

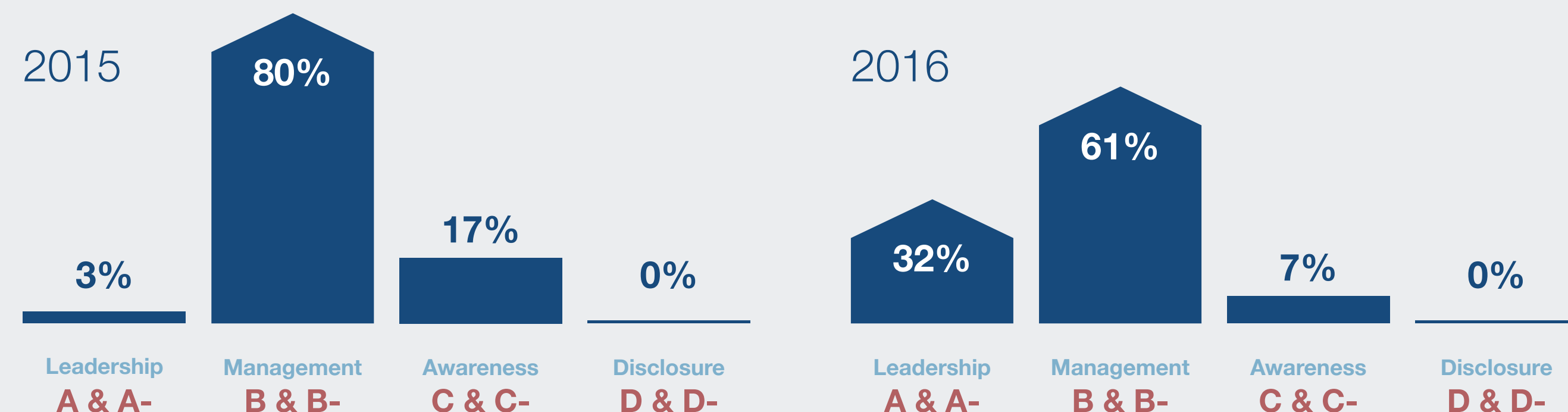
CDP South Africa Water 2016: Key Messages



2016 has seen significant improvements in reported water performance. However the response does not reflect the scale of water risk facing business.

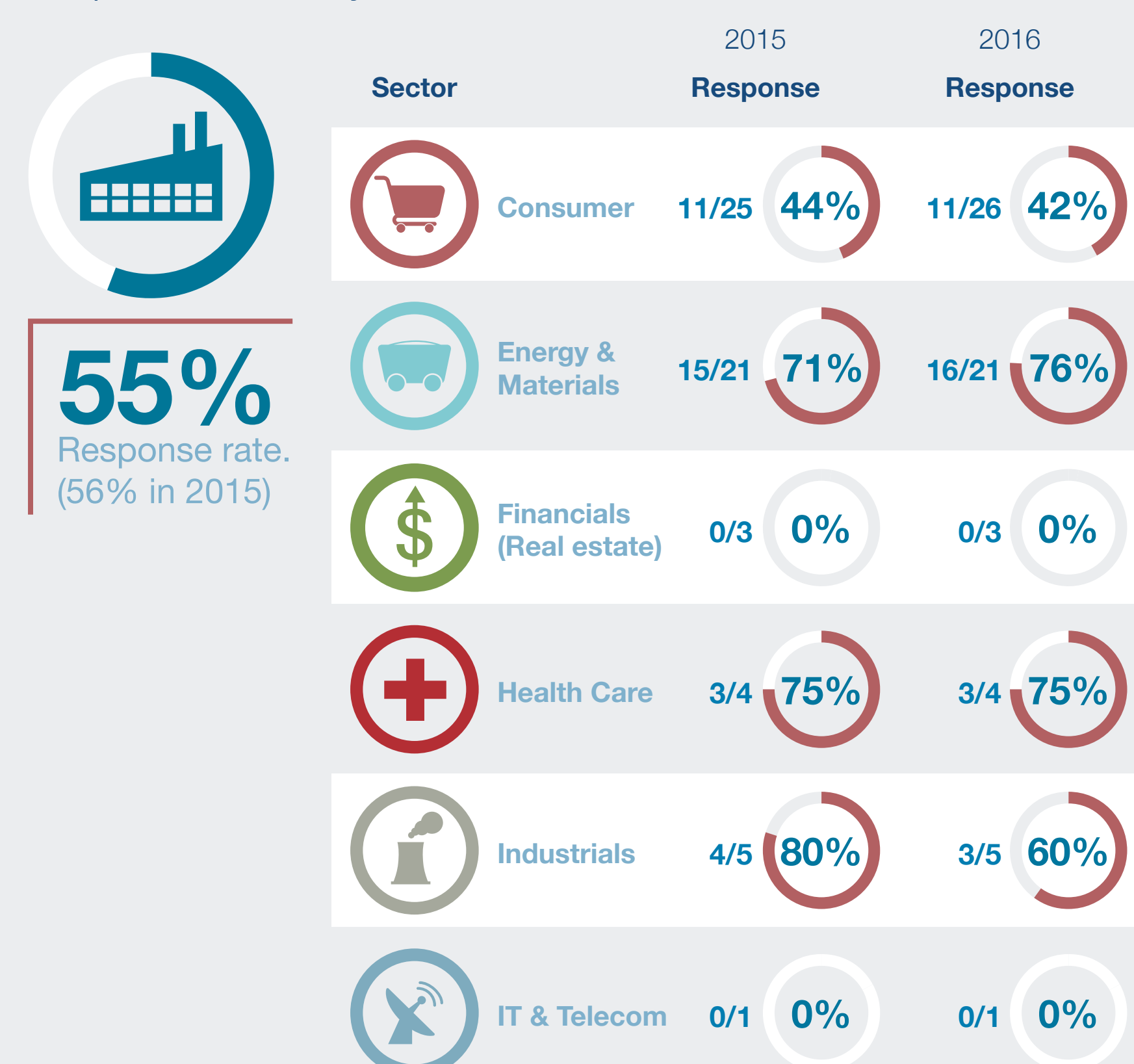
The gap between the top performers and the pack within the CDP sample has narrowed, demonstrating the value of company involvement in CDP water.

Aggregate performance scores of South African sample

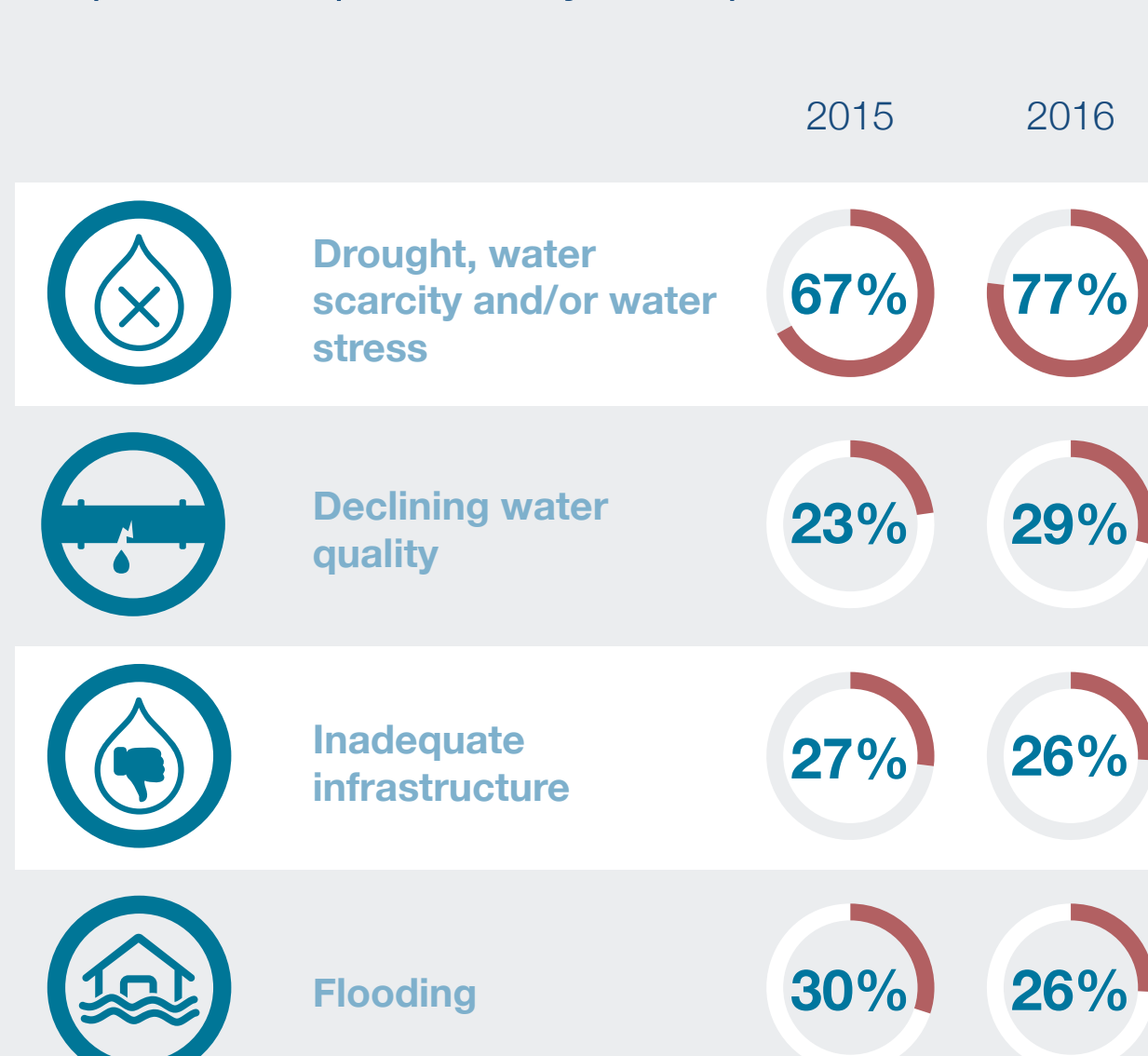


Given the disclosed water risk and associated impacts, it is surprising that the response rate remains low.

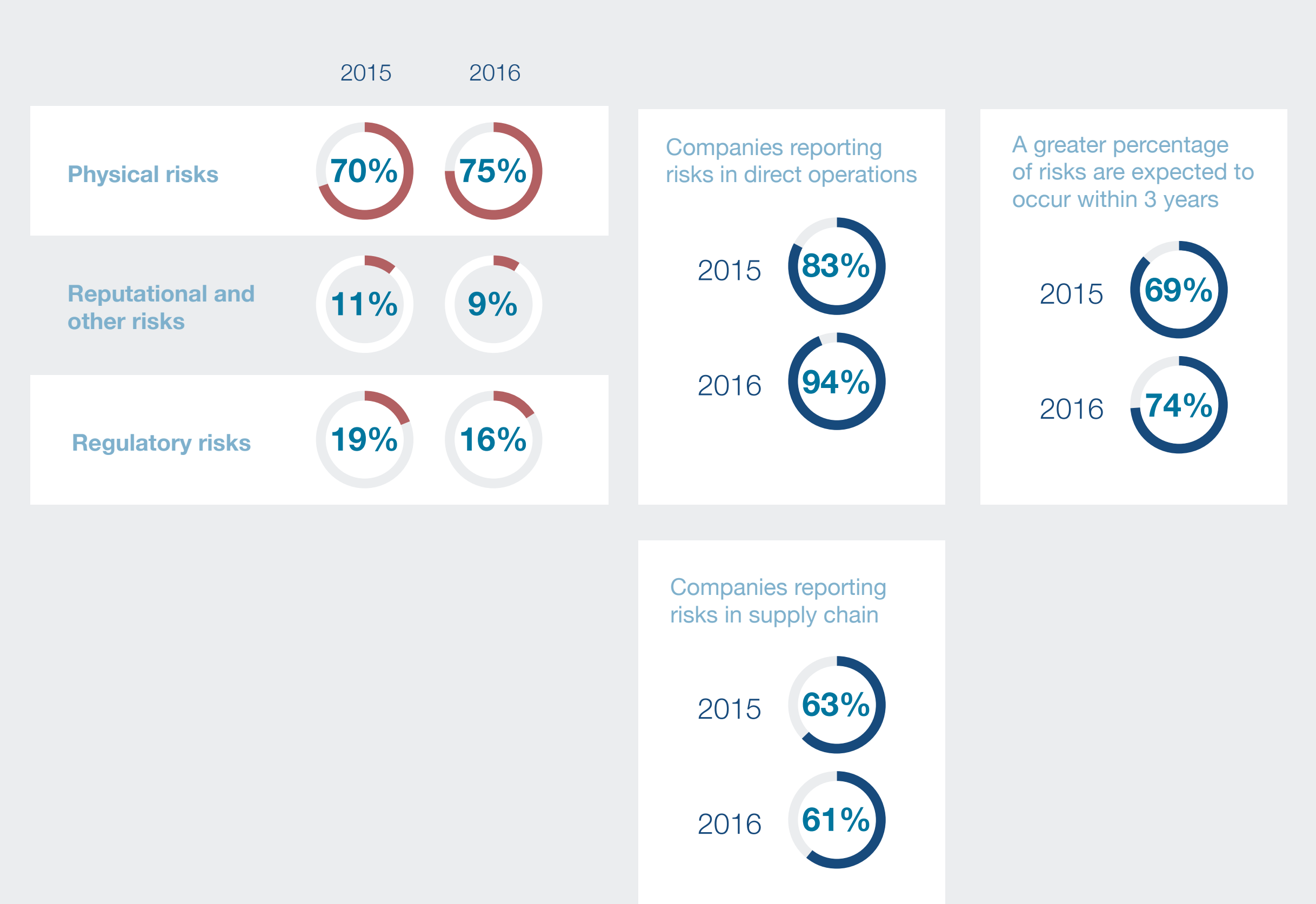
Response rates by sector



Top risks reported by companies*



Majority of reported risks are direct, physical risks with a short lifespan

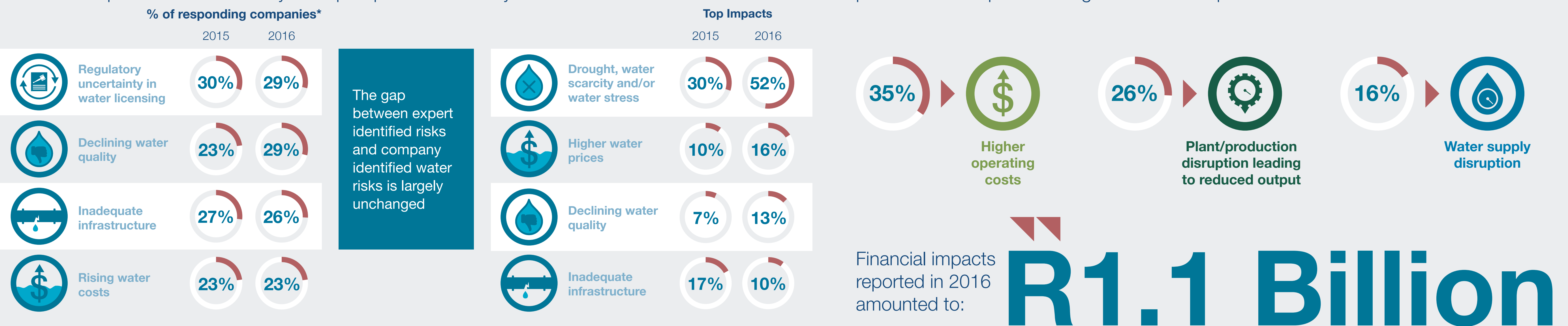


Wider systemic risks in the water sector identified by sector experts remain underrepresented in company risk evaluation. At the same time water impacts are rising.

Only a fraction of responding companies identify the same top risks as identified by an expert panel

Companies have already been impacted by water-related risks*

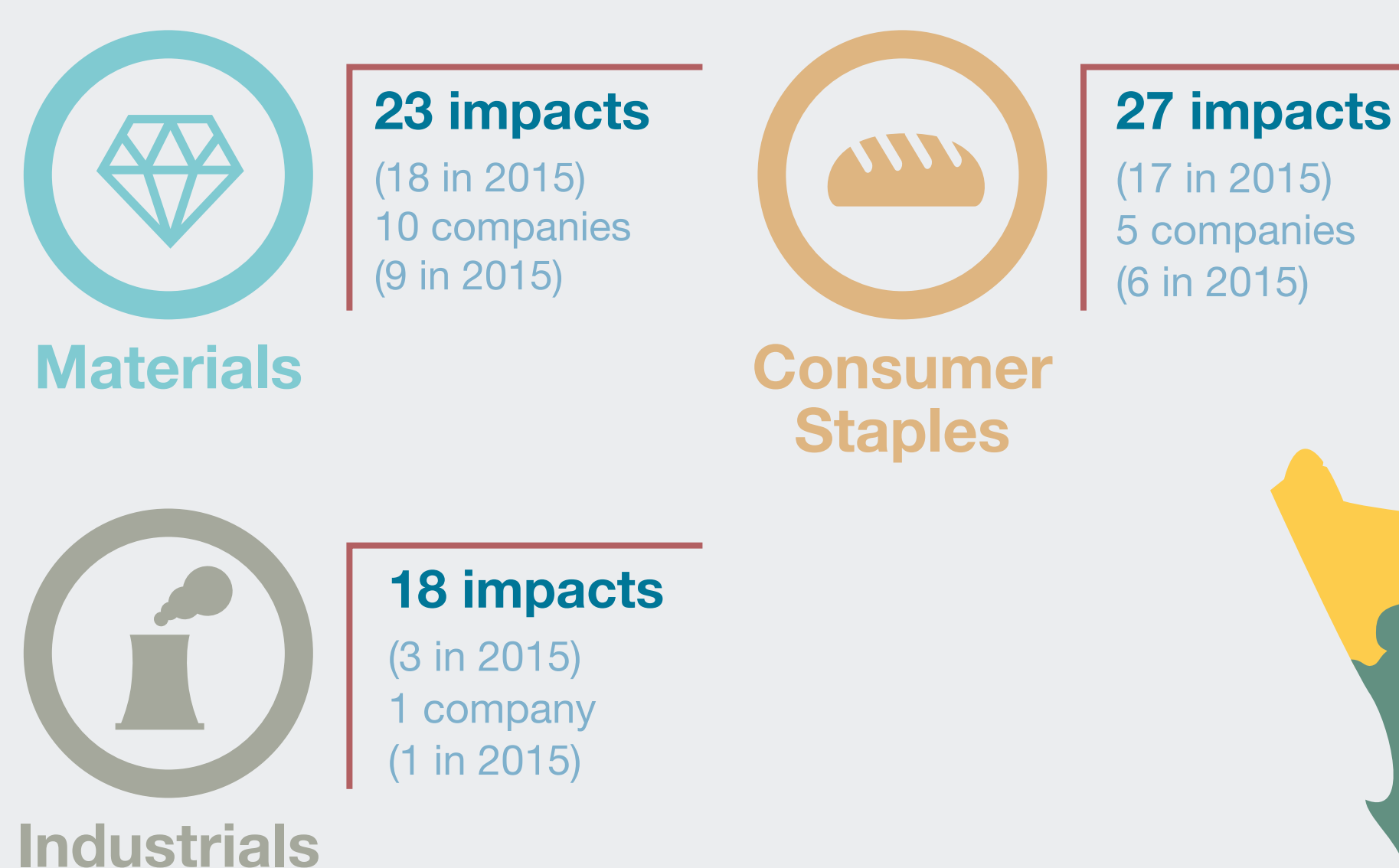
Companies are mostly impacted by higher operating costs and plant/production disruption leading to reduced output*



A variety of sectors report a higher number of impacts in 2016, across multiple water management areas.

The consumer staples sector reported the most impacts

Areas of impacts



- Limpopo CMA**
10 companies reported 7 impacts
Top Impacts: Inadequate infrastructure, drought
- Berg Olifants CMA**
12 companies reported 8 impacts
Top Impacts: Inadequate infrastructure, water quality, water scarcity
- Vaal CMA**
9 companies reported 4 impacts
Top Impacts: Drought
- Breede Gouritz CMA**
5 companies reported 4 impacts
Top Impacts: Inadequate infrastructure, drought

Given the severity of the disclosed risks and their financial impact, the response rate of 55% is worrying. A step change is needed to address the underlying water risks facing business.

* Illustrates percentage of responding companies