2000 Powell Street, Suite 600
Emeryville, CA 94608
www.scsglobalservices.com

Client Name:	Nestlé USA (NUSA) Modesto, CA Factory
AWS Registration Number:	AWS-000306
Client Representative:	Courtney Archibald, SH&E Manager
Audit Team:	Rae Mindock/Lead Auditor
	Isabella Polenghi-Gross/Technical Specialist
	Shana Golden/Team Auditor
Audit Dates:	December 3, 2020
Stakeholder Notification:	SCS and AWS Website, Local Newspaper
Site Location:	736 Garner Road, Modesto, CA 95357
Report Date:	December 28, 2020

Standard: AWS International Water Stewardship Standard - Version 2.0, March 22, 2019

Audit Type	☐ Gap Analysis ☐ Pre-assessment	☒ Initial Certification	☐ Surveillance ☐ Recertification

Level of Certification	☒ Core	☐ Gold	☐ Platinum

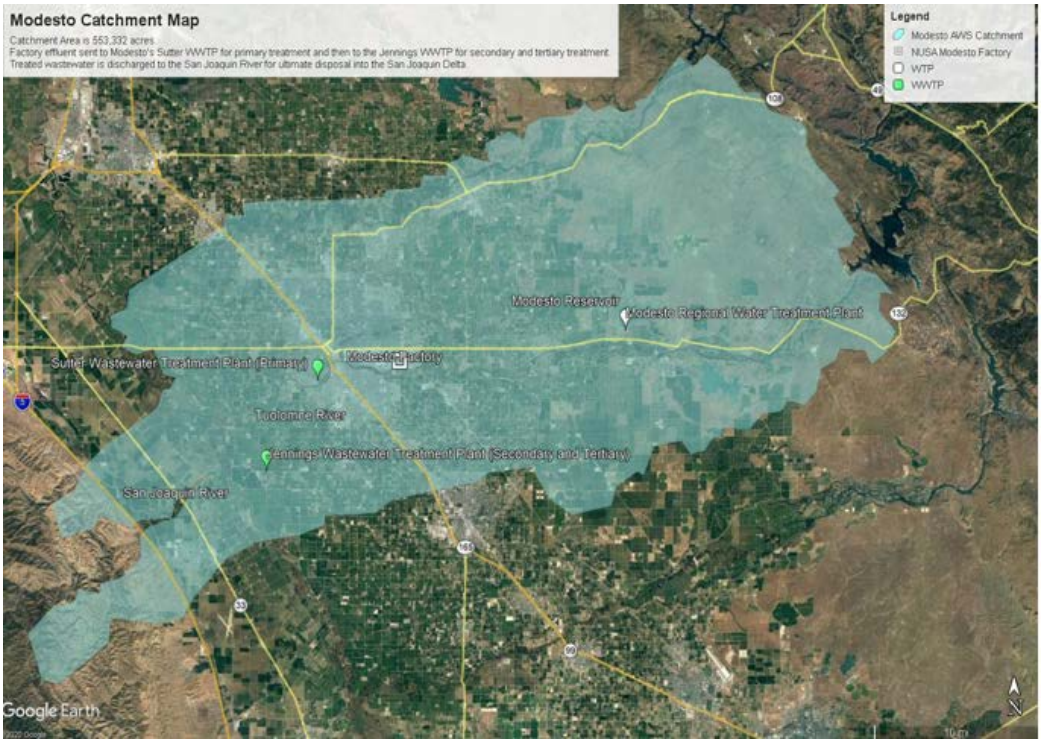
Site Information

Site Description

The Nestlé USA (NUSA) Modesto, CA Factory is the sole retail supplier of Nestlé Carnation evaporated milk in the US. The factory produces a variety of canned evaporated products including milk, milk with Vitamin D added, Low-fat 2% milk, and Fat free milk. The factory is also a bulk tank supplier of dairy to an ice cream factory. The approximately 14 acre site is located in a urban setting, in California's Central Valley, which is considered to be significantly water stressed. The geographic scope of the site is limited to the property boundary of the facility. The City of Modesto, via Modesto Irrigation District's Regional Water Treatment Plant, provides water for the production of canned milk products and for the facility sanitary water supply. Significant water is reclaimed during the production process and reused on-site in industrial processes (boilers, cooling towers, etc.). Wastewater services are provided by the City of Modesto.

Catchment Description

The Modesto Catchment (139,367 acres) is located in the Lower Stanislaus River Subbasin (HUC 1804001007). The catchment includes the primary water sources (Modesto Reservoir, MID Regional Water Treatment Plant, and the Modesto Factory) and the discharge recipient (Sutter WWTP (Primary) and Jennings WWTP (Secondary and Tertiary)). The primary source of water for the catchment is surface water from the Tuolumne River with the ultimate discharge of treated wastewater to the Pacific Ocean.



Shared Water Challenges

Shared water challenges are catchment water-related issues shared by the site and stakeholders. Stakeholder engagement was documented, and auditor interviews confirmed the topics of engagement. Primary water-related risks to the site include water quantity (availability and scarcity) and quality (salinity and nitrate leaching). A prioritized list of shared water challenges addressing the outcomes was provided.

Shared water challenges were addressed through stakeholder engagement, including scheduled meetings with: City of Modesto Wastewater Division and the Modesto Chamber of Commerce Green Team to understand issues and partnering opportunities, dairies and farms to discuss water stewardship actions, and local industries, also to share water stewardship practices.

Audit Attendees

Participant/Title	Opening Meeting	Document Review	Site Inspection	Closing Meeting
Courtney Archibald/SH&E Manager	x	x	x	x
Omar Askar/Factory Manager	x		x	
Pedro Castaneda/Production	x		x	
Brandon Kienenberger/NWNA Sustainability Analyst	x	x	x	x
Kyle Paris/IT Specialist	x		x	

Supporting Documentation:

The NUSA Modesto Factory provided documentation using SharePoint file share to support conformity with the AWS Standard v2.0 including: Stakeholder Outreach Log, Community Relations Program (CRP) Summary, Factory AWS Presentation 2020, NUSA Water Map, Catchment Water Balance, and Water Stewardship Plan. The Water Stewardship Plan is a working document which is continually updated with information regarding how shared water challenges are being addressed including progress, performance evaluation and stakeholder feedback. Other supporting documentation were also provided as evidence.

Summary of Findings

Step	Major	Minor	Observations	Advanced Criteria Total Points
1. Gather & Understand		1	1	
2. Commit & Plan				
3. Implement				
4. Evaluate			1	
5. Communicate & Disclose				
TOTAL		1	2	

Audit Non-conformities and Observations

Non-Conformity (Major or Minor) or Observation	Citation	Criteria/ Indicator	Due Date	Detail and Corrective Action
Minor	Minor 2020.01	1.5.5	30 Days	Minor 2020.01 was issued. The site did not provide a list of reservoirs that are considered IWRAs. A complete list of IWRAs should be identified and mapped. **Root Cause Analysis and Corrective Action** Minor 2020.01 was closed. The list of IWRAs was expanded to include the reservoirs and associated rivers.
Observation	OBS 2020.01	1.5.1	NR	The site provided a list of publicly-led initiatives and publicly available documents containing required information. The site should summarize information, especially relevant goals of possible opportunities.
Observation	OBS 2020.02	4.1.3	NR	The subsurface drip irrigation awareness was presented at AGTech and supplier dairies, minimal stakeholder feedback was received. The Factory should continue to provide information on drip irrigation and document stakeholder feedback.

Certification Decision

Auditor's recommendation for initial, continued or re-certification based on compliance with requirements:	x	Recommended
		Not Recommended
Level of Certification recommended	X	AWS Core
		AWS Gold
		AWS Platinum
SCS Certification Decision:	X	Approved
		Denied
Certification Decision by:		 Nicole Munoz, February 24, 2021
Technical Review by:		 Nicole Munoz, February 24, 2021
Date of Decision:		
Surveillance Schedule:		Next audit is scheduled for: January to June 2022 18 Month Surveillance will be Requested

AWS International Water Stewardship Standard, Version 2.0, March 22, 2019

Surveillance audits shall cover at a minimum those requirements highlighted in light green.

STEP 1: Gather and Understand

Criteria	Indicator	Yes	No	NA	Objective Evidence/Finding	Points
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.	Yes			The NUSA Modesto factory is located in Modesto, Central Valley, California. The Site, consisting of a dairy product manufacturing facility, occupies an area of approximately 14 acres and is surrounded primarily by industrial buildings to the north, south and west, and an earthen field to the east. The factory receives water from the City of Modesto drinking water system which includes surface water from the Tuolumne River, stored in Modesto Reservoir and treated at the Modesto Irrigation District's Regional Water Treatment Plant; and groundwater from City wells, located throughout the City's service area (approx. 80 wells). The water is used for the production of canned milk products and for facility sanitary water supply. The water-related infrastructure at the factory was mapped to include: the layout of the production lines, the incoming City water supply line, sanitary sewer discharge, stormwater discharge, and industrial discharge. Factory effluent is sent to the Modesto Sutter Wastewater Treatment Plant (WWTP) for primary treatment and then to the Jennings WWTP for secondary and tertiary treatment. Treated sanitary and industrial wastewater may be either be used for agricultural irrigation or discharged to the San Joaquin Delta and, ultimately, the Pacific Ocean. Stormwater at the site is directed to an onsite retention pond, located at the southwest corner of the property and discharging to the city stormwater system. NUSA Modesto AWS Catchment (553,332 acres) is comprised by of the Lower Stanislaus River, Dry Creek, Peaslee Creek-Tuolumne River, Salado Creek-San Joaquin River sub-watersheds and includes the NUSA Modesto Factory, the Modesto Irrigation District Regional Water Treatment Plant,	

					the Modesto Reservoir, and the Sutter and Jennings Wastewater Treatment Plants. The catchment area is defined and mapped.	
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.	Yes			The stakeholder map created during the NUSA Community Relations Process (CRP) was reviewed. The CRP includes identification of local population, authorities (municipalities), businesses (economic neighbors), and NGOs. Stakeholders identified include, City of Modesto Water District, Modesto Regional Waste Water Treatment Plant, Modesto Chamber of Commerce, Dairies and Milk Transporter, industrial neighbors, and regional and state representatives. The Outreach log included individuals and organizations consulted with since 2018, including notes on conversations which provided information on water-related interests/challenges. The summary includes actions, follow-up and feedback. The CRP includes ranking of stakeholder influence and interest with targeted levels of engagement defined.	
	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.	Yes			Stakeholders are related to the site's catchment and process identifies the stakeholders' ability to influence or be influenced. Influence/Interest is characterized (low to critical) and further describe opinions towards NUSA.	
1.3 Gather water-related data for the site, including: water balance; water	1.3.1 Existing water-related incident response plans shall be ***identified***.	Yes			The Water Stewardship Plan, Spill Prevention Control Countermeasure Plan (SPCC), Storm Water Pollution Prevention Plan (SWPPP), and Emergency Action Plan were reviewed. Incident response was addressed in the plans.	

quality, Important Water-Related Areas, water governance, WASH; water-related costs, revenues, and shared value creation.	1.3.2 Site water balance, including inflows, losses, storage, and outflows shall be ***identified*** and ***mapped***.	Yes			NUSA Modesto provided water maps containing inputs and outputs of water at this facility. Data showing water inflows, outflows, storage and losses for the production lines at the factory was reviewed. The map indicates water sources, water treatment and water effluents.	
	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***.	Yes			NUSA Modesto provided water maps containing inputs and outputs of water at this facility. NUSA Modesto utilizes a Water Usage Intensity to evaluate efficiency, measuring cubic meters of water used to produce a ton of product. The goal for 2019 was 1.50 m^3/ton with an actual 1.07 m^3/ton; the target Water Usage Intensity for 2020 is 1.19 m^3/ton. NUSA Modesto calculates the Water Usage Intensity on a weekly basis as part of their weekly operations review. The comparison of the annual water use intensity shows a substantial increase in water efficiency in 2018 and 2019 compared to previous years.	
	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***.	Yes			The water quality report from the City of Modesto was provided with detailed information showing that the water meets state and federal drinking water standards. Monthly or higher frequency data were provided for water quality of the NUSA Modesto facility effluent. NUSA Modesto gets their effluent sampled and analyzed by a third-party company that monitors pH, BOD, and TSS. NUSA Modesto and the City are both notified, and the facility will respond if the effluent quality is out of required limits. Water quality data of the ultimate receiving body were provided and reviewed.	
	1.3.5 Potential sources of pollution shall be ***identified*** and if applicable, ***mapped***, including chemicals used or stored on site.	Yes			A list of all chemicals stored at the site, their location, and typical quantities were provided in the SWPPP, SPCC and California Environmental Reporting System submission. The chemicals located within the Factory were mapped on the Facility Layout.	
	1.3.6 On-site Important Water-Related Areas shall be ***identified*** and ***mapped***,	Yes			No IWRAs are present at the NUSA Modesto site.	

	including a description of their status including Indigenous cultural values.					
	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.	Yes			Site level costs were presented including costs to implement water stewardship-related costs were provided and reviewed. Nestlé Financial Statements for 2019 was provided which described revenues.	
	1.3.8 Levels of access and adequacy of WASH at the site shall be ***identified.***	Yes			WASH is available on-site with potable water and toilets for employees and visitors. The Factory utilized "Self-Assessment Tool for Evaluating Access to Water, Sanitation and Hygiene (WASH) at the Workplace".	
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 use of primary inputs, including quantity, quality and level of water risk within the site's catchment, shall be ***identified.***	Yes			A list of primary inputs for outsourced services was provided with designation of location. Information on water source with annual water consumption values, and origin for each input was provided by the Factory.	
	1.4.2 The embedded water use of outsourced services shall be ***identified***, and where those services originate within the site's catchment, ***quantified***.	Yes			The NUSA Modesto site does not use outside services that account for over 5 % of the total weight of their goods, or 5 % of their costs, or that use significant water in their processes.	
	1.4.3 **Advanced Indicator** The embedded water use of primary inputs in catchment(s) of origin shall be ***quantified***.				This Advanced Indicator was not considered for the Site.	
1.5 Gather water-related data for the catchment, including: water governance, water balance, water quality, Important	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.	Yes			A list of significant publicly-led initiatives and water-related public policy goals for the catchment was provided at the state, regional and city level. **OBS 2020.01 was issued. The site provided a list of publicly-led initiatives and publicly available documents containing required information. The site should summarize information, especially relevant goals of possible opportunities.**	

Water-Related Areas, infrastructure, and WASH	1.5.2 Applicable water-related legal and regulatory requirements shall be ***identified***, including legally-defined and/or stakeholder-verified customary water rights.	Yes			A list of federal, state, local permits and regulatory requirements was provided, including permits issued by the CA Department of Public Health – Food and Drug Branch. List of relevant and applicable legal and other requirements were also provided and reviewed.	
	1.5.3 The catchment water-balance, and where applicable, scarcity, shall be ***quantified***, including indication of annual, and where appropriate, seasonal, variance.	Yes			The catchment water balance with precipitation, point source flows, subsurface flow, runoff, and evapotranspiration data were provided for the NUSA Modesto Factory catchment. Data are presented as an annual average for a 30-year period. The seasonal variability was provided using 30-years monthly averages of water fluxes calculated for the portions of the following watersheds, which make up the site catchment of the Modesto plant: Lower Stanislaus River, Dry Creek, Peaslee Creek-Toluomne River, Salado Creek-San Joaquin River. As indicated in the water stewardship plan, the site has engaged to work with catchment stakeholders to identify water savings campaigns/initiatives and opportunities and reduce water consumption/demand.	
	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***.	Yes			A description of the watershed groundwater and surface water quality status was provided. A link to the USGS report on groundwater quality data in the Western San Joaquin Valley was provided, including chemical and biological considerations on the status of the catchment. City of Modesto reports were also provided stating that the water is treated according to federal and state standards to remove any possible harmful contaminants.	
	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	Yes			IWRAs have been identified and mapped by NUSA Modesto, along with a description of their water-related issues. IWRAs include: San Joaquin River Delta, Tuolumne River, Stanislaus River, and associated reservoirs.	

	information and through stakeholder engagement.				**Minor 2020.01 was issued. The site did not provide a list of reservoirs that are considered IWRAs. A complete list of IWRAs should be identified and mapped.** **Minor 2020.01 was closed. The list of IWRAs was expanded to include the reservoirs and associated rivers.**	
	1.5.6 Existing and planned water-related infrastructure shall be ***identified***, including condition and potential exposure to extreme events.	Yes			The Joint Urban Water Management Plan, City of Modesto/Modesto Irrigation District Joint Urban Water Management Plan 2010 was provided with the information on water supply infrastructure. A list of publicly available reports/data of water-related infrastructure with a description, exposure scenarios and opportunities. Infrastructure includes imported water infrastructure, municipal wells and reservoirs.	
	1.5.7 The adequacy of available WASH services within the catchment shall be ***identified***.	Yes			A link to the CA Water Boards Human Right to water Portal was provided. Water quality data providing Exceedance/Compliance Status of Public Water Systems was reviewed. WASH for the catchment is adequate based on compliance and demographic information.	
	1.5.8 **Advanced Indicator** Efforts by the site to support and undertake catchment level water-related data collection shall be ***identified***.				This Advanced Indicator was not considered for the Site.	
	1.5.9 **Advanced Indicator** The adequacy of WASH provision within the catchments of origin of primary inputs shall be ***identified***.				This Advanced Indicator was not considered for the Site.	
1.6 Understand current and future shared water challenges in the catchment, by linking the water challenges ***identified***	1.6.1 Shared water challenges shall be ***identified*** and prioritized from the information gathered.	Yes			A prioritized list with rationale of shared water challenges was provided and reviewed. Drivers and public-sector agency efforts are noted as well. Water quantity is prioritized as first. NUSA challenges were prioritized based on stakeholder feedback and corporate initiatives.	
	1.6.2 Initiatives to address shared water challenges shall be ***identified***.				A list of initiatives was provided and reviewed including: California Agricultural Water Management Plan - Modesto Sub basin Groundwater	

by stakeholders with the site's water challenges.					Sustainability Plan and Mid San Joaquin River Integrated Regional Water Management Plan. Initiatives are identified in the plans.	
	1.6.3 **Advanced Indicator** Future water issues shall be ***identified***, including anticipated impacts and trends				This Advanced Indicator was not considered for the Site.	
	1.6.4 **Advanced Indicator** Potential water-related social impacts from the site shall be ***identified***, resulting in a social impact assessment with a particular focus on water.				This Advanced Indicator was not considered for the Site.	
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.	Yes			A prioritized list of water risks was provided and reviewed. Water risks matched shared water challenges. Water quantity is prioritized first.	
	1.7.2 Water-related opportunities shall be ***identified***, including how the site may participate, assessment and prioritization of potential savings, and business opportunities.	Yes			A prioritized list of water-related opportunities was provided for the site and match the shared water challenges and water risks lists. First priority is based on water quantity and focused on reduced water consumption. A prioritized list of projects, savings and value creation was submitted and reviewed. Value creation was quantified, as applicable.	
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***.	Yes			NUSA has identified multiple best practices toward achieving AWS outcomes at the site and in the catchment. The following best practices are examples for Indicators 1.8.1 - 1.8.5. NUSA identified the Pacific Institute/CEO Water Mandate, Setting Site Water Targets informed by Catchment Context, Case Study: Santa Ana River Watershed, CA. The study which references AWS, was supported by companies endorsing CEO Mandate. NUSA engages with catchment authorities and other stakeholders to share information, practices and drive water stewardship practices.	

	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***.	Yes			NUSA identified The Dairy Knowledge Portal, Management of Water in Dairy Plants. NUSA uses the sector specific efficiency metric of water use ratio (meters of milk product produced/water used) to track onsite efficiency and established a target to monitor continual improvement.	
	1.8.3 Relevant sector and/or catchment best practice for water quality shall be ***identified***, including rationale for data source.	Yes			NUSA identified the Polish Journal of Chemical Technology Determinants of Water Consumption in the Dairy Industry. NUSA focuses on maintaining site water quality, BOD reduction and drip irrigation awareness.	
	1.8.4 Relevant catchment best practice for site maintenance of Important Water-Related Areas shall be ***identified***.	Yes			NUSA identified 1)Assessment, management and monitoring of High Conservation Value Forest (HCVF) A practical guide for forest managers and 2)Good practice guidelines for High Conservation Value assessments, A practical guide for practitioners and auditors both by ProForest.	
	1.8.5 Relevant sector and/or catchment best practice for site provision of equitable and adequate WASH services shall be ***identified***.	Yes			NUSA identified the Water Aid Corporate engagement on water supply, sanitation and hygiene: Driving progress on Sustainable Development Goal 6 (SDG6) through supply-chains and voluntary standards. NUSA established the Nestlé Guidelines on Respecting the Human Rights to Water and Sanitation, which is extended to suppliers.	
					Advanced Points Step 1	

STEP 2: Commit and Plan

Criteria	Indicator	Yes	No	NA	Objective Evidence/Findings	Points
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	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	Yes			A pledge, signed by the site factory manager, was reviewed containing all elements described in this indicator.	

stewardship, the implementation of the AWS Standard and achieving its five outcomes, and the allocation of required resources.	- 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 transparent way - That the site will allocate resources to implement the Standard.					
	2.1.2 **Advanced Indicator** A statement that explicitly covers all requirements set out in Indicator 2.1.1 and is signed by the organization's senior-most executive or governance body and publicly ***disclosed*** shall be ***identified***.				This Advanced Indicator was not considered for the Site.	
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.	Yes			The NUSA Compliance Matrix was provided and reviewed. Included in the matrix are the listed permits and responsible staff to ensure maintenance of compliance. A third-party is contracted to confirm compliance is maintained. In addition, the facility is ISO 14001 Certified.	
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.	Yes			A water stewardship strategy statement signed by the factory manager was provided and reviewed. NUSA Modesto strategy is a high-level document stating the overall strategy is in alignment with the AWS requirements.	
	2.3.2 A water stewardship plan shall be ***identified*,** including for each target: - How it will be measured and monitored	Yes			A detailed water stewardship plan was created as part of the AWS process. The plan is broken into objectives, targets, and actions. There are different actions corresponding to different targets, each with their own metrics,	

	- 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 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.				budget, responsible person, status, and other criteria. Water Quality and Water Quantity are the water topics identified in this plan.	
	2.3.3 **Advanced Indicator** The site's partnership/water stewardship activities with other sites within the same catchment (which may or may not be under the same organizational ownership) shall be ***identified*** and described.				This Advanced Indicator was not considered for the Site.	
	2.3.4 **Advanced Indicator** The site's partnership/water stewardship activities with other sites in another catchment(s) (either under same corporate structure or with another corporate site) shall be ***identified***.				This Advanced Indicator was not considered for the Site.	
	2.3.5 **Advanced Indicator** Stakeholder consensus shall be sought on the site's water stewardship plan. Consensus should be achieved on at least one target. A list of targets that have consensus and in which stakeholders are involved shall be ***identified***.				This Advanced Indicator was not considered for the Site.	

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***.	Yes			NUSA Modesto provided their current SWPPP, SPCC plan, and Emergency Action Plan, which included a description of their required responses and resilience operations to water-related issues and risks. Modifications to the plans are captured through revision/amendment comments as needed and an annual review is part of standard procedures to evaluate the plans effectiveness. In addition, the Water Stewardship Plan is a working document which documents identification of water risks through performance, evaluation, and stakeholder consultation. Stakeholders include the relevant public-sector agencies responsible for infrastructure.	
	2.4.2 **Advanced Indicator** A plan to mitigate or adapt to water risks associated with climate change projections developed in co-ordination with relevant public-sector and infrastructure agencies shall be ***identified***.				This Advanced Indicator was not considered for the Site.	
					Advanced Points Step 2	

STEP 3: Implement

Criteria	Indicator	Yes	No	NA	Objective Evidence/Findings	Points
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***.	Yes			The Factory provided documentation of their efforts to support good catchment governance through the Water Awareness Campaign which shares information with stakeholders.	
	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***.				NUSA established the Nestlé Guidelines on Respecting the Human Rights to Water and Sanitation, which is extended to suppliers.	
	3.1.3 **Advanced Indicator** Evidence of improvements in water governance capacity from a site-selected baseline date shall be ***identified*****.**				This Advanced Indicator was not considered for the Site.	

	3.1.4 **Advanced Indicator** Evidence from a representative range of stakeholders showing consensus that the site is seen as positively contributing to the good water governance of the catchment shall be ***identified*****.**				This Advanced Indicator was not considered for the 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***.	Yes			The NUSA Compliance Matrix was provided and reviewed. Included in the matrix are the listed permits and responsible staff to ensure maintenance of compliance. In addition, the facility is ISO 14001 Certified.	
	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***.	Yes			The Modesto Factory receives its water from a municipal supply and does not infringe on the rights of indigenous peoples. NUSA discussions with stakeholders did not indicate actual or perceived concern that site was impinging on human right to safe water and sanitation in catchment.	
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***.	Yes			Water usage is tracked on a weekly basis and compared to goal. and compared to previous years monthly values. The monthly withdrawal is also tracked and compared to rates from the previous year. The Factory's water usage intensity for 2019 was 1.07 m3/ton which is less than the goal of 1.50 m3/ton. The site has worked to improve its water efficiency as per its targets, by implementing the following measures: leak detection and resolution program by reducing weekly volume and maintain RO water usage.	
	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***.	Yes			NUSA establishes site targets annually to improve water balance towards improving efficiency and strives to reduce volumetric total.	
	3.3.3 Legally-binding documentation, if applicable, for the re-allocation of water	Yes			The site is not re-allocating water savings.	

	to social, cultural or environmental needs shall be ***identified***.					
	3.3.4 **Advanced Indicator** The total volume of water voluntarily re-allocated (from site water savings) for social, cultural and environmental needs shall be ***quantified***.				This Advanced Indicator was not considered for the Site.	
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***.	Yes			Wastewater results are within permitted values. The Factory reduced BOD in effluent by 27% (below discharge goal).	
	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***.	Yes			Water quality is a shared water challenge and an AWS Outcome. The Factories goal is to meet all City of Modesto Wastewater permit quality requirements with the new RO system.	
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***.				No IWRAs are present at the Modesto Factory site.	
	3.5.2 **Advanced Indicator** Evidence of completed restoration of non-functioning or severely degraded Important Water-Related Areas including where appropriate cultural values from a site-selected baseline date shall be ***identified***. Restored areas may be outside of the site, but within the catchment.				This Advanced Indicator was not considered for the Site.	
	3.5.3 **Advanced Indicator** Evidence from a representative range of stakeholders showing consensus that the site is seen as positively contributing to the healthy status of Important Water-				This Advanced Indicator was not considered for the Site.	

	Related Areas in the catchment shall be ***identified***.					
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***.	Yes			NUSA uses a self-assessment tool at each site to review access to drinking water, sanitation and hygiene awareness (WASH). The nature of the product made at the facility requires strict adherence to these principals. Pledged compliance was achieved within the Modesto Factory.	
	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.	Yes			NUSA uses a self-assessment tool at each site to review access to drinking water, sanitation and hygiene awareness (WASH). The Factory is not impacting WASH of communities. NUSA discussions with stakeholders did not indicate actual or perceived concern that site was impinging on human right to safe water and sanitation in catchment.	
	3.6.3 **Advanced Indicator** A list of actions taken to support the provision to stakeholders in the catchment of access to safe drinking water, adequate sanitation and hygiene awareness shall be ***identified***.				This Advanced Indicator was not considered for the Site.	
	3.6.4 **Advanced Indicator** In catchments where WASH has been ***identified*** as a shared water challenge, evidence of efforts taken with relevant public-sector agencies to share information and to advocate for change to address access to safe drinking water and sanitation shall be ***identified***.				This Advanced Indicator was not considered for the Site.	

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***.	Yes			Indirect water use targets in the Water Stewardship Plan include educating stakeholders on reasons to adopt subsurface drip irrigation.	
	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.***	Yes			Communication with farmers was documented regarding information on subsurface irrigation.	
	3.7.3 **Advanced Indicator** Actions taken to address water related risks and challenges related to indirect water use outside the catchment shall be documented and ***evaluated***.				This Advanced Indicator was not considered for the Site.	
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.***	Yes			Evidence indicated there are no concerns with any shared water-related infrastructure. NUSA regularly shares data with stakeholder, including annual wastewater inspections.	
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***.	Yes			NUSA team engages with catchment authorities and other stakeholders to share information, best practices and drive water stewardship efforts, one example is the data sharing and collaborative efforts of CWAC.	
	3.9.2 Actions towards achieving best practice, related to targets in terms of water balance shall be ***implemented***.	Yes			NUSA uses the sector specific efficiency metric of water use ratio (meters of milk product produced/water used) to track onsite efficiency and established a target to monitor continual improvement.	
	3.9.3 Actions towards achieving best practice, related to targets in terms of water quality shall be ***implemented***.	Yes			NUSA implemented the BOD reduction project. Effluent is managed appropriately and in accordance with permit limits.	

	3.9.4 Actions towards achieving best practice, related to targets in terms of the site's maintenance of Important Water-Related Areas shall be ***implemented***.				Modesto site has no IWRAs which require maintenance.	
	3.9.5 Actions towards achieving best practice related to targets in terms of WASH shall be ***implemented***.	Yes			Stakeholder engagement indicates there is adequate WASH in the catchment.	
	3.9.6 **Advanced Indicator** Achievement of ***identified*** best practice related to targets in terms of good water governance shall be ***quantified***.				This Advanced Indicator was not considered for the Site.	
	3.9.7 **Advanced Indicator** Achievement of ***identified*** best practice related to targets in terms of sustainable water balance shall be ***quantified***.				This Advanced Indicator was not considered for the Site.	
	3.9.8 **Advanced Indicator** Achievement of ***identified*** best practices related to targets in terms of water quality shall be ***quantified***.				This Advanced Indicator was not considered for the Site.	
	3.9.9 **Advanced Indicator** Achievement of ***identified*** best practices related to targets in terms of the site's maintenance of Important Water-Related Areas have been ***implemented***.				This Advanced Indicator was not considered for the Site.	
	3.9.10 **Advanced Indicator** Achievement of ***identified*** best practice related to targets in terms of WASH shall be ***quantified***.				This Advanced Indicator was not considered for the Site.	
	3.9.11 **Advanced Indicator** A list of efforts to spread best practices shall be ***identified***.				This Advanced Indicator was not considered for the Site.	
	3.9.12 **Advanced Indicator**				This Advanced Indicator was not considered for the Site.	

	A list of collective action efforts, including the organizations involved, positions of responsible persons of other entities involved, and a description of the role played by the site shall be ***identified***.					
	3.9.13 **Advanced Indicator** Evidence of the ***quantified*** improvement that has resulted from the collective action relative to a site-selected baseline date shall be ***identified*** and evidence from an appropriate range of stakeholders linked to the collective action (including both those implementing the action and those affected by the action) that the site is materially and positively contributing to the achievement of the collective action shall be ***identified***.				This Advanced Indicator was not considered for the Site.	
					Advanced Points Step 3	

STEP 4: Evaluate

Criteria	Indicator	Yes	No	NA	Objective Evidence/Findings	Points
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.	4.1.1 Performance against targets in the site's water stewardship plan and the contribution to achieving water stewardship outcomes shall be ***evaluated.***	Yes			NUSA has evaluated performance of the Stewardship Plan which is aligned with realizing the AWS Outcomes. Targets established in the Plan are tracked based on multiple actions with measurable metrics, documentation of stakeholder engagement, and evaluation of changes in water risk for each target. The evaluation also includes a cost/benefits review and describes shared value benefits for each target. Further evaluation will be conducted during the surveillance and renewal audits.	
	4.1.2 Value creation resulting from the water stewardship plan shall be ***evaluated.***	Yes			NUSA has created value related to multiple efforts including: RO project (innovative water saving efforts) and BOD reduction.	

	4.1.3 The shared value benefits in the catchment shall be ***identified*** and where applicable, ***quantified.***	Yes			NUSA has identified the subsurface drip irrigation techniques as a beneficial catchment improvement. The results of implementation are not currently quantifiable. **OBS 2020.02 was issued. The subsurface drip irrigation awareness was presented at AGTech and supplier dairies, minimal stakeholder feedback was received. The Factory should continue to provide information on drip irrigation and document stakeholder feedback.**	
	4.1.4 **Advanced Indicator** A governance or executive-level review, including discussion of shared water challenges, water risks, and opportunities, and any water-related cost savings or benefits realized, and any relevant incidents shall be ***identified***.				This Advanced Indicator was not considered for the Site.	
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.***	Yes			No water-related emergency events occurred during the current audit period. No shutdown occurred that was water related. The annual environmental reviews would document these emergency events, if any. The facility has a current SWPPP, SPCC, and Emergency Action Plan.	
4.3 Evaluate stakeholders' consultation feedback regarding the site's water stewardship performance, including the effectiveness of the site's engagement process.	4.3.1 Consultation efforts with stakeholders on the site's water stewardship performance shall be ***identified***.	Yes			Internal and external stakeholder outreach conducted and documented in the Stakeholder Outreach Log. Responses covered the main topics of catchment areas, WASH, IWRAs, water efficiency, water savings projects.	
	4.3.2 **Advanced Indicator** The site's efforts to address shared water challenges shall be ***evaluated*** by stakeholders. This shall include stakeholder reviewing of the site's efforts				This Advanced Indicator was not considered for the Site.	

	across all five outcome areas, and their suggestions for continual improvement.					
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.***	Yes			The Water Stewardship Plan is a working document updated annually to reflect on-going actions and completed projects. The Plan tracks targets and actions tied to best practice and AWS outcomes addressed. Performance and stakeholder consultation with respect to the projects are included. Stakeholder consultation has led to sharing projects and adapting to stakeholder projects as requested.	
					Advanced Points Step 4	

STEP 5: Communicate and Disclose

Criteria	Indicator	Yes	No	NA	Objective Evidence/Findings	Points
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***.	Yes			NUSA Modesto Factory posts the factory organization chart in the entry of the factory floor where it will be observed the by staff and visitors. The organization chart includes the staff and relevant responsible personnel for water-related laws and regulations.	
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.	Yes			NUSA Modesto Factory provided the outreach log and communication with stakeholders about the AWS process. The AWS Presentation summarizes the water stewardship plan and outcomes. The Presentation was shared with employees, visitors and other stakeholders. Communication and outreach confirmed through stakeholder interviews.	
5.3 Disclose annual site water stewardship summary, including the relevant information about	5.3.1 A summary of the site's water stewardship performance, including ***quantified*** performance against targets, shall be ***disclosed*** annually at a minimum.	Yes			The stakeholder presentation was reviewed, the presentation includes the site's water stewardship performance results. NUSA Modesto Factory	

the site's annual water stewardship performance and results against the site's targets.					presentation reviewed the sites water challenges, stakeholder feedback, targets, with implementation outcomes. The AWS Presentation was distributed to stakeholders as documented in the Outreach Log.	
	5.3.2 Advanced Indicator The site's efforts to ***implement*** the AWS Standard shall be ***disclosed*** in the organization's annual report.				This Advanced Indicator was not considered for the Site.	
	5.3.3 Advanced Indicator Benefits to the site and stakeholders from implementation of the AWS Standard shall be ***quantified*** in the organization's annual report.				This Advanced Indicator was not considered for the Site.	
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***.	Yes			The stakeholder presentation was reviewed and was provided to stakeholders as documented in the Outreach Log. Presentation includes the site's water stewardship performance results. The presentation was provided to stakeholders and describes the sites water challenges, stakeholder feedback, targets, with implementation outcomes.	
	5.4.2 Efforts made by the site to engage stakeholders and coordinate and support public-sector agencies shall be ***identified.***				See 5.4.1	
5.5 Communicate transparency in water-related compliance: make any site water-related compliance violations available upon request as well as any corrective	5.5.1 Any site water-related compliance violations and associated corrections shall be ***disclosed.***	Yes			The City of Modesto Wastewater Division issued two NOVs due to high pH. Root cause analysis and Correction Actions were described.	
	5.5.2 Necessary corrective actions taken by the site to prevent future occurrences shall be ***disclosed*** if applicable.	Yes			See 5.5.1	

actions the site has taken to prevent future occurrences.	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.***	Yes			Violations are publicly available through state and federal reporting (ECHO/US EPA). There were no violations reported via ECHO. The ECHO reporting system would include violations that pose a significant risk and threat to human or ecosystem health.	
					Advanced Points Step 5	