



EXECUTIVE SUMMARY

Scaling Corporate Water Stewardship to Address Water Challenges in the Colorado River Basin

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Data provided by CDP

data.cdp.net

Suggested citation for *Scaling Corporate Water Stewardship to Address Water Challenges in the Colorado River Basin*: de Souza, Karina, Cora Kammeyer, Michael Cohen, and Jason Morrison. 2020. *Scaling Corporate Water Stewardship to Address Water Challenges in the Colorado River Basin*. Oakland, Calif.: Pacific Institute.

ISBN: 978-1-893790-89-6

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Cover Photo Source: Zachery Weston, Unsplash | Designer: Bryan Kring, Kring Design Studio

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THE COLORADO RIVER BASIN states (the Basin) face significant water challenges, including the overallocation of water, long-term drought, and climate change. The private sector can help address these challenges and advance water sustainability in the Basin in several ways, by reducing its own water footprint or that of its suppliers, using its collective voice to influence and inform public policy, and by investing in innovative and collaborative solutions. While corporate water stewardship is not a panacea for all water challenges in the Basin, companies can make a meaningful contribution to improving water sustainability in the Basin.

The purpose of this report, commissioned by the Walton Family Foundation (WFF), is to examine a set of key corporate water stewardship actions and activities, with associated drivers and barriers, to identify how the private sector could address some of the water challenges in the Basin. It also provides recommendations to promote uptake of leading corporate water stewardship practices in the Basin. The report is divided into three sections. Section 1 describes corporate water stewardship in the Basin. Section 2 describes several corporate water stewardship strategies and identifies the drivers, barriers, and relevance to the Basin for each strategy. Section 3 provides recommendations for scaling corporate water stewardship through strategic investments.

Corporate water stewardship in the Colorado River Basin is still relatively nascent. Compounding

this challenge is the general lack of a facilitated enabling environment for water users, including companies, who do not typically work together to collaborate on shared water challenges. Two key strategies for advancing the maturity and reach of corporate water stewardship in the Basin are (1) to expand water stewardship education, decision-making data, and starter tools about the value of water stewardship and (2) to facilitate local collaboration on water stewardship.

Strategy 1: Support Water Stewardship Education, Decision-Making Data, and Starter Tools at the Global Level

By educating companies on how water stewardship can play a role in both achieving their own corporate goals and contributing to solving shared water challenges, we can increase the number of companies that embrace corporate water stewardship and encourage them to make positive contributions towards sustainable water management for the Basin.

RECOMMENDATIONS:

- 1) Support improved corporate reporting on water use and stewardship activities.
- 2) Support online educational and risk assessment tools to help companies get started.
- 3) Support investor-led efforts to engage companies in corporate water stewardship.

Strategy 2: Facilitate Local Action on Water Stewardship

The success of water stewardship activities beyond a company's direct operations (and often within direct operations as well) depends on partnerships and collaboration. This strategy includes recommendations to scale water stewardship practices at the local level, leveraging third party intermediaries to facilitate relationship-building between companies and other stakeholders.

RECOMMENDATIONS:

- 1) Target engagement on water-intensive industries in the Basin.
- 2) Target value chain engagement on industries with important supply chains in the Basin.
- 3) Support platforms to facilitate relationship-building and knowledge sharing between companies and NGOs, water utilities, and other key water stakeholders.

Corporate water stewardship is an approach that allows companies to identify and manage water-related business risks, understand and mitigate their adverse impacts on ecosystems and communities, and contribute to a more sustainable management of shared water resources. Companies practicing good corporate water stewardship act upon the true value of water to their business and the communities in which they operate, supply from, and sell to. These companies understand the business imperative of integrating water management into their decision-making. However, the current pool of companies practicing robust water stewardship in the Basin is small, and the scale of their collective activities is nowhere near commensurate to the magnitude of water challenges confronting the Basin. But these activities have considerable potential for positive impact, with appropriate investments in water stewardship education, improved decision-making data, relevant tools, and facilitated local collaboration.



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