



The world's water is in crisis. Climate change, pollution and a burgeoning global population are stressing lakes, rivers and watersheds, and posing massive challenges in meeting future water needs. The United Nations estimates that by 2017, almost two-thirds of the world's population will face severe and chronic water shortages. To stay this decline, corporations, government and organizations worldwide must promote responsible stewardship of our water resources and develop practical solutions to these real-world problems.

Corporations are the world's largest water users, with nearly two-thirds of all water consumption going to corporate supply chains. Hospitals use 40- 350 gallons a day per person — more than the daily per capita usage for towns and cities. Tech companies can consume up to 360,000 gallons each day to power and cool large computer data centers. While many companies have made water conservation a top priority there is still much more to be done.

As a world leader in freshwater conservation, The Nature Conservancy is working with corporations around the globe to apply pragmatic, effective strategies for minimizing their water risks while bringing natural ecosystems back to health. For almost 60 years, we have invested heavily in more than 600 freshwater projects around the world, developing and implementing strategies to reduce the threats to our water resources.

We are:

- ♦ working with hydropower interests to build and operate dams more sustainably;
- ♦ developing global industry initiatives and standards soliciting input from all stakeholders; and
- ♦ implementing innovative finance mechanisms that benefit humans and nature.

To help solve the world's water problems, the Conservancy is partnering with corporations to improve water management practices. Our strategies include:

Corporate Partnerships

Our experts advise large multi-national companies and investment banks on sensible alternatives to destructive water use. We help companies to:

- 1) quantify their corporate water footprint;
- 2) determine their vulnerability to water shortages;
- 3) assess the potential ecological and social impacts of their water use; and
- 4) design and implement watershed projects that improve water conditions, ecological and social health, and lower corporate risks.

We also evaluate high water-use consumer products, such as wheat, soybeans, sugar cane and rice, so that we can target and work with the companies producing these goods. Some of our partners include:

The Coca-Cola Company, PepsiCo, Cargill, The Home Depot, Caterpillar and Kraft Foods.

Water Funds

Like many places in the world, South America is experiencing rapid population growth alongside fast-developing economies. For nearly a decade, the Conservancy has pioneered the development and implementation of *Water Funds* in the region. Put simply, they are conservation trust funds that finance watershed protection, thereby preserving water sources for human consumption as well as critical habitat for many species.

Water funds collect revenues from large water users, such as utilities and local industries, and use them for conservation projects within the watershed—from creating and strengthening protected areas to paying neighboring landowners to switch to conservation-friendly practices that help to ensure safe drinking water and healthy ecosystems.

The Conservancy led the development of the first water fund in Quito, Ecuador, in 2000. From a modest \$21,000 start-up investment, the Quito Water Fund has now generated more than \$6 million in capital and will invest \$800,000 this year in conserving the watersheds that supply drinking water to Quito's two million residents.

Our goal is to establish 32 funds in South America alone, helping to conserve 9 million acres in Brazil, Ecuador, Colombia, Mexico and Peru.

Water funds are simple, efficient, and replicable and have the potential to revolutionize watershed conservation worldwide.

Water Certification

The Conservancy is also developing a global water certification program that will recognize companies that implement sustainable water practices. This program builds from our work with individual companies, with potential to exponentially leverage our conservation outcomes. Like certification programs in the forestry and seafood industries, this program will be based on a suite of "best practice standards" developed through our work and through roundtable discussions with hundreds of companies, water utilities, and environmental and social non-governmental organizations around the world. Our goal is to launch the certification program in 2012 and enroll 100 companies in the program over three years, ultimately moving thousands of companies

toward sustainable water use in their operations and supply chains by 2020.

Hydropower by Design

Dams can significantly change river flows, reduce fish populations and negatively affect the economic well-being of local communities. Yet hundreds of dams are planned or under construction worldwide. The most important decision affecting the sustainability of a dam is its location; therefore, the Conservancy is working with organizations and agencies to influence hydropower development at its earliest stages.

Most dams require government licensing and an environmental review before construction can begin. The Conservancy is working with governments around the globe to establish licensing guidelines and procedures to ensure that the planning, development and operation of dams is more sustainable. For example, in Mexico we are working with the Federal Commission on Electricity, which is responsible for planning, building and operating all hydropower dams, while in Colombia we are collaborating with the Ministry of the Environment. In addition, we are encouraging the World Bank to sponsor environmental assessments that will examine a dam's impact on an entire region and fund projects that are consistent with the results of these studies.

"The Conservancy brings focused expertise in freshwater conservation science and an in-depth understanding of the interrelationships between healthy ecosystems and the communities they sustain."

— Denise Knight, The Coca-Cola Company,

It is widely recognized that an integrated approach to freshwater management offers the best means of reconciling competing demands. We have an extraordinary opportunity to revolutionize how people and industry around the world use water. By partnering with all stakeholders—including corporations—we can develop powerful strategies and tools to sustain—not exhaust—the freshwater resources that underpin the prosperity and health of people and ecosystems. Please join us as a partner in this vital work.