Nestlé - Water Security 2020

W0. Introduction

W0.1

(W0.1) Give a general description of and introduction to your organization.

Nestlé is the world's largest food and beverage company. We have more than 2000 brands ranging from global icons to local favorites, and we are present in 187 countries around the world. Nestlé's purpose is "**We unlock the power of food to enhance quality of life for everyone, today and for generations to come".** We want to help shape a better and healthier world. This is how we contribute to society while ensuring the long-term success of our company. Our values are reflected in the way we do business, always acting with respect both for our own people and those we do business with.

Creating Shared Value remains the fundamental guiding principle for how Nestlé does business. CSV is the strategy tool that Nestlé uses to operationalize and manage all the actions it takes to ensure it creates value for shareholders and for society.

Our focus areas are firmly embedded in our purpose of enhancing quality of life and contributing to a healthier future. Individuals and families, our communities and the planet as a whole are interconnected, and our efforts in each of these areas are supported through **36 specific commitments towards 2020 .** These commitments will, in turn, enable us to meet our ambitions for 2030 in line with the timescale of the Sustainable Development Goals (SDGs). Our 2030 Ambitions are to: Help 50 million children live healthier lives; Help to improve 30 million livelihoods in communities directly connected to our business activities; Strive for zero environmental impact in our operations.

The Nestlé Corporate Business Principles rule the way we do business and form the basis of our culture and values. The business principles are to be found here : https://www.nestle.com/sites/default/files/asset-library/documents/library/documents/corporate_governance/corporate-business-principles-en.pdf

W-FB0.1a

(W-FB0.1a) Which activities in the food, beverage, and tobacco sector does your organization engage in?

Processing/Manufacturing
Distribution

W0.2

(W0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date
Reporting year	January 1 2019	December 31 2019

W0.3

(W0.3) Select the countries/areas for which you will be supplying data.

Algeria
Angola
Argentina
Australia
Bahrain
Bangladesh
Belgium
Bolivia (Plurinational State of)
Brazil
Bulgaria
Cameroon
Canada
Chile
China
Colombia
Costa Rica
Côte d'Ivoire
Cuba
Czechia
Democratic People's Republic of Korea
Denmark
Dominican Republic
Ecuador
Egypt
Ethiopia
Finland
France

Germany
Ghana
Greece
Guatemala
Hungary
India
Indonesia
Iran (Islamic Republic of)
Iraq
Ireland
Israel
Italy
Japan
Jordan
Kenya
Lebanon
Malaysia
Mexico
Morocco
Myanmar
Netherlands
New Zealand
Nicaragua
Niger
Pakistan
Panama
Papua New Guinea
Peru
Philippines
Poland
Portugal
Qatar
Romania
Russian Federation
Saudi Arabia
Senegal
Serbia
Singapore
Slovakia
South Africa
Spain
Sri Lanka
Sweden
Switzerland
Syrian Arab Republic
Thailand
Trinidad and Tobago
Tunisia
Turkey
Ukraine
United Arab Emirates
United Kingdom of Great Britain and Northern Ireland
United States of America
Uruguay
Uzbekistan
Viet Nam
Zimbabwe

W0.4

(W0.4) Select the currency used for all financial information disclosed throughout your response.

CHF

W0.5

(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.

Companies, entities or groups over which operational control is exercised

W0.6

(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?

Yes

W0.6a

(W0.6a) Please report the exclusions.

Exclusion	Please explain
Head Offices	Nestlé does not consolidate yet at global level the water inputs/outputs 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 biggest water inputs/outputs, which occur in our industrial activities.
R&D	Nestlé does not consolidate yet at global level the water inputs/outputs in its R&D centers. We have already started the process of implementation of a new system that include R&D centers. We currently focus on our biggest water inputs/outputs, which occur in our industrial activities.
Distribution Centers	Nestlé does not consolidate yet at global level the water inputs/outputs in its Distribution Centers. We have already started the process of implementation of a new system that include Distribution Centers. We currently focus on our biggest water inputs/outputs, which occur in our industrial activities.
Some recently acquired factories	Some recent acquisitions have not yet implemented our reporting system to track the water withdrawals 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.

W1. Current state

W1.1

(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Vital	Vital	- Direct use: The direct use of sufficient amounts of good quality freshwater in our operations is vital for Nestlé. In more than 400 Nestlé factories, we need water for many purposes starting with food processing, for our bottling water business, for industrial cleaning (CIP) as well as employees' facilities (hygiene and drinking water). - Direct use rating: Sufficient amounts of good quality freshwater is a vital resource for Nestlé's operations and to the future of our business. Without good quality fresh water, we simply cannot run our business. - Indirect use: The indirect use of sufficient freshwater of good quality is also vital for Nestlé. As a food and beverage company, we rely heavily on raw agricultural material which needs water to grow. In addition to that, consumers need clean freshwater to prepare and consume our products. - Indirect use rating: Water is vital throughout our entire value chain, from supply, to processing and finally consumption of our products. To ensure the sustainability of our value chain, our suppliers, employees, customers and consumers need access to safe drinking water, in sufficient quantity and adequate sanitation. - Future (in)direct freshwater water use dependency: In future, we expect our need of good quality freshwater to remain vital. Our direct water use is expected to remain stable or increase slightly, alongside our business growth (nonetheless maintaining/improving our internal water use efficiency) Our indirect dependency on good quality freshwater, in our supply chain and for our consumers, is expected to remain vital as well. Both our (in)direct water use may face stress in future and we are already working on implementing project to avoid any disruption in our factories as well as in our supply chain and for our customers/consumers.
Sufficient amounts of recycled, brackish and/or produced water available for use	Important	Important	- Direct use: The direct use of recycled and produced water is mainly used for cleaning operations and employees' facilities. In some cases, it is used for food processing as well. Many factories of our Dairy and Nutrition (Infant formula) product categories implemented our ZerEau technology which extracts water from fresh milk. This "milk water" is used in different industrial processes. ZerEau is implemented in 20 factories. Other factories from our Coffee, PetCare and even water use different technologies allowing the recycling of water. - Direct use rating: The direct use of recycled water is important for it is one solution (among others) to avoid direct water withdrawal, therefore relieving pressure on local water resources and help increase the water availability for local communities - Indirect use: The indirect use of recycled water in many countries where Nestlé operates is for irrigation in agriculture. - Indirect use rating: Recycled water is important for irrigation of the agricultural raw materials that we source as it can reduce withdrawals and help increase the water availability for local communities. - Future (in)direct recycled water use dependency: In water stress locations, the implementation of technologies allowing the recycling and reuse of water is expected to increase in future. In addition to that, the extension of collaboration between Nestlé's Operations and local agricultural communities is also expected to grow in future to increase and improve the use of recycled (treated) industrial water in irrigation.

W-FB1.1a

(W-FB1.1a) Which water-intensive agricultural commodities that your organization produces and/or sources are the most significant to your business by revenue? Select up to five.

Agricultural commodities	% of revenue dependent on these agricultural commodities	Produced and/or sourced	Please explain
Other, please specify (Fresh Milk)	21-40	Sourced	According to 2019 Nestlé's financial statement, Dairy and Nutrition (Infant formula) accounts for 31% of the Company's sales. This figure reaches 39% if we add our Confectionary product category. These product categories source significant volumes of fresh milk on a yearly basis. Based on Hoekstra and Mekonnen (2012, The Water Footprint of Humanity) and 2019 internal data, Dairy products account for 16.4% of Nestlé's water footprint of raw agricultural material (Cumulated Green and Blue water footprint).
Other, please specify (Coffee)	21-40	Sourced	According to 2019 Nestlé's financial statement, our Powdered and liquid beverage product category accounts for 25% of the Company's sales. This product category sources significant volumes of coffee on a yearly basis. Based on Hoekstra and Mekonnen (2012, The Water Footprint of Humanity) and 2019 internal data, coffee accounts for 20.2% of Nestlé's water footprint of raw agricultural material (Cumulated Green and Blue water footprint).
Other, please specify (Cereals)	21-40	Sourced	According to 2018 Nestlé's financial statement, our Nutrition, Prepared Dishes and PetCare product categories account for 16%, 13% and 15% of the Company's sales, respectively. These product categories source significant volumes of cereals on a yearly basis. Based on Hoekstra and Mekonnen (2012, The Water Footprint of Humanity) and 2019 internal data, cereals account for 9.1% of Nestlé's cumulated green and blue water footprint of raw agricultural material; and 23.7% of Nestlé's blue water footprint of raw agricultural material.
Other, please specify (Sugar)	21-40	Sourced	Sugar is present in many of our products across almost all our product categories. Large quantities of sugar are purchased every year by Nestlé. Based on Hoekstra and Mekonnen (2012, The Water Footprint of Humanity) and 2019 internal data, sugar account for 4.8% of Nestlé's cumulated green and blue water footprint of raw agricultural material; but 23.3% of Nestlé's blue water footprint of raw agricultural material.

W1.2

(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

	% of sites/facilities/operations	Please explain
Water withdrawals – total volumes	100%	This information is consistent across most indicators addressed in this current section. This parameter is monitored in 100% of our factories. It is part of our standard internal environmental monitoring and reporting routine. It is measured "in continuous" by flow-meters in each of our factories. It is consolidated on a monthly basis at factory level and reported in our internal environmental reporting system - SHE-PM. The data is then consolidated at the HQ level of the company, in Vevey Switzerland. The data is used to track and evaluate our internal water use efficiency as well as our overall environmental performance. It is reported to different stakeholders within the company (including top management) to continuously drive improvement and is also publicly reported in our Annual CSV Report:https://www.nestle.com/csv/performance
Water withdrawals – volumes by source	100%	This information is consistent across most indicators addressed in this current section. This parameter is monitored in 100% of our factories. It is part of our standard internal environmental monitoring and reporting routine. It is measured "in continuous" by flow-meters in each of our factories. It is consolidated on a monthly basis at factory level and reported in our internal environmental reporting system - SHE-PM. The data is then consolidated at the HQ level of the company, in Vevey Switzerland. The data is used to track and evaluate our internal water use efficiency as well as our overall environmental performance. It is reported to different stakeholders within the company (including top management) to continuously drive improvement and is also publicly reported in our Annual CSV Report:https://www.nestle.com/csv/performance
Entrained water associated with your metals & mining sector activities - total volumes [only metals and mining sector]	<Not Applicable>	<Not Applicable>
Produced water associated with your oil & gas sector activities - total volumes [only oil and gas sector]	<Not Applicable>	<Not Applicable>
Water withdrawals quality	100%	This parameter is monitored in 100% of our factories. It is part of our standard internal environmental monitoring and reporting routine. Compliance with local and internal water quality regulations is monitored "in continuous" by dedicated quality sensors and probes in each of our factories. Additional monitoring for specific local quality parameters are added, when necessary, based on regular sampling and analysis of local water quality. All this information is consolidated on a monthly basis at factory level and reported in our internal environmental reporting system - SHE-PM. The data is then consolidated at the HQ level of the company, in Vevey Switzerland. The data is used to track and evaluate our water quality and prevent quality-related issues (internal and external). It is reported to different stakeholders within the company (including top management). Key parameters are reported in our Annual CSV Report:https://www.nestle.com/csv/performance
Water discharges – total volumes	100%	This information is consistent across most indicators addressed in this current section. This parameter is monitored in 100% of our factories. It is part of our standard internal environmental monitoring and reporting routine. It is measured "in continuous" by flow-meters in each of our factories. It is consolidated on a monthly basis at factory level and reported in our internal environmental reporting system - SHE-PM. The data is then consolidated at the HQ level of the company, in Vevey Switzerland. The data is used to track and evaluate our internal water use efficiency as well as potential impact on downstream users and ecosystems. It is reported to different stakeholders within the company (including top management) to continuously drive improvement and is also publicly reported in our Annual CSV Report:https://www.nestle.com/csv/performance
Water discharges – volumes by destination	100%	This information is consistent across most indicators addressed in this current section. This parameter is monitored in 100% of our factories. It is part of our standard internal environmental monitoring and reporting routine. It is measured "in continuous" by flow-meters in each of our factories. It is consolidated on a monthly basis at factory level and reported in our internal environmental reporting system - SHE-PM. The data is then consolidated at the HQ level of the company, in Vevey Switzerland. The data is used to track and evaluate our internal water use efficiency as well as potential impact on downstream users and ecosystems. It is reported to different stakeholders within the company (including top management) to continuously drive improvement.
Water discharges – volumes by treatment method	100%	This information is consistent across most indicators addressed in this current section. This parameter is monitored in 100% of our factories. It is part of our standard internal environmental monitoring and reporting routine. It is measured "in continuous" by flow-meters in each of our factories. It is consolidated on a monthly basis at factory level and reported in our internal environmental reporting system - SHE-PM. The data is then consolidated at the HQ level of the company, in Vevey Switzerland. The data is used to track and evaluate our internal water use efficiency as well as potential impact on downstream users and ecosystems. It is reported to different stakeholders within the company (including top management) to continuously drive improvement.
Water discharge quality – by standard effluent parameters	100%	This information is consistent across most indicators addressed in this current section. This parameter is monitored in 100% of our factories. It is part of our standard internal environmental monitoring and reporting routine. It is measured "in continuous" by flow-meters in each of our factories. It is consolidated on a monthly basis at factory level and reported in our internal environmental reporting system - SHE-PM. The data is then consolidated at the HQ level of the company, in Vevey Switzerland. The data is used to track and evaluate our internal water use efficiency as well as potential impact on downstream users and ecosystems. It is reported to different stakeholders within the company (including top management) to continuously drive improvement.
Water discharge quality – temperature	100%	This information is consistent across most indicators addressed in this current section. This parameter is monitored in 100% of our factories. It is part of our standard internal environmental monitoring and reporting routine. It is measured "in continuous" by flow-meters in each of our factories. It is consolidated on a monthly basis at factory level and reported in our internal environmental reporting system - SHE-PM. The data is then consolidated at the HQ level of the company, in Vevey Switzerland. The data is used to track and evaluate our internal water use efficiency as well as potential impact on downstream users and ecosystems. It is reported to different stakeholders within the company (including top management) to continuously drive improvement.
Water consumption – total volume	100%	This information is consistent across most indicators addressed in this current section. This parameter is monitored in 100% of our factories. It is part of our standard internal environmental monitoring and reporting routine. It is measured "in continuous" by flow-meters in each of our factories. It is consolidated on a monthly basis at factory level and reported in our internal environmental reporting system - SHE-PM. The data is then consolidated at the HQ level of the company, in Vevey Switzerland. The data is used to track and evaluate our internal water use efficiency as well as our overall environmental performance. It is reported to different stakeholders within the company (including top management) to continuously drive improvement and is also publicly reported in our Annual CSV Report:https://www.nestle.com/csv/performance
Water recycled/reused	100%	This information is consistent across most indicators addressed in this current section. This parameter is monitored in 100% of our factories. It is part of our standard internal environmental monitoring and reporting routine. It is measured "in continuous" by flow-meters in each of our factories. It is consolidated on a monthly basis at factory level and reported in our internal environmental reporting system - SHE-PM. The data is then consolidated at the HQ level of the company, in Vevey Switzerland. The data is used to track and evaluate our internal water use efficiency as well as our overall environmental performance. It is reported to different stakeholders within the company (including top management) to continuously drive improvement.
The provision of fully-functioning, safely managed WASH services to all workers	100%	Nestlé is a signatory of the WBCSD WASH Pledge and is therefore committed to implementing it. We monitor the progress and implementation in all our factories through regular rounds of self-assessment by factories. The data is collected and consolidated by the HQ of the company, in Vevey Switzerland. The data is used to track and evaluate our compliance with the WBCSD WASH Pledge. It is reported to different stakeholders within the company (including top management) to continuously drive improvement and publicly in our Annual Report.

W1.2b

(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, and how do these volumes compare to the previous reporting year?

	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Total withdrawals	121000	Lower	Over the years, we have consistently reduced our water withdrawals even though our production volumes increased. This is explained by our continuous efforts to improve our internal water use efficiency. Water efficiency programs in our operations ensure the implementation of "water-saving" projects in our factories, eventually leading to lower our water needs, even when we increase our production volumes. We expect our business will continue to grow but we will continue to improve the water efficiency of our factories whenever it is possible, both in terms of opportunities and technologies available. While we will continue to commit on being best in class in water use efficiency within our factory, we also start to focus and invest strongly in external water saving initiatives, at catchment level, preserving local resources, through water stewardship initiatives. In future, we expect total water withdrawals to remain within the same range while continuing to increase our production of finished goods.
Total discharges	67000	Lower	Over the years, we have consistently reduced our water discharges even though our production volumes increased. This is explained by our continuous efforts to improve our internal water use efficiency. Water efficiency programs in our operations ensure the implementation of "water-saving" projects in our factories, eventually leading to lower our water needs, even when we increase our production volumes. We expect our business will continue to grow but we will continue to improve the water efficiency of our factories whenever it is possible, both in terms of opportunities and technologies available. While we will continue to commit on being best in class in water use efficiency within our factory, we also start to focus and invest strongly in external water saving initiatives, at catchment level, preserving local resources, through water stewardship initiatives. In future, we expect total water withdrawals to remain within the same range while continuing to increase our production of finished goods.
Total consumption	54000	About the same	Over the years, we have consistently reduced our water consumption even though our production volumes increased. This is explained by our continuous efforts to improve our internal water use efficiency. Water efficiency programs in our operations ensure the implementation of "water-saving" projects in our factories, eventually leading to lower our water needs, even when we increase our production volumes. We expect our business will continue to grow but we will continue to improve the water efficiency of our factories whenever it is possible, both in terms of opportunities and technologies available. While we will continue to commit on being best in class in water use efficiency within our factory, we also start to focus and invest strongly in external water saving initiatives, at catchment level, preserving local resources, through water stewardship initiatives. In future, we expect total water withdrawals to remain within the same range while continuing to increase our production of finished goods.

W1.2d

(W1.2d) Indicate whether water is withdrawn from areas with water stress and provide the proportion.

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Identification tool	Please explain
Row 1	Yes	26-50	About the same	WRI Aqueduct	We use an internal method to assess water stress at the location of all our factories - the Combined Water Stress Index (CWSI). This method not only uses data from WRI-Aqueduct, but also includes data from WWF-WRF, Pfister-WSI and Earth Stat Water Depletion. Each one of our factories is scored using these four datasets. The average score of physical water risk gives the CWSI score. Using the CWSI assessment scores of 2019 shows that 28.7% of our water withdrawals occur in water-stressed areas. These withdrawals occur in the 27.8% of our factories located in water-stressed locations, as defined by the CWSI assessment. The proportions of both factories and water withdrawals in water-stressed regions are within the same range as last year (2018). The reason being that there have not been significant changes in the total number and location of our ~400 factories worldwide.

W-FB1.2e

(W-FB1.2e) For each commodity reported in question W-FB1.1a, do you know the proportion that is produced/sourced from areas with water stress?

Agricultural commodities	The proportion of this commodity produced in areas with water stress is known	The proportion of this commodity sourced from areas with water stress is known	Please explain
Other commodities from W-FB1.1a, please specify (Fresh Milk)	Not applicable	Yes	Nestlé does not produce any raw agricultural material itself - we only source agricultural raw materials through direct sourcing programs and/or third party suppliers. Our Fresh Milk supply chain of direct sourcing is assessed/mapped (in terms of vulnerability to water-stress). Water-related risk in our supply chains are assessed through annual assessment of water risk at the sourcing location of key agricultural commodities, using the CWSI method which combines results from four publicly available tools; namely WRI Aqueduct, WWF Water Risk Filter, Pfister Water Stress Index and the Water Depletion dataset by EarthStat, applied here to entire "sourcing areas". This is also done for future trends using WRI Aqueduct 2040 global water risk. The mapping allows us to implement relevant actions to address water-related issues and prevent future serious issues.
Other commodities from W-FB1.1a, please specify (Coffee)	Not applicable	Yes	Nestlé does not produce any raw agricultural material itself - we only source agricultural raw materials through direct sourcing programs and/or third party suppliers. Our Coffee supply chain of direct sourcing is assessed/mapped (in terms of vulnerability to water-stress). Water-related risk in our supply chains are assessed through annual assessment of water risk at the sourcing location of key agricultural commodities, using the CWSI method which combines results from four publicly available tools; namely WRI Aqueduct, WWF Water Risk Filter, Pfister Water Stress Index and the Water Depletion dataset by EarthStat, applied here to entire "sourcing areas". This is also done for future trends using WRI Aqueduct 2040 global water risk. The mapping allows us to implement relevant actions to address water-related issues and prevent future serious issues.
Other commodities from W-FB1.1a, please specify (Cereals)	Not applicable	No, not currently but we intend to collect this data within the next two years	Nestlé does not produce any raw agricultural material itself - we only source agricultural raw materials through direct sourcing programs and/or third party suppliers. We are in the process of assessing the exact geographical origin of cereals, as for most of our main agricultural raw materials through our commitment on Responsible Sourcing and traceability. Tracing back the origin of our raw agricultural material as close as possible to the location where it was produced allows us to map and define their respective water-related risks (and opportunities). Water-related risk in our supply chains are assessed through annual assessment of water risk at the sourcing location of key agricultural commodities, using the CWSI method which combines results from four publicly available tools; namely WRI Aqueduct, WWF Water Risk Filter, Pfister Water Stress Index and the Water Depletion dataset by EarthStat, applied here to entire "sourcing areas". This is also done for future trends using WRI Aqueduct 2040 global water risk. This geo-information is used to assess the water-stress encountered at the location where key commodities are produced/sourced from and implement relevant actions to address water-related issues and prevent future serious issues. We expect to have our main Cereals supply chains, fully assessed within the next 2 years. (2020/2021).
Other commodities from W-FB1.1a, please specify (Sugar)	Not applicable	No, not currently but we intend to collect this data within the next two years	Nestlé does not produce any raw agricultural material itself - we only source agricultural raw materials through direct sourcing programs and/or third party suppliers. We are in the process of assessing the exact geographical origin of Sugar, as for most of our main agricultural raw materials through our commitment on Responsible Sourcing and traceability. Tracing back the origin of our raw agricultural material as close as possible to the location where it was produced allows us to map and define their respective water-related risks (and opportunities). Water-related risk in our supply chains are assessed through annual assessment of water risk at the sourcing location of key agricultural commodities, using the CWSI method which combines results from four publicly available tools; namely WRI Aqueduct, WWF Water Risk Filter, Pfister Water Stress Index and the Water Depletion dataset by EarthStat, applied here to entire "sourcing areas". This is also done for future trends using WRI Aqueduct 2040 global water risk. This geo-information is used to assess the water-stress encountered at the location where key commodities are produced/sourced from and implement relevant actions to address water-related issues and prevent future serious issues. We expect to have our main Sugar supply chains, fully assessed within the next 2 years. (2020/2021).

W-FB1.2g

(W-FB1.2g) What proportion of the sourced agricultural commodities reported in W-FB1.1a originate from areas with water stress?

Agricultural commodities	% of total agricultural commodity sourced from areas with water stress	Please explain
Other sourced commodities from W-FB1.2e, please specify (Fresh Milk)	26-50	This figure is based on a preliminary internal assessment of mapping of sourcing origin and related water-stress assessment. According to current future climatic scenarios (IPCC), if no action is taken in the coming years, it is expected that the proportion of raw agricultural material sourcing in water-stressed regions will increase in future, in many parts of the world where we source milk. We track the proportion of Milk sourced from water-stressed locations in order to implement everything that is necessary to prevent supply chain slow-down or disruption. To avoid critical water-related issues and ensure access to water in all in these regions, we follow the principles Water Stewardship. This is actually already the case in some critical regions (Pakistan, India, Mexico, South Africa..).
Other sourced commodities from W-FB1.2e, please specify (Coffee)	26-50	This figure is based on a preliminary internal assessment of mapping of sourcing origin and related water-stress assessment. According to current future climatic scenarios (IPCC), if no action is taken in the coming years, it is expected that the proportion of raw agricultural material sourcing in water-stressed regions will increase in future, in many parts of the world where we source coffee. We track the proportion of Coffee sourced from water-stressed locations in order to implement everything that is necessary to prevent supply chain slow-down or disruption. To avoid critical water-related issues and ensure access to water in all in these regions, we follow the principles Water Stewardship. This is actually already the case in some critical regions (Vietnam and Brazil).
Other sourced commodities from W-FB1.2e, please specify (Cereals)	26-50	This figure is a reasonable estimate based on publicly available WRI data. We will be able to provide more accurate data within the next two years to better assess risk and target relevant actions. We are currently in the process of mapping the sourcing origin and related water-stress assessment for cereals. This exercise considers current and future trends as we expect this % to increase in future, according to global climatic scenarios (IPCC), if nothing is done. Accordingly, Nestlé will implement everything necessary to prevent critical water-related issues and ensure access to water to all in these regions, through Water Stewardship Initiatives.
Other sourced commodities from W-FB1.2e, please specify (Sugar)	26-50	This figure is a reasonable estimate based on publicly available WRI data. We will be able to provide more accurate data within the next two years (2020/2021) to better assess risk and target relevant actions. We are currently in the process of mapping of sourcing origin and related water-stress assessment for sugar. This exercise considers current and future trends as we expect this % to increase in future, according to global climatic scenarios (IPCC), if nothing is done. Accordingly, Nestlé will implement everything necessary to prevent critical water-related issues and ensure access to water to all in these regions, through Water Stewardship Initiatives.

W1.2h

(W1.2h) Provide total water withdrawal data by source.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Relevant	9000	Lower	As a food and Beverage company, we need good quality water in our daily operations and freshwater is our third source of water (in volume). Even though our business is growing, we are committed to continuously improve the water use efficiency of our operations. This has led to a decrease in the volumes of surface freshwater we withdraw annually.
Brackish surface water/Seawater	Not relevant	<Not Applicable>	<Not Applicable>	Brackish/Sea Water is not a source of water we use. Unlike other industries, as a Food and Beverage company, this type of water source is not relevant, from a qualitative point of view, nor financially viable as it requires specific technology.
Groundwater – renewable	Relevant	71000	About the same	As a food and Beverage company, we need good quality water in our daily operations and groundwater is our first source of water (in volume), especially for our bottled water business (spring and mineral water). Even though our business is growing, we are committed to improve the water use efficiency of our operations. This has led to a stabilization of the volumes of groundwater we withdraw annually.
Groundwater – non-renewable	Not relevant	<Not Applicable>	<Not Applicable>	At Nestlé, we strive to ensure that the groundwater we use is managed sustainably, in line with our commitment on Water Stewardship and our internal Nestlé Environmental Requirements (NER).
Produced/Entrained water	Relevant	1200	About the same	As a food and Beverage company, we need good quality water in our daily operations and produced water is an alternative source of water that helps preserve local natural water resources. Using our ZerEau technology, in 2019, we were able to "recover" more than a million cubic meter of water from fresh milk. This volume is similar to that of last year but nevertheless continuously increasing year after year as we continue to implement this technology in as many of our factories as possible, since the first implementation of ZerEau technology in 2011.
Third party sources	Relevant	41000	Lower	As a food and Beverage company, we need good quality water, in sufficient quantity, in our daily operations, and third party is our second source of water (in volume). Even though our business is growing, we are committed to improve the water use efficiency of our operations. This has led to a decrease in the volumes of third-party water we use annually.

W1.2i

(W1.2i) Provide total water discharge data by destination.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water	Relevant	32000	Much lower	Even though our business is growing, continuous efforts in water efficiency within our operations, the promotion of water recycling and improvements in effluents treatment has led to a decrease in the volumes of water we discharge annually in surface freshwater bodies. Many of our factories are operating their own effluent treatment plant to ensure that the water we discharge to the environment not only complies with local regulations but also complies with our internal standard on water quality returned to the environment. This is relevant to us, as all volumes treated on our sites are returned to surface freshwater bodies. Depending on future business needs and growth, we expect these volumes to remain stable, as we continue to promote recycling and efficiency technologies within our factories.
Brackish surface water/seawater	Not relevant	<Not Applicable>	<Not Applicable>	We do not discharge effluents into brackish surface water nor sea water. This is not relevant to us as all volumes treated on our sites are returned to surface freshwater bodies.
Groundwater	Not relevant	<Not Applicable>	<Not Applicable>	We do not discharge water into groundwater bodies. Of all water volumes that we treat in our internally operated effluent treatment plant, none is returned to groundwater aquifers. These volumes are discharged to surface freshwater bodies.
Third-party destinations	Relevant	35000	About the same	Even though our business is growing, continuous efforts in water efficiency within our operations and the promotion of water recycling has led to a stabilization in the volumes of water we discharge annually to third parties for effluents treatment. For factories not operating internal effluent treatment plants, we rely on third-party operated plants to treat our effluents. Even though we do not operate these, we ensure they comply with local regulations. This is relevant for us as >50% of our effluents are treated that way. Depending on future business needs and growth, we expect these volumes to remain stable, as we continue to promote recycling and efficiency technologies within our factories.

W-FB1.3

(W-FB1.3) Do you collect/calculate water intensity for each commodity reported in question W-FB1.1a?

Agricultural commodities	Water intensity information for this produced commodity is collected/calculated	Water intensity information for this sourced commodity is collected/calculated	Please explain
Other commodities from W-FB1.1a, please specify (Fresh Milk)	Not applicable	Yes	This information is consistent across all our commodities. Nestlé does not produce any raw agricultural material itself - we only source raw agricultural commodities. We assess the water footprint of Fresh Milk we purchase annually, using the method and data from The Water Footprint Network (Hoekstra and Mekonnen, 2012, The Water Footprint of Humanity) and (https://waterfootprint.org/en/). In addition, where available, we use specific, local figures, calculated by our agricultural services.
Other commodities from W-FB1.1a, please specify (Coffee)	Not applicable	Yes	This information is consistent across all our commodities. Nestlé does not produce any raw agricultural material itself - we only source raw agricultural commodities. We assess the water footprint of Coffee we purchase annually, using the method and data from The Water Footprint Network (Hoekstra and Mekonnen, 2012, The Water Footprint of Humanity) and (https://waterfootprint.org/en/). In addition, where available, we use specific, local figures, calculated by our agricultural services.
Other commodities from W-FB1.1a, please specify (Cereals)	Not applicable	Yes	This information is consistent across all our commodities. Nestlé does not produce any raw agricultural material itself - we only source raw agricultural commodities. We assess the water footprint of Cereals we purchase annually, using the method and data from The Water Footprint Network (Hoekstra and Mekonnen, 2012, The Water Footprint of Humanity) and (https://waterfootprint.org/en/). In addition, where available, we use specific, local figures, calculated by our agricultural services.
Other commodities from W-FB1.1a, please specify (Sugar)	Not applicable	Yes	This information is consistent across all our commodities. Nestlé does not produce any raw agricultural material itself - we only source raw agricultural commodities. We assess the water footprint of Sugar we purchase annually, using the method and data from The Water Footprint Network (Hoekstra and Mekonnen, 2012, The Water Footprint of Humanity) and (https://waterfootprint.org/en/). In addition, where available, we use specific, local figures, calculated by our agricultural services.

W-FB1.3b

(W-FB1.3b) Provide water intensity information for each of the agricultural commodities identified in W-FB1.3 that you source.

Agricultural commodities
Other sourced commodities from W-FB1.3, please specify (Fresh Milk)

Water intensity value (m3)
6100000000

Numerator: Water aspect
Other, please specify (Total Green and Blue Water (Mekonnen and Hoekstra, 2012))

Denominator
Tons

Comparison with previous reporting year
About the same

Please explain
The water intensity value is calculated using internal annual purchased volumes and water footprint data from Mekonnen & Hoekstra. We do not expect it to grow bigger than our business growth (only few % change from one year to another). This data is used to prioritize commodities with the biggest impact in order to define and implement actions accordingly. This is how we selected Fresh Milk as one of the biggest "virtual" water footprint volumes within the range of our agricultural supply chain commodities. Focusing on regions and commodities where the impact, but also opportunities, are the biggest, we promote and implement targeted actions aiming at better water management practices. In addition to that, we have teams of agronomist in our R&D centers working on selecting varieties/species of lower water intensity nature and/or better adapted to water-scarce locations. We promote the adoption of such varieties/species by local farmers through our network of agronomist worldwide.

Agricultural commodities
Other sourced commodities from W-FB1.3, please specify (Coffee)

Water intensity value (m3)
14000000000

Numerator: Water aspect
Other, please specify (Total Green and Blue Water (Mekonnen and Hoekstra, 2012))

Denominator
Tons

Comparison with previous reporting year
About the same

Please explain
The water intensity value is calculated using internal annual purchased volumes and water footprint data from Mekonnen & Hoekstra. We do not expect it to grow bigger than our business growth (only few % change from one year to another). This data is used to prioritize commodities with the biggest impact in order to define and implement actions accordingly. This is how we selected Coffee as one of the biggest "virtual" water footprint volumes within the range of our agricultural supply chain commodities. Focusing on regions and commodities where the impact, but also opportunities, are the biggest, we promote and implement targeted actions aiming at better water management practices. In addition to that, we have teams of agronomist in our R&D centers working on selecting varieties/species of lower water intensity nature and/or better adapted to water-scarce locations. We promote the adoption of such varieties/species by local farmers through our network of agronomist worldwide.

Agricultural commodities
Other sourced commodities from W-FB1.3, please specify (Cereals)

Water intensity value (m3)
6800000000

Numerator: Water aspect
Other, please specify (Total Green and Blue Water (Mekonnen and Hoekstra, 2012))

Denominator
Tons

Comparison with previous reporting year
About the same

Please explain
The water intensity value is calculated using internal annual purchased volumes and water footprint data from Mekonnen & Hoekstra. We do not expect it to grow bigger than our business growth (only few % change from one year to another). This data is used to prioritize commodities with the biggest impact in order to define and implement actions accordingly. This is how we selected Cereals as one of the biggest "virtual" water footprint volumes within the range of our agricultural supply chain commodities. Focusing on regions and commodities where the impact, but also opportunities, are the biggest, we promote and implement targeted actions aiming at better water management practices. In addition to that, we have teams of agronomist in our R&D centers working on selecting varieties/species of lower water intensity nature and/or better adapted to water-scarce locations. We promote the adoption of such varieties/species by local farmers through our network of agronomist worldwide.

Agricultural commodities
Other sourced commodities from W-FB1.3, please specify (Sugar)

Water intensity value (m3)
3500000000

Numerator: Water aspect
Other, please specify (Total Green and Blue Water (Mekonnen and Hoekstra, 2012))

Denominator
Tons

Comparison with previous reporting year
About the same

Please explain
The water intensity value is calculated using internal annual purchased volumes and water footprint data from Mekonnen & Hoekstra. We do not expect it to grow bigger than our business growth (only few % change from one year to another). This data is used to prioritize commodities with the biggest impact in order to define and implement actions accordingly. This is how we selected Sugar as one of the biggest "virtual" water footprint volumes within the range of our agricultural supply chain commodities. Focusing on regions and commodities where the impact, but also opportunities, are the biggest, we promote and implement targeted actions aiming at better water management practices. In addition to that, we have teams of agronomist in our R&D centers working on selecting varieties/species of lower water intensity nature and/or better adapted to water-scarce locations. We promote the adoption of such varieties/species by local farmers through our network of agronomist worldwide.

W1.4

(W1.4) Do you engage with your value chain on water-related issues?
Yes, our suppliers

W1.4a

(W1.4a) What proportion of suppliers do you request to report on their water use, risks and/or management information and what proportion of your procurement spend does this represent?

Row 1

% of suppliers by number
76-100

% of total procurement spend
76-100

Rationale for this coverage
Nestle works with almost 165'000 direct suppliers and 695'000 individual farmers worldwide. We're committed to fostering responsible practices in our supply chain, while ensuring that our sourcing and supplier relationships deliver a competitive advantage and meet our social, environmental and ethical requirements. Our "Nestlé Responsible Sourcing Standard" describes the requirements and ways of working that we apply together with our suppliers to ensure the sustainable long-term supply of materials and services to Nestlé. The "Nestlé Responsible Sourcing Standard" is a non-negotiable, integral part of all our purchase orders and supply contracts. It sets out basic, non-negotiable standards as well as important and urgent sustainability practices - including "Water Resource Management Practices" - that we ask our suppliers, their employees, agents and subcontractors to respect and to adhere to at all times when conducting business.

Impact of the engagement and measures of success
Nestlé committed to have more than 80% of the total spend and volume sourced from audited and compliant tier 1 suppliers by 2020. Results end-2019 were 76%. Through our Sustainable Sourcing Tier 1 program, we verify compliance with our "Nestlé Responsible Sourcing Standard" by our direct suppliers through independent, third-party audits, following the SMETA Best Practice Guidance. Nestlé also committed to have 80% of the spend and volume of our priority categories to be traceable and 70% to be responsibly sourced, by 2020. Results end-2019 were 70%. We have identified 15 key commodities that present higher risk of environmental and/or social issues. We work closely with our direct suppliers and partners to conduct mappings of our upstream supply chains and carry out farm assessments, together with partner organizations. In many cases, issues identified require long-term, tailored interventions to tackle their root causes for greater impact.

Comment
If non-compliance, issues or gaps with the "Nestlé Responsible Sourcing Standard" are found, a time-bound action plan is developed and implemented by the supplier. The implementation of this plan will be later verified by the auditor. In case a supplier refuses to undergo an audit or to close gaps, we may terminate the business relationship.

W1.4b

(W1.4b) Provide details of any other water-related supplier engagement activity.

Type of engagement
Incentivizing for improved water management and stewardship

Details of engagement
Water management and stewardship is integrated into supplier evaluation processes
Water management and stewardship is featured in supplier awards scheme
Offer financial incentives to suppliers reducing your operational water impacts through the products they supply to you
Offer financial incentives to suppliers improving water management and stewardship across their own operations and supply chain

In selected Markets, premiums on the supplied raw material is given to farmers who implemented sustainable practices.

% of suppliers by number
1-25

% of total procurement spend
1-25

Rationale for the coverage of your engagement
Our greatest challenge to reducing water consumption lies in addressing the impacts of our complex agricultural supply chains. Water management and conservation is very local-specific and oftentimes varies in time as well. Our research indicates that we can already achieve significant improvements in water use by introducing better agricultural techniques at a farm level. Our approach to ensure sustainable water use in our agricultural supply chain is based on the principle of 'Do what matters, where it matters'. We are currently involved in 10 major projects in agricultural supply chains located in water-stressed areas.

Impact of the engagement and measures of success
In Pakistan, Morocco and Iran, where drought and water-stressed areas are issues, we are working with dairy farmers to implement the use of water meters and develop water saving techniques for animal feed production. In Brazil, we are supporting farmers to install water meters and improve manure management techniques. Together with Embrapa, the Brazilian Agricultural Research Corporation, we are working on projects to train farmers in good farming and manure management practices. In 2019, we concluded a major project in Vietnam, in partnership with the Swiss Development and Cooperation. Through the training of close to 50'000 farmers on best irrigation projects, this project resulted in 50 million m3 of water saved annually and generated more than 8 mio USD added value in the local economy of smallholder coffee growers. We just launched a similar project in Brazil.

Comment
In addition to best water management practices in agriculture, we respect the human right to water and we support access to water in communities surrounding our operations and in our upstream supply chains. In 2018, we continued to roll out our Nestlé Guidelines on Respecting the Human Rights to Water and Sanitation, to ensure our operations and upstream supply chain do not have a negative impact on the human right to water.

W2. Business impacts

W2.1

(W2.1) Has your organization experienced any detrimental water-related impacts?
Yes

W2.1a

(W2.1a) Describe the water-related detrimental impacts experienced by your organization, your response, and the total financial impact.

Country/Area & River basin

Ireland	Not known

Type of impact driver & Primary impact driver

Physical	Severe weather events

Primary impact
Impact on company assets

Description of impact
In September of 2019, a severe rainfall event damaged assets in one of our factory in Ireland. The financial impact equals to the insurance claim.

Primary response
Other, please specify (Infrastructure maintenance)

Total financial impact
200000

Description of response
The response consisted in a timely fixing and re-building of the damaged assets.

W2.2

(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

No

W3. Procedures

W-FB3.1

(W-FB3.1) How does your organization identify and classify potential water pollutants associated with its food, beverage, and tobacco sector activities that could have a detrimental impact on water ecosystems or human health?

Our internal (mandatory) Nestlé Environmental Requirements (NER) defines mandatory safety measures and thresholds limits to prevent any detrimental impact to ecosystems or human health due to our activities. For instance, increased turbidity, eutrophication, pH/redox variations, contamination by hydrocarbon or any hazardous material and over-exploitation (limiting water volume with consequences on dissolved elements concentration) can all have detrimental consequences on natural water ecosystems, fauna and flora as well as human beings.

That is why our standard aims at preventing such issues, covering construction norms within our factories (prevent contaminant spills), operations of water wells within our factories and threshold value limits of various physico-chemical parameters in our effluent water.

Example of sources of contamination requiring specific buildings/operations include:

· oils, grease and lubricants from scrap,

· impounded rainwater within chemical storage spill containment (bunding), and similar,

· bio solids from waste activated sludge

· compressor and compressed air blowdown

Oil containment measures include permeable surfaces, oil water separators, absorbents, infiltration ditches, soakways etc.

The sustainability of an internally operated water well, withdrawing water from a local resource, must be demonstrated through a local hydrogeological study. This prevent over-exploitation of water resources and potential detrimental damages to local water-dependent ecosystems. This must be renewed every five years.

Any water discharged into rivers and waterways must be treated effectively to ensure the water returned to the environment is of a high quality. We apply the most efficient technologies and internal standards to treat the water we use, prior to reuse or release into the environment.

The following physico-chemical parameters are continuously monitored in our effluents (reported monthly), with defined thresholds: pH, BOD, COD, Total Suspended Solids, Total Nitrogen, Total Phosphorus, Oil and Grease, Color.

The type risks as well as adapted response varies across our operations (worldwide) but our NER standard covers all necessary topics to ensure no "special case" is missed. To ensure that, we have rolled out a digital NER compliance assessment and monitoring tool to ensure all our plants comply with our standard. We have also improved training on water effluents through our Environmental Sustainability workshops.

W-FB3.1a

(W-FB3.1a) Describe how your organization minimizes the adverse impacts of potential water pollutants on water ecosystems or human health associated with your food, beverage, and tobacco sector activities.

Potential water pollutant
Other, please specify (Chemical Oxygen Demand (COD))

Activity/value chain stage
Manufacturing – direct operations

Description of water pollutant and potential impacts
Effluent water generated from our operating sites and factories is managed in on-site treatment plants or diverted to a local municipal facility. In 2019, we continued to invest in maintenance and improved treatment facilities. Through such actions, the average water quality we discharged in 2019 was 55 mg COD (Chemical Oxygen Demand) per liter. We have also reduced the amount of water discharged per ton of product by 42.6% since 2009 (ten years). Many governments impose strict regulations regarding the maximum chemical oxygen demand allowed in waste water before waste water or industrial water can be returned to the environment.

Management procedures
Waste water management
Follow regulation standards
Adapt food containers and packaging

Please explain
By quantifying the amount of oxidizable pollutants found in (waste)water, COD is useful when it comes to water quality as it provides a global metric to determine the effect an effluent will have on the receiving water body. By monitoring (and reporting) closely on this indicator, we ensure the water we discharge to the environment will not be harmful to water ecosystem and/or downstream users. Our internal limit, mandatory in all our Operations, is 125 ppm. We measure success of compliance with this threshold value by consolidating 12 month rolling average values for each of our factories discharging water in water bodies. This is the minimum internal requirement. When local regulations are stricter than our internal regulations, we must comply with local (stricter) regulations To ensure our COD level remain within limits, we implement various techniques ranging from flocculation, ozone oxidation or specific chemical reactants. We monitor the COD level "in-line" and know instantaneously what the levels are and perform necessary adjustments if needed. In addition to ensuring high quality standard of the water we discharge from our factories, Nestlé committed to have 100% of our packaging recyclable or reusable by 2025. Our vision is that none of our packaging, including plastics, ends up in landfill, in oceans, lakes and rivers. We are determined to reduce our use of single-use plastics, by introducing reusable packaging, new delivery systems and innovative business models everywhere we operate and sell our products. Building on our commitment, we will reduce the use of virgin plastics by one third by 2025. To drive innovation and understanding of a circular economy for plastics, Nestlé became a partner of the New Plastics Economy. This initiative, led by the Ellen MacArthur Foundation, was designed to bring together key stakeholders to rethink and redesign the future of plastic.

W3.3

(W3.3) Does your organization undertake a water-related risk assessment?
Yes, water-related risks are assessed

W3.3a

(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.

Direct operations

Coverage
Full

Risk assessment procedure
Water risks are assessed as part of an enterprise risk management framework

Frequency of assessment
Annually

How far into the future are risks considered?
More than 6 years

Type of tools and methods used
Tools on the market
Enterprise Risk Management
International methodologies
Databases

Tools and methods used
Water Footprint Network Assessment tool
WRI Aqueduct
WWF Water Risk Filter
Environmental Impact Assessment
Life Cycle Assessment
IPCC Climate Change Projections
Alliance for Water Stewardship Standard
FAO/AQUASTAT

Comment
We assess annually the water risks at all locations where our factories are located. We use an internal methodology - the Combined Water Stress Index (CWSI). It combines results from four publicly available tools; namely WRI Aqueduct, WWF Water Risk Filter, Pfister Water Stress Index and the Water Depletion dataset by EarthStat. Combining the scores of all four tool, we obtain a singular water-stress assessment score for each of our manufacturing sites. Cross-referencing these scores with annual water consumptions of our factories, we defined a list of "Where It Matters (WIM) sites, where priority actions must be implemented. On top of that, we also use the WRI Aqueduct water risk projections for 2040 (using IPCC scenarios), in order to evaluate potential future risk to our operations within the next 20 years. We are also involved in the certification by the Alliance for Water Stewardship (AWS) of several of our factories (all factories for our bottled water category, by 2025). We conduct regular, on-site, audit/assessment of the local water resources and water use inside and outside our factories, including stakeholder engagement activities. Furthermore, the Nestlé Group Enterprise Risk Management Framework (ERM) identifies water risks and opportunities in order to minimize/seize their potential impact. This annual top-down assessment at Group level allows to understand the company's mega-risks in business, social, physical, regulatory, reputational and environment.

Supply chain

Coverage
Partial

Risk assessment procedure
Water risks are assessed as part of an enterprise risk management framework

Frequency of assessment
Annually

How far into the future are risks considered?
More than 6 years

Type of tools and methods used
Tools on the market
Enterprise Risk Management
International methodologies
Databases

Tools and methods used
Water Footprint Network Assessment tool
WRI Aqueduct
WWF Water Risk Filter
Life Cycle Assessment
IPCC Climate Change Projections
Alliance for Water Stewardship Standard
FAO/AQUASTAT
Other, please specify (Internal Responsible Sourcing Standard)

Comment
All Nestlé suppliers must comply with our internal Responsible Sourcing Standard. This standard is mandatory for all Nestlé suppliers, and requires them to comply with a set of legal and environmental requirements (including for water) and to demonstrate continuous improvement. Nestlé committed to have more than 80% of the total spend and volume sourced from audited and compliant tier 1 suppliers by 2020. Results end-2019 were 76%. Nestlé also committed to have 80% of the spend and volume of our priority categories to be traceable and 70% to be responsibly sourced, by 2020. Results end-2019 were 70%. On top of this mandatory compliance with our Responsible Sourcing Standard, we conduct annual assessment of water risk at the sourcing location of key agricultural commodities (Coffee, Dairy, Sugar, Cereals, Meat, ...), using the CWSI method which combines results from four publicly available tools; namely WRI Aqueduct, WWF Water Risk Filter, Pfister Water Stress Index and the Water Depletion dataset by EarthStat, applied here to entire "sourcing areas". This is also done for future trends using WRI aqueduct 2040 global water risk. Finally, we also use the Water Footprint Network methodology to assess the water footprint of key agricultural commodities. Benchmarking the results of the water footprint assessment and the water risk brings accurate identification of risk and prioritization of actions in our supply chains.

Other stages of the value chain

Coverage
None

Risk assessment procedure
<Not Applicable>

Frequency of assessment
<Not Applicable>

How far into the future are risks considered?
<Not Applicable>

Type of tools and methods used
<Not Applicable>

Tools and methods used
<Not Applicable>

Comment

W3.3b

(W3.3b) Which of the following contextual issues are considered in your organization's water-related risk assessments?

	Relevance & inclusion	Please explain
Water availability at a basin/catchment level	Relevant, always included	The long-term supply of water in sufficient quantity is vital for all manufacturing processes within our factories. Insufficient water availability would negatively impact our activities through potential production slow-down or even total production disruption. That is because water is an essential ingredient in all our manufactured products and also essential for the operation of our factories in industrial processes, for cleaning purposes and employees' facilities. It is also essential for our suppliers, neighbors and customers - any stakeholder somehow linked to our factories and activities. We assess the water availability and water risk, at local catchment level, using our internal Combined Water Stressed Index method, which combines water risk scores from 4 publicly available datasets, namely WRI Aqueduct, WWF Water Risk Filter, Water Stress Index by Pfister and Earth Stat Water Depletion. Furthermore, we conduct regular, on-site, audit/assessment of the local water resources and water use inside and outside our factories, including stakeholder engagement activities. Water Resources Reviews, our internal water assessment program, aim at raising awareness at local operational level, identifying key issues and risks, and devising action plans to ensure sustainable water use. The Water Resources Review program of internal audits focuses on water quantity/quality, regulatory compliance, site protection, and relationships with stakeholders.
Water quality at a basin/catchment level	Relevant, always included	The long-term supply of good quality water is vital for all manufacturing processes within our factories. Poor-quality water would negatively impact our activities through potential treatment cost increase, production slow-down or even total production disruption. That is because water is an essential ingredient in all our manufactured products and also essential for the operation of our factories in industrial processes, for cleaning purposes and employees' facilities. It is also essential for our suppliers, neighbours and customers - any stakeholder somehow linked to our factories and activities. We assess the water quality and related risks, at local catchment level, through continuous quality measurement and/or regular sampling and detailed analysis of local water resources and input at our factory gates.. Furthermore, we conduct regular, on-site, audit/assessment of the local water resources and water use inside and outside our factories, including stakeholder engagement activities. Water Resources Reviews, our internal water assessment program, aim at raising awareness at local operational level, identifying key issues and risks, and devising action plans to ensure sustainable water use. The Water Resources Review program of internal audits focuses on water quantity/quality, regulatory compliance, site protection, and relationships with stakeholders.
Stakeholder conflicts concerning water resources at a basin/catchment level	Relevant, always included	Long-term good relationships with local stakeholders are essential for our factories and the continuity of our industrial activities. We consider our "social license to operate" to be an important and critical element of our activities. To ensure good and productive relationships with all stakeholder linked to our activities where we operate, we engage with them on a regular basis. We use different processes, methods and tools to engage with stakeholders. The main tool we use is called Community Relation Process "CRP", and was developed specifically for Nestlé, in different versions, depending on the specific activities our objectives of the stakeholder engagement activities. All CRP tools provide a complete assessment and mapping of key stakeholder and the elaboration of specific engagement plans. All bottled water facilities are already using an advanced CRP tool, whereas non-bottled water factories just started using a lighter version of the CRP tool, nevertheless aiming at the same objective of ensuring smooth and trusting relationships with our stakeholders.
Implications of water on your key commodities/raw materials	Relevant, always included	Water is essential to grow the raw material we purchase annually. Insufficient water quantity or poor quality water may cause supply chain slow-down or even disruption for some of the main commodities that are essential to our business (Coffee, Dairy, Sugar, Cereals and Meat). Water-related risk in our supply chains are assessed through annual assessment of water risk at the sourcing location of key agricultural commodities, using our internal Combined Water Stress Index method which combines results from four publicly available tools; namely WRI Aqueduct, WWF Water Risk Filter, Pfister Water Stress Index and the Water Depletion dataset by EarthStat, applied here to entire "sourcing areas". This is also done for future trends using WRI Aqueduct 2040 global water risk. We also use the Water Footrpint Network methodology to assess the water footprint of key agricultural commodities. Benchmarking the results of the water footprint assessment and the water risk brings accurate identification of risk and prioritization of actions in our supply chains. We work directly with around 550'000 farmers, through our Farmer Connect network. In 2019, we trained 400'000 farmers and have implemented water projects in a wide variety of locations, across all continents. In 2019, we had 10 projects ongoing in water-stressed supply chains. All Nestlé suppliers must comply with our internal Responsible Sourcing Standard. This standard is mandatory for all Nestlé suppliers, and requires them to comply with a set of legal and environmental requirements (including for water) and to demonstrate continuous improvement. Nestlé committed to have more than 80% of the total spend and volume sourced from audited and compliant tier 1 suppliers by 2020. Results end-2019 were 76%. Nestlé also committed to have 80% of the spend and volume of our priority categories to be traceable and 70% to be responsibly sourced, by 2020. Results end-2019 were 70%.
Water-related regulatory frameworks	Relevant, always included	Our business is based on compliance. Compliance with all regulatory framework ensure our license to operate. Without full compliance, our business may face production slow-down or even production stoppage. Therefore, it is critical for our business that we ensure full compliance with all regulatory framework. The Nestlé Regulatory Affairs team works with a network of regulatory contacts in all countries where we operate. They track regulatory changes and estimate future potential regulatory changes on local level. Any changes/potential impacts are shared with Regulatory Affairs at Zone or Central 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. We track/monitor water-related regulatory compliance at local level through our Nestlé Water Resources Review programs. Non-compliance with local water regulations would result in water supply disruption to our factories and therefore production disruption. Therefore, to ensure long-term and sustainable water supply to our factories, it is critical to comply with all regulations. The Water Resources Review program of internal audits focuses on water quantity/quality; regulatory compliance; site protection; relationships with stakeholders.
Status of ecosystems and habitats	Relevant, always 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. Important Water Areas (IWA) located 25km upstream or downstream from Nestlé's manufacturing facilities are assessed. By looking at upstream and downstream biodiversity and water risk, we identified 13 factories where we will focus our future actions. We monitor the water withdrawals and discharges for all our factories including the 13 factories identified as located in important water areas.
Access to fully-functioning, safely managed WASH services for all employees	Relevant, always included	Safe drinking water and sanitation is a basic human right. Businesses have a clear role to play in helping to ensure that more people have access to safe water. Providing safe water, sanitation and hygiene (WASH) contributes to broad societal goals such as reducing mortality and morbidity, strengthening community resilience and preserving personal dignity. We support the World Business Council for Sustainable Development's (WBCSD) pledge to ensure safe access to water, sanitation and hygiene (WASH) in the workplace. Internally, we are committed to achieving and maintaining WASH for all our employees. In 2018, over 90% of employees have confirmed access to WASH in our factories and we estimate reaching now almost 100%. We are committed to achieving and maintaining WASH for all our employees and remain in the process of continuing self-assessments across our facilities, identifying and correcting gaps through action plans.
Other contextual issues, please specify	Relevant, always included	At Nestlé Waters, we have introduced the Alliance for Water Stewardship (AWS) standard as the guiding framework to ensure sustainable water management in our direct operations. The AWS standard requires gathering information related to local catchment management plans and to engage with relevant local water authorities to support existing governance mechanisms. By end 2019, 27 Nestlé factories were certified by AWS.

W3.3c

(W3.3c) Which of the following stakeholders are considered in your organization's water-related risk assessments?

	Relevance & inclusion	Please explain
Customers	Relevant, always 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 digital communication, 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 Nescafé, we provide consumers with top tips for: * Use only the right quantity of water to prepare the coffee; * Completely fill the dishwasher before using it; * Use refill packs to minimize the need for glass jars. The method used to assess this issue includes Life Cycle assessment and Nestlé LCA communication tool.
Employees	Relevant, always included	We strive to continually improve our water performance through training of employees and raising awareness. Enhancing our employees' knowledge on how water is a critical factor for human prosperity and how water availability can affect our value chain. An internal training on environmental sustainability (including water) is available to all Nestlé employees through our intranet. Water Sustainability is part of all environmental training sessions within the company as well as welcome sessions to new employees.
Investors	Relevant, always included	As a publicly listed company, investors are important stakeholders to Nestlé. We believe it is important they are well-informed on all aspects of our business, including our environmental practices. That is why 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, always 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. By the end of 2019, close to 900'000 beneficiaries in rural communities were provided access to safe water and sanitation through our partnership with IFRC. With Farmer Connect, through capacity building programs, we can engage with more than 550'000 farmers to develop a supply chain that meets our social, environmental and ethical requirements. Our Community Relations Process tools (CRP's) is another framework used to engage with communities around factories and encourage factories to engage in regular dialogue with communities to identify potential impacts, but also the positive role that factories can play for the development of communities. The CRP tools have been rolled out in all Nestlé Waters Factories worldwide and will be rolled out for non-Nestlé Waters factories in 2020.
NGOs	Relevant, always included	NGO's are key stakeholders to interact with and ensure our practices and messages are well understood. NOG's are key in guiding us and helping us promote our values and achievements. At the global level, Nestlé organizes stakeholder events to receive feedback on Nestlé's engagement in society. Water is typically the topic of one of the breakout sessions of the Stakeholder Convening. In addition to the global convening, several Nestlé markets organize local events that come with a similar format. 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 close to 900'000 people. The method used to engage with NGOs includes Nestlé stakeholder convenings. In addition, we have added a water expert to our CSV Council. This Council meets annually with our CEO and Executive Board members to discuss sustainability issues including those related to water. More information can be found https://www.nestle.com/csv/what-is-csv/governance .
Other water users at a basin/catchment level	Relevant, always 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 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. We use the Alliance for Water Stewardship standard as a guiding framework for sustainable water resources management. As part of that framework, good water governance and stakeholder engagement are critical elements for the success of any local initiative. As an example, in 2014, Nestlé became a founding member of the California Water Action Collaborative (CWAC), a spin-off local platform from the CEO Water Mandate, which consists of companies and environmental organisations. The coalition was set up as platform for food and beverage companies and non-profits, to identify areas of shared interest. The result has been collective action projects that aim to advance a sustainable water future in California for people, business, agriculture and nature. With our engagement and commitment to certify many of our factories by AWS (including all Waters category factories certified by 2025), we are engaging with other water users in many catchments where we operate.
Regulators	Relevant, always included	As a major player in the food and beverage business, we believe it is important we work closely with regulators towards a more sustainable future. We continue to maintain a strong presence at multi-stakeholder initiatives on water policy and challenges, seeking new shared solutions and promoting collective action on water efficiency. Many of our senior managers, including our Chairman, play a leading role in the 2030 Water Resources Group. It is a public-private-civil society collaboration that aims to address supply and demand issues in water-stressed locations by 2030 and it helps to strengthen expert capabilities across the world and raises the priority of water on national political agendas. The methods used to engage with regulators includes the Nestlé Regulatory Affairs network.
River basin management authorities	Relevant, always included	Engaging with River Basin authorities is essential in any water stewardship project. Since we intent to implement water stewardship in several places where we operate (including AWS certification), engaging with local water authorities is extremely important. For example, the "Manos al Agua" initiative was a 5 year program (2013-2018) which aims to address climate related risks, as well as the impacts and dependencies on water of coffee production. The initiative has raised EUR 20.5 million from a large range of stakeholders, including the public sector (Colombian and Dutch governments) and the private sector (Nestlé, Nespresso, The Colombian Coffee Growers Federation (FNC)) with the aim of creating a framework for an integrated approach to managing Natural Capital. A group of 85 experts – from Cenicafé, the Wageningen University and Research Centre, as well the extensionist service of the FNC – are operating the program. The program directly benefits 11,000 Colombian coffee-growing families in 25 watersheds and around 500,000 people (water users). Also, at the Kabini River Basin, India, we are launching 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).
Statutory special interest groups at a local level	Relevant, always included	Within our Water Stewardship, we regularly engage with local groups sharing interest in shared water challenges. In the context of AWS certification, part of the process is to engage with all local stakeholder, and this often involves local (citizen) groups with an interest in taking part in the protection of local water resources. The engagement is usually done through meeting (group or individual) where all can share and exchange views and concerns on local water resources. This is especially the case in bottle water activities where such community gathering is common.
Suppliers	Relevant, always included	Engaging with our suppliers is mandatory through our Responsible Sourcing Standard. On top of that, initiatives such as Farmer Connect (550'000 farmers), the Cocoa Plan and the Nescafé plan are ways of engaging with our suppliers of agricultural commodities. Our partnership with IFRC in western Africa, promoting access to water, is also covering part of our Cocoa supply chain. When it comes to engaging with suppliers in our agricultural supply chain, we engage mainly through awareness raising training sessions on best practices in agriculture and/or improving livelihood of rural communities. In both, water is part of the engagement: 1) In promoting best water use in agriculture, supporting and implementing techniques that will favour better water use and/or protection from pollution.; 2) Facilitating access to water and/or improve water quality for farmers, communities and/or livestock.
Water utilities at a local level	Relevant, always included	Both within the context of our daily operations and our long-term water stewardship initiatives, we regularly engage with local water utilities. For our operations, we engage with water utilities and their experts in the technical management, through our Water Resources Review internal audits/assessments, in order to evaluate their knowledge on the state of water resources, availability versus demand. In general, our local management in the factories do have regular exchange with them for administration procedures but we know cases where we work with them to support their work, for example in South Africa where we are supporting local municipalities with external staff and extraordinary maintenance of their infrastructures and also planning to invest in their utilities infrastructures instead of investing within our own wastewater treatment plant. For our Water Stewardship activities (and certification by AWS), water utilities and authorities are key stakeholders to engage with.
Other stakeholder, please specify	Relevant, always included	Depending on a case, we engage with any relevant stakeholders related to water i.e. scientists, water experts: e.g World Resource Institute. The methods used to assess this issue include Nestlé engagement programs.

W3.3d

(W3.3d) Describe your organization's process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.

We assess water stress at all (100%) of the locations where we operate, using the Nestlé Combined Water Stress Index (CWSI). The index takes an average of results from four leading water-stress indicators (WRI Aqueduct, WWF Water Risk Filter, Earth Stat Water Depletion method and ETH Pfister et al, 2009). This gives us a risk score, helping to determine the risk associated with reduced water quantity or quality. These methods were selected as they are internationally recognized methodologies to use in our risk assessment.

Since 2017, we started to work on the notion of "Context-Based Approach" (CBA). The CBA aims at driving our operations towards a new "modus operandi", focusing on water-related actions "Where it Matters" (WIM). A joint selection process (Markets and Corporate) will result in a list of WIM sites where particular focus and investment should be put in concerning water. WIM factories will have priority access to CAPEX for implementing water-saving initiatives.

Additionally, we are working to provide threshold benchmarks of water use efficiency (m3/t) for key categories (Coffee, Dairy, Nutrition, Bottled Water and Pet Care) to all our sites (regardless of their water scarcity level or withdrawal volumes). This offers a chance to spotlight factories in need for improvements and set priorities beyond the WIM list.

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. 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.

The operational scope of the risk assessment covers the entire value chain of our product including agriculture, manufacturing and consumption.

The outcome of these risk assessments is used in the following way:

- Priority access to CAPEX for factories identified as WIM;

- Selection of sites for Alliance for Water Stewardship certification -> de facto generating Water Stewardship actions at catchment level.

- Selection for implementing water-related projects in our agricultural supply chains.

- Selection of location for the implementation of WASH initiatives in the communities neighboring our factories.

W4. Risks and opportunities

W4.1

(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes, both in direct operations and the rest of our value chain

W4.1a

(W4.1a) How does your organization define substantive financial or strategic impact on your business?

The Group conducts a materiality assessment every 2 years. This helps us identify the economic, social and environmental issues that matter most to our business and our stakeholders. As part of the process, Nestlé engages with external and internal stakeholders to better understand the issues that are of most concern to them. For each issue, the materiality assessment rates the degree of stakeholder concern as well as the potential business impact. In 2018, natural resource and water stewardship was identified as one of Nestlé's material issues, being rated internally as having the potential to have a significant impact on Nestlé's success, whilst external stakeholders rated natural resource and water stewardship as being of major importance to them.

Both qualitative and quantitative factors are considered when assessing if a material issue may have a substantive strategic impact on the Group. They include:

- does the issue have the potential to substantively affect the Group's strategy or its business model (either at a global level, category level, or across multiple categories)?

- does the issue have the potential to substantively affect one or more of the capitals the Group uses or accesses (e.g. talented, engaged workforce, capital funding)?

- does the issue have the potential to substantively influence the assessments and decisions of stakeholders?

To support in the Group's identification and assessment of potential substantive climate-related risks and opportunities, Nestlé decided to implement the Taskforce for Climate-related Financial Disclosures (TCFD) recommendations. In 2020, the Group began a project to assess Nestlé's exposure and resilience to climate change using scenario modelling covering both climate-related physical and transitional risks and opportunities. As part of the physical modelling, Group exposures to water-related risks will be considered i.e. precipitation variability, drought, and coastal, river and flash flooding will be considered. The modelling output analysis will be both qualitative and quantitative analysis and support the Group in better understanding the Group's substantive exposures to climate-related and water-related risks & opportunities under different climate scenarios.

W4.1b

(W4.1b) What is the total number of facilities exposed to water risks with the potential to have a substantive financial or strategic impact on your business, and what proportion of your company-wide facilities does this represent?

	Total number of facilities exposed to water risk	% company-wide facilities this represents	Comment
Row 1	5	Less than 1%	In 2019, we identified 5 manufacturing facilities exposed to water risks with the potential to have a substantive financial or strategic impact on our business Water stress in Mexico and South Africa has limited the production capacity of Infant Nutrition factories. Concerns about access to water from communities surrounding bottled water factories in Pakistan and Mexico have put our license to operate at risk and generate reputational issues, potentially reflected in sales.

W4.1c

(W4.1c) By river basin, what is the number and proportion of facilities exposed to water risks that could have a substantive financial or strategic impact on your business, and what is the potential business impact associated with those facilities?

Country/Area & River basin

Mexico	Santiago

Number of facilities exposed to water risk
2

% company-wide facilities this represents
Less than 1%

Production value for the metals & mining activities associated with these facilities
<Not Applicable>

% company's annual electricity generation that could be affected by these facilities
<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities
<Not Applicable>

% company's total global revenue that could be affected
Less than 1%

Comment
These factories in Mexico are located within a water-stressed area. Even though they are using environment-friendly technologies, water supply to the factory is challenging, from a quantitative point of view, limiting the production capacity during peak production times and/or periodic local water-stressed periods.

Country/Area & River basin

Pakistan	Indus

Number of facilities exposed to water risk

1

% company-wide facilities this represents
Less than 1%

Production value for the metals & mining activities associated with these facilities
<Not Applicable>

% company's annual electricity generation that could be affected by these facilities
<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities
<Not Applicable>

% company's total global revenue that could be affected
Less than 1%

Comment
In Pakistan, local communities, neighboring one of our bottled water factory, have expressed concerns about our activities and the potential damages it could create on their water resource. This generated much media attention, threatening our license to operate and impacting our product sales.

Country/Area & River basin

South Africa	Other, please specify (According to WFF Water Risk Filter, this factory is located in the Province of "Western Cape" within a River Basin listed as "South Africa (Other)". WRI-Aqueduct hasn't any Basin name listed for this location.)

Number of facilities exposed to water risk
1

% company-wide facilities this represents
Less than 1%

Production value for the metals & mining activities associated with these facilities
<Not Applicable>

% company's annual electricity generation that could be affected by these facilities
<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities
<Not Applicable>

% company's total global revenue that could be affected
Less than 1%

Comment
Recent and recurrent drought events in South Africa regularly put our operations under stress.

Country/Area & River basin

Mexico	Other, please specify (According to WFF Water Risk Filter, this factory is located in the Province of "Puebla" within a River Basin listed as "Mexico (Other)". WRI-Aqueduct hasn't any Basin name listed for this location.)

Number of facilities exposed to water risk
1

% company-wide facilities this represents
Less than 1%

Production value for the metals & mining activities associated with these facilities
<Not Applicable>

% company's annual electricity generation that could be affected by these facilities
<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities
<Not Applicable>

% company's total global revenue that could be affected
Less than 1%

Comment
Bottling activities within a water-stressed catchments generate concern by local communities and stakeholders. This puts pressure on our local license to operate.

W4.2

(W4.2) Provide details of identified risks in your direct operations with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Country/Area & River basin

South Africa	Other, please specify (According to WFF Water Risk Filter, this factory is located in the Province of "Western Cape" within a River Basin listed as "South Africa (Other)". WRI-Aqueduct hasn't any Basin name listed for this location.)

Type of risk & Primary risk driver

Physical	Drought

Primary potential impact
Increased operating costs

Company-specific description
Our operations in South Africa have to cope with the regional climatic variation and evolution, increasingly leading to reduced annual rainfalls and increasing local water demand. This increasingly water-stressed situations can potentially lead to local regulations restricting water use and/or increase in cost of water (CHF/m3). Given the recent drought periods encountered in South Africa, our Mossel Bay factory decided to drastically reduce its water consumption in order to prevent future supply disruption and associated impact on business, potentially limiting the production capacity of the factory.

Timeframe
1-3 years

Magnitude of potential impact
Medium

Likelihood
Likely

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
54000000

Potential financial impact figure - minimum (currency)
<Not Applicable>

Potential financial impact figure - maximum (currency)
<Not Applicable>

Explanation of financial impact
The estimated financial impact disclosed here expresses the annual loss in revenue in case of business interruption. This corresponds to Net Net Sales (NNS) excluding the variable costs (=Marginal Contribution) on a 12 months period in case of total Loss.

Primary response to risk
Adopt water efficiency, water reuse, recycling and conservation practices

Description of response
We have implemented our zero water technology at our Mossel Bay dairy factory, through which we significantly reduced our use of municipal/local direct water use for production processes. A ZerEau dairy factory uses water extracted from fresh milk (usually made up to ~ 88% of water). This "Milk Water" is used for industrial and cleaning processes thus avoiding withdrawing local water.

Cost of response
7000000

Explanation of cost of response
The implementation of ZerEau Technology at Mossel Bay required an estimated 7 mio CHF CAPEX investment, with additional OPEX of 420'000 CHF/year.

Country/Area & River basin

Mexico	Santiago

Type of risk & Primary risk driver

Physical	Drought

Primary potential impact
Increased operating costs

Company-specific description
This Mexican factory is located in an area with increasing water-stress. Through the successful implementation of ZerEau Water Technology, it was able to achieve absolute zero water withdrawal from local resources, using only the water supplied through milk water extraction. This took the pressure off of stressed local water resources; which, while no longer used by the factory, continue to be used by the local population, agriculture and other industries.

Timeframe
1-3 years

Magnitude of potential impact
High

Likelihood
Likely

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
148000000

Potential financial impact figure - minimum (currency)
<Not Applicable>

Potential financial impact figure - maximum (currency)
<Not Applicable>

Explanation of financial impact
The estimated financial impact disclosed here expresses the annual loss in revenue in case of business interruption. This corresponds to Net Net Sales (NNS) excluding the variable costs (=Marginal Contribution) on a 12 months period in case of total Loss.

Primary response to risk
Adopt water efficiency, water reuse, recycling and conservation practices

Description of response
A ZerEau dairy factory uses water extracted from fresh milk (usually made up to ~ 88% of water). This "Milk Water" is used for industrial and cleaning processes thus avoiding withdrawing local water. A ZerEau project has 3 distinct phases and all three were installed in this Mexican factory, thus avoiding completely the use of local water resources.

Cost of response
10000000

Explanation of cost of response
10 mio CHF is the CAPEX amount that was required to implement ZerEau Water Technology in this factory.

Country/Area & River basin

Mexico	Santiago

Type of risk & Primary risk driver

Physical	Drought

Primary potential impact
Constraint to growth

Company-specific description
Increasing water-stress limits the local water availability, limiting the water supply to the factory, limiting the production capacity of the factory.

Timeframe
1-3 years

Magnitude of potential impact
High

Likelihood
Very likely

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
70000000

Potential financial impact figure - minimum (currency)
<Not Applicable>

Potential financial impact figure - maximum (currency)
<Not Applicable>

Explanation of financial impact
The estimated financial impact disclosed here expresses the annual loss in revenue in case of business interruption. This corresponds to Net Net Sales (NNS) excluding the variable costs (=Marginal Contribution) on a 12 months period in case of total Loss.

Primary response to risk
Adopt water efficiency, water reuse, recycling and conservation practices

Description of response
A ZerEau dairy factory uses water extracted from fresh milk (usually made up to ~ 88% of water). This "Milk Water" is used for industrial and cleaning processes thus avoiding withdrawing local water. Through the successful implementation of Zereau Water Technology, this factory will significantly limit its water withdrawal from local resources.

Cost of response
5000000

Explanation of cost of response
5 mio CHF is the estimated CAPEX amount invested to implement ZerEau Water Technology in this factory.

Country/Area & River basin

Pakistan	Indus

Type of risk & Primary risk driver

Reputation & markets	Inadequate access to water, sanitation, and hygiene services

Primary potential impact

Brand damage

Company-specific description
Our bottling facility of Sheikhupura was facing reputational issues related to access to safe water and sanitation by local communities.

Timeframe
More than 6 years

Magnitude of potential impact
Medium-high

Likelihood
Very likely

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
12500000

Potential financial impact figure - minimum (currency)
<Not Applicable>

Potential financial impact figure - maximum (currency)
<Not Applicable>

Explanation of financial impact
Estimation of financial loss due to business disruption and lost profits.

Primary response to risk
Engage with local communities

Description of response
Over time, the factory installed 3 water filtration units located outside the factory and in the proximity of public places. Beneficiaries are estimated to be >60'000.

Cost of response
120000

Explanation of cost of response
This is an annual cost for CAPEX and OPEX.

Country/Area & River basin

Mexico	Other, please specify (According to WFF Water Risk Filter, this factory is located in the Province of "Puebla" within a River Basin listed as "Mexico (Other)". WRI-Aqueduct hasn't any Basin name listed for this location.)

Type of risk & Primary risk driver

Reputation & markets	Community opposition

Primary potential impact
Brand damage

Company-specific description
Bottling activity raised concerns among local stakeholders regarding its impact on water availability in the Puebla river basin, putting at stake our local reputation and license to operate.

Timeframe
1-3 years

Magnitude of potential impact
Medium-high

Likelihood
Likely

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure - minimum (currency)
<Not Applicable>

Potential financial impact figure - maximum (currency)
<Not Applicable>

Explanation of financial impact
We estimated that this project could avoid or mitigate major reputational crisis in the future, at a frequency of one every ten years (assumption). We assumed that such crisis would result in a decrease of sales of 10%, leading as well to a reduced profit of 10%. Based on the average profit of the last 3 years, and accounting for the frequency of the event, we calculated that the yearly business benefit would be 1.15 million CHF/year.

Primary response to risk
Implement nature-based solutions

Description of response
Reforestation activities in the catchment around this water-bottling facility, allows for better regulation and replenishment of local water resources, to the benefit of local

users. It was estimated that reforestation activities generated 9'286'144 m3 of water replenished every year.

Cost of response
80000

Explanation of cost of response
This is an annual figure of our investment in the reforestation project in the catchment supplying water to our factory and local communities.

W4.2a

(W4.2a) Provide details of risks identified within your value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Country/Area & River basin

Pakistan	Indus

Stage of value chain
Supply chain

Type of risk & Primary risk driver

Physical	Drought

Primary potential impact
Other, please specify (Water stress and reputational risk)

Company-specific description
Pakistan is one of the most water-stressed countries in the world, access to clean drinking water is a key development challenge. More than 95% of the country's usable water is used for agriculture in rural areas, while 2% is used by urban municipalities and 2% by industry. This high pressure on limited water resources not only generates strong risks of shortages for users but can also trigger reputational conflicts. Both put Nestlé at risk of increased operating cost (higher prices on water), production shortages (water supply disruption), and brand damages through reputational battles.

Timeframe
More than 6 years

Magnitude of potential impact
Medium-high

Likelihood
Likely

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure - minimum (currency)
<Not Applicable>

Potential financial impact figure - maximum (currency)
<Not Applicable>

Explanation of financial impact
Brand damage through reputational issues is complex to define and assess.

Primary response to risk

Supplier engagement	Work with supplier to engage with local communities

Description of response
To help manage water stewardship in our operations and throughout our supply chain, Nestlé Pakistan signed a partnership with World Wide Fund for Nature Pakistan (WWF-Pakistan). We have also implemented the Alliance for Water Stewardship (AWS) Standard at our Sheikhupura and Islamabad manufacturing facilities. Nestlé Pakistan has also entered into partnerships with Lahore University of Management Sciences (LUMS) Centre for Water Informatics and Technology to co-develop smart soil sensors that send information to the farmer's phone about which areas of land he should irrigate and how much water should they use. Nestlé Pakistan supported farmers in our milk supply chain through the implementation of improved irrigation practices on >5'000 ha.

Cost of response
300000

Explanation of cost of response
This is a cumulated figure of our investment in water stewardship projects in Pakistan over the last three years.

Country/Area & River basin

Viet Nam	Other, please specify (The project spans over several regions /river basins of Vietnam.)

Stage of value chain

Supply chain

Type of risk & Primary risk driver

Physical	Drought

Primary potential impact
Supply chain disruption

Company-specific description
Vietnam is the leading Robusta coffee exporter and the second largest coffee producer in the world, while Coffee is the most important export product in value for Vietnam and supports the rural livelihoods of over two million people. Each year, Nestlé buys 20% of Vietnam's total national Robusta production and supports around 12'000 local farmers through our Farmer Connect program. In one of the largest coffee growing regions in Vietnam – the Central Highlands – coffee has to be irrigated during the pronounced dry season of several months to be economically viable. However, Vietnam has suffered from severe drought in recent years and this is expected to be further exacerbated by climate change. These lead to several water wells running dry - water wells not only used for irrigation but also for household purposes. This generated tensions within the population and on the coffee market. Water shortages result in lower coffee yields and impacts our coffee supply - both in terms of lower volumes available and potential price increase.

Timeframe
4-6 years

Magnitude of potential impact
High

Likelihood
Very likely

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
2500000

Potential financial impact figure - minimum (currency)
<Not Applicable>

Potential financial impact figure - maximum (currency)
<Not Applicable>

Explanation of financial impact
The figure of financial impact expressed here is an estimated annual value that considers the risk of sourcing disruption and therefore switching to other Markets with higher sourcing costs.

Primary response to risk

Supplier engagement	Promote the adoption of sustainable irrigation practices among suppliers

Description of response
Historically, Nestlé promotes comprehensive guidelines on water conservation through its Farmer Connect network in Vietnam, through its Nescafé Better Farming Practices developed with the NGO Rainforest Alliance. In 2014, Nestlé and the Swiss Agency for Development (SDC) partnered to launch the project "More coffee with less water – towards a reduction of the blue water footprint in coffee production", co-funded in public-private development partnership. The project's goal is to ensure equitable and sufficient water availability for all water users in the Central Highlands, while improving livelihoods and protecting the environment, by reducing water used in coffee irrigation. Working with the SDC, Nestlé helped to spread water-saving techniques to coffee farmers beyond its own supply network aiming at "systemic" changes throughout the entire coffee sector in Vietnam. To date, this large-scale capacity-building project, promoting best irrigating practices, reached 50'000 smallholders coffee farmers in Vietnam. With an adoption rate of 50%, it generates an estimated volume of more than 50 mio m3 of water per year.

Cost of response
1000000

Explanation of cost of response
Nestlé invested 1 million CHF in this 5 years' program. The scale is considered as low - medium for the company and generated a significant impact on the field.

Country/Area & River basin

Colombia	Other, please specify (Project in 25 river basins)

Stage of value chain
Supply chain

Type of risk & Primary risk driver

Physical	Ecosystem vulnerability

Primary potential impact
Supply chain disruption

Company-specific description
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 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. Water insecurities create instability in coffee yields and impact our coffee supply with and potential price increase.

Timeframe
4-6 years

Magnitude of potential impact
Medium

Likelihood
Likely

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure - minimum (currency)
<Not Applicable>

Potential financial impact figure - maximum (currency)
<Not Applicable>

Explanation of financial impact
The potential financial impact would result from coffee supply disruption, resulting in lower production and sales and/or switching to alternative, potentially more expensive, supply chain(s).

Primary response to risk

Supplier engagement	Introduce/strengthen water management incentives for suppliers

Description of response
The Intelligent Water Management project (IWM) (also named Manos al Agua), contributes to enhance the resilience of the Colombian coffee sector in general, and of vulnerable farmer communities in particular, against the effects of climate change and water challenges, through the improvement of environmental performance at farm and river basin level, by implementing water management plans suited to local needs and conditions. Manos al Agua focuses on 4 key complementary and scalable action areas: •Clean technology transfer, •Healthy ecosystems, •Knowledge generation, •Cooperation and participation. The IWM program now concentrates on training farmers and implementing specific actions in each of the 25 river basins of the projects.

Cost of response
5000000

Explanation of cost of response
The overall cost of response is estimated at CHF 25 mio CHF over five years (2014-2018). The cost has been financed by a private public partnership between Nescafé/Nespresso, the Dutch Ministry of Foreign Affairs, the Colombian Federation of Coffee Growers, Wageningen University and the Colombian Ministry of Rural Development. Nestlé contributed more or less 1 mio CHF/y, over 5 years.

Country/Area & River basin

Côte d'Ivoire	Other, please specify (Lak de Buyo)

Stage of value chain
Supply chain

Type of risk & Primary risk driver

Reputation & markets	Inadequate access to water, sanitation, and hygiene services

Primary potential impact
Supply chain disruption

Company-specific description
Côte d'Ivoire's cocoa production accounts for approximately 40 per cent of the world's supply. Most cocoa is produced in the south-west of the country. The Earth Security Group published their finding that, supply shortages of cocoa are expected as early as 2020. Ghana and Côte d'Ivoire are Switzerland's top cocoa suppliers; both face production bottlenecks that threaten cocoa exports in the coming years. Nestlé is a major buyer of world's cocoa production. Therefore its activities are at risk if cocoa supply were to be limited/challenged. Supply disruption to Nestlé's confectionery factories would generate production slow-down and/or disruption, impacting business results. Ensuring coca supply, means caring about the well-being of its entire value chain. Swiss-based multinationals, including Nestlé, are going beyond traditional development and CSR approaches to think more creatively about business model innovations that will help smallholder farmers capture more value from the global chocolate market.

Timeframe
More than 6 years

Magnitude of potential impact
Medium

Likelihood
Likely

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure - minimum (currency)
<Not Applicable>

Potential financial impact figure - maximum (currency)
<Not Applicable>

Explanation of financial impact
Financial impact may result from cocoa supply chain disruption because of increased water scarcity and/or reputational risk linked to inadequate access to water, sanitation and hygiene in cocoa agricultural supply chains.

Primary response to risk

Upstream	Other, please specify (Engagement with local communities)

Description of response
Nestlé, together with the IFRC, delivers developmental projects to increase the access to water, sanitation and hygiene for all under the framework of its Global Water and Sanitation Initiative (GWSI). It focuses on improving access to clean water, sanitation and hygiene in rural communities, such as the cocoa-growing regions of Côte d'Ivoire and Ghana. A program of activities was introduced to improve health and hygiene awareness among vulnerable groups, including schoolchildren, teachers and local community members. More than 600'000 people now benefit from this initiative, which includes the improvement of water infrastructure, the provision or renovation of sanitation facilities, and the raising of awareness through hygiene awareness programs in villages and schools.

Cost of response
700000

Explanation of cost of response
This figure is our annual contribution to our collaboration with IFRC. Nestlé became the IFRC's first corporate partner in Africa in 2002 and, in 2014, we renewed our partnership, committing CHF 5 million over five years to the IFRC.

Country/Area & River basin

Switzerland	Rhine

Stage of value chain
Other, please specify (Water Catchment)

Type of risk & Primary risk driver

Physical	Declining water quality

Primary potential impact
Constraint to growth

Company-specific description
The recharge area of our Henniez springs is located in a previously intensive-agriculture area. Strong measures, at catchment level, had to be taken in order to prevent nitrate concentration to rise in the natural spring water and maintain the quality of our product.

Timeframe
More than 6 years

Magnitude of potential impact
High

Likelihood
Very likely

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
6000000

Potential financial impact figure - minimum (currency)
<Not Applicable>

Potential financial impact figure - maximum (currency)
<Not Applicable>

Explanation of financial impact
We estimated this as the avoided cost of drilling new wells to reach water sources at lower concentration of nitrate. The cost was estimated at 6 million CHF. Accounting for the potential limitation/disruption of our activities would have far greater financial impact.

Primary response to risk

Upstream	Other, please specify (Implement holistic water stewardship management at catchment level)

Description of response
The project of Broye saw the investments across a range of activities to maintain the nitrite level in the water to an acceptable level. We valued the societal benefit through the various activities carried out and the business benefit through the avoided cost of drilling new wells. •120 ha of agricultural land and 5ha forest improved for better ecosystem services; •2500ha of biodiversity corridors; •1700 tons of CO_2 avoided thanks to a biogas project (manure management); •Avoided cost of new water well for communities.

Cost of response
250000

Explanation of cost of response
The cost of response is an annual figure, accounting for 100'000 annual direct investments and 150'000 in FTE's to manage the project.

W4.3

(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?

No

W4.3b

(W4.3b) Why does your organization not consider itself to have water-related opportunities?

	Primary reason	Please explain
Row 1	Evaluation in progress	Building upon the excellence in water management reached in our factories over the past decades, in May of 2018, we launched a new internal initiative - Caring for Water (C4W). It is the flagship initiative for the "Planet" pillar of Nestlé's Purpose and Value Framework and is mandatory in every Market where Nestlé operates . Despite all the efforts taken at the level of production sites, and to the frustration of many internally, Nestlé continued to be exposed to water stress and reputational challenges. It became clear that to ensure sustainable water resources management – and therefore a sustainable business – the company would need to take a wider approach and consider how water is managed at the level of the watershed by all users. Caring for Water aims at implementing Water Stewardship within our whole value chain, where it matters. To operationalize the Caring for Water initiative, the company currently uses the principles and approach set in the Alliance for Water Stewardship (AWS) Standard. Our bottled water business - Nestlé Waters - committed to have all its factories AWS-certified by 2025. On top of that, we developed various tools to assess risks and opportunities related to water within the catchments where we operate. That is for quantitative, qualitative and reputational/community risks and opportunities. We are currently still in the assessment phase. Based on the result of these assessments, factories are requested to develop a Caring for Water Action plan, at catchment level. We plan on launching the implementation phase within the next two years.

W5. Facility-level water accounting

W5.1

(W5.1) For each facility referenced in W4.1c, provide coordinates, water accounting data, and a comparison with the previous reporting year.

Facility reference number
Facility 1

Facility name (optional)
MX PL Zula

Country/Area & River basin

Mexico	Santiago

Latitude
20.429959

Longitude
-102.76658

Located in area with water stress
Yes

Primary power generation source for your electricity generation at this facility
<Not Applicable>

Oil & gas sector business division
<Not Applicable>

Total water withdrawals at this facility (megaliters/year)
415

Comparison of total withdrawals with previous reporting year
Higher

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes
0

Withdrawals from brackish surface water/seawater
0

Withdrawals from groundwater - renewable
415

Withdrawals from groundwater - non-renewable
0

Withdrawals from produced/entrained water
0

Withdrawals from third party sources
0

Total water discharges at this facility (megaliters/year)
341

Comparison of total discharges with previous reporting year
Higher

Discharges to fresh surface water
341

Discharges to brackish surface water/seawater
0

Discharges to groundwater
0

Discharges to third party destinations
0

Total water consumption at this facility (megaliters/year)
74

Comparison of total consumption with previous reporting year
Lower

Please explain
This is factory is still in its initial production phase. Water consumption increases over the years, but efficiency increases as well, resulting in higher withdrawal but lower consumption.

Facility reference number
Facility 2

Facility name (optional)
MX PL Lagos de Moreno-Lacteos

Country/Area & River basin

Mexico	Santiago

Latitude
21.358774

Longitude
-101.926002

Located in area with water stress
Yes

Primary power generation source for your electricity generation at this facility
<Not Applicable>

Oil & gas sector business division
<Not Applicable>

Total water withdrawals at this facility (megaliters/year)
307

Comparison of total withdrawals with previous reporting year
Higher

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes
0

Withdrawals from brackish surface water/seawater
0

Withdrawals from groundwater - renewable
11

Withdrawals from groundwater - non-renewable
0

Withdrawals from produced/entrained water
296

Withdrawals from third party sources
0

Total water discharges at this facility (megaliters/year)
41

Comparison of total discharges with previous reporting year
Higher

Discharges to fresh surface water
41

Discharges to brackish surface water/seawater
0

Discharges to groundwater
0

Discharges to third party destinations
0

Total water consumption at this facility (megaliters/year)
266

Comparison of total consumption with previous reporting year
Higher

Please explain
Increased production results in increased water consumption. Please note however, that only 11 mega liters, out of 307, are taken from local water resources. 296 mega liters are "Milk Water" - water extracted from fresh milk received at the factory and used for industrial processes. The local water balance is actually positive.

Facility reference number
Facility 3

Facility name (optional)
PK PL Sheikhupura Factory PK PL NW Sheikhupura

Country/Area & River basin

Pakistan	Indus

Latitude
31.68628

Longitude
74.071347

Located in area with water stress
Yes

Primary power generation source for your electricity generation at this facility
<Not Applicable>

Oil & gas sector business division
<Not Applicable>

Total water withdrawals at this facility (megaliters/year)
1655

Comparison of total withdrawals with previous reporting year
Lower

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes
0

Withdrawals from brackish surface water/seawater
0

Withdrawals from groundwater - renewable
1655

Withdrawals from groundwater - non-renewable
0

Withdrawals from produced/entrained water
0

Withdrawals from third party sources
0

Total water discharges at this facility (megaliters/year)
699

Comparison of total discharges with previous reporting year
About the same

Discharges to fresh surface water
699

Discharges to brackish surface water/seawater
0

Discharges to groundwater
0

Discharges to third party destinations
0

Total water consumption at this facility (megaliters/year)
956

Comparison of total consumption with previous reporting year
Lower

Please explain
Constant improvement in water use efficiency leads to constant decrease in absolute water consumption.

Facility reference number
Facility 4

Facility name (optional)
ZA PL Mossel Bay

Country/Area & River basin

South Africa	Other, please specify (According to WFF Water Risk Filter, this factory is located in the Province of "Western Cape" within a River Basin listed as "South Africa (Other)". WRI-Aqueduct hasn't any Basin name listed for this location.)

Latitude
-34.145319

Longitude
22.10495

Located in area with water stress
Yes

Primary power generation source for your electricity generation at this facility
<Not Applicable>

Oil & gas sector business division
<Not Applicable>

Total water withdrawals at this facility (megaliters/year)
137

Comparison of total withdrawals with previous reporting year
Lower

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes
0

Withdrawals from brackish surface water/seawater
0

Withdrawals from groundwater - renewable
0

Withdrawals from groundwater - non-renewable
0

Withdrawals from produced/entrained water
28

Withdrawals from third party sources
109

Total water discharges at this facility (megaliters/year)
177

Comparison of total discharges with previous reporting year
Lower

Discharges to fresh surface water
0

Discharges to brackish surface water/seawater
0

Discharges to groundwater
0

Discharges to third party destinations
177

Total water consumption at this facility (megaliters/year)
-40

Comparison of total consumption with previous reporting year
Higher

Please explain
This factory is also equipped with ZerEau water technology, therefore using very little of the local water resources and discharging more as effluents than it actually withdraws locally.

Facility reference number
Facility 5

Facility name (optional)
MX PL NW Manantiales

Country/Area & River basin

Mexico	Other, please specify (According to WFF Water Risk Filter, this factory is located in the Province of "Puebla" within a River Basin listed as "Mexico (Other)". WRI-Aqueduct hasn't any Basin name listed for this location.)

Latitude
19.3611

Longitude
-98.5995

Located in area with water stress
Yes

Primary power generation source for your electricity generation at this facility
<Not Applicable>

Oil & gas sector business division
<Not Applicable>

Total water withdrawals at this facility (megaliters/year)
474

Comparison of total withdrawals with previous reporting year
Lower

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes
0

Withdrawals from brackish surface water/seawater
0

Withdrawals from groundwater - renewable
474

Withdrawals from groundwater - non-renewable
0

Withdrawals from produced/entrained water
0

Withdrawals from third party sources
0

Total water discharges at this facility (megaliters/year)
57

Comparison of total discharges with previous reporting year
About the same

Discharges to fresh surface water
57

Discharges to brackish surface water/seawater
0

Discharges to groundwater
0

Discharges to third party destinations
0

Total water consumption at this facility (megaliters/year)
417

Comparison of total consumption with previous reporting year
Lower

Please explain
This is a bottled-water factory consuming large volumes of water, while discharging little as effluents, due to a high degree of water use efficiency within the factory.

W5.1a

(W5.1a) For the facilities referenced in W5.1, what proportion of water accounting data has been externally verified?

Water withdrawals – total volumes

% verified
76-100

What standard and methodology was used?
Bureau Veritas verifies all our reported data annually (as explained in section W10.Verification).

Water withdrawals – volume by source

% verified
76-100

What standard and methodology was used?
Bureau Veritas verifies all our reported data annually (as explained in section W10.Verification).

Water withdrawals – quality

% verified
76-100

What standard and methodology was used?
Bureau Veritas verifies all our reported data annually (as explained in section W10.Verification).

Water discharges – total volumes

% verified
76-100

What standard and methodology was used?
Bureau Veritas verifies all our reported data annually (as explained in section W10.Verification).

Water discharges – volume by destination

% verified
76-100

What standard and methodology was used?
Bureau Veritas verifies all our reported data annually (as explained in section W10.Verification).

Water discharges – volume by treatment method

% verified
76-100

What standard and methodology was used?
Bureau Veritas verifies all our reported data annually (as explained in section W10.Verification).

Water discharge quality – quality by standard effluent parameters

% verified
76-100

What standard and methodology was used?
Bureau Veritas verifies all our reported data annually (as explained in section W10.Verification).

Water discharge quality – temperature

% verified
76-100

What standard and methodology was used?
Bureau Veritas verifies all our reported data annually (as explained in section W10.Verification).

Water consumption – total volume

% verified
76-100

What standard and methodology was used?
Bureau Veritas verifies all our reported data annually (as explained in section W10.Verification).

Water recycled/reused

% verified
76-100

What standard and methodology was used?
Bureau Veritas verifies all our reported data annually (as explained in section W10.Verification).

W6. Governance

W6.1

(W6.1) Does your organization have a water policy?

Yes, we have a documented water policy that is publicly available

W6.1a

(W6.1a) Select the options that best describe the scope and content of your water policy.

	Scope	Content	Please explain
Row 1	Select facilities, businesses, or geographies only	Description of business dependency on water Description of business impact on water Description of water-related performance standards for direct operations Description of water-related standards for procurement Reference to international standards and widely-recognized water initiatives Company water targets and goals Commitment to align with public policy initiatives, such as the SDGs Commitments beyond regulatory compliance Commitment to stakeholder awareness and education Commitment to water stewardship and/or collective action Commitment to safely managed Water, Sanitation and Hygiene (WASH) in the workplace Acknowledgement of the human right to water and sanitation Recognition of environmental linkages, for example, due to climate change	The Nestlé Policy on Environmental Sustainability identifies water preservation as a key focus area. It is complemented with the Nestlé Commitment to Water Stewardship and the Nestlé Guidelines on Respecting the Human Rights to Water and Sanitation. The latter document has been based upon the guidance on respecting the human right to water provided by the UN CEO Water Mandate. The Nestlé Commitment to Water Stewardship sets a framework for commitments on water that go beyond regulatory compliance. This includes a commitment on collective action, tackling water challenges through platforms like the Alliance for Water Stewardship. All documents are publicly available and apply to all geographies and sites. 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. 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.

W6.2

(W6.2) Is there board level oversight of water-related issues within your organization?

Yes

W6.2a

(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.

Position of individual	Please explain
Board-level committee	The Nomination and Sustainability Committee oversees all aspects of our environmental, social and governance performance including water-related topics. It reviews reports and gives advice on measures which ensures the long-term sustainability of the Company in its economic, social and environmental dimension (including its response to climate change and related reporting) and monitors the Group's performance against selected external sustainability indexes. It reviews the Company's commitments on environmental, social and governance aspects as well as the annual Nestlé in Society report and discusses periodically how other material non-financial issues affect the Company's financial performance and how its long-term strategy relates to its ability to create shared value.

W6.2b

(W6.2b) Provide further details on the board's oversight of water-related issues.

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	Monitoring implementation and performance Overseeing acquisitions and divestiture Overseeing major capital expenditures Providing employee incentives Reviewing and guiding annual budgets Reviewing and guiding business plans Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding strategy Reviewing and guiding corporate responsibility strategy Reviewing innovation/R&D priorities Setting performance objectives	The setting of targets and public commitments on water issues forms part of our Creating Shared Value (CSV) approach to business. Previously limited to the Nestlé in Society Board (consisting of select Executive Board members) the topic of CSV is now part of the agenda of the Executive Board meetings (chaired by our CEO) twice yearly. Together, the Executive Board leads the strategic development and implementation of Creating Shared Value across our business, including for all commitments on water, objectives and strategies. The Caring for Water Steering Committee, co-chaired by our Head of Operations, oversees Nestlé's implementation of its water strategy, and the setting and review of water-related targets. It meets at least four times a year and as frequently as necessary to fulfill its task.

W6.3

(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)

Other C-Suite Officer, please specify (Executive Vice President Head of Operations)

Responsibility

Both assessing and managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues

Quarterly

Please explain

The Head of Operations is an Executive Board member and reports directly to the Nestlé CEO. The Head of Operations is in charge of ensuring the operationalization of the policies set by the Executive Board and for reporting back on progress. The Head of Operations is responsible for water in our operations, water in agriculture, and investments in water catchments. The Caring for Water Steering Committee oversees Nestlé's strategy on water, including the setting and review of water-related targets. The Committee is co-chaired by the Head of Operations, the Head of Waters Strategic Business Unit and the Head of Corporate Communications and meets quarterly. The Steerco drives and develops flagship initiatives on water, assesses and manages major water-related risks and opportunities. The Head of Operations validates all water targets and ambitions to be implemented including the technical assessment and development of water action plans.

W6.4

(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?

	Provide incentives for management of water-related issues	Comment
Row 1	No, not currently but we plan to introduce them in the next two years	We are currently exploring ways of including water-related KPI's linked to annual performance and financial incentives for C-suite employees.

W6.5

(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?

Yes, direct engagement with policy makers
Yes, trade associations
Yes, funding research organizations

W6.5a

(W6.5a) What processes do you have in place to ensure that all of your direct and indirect activities seeking to influence policy are consistent with your water policy/water commitments?

Nestlé's engagement is guided by its commitment on water stewardship. It includes a specific commitment to advocate for effective water policies and stewardship. As such, we have defined clear objectives covering our engagement at various levels.

At, the global level, we are founding member of the 2030 Water Resources Group, currently chaired by our Chairman. The 2030 Water Resources Group is a multi-stakeholder platform that works on the issue of water scarcity in countries with the support of senior public authorities. We are also a key contributor to the CEO Water Mandate and the World Business Council on Sustainable Development.

At the local level, we support the AWS standard. The AWS standard provides us with a framework to engage with key stakeholders, including policy makers, around our production sites. This engagement is championed by Nestlé Waters who have set a specific commitment to certify all its bottled water factories by 2025.

To ensure the consistency of the global advocacy objectives, Nestlé has put in place a global advocacy framework and global advocacy committee that meets on a monthly basis. The committee oversees the advocacy priorities, including for water, and mandates corrective actions if inconsistency is discovered.

Progress is reported on an annual basis in the Nestlé in Society report.

W6.6

(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?

Yes (you may attach the report - this is optional)
2019-annual-review-en.pdf

W7. Business strategy

W7.1

(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, water-related issues are integrated	5-10	Long-term business objectives setting is defined through an internal process of Nestlé governance bodies that cover water. The setting of targets and public commitments on water issues forms part of our Creating Shared Value approach to business. The Caring for Water Steering committee is part of the Nestlé in Society Board Governance. CSV is now part of the agenda of the Executive Board meetings (chaired by our CEO) annually. Together, the Executive Board leads the strategic development and implementation of Creating Shared Value across our business, including for all commitments on water, objectives and strategies. The Caring for Water Steering Committee, co-chaired by our COO, oversees setting and review of water-related targets - from internal water efficiency to WASH and water use in agriculture. It meets at least four times a year. Long-term business objectives adjustments are discussed during these meetings. Our business strategy incorporates water risks and opportunities driven by regulation, physical and reputation aspects. It covers aspects of water quantity and quality both in our direct operations and entire value chain as well as access to water and sanitation for our employees and communities in our value chain. It is expected that post-2020 commitments on water will set targets for 2025 and 2030.
Strategy for achieving long-term objectives	Yes, water-related issues are integrated	5-10	We have published a number of robust commitments, including five on water, 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. For water, it covers aspects of water quantity and quality both in our direct operations and entire value chain as well as access to water and sanitation for our employees and communities in our value chain. The commitments make it possible for stakeholders to hold us accountable, encouraging us to seek and achieve continuous improvement in our nutrition, water, rural development, sustainability and compliance performance. Each commitment is owned by a member of the Executive Board meaning that they are responsible for both commercial and societal commitments. We also systematically assess and optimize 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.
Financial planning	Yes, water-related issues are integrated	5-10	To inform water-related financial investments in our factories, 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 prioritize resource allocation. We are continuing to extend our acceptable Return On Investment period for equipment funding that delivers water savings, recognizing that such activities often require longer-term investment. Combined, these cover aspects of water quantity and quality both in our direct operations and entire value chain as well as access to water and sanitation for our employees and communities in our value chain as well.

W7.2

(W7.2) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

Row 1

Water-related CAPEX (+/- % change)

Anticipated forward trend for CAPEX (+/- % change)

0

Water-related OPEX (+/- % change)

3

Anticipated forward trend for OPEX (+/- % change)

0

Please explain

We allocate significant CAPEX amounts to water savings and effluents treatment in our factories, on a yearly basis. This constant investment is reflected in the continuous improvement of our internal water use efficiency (m3 of water used per ton of finished product) and compliance with local and internal water quality standards (withdrawal and discharge). We estimate that this figure is within the same order of magnitude as previous years, reflected in the improvement in water efficiency in 2019. For water saving CAPEX, we increasingly focus on a selected number of sites (context-based approach), in order to invest in water savings where it delivers a real benefit on locally-stressed resources. Unfortunately, due to a recent technical change in our internal Investment Management Tool, we are not able to provide a consolidated figure specific for "Water-Related CAPEX" for 2019. We expect to be able to provide accurate figures for 2020 in next year's reporting cycle.

W7.3

(W7.3) Does your organization use climate-related scenario analysis to inform its business strategy?

	Use of climate-related scenario analysis	Comment
Row 1	Yes	In 2019 Nestlé announced its ambition to achieve zero net greenhouse gas emissions by 2050. In 2020 we began to build our low-carbon transition time-bound plan including interim targets consistent with the 1.5°C path. In 2020 we began a project to assess Nestlé's exposure and resilience to climate change using scenario modelling covering both climate-related physical and transitional risks and opportunities. The modelling output analysis will be both qualitative and quantitative analysis with has the objectives: - assess the Group's exposures to climate-related risks & opportunities under different climate scenarios - help identify mitigation & adaptation actions to increase resilience to climate change - support the development of the Group's 2050 climate ambition and climate roadmap The results of the scenario analysis will be available in the H2 2020 and will be used to inform our climate adaptation and mitigation interventions, targets and metrics to measure progress.

W7.3a

(W7.3a) Has your organization identified any water-related outcomes from your climate-related scenario analysis?

Yes

W7.3b

(W7.3b) What water-related outcomes were identified from the use of climate-related scenario analysis, and what was your organization's response?

	Climate-related scenarios and models applied	Description of possible water-related outcomes	Company response to possible water-related outcomes
Row 1	RCP 2.6 Other, please specify (RCP8.5)	Acute physical impacts such as an increase in frequency and severity of extreme weather events have an impact today. Chronic physical risks are more likely to manifest themselves over the longer term, weighted to the second half of the century. Coffee, for instance, is one of the main commodity purchased annually by Nestlé, and among biggest sales of the company. Physical risks have a high probability to impact with higher temperatures and water shortages compromising quality and reducing availability of coffee in future. This may lead to an increase in raw material costs for the industry, and have economic and social impacts on coffee-growing communities. as well as our business.	We are accelerating our climate change efforts to transition to a low-carbon economy and have made a commitment to achieve zero net emissions by 2050. Over the past four years, Nestlé has aligned its objectives with science-based targets to keep the temperature increase below 2°C. The company is determined to play a leading role in tackling climate change. Over the next two years, it will lay out a time-bound plan including interim targets consistent with the 1.5°C path. Nestlé will review its progress annually to ensure it is on track. We have initiatives in place to support farmers in our supply chains in mitigating and adapting to climate-related physical impacts. These include providing technical assistance to farmers through our Nescafé Plan and Nespresso AAA Program, enhancing resilience to climate change in our plant breeding programs and improving management of the dairy supply chain. We are scaling up initiatives in agriculture to build farm-level resilience by storing carbon through soil, increasing soil-water content capacity and reducing needs for irrigation, land management and restoration, helping farmers reduce greenhouse gas emissions and halting deforestation, also resulting in positive consequences on the quantity and quality of local water resources.

W7.4

(W7.4) Does your company use an internal price on water?

Row 1

Does your company use an internal price on water?

No, but we are currently exploring water valuation practices

Please explain

For internal water saving projects, factories can already use the concept of notional cost of water 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. 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. This approach enables us to convert environmental and social benefits into a notional payback, helping us to prioritize resource allocation. We are continuing to extend our acceptable Return on Investment period for equipment funding that delivers water savings, recognizing that such activities often require longer-term investment.

W8. Targets

W8.1

(W8.1) Describe your approach to setting and monitoring water-related targets and/or goals.

	Levels for targets and/or goals	Monitoring at corporate level	Approach to setting and monitoring targets and/or goals
Row 1	Company-wide targets and goals Business level specific targets and/or goals Site/facility specific targets and/or goals Country level targets and/or goals	Targets are monitored at the corporate level Goals are monitored at the corporate level	The setting of goals and targets on water, enforced through public commitments, is an integral part of our Creating Shared Value approach to business. Previously limited to the Nestlé in Society Board (consisting of select Executive Board members) the topic of CSV is now part of the agenda of the Executive Board meetings (chaired by our CEO) once a year. Together, the Executive Board leads the strategic development and implementation of Creating Shared Value across our business, including for all commitments on water. At corporate level, our goal for the planet is to Strive for Zero Environmental Impact, by 2030 (https://www.nestle.com/csv/global-initiatives/zero-environmental-impact). We believe that our business must contribute to ensuring that society lives within planetary boundaries. To ensure we deliver on this goal, we have set various public commitments to use responsibly sourced ingredients and renewable resources, operate more efficiently, eliminate waste and manage water responsibly. The goal of our flagship initiative Caring for Water is to ensure that "Together, we steward water resources for future generations." The Caring for Water Steering Committee, co-chaired by our COO, oversees Nestlé's implementation of its water strategy, and the setting and review of water-related targets. It meets at least four times a year and as frequently as necessary to fulfill its task. The Caring for Water Steering committee is part of the Nestlé in Society Board Governance. In order to operationalise our goals on water, we have four commitments/goals: 1. Work to achieve water efficiency and sustainability across our operations 2. Advocate for effective water policies and stewardship 3. Engage with suppliers, especially those in agriculture 4. Raise awareness on water conservation and improve access to water and sanitation across our value chain Each of these commitments has a set of targets to ensure we deliver on them. Our target setting process relies on: - Assessment of local water stress at the location of our manufacturing sites (quantitative and qualitative) using various sets of data (i.e. WRI Aqueduct, WWF WRF, EarthStat Water Depletion and Pfister 2014). - Assessment of local water stress in our agricultural supply chain and within key watersheds where we operate (quantitative and qualitative) using various sets of data (i.e. WRI Aqueduct, WWF WRF, EarthStat Water Depletion and Pfister 2014). - Detailed field assessments of water-related risks and opportunities (quantitative and qualitative) - Assessment and mapping of key stakeholders to engage with, in our entire value chain and beyond (authorities, NGO's). The result of these assessments offers a general picture of the risks and opportunities related to water for Nestlé and helps us define targets for: - Water use in our factories, - Water use in our agricultural supply chain, - Water use in key catchments where we operate, - Key stakeholders to engage with,

W8.1a

(W8.1a) Provide details of your water targets that are monitored at the corporate level, and the progress made.

Target reference number

Target 1

Category of target
Water use efficiency

Level
Company-wide

Primary motivation
Reduced environmental impact

Description of target
By 2020 – Reduce direct water withdrawals per tonne of product in every product category to achieve an overall reduction of 35% in our manufacturing operations versus 2010. At global scale, reduce the m3 of water used to produce one ton of product in every product category, to use 35% less water in 2020 compared to 2010.

Quantitative metric
Other, please specify (%reduction in m3 of water used per ton of product.)

Baseline year
2010

Start year
2017

Target year
2020

% of target achieved
89

Please explain
By end-year 2019, we had achieved a reduction of -31% versus the rate of m3 of water used per tonne of product of 2010. This represents an 89% achievement rate of our target.

Target reference number
Target 2

Category of target
Water withdrawals

Level
Company-wide

Primary motivation
Reduced environmental impact

Description of target
By 2020 – Carry out 40 new "Water Resources Reviews" in selected manufacturing facilities, and all greenfield sites. This company-wide program of Water Resource Reviews (WRR) for factory sites, helps us to assess the risks, impacts and opportunities of a manufacturing facility within a local water catchment. A WRR consists in a detailed audit of a factory and its direct surrounding for all aspects related to water. It assesses regulatory compliance, water use in the factory, local water availability and quality, site protection, relationships with local and regional stakeholders (including key aspects related to the human right to water and sanitation). After the review, corrective actions are undertaken, as needed.

Quantitative metric
Other, please specify (Number of WRR performed)

Baseline year
2017

Start year
2017

Target year
2020

% of target achieved
80

Please explain
By end-year 2019, we had performed 32 WRR's. This represents an 80% achievement rate of our target.

Target reference number
Target 3

Category of target
Other, please specify (Water Stewardship Initiatives)

Level
Company-wide

Primary motivation
Reduced environmental impact

Description of target
By 2020 – Implement 10 new water stewardship initiatives in selected locations, with specific focus on “High-Priority Manufacturing Facilities” (HPMF). Through Water Stewardship initiatives, we ensure local water management is approached within a holistic framework. Not only does it consider water management at catchment level, but it also includes all stakeholders. Together, this approach ensures the sustainability and availability of water for all users within a given catchment.

Quantitative metric
Other, please specify (Number of projects)

Baseline year
2017

Start year
2017

Target year
2020

% of target achieved
100

Please explain
By end-year 2019, we had 27 factories certified by AWS, over-exceeding our target of 10.

Target reference number
Target 4

Category of target
Other, please specify (Advocacy)

Level
Company-wide

Primary motivation
Other, please specify (Advocacy)

Description of target
Advocate for effective water policies and stewardship. Working with others for positive impact

Quantitative metric
Other, please specify (Tracking of activities)

Baseline year
2017

Start year
2017

Target year
2020

% of target achieved
100

Please explain
Our key water partnerships and initiatives are outlined below. We work closely with the World Resources Institute (WRI) to develop 2 methodologies that helps companies quantify the sustainable cost of water and a water stewardship benefit accounting methodology (https://www.wri.org/publication/volumetric-water-benefit-accounting) We co-chair the 2030 Water Resources Group (2030 WRG). We are a founding signatory of the UN Global Compact (UNGC) CEO Water Mandate We are involved in The Alliance for Water Stewardship (AWS) Standard that provides a framework for companies to evaluate their water stewardship practices against a range of environmental, social and economic criteria. We are part of the Joint Water Risk Assessment and Mitigation project, run by the Sustainable Agriculture Initiative Platform (SAI Platform) and the Sustainable Food Lab (SFL).

Target reference number
Target 5

Category of target
Supplier engagement

Level
Company-wide

Primary motivation
Recommended sector best practice

Description of target
By 2020 – Implement all action plans defined for improved water management in our upstream supply chain for coffee, sugar, dairy and cereals in high-priority locations. Our greatest challenge in responsible water stewardship, as well as our biggest opportunity, lies in addressing impacts within our supply chains.

Quantitative metric
Other, please specify (Number of projects tracking various KPI (m3 of water, ha of land covered, beneficiaries, CAPEX). This varies very much from one project to the other.)

Baseline year
2017

Start year
2017

Target year
2020

% of target achieved
100

Please explain
Nestlé works directly with 550'000 farmers around the world through Farmer Connect, which enables us to develop supply chains that meet our social, environmental and ethical requirements. We directly trained 440'000 of them in 2019. We currently have 10 projects in 9 water-stressed areas. Through the Sustainable Agriculture Initiative at

Nestlé (SAIN), we address water issues and promote remediation measures. We are currently implementing water management action plans for coffee, sugar, dairy, rice and cereals in water-stressed areas. The farms, plantations and mills in these supply chains need to comply with the terms of our Responsible Sourcing Standard (RSG), and take action to mitigate their impact on local water sources.

Target reference number
Target 6

Category of target
Water, Sanitation and Hygiene (WASH) services in the community

Level
Business

Primary motivation
Corporate social responsibility

Description of target
By 2020 – Implement detailed Guidelines on human rights to water and sanitation due diligence in all Nestlé Markets and key agricultural supply chains. By 2020 – 600'000 beneficiaries in local communities have access to water, sanitation or hygiene projects around our manufacturing facilities and key agricultural supply chains.

Quantitative metric
Other, please specify (Number of locations and number of beneficiaries)

Baseline year
2010

Start year
2010

Target year
2020

% of target achieved
90

Please explain
We developed our own Nestlé Guidelines on Respecting the Human Rights to Water and Sanitation by the end of the same year, helping our markets and factories to respect and support these fundamental rights. In 2019, we continued to roll out our Nestlé Guidelines on Respecting the Human Rights to Water and Sanitation, to ensure our operations and upstream supply chain do not have any negative impact on the human right to water. We have partnered with the International Federation of Red Cross and Red Crescent Societies (IFRC) in western Africa. Our target was met in 2017 and at the end of 2019, 896'168 people around the world were benefiting from our WASH programs.

Target reference number
Target 7

Category of target
Other, please specify (Certification of factories)

Level
Brand/product

Primary motivation
Recommended sector best practice

Description of target
Nestlé Waters to certify all its bottling water facilities with the Alliance for Water Stewardship (AWS) standard by 2025. This commitment is part of how Nestlé cares for water across four key areas: in factories, in watershed, across its agricultural supply chains and in communities where it operates to provide access to clean water and sanitation. By pledging to certify all our Nestlé Waters sites against this publicly recognized, credible water stewardship standard, we demonstrate how we positively contribute to water resources where we operate for the shared benefit of all. AWS provides a common language for those willing to be pro-active in Water Stewardship activities through an eye-opening implementation approach and a credible external auditing/certification process. AWS guides companies in assessing risks and needs, and in focusing efforts where it matters most and for the benefit of all.

Quantitative metric
Other, please specify (Number of sites certified)

Baseline year
2017

Start year
2017

Target year
2025

% of target achieved
32

Please explain
By end-year 2019, 32% of our bottled-water factories were certified by AWS, over-exceeding. We are on track with our commitment for 2025.

W8.1b

(W8.1b) Provide details of your water goal(s) that are monitored at the corporate level and the progress made.

Goal
Other, please specify (Our 2030 ambition is to strive for zero environmental impact in our operations)

Level
Company-wide

Motivation
Reduced environmental impact

Description of goal
We believe that our business must contribute to ensuring that society lives within planetary boundaries. This means protecting biodiversity and natural resources while encouraging others to act responsibly. To ensure we deliver on this goal, we have various initiatives, each with specific ambitions, commitments and targets, that will contribute to our global "planet" goal of striving for zero environmental impact. Although not always directly mentioned, all initiatives listed below have strong links with water and all contribute to sustainable water management somehow. 1. Caring for water By engaging in proactive, long-term partnerships to define, implement and evaluate solutions, we aim to steward water resources for future generations. 2. Tackling plastic waste Using our research capabilities to develop new solutions, we aim to be a leader in developing the most sustainable packaging for our food and beverage products. 3. Acting on climate change In September 2019, we committed to achieving zero GHG emissions across our value chain by 2050. 4. Protecting natural capital Preserving natural capital is crucial for safeguarding our supply of raw materials and the future of our business. 5. Managing waste We are working to eliminate waste from our own activities and going beyond that to educate, raise awareness and identify actions to reduce food waste across the globe.

Baseline year

Start year

End year
2030

Progress
All initiatives listed above have specific sets of public commitments to use responsibly sourced ingredients and renewable resources, operate more efficiently, eliminate waste and manage water responsibly. Each also have specific baseline, start year and end year. These commitments have targets with goals, baseline and deadline for achievement which allow us to track progress - as detailed in question W8.1a.

Goal
Other, please specify (Together, we steward water resources for future generations)

Level
Company-wide

Motivation
Water stewardship

Description of goal
Access to clean water and adequate sanitation is a fundamental human right. However, a staggering 1.2 billion people live in areas of water scarcity, and a further 1.6 billion people face economic water shortage. Protecting and preserving the water resources we share with others is a top priority for us. By engaging in proactive, long-term partnerships to define, implement and evaluate solutions, we aim to steward water resources for future generations.

Baseline year

Start year

End year

Progress

W9. Verification

W9.1

(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?
Yes

W9.1a

(W9.1a) Which data points within your CDP disclosure have been verified, and which standards were used?

Disclosure module	Data verified	Verification standard	Please explain
W0 Introduction	Yes	AA1000AS	Bureau Veritas UK Ltd. (Bureau Veritas) has provided independent assurance to Nestlé SA (Nestlé) over the Nestlé in society: Full report 2019 ('the CSV Report') published on the Nestlé website (https://www.nestle. com/csv). The assurance process was conducted in line with the requirements of the AA1000 Assurance Standard (2008) Type 2 at moderate level of assurance. The scope of Bureau Veritas' work was limited to Nestlé's head-office based activities where Nestlé consolidates and reconciles data provided by local markets/countries. The assurance was provided over all data and text included in the CSV Report and included a review of the CSV report's alignment to GRI standards. It also included a review of Nestlé's UNGP (United Nations Guiding Principles) Index on human rights against the 'Tier 1' Assurance Indicators of the UNGP Reporting Framework. Bureau Veritas' full assurance statement includes certain exclusions, observations of good practices, recommendations for improvement, as well as detailed assurance methodology and scope of work.
W1 Current state	Yes	AA1000AS	Bureau Veritas UK Ltd. (Bureau Veritas) has provided independent assurance to Nestlé SA (Nestlé) over the Nestlé in society: Full report 2019 ('the CSV Report') published on the Nestlé website (https://www.nestle. com/csv). The assurance process was conducted in line with the requirements of the AA1000 Assurance Standard (2008) Type 2 at moderate level of assurance. The scope of Bureau Veritas' work was limited to Nestlé's head-office based activities where Nestlé consolidates and reconciles data provided by local markets/countries. The assurance was provided over all data and text included in the CSV Report and included a review of the CSV report's alignment to GRI standards. It also included a review of Nestlé's UNGP (United Nations Guiding Principles) Index on human rights against the 'Tier 1' Assurance Indicators of the UNGP Reporting Framework. Bureau Veritas' full assurance statement includes certain exclusions, observations of good practices, recommendations for improvement, as well as detailed assurance methodology and scope of work.
W2 Business impacts	Yes	AA1000AS	Bureau Veritas UK Ltd. (Bureau Veritas) has provided independent assurance to Nestlé SA (Nestlé) over the Nestlé in society: Full report 2019 ('the CSV Report') published on the Nestlé website (https://www.nestle. com/csv). The assurance process was conducted in line with the requirements of the AA1000 Assurance Standard (2008) Type 2 at moderate level of assurance. The scope of Bureau Veritas' work was limited to Nestlé's head-office based activities where Nestlé consolidates and reconciles data provided by local markets/countries. The assurance was provided over all data and text included in the CSV Report and included a review of the CSV report's alignment to GRI standards. It also included a review of Nestlé's UNGP (United Nations Guiding Principles) Index on human rights against the 'Tier 1' Assurance Indicators of the UNGP Reporting Framework. Bureau Veritas' full assurance statement includes certain exclusions, observations of good practices, recommendations for improvement, as well as detailed assurance methodology and scope of work.
W3 Procedures	Yes	AA1000AS	Bureau Veritas UK Ltd. (Bureau Veritas) has provided independent assurance to Nestlé SA (Nestlé) over the Nestlé in society: Full report 2019 ('the CSV Report') published on the Nestlé website (https://www.nestle. com/csv). The assurance process was conducted in line with the requirements of the AA1000 Assurance Standard (2008) Type 2 at moderate level of assurance. The scope of Bureau Veritas' work was limited to Nestlé's head-office based activities where Nestlé consolidates and reconciles data provided by local markets/countries. The assurance was provided over all data and text included in the CSV Report and included a review of the CSV report's alignment to GRI standards. It also included a review of Nestlé's UNGP (United Nations Guiding Principles) Index on human rights against the 'Tier 1' Assurance Indicators of the UNGP Reporting Framework. Bureau Veritas' full assurance statement includes certain exclusions, observations of good practices, recommendations for improvement, as well as detailed assurance methodology and scope of work.
W4 Risks and opportunities	Yes	AA1000AS	Bureau Veritas UK Ltd. (Bureau Veritas) has provided independent assurance to Nestlé SA (Nestlé) over the Nestlé in society: Full report 2019 ('the CSV Report') published on the Nestlé website (https://www.nestle. com/csv). The assurance process was conducted in line with the requirements of the AA1000 Assurance Standard (2008) Type 2 at moderate level of assurance. The scope of Bureau Veritas' work was limited to Nestlé's head-office based activities where Nestlé consolidates and reconciles data provided by local markets/countries. The assurance was provided over all data and text included in the CSV Report and included a review of the CSV report's alignment to GRI standards. It also included a review of Nestlé's UNGP (United Nations Guiding Principles) Index on human rights against the 'Tier 1' Assurance Indicators of the UNGP Reporting Framework. Bureau Veritas' full assurance statement includes certain exclusions, observations of good practices, recommendations for improvement, as well as detailed assurance methodology and scope of work.
Please select	Yes	AA1000AS	Bureau Veritas UK Ltd. (Bureau Veritas) has provided independent assurance to Nestlé SA (Nestlé) over the Nestlé in society: Full report 2019 ('the CSV Report') published on the Nestlé website (https://www.nestle. com/csv). The assurance process was conducted in line with the requirements of the AA1000 Assurance Standard (2008) Type 2 at moderate level of assurance. The scope of Bureau Veritas' work was limited to Nestlé's head-office based activities where Nestlé consolidates and reconciles data provided by local markets/countries. The assurance was provided over all data and text included in the CSV Report and included a review of the CSV report's alignment to GRI standards. It also included a review of Nestlé's UNGP (United Nations Guiding Principles) Index on human rights against the 'Tier 1' Assurance Indicators of the UNGP Reporting Framework. Bureau Veritas' full assurance statement includes certain exclusions, observations of good practices, recommendations for improvement, as well as detailed assurance methodology and scope of work.
W6 Governance	Yes	AA1000AS	Bureau Veritas UK Ltd. (Bureau Veritas) has provided independent assurance to Nestlé SA (Nestlé) over the Nestlé in society: Full report 2019 ('the CSV Report') published on the Nestlé website (https://www.nestle. com/csv). The assurance process was conducted in line with the requirements of the AA1000 Assurance Standard (2008) Type 2 at moderate level of assurance. The scope of Bureau Veritas' work was limited to Nestlé's head-office based activities where Nestlé consolidates and reconciles data provided by local markets/countries. The assurance was provided over all data and text included in the CSV Report and included a review of the CSV report's alignment to GRI standards. It also included a review of Nestlé's UNGP (United Nations Guiding Principles) Index on human rights against the 'Tier 1' Assurance Indicators of the UNGP Reporting Framework. Bureau Veritas' full assurance statement includes certain exclusions, observations of good practices, recommendations for improvement, as well as detailed assurance methodology and scope of work.
W7 Strategy	Yes	AA1000AS	Bureau Veritas UK Ltd. (Bureau Veritas) has provided independent assurance to Nestlé SA (Nestlé) over the Nestlé in society: Full report 2019 ('the CSV Report') published on the Nestlé website (https://www.nestle. com/csv). The assurance process was conducted in line with the requirements of the AA1000 Assurance Standard (2008) Type 2 at moderate level of assurance. The scope of Bureau Veritas' work was limited to Nestlé's head-office based activities where Nestlé consolidates and reconciles data provided by local markets/countries. The assurance was provided over all data and text included in the CSV Report and included a review of the CSV report's alignment to GRI standards. It also included a review of Nestlé's UNGP (United Nations Guiding Principles) Index on human rights against the 'Tier 1' Assurance Indicators of the UNGP Reporting Framework. Bureau Veritas' full assurance statement includes certain exclusions, observations of good practices, recommendations for improvement, as well as detailed assurance methodology and scope of work.
W8 Targets	Yes	AA1000AS	Bureau Veritas UK Ltd. (Bureau Veritas) has provided independent assurance to Nestlé SA (Nestlé) over the Nestlé in society: Full report 2019 ('the CSV Report') published on the Nestlé website (https://www.nestle. com/csv). The assurance process was conducted in line with the requirements of the AA1000 Assurance Standard (2008) Type 2 at moderate level of assurance. The scope of Bureau Veritas' work was limited to Nestlé's head-office based activities where Nestlé consolidates and reconciles data provided by local markets/countries. The assurance was provided over all data and text included in the CSV Report and included a review of the CSV report's alignment to GRI standards. It also included a review of Nestlé's UNGP (United Nations Guiding Principles) Index on human rights against the 'Tier 1' Assurance Indicators of the UNGP Reporting Framework. Bureau Veritas' full assurance statement includes certain exclusions, observations of good practices, recommendations for improvement, as well as detailed assurance methodology and scope of work.

W10. Sign off

W-FI

(W-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

Nothing to add, in particular.

W10.1

(W10.1) Provide details for the person that has signed off (approved) your CDP water response.

	Job title	Corresponding job category
Row 1	Global Head of Public Affairs	Public affairs manager

W10.2

(W10.2) Please indicate whether your organization agrees for CDP to transfer your publicly disclosed data on your impact and risk response strategies to the CEO Water Mandate's Water Action Hub [applies only to W2.1a (response to impacts), W4.2 and W4.2a (response to risks)].

Yes

SW. Supply chain module

SW0.1

(SW0.1) What is your organization's annual revenue for the reporting period?

	Annual revenue
Row 1	92568000000

SW0.2

(SW0.2) Do you have an ISIN for your organization that you are willing to share with CDP?

Yes

SW0.2a

(SW0.2a) Please share your ISIN in the table below.

	ISIN country code	ISIN numeric identifier (including single check digit)
Row 1	CH	0038863350

SW1.1

(SW1.1) Could any of your facilities reported in W5.1 have an impact on a requesting CDP supply chain member?

This is confidential

SW1.2

(SW1.2) Are you able to provide geolocation data for your facilities?

	Are you able to provide geolocation data for your facilities?	Comment
Row 1	No, this is confidential data	

SW2.1

(SW2.1) Please propose any mutually beneficial water-related projects you could collaborate on with specific CDP supply chain members.

SW2.2

(SW2.2) Have any water projects been implemented due to CDP supply chain member engagement?

No

SW3.1

(SW3.1) Provide any available water intensity values for your organization's products or services.

Product name
Nescafé

Water intensity value
0.7

Numerator: Water aspect
Other, please specify (Water use along the value chain)

Denominator
Several river basins including for sourcing, manufacturing and consumption.

Comment
We conduct LCA for products from farm to end of life. Note, please that the water intensity is in liters of water equivalent per cup of coffee.

Submit your response

In which language are you submitting your response?
English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission	Are you ready to submit the additional Supply Chain Questions?
I am submitting my response	Investors Customers	Public	Yes, submit Supply Chain Questions now

Please confirm below
I have read and accept the applicable Terms