ESG 101: Why and How Water Utilities are Shifting from Sustainability Reports to ESG Reporting

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Authority
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Mary Tchamkina, Raftelis Karri Ving, Brown and Caldwell





### **AGENDA**

- What is ESG?
  - Impact vs. Value: Where They Intersect
  - Standards vs. Frameworks
- Influence of Investors, Insurers and Other Stakeholders
- Why Should You Pay Attention to ESG Factors?
- Measuring Social Impact: Buffalo's RainCheck 2.0 Program
- Managing Risk and Opportunity: DC Water's 2<sup>nd</sup> ESG Report
- Taking the First Steps in ESG Reporting

### ESG = Environmental, Social & Governance

"ESG criteria and factors—people, planet and trust—are the full-systems results that we deliver in our mission. ESG typically drives financial value, even if not on the financial statements.

-Paul Herman, Founder, HIP Investor



ESG measures...

**IMPACT** (external)

Economy, Environment, Society

**VALUE** (internal)

Risk and Opportunity











## Standards that Measure <u>External Impact</u>: United Nations Sustainable Development Goals

### ENVIRONMENT













### SOCIAL



















### **GOVERNANCE**





















## Standards that Measure <u>External Impact</u>: GRI 303: Water & Effluents Excerpt

#### Reporting requirements

The reporting organization shall report the following information:

- a. A description of how the organization interacts with water, including how and where water is withdrawn, consumed, and discharged, and the water-related impacts caused or contributed to, or directly linked to the organization's activities, products or services by a business relationship (e.g., impacts caused by runoff).
- b. A description of the approach used to identify water-related impacts, including the scope of assessments, their timeframe, and any tools or methodologies used.
- c. A description of how water-related impacts are addressed, including how the organization works with <u>stakeholders</u> to <u>steward</u> water as a shared resource, and how it engages with suppliers or customers with significant water-related impacts.
- d. An explanation of the process for setting any water-related goals and targets that are part of the organization's management approach, and how they relate to public policy and the local context of each area with water stress.

#### Reporting recommendations

- 1.2 The reporting organization should report the following additional information:
  - 1.2.1 An overview of water use across the organization's value chain;
  - 1.2.2 A list of specific catchments where the organization causes significant water-related impacts.

#### Guidance

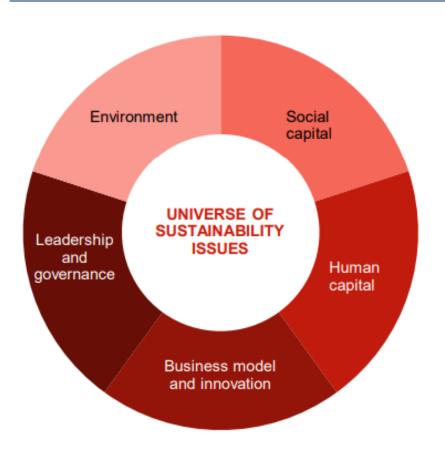
Guidance for Disclosure 303-1

Through its value chain, an organization can affect

If applicable, the organization can describe its environmental impacts caused by runoff, and how they

Disclosure

## Standards that Measure <u>Internal Risk and Opportunity</u>: Sustainability Accounting Standards Board (SASB)



#### Environment

- GHG emissions
- · Air quality
- Energy management
- Fuel management
- · Water and wastewater management
- Waste and hazardous materials management
- Biodiversity impacts

#### Social capital

- · Human rights and community relations
- · Access and affordability
- · Customer welfare
- · Data security and customer privacy
- · Fair disclosure and labeling
- · Fair marketing and advertising

#### Human capital

- · Labor relations
- Fair labor practices
- · Diversity and inclusion
- Employee health, safety, and wellbeing
- Compensation and benefits
- Recruitment, development, and retention

#### Business model and innovation

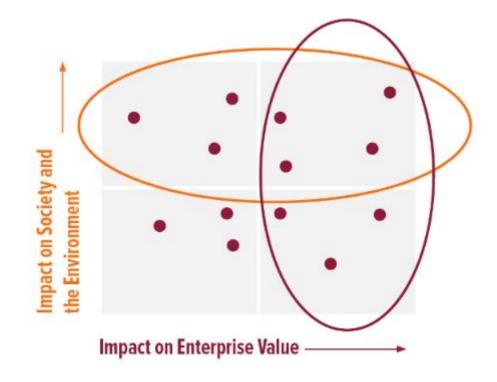
- Lifecycle impacts of products and services
- Environmental and social impacts on assets and operations
- Product packaging
- · Product quality and safety

#### Leadership and governance

- Systemic risk management
- Accident and safety management
- Business ethics and transparency of payments
- · Competitive behavior
- Regulatory capture and political influence
- Materials sourcing
- · Supply chain management

## Prioritize Where External Impact and Internal Value Intersect:

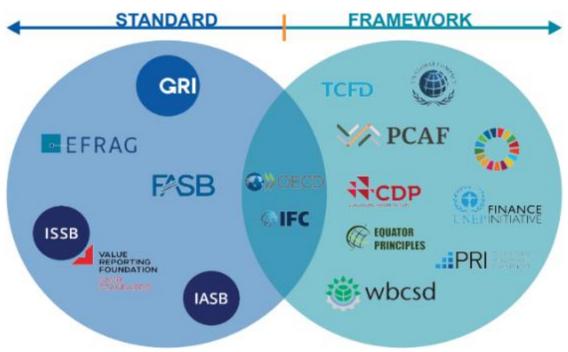
- Considers the company's impacts outwards;
- Uses the GRI definition: "topics that reflect its most significant impacts on the economy, environment and people, including impacts on human rights." (draft)
- Presented in the sustainability report
- For multiple stakeholders
- Considers the company's impacts inwards;
- Uses the SASB definition: "expected to influence investment or lending decisions that users make on the basis of their assessments of short-medium-,and long-term financial performance and enterprise value." (draft)
- Presented in the annual report
- For investors, lenders and other creditors



Source: BSR.org

Brown and Caldwell

### **ESG Standards and Frameworks**



#### **RANKERS & RATERS** World S&P Dow Jones MSCI (1) M RNINGSTAR Benchmarking Fitch Ratings S&P Global Indices A Division of 55P Siobs ecovadis Environmental Performance Index RepRisk ISS⊳ REFINITIV -GGEI GLOBAL100 Alliance for Moody's **CSRHUB®** Corporate ransparency An Eaton Varior Company GRESB

## Four Framework Pillars of the Task Force for Climate-related Disclosures (TCFD)

#### Governance

Disclose the organization's governance around climaterelated risks and opportunities.

#### Strategy

Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.

#### Risk Management

Disclose how the organization identifies, assesses, and manages climate-related risks.

#### Metrics and Targets

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

#### Recommended Disclosures

- a) Describe the board's oversight of climate-related risks and opportunities.
- b) Describe management's role in assessing and managing climate-related risks and opportunities.

#### Recommended Disclosures

- a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.
- b) Describe the impact of climaterelated risks and opportunities on the organization's businesses, strategy, and financial planning.
- c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

#### Recommended Disclosures

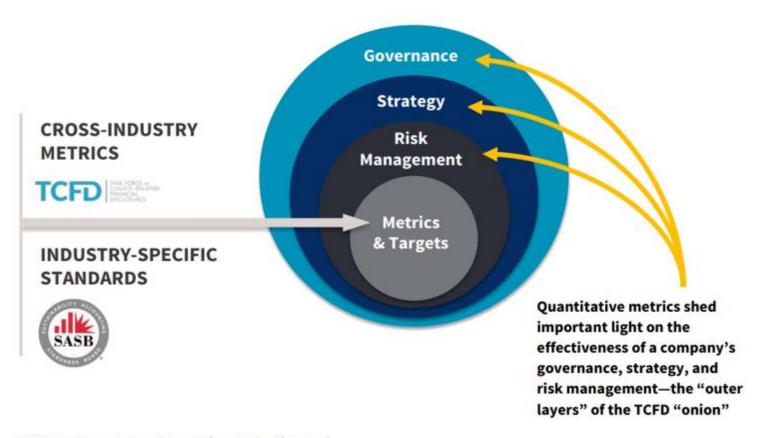
- a) Describe the organization's processes for identifying and assessing climate-related risks.
- b) Describe the organization's processes for managing climate-related risks.
- c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.

#### Recommended Disclosures

- a) Disclose the metrics used by the organization to assess climaterelated risks and opportunities in line with its strategy and risk management process.
- b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.
- c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

Brown and Caldwell

### SASB Metrics within a TCFD Framework



SASB metrics are among the most frequently referenced tools cited by TCFD for implementing its recommendations

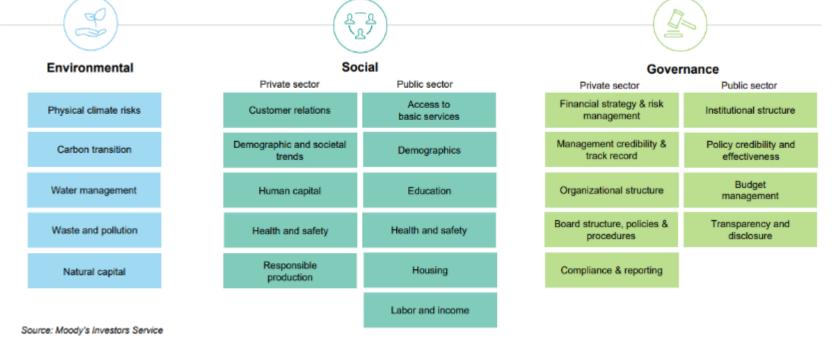
Source: TCFD.org

## Influence of Investors, Insurers and Other Stakeholders

## ESG Classification System Incorporates Credit Relevant Considerations



Our assessment of ESG risks is framed by the classification



### Why Should You Pay Attention to ESG Factors?

#### **External Impacts**



Heat Island Effect and Wildfires



Cloud Burst and Flooding



Sea Level Rise



**Drought and Water Scarcity** 



Community and Regulatory Expectations

#### Organizational Effectiveness



Clarity of Board Direction



Managing Affordability



Attracting and Retaining Great People



Stakeholder Trust and Support



Mitigating Risks/Investing in Opportunities

### BUFFALO SEWER AUTHORITY



Using equity to prioritize mitigation of CSO impacts while working to meet LTCP goals

# Realizing All Benefits of Green Infrastructure (GI)





#### Rain Check 2.0 Goals:

**Expand** green infrastructure in Buffalo.

**Reduce** stormwater runoff and protect public health.

Conduct rigorous, site specific analyses of feasibility and need.

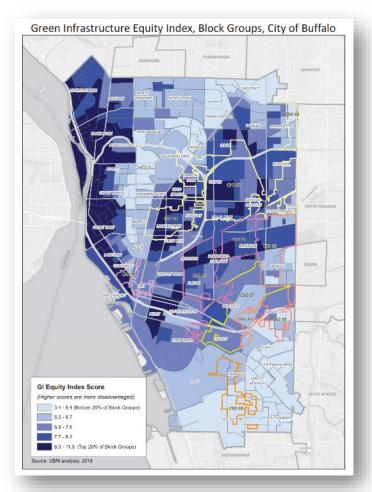
Incorporate **equity** considerations as critical elements of green infrastructure decisionmaking.

Maximize economic, social and environmental benefits in implementing green infrastructure.

Educate and engage stakeholders on green infrastructure benefits and implementation.

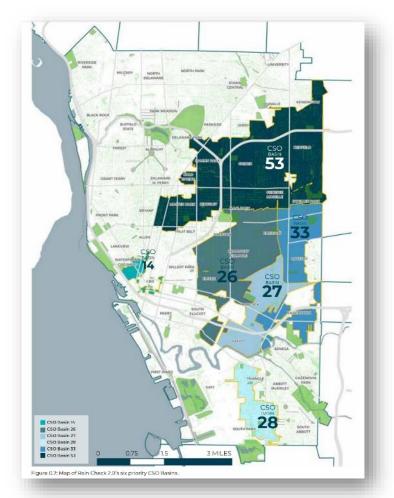
- Using green infrastructure to reduce CSOs and meet regulatory LTCP goals
- In addition to engineering and environmental considerations, intentionally used social equity lens to select communities most in need of GI benefits
- Supplemented by analyses of economic impacts and development trends, also citywide tree canopy study
- Engaged private sector, local government stakeholders, and general public

## Equity Lens in Project Siting



Appendix A – Equity Index:

https://raincheckbuffalo.org/app/uploads/2019/05/RC2 Appendix A EquityIndex.pdf



RainCheck 2.0 Opportunity Report:

https://raincheckbuffalo.org/app/uploads/2019/05/190515-RC2-OpportunityReport sml.pdf

### Road from Report to Funding Projects



#### 2019

RainCheck 2.0 report focused on environmental and social drivers for selecting areas for locating green infrastructure projects.



### Currently

BSA uses similar environmental + social lens to pursue ARPA funding for replacing old combined sewer lines and lead service lines, installing permeable pavements and street trees, etc.

Report served as tributary document for \$54M environmental impact bond. Bond proceeds will fund projects in these priority basins.





## Managing Risk and Opportunity: DC Water's ESG Reporting

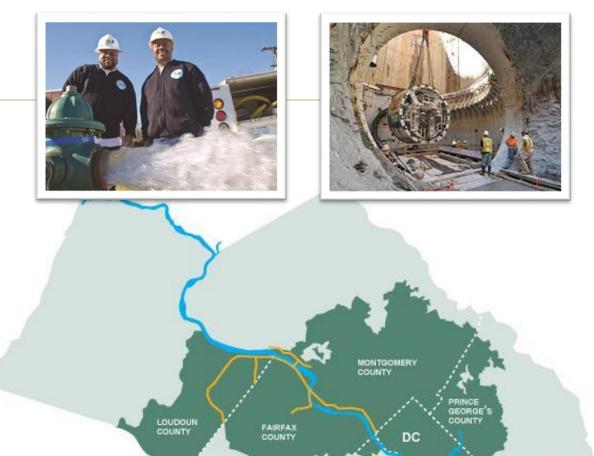
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY



Matthew Ries, PhD, PE @MatthewRies
Acting Chief Strategy & P rmance Officer
www.dcwater.com/esg-reporting



- Regional service area:
  - 725 sq mi
- **Services:** 
  - DC's Drinking water distribution, wastewater collection, & stormwater system operation & maintenance (700,000 people)
  - **Regional Wastewater** treatment (1.6 million ppl)
  - Stormwater system operation and maintenance
- Combined Sewer Overflow (CSO) deep tunnel project:
  - "DC Clean Rivers"
- **Operates Blue Plains Advanced Wastewater Treatment Plant** 
  - 300 mgd
- 1350 employees



ARLINGTON

COUNTY

FACILITIES MANAGED BY AND SERVICE AREAS SERVED BY DC WATER

- Blue Plains Service Area
- Jurisdictional Boundaries
- Potomac Interceptor

(ICO) Blue Plains Advanced Wastewater Treatment Plant



Anacostia

River

Blue Plains

Wastewater Treatment Plant

Advanced

### Drivers & Timeline for DC Water's ESG Reporting

January 2022: Rating agency meetings



Spring 2021
Input from
investment bankers,
rating agencies, etc.
on ESG market
drivers

December 2021: ESG Report released

Oct. 2021 Green Bond Framework adopted

> Oct. – Dec. 2021 ESG Report developed



March 2022: FY21 Green Bond Report released

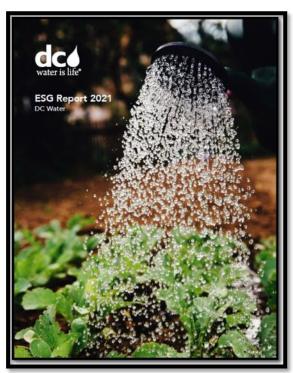


2014 First Green Bond Issued 2<sup>nd</sup> Party Opinions on Green Bond Sustainability

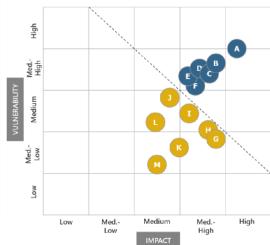


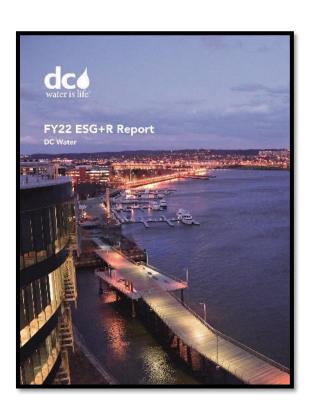


### Evolution of DC Water's ESG Reporting



## Enterprise Risk Management (ERM) mobilization





### **FY21 ESG Report**

- ESG Framework
- SASB Metrics

## FY22 ESG+R (Resilience) Report

- ESG Framework
- TCFD Framework
- SASB Metrics



Example of "E" (Environmental) disclosure pages

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#### **Energy and Emissions**

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Phase 1 of the Blue Plains Solar P

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Or site meet exprengent allow for a clotted loop system that captures the ottom and clotted timthe hydrolysis system through heat resource storm generation. In actual 2002, on control of solar villodia to for an instance was programe as the Bandrood determine fall and professional to the actual control of the professional professional professional professional professional professional control of professional control of the actual control of the 2002 of profession of solar of the actual control of the 2002 of profession of solar of the 2002 of professional control of the 2002 of professional control of the 2002 of the 2002

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#### Infrestructure

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#### TCFD Index

Water systems are naturally vulnerable to shocks and stresses, such as climate-related weather events. Due to the criticality of our high-profile supply, we are actively working to ensure long-term resilience of our existing and future water sources. TCFD has produced a widely adopted set of cisc osure recommendations on how organizations can provide nformation about what they are doing to mitigate risks of a imate change. This is DC Water's first TCTD neek, in which we are setting a baseline upon which we will build in future years.

#### Governance

Describe the board's oversight of climate-related risks and opportunities

Climate change is a pressing issue for DC Water's Board of Directors, Among our Board members are the District's Department of Energy and Environment eadership, climate scientist, climate action campaign manager, and several others who are responsible for climate-related risks and opportunities for government agencies

OC Water's Board exhibits oversight through Board meetings and committee updates. The Audit and Risk Committee of the Board of Directors eversees risk management, which includes climate-related risks. The committee reports quarterly to the board.

Blueprint 2 C, DC Water's Strategic Plan through FY27 creates the formal structure that supports board oversight. The ERM framework lays out key risk owner roles who inform the Senior Executive Team (SET) in collaboration with the ERM Committee. The SET then can effectively communicate risks to the Audit and Risk Committee, Copportunities related to climate change mitigation and adaptation are relayed to the board primarily through the monthly CEO Reports to the Board of Directors in addition to the monthly meeting of the Environmental Quality and Operations Committee and the oi-monthly Governence Committee

The ESG gloverner of structure also supports the delivery of climate-related information to and from the Board.

Further Reference Material: ESG Governance ERM | Risk Management

Describe management's role in assessing and managing climate-related risks and opportunities We leveraged existing reporting structures in our risk governance structure, DC Water's ERM team will facilitate information flow from individual risk owners to the Enterprise Risk Management Committee (ERMC) and to the SET, and finally the Board, enabling a strong risk-aware culture.

Members of DC Water's SET are responsible for assessing and managing climate-related risks. and opportunities. The SET receives recular executive reports on risk assessments, capital projects, and emergency management through the ERM fremework and the Office of Emergency Management (OEM). The SET decides which risks and opportunities to action and in what manner

The SET is comprised of the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Chief Strategy and Performance Officer, Chief of Staff, Chief Communications and Stakeholders Engagement Officer, Chief People and Inclusion Officer, and the Chief Legal Officer.

DC Water's ESG Steering Committee manages. our overall E5G program. Our Hazard Mitigation Task Force, comprised of executive leadership and representatives across all relevant departments. prepares and reviews projects that address dimaterelated risks as part of their broader responsibilities breseH a vironth. A entropy the melormination Mitigation Plan

Further Reference Material: ESG Governance

Describe the dimate-related risks and opportunities the organization has identified over the short. medium, and long term DC Water's ERM framework was established to better identify and prioritize the top risks facing the organization across its several groups together. Through the ERM process, we reviewed the vulnerability to and impact of each top risk and grouped risks into two tiers to enable strategic action. Going forward, DC Water intends to lifter identified risks into short-, medium-, and lung-term categories in addition to the current prioritization. structure. There are six risks in Tier 1 and seven risks in Tier 2. C imate chance is embedded in all thirteen risks, but is most directly accounted for in Reliability,

Changing Regulations, and Catastrophic Events.

### TCFD Index

(Task Force on Climaterelated Financial Disclosures)

DC Water has also identified priority dimate-related. opportunities. Our solar and microgrid projects. are opportunities to transition our energy sources. to renewable while simultaneously creating energy cost stability. They provide us ownership of the source of power which protects our strategy from fluctuations in the energy market. This combination of apportunities means our offerts to lower our carbon footprint also create confidence that we can audget for other climate-related efforts

Further Reference Material: Strategic Resiliency | Climate Resiliency

Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financia, planning

DC Water's Strategic Plan, Blueprint 2.0, is built on five Strategic Imperatives. Three of those five mperatives - Resilient, Sustainable, and Reliable are directly impacted by climate-driven risks. and opportunities, DC Water's strategy is also grounded in the UN SDGs and the City Water Resilience Framework. In efforts to advance Blueprint. 2.0's Stratecic imperatives, we have worked to align every work stream, project, and outcome to the achievement of a Strategic Imperative and an accompanying Strategic Thoma. As a result, everything from inter-departmental workflows to our Capital improvement Plan contribute to advancing resiliency, sustainability, and reliability at DC Water

We have been able to fund climate related projects. through creative means. To advance the construction of our GL portion of the Clean Rivers program, we issued an Environmental Impact Bond (FIR) for the on the first issuance of its kind i

This will provide us with a better understanding of the resilience of our strategy to climate scenarios and use that to inform our long-term strategy.

Further Reference Material: Strategic Resiliency | Governance

#### Risk Management

Describe the organization's processes for identifying and assessing of mate-related risks

DC Water identifies and assesses risk through four mechanisms: our ERM framework, our Asset Management program, our Office of Emergency Management (OEM), and our Hazard Mitigation

In our initial enterprise risk assessment, we performed a comprehensive top-down risk assessment. Using a combination of identification. methods, surveys, interviews, and internal and external research, we identified the top risks to the Authority Subsequently, we conducted a risk prioritization workshop in which DC Water leadership came to a consensus on the Authority's top risks.

DC Water's asset management program follows the scope set out by the institute of Asset Management and utilizes the Maximo Enterprise Asset Management software to organize the day-today evaluation of our assets. Our approach to asset management decision-making is guided by business case evaluation, risk analysis, our aging assets and shutdown strategies, and lifecycle cost and value potimization.

DC Water's OEM employs a Hazard Mitigation

#### TCFD Index

Describe the organizations processes for managing pinate-related risks

DC Water's exet management plan is inter-cored with our asset operations as we believe proactive. management is key to the success of managing cur assets. This includes emergency managemen protocols and capital improvement clans.

DC Water's OEM prepares for emergencies by maintaining and developing emergency management plans such as continuity of operations and public not fication plans, scheduling and creating. Instring and exercises, providing technology and support vehicles, and drive oping and maintaining relationance with other agencies and the soft call response community. In 2015, DC Water became the first utility in the country to become accredited by the FMAP, in recognition of their escallacon across 67 standards in emergency management.

The Authority perticipates in the Mayor's homeland Security and Emergency Management Agency, Emergency Operations Center and socks with OMAC to support the Joint Information Center, BC Water's CEO colchars the inte-agency Flood Task Force, which strikes to improve the District's flage readiness.

DC Water also builds infrastructure upgrades to address climate related risk into our easital improvement plans. These projects are established through the annual risk identification process and Hazard Mitication Flan-

**Further Reference Meterials Risk Management** 

Describe how processes for identifying, assessing, and managing climate to ated risks are integrated nto the organization's overall risk management DC Water's ERM from exork was enacted to better integrate risks agross all work dusters helpding airmate related risks, into one system and appropriately provitize them. The fremework renks risk by considering several factors on impact and vulnerability to determine nex.

Our papital improvement projects are intricately related to our asset management process. For all gaps identified via DC Water's now assessment nocease, a business case avaluation a concretato betermine the most effective response measures. The Authority is shifting to using life cycle cost approaches to be terrounded varies disentative. reprocessed which better extress climate lisk in

Further Reference Material: Risk Management

#### Metrics and Targets

Disclose the metrics used by the organization to assess a material ated risks and apportunities in line with its strategy and risk management process As part of Blosonic 2.0-1X0 Water is actively eviewing and updating our Key Risk inticators (KRIs). To date, the Authority has monitored a apportunities, no uding GIIO emissions, renewable energy generation, percentage of facilities in flood plains, total combines seven overflows, and source water arguent potential.

Further Reference Material Energy

Describe the targets used by the organization to ranage clima a-rea ed risks and rippor rai les and performance addingt sarpets COWater is committed to helping DC meet i carbon pools outlined in the Clean Energy DC Flan. His notices 2022 goes of 50% radia. John 1946 emissions and energy consumption and 50% increase n renewable energy generation, and a 2050 goal of carbon residuality. The primary dentified pathways for the Districtions efficient culding design and operation, modernized and renewable energy supply d electrification and fue sentening, a loft DC Water is pursuing simultaneously

Further Reference Material Engravand

Diadese Scope 1, Scope 2, and, if approximate, Scope 3 greenhouse gases (GHCs) emissions and the related risks DC Water's total 2021 Scope 1, 2, and 3 GHG.

amissions are 191,600 matricitans COye, which a reduced to 167 600 metric tora CO = upon application of carbon credits. In accordance with industry best practice for GHG accounting as opposed to our fiscal year, DC Water delieves appurate measurement of Spape 3 emissions is moneyed and our are becoming more too disciplated at dentifying and monitoring such emissions. As e reculi, pur connobe e Scope 3 benefice en issions level a still in development.

Further Reference Material: Friends and Emissions

81,800 Scope 1

Total Emissions for DC Water

Carbon Coodin 20 000

DC Water's Scope 1, 2, 3, and Carbon Credits breakdown demonstrates how Bloom, our soil conditioner

nade from biosolide, contributed to our carbon credits offset of 15%, enabling us to reduce our total amissions by 29,000 metric tons CO<sub>5</sub>o.



34 DC Water

#### **SASB Index**

The Sustainability Accounting Standards Board (SASB) Standard provides organizations with an industrycomparable disclosure to present on ESG topics. We present our FY22 SASB disclosure in-line with the Water Utilities SASB Standard that provide our stakeholders with transparency related to the risks and opportunities facing our organization through metrics designed specifically for Water Utilities. The Authority is aware that SASB merged with the Value Reporting Foundation in August 2022 and will monitor changes and updates to the Standard for the next financial year.

SASB Code	Accounting Metric	FY21	FY22
T	Energy	/ Management	
IF-WU-130a.1	[1] for all energy consumed	1,300,000° Guar Bira Platas	1,550,000 G. For all DC Water
	(2) Fercentage grid electricity	47% con renewable use at Blue Plains	30% for all DC Water
	(3) Fercentage renewable	33% renewable use at 3 ue Plaina	43% for a IDC Water
	Distribution	Network Efficiency	
IF-WU-140a1	Water than replacement rate.	0.64%	0.65%
IF-WU 148a 2	Volume of non-rewardle real water cases	45,900,000 m <sup>3</sup>	40,000,000 m²
	Effluent Qu	uality Management	
IF-WU 1405 1	Number of incidents of non-compliance associated with water off upon quality comins, standards, and regulations.	3 incidente	Clincipients
IF-WU-140b 2	Discussion of strategies to manage effluents of emerging concern	Please see our statement on effluents of emerging concern https://www.dowster.com/ UCVR4	Flesse see our statement on FRAS and water at into st/ www.dowater.com/ofas-and- binking-water
	Water Affor	dability and Access	
IF-WU-240a.1	Average retail water rate for:		
	(1) Residential	Li deardenrial: C ← Cof: SECIV	i. Resime (Claff \$327)
		ii. Residental: > 4 Oct. \$4.50	ii. Residental io 4 Cit; \$4.50
		Tit, Mur til Haarti y: \$3.96	iii. Mul Libertly: \$3.96
	(2) Commercial	Non-Resident's 54.65	Non-Residential: \$4.65
	(3) Indue mal customers	70 - NESIOS TEL 54:55	
IF-WU-240a.2	Typical monthly water by for residential customers for 10 Cet of water delivered per month	For P/21, the mantaly residential cill for average use of 10 Ortwas \$79.41	For F*22, the monthly residential bill for average use of 10 Cellway \$191,98

SASB Code	Accounting Metric	FY21	FY22
IF-WU-240a.3	Number of residential obstance water disconnections for many payment	We all not also most ony our amoustin 1921 for man-poymen	614 residentia la stocrers
	Paramaga reconnected wit in 30 days	N/A. Phospison colows	No currently topoloid
IF WU 240a 4	Discussion of impact of external factors on customer afforce olity of water, including the economic conditions of the service territory.	Phase section Customer section of the Pr21 E9G Report	Please see the Affords oil type Customer Service section of the FY22 E95 (Rileport
	Drinking	Water Quality	
IF-WU-250a.1	Number of		
	(f) Acute health-based violations	0 violations	9 violationa
	$\langle Z \rangle$ Non-neutr, hen thebased violations	Cylplations	Dylogions
	(2) Non health based dirinking water violations	Civiolations	3 violations
IF-WU-250a.2	Efacusaion of strategies to manage of his ng water contaminants of correction states in	Please see our statement on affiliants of amorging concern https://www.document/	Flease see curistate nent or PFAS and a inking water at

	End-U	se Efficie
IF-WU-420a.1	Parter operaf water utility reviouss from rate at until less that are nearly need to promote por servation and revenue resilience.	717% cfile vidur
	Water Su	pply Res
IF-WU-440a 1	lotal vater sourced from regions with High or bothernely High Sweline Water Speed, percentage purchased from a third cety	
IF-WU-440a 2	Valuma of recycled water on livered or constants a	
IF-VVU-440a 3	Electrical of strategies to manage inskales octated with the quality and availability of water resources.	Please si Resource M of the T
	Network Resiliency an	d Impact
IF-WU-450a,1	Wastewater treatment cacacity located in 100-year flood zonea	2.3 mil
IF-WU-450a.2	(f) Number of sanitary sewer overflows	
	Q'/Volume of scribby sever over flows	
	(3) Percentage of wolume recovered	66% wo

SASB Code	Accounting Metric	FY21	FY22
IE-WIU-450a 3	(I) Norther of cook-manager at enderoptions	Natingantea	ti -
	(2) Customer all fected, earning duration category	Not reported	0
IF-WU-450e.4	Description of ellorite to identify and manage assume according to a matter to the impact of this rate congruent disclosify mand weatcetter infrastructure.	Please see the Wek Management accion of the FYZ1 ESG report	Please see the Risk Vollagament acction of the FY22 bt 31 of second
	Activity Me	tric	
F-WU-000 A	Number of	10231.	
	(1) Pes control a istomaria		
	Exivater	CCV,800 cueton ere	107,100 customere
	for vest exate:	104,000 pustomors	109,200 distances
	StCorcerist astones		
	for weller	9,100 quatornere	9,100 customers
	forwardents:	11,303 pietomora	11,200 pustomors
	SQC partial customers		
	for water		
	for wastewater:	30 and non	30 outomais
	9) Other sustainers:		
	for visitor	10,500 pustamers	10,700 distances
	Ex wastewate:	12,200 dietomera	17,300 distoriers
IF-WU-000 B	Total warenseurcen, percentago by source type	101,425,000°° m². Luc resedit on Washington Aquaduct	1.01.392,000 y <sup>-1</sup> guidhead from Washington Aquaqua
	Famer taga from pur based water	223	100%
IF-WU-000 C	fotel weter delivered to:		
	(f) Pescential	16,600,000 +1	17,900,000 m²
	St Contract let	Mantan 4	22/00/000 1/2
	(in the same)	N/4	N/A
	2)A illorer catchiers	45,700,000 m²	22,100,000 m²
IF-WU-000 D	Avaitiga valuma of wastewater timered pareity, by	i .	
	(I) Sanitary www.er	CONSTRUCTION PROCESS.	1,000,000,005
	(2) Stournwaler	79,500 it 1	79.500 m²
	20 Currioned sewel	1,140,000 m²	1,080,000,142
IF-WU-000 E	Langth on		
	(II) Water mains	2/100 km	5,100 km
	2) Sever place	3,200 km	2,200 km

"Retaine CP2 8600 a construer years (300). This testion in the P225930 to accompanion the construer.

### SASB Index

(Sustainable Accounting Standards Board)

DC Water

DC Water

### Benefits from ESG Reporting

### External



Public Relations



### Internal

Alignment & strengthening of enterprise-wide programs (strategic plan, ERM, etc.)



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Financial

sector?

Eastern



Data. performance, & transparency cultural shift



### ESG: Road Map to ESG Maturity & First Five Steps

#### 1. Start with What and Why:

- 1. Look up ESG reports from your peers. What and how are they reporting?
- 2. What about these other ESG reports resonates with you in how you'll tell your story? What standards and frameworks are they using?
- 3. Who do you want to read this and why?

#### 2. Identify and Engage Your Stakeholders:

- 1. What about your organization to you want to communicate?
- 2. What information are they looking for? Ask them.
- **3. Assess Your Impact:** Consider aligning with one of the existing standards or frameworks to determine your organization's impact in <u>key areas</u> and create an opportunity to benchmark. (Your choice in a standard could be driven by your stakeholders) (ESG Report Year 1)
- **4. Complete an Internal Valuation:** In the same key areas, assess your vulnerabilities, risks and opportunities. (ESG Report Year 2)
- **5. Verify and Validate:** Have a 3<sup>rd</sup> party assess your impact and valuation. (ESG Report Year 3 or beyond)

### **Thank You!**

**Questions?** 

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