

Detrimental water impacts for business



South Africa is facing the worst drought in decades and is exposed to a number of long term critical systemic issues. Businesses are rising to the challenge and are responding to the impacts.

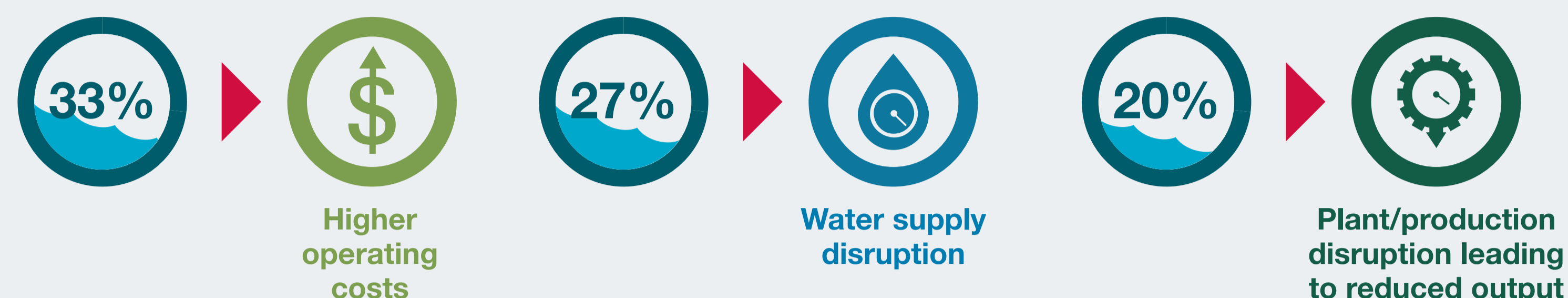
More companies are experiencing detrimental water impacts



21 (70%)

companies experienced detrimental water impacts in the reporting year (up from 50% in 2014)

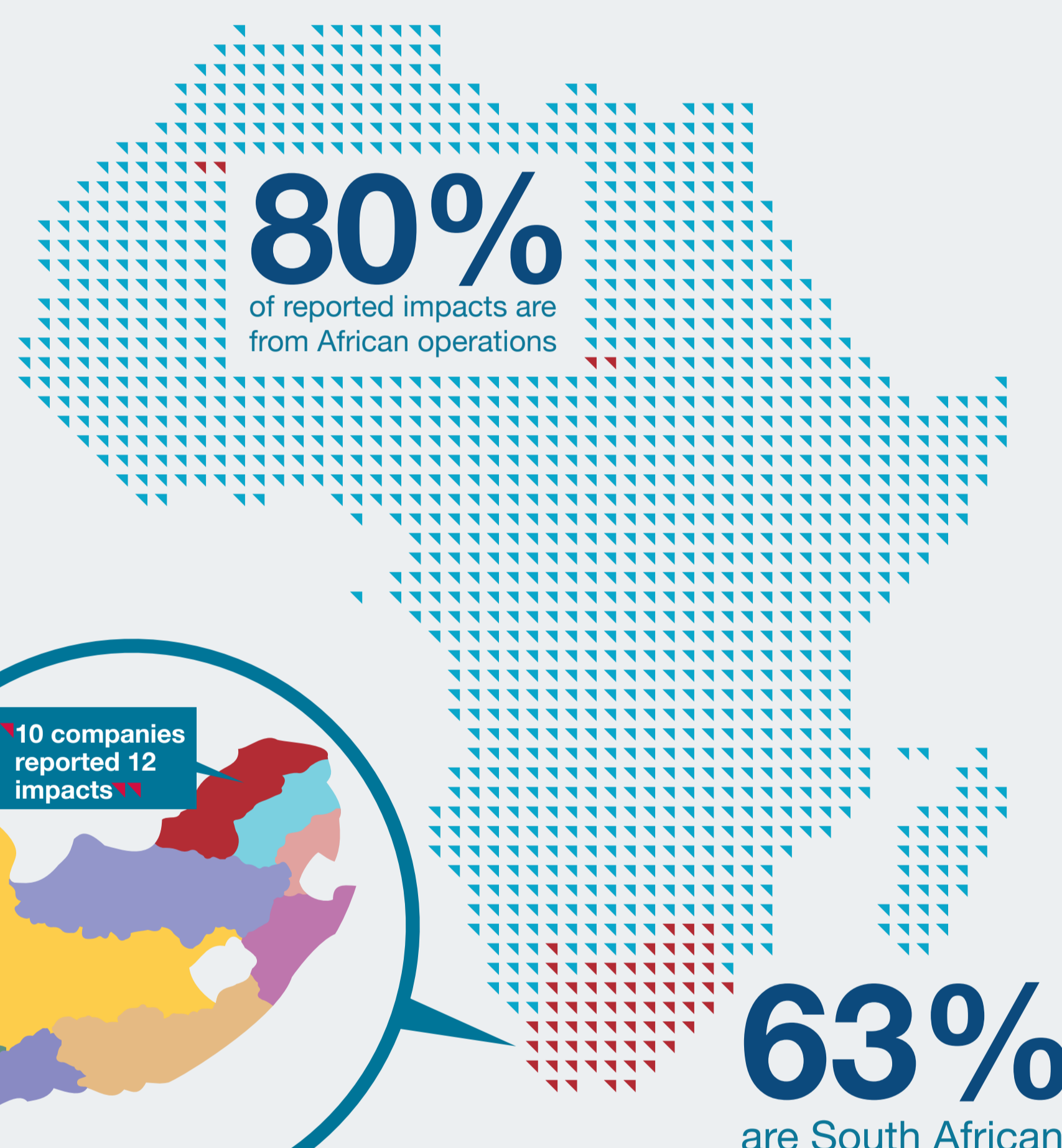
Companies are mostly impacted by higher operating costs and water supply disruption*



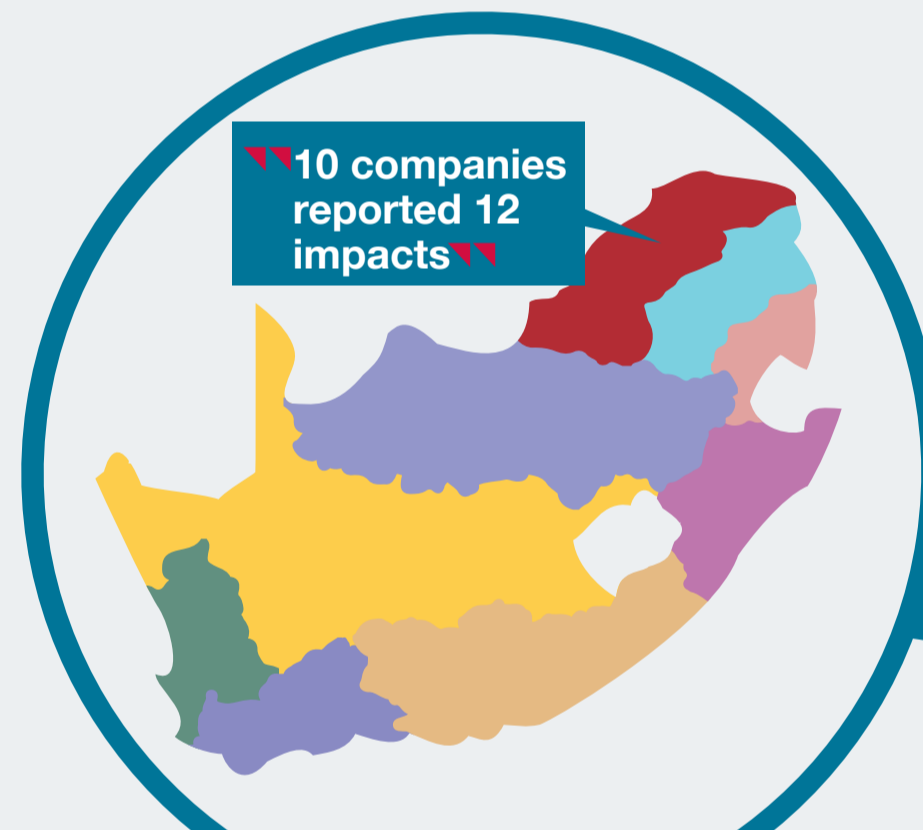
Areas of impacts

Most impacts are reported in the Limpopo CMA**; a shift from 2014 where most impacts were reported in the Orange CMA (8)

- Limpopo CMA**
10 companies reported 12 impacts
Top Impacts: Inadequate infrastructure, Drought, Increased water stress
- Vaal CMA**
4 companies reported 7 impacts
Top Impacts: Drought, Poor coordination between regulatory bodies
- Pongola-Mzimkulu CMA**
2 companies reported 2 impacts
Top Impacts: Drought
- Orange CMA**
2 companies reported 2 impacts
Top Impacts: Flooding/Above average rainfall



A drought in the Limpopo province has resulted in reduced crop production in the province, affecting availability and price of various produce categories.
- Woolworths, CDP Water Response



The materials and consumer staples sectors reported the most impacts



Main causes of water impacts

Drought, water scarcity and water stress were the biggest causes of water impacts; this closely aligns with the risks reported*

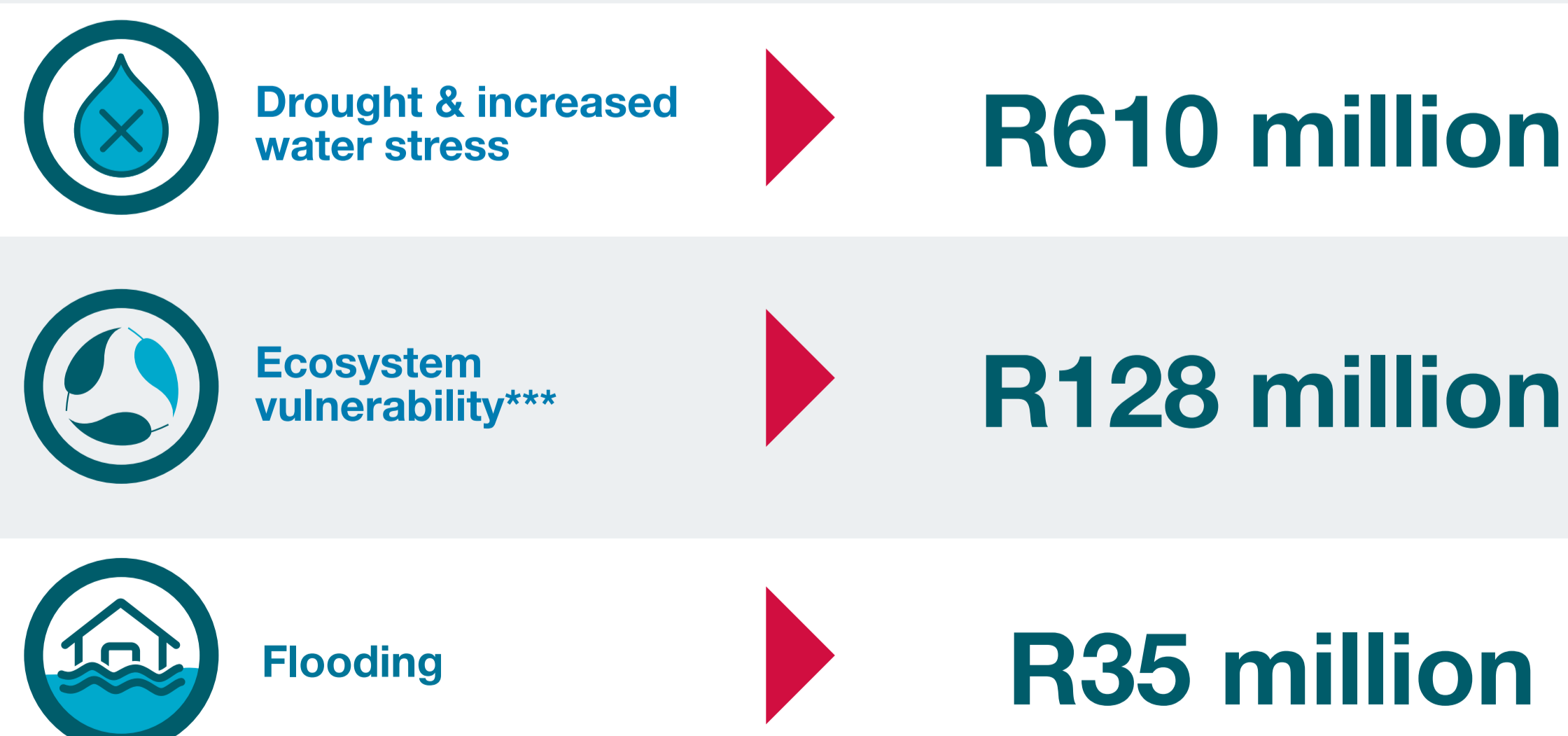
Cause	Top impacts (in reporting year)		Top risks reported	
	2014	2015	2014	2015
Drought, water scarcity and/or water stress	20%	30%	67%	67%
Flooding	23%	23%	37%	30%
Inadequate infrastructure	3%	17%	20%	27%
Declining water quality	17%	7%	40%	23%

The financial impact

Water-related impacts are resulting in financial impacts for companies

Financial impacts reported by 10 companies in 2015 amounted to:

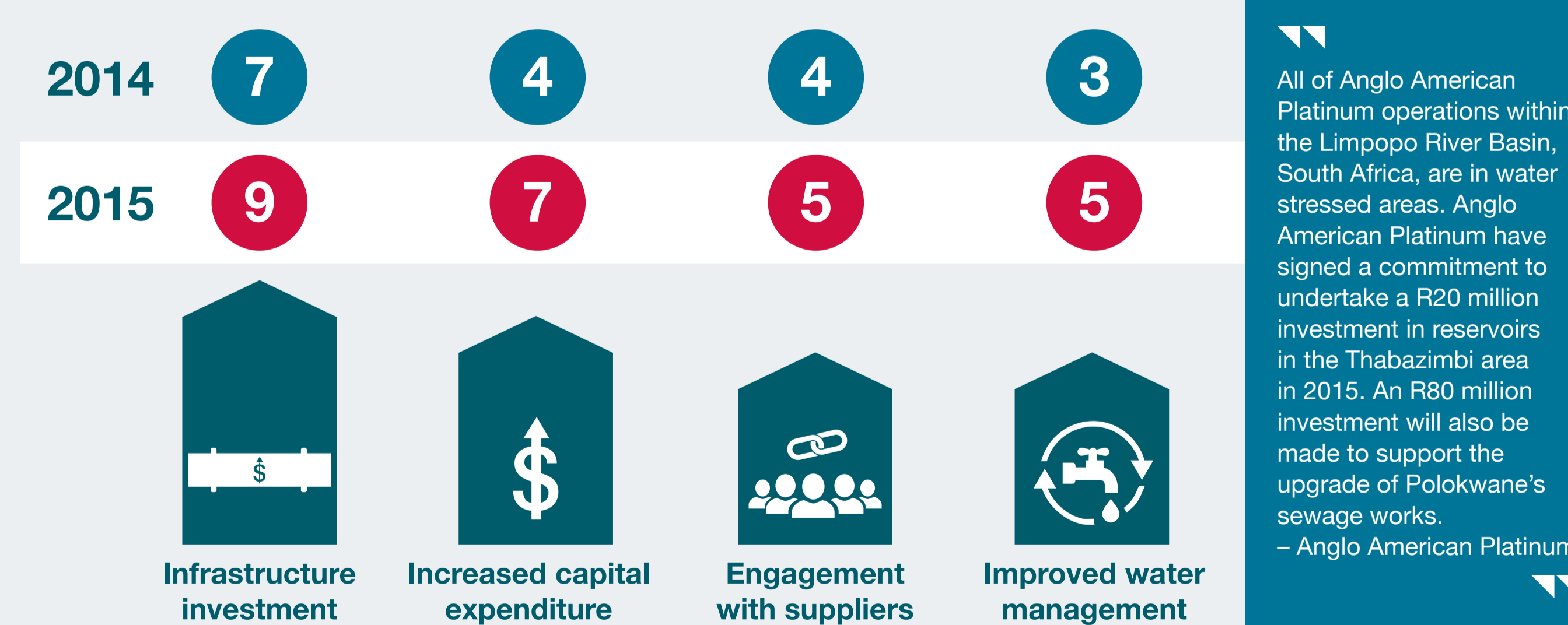
R841 million



Responses to impacts

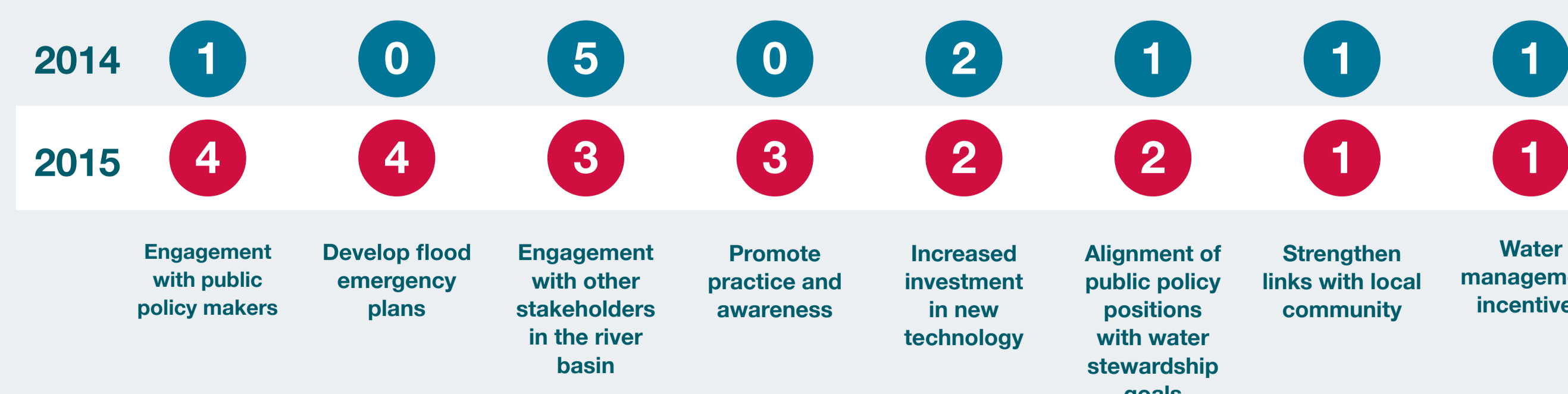
Companies are responding to water impacts mainly through infrastructure investment:

Main responses (No. of companies)



All of Anglo American Platinum operations within the Limpopo River Basin, South Africa, are in water stressed areas. Anglo American Platinum have signed a commitment to undertake a R20 million investment in reservoirs in the Thabazimbi area in 2015. An R80 million investment will also be made to support the upgrade of Polokwane's sewage works.
- Anglo American Platinum

Other responses



* Illustrates percentage of responding companies
** Catchment Management Agency
*** Exposure to stress in an ecological community and challenges with coping with it (in this instance, refers to costs associated with protecting high conservation value forests)