A RECIPE FOR IMPACT

Key Ingredients for Companies to Drive Measurable Impact in Watershed Health

ABInBev

The Nature Conservancy

A Recipe for Impact: Key Ingredients for Companies to Drive Measurable Impact in Watershed Health

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Disclaimer
This publication contains preliminary research, analysis, findings, and recommendations. It is circulated to stimulate timely discussion and critical feedback, and to influence ongoing debate on emerging issues. This publication may eventually be published in another form and its content may be revised. The information in this document is not intended to be a comprehensive solution for any particular company. While these suggestions serve as a guide and discussion, the recommendations and approaches within this document are intended to be adapted to specific company and watershed contexts. There is no guarantee that these suggestions, alone or in conjunction with other activities, will serve as appropriate solutions for every company.

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About This Document

BACKGROUND

Water is essential to life, yet 785 million people around the world lack access to it (Water.org 2021). Human overexploitation and mismanagement of water resources has resulted in a global crisis that is ranked as one of the top five global risks, in terms of its effect on society, by the World Economic Forum (WEF 2021). These water resource challenges are being exacerbated by climate change, further impacting the availability and quality of water in communities around the world.

This global water crisis is not only impacting communities and ecosystems, it is also creating reputational, physical, and regulatory business risks and causing financial impacts across the private sector (CDP 2020). As a result, more and more companies are seeing the business value in engaging in corporate water stewardship. Corporate water stewardship helps companies understand, identify, and mitigate water-related business risks by recognizing the shared nature of water challenges and working with others to achieve more sustainable management of water resources.

In response to this momentum, there has been an upwelling of guidance and frameworks aimed at helping companies manage risks and minimize negative impacts, and support corporate sustainability practitioners in their water stewardship efforts (see Appendix). Although there is now a variety of frameworks for corporate sustainability practitioners to consult and apply, the recent influx has also created some confusion, mostly on the part of busy practitioners who are struggling to navigate the abundance of guidance available and choose what guidance to use when. This confusion also has the potential to keep companies from focusing on what matters most: driving measurable improvements in watershed health, in priority high stress watersheds, ideally through collective action to achieve impact at scale.

OBJECTIVE

This document aims to help you:

- Understand the importance and value of focusing on measurable impact in watershed health;
- Navigate the wealth of existing water stewardship frameworks, guidance, and best practices; and
- Understand the general process and key considerations to enable companies to deliver measurable watershed outcomes that can help increase the resilience of both companies and communities in the face of emerging water challenges and a changing climate, protect value at risk, and support long-term business continuity.

You can use the information provided in this guide as a starting point or as a way to build on what you have already done. It can also help you identify when and how existing resources can help accelerate your company's efforts to reduce water-related risks by improving watershed health.

Keep in mind that improving watershed health in ways that reduce risk and build resilience will take time, and will require long-term commitments, investments, and action. The water challenges the world is facing didn't emerge overnight and delivering measurable watershed outcomes won't happen overnight either. The sooner your company starts taking tangible action—and the more we can all do so collectively—the better.

AUDIENCE

This document is intended for corporate sustainability practitioners, specifically those who are tasked with leading a company's water stewardship efforts. The examples given are intended to illustrate how different companies and collective action groups have approached the actions described, and do not represent any specific endorsement of a given project, project team, or project sponsors.

What this document is:

- A practical document to facilitate the application of existing resources in order to achieve measurable impact in watershed health
- Applicable at any stage of a company's water stewardship journey
- An iterative, adaptive, and pragmatic set of actions, recognizing that each company is different and water issues are inherently local

What this document is not:

- A new, stand-alone water stewardship framework
- Applicable only for companies with advanced water stewardship practices
- A prescriptive and exhaustive technical handbook or set of global solutions

APPROACH

This document identifies key ingredients required by any company, at any stage of its water stewardship journey, to drive measurable improvements in watershed health and, as a result, reduce water-related risks to the company and the communities where it operates. Key ingredients are needed both for a company and for each priority watershed.

Ingredients at the company level:

- **Awareness**—enough to build understanding and buy-in, and
- **Ambition**—an amount that is reflective of the company's scale and sphere of influence.

Ingredients for priority watersheds:

- **Assessment**—one sufficient to understand the watershed context and define locally relevant objectives,
- **Action**—multiple actions, with as much collaboration as possible, focused on driving measurable change, and
- **Measurement**—to enable your company to assess results, learn, adapt, and improve over time.

Combined, these ingredients provide a recipe for your company to have a measurable impact on watershed health in priority locations facing water stress where your company operates, sources from, or provides goods and services.

By better understanding and applying these ingredients, you can:

- Determine the amount of ambition and the interventions required to deliver measurable improvements in watershed health and reductions in water risk in priority locations for your company.
- Measure and communicate how company efforts contribute to meaningful watershed outcomes.
- Benefit from, and build on, water stewardship practices that are already in place.
- Leverage existing resources and best practices in a practical, effective manner.

The rest of this document provides key actions, helpful resources, and desired outcomes, as well as examples and best practices, for each ingredient. The resources listed do not represent an exhaustive list of available guidance, but rather publicly available information that has proven helpful to others.

RECIPE FOR IMPACT

Awareness:
enough to build understanding and buy-in.

Ambition:
an amount that is reflective of your company's scale.

Assessment:
sufficient to understand the watershed context and define locally relevant objectives.

Action:
plenty, mostly collaborative, focused on what can drive measurable impacts.

Measurement:
to make sure you can assess results, learn, adapt, and improve over time.

BEST PRACTICES

This guide aims to help corporate sustainability practitioners lead their companies in **driving measurable impact in watershed health, in priority high stress locations, ideally through collective action with others.** The following approaches and actions have helped other practitioners to do so and may help you as well.

Be ambitious, be pragmatic:

➤ **Don't get lost in the alphabet soup of targets**—focus on how your company can have measurable impact on watershed health in priority locations facing water stress: contextual, context-based, science-based, outcome-oriented, or process-oriented, the label doesn't matter; what matters is that you find a way that works for your company to improve watershed health and address shared water challenges where it matters most.

➤ **Be ambitious and don't limit yourself to the size of your company's footprint**—scope your company's ambition so that it is meaningful relative to the scope of the problem you're trying to solve in a given watershed; leverage your company's strengths and its sphere of influence to drive measurable watershed outcomes and catalyze actions by others.

➤ **Don't be afraid of the unknown**—begin with what you know and focus on what is most important; document uncertainties and start by using existing information and input from experts to fill critical data gaps. Focus on what is most important for your company, the watershed, and its stakeholders, and accelerate action where it will matter most.

➤ **Don't go it alone**—look for opportunities for collective action and consult and engage experts, including internal stakeholders, peer organizations, industry associations, and third-party experts, to build on what has already been done and leverage existing best practices.

Communicate and engage with stakeholders:

➤ **Identify and engage key internal stakeholders** to mobilize resources and optimize processes inside the company to achieve the desired outcomes.

➤ **Support clear, proactive external stakeholder communication** regarding the company's ambition and strategy to get buy-in, avoid misperceptions, and address concerns of key stakeholder groups.

➤ **Educate business leaders and key staff** on the technical, social, cultural, and political aspects of water and the importance of watershed health to the business and community.

➤ **Work across functions** to help assess risk, define the ambition, prioritize watersheds, and identify opportunities for internal and collective action.

➤ **Ensure regular internal communication** about the project and its progress; promote project champions.

➤ **Establish appropriate governance structures** to deliver on the ambition for water stewardship and consider incorporating aspects of that ambition into relevant roles and responsibilities and individual key performance indicators.

➤ **Identify opportunities for collective action** at the company level and with others working in priority watersheds.

Embrace adaptive management:

➤ **Aim to learn, adapt, and update your awareness and ambition over time**. You can do that by following the work of credible organizations, engaging experts, attending conferences, and, most important, learning from your own experience in priority watersheds.

➤ **Acknowledge the uncertainties inherent in predicting the outcomes of decisions and actions within a watershed.** You should plan to routinely reevaluate your understanding of the watershed context, business drivers, risks, and opportunities, especially when new information becomes available, and monitor the results of watershed projects so that you can improve your approaches and actions and inform future decisions on water-related investments.

USEFUL TERMS

Company interactions with water: how a company utilizes water resources; for example, its operational uses for water, the nature of the water that the company's facilities discharge, the importance of water to the value chain, and how much water it takes to make the company's products (CEO Water Mandate 2014).

Performance indicators and metrics: systems of measurements used to quantify changes associated with actions implemented in a project. Key performance indicators are most closely aligned with the critical objectives of the project. There are two types of metrics and performance indicators: quantitative (metrics that measure changes numerically) and qualitative (changes are measured using non-numerical, interpretative approaches based on descriptions, observations, and interviews).

Shared water challenge: A water-related issue, concern, or threat shared by a company site and one or more stakeholders within the catchment. Examples include physical water scarcity, deteriorating water quality, and regulatory restrictions on water allocation (Alliance for Water Stewardship 2019).

Strategic objective: A common goal, shared with other watershed stakeholders, that contributes toward delivering a watershed outcome. A good strategic objective should aim to minimize or eliminate the root cause of at least one shared water challenge and describe the watershed outcome it aims to achieve.

Watershed: The area of land from which all surface runoff and subsurface waters flow through a sequence of streams, rivers, aquifers, and lakes into the sea or another outlet at a single river mouth, estuary, or delta. Watersheds, as defined here, include associated groundwater areas and may include portions of water bodies, such as lakes or rivers. In different parts of the world, watersheds are also referred to as catchments or basins (Alliance for Water Stewardship 2019, modified by authors).

Watershed health: Watershed health refers to the water quantity, quality, and ecosystem conditions within a watershed. A healthy watershed has balanced water quantity, good water quality, and healthy ecosystems, supported by appropriate infrastructure and good governance. A healthy watershed protects human health, maintains viable ecological functions and processes, and supports self-sustaining populations of native fish and wildlife species (City of Portland 2005, modified by authors).

Water risk: the possibility of an entity experiencing a water-related challenge (e.g., conflicts over water with communities, water scarcity, water stress, flooding, infrastructure decay, drought). The extent of risk is a function of the likelihood of a specific challenge occurring and the severity of the challenge's impact. The severity of impact itself depends on the intensity of the challenge, as well as the vulnerability of the actor (CEO Water Mandate 2014).

Water stewardship: the use of water that is socially and culturally equitable, environmentally sustainable and economically beneficial, achieved through a stakeholder-inclusive process that includes both site- and catchment-based actions (Alliance for Water Stewardship 2019).

ABBREVIATIONS

AB InBev	Anheuser-Busch InBev
AWS	Alliance for Water Stewardship
BACI	before, after, control, impact
BACRI	before, after, control, reference, impact
BIER	Beverage Industry Environmental Roundtable
CEO	chief executive officer
DHI	DHI Group
ICMM	International Council on Mining and Metals
KPI	key performance indicator
NGO	non-governmental organization
ROI	return on investment
TNC	The Nature Conservancy
UN	United Nations
UNEP	United Nations Environment Program
UNEP-DHI	Centre on Water and Environment
WASH	water access, sanitation, and hygiene
WEF	World Economic Forum
WRI	World Resources Institute
WSP	WSP Global Inc.
WWF	World Wide Fund for Nature

Overview of the Document

KEY INGREDIENTS

Awareness	Ambition	Assessment	Action	Measurement
Understand where and how your company interacts with water resources so you can secure the necessary buy-in for establishing your company's ambition to improve watershed health.	**Define what you want to achieve, to help prioritize, guide, and inform interventions and direct action where it matters the most: in priority high stress watersheds.**	**Understand the local context and business drivers within your company's priority watersheds; define objectives, goals, or targets to improve watershed health and reduce water risk.**	**Identify and prioritize opportunities, get stakeholder buy-in, decide how you will measure success, and implement actions to meet your company's watershed objectives, goals, or targets.**	**Monitor and evaluate performance over time to determine if your company's action has succeeded; learn, adapt, and improve over time.**
Key actions: ■ Understand why watershed health matters to your company and why you should act on it ■ Identify company interactions with water, including dependencies, impacts, risks, and opportunities ■ Understand how water contributes to your company's strategic business, social, and environmental priorities	**Key actions:** ■ Define what you want to achieve ■ Identify priority watersheds ■ Develop a strategy to deliver on your company's ambition	**Key actions:** ■ Understand the watershed context, business drivers, risks, and opportunities ■ Define your company's watershed objectives, goals, or targets	**Key actions:** ■ Identify and prioritize opportunities ■ Secure financing, establish partnerships, develop a monitoring and evaluation plan, and implement activities	**Key actions:** ■ Plan and collect data ■ Analyze and evaluate impacts ■ Report and communicate results ■ Learn, improve, and adapt over time

AWARENESS

Understand where and how your company interacts with water resources to secure the necessary buy-in and define your company's ambition to improve watershed health.

Awareness

Water-related business risks continue to increase and diversify across company value chains, particularly in the face of climate change. One fundamental challenge companies face is that many watersheds are deteriorating, to the point where they eventually may not even be able to provide water services at the most basic level unless action is taken to improve their health. Understanding where and how your company interacts with water resources is the first ingredient needed before defining your company's ambition and securing the buy-in and budget required to drive measurable watershed impact and reductions in water risk.

➔ **ACTION: Understand why watershed health matters to your company and why you should act on it.**

Why is watershed health important?
Watersheds are the natural systems responsible for supplying water. Watershed health is critical to maintaining long-term water availability and quality for people, nature, agriculture, and business. When watershed health is poor, water quantity and quality are at risk, threatening the social, cultural, environmental, and economic benefits good water provides.

How does watershed health contribute to the success of your company?
Like all water users, your company depends on the health of watersheds for access to clean, reliable water supplies for various operational and value chain needs. Healthy watersheds reduce physical, regulatory, and reputational water-related business risks and support the well-being of customers and employees. It's critical that you understand and can explain to company leadership why the company relies on healthy watersheds to meet both current and future business needs.

OUTCOME: Clarity on the importance of watershed health for the company's business, as well as for the communities and ecosystems it is a part of.

Helpful Resources

"What is the challenge?" from TNC's Water Fund Toolbox

"Section 2.1. Water from Rivers and River Basins" from WWF's Valuing Rivers.

➔ ACTION: Identify company interactions with water, including dependencies, impacts, risks, and opportunities.

Identify company interactions with water, dependencies, and impacts on watershed health.

To understand where watershed health matters most to your company, you should start by understanding the company's water interactions, including where it depends on and impacts water supplies. Keep in mind that the company may depend on and impact water resources directly in its operations, or indirectly across the value chain, for raw material production, electricity generation, transportation, and distribution, or for customers who use the company's products or services. For example, agricultural ingredients can require large volumes of water for irrigation, industrial operations may need high-quality water for manufacturing and discharge large volumes of industrial effluents, and supply and distribution lines critical to the business might rely on riverine shipping.

Assess water-related business risks and opportunities.

Using internal risk assessment standards and processes where relevant, understand where current or future water-related challenges may pose a threat to business continuity. You can do that by evaluating company exposure and vulnerability to physical, regulatory, and reputational water-related risks, particularly where the company's dependence and impact on water resources are greatest. You should also explore opportunities to use water as a vehicle to advance core business objectives, including opportunities to create value associated with brands, customers, or new products and services.

OUTCOME: Clarity on where and how your company depends on and impacts water resources and is exposed to water-related risks and business opportunities.

Helpful Resources

"Step 1" and "Step 2" from the Setting Enterprise Water Targets: A Guide for Companies

"Step 1" from Cargill's Context-based Water Target Setting Methodology

Water risk screening tools such as WWF's Water Risk Filter and WRI's Aqueduct Water Risk Atlas

➔ ACTION: Understand how water contributes to your company's strategic business, social, and environmental priorities.

Remember the social, cultural, and environmental value of water.
Water is a precious shared resource, with significant social, cultural, and environmental value. Access to water is a basic human right and a fundamental requirement for healthy, functional ecosystems. As you build internal company awareness, make sure the human right to water is protected and seek opportunities to contribute to your company's broader social and environmental efforts.

Know that climate is water.
Climate change makes water challenges more severe, and water is a key lever through which climate change risks can be mitigated. By improving watershed health, you can help increase climate resilience; likewise, by helping address climate change, you can reduce water-related risks. Addressing water and climate challenges together offers numerous opportunities to align company efforts for greater return on investment and greater effects on the ground.

Keep in mind the water-energy nexus.
Water plays a critical role in producing energy and energy plays a critical role in extracting, treating, and distributing water. It's important that you understand the interlinkages between your company's water and energy needs, address the associated risks, and capitalize on opportunities to increase both water and energy security.

OUTCOME: Clarity on how engaging in water stewardship and improving watershed health can contribute to achieving your company's social, climate, and energy priorities.

Helpful Resources

"Water as value" and "Water as purpose" from WWF's Water Stewardship Revisited: Shifting the Narrative from Risk to Value Creation

"Section 4: Defining what to report" from the CEO Water Mandate's Corporate Water Disclosure Guidelines

"Introduction" from WaterAid's Strengthening the Business Case for Water, Sanitation and Hygiene: How to Measure Value for Your Business

Chapters 1 to 4 from WWF and AB InBev's Climate Change and Water: Why Valuing Rivers Is Critical to Adaptation

WRI and WSP's Guidance for Calculating Water Use Embedded in Purchased Electricity

AMBITION

Define what you want to achieve to help prioritize, guide, and inform interventions and direct actions where it matters most: in priority high stress watersheds.

Ambition

For companies of all sizes, it's important to define what you want to achieve. Your company's ambition for its interactions with water should support the company's overall mission and purpose, and serve as a north star to help prioritize, guide, and inform interventions across the organization in ways that direct actions toward improving watershed health. You can define the company's ambition by taking a number of actions.

➜ ACTION: Define what you want to achieve.

Consider the following qualities when defining what to achieve:

- **Accessible** – keep it simple: your ambition should be understandable to internal and external stakeholders and enable credible measurement and reporting practices at the company level.

- **Bold and credible** – your company's ambition should be reflective of its scale, aligned with the magnitude of the water-related challenges it faces, and deliver value to the company and society by addressing shared water challenges and improving watershed health.

- **Relevant and impactful** – water is local, so your company's ambition should drive internal and collective actions that improve watershed health and reduce risks at those locations and sections of the value chain for which water is most material.

- **Adaptable and long-term** – improving watershed health is a long-term and iterative process, given the changing nature of the watershed context and your company's size and impact. Revisit your company's ambition over time to ensure it reflects company, stakeholder, and public water policy priorities, realistic timelines, and external conditions.

Consider what others have done that may resonate with your company. If you don't know where to start, engage experts from other companies and NGOs. It can be hard to start from scratch when defining your company's ambition, so seeing what others have done and hearing how they got there can be helpful in understanding different options.

> **OUTCOME: Company ambition for water, clearly articulating to internal and external stakeholders how the company is responding to emerging water-related risks and improving watershed health.**

Questions you should be able to answer after you define your ambition:

- ➤ What is your company aiming to achieve as it relates to water and watershed health?

- ➤ How is your company responding to emerging water-related challenges?

Helpful Resources

"Approach" and "Step 3" from Setting Enterprise Water Targets: A Guide for Companies

➜ ACTION: Identify priority watersheds.

Prioritize locations based on their business relevance and exposure to risk.

Companies with large portfolios of locations will benefit from prioritizing locations—and thus watersheds—on the basis of their business relevance and water dependencies, impacts, risks, and opportunities. This process can help you identify the watersheds where you can drive improvements in watershed health that will be most valuable to your company and the communities and ecosystems it is connected to. Companies operating in just a few locations may not need to prioritize watersheds and instead can apply efforts to support watersheds everywhere they operate.

These are some of the most common considerations to prioritize watersheds:

- The presence of shared water challenges in the watershed – for example, water stress, polluted water, or lack of access to water, sanitation, and hygiene.

- Your company's dependencies and impacts on the watershed – for example, revenue generation, sales, sourcing volumes, water withdrawals, consumption, or discharge volumes.

- The presence of your company's supply chain, operations, or consumer markets in the watershed.

> **OUTCOME: Specific scope of your company's ambition, including a list of watersheds your company will prioritize to improve watershed health and reduce water-related risks.**

Helpful Resources

"Action 2.2" from Setting Enterprise Water Targets: A Guide for Companies

"Step 2" in Cargill's Context-Based Water Target Setting Methodology

Water risk screening tools such as WWF's Water Risk Filter and WRI's Aqueduct Water Risk Atlas

➜ ACTION: Develop a strategy to deliver on your company's ambition.

Your water strategy should have only one objective:
To define how you will achieve the company's ambition for water, including how you plan to improve watershed health and reduce water-related risks.

Like any good strategy, your water strategy should include:

- **A diagnosis** that defines the challenge by explaining your company's water dependencies, impacts, risks, and opportunities. A good diagnosis should reduce the complexity of water-related challenges by identifying and articulating what matters most, and where it matters most, across the company value chain.

- **The ambition** to overcome the challenges identified in the diagnosis, with guidance for the company's interventions in the watersheds that matter the most.

- **An action plan** that directs how the ambition will be carried out. The action plan should include what has to happen, a timeline, roles and responsibilities, measurement and reporting requirements, and available funding sources.

OUTCOME: A water strategy outlining how you plan to implement the company's ambition to ultimately improve watershed health and reduce water-related business risks.

EXAMPLES: Company-level water ambitions and targets across four different industries

	COMPANY-LEVEL WATER AMBITION	COMPANY-LEVEL WATER TARGETS
Cargill Inc.	Achieve sustainable water management in all priority watersheds in operations and supply chains by 2030 by applying a context-based approach.	■ Restore 600 billion liters of water in priority watersheds. ■ Reduce 5 million kg of water pollutants in priority watersheds. ■ Implement Cargill's Water Stewardship program at all 81 priority facilities. ■ Improve access to safe drinking water in 25 priority watersheds.
AB InBev	We are committed to being a part of the solution to the growing water challenges across our communities and supply chain.	■ By 2025, 100% of our communities in high stress areas will have measurably improved water availability and quality. ■ By 2025, achieve water use efficiency of 2.5 hl/hl across all our brewery sites.
Microsoft	By 2030 we will be water positive, meaning we will replenish more water than we use.	■ Put back more water in stressed basins than our global water consumption across all basins.
Levi Strauss & Co.	To ultimately use only as much water as is replenished naturally, wherever we operate.	■ Reduce our water use in manufacturing by 50 percent in areas of high-water stress against a 2018 baseline. ■ All key fabric and garment suppliers, which represent 80 percent of Levi Strauss & Co.'s production, will meet their new contextual Water<Less™ targets.

EXAMPLES: Types of company-level water targets

	DESCRIPTION	EXAMPLE
Process-oriented	Targets that drive a process that can meaningfully reduce risk and address shared water challenges.	South32's target to set contextual water targets at operations with water-related material risk.
Outcome-oriented (quantitative)	Targets that quantify how they aim to deliver outcomes that meaningfully reduce risk and address shared water challenges.	Cargill's target to reduce 5 million kg of water pollutants in priority watersheds.
Outcome-oriented (qualitative)	Targets that describe how they aim to deliver outcomes that meaningfully reduce risk and address shared water challenges.	Ecolab Inc.'s target to achieve a positive water impact by restoring water withdrawals and protecting at-risk watersheds where they operate by 2030.

Source: Setting Enterprise Water Targets: A Guide for Companies, modified by authors.

ASSESSMENT

Understand the local context and business drivers within your priority watersheds and define objectives, goals, or targets to improve watershed health and reduce water-related risk.

ASSESSMENT

To achieve measurable improvements in watershed health, start by understanding the local context and local business drivers. By assessing the context of each priority watershed, you can gain visibility into the specific local water challenges, stakeholder values and priorities, as well as uncertainties and information gaps. This knowledge allows you to define your company's objectives in each priority watershed. Understanding context also allows your company to engage in collaborations that can deliver meaningful watershed and business outcomes. This ingredient lays the foundation for identifying relevant actions and investments.

→ ACTION: Understand the watershed context, business drivers, risks, and opportunities.

Understand the basic environmental, social, cultural, and economic characteristics of the watershed, including:

- How the natural and built environment interact to influence water quality, accessibility, and availability.

- Current public policy goals and objectives, plus the roles and responsibilities of existing regulating institutions, water agencies and utilities, and their ability to manage and provide water.

- The socioeconomic, cultural, and ecological issues that influence water dynamics in the watershed, including water requirements of ecosystems and communities across the watershed.

- Data gaps and uncertainties so you can consider and acknowledge them during decision-making processes.

Understand who the relevant stakeholders are, and their water-related values, priorities, and concerns.
Understand who the stakeholders in the watershed are and which stakeholder engagement forums exist. You should also be aware of local practices, customs, and beliefs around water resources and stakeholders' understanding of water issues, their needs, and priorities. This process can also help identify opportunities for deeper engagement and collaboration.

Identify current and emerging shared water challenges, their root causes, and desired state.
Shared water challenges are those shared by the company and one or more relevant stakeholders within the watershed. Current and emerging shared water

challenges should be identified and prioritized in terms of their significance and urgency within the watershed. You must understand the root causes and the desired resolution of challenges to evaluate the effectiveness of existing interventions and eventually inform relevant actions for your company to take.

Determine if there are ongoing water stewardship activities and collaborations in the watershed.
Evaluate whether water-related efforts are already in place (e.g., collective action projects, public-private partnerships, NGO activities), so you can identify opportunities to contribute to, or align with, ongoing activities before starting new ones. This can help reduce the overall cost and effort required to meet your company's objectives and, more importantly, help achieve impact at scale.

Understand business drivers, risks, and opportunities.
Understand your company's relation the watershed and identify water-related risks to and opportunities for your company, considering the interaction between the company's dependencies and impacts on the watershed and any shared water challenges and stakeholder priorities within the watershed.

Questions you should be able to answer after you understand the watershed context:
➤ Are the demand for and supply of surface and groundwater in balance?
➤ What is the quality of surface and groundwater resources?
➤ What is the national, regional, and local institutional and regulatory environment?
➤ What initiatives, if any, are already in place to help improve watershed health?
➤ Who are the key stakeholders and what are their water-related risks and needs?
➤ What information is necessary but unavailable to decision-makers?
➤ What is the capacity of regulators, management institutions, and utilities to deliver effective services?
➤ Is the water allocation supported by adequate planning and infrastructure?
➤ What are the development objectives of the watershed?
➤ Do all water users have access to enough safe water?
➤ What are the economic activities, ecosystems, and socially and culturally relevant areas in the catchment?

> **OUTCOME: A clear understanding of the watershed's characteristics, including current and emerging shared water challenges and stakeholder priorities, as well as a list of water-related business risks and how they relate to the shared water challenges and stakeholder priorities.**

Helpful Resources

"Step 1" from the AWS Standard 2.0 and Standard 2.0 Guidance

"Step 1" and "Step 2" from ICMM's A Practical Guide to Catchment-based Water Management for the Mining and Metals Industry

"Step 1" in Volumetric Water Benefit Accounting (VWBA): A Method for Implementing and Valuing Water Stewardship Activities

"Step 1.2 and Step 2.1" in Diageo's Water Collective Action Implementation Guide

"Section 1" in BIER's Managing Water-Related Business Risks & Opportunities in the Beverage Sector

BIER's Insights and Opportunities: Performance in Watershed Context

"Assess" section from WWF's Water Risk Filter

Ecolab's Water Risk Monetizer

CEO Water Mandate's Water Action Hub

➔ ACTION: Define your watershed objectives, goals, or targets.

Prioritize shared water challenges and water-related business risks.
Starting with the full list of water-related risks, and how they relate to current and future shared water challenges and stakeholder priorities within the watershed, rank the risks to identify materiality. This should be informed by the significance of the risk, the severity and timeframe of the shared water challenge, and the relevance to stakeholders in the watershed.

Define a strategic objective for the watershed.
A strategic objective is a common goal shared with other watershed stakeholders that contributes towards delivering a specific watershed outcome. A good strategic objective should aim to minimize or eliminate the root cause of at least one shared water challenge and describe the watershed outcomes it aims to achieve, considering changes in the watershed context over space and time. When defining a strategic objective, you should consult with internal and external stakeholders familiar with the watershed to get their input and make sure the objective can lead to measurable impacts on watershed health, address shared water challenges, and reduce water-related business risks.

When required, set watershed-level goals or targets to meet your strategic objective.
Goals and targets can help guide your actions and enable you to monitor progress towards meeting your strategic objectives. Goals and targets should be SMART: Specific, Measurable, Achievable, Realistic, and Time-based.

OUTCOME: Strategic objectives, goals or targets for how the company plans to improve watershed health in its priority watersheds in ways that respond to stakeholder priorities, address shared water challenges, and reduce water-related business risk.

Helpful Resources

"Step 2" from the AWS Standard 2.0 and Standard 2.0 Guidance

"Step 2" from ICMM's A Practical Guide to Catchment-based Water Management for the Mining and Metals Industry

"Step 3" from UN Global Compact's Setting Site Water Targets Informed By Catchment Context: A Guide For Companies

"Step 4" from BIER's Managing Water-Related Business Risks & Opportunities in the Beverage Sector

EXAMPLES: AB InBev watershed goals and targets

WATERSHED PROGRAM	OBJECTIVE	GOALS AND TARGETS
Bacias-Jaguariúna Program in the Piracicaba, Capivari, and Jundiaí Rivers Watersheds, Jaguariúna, Brazil	Improve water security and watershed resilience through the maintenance and restoration of ecological functions and establishment of good water governance.	■ Reduce sediment transport and pollutants to water courses. ■ Improve baseflow levels. ■ Increase soil infiltration capacity in critical areas. ■ Increase knowledge among farmers about efficient irrigation practices. ■ Increase cohesion of watershed management plans and improve financing flow and support for water security projects.
Fort Collins project, in the Cache la Poudre and Big Thompson River watersheds, Colorado, USA	Secure water quality and a resilient water supply through a reduction in the risk of high-severity wildfires.	■ Deliver successful forest management treatment on 500-1,500 acres. ■ Expand regional capacity for forest restoration. ■ Increase regional investment in forest restoration through partnerships. ■ Achieve measurable scientific results that demonstrate and communicate the benefits of proactive forest management for watershed health and water security.

Source: AB InBev and TNC's Measuring and Evaluating the Impact of Corporate Watershed Projects.

SCIENCE BASED TARGETS FOR NATURE: FRESHWATER

The Science Based Targets Network is developing guidance to help companies:

■ Understand which watersheds are the highest priority and
■ Define what an individual company's role is in helping improve a particular watershed.

Targets adopted by companies and cities to reduce their impacts on freshwater resources are considered science-based if they are aligned with what the latest hydrological science says is necessary to meet the sustainable freshwater quantity and quality thresholds of the catchments in which the city or company and its value chain operate.

Since water resources are interconnected to all of nature, science-based targets for water will have to be set in coordination with other areas such as land, climate, and biodiversity.

At the time this document was written, the Science Based Targets Network water hub was inviting all interested members to pilot the draft water methodology. For more information, see the Science Based Targets Network website.

ACTION

Identify opportunities, get stakeholder buy-in, and decide how you will measure success and implement actions to meet your company's watershed objectives, goals, or targets.

ACTION

You cannot improve watershed health without taking action, making this ingredient foundational to your water stewardship journey. To maximize the value of your investments in water stewardship in ways that deliver the greatest benefit to the watershed, communities, and company, you should:

Identify opportunities, consult, and get buy-in from stakeholders:

➤ To have a measurable impact on watershed health, you will have to get stakeholder buy-in for your actions.

➤ Make stakeholder consultation a priority early on and seek stakeholder input before starting any project.

Identify the internal and collective action pathways to implement opportunities:

➤ Internal and collective action alike can lead to measurable impacts on watershed health. Because water resources are shared with all users of the watershed, coordinated collective action is best for achieving impact at scale; however, it may not be possible right away if you don't yet have relationships with other stakeholders.

➤ Keep in mind the longer-term objectives and start your work with opportunities that are readily available—within your company or in the watershed, individually or in collaboration with others, and expand and improve those over time as you build trust by listening, learning, helping, and leading by example.

Understand how your project will lead to watershed outcomes and impact and define how you will measure success:

➤ Before starting, the project team should align and clearly understand the sequence of events that will generate measurable improvements in watershed health and identify and mitigate any potential unintended harmful consequences to the environment, people, or the economy.

➤ This will help inform how you select indicators and develop a monitoring and evaluation plan.

➤ The following impact pathway example may be helpful as you work to understand the linkages between your inputs and the long-term impacts on watershed health:
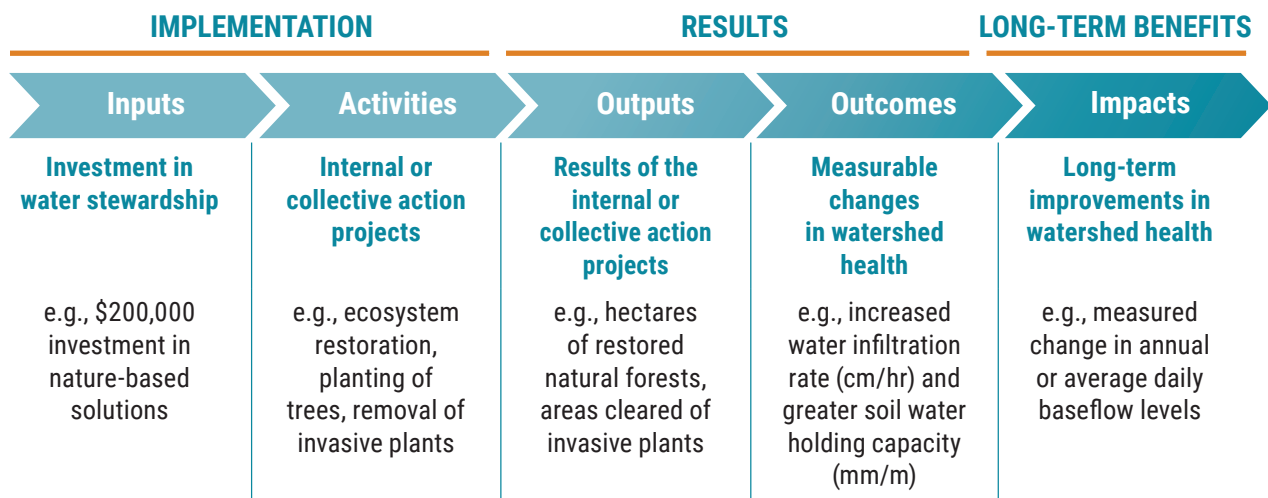
IMPLEMENTATION		RESULTS		LONG-TERM BENEFITS
Inputs	**Activities**	**Outputs**	**Outcomes**	**Impacts**
Investment in water stewardship	**Internal or collective action projects**	**Results of the internal or collective action projects**	**Measurable changes in watershed health**	**Long-term improvements in watershed health**
e.g., $200,000 investment in nature-based solutions	e.g., ecosystem restoration, planting of trees, removal of invasive plants	e.g., hectares of restored natural forests, areas cleared of invasive plants	e.g., increased water infiltration rate (cm/hr) and greater soil water holding capacity (mm/m)	e.g., measured change in annual or average daily baseflow levels

Each watershed is unique, so actions will have to be tailored to each situation. However, the following is relevant everywhere and can guide you during the identification and implementation of actions to improve watershed health and reduce water-related business risks.

→ ACTION: Identify and prioritize opportunities.

Determine which type of actions can help you meet your watershed objectives, goals, or targets, including:

- What kinds of actions within the company can help meet your watershed objectives, goals, or targets?
- What types of collaborations with other stakeholders in the watershed can help meet your company's watershed objectives, goals, or targets?
- What types of catalytic activities can your company support to create the enabling context for others to act and deliver long-term improvements in watershed health?

Engage stakeholders to rank and get buy-in on opportunities.
Work with stakeholders to rank the potential opportunities you have identified and to identify any other opportunities. You should not start any projects without first consulting with external stakeholders. Stakeholders don't need to be part of the project, but you should have their buy-in on the project and desired outcomes. There are probably many different opportunities in each watershed, so you should consider different success factors to help rank opportunities and support decision-making within your company.

Select interventions and develop a plan.
Select interventions and develop an implementation plan and established set of governance and monitoring arrangements using the guidance provided in the rest of this document. That can help you ensure the desired outcomes are clear, resources are effectively mobilized, and responsibility for delivery is established.

Questions you should be able to answer when you identify and rank opportunities:
- Does the opportunity address shared water challenges, root causes, and stakeholder priorities in ways that improve watershed health and deliver social, cultural, or environmental benefits?
- Does the opportunity address your company objectives, goals, or targets and have strong political and stakeholder support?
- Can the opportunity deliver the intended watershed outcomes within the desired timeframe?
- Is it possible to monitor and measure progress with readily available information and methods?

OUTCOME: Identification and selection of actions that can address shared water challenges and stakeholder priorities in ways that improve watershed health; reduce risk; and deliver social, cultural, or environmental benefits.

Helpful Resources

"Section 4.1" from the CEO Water Mandate's Guide to Water-Related Collective Action

"Step 3" from ICMM's A Practical Guide to Catchment-based Water Management for the Mining and Metals Industry

"Step 5" from BIER's Managing Water-Related Business Risks & Opportunities in the Beverage Sector

"Appendix 2" from Volumetric Water Benefit Accounting (VWBA): A Practical Guide to Implementing Water Replenishment Targets

"Step 2.1" from Volumetric Water Benefit Accounting (VWBA): A Method for Implementing and Valuing Water Stewardship Activities

"Step 2.2" in Diageo's Water Collective Action Implementation Guide

➜ ACTION: Secure financing, establish partnerships, develop a monitoring and evaluation plan, and implement activities.

Secure financing.

Meeting your watershed objectives, goals, or targets relies on adequate funding and resourcing. Although securing these resources can be challenging, there are numerous opportunities to unlock efficiencies and new funding. Developing a good understanding of the costs and benefits of the activities can help. Actions that might lead to opportunities to unlock new funding include:

- Engage in collective action (e.g., with suppliers or other industry players in the watershed) to share costs and open new co-funding opportunities.
- Consider the "true cost of water" or full "value of water" as well as social and natural capital co-benefits to understand the full return on investment.
- Consider the growing market for commercial green financing.
- Explore community WASH and climate adaptation financing through social impact financing instruments.
- Explore government funding available across environmental, agricultural, and economic programs.
- Access grants from your company's foundation or leverage third-party and development funding.
- Work with economic development and agriculture supply chain investors.

Establish partnerships.

Establish partnerships with organizations that have relevant experience, as well as proven track records and capacity to deliver. This can help ensure your activities are implemented properly and also provide you with access to expertise and local networks.

Work with project partners to develop a monitoring and evaluation program and implement activities.

- Robust measurement and evaluation can help ensure your company is making contributions that are improving watershed health and reducing water-related risk.
- Where possible, consider building on and collaborating with existing monitoring and evaluation efforts.
- All effective monitoring and evaluation programs share common components that must be addressed; these are covered in the "Measurement" section of this document.

OUTCOME: Financing and partnerships in place and activities being implemented to improve watershed health and reduce water-related risk.

Helpful Resources

"Section 4" from the CEO Water Mandate's Guide to Water-Related Collective Action

"Step 3" from ICMM's A Practical Guide to Catchment-based Water Management for the Mining and Metals Industry

"Partnerships" section of TNC's Water Fund Toolbox

CEO Water Mandate's Water Action Hub

"Step 3" in Diageo's Water Collective Action Implementation Guide.

HELPFUL TIP: What to consider when evaluating partnerships opportunities

- **Understand their local capacity within your priority watershed:** an organization that might be strong in one region might take years to build up the capacity, networks, and reputation necessary to effectively function in a new region.
- **Consider their area of expertise**: this may include technological solutions, educational campaigns to communities, engaging in governance, etc.
- **Understand the mandate of the organization**: is it accepted by or working in partnership with the government? Does it have an official mandate to be working on water?
- **Understand what type of organization it is**: this will influence what type of relationship you might develop. Is the organization a contractor paid to provide advice and services that benefit the financer alone, or do they serve a common agenda? Does the organization come with not only its own financial resources, but also an expectation of equal partnership in decision making?

(CEO Water Mandate's Guide to Water-Related Collective Action, *modified by authors.)*

EXAMPLES: Types of projects that can lead to measurable watershed outcomes

- Water use efficiency improvements.
- Effluent management or wastewater reclamation and reuse.
- Community-level access to safe water, sanitation, and hygiene.
- Storm water management and flood control.
- Infrastructure finance, development, operation, or maintenance.
- Sustainable or regenerative agriculture.
- Ecosystem or source-water protection and restoration.
- Well-designed public awareness and education campaigns.
- Improved water governance; better-informed policy development and implementation.

HELPFUL TIP: Understanding water-related collective action

Collective action has become a critical component of successful corporate water stewardship programs. It reflects a reality: addressing many water-related business risks and capturing water stewardship opportunities—and, more importantly, achieving impact at the scale of water challenges we face—depends on the support of other parties. In many places, collective action will be the only way to overcome complex water challenges with interrelated social, cultural, environmental, and economic dimensions. Because water resources are shared among all users of the watershed, to achieve sustained measurable impact at scale you will have to build trust with other stakeholders and engage in coordinated collective action within your company's priority watersheds.

Collective action may include cooperation to reduce overall water demand, improve water quality, or restore degraded landscapes within the watershed. It may also involve strategic, catalytic engagements at the regional, national, or global level to create an enabling context for delivery of initiatives that drive long-term outcomes.

Some of the key benefits of effective collective action include:

➤ **More robust understanding of water challenges** and realities and, as a result, more informed decision-making.

➤ **Broader scope and depth** of motivation and momentum in support of water-related improvements.

➤ **An expanded pool of expertise**, capacity, or financial resources focused on fostering change.

➤ **Shared ownership of solutions** and clarity of joint purpose.

➤ **More durable outcomes,** with strong support from the engaged parties.

➤ **Increased credibility and legitimacy** with key interested parties, resulting in improved legal and social license to operate.

➤ **Stronger, more sustainable water governance** through engagement of multiple stakeholders, including water users across communities, industry, and agriculture.

It may not be possible to start with collective action, but you should aspire to engage and work collaboratively with others to achieve your company's strategic watershed objectives and deliver long-term benefits to the watershed, the communities that depend on it, and your company.

(CEO Water Mandate's Guide to Water-Related Collective Action, *modified by authors.)*

EXAMPLES: Collective action projects and initiatives

Collective action in the beverage industry in Mexico:
Beverage Industry Environmental Roundtable (BIER) members launched a watershed collaboration to address shared water challenges in the Municipality of Tlajomulco de Zuniga in the state of Jalisco, Mexico. The project aims to improve accessibility to safe drinking water, improve water quality by reducing pollution, and promote aquifer replenishment. Key activities include planting native vegetation to increase groundwater levels and reduce soil loss, improving water infrastructure, and training community members on basin conservation and aquifer maintenance practices.

Collective action in the agricultural industry in Spain:
From 2014 to 2020, SAI Platform members led the Doñana Berry Sustainability Project to improve water management in berry production in the areas surrounding the Doñana wetlands. The project engaged hundreds of growers and technicians in the region, creating tools to address water concerns and providing a proof of concept for technical solutions at the field level. Key outputs included:

- A water management toolkit freely available for members and other companies to use with growers to improve water use in berry production; and

- A framework to help production and sourcing companies ensure legal land and water use, according to land use planning in the area.

The project also helped drive ongoing engagement with WWF-Spain to support advocacy for further government interventions in the region and provide local implementation partners with expertise in water management and farmer engagement.

Global collective action across industries:
The Water Resilience Coalition, founded in 2020, is an industry-driven, CEO-led coalition of the UN Global Compact CEO Water Mandate that aims to elevate global water stress to the top of the corporate agenda and preserve the world's freshwater resources through collective action in water-stressed basins and ambitious, quantifiable commitments (UN Global Compact et al. 2019). As of March 2022, 26 companies had joined the Water Resilience Coalition and signed a pledge toward three overarching 2050 commitments:

- Net positive water impact: Achieve a measurable and net positive impact in water-stressed basins on availability, quality, and accessibility through industry-leading water operations and basin initiatives.

- Water-resilient value chain: Develop, implement, and enable strategies to support leading impact-based water resilience practices across the global value chain.

- Global leadership: Raise the global ambition of water resilience through public and corporate outreach.

MEASUREMENT

Monitor and evaluate performance over time to determine if your project has succeeded; learn, adapt, and improve over time.

MEASUREMENT

Both monitoring and evaluation are essential to understanding if your project is succeeding in driving measurable improvements in watershed health and informing future investment decisions. Robust measurement and evaluation can be complex, so engage external experts to help if you don't have the technical capabilities within your company and be sure to include funds for measurement and evaluation in your project financing plans. Check in regularly on progress and results to help inform and support adaptive management. The following actions (likely undertaken with a measurement and evaluation technical partner) can help you measure the efficiency, effectiveness, and impact of your company's projects and drive improvements in your company's performance over time:

➔ ACTION: Plan and collect data.

Develop a monitoring and evaluation plan.
As noted in the "Action" section, a robust monitoring and evaluation plan should prioritize your most important objectives, at the most desirable scale, and ensure that the necessary data are collected, consistent, and representative of your watershed objectives, goals, or targets. You should engage stakeholders in the watershed and answer the following questions to discover the optimal spatial and temporal scales for monitoring watershed health:

- What is the extent of the problem(s)?
- Are baseline conditions changing?
- What are the types and spatial distribution of activities implemented in the watershed?
- What are the expected results? What is the range of values anticipated?
- What are the expected lag times for the results? Where are the results expected to occur?

Select indicators to monitor and evaluate the project.
Make sure you understand the linkages between your project inputs, activities, outputs, outcomes, and impacts on the watershed. Leverage available resources to define appropriate indicators for different phases of the project.

Determine the spatial scale, time scale, and approach for measuring results.

- The appropriate spatial scale depends on the area you are aiming to influence (e.g., from a single site or specific area to the entire watershed); make sure you know when to monitor at the local scale and when to monitor at the larger scale.

- The time scale or frequency of sampling depends on several factors (e.g., size and type of water body, time frame of impacts, availability of resources); make sure the time scale is appropriate to the type of shared water challenges you are aiming to address (e.g., acute or chronic problems).

- Define the approach to measuring results, keeping in mind that the best approaches to watershed monitoring are BACI (before, after, control, impact) and BACRI (before, after, control, reference, impact).

Questions you should be able to answer when you select indicators to monitor and evaluate the project:

- What are the expected results or desired changes of implemented actions and activities?

- What are possible unintended consequences and how can these be monitored?

- What type of information can demonstrate the desired changes?

- What is it possible to monitor at each phase of the project given resources, time, and capacity?

- When does the monitoring information need to be available?

- Can existing monitoring data be used or augmented?

Helpful Resources

"Step 1, 2 and 3" and "Appendix 1" from AB InBev and TNC's Measuring and Evaluating the Impact of Corporate Watershed Projects

"Monitoring and Evaluation Programs" from TNC's Water Fund Toolbox

"Step 3" in Diageo's Water Collective Action Implementation Guide

OUTCOME: Monitoring and evaluation plan in place, including the desired spatial and time scales and approach to measuring results.

➔ ACTION: Analyze and evaluate impacts.

Analyze the data collected through monitoring.
Analyze the information produced through monitoring to determine if your project is heading in a positive direction and delivering on your watershed objectives, goals, or targets, through the comparison of baseline conditions or model predictions against estimates of measured responses. Keep in mind that there might be many factors influencing changes in the watershed, such as natural variability in hydrologic parameters (e.g., rainfall or river discharge) from year to year. Robust monitoring plan design (e.g., BACI or BACRI) and sampling frequency and duration can help minimize unexplained variability and increase confidence in project results and outcomes.

Return to the project goals and KPIs to evaluate the project's:

- **Efficiency,** to determine if the tasks and deliverables were accomplished within the expected timeline and budget and to inform mid-course corrections to program implementation or to shed light on implementation processes.

- **Effectiveness,** to understand the extent to which the activities implemented have achieved their objectives.

- **Impact,** to evaluate if and how conditions in the watershed have changed because of the project. For example:

  - What has happened as a result of the project? What are the effects of the interventions compared to the situation before or in a similar watershed?

  - What difference has the project made to the environment or beneficiaries? Are people living in the watershed better off because of the project?

  - Does the project contribute to the achievement of sustainable use of water resources?

OUTCOMES: Understanding of the efficiency, effectiveness, and impacts of your project in delivering improvements in watershed health. Awareness of any modifications required in your watershed objectives, goals, or targets, as well as in the project scope, partnership, or monitoring and evaluation plan.

Helpful resources:

"Step 4" from AB InBev and TNC's Measuring and Evaluating the Impact of Corporate Watershed Projects

➜ ACTION: Report and communicate results.

Report and communicate results on an ongoing basis to:

- **Ensure project accountability** and build credibility for the project among both internal and external stakeholders.
- **Encourage others** to partner, support, or engage in collective action with you.
- **Demonstrate progress at the company level,** explaining to shareholders and other stakeholders how the actions being undertaken contribute to the company's broader water stewardship ambition and vision.

Keep in mind the following keys to successful and effective communication:

- Be aware of the diversity of stakeholders and adapt information to the audience.
- Make sure that the organization or person delivering the message is credible.
- Ensure that key messages are based on solid information.
- Remember that interactive communication approaches are the most engaging.

Helpful resources:

"Step 5" from AB InBev and TNC's Measuring and Evaluating the Impact of Corporate Watershed Projects

CEO Water Mandate's Corporate Water Disclosure Guidelines Toward a Common Approach to Reporting Water Issues

CEO Water Mandate's Water Action Hub

OUTCOME: Clear and structured communication on progress, performance, and results.

➔ ACTION: Learn, improve, adapt over time.

Acknowledge uncertainties and recognize that projects rarely evolve exactly as anticipated.
Throughout the life of the project, keep in mind that new information, changes in perspectives, the introduction of new challenges, changes in the composition of participation, or changes in the surrounding institutional and political context may require alterations to your watershed objectives, goals, or targets and approach moving forward.

Evaluate and adjust your plans.
Informed by the results of monitoring and evaluation and stakeholder engagement, identify any barriers to progress, learn from your experience and improve your engagement and actions in the water-shed moving forward.

Seek opportunities to deepen your engagement with stakeholders and project partners.
Certain types of collaboration, such as research partnerships, information gathering efforts, or education campaigns can cause project partners and participants to learn more about each other and recognize opportunities for deeper levels of engagement. Thist offers a unique opportunity to evolve your collaboration toward a greater degree of joint action.

Helpful resources:

"Step 5" from AB InBev and TNC's Measuring and Evaluating the Impact of Corporate Watershed Projects

"Section 5.1" from the CEO Water Mandate's Guide to Water-Related Collective Action

OUTCOME: Ongoing improvement in your project's partnerships, performance, and impacts over time.

EXAMPLES: Communication approaches

➤ **In-person updates.** These can be offered during community meetings, stakeholder roundtables, and other similar engagements.

➤ **Summary sheets, research briefs, or policy briefs.** A shorter document is more likely to be read than a full report.

➤ **Findings tables.** For the right audience, presenting the raw findings can communicate your messages very strongly.

➤ **Scorecards or dashboards.** Both are good tools when used to communicate in real time and for decision-making.

➤ **Interactive webpages or web apps.** Make information readily available online, and easy to share and update.

➤ **Visual stories.** Tell stories visually with infographics, photographs, and sketches.

➤ **Blogs.** These informal communications can be used in the process of evaluations as well as for discussing water use.

➤ **Multimedia video reports.** Like photographs, these tell a story visually.

➤ **Webinars.** Webinars are useful in sharing project outcomes and engaging stakeholders.

CONCLUSION

The world is facing significant water challenges that threaten the well-being of communities, economies, and ecosystems around the globe. Companies can play a meaningful role in solving these challenges by engaging and investing in efforts to measurably improve watershed health, particularly in high stress watersheds.

Improving watershed health can drive many benefits for your company: it can reduce your exposure to physical, regulatory, and reputational water-related business risks; increase your company's resilience to climate change; and strengthen your social license to operate. Moreover, it can support the well-being of both your customers and employees and build water and climate resilience in the communities and ecosystems your company is a part of.

Achieving measurable impact in watershed health is a journey. Regardless of where your company is on this journey, the five ingredients outlined in this document are intended to provide a recipe for impact that will help you identify what to do, leverage existing resources and guidance, work with others, measure results, and improve over time.

We invite companies and organizations across sectors to join this journey and accelerate meaningful collective action to improve watershed health in ways that will deliver lasting social, environmental, and economic benefits.
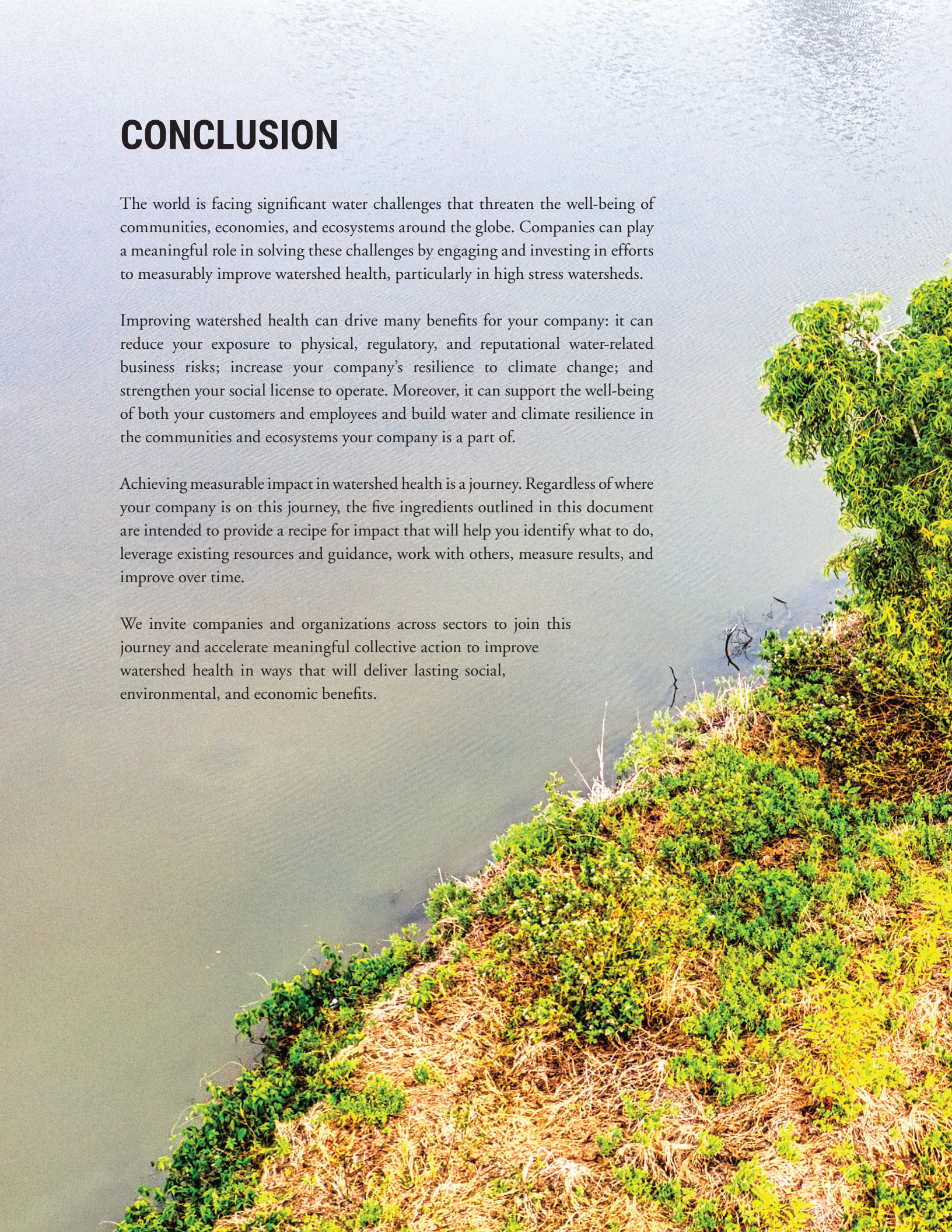
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APPENDIX
EXISTING CORPORATE WATER STEWARDSHIP FRAMEWORKS AND GUIDANCE

ON MANAGEMENT	YEAR	LINK
Managing Water-Related Business Risks & Opportunities in the Beverage Sector	2012	https://www.bieroundtable.com/wp-content/uploads/BIER-Practical-Perspective-Risks-and-Opportunities-19-November-2012.pdf
A Practical Guide to Catchment-Based Water Management	2015	https://www.icmm.com/en-gb/guidance/environmental-stewardship/catchment-based-water-management
Performance in Watershed Context	2017	http://www.bieroundtable.com/wp-content/uploads/Performance-in-Watershed-Context-Insights-Paper.pdf
European Water Stewardship Standard	2017	http://www.ewp.eu/ews-standard
AWS International Water Stewardship Standard 2.0	2019	https://a4ws.org/the-aws-standard-2-0/
Water Action Hub 4.0 self-assessment tools	2021	
ON TARGET SETTING	**YEAR**	**LINK**
Exploring The Case for Corporate Context-based Water Targets	2017	https://ceowatermandate.org/files/context-based-targets.pdf
Setting Site Water Targets Informed by Catchment Context: A Guide for Companies.	2019	https://ceowatermandate.org/watertargets/wp-content/uploads/sites/30/2019/08/CEOWaterMandateSiteWaterTargetsGuide.pdf
Science-based Targets for Nature: Initial Guide for Business	2020	https://sciencebasedtargetsnetwork.org/wp-content/uploads/2020/11/Science-Based-Targets-for-Nature-Initial-Guidance-for-Business.pdf
Putting Water Strategy into Context: A Practical Guide to Connect Corporate Strategic Objectives to Local Water Context	2021	https://wwfint.awsassets.panda.org/downloads/wwf_embedding_context_into_strategy_hr.pdf
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Volumetric Water Benefit Accounting (VWBA): A Practical Guide to Implementing Water Replenishment Targets	2021	https://ceowatermandate.org/wp-content/uploads/2021/01/VWBA_Guidebook_F_Web.pdf
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Guide to Water-Related Collective Action	2013	https://ceowatermandate.org/wp-content/uploads/2019/07/Water_Guide_Collective_Action.pdf
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Volumetric Water Benefit Accounting (VWBA): A Method for Implementing and Valuing Water Stewardship Activities	2019	https://files.wri.org/d8/s3fs-public/volumetric-water-benefit-accounting.pdf
Benefit Accounting of Nature-based Solutions for Watersheds	2020	https://ceowatermandate.org/nbs/wp-content/uploads/sites/41/2020/08/landscape.pdf
Measuring and Evaluating the Impact of Corporate Watershed Projects	2021	https://www.nature.org/content/dam/tnc/nature/en/documents/MeasuringandEvaluatingtheImpactofCorporateWatershedProjects_Sept2021.pdf