

Alliance for Water Stewardship

Audit Report - Nestle Waters North America, Inc.

Los Angeles, CA Water Bottling Facility

The AWS International Water Stewardship Standard, Version 1.0,

April 8th, 2014

Report Issued on 1/28/2018



2000 Powell Street, Ste. 600, Emeryville, CA 94608 USA
+1.510.452.8000 main | +1.510.452.8001 fax
www.SCSglobalServices.com

Introduction to the Alliance for Water Stewardship

The AWS Standard (“the Standard”) is intended to drive water stewardship, which is defined as the use of water that is socially equitable, environmentally sustainable and economically beneficial, achieved through a stakeholder-inclusive process that involves site- and catchment-based actions. Good water stewards understand their own water use, catchment context and shared concerns in terms of water governance, water balance, water quality and Important Water-Related Areas, and then engage in meaningful individual and collective actions that benefit people and nature. The Standard outlines a series of actions, criteria and indicators for how one should manage water at the site level and how water management should be stewarded beyond the boundaries of a site. In this Standard, the “site” refers to the implementing entity that is responsible for fulfilling the criteria. The site includes the facility and the property over which the implementer that is using or managing water (i.e., withdrawing, consuming, diverting, managing, treating and/or discharging water or effluent into the environment) has control.

Assessment Information:

Client Name	Nestlé Waters North America, Inc. - Los Angeles, CA
AWS Reference Number	AWS-010-INT-SCS-00-01-0004-0019
Client AWS Representative/Group Manager (Role/Name/Contact info)	Dave Palais, Ph.D., Natural Resource Manager; dave.palais@waters.nestle.com
Audit Team (Role/Name)	Lead Auditor: Nicole Munoz, SCS Global Services
	Technical Expert: Isabella Polenghi-Gross, Ph.D. AMEC Foster Wheeler
Audit dates (DD-DD Month YYYY)	26-Sep-17
Audit Location (main site being audited)	Nestlé Waters North America (NWNA) Los Angeles, California, USA; 1566 East Washington Blvd, Los Angeles, CA 90021-3130
Date(s) of previous audit (if applicable)	
Findings from previous year	<input type="checkbox"/> YES, see tab 9
SCS Certificate number (if applicable)	
Expiry date of previous certificate (if applicable)	

Scope of Audit (check all applicable boxes)

The AWS International Water Stewardship Standard Version V1.0 April 8th 2014

Initial audit	<input checked="" type="checkbox"/> YES
Surveillance audit	<input type="checkbox"/> YES
Re-certification audit	<input type="checkbox"/> YES
RE-evaluation audit	<input type="checkbox"/> YES
Single-site audit	<input checked="" type="checkbox"/> YES
Multi-site audit	<input type="checkbox"/> YES, see tab 3
Group audit	<input type="checkbox"/> YES, see tab 3
<i>If yes, please description of the group structure and relationships</i>	

Description of Operations

The NWNA Los Angeles plant is a water bottling facility, producing bottled water products under the brand names of Arrowhead Mountain Spring Water and Nestlé Pure Life. The geographic scope of the site is limited to the property boundary of the facility. The facility itself is located in an urban industrial setting. Water for the bottling facility comes from two sources, municipal water and spring water delivered by truck from one of several regional springs, outside of the catchment.

Description of the catchment in which the client operates:

The Los Angeles plant is located in the Los Angeles River Basin and Los Angeles Forebay, a subset of the larger Los Angeles Watershed. The catchment for the Los Angeles facility is approximately 392,729 acres and includes portions of the Los Angeles Watershed, San Gabriel Watershed, Santa Monica Bay Watershed, and Central Groundwater Sub-basin. The plant can receive water from up to six different springs; however, none of the springs are located within the catchment. The majority of spring water is sourced from Deer Canyon Springs. The catchment is mostly developed urban landscape.

Summary of shared water challenges:

Water scarcity has been identified as the primary water shared water challenge in the catchment, due to the multi-year California drought. California drought emergency conditions were lifted by the Governor in April 2017, but the water scarcity remains the primary catchment concern. Other shared water challenges include water quality concerns, particularly from groundwater, and public education surrounding water use.

Audit Attendance

Guidance:

Record in this section the people attending the different parts of the audit. Tick the parts of the audit attended by each person.

Audit Attendance Role/Title	Mark attendance with an 'x' as appropriate				
	Opening meeting	Document review	Interview	Facility Inspection	Closing meeting
Natural Resource Manager, Nwana	x	x	x	x	x
Natural Resource Manager, Nwana	x	x	x	x	x
Geologist, Haley & Aldrich	x	x	x	x	x
QA Manager, Nwana	x				x
Factory Manager, Nwana	x			x	x
Hygenist, Nwana	x				x
Operations Manager, Nwana	x			x	x

Additional information on audit attendance

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Criterion #	Standard Provision or Requirement	Major Minor Observation Conforming	Objective Evidence/Notes
STEP 1: COMMIT			
Criterion 1.1	<p>1.1 Establish a leadership commitment on water stewardship: Have the senior-most manager at the site, and if necessary a suitable individual within the corporate head office, sign and publicly disclose a commitment to:</p> <ul style="list-style-type: none"> ☐ Uphold the AWS water stewardship outcomes (good water governance, sustainable water balance, good water quality status and healthy status of Important Water-Related Areas); ☐ Engage stakeholders in an open and transparent manner; ☐ Strive to comply with legal and regulatory requirements ☐ Respect water-related rights, including ensuring appropriate access to safe water, sanitation and hygiene for all workers in all premises under the site’s control; ☐ Support and coordinate with public sector agencies in the implementation of plans and policies, including working together towards meeting the human right to water and sanitation. ☐ Continually improve and adapt the site’s water stewardship actions and plans; ☐ Maintain the organizational capacity necessary to successfully implement the AWS Standard, including ensuring that staff have the time and resources necessary to undertake the implementation; ☐ Support water-related national and international treaties; ☐ Disclose material on water-related information to relevant audiences. 		

	1.1.1 Signed and publicly disclosed statement that explicitly covers all requirements (see details in Criterion 1.1)	C	A pledge was reviewed, signed by the site factory manager, containing all elements described in this criterion.
Criterion 1.2	1.2 Develop a water stewardship policy: Develop an internally agreed-upon and communicated and publicly available water stewardship policy that references the concept of water stewardship (as informed by the AWS Standard, outcomes and criteria).		
	1.2.1 Publicly available policy that meets all requirements (see Guidance)	C	Nestle's corporate water stewardship policy "Nestle and Water: Sustainability, Protection, and Stewardship" extensively discusses Nestle's commitment to sustainable water use. The policy is publicly available on the Nestle website.
STEP 2: GATHER & UNDERSTAND			
Criterion 2.1	2.1 Define the physical scope: Identify the site's operational boundaries, the sources the site draws its water from, the locations where the site returns its discharge to, and the catchment(s) that the site affect(s) and is reliant upon.		
	2.1.1 Documentation or map of the site's boundaries	C	A map of the site was reviewed. The map included the property boundaries of the factory, discharge points, and municipal water source.
	2.1.2 Names and location of water sources, including both water service provider (if applicable) and ultimate source water	C	<p>A map with the names and locations of water sources was reviewed. The Los Angeles facility receives a total of 60 MG/yr water; LADWP Municipal System provides 37 MG/yr (65% of total water received) and 20 MG/yr, 35% of total water received, comes from up to six different springs.</p> <p>From north to south the spring sources are:</p> <ul style="list-style-type: none"> - Coyote Spring - Arrowhead Springs, one of the two major spring sources, providing approximately 5 MG/yr; - Longpoint Ranch Springs - Deer Canyon Springs, the major spring source, providing approximately 14 MG/yr (72% of the spring water); - SP Spring; and - PMGS Springs. <p>The main two sources of water for 2016 were Arrowhead Springs and Deer Canyon.</p>

	2.1.3 Names and location of effluent discharge points, including both water service provider (if applicable) and ultimate receiving water body	C	A map of the City of Los Angeles was reviewed. The site map includes discharge points located within the catchment. Nwana LA neutralizes and discharges 22 Mgal a year. They contribute less than 0.015% of wastewater. Wastewater discharge goes to Hyperion Treatment Plant which treats 450 M-800 Mgal/day and eventually to the Pacific Ocean.
	2.1.4 Geographical description or map of the catchment(s)	C	A map of the site catchment was provided. The catchment for the Los Angeles facility is approximately 392,729 acres, contained within the Santa Monica Bay, San Gabriel, and LA River Watersheds.
Criterion 2.2	2.2 Identify stakeholders, their water-related challenges and the site's sphere of influence: Identify stakeholders, document their water-related challenges and explain how the stakeholders are within the site's sphere of influence.		
	2.2.1 List of stakeholders, descriptions of prior engagements and summaries of their water-related challenges <i>(TCW in Guidance)</i>	OBS	The stakeholder map was reviewed and was created during the Nestle Community Relations Process (CRP). Stakeholders identified include local water municipalities, regulatory agencies, school districts, and local representatives and community churches. Of the stakeholders interviewed, all were aware of Nestle, but not always aware of their activities in the community. The LA facility has few strong stakeholder relationships, as stakeholders may not be as aware or engaged in water-related issues. Nwana LA has the opportunity to further educate stakeholders on their activities in the community.
	2.2.2 Description of the site's sphere of influence	C	A sphere of influence was provided and reviewed. Stakeholders are related to the site's catchment and identifies the stakeholders' ability to influence or be influenced.

<p>Criterion 2.3</p>	<p>2.3 Gather water-related data for the catchment: Gather credible and temporally relevant data on the site's catchment's</p> <ul style="list-style-type: none"> x Water governance, including catchment plan(s), water-related public policies, major publicly led initiatives under way, relevant goals, and all water-related legal, regulatory requirements; x Water balance for all sources while considering future supply and demand trends; x Water quality for all sources while considering future physical, chemical and biological quality trends; x Important Water-Related Areas, including their identification and current status, while considering future trends; x Infrastructure's current status and exposure to extreme events while considering expected future needs. <i>(TCW in Guidance)</i> 		
	<p>2.3.1 List of relevant aspects of catchment plan(s), significant publicly led initiatives and/or relevant water-related public policy goals for the site <i>(TCW in Guidance)</i></p>	<p>C</p>	<p>A list of Los Angeles Governance and Site Linkages was provided, including a list of different catchment plans, public policy goals and site level opportunities.</p>
	<p>2.3.2 List, and description of relevance, of all applicable water-related legal and regulatory requirements, including legally defined and customary water rights and water-use rights</p>	<p>C</p>	<p>A list of state and local permits, as well as regulatory requirements was reviewed. Included in the review were permits issued by the Public Health Department, Regional Water Quality Control Board, and other regulatory agencies. An additional list of legal and other requirements was also reviewed. The NPDES storm water permit is current. A Level 1 pollutants exceedance for TDS in 2016 is recorded in the CA Water Board storm water database. During a routine storm water sample event, conducted by Nwana, the TSS quality was discovered to have exceeded their NPDES limit. The exceedance was reported and corrective actions were enacted. An environmental consultant recommended to have a sweeping service clean the lot twice per month. The removal of excess dust has remedied the TSS, with subsequent samples within permit limits.</p>

	2.3.3 Catchment water balance by temporally relevant time unit and commentary on future supply and demand trends <i>(TCW in Guidance)</i>	C	<p>A catchment water balance was provided for the Los Angeles catchment basin. Monthly data was provided up through 2016 for the same catchment basin. A query from a USGS was provided and reviewed, which provided a model that covers the whole state. The query was run for the catchment area between 2010 and 2015.</p> <p>In addition, Statement of Identity documents for the different springs utilized, were reviewed with flow rate information of spring outside the site catchment.</p>
	2.3.4 Appropriate and credibly measured data to represent the physical, chemical and biological status of the site's water source(s) by temporally relevant time unit, and commentary on any anticipated future changes in water quality	C	<p>All water sources undergo the standard annual quality testing.</p> <p>Annual water quality (WQ) values are listed for Los Angeles Municipal water, Hyperion Water Reclamation Plant, and Santa Monica ambient conditions (all within catchment).</p> <p>When a certain constituent exceeds the WQ limit in the water, NWNA LA follow the approved notification mechanism to report the exceedances and proceed with the necessary measures.</p> <p>They listed the maximum values, and at times they exceed the targets. but the average values do not exceed the targets.</p>
	2.3.5 Documentation identifying Important Water-Related Areas, including a description of their current status and commentary on future trends <i>(TCW in Guidance)</i>	C	<p>Los Angeles River and Los Angeles Forebay are all identified as IWRA by NWNA. Stakeholders have added the sea water barriers. Current Status, Future Trends and a description of their general status were provided.</p>
	2.3.6 Existing, publicly available reports or plans that assess water-related infrastructure, preferably with content exploring current and projected sufficiency to meet the needs of water uses in the catchment, and exposure to extreme events <i>(TCW in Guidance)</i>	C	<p>All the LA catchment infrastructures are extensively summarized. Exposure to extreme events is discussed, as well as susceptibilities, responses and alternatives to water sources.</p>

<p>Criterion 2.4</p>	<p>2.4 Gather water-related data for the site: Gather credible and temporally relevant data on the site's:</p> <ul style="list-style-type: none"> x Governance (including water stewardship and incident response plan); x Water balance (volumetric balance of water inputs and outputs); x Water quality (physical, chemical and biological quality of influent and effluent) and possible sources of water pollution; x Important Water-Related Areas (identification and status); x Water-related costs (including capital investment expenditures, water procurement, water treatment, outsourced water-related services, water-related R&D and water-related energy costs), revenues and shared value creation (including economic value distribution, environmental value and social value). 		
	<p>2.4.1 Copies of existing water stewardship and incident response plans (<i>TCW in Guidance</i>)</p>	<p>C</p>	<p>Reviewed the 2016 CERS. The aboveground diesel tank containing 1320 gal of petroleum product that was listed in this doc, has been removed a few years ago. Other corrosive liquid and solids and combustibles and non-combustible liquids and gases are listed. This document also contains a spill prevention and control plan and other emergency action plans.</p> <p>Reviewed the May 2012 Storm-water Pollution Prevention Plan (SWPPP) and Spill Prevention Control and Countermeasure Plan signed in 2011. NWNA does not do spill cleanup themselves, but contracts with a hazardous materials spill/cleaning specialist. Reporting mechanism continues with city, state, or Federal notification as needed depending on the nature of contaminant. The SWPP is an NWNA state wide report that is customized for the Los Angeles facility and their own BMPs. They reported no spills occurred in the recent past.</p>

	2.4.2 Site water balance (in Mm ³ or m ³) by temporally relevant time unit and water-use intensity metric (Mm ³ or m ³ per unit of production or service) <i>(TCW in Guidance)</i>	C	<p>All NWNA sites are required to create water maps containing inputs and outputs of water at each facility. These water maps include metering at each stage of the bottling process. Data are recorded continuously (daily) and then summed at a monthly level. Data showing monthly water inflows, outflows and losses were reviewed.</p> <p>Their Water Withdrawal Ratio (WWR) is 1.44 liters per liter for 2016</p>
	2.4.3 Appropriate and credibly measured data to represent the physical, chemical and biological status of the site's direct and outsourced water effluent by temporally relevant time unit, and possible pollution sources (if noted) <i>(TCW in Guidance)</i>	C	<p>Their water quality protocol includes: hourly check of conductivity, pH, and turbidity on the finished product; weekly bacteria counts, and other less frequent checks pre and post UV treatment. They also monitor chlorine concentration and temperature. The system is automated so that if a value is out of limits, the system shuts down. They also test each truck that comes in (they take water quality samples from their tanked water once a week)</p> <p>NWNA is notified and must respond if the effluent quality is out of required limits (e.g. if pH exceeds certain amount).</p> <p>Their industrial wastewater permit dated April 2016 was reviewed. File "WF13 LAX Daily Wastewater Discharge Log.xlsx" was reviewed.</p>
	2.4.4 Inventory of all material water-related chemicals used or stored on-site that are possible causes of water pollution	C	<p>A list of all on-site chemicals was provided. Chemical storage was inspected during audit of the facility. We reviewed the hazardous materials inventory/plan submitted to CERS in May 2016.</p>
	2.4.5 Documentation identifying existing, or historic, on-site Important Water-Related Areas, including a description of their status	C	<p>No on-site IWRAs were identified.</p>
	2.4.6 List of annual water-related costs, revenues and description/quantification of social, environmental or economic value generated by the site to the catchment	Minor	<p>Finances are compiled and reviewed by NWNA corporate headquarters. Normally data is reviewed regionally or at the product level, not at the level of individual sites such as the Los Angeles facility, therefore a cost benefit analysis of the site to the catchment was not completed.</p> <p>Additionally, the site is not able to provide a list of annual water-related revenues. The site can provide publicly disclosed annual revenue reports, however the site is not a profit center but is a cost generator. The LA site is a part of the production system, therefore it is not possible at this point to generate this type of information. NWNA LA can provide publicly disclosed annual revenue reports.</p>

Criterion 2.5	<p>2.5 Improve the site's understanding of its indirect water use: Identify and continually improve the site's understanding of:</p> <ul style="list-style-type: none"> x Its primary inputs, the water use embedded in the production of those primary inputs and, where their origin can be identified, the status of the waters at the origin of the inputs; x Water used in outsourced water-related services within the catchment. <i>(TCW in Guidance)</i> 		
	2.5.1 List of primary inputs with their associated embedded annual (or better) water use and (where known) their country/region/or catchment of origin with its level of water stress	C	Annual Los Angeles site primary inputs were provided from 2010 to 2015. The country of origin of the input is included in file reviewed.
	2.5.2 List of outsourced services that consume water or affect water quality and both (A) estimated annual (or better) water withdrawals listed by outsourced services (Mm3 or m3) and (B) appropriate and credibly measured data to represent the physical, chemical and biological status of the outsourced annual (or better) water effluent	C	Documentation provided shows values of water withdrawals and availability relevant to the site, calculates the blue water scarcity value and scores to grade the water stress caused.
Criterion 2.6	2.6 Understand shared water-related challenges in the catchment: Based upon the status of the catchment and stakeholder input, identify and prioritize the shared water-related challenges that affect the site and that affect the social, environmental and/or economic status of the catchment(s). In considering the challenges, the drivers of future trends and how these issues are currently being addressed by public-sector agencies must all be noted.		
	2.6.1 Prioritized and justified list of shared water challenges that also considers drivers and notes related to public-sector agency efforts <i>(TCW in Guidance)</i>	C	A prioritized list with rationale of shared water challenges was provided and reviewed. Drivers and public-sector agency efforts noted as well as Drought/Protected Water Scarcity prioritized as first, on a scale of 1-5. NWNA LA prioritized largely based on CRP 2.0 stakeholder feedback and based on corporate initiatives.

Criterion 2.7	2.7 Understand and prioritize the site's water risks and opportunities: Based upon the status of the site, existing risk management plans and/or the issues identified in 2.6, assess and prioritize the water risks and opportunities affecting the site. <i>(TCW in Guidance)</i>		
	2.7.1 Prioritized list of water risks facing the site, noting severity of impact and likelihood within a given time frame	C	A prioritized list of water risks was provided and reviewed. Water risks matched water challenges. Water risks prioritized based on site's ability to operate. Drought/Projected Water scarcity prioritized first, on a scale of 1-5.
	2.7.2 Prioritized list of water-related opportunities for the site	C	A prioritized list of water-related opportunities for the site and match the water challenges and water risks lists. First priority is based on the Drought/Projected Water Scarcity and focusing on better management of water resources.
	2.7.3 Estimate of potential savings/value creation	C	A prioritized list of savings and value creation provided. Value creation was quantified as applicable.
STEP 3: PLAN			
Criterion 3.1	3.1 Develop a system that promotes and evaluates water-related legal compliance: Develop, or refer to, a system that promotes and periodically evaluates compliance with the legal and regulatory requirements identified in Criterion 2.3.		
	3.1.1 Documented description of system, including the processes to evaluate compliance and the names of those responsible and accountable for legal compliance <i>(TCW in Guidance)</i>	C	The NWNA LA Compliance Matrix was provided and reviewed. Included in the matrix are the listed permits and responsible staff to ensure maintenance of compliance. Additionally, an environmental audit is conducted each year.

<p>Criterion 3.2</p>	<p>3.2 Create a site water stewardship strategy and plan: Develop an internally available water stewardship strategy and plan for the site that addresses its shared water challenges, risks and opportunities identified in Step 2 and that contains the following components (see Guidance for plan template):</p> <ul style="list-style-type: none"> x a strategy that considers the shared water challenges within the catchment, water risks for the site (noting in particular where these are connected to existing public-sector agency catchment goals) and the site’s general response (from Criteria 2.6 and 2.7) x a plan that contains: <ul style="list-style-type: none"> o A list of targets (based upon Criterion 2.7) to be achieved, including how these will be measured and monitored. Note: where identified as a shared water challenge, these targets must be continually improving for the four water stewardship outcomes until such time as best practice is achieved; o A list of annual actions that links to the list of targets; o A budget for the proposed actions with cost/benefit financial information (based, in part, upon financial data from 2.7); o An associated list indicating who will undertake the actions (i.e., who is responsible for carrying out the work) and who will ensure that the work is completed (i.e., who is accountable for achieving the target), including actions of other actors in the catchment; o A brief explanation that speaks to how the proposed actions will affect: (A) water-risk mitigation, (B) water stewardship outcomes and (C) shared water challenges. 		
	<p>3.2.1 Available water stewardship strategy</p>	<p>C</p>	<p>A water stewardship strategy provided and reviewed. NWNA LA’s strategy is high level document stating the overall strategy in alignment with the AWS requirements.</p>

	3.2.2 Available plan that meets all component requirements and addresses site risks, opportunities and stakeholder shared water challenges <i>(TCW in Guidance)</i>	C	A detailed water stewardship plan was created as part of the AWS process. The plan is broken into objectives, targets, and actions. There are different actions corresponding to different targets, each with their own metrics, budget, responsible person, status, and other criteria. Drought, Water Quality, Public Consumer Education , Water Efficiency are the water topics identified in this plan.
Criterion 3.3	3.3 Demonstrate responsiveness and resilience to water-related risks into the site's incident response plan: Add to or modify the site's incident response plan to be both responsive and resilient to the water-related risks facing the site.		
	3.3.1 A description of the site's efforts to be responsive and resilient to water-related issues and/or risks in an appropriate plan <i>(TCW in Guidance)</i>	C	NWNA LA provided their Drought Contingency Plan, which included a description of their required responsiveness and resilience to water related issues and risks. Plan highlights shortages by the municipal water and springs.
Criterion 3.4	3.4 Notify the relevant (catchment) authority of the site's water stewardship plans: Contact the appropriate catchment authority/agency (if any) and inform them of the site's plans to contribute to the water stewardship objectives of their catchment plan as identified in Criterion 2.3. <i>(TCW in Guidance)</i>		
	3.4.1 Documented evidence of communicating the site's plan to the relevant catchment authority/agency	C	NWNA LA provided the outreach log and communication with catchment authorities about the AWS process. Communication and outreach confirmed through stakeholder interviews.
STEP 4: IMPLEMENT			

Criterion 4.1	4.1 Comply with water-related legal and regulatory requirements and respect water rights: Meet all applicable legal and regulatory requirements related to water balance, water management and Important Water-Related Areas as well as water-related rights. As noted in Criteria 1.1 and 3.2, where, through its water use, the site is contributing to an inability to meet the human right to safe drinking water and sanitation, the site must also continually work with relevant public sector agencies until this basic human right to water and sanitation is fulfilled.		
	4.1.1 Documentation demonstrating compliance (<i>TCW in Guidance</i>)	C	Nwana LA compliance matrix and environmental audit report were provided and met the indicator criteria.
	4.1.2 (Catchments with stakeholders who have an unmet human right to safe drinking water and sanitation) Documentation of efforts to work with relevant public sector agencies to fulfil human right to safe drinking water and sanitation.	C	No unmet human rights needs identified within this catchment.
Criterion 4.2	4.2 Maintain or improve site water balance: Meet the site's water balance targets. As noted in Criterion 3.2., where water scarcity is a shared water challenge, the site must also continually decrease its water withdrawals until best practices are met and work with relevant public sector agencies to address the imbalance and shared water challenge. Note: if a site wishes to increase its water use in a water scarce context, the site must cause no overall increase in water scarcity in the catchment and depletion of the site's water source(s) and encourage relevant public sector agencies to address the unlawful water use contributing to the imbalance in the catchment. (<i>TCW in Guidance</i>)		

	4.2.1 Measurement-based evidence showing that targets have been met	C	<p>The site has improved its water efficiency as per its targets, by optimizing the flow nozzles (1,662,000 gal/year domestic water savings) and the filler valves (95,000 gal/year domestic water savings). All this has been verified through the review of their updated water map. The site's Waste Water Ratio (WWR) of 1.44 liters per liter (versus target of 1.38) is considered a good achievement especially with respect to other similar Nestle facilities in CA.</p> <p>The site has continuously improved its water efficiency through 1) the optimization & improvements of washers; 2) installation of a new Reverse Osmosis (RO) system in 2011, which takes the used water and reclaims 50% of it. Nestle plans to further improve water efficiency of their fillers.</p> <p>Only 6% of the spring water that is recieved, is discharged as waste.</p> <p>The LA site has the most efficient washer of all the NWNA facilities and ranks second best for KPI and WQ complaints.</p>
	4.2.2 (Water scarce catchments only) Evidence of continual decrease or best practice	OBS	<p>The site is within a water scarce catchment. NWNA is planning for production increase, but since planning is done at the brand level, not the site level, it is not clear whether this particular site would increase or maintain its water use in the future. The site will need to track this in order to comply with the indicator during subsequent renewal and surveillance years.</p>
	4.2.3 (Sites wishing to increase withdrawals in water scarce catchments only) Evidence of no net increase in water scarcity	OBS	<p>See 4.2.2. Indicator to be reviewed during surveillance and renewal years.</p>

Criterion 4.3	4.3 Maintain or improve site water quality: Meet the site's water quality targets. As noted in Criterion 3.2., where water quality stress is a shared water challenge, the site must also continually improve its effluent for the parameters of concern until best practices are met and work with relevant public sector agencies to address the imbalance and shared water challenge. Note: if a site wishes to increase its water use in a water stressed context, the site must cause no overall increase in the degradation of water quality in the catchment and degradation of the site's water source(s) and encourage relevant public sector agencies to address the unlawful water use contributing to the degradation in the catchment.		
	4.3.1 Measurement-based evidence showing that targets have been met	C	Measurement system is in place for water quality targets throughout the site, data from previous monitoring reports were reviewed. Annual review of data was found to be within regulatory limits. Water monitoring protocol was discussed with quality assurance resources manager. Wastewater results are within permitted values.
	4.3.2 (Water quality-stressed catchments only) Evidence of continual improvement or best practice	C	Water quality is not a shared water challenge in this context
	4.3.3 (Sites wishing to increase effluent levels of water quality parameters of concern in water quality-stressed catchments only) Evidence of no net degradation in water quality in the catchment	C	Water quality is not a shared water challenge in this context

Criterion 4.4	4.4 Maintain or improve the status of the site's Important Water-Related Areas: Meet the site's targets for Important Water-Related Areas at the site. As noted in Criterion 3.2., where Important Water-Related Area degradation is a shared water challenge, the site must also continually improve its Important Water-Related efforts until best practices are met, and the site must not knowingly cause any further degradation of such areas on site. <i>(TCW in Guidance)</i>		
	4.4.1 Documented evidence showing that targets have been met	C	No IWRAs are present on the site. There is positive evidence of NWNA's contribution to IWRA identification in the catchment. Catchment IWRAs have been identified together with their current status, future trends and site status. IWRAs are discussed in AWS presentations to stakeholders. Progress towards implementation of IWRA plans include a) positive participation in good water governance (meetings with catchment authorities, interviews with local authorities, local business and local population including schools and churches) and b) Plant Open Houses and regular Website Updates.
	4.4.2 (Degraded Important Water-Related Area catchments only) Evidence of continual improvement or best practice	C	IWRAs are not identified as a shared water challenge in the catchment.
Criterion 4.5	4.5 Participate positively in catchment governance: Continually coordinate and cooperate with any relevant catchment management authorities' efforts. As noted in Criterion 3.2, where water governance is a shared water challenge, the site must also continually improve its efforts until best practices are met <i>(TCW in Guidance)</i>		
	4.5.1 Documented evidence of the site's ongoing efforts to contribute to good catchment governance	C	NWNA LA provided documentation of their efforts to support good catchment governance through participation with the City of Los Angeles.
	4.5.2 (Weak water governance catchments only) Evidence of continual improvement or best practice	C	Water governance is not identified as a shared water challenge.

Criterion 4.6	4.6 Maintain or improve indirect water use within the catchment: Contact the site's primary product suppliers and water-related service providers located in the catchment and request that they take actions to help contribute to the desired water stewardship outcomes.		
	4.6.1 List of suppliers and service providers, along with the actions they have taken as a result of the site's engagement relating to indirect water use	C	A list of Primary Input Providers and Outsource Services was prepared. Water usage data have been compiled for all the Primary Input Providers and some Outsourced Services.
Criterion 4.7	4.7 Provide access to safe drinking water, adequate sanitation and hygiene awareness (WASH) for workers on-site: Ensure appropriate access to safe water, effective sanitation and protective hygiene for all workers in all premises under the site's control.		
	4.7.1 List of actions taken to provide workers access to safe water, effective sanitation and protective hygiene (WASH) on-site (<i>TCW in Guidance</i>)	C	NWNA uses a self-assessment tool at each site to review access to drinking water, sanitation and hygiene awareness (WASH). The nature of the product made at the facility requires strict adherence to these principals. Pledged compliance was achieved within the Los Angeles facility.
Criterion 4.8	4.8 Notify the owners of shared water-related infrastructure of any concerns: Contact the owners of shared water-related infrastructure and actively highlight any concerns the site may have in light of its risks and shared water challenges.		
	4.8.1 List of individuals contacted and key messages relayed (<i>TCW in Guidance</i>)	C	Shared water-related infrastructure on this site is limited to infrastructure related to the building itself. Shared infrastructures would be wastewater pipelines. An outside specialty company currently conducts the chemical analyses.
STEP 5: EVALUATE			

Criterion 5.1	5.1 Evaluate the site's water stewardship performance, risks and benefits in the catchment context: Periodically review the site's performance in light of its actions and targets from its water stewardship plan to evaluate: x General performance in terms of the water stewardship outcomes (considering context and water risks), positive contributions to the catchment, and water-related costs and benefits to the site. <i>(TCW in Guidance)</i>		
	5.1.1 Post-implementation data and narrative discussion of performance and context (including water risk)	C	NWN LA provided a Shared Value Creation Matrix indicating performance related to water risk. Targets dates within 2016 and 2017 provided data of successes and cost/benefit related to water risk. Further evaluation will be conducted during the surveillance and renewal years.
	5.1.2 Total amount of water-related costs, cost savings and value creation for the site based upon the actions outlined in 3.2 (drawn from data gathered in 2.4.6)	C	See 5.1.1
	5.1.3 Updated data for indicator 2.4.7 on catchment shared value creation based upon the actions outlined in 3.2	C	See 5.1.1
Criterion 5.2	5.2 Evaluate water-related emergency incidents and extreme events: Evaluate impacts of water-related emergency incidents (including extreme events), if any occurred, and determine effectiveness of corrective and preventive measures. Factor lessons learned into updated plan.		

	5.2.1 Documented evidence (e.g., annual review and proposed measures)	C	<p>The facility has a complete, accurate, and current Storm water Pollution Prevention Plan (SWPPP) or storm water monitoring Plan (MP).</p> <p>All containers of hazardous material and hazardous waste are stored in a way that provides appropriate secondary containment.</p> <p>The appropriate safety equipment (ex. fire extinguisher, eye wash, etc.) is available in the immediate vicinity, in good condition and properly maintained/inspected.</p> <p>No water related emergency events were recorded in the past few years. A drought mitigation plan is in place. No shutdown occurred that was water related. The annual environmental reviews document these emergency events, if any.</p>
Criterion 5.3	5.3 Consult stakeholders on water-related performance: Request input from the site's stakeholders on the site's water stewardship performance and factor the feedback/lessons learned into the updated plan.		
	5.3.1 Commentary by the identified stakeholders (<i>TCW in Guidance</i>)	C	<p>Stakeholder outreach conducted through the CRP 2.0. Responses covered the main topics of Water Resource Management, Relations with Stakeholders, Industrial Impacts and Local Contribution. No high concern comments. Moderate ranking concerns included Water Quality, Water Quantity, Transport Safety, and WW nuisances.</p>
Criterion 5.4	5.4 Update water stewardship and incident response plans: Incorporate the information obtained into the next iteration of the site's water stewardship plan. Note: updating does not apply for initial round of Standard implementation.		
	5.4.1 Modifications to water stewardship and incident response plans incorporating relevant information (<i>TCW in Guidance</i>)	NA	<p>This is the initial assessment, therefore this indicator does not apply for this initial round of standard implementation.</p>
STEP 6: COMMUNICATE & DISCLOSE			
Criterion 6.1	6.1 Disclose water-related internal governance: Publicly disclose the general governance structure of the site's management, including the names of those accountable for legal compliance with water-related laws and regulations.		

	6.1.1 Disclosed and publicly available summary of governance at the site, including those accountable for compliance with water-related laws and regulations <i>(TCW in Guidance)</i>	C	NWNA LA facility posts the factory organization chart in the entry of the factory floor where it will be observed the most by staff. It includes the staff and relevant responsible personnel for water-related laws and regulations. Factory open houses also include presentations on the site's water stewardship projects and implementation of the AWS International Water Stewardship Standard.
	6.2 Disclose annual site water stewardship performance: Disclose the relevant information about the site's annual water stewardship performance, including results against the site's targets. <i>(TCW in Guidance)</i>		
	6.2.1 Disclosed summary of site's water stewardship results	C	The stakeholder presentation (CRP 2.0) was reviewed. Presentation includes the site's water stewardship performance results, inclusive of the site's water challenges, stakeholder feedback, targets, and implementation outcomes. NWNA Los Angeles conducted public/consumer education outreach through factory tours; California water issue updates on the Arrowhead website; and provided the presentation attendance list.
	6.3 Disclose efforts to address shared water challenges: Publicly disclose the site's shared water challenges and report on the site's efforts to help address these challenges, including all efforts to engage stakeholders and coordinate and support public-sector agencies. <i>(TCW in Guidance)</i>		
	6.3.1 Disclosed and publicly available description of shared challenges and summary of actions taken to engage stakeholders (including public-sector agencies)	C	The stakeholder presentation (CRP 2.0) was reviewed. Presentation includes the site's water stewardship performance results, inclusive of the site's water challenges, stakeholder feedback, targets, and implementation outcomes. The presentation was provided to 15 attendees the week prior to the onsite audit. NWNA Los Angeles conducted public/consumer education outreach through factory tours and updates regarding the California water issue on the Arrowhead website.

	<p>6.4 Drive transparency in water-related compliance: Make any site water-related compliance violations available upon request as well as any corrective actions the site has taken to prevent future occurrences. Note: any site-based violation that can pose an immediate material threat to human or ecosystem health from use of or exposure to site-related water must be reported immediately to relevant public agencies.</p>		
	<p>6.4.1 Available list of water-related compliance violations with corresponding corrective actions</p>	<p>C</p>	<p>All violations are publicly available through state reporting. A few citations were issued by the City of Los Angeles, Department of Public Works because NWNA submitted the semiannual sampling results later than the due date. NWNA has addressed and corrected the issue.</p>
	<p>6.5 Increase awareness of water issues within the site: Strive to raise the understanding of the importance of water issues at the site through active communications.</p>		
	<p>6.5.1 Record of awareness efforts (dates and communication) and, if possible, level of awareness (<i>TCW in Guidance</i>)</p>	<p>C</p>	<p>A signed sheet dated in 2017 documenting AWS educational program provided to the Los Angeles facility employees was reviewed. The truck drivers are not included in the formal program, because they are sourced from an outside company. NWNA have discussed AWS with their managers during regular conference calls.</p>

Audit Non-conformities and Observations

Guidance

Disclaimer: auditing is based on a sampling process of the available information and therefore nonconformities may exist which have not been identified.

Observations are defined as an area of concern regarding a process, document, or activity where there is opportunity for improvement.

Major non-conformity is raised if the issue represents a systematic problem of substantial consequence; the issue is a known and recurring problem that the client has failed to resolve; the issue fundamentally undermines the intent of the AWS Standard; or the nature of the problem may jeopardize the credibility of AWS.

Applicants must close* major NCR within Ninety (90) days of the NCR issue date. Failure to meet this deadline will require another conformity assessment.

Certificate Holders must close* major NCR within Thirty (30) days of the NCR issue date. If the Major NCR is not addressed within 30 days SCS shall suspend or withdraw the certificate and reinstatement shall not occur before another conformity assessment has been successfully completed.

Minor non-conformity: Where the audit team has evaluated an audit finding and determines that the seriousness of the issue does not meet the any of the criteria for Major non-compliance the audit team shall grade the finding as a minor non-conformity.

Applicants must submit an acceptable corrective action plan^ to address all minor non-conformities to be recommended for certification.

Certificate Holders must close minor NCR within Ninety (90) days of the NCR issue date. SCS may agree to an alternative time frame with the client as long as this can be justified and is documented in the NCR report.

If corrective actions are inadequate to resolve a minor non-conformity by the time of the next scheduled audit, SCS shall upgrade the audit finding to a major non-conformity.

If an unusually large number of minor non-conformities are detected during the course of a single audit, the audit team may at their discretion raise a major non-conformity to reflect a systematic failure of the client's management system to deliver conformity with the AWS Standard.

* closed = actioned by the client, corrections & corrective actions verified and closed by the auditor.

^The corrective action plan shall include an analysis of the root cause of the minor non-conformity; the specific corrective action(s) to address the minor non-conformity; and an appropriate time frame to implement corrective action(s).

NC #	Criteria / Indicator #	Major – Detail on Non Conformance	Due Date (XX calendar Days)	Root Cause Analysis and Corrective Action Taken

MINOR #	Section #	Minor – Detail on Non Conformance	Due Date	Corrective Action Taken

NES-MINOR-2017-001	2.4.6	<p>Finances are compiled and reviewed by NWNA corporate headquarters. Normally data is reviewed regionally or at the product level, not at the level of individual sites such as the Los Angeles facility, therefore a cost benefit analysis of the site to the catchment was not completed.</p> <p>Additionally, the site is not able to provide a list of annual water-related revenues. The site can provide publicly disclosed annual revenue reports, however the site is not a profit center but is a cost generator. The LA site is a part of the production system, therefore it is not possible at this point to generate this type of information. NWNA LA can provide publicly disclosed annual revenue reports.</p>	2-Mar-18	<p>Root Cause Analysis: Currently, the company tracks financial data by total brand values and not at a factory-specific level. However, costs and revenues presented in the audit represent the financial data as specifically attributed to the Los Angeles factory, where possible.</p> <p>Corrective Action: Revised water-related costs and revenues will be presented and/or estimated for the Los Angeles site, where possible and where company determines proprietary information is not required to be disclosed. Explicit references will be made regarding social and environmental values provided to the catchment.</p>
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OBS #	Section #	Observation – Detail on Opportunity for Improvement	Due Date	Corrective Action Taken
NES-OBS-2017-001	2.2.1	<p>The stakeholder map was reviewed and was created during the Nestle Community Relations Process (CRP). Stakeholders identified include local water municipalities, regulatory agencies, school districts, and local representatives and community churches. Of the stakeholders interviewed, all were aware of Nestle, but not always aware of their activities in the community. The LA facility has few strong stakeholder relationships, as stakeholders may not be as aware or engaged in water-related issues. NWNA LA has the opportunity to further educate stakeholders on their activities in the community.</p>	N/A	<p>Note: We understand the observation and will take the advice under consideration. No Corrective Action Plan required.</p>
NES-OBS-2017-002	4.2.2	<p>The site is within a water scarce catchment. NWNA is planning for production increase, but since planning is done at the brand level, not the site level, it is not clear whether this particular site would increase or maintain its water use in the future. The site will need to track this in order to comply with the indicator during subsequent renewal and surveillance years.</p>	N/A	<p>Note: We understand the observation and will take the advice under consideration. We agree that efforts by NWNA have already been undertaken to increase water use efficiency, decrease water usage, and to understand NWNA's effect on Catchment water balance. Since NWNA wishes to increase production at the Los Angeles factory, NWNA will work with Catchment governance authorities to formalize documentation of no net increase in water scarcity. These items will be enacted by the first surveillance audit. No Corrective Action Plan required.</p>
	4.2.3	<p>See 4.2.2. Indicator to be reviewed during surveillance and renewal years.</p>	N/A	<p>Note: We understand the observation and will take the advice under consideration. No Corrective Action Plan required.</p>

Certification Decision

Guidance
<p>The recommendation section to be filled out by the auditor with optional comments. The Certification Decision section is to be completed by the SCS's decision-making entity after initial, re-certification and re-evaluation audits. Details of the decision making entity and any observations or further details can be included in the comments field.</p>

Auditor's recommendation for initial, continued or re-certification based on compliance with requirements:	X	Initial Certification Recommended
		Initial/Continued Certification Not Recommended
Level of certification recommended (if applicable):	X	AWS Core
		AWS Gold
		AWS Platinum
Comments (e.g. justification for change in certification level, recommendations for sampling):		

To be completed by the SCS Decision-Making Entity	SCS Certification Decision:	x	Approved
			Denied
	Certification decision by:	<i>Neil Mendenhall</i>	
	Technical Review by:	<i>Neil Mendenhall</i>	
	Date of decision:	28 January 2018	
	Surveillance schedule:	annual	