



News release

Date For immediate release

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Pages 2

Troubled waters: water presents high risk to business, warns PwC

At the current pace, demand for water will increase by 55% globally by 2050, projects the Organisation for Economic Cooperation and Development (OECD).

The increase will mainly come from manufacturing (+400%), electricity (+140%) and domestic use (+130%). In fact, the World Bank has cited a 40% global shortfall between forecast demand and available supply of water by 2030. Add in competition from agriculture to feed growing populations, and the gap between supply and demand results in very challenging consequences.

This means that water has moved to the top of the business risk agenda - according to the World Economic Forum's Global Risks Report 2015 - and is a major concern for society as a whole. With business sharing water with communities, industry, farmers and other users, securing the right quality and quantity of water at the right time is set to become a serious production and reputational issue.

PwC's '*Collaboration: Preserving water through partnering that works*' report, which explores the risks for business associated with water and how to collaborate with stakeholders to achieve a common goal – to share water successfully.

The risks for business from having too much or too little water, water that's too dirty or too expensive are increasing. Whether it's used to cool, heat and/or clean as well as an ingredient, it's also a critical factor in the supply chain; it can cause disruption in storage, damaging stock and imposing detrimental impacts on distribution. Even Financial Services is touched by water, investing in and insuring a business with an unknown or unquantified exposure to water risk. Water permeates right across the business world.

Malcolm Preston, Global Sustainability Leader at PwC says: "Continued effective water management is becoming more complex and costly for business. Identifying and managing the potential material risks both in direct operations and in the supply chain - for example, pollution, flooding, irregular or reduced supply, governance, regulation, climate change, disaster threat, reputational issues etc. - is an important step to managing the bottom line and avoiding sudden costs.

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“Ultimately, securing water will come down to effective collaboration with other users in the water basin and when stakeholders come together, even with the best intentions to work together, they often have hugely differing perspectives and demands. PwC recognises the complexities of collaboration and are able to offer an independent perspective.”

Notes to editors

1. Visit pwc.com/water to see the risks and challenges business face as a result of too little water or too much, or water that's too dirty or too expensive. Collaboration across a shared water basin will become a necessity to reduce or avoid production problems or reputation issues
2. **About PwC**
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