

# Water Stewardship and the Water Risk Filter

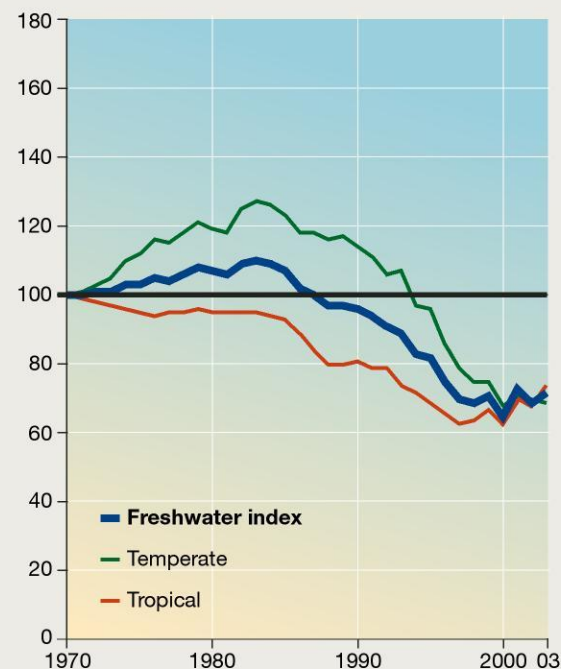
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WWF SE  
December 2015

**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.**

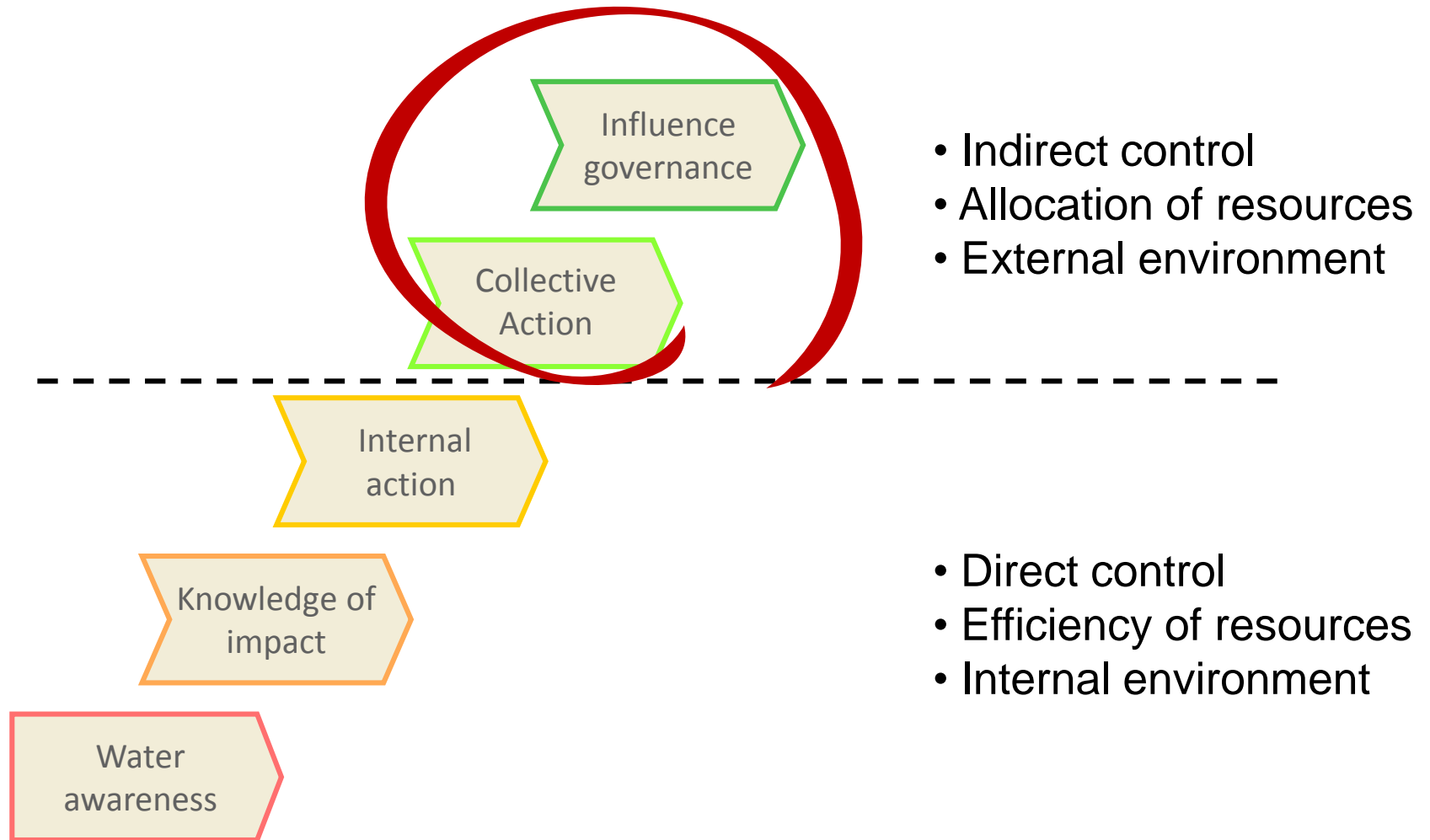
Living planet: index 100 in 1970





# WWF's Water Stewardship Steps

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# Business Water-Related Risks

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Physical



Reputational



Regulatory

**Financial Risk**

A large, grey, downward-pointing arrow is positioned above the text "Financial Risk", indicating that the three categories above (Physical, Reputational, and Regulatory) all contribute to this overall risk.



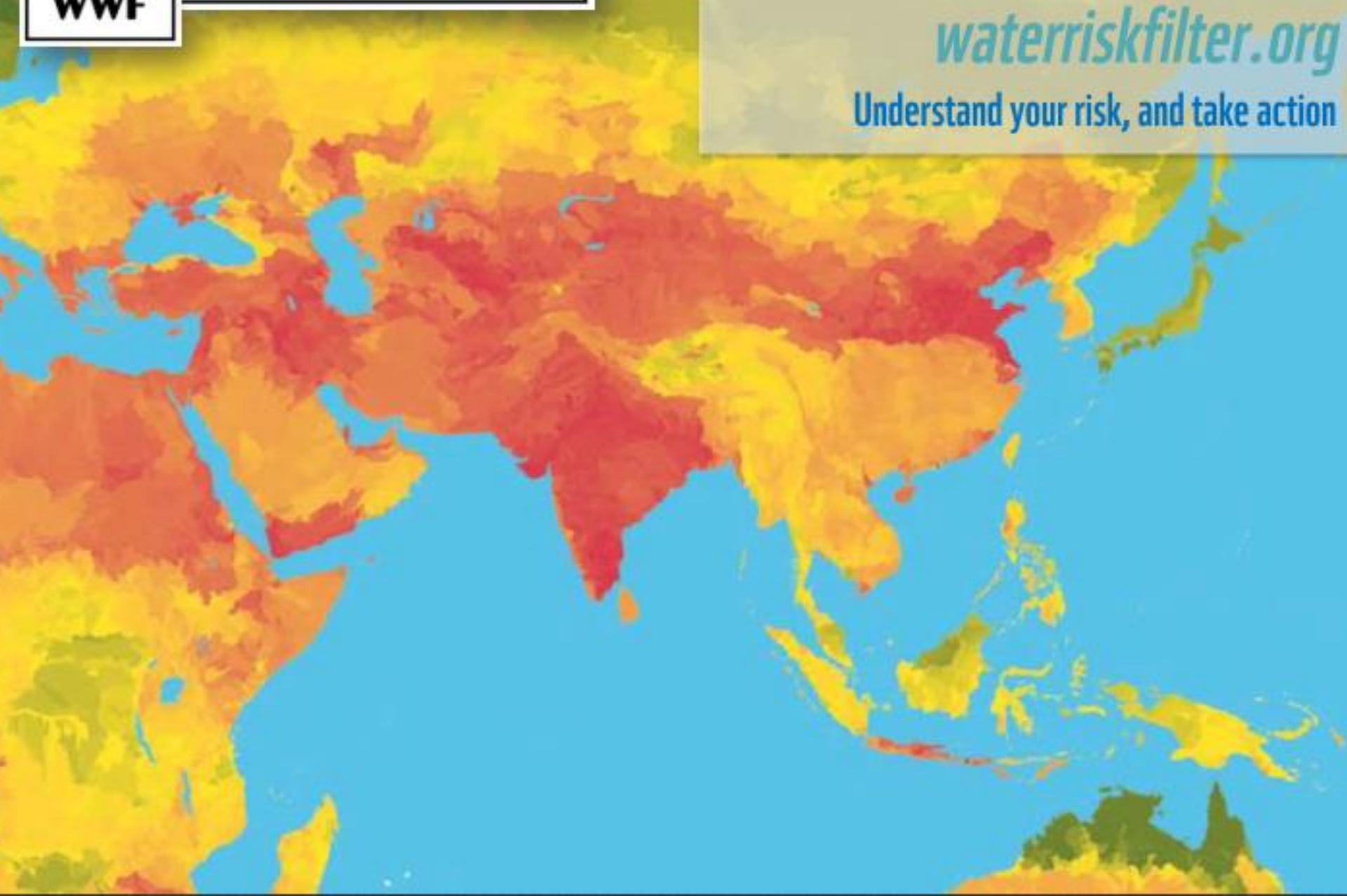
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COLLABORATION  
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**KFW** DEG

# The Water Risk Filter

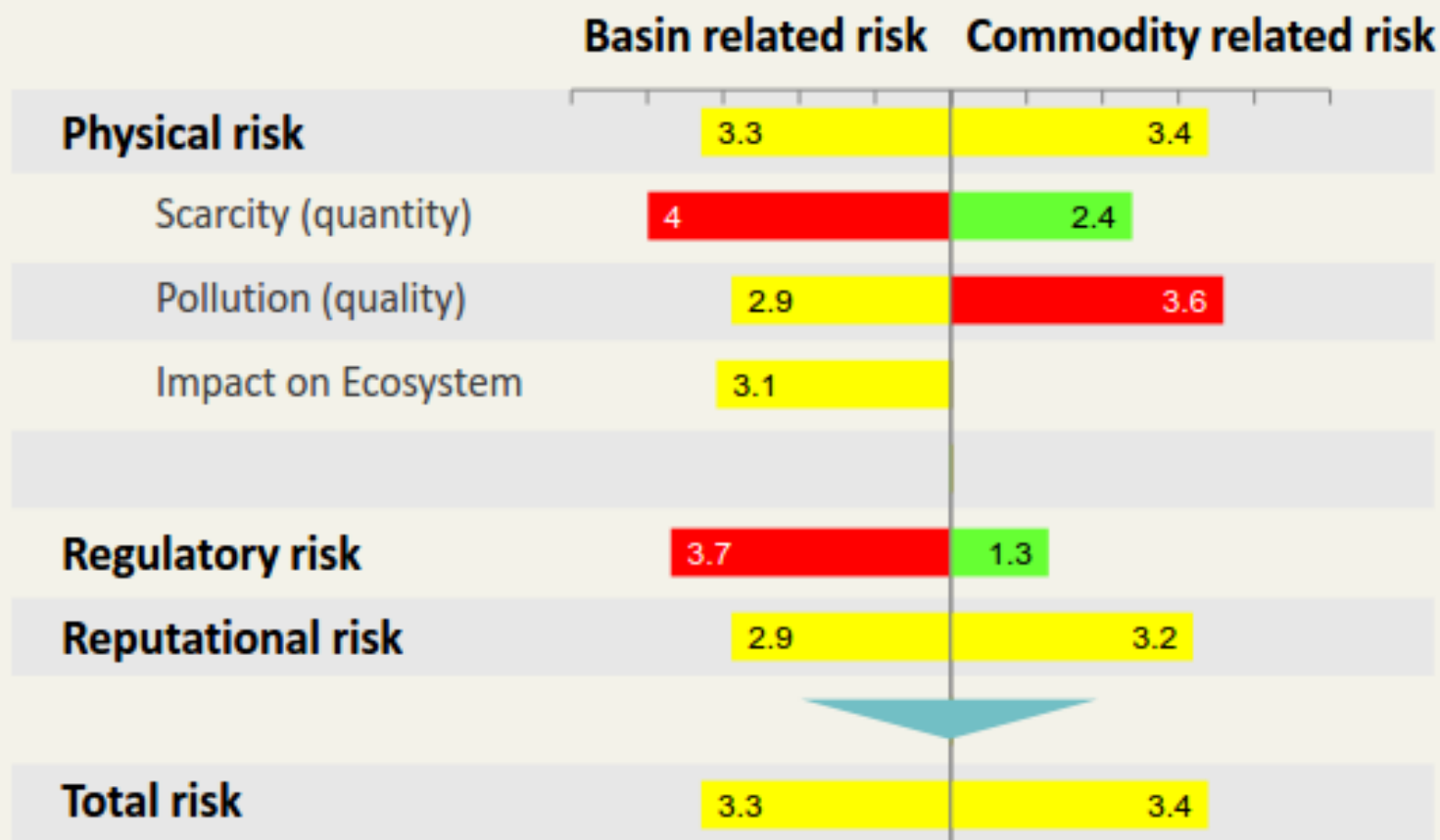
*[waterriskfilter.org](http://waterriskfilter.org)*

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

- Dependence on hydropower

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

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						Basin related risk						
No	Score	Risk	Risk item	Indicator	Answer	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	1	3 Some risk	Physical	Scarcity (Quantity)	Annual average month water scarcity in this	30 - 150%	
2	2 Limited risk			Problems the company has/had withdrawing/obtaining the required amount of water for its operations	2	5 Very high risk	2			5 Very high risk	Number of months per scarcity exceeding 100 over basin	5
3	2 Limited risk			Total annual amount of freshwater withdrawn either directly from a water source or through the municipal supply (m <sup>3</sup> /year)	3	5 Very high risk	3			5 Very high risk	Blue water scarcity in the month in which blue water scarcity is the highest in this river basin	Severe: > 200%
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%	4	2 Limited risk	4			2 Limited risk	Forecasted impact of climate change	Vulnerability Index: 2 of 4 Limited impact
5	4 High risk	Pollution (Quality)	Typical level of water pollution caused by this industry	Typical level of water pollution caused by this industry		5	2 Limited risk	Pollution (Quality)	General situation of water pollution around the facility	Estimated occurrence of droughts	<10% of the country affected by a severe drought in the last 3 years	
6	5 Very high risk			Requirement of treatment/purification of the water the company withdraws before use in operations	6	3 Some risk	6			3 Some risk	Estimated occurrence of floods	Moderate risk of flooding
						7	4 High risk			7	4 High risk	High risk of surface water contamination

Explanation and (link to) sources

Industry specific weightings are used



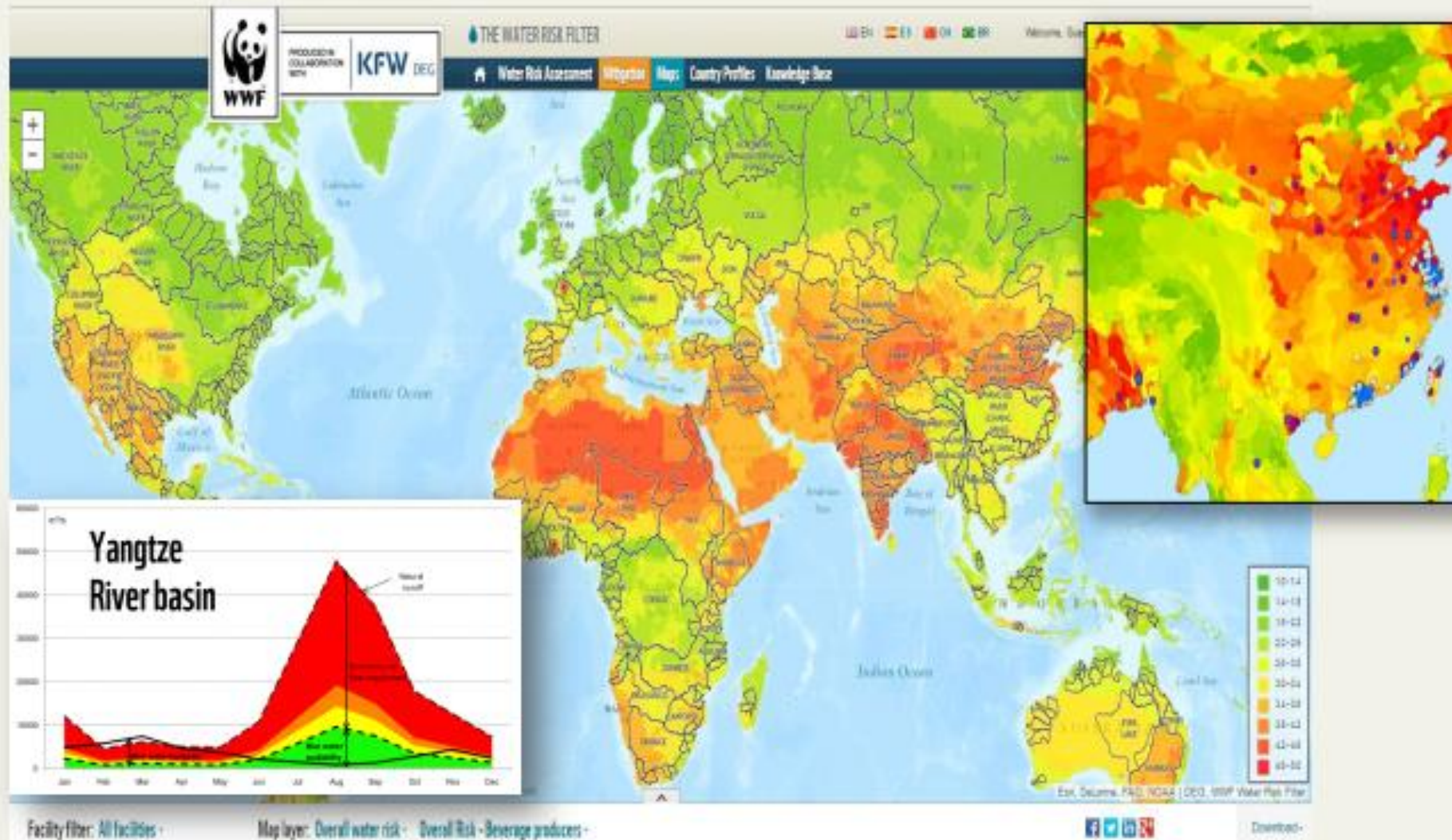


# The Water Risk Filter framework: Basin and Company/Commodity related risks





# 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

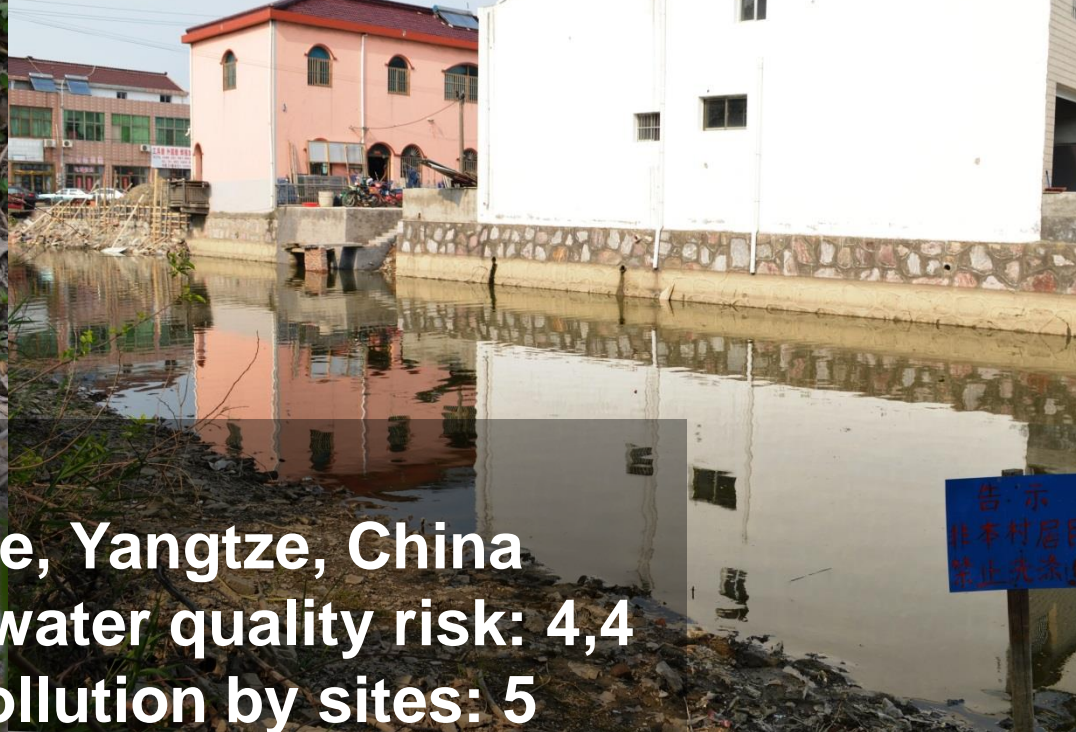


*Working with stakeholders in direct surroundings of facility to enhance social license to operate. High likelihood that collective action misses key stakeholders in the wider basin.*

## 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



giz | German Institute for International Cooperation and Development

AWS, M&S and Woolworths – South Africa



Water Stewardship Pakistan





## WWF are not alone



*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





# Thank you

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[panda.org](https://panda.org)



**+100**

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WWF is in over  
100 countries, on  
6 continents

**1961**

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WWF was founded  
In 1961



**+5,000**

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WWF has over  
5,000 staff worldwide

**+5M**

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WWF has over  
5 million supporters