

## We Value Nature 10-Day Challenge Event

### *Water-related financial reporting, a tournament with high stakes, 22<sup>nd</sup> March 2021*

#### Session summary & key takeaways

This session aimed at describing the interactions between business and water, the water-related financial risks and opportunities and the importance for companies to disclose material water-related financial disclosures to investors.

The session dove into practicalities, presented case studies and included a series of quiz questions throughout. After an introduction to business water dependencies, impacts, and related financial risks and opportunities, practical suggestions on water-related financial disclosures have been presented through the lens of the CDSB framework application guidance for water-related financial disclosures. This practical guidance helps companies to disclose material water-related information in their annual reports. It is aligned with the TCFD principles and pillars and it offers practical guidance, resources and examples of good practices on water governance, management of water policies, strategies and targets, water-related risks and opportunities, sources of impact on water resources and ecosystems, water-related performance and future outlook. The final version of the document will be released in July 2021.

#### *Key takeaways:*

1. Businesses depend and impact on water cycle, resources and ecosystems;
2. Water-related risks and opportunities are material for businesses;
3. It is crucial for companies to effectively disclose material water-related financial information to investors;

Warm thanks to the speakers for the insights shared:

*Francesca Recanati, Technical Manager – Environmental Specialist, CDSB*

*Ravi Abeywardana, Technical Director, CDSB*

## Key solutions presented / actions to take

Effective integration of material water-related information into financial disclosures can be achieved by (1) understanding business water dependencies, impacts, risks and opportunities and (2) preparing disclosures by following the TCFD principles and pillars. The CDSB framework application guidance for water-related financial disclosures provides supports in this journey.

## Useful resources

- CDSB Framework: <https://www.cdsb.net/what-we-do/reporting-frameworks/environmental-information-natural-capital>
- CDSB Framework Application Guidance
  - Climate: <https://www.cdsb.net/climateguidance>
  - Water: <https://www.cdsb.net/what-we-do/nature-related-financial-disclosures/water-related-disclosures> (for more details, contact [francesca.recanati@cdsb.net](mailto:francesca.recanati@cdsb.net))
- Good practice examples:
  - The state of EU Environmental Disclosure in 2020: <https://dev-cdsb.pantheonsite.io/nfrd2020>
  - TCFD Good Practice Handbook: <https://dev-cdsb.pantheonsite.io/tcf-good-practice-handbook>
- Integrating climate into financial disclosures: <https://dev-cdsb.pantheonsite.io/climateaccounting>