



CDP's Water A ListDefining leadership

Our analysis illustrates that water can be a significant driver for innovative growth but can also be a source of substantial business failure. Given the complex nature of water risks, business-as-usual operational approaches to water management may no longer be fit for purpose. A growing number of companies are recognizing that they may need to transform their approaches if they are to meet the challenge of water security and remain competitive.

What engaged investors want to see, and what leading companies are beginning to implement, are integrated, strategic, business plans that factor in water stewardship. The effective mitigation of corporate water risk and realization of opportunity involves not only an understanding of a company's water dependency, but the context in which it operates, and how this relates to other water users.

In 2013, CDP embarked on the development of a water scoring methodology that enables us to deepen the support we provide to responding companies and investors as they work to transform current standards of corporate water management to meaningful stewardship. This year, for the first time, CDP has applied this methodology across all responding companies. Of these, 8 companies have achieved an 'A' rating, joining CDP's Water A List.

Our approach, informed by insights gained from CDP's corporate water dataset as well as a range of stakeholders including the Alliance for Water Stewardship, the UN CEO Water Mandate, Ceres, the World Resources Institute, and WWF, assessed companies against a range of water stewardship actions which seek to establish best practice. By scoring companies' water stewardship efforts, and recognizing leading companies, we aim to raise the market beyond where it would otherwise be on water issues.

The results have been used to benchmark corporate water performance, to help companies and their investors better understand the strengths and weaknesses of their water management. It is our intention that companies use this methodology to navigate their responses to improved water security and by investors and purchasers to identify those companies most likely to succeed in a water insecure future.

A comprehensive view of our benchmarking criteria can be found in CDP's Water Scoring Methodology available via CDP's website: www.cdp.net.

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Investor attitudes have changed over the last five years, as there is increasing recognition that there are environmental limits to economic growth. CDP data helps us analyse companies on the sector level comparing performance against their peers, understanding how companies are addressing risks, and also looking at opportunities.

Schroders (US\$447 billion)

