



The CEO Water Mandate



Background: The NBI, CEO Water Mandate and Water Stewardship

July 2016



Network South Africa

Business Action for Sustainable Growth



Strategic Context

Given the current drought, water is top of mind for the media, government and public in South Africa

However, an expert group convened by the NBI recently concluded that while the current drought is a serious short-term risk, there are more critical systemic issues in the water sector that need to be addressed to ensure long-term sustainability of supply in South Africa

SOUTHERN AFRICA

Drought pushing South Africa to the brink of recession - Moody's

by Reuters | Last Updated: Wed, 17 Feb 2016 06:34:12 GMT

BusinessDay
BDlive



Drought could cost SA billions in crop imports

BY CLAIRE BISSEKER, NOVEMBER 06 2015, 05:43



Moody's says drought pushing Sou

FINANCIAL TIMES

March 16, 2016 9:04 am

South Africa winemakers face poor harvest

Emiko Terazono

 **cajnews**AFRICA

South Africa: Water - Pandemonium As Joburg Taps Run Dry

Company responses to CDP Water in 2015 further demonstrate that water is critical for business



70%

companies reported detrimental impacts (up from 50% in 2014)

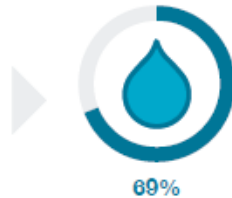


83%

companies reporting risks in direct operations (the highest in the world)

Water is also often recognised as a more significant risk than climate change by business in South Africa. Compare, for example, the 2015 findings for CDP Water (in blue below) with those for CDP Climate (in red):

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

And water has material financial costs for industry...

Financial impacts reported by 10 companies in 2015 amounted to:

R841 million



Drought & increased water stress



R610 million



Ecosystem vulnerability***



R128 million



Flooding



R35 million

Source: NBI (2016). 'Surface Tension: South Africa CDP Water Executive Summary 2015'

A number of systemic risks need to be addressed to ensure long-term sustainability of supply in South Africa

Top risks identified in expert session



Inadequate infrastructure



Rising water costs



Declining water quality



Regulatory uncertainty in water licensing

- Risks related to municipal infrastructure, rising water costs or licensing uncertainties cannot be adequately solved through company operational measures
- These water risks require a partnership approach that looks beyond the company fence line
- Water stewardship is an important component to mitigating corporate water risk and facilitating business growth

Given this context, the NBI and CEO Water Mandate have formed a partnership to support improved water resource management and corporate water stewardship practices in South Africa

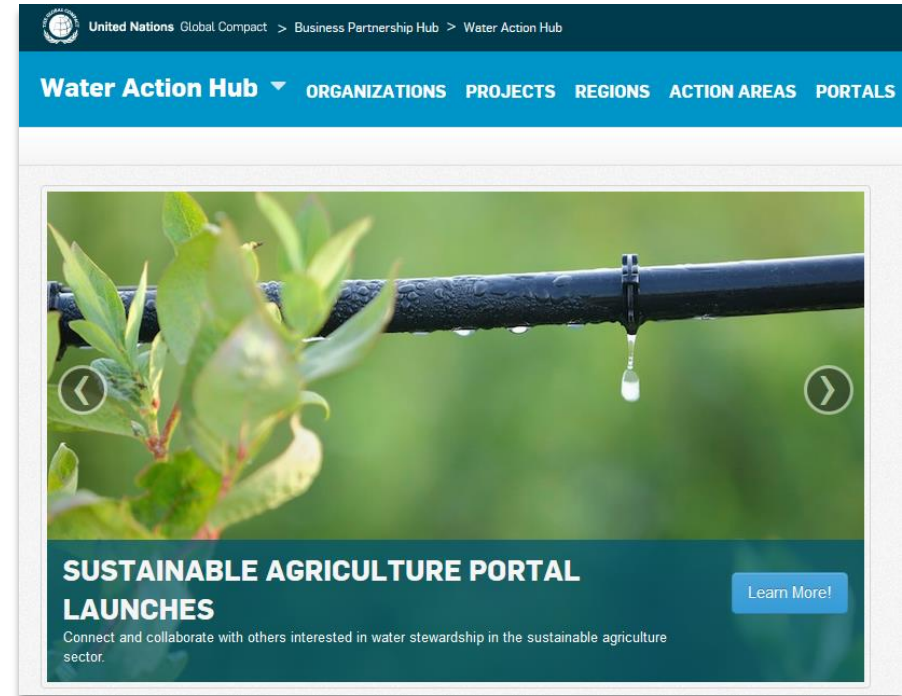
The overall objectives of the NBI's partnership with the CEO Water Mandate are to:

1. Assist South African-based companies (and companies with operations across Southern African) in adopting good water stewardship practices
2. Help drive and facilitate collective action on water
3. Showcase how innovative stewardship practices can help tackle national and regional water challenges



To meet these objectives, our planned activities for 2016-17 are based on a three-pronged approach:

1. Support knowledge sharing and upscaling of stewardship good practice
2. Develop the [Water Action Hub](#) as a key coordination platform for multi-stakeholder stewardship collaborations
3. Help drive and facilitate on-the-ground collective action projects



For more information



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The National Business Initiative is a voluntary coalition of South African and multinational companies, working towards sustainable growth and development in South Africa and the shaping of a sustainable future through responsible business action. Since our inception in 1995, the NBI has made a distinct impact in the spheres of housing delivery, crime prevention, local economic development, public sector capacity building, Further Education and Training, schooling, public private partnerships, energy efficiency and climate change.

The NBI is a global network partner of the World Business Council for Sustainable Development (WBCSD), the focal point of the United Nations Global Compact (UNGC) Local Network in South Africa and an implementation partner of the CEO Water Mandate, We Mean Business and the CDP.

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