



Alliance for Water Stewardship Assessment Report

Prepared for Inghams Enterprises (NZ) Pty Ltd

Prepared by: SGS

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REPORT DETAILS


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1 EXECUTIVE SUMMARY

The scope of services covers the conformity assessment in compliance with the AWS International Water Stewardship Standard Standard Version 2-0 for Inghams Enterprises (NZ) Pty Ltd for their Te Aroha Primary Processing Plant, Waikato Region, New Zealand. The assessment has been completed in compliance with AWS Certification Requirements v 2.0 December 2019.

As the audit was conducted during the COVID period, it was followed the “INTERIM POLICY NO. 1 ON REMOTE AUDITING - RECERTIFICATION AUDITS, EFFECTIVE JUNE 1, 2020”, where the requirements were fulfilled:

- It was requested an authorization to AWS for a remote audit which was granted prior to the start of the audit.
- Stakeholder were selected for virtual interviews which were 2 external stakeholders and 2 internal stakeholders.
- The certificate to be issued will be “PROVISIONAL” pending the first opportunity for SGS to visit the site.

Given the document review undertaken, and verification of evidence, SGS recommends that Inghams NZ is recertified to the AWS Core Certified status for a new 3-years cycle. As they closed successfully all the 7 gaps to version 2 identified at the 2019 audit, it is recommended the upgrade to the AWS International Water Stewardship Standard Standard Version 2.

A total of three new observations to the V2-0 of the standard were identified during the course of the audit process. In relation to previous findings, there were only 2 observations which will remain open until next audit.

The audit frequency is recommended to continue to be annually. As the re-certification was conducted virtually, a site visit is planned to be conducted for the surveillance audit in 2021.

2 SCOPE OF ASSESSMENT

The scope of services covers the conformity assessment in compliance with the AWS International Water Stewardship Standard Standard Version 2-0 for Inghams Enterprises (NZ) Pty Ltd for their Te Aroha Primary Processing Plant, Waikato Region, New Zealand. The assessment has been completed in compliance with AWS Certification Requirements v 2.0 December 2019. The AWS level assessed continues to be CORE.

Ingham's Te Aroha Processing Plant, located on Waihekau Road, Waitoa, is the single largest poultry primary processing plant in New Zealand. The site employs approximately 600 people, majority of whom are based in the three surrounding towns, namely Matamata, Morrinsville and Te Aroha. In addition, the plant's activities support a significant number of local engineering and service industries.

The scope of operation is "Food Processing". The detailed activities of the company are: "Slaughter and further processing of Poultry and Poultry products including, chicken meat for human consumption, pet food and rendered bi products".

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- It was requested an authorization to AWS for a remote audit which was granted prior to the start of the audit.
- Stakeholder were selected for virtual interviews which were 2 external stakeholders and 2 internal stakeholders.
- The certificate to be issued will be "PROVISIONAL" pending the first opportunity for SGS to visit the site.

The remote audit was conducted virtually through the platform Teams and Zoom, over 3 days 14th, 16th, 20th July 2020 which included interviews to the AWS representatives, external stakeholders and internal stakeholders. The 28th July 2020 was to review final evidence.

Inghams NZ provided the requested supporting internal documentation and records as evidence. Also, they provided public information issued by the councils and environmental experts. SGS provided feedback on observations and findings raised through the virtual audit.

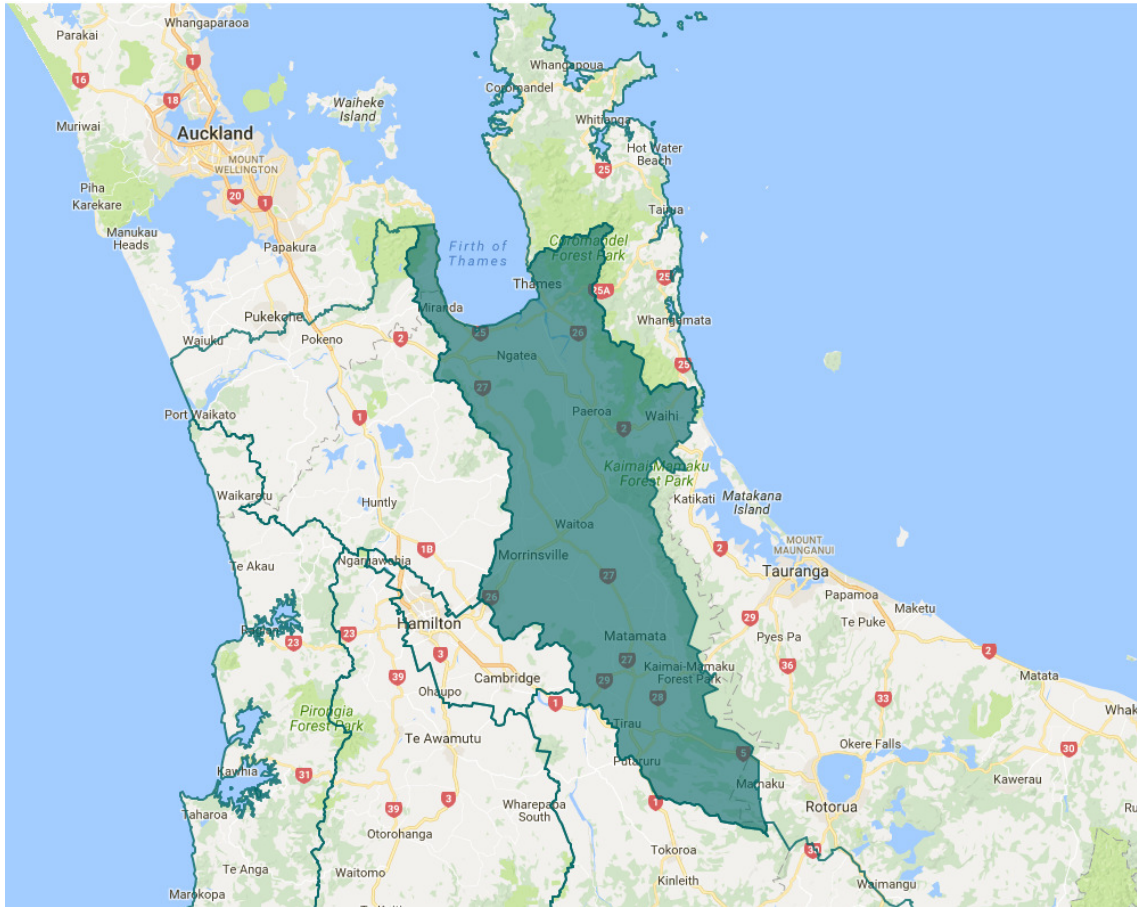
3 DESCRIPTION OF CATCHMENT

Ingham’s Primary Processing Plant is located within the Waihou-Piako catchment zone, which is one of the eight catchment zones defined in the Waikato Region by the Waikato Regional Council. The map of the catchment zones and the location of Ingham’s site are provided in Figures 1 and 2.

Figure 1: Eight catchment zones in the Waikato Region



Figure 2: Ingham's site location in the Waihou-Piako catchment zone



The Waikato Regional Council's website provides the following information on the Waihou-Piako catchment (Waikato Regional Council, 2017).

The Waihou Piako zone includes the catchments of the Miranda Coast up as far as Kaiaua, the Waitakaruru River, the Piako River, the Waihou River, the Kauaeranga River, the Thames streams and the Tararu Stream. It includes all of the land that drains into the Firth of Thames from Kaiaua in the west to Tararu in the east, the major portion of which is the Hauraki Plains and Thames Valley catchments.

The zone has a number of values that are considered important to its community, as well as to the wider Waikato regional community. These include the Waihou River system, the native forests of the Coromandel and Kaimai and Mamaku ranges, the Kōpuatai Peat Dome, which is home to a number of rare plants and animals, and the Firth of Thames foreshore, which provides important habitat for migratory and resident seabirds.

4 SUMMARY OF SHARED WATER CHALLENGES

Inghams NZ has identified the shared water challenges and list them in the Water Stewardship Plan. Table outlines the identified shared water challenges of water quality, availability and catchment health.

Table 5: Shared water challenges

Water challenge	Rank	Relevance / rationale for stakeholders	Relevance / rationale for the site	Rationale for Prioritisation
Water quality in the water ways leading to and discharging in the Firth of Thames – Waikato Regional Council report (Water Quality of the Hauraki Rivers and Southern Firth of Thames 2000-09) and LAWA.org.nz show high levels of nitrogen, phosphorus and E.coli levels in Waihou and Piako Rivers.	1	Related to the Firth of Thames RAMSAR site	It is important for public reputation that the site's operation is not seen as contributing to increased pollution of the waterways.	Valuable – the site's discharge of treated wastewater into Waihekau Stream (leads to Waitoa River, then into Piako River) is of high quality at all times and meeting consent limits
Climate variability – drought events in the Waikato Region	2	All stakeholders who use Council-supplied potable water are affected.	The site sources all of the potable water from the Council's municipal facility and is subject to significant water reduction in drought events, which affects the site's processing ability.	Valuable – the site's relies on the Council's supply of potable water and is subject to a significant restriction in drought events, as it is one of a few large water users.
Catchment health	3	Healthy catchment reduces water-related risks and helps sustain the resource.	The site's ability to continue to discharge the treated wastewater into the catchment is dependent on the health of the catchment (assimilative capacity).	Valuable – the site's discharge of treated wastewater into Waihekau Stream (leads to Waitoa River, then into Piako River), as well as other discharges (including diffuse discharge) are relevant factors of the health of the catchment.

5 INDICATORS CHECKLIST

As per the requirement set out in the AWS certification requirements Section 2.11.3.1 it was prepared a checklist of all the CORE AWS indicators with the relevant reviewed evidence provided by the site and the indicator with which it is associated.

6 AUDIT FINDINGS & OPPORTUNITIES FOR IMPROVEMENT

The new findings raised during this recertification audit were provided to the site, which were new observations to V2-0 of the standard.

Relating to Previous Audit Results:

Observations 2019:

- Indicator 1.2.1: The site may consider to have their commitment in Maori language, for enhancement of inclusion of stakeholders. **OPEN for 2021, it will be discussed with management.**
- Indicator 4.6.1: The Water Stewardship Review Performance has 5 objectives, but it does not mention the indirect water use objective of the WSP which is the 6th objective. **OPEN for 2021, the objective of indirect water use will be re-structured further, in order to divide the upstream farm suppliers into which are at the catchment and which are located in other catchments. Also, for the level of influence, they will subdivide in farms that are managed/operated by Inghams, from the ones that are contracted to external farmers. Therefore, objective of indirect water may be relevant.**

GAPs identified in 2019 to AWS V2-0, all closed in 2020:

- GAP V2-0: To update commitment to version 2-0 requirements, adding WASH as the new outcome, expanding it more than the current mention of only the workers on-site. It shall be also more specific that “That the site implementation will be aligned to and in support of existing catchment sustainability plans”
CLOSED: The AWS commitment was updated on June 2020 to include the WASH new outcome. It is signed by the Site Manager of Inghams NZ and endorsed by the Inghams NZ’ CEO. The content of the updated commitment is also included at the Water Stewardship plan issued on the 12th June 2020.
- GAP V2-0: The indicator 1.2.1 request to “Inclusively cover all relevant stakeholder groups including vulnerable, women, minority, and Indigenous people”, therefore, the current list should be updated to reflect those specific groups or link to them. Currently it already reflects the “iwi” which represents the indigenous people.

CLOSED: The AWS stakeholder matrix at the Water Stewardship Plan identifies several iwis and indigenous groups as stakeholders, due to the fact that for New Zealand, the iwis are significant groups that have an ancestral connection with the waterways. Furthermore, it is listed the stakeholder of Paiko Catchment Forum which has a diverse participation of women, minorities and vulnerable groups as it is a representation of the local community mix. Chapter 5 of the Water Stewardship Plan was updated to explain further the diversity of the Paiko Catchment Forum, and the involvement with women. It provides an overview of the context of NZ where the socio-economic status is high, therefore, there are no challenges related to vulnerable or minorities groups. Also, it is clear that several of the representatives of the stakeholders are women.

- GAP V2-0: Indicator 1.5.7 of version 2-0 ask to identify the adequacy of available WASH services within the catchment shall be identified. However, current plans do not provide an overview of the WASH situation on the catchment.

CLOSED: The Water Stewardship Plan at the chapter of Water Related infrastructure chapter explains the water supplier projections and upgrades needed to address them. NZ has a high level of access to WASH, which is responsibility of the government and if it is not provided appropriately, they can lose the license or have fines, therefore, the compliance fall under the water and wastewater industrial and residential. The document explains now: “For Water and Sanitation for Health (WASH) infrastructure within the catchment, this is operated and controlled by district councils which are regulated by larger regional councils. Due to this set-up the WASH infrastructure within the catchment is maintained and operated to a high standard in order to avoid incidents of regulatory non-compliance. Also, due to New Zealand’s socioeconomic status, domestic WASH infrastructure within the catchment is of a high standard providing suitable levels of sanitation and hygiene to avoid disease or infection.”

- GAP V2-0: Criteria 1.8 of version 2-0 requires to understand best practice towards achieving AWS outcomes: Determining sectoral best practices having a local/catchment, regional, or national relevance.

CLOSED: The Water Stewardship Plan was updated to include the benchmarks related to each of the 5 outcomes. For Water Governance, it is focus on participation. For Water Balance, it shows a comparison with other Ingham’s

facilities that are similar in type of activities. For Water quality, the parameters of WW of FY 2020 were compared with a study by a consultant made in August 2016, which had a benchmark conducted about wastewater quality of other facilities. For IWRA's the benchmark provided was collaboration of resources towards improving IWRAs. For WASH, the maintenance of the legal requirements and licensing.

- GAP V2-0 (NEW): As WASH was incorporated as a new Water Stewardship Outcome, the WSP and all documentation of Inghams shall be updated to reflect this 5th outcome in the structure.

CLOSED: The AWS commitment, the Water Stewardship Plan, the Objectives and the Performance review were updated to reflect the WASH outcome.

- GAP V2-0: The site business continuity plan does not address resilience on the medium and long term, as it is to address emergency situations rather than adaptation. Indicator 2.4.1 of the Version 2-0, requires a plan to mitigate or adapt to identified water risks developed in co-ordination with relevant public-sector and infrastructure agencies shall be identified.

CLOSED: The Business Continuity Plan was updated the 20th February 2020, and it focus on site responsiveness and mitigation. The actions for responsiveness of the infrastructure for bore water also addresses resilience.

Specifically, for resilience and adaptation, there was a study conducted by an expert for climate change potential impacts with a "Risk 2030 Business Model" and to address resilience for all Ingham's facilities in Australia / NZ. Within the study, for Inghams NZ the key adaptation action identified was to have a bore water system, which was implemented in February 2020.

- GAP V2-0: Criteria 3.9 requires to implement actions to achieve best practice towards AWS outcomes: continually improve towards achieving sectoral best practice having a local/catchment, regional, or national relevance.

CLOSED: The Water Stewardship Plan was updated to include in the objectives, the specific actions towards maintaining or improving the benchmarks identified for each of the 5 outcomes of the standard. For instance, in Water Quality and WASH the focus is on maintenance, while for the other 3 outcomes if of enhancing participation and improving.

Relating to this Audit

Four new observations were raised during the audit which are for future improvement, but no action is necessary during this audit period, however, these issues would most likely come under scrutiny during next audits.

Observations 2020:

- Indicator 1.2.2: The site has identified the key external stakeholders at the Table 6 of the WSP, however, the list does not include internal stakeholders (such as employees and directors). For example, the employees are relevant for some of the water stewardship outcomes, such as WASH.
- Indicator 2.3.1: At the FY 2020 goals (objectives / targets) it has been eliminated the “Work with farming suppliers in order to reduce indirect water usage of on-site activity - Create active lines of communication to promote farming water conservation”. The reasoning was that several farmers are independent and Inghams have little control over their operations. However, there are also farms within the catchment that are owned by the Inghams group, and there could be more control over those farms.
- Indicator 2.3.2: The target set for water reduction (target #3) does not specify how much is the reduction expected compared to the previous year. Also, for long term achievements, it could be established if the targets are to be achieved in a period of years or only year-to-year. Further comparisons with a base-year could be useful to see the progress from the starting point. Furthermore, as there is drought in some years (last was 7 years ago), chapter 3.3.2 of the AWS standard indicates that when there is water scarcity, it requires to reduce volumetric total use if practical.
- Indicator 3.1.1: It should be considered to keep a record of meetings and activities with the stakeholders. For example, at the stakeholder interviews, the stakeholders advised that they had several face-to-face meetings or participated in events with Inghams, but as it is not in a written form, records of key feedback was not kept.

7 SUMMARY

In reviewing the evidence presented by Inghams Enterprises (NZ) Pty Ltd, it is evident that the site has addressed successfully all the gaps to version 2-0 of the AWS standard, and therefore, they are recommended for a recertification with upgrade to version 2-0.

The observations identified shall be considered for the first surveillance audit in 2021.

New observations were made during the audit. These are to be considered as areas for improvement which will be reviewed in future audits, no action is required during this audit.

References and evidences reviewed were noted at the checklist.

8 CONCLUSIONS AND RECOMMENDATIONS

The organization has demonstrated effective maintenance of its management system and is capable of achieving its policy objectives, as well as the intended results of the respective management system. They also demonstrated compliance with the new standard V2-0.

The management review process demonstrated capability to ensure the continuing suitability, adequacy and effectiveness of the management system

Given the evidence reviewed, SGS recommends that, based on the results of this audit, **Inghams NZ is recertified to the AWS Core level, and is upgraded to AWS International Water Stewardship Standard Standard Version 2-0.**

The certificate to be issued will be “PROVISIONAL” pending the first opportunity for SGS to visit the site.

The audit frequency is recommended to continue to be annually. As the re-certification was conducted virtually, a site visit is planned to be conducted for the surveillance audit in 2021.