CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-000277

WSAS WATER STEWARDSHIP ASSURANCE SERVICES

SITE DETAILS

Site: **Nestlé Italy: Acqua Panna**
Address: Localita Panna 1, 50038, Scarperia, Firenze, ITALY
Contact Person: Walter Atriano
AWS Reference Number: AWS-000200
Site Structure: Single Site

CERTIFICATION DETAILS

Certification status: Certified Core
Date of certification decision: 2022-Nov-18
Validity of certificate: 2025-Nov-18

AUDIT DETAILS

Audited Service(s): AWS Standard v2.0 (2019)
Audit Type(s): Initial Audit
Audit Start Date: 2022-Jul-13
Lead Auditor: Carlo Enrico Freschi

Audit team participants:

Wicki Nielsen
Claudia M. Jaime
Carlo Freschi, Lead Auditor

Site Participants:

Piero Viola, Water Resources Manager
Angela Midollini, Environmental Manager and NCI Coordinator
Fabia Ruggeri, Sustainability & Corporate Affairs Lead
Walter Atriano, SHE Manager
Stefano Fioletti, Project Engineering Manager Sources Water
Giorgio Della Croce, Geologist
Moreno Sozzi, Sources Coordinator
Stefano Manenti, Factory Director

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ADDITIONAL INFO

Summary of Audit Findings: A total of 19 findings were raised during the certification audit, 2 major non-conformities, 8 minor non-conformities, and 9 observations.

The audit team recommends certification of Nestlé Italy: Acqua Panna at Core level pending approval of the corrective actions plan and closure of the major non-conformities.

The Client is requested to define corrective actions for each of the non-conformities and submit these to WSAS within 60 days of receipt of the audit report, by 14/11/2022.

Major non-conformities shall be addressed and closed out within 90 days, by 14/12/2022.

Minor non-conformities must be closed out by the date of the next surveillance audit.

Scope of Assessment: The scope of services covers the initial certification audit for assessing the conformity of San Pellegrino - Acqua Panna Factory – Scarperia and the property under Concessione mineraria where the main sources are located (hereinafter referred to as “the site”) against the AWS International Water Stewardship Standard Version 2.

The assessment has been completed in compliance with the AWS Certification requirements, Version 2.0 dated March 2019.
On July 13,14 and 15, 2022 WSAS conducted the conformity assessment of the site’s facilities and activities with regard to certification to the AWS Standard.
The audit plan is attached as a separate document.
During the conformity assessment, the audit team spent 3 hours on the stakeholder consultation meeting, and 1 day on the inspection of the site´s installations and activities in its sources and wells (fort) area, row water storage tank, bottling plant and WWTP, together with personnel interviews and document reviews.

The Site provided most of the requested supporting documentation as evidence before the audit in the Intact Platform and on a Teams repository. On-site. WSAS provided initial feedback on the gaps between the site’s current management and the level required by the standard during the closing meeting of the conformity assessment.

CLOSURE OF FINDINGS
The site has submitted a corrective action plan addressing all non-conformities as well as evidence for resolving the major non-conformities. These have been approved by WSAS and the major non-conformities have been closed.

FINDINGS

NUMBER OF FINDINGS PER LEVEL

Observation	9
Minor	8
Major	2

FINDING DETAILS

Finding No:	TNR-001003
Checklist Item No:	1.3.2
Status:	In Progress - CA plan approved
Finding level:	Minor
Due date:	2023-Jul-15
Checklist item:	Site water balance, including inflows, losses, storage, and outflows shall be identified and mapped
Findings:	The site has detailed data on upstream water, production, and downstream WWTP outlet but they are not connected in a comprehensive water balance chart.
Corrective action:	In order to solve this issue the Site is working in order to complete the factory water mapping.

Finding No:	TNR-001111
Checklist Item No:	1.3.4
Status:	Closed
Finding level:	Minor
Due date:	2023-Jul-15
Checklist item:	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.
Findings:	The Site periodically realizes analysis on the water coming from the wells: these analyses show the mineralization over the years is preserved. This is a point of strength for the business and industrial company evaluation. The Site performs analysis from its industrial wastewater after the treatment plant The evidence shows they comply with their limits. These analyses are performed monthly. However, the latest annual report received is for 2021. 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.
Corrective action:	All report concerning 2022 analysis performed by internal and external lab are available. Annual report was not available in July since the sampling was performed, by external lab, on 30/6/2022. All data are recorded also in a control chart in order to track high and low variances.
Evidence of implementation:	All data are recorded in a control chart in order to track high and low variances. Evidence provided.

Finding No:	TNR-001112
Checklist Item No:	1.3.5
Status:	For information
Finding level:	Observation
Checklist item:	Potential sources of pollution shall be identified and if applicable, mapped, including chemicals used or stored on site.
Findings:	It is recommended to tabulate and map pollution sources, their nature and their risk, along with vulnerable water bodies. In the context of water stewardship, it is especially important to identify pollution sources that present a risk to water bodies and water abstraction points. For further information, the site should consult the AWS Standard 2.0 Guidance.
Corrective action:	The Site is working together with the external technical in order to map pollution sources, their nature and risk.

Finding No:	TNR-001113
Checklist Item No:	1.5.5
Status:	For information
Finding level:	Observation
Checklist item:	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.
Findings:	Identified IWRAs should be listed in a more organized and integrated way if possible, with a description of what they are, their value (environmental, community, cultural), their status and any water-related risks. It is recommended to note them on a catchment map as proposed on the AWS Standard 2.0 Guidance.
Corrective action:	The Site is working in order to note IWRA on a catchment map and listed with a description of what they are, their value, their status and any water related risk.

Finding No:	TNR-001004
Checklist Item No:	2.1.1
Status:	For information
Finding level:	Observation
Checklist item:	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 transparent way - That the site will allocate resources to implement the Standard.
Findings:	The organization has disclosed one commitment letter signed by the Director of Area Europe and one commitment letter signed by the Panna Factory Manager. In order to give the integration necessary to strengthen the values of their content, the two letters should be disclosed together.
Corrective action:	The site is evaluating to disclose together the two letters

Finding No:	TNR-001002
Checklist Item No:	2.3.2
Status:	Closed
Finding level:	Major
Due date:	2022-Dec-15
Checklist item:	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 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.
Findings:	A detailed water stewardship plan was created as part of the AWS process. The plan is broken into shared water challenge, risk, opportunity, and actions. There are different actions corresponding to different targets, each with their own metrics, budget, responsible person, status, and other criteria. The main AWS outcomes are identified in this plan. There are no planned time frames for achieving the targets identified. This should be corrected. Each target/action must have a defined timeframe/date for achieving the target. "Ongoing" is not an acceptable timeframe. WSAS recommends that targets do not run over several years, each year should have it own WS Plan with its own targets and dates and this also show continual improvement.
Corrective action:	Modify WSplan in order to covering all point required for each target. Please find attached our new water stewardship plan: new columns added have titles written in red .
Evidence of implementation:	Modified Water Stewardship plan submitted covering all points raised.

Finding No:	TNR-001001
Checklist Item No:	3.2.1
Status:	Closed
Finding level:	Minor
Due date:	2023-Jul-15
Checklist item:	A process to verify full legal and regulatory compliance shall be implemented.
Findings:	The site did not provide documentation for: • Identification of the monitoring plan for the minor wastewater discharging points from parking area (also 1.8.4); • Implementation of a Procedure for sampling the WWTP outlet and evaluation of main parameters for industrial discharge.
Corrective action:	NW Panna are working together with their external technical in order to identify and monitoring minor wastewater discharging points from parking area. Procedures for sampling WWTP outlet and evaluation of main parameters for industrial discharge already done.
Evidence of implementation:	Procedures for sampling WWTP outlet and evaluation of main parameters for industrial discharge has been done and evidence was provided.

Finding No:	TNR-001005
Checklist Item No:	3.4.2
Status:	For information
Finding level:	Observation
Checklist item:	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.
Findings:	Although the WWTP effluent quality is legally compliant, the list of monitored chemical parameters should contain more parameters ensuring it is of the highest feasible quality.
Corrective action:	The Site is evaluating together with their external technical the list of chemical parameters that could be useful add.

Finding No:	TNR-001006
Checklist Item No:	3.9.5
Status:	For information
Finding level:	Observation
Checklist item:	Actions towards achieving best practice related to targets in terms of WASH shall be implemented.
Findings:	The distribution of water for free from the public fountain should be monitored and a target defined as an action towards achieving best practice.
Corrective action:	The site will monitor the total amount of water for free provided to the public fountain and set a target .

Finding No:	TNR-001022
Checklist Item No:	4.1.1
Status:	Closed
Finding level:	Major
Due date:	2022-Dec-15
Checklist item:	Performance against targets in the site's water stewardship plan and the contribution to achieving water stewardship outcomes shall be evaluated.
Findings:	The site keeps control of the process against each objective and target in the unrecorded monthly meeting. Performance against targets in the site's water stewardship plan and the contribution to achieving water stewardship outcomes shall be evaluated. It is recommended that the AWS system keep a record of the extent to which they are being, or have been met. It should also report on how it has contributed achieving each of the five AWS Outcomes. The rate at which targets are achieved should be compared with timelines in the water stewardship plan.
Corrective action:	In order to solve this gap the WSplan has been modified by adding the following columns: g, m,n,o
Evidence of implementation:	Modified Water Stewardship plan submitted covering all points raised.

Finding No:	TNR-001115
Checklist Item No:	4.1.2
Status:	In Progress - CA plan approved
Finding level:	Minor
Due date:	2023-Jul-15
Checklist item:	Value creation resulting from the water stewardship plan shall be evaluated.
Findings:	Value creation resulting from the water stewardship plan has not been clearly evaluated. The organization should aim to provide a financial water cost-benefit component and report on its financial investment in water stewardship and the services and benefits achieved
Corrective action:	The WSplan has been modified by adding column V, while financial cost are tracked in column P and R. The Site has planned in the WSplan a meeting with stakeholder in order to share services and benefits achieved.

Finding No:	TNR-001116
Checklist Item No:	4.1.3
Status:	In Progress - CA plan approved
Finding level:	Minor
Due date:	2023-Jul-15
Checklist item:	The shared value benefits in the catchment shall be identified and where applicable, quantified.
Findings:	The shared value benefits in the catchment were not identified, nor quantified.
Corrective action:	The Site modified their WSplan adding column V. They have planned in their WSplan a meeting with stakeholder in order to share services and benefits achieved

Finding No:	TNR-001007
Checklist Item No:	4.3.1
Status:	For information
Finding level:	Observation
Checklist item:	Consultation efforts with stakeholders on the site's water stewardship performance shall be identified.
Findings:	It is noted that the site understands what actions they need to take to meet the requirements of this indicator. Although a plan for future consultation with the stakeholders has been identified, the plan should be managed within the AWS plan.
Corrective action:	The Site planned in the WS plan a meeting with stakeholder in order to share services and benefits achieved and plan future actions need to take to meet the requirement
Evidence of implementation:	We planned in our WS plan a meeting with stakeholder in order to share services and benefits achieved and plan future actions need to take to meet the requirement

Finding No:	TNR-001117
Checklist Item No:	4.4.1
Status:	In Progress - CA plan approved
Finding level:	Minor
Due date:	2023-Jul-15
Checklist item:	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.
Findings:	The site has had many learnings but not be able to demonstrate how the plan has evolved as a result from the evaluations. Therefore, the site's water stewardship plan was not modified and adapted to incorporate new relevant information and no lessons were identified for carry over into changes in the plan.
Corrective action:	NW Panna will track post project evaluation and lessons learned in column U of the WS plan

Finding No:	TNR-001118
Checklist Item No:	5.1.1
Status:	In Progress - CA plan approved
Finding level:	Minor
Due date:	2023-Jul-15
Checklist item:	The site's water-related internal governance, including positions of those accountable for compliance with water-related laws and regulations shall be disclosed.
Findings:	The site's employee organogram was shared with WSAS. Legal responsibilities are not explicitly documented per person or department, but they are clearly divided between management level employees and clearly understood. However, this is not shared publicly. No corporate-level disclosure is taking place that explicitly states that site-level governance information is available upon request.
Corrective action:	The site is evaluating sharing these in the factory notice-board, the site's employee organogram explaining that site-level governance information are available if requested.

Finding No:	TNR-001119
Checklist Item No:	5.3.1
Status:	In Progress - CA plan approved
Finding level:	Minor
Due date:	2023-Jul-15
Checklist item:	A summary of the site's water stewardship performance, including quantified performance against targets, shall be disclosed annually at a minimum.
Findings:	A summary of the site's water stewardship performance, including quantified performance against targets, shall be disclosed annually at a minimum.
Corrective action:	The site has modified their WS plan adding column N in which they will evaluate performance against target

Finding No:	TNR-001120
Checklist Item No:	5.5.2
Status:	For information
Finding level:	Observation
Checklist item:	Necessary corrective actions taken by the site to prevent future occurrences shall be disclosed if applicable.
Findings:	Necessary corrective actions by the site to prevent future occurrences have not been applicable and have therefore not been disclosed. No supporting evidence was supplied to verify the statement and it will be reviewed at the surveillance audit.
Corrective action:	During the audit no supporting evidence was required. Factory is certified ISO 14001, OSHA18000, FSSC22000 and ISO9001 and during this audit the compliance are checked.

Finding No:	TNR-001121
Checklist Item No:	5.5.1
Status:	For information
Finding level:	Observation
Checklist item:	Any site water-related compliance violations and associated corrections shall be disclosed.
Findings:	There have not been any site water-related compliance violations and associated corrections to be disclosed. No supporting evidence was supplied to verify the statement and it will be reviewed at the surveillance audit.
Corrective action:	During the audit no supporting evidence was required. Factory is certified ISO 14001, OSHA18000, FSSC22000 and ISO9001 and during this audit the compliance are checked.

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Audit Number: AO-000277

Finding No:	TNR-001122
Checklist Item No:	5.5.3
Status:	For information
Finding level:	Observation
Checklist item:	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.
Findings:	There have not been any site water-related compliance violations that have required communication to relevant public agencies and disclosure. No supporting evidence was supplied to verify the statement and it will be reviewed at the surveillance audit.
Corrective action:	During the audit no supporting evidence was required. Factory is certified ISO 14001, OSHA18000, FSSC22000 and ISO9001 and during this audit the compliance are checked.

Signature WSAS

Report Details

Report	Value
Report prepared by	Carlo Enrico Freschi
Report approved by	Lurdes Brandão Guerra
Report approved on (Date)	

Surveillance

Proposed date for next audit
2023-Jul-30

Comment The proposed data for surveillance will be agreed after the issue of the certification.

Stakeholder Announcements

Date of publication	Location
2022-Jun-08	Panna's stakeholder announcement was published on the AWS and WSAS websites
2022-Jun-12	Scarperia Municipality (https://www.comune.scarperiaesanpiero.fi.it/eventi-notizie/certificazione-aws-alliance-for-water-stewardship)

Catchment Information

Catchment Information

The catchment is located on the southern ridge of the Passo della Futa - Monte Gazzaro, on the Apennine.
Within the catchment, the Panna mining concession is located in a territory which is in part privately owned by Panna, where all the springs and the Panna bottling site are located.
The hydrogeological area that recharges the Panna springs is in the higher part of the catchment and in a small territory located partly on the opposite northern ridge, from where the above ground water flows to the nearby catchment, while the underground water, due to the orientation of the geological stratification, is connected to the southern catchment.

There is a new research area called Palina/Panna2. No water is drawn in this area, nor it is connected to the Panna plant, but studies are underway that will end in September 2024. After that date, it will be estimated whether and how water can be withdrawn to be sent to the Panna plant. In anticipation of a future decision, shared monitoring with Publiacqua (the local public water distribution company) is underway to reconstruct a history of their sources and to be able to assess any future interference,
At present, ongoing research activity is reported, but from the point of view of water management, this area is irrelevant given the absence of withdrawals.

The "AWS catchment" considers the Panna hydrogeological basin as above described plus the entire area south of the plan.
The hydrogeological balance was cautiously carried out in the Panna mineral basin.
The entire lower part of the basin is characterized by the presence of impermeable rocks.
Sorcella and Tavaiano rivers flow in the catchment and they are both tributaries of Lake Bilancino.
The lake is the ultimate receptor of water from the entire catchment.
The Sieve River flows from the lake Bilancino and is a tributary on the hydrographic right of the Arno River, into which it joins near Pontassieve.

The hydrogeological model and water balance have been defined based on:

- Geological and hydrogeological features (watershed, basin, flow velocity, direction, etc.)
- Isotope studies (residence time of groundwater and height of recharge area)
- Chemical and physical properties of water
- Main flow direction north-west to south–east.

Key figures:

- Recharge area from Panna portion of concession: 6km2
- Average yearly rainfall (from 50 years of data): 1.236mm/year
- Effective infiltration in layered and fractured sandstone: 20%
- Volume of water that infiltrates the aquifer is 7.416.000 m3/year

This water volume splits into several parts:

- Partially flows in some local and shallow groundwater aquifers, discontinuous about 20%.
- Partly gush out in different slopes of Apennine watershed and generate some important sources, about 35%.
- Partly flows in the SE direction towards the aquifer of Panna natural mineral water, about 45%. Total water flowing across the Panna concession area is 3.327.200m3/year.

Panna natural mineral water use is lower than 500.000m3/year (less than 15% of total renewable groundwater source).

Client Description and Site Details

Client/Site Background

The Panna estate is in the heart of Tuscany, not far and North of Florence, in an uncontaminated territory of 1,300 hectares that was once owned by the historical Medici family: it is here that Acqua Panna flows from natural sources. For many years the company has invested in the defense of the biodiversity of this natural environment. In more recent times, thanks to a collaboration between Acqua Panna and Federparchi, the local environment is continuously monitored and protected.

The "Panna site" consists of the Panna Water bottling plant and of the surrounding territory in property in which are located the sources of water necessary to supply the plant with mineral water and the wells for industrial water.
In the related planimetry identifying the "AWS Site" in fact, the delimited area includes the production unit (plant, tanks, water purifier, yards, etc.) but also extends to the perimeter where the mineral and industrial water sources are located and the pipes leading from them to the tanks, which constitute an integral part of the "AWS site" on a par with the bottling plant.

The general plan also highlights the geological/hydrogeological new development area Palina/Panna2, which is physically and plant-wise distinct from the factory included in the catchment and presently exclude from the AWS system.

In the area, the main waterways are river Sorcella and river Tavaiano, tributaries of Lake Bilancino (an artificial lake with hydroelectric energy production by Publiacqua). The lake, considered a natural reserve, is the ultimate receptor of water from Panna and the Palina/Panna2 area. From the lake then starts the F.Sieve, which joins the Arno at Pontassieve.
Also indicated are the main settlements of houses, highlighted the plant purifier, the Gabbianello Nature Oasis, as they are to be considered Important Water Related Areas.
For the purposes of the water resource in general, consider that the entire "lower" part of the basin is characterized by the presence of impermeable and therefore non-productive rocks.

Acqua Panna natural mineral water has its own unique composition of mineral salts, trace elements, and chemical characteristics. 500 chemical tests are performed every day to ensure that the purity and unique composition remain unchanged over time. Acqua Panna flows for 14 years under the Tuscan hills, an uncontaminated landscape, before flowing to the surface and bottled directly at the source, near the municipality of Scarperia, in the Mugello valley. The depth of the aquifer allows the water to flow at a very low and stable temperature.
The personnel working n the Panna factory approx. 175 direct + 57 indirect (mainly logistics) and most of them are residents in the area. The last H&S incident was in May 2020.
Panna has in place a Packaging evolution road map for carbon footprint towards the use of recycled plastic and glass (taking into consideration the different market requirements on recycled raw materials from 100% for the USA market to 0% for the Middle East. The labels are in PP.
The Acqua Panna PET bottles are 100% recyclable, including caps and labels. When PET is collected and recycled, it is incorporated back into bottles as recycled PET (rPET), contributing to the circular economy model. Since 2011, 100% of the electricity used in the plant has been generated by RECS (Renewable Energy Certificate System) certified renewable resources.
Export covers 56% of the production; packaging in PETis 46% vs returnable glass 54%

Summary of Shared Water Challenges

Summary of Shared Water Challenges

The main company framework is:
Before 2025, regenerate in the catchment of reference as much water as we withdraw through projects that have impacts on the quantity, quality, accessibility of the resource, collaborating with local stakeholders to address local needs.

Within this framework and according to WSA requirements the site has identified the following water challenges:
Quantity:

- Reduction in consumption
- Reuse
- Rainwater harvesting
- Repairing leaks, spills, (aqueducts...)
- New water sources

Quality:

- Wastewater treatment systems wastewater
- Best Practices in Agriculture
- Land protection/agreements on uses
- water treatment systems of wetlands

Water access (including ecosystem and WASH):

- Fountains available to the community
- Leak repair for greater accessibility
- Grants to public aqueducts

Important water-related areas:

- Habitat maintenance
- Reforestation (reduce runoff)
- Nourishment projects for aquifers
- Works (dams, barrages, etc.).

The water opportunities shared with the local stakeholders are:

- Water availability for the community of the fractions of Santa Lucia and Monte di Fo: The public aqueduct has historically been inadequate to provide drinking water to the community of St. Lucia and Monte di Fò. This project will provide the necessary volumes through the connection of a spring ("Voltone," formerly used by Sanpellegrino) to the new pipeline (partnership with Publiacqua);
- Protection of the quality of the Bilancino reservoir: The project aims to restore the optimal ecosystem in a wetland, which has ceased to provide its service due to lack of maintenance, and to create a natural connection between the tributaries of Lake Bilancino and the surrounding landscape through naturalistic interventions on critical stretches of banks, affected by erosion (partnership with Barberino Municipality and Publiacqua);
- Enhancement of the water resource in environments of high-interest nature and tourism: Oasis of Gabbianello is a not managed wetland area, Officially recognized as a protected natural area By the Region of Tuscany and the WWF. It has a total area of 25 Ha, with 8 Ha of ponds. The oasis is currently suffering, unmanaged and needs maintenance;
- Enhancement to water as a resource but also carbon reduction and biodiversity.

0.1	General Requirements for Single Sites, Multi-Sites and Groups	
0.1.1	*Eligibility Criteria*	
0.1.1.1	*The site(s) occupy one catchment OR an exception has been granted.*	Yes
Comment	The "AWS Panna site" consists of: • the privately owned territory in the catchment where all the mineralized water sources and the industrial wells are located and interconnected by pipes and tanks to • the Panna Water bottling plant located in the middle of the catchment.	
0.1.1.2	*The scope of the proposed certification shall be under the control of a single management system.*	Yes
Comment	The site is managed under a single "site-based" management system which has been developed taking into consideration the general requirements of Nestlé Waters. SanPellegrino is the Italian branch operating in the bottled water field with several location including Ruspino (generally called only San Pellegrino having being the first and more popular site and brand) and Panna. The Italian branch has one internal division supporting the different sites on the local system implementation. Each site operates its proper system based on the general requirement coming from the Group though the Italian central office locally tailored under its proper responsibility. The Nestlè team present during the audit (as clearly indicated in the site participant list) included some local and some corporate employers.	
0.1.1.3	*The scope of the proposed certification shall be homogeneous with respect to primary production system, water management, product or service range, and the main market structures.*	Yes
Comment	The site's primary production system, water management, product and service range, and the management of the privately owned sources area are homogeneous.	

1	STEP 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.*	Yes
Comment	The site has presented maps where the site boundaries are included at the catchment level; as well as their water-related infrastructure, including the piping network. The maps also include the water sources providing water to the site that are managed (concessions) by the site, discharge points, and their wastewater treatment plant. The site's catchment/s is fully identified 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

Comment	The site has identified a group of stakeholders, they considered 18 SH as relevant. The site has evaluated and identified the main stakeholders of its water-related challenges: • 5 in the Local Authorities (local administrators); • 5 in local business (local suppliers and small local businesses); • 5 as local influencer (local group of companies and media); • 3 in the local population (including women and schools). They are mapped in the SH Panna document listing for each stakeholder, how they are linked to the organization, any water-related concerns or challenges they face, and a summary of communications with them. Specific consultation on water-related interests and challenges to approx. 300 SH is performed every three years (2016 – considered as the baseline -, 2019, 2022). The LAI - Local Acceptability Index is slowly increasing. The overall evaluation is: "Good work done with stakeholders, need to communicate even more to the public". This document is comprehensive in its address of the indicator requirements. The results have been evaluated at a Site Management level in the Management meeting held every three months. Nestlé Waters merges the results of its 4 sites local survey to obtain a general overview, comparison, and best proactive tool.
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
Comment	The site has defined a model applied to each SH to evaluate the influence or be influenced by Panna's activities for the management of the catchment. The areas of evaluation are: influence of the SH on the site; influence of the site on the SH; attitude Interest on Water topic; influence of SH on catchment; Interest on Water topic. On the team's evaluation during the audit the indicator was completed positively addressed.
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.* — Yes

Comment

The Risk Management Review was assessed and the Incident response were addressed in the plans.
The identified major water related incident are:

- Chemical spillage: covered by an operating instruction to inform internal company personnel of the rules to be applied in emergency situations of accidental spills of chemical products and / or oils / emulsions, in order to contain a possible environmental impact.

The water-related incident (mainly in common with the company's core business of pure water collection and distribution) responses related the wells and sources management are:

- Wells and sources area intrusion: All wells and sources are inside protected areas (segregated and with remote control).
- Aquiferous pollution from the surface: all locations are located inside a Panna private area and under surveillance.

Interconnecting pipes degradation: all underground pipes of wells and from well to the storage tanks and site are in SS;

- Other scenarios identified and managed but with a more limited effect on the water management: Fire; Flood; Earthquake; Avalanches, landslides; Snow; External fire; Picketing; Contamination by toxic substances; Other (e. g. presumed gas leak, bomb alarm, etc.); Pandemia; Strike

A Procedure covers the Emergency in case of accidental spills inside the site (specific training on 20-05-22).
An emergency study was also carried out for emergencies at sources: a vulnerability related to oil spills was identified during forest management, tree transport, construction of construction site tracks, fire extinguishers and retardant used by the fire brigade.
For the latter, specific studies were carried out with the fire brigade to evaluate the type of extinguishing/retardant agent to be used in the event of a forest fire.

1.3.2 *Site water balance, including inflows, losses, storage, and outflows shall be identified and mapped*

in progress

Comment

The Site uses water map and chart containing inputs data (the document is also used as technical attachment to the Concessione Mineraria, authorization for public water use).
Data show monthly water inflows, rain, evapotranspiration and are available with a three years history.
The focus is on the sources (with a variable flow of which only a part is used for production and considered while the overflow is directly discharged to the natural collecting system); well (always kept in production with a reduced flow exploited 100% to keep the required stock in the equalization tank), industrial wells.
The water discharged from the WWTP is measured but not considered in the balance.

Finding No: TNR-001003
Finding No: TNR-001500

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

Comment

The site water balance contains a general analysis of a few indicators. The main indicator is the water used per product (m3 of industrial water used to prepare 1 m3 of sold product). Design and construction of a E-WATER EFFICIENCY PROJECT for the continuous monitoring of the management of all site process steps from water collection to production and wastewater discharge.

The evolution of this indicator of performance is checked periodically to compare these data. Thanks to specific projects the site is continuously improving its environmental indicators achieving to reduce the water consumption.

The site utilizes a Water Withdrawal (WW) index to evaluate efficiency, measuring m3 of water used to produce a m3 of product (see 3.1.2).

Other related water challenges are connected to shared water challenges and in the water risk analysis. All points are quantified.

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.*

closed

Comment

The Site periodically realizes analysis on the mineral water coming from wells and sources: these analyses show that the mineralization over the years is preserved. This is a point of strength for the business and industrial company evaluation. Other waters from industrial wells are also under control before use in the plant.

The Site performs analysis of its industrial wastewater after the WWTP. The Site complies with the legal limits defined in the discharge permit; Internal analyses are performed daily (pH, COD, total nitrogen) official analysis from an external lab monthly. (sampling procedure to be defined: see NC minor at 1.3.2. indicator) Anytime the site could have inspections without notice: in the past years, the results were always within the limits. However, the latest annual report received is for 2021.

The plan has some other water discharge points not relevant, but which require attention as car park area and truck waiting and loading area. They mainly discharge rainwater potentially polluted water into nearby open fields and are not subject to specific legal permit. Due to potential pollution from equipment (truck or internal gasoline filling station) leakage or tire consumption, the quality could be affected. This point must be taken into consideration and monitored (see NC minor at indicator 1.3.2.) .

Finding No: TNR-001111

1.3.5 *Potential sources of pollution shall be identified and if applicable, mapped, including chemicals used or stored on site.*

Obs.

Comment

The site is ISO 14001 certified and has identified and mapped these in the aspect register. The aspect register has been updated and the pollution source mapping document with the index adequately covers the requirement of this indicator.

According to the Group policy, dangerous chemical products should be avoided.
All chemicals can be stored only in a dedicated area.

The site inspection of the utility's chemical products deposit showed positive management:
• There is anti-acid floor protection inside the segregated area;
• The methods of operation and emptying of the drainage collection pit are correctly n place to avoid spillage;
• All containers of chemical products are stored in the suitable safety tanks provided to avoid spillage.

1.3.6 *On-site Important Water-Related Areas shall be identified and mapped, including a description of their status including Indigenous cultural values.*

Yes

Comment	The site identified IWRA and they are mapped as Areas related to the hydrogeological and hydrological basin pertaining to the concession for Panna mineral water. IWRA has been considered and discussed in a team workshop.	
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
Comment	The Site includes a list of annual water-related costs, revenues and description/quantification of social, environmental or economic value generated related to the water management, by the site to the catchment in the document "Cost revenues CSV Anno 2020-2021". All the costs are classified into three main areas: WATER-RELATED COSTS WATER-RELATED REVENUES SHARED-VALUE CREATION The economic contribution of the Factory and any social, cultural, environmental, or economic water-related value generated by the site has been documented.	
1.3.8	*Levels of access and adequacy of WASH at the site shall be identified.*	Yes
Comment	The access and adequacy of WASH at the site are guaranteed. According to the documentation and different exhibits presented by the site and what has been observed during the conduction of the present audit, it can be confirmed that the access and adequacy of WASH at the site is guaranteed. Although in Italy and in the Panna Area all requirements regarding WASH are already coved, the site has identified two external projects which could be included in this subject: They are in partnership con Publiacqua (the public company for the potable water supply and distribution in the area): • assessment of the functionality of the Monte di Fo and Santa Lucia aqueduct having problems with water shortage; • assignment and cease to Publiacque of the production at Voltone spring (100%) to feed with water the public storage tank of Monte di Fo and Santa Lucia.	
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
Comment	The site carried out a study to identify all major suppliers. (the main categories of material are: Self-adhesive tape, labels, capsules, self-adhesive labels, plastic capsules, plastic films, screw caps, glues, paper labels, glass bottles plastic preforms, plastic caps, crown caps, interlayers, cartons, wooden pallets). They all have their own production area outside the catchment, so they do not have a direct influence on the local water balance. Nevertheless, having identified the packaging material as the one whose production requires a greater consumption of water a worktable has been started to identify possible improvements to the water cycle at the supplier premises (which is the same supplier as San Pellegrino). The embedded water use of primary inputs, including quantity, quality and level of water risk within the site's catchment, shall be identified.	
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

Comment	The water consumption of local outsourced services (laundry, canteen) is neglectable in quantity and already taken into consideration in the general service water of the plan. The embedded water use of outsourced services shall be identified, and where those services originate within the site's catchment, quantified.
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.* ✓ Yes
Comment	Catchment water governance is strictly regulated and controlled by government agencies, institutions and other organizations. It includes water resources management, protection, allocation, monitoring, quality control, treatment, regulation, policy and distribution. The institutions ensure responsible governance, policies and frameworks for sharing of water resources in the interests of users and the natural environment in line with the principles of water stewardship and society's goals. The site has implemented a system to understand and share the above matters and consider them as a starting point to define its risks and opportunities. As example: • Agreement with the municipality of Barberino for the transfer of water to the municipalities of Santa Lucia and Monte di Fo to solve the problem of the population of seasonal inaccessibility to the water resource. • Worktable with the municipality of Barberino for the Bilancino lake master plan: CO2 offsetting projects of the Gabbianello oasis. • Memorandum of understanding with the Tuscany Region and the municipality of Scarperia signed in 2019 with the purposes: tourism development of the territory; infrastructural and logistic synergies
1.5.2	*Applicable water-related legal and regulatory requirements shall be identified, including legally-defined and/or stakeholder-verified customary water rights.* ✓ Yes
Comment	The Site has developed a comprehensive legal register and has the assessment of its compliance with legal and regulatory requirements yearly according to the requirement of its internal management ISO 14001 system. Special focus is always given to the mineralized water concessions abstraction (for production) and wastewater discharge quality (regulated by permit).
1.5.3	*The catchment water-balance, and where applicable, scarcity, shall be quantified, including indication of annual, and where appropriate, seasonal, variance.* ✓ Yes
Comment	The catchment water balance with precipitation, point source flows, wells flow, subsurface flow runoff, hydrogeological characteristics and data were provided for the Site, covering the whole catchment. The area considered to be of hydrogeological interest (as a general aquifer, extends beyond the area of the "Panna" concession) includes the Apennine watershed between the localities of Traversa and Bruscoli, the Futa Pass, Mount Gazaro and Mount M .Faggio all'Ombrellino.
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

Comment	The site analyzes chemical parameters on all the industrial wells yearly and daily on the mineralized water. It also includes the physical and biological status of their catchment according to their commitment to the environment and the territory. Water quality data for the catchment are obtained from various sources such as regulators, environment agencies, and academic studies. All mineralized waters are strictly controlled for product quality; the wastewater treatment plant outlet is also periodically controlled according to the discharge permit regulations and more frequently analyzed with the kit method. All data are carefully recorded and monitored.	
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.*	Obs.
Comment	The Site has identified and mapped the following IWRA and the status of different protection areas around the basins in the catchment. 1: Hydrogeologic basin: the area providing a supply of water to the mineral sources and wells and of the most important for the production; mainly up-flow of the site; 2: Hydrographic area: the whole catchment limited up-flow from the mountain ridge acting as a watershed to the Bilancino Lake downflow; 3: Concessione mineraria Panna: part of the hydrographic area where Panna has the official permit to collect the mineral water; 4: Area di ricerca Palina / Panna 2: part of the hydrographic catchment where Panna is developing a new area for exploitation of mineral water; 5: Local villages withing the catchment: Galliano, Montecarelli, Marcolano, Santa Lucia; 6: River and lake: Torrente Tavaiano, Torrente Sorcella (receiving the discharged water from the production site WWTP). The final receiving lake of Bilancino includes the wet area of Gabbianello.	
1.5.6	*Existing and planned water-related infrastructure shall be identified, including condition and potential exposure to extreme events.*	Yes
Comment	All sources and wells infrastructures are very well maintained and are under a strict maintenance program. From there the existing infrastructure connects sources and wells to the mineral water storage tanks and from there to the production plan. All mineral water pipelines are in SS, well maintained under surveillance to prevent or be alert for potential extreme events.	
1.5.7	*The adequacy of available WASH services within the catchment shall be identified.*	Yes
Comment	The availability of potable water for the local population is guaranteed by the public service (Publiacque). There are no problems of lack of water supply in the area except in two small villages Santa Lucia e Monte di Fo where sometimes during summer periods of drought there have been historically shortages of supply. One of Panna's actions was to make a well located in its mining area available to the management of the public water service to feed the two fractions and thus eliminate the problem of water shortage.	
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.*	Yes

Comment

The Site included a list of their identified Shared Water Challenges:

- Protection of the quality of the Bilancino reservoir
- Improve the ecosystem services generated by the territory managed by Panna
- Sustainable growth of the brand
- Enhancement of the water resource in an environment of high naturalistic and tourist interest.
- Guarantee the water supply of the hamlets of Santa Lucia and Monte di Fo
- Improve the ecosystem services generated by the territory managed by the company not linked to the water resource

For each challenge defined in the Shared Water Challenges document, consequent tables define risk and opportunities, SH expectations, action,
Kpi and the Water Stewardship plan; also include its level of priority.

Sampled as an example.
Shared water challenge.
Protection of the quality of the water of Bilancino Lake.
Relevance/ rationale for stakeholders.
Relevant to the local community and for associations external to the catchment,
Relevance/ rationale for site.
Important for the impact on the environment and relations with external stakeholders.

1.6.2 *Initiatives to address shared water challenges shall be identified.* Yes

Comment

As the Shared Water Challenges have been identified in the Water Stewardship Plan, the target which relates to each one is the initiative to address the problem.

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

Comment

The site has identified a list of water risks related to shared water challenges and other risks; the list includes a prioritization, current status likelihood of occurrence and future trends. Following the above sampling, the main associated risk are:
- Qualitative degradation of water;
- Bank erosion at the confluence of Tavaiano and Sorcella;
- Dispersion of microplastics following erosion.

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

Comment

The site has identified a list of water opportunities related to shared water challenges and other opportunities; the list includes a prioritization, current status likelihood of occurrence and future trends. Following the above sampling:
- Upgrade of the purification process in order to maintain and improve the quality of waste water;
- Improvement of purification management and gradual decrease in the chemical load.

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

Comment	The site has identified several actions to define and implement applicable best practices relevant to AWS system: • Regular meetings with Publiacque and the local water public authority demonstrating support for good water governance and stewardship with appropriate authorities and stakeholders; • Cooperation with Istituto Nazionale delle Ricerche for a study envisaging the development of a conceptual and mathematical hydrogeological model of the aquifer system of the Panna concession; • Participation in a Technical Committee with the local municipalities regarding the exploitation of the water sources and the Panna concession; • Design and construction of a E-WATER EFFICIENCY PROJECT for the continuous monitoring of the management of all site process steps from water collection to production and wastewater discharge; • Participation to Gruppo Nestlé - Water dpt monthly meetings with an exchange of experience on water management, internal benchmarking, comprehensive water stewardship.	
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
Comment	Internal site projects for improving the use of water within the production in terms of consumption and efficiency are: revamping of glass recycled bottle washing plant, recovery of water used in the sterilizing machine.	
1.8.3	*Relevant sector and/or catchment best practice for water quality shall be identified, including rationale for data source.*	Yes
Comment	The quality of the natural mineral water is always kept under strict control related to production. The WWTP effluent is also monitored according to the legal permit requirements and internal daily routine checks. A preliminary study to update the WWTP has been recently started as part of the AWS improvements.	
1.8.4	*Relevant catchment best practice for site maintenance of Important Water-Related Areas shall be identified.*	Yes
Comment	The site is aware of relevant catchment best practice for site maintenance of nearby Important Water-Related Areas. The Site works very closely with local Municipalities and Publiacqua to assure a global water balance suitable for production use but also respectful of local needs.	
1.8.5	*Relevant sector and/or catchment best practice for site provision of equitable and adequate WASH services shall be identified.*	Yes
Comment	Tangible best practices have been supplied for providing adequate WASH (i.e. PRJ0052903 “Publiacqua Project Feasibility Study”, completed in ‘21).	

2	**STEP 2: COMMIT & PLAN - Commit to be a responsible water steward and develop a Water Stewardship 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 transparent way* *- That the site will allocate resources to implement the Standard.*	Obs.
Comment	The site has published its statement on the web page: https://www.sanpellegrino-corporate.it/it/valori the letter is signed by the local Factory Manager. Another letter covering the general commitment of the Nestlé Group is also published on the group website (the two commitments should be published together to improve the importance of the project) and signed by the Europe Manager. Prior to the assessment, the Site has sent the AWS SH announcement to the Municipality of Scarpery for publication on their website: https://www.comune.scarperiaesanpiero.fi.it/eventi-notizie/certificazione-aws-alliance-for-water-stewardship	
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
Comment	The Site´s chart identifies responsible persons/positions within the facility organizational structure with a focus on the E-H&S management system. The factory manager has an appointment letter covering all responsibilities for environmental compliance. A Legal Register and Legal Compliance Procedure are in place under the control of EMS 14001 system. A signed and publicly disclosed site statement OR organizational document has been identified in this page: https://www.sanpellegrino-corporate.it/sites/site.prod1.sanpellegrino-corporate.it/files/2022-05/water%20stewardship_0.pdf	
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

Comment	A water stewardship strategy statement signed by the factory manager was provided and reviewed. The Panna Site strategy is a high-level document in alignment with the AWS requirements and San Pellegrino / Nestlé group policy. Also published at the Site web page. The content of the documents takes into consideration the water challenges and water risks, impacts and opportunities as defined in the AWS system and lay out a general frame to achieve goals towards addressing the challenges, and risks, and opportunities identified.
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 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.* No
Comment	A detailed Water Stewardship Plan was created as part of the AWS process. The plan is divided into different tables: shared water challenge, risk, opportunity, and actions. Each action is associated with different targets, each with its own metrics, timing, responsible person, status, and other criteria. For each main point, a separate detailed document is prepared to define resources in terms of budget and manhours. Projects are then managed and reported by the process owner in a separate form. The WSP spreadsheet does not include for each goal a precise frame in terms of intermediate time (including intermediate targets and relevant monitoring) and resources (including direct and indirect costs) approved at an appropriate level. This info is contained in a separate document prepared by the process owner. As these documents are not part of the AWS system there is no evidence of top management approval. ***Finding No: TNR-001527*** ***Finding No: TNR-001002***
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
Comment	The Site has included in its Water Stewardship Plan a specific point to mitigate and adapt water risks coming from outside of the site. The main risk is related to mineral water quantity and quality which is continuously monitored (the trend is very stable). Another risk is related to WWTP effluent which may influence the downflow Bilancino Lake. Special attention and studies are managed in cooperation with Publiacque. Publiacque manages the lake as a natural park and as a reservoir for its hydraulic electric power station.

3	STEP 3: IMPLEMENT - Implement the site's stewardship plan and improve impacts

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

Comment: The Site has taken many steps to establish good relations with catchment authorities and SH: meetings, presentations, technical sessions, shared projects, sharing information continuing to expand education on AWS and outcomes toward good water governance. Example:

- Agreement in place since 2014 with the Barberino Municipality to supply the local aqueduct with water from a private source for the small township of Santa Lucia and Monte di Fo. The public aqueduct historically had difficulty in providing drinking water to the villages of Santa Lucia and Monte di Fò. Due to climate change, the public springs (that consist of very shallow pits) are facing always more often dry periods, as demonstrated in a field measuring campaign run in 2021.

This approach was confirmed in the stakeholder interviews.

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.* ✓ Yes

Comment: The water rights are guaranteed by Italian law and it is included at the San Pellegrino SPA – Panna site. policy.

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.* ✓ closed

Comment: The site has developed a comprehensive legal register. Every year an internal audit on legal compliance is performed (as a requirement for the 14001 certifications) to issue a NER Nestlé Environment Requirement Self Declaration.
The third-party Bureau Veritas certification audit, although can not be considered a legal compliance audit, gives anyhow an evaluation of the compliance level and management system to fulfill all the requirements.

Every 3 years an audit NIA Nestlé internal audit. is performed by a team from the group with only evidence in case of negative.
(last one on April 2021 with only one negative remark) related to an old external steel gasoline tank 5m3 owned by Koinè (the logistic supplier) installed in the Panna logistic area (the tank has been replaced the beginning of 2022).

Finding No: TNR-001001
Finding No: TNR-001528

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

Comment: Water Rights to external parts and SH are guaranteed by Italian Law.
The water supplied to the Santa Lucia and Monte di Fo aqueduct is measured by the flowmeter and recorded.
Access to the flow meter is granted also to Publiacqua and an analogic signal is also provided to their control room.

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

Comment The Site has submitted its WSP with 25 projects, some dating before the AWS implementation, others coming from the Risk / Opportunity analysis.
The table contains management info as Responsible, Timing, Status, Target, Metrics, Results, Best practice, and project identification number.

For each project, the Project owner defines detailed planning on a form with the identification of all the intermediate steps, the times, the reviews and verifications, and the resources. These documents are discussed and evaluated with the site's top management during a monthly progress meeting.
The owner illustrates the progress of the activities, highlighting positive points achieved or problems and delays in order to share any step with the management and with the rest of the team.
During the audit, these forms classified as confidential were not made available.
Information was given as an example related to the Road map 2021 to 2025 to reduce water consumption from 1,3l/l to 1,28l/l.
The consumption is strictly related to the number of CIP and the change of setup (packaging size). The declared figure is considered very positive because the evolution of the production is going to a more frequent change of set up.

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

Comment The site is located in an area not considered scarce in water. However, the site has set targets to reduce water consumption annually, the water reuse plant and improve the ratio of bottled water/industrial water discharged.

3.3.3 *Legally-binding documentation, if applicable, for the re-allocation of water to social, cultural or environmental needs shall be identified.* Yes

Comment The site provides water from one of its sources to a local municipality having a shortage on its aqueduct: the flow coming out from the source is diverted to the aqueduct according to the agreement. In case of source shortage, the flow to the aqueduct is prioritized as the public supply must always be grated

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

Comment Water quality entering the site from sources and wells is kept under continuous monitoring for production quality control.

Water quality exiting from the WWTP of the site is measured in quantity and tested daily by the internal laboratory (for the main parameters with kits) and once a year (or during an unannounced visit) by the official Environmental Agency. The limits defined in the permit have been always respected.
Nevertheless one of the WSA action plans covers a feasibility study for WWTP efficiency improvement.

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.* Obs.

Comment Waste Water Quality is one of the shared water challenges and has been identified as a top priority A feasibility project is underway for the improvement of the purification plant to align the highest quality feasible standards. In particular, the study will focus on improving the removal of surfactants.

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.*	Yes
Comment	Catchment important water-related areas have been identified and specific action implemented for SH involvement and sharing. The main actions undertaken are: • 2019: the AWS project has been presented at the closing of the general agreement to protect the area signed by the CEO Nestle Italy, the mayor of Scarperia, and the president of the Tuscany Region; • May 9, 2022: presentation of the AWS project and the general principles of water stewardship to the three mayors of Barberino Fiorenzuola and Scarperia in a convention held at the plant. Focus on: - Target project to achieve compensation of 100% of the volumes of withdrawn water by 2025; - Reduction of water consumption for production; - Rainwater recovery; - Introduction of best practices in agriculture. The Project is subject to a periodic external sustainability assessment and rating is done by the World Resource Institute to ensure its validity. Evaluation of the general environmental footprint for the overall management of the area. Evaluation and enrichment of the Natural Capital: project for the improvement of agricultural and forest management (in collaboration with the University of Pisa), biodiversity (Federparchi) and protection of springs (Univ of Padua). According to estimates already made, the area of competence produces 10K tonCO2. A study is underway to increase up to 12K through the introduction of a new type of tree.	
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
Comment	The provision for WASH access to all workers inside the site is granted by law and it is not a potential problem in the Site location.	
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
Comment	The respect for human rights related to the access to WASH for workers inside the site is granted by law and it is not a potential problem in the Site location.	
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
Comment	The site has started a project to share with existing companies located in the catchment to encourage them to improve their practices, although they are not direct suppliers.	
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
Comment	No supplier is resident in the catchment.	

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
Comment	There is no shared water related infrastructure.In future there is a chance to share two new sources named La Doccia and Becaccio to be exploited in a new area of catchment: the protocol defined with Publiacque dated 18 January 2021 define the duties and responsibilities	
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
Comment	The site water department in cooperation with the Nestlé Group Acqua department is always working to implement the best practice. The main projects are run in cooperation with University and research institute.	
3.9.2	*Actions towards achieving best practice, related to targets in terms of water balance shall be implemented.*	Yes
Comment	Several actions have been put in place to assure a more accurate set of data to improve the water balance and have evidence to demonstrate best practices in achieving targets in the water balance • Agreement with CNR (National Research Institute) to start new natural geological research through a numerical model of hydrogeological research (governance and sharing information) • Agreement with University of Bologna (hydrogeology): a historical analysis of data to evaluate the impact of climate change on source exhaustion curves • E-water project: monitoring of source data through data management and remote control.	
3.9.3	*Actions towards achieving best practice, related to targets in terms of water quality shall be implemented.*	Yes
Comment	No action can be taken on the quality of the mineral waters at the sources: the constancy of the chemical and microbiological characteristics of the waters is one of the strengths of the sales of mineral waters. A study was carried out in collaboration with the fire brigade to evaluate the products used in case of fire as retardants and suffocating for extinguishing the fire. The study is still ongoing as alternative products to those currently in use have not yet been found.	
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.*	Yes
Comment	Sampled: The Bilancino project The shared water challenge is "Important water-related ecosystems": protect and restore water-related ecosystems. The Bilancino project aims to restore the optimal ecosystem in a wetland, which stopped. Ensuring its service due to lack of maintenance and creating a natural link between Bilancino Lake tributaries and the surrounding landscape through nature-based interventions on critical riverbanks section, impacted by erosion	
3.9.5	*Actions towards achieving best practice related to targets in terms of WASH shall be implemented.*	Obs.

Comment	A WASH activity is to provide citizens with a fountain near the former spa building with free access to the supply of mineral water. The point is normally freely accessible to the public. Currently, the point is closed for COVID management regulations: Panna deals with periodic potability analyzes. In addition, the ASL control body makes an annual sample to confirm the authorization for the public distribution activity.

4	STEP 4: EVALUATE - Evaluate the site's performance.

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.*

No

Comment

The site has kept under control its progress against each objective with Monthly meetings.
All data are checked and their trend evaluated in terms of costs and timing. The process owner presents the progress of the project to the Management. The tool is effective but AWS standard requires an evaluation also versus the stewardship outcomes. When a specific CAPEX is related to an objective, an evaluation of the milestones is also carried out.

There is a procedure for the management of CAPEX: appendix 5 relates to Environment and sustainability evaluation.

Finding No: TNR-001529
Finding No: TNR-001022

4.1.2 *Value creation resulting from the water stewardship plan shall be evaluated.*

in progress

Comment

This indicator refers to value creation for the implementing organisation. The organization should aim to provide a financial water cost-benefit component and report on its financial investment in water stewardship and the services and benefits achieved. The criterion for evaluating the economic return of the covering is established together with the objective.
For example:
Industrial water reduction project drawn from wells: as per the concession of the Municipality of Scarperia, PANNA must communicate the quantity of water drawn from the wells once a year and for that quantity, the municipality issues a payment bill. Associated with the tariff paid as a concession fee proportional to the quantity emitted, it represents the expense that PANNA intends to decrease. However, there may be a net cost to the benefit of reducing risk (and avoiding unexpected higher costs), to achieving longer term water security and this information should be gathered.
This will be reviewed at the Surveillance.

Finding No: TNR-001115

4.1.3 *The shared value benefits in the catchment shall be identified and where applicable, quantified.*

in progress

Comment

No evidence of direct benefits was provided by the site. All evidence relates to some projects that might bring economic savings, other will bring a benefit to the community (availability of a restored natural area). This will be reviewed at Surveillance.

indirect benefits through site-based actions.

Finding No: TNR-001116

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

Comment

In accordance with the internal system procedures (emergency management, NC, CA, and PA procedure; business continuity plan), the episode and the root causes are evaluated for each event in the registration and evaluation document. Where applicable, subsequent corrective action is put in place which will help prevent future occurrences.
The identified scenarios are:
- Forest fire: the management of water supplies is envisaged to maintain the quality of the water at bottling. The fire-retardant problem has already been discussed above.
- Earthquake: the problem is the possible turbidity at the source: as a precautionary measure, each source has a turbidimeter with an alarm (instruments calibrated with traceability once a year and internally checked every three months.)
- Possible emergency on the WWTP: management of spare parts with attention to the availability of spare parts for components that could have an impact on the quality of the water at the drain.

In addition, no emergency events have occurred in recent years. Therefore, no written annual review and (where appropriate) root cause analysis of the year's emergency incident(s) has been prepared and it is also noted that for the same reason the site's response to the incident(s) assessed, identified and proposed preventative and corrective actions and mitigations against future incidents has not been undertaken.At this stage of its AWS implementation process, the site has not written an annual review.

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.* Obs.

Comment

The Site has engaged active communication with the identified stakeholders to be periodically repeated to review its water stewardship performance and share with the stakeholders the site's performance. This consultation is finalized to confirm shared water challenges and Important Water-Related Areas in the catchment. The last consultation was in May 2022 with the local majors.
The commitment is in place but not planned to perform a consultation with the key strategic SH and partner every year.

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.* in progress

Comment

Nestlé Water adopted a guideline based on the Lesson Learned method. However, the Site has not incorporated yet any relevant information or lessons learned from their evaluations in its Water Stewardship Plan.

Finding No: TNR-001117

5	STEP 5: COMMUNICATE & DISCLOSE - Communicate about water stewardship and disclose the site's stewardship efforts

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.* in progress

Comment: The Site has an organization chart with the people named in a hierarchy relating to the governance of water issues and AWS responsibility.
All legal environmental responsibilities are in the position of the Factory Manager (Manenti) as stated in an official delegation of power from President Marini.
According to Italian law, Giorgio Della Croce (geologist) is nominated Direttore di Miniera inside the water extraction permit.

Environmental manager, NCE&TPM and AWS responsible (including accountability for compliance) is Angela Midollini.
The level by which the sites water governance system is disclosed, will be assessed at the surveillance audit.

Finding No: TNR-001118

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

Comment: During the interviews with stakeholders it was confirmed that the site keeps an active communication related to the implementation of the AWS outcomes.
San Pellegrino Sustainability Report is published every year.

AWS project to cover the 4 production sites is well described. An information note containing the link to the page is sent by mail to a large list of SH and clients.
https://www.sanpellegrino-corporate.it/it/news-media/press-office/bilancio-di-sostenibilita-2022

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.* in progress

Comment: This will be reviewed at Surveillance.

Finding No: TNR-001119

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

Comment	The site made several efforts to collectively address shared water challenges, including associated efforts to address the challenges; engagement with other companies, organizations, and community groups in the area; and coordination with public-sector agencies. Example: • Meeting : Sharing Of Aws Plan Panna, 9 th May 2022. With the Mayors of: -Scarperia e S.piero, -Firenzuola, -Barberino Mugello.	
5.4.2	*Efforts made by the site to engage stakeholders and coordinate and support public-sector agencies shall be identified.*	Yes
Comment	The Site has several connections with public sector agencies and general SH regarding the single project included in the AWS Plan. Examples: • Projet Oasi di Barberino: organization of periodical round table to identify all goals and actions for the improvement of the Oasi. - arch. Bertelli – Municipality of Barberino. • New pipe connection for the Voltone sources and new piping connection to the storage tank. - Ingegnerie Toscane (technical office of Publicque).	
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.*	Obs.
Comment	There have not been any site water-related compliance violations and associated corrections to be disclosed. No supporting evidence was supplied to verify the statement and it will be reviewed at the surveillance audit.	
5.5.2	*Necessary corrective actions taken by the site to prevent future occurrences shall be disclosed if applicable.*	Obs.
Comment	Necessary corrective actions by the site to prevent future occurrences have not been applicable and have therefore not been disclosed. No supporting evidence was supplied to verify the statement and it will be reviewed at the surveillance audit.	
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.*	Obs.
Comment	There have not been any site water-related compliance violations that have required communication to relevant public agencies and disclosure. No supporting evidence was supplied to verify the statement and it will be reviewed at the surveillance audit.	

Photographic Evidence from Audit

Yes