

## GLOBAL WATER REPORT:

### Three-fold rise in companies excelling in water management

- **193% increase in water leadership** as 73 companies make the CDP Water A List, up from 25 last year. Top performers include **Bridgestone, Burberry, Kellogg's, Sanofi and Woolworths**.
- **70%** of companies now report **boardroom oversight** on water issues.
- **US\$23 billion** committed by companies to improve water security from Afghanistan to Argentina.

**Mumbai, India, 07 November 2017** - Big business is investing in water security at record levels, according to the annual Global Water Report published today by [CDP](#) (the non-profit global environmental disclosure platform). *A Turning Tide: tracking corporate action on water security* analyses water data from 742 of the world's largest companies including Nestle, Burberry and Kellogg's and finds escalating boardroom engagement in water issues. The report highlights growing accountability and performance in water management with a 40% increase in disclosure since 2016 and a 193% increase in the number of companies featured on the [CDP Water A List](#).

USA (13), Japan (12) and UK (9) are the three countries with the most companies on the water A List.

Other key findings of CDP's *A Turning Tide: tracking corporate action on water security* include:

- Companies committed to **US\$23.4 billion** of investment in water projects in 2017 such as desalination plants, reclaiming waste water or improved irrigation to avoid droughts - across 1,000 projects in 91 countries.
- The **energy sector** continues to be the biggest laggard, 101 out of the 138 energy companies asked to disclose failed to do so. **Exxon Mobil** and **Royal Dutch Shell** are among those companies persistently failing to reveal water data to investors via CDP.
- **7%** of companies including **Diageo** (UK), **Colgate Palmolive** (USA) and **Nestle** (Switzerland) are now putting a higher price on water internally to reflect its increasing business cost.

A group of 53 companies (7%) are establishing internal values on water that account for social and environmental costs and benefits that are often absent from pricing and decision making. The report states that when water is undervalued, the business case for action is often misunderstood or difficult to see.

Those placing an internal price on water include Colgate Palmolive Company and Diageo Plc. On average, Colgate has found that the 'true' cost of water is 2.5 times more than the purchase cost. The company uses a 'True Cost of Water Toolkit', developed with Rutgers University Business School and its Supply Chain Management Program. Used by 95% of Colgate sites, the tool was designed to quantify some of the hidden costs of water such as pre-treatment, pumping and wastewater treatment.

Diageo Plc also uses a water cost tool, which estimates the full cost of water to a given plant. This estimate allows the plant to anticipate and plan for the financial impact of any price or tariff increases, and supports Diageo's overall goal to improve water use efficiency by 50% by 2020. The company says that understanding of the true cost of water assists its business decisions and CAPEX investments for water conservation.

Renat Heuberger, CEO, South Pole Group, CDP's water scoring partner, said:

"From Bangladesh to Peru and the US, climate risks - and in particular water risks - have been very real in 2017. From storms to droughts, and floods to forest fires, the damage has been enormous. It is, therefore, encouraging to see a growing number of water leaders coming to the fore. South Pole Group believes companies need to continue to improve their understanding, management, and transparency of water risks, in order to help inform better decision making. Together with CDP, we are committed to delivering a water-secure world."

Paul Simpson, CEO, CDP said:

"The stakes are high as we assess corporate progress towards a water-secure world. From brand damage to disrupted supply chains, increased operating costs to constrained growth, water security is now big business and poses increasingly significant threats and opportunities to global firms. Our research shows more large corporations rising to the challenge with the number of A List companies nearly tripling in a year and 7% using internal accounting to assess the true value of water to their business. Congratulations to those organizations leading the way."

Today's report is based on data disclosed to CDP by 742 organizations in response to requests from 639 institutional investors with \$69 trillion in assets. They are part of a wider pool of 2,025 organizations worth approximately US\$20 trillion in market capitalization that reported on water management to CDP this year. These companies collectively withdrew 5.6 billion mega-liters of water this year, more than the volume of Lake Michigan. Thirty-four purchasing organizations with a combined annual spend of US\$1 trillion also put their name to this year's disclosure requests.

In total, 4,653 companies were asked to report to CDP on their water activities in 2017, with a 46% response rate. Whilst reporting progress should be celebrated, over half of requested companies fail to disclose and provide their investors and customers with water risk and opportunity data. According to the G20, global water investment of US\$6.4trn is required from the public and private sector to meet UN Sustainable Development Goal targets by 2030.

*A Turning Tide: Tracking corporate action on water security* is launched today at CDP's Water Forum taking place in the India Bulls Finance Centre, Mumbai. The full report can be found at [www.cdp.net/en/water](http://www.cdp.net/en/water).

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## **Notes to editors**

As the CDP's official water scoring partner since 2015, South Pole Group has evaluated the corporate water management practices of over 1,000 companies in over 40 countries, 11 sectors, and 24 industries and has successfully supported companies to develop holistic corporate water stewardship strategies.

## **For more information**

- 1) *A Turning Tide: Tracking corporate action on water security*, CDP Global Water Report 2017 <https://www.cdp.net/en/water>
- 2) Responses from 2,025 companies this year cover 59% of water-dependent companies listed on MSCI's All-Country World Index, an index naming the largest companies in the world from developed and emerging markets.
- 3) Global Infrastructure Outlook, G20: US\$6.4 trillion is required to meet UN Sustainable Development Goals on water security by 2030. <https://outlook.gihub.org>
- 4) CDP Water A List and scores 2017 [www.cdp.net/en/scores-2017](http://www.cdp.net/en/scores-2017)

## **Media contact**

Nadia Kahkonen, Head of Communications, South Pole Group  
+66 96 819 4725  
[n.kahkonen@southpole.com](mailto:n.kahkonen@southpole.com)

## **About South Pole Group**

South Pole Group is a leading provider of global sustainability financing solutions and services. The company has 200 experts in 16 global offices and works with a wide range of public, private and civil society organisations for over a decade. The company's expertise covers project and technology finance, data and advisory on sustainability risks and opportunities, as well as the development of environmental commodities such as carbon credits or renewable energy credits. South Pole Group has developed and provided climate-finance to over 500 projects in emission reduction, renewable energy, energy efficiency and sustainable land-use. For more information, visit [southpole.com](http://southpole.com) or follow the company [@southpolegroup](https://twitter.com/southpolegroup).

## **About CDP**

CDP is an international non-profit that drives companies and governments to reduce their greenhouse gas emissions, safeguard water resources and protect forests. Voted number one climate research provider by investors and working with institutional investors with assets of US\$100 trillion, we leverage investor and buyer power to motivate companies to disclose and manage their environmental impacts. Over 6,300 companies with some 55% of global market capitalization disclosed environmental data through CDP in 2017. This is in addition to the over 500 cities and 100 states and regions who disclosed, making CDP's platform one of the richest sources of information globally on how companies and governments are driving environmental change. CDP, formerly Carbon Disclosure Project, is a founding member of the We Mean Business Coalition. Please visit [www.cdp.net](http://www.cdp.net) or follow us [@CDP](https://twitter.com/CDP) to find out more.