

# How are companies considering river basin health in investment decisions?

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# CDP'S VISION & MISSION

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



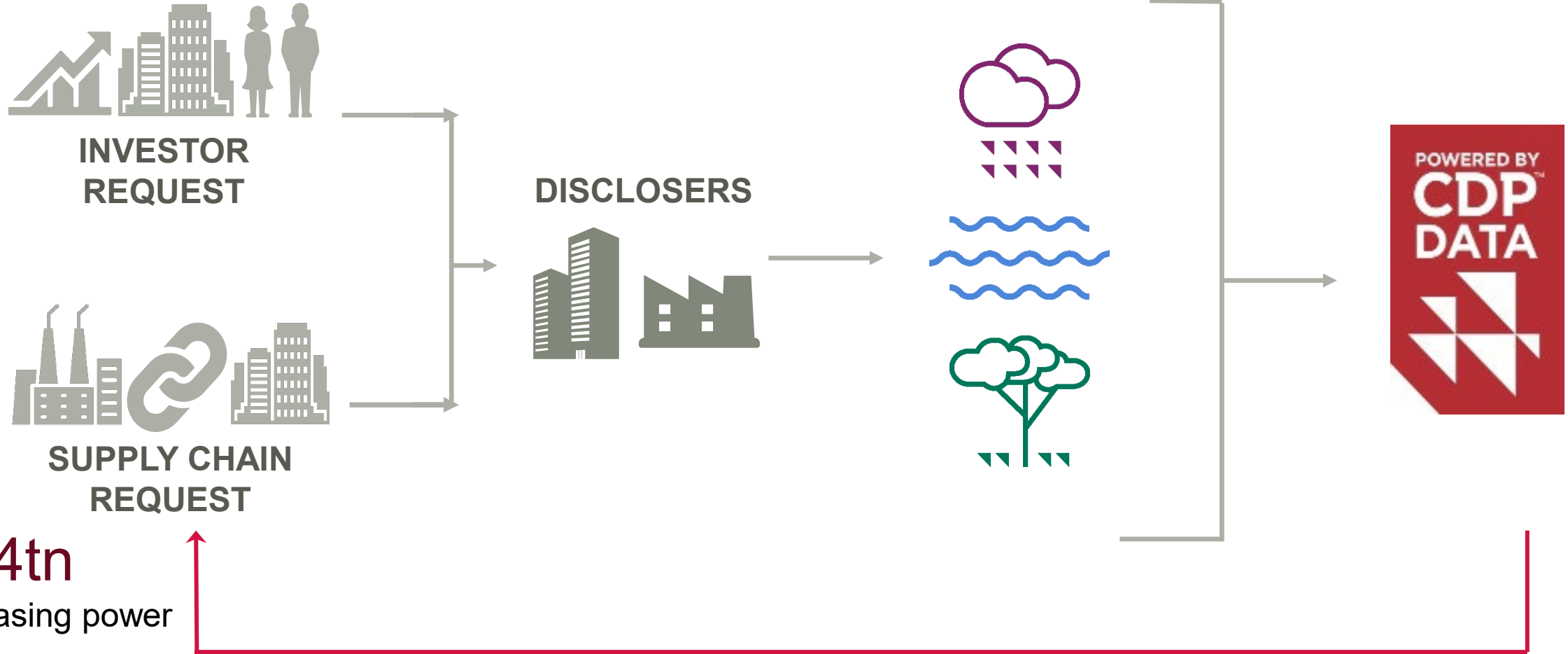
**To focus investors, companies and cities on taking urgent action to build a truly sustainable economy by measuring, understanding and reporting their environmental impact.**



# HOW CDP WORKS

\$136tn

investor assets



\$6.4tn

purchasing power

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

#CDPWater | @CDP

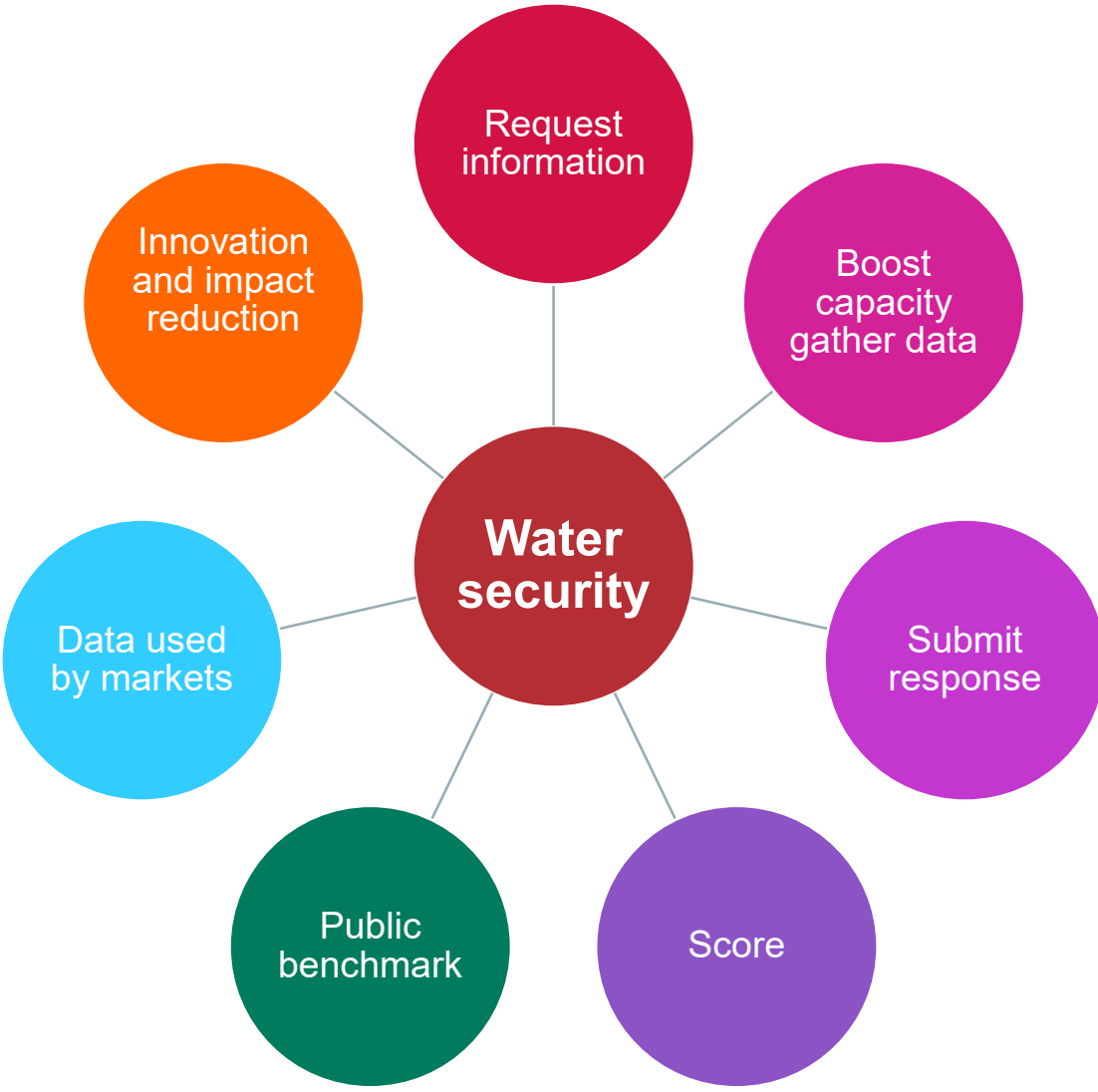
# CDP'S WATER QUESTIONNAIRE



## ▼ 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





13,356 high impact companies were asked to provide water-related data via CDP.

**4,815** responded



23% from  
2022



90%  
increase in  
the last 10  
years

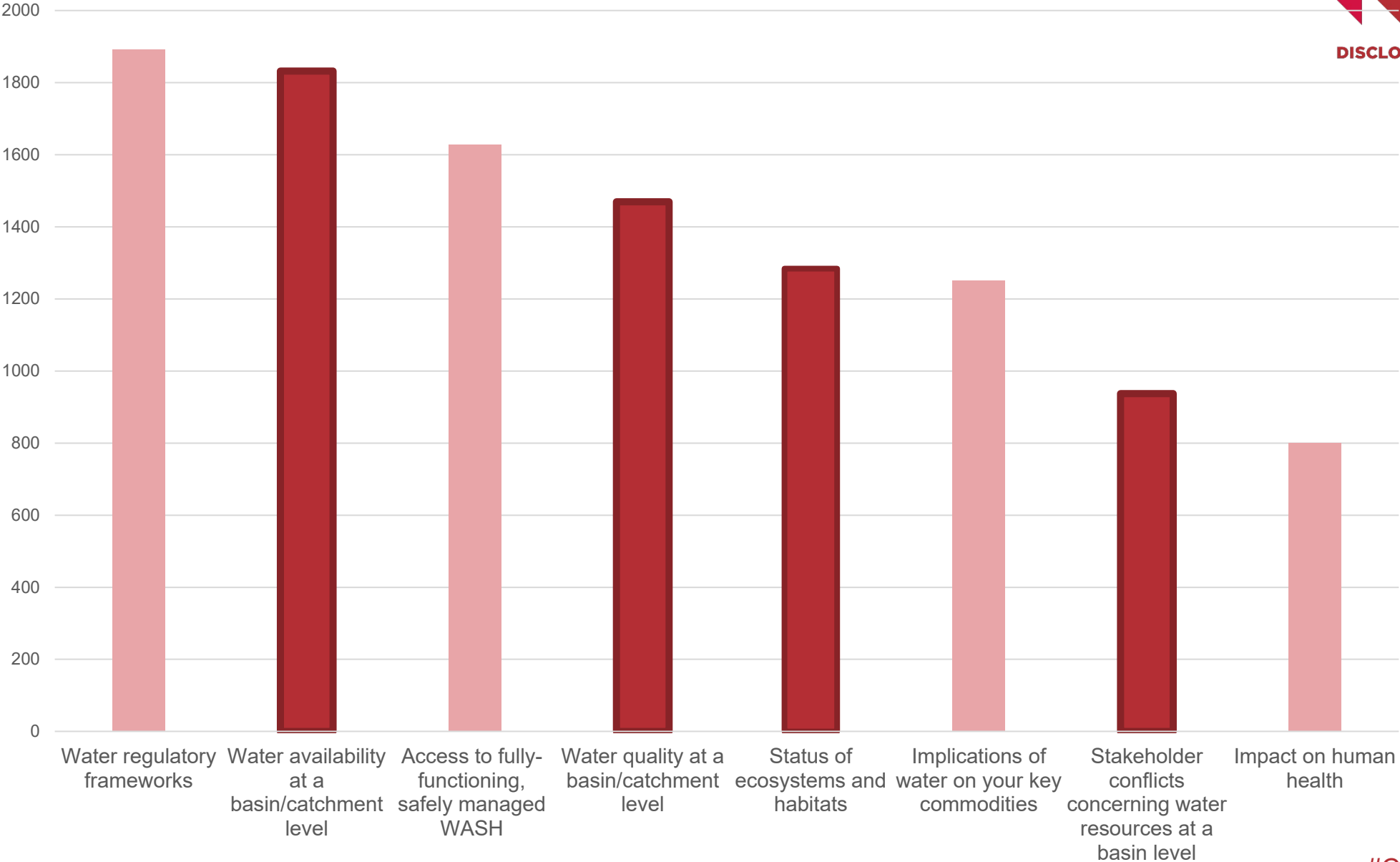
# WHAT THIS LOOKS LIKE FOR TRANSBOUNDARY COOPERATION AND BASIN DEVELOPMENT



## Question

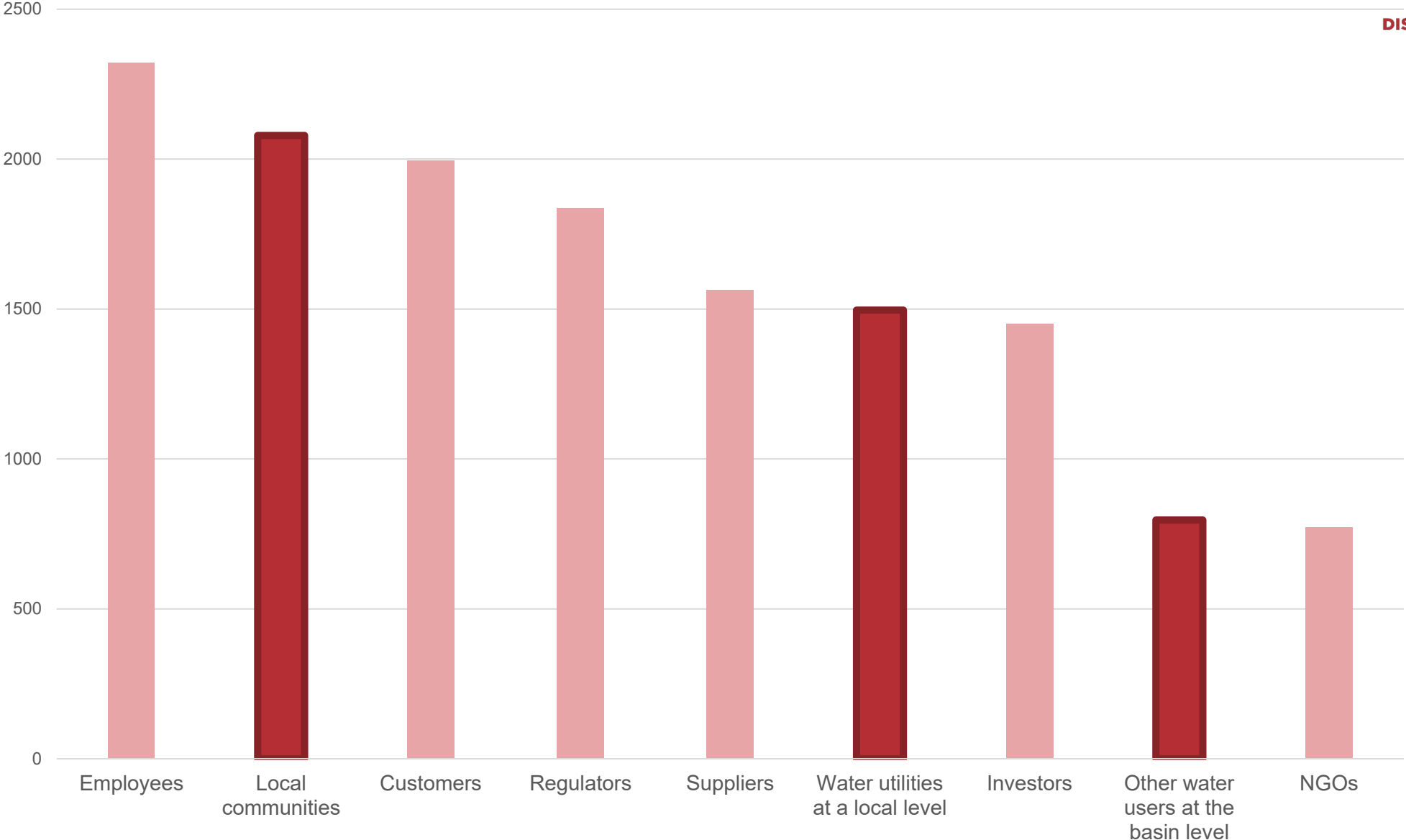
*Does your organisation undertake a water-related risk assessment? If so, provide details.*

# Risk assessments – contextual issues considered





# Risk assessments – stakeholders considered



# 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?*

This year

1,813

organisations reported

5,076

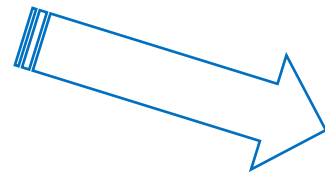
facilities exposed to water risk across

217

river basins in

137

countries.



Facilities located in river basins in

**China, Mexico, Japan** and **India**

are most at risk





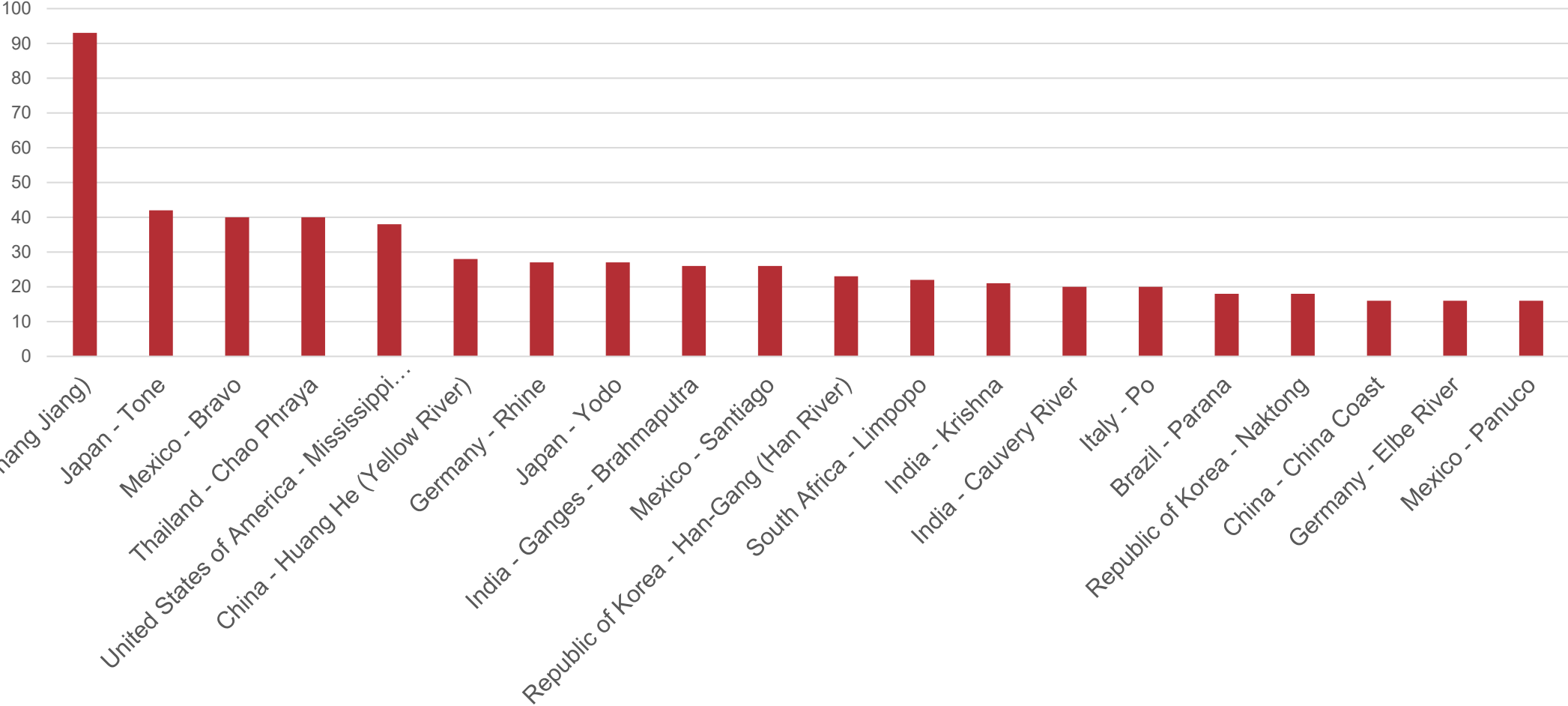
*“Ho Chi Minh City is located at the southern tip of the Mekong River. Its access to water is greatly influenced by the actions of upstream actors across the Mekong region (China, Myanmar, Thailand, Laos and Cambodia).”*

*These transboundary challenges include the absence of upstream dams, lack of regulatory frameworks, increased flooding, excessive ground water extraction and local sand mining.*

*These complex, transnational challenges contribute to increased water stress for the entire Mekong region and suppliers in Ho Chi Minh City in particular.”*

**PVH Corp operating in the Mekong Delta (Vietnam)**

# Top 20 river basins at risk, threatening more than 1% of company total global revenue



# 229

organisations state that these river basin risks could threaten more than **80%** of their company's total global revenue

*“As a PCB [circuit board] manufacturer, most processes need water. If there is not enough high-quality water supply in the whole production process, the production cannot be carried out and the operation will stop”*

**WUS, operating in the Yangtze river basin (China)**

*“Both of our facilities are located in Italy in the Po basin. Since these two sites represent the whole production, in case of impacts caused by extreme events, the entire global revenue could be affected”*

**Bormioli Luigi, operating in the Po basin (Italy)**



# IMPLICATIONS FOR BUSINESS – Risk mitigation

- ▼ 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
- ▼ companies report investing more than \$100 billion in actions to mitigate water risks and impacts
- ▼ they are identifying projects and taking action to mitigate these risks
- ▼ these projects may contribute to basin health, but they may not



**\$100 BILLION**  
Investment in water  
action



# 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

