

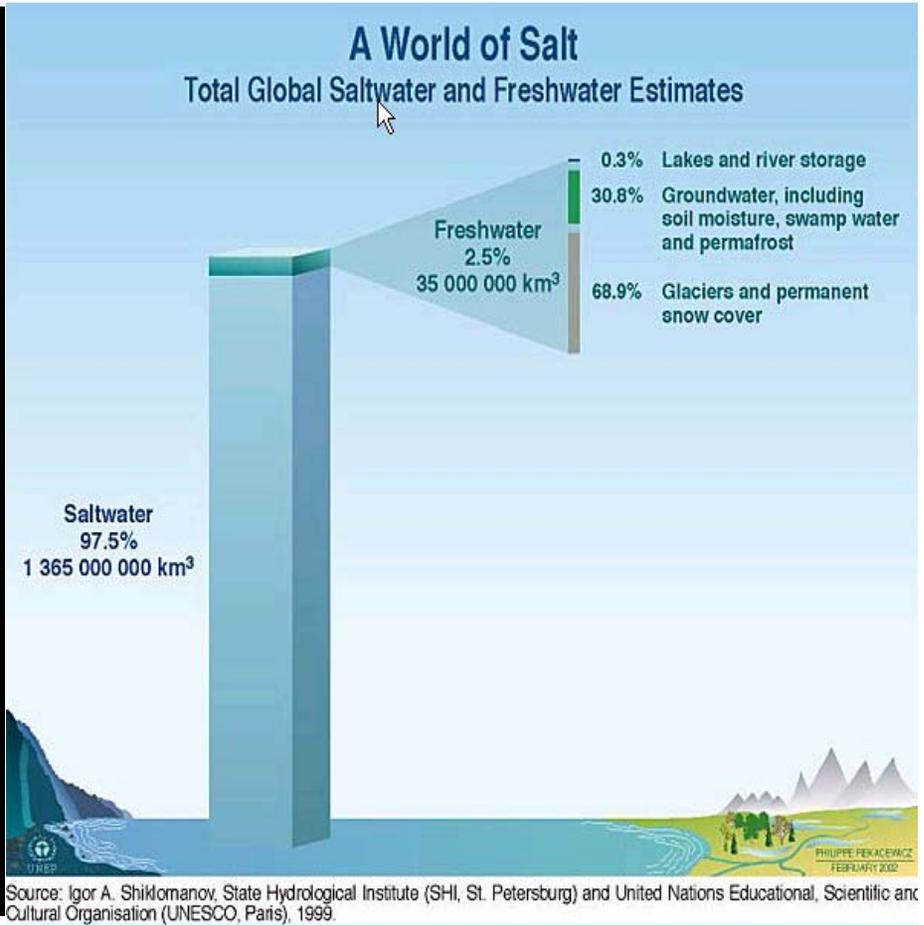
Water Stewardship and Addressing Water Risk:

Conserving Water Resources
for Business, People, and Nature

September 23, 2010



Water, water everywhere...



...but only a drop to drink.

A global concern

Almost 1 billion people lack access to safe drinking water.

Water-borne diseases kill 2-3 million children per year.

Education and economic activity are stymied by lack of clean water.



Half the world's wetlands have been drained, plowed, or paved.

Two-thirds of the world's major rivers have been fragmented by dams.

Freshwater species are disappearing faster than any other group.

Water risk is bad for business. (1)

Physical scarcity is already slowing business activity in agriculture, mining, manufacturing, etc. Major financial institutions are beginning to assess the short- and long-term risks of water scarcity.



Water risk is bad for business. (2)

WSJ.com THE WALL STREET JOURNAL.

THE  ONLINE EDITION INDEPENDENT

As the situation worsens, governments will be compelled to act, creating new laws, policies, regulations and an uncertain regulatory environment.

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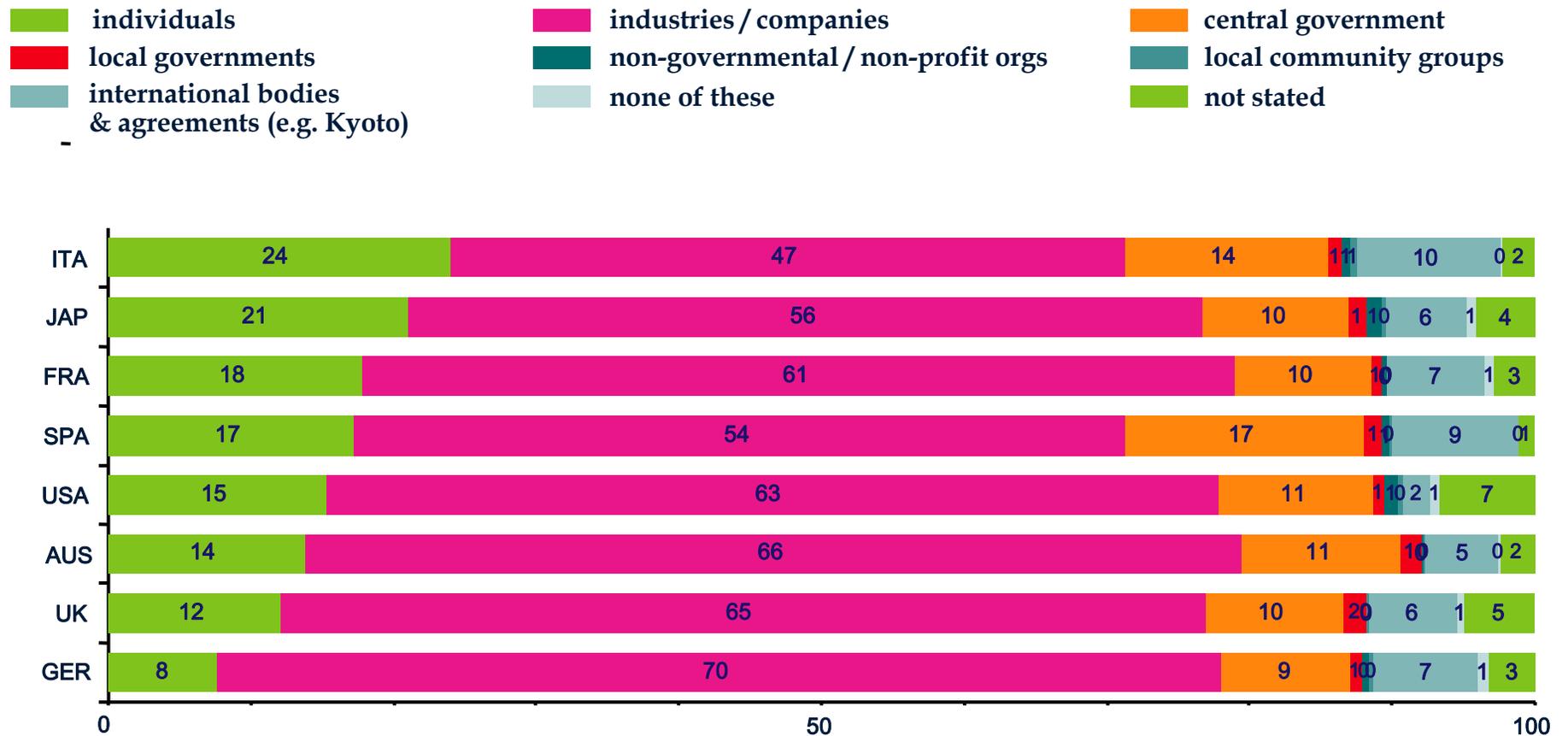
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Water risk is bad for business. (3)

Operating in places affected by water scarcity and quality issues can expose a company to risk to reputation, brand goodwill, and social license to operate.

Who is responsible for environmental degradation?



Source: Unilever (2009)

Shared risk



Species risk - disappearing faster than any other

Habitat risk - half the world's wetlands already destroyed

Ecosystem risk - two-thirds of major rivers dismembered by dams



Physical risk – water supply and quality

Regulatory risk – uncertainty

Reputational risk – brand goodwill, social license to operate

Financial risk – threats to the bottom line

Impacts of increasing water scarcity and deteriorating water quality on the communities we serve

Elements of water stewardship



1. Put one's own house in order

Assess your company's water footprint and risk.

- How much water are you using?
- Where is it coming from? Are the sources under stress?

Reduce your footprint.

- Improve water efficiency in operations.
- Improve water efficiency in supply chain, beginning in places where the source is under stress.

Elements of Water Stewardship

2. Protect your local watershed.

Improve water management around your facilities.

- Manage storm water for re-use and to prevent polluted run-off.
- Maintain the grounds around facilities to conserve water.

Support community efforts to conserve local water resources.

- Educate your own employees about water conservation.
- Donate time and resources to local watershed groups.
- Become active in industry associations, community watershed groups and local government bodies to develop sustainable management plans for local watershed.



Elements of water stewardship

3. The big picture

- Understand emerging global processes around corporate engagement in water risk.
- Join other companies facing similar water risk to convene regional dialogues on water stewardship:
- Investigate shared water risk at watershed scales; explore potential individual and collective action to improve promulgation and enforcement of water laws and regulations; support development of voluntary standards for stewardship, etc.
- Explore public/private partnerships for water resources conservation.
- Support initiatives to conserve water resources of national and international importance.

