



# Managing water risks for your business

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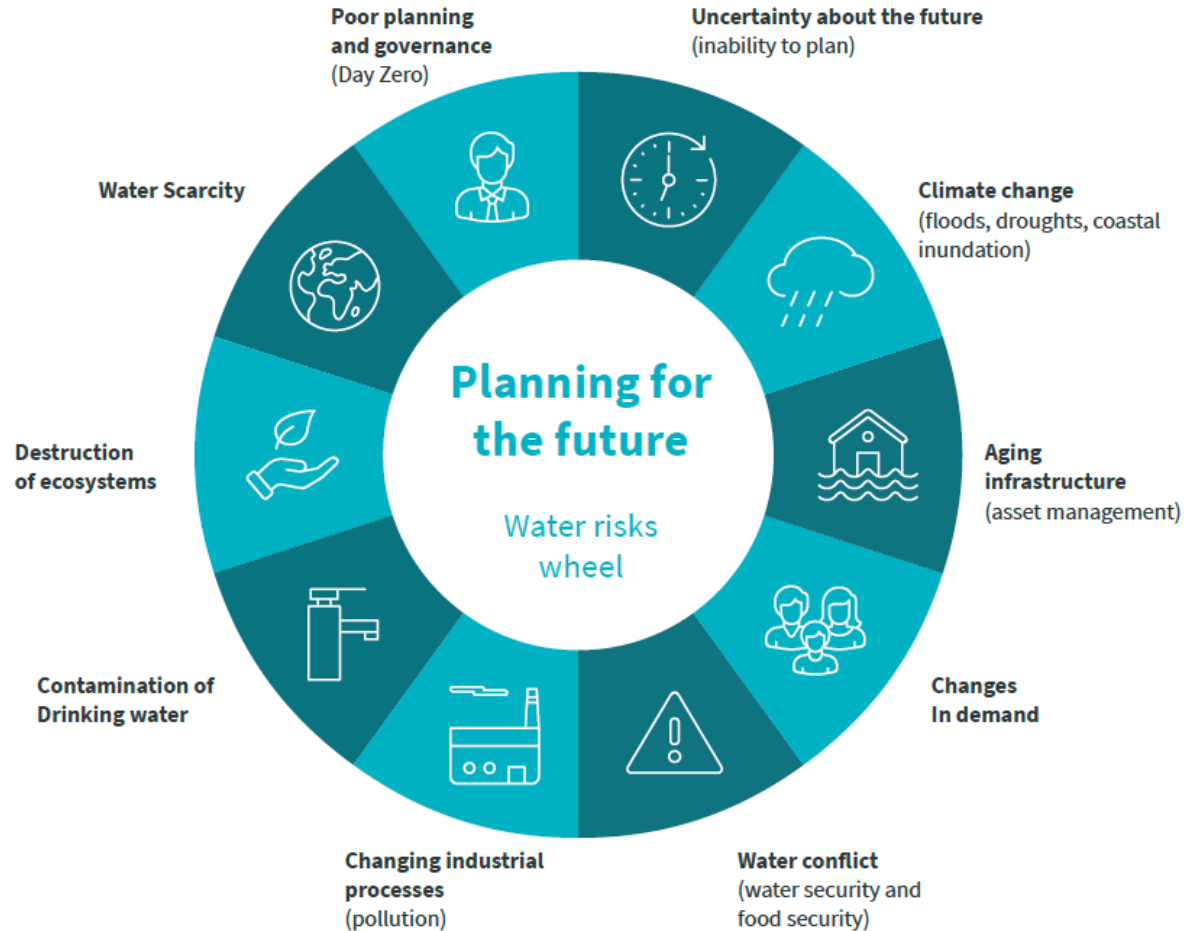
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**Water is the primary medium through which we will feel the effects of climate change.**

# Future Water Risks

## Key Risks Facing Society

- Too much water
- Too little water
- Water unfit for use
  
- Secondary risks caused by poor management of water resources, societal factors and exposure



## AXA XL's Valuing Water initiatives



Supporting  
businesses to build  
resilience to water  
risks



Raising awareness  
of the water-  
climate  
intersection



Improving access  
to clean water,  
decent sanitation  
and good hygiene

# The Impact of Water Risks on Businesses

## Businesses a Key Stakeholder

- The cost of water risks to businesses is estimated to be 5 times the cost of addressing them now
- Not enough businesses are incorporating water related issues into their financial planning
- Managing water risks is a fundamental component of adapting to climate change
- Our aim is to improve multiple sectors' understanding of water risks and how to manage them



# Business Resilience to Water Risks

AXA XL's Valuing Water Role

## To improve understanding and awareness

Risks to business include physical, reputational and regulatory risks. All can impact market share and profitability

## To catalyze action from businesses

Investing in water stewardship now can reduce future costs. Reviewing how operations impact water and vice versa is mutually beneficial



# Risk Types

Physical, Regulatory, Reputational

## Regulatory Risks

- Higher water prices
- Regulation of wastewater discharge quantity and quality
- Statutory water withdrawal limits
- Regulatory uncertainty

## Reputational Risks

- Negative media coverage and public scrutiny
- Changes in consumer loyalty
- Loss of market share due to litigation
- Damage to brand

## Physical Risks

- Water scarcity
- Climate change
- Poor water quality and pollution
- Flooding
- Poor management of water resources

# Water Risks and Specific Sectors

■ High 
 ■ Medium 
 ■ Low

		Food, beverage and agriculture	Apparel and textiles	Utilities	Manufacturing	Technology	Pharmaceuticals	Transport and logistics
Physical Risks	Water scarcity							
	Climate change and threats to ecosystems							
	Poor water quality and pollution of water resources							
	Flooding							
	Poor management of water resources							
Reputational Risks	Negative media coverage and public scrutiny							
	Changes in consumer loyalty							
	Loss of market share due to litigation							
	Damage to brand							
Regulatory Risks	Higher water prices							
	Regulation of discharge quantity and quality							
	Statutory water withdrawal limits							
	Regulatory uncertainty							





# Building Resilience to Water Risks

Shared learning from leaders in water stewardship

**Value Chain Water Footprinting and Accounting**

**1**

**2**

**Value the Full Cost of Water**

**Set Water Targets & Disclose Data**

**3**

**4**

**Carry Out Scenario Planning**

**Learn from Best Practice Case Studies**

**5**