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\$16trn investor coalition to quiz companies on water



by **Daniel Brooksbank** | April 9th, 2010

A group of 137 financial institutions globally with a combined \$16trn (€11.9bn) in assets have sent out questionnaires to more than 300 of the world's largest companies on their water use as part of the Carbon Disclosure Project's Water Disclosure initiative.

The institutions include names such as Allianz Group, CalSTRS, HSBC, ING, Mitsubishi UFJ Financial Group (MUFG) and National Australia Bank. They have signed the request for information, asking companies to measure and disclose information on their water usage, the risks and opportunities in their own operations and supply chains, as well as water management and improvement plans.

The questionnaire results will be made available to investors that have requested disclosure and summarised in an annual report, the first of which will be produced in the last quarter of 2010. The water project was launched by the CDP in November 2009. "CDP has long been a key system through which investors and businesses can evaluate companies' ability to tackle climate change," said Paul Simpson, chief operating officer at CDP. "Much of the impact of climate change will be felt through water and as we face increasingly scarce water resources, we can now provide the same system to highlight companies' ability to operate in a water-constrained world."

Companies within the Global 500 that have been asked to report this year are in water-intensive sectors such as Automotive, Construction, Electric Utilities, Fast Moving Consumer Goods (FMCGs), Food and Beverage, Mining, Oil and Gas, and Pharmaceuticals.

One of the reporting companies is global brewer Molson Coors, who has signed up to become a lead sponsor of CDP Water Disclosure.

Ford, L'Oréal, PepsiCo and Reed Elsevier have already committed to report to CDP Water Disclosure in 2010 as founding responders to the program.

Anne Kvam, global head of ownership strategies, at Norges Bank Investment Management – the manager of the Norwegian Global Pension Fund – said: “Water is a key investment issue because it is fundamental to many businesses, and is threatened in many areas of the world. By asking the right questions we aim to establish a common framework for assessing water-related risk, as well as drive more sustainable use of water, which is important for our long term investments.”

[Link to CDP Water Disclosure](#)