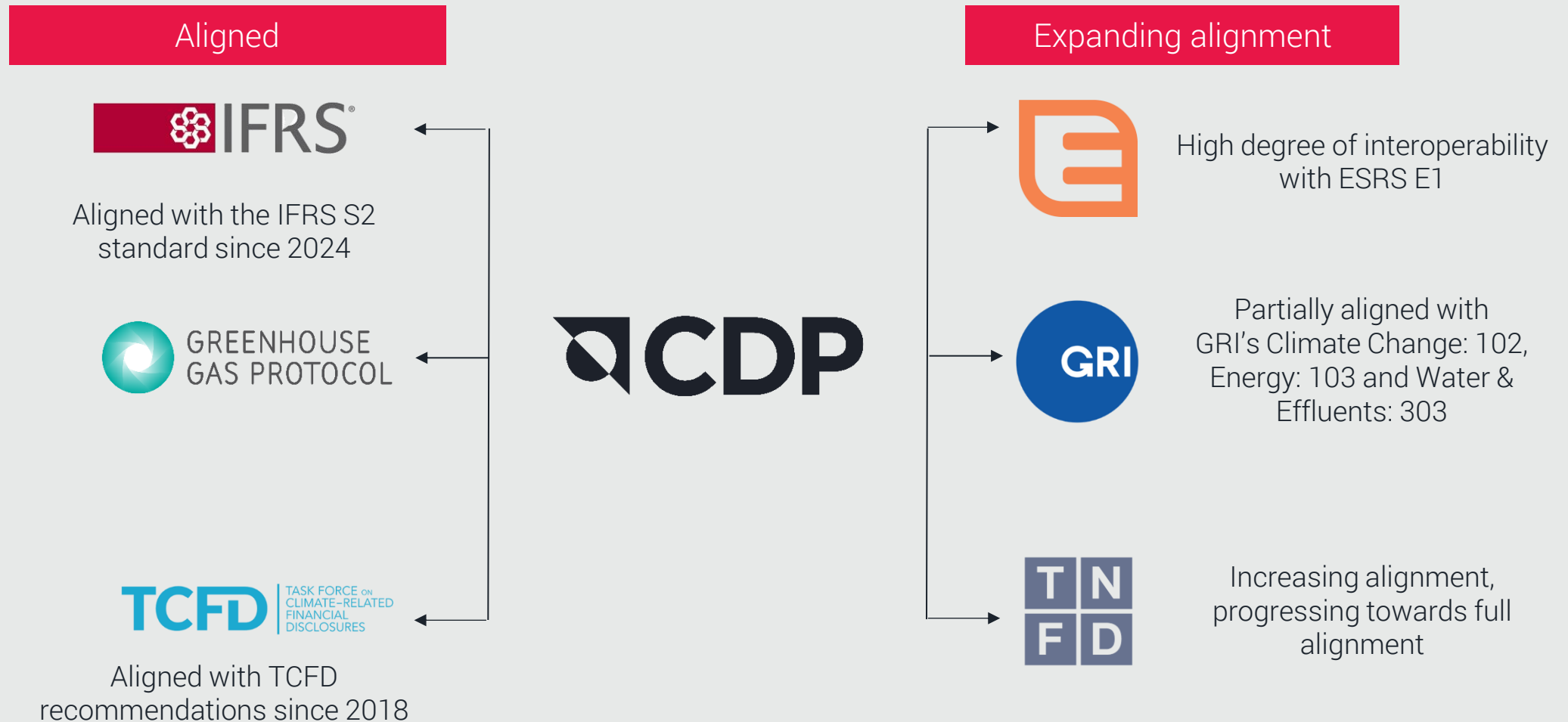
Mandatory or voluntary

CDP brings frameworks and standards together in a single questionnaire, preparing companies for market and regulatory requirements



Enabling standards-aligned disclosure globally

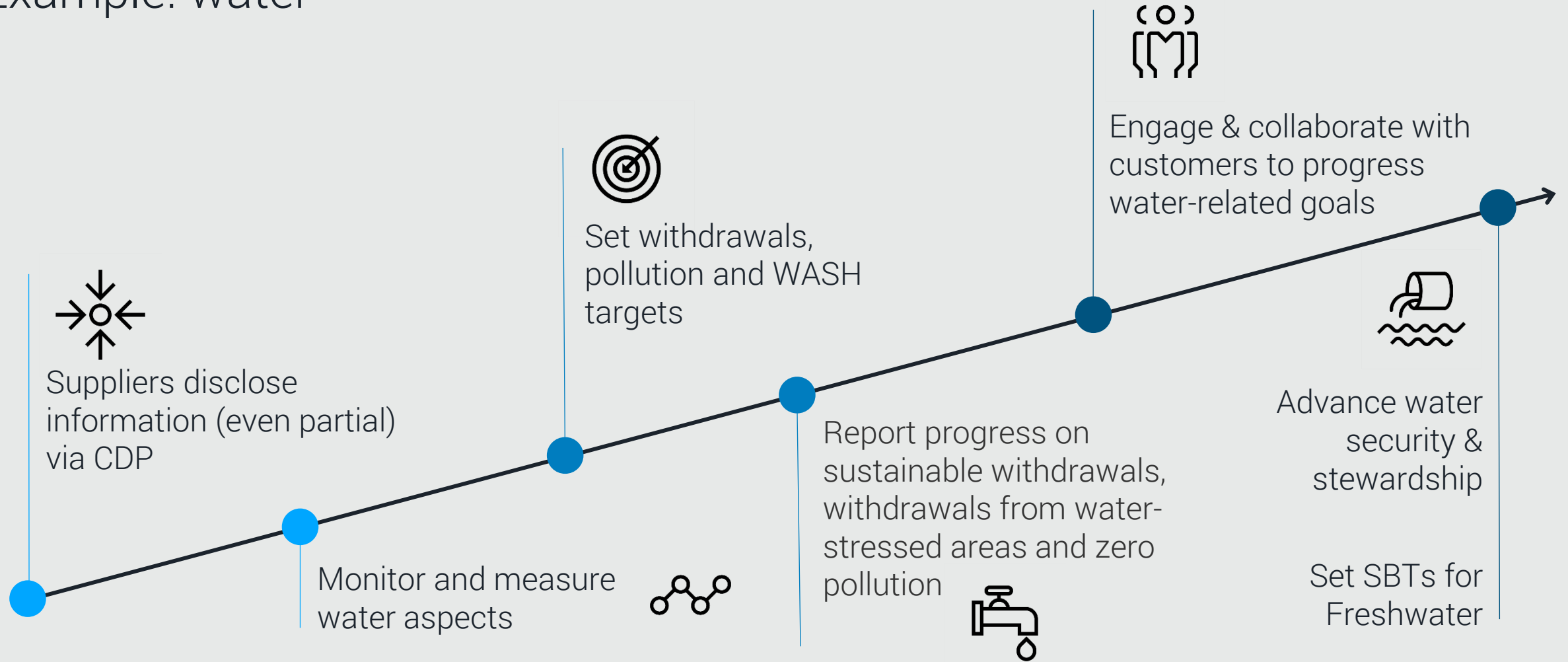
CDP turns standards into something tangible an organization can use; questions and datapoints to be answered and actioned, sharing this high-quality data back to stakeholders and the market in one dataset.



Roadmap for Disclosing Suppliers



Example: water

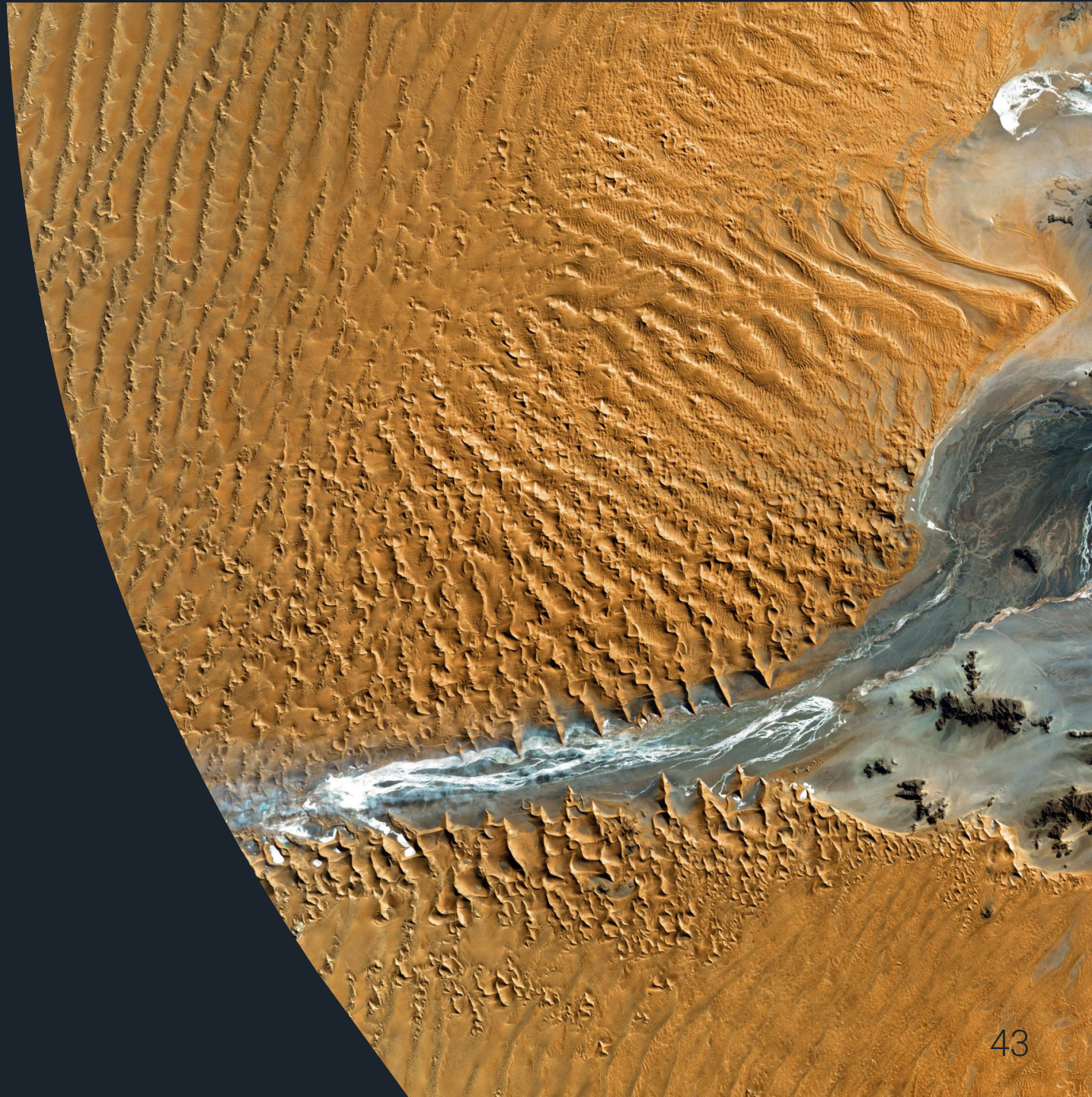


Phase 1: Establish foundation

Phase 2: Build capacity

Phase 3: Improve performance

Guidance & support



Guidance & Support

- [Questionnaire and reporting guidance 2026](#)
- [Questionnaire Changes Tracker for 2026](#)
- [CDP Guidance and scoring methodology for companies](#)
- [CDP Help Center: Knowledge Base and Support Tickets](#)
- [FAQs: General disclosure information](#)



Visit our Disclosure Guidance page:

[Our Question Bank - CDP](#)



Scoring Deadline

14 September 2026

Water-related resources

- [CDP Water Watch – CDP](#)
- [CDP Technical Note on Water Accounting](#)
- [Fair Water Footprints](#)
- [SBTN Freshwater Hub](#)
- [WRI Aqueduct Water Risk Atlas](#)
- [WWF Water Risk Filter](#)

[Water Disclosure in EU Regulation](#)

[Corporate water stewardship and science-based targets for freshwater – CDP](#)

[Embedding Water-related Risks in Financial Stability Frameworks](#)

[Chatham House Report: Making water use in global trade more sustainable](#)



CDP Publications

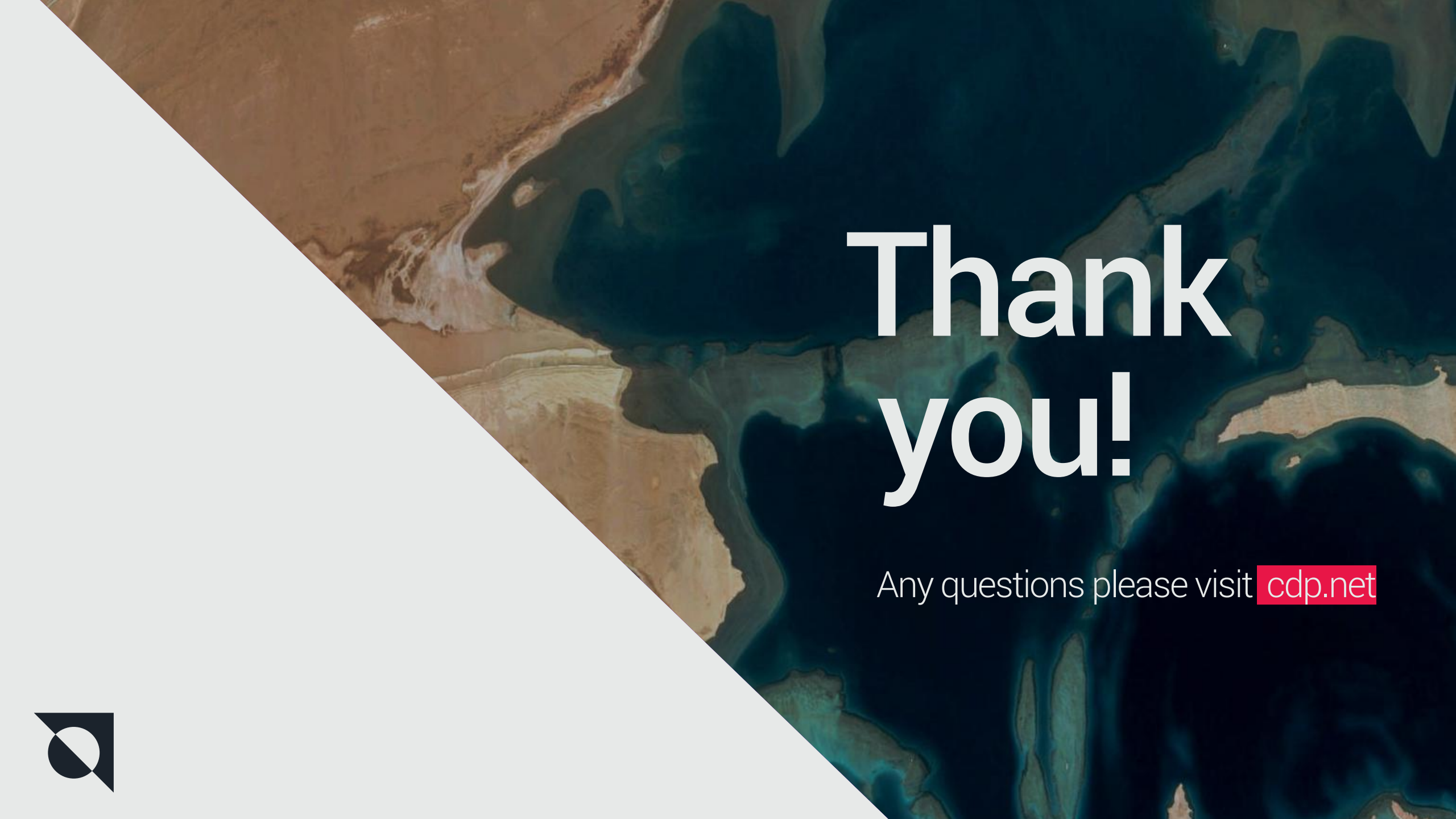
- Water Programme has produced **over 10 Global Water Reports** and several other influential publications.
- These use cutting-edge water data to amplify CDP's voice on critical topics, trends and debates.
- They have a broad reach, engaging corporates, financial institutions, policy makers and civil society.



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, writing in a notebook. The background shows office equipment like a monitor 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?



A satellite map of the world, showing continents and oceans. A diagonal white line runs from the top-left corner to the bottom-right corner, dividing the image. The text "Thank you!" is overlaid on the right side of the image.

Thank you!

Any questions please visit cdp.net

