

# 2015 CDP Water and CDP Climate Change in South Africa: Identifying the variation



While water and climate change are linked, water is often recognised as a more significant risk



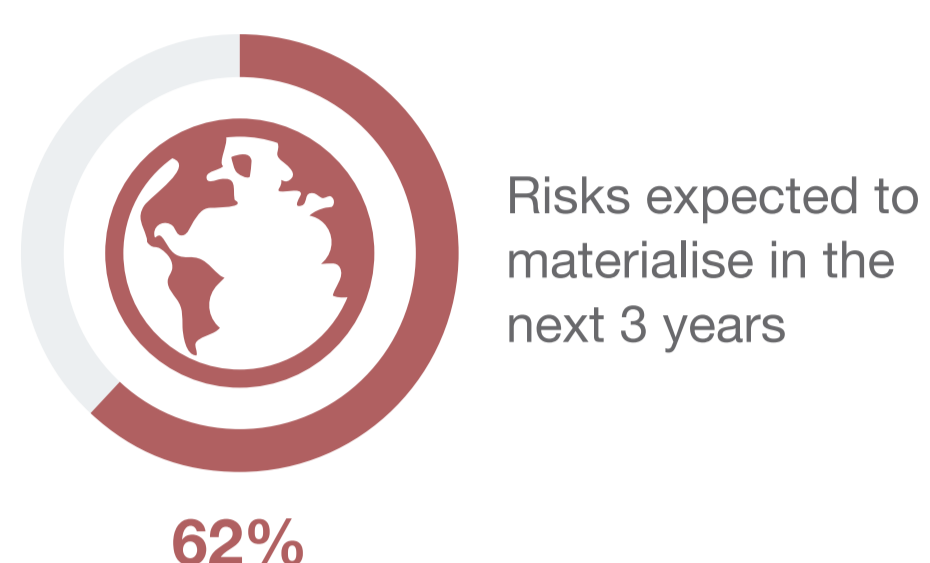
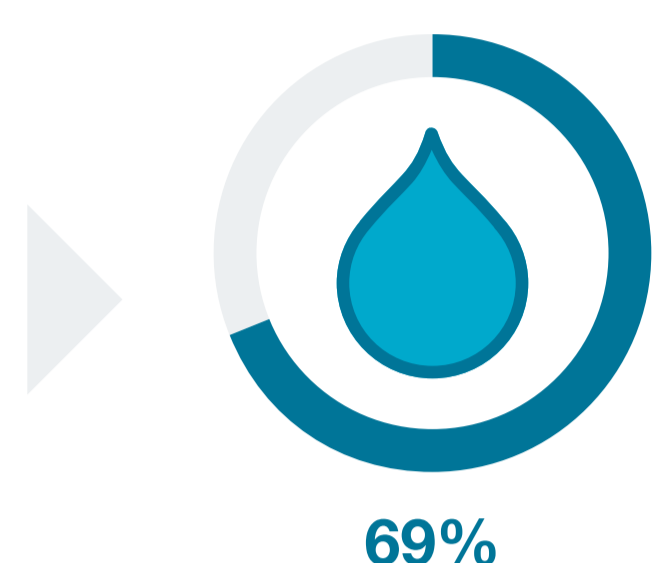
**60 (81%)**

companies recognise water and climate inter-linkages in their CDP climate change responses



Yet, **1/3** of these companies do not respond to CDP water

More water risks are expected to materialise in the next 3 years and are expected to have a higher financial impact

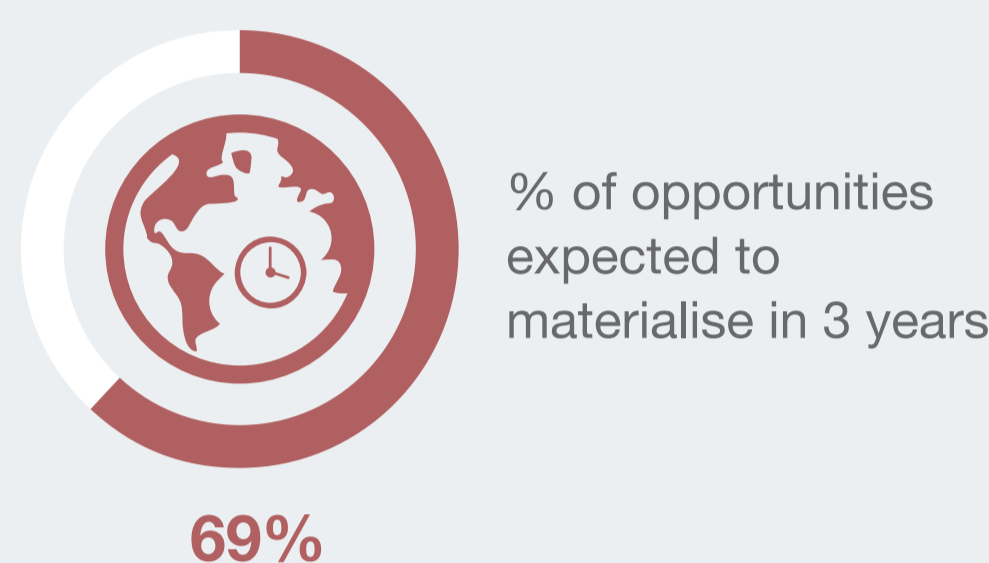
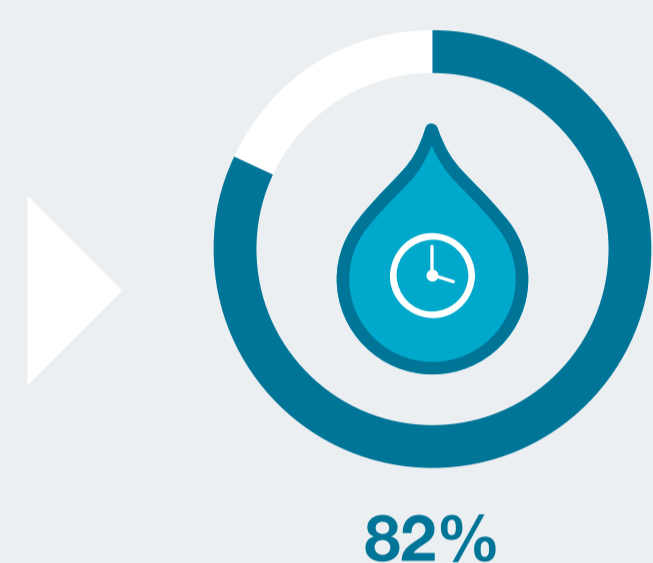


Risks expected to materialise in the next 3 years



Risks with medium to high financial impact

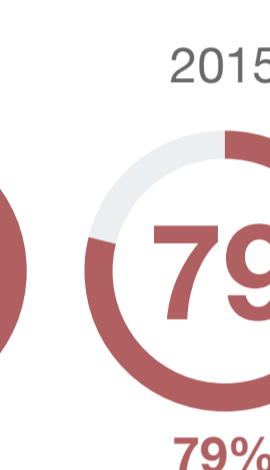
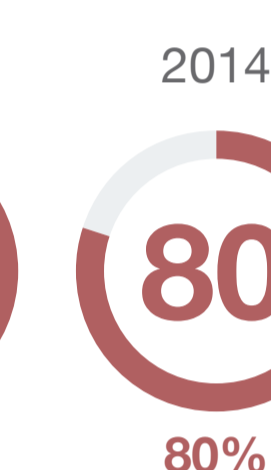
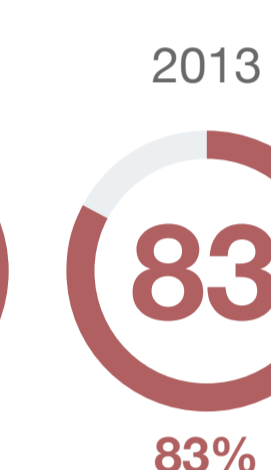
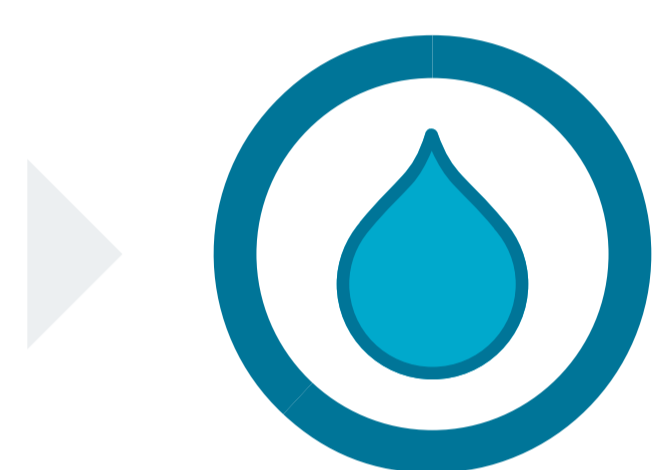
Time-frames for achieving water-related opportunities are also shorter than for climate change



% of opportunities expected to materialise in 3 years

Yet, CDP SA data shows that companies approach climate change more strategically

Response rates for CDP water are significantly lower than for CDP climate change

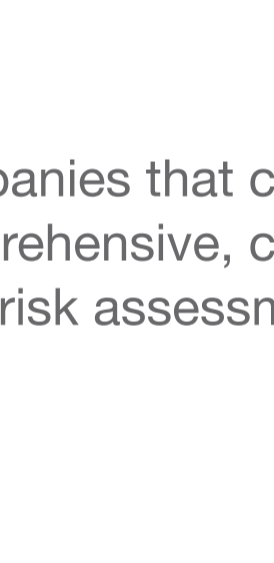
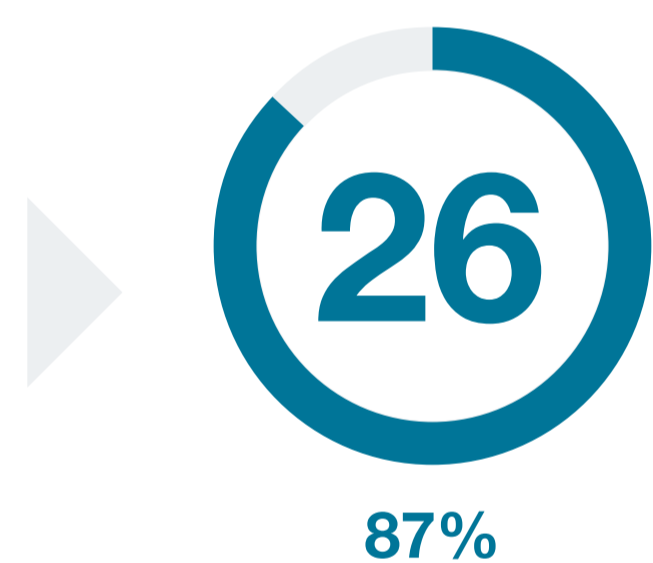


Fewer companies integrate water into their business strategies



% and no. of companies that integrate into business strategy

Fewer companies conduct frequent, company-wide risk assessments on water issues

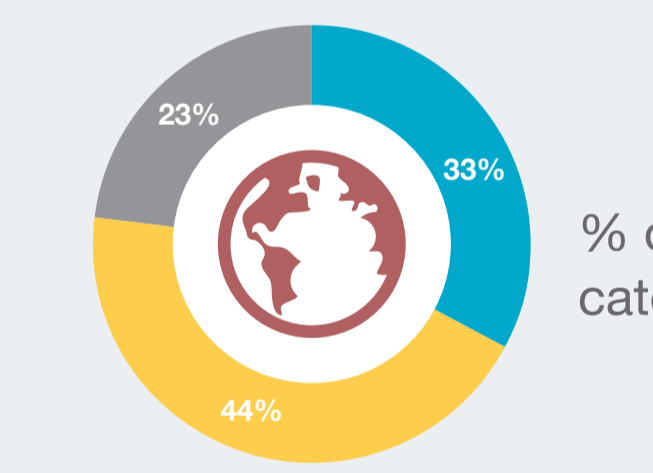
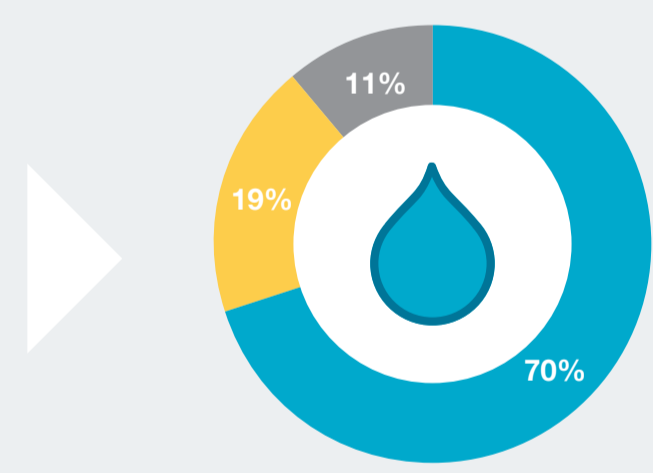


Companies that conduct comprehensive, company wide-risk assessments



Companies that assess risks six-monthly or more frequently

Risk in the water space is driven predominantly by physical risks while regulatory risks are cited more in climate change



% of risks by category

- physical
- regulatory
- other

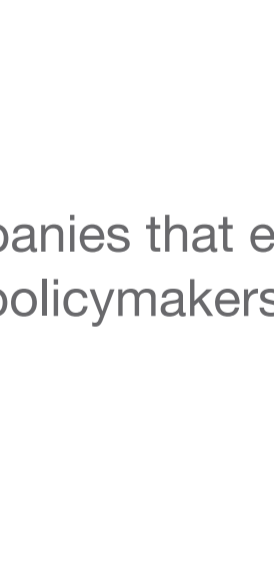
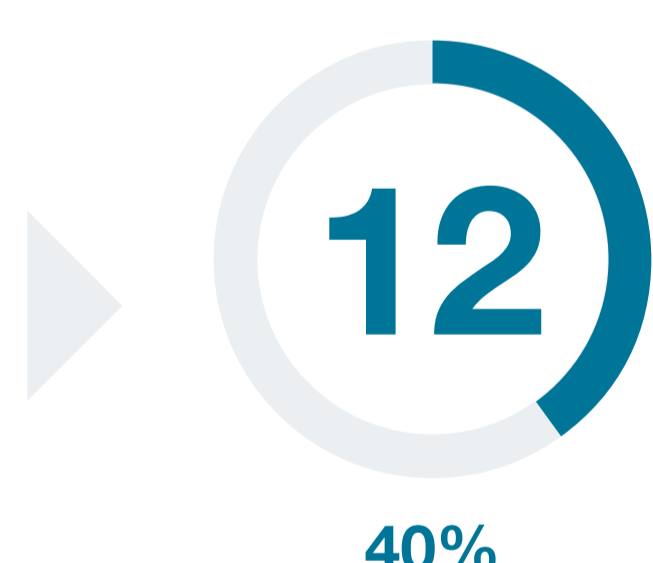
### Top water risks

- Drought
- Increased water scarcity
- Increased water stress

### Top climate risks

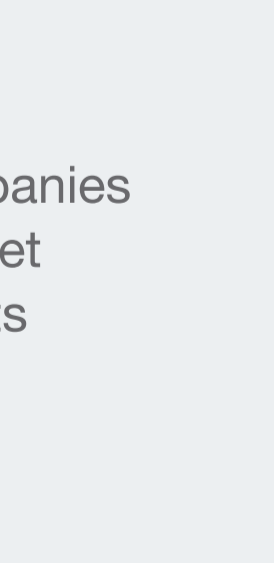
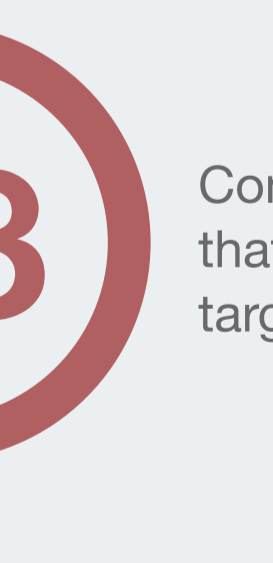
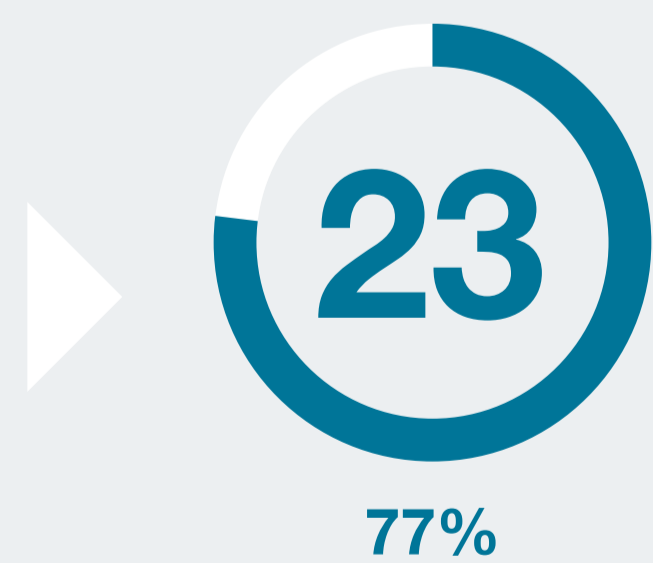
- Carbon taxes
- Precipitation extremes & droughts
- Reputation

The low priority given to regulatory risks in water is also evident in companies' engagement with policymakers



Companies that engage with policymakers

More companies set carbon reduction targets that are longer term, compared to water-related targets

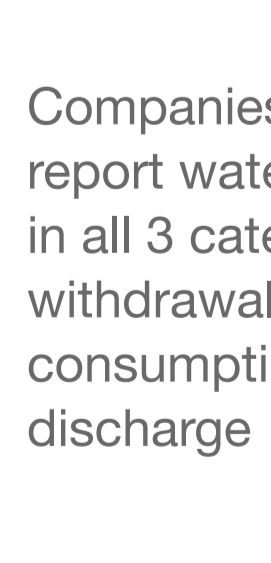
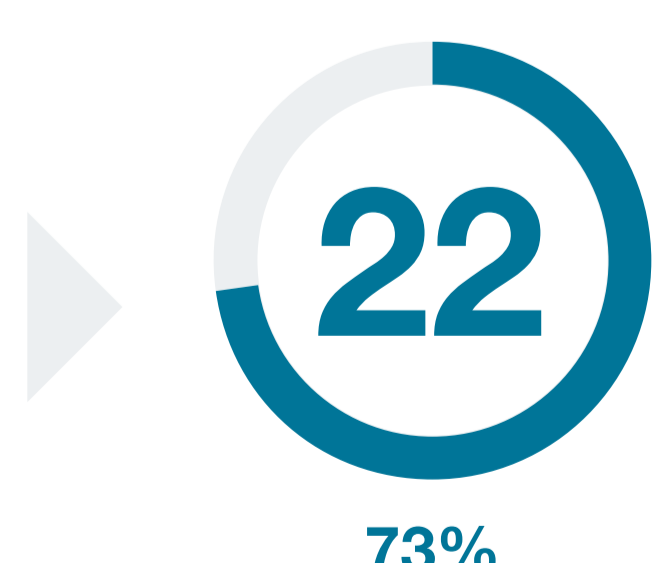


Companies that set targets



Companies setting targets ≥ 5 years

More companies report reliable, accurate climate change data



Companies that report water use in all 3 categories: withdrawals, consumption, discharge

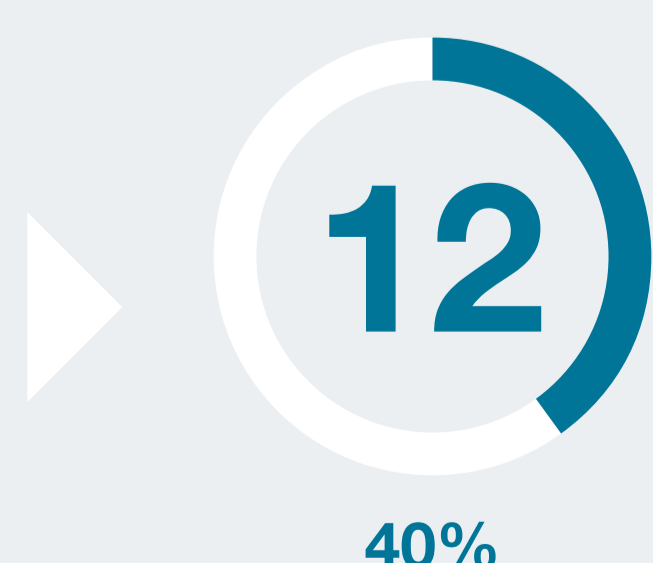


Companies that report scope 1 and scope 2 emissions

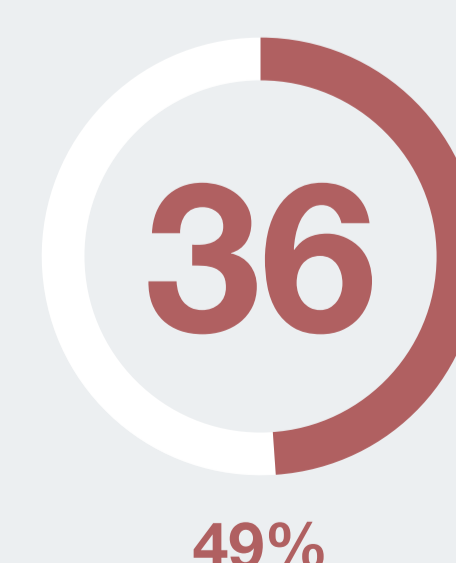


Companies that verify data

While supplier engagement is low in both climate change and water, more companies use supplier data in response to climate change issues



Companies that request suppliers to report water data



Companies that make use of suppliers climate change data

The data indicates that companies need to accelerate their progress on water to match the magnitude of the risk