

# CDP South Africa Water 2016: Risks and Targets

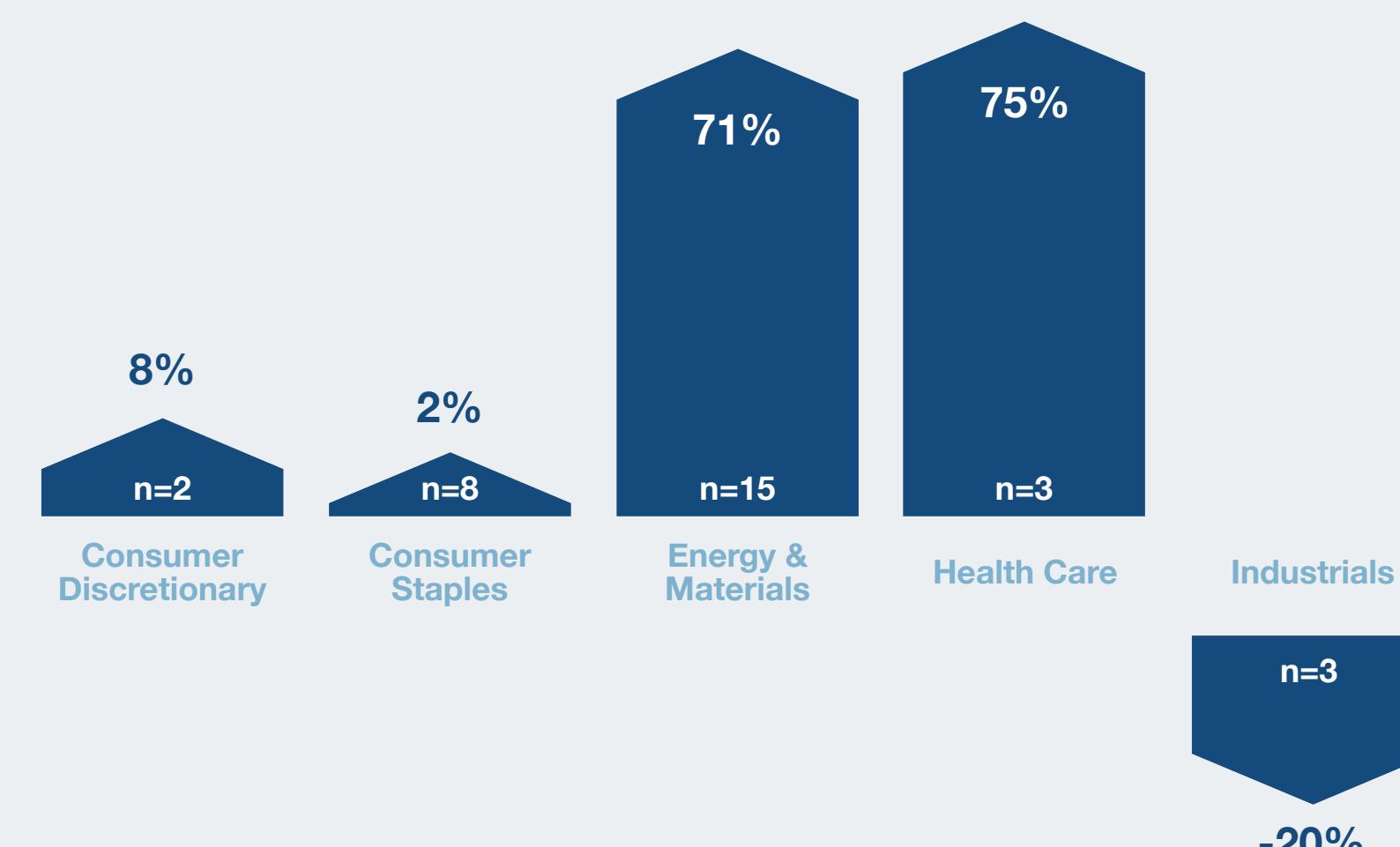
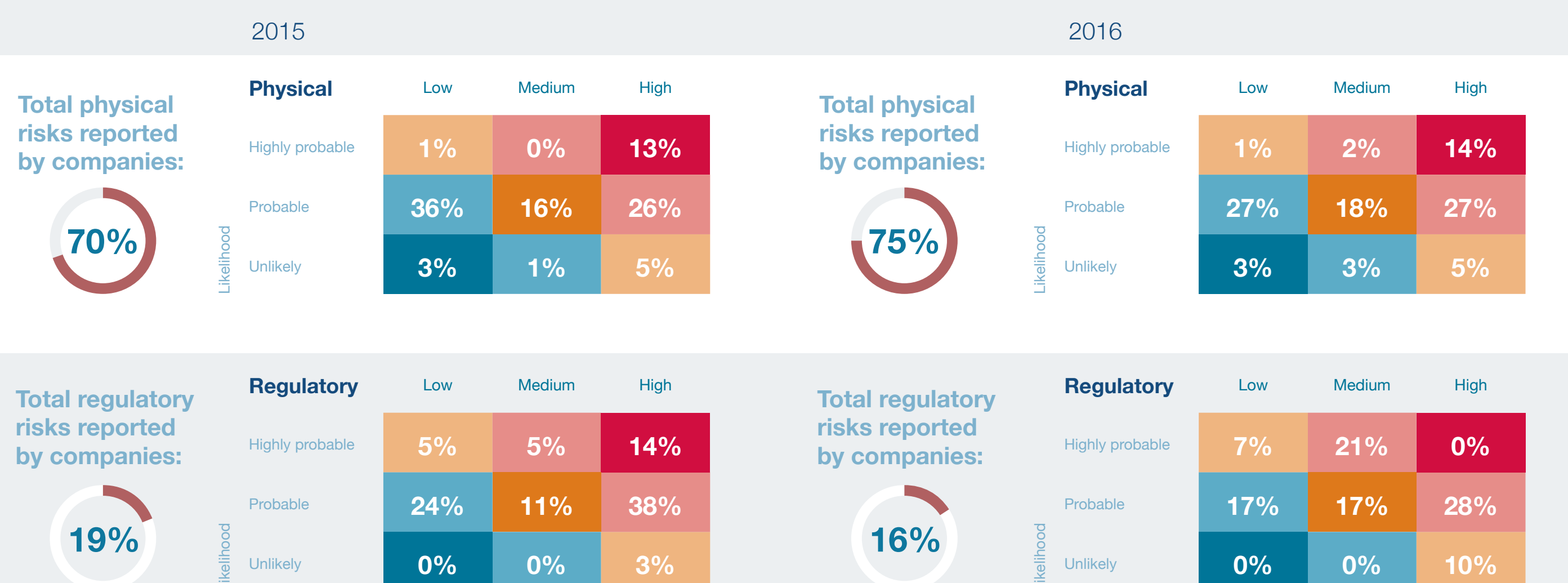


The impact of unmitigated water risk on company cost management and business longevity is significant. Response measures are most effective when underpinned by ambitious targets.

## Physical risks dominate how companies perceive risk. The financial impact on companies is also steadily increasing.

Companies view regulatory risk as less significant than in 2015

Energy & Materials and Health Care report significant increases in water-related operational expenditure

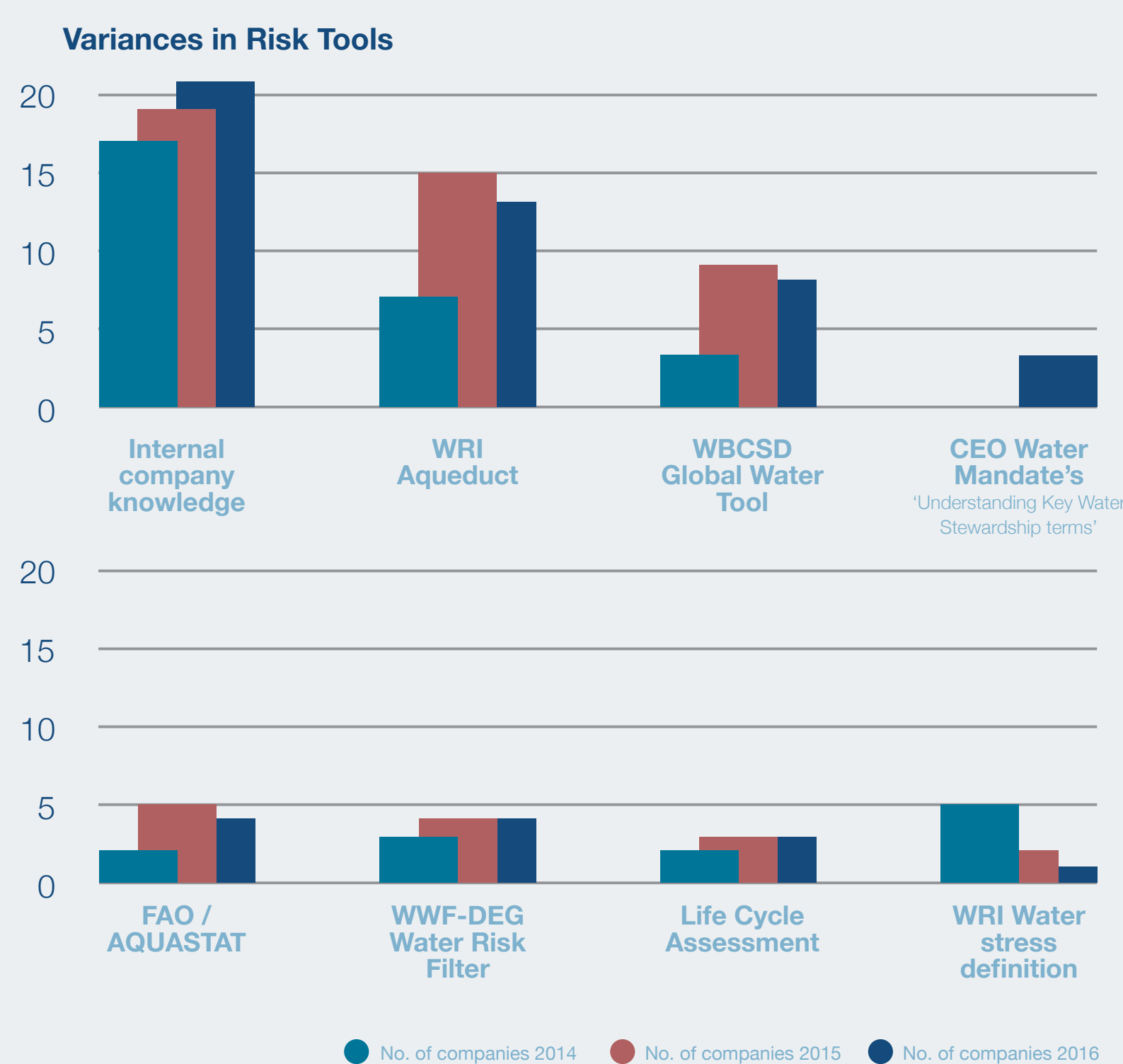


**Reasons provided for increase in water-related operational expenditure from responding companies:**

- Increase in water pumping costs and requirements
- Increase in water & waste water tariffs combined with business growth
- On-site water treatment requirements

## Comprehensive risk assessments are the first step in building resilience for companies, their stakeholders and their value chain.

Companies use a wide range of risk assessment methodologies



**87%** of companies undertake a comprehensive risk assessment

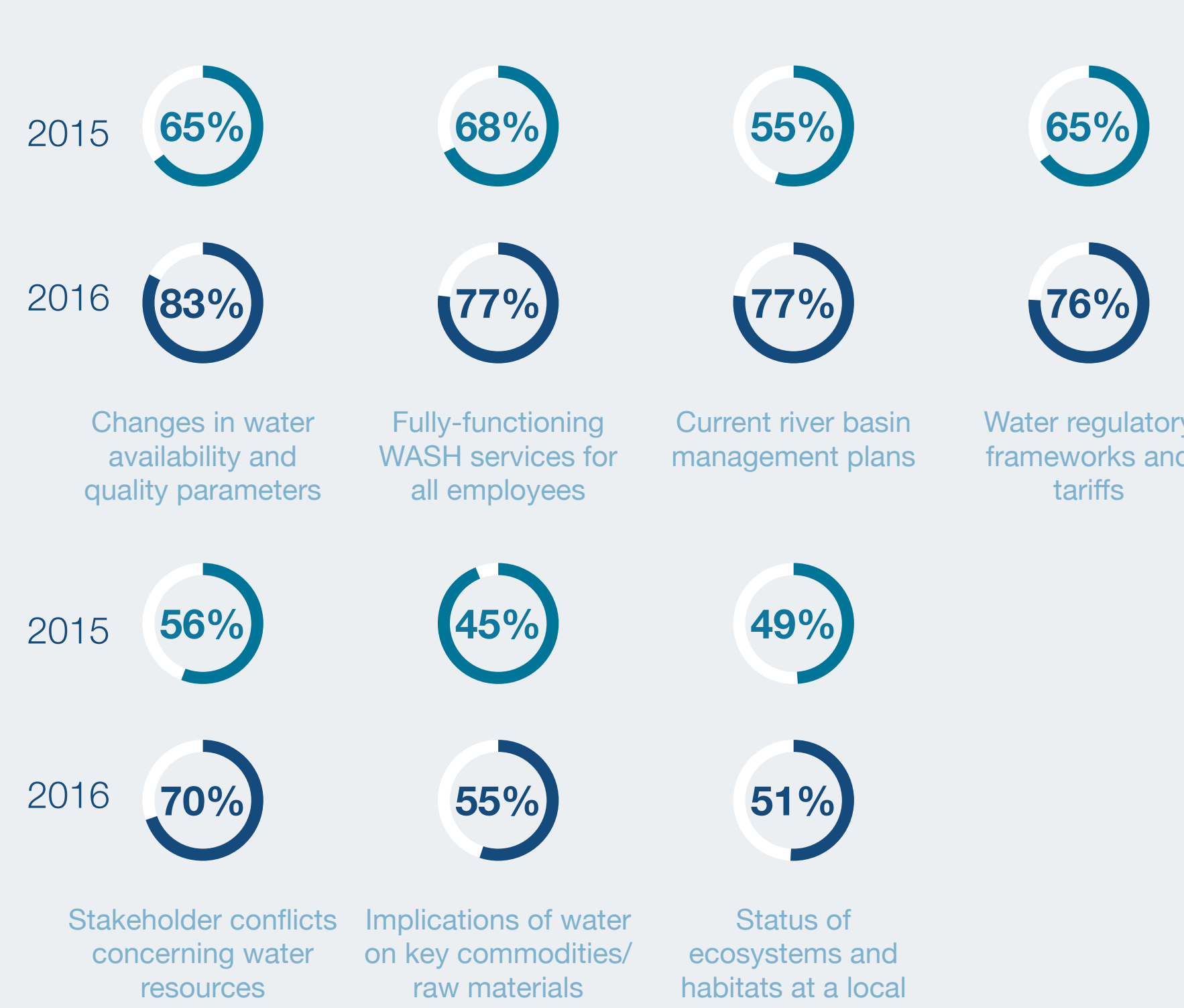
Companies reporting risks in direct operations

2015: **83%**  
2016: **94%**

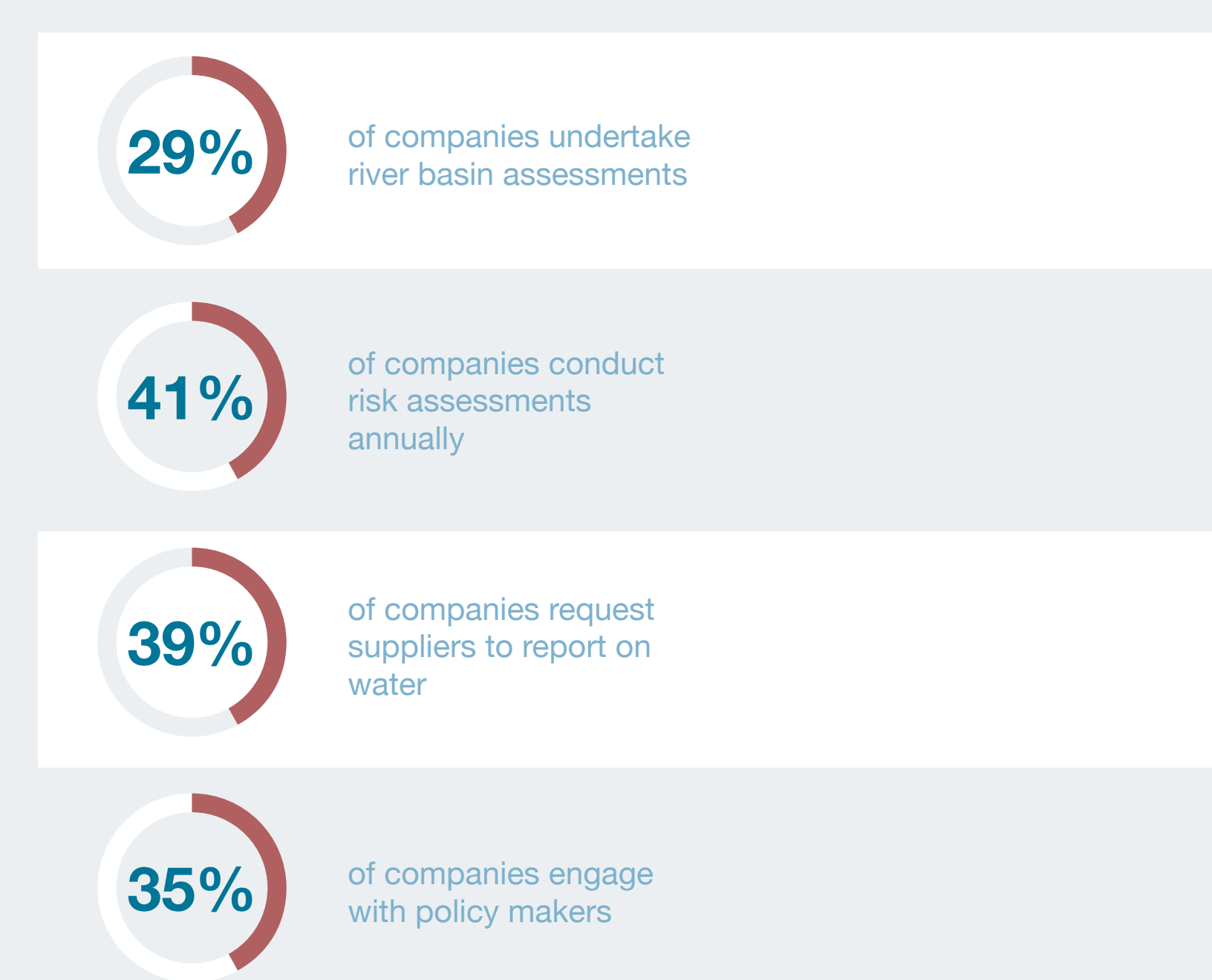
Companies reporting risks in supply chain

2015: **63%**  
2016: **61%**

Companies are beginning to explore a wider range of local-level factors in their risk assessments



Improvements are required in the scale of assessments, the frequency of assessment and in engaging with stakeholders and the public sector

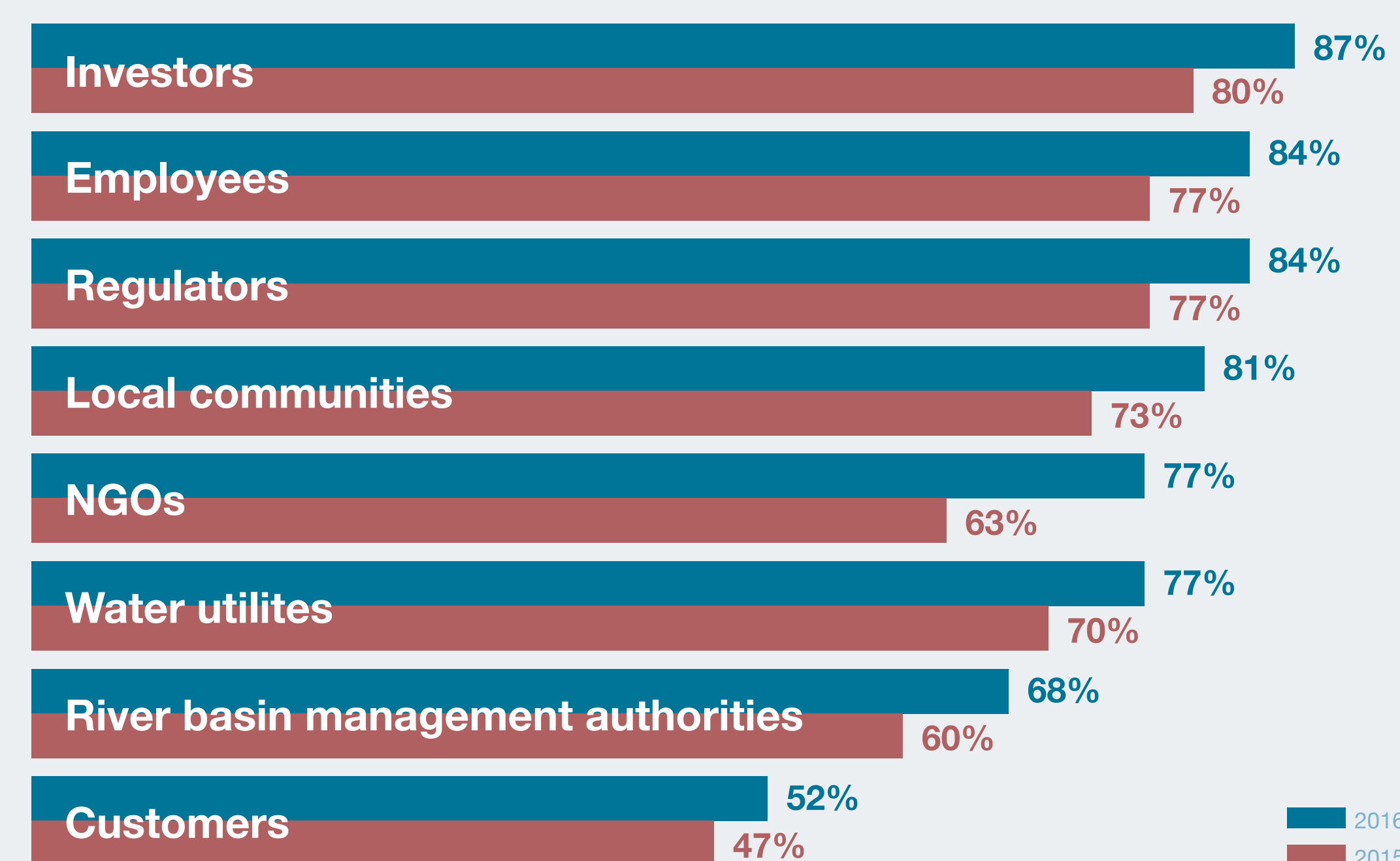


## The goals set by companies do not adequately reflect the shared nature of water risk.

Only a limited number of goals set by companies relate to their wider context



However the stakeholders included in company risk assessments are steadily improving



## While South African respondents have steadily improved their risk assessments, there is a need to drive performance through more rigorous targets.

Despite a high number of companies setting targets, the focus on key metrics is poor

