

KEY MESSAGES

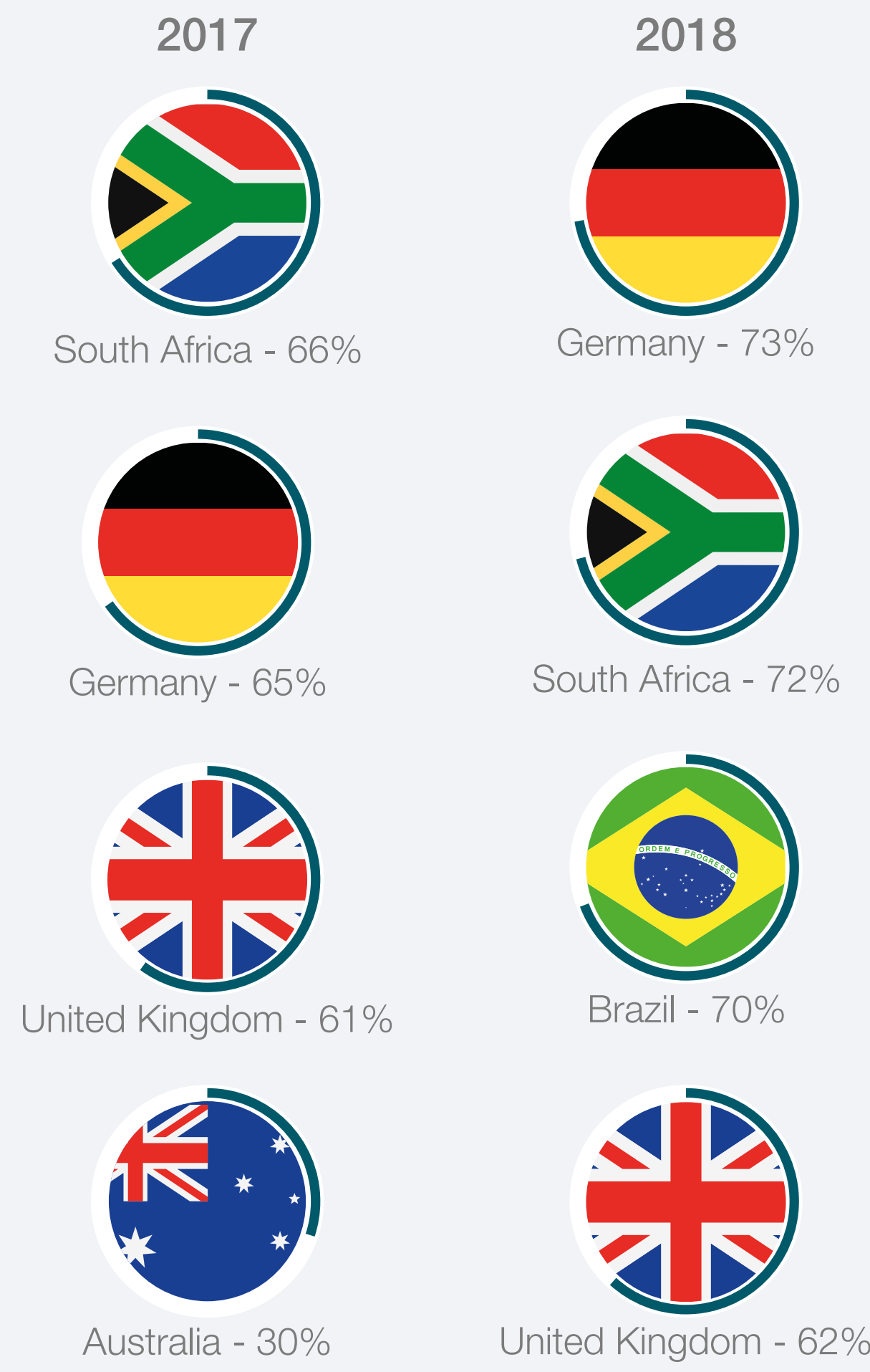


SOUTH AFRICA HAS TECHNICALLY PERFORMED WELL IN CDP WATER, HOWEVER WE SEE A DECLINE IN PERFORMANCE SCORES

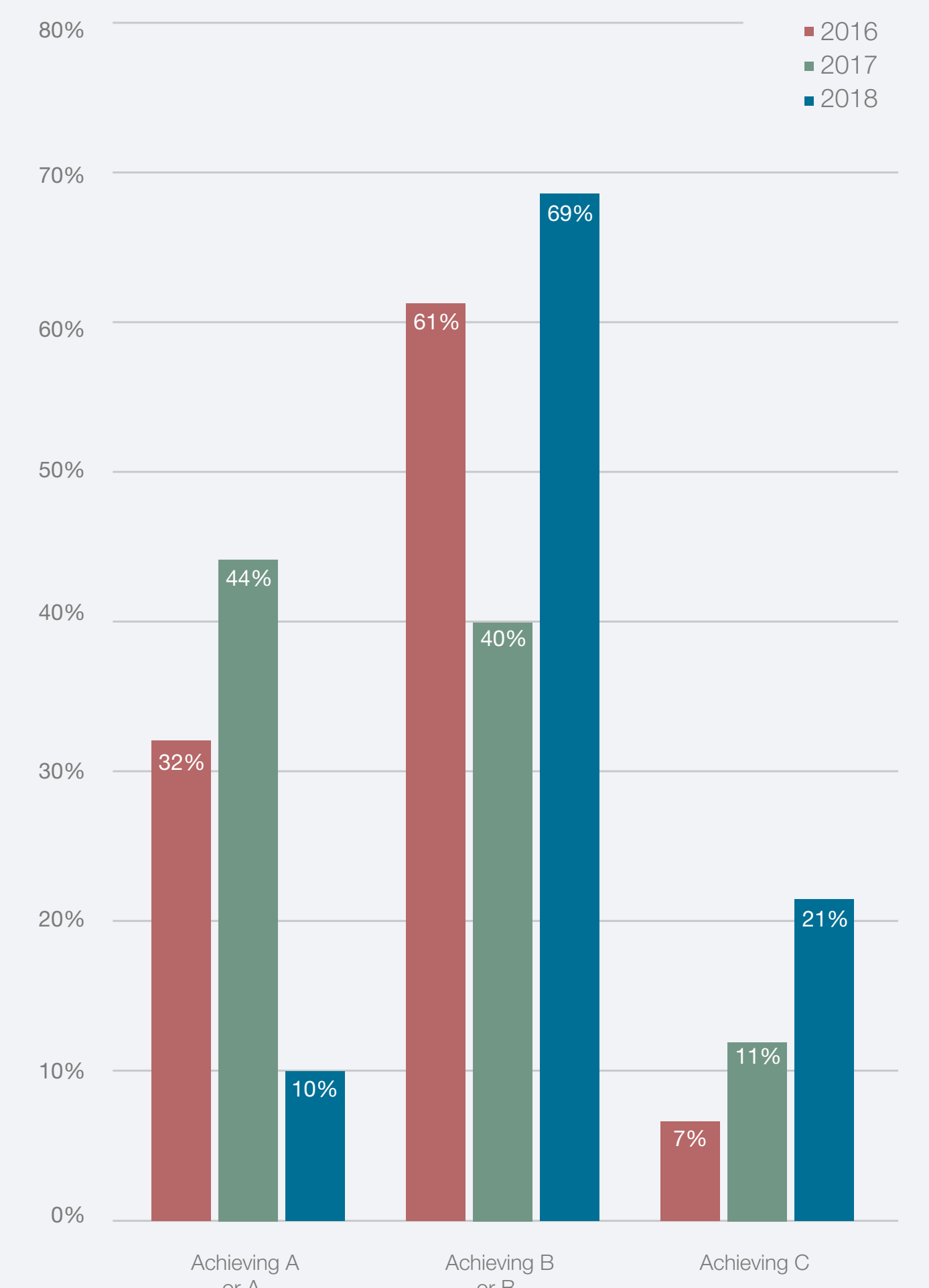
Companies in the highest band: (Leadership)



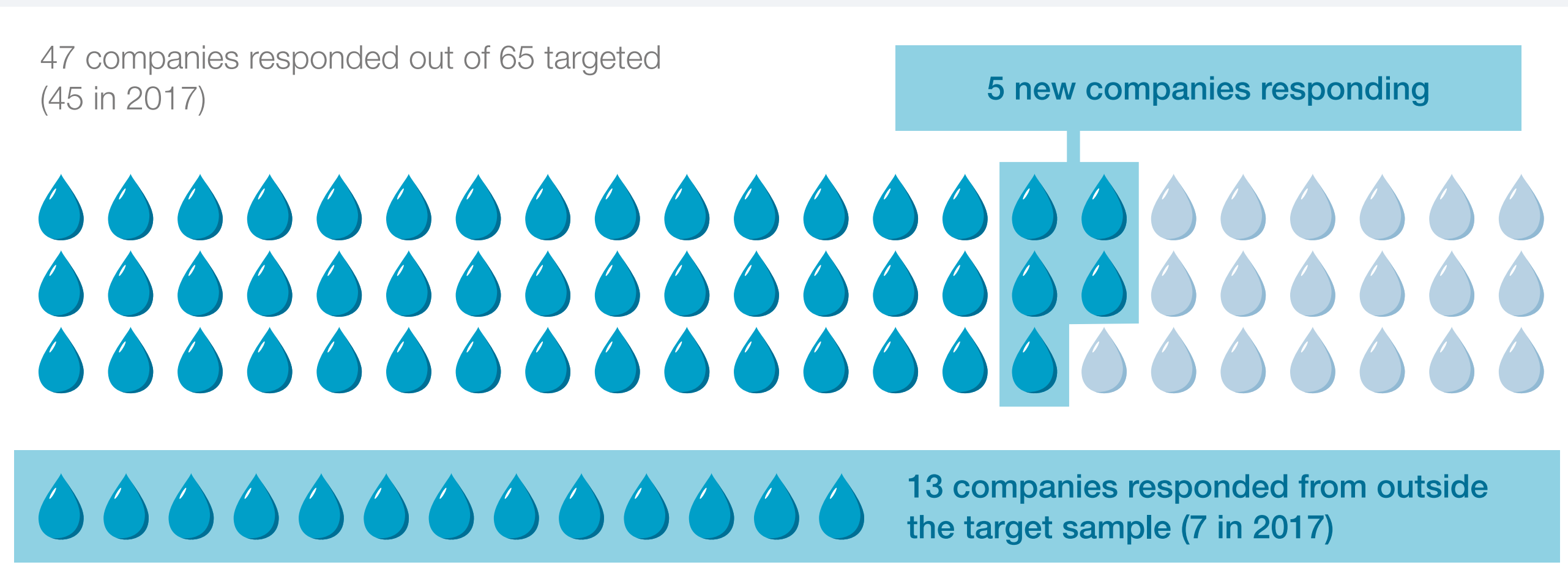
2018 response rate 2nd best in the world



Score distribution of responding companies (2016 to 2018)



The company response rate is similar to 2017



THE INTEGRATION OF WATER INTO COMPANY GOVERNANCE REMAINS STRONG

- 100%** of companies report board oversight of water risk
- 91%** of companies report that water is integrated into strategy
- 91%** of companies report that water management is integrated into at least one aspect of their business plan
- 33%** of companies report the CEO as having the highest level of responsibility
- 73%** of companies have water policies in place
- 67%** of companies with water policies report a commitment to water stewardship and /or collective action as part of their policy

Role	Percentage
Chief Executive Officer (CEO)	33%
Director on board	29%
Other Board	13%
Board Chair	9%
Chief Financial Officer (CFO)	4%
Not Answered	4%
Chief Risk Officer (CRO)	2%
Chief Sustainability Officer (CSO)	2%
Other C-Suite Officer	2%

Metric	2016	2017	2018
% of companies that have water policies in place	90%	91%	73%
% of companies that have water integrated into strategy	90%	89%	91%

Aspect	Integration into financial planning	Integration into long-term business objectives	Integration into strategy for achieving long-term business objectives
Grand Total	~55%	~45%	~40%
Consumer discretionary	~65%	~35%	~35%
Consumer staples	~65%	~45%	~55%
Energy and materials	~45%	~35%	~35%
Financials	~50%	~25%	~25%
Healthcare	~75%	~75%	~75%
Industrials	~60%	~60%	~60%

COMPANIES HAVE EXPERIENCED INCREASED COSTS FROM DETRIMENTAL IMPACTS IN 2018

Detrimental impacts are reported across a range (7 of 9) of Water Management Areas (WMAs)

WMA	Sum of Impact ZAR
Vaal	R531 150 788
Breede-Gouritz	R378 200 000
Orange	R344 327 650
Berg-Olifants	R279 154 200
Olifants	R193 000 000
Limpopo	R18 700 000
Pongola-Uzimkulu	R1 505 010

Number of detrimental impacts reported per WMA (7 of 9)

WMA	2017	2018
Vaal	13	20
Breede-Gouritz	7	11
Orange	8	8
Berg-Olifants	2	6
Olifants	5	5
Limpopo	4	1
Pongola-Uzimkulu	3	1

76% of the value of reported detrimental impacts in South Africa occurred in the Berg-Olifants WMA, the Breede-Gouritz WMA, Orange WMA and the Vaal WMA

Reported number of detrimental impacts per sector 2016 - 2018

Number of detrimental impacts	2016	2017	2018
Consumer Discretionary	25	9	3
Consumer Staples	77	65	21
Energy & Materials	47	53	32
Financials		3	7
Health Care	11	4	5
Industrials	18	27	4
Total	178	161	72

The financial costs of detrimental impacts experienced in 2018 is significant

R3.2bn

The cost of the detrimental impacts reported globally in 2018

R1.8bn

The cost of the detrimental impacts reported in South Africa in 2018

COMPANIES ARE STILL NOT RESPONDING SYSTEMICALLY, QUERYING THE EFFECTIVENESS OF GOVERNANCE

- 20%** of responding companies have set Water Management Area specific targets and/or goals (The number of companies setting targets and/or goals has decreased)
- 70%** of companies do not set performance standards for suppliers (Companies that set performance standards for their suppliers)
- 58%** of companies do not set targets
- 37%** of companies do not engage with their supply chain
- 20%** of companies do not give cognisance to current stakeholder conflicts over water at a catchment level, when assessing their risks
- 50%** of companies do not engage with their value chain partners