



Toward Water Disclosure: Recommended Process Tools

From Initial Assessment and Mapping, including conducting a Water Footprint, to Data Gathering and Analysis, and to Reporting through Carbon Disclosure Project (CDP) Water Disclosure

Increasingly, investors seek transparency on water management practices as more data on water scarcity becomes available. This includes disclosure of water use and risk assessments throughout direct operations and supply chains, as appropriate. This data also assists in the evaluation of social impacts*.

Fortunately, data gathering tools are now concentrating around CDP Water Disclosure as a preferred medium for responding to investors seeking to learn more regarding corporate water risk. Companies can now more confidently assess water use and risk in context and respond to CDP Water using the tools below. The water accounting section of the CDP Water questionnaire is based on Global Reporting Initiative (GRI) indicators for water. GRI is recognized as the best practice framework for sustainability reporting. CEO Water Mandate member companies may also submit these responses as their "communications on progress".

1 Initial Assessment

• Aqua Gauge

Developed by: Ceres

The Aqua Gauge was developed to help companies improve their qualitative disclosure to CDP Water Disclosure questions related to governance, management, policies and strategy.

This tool provides companies with an initial baseline self-assessment of core management practices and gaps with regards to water risk and opportunity and can be applied prior to delving into the more analytical tools below. The specific CDP Water Disclosure questions that correspond with different categories of water management practice in the Aqua Gauge are cross referenced starting on page 49 of the report.

<http://www.ceres.org/issues/water/aqua-gauge/aqua-gauge>

2 Mapping

• Water Risk Filter

Developed by: World Wildlife Fund (WWF) and the German development bank DEG

This newly launched tool can be used to assess exposure to water related risks globally and across industries. The tool contains country and basin level data that is used to identify and quantify physical, regulatory and reputational risk. Assessed company facilities can be visualized on a detailed map along with available water information in a local context.

<http://waterriskfilter.panda.org/>

• Aqueduct

Developed by: World Resources Institute (WRI)

The Aqueduct is a global database of water risk information that enables the creation of water risk maps.

<http://insights.wri.org/aqueduct/atlas>

3 Water Footprint of Products (where applicable)

• Water Footprint Assessment Tool (WFAT)

Developed by: Water Footprint Network

The WFAT will provide access to the Water Footprint Network's WATSTAT database, a leading water footprint database. In the tool, water footprint calculations can be done using the default data from the WATSTAT or the user's own data. In addition to calculating the water footprint, the WFAT can assist a user in assessing the impacts of their water footprint, and help formulate and prioritize response strategies. The output of the WFAT will be displayed in visual forms such as maps, graphs and hydrographs as well as in text and spreadsheets.

<http://www.waterfootprint.org>

4 Data Gathering & Analysis

• Global Water Tool (GWT)

Developed by: World Business Council for Sustainable Development (WBCSD)

Used to identify and prioritize high-risk sites globally. Data entered into the WBCSD GWT or the IPIECA GWT can be uploaded into the GEMI Local Water Tool to analyze local water risk and impact assessments.

<http://www.wbcd.org/Pages/EDocument/EDocumentDetails.aspx?ID=13741&NoSearchContextKey=true>

• Oil and Gas and Electric Power supplement

Developed by: International Petroleum Industry Environmental Conservation Association (IPIECA)

The IPIECA Global Water Tool for Oil and Gas is a customized version of the WBCSD Global Water Tool. The Tool will help oil and gas companies map their water use and assess risks for their overall global portfolio of sites considering each part of the oil and gas value chain.

<http://www.ipieca.org/topic/water/global-water-tool>

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- Local Water Tool

Developed by: Global Environmental Management Initiative (GEMI)

This is a local tool for specific at-risk sites identified by the GWT. Final results can be automatically uploaded to GRI, CDP, Bloomberg and DJSI. Note the existing supplement for the Oil, Gas and Electric power sectors.

<http://gemi.org/localwatertool/about.html>

5 Disclosure

- CDP Water Disclosure

Developed by: Carbon Disclosure Project

CDP Water requests information on corporate water usage and exposure to water stress in companies' own operations and in their supply chains, and on companies' water management plans and governance. CDP Water helps investors better understand the business risks and opportunities associated with water scarcity and other water-related issues, by increasing the availability of high quality information.

<https://www.cdproject.net/water>

* NOTE ON WATER ASSESSMENTS AND HUMAN RIGHTS

This guidance document is meant to be a resource for companies seeking to develop a water sustainability strategy and report. While a water tool measuring social impacts does not exist currently, investors expect that companies will conduct water management assessments that include oversight of their social impacts locally. Ultimately water risk assessments should inform water stewardship planning and the protection of human rights. The United Nations Human Rights Council is the authoritative global human rights institution providing assistance and guidance on human rights to governments, affected communities and individuals, civil society organizations, companies and other stakeholders. Resources are available here: <http://www.ohchr.org/EN/Issues/WaterAndSanitation/SRWater/Pages/SRWaterIndex.aspx>



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