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Only 5% of companies put a financial value on water, despite billion-dollar risks, reveals CDP data

CDP participates in the Climate Week Interview Series with Acumen Media, shot in New York during Climate Week 2025.

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> *Sherry Madera, CEO of CDP*

NEW YORK CITY, NY, UNITED STATES, November 5, 2025 /EINPresswire.com/ -- Companies are standing at the edge of a trillion-dollar opportunity: by accurately valuing water to support corporate decision-making, they can safeguard against billions in risks while unlocking long-term growth. CDP, the world's largest independent environmental disclosure platform, saw a 100% increase in water disclosures in 2024, showing how rapidly awareness is building. Yet the data reveals that companies are undervaluing water in internal pricing models: a missed opportunity to invest in supply chain resilience, innovation, and future prosperity.

Companies are reporting US$339 billion in potential financial impacts linked to water-related risks, highlighting the need for greater preparedness and long-term security. These risks are intensifying: UN data shows that by 2030, global demand for freshwater is expected to outstrip supply by 40%.

Despite mounting evidence of the business case, the adoption of internal water pricing, where businesses assign a financial value to water to support decision-making, remains low. From over 8,500 companies disclosing on water in 2024, just 426 (5%) reported having an internal water price, and only 290 (3%) of these went beyond simply applying the external tariff. By comparison, 2,097 companies already use an internal carbon price, highlighting a significant gap in how water risks and opportunities are factored into financial planning compared with carbon.

This shortfall in valuing water comes at a significant cost. The estimated US$339 billion impact of water-related risks could be mitigated with US$58.7 billion in expenditures, a six-to-one return on investment.

Companies reporting through CDP have identified US$1.4 trillion in water-related opportunities, showing that tackling risks also unlocks returns across the value chain.

Just 21% of companies engage with their suppliers on water issues, but these early movers are setting the benchmark. They go beyond mapping by working with suppliers to set water-related KPIs in contracts, build capacity, and even introduce financial incentives for strong performance.

“The gap between the cost of water and its true value to business does not match the expectations for growth. Carbon pricing has already helped companies understand risks and opportunities; now we need the same clarity for water,” said Sherry Madera, CEO of CDP. “By harnessing Earth-positive data, businesses can unlock insights that build competitive advantage, strengthen resilience, and get ahead of emerging challenges. This is not just about risk management. It is about creating value that benefits companies, society, and the planet.”

[Watch the campaign live here.]

Boilerplate (about the company):

CDP is a global non-profit that runs the world’s only independent environmental disclosure system. As the founder of environmental reporting, we believe in transparency and the power of data to drive change. Partnering with leaders in enterprise, capital, policy and science, we surface the information needed to enable Earth-positive decisions. We helped more than 24,800 companies and almost 1,000 cities, states and regions disclose their environmental impacts in 2024. Financial institutions with more than a quarter of the world’s institutional assets use CDP data to help inform investment and lending decisions. Aligned with the ISSB’s climate standard, IFRS S2, as its foundational baseline, CDP integrates best practice reporting standards and frameworks in one place. Our team is truly global, united by our shared desire to build a world where people, planet and profit are truly balanced. Visit CDP.net or follow us @CDP to find out more.

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