CDP South Africa Water 2016: Water & Climate Change are Closely Related





Strong water resource management is vital to the transition to a lower carbon and resilient future.

Water, energy and climate change are interdependent.

The 2016 CDP global water report and 2016 IEA Global Energy Outlook identify these links at a global level:

CDP South Africa responses reflect similar relationships, however many companies who identify this interdependency in their CDP climate change reports do not report to CDP water



ne Energy sector is responsible for 10% of global water withdrawals*



n 2014: **4%** of global electricity consumption was used to supply water

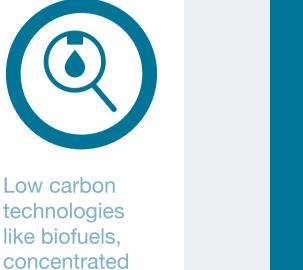


53% of global companies report that better water management is delivering greenhouse gas (GHG) reductions**



24% of GHG emissions reduction activities reported by companies globally depend on a stable supply of water**





solar power and

nuclear power

increase water

wind and solar

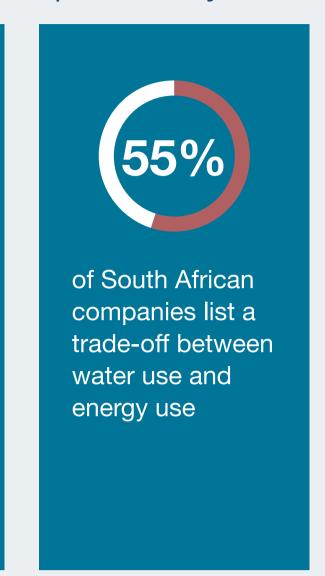
that require little

photovoltaic

water*

use, unlike







companies recognise

water and climate interlinkages in their CDP climate change responses



companies do not respond to CDP water

Water security is a cross-cutting enabler of many of the Sustainable

Developments Goals













5 GENDER EQUALITY



6 CLEAN WATER AND SANITATION







Alliance for Water and Climate Change (BAFWAC) was launched at COP21 in Paris

BUSINESS ALLIANCE FOR WATER AND CLIMATE CHANGE

Recognising the close linkages between water and climate change, the Business







WE MEAN BUSINESS

We Mean Business has launched a new 'improve water security' commitment for companies. The commitment includes three elements:

Measure and report water use data

As of November 2016, 32 businesses have committed to take action including Tiger Brands, Tongaat Hulett and Woolworths from South Africa

Analyse water-related risks and implement collaborative response strategies

Company understanding of water risk has strengthened but tends to be operationally focused



of companies have water management integrated into business strategy



of companies implement a comprehensive company-wide risk assessment



of companies factor in local communities



of companies report risk in their

into their risk assessments



supply chain



of companies consider risks with time-frames greater than 3 years



of companies asses risk annually

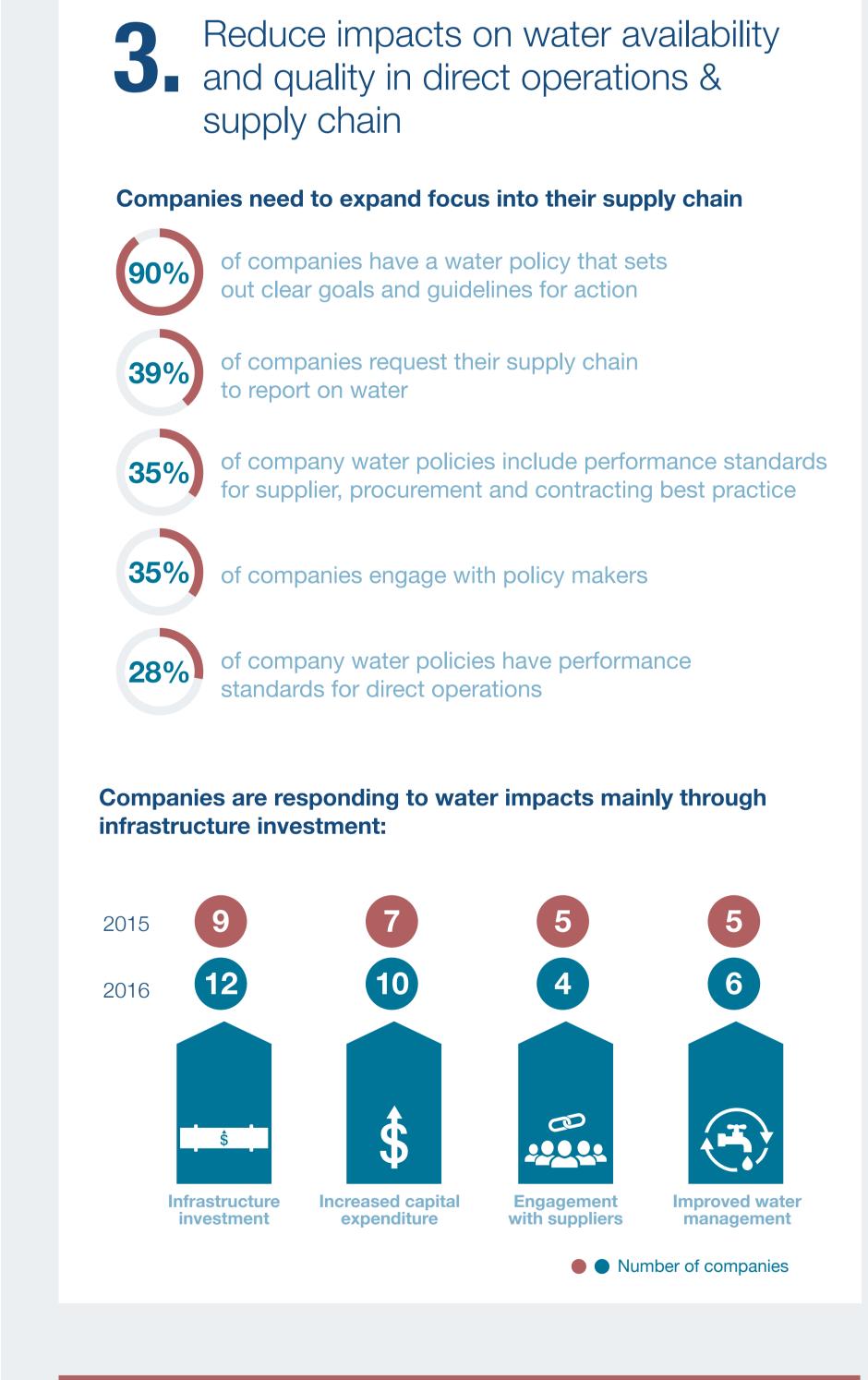
Only a fraction of responding companies identify the same top risks as identified by an expert panel % of responding companies*



Rising water costs



Companies focus on narrow water metrics of requested companies currently respond to of companies report on withdrawals of companies report on consumption of companies report on discharges of companies undertake river basin assessments Variance in data per sector makes reporting comparability difficult Within sectors, the variance of reported water use ranges from 24% to over 30 000% with 95% of total water withdrawn from one sector There remains a significant variation in risk assessment approaches **Variances in Risk Tools** 15 10 5 Aqueduct **Global Water** company knowledge 'Understanding Key Water Life Cycle **AQUASTAT Water Risk Assessment**



Improving water performance in South Africa requires better company water governance, ensuring greater accuracy in water measurement, setting longer and more ambitious contextual targets and broadening risk assessments to include wider systemic risks.

* International Energy Agency (2016) World Energy Outlook 2016. Accessed at: http://www.iea.org/newsroom/news/2016/november/world-energy-outlook-2016.html

2016

** CDP (2016) Thirsty business: Why water is vital to climate action - 2016 Annual Report of Corporate Water Disclosure. Accessed at: www.cdp.net

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No. of companies 2014 No. of companies 2015 No. of companies 2016

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definition