

Implementing Net Positive Water Impact

Executive Summary

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Working Draft V1



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Contributions

Ross Strategic and Pegasys supported the development of the original conceptual framework. This was further developed into an earlier version of this document (working draft) by Bluerisk, building on practitioner experience and published literature, working in close consultation with the CEO Water Mandate, Pacific Institute and the NPWI Taskforce of member organizations from the Water Resilience Coalition, including 3M, Danone, Heineken, Holcim, The Nature Conservancy and Kurita.

The draft guidance underwent piloting and two reviews by seven CEO Water Mandate-endorsing companies, including 3M, Danone, Diageo, GSK, Holcim, Kurita and Pepsico. Additional organizations – Ceres, Quantis, WaterAid, ERM, SWCA and Orbia – also provided valuable insights. The comments received during these review phases have informed the scope of this guidance document. The authors are extremely grateful to the pilot companies and partners in building a robust document.

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All the views expressed in this publication are those of the project team and do not necessarily reflect those of the project sponsors, the members of the Taskforce, Water Resilience Coalition or those who have contributed their views to this guidance.

For more information and resources relevant to NPWI, please visit the [project page](#).

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EXECUTIVE SUMMARY



Net Positive Water Impact (NPWI) is a **leadership ambition** at an **enterprise level** available to any company, regardless of sector, industry or location. The ambition is led by various stakeholders, ranging from the CEO through to site-level colleagues.



NPWI is a **long-term commitment** that ensures the water user's contributions exceed their impacts on water stress in the same region. It requires long-term effort, resources and inputs toward quantifiable outcomes.



NPWI addresses **three dimensions of water stress**, namely **availability**, **quality** and **accessibility** across three distinct “**pillars**” (P1, P2, and P3) that define the scale at which NPWI is being addressed. Each pillar addresses the three dimensions of water stress across different scales, and the focus ranges from individual activities to collective action.



NPWI is **implemented at the site and basin scales**, measuring a company's direct impact (Pillar 1) and footprint (Pillar 2) and going beyond the site boundary through strategic collective action (Pillar 3) to build **long-lasting water resilience**.



NPWI is **implemented in water-stressed basins**. This is where investments will have the most catalytic impact and help address several social, economic and environmental challenges related to freshwater availability, quality and accessibility.



NPWI supports organizations on their corporate water stewardship journey and **aligns closely with other corporate water stewardship approaches** to ensure complementarity and interoperability wherever possible. Additionally, NPWI **helps address UN Sustainable Development Goal (SDG) 6**: “Ensure availability and sustainable management of water and sanitation for all,” responding to the [UN Global Compact call](#) and the [Water Resilience Coalition \(WRC\) business pledge](#).

The overarching objective of NPWI is to make long-term improvements in basin health and resilience by directly addressing the underlying root cause of water availability, quality and accessibility challenges.

WHAT NPWI IS

- ✓ An ongoing journey that includes addressing site water impacts and the site water footprint locally, while collaborating with local stakeholders to address water stress across the basin in its three dimensions of availability, quality and accessibility.
- ✓ A long-term leadership commitment that takes time and collaboration to implement and achieve.
- ✓ Built on existing guidance and best practices and aligned to current approaches, methods and metrics.
- ✓ Principals-based and thus quantifiable and applicable to any location and type of company.
- ✓ A trigger for meaningful improvements on water by driving focused actions and behavior where it matters most.
- ✓ Companies reaching far beyond their footprint in availability, quality and accessibility.
- ✓ An effort that requires clear and transparent communication, thus minimizing room for interpretation on how and where a company applies and makes claims towards achieving NPWI.

WHAT NPWI IS NOT

- ✗ A short-term performance improvement that can be achieved within a few months or even one year.
- ✗ A new method with new metrics beyond what already exists.
- ✗ A detailed accounting exercise, informed by standards that are tailored to the needs of a specific site, company or sector.
- ✗ A target-setting approach.
- ✗ A detailed action plan or list of solutions or actions for sites to follow.
- ✗ A company doing the bare minimum, i.e., becoming net-zero plus one liter.
- ✗ Something that a company can do alone.

Implementing NPWI occurs over five key steps (Figure 1), starting with building an awareness of and ambition for NPWI (undertaken at the company level), through assessment, action and measurement of progress and outcomes (at the site and basin levels). These steps are not prescriptive and may be undertaken in ways that meet the specific contexts of companies implementing NPWI. They may also be undertaken concurrently depending on available resources and the objectives of the company. These steps are presented in the [Technical Guidance](#) and [Step-in-Practice](#) document.

FIGURE 1: FIVE STEPS FOR NPWI IMPLEMENTATION

STEPS AT A COMPANY LEVEL		STEPS AT A SITE AND BASIN LEVEL		
Step 1 Awareness	Step 2 Ambition	Step 3 Assessment	Step 4 Action	Step 5 Measurement
<ol style="list-style-type: none"> 1. Understand NPWI. 2. Integrate NPWI into company business goals and priorities. 	<ol style="list-style-type: none"> 1. Identify list of sites in water-stressed basins. 2. Prioritize where and when to achieve NPWI across company sites. 	<ol style="list-style-type: none"> 1. For each site and its basin, develop a baseline/benchmark assessment. 2. For each site and its basin, translate NPWI requirements into own objectives and targets. 	<ol style="list-style-type: none"> 1. For each site and its basin, identify opportunities and prioritize activities. 2. Establish and secure inputs needed for financing and partnerships. 3. Implement activities. 	<ol style="list-style-type: none"> 1. For each site and basin, build a monitoring and evaluation plan. 2. Analyze and evaluate outputs and outcomes with recommended indicators. 3. Report and communicate outputs and outcomes. 4. Learn, improve and adapt over time.

Adapted from AB InBev and TNC, 2022.

Outcomes from each NPWI step:


- **Step 1: Awareness** – Companies should have clarity on what NPWI is and how to achieve it. It should also be clear how the achievement of NPWI across all operational sites in priority basins can contribute to achieving a company’s business, social, climate and energy priorities.
- **Step 2: Ambition** – Companies should have compiled a list of sites and corresponding basins where the company will prioritize to achieve NPWI. A company should prioritize implementation by defining a clear scope and timeline for the company’s ambition for NPWI across sites.
- **Step 3: Assessment** – The company should have a clear understanding of the basin’s characteristics, including current and emerging shared water challenges and stakeholder priorities, as well as the site water balance and water-related business risks and how they relate to the shared water challenges and stakeholder priorities. There should be a clear understanding of the NPWI minimum requirements and the recommended indicators that guide the formulation of site-specific objectives and targets. Finally, strategic objectives and targets should be set for how the site plans to achieve NPWI.
- **Step 4: Action** – The company should have identified and selected actions that can help the site meet the minimum requirements to achieve NPWI. Proper financing and partnerships with appropriate agreements should be in place, and the implementation of activities to improve basin health and reduce water-related risk should have commenced.
- **Step 5: Measurement** – A company should have achieved several key milestones or outputs, including a monitoring and evaluation plan; understanding and quantification of the outputs and outcomes of activities, and how progress towards NPWI is delivered; clear and structured communication on NPWI progress, performance and results; recorded learning of any required modifications to a company’s objectives, targets, project scope, partnerships or monitoring and evaluation plan; and ongoing improvement and adaptation in project baselines, partnerships, performance and contributions to NPWI as appropriate to the conditions in the basin.

Companies record necessary measurements and information in the [Internal Tracking Framework \(ITF\)](#) which is housed under the Water Action Hub and designed in close alignment with the technical guidance document. The ITF includes all indicators and other metrics to enable standardized data collection and progress reporting toward validated NPWI milestone achievements and site claims. The information entered into the ITF is only visible to the relevant company and can only be shared with accredited third-party validators and the CEO Water Mandate after the company consents. Achieving NPWI at the site level, and ultimately across all company sites in water-stressed basins, delivers a wide range of benefits to the site and company more broadly, including:

- **Creating business value:** Achieving NPWI may help strengthen the value proposition to customers by allowing a company to provide more resilient and sustainable products and solutions, while boosting brand value and strengthening the competitive advantage.
- **Bolstering societal value:** Because water is a fundamental requirement for healthy, functional ecosystems, societies and economies, pursuing NPWI should help contribute to broader company social efforts (notable is the NPWI dimension of accessibility to Water Access, Sanitation and Hygiene (WASH)) and generate significant societal, economic and environmental values.
- **Reducing risks and strengthening the license to operate:** Pursuing NPWI may help strengthen a company's social and legal license to operate within the local community and global markets while also reducing physical, regulatory and reputational water-related risks.
- **Enhancing water and climate resilience:** Because climate change can make water challenges more severe, and water is a key lever by which climate change risks can be mitigated, achieving NPWI at the site and basin levels may help increase climate and water resilience. This offers numerous opportunities to align company efforts for greater return on investment and greater impact.
- **Boosting energy security:** Water plays a critical role in producing energy, which in turn is crucial for extracting, treating and distributing water. By understanding the interlinkages between water and energy needs at the company level, NPWI may help address the associated risks and capitalize on opportunities to increase both water and energy security.

There are multiple ways a company may undertake its NPWI implementation across sites. Additionally, given the huge diversity of companies and the nuance of local water issues, each NPWI journey will look different based on site and basin context. As such, NPWI is principles-based and not prescriptive. However, a step-wise approach is provided to help embed the general considerations needed to implement the concept across a site and relevant basin. It is expected of all companies to navigate and clearly plan and document steps in their NPWI journey.

NPWI looks to build long-term water resilience at the site and basin levels through individual company efforts, collective action and other catalytic initiatives across availability, quality and accessibility. This ensures a more holistic, system-wide approach. The outcomes mean more water, water of higher quality available to all users and the environment, and access to WASH services for all in a basin.

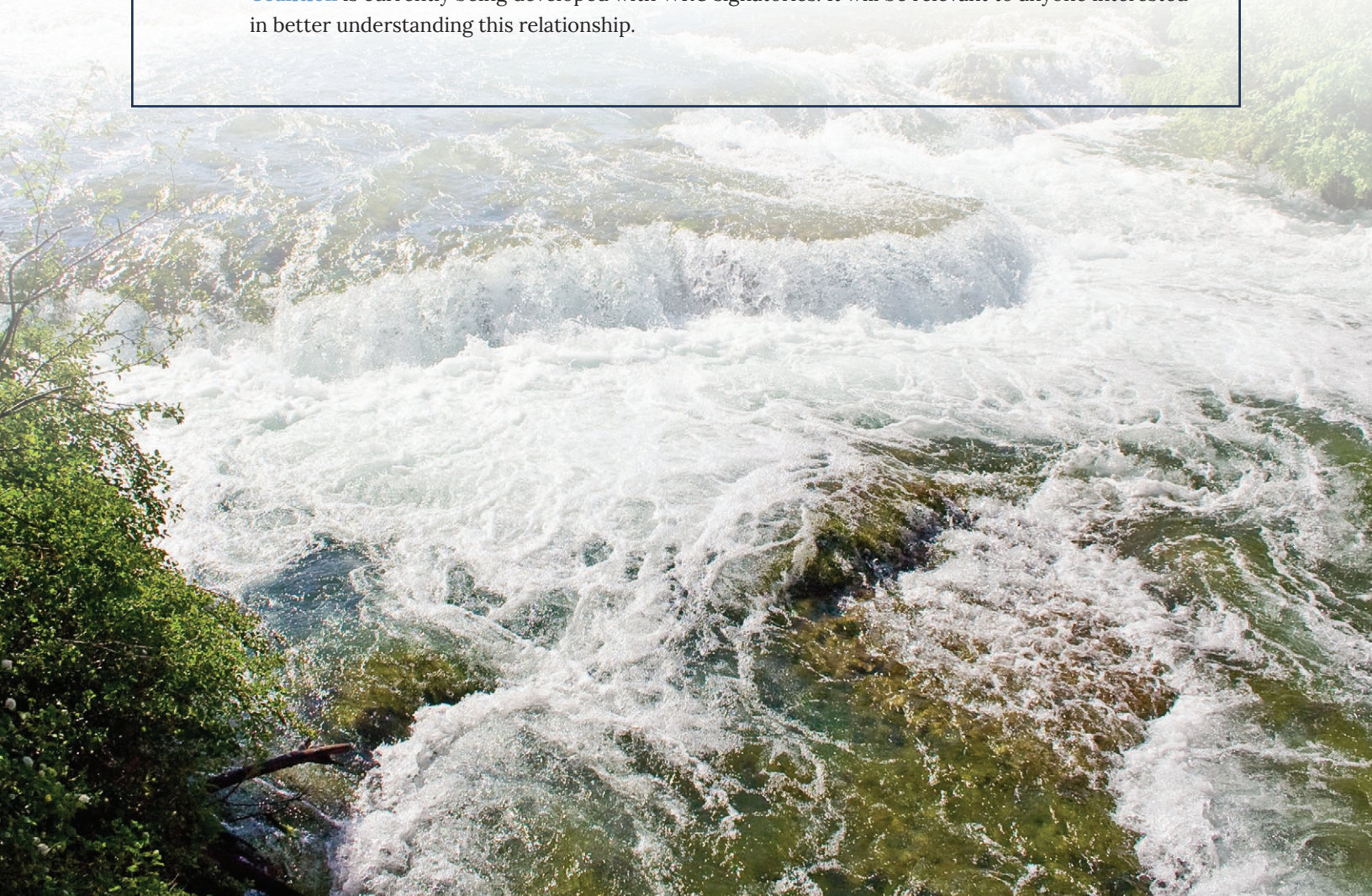
 **NPWI is principles-based and not prescriptive.”**

The NPWI guidance documentation supports implementation of an NPWI ambition across a company's direct operations. Overall, the NPWI guidance contains multiple documents, supplementary material and an online progress-tracking tool:

1. This **Executive Summary** provides a high-level summary for decision-makers and executives to understand the NPWI ambition and implementation steps.
2. **Net Positive Water Impact: An Introduction** offers a comprehensive introduction to the objectives, value and structure of NPWI, providing the entry point to the NPWI guidance and suitable reading for corporate leadership and technical staff.
3. **Implementing Net Positive Water Impact: Technical Guidance** is an in-depth description of the required steps across the three pillars of NPWI and three dimensions of water stress.
4. **Implementing Net Positive Water Impact: Step-in-Practice** provides a practical example for operationalizing NPWI in the textile industry and is intended as an add-on to the technical guidance document.

Upcoming

5. **Internal Tracking Framework (ITF)** includes all indicators and other metrics to enable standardized data collection and progress reporting towards milestone achievements and site NPWI claims.
6. A supplementary document on **How Net Positive Water Impact relates to the Water Resilience Coalition** is currently being developed with WRC signatories. It will be relevant to anyone interested in better understanding this relationship.





The CEO Water Mandate's six core elements:

DIRECT OPERATIONS

Mandate endorsers measure and reduce their water use and wastewater discharge and develop strategies for eliminating their impacts on communities and ecosystems.

SUPPLY CHAIN AND WATERSHED MANAGEMENT

Mandate endorsers seek avenues through which to encourage improved water management among their suppliers and public water managers alike.

COLLECTIVE ACTION

Mandate endorsers look to participate in collective efforts with civil society, intergovernmental organizations, affected communities, and other businesses to advance water sustainability.

PUBLIC POLICY

Mandate endorsers seek ways to facilitate the development and implementation of sustainable, equitable, and coherent water policy and regulatory frameworks.

COMMUNITY ENGAGEMENT

Mandate endorsers seek ways to improve community water efficiency, protect watersheds, and increase access to water services as a way of promoting sustainable water management and reducing risks.

TRANSPARENCY

Mandate endorsers are committed to transparency and disclosure in order to hold themselves accountable and meet the expectations of their stakeholders.