



Quick Brief

A news update from the NBI on its programmes, business leadership and issues on sustainable development.

20 April 2016

NBI LAUNCHES THE CDP WATER SOUTH AFRICA 2015 RESULTS

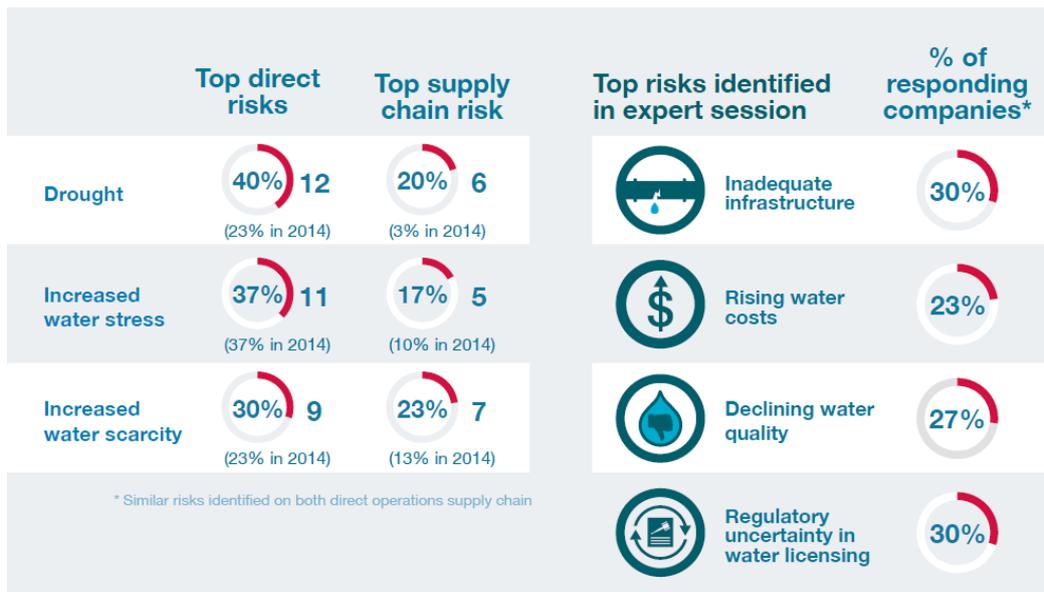
CDP South Africa's 2015 water results reveal that while responding companies are taking necessary measures to address water risks and opportunities, more attention is needed to effectively understand and mitigate water risks, particularly from a socio-economic and supply chain perspective.

Water is top of mind for the media, government and the public in South Africa. The current drought is costing the economy millions, not to mention the potential negative impact it is having on food security, hunger and service delivery in heavily affected provinces.

The National Business Initiative (NBI), supported by the British High Commission Pretoria, produced an executive summary and three infographics that describe how companies in South Africa are responding to water issues. 2015's water results are unique, as we complemented the usual analysis of responding companies, with inputs from a group of water experts to understand if there is consistency between water experts' views of key water issues and what companies are highlighting as key risks. We also conducted an analysis of companies that do not respond to CDP water, to compare the quality of their reporting on water with responding companies.

We have illustrated some of the points in this quick brief using excerpts from the infographics. Obviously this reflects only a small part of the rich data and insight contained in the executive summary and infographics and we encourage you to explore further. Here are some of the key findings:

- Interestingly, 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.** The expert views are in contrast to what companies (listed on the left below) see as key risks:



- Businesses are experiencing water impacts, which have serious financial implications. The results from the CDP water 2015 analysis showed that:



Financial impacts reported by 10 companies in 2015 amounted to:

R841 million

- Despite identifying water risk as a more urgent and more severe risk the response to CDP water lags that of climate change:



- Despite the recognition of water as a risk and the detrimental water impacts companies face, **response rates for CDP water in South Africa remain low at 56%** and we see little uptake of water reporting and water management by non-CDP responding companies. **The quality of water reporting of non-disclosers to the CDP water program does not provide the same level of detail and insight as provided by responding companies:**

	Responding companies	Non-responding companies*
Governance and strategic direction on water	100%	32%
Identify water risks	87%	48%
Identify water opportunities	87%	16%

- However, companies that do respond to CDP's water information request, are leaders in water management:

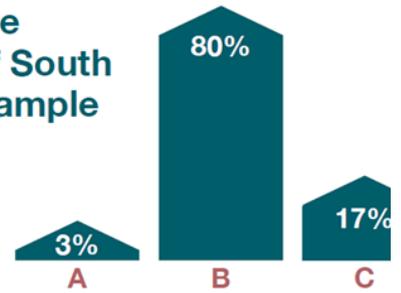
CDP's Global Water A List - South African companies

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companies on the global CDP Water A list are South African



Aggregate scores of South African sample



- Responding companies view risk as less severe compared to 2014 and companies continue to mostly consider direct risks:



- There continues to be significant variance in reported data, making comparability challenging. Variance in reported data within sectors ranges from 62% to 200000%, this could be a result of the lack of a standardised approach to water accounting.

Companies need to carefully consider their exposure to water risks and opportunities, especially given the social and economic systems underpinning water. **It is clear from consistent responders that companies who do investigate water risk tend to invest significant capital and effort into integrating water into governance structures, strategy and risk management and mitigation processes.** We therefore believe that reporting is a critical first step in water stewardship and encourage all non-disclosing companies to improve the quality of their reporting and join the CDP water program.

The CDP water 2015 results can be viewed in more detail through various platforms below:

- [CDP South Africa Water 2015 – Executive Summary](#)
- [CDP South Africa Water Infographics](#)

- [CDP Water Global Data Platform](#)
- [CDP Global Water Report 2015](#)



Project sponsor:



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For comments, feedback or more information please contact [Zarina Moolla](#).

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