

CDP South Africa Water 2015: Key messages



South Africa's complex water context

In addition to the high profile political and media attention water is getting, the expert group convened by the NBI concluded that while the drought is a serious short-term water risk facing the country, there are more critical systemic issues in the water sector that need to be addressed to ensure long-term sustainability of supply in South Africa.



70%
companies reported detrimental impacts (up from 50% in 2014)

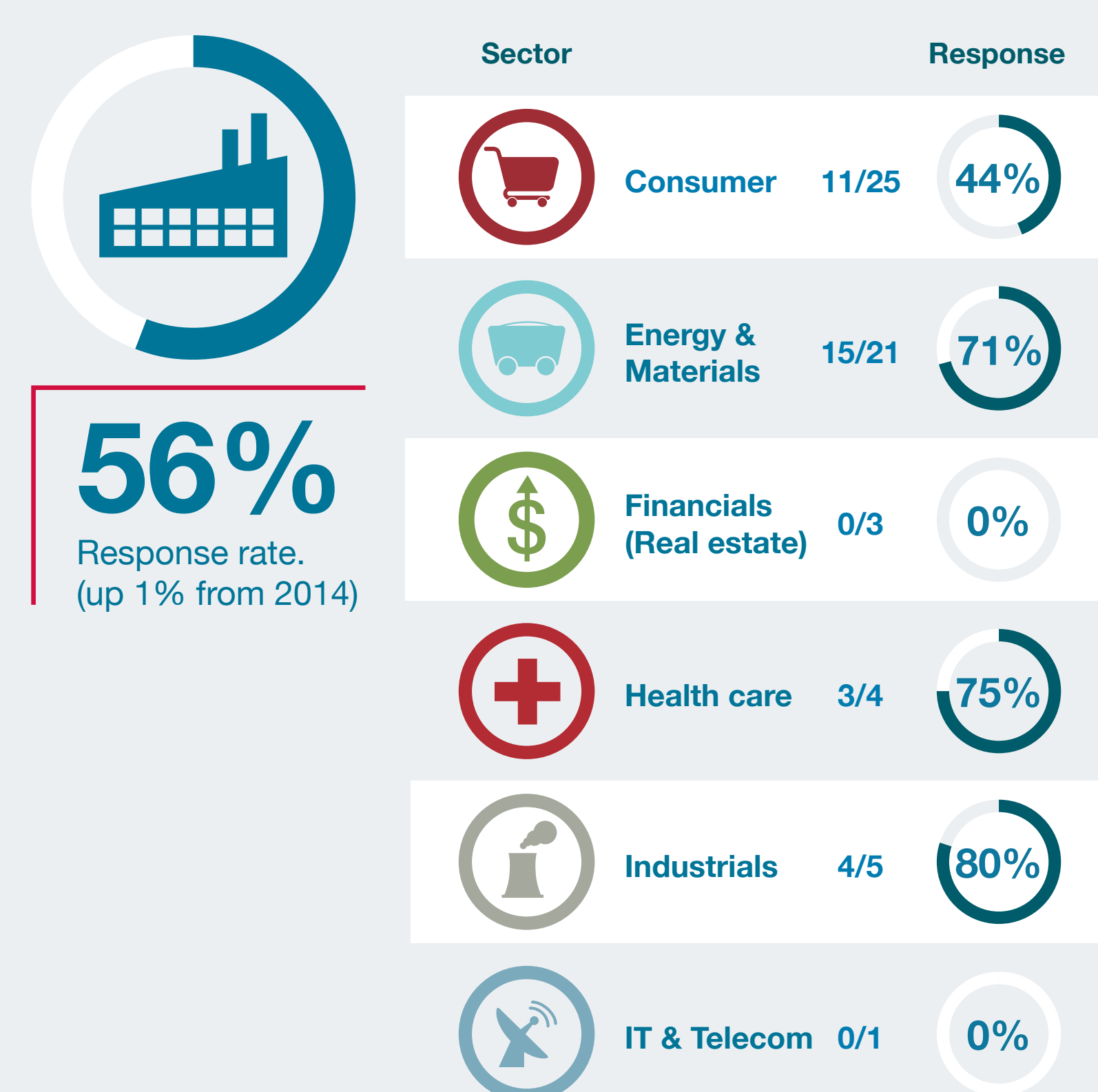


83%
companies reporting risks in direct operations (the highest in the world)

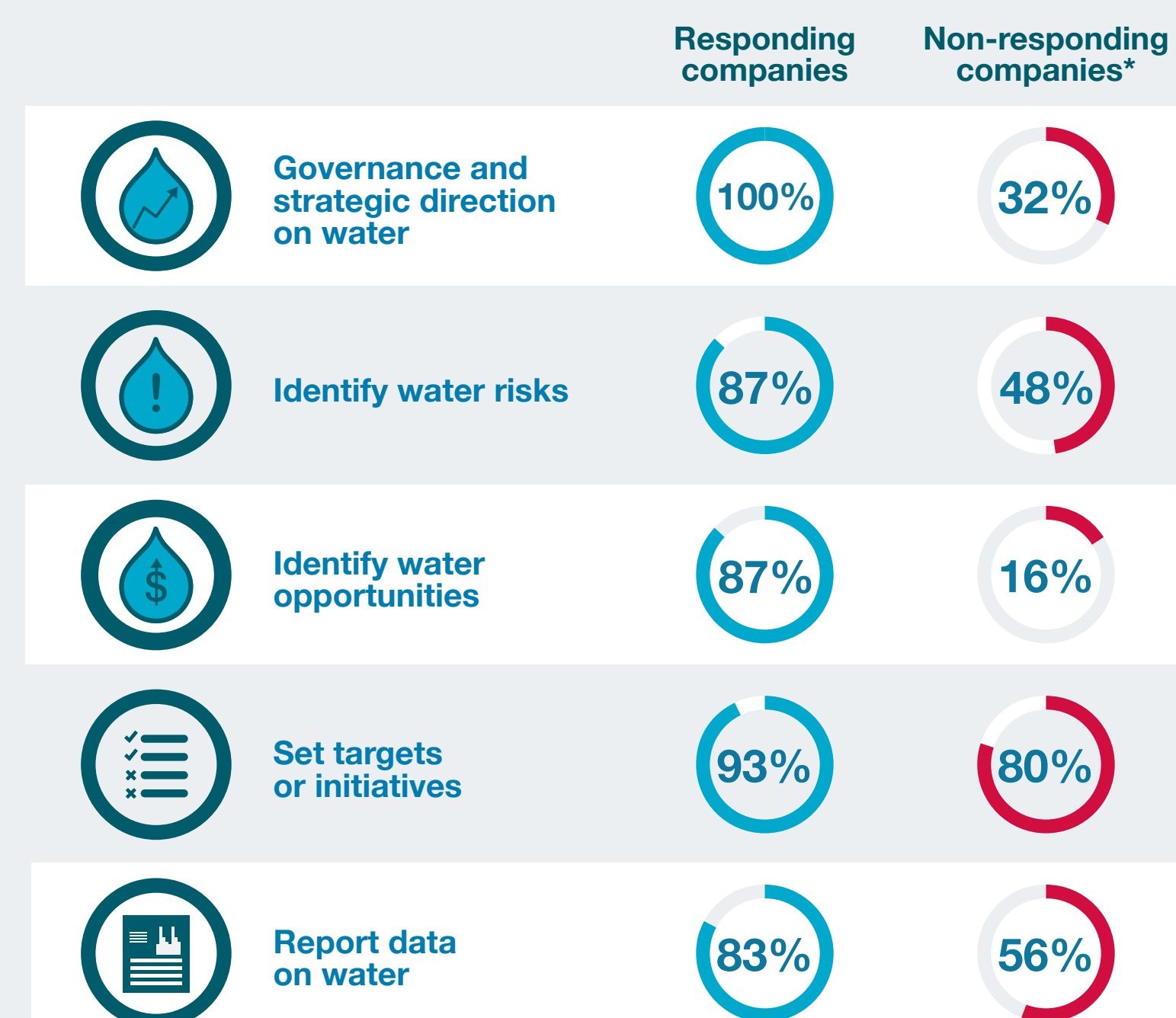
54% Direct risks that are current or are expected to materialise within 3 years
64% Risks having a medium to high financial impact

Despite South Africa's water context, response rates for water are low

Response rates by sector



Reporting drives performance



* Based on a high-level review of non-responding companies' sustainability and integrated reports

Responding companies are leaders in water management

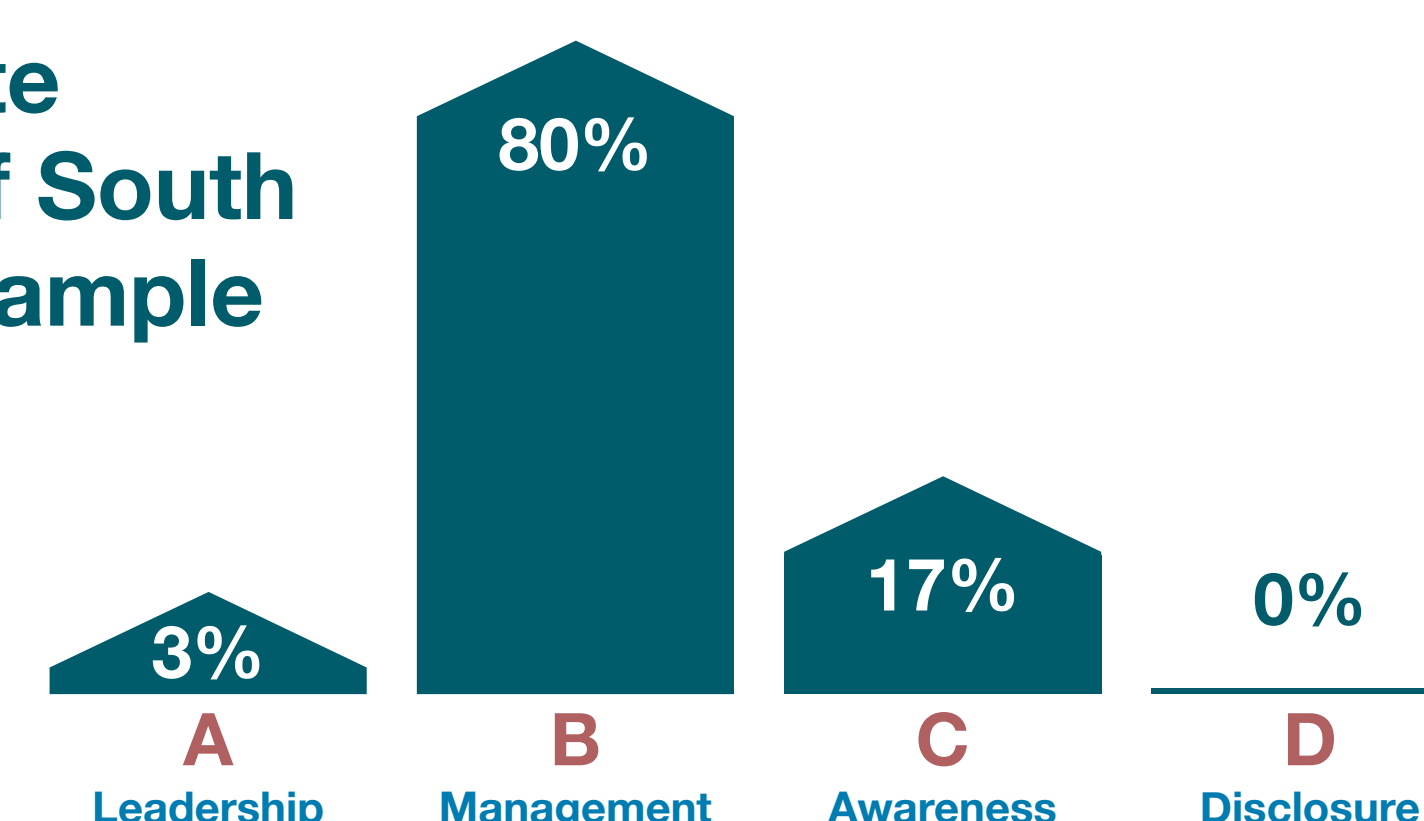
CDP's Global Water A List - South African companies

2/8

companies on the global CDP Water A list are South African



Aggregate scores of South African sample

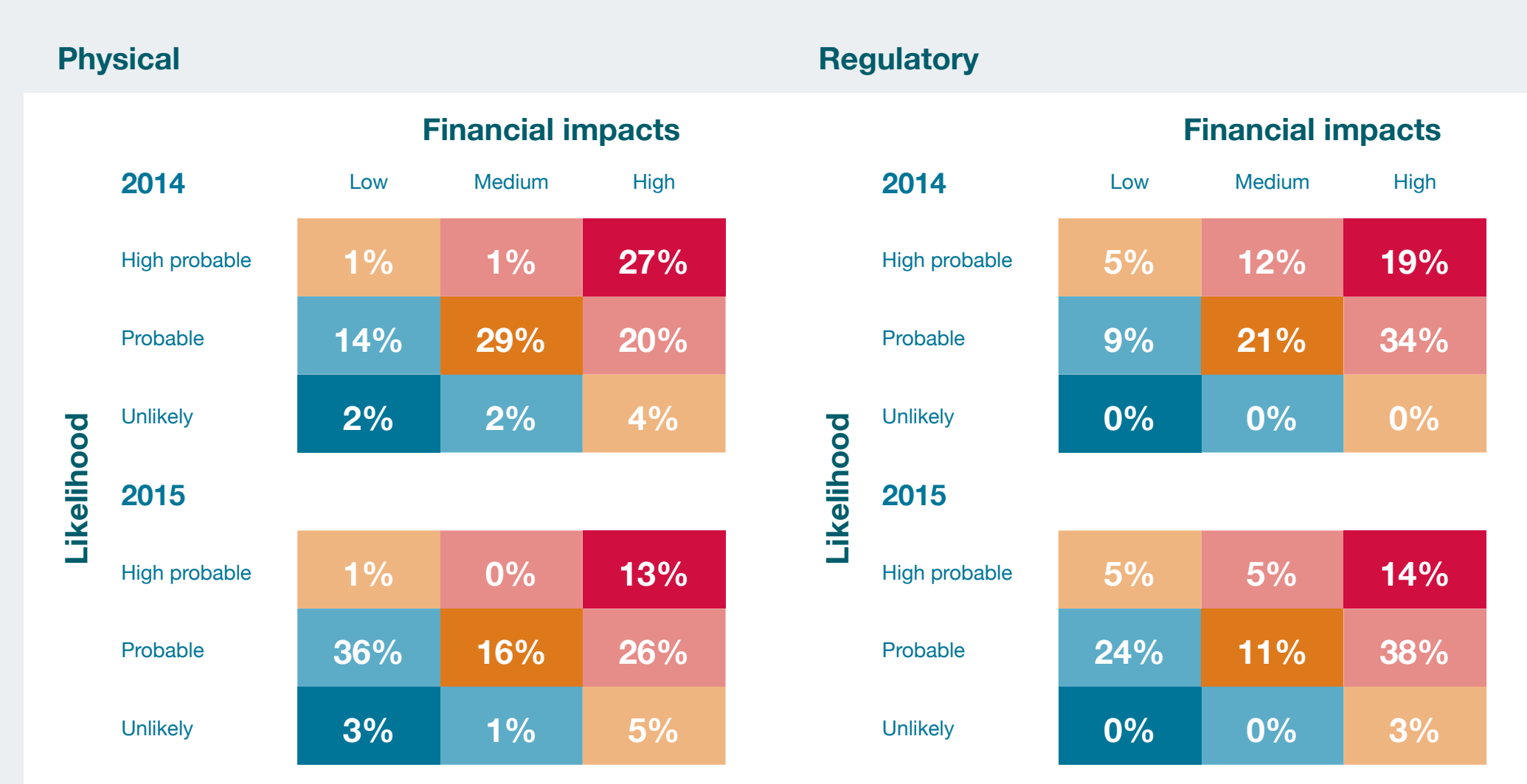


Leading companies view water as a less material risk than in 2014

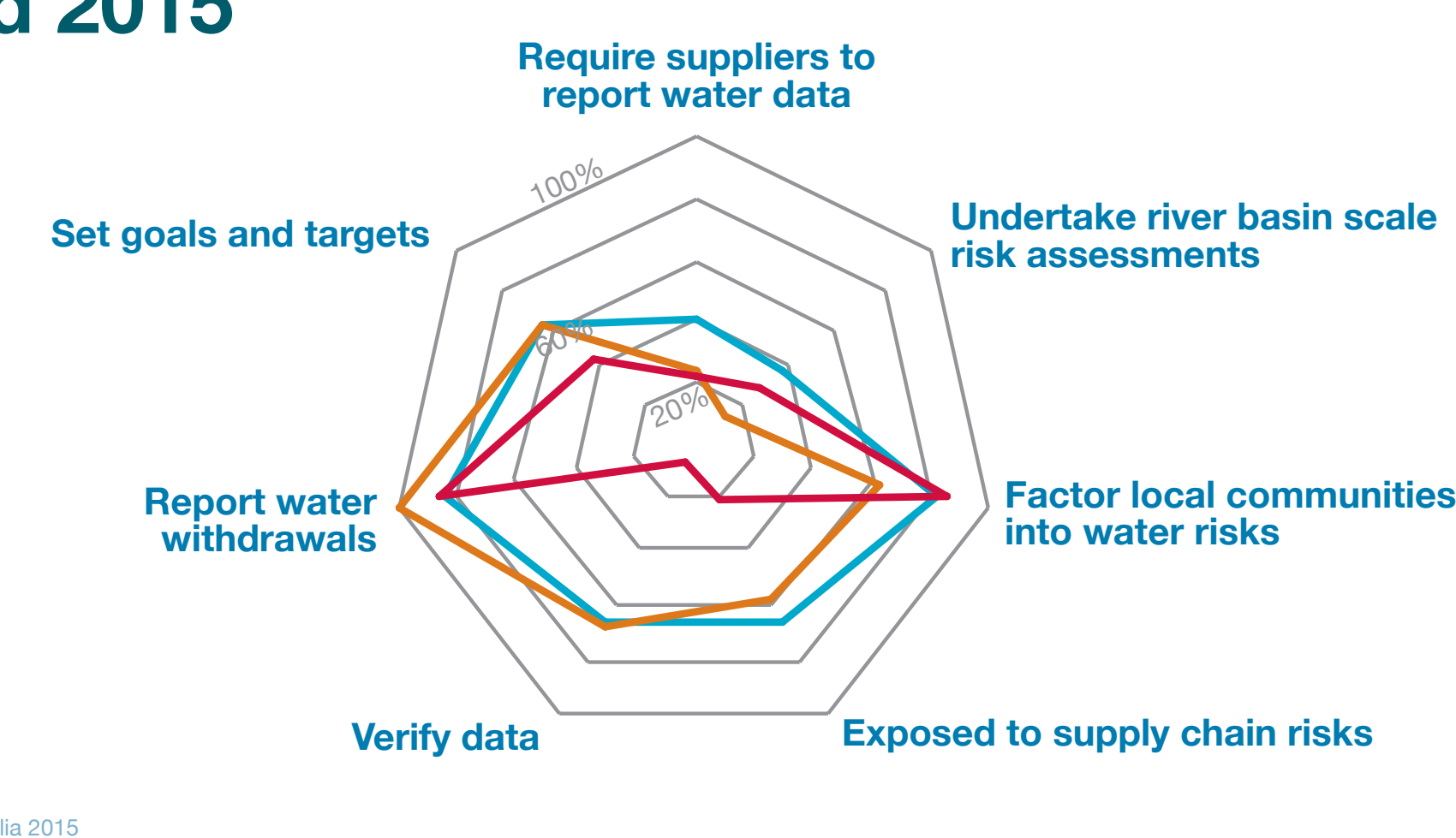
Reported risks are less severe



Risk perceptions



Key water indicators: 2014 and 2015



Majority of reported risks are direct, physical risks

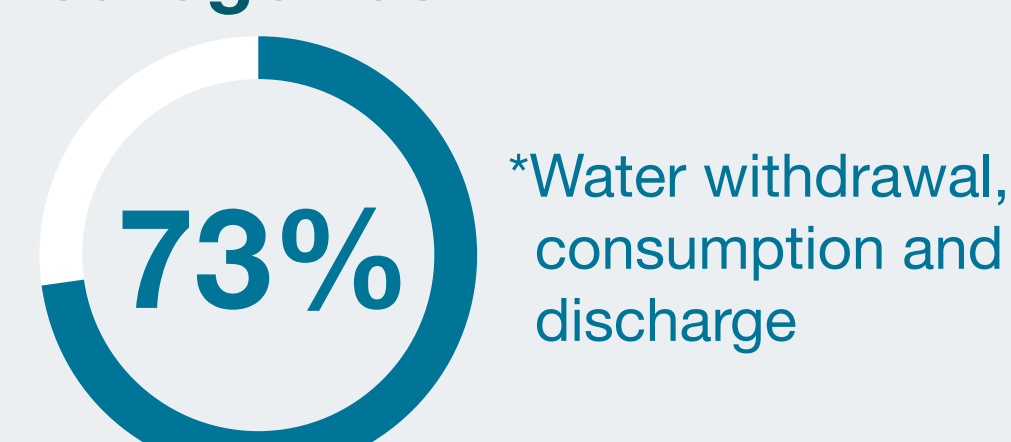


Physical risks reported by sector	Direct risk	Supply chain risk	Regulatory risks reported by sector	Direct risk	Supply chain risk	Top direct risks	Top supply chain risk	Top risks identified in expert session	% of responding companies*
Consumer	69	39	Consumer	13	9	Drought (40% 12)	(20% 6)	Inadequate infrastructure	30%
Energy & Materials	55	11	Energy & Materials	23	2	Increased water stress (37% 11)	(17% 5)	Rising water costs	23%
Health care	6	3	Health care	0	0	Increased water scarcity (30% 9)	(23% 7)	Declining water quality	27%
Industrials	16	3	Industrials	6	0			Regulatory uncertainty in water licensing	30%

Variance in data makes comparability difficult

Within sectors variance of reported water use ranges from 62% to over 200 000%, with 75% of water withdrawn from 1 sector

Companies that report water use in all 3 categories*



Significant variation in risk assessment approaches



Lead sponsor British High Commission Pretoria