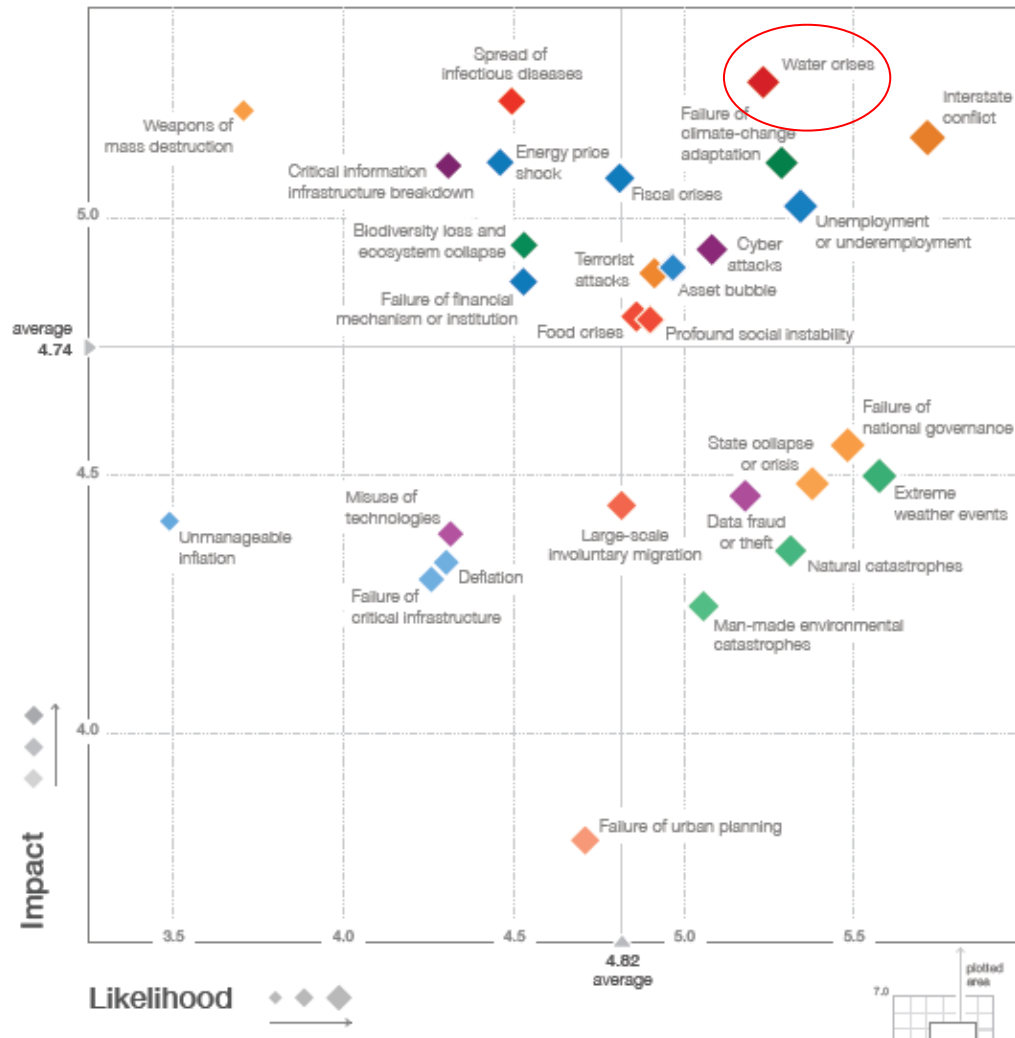


Grant Little

7 September 2015

Water as major risk worldwide

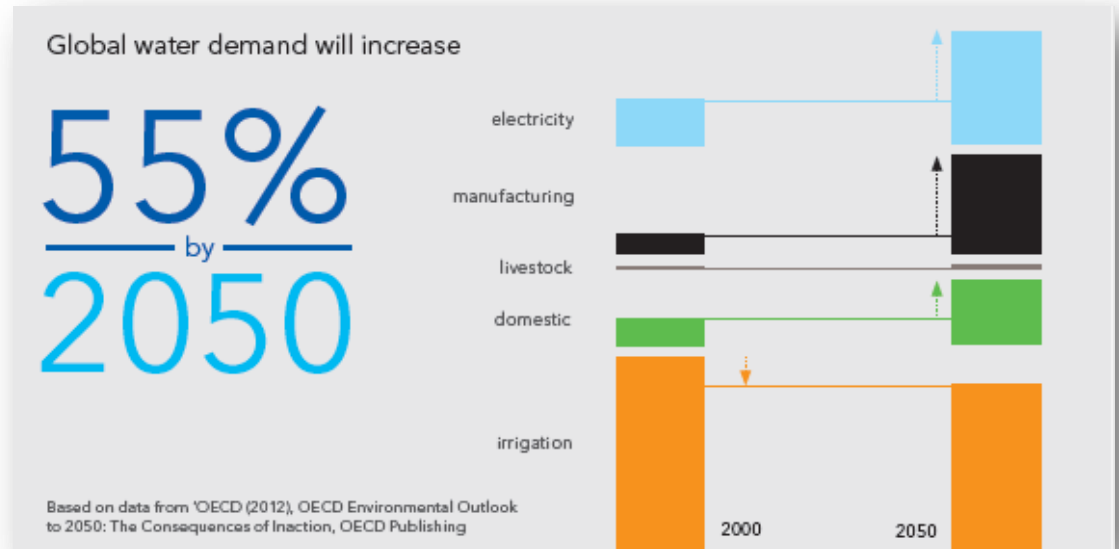
Figure 1: The Global Risks Landscape 2015



- According to a recent report of the WORLD ECONOMIC FORUM, the water crisis stands out amongst the most critical risks the world will be facing in 2015
- During the 20th century the demand for water multiplied six times, while the world's population doubled

It is evident that water scarcity is a global issue for which we are responsible

- We can all contribute through personal choices that reduce water usage but we have to look to companies, governments and other organizations to ensure that everyone in the world can access the water they need



- Water management should be on your agenda starting now, just like your carbon footprint
- Global businesses are beginning to realize this, and first movers are already setting a good example and gaining a competitive edge
- Responsible water management means mitigating water risks whilst meeting stakeholder demands to sustainable business

The water footprint of a company is the total volume of freshwater that is used to run and support that company

There are three types of water footprints color coded as green, blue and grey.



GREEN FOOTPRINT

Water from rainfall that is taken up by crops and plants that can be used for human purposes.



BLUE FOOTPRINT

Water that has been withdrawn from surface or groundwater and used in industry or agriculture. The water either evaporates or goes into the product that is made.



GREY FOOTPRINT

Water that is needed to dilute polluted water so that it again can meet sufficient quality standards.

Source: Water Footprint Network

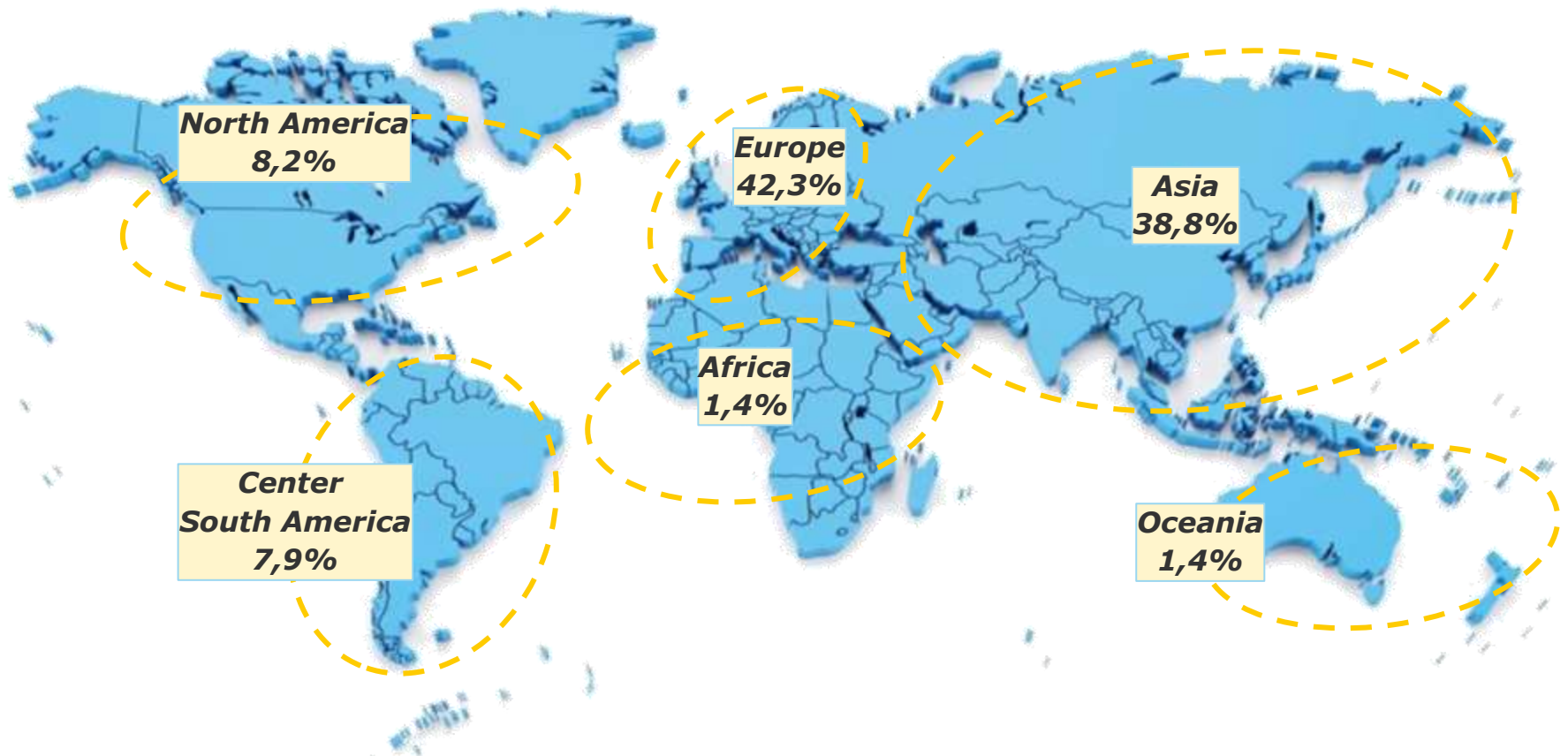
Methodology and Survey Sample

The survey method: leveraging ViewPoint

- The “**Is water the next carbon?**” survey was conducted in December 2014, on a sample of 1,907 professionals belonging to the **Viewpoint customers community**
- ViewPoint is the DNV GL - Business Assurance customer community centered around the theme of Sustainable Business Performance
 - Participation in the community is free of charge. Members will be asked to fill-in quarterly web-surveys. As a reward, they will get full access to data and reports resulting from the surveys, benefit from free networking opportunities and much more.
 - So far the community counts more than **8500 active members**:
 - With a wide global spread
 - From a multitude of industry sectors
 - and spanning different roles (e.g. CEOs, Technical Mgrs., etc.).

Methodology and survey sample

The survey was conducted on a sample of **1907** professionals who work at companies in the primary, secondary and tertiary sectors across different industries globally.



Survey sample

- **20%** of the firms involved employ less than 50 people, **35%** from 50 to 249 and **45%** 250 or more



- Companies involved are in the primary sector (**4%**), secondary sector (**62%**) and tertiary sector (**33%**)

Current scenario: what emerges

Water is a concern

- **70% of companies** consider water management issues to be relevant for their business strategies > **Food & beverage companies stand out (92%)** with above average rates

- Respondents consider water to be an issue not only from a business perspective:



global (95%)



societal (83%)



personal (73%)

Water is a concern: Geographical perspective

- South Americans are particularly focused on the topic (89%) while for Europeans it is less of a problem (65%)

• Q1. To what extent do you see water supply as an issue in your **daily life**?



• Q2. To what extent do you perceive water supply as an issue to your **Country**?



Maturity in water management

- Only **6%** feel to be a leader for what concerns water management

Q5. Where would you position your company on a 5 point maturity scale for water management, where 1 is Beginner and 5 is Leader?

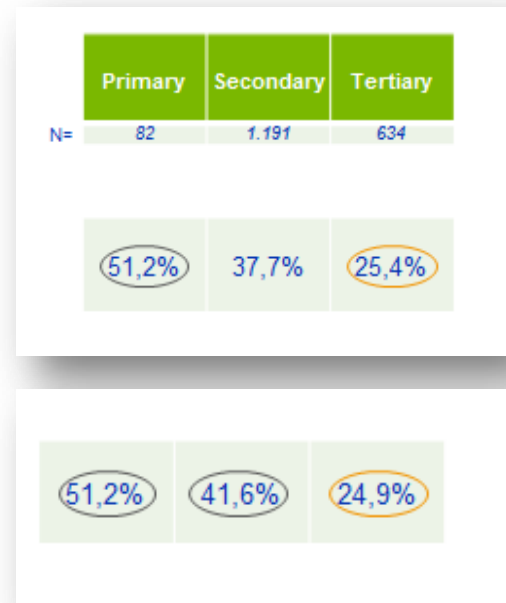


However, things are moving...

- **34%** of companies already have a **water management policy** on average
- **36%** have specific **water usage goals** on average



Companies in the primary sector are the most active with half of the respondents answering positively on both questions



Water management nowadays is mainly a matter of efficiency

- Among companies' concerns, the **reduction of consumption (54%) tops the ranking**

Q1. To what extent do you see water supply as an issue in your daily life?



Key initiatives undertaken

- **About 44% have already taken some action**

Top three initiatives implemented by companies are related to efficiency:



Tracking water usage (27%)



Setting specific goals (22%)



Investing in water efficient devices (21%)



The approach is still very basic. It is mainly a matter of measurement.



LEADERS: record rates higher than average on all initiatives. Efficient usage of course, but also more sophisticated aspects too. They also generally have a more strategic approach and are building competence

Main benefits



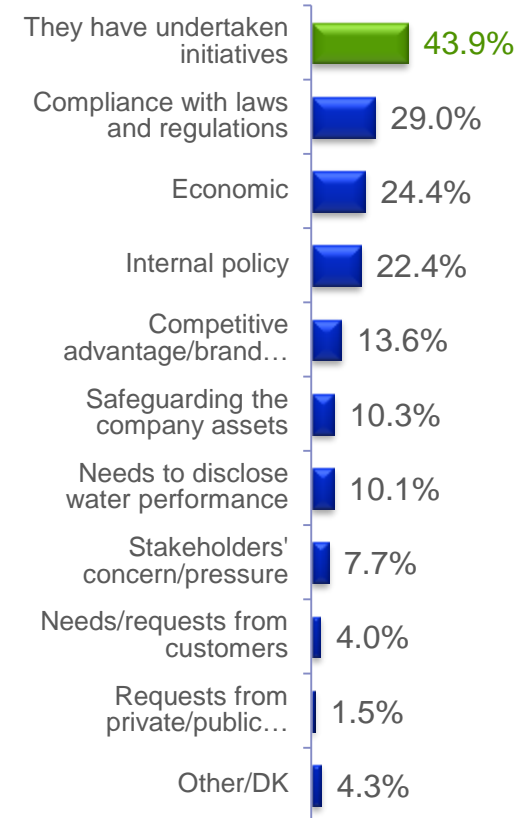
- **Compliance with laws and regulations**

29%

- **Economic reasons**

24%

Q11. What are the reasons that led your company to undertake water management actions?



Main obstacles

What is preventing the companies from making more progress:

Lack of management awareness
21%

Short term focus
12.4%

Lack of financial resources
17%

Lack of return on investment
16.5%

Lack of internal consensus
14.5%

Q13. What factors prevented your company from making more progress in managing water issues?



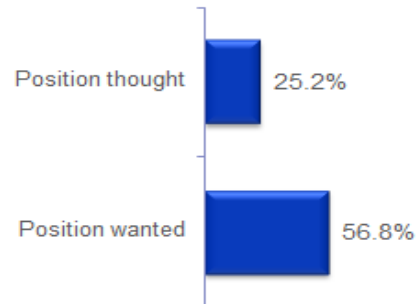
Future Outlook

What trends have developed?

Performance expectations



- Companies claim they will **intensify their commitment** for water management in the future and potentials bound to these aspects are very high



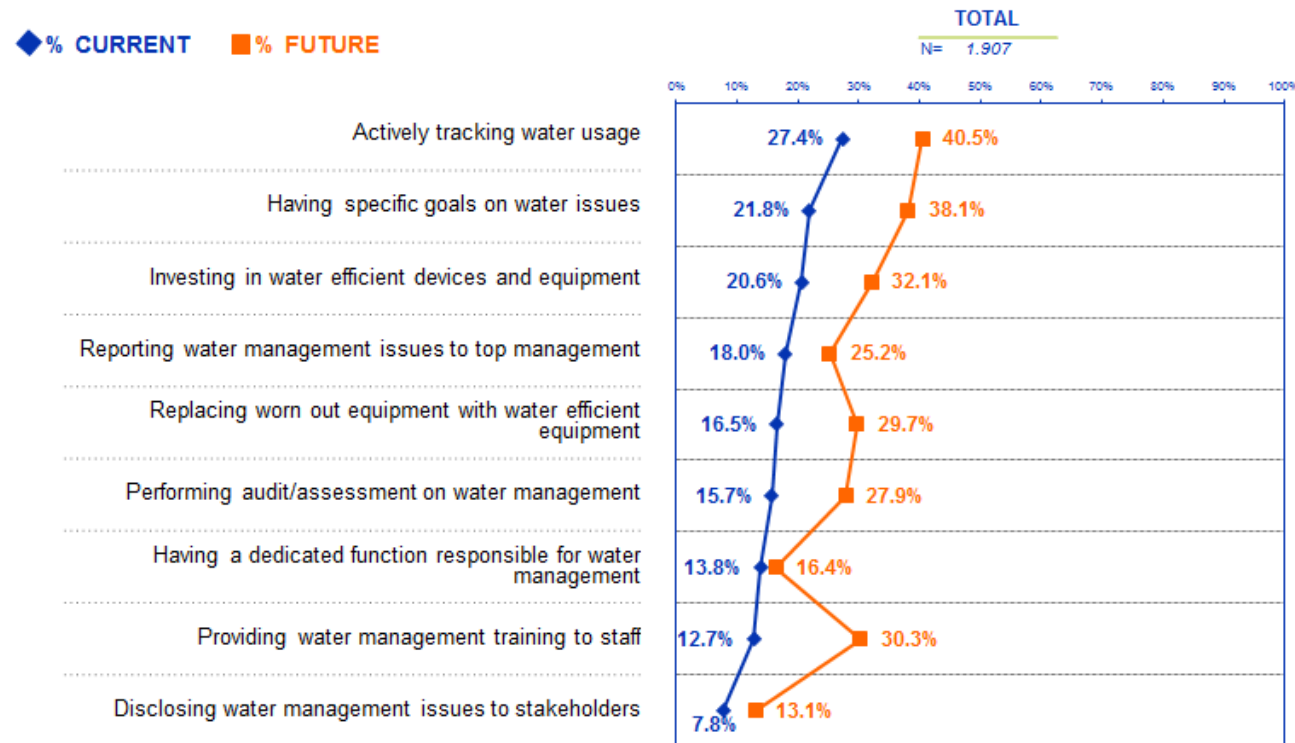
- Companies expect to improve their position in the maturity scale (**57% assume to reach position 4-5**)

Future initiatives

- Increases are recorded for all initiatives

Q10. Which of the following initiatives regarding water management has your company taken?

Q3T. Which of the following initiatives around water management will your company probably take in 5 years' time?

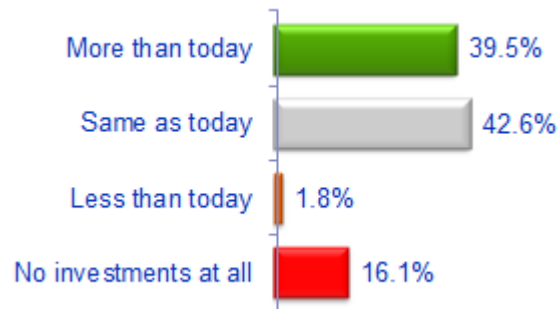


- Efficiency activities remain the most common
- Significant increases on more sophisticated actions (like training, involvement of senior managers and audits)

Future investments

- **40%** plan to increase investments

Q4T. Is your company going to invest in the water management in the next 5 years?



	Primary	Secondary	Tertiary
	82	1,191	634
	58,9%	40,8%	34,3%
	32,1%	45,4%	38,6%
	1,8%	1,9%	1,5%
	7,1%	11,8%	25,6%
	50,0%	27,1%	7,2%

- **50%** of companies in the primary sector are going to invest in water management

Conclusions

- Water is now a major concern in the global food sector
- Not dependent on location in the value chain
 - As important to primary production as it is to a retailer
- International standards and stakeholder driven requirements are already there
- Early adopters likely to have quickest return on investment and lead the pack

Links to Report

DNV GL Website:

<https://www.dnvgl.com/assurance/viewpoint/viewpoint-surveys/ViewPoint-Winter-2015-water-the-next-carbon.html>

The Guardian:

<http://www.theguardian.com/dnv-gl-partner-zone/2015/apr/10/is-water-the-next-carbon>

Thank you for your attention!

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www.dnvgl.com

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