

# DETAILS OF THE CERES AQUA GAUGE



The Ceres Aqua Gauge provides a corporate-level view on water risk management, and divides associated activities into four key areas: 1) measurement, 2) management, 3) stakeholder engagement, and 4) disclosure. Each of these four areas is then further subdivided into specific management activities that are detailed on the following pages.

For each activity in the Aqua Gauge, investors can assess a company's progress against four stages on the journey to leading practice.

- **No Action:** No evidence that the company has taken action in this area.
- **Initial Steps:** Action has been taken but the company is only beginning to implement the practice.
- **Advanced Progress:** Action has been taken and good progress toward leading practice has been made, but gaps still exist in the company's approach.
- **Leading Practice:** Action is consistent with what leading companies are doing, and are aspiring to do, in this area.

Within the Aqua Gauge, management activities of specific relevance to companies with water risk-exposed direct operations, supply chains, or products are indicated, to help guide the investor in assessing those management practices that are most critical to the company in question.

In addition, for each management activity it has been noted where the investor might look for this information (or where the company might disclose it) by indicating the most relevant CDP Water Survey questions or Global Reporting Initiative (GRI) indicators.

Please note that the Excel-version of this tool (available at [www.ceres.org/aquagauge](http://www.ceres.org/aquagauge)) includes a rapid assessment option (the "Quick Gauge") that can be used as a first step in identifying weaker performers. The Quick Gauge walks the user through a short set of questions to assess if a company has implemented a core set of basic water management practices, and through this process flags companies deserving of further analysis and engagement.

## GUIDANCE FOR APPLYING THE AQUA GAUGE

- **Water is one of many critical environmental and social issues that can materially affect company performance.** The Aqua Gauge is specifically designed to help investors assess a company's response to water issues. Water management is not only a complex undertaking, but is also linked to a wide range of other business, environmental, and social issues. These include energy availability and use, biodiversity, food security, and human health. While this tool is focused on water, it is important to recognize that water should be managed in a way that optimizes performance across the full range of business issues so as to avoid undesirable or unforeseen impacts that could expose a company to greater risk.
- **Investors should ensure companies are managing the full range of water risks and identifying water-related opportunities.** Water risks and opportunities include not only the effects of water scarcity, but also those of water quality and excess water. Water quality can be critical for many businesses, but its importance is often only recognized when water of suitable quality is no longer available. Poor water quality can raise costs, degrade product quality, and potentially disrupt operations. An excess of water also poses risks to companies. Floods can arise not only because of extreme weather, but also from man-made developments and seawater ingress. Additionally, increasing demand for water globally can create opportunities for businesses to provide new products or services, differentiate themselves from competitors based on water efficiency, and/or re-engineer processes to save water, energy, and money.

→ **The Aqua Gauge is designed to be applicable to all sectors (with the exception of the water utility sector), but some management activities will be more important for certain sectors and geographies than others.** This tool is consistent with an enterprise risk management approach to setting priorities. Therefore, most activities identified in the tool should be relevant and considered for all sectors. Some companies may deem action on a particular area of the framework to be inapplicable to their circumstances or unjustified. Investors should ensure that such actions really are not relevant to the circumstances of the particular company. Each aspect of the framework has been labeled to indicate the part of the business to which a particular action is most relevant.

→ **Very few companies will attain “leading practice” on all management activities in the Aqua Gauge.** While there is at least one company that is achieving elements of every leading practice listed, attainment of leading practice is likely to remain an aspiration for many companies for some time yet. Moreover, investors should recognize that achieving leading practice in every aspect of the framework may not be appropriate, material, or cost-effective for some companies. An integrated approach to addressing material sustainability impacts and risks should help both companies and investors to correctly and efficiently prioritize action.

→ **The Aqua Gauge makes no specific reference to timescales and is applicable to both long- and short-term issues.** Some water-related risks and opportunities may materialize in the short term while others will only affect business in the long run. Regardless of timeframe, these issues require assessment now. In assessing risk, companies (and investors) should consider not only the current situation, but also how changes in the business environment, demands from society and changes in the environment itself could affect water-related risks and opportunities. For some companies, the timescales that should be considered may be relatively short, but for others, the risk may need to be considered over several decades.

→ **Where possible, this tool uses terminology that is consistent with common usage and with other tools and initiatives.** In particular, the terminology aligns with that used by the Ceres Roadmap for Sustainability, the World Business Council for Sustainable Development, the CDP Water Survey, and the UN’s CEO Water Mandate.

MEASUREMENT						
ACTIVITY	INITIAL STEPS	ADVANCED PROGRESS	LEADING PRACTICE	SPECIFIC RELEVANCE	GUIDANCE NOTES	DISCLOSURE REFERENCE
<b>Data Gathering</b>						
<b>1.1</b> Collects and monitors data on the company’s own regulatory compliance, water use, and discharge	Company compiles and monitors data on regulatory compliance, water withdrawals, water consumption, and wastewater discharge for some of its direct operations.	Company compiles and monitors data on regulatory compliance, water withdrawals, water consumption, and wastewater discharge for all direct operations.	Company compiles and monitors data on regulatory compliance, water withdrawals, water consumption, water reuse/recycling, and wastewater discharge for all direct operations.	<b>Direct Operations</b>	<ul style="list-style-type: none"> <li>Direct operations include any facilities that are:               <ul style="list-style-type: none"> <li>- Majority-owned;</li> <li>- Operated by a joint venture of which the company holds a &gt;50% stake;</li> <li>- Contractually required to follow the direction of the company;</li> <li>- An operation where the company has a significant shareholding; or,</li> <li>- In the company’s sphere of influence or control with respect to operational activities.</li> </ul> </li> <li>A well-founded omission of some facilities because they are not material should not preclude a company from achieving “advanced progress” or “leading practice” status.</li> </ul>	CDP Water Disclosure Q7.1, 7.2, 7.3, 8 GRI EN8, EN10, EN21

# MEASUREMENT

ACTIVITY	INITIAL STEPS	ADVANCED PROGRESS	LEADING PRACTICE	SPECIFIC RELEVANCE	GUIDANCE NOTES	DISCLOSURE REFERENCE
<b>Data Gathering</b>						
<b>1.2</b> Collects and monitors data on the company's environmental and social impacts on direct water sources	Company identifies key sources of water for some direct operations and tracks some data related to the company's environmental and social impacts on these sources.	Company identifies key sources of water for all direct operations and tracks a range of data related to the company's environmental and social impacts on these sources.	Company identifies all sources of water for all direct operations and tracks a range of data related to the company's environmental and social impacts on these sources.	<b>Direct Operations</b>	<ul style="list-style-type: none"> <li>Environmental impacts include pollution, over-abstraction, redirection of natural watercourses (especially from one watershed to another), disruption to the timing and intensity of environmental flows, and related impacts on biodiversity and ecosystem health.</li> <li>Social impacts include the consequences of environmental impacts (e.g., changes in access to clean water, and related impacts on human health and well-being, costs to the local community, cultural or religious issues, etc), but also include other effects such as restrictions on access to water, costs and charges, impacts or limitations on other economic activities.</li> </ul>	CDP Water Disclosure Q7.4 GRI EN9, EN25
<b>1.3</b> Collects and monitors data on external factors affecting direct water sources	Company identifies and tracks some external factors currently affecting the quality and availability of water sources for key facilities.	Company identifies and tracks a wide range of external factors affecting current and future sustainability of water sources for key facilities.	Company identifies and tracks a wide range of external factors affecting the current and future sustainability of all water sources upon which the company's direct operations rely.	<b>Direct Operations</b>	<ul style="list-style-type: none"> <li>Potential factors and trends include, but are not limited to:                             <ul style="list-style-type: none"> <li>- Climate change</li> <li>- Economic and social development</li> <li>- Public policy</li> <li>- Supply/treatment costs</li> <li>- Impacts of other users</li> </ul> </li> <li>Sources for some of this data can be found in a number of the water risk assessment tools discussed in Guidance Note 1.6. However, companies may also need to seek out local sources for this data from facility management and/or local government and stakeholders.</li> </ul>	CDP Water Disclosure Q2.2
<b>1.4</b> Collects and monitors data on stakeholder perceptions and concerns related to water issues	Company monitors attitudes and concerns of some key stakeholders on a proactive, but ad hoc basis.	Company monitors attitudes and concerns of some key stakeholders on a proactive and systematic basis.	Company monitors attitudes and concerns of all key stakeholders on a proactive and systematic basis.	<b>All</b>	<ul style="list-style-type: none"> <li>The nature and quantity of data being tracked should be appropriate to the particular industry or geography.</li> <li>Stakeholders could include customers, NGOs, local communities (councils, chambers of commerce, other community leaders), etc.</li> <li>Proactive in this case implies actively seeking out stakeholder views directly and going beyond simply monitoring of the press.</li> </ul>	CDP Water Disclosure Q2.2, 1.2

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<b>Data Gathering</b>						
<b>1.5</b> Collects and monitors data on the effectiveness of suppliers' water management practices	Company monitors public or third-party compiled information on the water management practices of some suppliers, including data on compliance, water use and discharges.	Company requests and assesses some information on water management practices (as well as compliance, water use, and discharges) from all direct or single source suppliers identified as water-intensive or likely to be a source of water risk.	Company requests, assesses, and monitors a range of information on water management practices (as well as compliance, water use, and discharges) from all direct or single source suppliers identified as water-intensive or likely to be a source of water risk.	<b>Supply Chain</b>	<ul style="list-style-type: none"> <li>Leading practice requires assessment of suppliers against a recognized and comprehensive water management framework. One possible approach would be for companies to apply the Aqua Gauge framework to their suppliers.</li> <li>"Single source" suppliers are those that are the sole source of a particular raw material or purchased good for the company.</li> </ul>	CDP Water Disclosure Q3.3, 3.4
<b>Risk Assessment</b>						
<b>1.6</b> Identifies and quantifies water-related risks in direct operations	Company uses third-party tools or data sets (or equivalent internal tools) to identify all direct operations located in areas of water scarcity.	Company uses third-party tools or data sets (or equivalent internal tools) to identify all direct operations in areas of potential water risk (including scarcity, quality, regulations or other factors).	Company combines recognized third-party tools or data sets (or equivalent internal tools) on water risk with own data on company's current water use and impacts, as well as potential future changes in water availability, quality, regulations and demand / competition to develop a detailed understanding of current and potential future water risks.	<b>Direct Operations</b>	<ul style="list-style-type: none"> <li>There are various tools and methodologies that individual companies can use to diagnose and track risks, including one or more of the following: <ul style="list-style-type: none"> <li>- WBCSD's Global Water Tool</li> <li>- GEMI's Local Water Tool</li> <li>- Integrated Biodiversity Assessment Tool (iBAT)</li> <li>- Water Footprint Assessment</li> <li>- WRI's Aqueduct</li> <li>- WWF/DEG Water Filter</li> </ul> </li> <li>In some cases, companies may be using third-party tools or data sets or may have developed their own tools that combine elements of those listed above.</li> </ul>	CDP Water Disclosure Q3.1, 3.2, 4
<b>1.7</b> Identifies and quantifies water-related risks in the supply chain	Company uses third-party tools or data sets (or equivalent internal tools) to identify direct suppliers and key raw materials sourced from areas of water scarcity.	Company uses third-party tools or data sets (or equivalent internal tools) to identify all material direct suppliers, major indirect suppliers and/or raw materials sourced from areas of water risk (including scarcity, quality, regulations or other factors).	Company uses data on all material direct suppliers, major indirect suppliers and key raw materials located in areas of current and future water stress, together with supplier data on water use, impacts, and management to develop a detailed understanding of current and future water risks in the supply chain.	<b>Supply Chain</b>	Some companies will have long and opaque supply chains. Some will find it extremely difficult to trace the origin of the commodities they source. Investors should recognize the nascent state of supply chain risk analysis when examining company actions in this area.	CDP Water Disclosure Q3.4, 4

# MANAGEMENT

ACTIVITY	INITIAL STEPS	ADVANCED PROGRESS	LEADING PRACTICE	SPECIFIC RELEVANCE	GUIDANCE NOTES	DISCLOSURE REFERENCE
Governance & Accountability						
<b>2.1</b> Clarifies board responsibilities for oversight of water	Board or board committee is occasionally briefed on water-related risks and opportunities.	Board or board committee has formal and explicit oversight of all significant water-related issues and is occasionally briefed on water-related risks and opportunities.	Board or board committee has formal and explicit oversight of all significant water-related issues and is regularly briefed on water-related risks and opportunities.	<b>All</b>	For briefings to be more than “occasional” they should be at least every year and be part of the pre-planned board schedule.	CDP Water Disclosure Q1.1a
<b>2.2</b> Involves senior executives directly in management of water-related issues	Executive management committee or committee member has explicit oversight over strategic water management.	Executive management committee or committee member has explicit oversight of strategic water management and there are clear lines of responsibility between the committee and responsible site-level personnel.	Executive management committee or committee member has explicit oversight of all strategic water-related issues and there are clear lines of responsibility between the committee and responsible site-level personnel. Water is explicitly part of sustainability scorecarding for pay or incentive compensation of senior executives and key managers.	<b>All</b>	As part of “leading practice,” the sustainability component of compensation should ideally be linked to a set of key environmental and social performance measures, water being just one.	CDP Water Disclosure Q1.1a
<b>2.3</b> Aligns public policy positions and lobbying with water stewardship goals	Company’s public policy positions and lobbying are consistent with its own stated water stewardship goals.	Company’s public policy positions and lobbying are consistent with both its own stated water stewardship goals and with internationally recognized water stewardship and development goals.	Company’s public policy positions and lobbying are consistent with both its own stated water stewardship goals and with internationally recognized water stewardship and development goals. Company also works to encourage wider (industry) adoption of policy positions consistent with internationally recognized water stewardship and development goals.	<b>All</b>	Internationally recognized water stewardship and development goals could include Integrated Water Resources Management (IWRM), the Millennium Development Goals, or the Ruggie Framework for Business and Human Rights	CDP Water Disclosure Q1

# MANAGEMENT

ACTIVITY	INITIAL STEPS	ADVANCED PROGRESS	LEADING PRACTICE	SPECIFIC RELEVANCE	GUIDANCE NOTES	DISCLOSURE REFERENCE
<b>Policies &amp; Standards</b>						
<b>2.4</b> Has a publicly available water policy and recognizes the importance of water to the business	The company has an easily identifiable, publicly available policy on water that sets out clear goals and guidelines for action.	The company has an easily identifiable, publicly available policy on water that sets out clear goals and guidelines for action and has publicly demonstrated a commitment to water.	The company has an easily identifiable, publicly available policy on water that sets out clear goals and guidelines for actions and has publicly demonstrated a commitment to water. Company recognizes its responsibility to respect the human right to water and sanitation.	All	<ul style="list-style-type: none"> <li>Public demonstration of a commitment to water could include for example:                             <ul style="list-style-type: none"> <li>- Participation in the CEO Water Mandate or similar initiatives</li> <li>- Statements from senior decision-makers or board members</li> </ul> </li> <li>A company's water policy may also be part of a wider commitment or policy on sustainability issues, but it should get specific mention if this is the case. Similarly, recognition of the human right to water may be recognized as part of a broader human rights policy.</li> </ul>	CDP Water Disclosure Q1.1a
<b>2.5</b> Sets performance standards and goals on water withdrawals / consumption for direct operations	Company has set targets for reductions in water withdrawals / consumption at some facilities.	Company has set business-wide targets for reductions in water withdrawals / consumption for all facilities.	Company has set business-wide targets for reductions in water withdrawals / consumption for all facilities, and for facilities deemed high risk, has set more aggressive targets.	Direct Operations	<ul style="list-style-type: none"> <li>Overall, absolute reduction targets are preferable, but targets set may be efficiency-oriented or absolute, based on relative risk facing specific facilities.</li> <li>Leading Practice requires more aggressive targets for high-risk sites than targets set for the business as a whole.</li> </ul>	CDP Water Disclosure Q1.1b, 1.1c
<b>2.6</b> Sets performance standards and goals on wastewater discharge for direct operations	Company systematically meets or exceeds wastewater compliance requirements at all sites. Company has set a global wastewater standard that exceeds local regulatory compliance requirements for some facilities.	Company systematically meets or exceeds wastewater compliance requirements at all sites. Company has set a global wastewater standard that exceeds local regulatory compliance requirements for most facilities.	Company systematically meets or exceeds wastewater compliance requirements at all sites. Company has set a global wastewater standard at least equivalent to the most stringent regulatory wastewater standards faced by its facilities globally.	Direct Operations		CDP Water Disclosure Q1.1b, 1.1c

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ACTIVITY	INITIAL STEPS	ADVANCED PROGRESS	LEADING PRACTICE	SPECIFIC RELEVANCE	GUIDANCE NOTES	DISCLOSURE REFERENCE
<b>Policies &amp; Standards</b>						
<p><b>2.7</b> Requires direct operations to develop plans to address local watershed risks</p>	<p>Some facilities in areas deemed high risk are required to develop source water protection plans that address critical external water risks, and include plans to engage key local stakeholders and support projects that improve conditions for the watershed(s) supplying or affected by each facility.</p>	<p>All major facilities in areas deemed high risk are required to develop source water protection plans that address critical external water risks, and include plans to engage key local stakeholders and support projects that improve conditions for the watershed(s) supplying or affected by each facility.</p>	<p>All facilities are required to develop source water protection plans that address critical external water risks, and include plans to engage key local stakeholders and support projects that improve conditions for the watershed(s) supplying or affected by each facility.</p>	<p><b>Direct Operations</b></p>		<p>CDP Water Disclosure Q1.2</p>
<p><b>2.8</b> Addresses sustainable water management in supplier standards and codes, and in procurement and contracting practices</p>	<p>For major direct suppliers identified as water-intensive or likely to be a source of water risk, company has set a water use standard and/or a global wastewater standard. Supplier code of conduct or policy references water.</p>	<p>For major direct suppliers identified as water-intensive or likely to be a source of water risk, company has set a water use standard and a wastewater standard that meets or exceeds local compliance for that supplier's facilities. Supplier code of conduct or policy references water and company integrates supplier water performance into procurement and contracting practices for major contracts.</p>	<p>For major direct suppliers identified as water-intensive or likely to be a source of water risk, company has set a water use standard and a wastewater standard that meets or exceeds local compliance for that supplier's facilities. Supplier requires such suppliers to have their own water management program that imposes comparable standards on their own suppliers. Company systematically integrates supplier water performance into policies, procurement and contracting practices.</p>	<p><b>Supply Chain</b></p>	<ul style="list-style-type: none"> <li>Company procurement and contracting policies which might reflect water include Requests For Proposals (RFPs), vendor selection and re-assessment criteria, etc.</li> </ul>	<p>CDP Water Disclosure Q1.2</p>

# MANAGEMENT

ACTIVITY	INITIAL STEPS	ADVANCED PROGRESS	LEADING PRACTICE	SPECIFIC RELEVANCE	GUIDANCE NOTES	DISCLOSURE REFERENCE
<b>Business Planning</b>						
<b>2.9</b> Considers water in business planning and investment decision-making	Company considers water issues in major investments in areas identified as high water risk.	Company considers water issues in all major investments.	Company takes full consideration of water risks and opportunities, including well-founded values for water, in all major decisions, as well as systematic planning and budgeting. Water risks are integrated into the company's enterprise risk management system.	All	<ul style="list-style-type: none"> <li>Major investment decisions could include, among others: acquisitions, capital investments, siting of facilities and contracts with major suppliers.</li> <li>Water is an undervalued resource. However, investors should recognize that reflecting the true value of water in decision-making is a complex undertaking. Simply including the explicit cost for water does not necessarily mean that the company is dealing adequately with the issue; in nearly all cases the value of adequate, clean water supplies to a business will be far in excess of the price it actually pays for that water.</li> <li>The value of water is itself only one of several ESG factors that should be considered in any major investment decision.</li> </ul>	CDP Water Disclosure Q1
<b>2.10</b> Considers water in product design and development	Company assesses life-cycle water impacts of some products and has stated goal to reduce life-cycle use of water for selected products.	Company assesses life-cycle water impacts of key products and has systematic program to reduce the life-cycle water impacts of products with high impact or with significant use in water-stressed areas.	Company has program to assess life-cycle water impacts of all significant products and has systematic program to reduce the life-cycle water impacts of all significant products.	Product	While the consideration of water issues in product development is more important for some sectors than others, all businesses should consider the impact of their products and services on water, even if the conclusion is that there is no impact or risk.	CDP Water Disclosure Q5
<b>2.11</b> Identifies water-related business opportunities	Company has publicly acknowledged the potential for water-related opportunities and has credible plan for future development.	Company has publicly acknowledged the potential for water-related opportunities and is demonstrably working to develop new business opportunities that address water issues.	Company has a clear strategy for identifying, funding, and launching water-related opportunities and has set goals related to revenue or profit from new business opportunities.	Product	Business opportunities can include new products and processes, as well as the benefits from better stewardship of water either in reduced costs, enhanced brand equity, improved stakeholder relations or other business benefits.	CDP Water Disclosure Q5

## STAKEHOLDER ENGAGEMENT

ACTIVITY	INITIAL STEPS	ADVANCED PROGRESS	LEADING PRACTICE	SPECIFIC RELEVANCE	GUIDANCE NOTES	DISCLOSURE REFERENCE
<p><b>3.1</b> Requires engagement with local communities on water-related issues at existing or potential new direct operations</p>	<p>Facility personnel consult with communities in advance of siting or expanding operations in full compliance with local regulatory requirements. Facility personnel work on external water projects that benefit local communities.</p>	<p>Facility personnel consult with communities in advance of siting or expanding operations as part of an established company process that meets or exceeds regulatory requirements. Facility personnel engage with communities on a systematic basis and are involved in external projects that contribute to local sustainable water management and/or access to water and sanitation.</p>	<p>Facility personnel consult with communities in advance of siting or expanding operations as part of an established company process that exceeds regulatory requirements in most locations, and is consistent with the intent of free, prior and informed consent (FPIC). Facility personnel engage with communities on a systematic basis and are involved in external projects that contribute to local sustainable water management and/or access to water and sanitation.</p>	<p><b>Direct Operations</b></p>	<ul style="list-style-type: none"> <li>Stakeholder engagement is a two-way process and requires both communication of company position and the intention to listen as well as respond to stakeholder concerns.</li> <li>Resources for stakeholder engagement include the AA1000 Stakeholder Engagement Standard and the International Finance Corporation's Stakeholder Engagement Principles and Handbook.</li> </ul>	<p>CDP Water Disclosure Q1.2</p>
<p><b>3.2</b> Engages with employees on water issues</p>	<p>Company has taken some steps to engage and/or educate employees on water issues.</p>	<p>Company has a business-wide program designed to engage and educate employees, and encourage them to take ownership of water issues.</p>	<p>Company has a business-wide program designed to engage and educate employees, and encourage them to take ownership of water issues. Provides employees education and incentives to reduce their personal water footprint.</p>	<p>All</p>	<p>Employee engagement could cover, among other things:</p> <ul style="list-style-type: none"> <li>Why water is an important issue</li> <li>Water issues in the business (across factory, supply chain and customers)</li> <li>Water issues in the local environment/watershed</li> <li>What employees can do in the business and outside to make a difference</li> </ul>	<p>CDP Water Disclosure Q1.2</p>
<p><b>3.3</b> Works with suppliers to help them improve water management</p>	<p>Advises and works with some direct suppliers to improve their water management.</p>	<p>Actively advises and works with key suppliers (or supplier groups) identified as water-intensive or likely to be a source of water risk to improve their water management. Works with or funds efforts by industry associations and NGOs to improve the water management practices of water-intensive, smaller suppliers</p>	<p>Actively advises and works with all key suppliers (or supplier groups) to improve their water management. Systematically works with or funds efforts by industry associations or NGOs to improve the water management practices of water-intensive, smaller suppliers.</p>	<p><b>Supply Chain</b></p>		<p>CDP Water Disclosure Q1.2</p>

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ACTIVITY	INITIAL STEPS	ADVANCED PROGRESS	LEADING PRACTICE	SPECIFIC RELEVANCE	GUIDANCE NOTES	DISCLOSURE REFERENCE
<b>3.4</b> Engages openly with local, regional and national governments or regulators to advance sustainable water policies and management	Takes steps to plan a coherent engagement strategy on water policy that is fully transparent and is aimed at promoting sustainable water management.	Engages on water-related public policy issues in watersheds deemed high risk. Engagement is in line with the business' overall engagement strategy on water policy, is fully transparent and is aimed at promoting sustainable water management.	Engages on water-related public policy issues in areas deemed high risk, as well as on a national or global level. Engagement is in line with the business' overall engagement strategy on water policy, is fully transparent and is aimed at promoting sustainable water management.	All	Engagement with regulators and governments should be pre-planned and follow a well-considered, coherent strategy. The CEO Water Mandate has published a set of guidelines for companies in order to help them plan and undertake engagement in water policy. See: <a href="http://www.unglobalcompact.org/Issues/Environment/Environment_Guidance_Material.html#ceo_water_mandate">http://www.unglobalcompact.org/Issues/Environment/Environment_Guidance_Material.html#ceo_water_mandate</a>	CDP Water Disclosure Q1.2
<b>3.5</b> Engages with NGOs and community organizations on water issues	Engages with NGOs and community organizations on an ad hoc basis to undertake specific actions on water.	Engages with NGOs and community organizations systematically, either on an informal basis (such as regular dialogue) or a formal basis (partnership), to undertake specific actions on water.	Engages formally (e.g. partnership, specific projects, etc) with NGOs and community organizations on water issues relevant to the company's core business/areas of operation.	All		CDP Water Disclosure Q1.2
<b>3.6</b> Engages with other industries/ companies/ water users	Engages with other companies, users or industry efforts on an ad hoc basis to address water risks and impacts.	Supports or participates in efforts to work within or across industries to address water risks and impacts in some areas of the business, and engages with other users on an ad hoc basis.	Actively leads efforts to work within or across industries to address water risks and impacts. Collaborates with other companies and water users in key watersheds to drive improved stewardship within the watershed. Shares water-related tools and non-commercially sensitive information with others in industry or watershed.	All		CDP Water Disclosure Q1.2

## STAKEHOLDER ENGAGEMENT

ACTIVITY	INITIAL STEPS	ADVANCED PROGRESS	LEADING PRACTICE	SPECIFIC RELEVANCE	GUIDANCE NOTES	DISCLOSURE REFERENCE
<p><b>3.7</b>  <b>Educates customers to help them minimize product impacts</b></p>	<p>Makes information available to customers on how to minimize water impacts associated with the use of some high water impact/intensive products.</p>	<p>Systematically provides information to all customers on how to minimize water impacts associated with the use of highest water impact/intensive products. Has active program of education and engagement for most customers on the benefits of effective water management related to the company's products.</p>	<p>Systematically provides information to all customers on how to minimize water impacts associated with the use of all high water impact/intensive products. Has active program of education and engagement for most customers on the benefits of effective water management related to the company's products. Where relevant, provides mechanisms for product take-back to help customers responsibly manage end-of-life product impacts.</p>	<p><b>Product</b></p>	<p>Information provided to customers should highlight potential trade-offs with other factors (such as changes in energy consumption) as a result of changes in water use.</p>	<p>CDP Water Disclosure Q1.2</p>

# DISCLOSURE

ACTIVITY	INITIAL STEPS	ADVANCED PROGRESS	LEADING PRACTICE	SPECIFIC RELEVANCE	GUIDANCE NOTES	DISCLOSURE REFERENCE
<b>4.1</b> Makes water-related information publicly available	Company discloses some qualitative and quantitative information related to water (use, discharge, impacts, management approach, etc.).	Company discloses comprehensive qualitative and quantitative information related to water (risks, opportunities, management approach, water use, discharge, impacts, etc.).	Company discloses comprehensive and forward-looking qualitative and quantitative information related to water (risks, opportunities, management approach, water use, discharge, impacts, etc.).	All	<ul style="list-style-type: none"> <li>• Channels for making data publicly available include, but are not limited to:                             <ul style="list-style-type: none"> <li>- Sustainability/ CSR report</li> <li>- CDP Water Disclosure initiative</li> <li>- CEO Water Mandate Communication on Progress (relevant for signatories of the Mandate)</li> <li>- Company website</li> <li>- Annual report</li> <li>- Regulatory filings</li> <li>- Analyst meetings and presentations</li> </ul> </li> <li>• Quantitative information should ideally include the Global Reporting Initiative's core and additional indicators on water.</li> <li>• Companies are encouraged to present data in a way that allows investors to assess performance of facilities in water-stressed or higher risk geographies vs. a corporate-wide average.</li> <li>• While disclosure standards and metrics are changing and improving from year-to-year, where practical, companies should disclose how the metrics chosen compare to prior years and to other comparable companies.</li> </ul>	NA
<b>4.2</b> Includes water data and analysis in published financial filings/reports	Company complies with minimum financial disclosure requirements relevant to water.	Company assesses materiality of all water-related risks in developing its securities filings or annual report.	Company integrates discussion of material water risks and opportunities, along with quantitative performance data and goals into its securities filings or annual report, demonstrating the linkages to strategy, governance and financial performance.	All	<p>Integrated financial and sustainability reporting is a rapidly evolving trend. The International Integrated Reporting Committee is working to develop a globally accepted integrated reporting framework and is a good resource on the latest developments. See: <a href="http://www.theiirc.org">http://www.theiirc.org</a></p>	NA

# DISCLOSURE

ACTIVITY	INITIAL STEPS	ADVANCED PROGRESS	LEADING PRACTICE	SPECIFIC RELEVANCE	GUIDANCE NOTES	DISCLOSURE REFERENCE
<b>4.3</b> <b>Provides third-party assurance or audits water-related information</b>	Assurance on some data related to the company's direct water use / discharge and impacts is provided by an appropriate and independent third party.	Assurance on all data related to the company's direct water use/discharge and impacts is provided by an appropriate and independent third party.	Assurance is provided on all data related to the company's direct water use / discharge and impacts, as well as the company's performance relative to any goals, by an appropriate and independent third party.	<b>Direct Operations</b>		CDP Water Disclosure Q17.1