

## CDP Water – Frequently Asked Questions (FAQ)

**As expectations around water stewardship rise, companies are under increasing pressure to demonstrate how they manage water risks, impacts, and opportunities. Disclosing through CDP Water not only builds trust with investors and customers — it also strengthens internal resilience and prepares you for future reporting requirements like CSRD. This FAQ is designed to give you quick, practical answers to some common questions around CDP Water to help you navigate the disclosure process with confidence.**

### 1. What are the benefits of disclosing to CDP Water?

CDP Water disclosure can help you position your company as a leader in environmental transparency and resilience. In 2024, 24,800 companies, representing two-thirds of global market capitalization, disclosed through CDP. 6,500 of these companies also responded to CDP’s water security questionnaire – almost doubling from the previous year.

Overall, disclosure through CDP can enhance your reputation with investors, customers, and stakeholders by demonstrating proactive management of water risks and dependencies. Internally, it can reveal operational risks, identify cost-saving opportunities, and sharpen sustainability strategy. Disclosure is not just about reporting—it’s about unlocking value.

CDP disclosure also prepares your company for mandatory reporting frameworks such as the Corporate Sustainability Reporting Directive (CSRD), with which CDP is already almost completely interoperable. Expectations from investors are also increasing, as they are more interested in incorporating water risks and company responses into their decision-making processes.

### 2. What is this year’s reporting timeline?

The 2025 CDP disclosure cycle officially opens on **June 16**. Companies must submit their completed questionnaires by **September 15** if they aim for a scored response. For companies that aim for an unscored submission, the deadline is November 17. It is highly recommended to start early, allowing time for internal data gathering, quality review, and any necessary refinements to optimize your disclosure and scoring potential.

### 3. Our company currently responds to CDP Climate — when are we expected or required to also respond to the CDP Water questionnaire?

Not every company that responds to CDP Climate is automatically required to respond to CDP Water. **Water disclosure is requested if it is relevant to your business activities.**

You may be asked to respond to CDP Water if:

- ✓ Your industry has a high water impact according to CDP’s Activity Classification System (ACS)
- ✓ A customer, investor, or other authority requests disclosure
- ✓ You identify water as a significant issue through your own assessment

Even if not formally requested, companies can also choose to voluntarily disclose on water if they want to demonstrate leadership. We can help you determine whether responding to the water theme is necessary or strategically beneficial.

### 4. How much internal effort and data collection does disclosure for CDP Water require?

The effort depends on your **current data maturity**. If you already track site-level water use, risks, and management measures, much of the foundation is there. If not, we can guide a practical data-gathering process involving relevant

teams like EHS, operations, procurement, and finance. We can help you to streamline the process, minimizing internal burden while ensuring your responses are robust and disclosure-ready.

#### **5. Does CDP consider CSRD? If so, how will it help us prepare and deliver our future reports under the EU's directive?**

CDP is aligning its questionnaire with the ESRS, and already today, most of the water data and questions are fully aligned. This process is also supported by EFRAG (the European Financial Reporting Advisory Group). Since 2024, CDP and EFRAG have offered a number of webinars to help companies with the disclosure process. Both have also released question-by-question mappings to highlight similarities and support companies in their disclosures.

#### **6. How does scoring work? What if you achieve an A in climate but not in water would that affect your climate and/or overall CDP score?**

Scores are separate across the three key environmental issues: climate change, forests, and water security. Also, the **themes do not impact each other's scores**. However, companies performing well in one theme often manage impacts across other areas. Additionally, the biodiversity and plastics modules are currently unscored.

#### **7. What does alignment with frameworks mean in practice? Is data replicated, or is it aligned by agreement on best practices?**

Alignment with frameworks provides a comprehensive dataset in line with the latest standards. This aims to keep you updated with the changing market and ambitious standards. CDP also aligns with other frameworks to allow easy interchange of information across various reports. This reduces the need to reproduce data across different reporting requirements. [Get more information on how CDP aligns with these frameworks here.](#)

#### **8. What are the questions most companies that disclose through CDP Water struggle with?**

Companies often struggle with questions that require site-specific water risk assessments and quantification of water-related financial impacts. Identifying water risks at the facility level and linking them to potential financial implications (e.g. revenue Impacts, increased operating costs) can be complex and require cross-functional input. Questions about water targets, governance structures, and supplier engagement can also pose challenges if companies have not yet formalized these elements within their sustainability strategies.

### **Reporting Tips:**

- ✓ If you have responded to CDP Water before, prioritize those questions where you lost points or that have been challenging to you in the previous reporting cycle.
- ✓ Be prepared to involve additional internal and external stakeholders to get additional data and information you need.
- ✓ Make sure to align CDP Water responses to existing information you publish, e.g. in your sustainability report.
- ✓ Plan for early CDP Portal entry to potentially detect questions you missed and to account for possible technical hiccups.

**Useful CDP Water Resources:**

[CDP Technical Note on Water Accounting](#) (standard for CDP definitions and calculations methods)

[CDP Full Corporate Scoring Methodology 2025 – Water security](#)

[Corporate Disclosure. Key Changes for 2025](#) (outlining changes to the 2025 questionnaire compared to the previous year)

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