PRIVATE EQUITY WATER DUE DILIGENCE DECISION TREE
Questions to Raise When Considering a New Project

1. Does project or entity have high needs or risks now or in the future?
   - **No**: Carry on with other non-water due diligence.
   - **Yes**: Are current & future regional physical & regulatory water risks low?

2. Are current & future regional physical & regulatory water risks low?
   - **Yes**: Assess Simultaneously REGIONAL ANALYSIS
   - **No**: If high physical risks, is there a pathway for improving regional supplies? If high regulatory risks, are these addressable?

3. If high physical risks, is there a pathway for improving regional supplies? If high regulatory risks, are these addressable?
   - **No**: PROJECT ANALYSIS
   - **Yes**: Does project have physical, governance, stakeholder water resilience?

4. Does project have physical, governance, stakeholder water resilience?
   - **Yes**: Go
   - **No**: Without regional water needs met, social license & physical risks are high. Potential deal breaker

5. Can stakeholder risks & concerns be addressed?
   - **Yes**: PROJECT ANALYSIS
   - **No**: Without stakeholder support social license risks are high. Potential deal breaker