Module: Introduction

Page: W0. Introduction

W0.1

Introduction

Please give a general description and introduction to your organization.

• Nestlé is the leading nutrition, health and wellness company. We enhance the quality of life by offering tastier and healthier food and beverage choices, as well as information and services, for all stages of life and any time of the day, helping consumers care for themselves and their families. As the largest food and beverage manufacturer in the world offering more than 10000 trusted products, we are committed to consistently developing superior products. This is achieved through our unmatched research and development capability, nutrition science and a passion for quality in everything we do.
• Creating Shared Value is the way we do business and the way we connect with society at large.
• The Nestlé Corporate Business Principles rule the way we do business and form the basis of our culture and values. The 10 principles, which provide the foundations for our commitments and our Create Shared Values strategy, incorporate the 10 United Nations Global Compact's (UNGC) Principles and are divided into five areas - consumers, human rights and labour practices, our people, suppliers and customers, and the environment.
1. Nutrition, Health & Wellness: Our core aim is to enhance the quality of consumers' lives every day, everywhere by offering tastier and healthier food and beverage choices and encouraging a healthy lifestyle. We express this via our corporate proposition Good Food, Good Life.
2. Quality assurance and product safety: Everywhere in the world, the Nestlé name represents a promise to the consumer that the product is safe and of high standard.
3. Consumer communication: We are committed to responsible, reliable consumer communication that empowers consumers to exercise their right to informed choice and promotes healthier diets. We respect consumer privacy.
4. Human rights in our business activities: We fully support the UNGC guiding principles on human rights and labour and aim to provide an example of good human rights and labour practices throughout our business activities.
5. Leadership and personal responsibility: Our success is based on our people. We treat each other with respect and dignity and expect everyone to promote a sense of personal responsibility. We recruit competent and motivated people who respect our values, provide equal opportunities for their development and advancement, protect their privacy and do not tolerate any form of harassment or discrimination.
6. Safety and health at work: We are committed to preventing accidents, injuries and illness related to work, and to protect employees, contractors and others involved along the value chain.
7. Supplier and customer relations: We require our suppliers, agents, subcontractors and their employees to demonstrate honesty, integrity and fairness, and to adhere to our non-negotiable standards. In the same way, we are committed to our own customers.
8. Agriculture and rural development: We contribute to improvements in agricultural production, the social and economic status of farmers, rural communities and in production systems to make them more environmentally sustainable.
9. Environmental sustainability: We commit ourselves to environmentally sustainable business practices. At all stages of the product life cycle we strive to use natural resources efficiently, favour the use of sustainably managed renewable resources, and target zero waste.
10. Water: We are committed to the sustainable use of water and continuous improvement in water management. We recognise that the world faces a growing water

challenge and that responsible management of the world's resources by all water users is an absolute necessity.

W0.2

Reporting year

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

Period for which data is reported
Thu 01 Jan 2015 - Thu 31 Dec 2015

W0.3

Reporting boundary

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

Companies, entities or groups over which operational control is exercised

W0.4

Exclusions

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

Yes

W0.4a

Exclusions

Please report the exclusions in the following table

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

Further Information

Please see attach: - The Nestlé Corporate Business Principles - The Nestlé Policy on Environmental Sustainability - 2015 Nestlé Integrated Annual Report Pack outlining the company’s performance last year and its future ambitions. Our integrated annual report pack, contains the company's Annual Report 2015, the Corporate Governance Report 2015, the Compensation Report 2015, the Financial Statements 2015, the Nestlé in society: Creating Shared Value and meeting our commitments 2015 Report, the Nestlé Commitment on Climate Change and the Nestlé Commitment on Water Stewardship. All information is provided in CHF unless otherwise stated.

Attachments

https://www.cdp.net/sites/2016/42/12942/Water 2016/Shared Documents/Attachments/Water2016/W0.Introduction/nestle-commitment-water-stewardship.pdf
https://www.cdp.net/sites/2016/42/12942/Water 2016/Shared Documents/Attachments/Water2016/W0.Introduction/nestlé policy on environmental sustainability.pdf
https://www.cdp.net/sites/2016/42/12942/Water 2016/Shared Documents/Attachments/Water2016/W0.Introduction/nestle-commitment-reduce-food-loss-waste.pdf
https://www.cdp.net/sites/2016/42/12942/Water 2016/Shared Documents/Attachments/Water2016/W0.Introduction/Nestlé Corporate Business Principles.pdf

https://www.cdp.net/sites/2016/42/12942/Water 2016/Shared Documents/Attachments/Water2016/W0.Introduction/Nestlé in society - Creating Shared Value and meeting our commitments 2015.pdf
https://www.cdp.net/sites/2016/42/12942/Water 2016/Shared Documents/Attachments/Water2016/W0.Introduction/Nestlé Integrated Annual Report.pdf

Module: Current State

Page: W1. Context

W1.1

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

Water quality and quantity	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Vital for operations	Important	i) Primary uses: The direct use of sufficient amounts of good quality freshwater in our own operations is vital for Nestlé because in our 436 factories globally, as we use water for different purposes including cleaning, cooking and for our bottling water business. ii) Explanation of the rating: As the leading nutrition, health and wellness company, sufficient amounts of good quality freshwater is a vital resource for Nestlé's operations and to the future of our business. i) Primary uses: The indirect use of sufficient amounts of good quality freshwater water is important for Nestlé. Farmers need water to grow and produce the agricultural raw material that we source from them. Consumers use water to prepare and consume our products. ii) Explanation of the rating: We understand that water is critical to the sustainability of our value chain: our employees, our suppliers and our customers need access to safe drinking water and adequate sanitation. That is why we have rated it important.
Sufficient amounts of recycled, brackish and/or produced water available for use	Important	Important	i) Primary uses: Recycled, brackish and/or produced water can be treated and used in Nestlé operations and wherever available, for example, to save fresh water withdrawn for irrigation of agricultural crops. ii) Explanation of the rating: Sufficient amounts of recycled or brackish water are important for direct and indirect use because increasing amounts of recycled water can reduce withdrawals from external sources, thus improve our direct and indirect water autonomy and the water availability of water for communities.

W1.2

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

Water aspect	% of sites/facilities/operations	Please explain
Water withdrawals- total volumes	76-100	This indicator is monitored at 100% of our factories on a monthly basis as part of our environmental reporting process, primarily for internal purposes. The data are used to measure environmental performance and report it to the different stakeholders in the company (including top management) and publicly in our Annual Report, similarly to other business areas. This indicator is used to measure progress in water-related improvement programmes.
Water withdrawals- volume by sources	76-100	This indicator is monitored at 100% of our factories on a monthly basis as part of our environmental reporting process, primarily for internal purposes. The data are used to measure environmental performance and report it to the different stakeholders in the company (including top management) and publicly in our Annual Report, similarly to other business areas. This indicator is used to get a better understanding of the company's dependency on different sources of water.
Water discharges- total volumes	76-100	This indicator is monitored at 100% of our factories on a monthly basis as part of our environmental reporting process, primarily for internal purposes. The data are used to measure environmental performance and report it to the different stakeholders in the company (including top management) and publicly in our Annual Report, similarly to other business areas.
Water discharges- volume by destination	76-100	This indicator is monitored at 100% of our factories on a monthly basis as part of our environmental reporting process, primarily for internal purposes. The data are used to measure environmental performance and report it to the different stakeholders in the company (including top management) and publicly in our Annual Report, similarly to other business areas. This indicator is used to get a better understanding of the dowstream impacts and opportunities of the company's water usage.
Water discharges- volume by treatment method	Less than 1%	This breakdown is not relevant to managing our wastewater. We prefer using indicators of water quality such as COD concentration to track our performance in this area. However, we have conducted surveys and have treatments methods for 100% of our factories.
Water discharge quality data- quality by standard effluent parameters	76-100	This indicator is monitored at 100% of our factories on a monthly basis as part of our environmental reporting process, primarily for internal purposes. The data are used to measure environmental performance and report it to the different stakeholders in the company (including top management) and publicly in our Annual Report, similarly to other business areas. This indicator is used to get a better understanding of the dowstream impacts and opportunities of the company's water usage.
Water consumption- total volume	76-100	This indicator can be computed from the data we collect at 100% of our factories on a monthly basis as part of our environmental reporting process, but it is not relevant for managing our operations. We

Water aspect	% of sites/facilities/operations	Please explain
		prefer using water withdrawal, as it better reflects the dependency of our operations on water resources and therefore the risks associated to them.
Facilities providing fully-functioning WASH services for all workers	76-100	Nestlé has signed the WBCSD's WASH Pledge and is therefore committed to implementing it. As a consequence, we track our progress at 100% of all our sites on a quarterly basis through our EHS reporting process and system.

W1.2a

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

Source	Quantity (megaliters/year)	How does total water withdrawals for this source compare to the last reporting year?	Comment
Fresh surface water	12330	Much lower	Some water reduction projects focusing on once-through cooling from surface water (river) reduced our surface water withdrawal substantially over the last couple of years.
Brackish surface water/seawater	0	Not applicable	This water source is not used.
Rainwater	34	About the same	Rain water is not adapted to food production, therefore it is hardly used by our organization and represents only a marginal volume of the total water withdrawal.
Groundwater - renewable	75493	Lower	Even though our production volume increased, we managed reducing our water usage, essentially through water efficiency programmes across our operations.
Groundwater - non-renewable	0	Not applicable	This water source is not used.
Produced/process water	0	Not applicable	This water source is not used.
Municipal supply	52466	Lower	Even though our production volume increased, we managed reducing our water usage, essentially through water efficiency programmes across our operations.

Source	Quantity (megaliters/year)	How does total water withdrawals for this source compare to the last reporting year?	Comment
Wastewater from another organization	0	Not applicable	This water source is not used.
Total	140323	Much lower	Even though our production volume increased, we managed reducing our water usage, essentially through water efficiency programmes across our operations.

W1.2b

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

Destination	Quantity (megaliters/year)	How does total water discharged to this destination compare to the last reporting year?	Comment
Fresh surface water	47678	Much lower	By reducing once-through cooling from surface water (see question 1.2a), we reduce significantly our water discharge to surface water.
Brackish surface water/seawater	0	Not applicable	Destination not used
Groundwater	0	Not applicable	Destination not used
Municipal/industrial wastewater treatment plant	33964	Lower	Overall, our efforts to increase water efficiency result in our water withdrawal and water discharge to stabilize although our production volume is increasing.
Wastewater for another organization	0	Not applicable	Destination not used
Total	81642	Much lower	Overall, our efforts to increase water efficiency result in our water withdrawal and water discharge to decrease although our production volume is increasing.

W1.2c

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

Consumption (megaliters/year)	How does this consumption figure compare to the last reporting year?	Comment
58681	Lower	The definition used for this indicator is: "water withdrawals" minus "water discharges".

W1.3

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

Yes

W1.3a

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

Proportion of suppliers %	Total procurement spend %	Rationale for this coverage
26-50	76-100	At Nestlé, Tier 1 suppliers are requested to demonstrate their processes and techniques to monitor water consumption during our Responsible Sourcing Audit (using the SMETA4 Pillar standards). This serves as verifying their compliance with local regulations

Proportion of suppliers %	Total procurement spend %	Rationale for this coverage
		and the requirements of our Nestlé Supplier Code. In addition, we are asking these same suppliers to go through the Ecovadis assessment which provide a deep analysis of water management commitments and long term forecast (in term of usage). By the end of 2015, 87% of our key suppliers and 45% of our total pool of suppliers (representing 95% of total spend) are covered with such audit. In total, we had audited 10950 Tier 1 suppliers, 82% of which fully complied with the Nestlé Supplier Code.i) company-specific explanation of how these suppliers were selected for reporting: at Nestlé, key suppliers are selected by spend and volume relevance to Nestlé.ii) details of the type of information requested from suppliers: the type of information requested from suppliers includes water consumption, measuring technology, trends and their ambitions to decrease water consumption.iii) how the information is used within the company: the information is used within Nestlé to check compliance with local regulations and the requirements of our Nestlé Supplier Code.iv) how suppliers are incentivised to report: Suppliers are incentivised to report by for example, suppliers are more likely to have more business volume / capture from Nestlé.

W1.3b

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

Primary reason	Please explain

W1.4

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

Yes

W1.4a

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

Country	River basin	Impact indicator	Impact	Description of impact	Length of impact	Overall financial impact	Response strategy	Description of response strategy
Turkey	Other: Nilüfer River	Phys-Flooding Other: Damage to property and impact on distribution.	Property damage	In July 2015, the windstorm in Bursa caused damage to the buildings, water production facilities and various structure and values in the open site in the Nestlé factory, and resulted in an estimated loss of CHF 327k.	1-3 month	CHF 327000	Develop flood emergency plans Other: Insurance against natural disasters	The Nestlé Global Property Loss Prevention Programme provides a consistent view of our exposure to property risks around the world to floods and storms, enabling us to make informed decisions about the future standards of prevention and protection throughout Nestlé sites.
United States of America	Other: California River Basin	Phys-Drought Phys-Increased water scarcity Phys-Increased water stress Rep-Negative media coverage	Brand damage	The summer of 2015 saw the US state of California experience a fourth consecutive year of extreme drought. This prompted the Governor of California to order mandatory water use reductions for the first time in the state's history. It raised concern about the impact of our operations in California, and posed questions about our bottled water plants in Cabazon and Sacramento in particular.	On-going	Impact is reputational	Engagement with customers Engagement with other stakeholders in the river basin Other: Transparency - Provide factual information to customers	Nestlé launched the water stewardship programme in California, which is expected to save more than half a million cubic metres of water a year. Besides, the California Water Action Collaboration was launched in March 2015. The unsustainable use of groundwater caused by prolonged drought saw Nestlé and other food and beverage companies support efforts to improve groundwater management planning, replenish groundwater, and engage in dialogue with farming

Country	River basin	Impact indicator	Impact	Description of impact	Length of impact	Overall financial impact	Response strategy	Description of response strategy
								communities and supply chain stakeholders. To coordinate our efforts to improve water efficiency and sustainability performance across our operations, we have developed a global Water Stewardship Master Plan at a corporate level, and started to formulate local masterplans in key locations, e.g. California. They contain market-specific responsibilities, targets and deadlines, and are based on our water commitments and our Water Stewardship Ladder. Nestlé's water stewardship program in California is expected to save more than 500k m3 of water a year. Besides, the California Water Action Collaboration was launched in March 2015, to improve groundwater management planning, replenish groundwater, and engage in dialogue with farming communities and supply chain stakeholders.
Bangladesh	Other: Padma River	Phys-Flooding	Plant/production disruption leading to reduced output	In 2015, the flood in Bangladesh destroyed finished products, raw materials and packing	1 month	CHF 296000	Develop flood emergency plans Other:	The Nestlé Global Property Loss Prevention Programme provides a consistent view of our exposure to property

Country	River basin	Impact indicator	Impact	Description of impact	Length of impact	Overall financial impact	Response strategy	Description of response strategy
				materials in the distribution center, and resulted in a loss of CHF 29.6m.			Insurance against floods	risks around the world to floods, enabling us to make informed decisions about the future standards of prevention and protection throughout Nestlé sites.

W1.4b

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

Primary reason	Future plans

Further Information

Additional text for question 1.4a, in the country of United States: The Water Stewardship Ladder has 3 steps:• As with Creating Shared Value, the base for our approach is compliance, such as having permits for our wells, not exceeding the extraction volumes authorised in our licences and respecting the limits for wastewater discharge;• Progress towards excellence comes from continuous improvements and increased efficiency, to eventually reach a best-in-class, or 'lighthouse', level; and• Where internal efforts are not enough to address wider challenges, we engage with local stakeholders, enabling collective action to secure the long-term sustainability of water resources. This final stage is the most challenging, as it requires a change from an internally focused mindset to an external-facing approach to managing water.

Module: Risk Assessment

Page: W2. Procedures and Requirements

W2.1

Does your organization undertake a water-related risk assessment?

Water risks are assessed

W2.2

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

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

W2.3

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

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

W2.4

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

Yes, evaluated over the next 1 year

W2.4a

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

- We have identified that increased stress of water is a risk that can impact Nestlé growth strategy. For example, in 2015, several greenfield sites have been screened to identify the less exposed of them to water stress areas. This is the example of our Hanoi food factory in Vietnam and our Nestlé Waters factories in US, Thailand and Nigeria.
- The process by which the results of the water risk assessment inform the growth strategy:
We conduct water resource reviews in greenfield sites to helps us to analyze the impacts of a manufacturing facility upon a local water catchment. The formal process investigates water availability, water quality, regulatory compliance, site protection; and stakeholder relations in potential news sites for factories. This informs our growth strategy.
- Why and how the growth strategy changed/did not change as a result of the risk(s) identified:
The growth strategy did not change. However, the results of the water resource studies inform the selection of final sites.

W2.4b

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

Main reason	Current plans	Timeframe until evaluation	Comment

W2.5

Please state the methods used to assess water risks

Method	Please explain how these methods are used in your risk assessment
FAO/AQUASTAT Internal company knowledge Life Cycle Assessment Water Footprint Network	i) How the methods selected were integrated to assess risks: We use the Nestlé Combined Water Stress Index to assess water stress at any given location. The index takes an average of results from three leading water-stress indicators (WRI Aqueduct, WWF Water Risk Filter and ETH Pfister et al, 2009).

Method	Please explain how these methods are used in your risk assessment
WRI water stress definition WRI Aqueduct WWF-DEG Water Risk Filter Other: UNEP World Conservation Monitoring Centre, WBCSD self-assessment tool, Nestlé Waters community, The Nestlé Global Property Loss Prevention Programme, Nestlé Water Resources Review, Nestlé Regulatory Affairs network and SWOT analyses, Nestlé Water task Force, Nestlé issue roundtable, Nestlé Farmer Connect network, Nestlé Sustainable Agriculture Initiative, Internal assessments, Relations guidebook, Nestlé Responsible Sourcing Guidelines, Nestlé SHE-PM tracking tool, Responsible Sourcing Audit Program, Nestlé notional price of water, Nestlé Environmental Requirements, Nestlé Environmental Target Setting Programme, Nestlé Sustainability Category Profiles, Nescafé Plan, Nespresso TASQ water, the Nestlé Cocoa Plan, Nestlé stakeholder convenings.	This gives us a risk score, helping to determine the risk associated with reduced water quantity or quality. It also considers possible competition with other local water users. The other methods (LCA, FAO/AQUASTAT and internal knowledge) are used to assess risks and identify opportunities along in our value chain, including agriculture and consumption. ii) These methods were selected as they are internationally recognized methodologies to use in our risk assessment. In particular, we use WFN and FAO/AQUASTAT to estimate average water use for crops and LCA to estimate the environmental performance of our products along the value chain, including their water use. iii) The operational scope of the risk assessment covers the entire value chain of our product including agriculture, manufacturing and consumption.

W2.6

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

Issues	Choose option	Please explain
Current water availability and quality parameters at a local level	Relevant, included	We systematic track/monitor water quantity and quality at local level through Nestlé Water Resources Review programmes. Long-term supply of water with high quality and sufficient quantity is essential for our factories. To raise awareness at local operational level, identify key issues and risks, and devise action plans for more sustainable water use, our Water Resources Review programme focuses on water quantity/quality; regulatory compliance; site protection; relationships with stakeholders. The method used to assess this issue includes the Nestlé Water Resources Review programmes.
Current water regulatory frameworks and tariffs at a local level	Relevant, included	Our business is based on compliance. The Nestlé Regulatory Affairs team works with a network of regulatory contacts in the markets. They track regulatory changes and estimate future potential regulatory changes on local level. Any changes/potential impacts are shared with Regulatory Affairs at country level.

Issues	Choose option	Please explain
		A regulatory database is managed where all relevant regulatory documents are gathered. It is updated as the local situation changes. This is included in all facilities with potential risk. The method used to assess this issue includes the Nestlé Regulatory Affairs network.
Current stakeholder conflicts concerning water resources at a local level	Relevant, included	Our activity aims at ensuring good relationship with local stakeholder on water-related topics and develop, community outreach programmes. Systematic tracking/monitoring is done through the Nestlé Issues Round Table which meets on a monthly basis. The Water task Force, chaired by Magdi Batato (EBM member), provides a solid crossfunctional basis for managing water issues including stakeholder conflicts and implementing solutions. The methods used to assess this issue include the Nestlé Water task Force and Nestlé Issues Round Table.
Current implications of water on your key commodities/raw materials	Relevant, included	We work directly with around 760000 farmers. Through our Farmer Connect network, we have delivered water projects in a wide variety of locations, across all continents. Our global programme to support farmers and promote sustainable development – Nestlé Sustainable Agriculture Initiative – enables Nestlé to address some key challenges in water management and irrigation. The methods used to assess this issue include the Nestlé Sustainable Agriculture Initiative and Nestlé Farmer Connect.
Current status of ecosystems and habitats at a local level	Relevant, included	We have developed our understanding of the relationship between factories and biodiversity, and identified factories where we have a dependency/potential impact on important water areas. To know which factories were in high biodiversity/protected areas, we partnered with the UNEP World Conservation Monitoring Centre. The resulting internal database highlights 60 factories with high biodiversity risk, where we will focus our future actions. The method used to assess this issue includes the UNEP World Conservation Monitoring Centre tools to identify high biodiversity/protected areas.
Current river basin management plans	Relevant, included	We include river basin management plans in our assessment. The methods used to assess this issue include the Nestlé Environmental Requirements and internal assessments working with experts. We also proactively engage with stakeholders. For example, at the Kabini River basin Nestlé commissioned an assessment of the current water management. The assessment showed that agriculture is the biggest user of water from the Kabini catchment. The river supplies drinking water to major cities such as Mysore and Bangalore, while the Nestlé Nanjangud factory uses about 0.04% of the water released annually by the Kabini dam. As possible interventions, the assessment suggested: •Conducting pilot projects with paddy rice and sugarcane farmers to test their interest and likelihood of adopting improved growing techniques; •Launching a local policy dialogue, with the Government of Karnataka and experts, and local NGOs to find ways of up-scaling initiatives to catchment scale.
Current access to fully-functioning WASH services for all employees	Relevant, included	We have a public commitment to provide every Nestlé employee with access to safe water, sanitation and hygiene of an appropriate standard at the workplace by 2015. The method used to assess this issue includes the WBCSD WASH self-assessment tool. Adopting and promoting the WBCSD WASH Pledge drives our practical contribution to address the global challenge of providing access to safe water, sanitation and hygiene at the workplace. In 2014, Nestlé launched the pledge across all of our operations and introduced the self-assessment tool in all sites under our control by the end of 2015 and provided guidance tools to support our teams. The tool analyses company facilities and provides guidance on best

Issues	Choose option	Please explain
		practices in the workplace. It enables us to score the current status of a site, identify gaps and promote improvements.Overall, consolidated results show that our performance against the Pledge is very good. Nearly 90% of our manufacturing facilities carried out the self-assessment, of which 90% met the Pledge level and 10% identified minor gaps (e.g. lack of toilets for disabled people, no signage for proper hand washing) that do not affect our basic WASH promise to our employees. Corrective action plans will be implemented throughout 2016.
Estimates of future changes in water availability at a local level	Relevant, included	At local level, a continuous water resource managing system is in place with daily monitoring done by Water Resources Champions or Factory Environmental Officers at each factory. The method used to assess this issue includes the Nestlé Combined Water Stress Index. We use Nestlé Combined Water Stress Index which estimates current and future physical water availability risks at watershed level for every site. In addition, external risk engineers inspect sites on a regular base to provide guidance on improving standards of prevention/protection for risks related to water availability.
Estimates of future potential regulatory changes at a local level	Relevant, included	Our factories have to complete regulatory survey with potential future regulatory changes at local level, which are carefully assessed at a corporate level. Further regulatory strategies and action plans are established. Regulatory SWOT analyses are conducted in each country on a yearly basis. As part of the 2030 Water Resources Group, the work also provides practical tools to help stakeholders compare the impact, scale, cost, trade-offs and effectiveness of regulatory measures and technologies. The methods used to assess this issue include the Nestlé Regulatory Affairs network and internal regulatory SWOT analyses.
Estimates of future potential stakeholder conflicts at a local level	Relevant, included	The relation of Nestlé with local communities is absolutely essential. Water is a local, shared resource that must be carefully used and preserved by all actors in the community. Nestlé has started implementing our specially developed community relations guidebook at our bottled water production sites. The objective is to provide guidance to factory managers in engaging with local communities, identifying key local stakeholders and their needs and expectations, to build and maintain trust. The method used to assess this issue includes our community relations guidebook.
Estimates of future implications of water on your key commodities/raw materials	Relevant, included	The Sustainable Agriculture Initiative at Nestlé is our global programme to support farmers and promote sustainable development. It focuses on a range of commodities and enables us to address some key challenges in water management and irrigation. Water management plans form an integral part of our Responsible Sourcing Guideline for key commodities, underlining the important role that farmers in water stressed areas play. The methods used to assess this issue include the Sustainable Agriculture Initiative at Nestlé and Nestlé Responsible Sourcing Guidelines.
Estimates of future potential changes in the status of ecosystems and habitats at a local level	Relevant, included	The method used to assess this issue includes the Nestlé Global Property Loss Prevention Program. The Nestlé Global Property Loss Prevention Program provides an in depth identification of our exposure to property risks around the world climate change risks. This enables us to form decisions about the future standards of prevention and protection.
Scenario analysis of availability of	Relevant,	Tools like our Nestlé Combined Water Stress Index is used to rank the different sites, develop action

Issues	Choose option	Please explain
sufficient quantity and quality of water relevant for your operations at a local level	included	plans and to continuously improve water management.
Scenario analysis of regulatory and/or tariff changes at a local level	Relevant, included	The method used to assess this issue includes the Nestlé notional cost of water and Nestlé SHE-PM tracking tool. We conduct scenario analysis with potential impact regulatory or tariff changes in our operations. We introduced the concept of notional cost to analyze water projects based on estimated water prices ranging from 1 to 5 CHF/m3 depending on the level of water stress index of the factory' location. The Nestlé SHE-PM tracking tool continuously monitors the cost of all purchased water and off-site treated water for all plants.
Scenario analysis of stakeholder conflicts concerning water resources at a local level	Relevant, included	The method used to assess this issue includes the Nestlé Water Resources Review programmes. Our Water Resources Review (WRR) programme focuses on five areas: water quantity, water quality; regulatory compliance; site protection; and relationships with other stakeholders. Specific to relationships with other stakeholders, the WRR programme is one activity helping estimate current and future scenario related to relationship with local stakeholders.
Scenario analysis of implications of water on your key commodities/raw materials	Relevant, included	The method used to assess this issue includes the Nestlé Responsible Sourcing Audit Program. Through our Responsible Sourcing Audit Program, Critical Tier 1 suppliers have to fill a Sedex Ethical Assessment Questionnaire which do request information on water management policy, tools and effectiveness. Critical Tier 1 suppliers are all audited using SMETA 4 Pillars ethical standard which assess the way water is being consumed (monitor or not), used (treated or not, efficiency of operations), released to environment (treatment).
Scenario analysis of potential changes in the status of ecosystems and habitats at a local level	Relevant, included	We have developed our understanding of the relationship between factories and biodiversity, and identified factories where we have a dependency/potential impact on important water areas. To know which factories were in high biodiversity/protected areas, we partnered with the UNEP World Conservation Monitoring Centre. The resulting internal database highlights 60 factories with high biodiversity risk, where we will focus our future actions. The method used to assess UNEP World Conservation Monitoring Centre method to identify factories in high biodiversity/protected areas.
Other	Relevant, included	The method used to assess this issue includes the Nestlé Water Resources Review programmes. Our Water Resource Review Studies investigate the impact of our direct operation on local water resources in the area of site protection. We ensure measures to protect the water supply are understood and implemented.

W2.7

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

Stakeholder	Choose option	Please explain
Customers	Relevant, included	We assess the environmental performance of our products from farm to consumer and beyond, including the water footprint. The water used by consumers to prepare or consume our products is factored in when assessing the hotspots of our products. Using product packaging and the internet, we are reaching out to consumers, providing them with meaningful and accurate environmental information about how simple changes in behaviour can reduce water use when preparing our products. For example, while consuming 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 minimise the need for glass jars. The method used to assess this issue includes Life Cycle assessment and Nestlé LCA communication tool.
Employees	Relevant, included	We strive to continually improve our water performance through training of employees and raising awareness. We have Nestlé W.A.T.E.R commitments in place, where one point is to actively engage employees, communities and consumers in the water imperative. In addition, water is one of the Nestlé corporate business principles. In January 2014, we launched a new training programme about the importance of water with our Corporate Human Resources Team called We Make Nestlé Caring and We Make Nestlé Resourceful, which taught more than 200 participants about how water is a critical factor for human prosperity and how water availability can affect our value chain. The course also encourages participants to contribute towards water conservation. Course content is made available to all Nestlé employees through our intranet pages. The method used to assess this issue includes Nestlé corporate business principles and awareness training session and education to employees.
Investors	Relevant, included	We report water risks and responses in our Nestlé integrated annual pack that is sent to shareholders. We also have meeting/conference calls with investors that might have some specific questions on water issues. The method used to assess this issue includes the Nestlé integrated annual pack.
Local communities	Relevant, included	We want to create shared value for our business and for society. The wellbeing of rural communities, farmers, small entrepreneurs, suppliers is intrinsic to our success. Our activities support rural development, and at the same time strengthen our supply chain. We seek to raise awareness of water access and conservation in communities. By the end of 2015, almost 440000 beneficiaries in local communities had access to water, sanitation and hygiene projects around our manufacturing facilities and in Farmer Connect areas. Having reached our 2016 target early, we have continued to monitor our performance and will use this progress to help set a new objective next year. The method used to engage with local communities includes the Farmer Connect programme. For example, through capacity building programmes, we can engage with farmers so that we can develop a supply chain that meets our social, environmental and ethical requirements.
NGOs	Relevant, included	We conduct yearly materiality analysis based on level of stakeholder concern and level of potential impact on Nestlé along with the stakeholder convenings. We develop sustainable, technologically adapted community water management schemes, jointly with expert partners from NGOs. We deliver water, sanitation and hygiene projects in schools and villages near our operations around the world. We provide access to water and sanitation for almost 440000 people. The method used to engage with NGOs includes Nestlé stakeholder convenings.
Other water users at a	Relevant,	The Water Resource Reviews help our people to gain a greater understanding/sense of ownership about water

Stakeholder	Choose option	Please explain
local level	included	challenges in their locality. They also enabled us to identify 5 high priority areas within operations where water stewardship initiatives are needed, to reduce water related risks and strengthen stakeholder perception of our local contribution. Our Water Resource Reviews assess potential impacts on the right to water and sanitation of local communities and propose corrective action. The method used to assess this issue includes the Nestlé Water Resources Review programmes.
Regulators	Relevant, included	Relevant, included We continue to maintain a strong presence at multistakeholder initiatives on water policy and challenges, seeking new shared solutions and promoting collective action on water efficiency. Many of our most senior people, including our Chairman, play a leading role in the 2030 Water Resources Group, which is currently chaired by Nestlé. It helps to strengthen expert capabilities across the world and raises the priority of water on national political agendas. The methods used to engage with regulators includes the Nestlé Regulatory Affairs network and internal regulatory SWOT analyses.
River basin management authorities	Relevant, included	We engage with river basin management authorities in the countries where we operate. For example, at the Kabini River Basin, India, we are launching in the next two year a local policy dialogue, with the Government of Karnataka and experts such as the Alliance for Water Stewardship, Water Resources Group, and local NGOs to find ways of up-scaling initiatives to catchment scale. As part of our Intelligent water management project in Colombia, we are partnering with the Dutch Ministry of Foreign Affairs, the Colombian Federation of Coffee Growers, the Wageningen University and the Ministry of Rural Development to implement water stewardship actions, with an overall budget of EUR 20.5 million (CHF 24.6) over five years (2014–2018). The method used to assess this issue includes the Nestlé Water Resources Review programmes.
Statutory special interest groups at a local level	Relevant, included	Around the world, we engage at a local level in many ways to raise awareness on water conservation and improve community access to water and sanitation. It can involve investment in infrastructure, educational initiatives or simply providing bottled water during a time of crisis. To promote positive collective action, it is vital to ensure our initiatives are suited to the community and the water catchment they will support. For instance, in Pakistan as a part of a Community Engagement Programme and to support local communities, Nestlé Pakistan set up seven clean drinking water facilities in our operational areas. Located in Muzaffargarh, Kot Addu, Khanewal, Kabirwala and Sheikhupura (including Bhatti Dhilwan), these facilities provide clean drinking water to approximately 35 000 people every day. The methods used to assess this issue include the Nestlé Environmental Requirements and internal assessments.
Suppliers	Relevant, included	Through our entire supply chain, we are committed to engage with suppliers to promote water conservation practices. Our current water management strategy is embedded in a number of agricultural and operational sustainability programs, like the Nescafé Plan, Nespresso TASQ water, the Nestlé Cocoa Plan, Nestlé Sustainable Agriculture Initiatives and various local water initiatives. The methods used to assess this issue include Nescafé Plan, Nespresso TASQ water, the Nestlé Cocoa Plan, Nestlé Sustainable Agriculture Initiatives.
Water utilities/suppliers at a local level	Relevant, included	Through our water resources review we also engage with water utilities and their experts in the technical management in order to evaluate their knowledge on the state of water resources, availability versus demand. In general our local management in the factories do only 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

Stakeholder	Choose option	Please explain
		their utilities infrastructures instead of investing within our own wastewater treatment plant
Other	Relevant, included	Depending on a case, we also engage with other relevant stakeholders related to water. For example, we engage with scientists, water experts. e.g World Resource Institute. The methods used to assess this issue include Nestlé engagement programmes.

W2.8

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

Primary reason	Please explain

Further Information

Module: Implications

Page: W3. Water Risks

W3.1

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

Yes, direct operations and supply chain

W3.2

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

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

W3.2a

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

Country	River basin	Number of facilities exposed to water risk	Proportion of total operations (%)	Comment
Chile	Other: Maipo	1	Less than 1%	This factory is part of a group of high priority manufacturing facilities that are located in areas of severe water stress and/or represent a significant portion of our annual water withdrawals. The

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

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

Country	River basin	Number of facilities exposed to water risk	Proportion of total operations (%)	Comment
				list is dynamic and updated every year. This group of factories is monitored by our Operations Water Task Force (OWTF). The OWTF is a corporate group which meets on a monthly basis and helps our corporate functions and markets to execute Nestlé's water commitments. It monitors progress by reviewing performance data and identifying corrective actions with appropriate parties.
Pakistan	Indus	3	1-5	This factory is part of a group of high priority manufacturing facilities that are located in areas of severe water stress and/or represent a significant portion of our annual water withdrawals. The list is dynamic and updated every year. This group of factories is monitored by our Operations Water Task Force (OWTF). The OWTF is a corporate group which meets on a monthly basis and helps our corporate functions and markets to execute Nestlé's water commitments. It monitors progress by reviewing performance data and identifying corrective actions with appropriate parties.
Saudi Arabia	Other: Wadi Hanita	1	1-5	This factory is part of a group of high priority manufacturing facilities that are located in areas of severe water stress and/or represent a significant portion of our annual water withdrawals. The list is dynamic and updated every year. This group of factories is monitored by our Operations Water Task Force (OWTF). The OWTF is a corporate group which meets on a monthly basis and helps our corporate functions and markets to execute Nestlé's water commitments. It monitors progress by reviewing performance data and identifying corrective actions with appropriate parties.
Saudi Arabia	Other: Dammam	1	Less than 1%	This factory is part of a group of high priority manufacturing facilities that are located in areas of severe water stress and/or represent a significant portion of our annual water withdrawals. The list is dynamic and updated every year. This group of factories is monitored by our Operations Water Task Force (OWTF). The OWTF is a corporate group which meets on a monthly basis and helps our corporate functions and markets to execute Nestlé's water commitments. It monitors progress by reviewing performance data and identifying corrective actions with appropriate parties.
Turkey	Other: Susurluk	1	1-5	This factory is part of a group of high priority manufacturing facilities that are located in areas of severe water stress and/or represent a significant portion of our annual water withdrawals. The list is dynamic and updated every year. This group of factories is monitored by our Operations Water Task Force (OWTF). The OWTF is a corporate group which meets on a monthly basis and helps our corporate functions and markets to execute Nestlé's water commitments. It monitors progress by reviewing performance data and identifying corrective actions with appropriate parties.
United States of	Other: California -	1	1-5	This factory is part of a group of high priority manufacturing facilities that are located in areas of severe water stress and/or represent a significant portion of our annual water withdrawals. The

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

Country	River basin	Number of facilities exposed to water risk	Proportion of total operations (%)	Comment
America				list is dynamic and updated every year. This group of factories is monitored by our Operations Water Task Force (OWTF). The OWTF is a corporate group which meets on a monthly basis and helps our corporate functions and markets to execute Nestlé's water commitments. It monitors progress by reviewing performance data and identifying corrective actions with appropriate parties.

W3.2b

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

Country	River basin	Financial reporting metric	Proportion of chosen metric that could be affected within the river basin	Comment
Chile	Other: Maipo	% global production volume	Less than 1%	
China	Huang He (Yellow River)	% global production volume	Less than 1%	
China	Other: Huaihe River Basin	% global production volume	Less than 1%	
China	Other: Fujian	% global production volume	1-5	
China	Yangtze River (Chang Jiang)	% global production volume	1-5	
Egypt	Nile	% global production volume	1-5	
France	Rhone	% global production volume	1-5	
France	Rhine	% global production volume	1-5	
India	Cauvery River	% global production volume	Less than 1%	
Indonesia	Brantas	% global production volume	Less than 1%	
Mexico	Santiago	% global production volume	Less than 1%	
Pakistan	Indus	% global production volume	1-5	
Saudi Arabia	Other: Wadi Hanita	% global production volume	1-5	

Country	River basin	Financial reporting metric	Proportion of chosen metric that could be affected within the river basin	Comment
Saudi Arabia	Other: Dammam	% global production volume	Less than 1%	
Turkey	Other: Susurluk	% global production volume	1-5	
United States of America	Other: California - Tulare	% global production volume	1-5	
United States of America	Other: California - Santa Ana	% global production volume	Less than 1%	
United States of America	Trinity River (Texas)	% global production volume	1-5	
United States of America	Other: Hillsborough	% global production volume	1-5	
United States of America	Delaware River	% global production volume	1-5	
United States of America	Mississippi River	% global production volume	1-5	

W3.2c

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

Country	River basin	Risk driver	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
United States of America	Other: California - Tulare	Physical-Drought Reputational-Negative media coverage	Water supply disruption	The summer of 2015 saw the US state of California experience a fourth consecutive year of extreme drought. This	4-6 years	Probable	High	Alignment of public policy positions with water stewardship goals Engagement with	The cost of increased investment in new technology amount to CHF 6.93 million.	The strategy to address this risk includes: - Zero water factory: We are transforming our dairy factory in

Country	River basin	Risk driver	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
				prompted the Governor of California to order mandatory water use reductions of 25% in cities and towns for the first time in the state's history, while the US federal government announced a grant of USD 110 million (CHF 108.9 million) to provide relief for farmers and rural communities with depleted supplies of drinking water. Nestlé operates nine factories overall in California and employs 7000 people. Many people have expressed concern about the impact of our operations in California, and posed questions				community Engagement with public policy makers Establish site-specific targets Increased investment in new technology Promote best practice and awareness Strengthen links with local community		Modesto into a zero water factory, which will be able to extract water from milk and recycle it, meaning the plant will not use any local freshwater resources for its operations, should save more than 238k m3 of water a year, equivalent to 71% of absolute withdrawals in 2014. This factory transformation cost CHF 6.93 million. - Reducing water use: At our ice cream factories in Bakersfield and Tulare, we're improving our cleaning processes to reduce water

Country	River basin	Risk driver	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
				about our bottled water plants in Cabazon and Sacramento in particular. The state of California uses nearly 50 billion cubic metres (13 trillion gallons) of water a year, of which Nestlé's nine plants use less than 4 million cubic metres (1 billion gallons) – this is less than 0,008% of the total. Using water for bottled water is not a waste of water as people need to drink water. Moreover closing our bottled water operations won't fix the drought. We understand these concerns and are intensifying our efforts to reduce the amount of						use in our operations, and introducing advanced technology to treat water for use in our refrigeration systems. This will save more than 98k m3 of water a year. - Recycling water: By upgrading cooling tower technology in our water bottling factories in California, so that they use treated instead of drinkable water, we expect to save 208k m3 a year. - Implementing robust standards: Within 2 years, we will implement the

Country	River basin	Risk driver	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
				water we use, to use it as efficiently as possible – not just in California but across all of our manufacturing operations – and to share our progress with interested parties. • The impact in California is expected to last more than 5 years.						Alliance for Water Stewardship International Water Stewardship Standard in all our 9 factories in California, which sets strict criteria for managing water in an environmentally, socially and economically beneficial way. -Working in partnership: We work with governments, UN bodies and other stakeholders to help address local and global water issues through public policy debate and collective action: We are a founding signatory of the UNGC's CEO

Country	River basin	Risk driver	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
										Water Mandate; We are also starting work with the World Resources Institute (WRI) to help us better understand the water risks we face in California and identify water stewardship opportunities; To develop a way to scale corporate water stewardship in California, we are also members of the California Water Action Collaborative (CWAC). This group aims to create a platform for collaboration that helps improve water security in California for

Country	River basin	Risk driver	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
										people, businesses, agriculture and nature.
Mexico	Santiago	Physical-Drought Physical-Increased water scarcity	Water supply disruption	Over the last 60 years, water availability per person has drastically declined in Mexico, largely due to population growth and over extraction. This has an impact on Nestlé operations in Jalisco through increasing water scarcity and pressure to reduce the water consumption of Nestlé's factories. The impact is expected to last approx. between 1-3 years.	1-3 years	Probable	Medium	Establish site-specific targets Infrastructure investment Increased capital expenditure Increased investment in new technology Promote best practice and awareness Water management incentives	The cost of transforming our milk powder factory in the water-stressed state of Jalisco into a zero water withdrawals site is CHF 9.33 million.	Nestlé has transformed its dairy factory in Jalisco, Mexico into the company's first 'zero water' manufacturing site in the world through two phases, spanning 2011–2014: • Converting the 'cow water' into potable water required close collaboration between our Product Technology Centre in Konolfingen, Switzerland, our corporate Engineering team, local factory managers and

Country	River basin	Risk driver	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
										engineers, and the supplier of the technology. Together, we benchmarked other companies using this type of technology, piloted it at our plant and analysed the results to ensure its successful implementation. • The Waste Water Treatment Plant was then upgraded, allowing the filtering of wastewater for use in areas requiring low water quality, such as cooling towers. This initiative is expected to save the factory around 600000 m³ of water a

Country	River basin	Risk driver	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
										year, equivalent to the average consumption of 4500 local residents. Through our new approach, our powdered milk factory now uses the water vapour generated from evaporating cow's milk, instead of withdrawing groundwater. This steam is condensed, treated and recycled for use as potable process water, and then treated again for cooling and cleaning – even for watering plants in the factory grounds. It also earned Nestlé the Corporate Water

Country	River basin	Risk driver	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
										Stewardship award at the 2015 Global Water Awards, as voted for by attendees at the Global Water Summit in Athens and online members of the 2030 Water Resources Group. Given its initial success, work is under way to replicate our zero water process at other dairy factories in California, South Africa, India, Pakistan and China.
South Africa	Other: Wilgerivier	Physical-Increased water stress	Water supply disruption	South Africa is a priority area for our engagement with local stakeholders to address water issues. The focus	1-3 years	Probable	Medium	Alignment of public policy positions with water stewardship goals Engagement	low to medium	Over and above the operational changes we have made to reduce our factories' water consumption,

Country	River basin	Risk driver	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
				is a business imperative, as our production activities have been impacted severely over time by water and energy shortages. The impact is expected to last approx. between 1-3 years.				with community Engagement with public policy makers Engagement with other stakeholders in the river basin Establish site-specific targets Strengthen links with local community		we are active at different levels across the country: • We engage with government authorities through the Strategic Water Partners Network public–private partnership, chairing the working group on water use efficiency. This group drove the successful development and implementation of the 'No Drop' programme, which helps municipalities improve their management of nonrevenue water; • We supported the Harrismith community with continued

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										supplies of potable water, loaning the municipality two pumps to help deliver water; • We actively promote smarter water monitoring and management techniques in our local milk supply chain to help protect the local water catchment from over-use. We worked with a leading NGO, Conservation South Africa, to produce The Sustainable Dairy Handbook, helping dairy farmers implement best practice in sustainable agriculture and resource conservation.

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India	Other: Kabini river basin	Physical-Increased water stress	Water supply disruption	The Kabini river flows through the state of Karnataka, where Nestlé's Nanjangud factory is located. The river catchment is 7000 km2 in area, 46% of which is agricultural land. In recent years, low rainfall, combined with high water demand within the catchment, has resulted in periods of insufficient water supply for the sugarcane and rice farmers in the river basin. Agriculture is the biggest user of water from the Kabini catchment, using 85% of the Kabini river water for irrigation	1-3 years	Probable	High	Engagement with community Engagement with public policy makers Engagement with other stakeholders in the river basin Engagement with suppliers Increased investment in new technology Promote best practice and awareness Strengthen links with local community	Medium	To extend water stewardship efforts across the whole catchment area, Nestlé India's Nanjangud factory continues to engage with local government departments. It also signed a Memorandum of Understanding with AgSri, an agricultural services company that developed ecologically sustainable systems, such as the Sustainable Sugarcane Initiative (SSI) and the System of Rice Intensification

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				purposes. The river supplies drinking water to major cities such as Mysore and Bangalore, while the Nestlé Nanjangud factory uses about 0.04% of the water released annually by the Kabini dam, located upstream. The impact is expected to last approx. between 1 -3 years.						(SRI), to conduct pilot projects. These trials will test the likelihood of rice and sugarcane farmers adopting improved techniques for growing water-intensive crops over a three-year period. After a three-month delay, the project to implement the SSI activities in the Kabini basin eventually began in September 2015. In the first quarter, this has involved: • Identifying sugarcane and rice-growing villages in the Kabini catchment, and

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										selecting farmers for training; • Collecting baseline information and establishing planting protocols for SRI/SSI; • Establishing greenhouses and an SSI nursery with a capacity for 45000 plantlets; and • Preparing and distributing training materials in the local language, and training around 110 sugarcane and 101 rice farmers. We will continue to conduct training for rice and sugarcane farmers across the entire river basin and the seedlings will

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										be sent out from the nursery to a selection of farms in early 2016.
Peru	Other: Rímac river	Physical-Increased water stress	Water supply disruption	According to the Intergovernmental Panel on Climate Change (IPCC), Peru is among 12 countries already facing water stress, where water demand is greater than the amount available. Lima is the second-largest desert city in the world after Cairo and its water situation is at a critical state due to rapid urban expansion, inefficient use and waste of water resources, and serious pollution and environmental	1-3 years	Highly probable	High	Engagement with community Engagement with suppliers Increased investment in new technology Promote best practice and awareness Strengthen links with local community	The cost of the SuizAgua project in Lima is around 9000 CHF	Collective action by all water users is critical to improving water efficiency. In April 2013, the Swiss Agency for Development and Cooperation (SDC) and Nestlé Peru signed a cooperation agreement to measure and reduce the water footprint of our operations in Lima. Through the SuizAgua project, implemented by the NGO

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				degradation of the watersheds that supply the city. Average rainfall per year in Lima – home to nearly 10 million people – amounts to just 13 mm. Lima obtains its water from three rivers, the Rimac, Chillón and Lurín. The Rimac is the largest of these three watersheds and is considered one of the most polluted rivers in the world. During the dry season, the highland lakes and dams that regulate the flow of the Rimac River do not provide enough water to satisfy the demand of the Lima Metropolitan District, particularly						Agualimpia, a programme of action has taken place since 2013. This has involved: • Supplier talk: a presentation helped three of Nestlé's main suppliers understand local water resources and the ways they can assist; • Neighbour talk – water care: our neighbours were invited to a talk sharing ways to reduce their water footprint and increase savings; • Ice cream tank washing water reuse: we are storing and reusing more water during our production

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				during drought years, and water scarcity creates social conflicts when there is more demand for irrigation water. Additionally, multiple contamination sources on the watershed result in the presence of heavy metals (e.g. lead, iron, magnesium) and noxious substances such as fecal coliforms at higher than legally permitted levels. This has an impact on Nestlé operations in Lima through increasing water scarcity and decreasing water quality to reduce the water consumption of Nestlé's factories. The impact is expected to last						processes; • Water level sensor installation in mixture preparation tanks: level sensors are helping us control water use better; and • Technical assessment of pasture and water management: technical assistance provided to milk providers in Chetilla–Cajamarca is improving the quality of milk and the productivity of the farmers, generating better incomes and improving wellbeing in the rural community.

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				approx. between 4-6 years.						
Brazil	Parana	Physical-Drought Physical-Increased water stress Physical-Rationing of municipal water supply Reputational-Community opposition Reputational-Negative media coverage	Brand damage	São Paulo is facing its greatest water crisis in 80 years. During the height of Brazil's dry season in August, the water levels in the main reservoirs of Cantareira and Alto Tiete dropped below 17 percent and 15.4 percent of their full capacity respectively. Consequently, 9 million Brazilians are forced to ration, while conservation groups predict that there may only be enough water for the city's residents to last five more months. And São Paulo is not the only city suffering a dry spell. The	Current-up to 1 year	Probable	Medium	Increased investment in new technology	Medium to high	At our dairy factories in Brazil, we reuse the water extracted from milk to save resources. Milk is composed of 80% water and, during the production of powdered (Ninho and Molico) and condensed (Moça) milk products, we need to remove this water. But instead of being disposed of, the whey is evaporated and treated, so it can be used to cool down equipment and for cleaning. In 2014, this reused water represented

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				entire southeastern region of Brazil, including the country's second largest city of Rio de Janeiro, is facing similar trouble. Two of the main possible reasons for the water shortages are a rising population and higher demand for water. São Paulo is a megacity with daily water use at 180 litres per person, and was not built to accommodate this need for water. On Nov. 5, the collapse of two dams at an iron ore mine cut off drinking water completely for a quarter of a million people in the São Paulo region. The						28% of water withdrawal across 11 of Nestlé Brazil's dairy factories. We also benefit from directing the extracted whey to feed boilers and produce energy. The same approach is also employed at the wastewater treatment plant of our Cero Agua milk powder factory in Mexico.

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				collapse saturated waterways downstream with a toxic orange sediment that environmentalists fear could destroy the ecosystem for years to come. This has an impact on Nestlé operations in São Paulo through increasing water scarcity and pressure to reduce the water consumption of Nestlé's factories. The impact is expected to last up to 1 year.						
Guatemala	Other: Villalobos River	Regulatory-Mandatory water efficiency, conservation, recycling or process standards	Other: Fail in internal compliance	The Malher dry food factory, which produces 1300 tonnes of condiments, spices and seasoning per month, is located on the Villabolos	Current-up to 1 year	Highly probable	Low	Infrastructure investment Increased investment in new technology	Nestlé invested CHF 400'000 to radically improve the quality of water discharges	Over the last two years, Nestlé has invested over CHF 400000 to radically improve the quality of water discharges

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				River, which flows into Lake Amatitlán, a popular tourist destination. When Nestlé acquired the factory in 2012, its filtration processes met legal requirements for water discharge, but not our own high standards. The impact is expected to last up to 1 year.					over the last 2 years.	leaving the factory. A multi-modular Waste Water Treatment Plant was installed in 2015, separating solids, removing organic material and filtering the water so that it can be reused safely. Nestlé also implemented several water saving projects that reduced water withdrawals by 25%.
Philippines	Other: San Juan River	Regulatory-Mandatory water efficiency, conservation, recycling or process standards	Higher operating costs	At our Tanauan factory, which produces non-dairy creamer and Bear Brand Instant (BBI), the in-house wastewater treatment plant was struggling to	Current-up to 1 year	Probable	Low-medium	Infrastructure investment Increased investment in new technology	CHF 3.1 million was invested for the anaerobic digester for waste treatment.	Nestlé invested CHF 3.1 million in an anaerobic digester to treat the organic waste, and provide additional capacity to treat other potential

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				cope with the organic-rich waste, and treating the waste elsewhere incurred significant additional costs. The impact is expected to last up to 1 year.						waste. The digester also produces 6100 kg of biogas a day, providing a source of energy across the factory, reducing expenditure on fossil fuels and reducing emissions by 1885 tonnes of CO2eq a year. The upgrade will save Nestlé CHF 500000 a year and we are now looking at replicating the approach at other factories with high levels of organic waste.
Vietnam	Other: Dong Nai River	Physical-Declining water quality Physical-Increased water stress Physical-	Water supply disruption	The Dong Nai is a major waterway in southern Vietnam. Covering 35,000 km2 with a population of 10	Current-up to 1 year	Highly probable	High	Infrastructure investment Increased investment in new technology	Medium-high	Most coffee factories treat waste with chemicals before transferring it to a municipal

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		Pollution of water source		million, this river provides a range of goods and services (irrigation water, drinking water, hydropower, freshwater fish production, sea water extrusion, etc.) essential to the economic development of Dong Nai province and Ho Chi Minh City, the country's economic hub. In March 2016, Ho Chi Minh City's water supply is being threatened by saltwater intrusion in the Saigon and Dong Nai rivers. Ho Chi Minh City residents could face a water shortage this year as El Nino and climate change caused an unexpected						plant. But when Nestlé Vietnam built the Tri An factory in September 2012, it wanted a 'best-inclass' facility that would reduce waste and increase water reuse. For the first time in a Nestlé coffee factory, a biological aerobic treatment plant with membrane bio-reactors was constructed. Waste is passed through a specialised ultrafiltration, hollow fibre membrane, which is so fine that even bacteria and viruses cannot pass through. The remaining

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				increase in the salinity of the Sai Gon and Dong Nai rivers, which provide most of the city's water. The salinity rate in the rivers is the highest in the last five years, which has affected the operations of some of the pumping stations that supply water to the city's nearly 10 million population. The impact is expected to last up to 1 year.						water is then treated using reverse osmosis filtration, making it clean enough to be reused in facilities such as cooling towers. This has reduced the factory's daily water consumption by over 30% and its water discharge by over 50%, saving 90000 tonnes of water per year. We are now analysing whether the factory's boilers can also use the treated water, which could save a further 36000 tonnes of water a year.

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Pakistan	Indus	Physical-Increased water stress Reputational-Community opposition	Brand damage	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 only 2% is used by urban municipalities and 2% by industry. . In Sheikhupura in Pakistan, in 2014, we received a high level of public interest around our water bottling plant. Stakeholders raised their concern through a social media campaign around the potential impact of our	Current-up to 1 year	Probable	Medium	Engagement with community Engagement with other stakeholders in the river basin Infrastructure investment Greater due diligence Promote best practice and awareness Strengthen links with local community	Medium	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 are also implementing the Alliance for Water Stewardship (AWS) Standard at our Sheikhupura and Islamabad manufacturing facilities. Against this backdrop, the potential impact of water withdrawals from our water bottling plant at Sheikhupura raised

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				water withdrawals on local water tables in the Bhati Dilwan region. Nestlé believes unreservedly that access to water is a basic human right: all people have the right to clean water to meet their hydration and basic hygiene needs. The impact is expected to last up to 1 year.						considerable public interest and sparked a social media campaign in 2014. In response, we undertook a review to determine the scientific basis of the allegations, and to increase our understanding of the communities using the local water catchment. A hydrological study by independent local experts indicated that depletion rates are low, and do not represent a threat to groundwater sustainability. The survey also confirmed that annual

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										groundwater pumping by Nestlé (which is continuously monitored) amounts to just 1% of the total pumped in the area. We have also found opportunities to strengthen public perceptions and improve access to water and sanitation around our facilities. For example, through our Community Engagement Programme, Nestlé Pakistan has established seven drinking water facilities near our factories, providing clean water to approximately 35000 people.

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										Most recently, in November 2015, Nestlé Waters CEO Marco Settembri and Managing Director of Nestlé Pakistan Bruno Olierhoek inaugurated a water fountain in the village of Bhatti Dhilwan, near our Sheikhupura factory. At least 5000 people now have access to clean drinking water, and the health of local children has measurably improved. The company also renovated the Bhatti Dhilwan Government Primary School for Boys, and established a clean drinking

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										water facility there, in July 2014. An eighth drinking water facility is currently being built in Allahabad, near our Kabirwala factory.
Cameroon	Other: Douala Basin	Physical-Declining water quality	Employee health and well-being	In 2014, we completed a Water Resources Review (WRR) at our Douala factory in Cameroon where we produce Maggi soup bases. We used the WBCSD WASH self-assessment tool to examine access to water, sanitation and hygiene for more than 500 employees, vendors and visitors to the site. It included self-assessment	4-6 years	Probable	Low-medium	Engagement with community Infrastructure investment Other: stablishing adequate water and sanitation facilities	The cost of the response strategy is estimated to CHF 475k which includes a wastewater drainage project to help reduce the risk of flooding and improve the local environment for communities.	We have developed an action plan to tackle the few improvement issues highlighted by our assessment. The assessment demonstrated the importance of establishing adequate water and sanitation facilities for more than 500 workers on site and in providing safe and clean drinking water at two water

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				interviews and a tour inside the factory sites focusing on categories such as workplace water supply, workplace sanitation and workplace hygiene. WASH concerns and in particular water quality has an impact on the well-being of our employees and thus on our operations. This risk is therefore assessed and addressed by our management. The impact is expected to last approx. between 2-4 years.						fountains. Communities as far as two to three kilometres away also benefit from free access to water fountains on site during set hours, resulting in around 5000 litres of water being collected by local residents every day. Feedback from the assessment will be used as a guide for other Nestlé Cameroon sites, such as our distribution centres and head office.
South Africa	Other: Western Cape basin	Physical-Increased water stress	Higher operating costs	Climatic variation leading to reduced rain and increasing demand for water by other users	Current-up to 1 year	Probable	Medium	Engagement with public policy makers Engagement with	The cost of the response strategy is estimated to CHF 6 million which	Over and above the operational changes we have made to reduce our factories' water

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				(e.g. human consumption), can potentially lead to restrictions on water use; however industries have been exempted for now. During a drought period in 2009, Nestlé Mossel Bay factory was obliged to drastically reduce its water consumption. Luckily, production was not affected but this pushed the factory to optimise their water usage. A similar drought period could occur in the future. The impact is expected to last more than one year.				suppliers Increased investment in new technology	includes the investment to implementing Nestlé's ZerEau water withdrawal initiative in Mossel Bay.	consumption, we are active at different levels across the country: We are implementing our zero water withdrawal initiative at our Mossel Bay dairy factory in 2016, through which we plan to avoid using municipal water for production processes.

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Mexico	Other: Cuenca Lerma-Santiago Pacífico	Reputational-Litigation	Higher operating costs	Changes in regulation can result in litigation in some factories. Extra fees will need to be paid to get water allowances that will allow increasing the production volume in the factories. This represents a risk as this could limit possible expansion of production. The potential business impact is an increase in operational cost estimated in MXP 70 million, representing the value of Guarantee quotas every two years.	Current-up to 1 year	Probable	Medium	Water management incentives	Low	Legal, SHE and Engineering Corp are developing an internal Market plan / strategy to deliver volumes of water licensed by the Authority (CONAGUA) ensuring production volumes in factories. We have started the process with an external agency. This will prevent/reduce the cost of guarantee fees.
Mexico	Other: Cuenca Frontera Sur	Physical-Declining water quality	Higher operating costs	In Chiapas quality of surface water is declining,	Current-up to 1 year	Probable	Medium-high	Increased investment in new technology	Medium	We have invested in the water purification

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

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				Corzo Factory, the capacity of the WWTP is exceeded. Plans to increase the capacity of the WWTP are in place.						compliance.
Mexico	Other: Cuenca Lerma-Santiago Pacífico	Regulatory-Regulation of discharge quality/volumes leading to higher compliance costs	Other: Higher compliance costs	We have identified the presence of chromium, arsenic, fluoride and nitrate in groundwater. The concentrations exceed the Mexican regulations and the water quality standards established by Nestlé in three factories: Querétaro, Querétaro Nutrition and Ocotlán.	1-3 years	Probable	Low-medium	Infrastructure investment	Medium	We have invested in the water purification treatment facilities of our factory which are compliance with the parameters.

W3.2d

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

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Vietnam	Other: Dak Lak	Physical-Increased water stress	Other: Drop of groundwater level	Coffee is the second largest export-earning crop in Vietnam, supporting the livelihoods of 2 million people. Irrigation of coffee plants is necessary to maintain a high yield, but it may decline in the future due to water scarcity and climate change. Vietnam is the biggest supplier of Robusta coffee for Nestlé's coffee-related activities. Each year, Nestlé buys 20% of Vietnam's total national	1-3 years	Highly probable	High	Engagement with customers Engagement with public policy makers Engagement with other stakeholders in the river basin Infrastructure investment Promote best practice and awareness	Nestlé invested 1 million EUR in this 5 years' program.	We have worked in a public–private partnership with the SDC since 2011 to improve irrigation practices with Vietnam's coffee farmers, and educate those beyond our network about good agricultural practices and water management. Our five year partnership now serves more than 50000 farmers and by 2018, the project will deliver the following outcomes: • Action plan: in

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				Robusta production and supports around 12000 local farmers through our Farmer Connect programme. The study found that, on average, coffee farmers use 60% more water for irrigation than necessary during the dry season. They also incur financial and labour costs, having to buy petrol to operate well pumps and spend time watering their fields. This adds the costs of (i.e. labour and energy) CHF 49.5 per ton of green coffee beans,						cooperation with the University of Neuchatel, a large-scale water supply and demand study conducted in Dak Lak province found that groundwater resources are replenished two to three months after the dry season. Detailed results will be presented to an international conference in Vietnam in March 2016. • Early warning weather system: in cooperation with the Hanoi University of Science, a short-term weather prediction

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				which may increase the coffee beans price and thus also increase the purchasing cost for Nestlé.						model has been developed for the Central Highlands. It is currently being fine-tuned and tested. The weather forecast is updated every six hours and predicts up to 36 hours ahead. • Farmer training programme: around 60 trainers have attended five Train the Trainer sessions, and almost 7000 beneficiaries have been trained on five Good Agricultural Practices topics. Participation rates in the farmer field school

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										programme averaged around 80%. • Policy advocacy: in cooperation with the National Agricultural Extension Centre, an agricultural forum focusing on water and fertiliser use in the coffee sector was attended by around 200 farmers from the five Central Highland provinces, where they had the opportunity to directly interact with key coffee experts. The cost includes training to 125 extension officers, training on Good

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										Agricultural Practices including water management to 50,000 coffee farming households, and establish 50 demo plots.
Colombia	Other: Magdalena River Basin; Projects in 25 river basins	Physical-Climate change Physical-Increased water scarcity Physical-Increased water stress Physical-Seasonal supply variability/Inter annual variability	Supply chain disruption	Colombia is one of the major coffee producing countries where Nestlé sources its green beans, therefore the effects of climate change and water challenges on Colombian coffee sector have an impact on our sourcing of raw materials. Colombia endures a dual water challenge with both water shortage and	4-6 years	Probable	Medium	Engagement with community Engagement with suppliers Infrastructure investment Increased investment in new technology Promote best practice and awareness Water management incentives	The cost of response is estimated at CHF 24.6 million over five years (2014–2018). To address these issues, Nescafé and Nespresso launched a major water stewardship initiative with the Dutch Ministry of Foreign Affairs, the Colombian Federation of Coffee Growers, the Wageningen University	In cooperation with the Colombian Ministry of Rural Development, the Colombian Federation of Coffee Growers, the Dutch Ministry of Foreign Affairs and the Wageningen University and Research Centre, the Intelligent Water Management (IWM) project seeks to make the Colombian coffee sector more resilient

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				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. Since coffee is the country's main agricultural product, the effective					and the Ministry of Rural Development. The cost has been financed by this private public partnership.	to the effects of climate change and water scarcity through improved environmental performance at a farm and watershed level. The programs focus on 4 areas: •Clean technology transfer – saving water and discharging better-quality water after the coffee-washing process. Training on the economic management of farms and IWM has been given to hundreds of participating coffee producers, while 10 pioneering

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				implementation of an integrated water management system depends on the inclusion of the coffee sector as a pioneer and an axis stakeholder – especially since the occurrence and severity of extreme events is likely to increase.• The impact in Colombia is estimated to last more than 5 years. It is both droughts and floods.						water-reuse systems have been constructed. The feasibility of a central mill as an alternative to individual mills was also assessed. •Healthy ecosystems – using agroforestry and bioengineering to minimise soil erosion and ensure the conservation of important water areas. Around 160 were selected for reforestation and agroforestry projects, and coffee plantlets were distributed to farmers to create

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										nurseries. 15 sites prone to landslides were also selected for specific bioengineering restoration projects. •Knowledge generation – implementing a water and climate monitoring system and preventing crop damage due to extreme weather events. All the equipment for 25 water and climate monitoring stations was installed at selected farms, and 2 rounds of water samples taken. •Cooperation and participation – collective

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										action and advocacy through engagement with public and private sector organisations, academia and civil society. Action plans are under development, and 27 local Manos al Agua community participation groups have been set up. The IWM program will now concentrate on training farmers and implementing specific actions in each of the 25 river basins - reforesting, bioengineering activities and the installation of climate monitoring stations.

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Pakistan	Indus	Regulatory-Statutory water withdrawal limits/changes to water allocation	Higher operating costs	Lowering of water level may give rise to regulator changes to limit water withdrawal from ground resources. This may affect the volumes of production and may lead to newer water technologies to be implemented with potential increasing operational costs.	>6 years	Probable	High	Increased investment in new technology	High	Conventionally, farmers across Pakistan cultivate rice by sowing seeds within nurseries, and then transplanting the seedlings into the puddled soil of the paddy fields. However, this approach requires large amounts of water, as well as labour and fuel. Also, in some areas, rice grown by traditional methods contains high levels of arsenic due to contamination from deep-well irrigated water. This is a serious issue for Nestlé Pakistan,

Country	River basin	Risk driver	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
										which uses rice in its products. Working with the University of Agriculture in Faisalabad, we ran a six-month field trial to test the direct seeding of rice, rather than the traditional two-step approach. Twelve of the most popular varieties of rice were sown under normal moisture conditions rather than in puddled soil. The results highlighted a number of benefits. Water use was cut by up to 50%, arsenic residues were down by more than 65%, and much less labour was

Country	River basin	Risk driver	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
										required to nurture the seeds. Even tractor use was halved, helping reduce fuel consumption and greenhouse gas emissions, and the directly seeded plants took two weeks fewer to grow. Given the encouraging results, we will be collaborating with our suppliers to promote this new method of farming, to ensure we can continue to provide consumers with the best rice possible. We will also conduct further field trials at different locations

Country	River basin	Risk driver	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
										across the Punjab to continue to evaluate the suitability of the direct seeding method, and investigate variances in arsenic residues across different varieties of rice.
Panama	Other:	Physical-Increased water stress Physical-Seasonal supply variability/Inter annual variability	Higher operating costs	In Panama, there are two main seasons: rainy and dry. Normally, the dry season begins in mid-December and finishes in late May. During this period of water shortage, springs form where groundwater meets the surface. This may affect the	1-3 years	Probable	Medium	Engagement with suppliers Infrastructure investment	Low	In 2014, Nestlé Agricultural Services field inspectors helped build springwater collection points in five dairy farms in Panama to capture this water, and trained the farmers using our Spring Water Collection Manual. As their cows

Country	River basin	Risk driver	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
				volumes of production and may lead to newer water technologies to be implemented with potential increasing operational costs.						could remain in pastures where no water was otherwise available, milking could continue during the long dry season. The cows and calves are now in better physical condition, and milk yields have risen by 10%. The number of farms adopting this approach increased to 25 in 2015.
Ecuador		Physical-Climate change Physical-Ecosystem vulnerability Physical-Projected water stress	Decrease in shareholder value	The highlands and forests of Ecuador are under constant threat from human activity, as local populations are forced to farm higher up, on poor quality land prone to	>6 years	Probable	Medium-high	Engagement with community Engagement with other stakeholders in the river basin River basin restoration Strengthen links with	Low-medium	Through the Let's Plant Water programme, Nestlé seeks to educate and reforest. As part of its educational component, Nestlé signed a cooperation

Country	River basin	Risk driver	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
				erosion. Large areas of forest are cleared for grazing and other agricultural purposes; most trees are not replaced or invasive species of tree are planted, and this removal of the tree canopy has a significant impact on water availability and ecosystem diversity.				local community		agreement in 2014 with the Quito Botanical Garden to spread its water conservation education programme to 10000 children. Let's Plant Water also works to reforest areas near water using native tree species, in collaboration with neighbouring communities, civil society bodies and public institutions. Since 2011, 108950 native trees have been planted in areas close to water, with the active participation of Nestlé volunteers,

Country	River basin	Risk driver	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
										neighbouring communities and local scout groups. We hope to expand the programme with a 100% increase in reforestation, planting 180000 native trees and educating 30000 children about the environment by 2018.
Cote d Ivoire	Other: Lak de Buyo	Physical-Increased water scarcity Physical-Increased water stress	Supply chain disruption	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,	4-6 years	Probable	Medium	Engagement with community Engagement with other stakeholders in the river basin Strengthen links with local community	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.	- Over the years of our collaboration, we have increasingly focused on improving access to clean water, sanitation and hygiene in rural communities, such as the cocoa-growing regions of Côte d'Ivoire. Here,

Country	River basin	Risk driver	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
				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. Swiss-based multinationals must go beyond traditional development and CSR approaches to think more creatively about business model innovations that will help smallholder farmers capture more						a programme of activities was introduced to improve health and hygiene awareness among vulnerable groups, including schoolchildren, teachers and local community members. Around 228861 people in Côte d'Ivoire have now benefited from the initiative, which includes the monitoring and improvement of water quality and water infrastructure, the provision or renovation of sanitation facilities, and the raising of awareness

Country	River basin	Risk driver	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
				value from the global chocolate market. The impact is expected to last approx. between 4-6 years.						through hygiene awareness programmes in villages and schools. - 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). Nestlé also supports the GWSI indirectly through joint activities in international forums, internal coordination and management meetings and activities, and the launch of

Country	River basin	Risk driver	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
										key publications. We are currently supporting the rapid mobile phone-based (RAMP) system in Côte d'Ivoire. Mobile technology and online platforms have become increasingly applicable to both humanitarian and developmental efforts in recent years, and the IFRC's RAMP system is being adapted and tested to meet the needs of GWSI projects. RAMP gives users real-time access to data, and provides quick analysis, visualisation

Country	River basin	Risk driver	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
										and mapping tools. It has helped programme managers by increasing transparency and providing a platform for improved knowledge sharing.

W3.2e

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

Primary reason	Please explain

W3.2f

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

Primary reason	Please explain

W3.2g

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

Primary reason	Future plans

Further Information

Estimation of the proportion of raw materials that come from regions subject to water-related risk. Milk: Dairy is the single biggest category for us in terms of volume, with 15 million tonnes of fresh milk equivalent bought in 2014, through Farmer Connect and sourced from Tier 1 suppliers. We use milk and milk derivatives as ingredients in a range of our products, including ice cream, beverages, confectionery, infant nutrition and culinary products. We estimate that approximately 25% of the milk comes from water-related risk including Mexico, Pakistan, India, USA, South Africa and Morocco. Cereals: In 2014, through our SAIN programme, we defined and began to implement an action plan to save water in our upstream supply chain for coffee. For example, we promote water conservation to our network of around 20000 Farmer Connect suppliers in Vietnam through our Nescafé Better Farming Practices (NBFP). Whilst we are advanced with our coffee action planning (Nescafé Better Farming Practices, Intelligent water management project), work is in progress to define and implement an action plan for Nestlé's sugar, rice and cereals supply chain. We are partnering with leading NGO, Proforest, to assess the risks in our sugarcane supply chain in the key sourcing regions of Mexico, Brazil, Thailand and India. We estimate that between 1-3% of rice comes from areas water-related risk including including India: Samalkha; China: Shuangcheng; Thailand: Amata; Bangladesh: Sreepur. We estimate that between 20-30% of wheat comes from areas water-related risk including including India (Pant Nagar, Nanjangud, Bicholim, Tahliwal, China (Tianjin), USA: Little Chute, Mt Sterling, Chatsworth, Danville, Pakistan: Kabirwala, Sheikhupura We estimate that between 20-30% of corn/maize comes from areas water-related risk including India: Samalkha, Moga, China: Tianjin, USA: Atlanta, Oklahoma City, Clinton, Dunkirk,South Africa: Isando, France: Montfort, Marconnelle, Quimperle

Page: W4. Water Opportunities

W4.1

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

Yes

W4.1a

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

Country or region	Opportunity	Strategy to realize opportunity	Estimated timeframe	Please explain
Switzerland	Cost savings Ensuring supply chain resilience Increased brand value Improved community relations	i) To realize the opportunity to further Improve Nestlé's environmental performance and sustain economic development, Nestlé Waters launched the ECO-Broye programme to reserve natural resources around the source of its Henniez mineral water brand in 2009. ii) Nestlé's strategy to realise the opportunity is to develop an integrated management program around the source of Henniez to preserve the region's natural resources while stimulating local economic development. iii) The strategy was implemented through 3 initiatives focusing on complementary and integrated management of the region's environmental resources, please find details in the comment. • Establishing over 2000 hectares of ecological corridors between the natural habitat and farmland to protect local biodiversity; • Creating a natural filtration zone for a tributary of the River Broye, improving the quality of groundwater and local streams by using plants able to absorb unwanted chemicals and minerals; and • A biogas production project, adjacent to the Nestlé Waters plant, transforming organic waste from local farms and industry into clean energy.	>6 years	Three key initiatives focusing on complementary and integrated management of the region's environmental resources are at the core of the ECOBroye program. The first initiative consists of an ecological network that allows species to survive over long term by favoring biodiversity. Since 2012, 72 farmers foster this initiative, covering 2300 ha of agricultural area. In addition to this, two sub-projects are starting: The “Pomme de Terre” project aims to promote biodiversity through the establishment of old fruit trees species and hedges on the Domaine d’Henniez, whereas a “Stream Renaturation” project seeks to promote aquatic life in a little stream of the Domaine d’Henniez. The second initiative is the establishment of a natural filtration area. Filtration by plants, allows the control of undesirable products present in surface waters. On top of protecting the environment from potential contamination, it improves the quality of surface water through biological processes. Finally, the most ambitious initiative is the planned construction of a biomethanization unit to convert organic wastes into energy. It will not only to generate large quantities of renewable energy in the form of electricity, but also

Country or region	Opportunity	Strategy to realize opportunity	Estimated timeframe	Please explain
		This will avoid an estimated 1750 tonnes of CO2eq, and save the factory around CHF 60000 a year. iv) The financial implications of this opportunity is a saving around CHF 60000 a year through the biogas production project.		replace an important part of the gas used in the bottling factory to generate heat. The post-processed liquid digestate will be recovered and applied as fertilizer on farmers' fields according to cantonal plans (max. nitrogen units per hectare, to avoid pollution).
Argentina	Increased brand value Improved community relations	i) To realize the opportunity to raise the awareness of the importance of water and facilitate a life-long commitment to water conservation, ii) Nestlé's strategy is to work with Project WET (Water Education for Teachers), a global water education organisation based in the United States, to spread important messages about water, water resources, water management and water protection to teachers, students, parents and children so that all generations will value water and work to sustain it for the future. iii) The strategy was implemented by providing funding and on-going operational support for the past two decades, helping extend the educational network across the United States, training more than 30,000 teachers a year, and extending this network far beyond North America. Today, Project WET works with corporate, NGO and government partners in more than 70 countries, and is expected to have reached 30k teachers and more than 2 million children in 2015. Besides, in partnership with the Project WET Foundation, Nestlé Waters initiates local TOGETHER 4 WATER events to educate children from localities near the company's bottling sites about the water cycle and the importance of preserving water. In 2015, 25k children in 30 countries learned about the significance of water conservation during fun, educational activities led by over 1,000 Nestlé Waters employees.	>6 years	Nestlé Waters' local brand Eco de los Andes raises awareness of water conservation in schools through the Green Ribbon programme, reaching 40 schools and more than 16000 children across Argentina since 2012. The project aims to strengthen our commitment to environmental sustainability, in partnership with Project WET, the Asociación de Amigos de la Patagonia and the municipalities of Moreno and Tunuyan. Through the programme, children aged 10 to 13 at schools near our factories learn about conserving water and reducing waste and energy through Project WET activities. The Argentine Ministry of Education has recognised the programme's value as an educational tool. Their support has allowed the project to train 302 teachers and educate 9898 schoolchildren in 2015. Throughout the year, employee volunteers from our Tunuyan factory visit the schools and support the teachers in rolling out the information during their classes.
Pakistan	Increased brand value Improved community	i) To realize the opportunity to help people understand the importantce of water and facilitate	>6 years	Nestlé Pakistan launched Project WET in August 2015, marked by training sessions with partner

Country or region	Opportunity	Strategy to realize opportunity	Estimated timeframe	Please explain
	relations	a life-long commitment to water conservation, ii) Nestlé's strategy is to work with Project WET (Water Education for Teachers), a global water education organisation based in the United States, to spread important messages about water, water resources, water management and water protection to teachers, students, parents and children so that all generations will value water and work to sustain it for the future. iii) The strategy was implemented by providing funding and on-going operational support for the past two decades, helping extend the educational network across the United States, training more than 30,000 teachers a year, and extending this network far beyond North America. Today, Project WET works with corporate, NGO and government partners in more than 70 countries, and is expected to have reached 30k teachers and more than 2 million children in 2015. Besides, in partnership with the Project WET Foundation, Nestlé Waters initiates local TOGETHER 4 WATER events to educate children from localities near the company's bottling sites about the water cycle and the importance of preserving water. In 2015, 25k children in 30 countries learned about the significance of water conservation during fun, educational activities led by over 1,000 Nestlé Waters employees.		institutions in Islamabad. Teachers are provided with a Project WET guide and a training kit, and learn how important water is for the human body and for planet Earth. By the end of 2015, about 5000 children and 100 teachers had been taught how to use water responsibly. Nestlé Pakistan aims to educate 20000 children in 2016 through teachers and Project WET activities.
Nigeria	Increased brand value Improved community relations	i) To realize the opportunity to help people understand the importantce of water and facilitate a life-long commitment to water conservation, ii) Nestlé's strategy is to work with Project WET (Water Education for Teachers), a global water education organisation based in the United States, to spread important messages about water, water resources, water management and water protection to teachers, students, parents and	>6 years	Since 2013, Project WET materials in Nigeria have been introduced in an increasing number of local communities. In fewer than three years, Project WET activities and materials have reached 438 teachers and educators, 140 schools and more than 7000 students in Lagos, Osun and Abaji states. Project WET was recognised with the ‘Support Our Schools Initiative’ granted by the Governor of Lagos State.

Country or region	Opportunity	Strategy to realize opportunity	Estimated timeframe	Please explain
		children so that all generations will value water and work to sustain it for the future. iii) The strategy was implemented by providing funding and on-going operational support for the past two decades, helping extend the educational network across the United States, training more than 30,000 teachers a year, and extending this network far beyond North America. Today, Project WET works with corporate, NGO and government partners in more than 70 countries, and is expected to have reached 30k teachers and more than 2 million children in 2015. Besides, in partnership with the Project WET Foundation, Nestlé Waters initiates local TOGETHER 4 WATER events to educate children from localities near the company's bottling sites about the water cycle and the importance of preserving water. In 2015, 25k children in 30 countries learned about the significance of water conservation during fun, educational activities led by over 1,000 Nestlé Waters employees.		
China	Increased brand value Improved community relations	i) To realize the opportunity to help people understand the importantce of water and facilitate a life-long commitment to water conservation, ii) Nestlé's strategy is to work with Project WET (Water Education for Teachers), a global water education organisation based in the United States, to spread important messages about water, water resources, water management and water protection to teachers, students, parents and children so that all generations will value water and work to sustain it for the future. iii) The strategy was implemented by providing funding and on-going operational support for the past two decades, helping extend the educational network across the United States, training more than 30,000 teachers a year, and extending this	4-6 years	Nestlé Waters launched a Project WET pilot in Shanghai, China, in January 2010 and over the following years, new partnerships with various educational institutions, schools and local NGOs have helped roll out Project WET modules. During 2015, 10 workshops reached 485 teachers and 293000 students, 56 factory visits saw over 3000 students attend, and 20 school visits directly benefited 8000 students. Today, Project WET activities in China have reached more than 800 schools, 1840 teachers and more than 800000 students in schools in 14 cities and provinces.

Country or region	Opportunity	Strategy to realize opportunity	Estimated timeframe	Please explain
		network far beyond North America. Today, Project WET works with corporate, NGO and government partners in more than 70 countries, and is expected to have reached 30k teachers and more than 2 million children in 2015. Besides, in partnership with the Project WET Foundation, Nestlé Waters initiates local TOGETHER 4 WATER events to educate children from localities near the company's bottling sites about the water cycle and the importance of preserving water. In 2015, 25k children in 30 countries learned about the significance of water conservation during fun, educational activities led by over 1,000 Nestlé Waters employees.		
Thailand	Increased brand value Improved community relations	i) To realize the opportunity to meet our commitment to educating and raising awareness about water conservation among children. ii) The strategy of Nestlé Waters Thailand and Nestlé Indochina to realise the opportunity is to participate in the World Wide Fund for Nature's Youth Water Guardian programme, iii) The strategy was implemented by helping schools integrate water conservation into the curriculum.	1-3 years	The WWF programme was launched in January 2015, and 20 schools in the Ayutthaya province applied to join by submitting their projects. Fifteen schools were selected to join the Youth Camp, where they received training on water knowledge and conservation, and eight were selected for their projects' potential and how they connect to their local community. The schools received funding and support to develop their conservation projects. At the end of the year, the schools presented what they had achieved with regards to water conservation, and the best three were awarded prizes for their work. The programme is supported by central and provincial government officials from the Groundwater Resources Department and the Department of Education Innovation, while Nestlé and Nestlé Waters provide financial support and water stewardship advice.
Jordan	Improved community relations Increased shareholder value Improved water	At Nestlé Waters, we recognise our responsibility to contribute to the sustainable development of the local communities in which we operate. In Jordan, we have built two greenhouses close to our factory in Al Husseinieh to use excess water from the	1-3 years	

Country or region	Opportunity	Strategy to realize opportunity	Estimated timeframe	Please explain
	efficiency	production process to irrigate fruit and vegetables. Project Green also provides employment opportunities for local women, who plant, harvest and sell the produce. The project has been developed in collaboration with Q-Perspective Consultancy, a Jordanian management consulting firm, which helps administer the programme.		
United States of America	Collective Action Ensuring supply chain resilience Increased brand value Improved community relations Increased shareholder value	Nestlé Waters North America is committed to increasing recycling rates and the responsible management of water sources, but recognises that plastic caps and bottles are not always being recycled and are often collected at coastal clean-up events. We began sponsoring a series of clean-ups through our regional springwater brands. We quickly realised that the best clean-up is the one that doesn't have to take place. So, as well as removing rubbish, debris and pollutants from shores and waterways across the country, we work with partners who collect and analyse data to inform the development of strategies that can prevent debris from getting there in the first place.	1-3 years	Recent efforts include those along the Hillsborough River in Florida, which supplies water to the Tampa Bay area, sustains a diverse ecosystem and serves as a recreation source. It is also fed by the source of our Zephyrhills® Natural Spring Water brand, so we have a major stake in improving the health of the river and creating shared value in the local communities. As part of the brand's 50th anniversary, Zephyrhills® team members joined thousands of volunteers for a series of river clean-ups and watershed education activities in the Hillsborough River watershed. Researchers from the University of Florida assessed and shared the results of recent and historical clean-up events in the watershed with local stakeholders, leading to the establishment of the Hillsborough River Trash Free Waters Partnership. Through this model for coordinated local action at the catchment level, we have engaged thousands of residents and removed litter from 70 sites. We have also worked with partners at Keep Tampa Bay Beautiful to advance local ambitions for a waste-free waterway. Local municipalities and educational institutions are signing up to join this partnership to advance strategies to prevent debris from getting into the waterway to begin with.
Company-wide	Carbon management Climate change adaptation Competitive advantage	i) To realize the opportunity to improve Nestlé environmental improvement, we aim to use the most efficient technologies and apply best practices in order to further optimize energy and	>6 years	Examples of our Environmental Target Setting projects include: • Our Canlubang factory in the Philippines ran an ETS in June 2015, identifying 29 projects that would generate annual savings

Country or region	Opportunity	Strategy to realize opportunity	Estimated timeframe	Please explain
	Cost savings Ensuring supply chain resilience Increased brand value Improved community relations Increased shareholder value Improved water efficiency Innovation Social licence to operate	water. ii) As part of our Environmental Target Setting programme, we seek to utilise the improvement of our water management and transform it into opportunities for cost savings and improvement of environmental performance. iii & iv)The savings delivered by projects implemented in 2015 amounted to 1.1 million GJ of energy, 1.7 million m3 of water and 81 146 tonnes of CO2eq. Looking ahead, we have identified new projects that, for an investment of about CHF 26.1 million, are expected to deliver annual savings of about 844000 GJ of energy; 58000 tonnes of CO2eq emissions; and 1.3 million m3 of water. To help our factory teams improve their own environmental performance and meet our commitments, we have developed Do It Yourself, a web-based tool. This enables each factory to easily identify energy- and water-saving opportunities from a range of solutions that have been tried and tested in other parts of the Group.		exceeding 70000 GJ of energy and 152827 m3 of water, avoid 6415 tonnes of CO2 and save CHF 1.6 million per year. The factory will prioritise seven schemes that will pay for themselves within a year, such as recovering heat from boilers, and another four that require no capital expenditure; • our Purina factory in Portogruaro, Italy, conducted an ETS in February 2015, developing an action plan to save 22155 GJ of energy and 4349 m3 of water, avoid 1402 tonnes of CO2 and save CHF 528000 a year; • The Nespresso Production Centre in Orbe uses water from the local river for cooling during some production processes. A more efficient management system was put in place, resulting in a 150000 m3 reduction in our yearly consumption of river water – the equivalent of 50 Olympic swimming pools; • The optimisation of operational parameters at the Nespresso Production Centre in Avenches allowed us to reduce the site's electricity consumption by 1400000 kWh, which is equivalent to the yearly electricity consumption of about 200 families.
Company-wide	Collective Action Competitive advantage Increased brand value Improved community relations Increased shareholder value R&D Sales of new products/services Social licence to operate Staff retention Other: Healthy hydration	The company works on further collaborate with governments, NGOs, academics and industry worldwide to provide a better understanding of the benefits of water as key to healthy hydration.	1-3 years	About 20% to 30% of the water we consume comes from our food, with the remainder from the fluids we drink. Nestlé considers that plain water – whether from a tap or a bottle – should be the preferred choice for daily hydration, as it does not add any calories to diets and believes that what you drink is as important to a healthy lifestyle as what you eat and how often you exercise.
Company-wide	Competitive advantage Increased brand value	Our approach towards environmental sustainability and water stewardship not only helps us to	>6 years	Nestlé puts an emphasis on developing and investing in new water-saving technologies as part

Country or region	Opportunity	Strategy to realize opportunity	Estimated timeframe	Please explain
	Improved community relations Increased shareholder value Improved water efficiency R&D Social licence to operate Staff retention	achieve water withdrawal reduction, it is also recognized externally. Nestlé has won the Corporate Water Stewardship award at the 2015 Global Water Awards, voted on by audience members at the Global Water Summit in Athens.		of our work to achieve water efficiency and sustainability across our operations, by minimising the impact of our operations on natural water resources.
Other: Nestlé Waters	Collective Action Competitive advantage Ensuring supply chain resilience Increased brand value Improved community relations Increased shareholder value Improved water efficiency Social licence to operate Other: Improved water resources management; Education and awareness-raising; Public health	1/ Based on the Water Stewardship Ladder, Nestlé Waters reinforced its Water Stewardship strategy in 2015. It is based on new, site-specific risk assessment tools with a focus on physical, regulatory and reputational risks. These risk assessments were conducted for all Nestlé Waters sites in 2015 and will be repeated annually to measure performance. They give rise to comprehensive action plans that include both internal and external responses. Through collective action, we seek to mobilise local water stakeholders to address shared water challenges together, to ensure the long-term sustainability of the watersheds in which we operate. 2/ Nestlé Waters helps to educate children around the world about the importance of water and its preservation. In 2015, over 20 000 children were educated and over 1000 employees engaged in events in 30 countries. 3/ Nestlé Waters works to promote the importance of drinking more water, whether bottled or tap, as part of a healthy lifestyle. We work with a number of stakeholders, including health authorities, public health experts and competitors, to raise awareness of the vital role water plays in maintaining proper hydration and in leading a healthy lifestyle. For example, Nestlé Waters North America is a major supporter of the Partnership for	>6 years	1/ The long-term success of our bottled water division is dependent on water resources of sufficient quantity and acceptable quality as well as a regulatory framework that champions sustainable water resources management. However, the way we are perceived by our stakeholders both locally and globally has a growing impact on our ability to grow our business. We must therefore continue to engage with local communities to support our licence to operate and to minimise misperceptions and negative sentiment with other external stakeholders. 2/ Children are the water stewards of the future and Nestlé Waters believes that educating them early is important to instil the right behaviours when it comes to appreciating and managing water responsibly. 3/ Water is essential to life yet many people do not drink enough water. Water should be the preferred hydration choice as it does not contain any calories and has an important role to play in the body's cognitive and physical functions. Indeed, studies have shown that the over-consumption of sugary beverages contributes to overweight and obesity. People need to drink water and as lifestyles become increasingly on-the-go, bottled water provides consumers with a portable, convenient, good-tasting hydration product that doesn't contain any calories.

Country or region	Opportunity	Strategy to realize opportunity	Estimated timeframe	Please explain
		a Healthier America's DRINK UP campaign that promotes drinking more water.		

W4.1b

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

Primary reason	Please explain

W4.1c

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

Primary reason	Please explain

Further Information

Module: Accounting

Page: W5. Facility Level Water Accounting (I)

W5.1

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

Facility reference number	Country	River basin	Facility name	Total water withdrawals (megaliters/year) at this facility	How does the total water withdrawals at this facility compare to the last reporting year?	Please explain
Facility 1	Pakistan	Indus	1580 Milk products and Ice cream	1878	Lower	Change not substantive.
Facility 2	China	Huang He (Yellow River)	6978 Milk products and Ice cream	1529	Much lower	Multiple water reduction projects were carried out in the factory.
Facility 3	Pakistan	Indus	1581 Milk products and Ice cream	680	Much lower	Multiple water reduction projects were carried out in the factory.
Facility 4	Mexico	Santiago	0210 Nutrition and Health Science	496	Much lower	Multiple water reduction projects were carried out in the factory.
Facility 5	India	Cauvery River	0452 Powdered and Liquid Beverages	567	Much lower	Multiple water reduction projects were carried out in the factory.
Facility 6	China	Other: Huaihe River Basin	1126 Milk products and Ice cream	584	Much lower	Multiple water reduction projects were carried out in the factory.
Facility 7	Mexico	Santiago	0214 Powdered and Liquid Beverages	873	Much lower	Multiple water reduction projects were carried out in the factory.
Facility 8	India	Indus	0451 Milk	805	Much lower	Multiple water reduction projects were

Facility reference number	Country	River basin	Facility name	Total water withdrawals (megaliters/year) at this facility	How does the total water withdrawals at this facility compare to the last reporting year?	Please explain
			products and Ice cream			carried out in the factory.
Facility 9	Saudi Arabia	Other: Wadi Hanita	6270 Water	1530	About the same	No change.
Facility 10	United States of America	Other: California - Tulare	WF03 Water	1150	About the same	No change.
Facility 11	Saudi Arabia	Other: Dammam	6269 Water	817	About the same	No change.
Facility 12	China	Other: Fujian	6959 Milk products and Ice cream	3407	Much lower	Multiple water reduction projects were carried out in the factory.
Facility 13	United States of America	Other: California - Santa Ana	WF17 Water	714	Much lower	Multiple water reduction projects were carried out in the factory.
Facility 14	Chile	Other: Maipo	0076 Milk products and Ice cream	684	About the same	No change.
Facility 15	United States of America	Trinity River (Texas)	WF25 Water	1021	Lower	Change not substantive.
Facility 16	United States of America	Other: Hillsborough	WF23 Water	1448	Much lower	Multiple water reduction projects were carried out in the factory.
Facility 17	France	Rhone	1816 Water	3355	About the same	No change.
Facility 18	United States of America	Delaware River	WF02 Water	1485	About the same	No change.
Facility 19	United States of America	Delaware River	WF24 Water	1232	About the same	No change.
Facility 20	Indonesia	Brantas	0227 Milk products and Ice cream	1042	Much lower	Multiple water reduction projects were carried out in the factory.

Facility reference number	Country	River basin	Facility name	Total water withdrawals (megaliters/year) at this facility	How does the total water withdrawals at this facility compare to the last reporting year?	Please explain
Facility 21	France	Rhine	3019 Water	2783	Lower	Change not substantive.
Facility 22	United States of America	Mississippi River	5720 Powdered and Liquid Beverages	2696	Lower	Change not substantive.
Facility 23	Turkey	Other: Susurluk	3888 Water	2624	About the same	No change.
Facility 24	Switzerland	Rhone	0012 Powdered and Liquid Beverages	969	Much lower	Once-through cooling water reduction related to production volume decrease, thereby reducing significantly water withdrawal and discharge at this factory.
Facility 25	China	Yangtze River (Chang Jiang)	6979 Powdered and Liquid Beverages	3613	Lower	Change not substantive.
Facility 26	Egypt	Nile	3168 Water	1315	About the same	No change.

Further Information

Page: W5. Facility Level Water Accounting (II)

W5.1a

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

Facility reference number	Fresh surface water	Brackish surface water/seawater	Rainwater	Groundwater (renewable)	Groundwater (non-renewable)	Produced/process water	Municipal water	Wastewater from another organization	Comment
Facility 1	0	0	0	1878	0	0	0	0	
Facility 2	0	0	0	0	0	0	1529	0	
Facility 3	0	0	0	680	0	0	0	0	
Facility 4	0	0	0	496	0	0	0	0	
Facility 5	567	0	0	0	0	0	0	0	
Facility 6	0	0	0	0	0	0	584	0	
Facility 7	0	0	0	873	0	0	0	0	
Facility 8	0	0	0	805	0	0	0	0	
Facility 9	0	0	0	1530	0	0	0	0	
Facility 10	0	0	0	1150	0	0	0	0	
Facility 11	0	0	0	817	0	0	0	0	
Facility 12	3407	0	0	0	0	0	0	0	
Facility 13	0	0	0	652	0	0	62	0	
Facility 14	0	0	0	684	0	0	0	0	
Facility 15	0	0	0	157	0	0	864	0	
Facility 16	0	0	0	759	0	0	689	0	
Facility 17	0	0	0	3355	0	0	0	0	
Facility 18	0	0	0	974	0	0	511	0	
Facility 19	0	0	0	280	0	0	952	0	
Facility 20	0	0	0	1042	0	0	0	0	
Facility 21	0	0	0	2777	0	0	6	0	
Facility 22	0	0	0	0	0	0	2696	0	
Facility 23	0	0	0	2624	0	0	0	0	
Facility 24	250	0	0	719	0	0	0	0	
Facility 25	249	0	0	0	0	0	3364	0	
Facility 26	0	0	0	1315	0	0	0	0	

W5.2

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

Facility reference number	Total water discharged (megaliters/year) at this facility	How does the total water discharged at this facility compare to the last reporting year?	Please explain
Facility 1	501	About the same	No change
Facility 2	1147	Lower	Change not substantive
Facility 3	374	Much lower	The water discharge decreased from 416 to 374 megaliters, resulting in an absolute decrease of 10.3%.
Facility 4	302	Lower	Change not substantive
Facility 5	310	Much higher	Maintenance activities increased leading to a punctual, significant increase in water discharge.
Facility 6	540	Much lower	The water discharge decreased from 590 to 540 megaliters, resulting in an absolute decrease of 8.4%.
Facility 7	516	Much lower	The water discharge decreased from 728 to 516 megaliters, resulting in an absolute decrease of 29.2%.
Facility 8	881	Much lower	The water discharge decreased from 1117 to 881 megaliters, resulting in an absolute decrease of 21.1%.
Facility 9	283	Lower	Change not substantive
Facility 10	188	Much lower	The water discharge decreased from 254 to 188 megaliters, resulting in an absolute decrease of 25.9%.
Facility 11	311	Much lower	The water discharge decreased from 349 to 311 megaliters, resulting in an absolute decrease of 11.1%.
Facility 12	1484	Much lower	The water discharge decreased from 2413 to 1484 megaliters, resulting in an absolute decrease of 38.5%.
Facility 13	223	Much lower	The water discharge decreased from 261 to 223 megaliters, resulting in an absolute decrease of 14.5%.
Facility 14	418	About the same	No change
Facility 15	371	Higher	Change not substantive
Facility 16	336	Much lower	The water discharge decreased from 1117 to 881 megaliters, resulting in an absolute decrease of 21.1%.
Facility 17	2690	About the same	No change

Facility reference number	Total water discharged (megaliters/year) at this facility	How does the total water discharged at this facility compare to the last reporting year?	Please explain
Facility 18	383	About the same	No change
Facility 19	299	Lower	Change not substantive
Facility 20	707	Much lower	The water discharge decreased from 787 to 707 megaliters, resulting in an absolute decrease of 10.3%.
Facility 21	927	Much lower	The water discharge decreased from 1'120 to 927 megaliters, resulting in an absolute decrease of 17.2%.
Facility 22	2899	Higher	Change not substantive
Facility 23	580	Much lower	The water discharge decreased from 703 to 580 megaliters, resulting in an absolute decrease of 17.5%.
Facility 24	622	Much lower	Once-through cooling water reduction related to production volume decrease, thereby reducing significantly water withdrawal and discharge at this factory.
Facility 25	2688	Higher	Change not substantive
Facility 26	561	Lower	Change not substantive

W5.2a

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

Facility reference number	Fresh surface water	Municipal/industrial wastewater treatment plant	Seawater	Groundwater	Wastewater for another organization	Comment
Facility 1	501	0	0	0	0	
Facility 2	1147	0	0	0	0	
Facility 3	374	0	0	0	0	
Facility 4	302	0	0	0	0	

Facility reference number	Fresh surface water	Municipal/industrial wastewater treatment plant	Seawater	Groundwater	Wastewater for another organization	Comment
Facility 5	310	0	0	0	0	
Facility 6	0	540	0	0	0	
Facility 7	0	516	0	0	0	
Facility 8	881	0	0	0	0	
Facility 9	7	276	0	0	0	
Facility 10	0	188	0	0	0	
Facility 11	0	311	0	0	0	
Facility 12	1484	0	0	0	0	
Facility 13	0	223	0	0	0	
Facility 14	81	337	0	0	0	
Facility 15	0	371	0	0	0	
Facility 16	0	336	0	0	0	
Facility 17	2690	0	0	0	0	
Facility 18	0	383	0	0	0	
Facility 19	0	299	0	0	0	
Facility 20	707	0	0	0	0	
Facility 21	412	515	0	0	0	
Facility 22	452	2447	0	0	0	
Facility 23	580	0	0	0	0	
Facility 24	291	331	0	0	0	
Facility 25	2688	0	0	0	0	
Facility 26	0	561	0	0	0	

W5.3

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

Facility reference number	Consumption (megaliters/year)	How does this compare to the last reporting year?	Please explain
Facility 1	1376	Lower	Change not substantive
Facility 2	382	Much lower	The water consumption decreased from 560 to 382 megaliters, resulting in a decrease of 32%.
Facility 3	307	Much lower	Change not substantive
Facility 4	0	About the same	No change
Facility 5	258	Much lower	Water reduction project implemented in 2015, thereby reducing water consumption by 41%.
Facility 6	44	Much lower	The water consumption increased from 55 to 44 megaliters, resulting in a decrease of 19%.
Facility 7	357	Much higher	The water consumption increased from 288 to 357 megaliters, resulting in an increase of 24%.
Facility 8	0	About the same	No change
Facility 9	1247	About the same	No change
Facility 10	962	About the same	No change
Facility 11	507	Higher	Change not substantive
Facility 12	1923	Much higher	The water consumption increased from 1568 to 1923 megaliters, resulting in an increase of 23%.
Facility 13	491	Lower	Change not substantive
Facility 14	266	Lower	Change not substantive
Facility 15	651	Much lower	The water consumption increased from 693 to 651 megaliters, resulting in a decrease of 6%.
Facility 16	1112	Lower	Change not substantive
Facility 17	665	About the same	No change
Facility 18	1102	About the same	No change
Facility 19	933	About the same	No change
Facility 20	336	About the same	No change
Facility 21	1856	About the same	No change
Facility 22	0	About the same	No change
Facility 23	2044	About the same	No change
Facility 24	347	Much lower	The water consumption increased from 370 to 347 megaliters, resulting in a decrease of 6%.

Facility reference number	Consumption (megaliters/year)	How does this compare to the last reporting year?	Please explain
Facility 25	925	Much lower	The water consumption decreased from 1445 to 925 megaliters, resulting in a decrease of 36%.
Facility 26	754	Higher	Change not substantive

W5.4

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

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

Further Information

Module: Response

Page: W6. Governance and Strategy

W6.1

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

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

W6.2

Is water management integrated into your business strategy?

Yes

W6.2a

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

Influence of water on business strategy	Please explain
Alignment of public policy positions with water stewardship goals	In June 2013, we renewed the scope of our vision for water, with the introduction of the new Nestlé Commitment on Water Stewardship. In this document, we acknowledge our responsibilities as a major water user and outline the actions we need to implement (both individual and collaborative) for the sustainable management of shared water resources.
Establishment of sustainability goals	We have published a number of robust commitments to support our long-term goal of Creating Shared Value. They cover nutrition, health and wellness, rural development and responsible sourcing, water, environmental sustainability, our people, human rights and compliance. The commitments make it possible for stakeholders to hold us accountable, encouraging us to seek and achieve continuous improvement in our nutrition, water, rural development, sustainability and compliance performance.
Exploration of water valuation practices	To inform decision-making, we place a theoretical price on water, ranging from CHF 1 to CHF 5 per m3 (depending on a factory's physical risk score, as generated by the Nestlé Combined Water Stress Index). We have extended our acceptable Return On Investment period for equipment funding that will deliver water savings. We are also stimulating innovation through the introduction of a Lighthouse Projects. This approach enables us to convert environmental and social benefits into a notional payback, helping us to prioritise resource allocation. We are continuing to extend our acceptable Return On Investment period for equipment funding that delivers water savings, recognising that such activities often require longer-term investment.
Introduction of water management KPIs	Working in consultation with our key functions, the Operations Water Task Force has introduced new objectives and KPIs. They are designed to underpin the delivery of one or more of our five W.A.T.E.R. stewardship commitments. We have also adopted internal key performance indicators to systematically measure progress.
Investment in staff/training	We are committed to provide environmental awareness session, including water, in all countries. In 2015, environmental awareness sessions including water topics were run in 89 countries.
Water resource considerations are factored into new product development	We systematically assess and optimise the environmental performance, including water, across the entire value chain at the earliest stage in the development of new and renovated products. We implemented a mandatory environmental rating system for all new product and process developments three years ago. This uses a five-point scale to evaluate potential impacts, both adverse and beneficial. It is designed to inform decisions at the earliest stage, before a project goes into development.
Water resource considerations are factored into new market exploration	Water resource reviews are conducted for new factories explorations. In 2015, we carried out 15 new Water Resource Reviews across our factories sites, with Water, Sanitation, and hygiene considerations integrated into the process.
Publicly demonstrated our commitment to water	In 2013, we renewed the scope of our vision for water, with the publication of the new Nestlé Commitment on Water Stewardship.
Water is factored into procurement directives	The Nestlé Supplier Code includes water requirements. In particular, the Supplier shall optimise its consumption of natural resources, including energy and water. Supplier shall implement and demonstrate sound measures to prevent pollution and minimise generation of solid waste, wastewater and air emissions. Prior to discharge or disposal, supplier shall characterize and treat wastewater and solid waste appropriately and according to applicable laws and regulations.
Greater supplier diversification	Business Continuity plans are in place in areas where water has been identified as a material risk for the company.
Tighter operational	We have further strengthened our requirements for water quality and effluent discharge.

Influence of water on business strategy	Please explain
performance standards	
Tighter supplier performance standards	We have strengthened the requirements for suppliers. As stated in the reissued Nestlé Supplier Code, the Supplier shall optimise its consumption of natural resources, including energy and water.

W6.2b

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

Influence of water on business strategy	Please explain
Increased capital expenditure	i) Nestlé-specific explanation of how this influence has impacted the business:Water issues can negatively influence our business strategy by increasing capital expenditure. The summer of 2015 California saw a fourth consecutive year of extreme drought and its Water Resources Board announced in 2014 the escalation of state-wide water use restrictions for municipalities, farmers, businesses and individuals. In California, Nestlé operates five water bottling plants and four facilities where food or petcare products are manufactured. This drought has impacted the business as various media and social media channels reported on the need for transparency of water use reporting and questioned the amount of water we use for bottling and where it goes. ii) Outcome of this influence:Our response includes a comprehensive water stewardship programme in California which is expected to save more than half a million m3 of water a year. In particular, we are transforming the Nestlé USA milk factory in the city of Modesto into a 'zero water' factory, meaning the plant will not use any local freshwater resources for its operations. By 2016, this $7 million investment should save more than 238000m3 of water a year, equivalent to 71% of absolute withdrawals in 2014. At our ice-cream factories in Bakersfield and Tulare, we are introducing advanced technology to treat water for use in our refrigeration systems which will save 98000m3 a year.
Other: Fees for water allowances	i) Nestlé-specific explanation of how this influence has impacted the business: Changes in regulation can result in litigation in some factories. In Mexico, extra fees will need to be paid to get water allowances that will allow increasing the production volume in Nestlé factories. This represents a risk as this could limit possible expansion of production. ii) Outcome of this influence: In Mexico, the potential business impact is an increase in operational cost estimated in MXP 4million representing the value of Guarantee quotas.

W6.2c

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

Primary reason	Please explain

W6.3

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

Yes

W6.3a

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

Content	Please explain why this content is included
Publicly available Company-wide Performance standards for direct operations Performance standards for supplier, procurement and contracting best practice Commitment to customer education	The Nestlé Policy on Environmental Sustainabilty identifies water preservation as a key focus area. It is complemented with the Nestlé Commitment to Water Stewardship. Both document are publicly available and cover the content selected as water is a key focus area of Creating Shared Value, our approach of doing business. Water is critical to the future success of our business and our value chain. Water is a business opportunity, an operational challenge and a societal issue that is of deep concern to us all. Water is essential to grow the agricultural raw materials we source, to run our operations and for consumers to prepare and enjoy our products. Responsible water stewardship is critical for all of us and to the future of our business. We respect the human right to water and sanitation, and are helping to facilitate the sustainable management of water catchments where we source our

Content	Please explain why this content is included
Incorporated within group environmental, sustainabiilty or EHS policy Acknowledges the human right to water, sanitation and hygiene Other: employee education, systematic assessment of water performance when developing or renovating products	goods, where our factories are located, and where our suppliers and consumers live. The Nestlé policy covering the content selected is company-wide and applies to all geographies and sites. The Nestlé Environmental requirements includes performance standard for sites, including requirements for water quality and effluent discharge. Nestlé requires suppliers to optimise its consumption of water.

W6.4

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

Water CAPEX (+/- % change)	Water OPEX (+/- % change)	Motivation for these changes
+7.6	+1	The increase in WATER CAPEX is influenced by the reduction of total CAPEX compared with the previous year. Water-related OPEX share in total OPEX increased in 2015 vs. previous year mainly due to higher water related OPEX in 2015. In 2015, we have approved a spend of CHF 19.4 million on new and improved treatment facilities and CHF 25.8 in water saving projects. This not include investments which have also resulted in water efficiency gains.

Further Information

Page: W7. Compliance

W7.1

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

Yes, not significant

W7.1a

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

Facility name	Incident	Incident description	Frequency of occurrence in reporting year	Financial impact	Currency	Incident resolution
5806	Fine	Wastewater quality parameters out of range.	1	50	USD($)	No specific action required, simply continued monitoring of parameters as part of normal operations.
4511	Fine	Wastewater quality parameters out of range.	1	152	MXN ($)	No specific action required, simply continued monitoring of parameters as part of normal operations.
3890	Fine	Wastewater quality parameters out of range.	2	195662	ILS	No specific action required, simply continued monitoring of parameters as part of normal operations.
5721	Fine	Wastewater quality parameters out of range.	1	14526	USD($)	No specific action required, simply continued monitoring of parameters as part of normal operations.

W7.1b

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

1%

W7.1c

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

Impact as % of OPEX	Comparison to last year
0.00	No change

Further Information

Page: W8. Targets and Initiatives

W8.1

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

Yes, targets and goals

W8.1a

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

Category of target	Motivation	Description of target	Quantitative unit of measurement	Base-line year	Target year	Proportion of target achieved, % value
Other: Improving water efficiency	Water stewardship	By 2015 – Reduce direct water withdrawals per tonne of product in every product category to achieve an overall reduction of 40% since 2005. For Nestlé products categories include powdered Powdered & liquid beverages, water, milk products & ice cream, nutrition and healthcare, prepared dishes & cooking aids, confectionery and petcare.	% reduction per unit of production	2005	2015	100%
Other: Work to achieve water efficiency across our operations	Water stewardship	By 2016 – Carry out 45 new water resources reviews in selected manufacturing facilities, and all greenfield sites. Nestlé manages a programme of Water Resource Reviews for factory sites that helps us to analyse the impacts of a manufacturing facility upon a local water catchment. The formal process investigates: •Water availability (including some key aspects related to the human right to water and sanitation); •Water quality; •Regulatory compliance; •Site protection; and •Stakeholder relations. After the review, corrective actions are undertaken, as needed.	Other: Water resources reviews conducted	2014	2016	76%
Increased access to water, sanitation and hygiene	Water stewardship	By 2016 – 350 000 beneficiaries in local communities have access to water, sanitation or hygiene projects around our manufacturing facilities and in Farmer Connect areas. By the end of 2015, almost 440000 beneficiaries in local communities had access to water, sanitation and hygiene projects around our manufacturing facilities and in Farmer Connect areas.	Other: beneficiaries in local communities have access to water, sanitation or hygiene projects around our manufacturing facilities and in Farmer Connect areas.	2014	2016	100%

W8.1b

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

Goal	Motivation	Description of goal	Progress
Other: Increase access to Safe Water, Sanitation, and Hygiene (WASH)	Water stewardship	By 2015 – Every Nestlé employee has access to safe water, sanitation and hygiene at the workplace of an appropriate standard. The measure of success is the number of employees with access to safe water, sanitation and hygiene at the workplace of an appropriate standard. This goal was adopted because adopting and promoting the WBCSD WASH Pledge drives our practical contribution to address the global challenge of providing access to safe water, sanitation and hygiene at the workplace.	The goal has been completed. We introduced the self-assessment tool in all sites under our control by the end of 2015 and provided guidance tools to support our teams. Overall, consolidated results show that our performance against the Pledge is very good. Nearly 90% of our manufacturing facilities carried out the self-assessment, of which 90% met the Pledge level and 10% identified minor gaps (e.g. lack of toilets for disabled people, no signage for proper hand washing) that do not affect our basic WASH promise to our employees. Corrective action plans will be implemented throughout 2016
Other: Work to achieve water efficiency across our operations	Water stewardship	By 2017 - Implement all corrective action plans derived from the global roll-out of the WBCSD WASH Pledge self-assessment for safe water, sanitation and hygiene in the workplace at Nestlé premises.	The progress of this goal is on-going.
Other: Work to achieve water efficiency across our operations	Water stewardship	By 2015 – Establish and implement detailed guidelines on human rights to water and sanitation due diligence.	The goal has been completed. Based on guidance from the CEO Water Mandate, we have developed our internal guidelines, which provide consistent directives on how markets and factories can respect and support the human right to water and sanitation across the supply chain. The guidelines will be rolled out and implemented systematically across our global operations in the coming years. This builds on existing assessment mechanisms such as our Human Rights Impact Assessments, Water Resource Reviews, Tier 1 supplier audits and farm assessments, and the Nestlé Waters Community Relations programme.
Other: Work to achieve water efficiency across our operations	Water stewardship	By 2016 – Define water stewardship initiatives and start implementation in five high-priority locations.	The progress of this goal is on-going. By the end of 2015, activities had begun in all five locations. Implementing these programmes will improve the sustainable management of shared water resources in the water catchments where we operate, and strengthen stakeholder perceptions of our local contribution.
Other: Work to achieve water efficiency across our operations	Water stewardship	By 2016 – Implement water savings projects in 100% of high-priority manufacturing facilities.	The progress of this goal is on-going. During the period 2014/15, we have implemented projects in 12 HPMFs to save 769158 m3 of water.
Other: Work to achieve water	Water stewardship	By 2020 - Implement detailed guidelines on human rights to water and sanitation due diligence in all Nestlé Markets	The progress of this goal is on-going.

Goal	Motivation	Description of goal	Progress
efficiency across our operations			
Other: Advocate for effective water policies and stewardship	Water stewardship	By 2016 – Continue to build the 2030 Water Resources Group Public Private Partnership by adding two more countries per year and further develop and publicise the Global Catalogue on Good Practices.	The progress of this goal is on-going. Several of our most senior people, including our Chairman, play a leading role in the 2030 Water Resources Group (2030 WRG), whose governing council meets annually. We currently chair this public–private–civil society collaboration, which seeks to bring about practical solutions for reforming water resources in water-stressed developing economies. The WRG has been working in South Africa, Mongolia, Kenya, Bangladesh and more recently in India.
Other: Advocate for effective water policies and stewardship	Water stewardship	By 2016 – Support the launch of the CEO Water Mandate Guide on Good Practices for Business on the Human Right to Water and Sanitation and pilot test the Guide in our water due diligence in selected markets.	The progress of this goal is on-going. Nestlé is a founding signatory of the UNGC CEO Water Mandate, which was set up to help companies develop, implement and disclose their water sustainability policies and practices. We actively participate in the Mandate's workstreams on Policy Engagement, Water Disclosure and the Human Right to Water, and hope to contribute to a new Supply Chain workstream when it is launched. Over the last couple of years, we have contributed to the publication and launch of the CEO Water Mandate Corporate Water Disclosure Guidelines, and the Guidance for Companies on Respecting the Human Rights to Water and Sanitation: Bringing a Human Rights Lens to Corporate Water Stewardship, which is designed to help companies translate their responsibility to respect the human right to water and sanitation into their water management policies and practices. This second CEO Mandate document has been used to guide our approach to water due diligence, forming the basis for our own Human Right to Water and Sanitation Guidelines. These were finalised at the end of 2015 to embed our commitment across our operations. The guidelines provide consistent directives on how Nestlé markets and factories can respect and support the human right to water and sanitation throughout our supply chain.
Other: Advocate for effective water policies and	Water stewardship	By 2016 – Initiate the roll-out process of the Alliance for Water Stewardship's (AWS) International Water Stewardship Standard by implementing it in at least five	The progress of this goal is on-going. The AWS International Water Stewardship Standard is a universal reference tool for any organisation to use as a framework for

Goal	Motivation	Description of goal	Progress
stewardship		locations.	evaluating its water stewardship practices. Nestlé used the AWS Standard's principles this year at selected high-priority locations. Having signed a partnership with WWF-Pakistan, we helped launch the AWS Standard in the country at a Water Symposium in October 2015, and signed an agreement to implement practices to meet the Standard at our Islamabad factory. The AWS Standard is being implemented at our Sheikhupura facility, all nine of our factories in California and other sites within our bottled water business. We have produced internal guidance on the AWS Standard to assist our operational teams with implementation, and a wider roll-out is planned for 2015.
Other: Advocate for effective water policies and stewardship	Water stewardship	By 2016 – Support the World Business Council for Sustainable Development (WBCSD) to achieve 50 signatories of the WASH Pledge.	The progress of this goal is on-going.To date, 38 signatories have adopted the WASH Pledge, representing a range of sectors and locations in Europe, the United States, Africa, Asia and the Middle East. Nestlé was one of the first to sign up, to demonstrate how we deliver on our Corporate Business Principles and put our people first.
Other: Advocate for effective water policies and stewardship	Water stewardship	By 2016 – Work with the Sustainable Agriculture Initiative Platform (SAI) and the Sustainable Food Lab (SFL) to implement the Water Risk Assessment and Mitigation collaboration initiative in at least one sourcing area of agricultural raw materials.	The progress of this goal is on-going. A year after the project was launched, Nestlé participated in the initial phase, mapping sourcing information from founding companies and additional experts, and in 2016, we plan to support the SAI Platform in implementing its mitigation efforts. To date: • The California Water Action Collaboration was launched in March 2015. The unsustainable use of groundwater caused by prolonged drought saw Nestlé and other food and beverage companies support efforts to improve groundwater management planning, replenish groundwater, and engage in dialogue with farming communities and supply chain stakeholders; • General Mills, our joint venture with Cereal Partners, is funding scientific analysis for the mapping phase of the water collaboration project in the water-scarce Bajio region of Central Mexico; and • The water risk collaboration in Guanajuato, Mexico, is still in the scoping and research phase, and Nestlé Mexico may engage when the initiative is launched in 2016.
Other: Treat the water we discharge	Water stewardship	By 2016 – Implement the new and strengthened Nestlé Environmental Requirements for water quality and effluent	The progress of this goal is on-going. At a corporate and site level, we track water indicators including quantity,

Goal	Motivation	Description of goal	Progress
effectively		discharge in all factories in order to help protect the environment.	destination and quality of water discharges. We use the Water and Effluents dashboard to get a better understanding of our performance over time. The dashboard consists of two main sections: a monthly section at the top with monthly values of the main water and effluents indicators over the last 12 months, and a section with year-to-date values of a broader range of water and effluents indicators at any point in time. The dashboard also showcases water quality against our internal standards at a factory level. All manufacturing sites report their water discharge indicators monthly, and these figures are consolidated to give us a global picture. The system also generates factory-specific Water Process Maps, which show the water withdrawn upstream (by source), the water used in our operations and the water discharged (by destination) over the selected period. Together with this tool, we also released a Water Flow and Effluents toolkit that helped users review data monthly or annually, to identify further opportunities for improvement.
Engagement with suppliers to help them improve water stewardship	Water stewardship	By 2015 – Define and start to implement action plans to save water in our upstream supply chain for coffee, sugar, rice and cereals, in high-priority locations.	This goal has been completed. By the end of 2015, we had met our objective to define, set up and start to implement action plans to save water in our upstream supply chains. Through our SAIN programme, we defined and began to implement an action plan to save water in our upstream supply chain for coffee. We also partnered with Proforest, a leading NGO, to assess the key environmental and social risks in our global sugar supply chains, including key sourcing regions such as Mexico, Brazil, Thailand and India. Nestlé Nutrition also assessed the irrigation practices in key sourcing locations for the different cereals we use in our baby food products. An action plan will be initiated in 2016 proposing improvements that will lead to the more efficient use of irrigation water.
Engagement with suppliers to help them improve water stewardship	Water stewardship	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	The progress of this goal is on-going.

W8.1c

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

Further Information

Module: Linkages/Tradeoff

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

W9.1

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

Yes

W9.1a

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

Environmental issues	Linkage or trade-off	Policy or action
Energy	Linkage	Food production requires water and energy; water extraction and distribution requires energy; and energy production requires water. i) Nestlé specific description of the linkages: We use water to cool power equipment, and water supply and treatment,

Environmental issues	Linkage or trade-off	Policy or action
		and pumping water requires energy. Energy production also requires water. Our Environmental Target Setting programme aims to improve the environmental performance of our factories based on a thorough assessment of baseline energy and water consumption. The savings delivered by projects implemented in 2015 amounted to 1.1 million GJ of energy, 1.7 million m3 of water and 81146 tonnes of CO2eq. ii) Detail on the actions: At Nestlé, teams of experts are sent to factories to identified energy and water and greenhouse gas emissions reduction opportunities. For example, at the Askeaton Factory in Ireland, Nestlé is substituting heavy oil as a fuel for the boilers and air heaters with the natural gas. With the substitution of fuel the factory savings of approximately 157,000 GJ/y, 183,000 m3/y of water and 10,500 tCO2/y are generated. The total identified savings amount to 3,095 kCHF/y. iii) Description of the policy for managing this linkages According to The Nestlé Policy on Environmental sustainability, we aim to use most efficient technologies and apply best practices in order to further optimize energy and water consumption.
Food Waste prevention and reduction	Linkage	i) Nestlé specific description of the linkages About one third of global food production is either wasted or lost every year. Food waste not only generates superfluous greenhouse gas emissions and wastage of water but also affects farmer income as well as the availability and cost of food. Hence, it contributes to inequality and undermines rural development. Ever since its foundation in 1866, Nestlé has contributed to reducing food waste by transforming perishable raw materials such as milk, coffee beans and cocoa into safe, tastier and healthier value-adding food products. ii) Detail on the actions Over the last 10 years, Nestlé has reduced 78%, per tonne of product, the amount of waste for disposal generated in its factories. In 2015, 105 factories achieved zero waste for disposal. iii) Description of the policy for managing this linkages As the leading Nutrition, Health and Wellness company, Nestlé is committed to further playing its part in helping to reduce food loss and waste. Not only will this help Nestlé to secure supply of the agricultural raw materials it sources, but it will also have a positive impact on society by supporting rural development, water conservation, and food security. This is in line with Nestlé's Creating Shared Value approach to doing business.
Biofuels	Trade-off	i) Nestlé specific description of the trade-off Increased use of biofuels puts increasing pressure on water resources in at least two ways: water use for the irrigation of crops used as feedstocks for biodiesel production; and water use in the production of biofuels in refineries, mostly for boiling and cooling. Nestlé is a strong supporter of sustainable and efficient water and energy use. The current production of biofuel relies on the extensive use of food and feed crops such as maize and wheat. The large scale expansion of these agricultural raw materials for biofuel production will aggravate the problem of water scarcity, as every litre of biofuel made from irrigated maize or soybeans requires between 500 and 5,000 litres of water. This causes an unsustainable boost in the use of freshwater by agriculture, which already uses 70% of available sources. Furthermore, depending on crop type and geography, greenhouse gas savings compared to fossil fuel can be very small. ii) Detail on the actions: Nestlé continues to advocate against the use of crops for fuel rather than food, as the growing use of biofuels is a significant factor in the destruction of rainforests. iii) Description of the policy for managing this trade-off. Therefore our strong policy claim: no food for fuel.
Energy	Trade-off	i) Nestlé specific description of the trade-off A site level, Nestlé has identified trade-offs between usage of water and energy. For instance, in many Nestlé factories the reduction of steam consumption allows to minimise water withdrawal as well as energy consumption. Trade-offs between water, energy and carbon are also taken into consideration, such as treating waste

Environmental issues	Linkage or trade-off	Policy or action
		water which will allow the recycling of water but at the cost of additional energy usage. ii)Detail on the actions The impact of these factors on the environment may vary depending on local conditions (such as water scarcity in a region) and need to be evaluated based on all of the inputs, not just the impact a project or initiative has on one of the factors. iii) Description of the policy for managing this trade-off These are taken into account through its Change Management process, which includes investments projects and innovation/renovation of products and processes. For each new product or process developed, R&D teams have to assess related environmental impacts, which include water withdrawal and energy consumption and these are part of an internal process. Nestlé also strives to improve factory(ies) environmental performance through internal tools and procedures and in some situations with the support from external consultants and suppliers. Linkages between water and energy are taken into consideration.
Ecosystem quality	Trade-off	i) Nestlé specific description of the trade-off Nestlé has been conducting Life Cycle Assessments to assess the environmental impacts of its major product categories, from farm to consumer in order to increase the environmental performance of its products throughout their life cycle. ii)Detail on the actions To optimise the environmental performance of its products, Nestlé not only considers the environmental impacts of its manufacturing operations but also those associated with the other steps in the value chain. Nestlé therefore applies a life cycle approach, systematically assessing its product categories from farm to fork and beyond. We advocate a multi-disciplinary approach not just looking at GHG emissions but also at water and natural resources, human health, and ecosystem quality. iii) Description of the policy for managing this trade-off Nestlé aims to use natural resources efficiently at all stages of the life cycle is, to favour the use of sustainably-managed renewable resources and to target zero waste.

Further Information

Module: Sign Off

Page: Sign Off

W10.1

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

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

W10.2

Please select if your organization would like CDP to transfer your publicly disclosed response strategy from questions W1.4a, W3.2c and W3.2d to the CEO Water Mandate Water Action Hub.

Yes

Further Information

CDP 2016 Water 2016 Information Request