



## **B Lab Statement on Naandi Community Water Services Pvt. Ltd's B Corp Certification**

### **Overview**

B Lab and its independent Standards Advisory Council have determined that water utilities companies are eligible for B Corp Certification if they have not engaged in specific prohibited practices in the last five years AND are meeting additional industry-specific practice requirements. For more information on the specific requirements, please refer to B Lab's position statement on the water utilities industry [here](#).

The company was initially B Corp certified in April 2021, and B Lab Global's Water Utilities Risk Standards became effective in April 2022. As this is their first recertification cycle since the new standards were implemented, full compliance is not required for this current journey. They will have until their next recertification cycle to fully comply with the standards in effect at that time.

### **Water Utilities and B Corp Certification**

B Lab and its independent Standards Advisory Council have rendered the following decision regarding the water utilities industry's eligibility for B Corp Certification:

*"Companies engaged in the following practices in the last five years as demonstrated through company disclosures or through publicly available information, are currently ineligible for B Corp Certification:*

- *The company is involved in lobbying or policy advocacy for cheaper water prices for the company or to weaken regulations regarding water access for the company,*
- *There are significant, material, and justified stakeholder concerns over the company's access to water sources that remain unresolved,*
- *There are significant, material, and justified stakeholder concerns over the company's interactions with the public sector, such as allegations of bribery, anti-competitive behavior, or favorable contract claims, that remain unresolved."*

Additionally, companies in the Water Utilities industry are eligible for B Corp Certification if they are able to confirm that they are meeting B Lab's risk standards for the industry related to the following topics:

- Anti-Corruption and Government Affairs
- Water Affordability
- Water Access
- Water Quality and Regulated Jurisdictions
- Wastewater Treatment
- Sustainable Water Usage
- Collective Action

## Company Overview

Naandi Community Water Services Pvt. Ltd. (NCWS) is a social enterprise established in 2010 and headquartered in Telangana, India. The company's mission is to save the lives of underserved communities by providing access to safe drinking water in a sustainable manner. The company operationalizes its mission by setting up decentralized Community Water Centers (CWCs) in regions where the existing sources of drinking water are contaminated (with chemical and microbial contaminants) and unfit for consumption. NCWS's water models across 7 states cover 696 villages in India. The company has two-pronged developmental interventions including Village Water Centre and School Water Program.

In its last fiscal year (2022-2023), the company earned 79% of its annual revenue from providing Safe drinking water to underserved communities in 6 states of India through the brand "iPure" and 21% of its revenue from its urban brand "iQuench", a 20 liters packaged drinking water brand.

## Naandi Community Water Services Pvt. Ltd. Disclosure on Prohibited Practices

Naandi Community Water Services has reported they are not engaged in any lobbying or policy advocacy for cheaper water prices nor easier water access. The company also reported there are no stakeholder concerns regarding its water access and its interactions with the public sector that remain unresolved.

## Naandi Community Water Services Pvt. Ltd. Disclosure on Required Best Practices

Naandi Community Water Services has an internal Anti-Corruption and Anti-Bribery Policy available for all employees. The staff must review a copy of this policy and certify in writing annually that they (1) have reviewed the policy, (2) agree to abide by the policy, and (3) agree to report any potential violations of the policies to the Compliance Officer. The reporting may be made anonymously through available channels such as an email address and a hotline for

purposes of reporting. In addition, the company offers periodic mandatory anti-corruption compliance awareness workshops.

The policy also includes guidelines for political contributions and charitable donations. The company's employees may not make political or charitable donations, whether in their own name or in the name of the company, to obtain or retain business or to gain an improper business advantage. Any political or charitable contributions by the company must be permitted under the law, permissible pursuant to the terms of this policy, made to a *bona fide* (body or entity that is nationally chartered or recognized by a national or state educational/occupational policy board that has operated or functioned in good faith without fraud or deceit for at least 25 years) charitable organization, and in the case of political contributions or charitable contributions connected to any government official or government entity made with the prior approval of the Compliance Officer. In certain instances where there is a heightened risk of corruption, the Compliance Officer may require diligence to be conducted. The Compliance Officer must be notified if a Government Official solicits a political or charitable contribution in connection with any government action related to the company or its affiliates. Individual employees or agents may not make political contributions on behalf of the Naandi Community Water Services or its affiliates.

As for the water affordability threshold, the company's water rates represent less than 5% of the community's average household income. The company reported that currently, there are no regulations that regulate the company's water rates for residential end users in India. As for the decision-making process for water rates, for its iPure brand, the company does a thorough assessment of the community's income levels by engaging with the local governing body called the Panchayat and the KOLs (Key Opinion Leaders) of the village. This gives a fair understanding of affordability. Then the company discusses with the Panchayat and the KOLs who are the primary stakeholders to thoroughly get a sense of what price really works in a village to earn the minimum revenue and operate the community water center. As part of the village assessment, the company conducts a minimum of 25 potential user interviews to take their feedback on how much they are willing to pay monthly for water. Based on the feedback from all the stakeholders, the water price is decided.

In relation to the water sources, for the rural brand iPure, the water is provided by the respective local government, Panchayats, who own the source. Naandi does not pay any fee for the water extraction. Providing safe drinking water to the village is the responsibility of the local governing body. Since they are unable to do that, Naandi was invited to the village to set up a community safe drinking water through a partnership. The Panchayat enters into a Memorandum of Understanding (MoU) with Naandi by committing itself to the land, water, and electricity connection and Naandi is responsible for operating the water center for an agreed period and producing safe drinking water. Naandi adheres to the IS10500 norm but it is not certified against those standards.

In compliance with the Indian groundwater tribunal laws, the owner of the land has the right to drill a bore well if it is for drinking purposes or should get permission from the local governing body to drill a bore well if it is for commercial purposes. Naandi's community safe drinking water

center is not a commercial, but a social initiative implemented in partnership with the Panchayat. Since the land and waterfall are under the local governing body's jurisdiction, the Panchayat gives sources owed by them to Naandi. New bore-hole drilling, even if required, will be taken care of by the Panchayat, and providing safe drinking water to the village is a state responsibility, they do not need to take any permissions. Naandi's urban facility owner followed this process before drilling the bore well. As per Indian Law, the property owners have complete rights over the groundwater since its sole purpose is providing safe drinking water to the population.

As for the urban brand iQuench, Naandi sources purified water from a producer who owns the facility. The company buys 20 lt jugs paying a fee per jug. The price includes water extraction, purification, and filling. iQuench brand follows the packaged drinking water standards IS:14543 certified by BIS (Bureau of Indian Standards). Every batch of water produced is tested by the producers' in-house laboratory, the water samples are also tested by a NABL (National Accreditation Board for Testing and Calibration Laboratories) certified lab by the producer and the BIS conducts annual audits where the producer is required to submit the hard copies of the test reports. No non-compliance with local and national regulations regarding water quality have been recorded by either iPure or iQuench.

The company reported that in India there are no regulations governing the potable water segment and Naandi does not need to submit any quality reports for its iPure rural brand since it is not packaged drinking water. However, the company has an internal quality protocol for maintaining the water quality and voluntarily displays its water quality reports tested by NABL (National Accreditation Board for Testing and Calibration Laboratories) certified laboratory to the public in the local language. The company also shared that it follows the highest quality standards and provides water that complies with the IS10500 standards governed by the Bureau of Indian Standards for packaged drinking water.

The Indian pollution control board listed the below parameters to be tested for drinking water by the member countries of WHO. India is a member country. There are [90 parameters required to be tested according to the WHO standards](#) for member countries. Naandi meets these standards.

To guarantee that the water extraction is at a rate that does not affect water access for other stakeholders in the area, Naandi takes into consideration that there are no other bore wells in the vicinity. According to a [sector report published by Safe Water Network titled "Solving for water security in a micro-watershed"](#) stated that a safe water station (community water center) uses 0.03% of the total water used in a village.

Naandi does not operate in places where there is a risk of water scarcity unless the local governing body makes a specific request and ensures source sustainability. The CGWB (Central Ground Water Board) monitors and records the groundwater levels across the country, and publishes a periodical report on the block-level groundwater extraction status which helps to understand the risk better. Conducting a village-level aquifer assessment is a costly process

and requires a larger boundary. Hence, Naandi relies on a hydrogeological study or public Village Council information to make an informed decision.

While Naandi does not have a water resource management system, there are good practices that the company implements for water resource management:

- All the centers are monitored for their sources through a quarterly vulnerability assessment where a traffic signal system is used to monitor the source sustainability,
- Arrest of the leakages from the pipes – there is preventive and curative maintenance of the water purification and the dispensing system is in place to monitor the water wastage,
- While setting up the new community water centers, the feasibility to include rain water percolation pit will be assessed, to enable the rooftop runoff to permeate through the shallow strata of the earth. These pits also play a considerable role in groundwater recharging. Although they do not recharge the aquifer directly, they prevent the wastage of rainwater runoff into the sewage system.
- Reuse of the rejected water from the purification system – Once a community water center is set up and becomes operational, the dynamics of the village water needs other than safe drinking water will be assessed. Options like using the rejected water for tree watering, gardening, businesses like dairy farms, car washing, etc., connecting to the school toilets, etc., will be studied and necessary arrangements will be made.

Naandi was active in creating these two organizations:

- A safe water alliance was formed with fellow safe water enterprises in India to work with **FSSAI - Food Safety and Standards Authority of India** in setting norms for the regulation of water quality.
- ADWaSCI – A Society for Association for Decentralized Water System Companies of India (ADWaSCI). ADWaSCI is expected to play a predominant role in shaping the changing regulatory environment and influence the various stakeholders including government in forming better laws and regulations for sustainable development of decentralized water system companies.

Naandi was involved in the creation of these two organizations alongside other safe water enterprises because there were no opportunities to represent the industry to the government around potable drinking water (while there is for bottled water). The two associations were not convened over the past 3 years for any discussions or actions.

## **B Lab's Public Complaints Process**

Any party may submit a complaint about a current B Corp through [B Lab's Public Complaint Process](#). Grounds for complaint include:

1. Intentional misrepresentation of practices, policies, and/or claimed outcomes during the [certification process](#), or
2. Breach of the core values articulated in our [Declaration of Interdependence](#) within the B Corp Community.