How can corporate transparency drive transboundary cooperation and basin development?

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To see a thriving economy that works for people and planet in the long term.

To focus investors, companies and cities on taking urgent action to build a truly sustainable economy by measuring, understanding and reporting their environmental impact.
HOW CDP WORKS

CDP provides data, benchmarks and insights on impacts, risks, opportunities, investments and strategies back to investors & purchasers

$106tn
investor assets

INVESTOR REQUEST

$4tn
purchasing power

SUPPLY CHAIN REQUEST

DISCLOSERS

#CDPWater | @CDP
Serves two purposes:

1. To collect business-relevant water-related data in a standardized, comparable format that we make available to the market.

2. To catalyze action within the responding entity, spark strategic dialogues on water that may never have happened and elevate the value of water.
THE ANNUAL DISCLOSURE CYCLE - HOW IT WORKS

- Water security
- Request information
- Boost capacity gather data
- Submit response
- Score
- Public benchmark
- Data used by markets
- Innovation and impact reduction

THE ANNUAL DISCLOSURE CYCLE - HOW IT WORKS
WHAT THIS LOOKS LIKE FOR TRANSBOUNDARY COOPERATION AND BASIN DEVELOPMENT

Challenge

Companies were:

- unaware of river basin dynamics
- unaware of the importance of river basin health
- not investing in projects to boost river basin health nor resilience
WHAT THIS LOOKS LIKE FOR TRANSBOUNDARY COOPERATION AND BASIN DEVELOPMENT

Question

By river basin, what is the number and proportion of facilities exposed to water risks that could have a substantive financial or strategic impact on your business, and what is the potential business impact associated with those facilities?
WHAT THIS LOOKS LIKE FOR TRANSBOUNDARY COOPERATION AND BASIN DEVELOPMENT

Companies only make the Water A List if they (amongst other things):

- calculate and disclose how much revenue is derived in each river basin they depend upon
- align risk assessments with river basin and stakeholder needs
- involve river basin management authorities in water risk assessments
- disclose substantive water risks and actions per river basin
- set science-based targets*  

*forthcoming
5,537 high impact companies were asked to provide water-related data via CDP.

2,934 responded – 53%
DISCLOSURE PER COUNTRY 2020

<table>
<thead>
<tr>
<th>Country</th>
<th># companies disclosing</th>
</tr>
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<tbody>
<tr>
<td>USA</td>
<td>541</td>
</tr>
<tr>
<td>Japan</td>
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<td>Brazil</td>
<td>261</td>
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<td>Germany</td>
<td>138</td>
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IMPLICATIONS FOR BUSINESS

- The business value at risk from water is higher than ever

- 75% of the world's largest 150 companies are exposed to substantive water risks

- Companies report investing more than $100 billion in actions to mitigate water risks and impacts

$100 BILLION
Investment in water action
Companies and investors are more aware of what a river basin is and that the health of the river basin is synonymous with the health of their business.

They are identifying projects and taking action to mitigate these risks.

These projects may contribute to basin health, but they may not.
TIME FOR GREATER CLARITY

- boost the number of financial institutions and companies disclosing through CDP;
- influence corporate disclosure regulations and rating agencies to integrate basin-scale action into methodologies and proposals;
- scale up the adoption of science-based targets for freshwater and the AWS standard to validate and align corporate site-based investments with basin needs;
- explore ways in which we can better channel the $100bn; and
- integrate transboundary cooperation information into existing corporate water risk tools
THANK YOU