

Water Stewardship and the Water Risk Filter

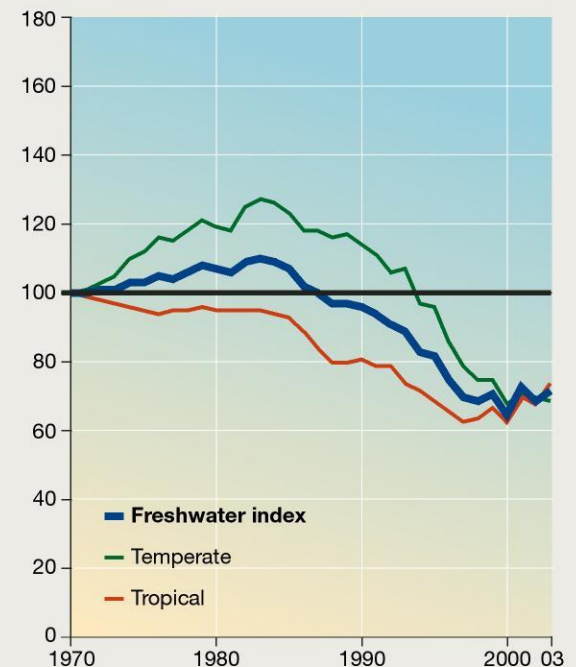
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WWF SE
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1.7 billion people are suffering from chronically high water scarcity

In 16 years the planet may meet only 60% of the global demand for water.

Globally populations of freshwater species have declined by 76% since 1970.

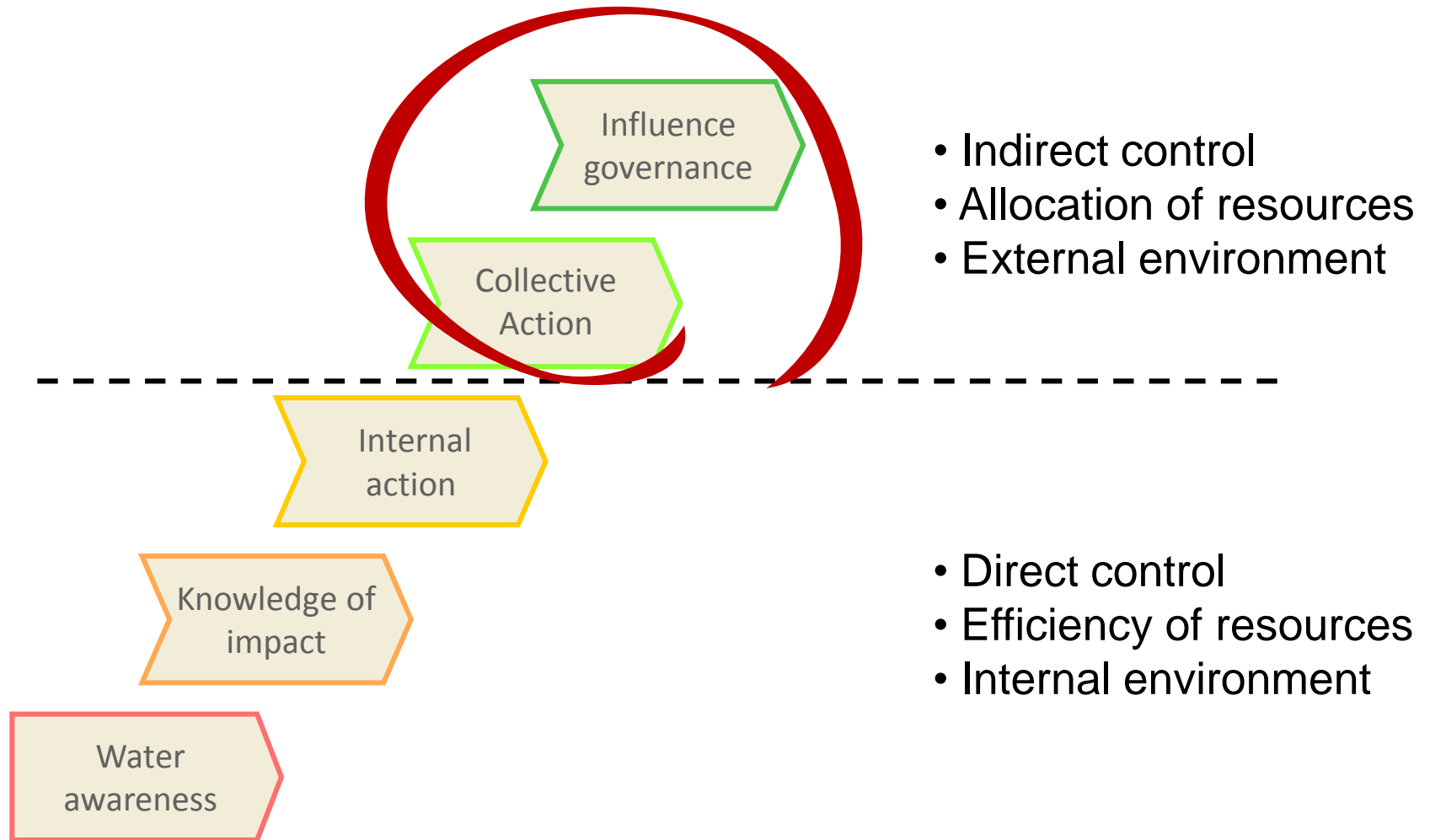
Living planet: index 100 in 1970



Source: Living planet report, WWF, 2007.



WWF's Water Stewardship Steps





Business Water-Related Risks



Physical



Reputational



Regulatory

Financial Risk



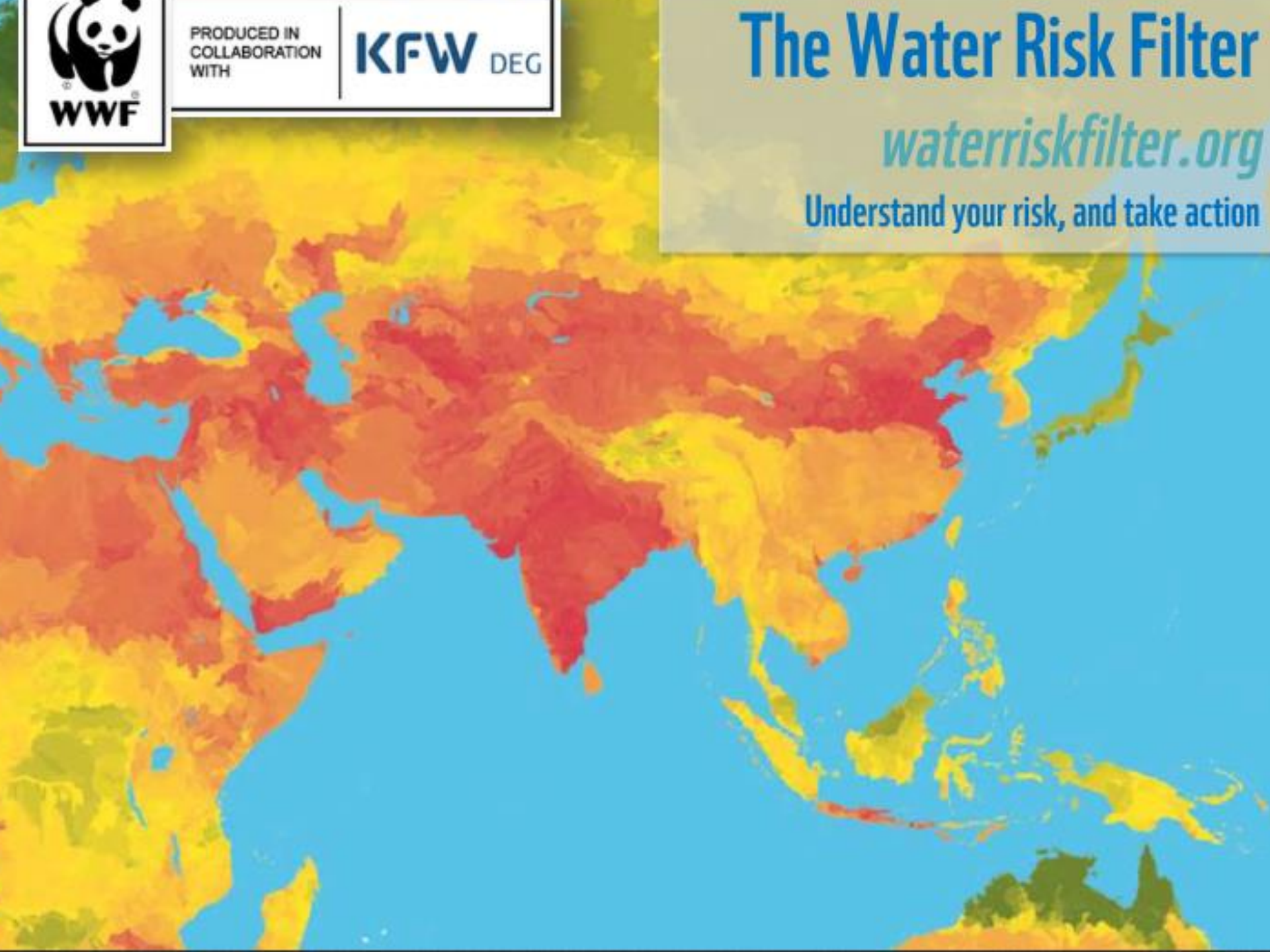
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COLLABORATION
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KFW DEG

The Water Risk Filter

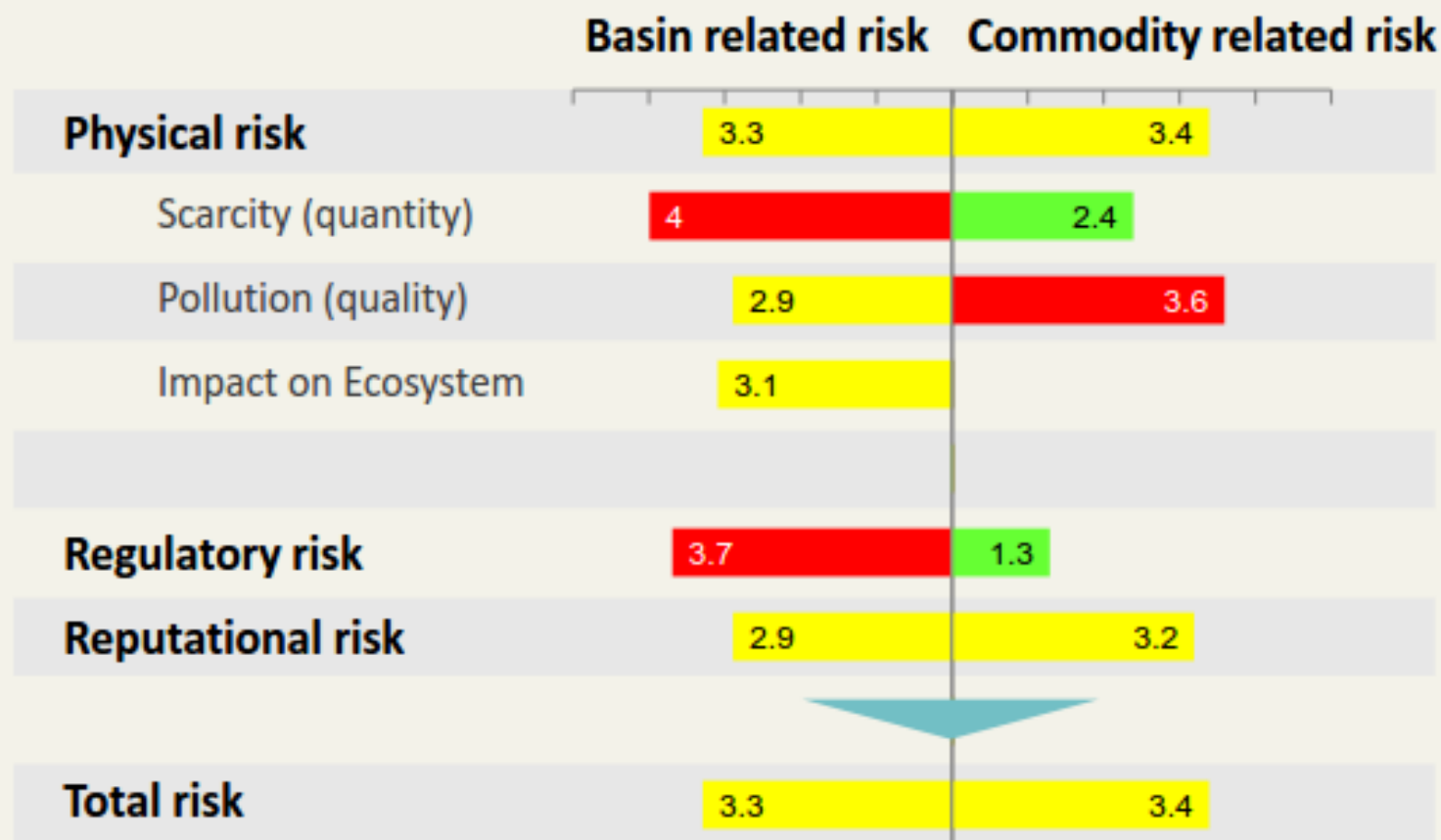
waterriskfilter.org

Understand your risk, and take action





Risk heat map



Scores range from 1
(no/very limited risk)
to 5 (very high risk)



The Water Risk Filter covers all relevant water risk aspects that ultimately can have a financial impact

~30 risk indicators

~60 risk indicators

Company / Commodity related risk

Physical risk

Scarcity (quantity)

- (Monthly) scarcity
- Groundwater
- Climate change
- Floods
- Droughts

- Importance of and problems with water availability
- Water withdrawals (not consumption!)
- Water reuse/recycling

Pollution (quality)

- 9 pollution indicators

- Pollution by facility (incl. industry averages)
- Treatment requirements
- Quality measurements

Impact on Ecosystem

- Threat to freshwater biodiversity
- Vulnerability of water ecosystems
- Access to safe drinking water
- Access to improved sanitation

Agriculture specific risk questionnaire
Hydropower specific questionnaire
Soon available: Pulp and Paper specific questionnaire

- Dependence on hydropower

Supplier's risks

- Water intensity of suppliers
- Water pollution by suppliers

Regulatory risk

- Local / national water strategy
- Sophistication of water regulation
- Enforcement of regulation

- Legal compliance
- Incidents / penalties

Reputational risk

- Local and global media coverage
- Cultural/religious value of water

- Local and global media coverage
- Stakeholder engagement
- Internal governance and monitoring



Detailed results for each indicator explain results, (links to) sources and definitions

Company related risk

No	Score	Risk	Risk item	Indicator	Answer
1	3 Some risk	Physical	Scarcity (Quantity)	Importance of having sufficient amounts of clean freshwater available for the production/operational site's operations	Neutral
2	2 Limited risk			Problems the company has/had with drawing/obtaining the required amount of water for its operations	
3	2 Limited risk			Total annual amount of freshwater withdrawn either directly from a water source or through the municipal supply (m ³ /year)	
4	3 Some risk			Percentage of the total amount of withdrawn water that is recycled or reused (used more than once). Maximum answer for this indicator is 100%	
5	4 High risk	Pollution (Quality)		Typical level of water pollution caused by this industry	
6	5 Very high risk			Requirement of treatment/purification of the water the company withdraws before use in operations	

Basin related risk

No	Score	Risk	Risk item	Indicator	Answer
1	3 Some risk	Physical	Scarcity (Quantity)	Annual average month water scarcity in this river basin	30 - 150%
2	6 Very high risk			Number of months per year scarcity exceeding 100 river basin	5
3	6 Very high risk			Blue water scarcity in the month in which blue water scarcity is the highest in this river basin	Severe: > 200%
4	2 Limited risk			Forecasted impact of climate change	Vulnerability index: 2 of 4 Limited impact
5	2 Limited risk			Estimated occurrence of droughts	<10% of the country affected by a severe drought in the last 3 years
6	3 Some risk			Estimated occurrence of floods	Moderate risk of flooding
7	4 High risk	Pollution (Quality)		General situation of water pollution around the facility	High risk of surface water contamination

Explanation and (link to) sources

Industry specific weightings are used

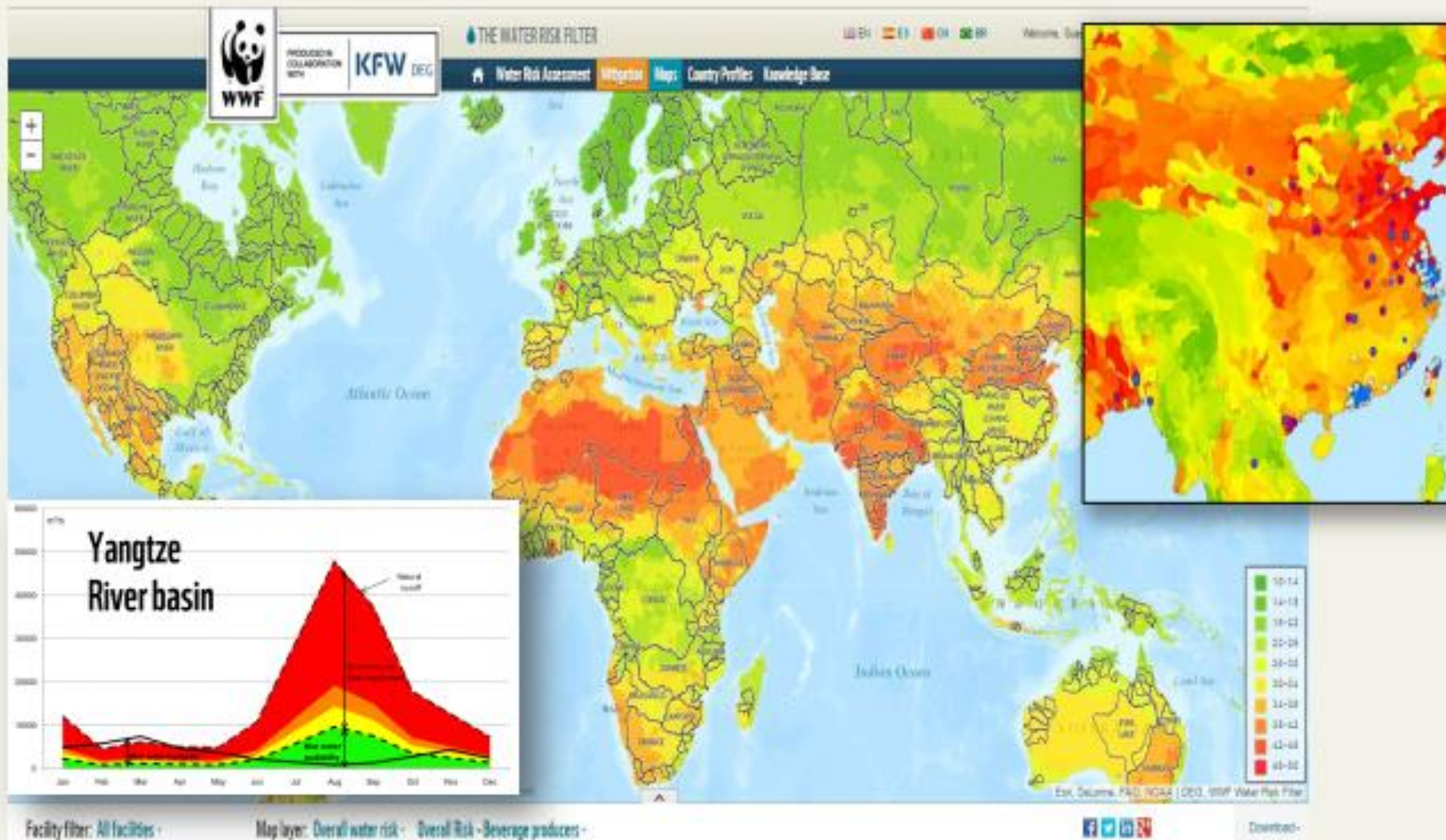


The Water Risk Filter framework: Basin and Company/Commodity related risks





New Maps



Linking risk to basin strategies

INTERNAL ACTION



Improving water management internally can have a limited impact. This strategy will ultimately need to be enhanced with focused external action.

LOCAL-LEVEL COLLECTIVE ACTION



Working with stakeholders in direct surroundings of facility to enhance social license to operate. High likelihood that collective action misses key stakeholders in the wider basin.

BASIN-LEVEL COLLECTIVE ACTION



Working with stakeholders at basin or sub-basin level, to support sustainable water management. Focus on long-term risk reduction, policy objectives and governance.



Jiangsu province, Yangtze, China
Company Physical water quality risk: 4,4
Level of water pollution by sites: 5





IP recruitment: Changzhou IP, Jiangsu province





Who will be doing it? Our Basin Team Leads





Our existing partnerships and projects ...

SABMiller



AWS, M&S and Woolworths – South Africa

ALLIANCE FOR
WATER STEWARDSHIP

M&S



Water Stewardship Pakistan

switchasia
PROGRAMME

Edeka



Mondi Wetlands Program



H&M - China & Bangladesh



Isagen – Colombia



HSBC Water Programme



Coca-Cola





WWF are not alone



The CEO Water Mandate



CDP Water Report 2014 found that:

68% water poses a substantive risk to their business
(40% increase since 2011)

22% report water could limit growth of business
(1/3 expecting constraint in next 12 months)

Only 38% of respondents have conducted a risk
assessment that includes operations and supply chains

Only 28% had conducted a risk assessment that takes
into account the river basin

2030
Water
Resources
Group





Thank you

panda.org



+100

WWF is in over
100 countries, on
6 continents

1961

WWF was founded
In 1961



+5,000

WWF has over
5,000 staff worldwide

+5M

WWF has over
5 million supporters