Alliance for Water Stewardship Assessment Report

Prepared for Nestlè Iran P.J.S Co., Qazvin Factory

AWS-011-INT-CAB-0006-0004-0105

Prepared by: SGS

SGS Pakistan Ref.: EHS-LHR 960/2019

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Date: January 15, 2020

REPORT DETAILS

AWS REFERENCE	AWS-011-INT-CAB-0006-0004-0105
CLIENT REFERENCE	Nestlè Iran PJS Co. Qazvin Factory
REPORT TITLE	**ALLIANCE FOR WATER STEWARDSHIP ASSESSMENT REPORT**
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1 EXECUTIVE SUMMARY

The scope of services covers the conformity assessment of water use in compliance with the AWS International Water Stewardship Standard (Version 2.0) for Nestlè Iran PJS Co, Qazvin Factory (hereinafter referred to as “Nestlè Iran”). The assessment has been completed in compliance with the AWS Certification requirements, Version 1.0 dated June 2015.

Nestlè Iran PJS Co. Food & Beverages, Nutrition (Infant Formula, Infant Cereal) is located at 16 KM, Qazvin-Tehran, Old Road, Mohammadieh City, Qazvin, in Iran.

On November 30 - December 1, 2019, SGS-Pakistan Pvt. Ltd. (hereinafter referred to as “SGS”) conducted the on-site conformity assessment for Nestlè Iran’s facilities and activities with regard to certification to the AWS Standard (Version 2.0). A total of seventeen (17) findings were raised during the course of the audit process and they were categorized as 3 major non-conformities, 5 minor non-conformities and 9 observations.

Nestlè Iran responded to the findings raised with root cause analysis and action plans. Our review confirmed that all corrective action plans are acceptable.

Given the review of evidence provided and the site visit performed at Nestlè Iran, SGS recommends that Nestlè Iran be awarded the AWS Core Certified status with a surveillance audit interval of annual frequency.

2 SCOPE OF ASSESSMENT

The scope of services covers the conformity assessment of water use in compliance with the AWS International Water Stewardship Standard (Version 2.0) for Nestlè Iran PJS Co, Qazvin Factory (hereinafter referred to as “Nestlè Iran” or “the site”) located at 16 KM, Qazvin-Tehran, Old Road, Mohammadieh City, Qazvin, in Iran. The assessment has been completed in compliance with the AWS Certification requirements, Version 1.0 dated June 2015.

Nestlè Iran PJS Co. Qazvin Factory currently manufactures and packages infant formula, nfant Cereal, Powdered beverage, Instant Coffee and culinary products.

A pre-assessment for Nestlè Iran facilities and activities with regard to certification to the AWS Standard (Version 2.0) was performed by Ali Hashim, the AWS certified auditor from SGS-Paistan Pvt. Ltd. (hereinafter referred to as “SGS”) on September 29-30, 2019. During the pre-assessment, SGS conducted an on-site audit that covered water supply facilities, electroplating workshop, chemical warehouse, hazardous waste storage, wastewater treatment facilities, online monitoring devices installed for treated effluent, employees’ canteen and dormitories, personnel interviews and document reviews. A total of twelve findings were raised during the pre-assessment process. Nestlè Iran responded that corrective actions will be taken to successfully close all findings raised at pre-assessment stage and before commencement of conformity assessment.

On November 30 - December 1, 2019, SGS conducted the conformity assessment on-site visit of Nestlè Iran’s facilities and activities with regard to certification to the AWS Standard (Version 2.0).

Table 2.1 includes details on SGS audit team.

Table 2.1 SGS Audit Team

Audit Team		Qualifications/Experience
Ali Hashim	Lead Auditor (SGS-Pak)	AWS certified auditor, M.Sc. Applied Chemistry with more than 15 years experience as Water expert, water analysis, environmental monitoring, environmental impact assessment (EIA), treatment of wastewater, solid waste and hazardous waste management, carbon footprinting, Health & Safety Compliance. Project Manager & Skilled trainer in Environmnet, Health & Safety, in performing environmental and social risk assessment in line with the WB, ADB standards.

	Local Auditor	Syed Mohammad Reza Hosseinian, with MSc. Chemical Engineering and Doctors of Business Administration. Experienced professional worked as SGS Lead Auditor & Lead Tutor, DNV Lead Auditor & Lead Tutor. Consultant and Trainer for Oil, Gas & Petrochemical, Power plant, Water & Wastewater, EPC, Steel, Copper, Drilling services,
	Technical Review	Francesca Cerchia AWS accreditation Manager and AWS Lead Auditor

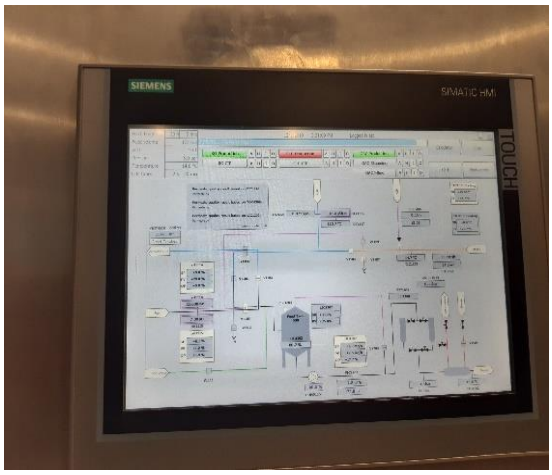
During the site assessment, SGS auditor spent 2 hrs on stakeholder consultation meetings and the remaining time inspecting Nestlè Iran's installations and reviewing activities and documents. Inteviews with personnel were also carried out.

Nestlè Iran provided most of the requested supporting documentation as evidence whilst on site. Outstanding documentation was forwarded on via email. SGS provided initial feedback on the gaps between Nestlè Iran's current management and the level required by the standard during the closing meeting of the site assessment on December 1, 2019. Nestlè responded that corrective actions will be taken to successfully close all findings raised.

Table 2.2 includes pictures taken while on-site.

Table 2.2 Photos from Nestlè Iran Site Assessment

	
Water supply facility at Nestlè Iran	**Recycled water supply for gardening**

	
Wastewater treatment plant facility	**Wastewater treatment pool**
	
Treated effluent discharge	**Effluent to irrigation channel**
	
Smart control panel at milk recovery plant	**Nestlè Milk recovery plant**

	
In-house chemical analysis Lab	**Installed water purification system**
	
Hazardous waste storage area	**Chemical feeding (Practice to prevent chemical spillage)**
	
Flow Controllers installed to reduce water consumption	**Checking well's flow meter**

Sludge treatment plant (sludge turning into fertilizer)

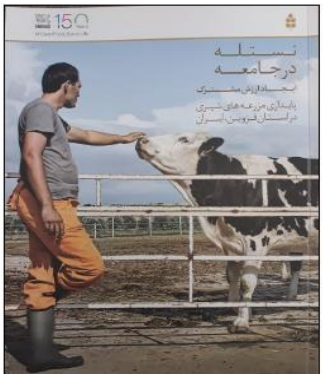
Grey water discharge from dairy farm

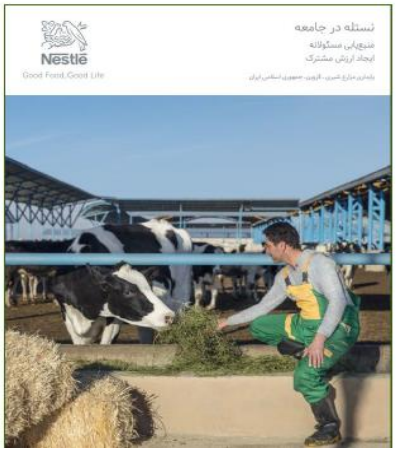
Improving the culture of water consumption by posters

Employee's dormitory

Sensor operated faucets installed at employee's canteen

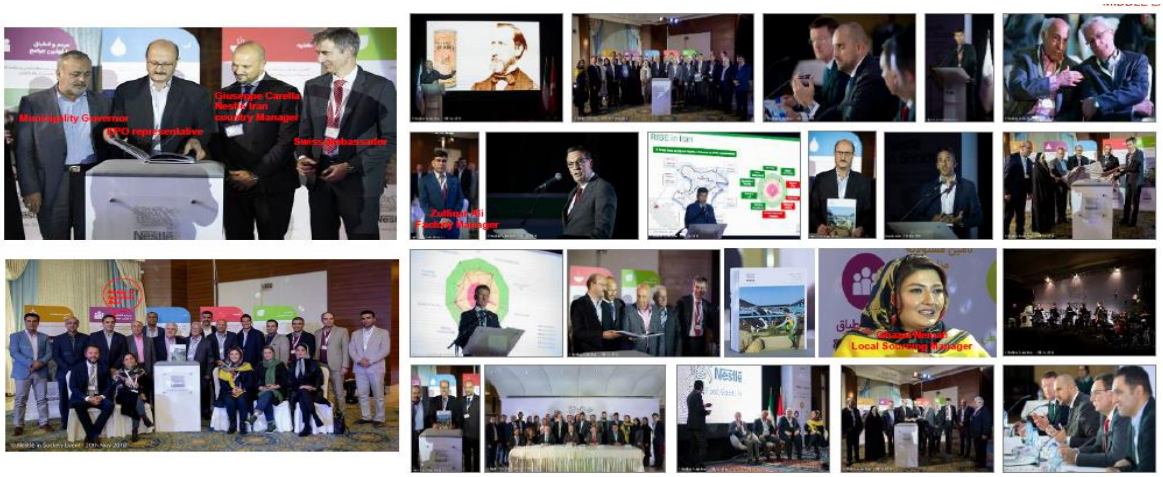
Employee's bathroom





Nestlè published 3 booklets (2016,2018,2019) – Sharing our Knowledge to Society

Activity of "World Water Day "



"RISE Event- Sharing our Contribution to Society "

Activity Board

Mural - Save Water

AWS Audit team with Nestle higher managment

Audit meeting with Stakeholders

	
Sharing best practice of water stewardship - World Water Day	**Sharing best practice of water stewardship – AWS Workshop for Stakeholders**

3 STAKEHOLDER ANNOUNCEMENT AND CONSULTATION

Following the AWS Certification Requirements, before the on-site conformity assessment, SGS prepared a stakeholder announcement on **October 28, 2019,** which stated Nestlè Iran's intention to pursue AWS certification. Besides submitting to AWS for publication on the AWS website, the stakeholder announcement was posted to various departments (Department of Environmnet, Ministry of Agriculture Jihad, Natural Resource Organization, Avin Dasht Farm, Safari Farm, Qazvin Province water and wastewater Co.) to participate in stakeholders' meeting and also displayed on Nestlè Iran's website.

https://www.nestle.ir/fa/media/pressreleases/public-notification

Nestlé Iran P.J.S. Co.

Nestlé
Good Food, Good Life

Public Notification

To: Interested Parties
From: SGS Iran
Re: Notification of AWS Certification of Nestle Iran PJS Co.

Nestle Iran PJS Co. is seeking Alliance for Water Stewardship™ (AWS) certification for their facility at Km 16th, Qazvin- Tehran Old Road, Mohammadieh City, Qazvin, Iran. The facility currently produces Manufacturing and Packing of Infant formula, Infant Cereal, Powdered beverage, Instant Coffee and culinary product.. If you wish to provide comments regarding this certification, please contact SGS at the information listed below.

Name of Client: Nestle Iran PJS Co. at Km 16th, Qazvin- Tehran Old Road, Mohammadieh City, Qazvin, Iran.

AWS Registration code: AWS-010-INT-SCS-00-01-0004-0096

Name of CAB: SGS Iran, No. 47, Ahmad Ghasir Ave., Argentina Sq., Tehran, Iran

SGS Lead Auditor\Local Auditor: Ali Hashim..... Ali.hashim@sgs.com \Mohammad Reza Hosseinian, +92 3216461538/ +98 (912) 2577287 or Mohammad.hosseinian@sgs.com

On-site Audit and Stakeholder Meeting: 30 November and 1 December 2019 at the site location provided above.

Process to meet audit team: If you would like to meet with the team, please contact the Lead Auditor to arrange an interview.

SGS will arrange to meet or speak with interested parties. Submissions should be supported with objective evidence, whenever possible. Comments will be kept confidential upon request.

Image 3.1
Information Disclosure posted to various Departments

During the conformity assessment, SGS held a stakeholder consultation meeting. Table 3.1 presents the personnel interviewed.

Table 3.1 Personnel Interviewed during Stakeholder Consultation Meeting

Organization		Personnel Interviewed
Natural Resource Organization	Government authorities	Mr. Assadollahi
Ministry of Agriculture Jihad		Fatemeh Khamse, Reza Ashori Mr. Mostakhdemi
Qazvin Province Water & Wastewater Co.		Mr. Beiranvand
Department of Environment		Zahra Naseri, Mr. Jamali Mr. Jalilvand
Ziba Shahr Municipality		Mr. Sadeghi
Zarin Heev Farm	Supplier	Ali Rezaei, Mohamad Rajabie, Hoomun Amiri
Safari Farm		Ali Mohammadi, Akbar Najaf
Aveen Dasht Farm		Mohammad Ali Daghighi, Mr. Khamsei
Fazil Farm		Mehdi Ali Akbari, Mohammad reza Faghri
Hezar Jolfa Farm		Mr. Khodkar
Nestlè Iran's Employee	Employees' representative	Sadjad Khalili
Nestlè Iran's Employee		Alireza Mahdiun
Nestlè Iran's Employee		Mozhgan Ardestani
Nestlè Iran's AWS Project	Representative	Zulfiqar Ali

The stakeholders' meeting was held on the morning of 1st December 2019 in Nestlè Iran's auditorium during audit conducted by SGS (Ref.; Photos attached). All participants gave a high appraisal to Nestlè Iran's efforts for its water stewardship.

According to Mr. Jamali, official from Department of Environment Qazvin, Nestlè Iran has become a local model enterprise in the promotion of environmental protection and water stewardship. As monthly assessment shows 20% reduction in water consumption (Aug 2018 to Apr 2019) from its environmentally sustainable practices at dairy farms having a great positive impact on the nearby community.

Ms. Fatemeh Khamsae from Ministry of Agriculture Jihad, confirmed to conduct several water conservation trainings for concerned employees in dairy farms under Ministry of Agriculture Jihad supervision. Nestlè team will support the trainings as well.

Based on Mr. Beiranvand, official from Qzvin Province Water & Wastewater Co., the quality of local water bodies has been improved a lot since the implementation of more stringent regulations on water pollution control. He gave a very high appraisal of Nestlè Iran's wastewater treatment and water recycling and approved to assess the possibility of increasing the capacity of waste water treatment plants for rural use. He added that improvement in quality of colorimetric tests in rural areas were also planned by Qazvin province water and wastewater Co.

Mr. Assadollahi from Natural Resource Organization expressed his deep appreciation towards Nestlè Iran's promotion of rasing the public awareness of environmental protection and hoped Nestlè Iran can continue its promotion activities.

Mr. Mostakhdemi from Agricultural Ministry recommended that Nestlè should participate as a member of their group in Qazvin province and share its lessons learned in the journey of water stewardship. Also, to be a participant in FAO group could have some advantages for Nestle as well.

Mr. Sadeghi from Ziba Shehr Municipality shared that the issue related to water demand for watering green field is resolved as 80-90% of said water is provided from underground water resources. He told about the plan to replace said water with recycled water from different resources and showed eagerness to receive experiences in this regard.

Managers of Nestlè Iran's suppliers, service providers and neighbouring factory showed their willingness to cooperate with Nestlè Iran to strengthen water stewardship, especially by sharing water-saving technologies.

Mr. Khodkar from Hezar Jolfa farm thanked Nestlè for conducting such beneficial get together meeting as a reminder for importance of water value and sharing advantages of water saving. He

also shared, how they managed to reduce the water consumption inspite of increase in farm area and determined to continue this practice in future.

Mr. Zulfiqar Ali, representative of Nestlè Iran's AWS Project mentioned that a series of measures have been taken by Nestlè Iran to improve employees' sanitation and health conditions including the implementation of 5S management for dormitories and the installation of suggestion box. All employees' representatives showed their satisfaction with Nestlè Iran's WASH conditions.

In addition, all stakeholders confirmed that they have never experienced a water shortage in Qazvin.

Photolog 3.3 and 3.4 show the stakeholders' consultation meeting.

Photolog 3.3: Stakeholders Speaking at the Consultation Meeting

Photolog 3.4: SGS Auditor Introducing the Requirements of AWS Standard

4 DESCRIPTION OF CATCHMENT

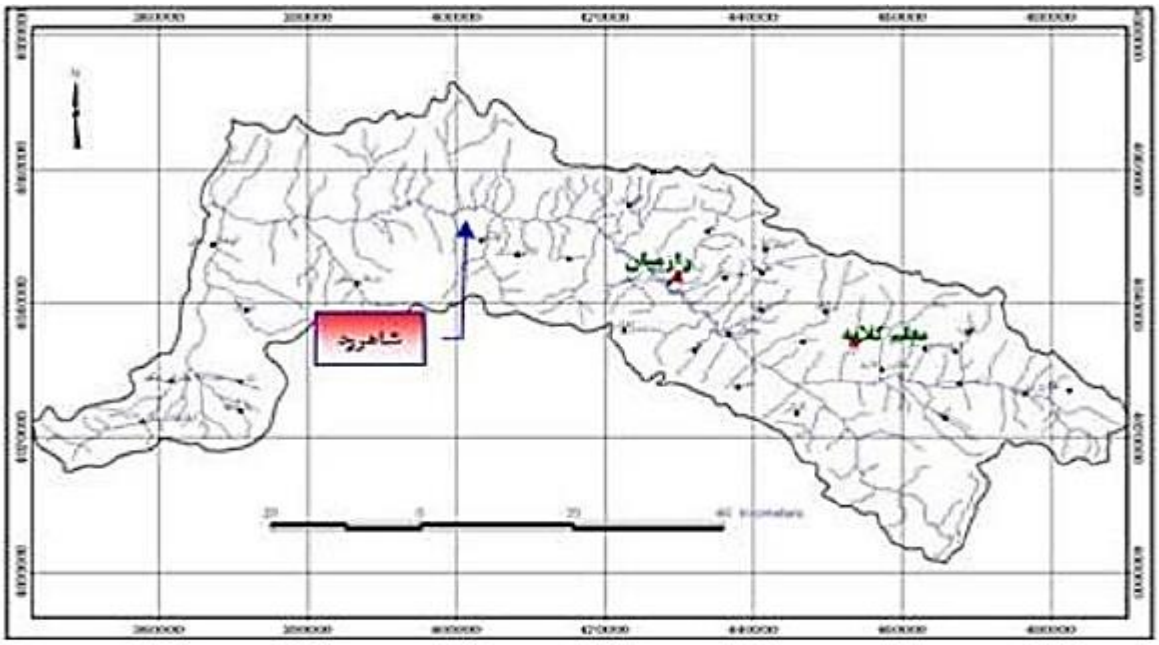
The catchment area of the Qazvin plain (Dashtabi) is one of the sub-basins of Sultan basin (Qom Lake). In this watershed, eleven small watersheds enter the Qazvin plain (Dashtabi) as seasonal and permanent rivers. The watersource originates from the northern highlands and flows into the Qazvin plain (Dashtabi). It enters the plain from the north of the Nestlé Mossil Water-Shrak plant.

Rivers of Qazvin Plain (Dashtabi) contain relatively small drainage basins that flow in the north, west and south of Qazvin plain (Dashtabi). These rivers do not lead to the mentioned tributaries and major rivers (*Shahroud basin, Khorrud, Abharrood and Haji Arab*). However, each of them fades separately after running through a distance in Qazvin Plain (Dashtabi) and finally flows into the Shour River.

Shahroud Main Tributary (Dashtabi) The drainage basin of shahrood river is located in southern and southwestern parts of Alborz mountains and north and northeast of Qazvin plain (Dashtabi) with a longitude of 49-30 to 59-10 and latitude of 36-7 to 36-45. The distance between its east and west boundaries is about 60 kilometers and its width is almost 25 kilometers. Shahroud originates from Taleghan, Ala Kuh and Takht-e-Suleyman mountains and central Alborz highlands. It is classified as a moubntainous river in terms of climatic characteristics, precipitation regime, hydrologic system and other hydrologic properties.

Shahroud is, in fact, the most important and waterful river of Qazvin province. The Taleqanrood and Alamutrood rivers join in Shirkooh village and create Shahroud.

Further along the path to its connection with Qizil Uzan River in Manjil dam, almost 35 tributaries join it.



One of the important measures taken in this plain was the water transfer of Shahrood Taleghan River to Qazvin. The dam built on the Taleghan River has become a reservoir dam in recent years. And from Ziaran located in the north of Abiek Taleghan water was transferred to Qazvin city by constructing the main concrete canal. Then it was subdivided across the plain by sub-channels to give crop water.

In the east, west and south sections of the plain, based on the results of groundwater studies to enhance the aquifer potential and prevent aquifer potential, it was proposed to implement an artificial recharge scheme using the Shahrood Taleghan main water channel in a single feeding pond. North of Karaj highway and the new city of Mohammadiyeh were executed and no rest ponds were constructed in the rest of the plain. Although the rate of annual feeding through ponds, especially in recent years, has not been as predicted in the studies, it is still being carried out using ponds in one area of Qazvin plain (Dashtabi).

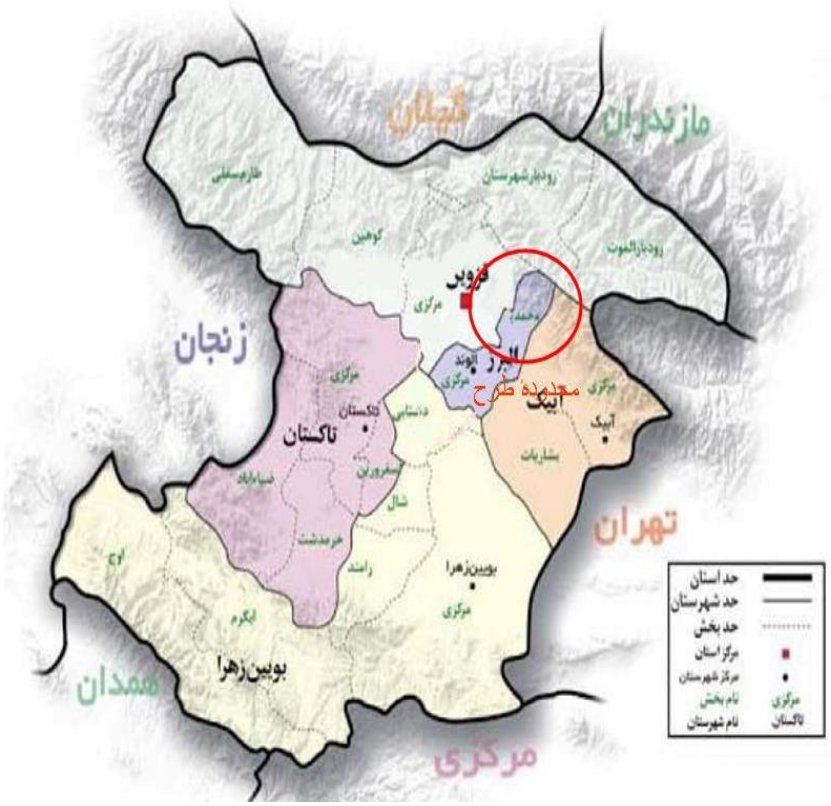


Figure 4.1 Location of the study area in Qazvin Plain

Groundwater in the Qazvin area is suitable, especially in the Nestlé mineral water plant. To supply the water needed for the Nestlé Qazvin Mineral Water Plant, the place and characteristics of the deep wells have been provided so that each well will be supervised by the direct and continuous supervisor of the drilling, piping and pumping experiments engineer. There are two wells on site. The well is drilled at a depth of 300 meters east of the factory boundary and is observed on the sand drilling logs with silt and rubble and finally with fine silt and clay bedrock. The water was sampled and transported to the Qazvin plain (Dashtabi) in the inputs to the Qazvin plain (Dashtabi), as the geological structures in the Mekil basins are similar. There are no saline water bodies at altitudes, so the quality of the runoff is similar to that of the water, the water quality of the vers-sheterk watercourses is reported as representative of the other sources.

Nestlé plant area is located on plain alluvium with desirable permeability and depth of groundwater is about 55 m based on the map of absolute ground level elevation of about 1240 m. The saturation layer in this area is about 220 m based on the results of geophysical surveys. The amount of groundwater level changes over the last 30 years has been estimated to be + 20 m. That is, in the area of Qazvin plain (Dashtabi), groundwater level changes over 30 years. Between -30 m to + 20 m, the plant is located in the + 20 m area, indicating that the potential of the groundwater aquifer has not only decreased but also increased by about 20 m. Conductivity Microsiemens rate of about 500 µS/cm and the amount of chlorine (CL) of less than 35 ppm is measured for two dry and wet seasons.

The catchment area defined by Factory is given in below map.

Figure 4.2 Nestlé Iran Qazvin Factory Catchment Area

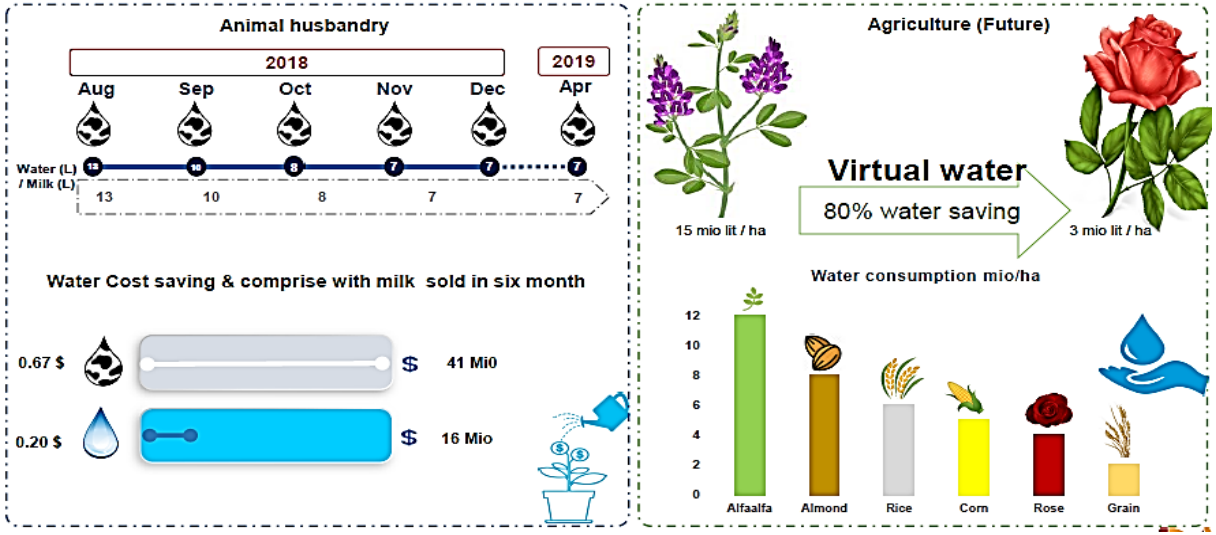
Nestlé Iran has installed *wastewater treatment plant* at Nestlé dairy farms contributing in 460 Mio lit wastewater recycling annually.

Zarin Heev Farm	Avin Dasht Farm	Fazil Farm	Saffari Farm
182 (Mio lit annualy)	110 (Mio lit annualy)	73 (Mio lit annualy)	95 (Mio lit annually)

Water is recovered from the *Milk water recovery system* (first in Nestlé Nutrition Factories) through RO membrane, activated carbon filter and UV lamp and is re-used in IF production for dissolving, CIP preparation, boiler feed etc. Overall project credits 1560 kUSD, water saving in IF plant is 75% and 44% water is saved in factory.

Local authorities and safarian farm have launched *Manure Management Project* to recycle wastewater for the first time in Iran. Project has developed national standard and processes to have nutrient flow from manure to soil, protecting ground water and increasing crops productivity. Manure management has resulted in water saving, elimination of chemical fertilizers and increase in productivity.

Furthermore, in agriculture, water has also been saved by improving *drip irrigation system* in two farms having area of 480 Ha and 25 Ha respectively and liquid manure is used as sprinkler irrigation.


Animal husbandry
2018
2019
Aug
Sep
Oct
Nov
Dec
Apr
Water (L) / Milk (L)
13
10
8
7
7
Water Cost saving & comprise with milk sold in six month
0.67 $
$
41 Mi0
0.20 $
$
16 Mio
Agriculture (Future)
15 mio lit / ha
Virtual water
80% water saving
3 mio lit / ha
Water consumption mio/ha
12
10
8
6
4
2
0
Alfaalfa
Almond
Rice
Corn
Rose
Grain

The following Figure 4.3 shows the site boundaries with entry point of water supply and discharge points of wastewater.

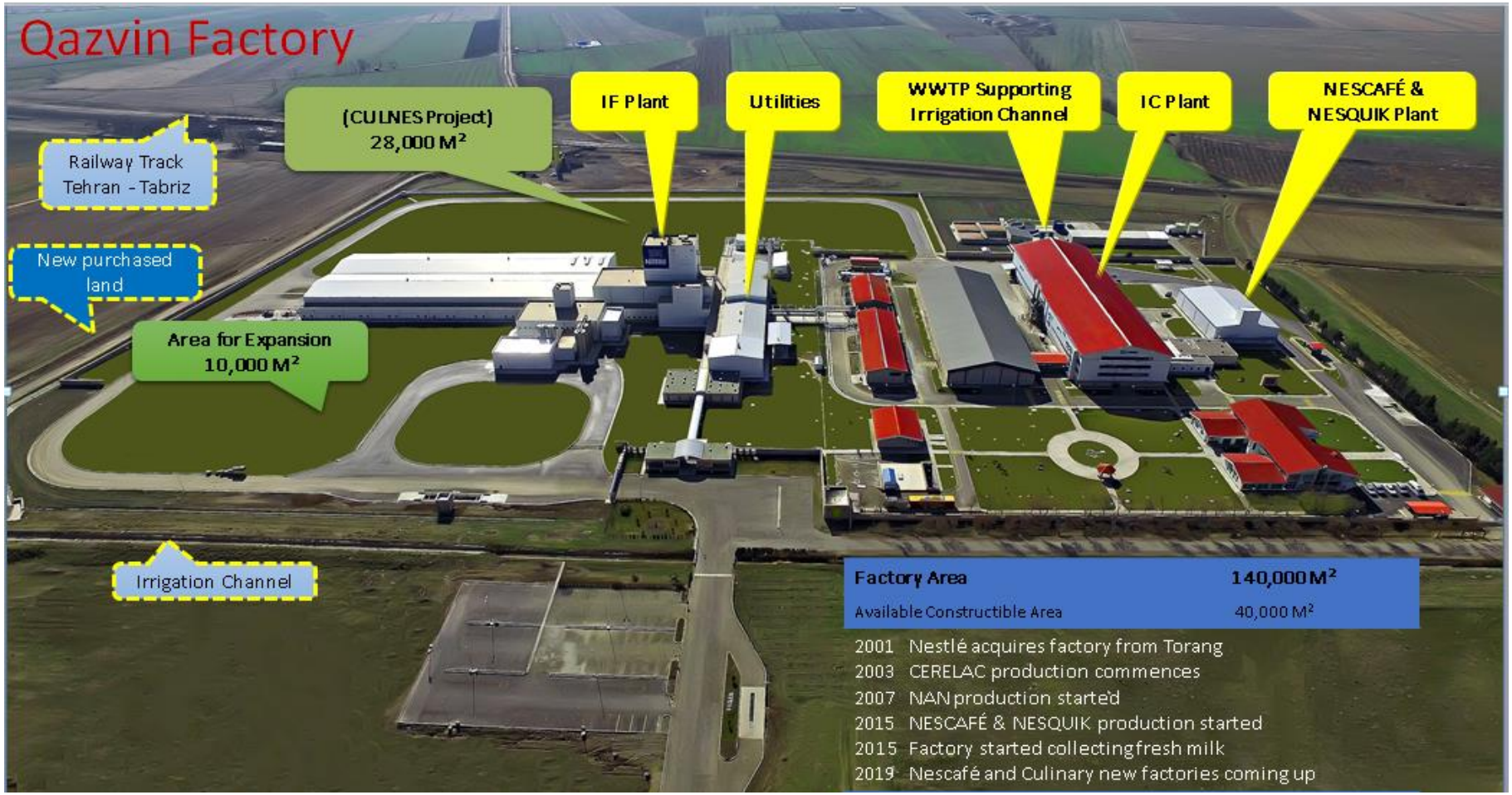


Figure 4.3 Site Boundaries with Entry Point of Water Supply and Discharge Points of Wastewater

5 SUMMARY OF SHARED WATER CHALLENGES

Nestlé Iran has identified general shared challenges in the catchment and these are listed in Table 5.1.

Table 5.1.Detailed Shared Water Challenges for Nestlé Iran

No.	Water Challenge	Associated Government Authority initiative/Plan *	Relevant/Rationale for Stakeholders	Relevant/Rationale for Site	Priority (1-4)	Rationale for Prioritization
1	Water Scarcity	◆ Investable plans of Qazvin Regional Water Corporation (B.O.T) ◆ Supplying water to the cities and villages in the south of Qazvin province from Shahrood Dam ◆ The supply and distribution of water for Dashtabi land in Buin Zahra region from effluent of sewage treatment plant of Qazvin city and Alborz industrial town. ◆ Nestlé Iran's Manure Management Project to recycle wastewater ◆ Water management in Nestlé Iran's dairy farms ◆ Nestlé Iran's Incentive Measures for Water Conservation ◆ Nestlé Iran's Water Planning Method ◆ Water saving in agriculture land by improving drip irrigation system ◆ Nestlé Iran's Countermeasures for Sustainable Utilization and Protection of Groundwater Resources ◆ Nestlé Iran's Milk Water Recovery System ◆ Nestlé Iran's Community Engagement on Water, Sanitation & Hygiene (WASH Pledge) ◆ Nestlé Iran's Rise Event – Sharing our Contribution to Society ◆ Water Education for Teachers to educate future generations on water stewardship	Affecting residents' normal life and interruption of enterprises' production; and Water affairs department strengthens water resources management.	Restricting or interrupting production	3	At present, Qazvin Regional Water Corporation has planned investable projects for water supply which can effectively solve the problem of water use in Qazvin.

No.	Water Challenge	Associated Government Authority initiative/Plan *	Relevant/Rationale for Stakeholders	Relevant/Rationale for Site	Priority (1-4)	Rationale for Prioritization
2	Quality of Surface and Groundwater	◆ Nestlé Iran's Work Plan for Water Environmental Protection and Quality Improvement ◆ Nestlé Iran's Manure Management Project resulting in water saving, elimination of chemical fertilizers and increase in productivity. ◆ Wastewater treatment plant installation in Nestlé Iran's dairy farms ◆ Action Plan for Prevention and Control Water Contamination Issued by the Province Council	Water quality may affect the residents' living environment of surrounding communities.	More parameters of pollutants may be controlled, and stricter discharge standards may be implemented.	1	If the failure of control, there is a significant risk of disrupting or slowing down the plant operations and effect on indirect water usage. may directly affect its long-term planning
3	Increased water consumption in agriculture and farms/ Traditional Irrigation	◆ Building of irrigation and drainage network in the Nahb Dam in the Qazvin Dashtabi catchment ◆ Establishing wastewater transmission channel from the wastewater treatment plant in Takestan in Qazvin Dashtabi catchment ◆ Building of the Bala Khanlou Dam in Qazvin Dashtabi catchment ◆ Nestlé Iran's Manure Management Project resulting in water saving, elimination of chemical fertilizer and increase in productivity. ◆ P50 Project – improve 50% water efficiency in Qazvin	Can affect the fresh milk suppliers / Responsible of water allocation Set limitation on Nestlé Iran's water withdrawal	Optimize the water consumption and prevent or reduce environmental impact on natural resources	3	At present, both the government authorities and Nestlé Iran have appropriate implementable water conservation mechanism and plans.
4	Water Financial and continuity of Business	◆ Water saving and water stewardship programs' policies set by Nestlé headquarters ◆ Fulfilment with the EMS requirements ◆ Nestlé Iran's Rise Event ◆ P50 Project ◆ Manure Management	Cascading water saving and water stewardship targets and policies	Achieving and its commitment for water saving cascaded targets	3	The water stewardship projects are increasingly more comprehensive.
5	Limited water resources in	◆ Supplying water to the cities and villages in the south of Qazvin province from Shahrood	Less water is available for irrigation in summers, possible	Can affect the fresh milk suppliers restricting or	3	Cooperation with government

No.	Water Challenge	Associated Government Authority initiative/Plan *	Relevant/Rationale for Stakeholders	Relevant/Rationale for Site	Priority (1-4)	Rationale for Prioritization
	Summers	Dam ◆ The supply and distribution of water for Dashtabi land in Buin Zahra region from effluent of sewage treatment plant of Qazvin city and Alborz industrial town.	competition for resources between stakeholders in the summer	interrupting production		authorities in water conservation and supply
6.	Water treatment of municipalities wastewater/ Water consumption in nearby communities	◆ Nestlé Iran's plans for optimized operation of WWTP	Shared water streams and channels Water effluent consumers from factory's WWTP Soil Contamination	Enhance factory's reputation Continuity of Business WWTP Outlet is using in farms	4	At present, WWTP effluent quality has been improved and seamless connection with municipal facilities have been performed by the factory.
7.	Increased water and wastewater costs	◆ Nestlé Iran's Water Planning Method ◆ Charge method for water resources in Nestlé Iran's	Increase in residents' living costs, and increase in enterprises' production costs	Increase in production costs	3	Internal control

***** Associated Government Authorities including national and local People's Governments, national and local environmental protection departments, national and local water affairs departments, etc.

6 INDICATORS CHECKLIST

6.1 CORE AWS INDICATORS

As per the requirement set out in the Section 2.11.3.1 of the AWS Certification Requirements, the following table 6.1 presents all the CORE AWS indicators with the relevant reviewed evidence provided by Nestle Iran.

Table 6.1 Evidence Reviewed by SGS Against Each CORE AWS Indicator

Clause	Details	Comments/Evidence
1	**GATHER AND UNDERSTAND**	
1.1	**Gather information to define the site's physical scope for water stewardship purposes, including: its operational boundaries; the water sources from which the site draws; the locations to which the site returns its discharges; and the catchment(s) that the site affect(s) and upon which it is reliant.**	
1.1.1	The physical scope of the site shall be mapped, considering the regulatory landscape and zone of stakeholder interests, including: - Site boundaries; - Water-related infrastructure, including piping network, owned or managed by the site or its parent organization; - Any water sources providing water to the site that are owned or managed by the site or its parent organization; - Water service provider (if applicable) and its ultimate water source; - Discharge points and waste water service provider (if applicable) and ultimate receiving water body or bodies; - Catchment(s) that the site affect(s) and is reliant upon for water.	Site is located in Qazvin, Iran. Catchment /physical scope has been defined as per map (Ref. 1.1.1 Physical scope). Physical scope covers the area of 4800 km^2. (Ref. 1.1.1 Physical scope) Site coordinates has been mentioned as Longitude from 49 degrees 10 minutes to 50 degrees 40 minutes Or U.T.M 335000 to 470000, Latitude from 35 degrees 20 minutes to 36 degrees 30 minutes or U.T.M 3910000 to 4041000 (Ref: 1.1.1 Catchment Info) Water-related infrastructure has been checked as per document 100151 & "100194-Factory underground utility routes-model and was verified during site visit. Complete piping Network map has been provided as well. (Ref: 1.1.1 Factory underground utility routes)

Clause	Details	Comments/Evidence
		Mineral water/Nestle pure life is used by the site from outsource/water service provider but record has not been found for example ultimate water source, discharge points etc. Therefore, a Minor CAR 01 is raised for this indicator. Two wells (IF Well and IC Well) and two discharge points (from Waste Water Treatment Plant & surface water channel/storm water) have been identified and mapped inside the site's boundary. (Ref: 1.1.1 100151 General Master Plan)
1.2	**Understand relevant stakeholders, their water-related challenges, and the site's ability to influence beyond its boundaries.**	
1.2.1	Stakeholders and their water-related challenges shall be identified. The process used for stakeholder identification shall be identified. This process shall: - Inclusively cover all relevant stakeholder groups including vulnerable, women, minority, and Indigenous people; - Consider the physical scope identified, including stakeholders, representative of the site's ultimate water source and ultimate receiving water body or bodies; - Provide evidence of stakeholder consultation on water-related interests and challenges; - Note that the ability and/or willingness of stakeholders to participate may vary across the relevant stakeholder groups; - Identify the degree of stakeholder engagement based on their level of interest and influence.	Stakeholders & their water related Challenges have been identified (Ref: 1.2.1, Stakeholders Identification) utilizing procedure developed by site for the purpose of Identification and analysis of stakeholders (Ref: 1.2.1 & AWS SOP # 197-SHE-P). The stakeholders are classified in Local administrations, local representatives, farmers, small businesses other economic activities, other businesses, local associations, influence politicians or other authorities (Ref. 1.2.1 Stakeholder identification & Management) Stakeholder consultation has been verified from past and present record given as conducted in July 2017 & May 2019 (Doc No: 0197-HRD-F008-04, Attendance List), based on more evidences (Ref. 1.2.1 & 3.8.1 AWS workshop for stakeholders) The degree of influence along with effects of stakeholders on site and vice versa have been identified which include stakeholders responsible for water source and water receiving body. (Ref: 1.2.1, Stakeholders Identification)

Clause	Details	Comments/Evidence
1.2.2	Current and potential degree of influence between site and stakeholder shall be identified, within the catchment and considering the site's ultimate water source and ultimate receiving water body for wastewater.	Current & Potential degree of influence has been identified. (Ref: 1.2.1, Stakeholders Identification)
1.3	**Gather water-related data for the site, including: water balance; water quality, Important Water-Related Areas, water governance, WASH; water-related costs, revenues, and shared value creation.**	
1.3.1	Existing water-related incident response plans shall be identified.	Water related incident response plan is available with risks identified (Ref: 1.3.1 and 2.4.1- 0197-SHE-P-009.11 Emergency Response Procedure) OBS 1: Water scarcity or pollution of the wells has been described in page 42, but not listed in relevant table in page 10 out of 50. (Ref 1.3.1 and 2.4.1-0197-SHE-P-009.11 Emergency Response Procedure)
1.3.2	Site water balance, including inflows, losses, storage, and outflows shall be identified and mapped.	Inlet: From two main wells named IF & IC (as per documents referred to in a folder coded 1.3.2). OBS 2: Provided water from Nestle Pure life (water provider) has not been defined as another inlet to factory. Outlet: Two main discharge points as WWTP outlet and surface water/storm water. Water balance, including inflows, losses, storage, and outflows were checked as per evidences except storm water. Record of storm/rain water balance has not found. Therefore, a Minor CAR 02 is raised for this indicator. Flow meters were checked on site and found OK (Ref: 3.3.1 Photos)
1.3.3	Site water balance, inflows, losses, storage, and outflows, including indication of annual variance in water usage rates, shall be quantified. Where there is a water-related challenge that would be a threat to good water balance for people or environment, an indication of annual high and low variances shall be quantified.	Static & Dynamic Water Levels have been monitored and quantified throughout the year to check for annual variance in groundwater level. (Ref: 1.3.3) The table shows variance but not fulfil the requirement of the standard i.e. high and low variances (peak/low availability and peak/low demand), where water related challenge is of high impact should be quantified and seasonal

Clause	Details	Comments/Evidence
		variations should be measured (Ref: 1.3.3) Therefore, a Minor CAR 03 is raised for this indicator.
1.3.4	Water quality of the site's water source(s), provided waters, effluent and receiving water bodies shall be quantified. Where there is a water-related challenge that would be a threat to good water quality status for people or environment, an indication of annual, and where appropriate, seasonal, high and low variances shall be quantified.	Water quality of the site's water sources and effluent has been monitored. Water wells' quality was checked as per France Lab. Report (1.3.4, IC well. France Lab & 1.3.4, IF well. France Lab) and remaining parameters are checked by local lab. Water quality-related challenge was not identified (For example, wells (IC & IF tube wells) water parameters are within compliance, but may be gradually increasing over time, it will be indicating future non-compliance and risk. Such type of study or future challenges was not found. Therefore, a Minor CAR 04 is raised for this indicator.
1.3.5	Potential sources of pollution shall be identified and if applicable, mapped, including chemicals used or stored on site.	Sources of Pollution have been identified and their preventive measures are documented. Mentioned in page 40 out of 51 of Emergency Response Procedure (Ref: 2.4.1- 0197-SHE-P-009.11.
1.3.6	On-site Important Water-Related Areas shall be identified and mapped, including a description of their status including Indigenous cultural values.	All important water related areas have been identified in General Master Plan & Piping plan. (Ref: 1.1 Master Plan, 1.1 Piping Plan)
1.3.7	Annual water-related costs, revenues, and a description or quantification of the social, cultural, environmental, or economic water-related value generated by the site shall be identified and used to inform the evaluation of the plan in 4.1.2.	Annual costs, revenues and value generation utilizing AWS has been analysed and documented. This refers to documentation attached and verified onsite. (Ref: 1.3.7-Water and WWTP costs, 1.3.7-Qazvin 2019 Env tool for proactive tracking of performance)
1.3.8	Levels of access and adequacy of WASH at the site shall be identified.	Levels of access and adequacy of WASH at site have been identified and quantified using WBSD Self-Assessment tool. (Ref: 1.3.8, WASH Pledge Self-Assessment-2019)
1.4	**Gather data on the site's indirect water use, including: its primary inputs; the water use embedded in the production of those primary inputs the status of the waters at the origin of the inputs (where they can be identified); and water used in out-sourced water-related services.**	
1.4.1	The embedded water uses of primary inputs, including quantity, quality and level of water risk within the site's catchment, shall be identified.	Quality of embedded water and level of water risk within the site's catchment are not identified properly. (Washing of vehicles is outsourced and not mentioned properly in record as evidence.) (Ref: 1.4.2 Indirect Water)

Clause	Details	Comments/Evidence
		Therefore, a Minor CAR 05 is raised for this indicator.
1.4.2	The embedded water use of outsourced services shall be identified, and where those services originate within the site's catchment, quantified.	The embedded water uses of outsourced services and services originate within the site's catchment are quantified and identified. (Ref: 1.4.2 Indirect Water)
1.5	**Gather water-related data for the catchment, including: water governance, water balance, water quality, Important Water-Related Areas, infrastructure, and WASH**	
1.5.1	Water governance initiatives shall be identified, including catchment plan(s), water-related public policies, major publicly-led initiatives under way, and relevant goals to help inform site of possible opportunities for water stewardship collective action.	Major initiatives regarding water governance have been identified and policies have been documented. (Ref: 1.5.1- Water governance initiatives and public policies +V2)
1.5.2	Applicable water-related legal and regulatory requirements shall be identified, including legally-defined and/or stakeholder-verified customary water rights.	All legal and regulatory requirements have been identified and concerned departments have been recognized except for two wells (IF & IC). It is important to include any licenses or permits with regulatory conditions for site (such as permitted water abstraction rates and wastewater discharge quality). (Ref: 1.5.2-LROR Master list, 1.5.2-environmental checklist) OBS 3: Latest approval from legal authority for two wells is not found as documentary evidence.
1.5.3	The catchment water-balance, and where applicable, scarcity, shall be quantified, including indication of annual, and where appropriate, seasonal, variance.	Water balance of catchment & scarcity has not been calculated and quantified. Record of seasonal variance for catchment has not been documented and calculated. Therefore, a Major CAR 01 is raised for this indicator.
1.5.4	Water quality, including physical, chemical, and biological status, of the catchment shall be identified, and where possible, quantified. Where there is a water-related challenge that would be a threat to good water quality status for people or environment, an indication of annual, and where appropriate, seasonal, high and low variances shall be identified.	Water quality data has been provided except biological status of catchment (Shahroud river), water related challenge and threat to good water quality status has not been quantified, also seasonal, high and low variances are not identified. (Ref: 1.5.4 Water result of Catchment.) Therefore, a Major CAR 02 is raised for this indicator.
1.5.5	Important Water-Related Areas shall be identified, and where appropriate, mapped, and their status assessed including any	Important Water related area i.e. Shahroud river & Dashtabi have been identified but not mapped properly. Threats to people or to the natural

Clause	Details	Comments/Evidence
	threats to people or the natural environment, using scientific information and through stakeholder engagement.	environment through stakeholder's engagement regarding the rivers have not been measured. (Ref: 1.5.5 Important water related areas in the catchment) Therefore, a Major CAR 03 is raised for this indicator.
1.5.6	Existing and planned water-related infrastructure shall be identified, including condition and potential exposure to extreme events.	Existing and planned water related infrastructures have been identified taking into view water risks identified at government level. (Ref: 1.5.1- Water governance initiatives and public policies +V2)
1.5.7	The adequacy of available WASH services within the catchment shall be identified.	Verified on site.
1.6	**Understand current and future shared water challenges in the catchment, by linking the water challenges identified by stakeholders with the site's water challenges.**	
1.6.1	Shared water challenges shall be identified and prioritized from the information gathered.	Shared Water challenges have been identified and prioritized (Ref: 1.6.2, Stakeholders Identification – Final)
1.6.2	Initiatives to address shared water challenges shall be identified.	The initiatives consistent with the findings of shared water challenges have been identified. (Ref: 1.6.2, Stakeholders Identification – Final)
1.7	**Understand the site's water risks and opportunities: Assess and prioritize the water risks and opportunities affecting the site based upon the status of the site, existing risk management plans and/or the issues and future risk trends identified in 1.6.**	
1.7.1	Water risks faced by the site shall be identified, and prioritized, including likelihood and severity of impact within a given timeframe, potential costs and business impact.	Water risks have been identified along with their likelihood and impacts. (Ref: 1.2.1, Stakeholders Identification – Final)
1.7.2	Water-related opportunities shall be identified, including how the site may participate, assessment and prioritization of potential savings, and business opportunities.	Water related opportunities have been identified (Ref: 1.6.2, Stakeholders Identification – Final). Details of OMP - actions against identified threats have been documented (Ref: 1.2.1, AWS in OMP).
1.8	**Understand best practice towards achieving AWS outcomes: Determining sectoral best practices having a local/catchment, regional, or national relevance.**	
1.8.1	Relevant catchment best practice for water governance shall be identified.	Catchment best practices have been identified and working on them has been verified onsite. (Ref: 1.8.1, 1.8.4- Nestle best practices in catchment)

Clause	Details	Comments/Evidence
1.8.2	Relevant sector and/or catchment best practice for water balance (either through water efficiency or less total water use) shall be identified.	Relevant sector best practice for water balance, water efficiency & less total water use has been identified (Ref: 1.8.1, 1.8.2 & 1.8.4 – Water balance comparison for catchments, Nestle best practice in catchment)
1.8.3	Relevant sector and/or catchment best practice for water quality shall be identified, including rationale for data source.	OBS 4: Best practice for water quality has been identified but Water safety plan to protect high quality water bodies from pollution has not been provided.
1.8.4	Relevant catchment best practice for site maintenance of Important Water-Related Areas shall be identified.	OBS 5: Description of IWRA has been provided (Ref: 1.5.5-Important Water related areas) but best practice for maintenance of IWRA has not been identified and a regular monitoring program should be established to observe any changes having impacts on an IWRA.
1.8.5	Relevant sector and/or catchment best practice for site provision of equitable and adequate WASH services shall be identified.	Verified on site. Catchment best practice of equitable and adequate WASH services has been identified for workplace Ref: 1.5.7-WASH Pledge Self-Assessment - Catchment)
2	**COMMIT AND PLAN**	
2.1	**Commit to water stewardship by having the senior-most manager in charge of water at the site, or if necessary, a suitable individual within the organization head office, sign and publicly disclose a commitment to water stewardship, the implementation of the AWS Standard and achieving its five outcomes, and the allocation of required resources.**	
2.1.1	A signed and publicly disclosed site statement OR organizational document shall be identified. The statement or document shall include the following commitments: - That the site will implement and disclose progress on water stewardship program(s) to achieve improvements in AWS water stewardship outcomes - That the site implementation will be aligned to and in support of existing catchment sustainability plans - That the site's stakeholders will be engaged in an open and	There are two document, one commitment from Nestle as mother company, another Nestle (Qazvin) signed by country manager dated 01.06.2019, (Ref. 2.1.1) Publicly disclosed commitment exists which is signed by Site's highest Authority (Country manager) & covers all requirements stated (Ref. 2.1.1) OBS 6: The commitment which was signed by country manager was not displayed within site/organization.

Clause	Details	Comments/Evidence
	transparent way - That the site will allocate resources to implement the Standard.	
2.2	**Develop and document a process to achieve and maintain legal and regulatory compliance.**	
2.2.1	The system to maintain compliance obligations for water and wastewater management shall be identified, including: - Identification of responsible persons/positions within facility organizational structure - Process for submissions to regulatory agencies.	The system to maintain compliance obligation has been identified (Ref: 2.2.1 and 3.2.1.0197-SHE-P-004, Legal Requirement-Other Requirement Assessment) The responsible person for compliance has been identified as SHE Manager & SHE Officer (Ref: 2.2.1 and 3.2.1.0197-SHE-P-004, Legal Requirement-Other Requirement Assessment) All legal and regulatory requirements have been identified and concerned departments have been recognized (Ref: 1.5.2-LROR Master list, 1.5.2-Environmental Checklist) OBS 7: The process for submission to regulatory agencies has not been developed as per evidence record found.
2.3	**Create a water stewardship strategy and plan including addressing risks (to and from the site), shared catchment water challenges, and opportunities.**	
2.3.1	A water stewardship strategy shall be identified that defines the overarching mission, vision, and goals of the organization towards good water stewardship in line with this AWS Standard.	Plans and objectives have been identified. Overall Strategy has been documented in the Operational Management Plan (Ref: 2.3.1 AWS in OMP) & the mission and vision is documented in company's commitment. (Ref: 2.1.1 AWS Commitment)
2.3.2	A water stewardship plan shall be identified, including for each target: - How it will be measured and monitored - Actions to achieve and maintain (or exceed) it - Planned timeframes to achieve it - Financial budgets allocated for actions - Positions of persons responsible for actions and achieving	Water stewardship plan is available which categorizes priorities, drivers, initiatives and measures. Additionally, the plan has been set with time frames and responsibilities identified. Year to date values of each target and plan have also been quantified. Financial budgets have been allocated for the department responsible to carry out the plan / objectives. (Ref: 2.3.1 AWS in OMP)

Clause	Details	Comments/Evidence
	targets - Where available, note the link between each target and the achievement of best practice to help address shared water challenges and the AWS outcomes.	
2.4	**Demonstrate the site's responsiveness and resilience to respond to water risks**	
2.4.1	A plan to mitigate or adapt to identified water risks developed in co-ordination with relevant public-sector and infrastructure agencies shall be identified.	Risk associated with emergencies and mitigation plan has been identified in (Ref: 1.3.1 and 2.4.1- 0197-SHE-P-009.11 Emergency Response Procedure) and another type of risks are derived from stakeholder challenges which were prioritized in red, yellow, green areas (1.6.2-Stakeholders Identification-Final1). The initiatives were followed in OPM as above mentioned in criteria 2.3. Sampled case was P50 project which was selected and followed in OPM. Result was Ok. It was traceable and complete. OBS 8: Initiatives against critical water challenges (highlighted in red & yellow) should be stated keeping in view the severity level of risk separately as current controls and stringent controls as 'new initiatives. (Ref: 1.6.2 - Stakeholders Identification-Final-1)
3	**IMPLEMENT**	
3.1	**Implement plan to participate positively in catchment governance.**	
3.1.1	Evidence that the site has supported good catchment governance shall be identified.	Good governance with respect to catchment area on site has been implemented and working has been quantified in Operational Management Plan e.g. rows A.19 to A.82 (Ref: 3.1 AWS in OMP)
3.1.2	Measures identified to respect the water rights of others including Indigenous peoples, that are not part of 3.2 shall be implemented.	Measures have been documented and implemented. (Ref: 1.6.2-Stakeholders Identification-Final1) Confirmed on site.
3.2	**Implement system to comply with water-related legal and regulatory requirements and respect water rights.**	
3.2.1	A process to verify full legal and regulatory compliance shall be implemented.	Process to confirm legal and regulatory compliances is present and implemented annually as per procedure named "Legal Requirement & Other

Clause	Details	Comments/Evidence
		requirement Assessment SOP" (Ref: 3.2.1.0197-SHE-P-004 Legal Requirement _ Other Requirement Assessment SOP) & another list which compliance status has been marked by green colour (Ref: 1.5.2-LROR Master list, 1.5.2-environmental checklist)
3.2.2	Where water rights are part of legal and regulatory requirements, measures identified to respect the water rights of others including Indigenous peoples, shall be implemented.	Not-applicable in Iran
3.3	**Implement plan to achieve site water balance targets.**	
3.3.1	Status of progress towards meeting water balance targets set in the water stewardship plan shall be identified.	Progress in achieving water balance targets as per site plan has been quantified in Operational Management Plan. (Ref: 2.3.1 AWS in OMP
3.3.2	Where water scarcity is a shared water challenge, annual targets to improve the site's water use efficiency, or if practical and applicable, reduce volumetric total use shall be implemented.	Initiatives taken against shared water challenges have been addressed and relevant measures have been stated (Ref: 2.3.1 AWS in OMP) Improved site's water use through water efficiency and less total water use have been implemented (Ref: 1.8.1 , 1.8.4- Nestle best practices in catchment) Photographic evidence (Ref. 3.3.2 - Milk Recovery Water Plant)
3.3.3	Legally-binding documentation, if applicable, for the re-allocation of water to social, cultural or environmental needs shall be identified.	As per site visit and according to Operational Management Plan. (Ref: "Environmental sustainability" Tab in excel file named "3.1 AWS in OMP")
3.4	**Implement plan to achieve site water quality targets.**	
3.4.1	Status of progress towards meeting water quality targets set in the water stewardship plan shall be identified.	All targets and their current status have been identified in Operational Management Plan. (Ref: 2.3.1 & 3.1 AWS in OMP)
3.4.2	Where water quality is a shared water challenge, continual improvement to achieve best practice for the site's effluent shall be identified and where applicable, quantified.	On-site Operational master plan (3.1 AWS in OMP) OBS 9: Some chemical drums (with small amount of used chemical material) were placed near discharge channel. Must be placed within safe location.

Clause	Details	Comments/Evidence
		(Ref: 3.4.2-Photo, chemicals near discharging channel)
3.5	Implement plan to maintain or improve the site's and/or catchment's Important Water-Related Areas.	
3.5.1	Practices set in the water stewardship plan to maintain and/or enhance the site's Important Water-Related Areas shall be implemented.	Site's Important Water related areas are mainly tube wells from which water extraction is taking place. Plans and updates regarding plan executions have been documented in Operational Management Plan (Ref: 3.1 AWS in OMP), which include better water governance, reuse of water, maintenance of existing systems and data collection.
3.6	**Implement plan to provide access to safe drinking water, effective sanitation, and protective hygiene (WASH) for all workers at all premises under the site's control.**	
3.6.1	Evidence of the site's provision of adequate access to safe drinking water, effective sanitation, and protective hygiene (WASH) for all workers onsite shall be identified and where applicable, quantified.	Available and verified onsite
3.6.2	Evidence that the site is not impinging on the human right to safe water and sanitation of communities through their operations, and that traditional access rights for Indigenous and local communities are being respected, and that remedial actions are in place where this is not the case, and that these are effective.	OK and verified onsite Site has used a self-assessment tool 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 has been achieved within the facility.
3.7	**Implement plan to maintain or improve indirect water use within the catchment.**	
3.7.1	Evidence that indirect water use targets set in the water stewardship plan, as applicable, have been met shall be quantified.	This indicator has been identified in OMP and the targets have been met. (Ref: 2.3.1 AWS in OMP) Data on back end verified on site.
3.7.2	Evidence of engagement with suppliers and service providers, as well as, when applicable, actions they have taken in the catchment as a result of the site's engagement related to indirect water use, shall be identified.	Evidences have been identified in OMP measures and initiatives (Ref: 2. 3.1 AWS in OMP). Site's engagement with suppliers and service providers has been identified (Ref: 3.7.2 Attendees & Ref: 3.7.2 and 3.8.1 Stakeholder's Alignment on AWS)

Clause	Details	Comments/Evidence
		Their main suppliers are adjacent farms (from which they purchase raw milk), which are included in identified catchment area. At these farms, Water conservation measures have been applied through recycling of treated water, Improved irrigation technology and good practices. Manure management has reduced water contamination as well.
3.8	**Implement plan to engage with and notify the owners of any shared water-related infrastructure of any concerns the site may have.**	
3.8.1	Evidence of engagement, and the key messages relayed with confirmation of receipt, shall be identified.	Previous minutes of meeting including actions and decisions were evaluated. (Ref: 1.2.1, 4.3.1 & 3.8.1AWS workshop). Moreover, water related risks have been discussed and tackled with the engagement of stakeholders (Ref:3.8.1 Meeting minutes of stakeholders)
3.9	**Implement actions to achieve best practice towards AWS outcomes: continually improve towards achieving sectoral best practice having a local/catchment, regional, or national relevance.**	
3.9.1	Actions towards achieving best practice, related to water governance, as applicable, shall be implemented.	Plans and updates related to water governance have been documented in Operational Management Plan (Ref: 2.3.1 AWS in OMP), which include better water governance, reuse of water, maintenance of existing systems, implementing best practices and data collection.
3.9.2	Actions towards achieving best practice, related to targets in terms of water balance shall be implemented.	Plans and updates related to water governance have been documented in Operational Management Plan (Ref: 3.1 AWS in OMP), which include better water governance, reuse of water, maintenance of existing systems, implementing best practices and data collection.
3.9.3	Actions towards achieving best practice, related to targets in terms of water quality shall be implemented.	Plans (like D.29) and updates related to water governance have been documented in Operational Management Plan (Ref: 2.3.1 AWS in OMP), which include better water governance, reuse of water, maintenance of existing systems, implementing best practices and data collection.
3.9.4	Actions towards achieving best practice, related to targets in terms of the site's maintenance of Important Water-Related Areas	Plans and updates water governance have been documented in Operational Management Plan (Ref: 2.3.1 AWS in OMP), which include better water

Clause	Details	Comments/Evidence
	shall be implemented.	governance, reuse of water, maintenance of existing systems, implementing best practices and data collection.
3.9.5	Actions towards achieving best practice related to targets in terms of WASH shall be implemented.	Actions and best practices related to WASH have been identified, implemented and evaluated. (Ref: 1.3.8, WASH Pledge Self-assessment-2019)
4	**EVALUATE**	
4.1	Evaluate the site's performance in light of its actions and targets from its water stewardship plan and demonstrate its contribution to achieving water stewardship outcomes.	Despite of planned and implemented projects in operational Management Plan (Ref: 2.3.1 AWS in OMP), some of launched projects like Milk Recovery Water Plant (Ref: 3.3.1. Milk Recovery Water Plant) with 40% saving of fresh water and others were observed and verified during the visit of Farm (Ref. Pictorial evidence)
4.1.1	Performance against targets in the site's water stewardship plan and the contribution to achieving water stewardship outcomes shall be evaluated.	Evaluation against targets set in water stewardship operation management plan have been documented in Tab "Instructions" of "Operational Management Plan" excel file (Ref: 2.3.1 AWS in OMP).
4.1.2	Value creation resulting from the water stewardship plan shall be evaluated.	Value creation along with benefits to catchment have been identified and evaluated. (Ref: 4.1.2-Qazvin 2019 Env tool for proactive tracking of performance)
4.1.3	The shared value benefits in the catchment shall be identified and where applicable, quantified.	Shared benefits to catchment have been quantified and background data verified onsite. (Ref: 4.1.3-Agriculture and water saving, slides No. 4,5,6,7&8)
4.2	**Evaluate the impacts of water-related emergency incidents (including extreme events), if any occurred, and determine the effectiveness of corrective and preventative measures.**	
4.2.1	A written annual review and (where appropriate) root-cause analysis of the year's emergency incident(s) shall be prepared and the site's response to the incident(s) shall be evaluated and proposed preventative and corrective actions and mitigations against future incidents shall be identified.	No such incident occurred
4.3	**Evaluate stakeholders' consultation feedback regarding the site's water stewardship performance, including the effectiveness of the site's engagement process.**	

Clause	Details	Comments/Evidence
4.3.1	Consultation efforts with stakeholders on the site's water stewardship performance shall be identified.	Previous meeting's minute including actions and decisions were evaluated. (Ref: 4.3.1 & 3.8.1). More evidences were reported in stakeholder's meeting, comments and questionnaires.
4.4	**Evaluate and update the site's water stewardship plan, incorporating the information obtained from the evaluation process in the context of continual improvement.**	
4.4.1	The site's water stewardship plan shall be modified and adapted to incorporate any relevant information and lessons learned from the evaluations in this step and these changes shall be identified.	Operational Management Plan (Ref: 2.3.1 AWS in OMP), some of launched projects like Milk Recovery Water Plant (Ref: 3.3.1. Milk Recovery Water Plant) with 40% saving of fresh water and others were observed during the visit of farm (Ref: Pictorial evidence) were evidenced.
5	**COMMUNICATE & DISCLOSE**	
5.1	**Disclose water-related internal governance of the site's management, including the positions of those accountable for legal compliance with water-related local laws and regulations.**	
5.1.1	The site's water-related internal governance, including positions of those accountable for compliance with water-related laws and regulations shall be disclosed.	Information regarding positions of those accountable for compliance with water-related laws and regulations (slide no. 13 in reference file), has been shown and shared in following links as well as in attached file (5.1.1. Agriculture and water saving). RISE Event (RISE project news, was Published on November 28, 2018, project announcement by Nestle with attendance of some legal-authorities' stakeholders) Water Stewardship (Instagram: Nestlé in Society (Water Stewardship) Episode – 12) Instagram posts regarding AWS-1

Clause	Details	Comments/Evidence
		(Seminar as "Nestle in Society", showing speech of Mr. Rezaee, MD of Zarrin Farm in this regard.) AWS 2 (Instagram: Describing long-term objectives of Nestle for sustainability) AWS 3 Instagram: International Water Day in Nestle. Gazvin) AWS 4 (Instagram: Celebrating on the occasion of "Resource saving day" in Iran, first day of third Iranian month of last year) https://www.nestle.ir/fa/media/pressreleases/csv-event (Nestle website: In an international seminar in Tehran, Nestle described the output of RISE project)
5.2	**Communicate the water stewardship plan with relevant stakeholders.**	
5.2.1	The water stewardship plan, including how the water stewardship plan contributes to AWS Standard outcomes, shall be communicated to relevant stakeholders.	Data has been communicated through social & electronic media as follows: RISE Event (RISE project news, was Published on November 28, 2018, project announcement by Nestle with attendance of some legal-authorities' stakeholders) Water Stewardship (Instagram: Nestlé in Society (Water Stewardship) Episode – 12) Instagram posts regarding AWS-1 (Seminar as "Nestle in Society", showing speech of Mr. Rezaee, MD of Zarrin Farm in this regard.) AWS 2

Clause	Details	Comments/Evidence
		(Instagram: Describing long-term objectives of Nestle for sustainability) AWS 3 Instagram: International Water Day in Nestle. Gazvin) AWS 4 (Instagram: Celebrating on the occasion of "Resource saving day" in Iran, first day of third Iranian month of last year) https://www.nestle.ir/fa/media/pressreleases/csv-event (Nestle website: In an international seminar in Tehran, Nestle described the output of RISE project)
5.3	**Disclose annual site water stewardship summary, including the relevant information about the site's annual water stewardship performance and results against the site's targets.**	
5.3.1	A summary of the site's water stewardship performance, including quantified performance against targets, shall be disclosed annually at a minimum.	Summary of site water stewardship performance was last shared (Ref: RISE Event link) in November 2018. The content of this report was evaluated as per attachment (Ref: 5.3.1, Agriculture and water saving). New event is supposed to be carried out in December 2019 by issuance of new book as "Nestle in society: water stewardship"
5.4	**Disclose efforts to collectively address shared water challenges, including: associated efforts to address the challenges; engagement with stakeholders; and co-ordination with public-sector agencies.**	
5.4.1	The site's shared water-related challenges and efforts made to address these challenges shall be disclosed.	The challenges with stakeholders were discussed in RISE event (Ref: RISE Event). The content of this report was evaluated as per attachment (Ref. 5.3.1, Agriculture and water saving).
5.4.2	Efforts made by the site to engage stakeholders and coordinate and support public-sector agencies shall be identified.	Public-sectors were engaged in this event, as per RISE event (Ref: RISE Event). The content of this report was evaluated as per attachment (Ref: 5.3.1, Agriculture and water saving). Previous meeting's minute with attendance of public sectors' representatives including actions and decisions were evaluated. (Ref: 4.3.1 & 3.8.1AWS workshop for stakeholders) More evidences were reported in Certification, consultation & stakeholder's meeting comments and questionnaires conducted during audit by SGS.

Clause	Details	Comments/Evidence
5.5	**Communicate 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.**	
5.5.1	Any site water-related compliance violations and associated corrections shall be disclosed.	No such incident available
5.5.2	Necessary corrective actions taken by the site to prevent future occurrences shall be disclosed if applicable.	No such incident available
5.5.3	Any site water-related violation that may pose significant risk and threat to human or ecosystem health shall be immediately communicated to relevant public agencies and disclosed.	No such incident available

7 AUDIT FINDINGS

Major Non-Conformances

Three major non-conformities were raised during the audit process. They were considered partially meeting the AWS Core criterion requirement, and some small adjustments were requested to make to the documentation in order to be considered fully compliant. The following table 7.1 shows the details of the major non-conformities and required new information.

Table 7.1 Major Non-Conformities Raised during the AWS Audit Process

No.	Type	Ref.	Details	Response by Nestle Iran	Relevant References
1	Major Non-Conformance	01MAJCAR	Indicator 1.5.3 The catchment water-balance, and where applicable, scarcity, shall be quantified, including indication of annual, and where appropriate, seasonal, variance. *Water balance of catchment & scarcity has not been calculated and quantified. Record of seasonal variance for catchment has not been documented and calculated.*	On 24 December 2019, Nestlé Iran provided a corrective action plan for 01MAJCAR, which consisted of: Root analysis: The water balance of the catchment does exist but sesonal varaiance calculation was not accurate because of the unavailability of the data on the catchment variances. Corrective actions: Training the personnel who are responsible for data collection regarding the AWS requirements, and supplementing quantified information in the subsequent report of catchment background information. Responsible person: Sadjad	REF056: Response to Finding 01MAJCAR

No.	Type	Ref.	Details	Response by Nestle Iran	Relevant References
				Khalili, Environmental Management Department Implementation deadline: 15 February 2020. Based on our review, the corrective action plan is acceptable.	
2	Major Non-Conformance	02MAJCAR	Indicator 1.5.4 Water quality, including physical, chemical, and biological status, of the catchment shall be identified, and where possible, quantified. Where there is a water-related challenge that would be a threat to good water quality status for people or environment, an indication of annual, and where appropriate, seasonal, high and low variances shall be identified. *Water quality data has been provided except biological status of catchment (Shahrood River), water related challenges and threat to good water quality status has not been quantified, also seasonal, high and low variances are not identified*.	On 24 December 2019, Nestlé Iran provided a corrective action plan for 02MAJCAR, which consisted of: Root analysis: The variances are identified and quantified as below 10% that is why it is not considered as water related challenge. Corrective actions: Biological status of the catchment is ready to be shared and variance is calculated. Responsible person: Sadjad Khalili, Environmental Management Department Implementation deadline: 15 February 2020. Based on our review, the corrective action plan is acceptable.	REF057: Response to Finding 02MAJCAR

No.	Type	Ref.	Details	Response by Nestle Iran	Relevant References
3	Major Non-Conformance	03MAJCAR	Indicator 1.5.5 Important Water-Related Areas shall be identified, and where appropriate, mapped, and their status assessed including any threats to people or the natural environment, using scientific information and through stakeholder engagement. *Important water related areas i.e. Shahrood River & Dashtabi have been identified but not mapped properly. Threats to the people or to the natural environment through stakeholder's engagement regarding the rivers have not been measured*.	On 24 December 2019, Nestlé Iran provided a corrective action plan for 03MAJCAR, which consisted of: Root analysis: Threats have been identified in the stakeholders' challenges. Corrective actions: The related document will be updated accordingly. Responsible person: Sadjad Khalili, Environmental Management Department Implementation deadline: 15 February 2020. Based on our review, the corrective action plan is acceptable.	REF058: Response to Finding 03MAJCAR

Minor Non-Conformances

Five minor non-conformities were raised during the audit process. They were considered partially meeting the AWS Core criterion requirement, and some small adjustments were requested to make to the documentation in order to be considered fully compliant. The following table 7.2 shows the details of the minor non-conformities and required new information.

Table 7.2 Minor Non-Conformities Raised during the AWS Audit Process

No.	Type	Ref.	Details	Response by Nestle Iran	Relevant References
1	Minor Non-Conformance	01MINCAR	Indicator 1.1.1 The physical scope of the site shall be mapped, considering the regulatory landscape and zone of stakeholder interests, including: - Any water sources providing water to the site that are owned or managed by the site or its parent organization; - Water service provider (if applicable) and its ultimate water source; - Discharge points and waste water service provider (if applicable) and ultimate receiving water body or bodies; *Mineral water/Nestle pure life was used by the site from outsourced water service provider and record was not found for example ultimate water source, discharge points etc..*	On 24 December 2019, Nestlé Iran provided a corrective action plan for 01MINCAR, which consisted of: Root analysis: It was missed from the list because recently we have started to receive the bottled waters for our guests and external visits. Corrective actions: All the information is available since we are receiving these bottled water from Polour Nestle factory located in Mazandaran,Iran and they have started the implementation of the AWS so all required data is available now. Responsible person: Sadjad Khalili, Environmental Management Department Implementation deadline: 15 June 2020. Based on our review, the corrective action plan is acceptable.	REF059: Response to Finding 01MINCAR

No.	Type	Ref.	Details	Response by Nestle Iran	Relevant References
2	Minor Non-Conformance	02MINCAR	Indicator 1.3.2 Site water balance, including inflows, losses, storage, and outflows shall be identified and mapped. *Record of storm/rain water balance was no found.*	On 24 December 2019, Nestlé Iran provided a corrective action plan for 02MINCAR, which consisted of: Root Analysis: The calculation was covering both surface and storm water but not separately for each, we have separated the calculation showing the amount for both. Corrective actions: Calculation will done separately for both surface and storm water and the water map will be updated accordingly. Responsible person: Sadjad Khalili, Environmental Management Department Implementation deadline: 15 June 2020. Based on our review, the corrective action plan is acceptable.	REF060: Response to Finding 02MINCAR
3	Minor Non-Conformance	03MINCAR	Indicator 1.3.3 Site water balance, inflows, losses, storage, and outflows, including indication of annual variance in water usage rates, shall be quantified. *Nestlé Iran has established a large database that show variance but not fulfil the requirements of the standard i.e. high and low variances (peak/low*	On 24 December 2019, Nestlé Iran provided a corrective action plan for 03MINCAR, which consisted of: Root analysis: When the variance in water usage happened, calculated but found	REF061: Response to Finding 03MINCAR

No.	Type	Ref.	Details	Response by Nestle Iran	Relevant References
			availability and peak/low demand), where water related challenge is of high impact should be quantified and seasonal variances should be measured.	below 10% that is why did not consider it as water related challenge but agreed that it can become a future challenge. Corrective actions: The water related challenge list will be updated accordingly and all variances will be checked again to prevent same gaps. Responsible person: Sadjad Khalili, Environmental Management Department Implementation deadline: 15 June 2020. Based on our review, the corrective action plan is acceptable.	
4	Minor Non-Conformance	04MINCAR	Indicator 1.3.4 Water quality of the site's water source(s), provided waters, effluent and receiving water bodies shall be quantified. Where there is a water-related challenge that would be a threat to good water quality status for people or environment, an indication of annual, and where appropriate, seasonal, high and low variances shall be quantified. *Water quality-related challenge was not identified (For example, wells (IC & IF tube wells) water parameters are within compliance, but may be gradually increasing over time, it will be indicating future non-compliance and risk. Such type of study*	On 24 December 2019, Nestlé Iran provided a corrective action plan for 04MINCAR, which consisted of: Root analysis: The variances are identified and quantified as below 10% that is why it is not considered as water related challenge but agree it is increasing and can become a future challenge. Corrective actions: The water	REF062: Response to Finding 04MINCAR

No.	Type	Ref.	Details	Response by Nestle Iran	Relevant References
			or future challenges was not found.	related challenge list will be updated accordingly and all variances will be checked again to prevent same gaps. Responsible person: Sadjad Khalili, Environmental Management Department Implementation deadline: 15 June 2020. Based on our review, the corrective action plan is acceptable.	
5	Minor Non-Conformance	05MINCAR	Indicator 1.4.1 The embedded water uses of primary inputs, including quantity, quality and level of water risk within the site's catchment, shall be identified. *Quality of embedded water and level of water risk within the site's catchment are not identified properly. (Washing of vehicles is outsourced and not mentioned properly in record as evidence.)*	On 24 December 2019, Nestlé Iran provided a corrective action plan for 05MINCAR, which consisted of: Root analysis: The amount of water usage is less than 1% of the water usage in the catchment that is why it is not considered in the embedded water. Corrective actions: The list of embedded water will be updated and will be checked for other embedded water sources if any, exists in the catchment. Responsible person: Sadjad	REF063: Response to Finding 05MINCAR

No.	Type	Ref.	Details	Response by Nestle Iran	Relevant References
				Khalili, Environmental Management Department Implementation deadline: 15 June 2020. Based on our review, the corrective action plan is acceptable.	

8 SUMMARY

Based on the review of documents presented by **Nestlé Iran,** the interview with **Nestlé Iran's** managers and employees, the interview with local stakeholders, and the site reconnaissance, **Nestlé Iran** has paid great attention to its water stewardship. A considerable quantity of effort and work has been put into the preparation for the audit of AWS certification.

Three major non-conformities and five minor non-conformities were raised during the audit process. They were considered partially meeting the AWS Core criterion requirement, and some small adjustments were requested to make to the documentation in order to be considered fully compliant. **Nestlé Iran** has provided SGS acceptable corrective action plans to address all major and minor non-conformities. We will further ascertain their compliance to the AWS Standard when performing the surveillance assessement in 2020.

9 OPPORTUNITIES FOR IMPROVEMENT

This is the initial conformity assessment for **Nestlé Iran** against the AWS Standard, and more attention is paid to the documented plan and implementation to date. Less focus was placed on the evaluation of **Nestlé Iran's** performance against the indicators as this was the first year of operation under the intention of conformity to the AWS Standard. Therefore, it allows for many areas for improvement going forward.

Besides the follow-up of implementation of corrective action plans to address all minor non-conformities, the future audits will additionally evaluate **Nestlé Iran's** performance against the AWS Standard indicators and how this is monitored and presented as compliance. Thus, SGS recommends that **Nestlé Iran** develop practicable ways to monitor its performance against the AWS Standard indicators, and keep relevant records in anticipation of future audits. Below are the area for the improvement.

1.3.1 OBS 1: Water scarcity or pollution of the wells has been described in page 42, but not listed in relevant table in page 10 out of 50. (Ref 1.3.1 and 2.4.1- 0197-SHE-P-009.11 Emergency Response Procedure)
1.3.1 OBS 2: Provided water from Nestle Pure life (water provider) has not been defined as another inlet to factory.
1.5.2 OBS 3: Latest approval from legal authority for two wells is not found as documentary evidence.
1.8.3 OBS 4: Best practice for water quality has been identified but Water safety plan to protect high quality water bodies from pollution has not been provided
1.8.4 OBS 5: Description of IWRA has been provided (Ref: 1.5.5-Important Water related areas) but best practice for maintenance of IWRA has not been identified and a regular monitoring program should be established to observe any changes having impacts on an IWRA.
2.1.1 OBS 6: The commitment which was signed by country manager was not displayed within site/organization.
2.2.1 OBS 7: The process for submission to regulatory agencies has not been developed as per evidence record found.
2.4.1 OBS 8: Initiatives against critical water challenges (highlighted in red & yellow) should be stated keeping in view the severity level of risk separately as current controls and stringent controls as 'new initiatives.(Ref: 1.6.2 - Stakeholders Identification-Final-1)
3.4.2 OBS 9: Some chemical drums (with small amount of used chemical material) were placed near discharge channel. Must be placed within safe location. (Ref: 3.4.2-Photo, chemicals near discharging channel)

10 CONCLUSIONS AND RECOMMANDATIONS

The organization has demonstrated effective involve of its management system and is capable of achieving its policy objectives, as well as the intended results of the respective management system

Given the evidence review and the site visit inspections performed, SGS recommends that, based on the results of this audit, Nestlè Iran P.J.S Co., Qazvin Factory (AWS-011-INT-CAB-0006-0004-0105) is awarded AWS Core Certification with yearly surveillance audits

11 REFERENCES

REF001: Leadership Commitment to the Alliance for Water Stewardship Standard

REF002: Nestlé Policy on Water Stewardship

REF003: Background Report for Water Risks, Opportunities and Challenges of Catchment Qazvin (Dashtabi)

REF004: General Master Plan-Qazvin Factory

REF005: Factory Underground Utilities Routes - Model

REF006: 0197-SHE-P-AWS (Alliance for Water Stewardship) SOP

REF007: SHE OMP 2019-2021

REF008: 0197-SHE-P-009.11 Emergency Response Procedure

REF009: List of Stakeholders, their Shared Water Challenges and Initiatives to address the Water Related Challenges

REF010: Stakeholders Alignment on AWS

REF011: Stakeholders Alignment on AWS-Attenmdance List

REF012: Stakeholders' Minutes of Meeting

REF013: Nestlé Iran's Water-Related Opportunities 2019

REF014: Nestlé Iran's Organization Chart & Organogram of AWS

REF015: IC Nescafe Nesquik Water Mapping

REF016: IC Water Quality Analysis Report

REF017: IF Water Mapping

REF018: IF Water Quality Analysis Report

REF019: Static and Dynamic Water Levels IC - IF

REF020: Water and WWTP Costs

REF021: Water Balance Comparison between different Regional Factories

REF022: Water Quality Analysis Result for Qazvin Catchment

REF023: Effluent Quality Analysis Reports

REF024: Fazil Effluent Quality Analysis Report

REF025: Soil Teting Report – Agriculture Land

REF026: Soil Teting Report – Soil Pits

REF027: Water Quality Analysis Report of Palizdar Well

REF028: Water Quality Analysis report for Well under Cornfield

REF029: Water Quality Analysis Report for Mohammadi Water Tower Well

REF030: Microbilogical Analysis Report for Well under Cornfield

REF031: Microbilogical Analysis Report for Palizdar Well

REF032: Microbilogical Analysis Report for Mohammadi Water Tower Well

REF033: List, and Description of relevance, of all applicable Water related Legal and Regulatory Requirements

REF034: 0197-SHE-P-004 SOP Legal Requirement & Other Requirement Assessment

REF035: Environmental Checklist

REF036: Legal Requirements Master List

REF037: List of Relevant aspects of Catchment Plan, Significant Publicly Led Initiatives And/Or Relevant Water Related Public Policy Goals for the Site

REF038: Water Governance Initiatives and Public Policies

REF039: Documentation Identifying Existing, or Historic Onsite Important Water-Related Areas in the Catchment, including a Description of their Status

REF040: Understanding of the Indirect Water Use

REF041: Comprehension about the Shared Water Related Challenges

REF042: Maintain or improve the status of the Site's Important Water-Related Areas

REF043: Qazvin 2019 Environmental Tool for Proactive Tracking of Performance

REF044: WASH Pledge Self Assessment tool – 2019 for evaluating Access to Water, Sanitation and Hygiene (WASH) at the Workplace

REF045: Safe Drinking Water, adequate Sanitation and Hygiene Awareness (WASH) for Workers On-Site

REF046: WASH Project in Farms

REF047: Notification to the owners of Shared Water-Related Infrastructure of any concern

REF048: Consultation to Stakeholders on Water-Related Performance

REF049: Nestlé Best Practices in Qazvin Catchment advocating AWS

REF050: Agriculture and Water Saving

REF051: Nestlé Iran's RISE Event - Sharing our Contribution to Society

REF052: Water Saving Project in Iranian dairy farms

REF053: Action Plan Implementation in Iranian Farms

REF054: AWS Workshop for Stakeholders

REF055: Public Notification on AWS - Information Disclosure posted to various Departments

REF056: Response to Finding 01MAJCAR

REF057: Response to Finding 02MAJCAR

REF058: Response to Finding 03MAJCAR

REF059: Response to Finding 04MINCAR

REF060: Response to Finding 05MINCAR

REF061: Response to Finding 06MINCAR

REF062: Response to Finding 07MINCAR

REF063: Response to Finding 08MINCAR

APPENDIX 1 SGS AUDIT CHECKLIST

APPENDIX 2 NESTLÉ IRAN ACTION PLANS RESPONSE TO FINDINGS