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Module: Introduction**Page: W0. Introduction****W0.1****Introduction**

Please give a general description and introduction to your organization.

- Nestlé is the leading nutrition, health and wellness company. We enhance the quality of life by offering tastier and healthier food and beverage choices, as well as information and services, for all stages of life and any time of the day, helping consumers care for themselves and their families. As the largest food and beverage manufacturer in the world offering more than 10000 trusted products, we are committed to consistently developing superior products. This is achieved through our unmatched research and development capability, nutrition science and a passion for quality in everything we do.
- Creating Shared Value is the way we do business and the way we connect with society at large.
- The Nestlé Corporate Business Principles rule the way we do business and form the basis of our culture and values. The 10 principles, which provide the foundations for our commitments and our Create Shared Values strategy, incorporate the 10 United Nations Global Compact's (UNGC) Principles and are divided into five areas - consumers, human rights and labour practices, our people, suppliers and customers, and the environment.
 1. Nutrition, Health & Wellness: Our core aim is to enhance the quality of consumers' lives every day, everywhere by offering tastier and healthier food and beverage choices and encouraging a healthy lifestyle. We express this via our corporate proposition Good Food, Good Life.
 2. Quality assurance and product safety: Everywhere in the world, the Nestlé name represents a promise to the consumer that the product is safe and of high standard.
 3. Consumer communication: We are committed to responsible, reliable consumer communication that empowers consumers to exercise their right to informed choice and promotes healthier diets. We respect consumer privacy.
 4. Human rights in our business activities: We fully support the UNGC guiding principles on human rights and labour and aim to provide an example of good human rights and labour practices throughout our business activities.
 5. Leadership and personal responsibility: Our success is based on our people. We treat each other with respect and dignity and expect everyone to promote a sense of personal responsibility. We recruit competent and motivated people who respect our values, provide equal opportunities for their development and advancement, protect their privacy and do not tolerate any form of harassment or discrimination.
 6. Safety and health at work: We are committed to preventing accidents, injuries and illness related to work, and to protect employees, contractors and others involved along the value chain.

7. Supplier and customer relations: We require our suppliers, agents, subcontractors and their employees to demonstrate honesty, integrity and fairness, and to adhere to our non-negotiable standards. In the same way, we are committed to our own customers.
8. Agriculture and rural development: We contribute to improvements in agricultural production, the social and economic status of farmers, rural communities and in production systems to make them more environmentally sustainable.
9. Environmental sustainability: We commit ourselves to environmentally sustainable business practices. At all stages of the product life cycle we strive to use natural resources efficiently, favour the use of sustainably managed renewable resources, and target zero waste.
10. Water: We are committed to the sustainable use of water and continuous improvement in water management. We recognise that the world faces a growing water challenge and that responsible management of the world's resources by all water users is an absolute necessity.

W0.2

Reporting year

Please state the start and end date of the year for which you are reporting data.

Period for which data is reported
Wed 01 Jan 2014 - Wed 31 Dec 2014

W0.3

Reporting boundary

Please indicate the category that describes the reporting boundary for companies, entities, or groups for which water-related impacts are reported.

Companies, entities or groups over which operational control is exercised

W0.4

Exclusions

Are there any geographies, facilities or types of water inputs/outputs within this boundary which are not included in your disclosure?

Yes

W0.4a

Exclusions

Please report the exclusions in the following table

Exclusion	Please explain why you have made the exclusion
Head Offices	Nestlé does not consolidate yet at global level the water consumption in its Head Offices. We have already started the process of implementation of a new consolidation system that include Head Offices. We currently focus on our most material water inputs/outputs, and these occur in our industrial activities.
R&D	Nestlé does not consolidate yet at global level the water consumption in its R&D centres. We have already started the process of implementation of a new system that include R&D centres. We currently focus on our most material water inputs/outputs, and these occur in our industrial activities.
Distribution Centres	Nestlé does not consolidate yet at global level the water consumption in its Distribution Centres. We have already started the process of implementation of a new system that include Distribution Centres. We currently focus on our most material water inputs/outputs, and these occur in our industrial activities.
Some recently acquired factories	Some recent acquisitions that have not yet implemented the new reporting system to track the water consumption at corporate level. For new acquisitions, the Nestlé Environmental Requirements sets a time frame for compliance with the implementation of tracking system at corporate level.

Further Information

Please see attach: - The Nestlé Corporate Business Principles - The Nestlé Policy on Environmental Sustainability - 2014 Nestlé Integrated Annual Report Pack outlining the company's performance last year and its future ambitions. Our integrated annual report pack, contains the company's Annual Report 2014, the Corporate Governance Report 2014, the Compensation Report 2014, the Financial Statements 2014, the Nestlé in society: Creating Shared Value and meeting our commitments 2014 Report, the Nestlé Commitment on Climate Change and the Nestlé Commitment on Water Stewardship. All information is provided in CHF unless otherwise stated.

Attachments

- [https://www.cdp.net/sites/2015/42/12942/Water 2015/Shared Documents/Attachments/Water2015/W0.Introduction/Nestlé Commitment to reduce food loss and waste.pdf](https://www.cdp.net/sites/2015/42/12942/Water%202015/Shared%20Documents/Attachments/Water2015/W0.Introduction/Nestlé%20Commitment%20to%20reduce%20food%20loss%20and%20waste.pdf)
- [https://www.cdp.net/sites/2015/42/12942/Water 2015/Shared Documents/Attachments/Water2015/W0.Introduction/Nestlé Integrated Annual Report Pack 2014.pdf](https://www.cdp.net/sites/2015/42/12942/Water%202015/Shared%20Documents/Attachments/Water2015/W0.Introduction/Nestlé%20Integrated%20Annual%20Report%20Pack%202014.pdf)
- [https://www.cdp.net/sites/2015/42/12942/Water 2015/Shared Documents/Attachments/Water2015/W0.Introduction/Nestlé Commitment on Water Stewardship.PDF](https://www.cdp.net/sites/2015/42/12942/Water%202015/Shared%20Documents/Attachments/Water2015/W0.Introduction/Nestlé%20Commitment%20on%20Water%20Stewardship.PDF)
- [https://www.cdp.net/sites/2015/42/12942/Water 2015/Shared Documents/Attachments/Water2015/W0.Introduction/Nestlé in society Creating Shared Value and meeting our commitments 2014 Report.pdf](https://www.cdp.net/sites/2015/42/12942/Water%202015/Shared%20Documents/Attachments/Water2015/W0.Introduction/Nestlé%20in%20society%20Creating%20Shared%20Value%20and%20meeting%20our%20commitments%202014%20Report.pdf)
- [https://www.cdp.net/sites/2015/42/12942/Water 2015/Shared Documents/Attachments/Water2015/W0.Introduction/Nestlé Policy on Environmental Sustainability.PDF](https://www.cdp.net/sites/2015/42/12942/Water%202015/Shared%20Documents/Attachments/Water2015/W0.Introduction/Nestlé%20Policy%20on%20Environmental%20Sustainability.PDF)
- [https://www.cdp.net/sites/2015/42/12942/Water 2015/Shared Documents/Attachments/Water2015/W0.Introduction/Nestlé_Corporate_Business_Principles.PDF](https://www.cdp.net/sites/2015/42/12942/Water%202015/Shared%20Documents/Attachments/Water2015/W0.Introduction/Nestlé_Corporate_Business_Principles.PDF)

Module: Current State

Page: W1. Context

W1.1

Please rate the importance (current and future) of water quality and water quantity to the success of your organization

Water quality and quantity	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Vital for operations	Important	i) Primary uses: The direct use of sufficient amounts of good quality freshwater in our own operations is vital for Nestlé because in our 442 factories globally, as we use water for different purposes including cleaning, cooking and for our bottling water business. ii) Explanation of the rating: As the leading nutrition, health and wellness company, sufficient amounts of good quality freshwater is a vital resource for Nestlé’s operations and to the future of our business. i) Primary uses: The indirect use of sufficient amounts of good quality freshwater water is important for Nestlé. Farmers need water to grow and produce the agricultural raw material that we source from them. Consumers use water to prepare and consume our products. ii) Explanation of the rating: We understand that water is critical to the sustainability of our value chain: our employees, our suppliers and our customers need access to safe drinking water and adequate sanitation. That is why we have rated it important.

Water quality and quantity	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of recycled, brackish and/or produced water available for use	Important	Important	i) Primary uses: Recycled, brackish and/or produced water can be treated and used in Nestlé operations and wherever available, for example, to save fresh water withdrawn for irrigation of agricultural crops. ii) Explanation of the rating: Sufficient amounts of recycled or brackish water are important for direct and indirect use because increasing amounts of recycled water can reduce withdrawals from external sources, thus improve our direct and indirect water autonomy and the water availability of water for communities.

W1.2

For your total operations, please detail which of the following water aspects are regularly measured and monitored and provide an explanation as to why or why not

Water aspect	% of sites/facilities/operations	Please explain
Water withdrawals- total volumes	76-100	This indicator is monitored at 100% of our factories on a monthly basis as part of our environmental reporting process, primarily for internal purposes. The data are used to measure environmental performance and report it to the different stakeholders in the company (including top management) and publicly in our Annual Report, similarly to other business areas. This indicator is used to measure progress in water-related improvement programmes.
Water withdrawals- volume by sources	76-100	This indicator is monitored at 100% of our factories on a monthly basis as part of our environmental reporting process, primarily for internal purposes. The data are used to measure environmental performance and report it to the different stakeholders in the company (including top management) and publicly in our Annual Report, similarly to other business areas. This indicator is used to get a better understanding of the company's dependency on different sources of water.
Water discharges- total volumes	76-100	This indicator is monitored at 100% of our factories on a monthly basis as part of our environmental reporting process, primarily for internal purposes. The data are used to measure environmental performance and report it to the different stakeholders in the company (including top management) and publicly in our Annual Report, similarly to other business areas.

Water aspect	% of sites/facilities/operations	Please explain
Water discharges- volume by destination	76-100	This indicator is monitored at 100% of our factories on a monthly basis as part of our environmental reporting process, primarily for internal purposes. The data are used to measure environmental performance and report it to the different stakeholders in the company (including top management) and publicly in our Annual Report, similarly to other business areas. This indicator is used to get a better understanding of the downstream impacts and opportunities of the company's water usage.
Water discharges- volume by treatment method	Less than 1%	This breakdown is not relevant to managing our wastewater. We prefer using indicators of water quality such as COD concentration to track our performance in this area. However, we have conducted surveys and have treatments methods for 100% of our factories.
Water discharge quality data- quality by standard effluent parameters	76-100	This indicator is monitored at 100% of our factories on a monthly basis as part of our environmental reporting process, primarily for internal purposes. The data are used to measure environmental performance and report it to the different stakeholders in the company (including top management) and publicly in our Annual Report, similarly to other business areas. This indicator is used to get a better understanding of the downstream impacts and opportunities of the company's water usage.
Water consumption- total volume	76-100	This indicator can be computed from the data we collect at 100% of our factories on a monthly basis as part of our environmental reporting process, but it is not relevant for managing our operations. We prefer using water withdrawal, as it better reflects the dependency of our operations on water resources and therefore the risks associated to them.
Facilities providing fully-functioning WASH services for all workers	76-100	Nestlé has signed the WBCSD's WASH Pledge and is therefore committed to implementing it. As a consequence, we track our progress at 100% of all our sites on a quarterly basis through our EHS reporting process and system.

W1.2a

Water withdrawals: for the reporting year, please provide total water withdrawal data by source, across your operations

Source	Quantity (megaliters/year)	How does total water withdrawals for this source compare to the last reporting year?	Comment
Fresh surface water	14974	Much lower	A few water reduction projects focused on reducing once-through cooling from surface water (river), which reduced our surface water withdrawal noticeably over the last couple of years.
Brackish surface water/seawater	0	Not applicable	This water source is not used.
Rainwater	65	About the same	Rain water is not adapted to food production, therefore it is hardly used by our organization and represents only a marginal volume of the total water withdrawal.
Groundwater - renewable	76992	About the same	Even though our production volume is increasing, we manage reducing our overall water withdrawal, essentially through water efficiency programmes across our operations.
Groundwater - non-renewable	0	Not applicable	This water source is not used.
Produced/process water	0	Not applicable	This water source is not used.
Municipal supply	55030	Lower	Even though our production volume is increasing, we manage reducing our overall water withdrawal, essentially through water efficiency programmes across our operations.
Wastewater from another organization	0	Not applicable	This water source is not used.
Total	147061	Lower	Even though our production volume is increasing, we manage reducing our overall water withdrawal, essentially through water efficiency programmes across our operations.

W1.2b

Water discharges: for the reporting year, please provide total water discharge data by destination, across your operations

Destination	Quantity (megaliters/year)	How does total water discharged to this destination compare to the last reporting year?	Comment
Fresh surface water	51410	Much lower	By reducing once-through cooling from surface water (see 1.2a), we reduce significantly our water discharge to surface water.
Brackish surface water/seawater	0	Not applicable	Destination not used.
Groundwater	0	Not applicable	Destination not used.
Municipal treatment plant	35968	About the same	Overall, our efforts to increase water efficiency result in our water withdrawal and water discharge to stabilize although our production volume is increasing.
Total	87378	Much lower	Overall, our efforts to increase water efficiency result in our water withdrawal and water discharge to decrease significantly although our production volume is increasing.

W1.2c

Water consumption: for the reporting year, please provide total water consumption data, across your operations

Consumption (megaliters/year)	How does this consumption figure compare to the last reporting year?	Comment
59683	Lower	The definition used for this indicator is: "water withdrawals" minus "water discharges".

W1.3

Do you request your suppliers to report on their water use, risks and/or management?

Yes

W1.3a

Please provide the proportion of suppliers you request to report on their water use, risks and/or management and the proportion of your procurement spend this represents

Proportion of suppliers %	Total procurement spend %	Rationale for this coverage
76-100	76-100	At Nestlé, Tier 1 suppliers are requested to demonstrate their processes and techniques to monitor water consumption during our Responsible Sourcing Audit (using the SMETA4 Pillar standards). This serves as verifying their compliance with local regulations and the requirements of our Nestlé Supplier Code. In addition, since this year, we are asking these same suppliers to go through the Ecovadis assessment which provide a deep analysis of water management commitments and long term forecast (in term of usage). As per today 87% of our key suppliers are covered with such audit. Representing 90% of our global spend our ambition is to cover 10'000 suppliers by 2015 covering 95% of our global, currently in use, spend. i) company-specific explanation of how these suppliers were selected for reporting: at Nestlé, key suppliers are selected by spend and volume relevance to Nestlé. ii) details of the type of information requested from suppliers: the type of information requested from suppliers includes water consumption, measuring technology, trends and their ambitions to decrease water consumption. iii) how the information is used within the company: the information is used within Nestlé to check compliance with local regulations and the requirements of our Nestlé Supplier Code. iv) how suppliers are incentivised to report: Suppliers are incentivised to report by for example, suppliers are more likely to have more business volume / capture from Nestlé.

W1.3b

Please choose the option that best explains why you do not request your suppliers to report on their water use, risks and/or management

Primary reason	Please explain
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W1.4

Has your organization experienced any detrimental impacts related to water in the reporting period?

Yes

W1.4a

Please describe the detrimental impacts experienced by your organization related to water in the reporting year

Country	River basin	Impact indicator	Impact	Description of impact	Length of impact	Overall financial impact	Response strategy	Description of response strategy
Philippines	Other: Luzon	Other: Damage to property and impact on distribution.	Property damage	In July 2014, Category 3 typhoon "Glenda" reached the Philippines. It travelled in a north westerly direction causing widespread damage across Luzon due to torrential rains and powerful winds. Several Nestlé manufacturing and distributions sites have been impacted with substantial damage to stock and warehouse facilities. The south distribution center - DC Batino	1 month	CHF 13 million	Develop flood emergency plans Other: Insurance against natural disasters	The Nestlé Global Property Loss Prevention Programme provides a consistent view of our exposure to property risks around the world to floods and storms, enabling us to make informed decisions about the future standards of prevention and protection throughout Nestlé sites.

Country	River basin	Impact indicator	Impact	Description of impact	Length of impact	Overall financial impact	Response strategy	Description of response strategy
				was severely hit with approximately CHF 13 mio in damages.				
Canada	Other: British Columbia	Phys-Drought Phys-Increased water scarcity Phys-Increased water stress Rep-Negative media coverage	Brand damage	Water is essential for life and sustainable development. Yet water resources around the world are being put under increasing pressure by growing populations, over use, pollution, climate change..., which heightens the emotions and sensitivities of stakeholder groups for this resource. Bottled water is a visible user of water and may therefore be used as a symbol to highlight these challenges in the media and other platforms to advance discussions and actions about what needs to be done to address wider water issues.	On-going	Impact is reputational	Engagement with customers Other: Transparency - Provide factual information to customers	Nestlé Waters works both independently and collectively (i.e. with other bottled water companies) to enhance the perception of our category and balance the criticisms made against the company and the category. Nestlé Waters' actions focus on what we do (healthy hydration) and how we do it (sustainable operations). Beyond providing consumers with a variety of healthy hydration products, we work with a number of health stakeholders to raise awareness about the importance of proper hydration. In parallel, we are committed to continuously improving the environmental performance of our operations. We are rolling out our company-specific water stewardship programme to all our factories. Our water stewardship programme is based on a site-by-site risk assessment (physical, regulatory, reputational) and an action plan that includes internal water use

Country	River basin	Impact indicator	Impact	Description of impact	Length of impact	Overall financial impact	Response strategy	Description of response strategy
								optimisation and a collective action element (i.e. collaboration with local water stakeholders) for each factory. This is tracked on a yearly basis. Our objective is to work both internally and collectively for the long-term sustainability of the watersheds in which we operate. We also focus on optimising our packaging through weight reduction and design-for-recycling programmes, as well as recycling education and waste collection programmes in the local communities. Our objective is to raise awareness about empty PET bottles being a resource and not a waste that can be reused in a variety of new products if collected and recycled.
Brazil	Amazonas	Phys-Flooding	Supply chain disruption	An inundation occurred leading to losses in the premises of the Nestlé refrigerated warehouse. This was a large-scale inundation event arising from intense rainfall in the metropolitan area of Porto Alegre, where, on the occasion, the rain index reached its highest level since firstly recorded in 1967.	1 month	CHF 300 000	Develop flood emergency plans Other: Insurance against floods	The Nestlé Global Property Loss Prevention Programme provides a consistent view of our exposure to property risks around the world to floods, enabling us to make informed decisions about the future standards of prevention and protection throughout Nestlé sites.

Country	River basin	Impact indicator	Impact	Description of impact	Length of impact	Overall financial impact	Response strategy	Description of response strategy
				Widespread damages occurred in the area, affecting some facilities. A consequent outage of the electric power in the area affected the refrigerated environment of the company.				

W1.4b

Please choose the option below that best explains why you do not know if your organization experienced any detrimental impacts related to water in the reporting year and any plans you have to investigate this in the future

Primary reason	Future plans
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Further Information

Module: Risk Assessment

Page: W2. Procedures and Requirements

W2.1

Does your organization undertake a water-related risk assessment?

Water risks are assessed

W2.2

Please select the options that best describe your procedures with regard to assessing water risks

Risk assessment procedure	Coverage	Scale	Please explain
Comprehensive company-wide risk assessment	Direct operations and supply chain	All facilities and suppliers	<p>The Nestlé Group Enterprise Risk Management Framework (ERM) is used to identify water risks and opportunities in order to minimize/seize their potential impact. A top-down assessment is performed at Group level once a year to create a good understanding of the company's mega-risks in business, social, physical, regulatory and reputational environments. This assessment also aims to allocate ownership to take relevant steps to address them. In addition, we are continuing to improve our local water stewardship efforts, by conducting water resource reviews across existing and new factories. The assessments investigate the impact of our direct operations on local water resources in 5 areas: *Quantity; *Quality; * Regulatory compliance; *Site protection; *Stakeholder relations. ERM involves our key suppliers. Nestlé is dependent on sustainable manufacturing/supply of finished goods for all product categories. A major event in one of Nestlé's key plants, at a key supplier, contract manufacturer, co-packer, and/or warehouse facility could potentially lead to a supply disruption and impact Nestlé's financial results. Business continuity plans are established and regularly maintained in order to mitigate against such an event. For all Nestlé suppliers, the Nestlé Suppliers Code requires them to comply with and all applicable legal environmental/including water requirements and to demonstrate continual improvement of their environmental/including water performance.</p>

W2.3

Please state how frequently you undertake water risk assessments, what geographical scale and how far into the future you consider risks for each assessment

Frequency	Geographic scale	How far into the future are risks considered?	Comment
Six-monthly or more frequently	Country	>6 years	The results on water of the Group Enterprise Risk Management Framework are presented annually to the Executive Board and to the Audit Committee and conclusions reported to the Board of Directors. In the case of an individual risk assessment identifying a risk which requires action at Group level, an ad hoc presentation is made to the Executive Board. Water performance and progress against targets are reported monthly to the EBM. All risks going more than 6 years into the future are considered.
Annually	River basin	>6 years	The Water Resource Review assessments investigate the impact of our direct operations on local water resources, at river basin level. They consider the mid-long term. On average, 10 Water Resource Reviews studies are undertaken per year.
Annually	Facility	3 to 6 years	The Nestle Global Property Loss Prevention Program provides an in depth identification of our exposure to property risks around the world climate change risks. This enables us to form decisions about the future standards of prevention and protection. They are conducted at site level and look into potential future risks (e.g. floods/natural catastrophes) to our operations.

W2.4

Have you evaluated how water risks could affect the success (viability, constraints) of your organization's growth strategy?

Yes, evaluated over the next 5 years

W2.4a

Please explain how your organization evaluated the effects of water risks on the success (viability, constraints) of your organization's growth strategy?

- We have identified that increased stress of water is a risk that can impact Nestlé growth strategy. For example, in Mexico, different greenfield sites have been screened to identify the less exposed of them to water stress areas. This was the case of our petcare and nutrition products.
- The process by which the results of the water risk assessment inform the growth strategy:
We conduct water resource reviews in greenfield sites to help us to analyze the impacts of a manufacturing facility upon a local water catchment. The formal process investigates water availability, water quality, regulatory compliance, site protection; and stakeholder relations in potential news sites for factories. This

informs our growth strategy.

- Why and how the growth strategy changed/did not change as a result of the risk(s) identified:

The growth strategy did not change. However, the results of the water resource studies inform the selection of final sites.

W2.4b

What is the main reason for not having evaluated how water risks could affect the success (viability, constraints) of your organization's growth strategy, and are there any plans in place to do so in the future?

Main reason	Current plans	Timeframe until evaluation	Comment

W2.5

Please state the methods used to assess water risks

Method	Please explain how these methods are used in your risk assessment
FAO/AQUASTAT Internal company knowledge Life Cycle Assessment Water Footprint Network WBCSD Global Water Tool WRI water stress definition WRI Aqueduct WWF-DEG Water Risk Filter Other: UNEP World Conservation Monitoring Centre, WBCSD self-assessment tool, Nestlé Waters community, The Nestlé Global Property Loss Prevention	i) How the methods selected were integrated to assess risks: We use the Nestlé Combined Water Stress Index to assess water stress at any given location. The index takes an average of results from three leading water-stress indicators (Water Risk Filter, Aqueduct and Water Stress Index). This gives us a risk score, helping to determine the risk associated with reduced water quantity or quality. It also considers possible competition with other local water users. The other methods (LCA, FAO/AQUASTAT and internal knowledge) are used to assess risks and identify opportunities along in our value chain, including agriculture and consumption. ii) These methods were selected as they are internationally recognized methodologies to use in our risk

Method	Please explain how these methods are used in your risk assessment
<p>Programme, Nestlé Water Resources Review, Nestlé Regulatory Affairs network and SWOT analyses, Nestlé Water task Force, Nestlé issue roundtable, Nestlé Farmer Connect network, Nestlé Sustainable Agriculture Initiative, Internal assessments, Relations guidebook, Nestlé Responsible Sourcing Guidelines, Nestlé SHE-PM tracking tool, Responsible Sourcing Audit Program, Nestlé notional price of water, Nestlé Environmental Requirements, Nestlé Environmental Target Setting Programme, Nestlé Sustainability Category Profiles, Nescafé Plan, Nespresso TASQ water, the Nestlé Cocoa Plan, Nestlé stakeholder convenings.</p>	<p>assessment. In particular, we use WFN and FAO/AQUASTAT to estimate average water use for crops and LCA to estimate the environmental performance of our products along the value chain, including their water use. iii) The operational scope of the risk assessment covers the entire value chain of our product including agriculture, manufacturing and consumption.</p>

W2.6

Which of the following contextual issues are always factored into your organization's water risk assessments?

Issues	Choose option	Please explain
Current water availability and quality parameters at a local level	Relevant, included	We systematic track/monitor water quantity and quality at local level through Nestlé Water Resources Review programmes. Long-term supply of water with high quality and sufficient quantity is essential for our factories. To raise awareness at local operational level, identify key issues and risks, and devise action plans for more sustainable water use, our Water Resources Review programme focuses on water quantity/quality; regulatory compliance; site protection; relationships with stakeholders. The method used to assess this issue includes the Nestlé Water Resources Review programmes.
Current water regulatory frameworks and tariffs at a local level	Relevant, included	Our business is based on compliance. The Nestlé Regulatory Affairs team works with a network of regulatory contacts in the markets. They track regulatory changes and estimate future potential regulatory changes on local level. Any changes/potential impacts are shared with Regulatory Affairs at country level. A regulatory database is managed where all relevant regulatory documents are gathered. It is updated as the local situation changes. This is included in all facilities with potential risk. The method used to assess this issue includes the Nestlé Regulatory Affairs network.
Current stakeholder conflicts concerning water resources at a local	Relevant, included	Our activity aims at ensuring good relationship with local stakeholder on water-related topics and develop, community outreach programmes. Systematic tracking/monitoring is done through the Nestlé Issues

Issues	Choose option	Please explain
level		Round Table which meets on a monthly basis. The Water task Force, chaired by José Lopez (EBM member), provides a solid crossfunctional basis for managing water issues including stakeholder conflicts and implementing solutions. The methods used to assess this issue include the Nestlé Water task Force and Nestlé Issues Round Table.
Current implications of water on your key commodities/raw materials	Relevant, included	We work directly with around 695000 farmers. Through our Farmer Connect network, we have delivered water projects in a wide variety of locations, across all continents. Our global programme to support farmers and promote sustainable development – Nestlé Sustainable Agriculture Initiative – enables Nestlé to address some key challenges in water management and irrigation. The methods used to assess this issue include the Nestlé Sustainable Agriculture Initiative and Nestlé Farmer Connect.
Current status of ecosystems and habitats at a local level	Relevant, included	We have developed our understanding of the relationship between factories and biodiversity, and identified factories where we have a dependency/potential impact on important water areas. To know which factories were in high biodiversity/protected areas, we partnered with the UNEP World Conservation Monitoring Centre. The resulting internal database highlights 60 factories with high biodiversity risk, where we will focus our future actions. The method used to assess this issue includes the UNEP World Conservation Monitoring Centre tools to identify high biodiversity/protected areas.
Current river basin management plans	Relevant, included	We include river basin management plans in our assessment. The methods used to assess this issue include the Nestlé Environmental Requirements and internal assessments working with experts. We also proactively engage with stakeholders. For example, at the Kabini River basin Nestlé commissioned an assessment of the current water management. The assessment showed that agriculture is the biggest user of water from the Kabini catchment. The river supplies drinking water to major cities such as Mysore and Bangalore, while the Nestlé Nanjangud factory uses about 0.04% of the water released annually by the Kabini dam. As possible interventions, the assessment suggested: •Conducting pilot projects with paddy rice and sugarcane farmers to test their interest and likelihood of adopting improved growing techniques; •Launching a local policy dialogue, with the Government of Karnataka and experts, and local NGOs to find ways of up-scaling initiatives to catchment scale.
Current access to fully-functioning WASH services for all employees	Relevant, included	We have a public commitment to provide every Nestlé employee with access to safe water, sanitation and hygiene of an appropriate standard at the workplace by 2015. The method used to assess this issue includes the WBCSD WASH self-assessment tool. Adopting and promoting the WBCSD WASH Pledge drives our practical contribution to address the global challenge of providing access to safe water, sanitation and hygiene at the workplace. In 2014, Nestlé launched the pledge across all of our operations and tested the new WBCSD self-assessment tool at representative manufacturing facilities. The tool analyses company facilities and provides guidance on best practices in the workplace. It enables us to score the current status of a site, identify gaps and promote improvements. Overall, our performance against the pledge has been found to be 'very good'. We will use the self-assessment tool in all premises under our control by the end of 2015 and have provided guidance/support tools to our teams.
Estimates of future changes in water availability at a local level	Relevant, included	At local level, a continuous water resource managing system is in place with daily monitoring done by Water Resources Champions or Factory Environmental Officers at each factory. The method used to

Issues	Choose option	Please explain
		assess this issue includes the Nestlé Combined Water Stress Index. We use Nestlé Combined Water Stress Index which estimates current and future physical water availability risks at watershed level for every site. In addition, external risk engineers inspect sites on a regular base to provide guidance on improving standards of prevention/protection for risks related to water availability.
Estimates of future potential regulatory changes at a local level	Relevant, included	Our factories have to complete regulatory survey with potential future regulatory changes at local level, which are carefully assessed at a corporate level. Further regulatory strategies and action plans are established. Regulatory SWOT analyses are conducted in each country on a yearly basis. As part of the 2030 Water Resources Group, the work also provides practical tools to help stakeholders compare the impact, scale, cost, trade-offs and effectiveness of regulatory measures and technologies. The methods used to assess this issue include the Nestlé Regulatory Affairs network and internal regulatory SWOT analyses.
Estimates of future potential stakeholder conflicts at a local level	Relevant, included	The relation of Nestlé with local communities is absolutely essential. Water is a local, shared resource that must be carefully used and preserved by all actors in the community. Nestlé has started implementing our specially developed community relations guidebook at our bottled water production sites. The objective is to provide guidance to factory managers in engaging with local communities, identifying key local stakeholders and their needs and expectations, to build and maintain trust. The method used to assess this issue includes our community relations guidebook.
Estimates of future implications of water on your key commodities/raw materials	Relevant, included	The Sustainable Agriculture Initiative at Nestlé is our global programme to support farmers and promote sustainable development. It focuses on a range of commodities and enables us to address some key challenges in water management and irrigation. Water management plans form an integral part of our Responsible Sourcing Guideline for key commodities, underlining the important role that farmers in water stressed areas play. The methods used to assess this issue include the Sustainable Agriculture Initiative at Nestlé and Nestlé Responsible Sourcing Guidelines.
Estimates of future potential changes in the status of ecosystems and habitats at a local level	Relevant, included	The method used to assess this issue includes the Nestlé Global Property Loss Prevention Program. The Nestlé Global Property Loss Prevention Program provides an in depth identification of our exposure to property risks around the world climate change risks. This enables us to form decisions about the future standards of prevention and protection.
Scenario analysis of availability of sufficient quantity and quality of water relevant for your operations at a local level	Relevant, included	Tools like our Nestlé Combined Water Stress Index and the Global Water Tool from WBCSD are used to rank the different sites, develop action plans and to continuously improve water management.
Scenario analysis of regulatory and/or tariff changes at a local level	Relevant, included	The method used to assess this issue includes the Nestlé notional cost of water and Nestlé SHE-PM tracking tool. We conduct scenario analysis with potential impact regulatory or tariff changes in our operations. We introduced the concept of notional cost to analyze water projects based on estimated water prices ranging from 1 to 5 CHF/m3 depending on the level of water stress index of the factory' location. The Nestlé SHE-PM tracking tool continuously monitors the cost of all purchased water and off-

Issues	Choose option	Please explain
Scenario analysis of stakeholder conflicts concerning water resources at a local level	Relevant, included	site treated water for all plants. The method used to assess this issue includes the Nestlé Water Resources Review programmes. Our Water Resources Review (WRR) programme focuses on five areas: water quantity, water quality; regulatory compliance; site protection; and relationships with other stakeholders. Specific to relationships with other stakeholders, the WRR programme is one activity helping estimate current and future scenario related to relationship with local stakeholders.
Scenario analysis of implications of water on your key commodities/raw materials	Relevant, included	The method used to assess this issue includes the Nestlé Responsible Sourcing Audit Program. Through our Responsible Sourcing Audit Program, Critical Tier 1 suppliers have to fill a Sedex Ethical Assessment Questionnaire which do request information on water management policy, tools and effectiveness. Critical Tier 1 suppliers are all audited using SMETA 4 Pillars ethical standard which assess the way water is being consumed (monitor or not), used (treated or not, efficiency of operations), released to environment (treatment).
Scenario analysis of potential changes in the status of ecosystems and habitats at a local level	Relevant, included	We have developed our understanding of the relationship between factories and biodiversity, and identified factories where we have a dependency/potential impact on important water areas. To know which factories were in high biodiversity/protected areas, we partnered with the UNEP World Conservation Monitoring Centre. The resulting internal database highlights 60 factories with high biodiversity risk, where we will focus our future actions. The method used to assess UNEP World Conservation Monitoring Centre method to identify factories in high biodiversity/protected areas.
Other	Relevant, included	The method used to assess this issue includes the Nestlé Water Resources Review programmes. Our Water Resource Review Studies investigate the impact of our direct operation on local water resources in the area of site protection. We ensure measures to protect the water supply are understood and implemented.

W2.7

Which of the following stakeholders are always factored into your organization's water risk assessments?

Stakeholder	Choose option	Please explain
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Stakeholder	Choose option	Please explain
Customers	Relevant, included	We assess the environmental performance of our products from farm to consumer and beyond, including the water footprint. The water used by consumers to prepare or consume our products is factored in when assessing the hotspots of our products. Using product packaging and the internet, we are reaching out to consumers, providing them with meaningful and accurate environmental information about how simple changes in behaviour can reduce water use when preparing our products. For example, while consuming Maggi Healthy Soups we recommend that consumers: <ul style="list-style-type: none"> •Use only as much water as they need to prepare the soup; •Wash dishes in a water-efficient way; and •Avoid food waste. The method used to assess this issue includes Life Cycle assessment and Nestlé LCA communication tool.
Employees	Relevant, included	We strive to continually improve our water performance through training of employees and raising awareness. We have Nestlé W.A.T.E.R commitments in place, where one point is to actively engage employees, communities and consumers in the water imperative. In addition, water is one of the Nestlé corporate business principles. In January 2014, we launched a new training programme about the importance of water with our Corporate Human Resources Team called We Make Nestlé Caring and We Make Nestlé Resourceful, which taught more than 200 participants about how water is a critical factor for human prosperity and how water availability can affect our value chain. The course also encourages participants to contribute towards water conservation. Course content is made available to all Nestlé employees through our intranet pages. The method used to assess this issue includes Nestlé corporate business principles and awareness training session and education to employees.
Investors	Relevant, included	We report water risks and responses in our Nestlé integrated annual pack that is sent to shareholders. We also have meeting/conference calls with investors that might have some specific questions on water issues. The method used to assess this issue includes the Nestlé integrated annual pack.
Local communities	Relevant, included	We want to create shared value for our business and for society. The wellbeing of rural communities, farmers, small entrepreneurs, suppliers is intrinsic to our success. Our activities support rural development, and at the same time strengthen our supply chain. We seek to raise awareness of water access and conservation in communities. At the end of 2014, almost 400 000 beneficiaries in local communities had access to water, sanitation and hygiene projects around our manufacturing facilities and in Farmer Connect areas, including 196 546 people in Côte d'Ivoire's cocoa communities. The method used to assess this issue includes Nestlé Farmer Connect.
NGOs	Relevant, included	We conduct yearly materiality analysis based on level of stakeholder concern and level of potential impact on Nestlé along with the stakeholder convenings. We develop sustainable, technologically adapted community water management schemes, jointly with expert partners from NGOs. We deliver water, sanitation and hygiene projects in schools and villages near our operations around the world. We provide access to water and sanitation for over 400000 people. The method used to assess this issue includes Nestlé stakeholder convenings.
Other water users at a local level	Relevant, included	The Water Resource Reviews help our people to gain a greater understanding/sense of ownership about water challenges in their locality. They also enabled us to identify 5 high priority areas within operations where water stewardship initiatives are needed, to reduce water related risks and strengthen stakeholder perception of our local contribution. Our Water Resource Reviews assess potential impacts on the right to water and sanitation of local communities and propose corrective action. The method used to assess this issue includes the Nestlé Water Resources Review programmes.

Stakeholder	Choose option	Please explain
Regulators	Relevant, included	We continue to maintain a strong presence at multistakeholder initiatives on water policy and challenges, seeking new shared solutions and promoting collective action on water efficiency. Many of our most senior people, including our Chairman, play a leading role in the 2030 Water Resources Group, which is currently chaired by Nestlé. It helps to strengthen expert capabilities across the world and raises the priority of water on national political agendas. The methods used to assess this issue include the Nestlé Regulatory Affairs network and internal regulatory SWOT analyses.
River basin management authorities	Relevant, included	We engage with river basin management authorities in the countries where we operate. For example, at the Kabini River Basin, India, we are launching in the next two year a local policy dialogue, with the Government of Karnataka and experts such as the Alliance for Water Stewardship, Water Resources Group, and local NGOs to find ways of up-scaling initiatives to catchment scale. As part of our Intelligent water management project in Colombia, we are partnering with the Dutch Ministry of Foreign Affairs, the Colombian Federation of Coffee Growers, the Wageningen University and the Ministry of Rural Development to implement water stewardship actions, with an overall budget of EUR 20.5 million (CHF 24.6) over five years (2014–2018). The method used to assess this issue includes the Nestlé Water Resources Review programmes.
Statutory special interest groups at a local level	Relevant, included	Around the world, we engage at a local level in many ways to raise awareness on water conservation and improve community access to water and sanitation. It can involve investment in infrastructure, educational initiatives or simply providing bottled water during a time of crisis. To promote positive collective action, it is vital to ensure our initiatives are suited to the community and the water catchment they will support. For instance, in Pakistan as a part of a Community Engagement Programme and to support local communities, Nestlé Pakistan set up seven clean drinking water facilities in our operational areas. Located in Muzaffargarh, Kot Addu, Khanewal, Kabirwala and Sheikhpura (including Bhatti Dhilwan), these facilities provide clean drinking water to approximately 35 000 people every day. The methods used to assess this issue include the Nestlé Environmental Requirements and internal assessments.
Suppliers	Relevant, included	Through our entire supply chain, we are committed to engage with suppliers to promote water conservation practices. Our current water management strategy is embedded in a number of agricultural and operational sustainability programs, like the Nescafé Plan, Nespresso TASQ water, the Nestlé Cocoa Plan, Nestlé Sustainable Agriculture Initiatives and various local water initiatives. The methods used to assess this issue include Nescafé Plan, Nespresso TASQ water, the Nestlé Cocoa Plan, Nestlé Sustainable Agriculture Initiatives.
Water utilities/suppliers at a local level	Relevant, included	Our Nestlé Environmental Target Setting Programme, designed to further optimise energy and water consumption. Water experts together with water suppliers go on-site to identify further improvement opportunities. In 2014, we identified 550 projects expected to deliver energy savings of about 1.4 million GJ and 2 million m3 of water. The methods used to assess this issue include Nestlé Environmental Target Setting Programme.
Other	Relevant, included	Depending on a case, we also engage with other relevant stakeholders related to water. For example, we engage with scientists, water experts e.g World Resource Institute. The methods used to assess this issue include Nestlé engagement programmes.

W2.8

Please choose the option that best explains why your organisation does not undertake a water-related risk assessment

Primary reason	Please explain
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Further Information

Further information for W2.7 - Suppliers We have programmes in place to provide incentives to suppliers of agriculture raw materials which apply better environmental practices, including the introduction of water efficient technologies. Our “Environmental Sustainability on Dairy Countryside Programme” is a pioneering initiative in Chile’s dairy sector, incorporating high environmental standards into its processes and paying a bonus to dairy producers who comply with it. Similar initiatives are rolled out in other dairy districts, such as in Mexico.

Module: Implications

Page: W3. Water Risks

W3.1

Is your organization exposed to water risks, either current and/or future, that could generate a substantive change in your business, operations, revenue or expenditure?

Yes, direct operations and supply chain

W3.2

Please provide details as to how your organization defines substantive change in your business, operations, revenue or expenditure from water risk

- i) We define a substantive change by the potential impact it has on the business based on our assessment of the materiality and priority. An exceptional opportunity would improve and enhance Nestlé's global image, reputation, credibility, or have a longstanding positive impact on labour union, governmental, investor, customer activities. A major threat would have the opposite (negative) impacts. These assessments are performed together with the update of the Market & Business Strategies, every 2-3 years in the markets. If deemed necessary, the markets will also review their risk assessment in between e.g. once per year.
- ii) The measure(s), metric(s) or indicator(s) used in the definition of substantive change: Nestlé determines potential impact to the business with regards to water risks based on the assessment of the materiality and priority based on combined analysis of likelihood and impact. Likelihood has six levels: almost certain, highly probable, probable, fairly likely, unlikely, almost impossible, coded as A, B, C, D, E, F. Four impact ranges are defined: major, significant, moderate, negligible, coded as 4, 3, 2, 1. In addition to threats (negative impact/contribution), we also analyse the impact of opportunities (positive impact/contribution). With assessment of likelihood and impact, all threats and opportunities are coded, like (C, 3).
- iii) The threshold or amount of change in the metric/measure/indicator which indicates substantive change: A likelihood/impact matrix (with both threats and opportunities) determines the different levels of priorities the company will take to mitigate risks and enhance the opportunities, including climate change. For example, all the risks coded (A,2), (A,3), (B,3), (C,3), (A,4), (B,4), (C,4), (D,4) are categorized as top priorities (high exposure) which are reported and concrete action plans to mitigate these threats must be in place.
- iv) The definition applies for both our direct operations and our supply chain. In addition, for our operations, we identified the facilities located in High Priority Manufacturing. This selected facilities resulted from an assessment of water stress ranking combined with the water withdrawals for each factory, to produce a list of selected factories that represent the combination of biggest risk (location) and biggest impact (withdrawal volume).

W3.2a

Please provide the number of facilities* per river basin exposed to water risks that could generate a substantive change in your business, operations, revenue or expenditure and the proportion of total operations this represents

Country	River basin	Number of facilities	Proportion of total operations exposed to risk within river basin (%)	Comment
Chile	Other: Maipo	1	Less than 1%	This factory is part of a group of high priority manufacturing facilities that are located in areas of severe water stress and/or represent a significant portion of our annual water withdrawals. The list is dynamic and updated every year. This group of factories is monitored by our Operational Water Task Force (OWTF). The OWTF is a corporate group which meets on a monthly basis and helps our corporate functions and markets to execute Nestlé's water commitments. It monitors progress by reviewing performance data and identifying corrective

Country	River basin	Number of facilities	Proportion of total operations exposed to risk within river basin (%)	Comment
				actions with appropriate parties.
China	Other: Fujian	1	1-5	This factory is part of a group of high priority manufacturing facilities that are located in areas of severe water stress and/or represent a significant portion of our annual water withdrawals. The list is dynamic and updated every year. This group of factories is monitored by our Operational Water Task Force (OWTF). The OWTF is a corporate group which meets on a monthly basis and helps our corporate functions and markets to execute Nestlé's water commitments. It monitors progress by reviewing performance data and identifying corrective actions with appropriate parties.
China	Other: Huaihe River	1	Less than 1%	This factory is part of a group of high priority manufacturing facilities that are located in areas of severe water stress and/or represent a significant portion of our annual water withdrawals. The list is dynamic and updated every year. This group of factories is monitored by our Operational Water Task Force (OWTF). The OWTF is a corporate group which meets on a monthly basis and helps our corporate functions and markets to execute Nestlé's water commitments. It monitors progress by reviewing performance data and identifying corrective actions with appropriate parties.
China	Huang He (Yellow River)	1	Less than 1%	This factory is part of a group of high priority manufacturing facilities that are located in areas of severe water stress and/or represent a significant portion of our annual water withdrawals. The list is dynamic and updated every year. This group of factories is monitored by our Operational Water Task Force (OWTF). The OWTF is a corporate group which meets on a monthly basis and helps our corporate functions and markets to execute Nestlé's water commitments. It monitors progress by reviewing performance data and identifying corrective actions with appropriate parties.
China	Yangtze River (Chang Jiang)	1	1-5	This factory is part of a group of high priority manufacturing facilities that are located in areas of severe water stress and/or represent a significant portion of our annual water withdrawals. The list is dynamic and updated every year. This group of factories is monitored by our Operational Water Task Force (OWTF). The OWTF is a corporate group which meets on a monthly basis and helps our corporate functions and markets to execute Nestlé's water commitments. It monitors progress by reviewing performance data and identifying corrective actions with appropriate parties.
France	Rhine	1	1-5	This factory is part of a group of high priority manufacturing facilities that are located in areas of severe water stress and/or represent a significant portion of our annual water withdrawals. The list is dynamic and updated every year. This group of factories is monitored by our Operational Water Task Force (OWTF). The OWTF is a corporate group which meets on a monthly basis and helps our corporate functions and markets to execute Nestlé's water

Country	River basin	Number of facilities	Proportion of total operations exposed to risk within river basin (%)	Comment
				commitments. It monitors progress by reviewing performance data and identifying corrective actions with appropriate parties.
France	Rhone	1	1-5	This factory is part of a group of high priority manufacturing facilities that are located in areas of severe water stress and/or represent a significant portion of our annual water withdrawals. The list is dynamic and updated every year. This group of factories is monitored by our Operational Water Task Force (OWTF). The OWTF is a corporate group which meets on a monthly basis and helps our corporate functions and markets to execute Nestlé's water commitments. It monitors progress by reviewing performance data and identifying corrective actions with appropriate parties.
India	Cauvery River	1	Less than 1%	This factory is part of a group of high priority manufacturing facilities that are located in areas of severe water stress and/or represent a significant portion of our annual water withdrawals. The list is dynamic and updated every year. This group of factories is monitored by our Operational Water Task Force (OWTF). The OWTF is a corporate group which meets on a monthly basis and helps our corporate functions and markets to execute Nestlé's water commitments. It monitors progress by reviewing performance data and identifying corrective actions with appropriate parties.
India	Indus	1	Less than 1%	This factory is part of a group of high priority manufacturing facilities that are located in areas of severe water stress and/or represent a significant portion of our annual water withdrawals. The list is dynamic and updated every year. This group of factories is monitored by our Operational Water Task Force (OWTF). The OWTF is a corporate group which meets on a monthly basis and helps our corporate functions and markets to execute Nestlé's water commitments. It monitors progress by reviewing performance data and identifying corrective actions with appropriate parties.
Indonesia	Brantas	1	Less than 1%	This factory is part of a group of high priority manufacturing facilities that are located in areas of severe water stress and/or represent a significant portion of our annual water withdrawals. The list is dynamic and updated every year. This group of factories is monitored by our Operational Water Task Force (OWTF). The OWTF is a corporate group which meets on a monthly basis and helps our corporate functions and markets to execute Nestlé's water commitments. It monitors progress by reviewing performance data and identifying corrective actions with appropriate parties.
Mexico	Santiago	2	Less than 1%	This factory is part of a group of high priority manufacturing facilities that are located in areas of severe water stress and/or represent a significant portion of our annual water withdrawals. The list is dynamic and updated every year. This group of factories is monitored by our Operational Water Task Force (OWTF). The OWTF is a corporate group which meets on a

Country	River basin	Number of facilities	Proportion of total operations exposed to risk within river basin (%)	Comment
				monthly basis and helps our corporate functions and markets to execute Nestlé's water commitments. It monitors progress by reviewing performance data and identifying corrective actions with appropriate parties.
Pakistan	Indus	2	1-5	This factory is part of a group of high priority manufacturing facilities that are located in areas of severe water stress and/or represent a significant portion of our annual water withdrawals. The list is dynamic and updated every year. This group of factories is monitored by our Operational Water Task Force (OWTF). The OWTF is a corporate group which meets on a monthly basis and helps our corporate functions and markets to execute Nestlé's water commitments. It monitors progress by reviewing performance data and identifying corrective actions with appropriate parties.
Saudi Arabia	Other: Dammam	1	Less than 1%	This factory is part of a group of high priority manufacturing facilities that are located in areas of severe water stress and/or represent a significant portion of our annual water withdrawals. The list is dynamic and updated every year. This group of factories is monitored by our Operational Water Task Force (OWTF). The OWTF is a corporate group which meets on a monthly basis and helps our corporate functions and markets to execute Nestlé's water commitments. It monitors progress by reviewing performance data and identifying corrective actions with appropriate parties.
Saudi Arabia	Other: Wadi Hanita	1	1-5	This factory is part of a group of high priority manufacturing facilities that are located in areas of severe water stress and/or represent a significant portion of our annual water withdrawals. The list is dynamic and updated every year. This group of factories is monitored by our Operational Water Task Force (OWTF). The OWTF is a corporate group which meets on a monthly basis and helps our corporate functions and markets to execute Nestlé's water commitments. It monitors progress by reviewing performance data and identifying corrective actions with appropriate parties.
Spain	Other: Norte	1	Less than 1%	This factory is part of a group of high priority manufacturing facilities that are located in areas of severe water stress and/or represent a significant portion of our annual water withdrawals. The list is dynamic and updated every year. This group of factories is monitored by our Operational Water Task Force (OWTF). The OWTF is a corporate group which meets on a monthly basis and helps our corporate functions and markets to execute Nestlé's water commitments. It monitors progress by reviewing performance data and identifying corrective actions with appropriate parties.
Switzerland	Rhone	1	Less than 1%	This factory is part of a group of high priority manufacturing facilities that are located in areas of severe water stress and/or represent a significant portion of our annual water withdrawals. The list is dynamic and updated every year. This group of factories is monitored by our

Country	River basin	Number of facilities	Proportion of total operations exposed to risk within river basin (%)	Comment
				Operational Water Task Force (OWTF). The OWTF is a corporate group which meets on a monthly basis and helps our corporate functions and markets to execute Nestlé's water commitments. It monitors progress by reviewing performance data and identifying corrective actions with appropriate parties.
Turkey	Other: Susurluk	1	1-5	This factory is part of a group of high priority manufacturing facilities that are located in areas of severe water stress and/or represent a significant portion of our annual water withdrawals. The list is dynamic and updated every year. This group of factories is monitored by our Operational Water Task Force (OWTF). The OWTF is a corporate group which meets on a monthly basis and helps our corporate functions and markets to execute Nestlé's water commitments. It monitors progress by reviewing performance data and identifying corrective actions with appropriate parties.
United Kingdom	Thames	1	Less than 1%	This factory is part of a group of high priority manufacturing facilities that are located in areas of severe water stress and/or represent a significant portion of our annual water withdrawals. The list is dynamic and updated every year. This group of factories is monitored by our Operational Water Task Force (OWTF). The OWTF is a corporate group which meets on a monthly basis and helps our corporate functions and markets to execute Nestlé's water commitments. It monitors progress by reviewing performance data and identifying corrective actions with appropriate parties.
United States of America	Other: California - Santa Ana	1	Less than 1%	This factory is part of a group of high priority manufacturing facilities that are located in areas of severe water stress and/or represent a significant portion of our annual water withdrawals. The list is dynamic and updated every year. This group of factories is monitored by our Operational Water Task Force (OWTF). The OWTF is a corporate group which meets on a monthly basis and helps our corporate functions and markets to execute Nestlé's water commitments. It monitors progress by reviewing performance data and identifying corrective actions with appropriate parties.
United States of America	Other: California - Tulare	1	1-5	This factory is part of a group of high priority manufacturing facilities that are located in areas of severe water stress and/or represent a significant portion of our annual water withdrawals. The list is dynamic and updated every year. This group of factories is monitored by our Operational Water Task Force (OWTF). The OWTF is a corporate group which meets on a monthly basis and helps our corporate functions and markets to execute Nestlé's water commitments. It monitors progress by reviewing performance data and identifying corrective actions with appropriate parties.
United States of America	Delaware River	2	1-5	This factory is part of a group of high priority manufacturing facilities that are located in areas of severe water stress and/or represent a significant portion of our annual water withdrawals.

Country	River basin	Number of facilities	Proportion of total operations exposed to risk within river basin (%)	Comment
				The list is dynamic and updated every year. This group of factories is monitored by our Operational Water Task Force (OWTF). The OWTF is a corporate group which meets on a monthly basis and helps our corporate functions and markets to execute Nestlé's water commitments. It monitors progress by reviewing performance data and identifying corrective actions with appropriate parties.
United States of America	Other: Hillsborough	1	1-5	This factory is part of a group of high priority manufacturing facilities that are located in areas of severe water stress and/or represent a significant portion of our annual water withdrawals. The list is dynamic and updated every year. This group of factories is monitored by our Operational Water Task Force (OWTF). The OWTF is a corporate group which meets on a monthly basis and helps our corporate functions and markets to execute Nestlé's water commitments. It monitors progress by reviewing performance data and identifying corrective actions with appropriate parties.
United States of America	Other: Jordan River	1	Less than 1%	This factory is part of a group of high priority manufacturing facilities that are located in areas of severe water stress and/or represent a significant portion of our annual water withdrawals. The list is dynamic and updated every year. This group of factories is monitored by our Operational Water Task Force (OWTF). The OWTF is a corporate group which meets on a monthly basis and helps our corporate functions and markets to execute Nestlé's water commitments. It monitors progress by reviewing performance data and identifying corrective actions with appropriate parties.
United States of America	Mississippi River	1	1-5	This factory is part of a group of high priority manufacturing facilities that are located in areas of severe water stress and/or represent a significant portion of our annual water withdrawals. The list is dynamic and updated every year. This group of factories is monitored by our Operational Water Task Force (OWTF). The OWTF is a corporate group which meets on a monthly basis and helps our corporate functions and markets to execute Nestlé's water commitments. It monitors progress by reviewing performance data and identifying corrective actions with appropriate parties.
United States of America	Trinity River (Texas)	1	1-5	This factory is part of a group of high priority manufacturing facilities that are located in areas of severe water stress and/or represent a significant portion of our annual water withdrawals. The list is dynamic and updated every year. This group of factories is monitored by our Operational Water Task Force (OWTF). The OWTF is a corporate group which meets on a monthly basis and helps our corporate functions and markets to execute Nestlé's water commitments. It monitors progress by reviewing performance data and identifying corrective actions with appropriate parties.

W3.2b

Please provide the proportion of financial value that could be affected at river basin level associated with the facilities listed in W3.2a

Country	River basin	Financial reporting metric	Proportion of chosen metric that could be affected within the river basin	Comment
Chile	Other: Maipo	% global production volume	Less than 1%	
China	Other: Fujian	% global production volume	1-5	
China	Other: Huaihe River	% global production volume	Less than 1%	
China	Huang He (Yellow River)	% global production volume	Less than 1%	
China	Yangtze River (Chang Jiang)	% global production volume	1-5	
France	Rhine	% global production volume	1-5	
France	Rhone	% global production volume	1-5	
India	Cauvery River	% global production volume	Less than 1%	
India	Indus	% global production volume	Less than 1%	
Indonesia	Brantas	% global production volume	Less than 1%	
Mexico	Santiago	% global production volume	Less than 1%	
Pakistan	Indus	% global production volume	1-5	
Saudi Arabia	Other: Dammam	% global production volume	Less than 1%	
Saudi Arabia	Other: Wadi Hanita	% global production volume	1-5	
Spain	Other: Norte	% global production volume	Less than 1%	
Switzerland	Rhone	% global production volume	Less than 1%	
Turkey	Other: Susurluk	% global production volume	1-5	
United Kingdom	Thames	% global production volume	Less than 1%	
United States of America	Other: California - Santa Ana	% global production volume	Less than 1%	
United States of America	Other: California - Tulare	% global production volume	1-5	
United States of America	Delaware River	% global production volume	1-5	
United States of America	Other: Hillsborough	% global production volume	1-5	
United States of America	Other: Jordan River	% global production volume	Less than 1%	
United States of America	Mississippi River	% global production volume	1-5	
United States of America	Trinity River (Texas)	% global production volume	1-5	

W3.2c

Please list the inherent water risks that could generate a substantive change in your business, operations, revenue or expenditure, the potential impact to your direct operations and the strategies to mitigate them

Country	River basin	Risk driver	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
United States of America	Other: California - Tulare	Physical-Drought Reputational-Negative media coverage	Water supply disruption	California is experiencing an unprecedented four-year drought, which has forced the Governor to call for mandatory water reductions of 25% in cities and towns across the state. Certain water users, like the bottled water industry (including Nestlé Waters), have been publicly criticized for continuing to	Current-up to 1 year	Probable	High	Engagement with community Engagement with public policy makers Infrastructure investment Increased capital expenditure Increased investment in new technology	The cost of increased investment in new technology amount to USD 7 million. This cost includes the transformation of the Nestlé USA milk factory in California into a 'zero water' factory, meaning the plant will not use any local freshwater resources for its operations.	Nestlé is accelerating its water stewardship programme in California, by focusing on investments to optimize water use in the factories and engagement with external stakeholders. For example, work is underway to transform the Nestlé USA milk factory in the city of Modesto into a 'zero water' factory, meaning the plant will not

Country	River basin	Risk driver	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
				use water during the drought. Nestlé operates nine factories overall in California and employs 7000 people. Nestlé Waters only runs 5 of the over 100 bottled water factories in the state. The state of California uses nearly 50 billion cubic metres (13 trillion gallons) of water a year, of which Nestlé's nine plants use less than 4 million cubic metres (1 billion gallons) – this is less than 0,008% of the total. Using water for bottled water						use any local freshwater resources for its operations. The project should save nearly 63 million gallons (238,000 cubic metres) of water each year, equivalent to 71% of absolute withdrawals in 2014. Around \$7 million has been invested in the project which is due to be completed by the end of 2016. At the Nestlé USA factories in Bakersfield and Tulare savings of more than 26 million gallons (100,000 cubic metres) of water each year have been identified, potentially reducing the plants' absolute annual

Country	River basin	Risk driver	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
				<p>is not a waste of water as people need to drink water. Moreover closing our bottled water operations won't fix the drought. Nestlé will continue to build on the progress we have made to ensure our factories in California are best-in-class for water efficiency within their product categories. • The impact in California is expected to last more than 5 years.</p>						<p>withdrawals by 12% compared to 2014 levels. And planned investments this year in conservation measures to reduce the amount of water used in Nestlé Waters' bottling plants in California are projected to save 55 million gallons of water (208,000 cubic metres) a year, a reduction of nearly 8% compared to 2014 levels. Going further, we are focused on how to adapt our bottling and our manufacturing operations, and our supply chain, to make them more resilient and more resistant</p>

Country	River basin	Risk driver	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
										to drought conditions. We will test innovative solutions, prove they are efficient and effective and will share what we learn with others. The World Resources Institute is helping Nestlé to better understand water risks to the company's food and bottled water manufacturing operations in their localities and to identify water stewardship opportunities. Work is also underway to implement the Alliance for Water Stewardship (AWS)

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										international standard in each of Nestlé's nine California factories, within two years. The standard is a set of rigorous criteria for how water should be managed in a way that is environmentally, socially, and economically beneficial.
Cameroon	Other: Douala Basin	Physical-Declining water quality	Employee health and well-being	In 2014, we completed a Water Resources Review (WRR) at our Douala factory in Cameroon where we produce Maggi soup bases. We used the WBCSD WASH self-assessment tool to examine access to	4-6 years	Probable	Low-medium	Engagement with community Other: establishing adequate water and sanitation facilities	The cost of the response strategy is estimated to CHF 475k which includes a wastewater drainage project to help reduce the risk of flooding and improve the local environment for communities.	We have developed an action plan to tackle the few improvement issues highlighted by our assessment. The assessment demonstrated the importance of establishing adequate water and sanitation facilities for more than 500

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				<p>water, sanitation and hygiene for more than 500 employees, vendors and visitors to the site. It included self-assessment interviews and a tour inside the factory sites focusing on categories such as workplace water supply, workplace sanitation and workplace hygiene. WASH concerns and in particular water quality has an impact on the well being of our employees and thus on our operations. This risk is therefore assessed and</p>						<p>workers on site and in providing safe and clean drinking water at two water fountains. Communities as far as two to three kilometres away also benefit from free access to water fountains on site during set hours, resulting in around 5000 litres of water being collected by local residents every day. Feedback from the assessment will be used as a guide for other Nestlé Cameroon sites, such as our distribution centres and head office. Working together with the Local Authority, a new</p>

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				addressed by our management. The impact is expected to last approx. between 2-4 years.						CHF 474 905 wastewater drainage project is planned to help reduce the risk of flooding and improve the local environment for communities.
South Africa	Other: Western Cape basin	Physical-Increased water stress	Higher operating costs	Climatic variation leading to reduced rain and increasing demand for water by other users (e.g. human consumption), can potentially lead to restrictions on water use; however industries have been exempted for now. During a drought period in 2009, Nestlé Mossel Bay factory was obliged to	Current-up to 1 year	Probable	Medium	Increased investment in new technology Other: Technology investment & Engagement with farmers, public policy, employee training.	The cost of the response strategy is estimated to CHF 6 million which includes the investment to implementing Nestlé's ZerEau water withdrawal initiative in Mossel Bay.	We are active at different levels within the country; engaging with government authorities through a public-private partnership, called the 'Strategic Water Partners Network', chairing the working group on water use efficiency; while at a local level, our Mossel Bay factory is implementing Nestlé's ZerEau

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				drastically reduce its water consumption. Luckily, production was not affected but this pushed the factory to optimise their water usage. A similar drought period could occur in the future. The impact is expected to last more than one year.						water withdrawal initiative, seeking to achieve almost zero municipal water use for factory processes. In our local milk supply chain, we are active in promoting smarter water monitoring and management techniques to help protect the local water catchment from over-use. We have worked with leading NGO, Conservation South Africa, to produce The Sustainable Dairy Handbook, a guideline to help dairy farmers implement best practices in

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										sustainable agriculture and resource conservation.
Pakistan	Indus	Physical-Increased water stress	Brand damage	In Sheikhpura in Pakistan, in 2014, we received a high level of public interest around our water bottling plant. Stakeholders raised their concern through a social media campaign around the potential impact of our water withdrawals on local water tables in the Bhati Dilwan region. Nestlé believes unreservedly that access to water is a basic human	Current-up to 1 year	Probable	Medium	Engagement with community Engagement with other stakeholders in the river basin Engagement with suppliers Establish site-specific targets Infrastructure investment Other: Implement Alliance for Water Stewardship standard	Medium	To address stakeholders concerns, we launched a water stewardship review to determine the scientific basis of the allegations, and to increase our understanding of the local water catchment and the communities that use it. To inform the review, we commissioned a hydrological study by independent local experts to update available data and information. The study indicated that

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				right: all people have the right to clean water to meet their hydration and basic hygiene needs. The impact is expected to last more than one year.						groundwater is depleting at a rate (0.035 m/year) which does not depict any remarkable threat to groundwater sustainability in the study area. It has found that the vast majority of groundwater in Punjab is used for agriculture purposes (over 90%), often without any control. The survey also confirmed that annual groundwater pumping by Nestle is a minor amount (about 1%) of the total groundwater being pumped in the area and in the study area. Nestle pumps

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										<p>groundwater under continuous monitoring which ensures the potential of the aquifer is maintained. We were pleased to reassure our stakeholders that our Sheikhpura water bottling plant is not impacting groundwater levels in the Bhati Dilwan region.</p> <p>However, during the review, we also determined opportunities to improve our water use efficiency, our stakeholder engagement and access to water and sanitation for the communities around our facility. We</p>

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										found that drinking water fountains had been installed for the local community, but not in the villages closest to our factory. The situation was immediately addressed by installing one additional drinking water fountain, bringing the total to seven water fountains for 35 000 beneficiaries in the Sheikhpura region. To underline our public commitment to water efficiency, our employees have instigated additional water-saving activities at the site.

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Mexico	Other: Cuenca Lerma-Santiago Pacifico	Reputational-Litigation	Higher operating costs	Changes in regulation can result in litigation in some factories. Extra fees will need to be paid to get water allowances that will allow increasing the production volume in the factories. This represents a risk as this could limit possible expansion of production. The potential business impact is an increase in operational cost estimated in MXP 70 million, representing the value of Guarantee quotas every two years. The impact is	1-3 years	Probable	Medium	Water management incentives	Low- medium	Legal, SHE and Engineering Corp are developing an internal Market plan / strategy to deliver volumes of water licensed by the Authority (CONAGUA) ensuring production volumes in factories. We have started the process in Lagos de Moreno, Jalisco. This will prevent/reduce the cost of guarantee fees.

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				expected to last more than 3 years.						
Mexico	Other: Cuenca Frontera Sur	Physical-Declining water quality	Higher operating costs	Mexico has growing over exploitation of aquifers, pollution of surface and groundwater, poor quality of drinking water and high flood vulnerability of different population. In Chiapas quality of surface water is declining, resulting in higher production cost as clean water needs to be purchased to avoid disruption in production. This cost can be up to 3x the normal cost of water. The impact is	Current-up to 1 year	Probable	Medium-high	Increased investment in new technology	Medium	We have invested in the water purification treatment facilities of our factory which are compliance with the parameters.

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				expected to last more than 3 years.						
Mexico	Other: Cuenca Lerma-Santiago Pacifico	Physical-Projected water scarcity	Other: Constraint to future growth	The amount of water available in the zone does not allow additional volumes in the water concession (Toluca). This might affect the possibility of growing and cause problems to maintain the production rate. The impact is expected to last more than 3 years.	1-3 years	Probable	High	Increased investment in new technology	Medium	We will implement some projects to save water. Specifically a project with more than 50% reduction in consumption of water, it will be implemented in 2016 – 2017.
Mexico	Other: Cuenca Frontera Sur	Regulatory-Regulation of discharge quality/volumes leading to higher compliance costs	Other: Higher compliance costs	High waste water treatment costs and future stronger regulations can lead to higher compliance cost. In Chiapa	1-3 years	Probable	Low-medium	Infrastructure investment	Medium	We will upgrade the WWTP during 2016-2017 in order to increase production / internal (NER) and external compliance.

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				de Corzo Factory, the capacity of the WWTP is exceeded. Plans to increase the capacity of the WWTP are in place. The impact is expected to last more than 3 years.						
Spain	Other: Norte river basin	Other: Governmental restriction to withdraw water	Other: Production disruption	Due to low flow of surface water in certain periods of the year, the government put some restrictions to withdraw water. This can affect the production in our factory in La Penilla. The impact is expected to last approx. between 1-3 years.	1-3 years	Unlikely	Medium	Increased capital expenditure	Medium	Nestlé's confectionery factory at La Penilla in northern Spain draws its water from the nearby river Pisueña. As part of our commitment to water stewardship, we have invested CHF 1.2 million and reduced water use per tonne of product by 60% in less than 12 months. It has been

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										<p>achieved without increasing energy consumption at the factory or greenhouse gas emissions. We have modified the regulation of water flow through our milk evaporators and it now uses 1 million m³ less water every year, the equivalent of 400 Olympic swimming pools. The factory has installed three new cooling towers with a more efficient closed refrigeration loop system that recycles water, which delivered a 25% reduction in water use during the first half of 2013. In</p>

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										2014, a 30% additional reduction had been achieved.
South Africa	Other: Western Cape basin	Physical-Inadequate infrastructure	Higher operating costs	Municipal water treatment facilities not operated adequately and failing infrastructure in some regions, lead to declining water quality and increased costs for additional treatment of water. The impact is expected to last more than 3 years.	Current-up to 1 year	Probable	Low-medium	Engagement with public policy makers	CHF 8258	The Strategic Water Partners Network – South Africa, is a partnership between the Government’s Department of Water Affairs and 2030 WRG, helping to close the water supply and demand gap. Nestlé South Africa is leading the Water Use
Mexico	Santiago	Physical-Drought Physical-Increased water scarcity	Water supply disruption	Over the past 60 years, the amount of water available for each person in Mexico has declined drastically due	1-3 years	Probable	Medium	Establish site-specific targets Infrastructure investment Increased capital expenditure Increased	The cost of transforming our milk powder factory in the water-stressed state of Jalisco into a zero water	Nestlé has expanded its dairy factory in Jalisco, Mexico, transforming it into the company’s first ‘zero water’ manufacturing

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				to population growth. This has an impact on Nestlé operations in Jalisco through increasing water scarcity and pressure to reduce the water consumption of Nestlé's factories. The impact is expected to last approx. between 1-3 years.				investment in new technology Promote best practice and awareness	withdrawals site is CHF 9.33 million.	site in the world. The company has installed new processes and equipment at the 'Cero Agua' factory, located in the central, water-stressed state of Jalisco, which will enable it to use recycled water from its dairy operations. Water is extracted from cow's milk and treated to allow for its use as process water. The resulting effluent water is treated again and used for cooling and cleaning. The amount of groundwater that the Cero Agua dairy saves each day, around 1.6 million litres, will

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										amount to roughly 15% of the total water used by Nestlé in Mexico each year in its factories, operations and offices. The water resource savings are equivalent to the volume needed per day to fill an Olympic-size swimming pool, or enough water to meet the average daily consumption of 6,400 people in Mexico. Nestlé has won the Corporate Water Stewardship award at the 2015 Global Water Awards for technology that allows a Mexican dairy factory to operate without

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										using any local groundwater. The company won the award, voted on by audience members at the Global Water Summit in Athens and online members of the 2030 Water Resources Group, for its 'ZerEau' water initiative, piloted at its 'Cero Agua' factory in Mexico's water-scarce Jalisco state.
India	Other: Kabini river basin	Physical-Increased water stress	Water supply disruption	The Kabini river originates in the south-western Indian State of Kerala, then flows north-east through the state of Karnataka, where our Nestlé	1-3 years	Probable	High	Engagement with community Engagement with public policy makers Increased investment in new technology Promote	Medium	Nestlé commissioned a study to: <ul style="list-style-type: none"> • Increase understanding of the current water management, allocation and water scarcity; • Explore options to improve

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				<p>Nanjangud factory is located. The river catchment is 7 000 km², where 46% of its surface is agricultural land (325 000 ha), and home to 2.7 million people. In recent years, water demand has been increasing within the catchment, resulting in episodes of insufficient water supply. Agriculture is the biggest user of water from the Kabini catchment, using 85% of the Kabini river water for irrigation purposes. The river supplies</p>				best practice and awareness		<p>water security and identify specific interventions; • Establish interventions that are applicable and acceptable to local stakeholders; and • Support a policy dialogue to upscale appropriate interventions. As possible interventions, the study suggested: • Conducting pilot projects with paddy rice and sugarcane farmers to test their interest and likelihood of adopting improved growing techniques for water-intensive crops; and • Launching a local policy</p>

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				drinking water to major cities such as Mysore and Bangalore, while the Nestlé Nanjangud factory uses about 0.04% of the water released annually by the Kabini dam, located upstream. The impact is expected to last approx. between 1 -3 years.						dialogue, with the Government of Karnataka and experts such as the Alliance for Water Stewardship, Water Resources Group, and local NGOs to find ways of up-scaling initiatives to catchment scale. Over the next two years, Nestlé will implement pilot projects and engage in policy dialogue.

W3.2d

Please list the inherent water risks that could generate a substantive change in your business operations, revenue or expenditure, the potential impact to your supply chain and the strategies to mitigate them

Country	River basin	Risk driver	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
Colombia	Other: Magdalena River Basin; Projects in 25 river basins	Physical-Climate change Physical-Increased water scarcity Physical-Increased water stress Physical-Seasonal supply variability/Inter annual variability	Supply chain disruption	Colombia is one of the major coffee producing countries where Nestlé sources its green beans, therefore the effects of climate change and water challenges on Colombian coffee sector have an impact on our sourcing of raw materials. Colombia endures a dual water challenge with both water shortage and excess, with 23% of the population facing problems of access to water during dry years and	Current-up to 1 year	Probable	Medium	Engagement with community Engagement with suppliers Infrastructure investment Increased investment in new technology Promote best practice and awareness Water management incentives	The cost of response is estimated at CHF 24.6 million over five years (2014–2018). To address these issues, Nescafé and Nespresso launched a major water stewardship initiative with the Dutch Ministry of Foreign Affairs, the Colombian Federation of Coffee Growers, the Wageningen University and the Ministry of Rural Development. The cost has been financed by this private public	The Intelligent Water Management (IWM) project seeks to enhance the resilience of the Colombian coffee sector against the effects of climate change and water challenges, through the improvement of environmental performance at a farm and watershed level. NESCAFÉ and Nespresso launched the IWM water stewardship initiative with the Dutch Ministry of Foreign Affairs, the Colombian Federation of Coffee Growers, the

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				close to 10% affected by intense rain events. This water imbalance has a strong negative effect on the productivity of farms, with harvest drops of up to 40%. In rural Colombia, 25% of the population is active in coffee farming, where 95% are smallholders. Since coffee is the country's main agricultural product, the effective implementation of an integrated water management system depends on					partnership.	Wageningen University and the Ministry of Rural Development. With an overall budget of EUR 20.5 million (CHF 24.6) over five years (2014–2018), the project is focusing on four key complementary and scalable action areas: 1) Clean Technology Transfer – water savings and quality improvements of the water discharged after coffee-washing processes; 2) Healthy Ecosystems – use of agroforestry and bio-engineering to

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				<p>the inclusion of the coffee sector as a pioneer and an axis stakeholder – especially since the occurrence and severity of extreme events is likely to increase. • The impact in Colombia is estimated to last more than 5 years. It is both droughts and floods.</p>						<p>minimise soil erosion and ensure the conservation of important water areas (aquifer recharge and spring sites); 3) Knowledge Generation – implement a Water & Climate Monitoring System and apply best practices to prevent water loss; and 4) Cooperation & Participation – collective action and advocacy to ensure the project impact lasts over the long term. The project includes a comprehensive monitoring process with eight impact measurement</p>

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										areas, 30 key performance indicators and 120 result indicators. It will benefit families and industries that depend on water for their productivity and competitiveness across 25 river basins, as well as the ecosystems that support them.
China	Yangtze River (Chang Jiang)	Physical-Declining water quality	Supply chain disruption	There is a lack of wastewater treatment capacity in rural locations and pollution prevention regulations for manure/silage storage and disposal is poorly enforced. Results from RISE conducted in China suggest	1-3 years	Highly probable	Medium-high	Infrastructure investment	Medium- high	Nestlé has responded by financing the distribution of a low-cost solution: biogas digesters that help farmers store their manure in secure, covered containers and collect the manure's methane gas as energy for

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				that risk of water pollution is caused by inappropriate manure storage, access of cattle to water and absence of wastewater treatment. Lack of wastewater treatment available and higher risk for water pollution through manure/silage leachate, negatively impact agricultural materials supply.						home cooking, lighting, and heating. Biogas production provides farmers with an economic incentive to manage their manure supplies more effectively, reducing water contamination in the process. So far Milk Collection Centers discharge waste water that is to date only treated by a fat separating trap. Nestlé Qingdao developed a model to treat waste water. This simple, but innovative system avoids discarding contaminated water into the

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										environment in the country side. This extended model allows reducing COD (Chemical Oxygen Demand: an indicator of organic pollutant in water) values in line with legal regulations. Every day about 700lt of water are treated through this model. The Waste water treatment model will be implemented gradually to all collection centres in the region year by year.
South Africa	Other: Western Cape	Physical-Increased water stress	Supply chain disruption	Disruption of supply of raw agricultural materials i.e.	Current-up to 1 year	Probable	Medium-high	Other: Multi-pronged approach including	Medium	In 2010 the Western Cape region experienced its

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				milk.				engineering interventions and awareness campaigns		worst drought in 132 years, and in response Nestlé introduced a multi-pronged approach which included engineering interventions and awareness campaigns. The programme, which will run until 2015, is part of our work with organisations including the South African Government, the Water Resources Group (WRG) and several multi-national companies to help close the water gap by 2030, ensuring the availability of water in the

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										<p>future. In 2011, we launched phase two of the programme, a SAIN project to optimise water use further up the value chain engaging with 17 dairy farmers, five of whom work within the dam's catchment area, to increase milk production. Local experts, including Nestlé Agricultural Services, are providing training and financial assistance to help with soil moisture monitoring, soil fertility management, irrigation scheduling and</p>

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										the use of drought-resistant crops. Phase three, which runs from 2012 to 2015, involves engineering work to convert the factory into a zero water intake facility.
Pakistan	Indus	Regulatory-Statutory water withdrawal limits/changes to water allocation	Other: Increase of operational costs	Lowering of water level may give rise to regulator changes to limit water withdrawal from ground resources. This may affect the volumes of production and may lead to newer water technologies to be implemented with potential increasing operational	>6 years	Probable	High	Increased investment in new technology	High	Water conservation technologies to be used, reuse and recycle methodologies to be used. Exploring best available techniques for recycle and reuse.

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				costs.						
Mexico	Santiago	Physical-Increased water stress	Other: Increasing water demands due to population growth	During the past several decades, the demands placed on Mexico's water resources increased dramatically largely due to rapid population growth. In addition, the excess of allocations contributed to the over exploitation of water resources. Water withdrawal by agriculture is estimated at 60.6km ³ , or 78% of the total water withdrawal.	1-3 years	Highly probable	Medium-high	Engagement with suppliers	Medium	Working with farmers who supply coffee to the Company, Nestlé provides training and support for new technology to decrease water use in the coffee production process. As a result, water usage in coffee production was reduced from 40 litres to 3-5 litres of water per kilogram of coffee produced. Today, this technology is used by Nestlé Coffee suppliers across Mexico, achieving annual savings of about 296 000 m ³ of

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										water a year. The initiative is being promoted by the Mexican government, reaching many partners in the Mexican coffee milling industry, who have also adopted this technology. We are working with the Swiss College of Agriculture in Mexico to improve the water sustainability of dairy production.
Vietnam	Other: Dak Lak	Physical- Increased water stress	Other: Drop of groundwater level	Coffee is the second largest export-earning crop in Vietnam, supporting the livelihoods of 2 million people. Irrigation of coffee plants is necessary to	1-3 years	Highly probable	High	Other: Investment in monitoring tools	Medium- high	Using primary data collected from smallholder Robusta producers in Dak Lak province, a specific water footprint for Robusta coffee

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				maintain a high yield, but it may decline in the future due to water scarcity and climate change. Vietnam is the biggest supplier of Robusta coffee for Nestlé's coffee-related activities. Each year, Nestlé buys 20% of Vietnam's total national Robusta production and supports around 12000 local farmers through our Farmer Connect programme.						per metric ton of green beans produced has been established as well as its hydrological and socioeconomic impacts. The water footprint calculation methodology is currently being integrated into the SIMPATICA software, a web-based software application which allows coffee farmers and other stakeholders to monitor water footprints in real time. Farmers will be trained on how to apply the monitoring system. Furthermore Farmer Field

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										Schools (FFS) will be established by the beginning of 2013 in cooperation with research centers and extension services as well as field days to communicate sustainable farming and processing practices in regard of water management. Nestlé has successfully proposed this water footprint analysis as the main water component under the umbrella of the World Economic Forum (WEF) coffee task force set by the Vietnamese government.

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										This exposure will allow securing Nestlé's position in the coffee sector in Vietnam and thus increase future opportunities to disseminate more sustainable coffee production.
Philippines	Other: Cabuyao	Physical-Flooding	Other: Higher operating cost, property damage, supply chain disruption	Floods in Philippines can impact sales volume, time spent, labour cost, waste disposal cost, during the flooding and also in recovery cost.	1-3 years	Highly probable	Medium-high	Other: Flood emergency plans to reduce potential impacts	Low- medium	Flood emergency plans are in place to reduce the potential impact of flooding.
Sri Lanka	Other: Walabe Basin	Physical-Declining water quality	Other: Providing safe drinking water facilities to communities	In many rural communities of Sri Lanka, several local schools do not have adequate facilities to	Current-up to 1 year	Probable	Low-medium	Other: Community engagement	Medium	The clean drinking facilities are built in places with high footfall such as schools,

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			s	access water, hygiene and sanitation. To support Sri Lanka in achieving its Millennium Development Goals 4 and 6, to Reduce Child Mortality and Combat HIV/AIDS, malaria and other diseases respectively, Nestlé Lanka has constructed several facilities to supply clean drinking water to local communities.						hospitals and places of worship across the island. These units are built by drilling water wells or using nearby existing ones and installing water pumps and storage tanks. As part of these water initiatives, Nestlé Sri Lanka also implemented a school sanitation project. Since many local schools lack the adequate sanitation facilities, the potential to breed diseases is increased. To remediate this and promote a healthier and cleaner environment,

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										Nestlé Sri Lanka is building toilet facilities in public schools. On average, each sanitation facility and drinking fountains cost CHF 4450.
Indonesia	Solo (Bengawan Solo)	Physical-Increased water scarcity	Closure of operations	In the region of Kejayan, Indonesia, our dairy factory needs water for its production. It is mainly supplied by an artesian aquifer, used by a limited but growing number of industries. During the past 20 years, farmers have made intensive use of this supply, with free-	>6 years	Probable	High	Other: Watershed restoration programme	Medium	We launched a watershed restoration programme, a proactive collaboration of employees, milk farmers and local communities, who are tree planting to reforest deserted plots in the upstream part of the Kejayan watershed. The trees will contribute towards recharging the

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				flowing wells that are used for field irrigation. Water scarcity and dispute is a future water risk in the region, without change.						local aquifer by rainfall infiltration and reducing surface run-off. Since the programme started, 5500 trees have been planted. The tree species were selected with consideration of livestock, shading capacity and health benefits. Nestlé's Kejayan dairy factory in East Java was awarded the '2014 Indonesia Green Companies Award' for its practices towards sustainability. The Kejayan factory was also one of the winners of a

Country	River basin	Risk driver	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
										PROPER Award – the third time since 2010 that the site has met the judges' criteria for environmental management systems, resource and energy efficiency, waste management, water conservation and community empowerment.
India	Indus	Physical-Increased water stress	Supply chain disruption	Disruption of supply of raw agricultural materials (e.g. rice). In parts of India (for example Gujarat), the water table is dropping up to 6 meters per year. This is partly due to the existence	1-3 years	Probable	Medium	Other: Investigative study to determine best management option		A 2010 joint study by Nestlé and the International Water Management Institute into the water intensity of milk, wheat and rice production in the Punjab determined that groundwater

Country	River basin	Risk driver	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
				<p>of over 20 million motorised water pumps in operation in India today, compared with 100,000 in 1955. Local water resources are overexploited and the water table is falling by at least one metre a year. This could affect raw agricultural materials supply in the next three years.</p>						<p>levels are falling rapidly due to agricultural over-use. Nestlé India therefore designed a programme to raise awareness among Punjab dairy farmers, and another for school students, to highlight the effects of over-exploitation of groundwater and the remedial action possible. In 2011, we joined the Department of Agriculture of Gurdaspur and our rice flour supplier evaluated the advantages of Systems of Rice Intensification</p>

Country	River basin	Risk driver	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
										(SRI) techniques: innovative paddy cultivation techniques promoted by NGOs in southern India that increase yields using fewer seeds, pesticides and fertilizers, and less water. The study compared SRI and non-SRI yields for the summer harvest and results so far show that SRI techniques have reduced irrigation water usage by 20%, as compared to non-SRI methods. Other actions have been taken : Nestlé India's chicory

Country	River basin	Risk driver	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
										supplier, Vimsons Chicory Corporation, has installed a rainwater collection tank. The water collected is used for irrigation and has improved water availability.

W3.2e

Please choose the option that best explains why you do not consider your organization to be exposed to water risks in your direct operations that could generate a substantive change in your business, operations, revenue or expenditure

Primary reason	Please explain
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W3.2f

Please choose the option that best explains why you do not consider your organization to be exposed to water risks in your supply chain that could generate a substantive change in your business, operations, revenue or expenditure

Primary reason	Please explain
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W3.2g

Please choose the option that best explains why you do not know if your organization is exposed to water risks that could generate a substantive change in your business operations, revenue or expenditure and discuss any future plans you have to assess this

Primary reason	Future plans
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Further Information

Estimation of the proportion of raw materials that come from regions subject to water-related risk. Milk: Dairy is the single biggest category for us in terms of volume, with 14.2 million tonnes of fresh milk equivalent bought in 2014, through Farmer Connect and sourced from Tier 1 suppliers. We use milk and milk derivatives as ingredients in a range of our products, including ice cream, beverages, confectionery, infant nutrition and culinary products. We estimate that between 20% and 30% of the milk comes from water-related risk including Mexico, Pakistan, India, USA, South Africa and Morocco. Cereals: In 2014, using the Sustainable Agriculture Initiative at Nestlé platform, we defined and began implementing an action plan to save water in our upstream supply chain for coffee. Whilst we are advanced with our coffee action planning (Nescafé Better Farming Practices, Intelligent water management project), work is in progress to define and implement an action plan for Nestlé’s sugar and cereals supply chain. We are partnering with leading NGO, Proforest, to assess the risks in our sugarcane supply chain in the key sourcing regions of Mexico, Brazil and India. We estimate that between 1-3% of rice comes from areas water-related risk including including India: Samalkha; China: Shuangcheng; Thailand: Amata; Bangladesh: Sreepur. We estimate that between 20-30% of wheat comes from areas water-related risk including including India (Pant Nagar, Nanjangud, Bicholim, Tahlial, China (Tianjin), USA: Little Chute, Mt Sterling, Chatsworth, Danville, Pakistan: Kabirwala, Sheikhpura We estimate that between 20-30% of corn/maize comes from areas water-related risk including India: Samalkha, Moga, China: Tianjin, USA: Atlanta, Oklahoma City, Clinton, Dunkirk, South Africa: Isando, France: Montfort, Marconnelle, Quimperle

W4.1

Does water present strategic, operational or market opportunities that substantively benefit/have the potential to benefit your organization?

Yes

W4.1a

Please describe the opportunities water presents to your organization and your strategies to realize them

Country or region	Opportunity	Strategy to realize opportunity	Estimated timeframe	Please explain
Mexico	Climate change adaptation Collective Action Competitive advantage Ensuring supply chain resilience Improved community relations Increased shareholder value Improved water efficiency Innovation R&D Social licence to operate	i)To realize the opportunity to improve water efficiency in areas of water scarcity and to help to better adapt to climate change, Nestlé completed a CHF 9m project to open our most water-efficient factory in Mexico. Over the past 60yrs, water availability per person has drastically declined in Mexico, mainly due to population growth. ii)Nestlé strategy to realise the opportunity is to work to achieve water efficiency across our operations. This includes using new processes to transform Nestlé milk powder factory in the water-stressed are into a zero water withdrawals site in 2014. iii) The strategy was implemented by using in the factory the water vapour generated when we evaporate cow’s milk. This water is condensed, treated and recycled for use as potable process water. Through new technologies developed with our project partners, we now filter and purify it to create drinking water at the end of the process. By condensing and treating the water, we can use it again for cooling and cleaning. iv) The financial implications of this	Current-up to 1 year	Nestlé ‘Cero Agua’ withdrawal dairy factory in Mexico clearly demonstrates the ways in which our people are embracing new technologies and innovation to reduce direct water withdrawals. It is Nestlé’s most water-efficient factory to date and we plan to replicate its processes in other locations. In September 2014, Nestlé South Africa announced a five-year investment plan, which includes making Nestlé’s Mossel Bay factory part of our zero water withdrawals concept.

Country or region	Opportunity	Strategy to realize opportunity	Estimated timeframe	Please explain
		opportunity is that reusing water from the milk in this way removes the need to extract groundwater for operations. The amount of groundwater that the Cero Agua dairy saves each day, around 1.6m litres, will amount to roughly 15% of the total water used by Nestlé Mexico each year in its sites. We have estimated that this opportunity can result in a positive financial implication of CHF 174m considering business is not disrupted.		
Other: Global	Carbon management Climate change adaptation Competitive advantage Cost savings Ensuring supply chain resilience Increased brand value Improved community relations Increased shareholder value Improved water efficiency Innovation Social licence to operate	i) To realize the opportunity to improve Nestlé environmental improvement, we aim to use the most efficient technologies and apply best practices in order to further optimize energy and water. ii) As part of our Environmental Target Setting programme, we seek to utilise the improvement of our water management and transform it into opportunities for cost savings and improvement of environmental performance. iii & iv)The savings delivered by projects implemented in 2014 amounted to 1.8 million GJ of energy, 1.2 million m3 of water and 149 000 tonnes of CO2eq. Looking ahead, we also identified 550 new projects that, for an investment of about CHF 40 million, are expected to deliver annual savings of about 1.4 million GJ of energy; 113 000 tonnes of CO2eq emissions; and 2.0 million m3 of water. To help our factory teams improve their own environmental performance and meet our commitments, we have developed Do It Yourself, a web-based tool. This enables each factory to easily identify energy- and water-saving opportunities from a range of solutions that have been tried and tested in other parts of the Group.	>6 years	Examples of our Environmental Target Setting projects include: • The recovery of flue gas heat for use in the hot water supply at our confectionery factory in Hamburg, Germany, resulting in a saving of 9.18 GJ a year, equivalent to 574 tonnes of CO2; • The installation of energy-recovery systems and energy-reduction improvements at our freeze-dried coffee plant in Orbe, Switzerland, cutting energy use by 8% by 2014; • A 55% reduction in production line energy use during changeovers between products, equivalent to 19% of the total site's consumption, at the cereal bar factory at Lubicz, Poland; and • Replacing ageing air heaters at our Dalston plant in the UK with a modern heating system, delivering a 30% reduction in gas consumption and a 2% (6 600 GJ) reduction in the plant's overall energy use.
Other: Global	Collective Action Competitive advantage Increased brand value Improved community	The company works on leveraging hydration and exploring its contribution to human health by participating in and funding clinical research, and contributing to the release of scientific evidence	1-3 years	The health consequences of growing global obesity rates are putting healthcare systems under increasing pressure. Addressing this phenomenon is now a priority for governments. Medical experts

Country or region	Opportunity	Strategy to realize opportunity	Estimated timeframe	Please explain
	relations Increased shareholder value R&D Sales of new products/services Social licence to operate Staff retention Other: Healthy hydration	within the medical community. Our experts also participate in congresses and conferences around the world. We promote healthy hydration through both our brand and corporate communication.		have reached a general consensus on the need to change drinking behaviours by encouraging the substitution of sugar-sweetened beverages with water.
Company-wide	Competitive advantage Increased brand value Improved community relations Increased shareholder value Improved water efficiency R&D Social licence to operate Staff retention	Our approach towards environmental sustainability and water stewardship not only helps us to achieve water withdrawal reduction, it is also recognized externally. Nestlé has won the Corporate Water Stewardship award at the 2015 Global Water Awards, voted on by audience members at the Global Water Summit in Athens.	>6 years	Nestlé puts an emphasis on developing and investing in new water-saving technologies as part of our work to achieve water efficiency and sustainability across our operations, by minimising the impact of our operations on natural water resources.
Venezuela	Carbon management Climate change adaptation Collective Action Competitive advantage Ensuring supply chain resilience Increased brand value Improved community relations Increased shareholder value Improved water efficiency Innovation	In Venezuela, we have faced a number of challenges in securing a reliable supply of some of the world's finest cocoa; these range from a decline in the quality of native cocoa plants to the limited appeal of agricultural work to the younger generation, But through the Nestlé Cocoa Plan, we are helping to make cocoa production a livelihood of choice – one that leads to higher incomes and improves social conditions. Six hundred farmers across the country's three main cocoa-producing regions are currently involved in the Nestlé Cocoa Plan. And since 2008, Nestlé Venezuela staff have made almost 6130 visits to their farms, organic fertilizers, offering technical assistance and providing training in good agricultural practice such	4-6 years	Our work in securing a more sustainable cocoa production in Venezuela increases the quality and quantity of our cocoa supply.

Country or region	Opportunity	Strategy to realize opportunity	Estimated timeframe	Please explain
	R&D Social licence to operate	as pruning, which increases yield and restricts the spread of disease. On our demo plots pod counts indicate an increase from 878 kg to over 1500 kg per hectare.		
Other: Nestlé Waters	Collective Action Competitive advantage Ensuring supply chain resilience Increased brand value Improved community relations Increased shareholder value Improved water efficiency Social licence to operate Other: Improved water resources management; Education and awareness-raising; Public health	1/ Nestlé Waters is implementing its specific water stewardship programme at all its factories. This programme is based on a thorough site-by-site risk assessment, including quantity, quality, regulatory, local reputation and corporate reputation indicators. This risk assessment will serve to identify and build the action plans necessary to 1) mitigate the risk and 2) work towards the long-term sustainability of the watersheds in which we operate. The water stewardship programme will be implemented at all Nestlé Waters factories by 2016 and each programme will involve initiatives to optimize our water use within our operations and collective actions with other local water stakeholders. 2/ Nestlé Waters helps to educate children around the world about the importance of water and its preservation. In 2015, over 20 000 children were educated and over 1000 employees engaged in events in 30 countries. 3/ Nestlé Waters works to promote the importance of drinking more water, whether bottled or tap, as part of a healthy lifestyle. We work with a number of stakeholders, including health authorities, public health experts and competitors, to raise awareness of the vital role water plays in maintaining proper hydration and in leading a healthy lifestyle. For example, Nestlé Waters North America is a major supporter of the Partnership for a Healthier America's DRINK UP campaign that promotes drinking more water.	>6 years	1/ The long-term success of our bottled water division is dependent on water resources of sufficient quantity and acceptable quality as well as a regulatory framework that champions sustainable water resources management. However, the way we are perceived by our stakeholders both locally and globally has a growing impact on our ability to grow our business. We must therefore continue to engage with local communities to support our licence to operate and to minimise misperceptions and negative sentiment with other external stakeholders. 2/ Children are the water stewards of the future and Nestlé Waters believes that educating them early is important to instil the right behaviours when it comes to appreciating and managing water responsibly. 3/ Water is essential to life yet many people do not drink enough water. Water should be the preferred hydration choice as it does not contain any calories and has an important role to play in the body's cognitive and physical functions. Indeed, studies have shown that the over-consumption of sugary beverages contributes to overweight and obesity. People need to drink water and as lifestyles become increasingly on-the-go, bottled water provides consumers with a portable, convenient, good-tasting hydration product that doesn't contain any calories.

Please choose the option that best explains why water does not present your organization with any opportunities that have the potential to provide substantive benefit

Primary reason	Please explain
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W4.1c

Please choose the option that best explains why you do not know if water presents your organization with any opportunities that have the potential to provide substantive benefit

Primary reason	Please explain
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Further Information

Module: Accounting

Page: W5. Facility Level Water Accounting (I)

W5.1

Water withdrawals: for the reporting year, please complete the table below with water accounting data for all facilities included in your answer to W3.2a

Facility reference number	Country	River basin	Facility name	Total water withdrawals (megaliters/year) at this facility	How does the total water withdrawals at this facility compare to the last reporting year?	Please explain the change if substantive
Facility 1	Pakistan	Indus	1580 Milk products and Ice cream	1892	About the same	No change
Facility 2	China	Huang He (Yellow River)	6978 Milk products and Ice cream	1750	Much lower	Production volume decreased significantly, therefore water withdrawal and discharge decreased significantly as well.
Facility 3	Pakistan	Indus	1581 Milk products and Ice cream	747	About the same	No change
Facility 4	Mexico	Santiago	0210 Nutrition and HealthCare	644	About the same	No change
Facility 5	India	Cauvery River	0452 Powdered and Liquid Beverages	617	About the same	No change
Facility 6	China	Other: Huaihe River	1126 Milk products and Ice cream	644	Lower	No change
Facility 7	Mexico	Santiago	0214 Powdered and Liquid Beverages	1016	Lower	No change
Facility 8	India	Indus	0451 Milk products and Ice cream	930	About the same	No change
Facility 9	Saudi Arabia	Other: Wadi Hanita	6270 Water	1462	About the same	No change
Facility 10	United States of America	Other: California - Tulare	WF03 Water	1138	About the same	No change
Facility 11	Saudi Arabia	Other: Radhuma	6269 Water	805	About the same	No change
Facility 12	China	Other: Fujian river	6959 Milk products and Ice cream	3982	Lower	No change
Facility 13	United States	Other:	WF17 Water	770	About the same	No change

Facility reference number	Country	River basin	Facility name	Total water withdrawals (megaliters/year) at this facility	How does the total water withdrawals at this facility compare to the last reporting year?	Please explain the change if substantive
	of America	California - Santa Ana				
Facility 14	Chile	Other: Maipo	0076 Milk products and Ice cream	677	Lower	No change
Facility 15	United Kingdom	Thames	1080 Powdered and Liquid Beverages	991	Lower	No change
Facility 16	United States of America	Trinity River (Texas)	WF25 Water	1028	About the same	No change
Facility 17	United States of America	Other: Hillsborough	WF23 Water	1629	About the same	No change
Facility 18	France	Rhone	1816 Water	3122	About the same	No change
Facility 19	United States of America	Delaware River	WF02 Water	1413	Higher	No change
Facility 20	United States of America	Delaware River	WF24 Water	1163	About the same	No change
Facility 21	United States of America	Other: Jordan River	5959 Prepared dishes and cooking aids	906	Lower	No change
Facility 22	Indonesia	Brantas	0227 Milk products and Ice cream	1114	About the same	No change
Facility 23	France	Rhine	3019 Water	2757	About the same	No change
Facility 24	United States of America	Mississippi River	5720 Powdered and Liquid Beverages	2794	Higher	No change
Facility 25	Spain	Other: Norte	0291 Confectionery	1378	Much lower	A once-through cooling water reduction project was implemented over 2013/2014, thereby reducing significantly water withdrawal and discharge at this factory.

Facility reference number	Country	River basin	Facility name	Total water withdrawals (megaliters/year) at this facility	How does the total water withdrawals at this facility compare to the last reporting year?	Please explain the change if substantive
Facility 26	Turkey	Other: Susurluk	3888 Water	2620	About the same	No change
Facility 27	Switzerland	Rhone	0012 Powdered and Liquid Beverages	2162	Much lower	A once-through cooling water reduction project was implemented over 2013/2014, thereby reducing significantly water withdrawal and discharge at this factory.
Facility 28	China	Yangtze River (Chang Jiang)	6979 Milk products and Ice cream	3722	Much lower	Production volume decreased significantly, therefore water withdrawal and discharge decreased significantly as well.

Further Information

Page: W5. Facility Level Water Accounting (II)

W5.1a

Water withdrawals: for the reporting year, please provide withdrawal data, in megaliters per year, for the water sources used for all facilities reported in W5.1

Facility reference number	Fresh surface water	Brackish surface water/seawater	Rainwater	Groundwater (renewable)	Groundwater (non-renewable)	Produced/process water	Municipal water	Wastewater from another organization	Comment
Facility 1	0.00	0.00	0.00	0.00	1892	0.00	0.00	0.00	

Facility reference number	Fresh surface water	Brackish surface water/seawater	Rainwater	Groundwater (renewable)	Groundwater (non-renewable)	Produced/process water	Municipal water	Wastewater from another organization	Comment
Facility 2	0.00	0.00	0.00	0.00	0.00	0.00	1750	0.00	
Facility 3	0.00	0.00	0.00	0.00	747	0.00	0.00	0.00	
Facility 4	0.00	0.00	0.00	0.00	644	0.00	0.00	0.00	
Facility 5	617	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Facility 6	0.00	0.00	0.00	0.00	0.00	0.00	644	0.00	
Facility 7	0.00	0.00	0.00	0.00	1016	0.00	0.00	0.00	
Facility 8	0.00	0.00	0.00	0.00	930	0.00	0.00	0.00	
Facility 9	0.00	0.00	0.00	0.00	1462	0.00	0.00	0.00	
Facility 10	0.00	0.00	0.00	0.00	1138	0.00	0.00	0.00	
Facility 11	0.00	0.00	0.00	0.00	805	0.00	0.00	0.00	
Facility 12	3982	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Facility 13	0.00	0.00	0.00	0.00	689	0.00	81	0.00	
Facility 14	0.00	0.00	0.00	0.00	677	0.00	0.00	0.00	
Facility 15	0.00	0.00	0.00	0.00	250	0.00	741	0.00	
Facility 16	0.00	0.00	0.00	0.00	153	0.00	875	0.00	
Facility 17	0.00	0.00	0.00	0.00	854	0.00	775	0.00	
Facility 18	0.00	0.00	0.00	0.00	3122	0.00	0.00	0.00	
Facility 19	0.00	0.00	0.00	0.00	913	0.00	500	0.00	
Facility 20	0.00	0.00	0.00	0.00	244	0.00	919	0.00	
Facility 21	0.00	0.00	0.00	0.00	0.00	0.00	906	0.00	
Facility 22	0.00	0.00	0.00	0.00	1114	0.00	0.00	0.00	
Facility 23	0.00	0.00	0.00	0.00	2752	0.00	5	0.00	
Facility 24	0.00	0.00	0.00	0.00	0.00	0.00	2794	0.00	
Facility 25	973	0.00	0.00	0.00	405	0.00	0.00	0.00	
Facility 26	0.00	0.00	0.00	0.00	2620	0.00	0.00	0.00	
Facility 27	1363	0.00	0.00	0.00	799	0.00	0.00	0.00	
Facility 28	0.00	0.00	0.00	0.00	0.00	0.00	3722	0.00	

Water discharge: for the reporting year, please complete the table below with water accounting data for all facilities included in your answer to W3.2a

Facility reference number	Total water discharged (megaliters/year) at this facility	How does the total water discharged at this facility compare to the last reporting year?	Please explain the change if substantive
Facility 1	467	Much lower	The water discharge decreased from 707 to 467 megaliters, resulting in an absolute reduction of 33.9%.
Facility 2	1190	Much lower	Production volume decreased significantly, therefore water withdrawal and discharge decreased significantly as well.
Facility 3	416	Lower	No change
Facility 4	697	About the same	No change
Facility 5	179	Much lower	The water discharge decreased from 241 to 179 megaliters, resulting in an absolute decrease of 25.9%.
Facility 6	590	Lower	No change
Facility 7	728	Higher	No change
Facility 8	1117	Higher	No change
Facility 9	306	Lower	No change
Facility 10	240	About the same	No change
Facility 11	349	About the same	No change
Facility 12	2413	Lower	No change
Facility 13	261	About the same	No change
Facility 14	422	Higher	No change
Facility 15	817	Lower	No change
Facility 16	335	About the same	No change
Facility 17	469	Lower	No change
Facility 18	2480	About the same	No change
Facility 19	357	Higher	No change
Facility 20	313	About the same	No change
Facility 21	678	Lower	No change
Facility 22	787	About the same	No change
Facility 23	949	About the same	No change

Facility reference number	Total water discharged (megaliters/year) at this facility	How does the total water discharged at this facility compare to the last reporting year?	Please explain the change if substantive
Facility 24	2432	About the same	No change
Facility 25	1486	Much lower	A once-through cooling water reduction project was implemented over 2013/2014, thereby reducing significantly water withdrawal and discharge at this factory.
Facility 26	703	Lower	No change
Facility 27	1793	Much lower	A once-through cooling water reduction project was implemented over 2013/2014, thereby reducing significantly water withdrawal and discharge at this factory.
Facility 28	2278	Much lower	Production volume decreased significantly, therefore water withdrawal and discharge decreased significantly as well.

W5.2a

Water discharge: for the reporting year, please provide water discharge data, in megaliters per year, by destination for all facilities reported in W5.2

Facility reference number	Fresh surface water	Municipal Treatment Plant	Seawater	Groundwater	Comment
Facility 1	467	0.00	0.00	0.00	
Facility 2	1190	0.00	0.00	0.00	
Facility 3	416	0.00	0.00	0.00	
Facility 4	697	0.00	0.00	0.00	
Facility 5	179	0.00	0.00	0.00	
Facility 6	0.00	590	0.00	0.00	
Facility 7	0.00	728	0.00	0.00	
Facility 8	1117	0.00	0.00	0.00	
Facility 9	16	290	0.00	0.00	

Facility reference number	Fresh surface water	Municipal Treatment Plant	Seawater	Groundwater	Comment
Facility 10	0.00	240	0.00	0.00	
Facility 11	0.00	349	0.00	0.00	
Facility 12	2413	0.00	0.00	0.00	
Facility 13	0.00	261	0.00	0.00	
Facility 14	81	341	0.00	0.00	
Facility 15	0.00	817	0.00	0.00	
Facility 16	0.00	335	0.00	0.00	
Facility 17	0.00	469	0.00	0.00	
Facility 18	2480	0.00	0.00	0.00	
Facility 19	0.00	357	0.00	0.00	
Facility 20	0.00	313	0.00	0.00	
Facility 21	0.00	678	0.00	0.00	
Facility 22	787	0.00	0.00	0.00	
Facility 23	432	517	0.00	0.00	
Facility 24	153	2279	0.00	0.00	
Facility 25	1486	0.00	0.00	0.00	
Facility 26	703	0.00	0.00	0.00	
Facility 27	1404	389	0.00	0.00	
Facility 28	2278	0.00	0.00	0.00	

W5.3

Water consumption: for the reporting year, please provide water consumption data for all facilities reported in W3.2a

Facility reference number	Consumption (megaliters/year)	How does this compare to the last reporting year?	Please explain the change if substantive
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Facility reference number	Consumption (megaliters/year)	How does this compare to the last reporting year?	Please explain the change if substantive
Facility 1	1425	Higher	No change
Facility 2	560	Higher	No change
Facility 3	331	About the same	No change
Facility 4	0	About the same	No change
Facility 5	438	About the same	No change
Facility 6	55	About the same	No change
Facility 7	288	Much lower	The water consumption decreased from 443 to 288 megaliters, resulting in an absolute reduction of 35%.
Facility 8	0	About the same	No change
Facility 9	1174	Lower	No change
Facility 10	898	About the same	No change
Facility 11	456	About the same	No change
Facility 12	1568	Much lower	The water consumption decreased from 1'994 to 1'568 megaliters, resulting in an absolute reduction of 21%.
Facility 13	510	About the same	No change
Facility 14	274	Much lower	The water consumption decreased from 380 to 274 megaliters, resulting in an absolute reduction of 28%.
Facility 15	174	Higher	No change
Facility 16	693	About the same	No change
Facility 17	1160	About the same	No change
Facility 18	642	About the same	No change
Facility 19	1057	About the same	No change
Facility 20	850	About the same	No change
Facility 21	229	About the same	No change
Facility 22	326	About the same	No change
Facility 23	1808	About the same	No change
Facility 24	319	Higher	No change
Facility 25	0	About the same	No change
Facility 26	1917	About the same	No change
Facility 27	370	Higher	No change
Facility 28	1445	Much lower	The water consumption decreased from 2'451 to 1'445 megaliters, resulting in an absolute reduction of 41%.

W5.4

For all facilities reported in W3.2a what proportion of their water accounting data has been externally verified?

Water aspect	% verification	What standard and methodology was used?
Water withdrawals- total volumes	76-100	The assurance was conducted in line with the requirements of the AA1000 Assurance standard (2008) Type 2 assurance. Please see assurance report: http://www.nestle.com/csv/performance/assurance
Water withdrawals- volume by sources	76-100	The assurance was conducted in line with the requirements of the AA1000 Assurance standard (2008) Type 2 assurance. Please see assurance report: http://www.nestle.com/csv/performance/assurance
Water discharges- total volumes	76-100	The assurance was conducted in line with the requirements of the AA1000 Assurance standard (2008) Type 2 assurance. Please see assurance report: http://www.nestle.com/csv/performance/assurance
Water discharges- volume by destination	76-100	The assurance was conducted in line with the requirements of the AA1000 Assurance standard (2008) Type 2 assurance. Please see assurance report: http://www.nestle.com/csv/performance/assurance
Water discharges- volume by treatment method	76-100	The assurance was conducted in line with the requirements of the AA1000 Assurance standard (2008) Type 2 assurance. Please see assurance report: http://www.nestle.com/csv/performance/assurance
Water discharge quality data- quality by standard effluent parameters	76-100	The assurance was conducted in line with the requirements of the AA1000 Assurance standard (2008) Type 2 assurance. Please see assurance report: http://www.nestle.com/csv/performance/assurance
Water consumption- total volume	76-100	The assurance was conducted in line with the requirements of the AA1000 Assurance standard (2008) Type 2 assurance. Please see assurance report: http://www.nestle.com/csv/performance/assurance

Further Information

Module: Response

Page: W6. Governance and Strategy

W6.1

Who has the highest level of direct responsibility for water within your organization and how frequently are they briefed?

Highest level of direct responsibility for water issues	Frequency of briefings on water issues	Comment
Individual/Sub-set of the Board or other committee appointed by the Board	Scheduled - monthly	The Water Task Force meets monthly. It is chaired by José Lopez, Executive Vice President of Operations and holds representatives from all business units. This ensures the integration of water stewardship throughout the company.

W6.2

Is water management integrated into your business strategy?

Yes

W6.2a

Please choose the option(s) below that best explain how water has positively influenced your business strategy

Influence of water on business strategy	Please explain
Alignment of public policy positions with water stewardship goals	In June 2013, we renewed the scope of our vision for water, with the introduction of the new Nestlé Commitment on Water Stewardship. In this document, we acknowledge our responsibilities as a major water user and outline the actions we need to implement (both individual and collaborative) for the sustainable management of shared water resources.
Establishment of sustainability goals	We have published a number of robust commitments to support our long-term goal of Creating Shared Value. They cover nutrition, health and wellness, rural development and responsible sourcing, water, environmental sustainability, our people, human rights and compliance. The commitments make it possible for stakeholders to hold us accountable, encouraging us to

Influence of water on business strategy	Please explain
	seek and achieve continuous improvement in our nutrition, water, rural development, sustainability and compliance performance.
Exploration of water valuation practices	To inform decision-making, we place a theoretical price on water, ranging from CHF 1 to CHF 5 per m3 (depending on a factory's physical risk score, as generated by the Nestlé Combined Water Stress Index). We have extended our acceptable Return On Investment period for equipment funding that will deliver water savings. We are also stimulating innovation through the introduction of a Lighthouse Projects. This approach enables us to convert environmental and social benefits into a notional payback, helping us to prioritise resource allocation. We are continuing to extend our acceptable Return On Investment period for equipment funding that delivers water savings, recognising that such activities often require longer-term investment.
Introduction of water management KPIs	Working in consultation with our key functions, the Operations Water Task Force has introduced new objectives and KPIs. They are designed to underpin the delivery of one or more of our five W.A.T.E.R. stewardship commitments. We have also adopted internal key performance indicators to systematically measure progress.
Investment in staff/training	We are committed to provide environmental awareness session, including water, in all countries. In 2014, environmental awareness sessions including water topics were run in 86 countries.
Water resource considerations are factored into new product development	We systematically assess and optimise the environmental performance, including water, across the entire value chain at the earliest stage in the development of new and renovated products. We implemented a mandatory environmental rating system for all new product and process developments three years ago. This uses a five-point scale to evaluate potential impacts, both adverse and beneficial. It is designed to inform decisions at the earliest stage, before a project goes into development.
Water resource considerations are factored into new market exploration	Water resource reviews are conducted for new factories explorations. In 2014, we carried out 18 new Water Resource Reviews across our factories sites, with Water, Sanitation, and hygiene considerations integrated into the process.
Publicly demonstrated our commitment to water	In 2013, we renewed the scope of our vision for water, with the publication of the new Nestlé Commitment on Water Stewardship.
Water is factored into procurement directives	The Nestlé Supplier Code includes water requirements. In particular, the Supplier shall optimise its consumption of natural resources, including energy and water. Supplier shall implement and demonstrate sound measures to prevent pollution and minimise generation of solid waste, wastewater and air emissions. Prior to discharge or disposal, supplier shall characterize and treat wastewater and solid waste appropriately and according to applicable laws and regulations.
Greater supplier diversification	Business Continuity plans are in place in areas where water has been identified as a material risk for the company.
Tighter operational performance standards	We have further strengthened our requirements for water quality and effluent discharge.
Tighter supplier performance standards	We have strengthened the requirements for suppliers. As stated in the reissued Nestlé Supplier Code, the Supplier shall optimise its consumption of natural resources, including energy and water.

Please choose the option(s) below that best explains how water has negatively influenced your business strategy

Influence of water on business strategy	Please explain
Increased capital expenditure	<p>i)Nestlé-specific explanation of how this influence has impacted the business: Water issues can negatively influence our business strategy by increasing capital expenditure. The state of California has been experiencing an unprecedented drought since 2011, and the California State Water Resources Board announced in 2014 the escalation of state-wide water use restrictions for municipalities, farmers, businesses and individuals. In California, Nestlé operates five water bottling plants and four facilities where food or petcare products are manufactured. This drought has impacted the business as various media and social media channels reported on the need for transparency of water use reporting and questioned the amount of water we use for bottling and where it goes. ii) Outcome of this influence: Our response included reporting our overall water use, as well as the efficiency of our bottled water operations. In particular, Nestlé will transform the Nestlé USA milk factory in the city of Modesto into a 'zero water' factory, meaning the plant will not use any local freshwater resources for its operations. The project should save nearly 63 million gallons (238,000 cubic metres) of water each year, equivalent to 71% of absolute withdrawals in 2014. Around \$7 million has been invested in the project which is due to be completed by the end of 2016.</p>
Other: Fees for water allowances	<p>i)Nestlé-specific explanation of how this influence has impacted the business: Changes in regulation can result in litigation in some factories. In Mexico, extra fees will need to be paid to get water allowances that will allow increasing the production volume in Nestlé factories. This represents a risk as this could limit possible expansion of production. ii) Outcome of this influence: In Mexico, the potential business impact is an increase in operational cost estimated in MXP 4million representing the value of Guarantee quotas.</p>

W6.2c

Please choose the option that best explains why your organization does not integrate water management into its business strategy and discuss any future plans to do so

Primary reason	Please explain

W6.3

Does your organization have a water policy that sets out clear goals and guidelines for action?

Yes

W6.3a

Please select the content that best describes your water policy (tick all that apply)

Content	Please explain why this content is included
<p>Publicly available Company-wide Performance standards for direct operations Performance standards for supplier, procurement and contracting best practice Commitment to customer education Incorporated within group environmental, sustainability or EHS policy Acknowledges the human right to water, sanitation and hygiene Other: employee education, systematic assessment of water performance when developing or renovating products</p>	<p>The Nestlé Policy on Environmental Sustainability identifies water preservation as a key focus area. It is complemented with the Nestlé Commitment to Water Stewardship. Both documents are publicly available and cover the content selected as water is a key focus area of Creating Shared Value, our approach of doing business. Water is critical to the future success of our business and our value chain. Water is a business opportunity, an operational challenge and a societal issue that is of deep concern to us all. Water is essential to grow the agricultural raw materials we source, to run our operations and for consumers to prepare and enjoy our products. Responsible water stewardship is critical for all of us and to the future of our business. We respect the human right to water and sanitation, and are helping to facilitate the sustainable management of water catchments where we source our goods, where our factories are located, and where our suppliers and consumers live. The Nestlé policy covering the content selected is company-wide and applies to all geographies and sites. The Nestlé Environmental requirements include performance standards for sites, including requirements for water quality and effluent discharge. Nestlé requires suppliers to optimise its consumption of water.</p>

W6.4

How does your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) during the most recent reporting period compare to the previous reporting period?

Water CAPEX (+/- % change)	Water OPEX (+/- % change)	Motivation for these changes
+26	+3	The increase in WATER CAPEX is influenced by the reduction of total CAPEX compared with the previous year. Water-related OPEX share in total OPEX increased in 2014 vs. previous year mainly due to higher water related OPEX in 2014. In 2014, we have approved a spend of CHF 18 million on new and improved treatment facilities and CHF 24 in water saving projects. This not include investments which have also resulted in water efficiency gains.

Further Information

Page: W7. Compliance

W7.1

Was your organization subject to any penalties, fines and/or enforcement orders for breaches of abstraction licenses, discharge consents or other water and wastewater related regulations in the reporting year?

Yes, not significant

W7.1a

Please describe the penalties, fines and/or enforcement orders for breaches of abstraction licenses, discharge consents or other water and wastewater related regulations and your plans for resolving them

Facility name	Incident	Incident description	Frequency of occurrence in reporting year	Financial impact	Currency	Incident resolution
5520	Fine	Wastewater flow above limits.	1	500	USD(\$)	Flow meters re-calibrated.
5720	Fine	Wastewater floatables above limits.	1	250	USD(\$)	Floatables removed and failing wastewater treatment equipment repaired.
0316	Enforcement order	Wastewater quality parameters out of range.	1	0	AUD (\$)	Monitoring equipment upgraded.
3668	Fine	Wastewater overflow due to pipe obstruction.	1	150000	RUB	Pipe cleaned.
3595	Fine	Sludge spill from treatment plant.	1	11266	BRL(R\$)	Spill stopped.

W7.1b

What proportion of your total facilities/operations are associated with the incidents listed in W7.1a

1%

W7.1c

Please indicate the total financial impacts of all incidents reported in W7.1a as a proportion of total operating expenditure (OPEX) for the reporting year. Please also provide a comparison of this proportion compared to the previous reporting year

Impact as % of OPEX	Comparison to last year

Impact as % of OPEX	Comparison to last year
0.00	Lower

Further Information

Page: W8. Targets and Initiatives

W8.1

Do you have any company wide targets (quantitative) or goals (qualitative) related to water?

Yes, targets and goals

W8.1a

Please complete the following table with information on company wide quantitative targets (ongoing or reached completion during the reporting period) and an indication of progress made

Category of target	Motivation	Description of target	Quantitative unit of measurement	Base-line year	Target year	Proportion of target achieved, % value
Other: Improving water efficiency	Water stewardship	By 2015 – Reduce direct water withdrawals per tonne of product in every product category to achieve an overall reduction of 40% since 2005. For Nestlé products categories include powdered Powdered & liquid beverages, water, milk products & ice cream, nutrition and healthcare,	% reduction per unit of production	2005	2015	93%

Category of target	Motivation	Description of target	Quantitative unit of measurement	Base-line year	Target year	Proportion of target achieved, % value
		prepared dishes & cooking aids, confectionery and petcare.				
Other: Work to achieve water efficiency across our operations	Water stewardship	By 2016 – Carry out 45 new water resources reviews in selected manufacturing facilities, and all greenfield sites. Nestlé manages a programme of Water Resource Reviews for factory sites that helps us to analyse the impacts of a manufacturing facility upon a local water catchment. The formal process investigates: •Water availability (including some key aspects related to the human right to water and sanitation); •Water quality; •Regulatory compliance; •Site protection; and •Stakeholder relations. After the review, corrective actions are undertaken, as needed.	Other: Water resources reviews conducted	2014	2016	40%
Increased access to water, sanitation and hygiene	Water stewardship	By 2016 – 350 000 beneficiaries in local communities have access to water, sanitation or hygiene projects around our manufacturing facilities and in Farmer Connect areas. At the end of 2014, almost 400 000 beneficiaries in local communities had access to water, sanitation and hygiene projects around our manufacturing facilities and in Farmer Connect areas , including 196 546 people in Côte d'Ivoire's cocoa communities. Farmer Connect are Nestlé's direct sourcing operations.	Other: beneficiaries in local communities have access to water, sanitation or hygiene projects around our manufacturing facilities and in Farmer Connect areas.	2014	2016	100%

W8.1b

Please describe any company wide qualitative goals (ongoing or reached completion during the reporting period) and your progress in achieving these

Goal	Motivation	Description of goal	Progress
Other: Advocate for effective water	Water stewardship	By 2014 – Contribute to the completion of the ISO 14046: Water Footprint – Principles, Requirements and Guidelines.	The goal has been completed. In July 2014 we welcomed the publication of the international standard ISO 14046:2014

Goal	Motivation	Description of goal	Progress
policies and stewardship		The measure of success is the publication of the ISO 14046: Water Footprint. This goal was adopted as Nestlé supports the development of harmonised methodologies for the assessment of environmental and water performance of our products from farm to consumer and beyond. The standard is aimed to provide transparency, consistency and credibility to the water footprint results of products, processes or organisations.	Environmental management – Water footprint – Principles, Requirements and Guidelines. It marks the culmination of five years of collaboration between more than 90 experts across the world and Nestlé has been an active member of the working group. The standard specifies a methodology for assessing the impact on water, of products from farm to consumer and beyond, aiming to provide transparency, consistency and credibility to the water footprint results of products, processes or organisations.
Other: Increase access to Safe Water, Sanitation, and Hygiene (WASH)	Water stewardship	By 2015 – Every Nestlé employee has access to safe water, sanitation and hygiene at the workplace of an appropriate standard. The measure of success is the number of employees with access to safe water, sanitation and hygiene at the workplace of an appropriate standard. This goal was adopted because adopting and promoting the WBCSD WASH Pledge drives our practical contribution to address the global challenge of providing access to safe water, sanitation and hygiene at the workplace.	The progress of this goal is on-going. In 2014, Nestlé launched the pledge across all of our operations, and tested the new WBCSD self-assessment tool at representative manufacturing facilities. The tool analyses company facilities and provides guidance on best practices in the workplace. It enables us to score the current status of a site, identify gaps and promote improvements. Overall, our performance against the pledge has been found to be 'very good'. We will use the self-assessment tool in all premises under our control by the end of 2015 and have provided guidance tools to our teams for support.
Other: Work to achieve water efficiency across our operations	Water stewardship	By 2015 – Establish and implement detailed guidelines on human rights to water and sanitation due diligence.	The progress of this goal is on-going. Water, Sanitation and Hygiene (WASH) considerations are being integrated into the Water Resource Review process. The right to water and sanitation is also systematically included in our corporate Human Rights Impact Assessment.
Other: Work to achieve water efficiency across our operations	Water stewardship	By 2016 – Define water stewardship initiatives and start implementation in five high-priority locations.	The progress of this goal is on-going.
Other: Work to achieve water efficiency across our operations	Water stewardship	By 2016 – Implement water savings projects in 100% of high-priority manufacturing facilities.	The progress of this goal is on-going.
Other: Advocate for effective water policies and stewardship	Water stewardship	By 2016 – Continue to build the 2030 Water Resources Group Public Private Partnership by adding two more countries per year and further develop and publicise the Global Catalogue on Good Practices.	The progress of this goal is on-going. Many of our most senior people, including our Chairman, play a leading role in the 2030 Water Resources Group (2030 WRG). We currently chair this public-private-civil society collaboration, which seeks to catalyse practical solutions for water resources

Goal	Motivation	Description of goal	Progress
			reform in water-stressed developing economies. The WRG has been invited to work in Peru and Tanzania, and is also exploring other countries such as Bangladesh, Kenya and Lebanon.
Other: Advocate for effective water policies and stewardship	Water stewardship	By 2016 – Support the launch of the CEO Water Mandate Guide on Good Practices for Business on the Human Right to Water and Sanitation and pilot test the Guide in our water due diligence in selected markets.	The progress of this goal is on-going. In 2014, we completed our contribution to the publication of the CEO Water Mandate Corporate Water Disclosure Guidelines, which seek to harmonise reporting approaches and minimise reporting burdens, so companies spend less time on different reports and more time actively managing water. We believe the guidelines offer a common approach to disclosure. They are applicable to a broad range of corporate water users, to capture the complex and location-specific nature of water resource dynamics and corporate action.
Other: Advocate for effective water policies and stewardship	Water stewardship	By 2016 – Initiate the roll-out process of the Alliance for Water Stewardship's (AWS) International Water Stewardship Standard by implementing it in at least five locations.	The progress of this goal is on-going. Nestlé used the AWS standard's principles this year, at selected high-priority locations. It defines a set of criteria and indicators for a site or catchment, to ensure water use is environmentally, socially and economically beneficial. The standard provides organisations with a six-step continual improvement framework that enables water stewards to commit to understand, plan, implement, evaluate and communicate water stewardship actions.
Other: Advocate for effective water policies and stewardship	Water stewardship	By 2016 – Support the World Business Council for Sustainable Development (WBCSD) to achieve 50 signatories of the WASH Pledge.	The progress of this goal is on-going. To date, 25 signatories (including Nestlé) have adopted the WASH Pledge, and interest has accelerated over the past 12 months. Existing signatories are from 15 business sectors, and they represent operations in Western Europe, Eastern Europe, the United States, Asia and the Middle East. Nestlé was one of the first signatories to sign up to the pledge, believing that it demonstrates we are delivering on our Corporate Business Principles and putting our people first.
Other: Advocate for effective water policies and stewardship	Water stewardship	By 2016 – Work with the Sustainable Agriculture Initiative Platform (SAI) and the Sustainable Food Lab (SFL) to implement the Water Risk Assessment and Mitigation collaboration initiative in at least one sourcing area of agricultural raw materials.	The progress of this goal is on-going. Nestlé has participated in Phase one of the project. At the end of Phase one, three regions had been identified as possible places for joint mitigation action: Central Mexico; the central valley of California, USA; and potentially along the Ganges river in India. We will participate in Phase two of the initiative over

Goal	Motivation	Description of goal	Progress
			the coming months and years.
Other: Treat the water we discharge effectively	Water stewardship	By 2016 – Implement the new and strengthened Nestlé Environmental Requirements for water quality and effluent discharge in all factories in order to help protect the environment.	The progress of this goal is on-going. We have deployed a new Water and Effluents dashboard that captures our data on water withdrawal, water discharge and water quality reporting from 2007 to the present day. It allows better visualisation of monthly water withdrawals and discharges, monthly quality of water discharge, water withdrawal efficiency, water withdrawal by source, and it measures water quality against our internal standards at a factory level.
Engagement with suppliers to help them improve water stewardship	Water stewardship	By 2015 – Define and start to implement action plans to save water in our upstream supply chain for coffee, sugar, rice and cereals, in high-priority locations.	In 2014, using the Sustainable Agriculture Initiative at Nestlé platform, we defined an action plan to save water in our upstream supply chain for coffee and started to implement it. Whilst we are advanced with our coffee action planning (Nescafé Better Farming Practices, Intelligent water management project), work is in progress to define and implement an action plan for Nestlé’s sugar and cereals supply chain. We are partnering with leading NGO, Proforest, to assess the risks in our sugar cane supply chain in the key sourcing regions of Mexico, Brazil and India.

W8.1c

Please explain why you do not have any water-related targets or goals and discuss any plans to develop these in the future

Further Information

Module: Linkages/Tradeoff

Page: W9. Managing trade-offs between water and other environmental issues

W9.1

Has your organization identified any linkages or trade-offs between water and other environmental issues in its value chain?

Yes

W9.1a

Please describe the linkages or trade-offs and the related management policy or action

Environmental issues	Linkage or trade-off	Policy or action
Energy	Linkage	<p>Food production requires water and energy; water extraction and distribution requires energy; and energy production requires water. i) Nestlé specific description of the linkages: We use water to cool power equipment, and water supply and treatment, and pumping water requires energy. Energy production also requires water. Our Environmental Target Setting programme aims to improve the environmental performance of our factories based on a thorough assessment of baseline energy and water consumption. The savings delivered by projects implemented in 2014 amounted to 1.8 million GJ of energy, 1.2 million m³ of water and 149 000 tonnes of CO₂eq. ii) Detail on the actions: At Nestlé, teams of experts are sent to factories to identified energy and water and greenhouse gas emissions reduction opportunities. For example, at the Askeaton Factory in Ireland, Nestlé is substituting heavy oil as a fuel for the boilers and air heaters with the natural gas. With the substitution of fuel the factory savings of approximately 157,000 GJ/y, 183,000 m³/y of water and 10,500 tCO₂/y are generated. The total identified savings amount to 3,095 kCHF/y. iii) Description of the policy for managing this linkages According to The Nestlé Policy on Environmental sustainability, we aim to use most efficient technologies and apply best practices in order to further optimize energy and water consumption.</p>
Food Waste prevention and reduction	Linkage	<p>i) Nestlé specific description of the linkages About one third of global food production is either wasted or lost every year. Food waste not only generates superfluous greenhouse gas emissions and wastage of water but also affects farmer income as well as the availability and cost of food. Hence, it contributes to inequality and undermines rural development. Ever since its foundation in 1866, Nestlé has contributed to reducing food waste by transforming perishable raw materials such as milk, coffee beans and cocoa into safe, tastier and healthier value-adding food products. ii) Detail on the actions Over the last 10 years, Nestlé has more than halved, per tonne of product, the amount of waste for disposal generated in its factories. In 2014, 72 achieved zero waste for disposal. iii) Description of the policy for managing this linkages As the leading Nutrition,</p>

Environmental issues	Linkage or trade-off	Policy or action
		<p>Health and Wellness company, Nestlé is committed to further playing its part in helping to reduce food loss and waste. Not only will this help Nestlé to secure supply of the agricultural raw materials it sources, but it will also have a positive impact on society by supporting rural development, water conservation, and food security. This is in line with Nestlé's Creating Shared Value approach to doing business.</p>
Biofuels	Trade-off	<p>i)Nestlé specific description of the trade-off Increased use of biofuels puts increasing pressure on water resources in at least two ways: water use for the irrigation of crops used as feedstocks for biodiesel production; and water use in the production of biofuels in refineries, mostly for boiling and cooling. Nestlé is a strong supporter of sustainable and efficient water and energy use. The current production of biofuel relies on the extensive use of food and feed crops such as maize and wheat. The large scale expansion of these agricultural raw materials for biofuel production will aggravate the problem of water scarcity, as every litre of biofuel made from irrigated maize or soybeans requires between 500 and 5,000 litres of water. This causes an unsustainable boost in the use of freshwater by agriculture, which already uses 70% of available sources. Furthermore, depending on crop type and geography, greenhouse gas savings compared to fossil fuel can be very small. ii) Detail on the actions: Nestlé continues to advocate against the use of crops for fuel rather than food, as the growing use of biofuels is a significant factor in the destruction of rainforests. iii) Description of the policy for managing this trade-off Therefore our strong policy claim: no food for fuel.</p>
Energy	Trade-off	<p>i)Nestlé specific description of the trade-off A site level, Nestlé has identified trade-offs between usage of water and energy. For instance, in many Nestlé factories the reduction of steam consumption allows to minimise water withdrawal as well as energy consumption. Trade-offs between water, energy and carbon are also taken into consideration, such as treating waste water which will allow the recycling of water but at the cost of additional energy usage. ii)Detail on the actions The impact of these factors on the environment may vary depending on local conditions (such as water scarcity in a region) and need to be evaluated based on all of the inputs, not just the impact a project or initiative has on one of the factors. iii) Description of the policy for managing this trade-off These are taken into account through its Change Management process, which includes investments projects and innovation/renovation of products and processes. For each new product or process developed, R&D teams have to assess related environmental impacts, which include water withdrawal and energy consumption and these are part of an internal process. Nestlé also strives to improve factory(ies) environmental performance through internal tools and procedures and in some situations with the support from external consultants and suppliers. Linkages between water and energy are taken into consideration.</p>
Ecosystem quality	Trade-off	<p>i)Nestlé specific description of the trade-off Nestlé has been conducting Life Cycle Assessments to assess the environmental impacts of its major product categories, from farm to consumer in order to increase the environmental performance of its products throughout their life cycle. ii)Detail on the actions To optimise the environmental performance of its products, Nestlé not only considers the environmental impacts of its manufacturing operations but also those associated with the other steps in the value chain. Nestlé therefore applies a life cycle approach, systematically assessing its product categories from farm to fork and beyond. We advocate a multi-disciplinary approach not just looking at GHG emissions but also at water and natural resources, human health, and ecosystem quality. iii) Description of the policy for managing this trade-off Nestlé aims to use natural resources efficiently at all stages of the life cycle is, to favour the use of sustainably-managed renewable resources</p>

Environmental issues	Linkage or trade-off	Policy or action
		and to target zero waste.

Further Information

Module: Sign Off

Page: Sign Off

W10.1

Please provide the following information for the person that has signed off (approved) your CDP water response

Name	Job title	Corresponding job category
José Lopez	Executive Vice President of Operations	Chief Operating Officer (COO)

W10.2

Addressing water risks effectively, in many instances, requires collective action. CDP would like to support you in finding potential partners that are also working to tackle water challenges in the river basins you report against. Please select if your organization would like CDP to transfer your publicly disclosed risk and impact drivers and response strategy data from questions W1.4a, W3.2b, W3.2c, W4.1a and W8.1b to the United Nations Global Compact Water Action Hub.

Yes

Further Information

CDP 2015 Water 2015 Information Request