Our approach to water restoration:

Creating benefits for communities and the environment



🔿 Meta

Striving for water positive

In 2021, we announced our goal to be <u>water positive in 2030</u>. This means that Meta will restore more water than we consume in our operations through water restoration projects that address shared water challenges in the watersheds where we operate. At the watershed¹ level, we will restore 200% of consumption in high-water stress regions, and 100% of consumption in mediumwater stress regions.

Because our data centers are responsible for the bulk of our water use, we know that reducing our data center water consumption and being more efficient in our data center operations will be key to reaching our water positive goal. We also recognize that to balance our operational water use, we need to strategically identify projects aligned to water restoration in some of the more stressed watersheds where we operate data centers.



1. As defined on page 6



Contributing to the pursuit of a water-secure world

At Meta, our mission is to help people build community and bring the world closer together. We see our role as protecting people and the planet though our responsible operations which includes our efforts to mindfully manage our water impacts.

Water is a vital resource for life on earth, and we strive to approach its management with the technical expertise and responsibility it necessitates. As we use water in our operations, Meta has a role to protect this resource, especially in the areas where we operate. Three pillars drive our water stewardship program:

- 1. Minimizing operational water use
- 2. Being transparent with our water data
- 3. Supporting water restoration projects

We report on our water stewardship program and progress toward the water positive goal annually in our <u>Sustainability Report</u>. We also publish detailed information on each of our water restoration projects in our annual <u>Volumetric Water Benefits (VWB) report</u> prepared by LimnoTech, our independent third-party quantifier.



The purpose of this report is to share the technical specifications, learnings and areas of improvement for the third pillar of our water stewardship program: restoring water to high and medium water-stressed regions where we have operations. The information included in this report is reflective of 2024.

Approach to water restoration

Meta supports water restoration projects that address shared water challenges in the watersheds where Meta owns and operates data centers. See 'Finding the hydrological connection' on page 6 for more details.

Water restoration projects we support have a hydrological connection to the source water consumed in our operations and are verified by independent third parties. Since 2017, we have funded or supported more than 25 water restoration projects in eight watersheds where we operate our data centers. In 2023, these operational restoration projects returned over 1.5 billion gallons of water to high- and medium-water stress regions. Once all projects are fully implemented, they will restore 1.9 billion gallons of water annually.



Each water restoration project is unique and designed to address local conditions, but there are generally four categories of projects in our portfolio: Conservation and ecosystem restoration; Water supply and reliability; Water access, sanitation & hygiene (WASH); and Water quality.

For most water restoration projects, we collaborate with non-governmental organization (NGO) partners to identify and fund projects to address local water challenges. These are long-term partnerships, lasting up to 10 years.

Key definitions

Water withdrawal, or "water use²" describes the total amount of water withdrawn from its source. Measures of water usage help evaluate the level of demand from industrial, agricultural and domestic users.

Water consumption² is the portion of water use that is not returned to the original water source after being withdrawn. Consumption occurs when water is lost into the atmosphere through evaporation or incorporated into a product and is no longer available for reuse. In the context of a data center, water is withdrawn (often from a municipal source) and used to cool servers. In the cooling process, some water is evaporated — i.e. consumed. The remaining water is discharged back to a wastewater treatment facility. Irrigation can also be a significant source of water consumption at our data center sites. The site-specific targets that make up our water positive goal are based on the amount of water consumed by our operations.

Water scarcity³ refers to the volumetric abundance, or lack thereof, of freshwater resources. "Scarcity" is humandriven; it is a function of the volume of human water consumption relative to the volume of water resources in a given area.

Water stress³, a more inclusive term than water scarcity, is the ability, or lack thereof, to meet human and ecological demand for fresh water. Water stress considers water availability, quality and accessibility.

Water risk³ is the possibility of an entity experiencing

water-related challenges including scarcity, stress, flooding, infrastructure decay and drought. The severity of impact depends on the intensity of the challenge and the vulnerability of the actor. Water-related challenges create risk for different sectors simultaneously, though the risk is felt and interpreted differently based on circumstances.

Water risk for business³ is the way in which water-related challenges potentially impact business viability and falls into one of three categories:

- **Physical:** having too little or too much water; water that is unfit or inaccessible
- Regulatory: changing, ineffective or poorly implemented water policy
- Reputational: stakeholder perception that
 a company does not conduct business in a
 sustainable way as it relates to water

Water restoration⁴, sometimes referred to as water replenishment, is an activity resulting in restoration of a volume of water to a local watershed.

Volumetric water benefits (VWBs)⁴ are defined as the volume of water resulting from water stewardship activities, relative to a unit of time, that modify the hydrology in a beneficial way and/or help reduce shared water challenges, improve water stewardship outcomes and meet the targets of Sustainable Development Goal 6. We quantify the impact of water restoration projects we support using VWBs.



^{2.} https://www.wri.org/insights/whats-difference-between-water-use-and-water-consumption 7

^{3.} https://ceowatermandate.org/terminology/detailed-definitions/7

^{4.} https://files.wri.org/d8/s3fs-public/volumetric-water-benefit-accounting.pdf?_gl=1*1i7372*_gcl_au*MTYxNzQzOTMyNC4xNzE4MDQ3MzEy A

Finding the hydrological connection

We require a hydrological connection between restoration projects and our operations to ensure our efforts are addressing shared water challenges in high- and medium-risk watersheds where we operate. For a water restoration project to have a hydrological connection to our onsite water use we consider both the location and the source of the water we are using.

To determine the risk, we examine <u>Hydrosheds</u> data and local watershed context. We use Hydrosheds Level 3 or Level 4 as a starting point to determine the boundaries within which Meta will support water restoration projects. Because many of the watersheds where we operate are highly engineered systems that include dams, reservoirs and canals that move water over vast distances, we also consider the location of source water.



Focusing on areas with the greatest need

Our context-based approach to basin-level restoration targets allows us to adjust our efforts based on the need in each region and was informed by the 2021 paper <u>Setting Enterprise Water</u> <u>Targets: A Guide for Companies developed by the World Resources Institute (WRI)</u>, CEO Water Mandate, Pacific Institute, CDP, The Nature Conservancy and the World Wildlife Fund. We recognize that, in high stress regions, it takes more effort to move the needle toward basin-level sustainability, but that water remains an important and increasingly critical issue in watersheds considered medium-water stress.

The WRI document stresses the importance of setting basin-level restoration targets that reflect the varying levels of water-stressed regions across a company's value chains and operations. Meta has applied this principle by committing to restore 200% of water consumed in high-water stress regions and 100% in medium-water stress regions.

Assessing water risk

To determine a watershed's stress level, Meta uses water stress metrics in the WRI's <u>Aqueduct Water Risk Atlas</u> to conduct initial assessments of our water risks. We then consider local conditions, utility reliability and expert third-party knowledge of the specific water risks. Based on this assessment, we assign a water risk rating for each watershed where we operate a data center. We update these assessments every three years.



Addressing local water challenges

Water restoration projects are designed to address the shared water challenges of a particular watershed, and as such, there are many types of water restoration projects.

Each water restoration project that Meta supports is unique and designed to address local conditions.

In addition to the volumetric water benefits that are quantified and reported, these projects also have important co-benefits including ecosystem benefits, recreation and/or economic benefits for local communities. See our annual <u>VWB Report</u> for a comprehensive overview of the projects Meta supports.



Portfolio projects

Project type	Description
Conservation and ecosystem restoration	Projects that protect wildlife habitat through land conservation and restoration, and legal transactions to keep water in-stream. Restoration, protection or construction of wetlands.
Water supply and reliability	Projects that increase available water supply in a system reducing demand in agricultural, industrial or municipal systems through imporved efficiency, leak detection and repair, water reuse or other methods.
Water access, sanitation and hygiene (WASH)	Projects that support sustainable access to safe, clean, affordable drinking water supplies to communities.
Water quality	Projects that improve water quality by capturing and reducing pollution, and incorporating wetland vegetation, soils and microbes utilizing constructed wetland treatment systems or agricultural best management practices.



Project selection and execution process

General project timeline

Risk assessment and stakeholder mapping Source water restoration projects

Assessment of expected VWBs

Project implementation Third-party validation and reporting

(2-3 months)

(6 months-3 years)

(2-3 months)

(1-2 years)

(Ongoing, annually)

The first stage of sourcing a water restoration project is to understand the local context. Combining stakeholder engagement and desk research on the shared water challenges for each site helps us understand the local watershed context and needs. Stakeholder research, along with the results of the WRI Aqueduct Water Risk Assessment, help us to identify shared water challenges and focus our efforts on supporting water restoration projects that address these challenges.

For most water restoration projects, Meta works with various NGO partners who have projects ready for funding. In regions where "shovel-ready" projects aren't available, Meta works with other NGO partners to identify opportunities and supports the technical capacitybuilding required to develop water restoration projects.

In some cases, Meta has worked with local water utilities to develop water restoration projects.



Project selection

Meta takes a rigorous approach to selecting water restoration projects to ensure a lasting, positive impact on the local watershed and communities. We look for locally relevant projects that address shared water challenges and generate co-benefits for the ecosystem and community.

Meta evaluates water restoration projects based on criteria outlined in the <u>VWB Accounting</u> <u>Methodology Version 2.07</u>. This is the industry standard for project evaluation. Meta also prioritizes projects that improve resilience to climate change, promote biodiversity and have environmental justice benefits.

Project duration

Project duration of benefits from water restoration is project specific. Often, projects that leverage nature-based solutions have benefit durations of ~10 years. After 10 years, the benefits of the project have ended by helping to return the environment back to its natural state. Infrastructure-based projects, like some utility-based projects, can have benefits ranging from 10 to ~20 years in duration. Duration of benefits is project specific and can vary, and we rely on the opinions of our independent third-party quantifier to determine project benefit timelines for each project.

Calculating benefits

VWBs are defined as the volume of water resulting from water stewardship activities, relative to a unit of time, that modify the hydrology in a beneficial way and/or help reduce shared water challenges or improve water stewardship outcomes.⁵

The VWBs of each project are measured annually by an independent third-party. Meta uses the methodologies outlined in the VWB Accounting Methodology. The results of this assessment are published annually in our VWB Report 7.

5. Meta is following interim VWBA 2.0 guidance, as it is being released through a series of five installments: Installments 1 and 27, Installment 37



Water restoration case studies

Audubon New Mexico Middle Rio Grande Restoration Project

Rio Grande, NM

Los Lunas data center

Flow depletion in the Middle Rio Grande is a chronic issue with important cultural, water quality and wildlife implications. The river corridor provides crucial habitat for migratory, wintering and nesting birds.

- Meta worked with Audubon New Mexico and stakeholders that include the Middle Rio Grande Conservancy District and the Bureau of Reclamation to support flow restoration projects.
- The project delivers fresh water to ecologically important river locations to sustain aquatic habitat during the dry summer seasons. Our efforts played a part in keeping the entire 35-mile Isleta Reach flowing, which is crucial to sustaining wetland vegetation and the quality of fish and wildlife habitat during the dry summer months.
- The project will restore an estimated 81.5 million gallons per year.



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Arbor Day Foundation California Wildfire Restoration Project

Sacramento River Watershed, CA

Meta Menlo Park offices and corporate headquarters

In 2018, over 1.8 million acres of California forestland were burned by wildfires. To help restore these areas, Arbor Day Foundation and <u>American Forest Foundation</u> are planting two million trees on 8,000 acres, focusing on large swaths of private lands, which are often omitted from governmental revitalization efforts.

- Meta supported the planting of 70,000 trees on 280 acres of private forest land. Species planted included Ponderosa Pine, Douglas fir, Sugar pine and Incense cedar.
- This restoration of vegetative cover on burned lands will reduce runoff and erosion, restore habitat and support the local economy in fire-affected areas.
- The project will restore an estimated 37.3 million gallons per year.

Colorado River Indian Tribes (CRIT) Drip Irrigation Project

Lake Mead/Colorado River, AZ

Mesa data center

Scarce water and increasing federal cutbacks are fueling the need to reduce water waste on the Colorado River Indian Reservation in Arizona, where agriculture is critical to the economy of the Colorado River Indian Tribes (CRIT).

- Meta is partnering with N-Drip technology to support CRIT in replacing flood irrigation with drip irrigation which reduces water usage, evaporation and runoff by providing water directly to the soil slowly.
- A pilot project applying this technology resulted in water savings from 30%-52%. Such savings will help support resilient economic development on the reservation through agriculture while also helping to create more flexibility in how the CRIT uses its water.
- The project will restore an estimated 96.4 million gallons per year.



Dig Deep Navajo Community Water Supply Project

Navajo Indian Reservation, AZ

Mesa data center

The Navajo Nation is the largest contiguous Native American reservation in the continental US, with approximately 174,000 residents. Around one-third of the population does not have running water in their households.

- Meta partnered with Dig Deep to install water systems for Navajo families, including water tanks and infrastructure that supply families with in-home running water sourced from sustainable groundwater supplies in Dilkon, Arizona.
- Each system includes a 1,200 gallon water tank, indoor plumbing, power connections to provide running water and recurring water delivery to refill the water tank (managed by Navajo community partners).
- Meta has supported two phases of this project. When complete, both phases together will provide more than 300,000 gallons of water per year.

Ducks Unlimited Wildcat Marsh Project

Trinity River, TX

Fort Worth data center

Wetlands like Wildcat Marsh in downtown Dallas are home to a variety of wildlife and provide many benefits such as erosion control, flood control and improved water quality.

- Meta supported Ducks Unlimited and the Texas Parks and Wildlife Department to create a new wetland spanning 63 acres within the Richland Creek Wildlife Management Area.
- The project improved fish and wildlife habitats as well as the quality of water being released back to the Trinity River.
- The project will restore 12.9 million gallons per year.

Current projects

Project	Location	Data center	Partner	Volume (million gal/year)
California Wildfire Restoration	California	Santa Clara/Bay Area	Arbor Day Foundation	37.3
Colorado River Indian Tribes System Conservation	Arizona	Mesa	Colorado River Indian Tribes, Arizona Department of Water Resources	25.5
Colorado River Indian Tribes Irrigation Canal Lining	Arizona	Mesa	Colorado River Indian Tribes, Bureau of Indian Affairs, US Bureau of Reclamation	42.7
Colorado River Indian Tribes Drip Irrigation	Arizona	Mesa	Colorado River Indian Tribes	96.5
Colorado River Indian Tribes N-DRIP Irrigation Efficiency	Arizona	Mesa	Colorado River Indian Tribes	54.8
Green River Demand Management and Resilience	Wyoming	Mesa	Trout Unlimited, partner ranchers	27.3
Jicarilla Apache Nation Water Sharing Agreement	Arizona	Mesa	New Mexico Interstate Stream Commission, Jicarilla Apache Nation, The Nature Conservancy	114
Mason Lane Ditch Piping	Arizona	Mesa	The Nature Conservancy, Mason Lane Ditch Association	179.6
Navajo Community Water Supply	Arizona	Mesa	Dig Deep	0.07
FIDO Tech Leak Detection	New Mexico	Mesa	FIDO Tech, Water United	350

Project	Location	Data center	Partner	Volume (million gal/year)
Cocopah West Riparian Restoration	Arizona	Mesa	National Audubon Society, Cocopah Indian Tribe, US Bureau of Reclamation, Bonneville Environmental Foundation, Yuma County Water User's Association	36.1
Phoenix Industrial Conservation Revolving Fund	Arizona	Mesa	City of Phoenix, Blue Commons	11
SRP Forest Restoration	Arizona	Mesa	Salt River Project	5.1
Cedro Creek Restoration	New Mexico	Los Lunas	The Nature Conservancy, Rocky Mountain Youth Corps, Stream Dynamics	19.5
Comanche Creek Restoration	New Mexico	Los Lunas	Trout Unlimited, National Forest Foundation	7.9
Harvey Jones Bioswale	New Mexico	Los Lunas	The Nature Conservancy, Southern Sandoval County Arroyo Flood Control Authority	0.6
La Jara Wetland Restoration	New Mexico	Los Lunas	The Nature Conservancy, Amigos Bravos, Watershed Artisans	3
Middle Rio Grande Flow Restoration	New Mexico	Los Lunas	Audubon New Mexico	81.5
Rito Peñas Negras Restoration	New Mexico	Los Lunas	National Forest Foundation	23.8
Hobble Creek Flow Restoration	Utah	Eagle Mountain	Central Utah Water Conservancy District, June Sucker Recovery Implementation Program, Springville Irrigation Company	467.4

Project	Location	Data center	Partner	Volume (million gal/year)
Provo River Flow Restoration	Utah	Eagle Mountain	Central Utah Water Conservancy District	415.8
Restoring and Enhancing Richland Creek Wildlife Management Area	Texas	Fort Worth	Ducks Unlimited, Texas Parks and Wildlife Department, Litman Foundation	74.4
Longleaf Pine Forest Restoration	Texas	Fort Worth	Texan By Nature, Texas Longleaf Team	44
Wildcat Marsh	Texas	Fort Worth	Ducks Unlimited, Texas Parks and Wildlife Department, Litman Foundation	54.8
Denton County Land Protection	Texas	Fort Worth	Upper Trinity Conservation Trust	13.1
Irrigation Conversion in the Platte River Basin	Nebraska	Papillion	N-Drip	65.5
McKay Creek Aquatic Habitat Restoration	Oregon	Prineville	Deschutes River Conservancy and Ochoco Irrigation District	35
Ingram Meadow Restoration	Oregon	Prineville	National Forest Foundation, US Forest Service, Middle DeschutesWatershed Council, Rocky Mountain Elk Foundation	1.5
Prineville Aquifer Storage and Recovery	Oregon	Prineville	City of Prineville, Apple	33
Crow Creek Stream Restoration	Wyoming	Cheyenne	Laramie County Conservation District	12.4
Sand Creek Reservoir and Riparian Restoration	Wyoming	Cheyenne	Laramie County Conservation District, City of Cheyenne, Wyoming Game and Fish Department	1.6

Project	Location	Data center	Partner	Volume (million gal/year)
Alta Harris Creek Boise River Side Channel	ldaho	Kuna	Trout Unlimited	149
Agrow Water Restoration	Spain	Talavera	Agrow	2.4
Soto Gutierrez Wetland Enhancement and Conservation	Spain	Talavera	Fundación Global Nature	11.9



Increasing capacity

Often the most impactful contributions to the sustainability of a watershed go beyond projects that return volumetric benefits and include capacity-building components for leading organizations in the watersheds where we operate. These projects could include supporting local environmental nonprofits, governance, research and other non-volume-generating activities.

Although capacity-building projects do not provide a volumetric benefit towards our goal, we support projects like the ones listed below because we see the potential to positively impact watersheds where we operate.





The Water and Tribes Initiative works to enhance the capacity of Tribes in the Colorado River Basin, to engage in water policy discussions and to support sustainable water use through collaborative problem-solving. Meta provided funding to the Water and Tribes Initiative to support its Circuit Rider Program, which is supporting the Hopi Tribe in Arizona to upgrade its water infrastructure, access federal funding for water resources and build the capacity of the Tribe's existing water resources program.

The Rivers Trust in Ireland, with support from Meta and others, is working to build the capacity of regional chapters of The Rivers Trust to identify water restoration opportunities in the greater Dublin and eastern seaboard areas of Ireland. The project aims to build the knowledge base amongst the Trust's regional chapters about water stewardship and the concept of water restoration using naturebased solutions to address shared water challenges.



The Crooked River Water Quality Partnership Coordination and Pilot in Prineville, Oregon is a pilot project aiming to reduce nitrate loading to the Crooked River to improve water quality and aquatic and riparian habitat and provide benefits further downstream in the Deschutes River with financial support from Meta. The pilot is intended to provide an example of successful implementation of a nutrient management project in the basin, with monitoring demonstrating the effectiveness of the project. Additional benefits include improved aquatic habitat availability and quality as well as improved eco-education and recreation opportunities.





Texas Water Action Collaborative (TxWAC) is expected to prioritize a minimum of 20 conservation projects in the Brazos River basin watershed. These projects will support identification of priority water resource projects, match local partners and sponsors with a standardized matching tool, and provide assistance in the beginning stages of project planning. Funding Meta applied to TxWAC for the Brazos River basin will support stakeholder outreach, coordination and project prioritization and development. The project will include a two-year catalyst opportunity for Meta to ignite new partners, projects and funding along the Brazos River.

Looking ahead

Achieving global water security requires collaboration and collective action. Working with others allows us to extend our impact and advance industry understanding and practices.

Since 2021 we have supported collective action initiatives as members of the Mississippi River Water Action Collaborative, <u>Rio</u> <u>Grande Water Fund</u> and the <u>Texas Water</u> <u>Action Collaborative</u>. We are also members of the <u>World Resources Institute's Aqueduct</u> <u>Alliance</u>.

In 2022, Meta joined the <u>UN CEO Water</u> <u>Mandate</u>, a UN Global Compact initiative that mobilizes business leaders on water, sanitation and UN SDG 6. We also joined the Water Resilience Coalition, a cross-sector initiative to raise the ambition of corporate water stewardship and foster collective impact in priority basins.



To succeed in creating a scalable, industrywide effort toward efficient water management, we must:

- Evolve the way we measure water restoration success. We must look holistically at water restoration efforts to identify the projects and efforts that contribute toward biodiversity initiatives, support our net zero goals and drive climate resilience.
- Build collaboration across companies and with NGOs. Corporate investment is critical to supporting restoration projects and allowing them to grow and scale. Cross-industry alliances allow us to pool expertise and act on learnings to improve the way we tackle restoration projects in the future.
- Standardize expectations for restoration projects. Establishing global guidelines now can help drive consistent targetsetting, increased transparency in reporting and, eventually, greater impact at scale.

As we execute on our ambitious plan to build our next generation of AI infrastructure, Meta remains committed to restoring more water than we consume across our facilities and operations. We will continue identifying projects that protect and restore ecosystems, improve water supply and reliability, provide water access and improve water quality. We will continue investing in capacity-building projects that can have a catalytic effect in watersheds around the world and empowering other companies on their own water stewardship journeys by sharing the tools, resources and frameworks that have enabled our journey.



Forward-looking statements

This report covers only the Meta business and does not address the performance or operations of our suppliers, contractors or partners. Statements regarding targets, goals and commitments are aspirational and may also be based on estimates and assumptions under developing standards that may change in the future. As such, no guarantees or promises are made that they will be met or successfully executed, and actual results may differ, possibly materially. In addition, data, statistics and metrics included in this report are non-audited estimates, not necessarily prepared in accordance with generally accepted accounting principles, continue to evolve and may be based on assumptions believed to be reasonable at the time of preparation but may be subject to revision. This report has not been externally assured or verified by an independent third party unless otherwise noted. This report represents our current policy and intent and is not intended to create legal rights or obligations.

This report contains forward-looking statements. All statements contained in this report other than statements of historical fact, including statements regarding our future results of operations and financial position, our business strategy and plans and our objectives for future operations, as well statements regarding targets, goals and commitments, are forwardlooking statements. The words "believe," "may," "will," "estimate," "continue," "anticipate," "intend," "expect" and similar expressions are intended to identify forward-looking statements. We have based these forward-looking statements largely on our current expectations and projections about future events and trends that we believe may affect our financial condition, results of operations, business strategy, short-term and long-term business operations and objectives, and financial needs.

Especially with respect to the matters discussed in this report, many factors and uncertainties relating to our operations and business environment, all of which are difficult to predict and many of which are outside of our control, influence whether any forwardlooking statements can or will be achieved. Any one of those factors, including as the result of changes in circumstances, estimates that turn out to be incorrect, standards of measurement that change over time, assumptions not being realized or other risks or uncertainties, could cause our actual results, including the achievement of targets, goals or commitments, to differ materially from those expressed or implied in writing in any forward-looking statements made by Meta or on its behalf.





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