

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-000558

SITE DETAILS

Site: **Nestlé Mexico Coatepec Factory**

Address: Gonzálo Durán 48 Colonia Nestlé, 91520, Coatepec, Veracruz, MEXICO

Contact Person: Nailea Báez Vallejo

AWS Reference Number: AWS-000180

Site Structure: Single Site

CERTIFICATION DETAILS

Certification status: Certified Core

Date of certification decision: 2023-Nov-01

Validity of certificate: 2026-Nov-01

AUDIT DETAILS

Audited Service(s): AWS Standard v2.0 (2019)

Audit Type(s): Re-Certification Audit

Audit Start Date: 2023-Apr-25

Lead Auditor: Gisela Galan

Audit team participants:

Claudia M. Jaime

Site Participants:

Jorge Sandoval, Factory Manager

Luis Falla, Engineering Manager

Geraldine Baute, Manufacturing Manager

Gloria Camarillo, Manager - Human Resource

José López, Managing Director

Irving Valdez, Assistant Manager Production

Alberto Olescepa, Supply chain and Logistics Manager

Heidy Rebolledo, SSHE Officer

Javier Zavaleta, SSHE Officer

Armando Rodríguez, SHE Manager

Maribel Rosales, SHE Manager

Marco Rojas, Factory H&S Manager

Virgen Pineda, SHE Manager

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ADDITIONAL INFO

Summary of Audit Findings: A total of 14 findings were raised during the certification audit, zero major non-conformities, 12 minor non-conformities, 2 observations.

The Client is requested to perform a root cause analysis and define corrective actions for each of the non-conformities and to submit these to WSAS within 60 days of receipt of the audit report 20 August 2023.

The major non-conformities must be sufficiently addressed and evidence submitted to WSAS within 90 days of receipt of the report 20 September 2023.

Minor non-conformities must be closed out by the time of the next annual audit.

The audit team recommends re-certification level pending approval of the corrective actions plan.

CLOSURE OF FINDINGS AND CORRECTIVE ACTION PLAN:

The Client has successfully submitted the corrective action plans addressing all findings. Proof of implementation has been requested for the Minors and this will be evaluated during the Surveillance Audit. The client is requested to upload evidence of implementation prior to the Surveillance Audit.

Scope of Assessment: The scope of services covers the recertification for assessing conformity of Nestlé Mexico Coatepec Factory against the AWS International Water Stewardship Standard Version 2.

Nestlé Factory Coatepec México is located in South of México, State of Veracruz, in the city of Coatepec. Its only water source is the Puente Nuevo Spring which provides enough water for The Site's operations and for sharing with the community via a free water niche built by The Site.

The Site produces three main dairy products in different sizes and containers: Condensed Milk and Dulce de Leche in squeeze, cans, pouches, spread, bags and cardboard presentations and; Powder Milk (Nido, Klim and Excella Gold) in cans and bags. Is the only producer of Condensed Milk in México and exports to the Caribbean and Latinamerica. Nestlé Factory Coatepec is projected to produce 151kton of product in 2023.

The following areas were assess during the audit: water source, water cisterns, water niche, milk powder condensed and dulce de leche milk production, one chemical storage area and the WWTP. Packaging areas were not visited due to risk of contamination of the final product, since the use of water is minimal it was not deemed necessary.

The main surface water runoff in the basin is Los Pescados River and its tributaries. These runoffs are born on the eastern slope of the Cofre de Perote, at an altitude of around 3,300 meters above sea level and drain on a terrain of abrupt relief with steep slopes and deep ravines. The high rainfall and the gradient of the land surface caused the formation of a large number of surface water currents. On the other hand, the type of geology of the area (where layers of permeable and impermeable materials are interspersed), favors the formation of springs, which are recharged by rain during most of the year. Springs and rivers are the main water source of the population.

The audit was conducted onsite on April 25th to 27th, 2023.

The onsite site visit included the assessment of Nestlé Factorys' water extraction area, condensed and power milk production, chemical storage, WWTP and its discharge point as part of the audit.

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FINDINGS

NUMBER OF FINDINGS PER LEVEL

Observation	2
Minor	12

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FINDING DETAILS

Finding No:	TNR-004083
Checklist Item No:	1.2.1
Status:	In Progress - CA plan approved
Finding level:	Minor
Due date:	2024-Apr-23
Checklist item:	Stakeholders and their water-related challenges shall be identified. The process used for stakeholder identification shall be identified. This process shall: <ul style="list-style-type: none">- 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.
Findings:	<p>The Site identified and described 43 stakeholders and its water challenges including Government Institutions, ONG, local associations, private industry operating in the basin, universities and suppliers. The degree of stakeholder engagement based on their level of interest and influence was identified however, no evidence was presented regarding the process used to identify these stakeholders or stakeholder consultation on water-related interests and challenges.</p> <p>Consultation with stakeholders will provide Nestlé a deeper understanding of its stakeholders water challenges, a more accurate identification of shared water related challenges and risks and better guidelines on the level of engagement required for each interested party.</p>
Corrective action:	<ol style="list-style-type: none">1. Standardize a robust methodology that includes consultation with stakeholders on challenges related to water resources.2. Create a strategy to ensure the participation of the majority of stakeholders in decision-making.3. Create periodic meetings where stakeholders are included to talk about the challenges related to the basin and thus establish the level of commitment of those involved.

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Finding No: TNR-004309
Checklist Item No: 1.2.2
Status: In Progress - CA plan approved
Finding level: Minor
Due date: 2024-Apr-23
Checklist item: 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.
Findings: The current and potential degree of influence between site and stakeholder was identified but no analysis or rationale for this classification was identified. Nestlé could explain the impact and influence per stakeholder in more detail to allow a better understanding of the risk to and from the organization in order to obtain relevant information on how to address this risks.
Corrective action:

1. Create an impact/influence matrix that includes all identified stakeholders.
2. Standardize a robust methodology that includes the justification of the degree of influence through the created matrix.

Finding No: TNR-004242
Checklist Item No: 1.5.1
Status: In Progress - CA plan approved
Finding level: Observation
Checklist item: 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.
Findings: Water governance initiatives mainly in the compliance sphere and with government institutions were identified. More emphasis in keeping up to date with other public stakeholder who operate in the area, environmental groups could help inform site of possible opportunities for water stewardship collective action.
Corrective action:

1. Include environmental groups and public interest groups of Coatepec in the identification of stakeholders; as well as, measure its degree of influence on water-related risks.
2. Identify public initiatives related to water governance.

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Finding No:	TNR-004312
Checklist Item No:	1.5.6
Status:	In Progress - CA plan approved
Finding level:	Minor
Due date:	2024-Apr-23
Checklist item:	Existing and planned water-related infrastructure shall be identified, including condition and potential exposure to extreme events.
Findings:	Although The Site does not directly relies on the public water infrastructure of Coatepec, the lack or failure of this infrastructure could affect Nestle's activities. Consequently, it is important to assess its condition to properly asses and address the risk. Existing and planned water-related infrastructure including condition and potential exposure to extreme events was not identified.
Corrective action:	1. Identify, through stakeholders, the state of public infrastructure related to water and evaluate extreme risks, to establish joint actions.
Finding No:	TNR-004063
Checklist Item No:	1.6.1
Status:	In Progress - CA plan approved
Finding level:	Minor
Due date:	2024-Apr-23
Checklist item:	Shared water challenges shall be identified and prioritized from the information gathered.
Findings:	Shared water challenges were partially identified and not prioritized. Considering the water challenges of more stakeholder could bring more information regarding water challenges in the basin and different opportunities to collaborate.
Corrective action:	1. Standardize a robust methodology that includes consultation with stakeholders on challenges related to water resources. 2. Once all shared challenges have been identified, prioritize and define collaboration initiatives.

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Finding No: TNR-004334
Checklist Item No: 1.7.2
Status: In Progress - CA plan approved
Finding level: Minor
Due date: 2024-Apr-23
Checklist item: Water-related opportunities shall be identified, including how the site may participate, assessment and prioritization of potential savings, and business opportunities.
Findings: Water-related opportunities were identified, including how the site may participate, assessment, potential savings and business opportunities. Prioritization of potential savings was not identified.
Corrective action: 1. Develop a prioritization matrix of potential savings for each identified opportunity, to make decisions based on the application of water-related criteria.

Finding No: TNR-004595
Checklist Item No: 2.3.2
Status: In Progress - CA plan approved
Finding level: Minor
Due date: 2024-Apr-23
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: It is not clearly defined the link between each target and the achievement of best practice to help address shared water challenges and the AWS outcomes.
Corrective action: 1. Once the challenges related to water have been identified, the objectives will be established together with the stakeholders within the AWS plan. The SMART methodology and the other criteria mentioned in the standard will be used.
2. To establish actions and best practices to achieve the objectives and relate them to the AWS outcomes.

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Finding No:	TNR-004247
Checklist Item No:	2.3.2
Status:	In Progress - CA plan approved
Finding level:	Observation
Checklist item:	A water stewardship plan shall be identified, including for each target: <ul style="list-style-type: none">- 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:	Quantitative assessment of "status" instead of colours would enable accurate evaluation of performance for each activity.
Corrective action:	1. To assign a percentage of compliance (quantitative evaluation) for each activity and thus define performance
Finding No:	TNR-004077
Checklist Item No:	4.1.1
Status:	Closed
Finding level:	Minor
Due date:	2024-Apr-23
Checklist item:	Performance against targets in the site's water stewardship plan and the contribution to achieving water stewardship outcomes shall be evaluated.
Findings:	Targets proposed in the 2020-2022 WSP were achieved, except rain harvest which will be reevaluated in the 2023-2025 WSP. The contribution to achieving water stewardship outcomes was not evaluated.
Corrective action:	1. Prepare a technical justification explaining why rainwater collection in the factory is not feasible. 2. To evaluate the contribution to achieving water stewardship outcomes.
Finding No:	TNR-004078
Checklist Item No:	4.1.2
Status:	In Progress - CA plan approved
Finding level:	Minor
Due date:	2024-Apr-23
Checklist item:	Value creation resulting from the water stewardship plan shall be evaluated.
Findings:	Value creation resulting from the water stewardship was described, but a financial water cost-benefit was not provided.
Corrective action:	1. To quantify and include in the AWS plan the financial benefits associated with water

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Finding No:	TNR-004257
Checklist Item No:	4.3.1
Status:	In Progress - CA plan approved
Finding level:	Minor
Due date:	2024-Apr-23
Checklist item:	Consultation efforts with stakeholders on the site's water stewardship performance shall be identified.
Findings:	The Site shall identify efforts to consult with stakeholders on the site's sustainable water management performance.
Corrective action:	1. Through established periodic meetings and active communication, request feedback from stakeholders about Nestlé Coatepec's efforts and performance in sustainable water management in the basin.
Finding No:	TNR-004323
Checklist Item No:	5.2.1
Status:	In Progress - CA plan approved
Finding level:	Minor
Due date:	2024-Apr-23
Checklist item:	The water stewardship plan, including how the water stewardship plan contributes to AWS Standard outcomes, shall be communicated to relevant stakeholders.
Findings:	The water stewardship plan was only communicated to 2 of 12 relevant stakeholders identified. Relevant stakeholders identified such as University of Veracruz, Pixquiac River Committee and surrounding neighbours were not consulted.
Corrective action:	1. Share and communicate the AWS plan to all stakeholders active in decision making.
Finding No:	TNR-004096
Checklist Item No:	5.3.1
Status:	Closed
Finding level:	Minor
Due date:	2024-Apr-23
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 has not been disclosed.
Corrective action:	1. To elaborate a summary that includes the performance of the Nestlé Coatepec factory's water stewardship at the basin; as well as results in relation to against targets. 2. Communicate the annual summary of sustainable water management to interested parties.

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Finding No:	TNR-004097
Checklist Item No:	5.4.1
Status:	In Progress - CA plan approved
Finding level:	Minor
Due date:	2024-Apr-23
Checklist item:	The site's shared water-related challenges and efforts made to address these challenges shall be disclosed.
Findings:	Shared water related challenges identified were address mainly via coordination with two public agencies Inecol and Fidecoagua, the milk suppliers and the Forest of the Fog Association. Evidence of this activities have been presented in full through this report. However, it is not clear if it was publicly disclosed and how it was done.
Corrective action:	<ol style="list-style-type: none">1. To engage all stakeholders to identify shared water-related challenges; as well as associated efforts to address challenges.2. To communicate to all stakeholders the shared site challenges related to water and the efforts made to address these challenges.

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Report Details

Report	Value
Report prepared by	Gisela Galan
Report approved by	Lurdes Guerra
Report approved on (Date)	20/06/2023

Surveillance

Proposed date for next audit
2024-Apr-23

Comment N/A

Stakeholder Announcements

Date of publication	Location
05/04/2023	https://coatepec.gob.mx/2023/04/annuncio-de-las-partes-interesadas-publicas/
10/04/2023	https://www.nestle.com.mx/sites/g/files/pydnoa511/files/2023-04/ANUNCIO-DE-LAS-PARTES-INTERESADAS-PUBLICAS.pdf
28/03/2023	https://a4ws.org/wp-content/uploads/2023/03/AWS-000180-Nestle-Mexico-Coatepec-2023-Stakeholder-Announcement.pdf
28/03/2023	https://watersas.org/wp-content/uploads/2023/03/Stakeholder-Announcement-_NestleMexicoCoatepecFactory.pdf

Comment The Stakeholder announcement was sent to Nestlé Mexico Coatepec Factory on March 20th, 2023 (one month before the audit). As part of a bigger Corporation, we abide by Nestlé Mexico communication’s rules, processes and times therefore, it took 3 weeks to publish the announcement on the website.
At a local level, publication of our stakeholder announcement was requested to the Municipality of Coatepec who takes two weeks to publish due to its own internal process. At Nestlé Coatepec, we acted as fast as we could, but it was impossible to fulfill a 30 days requirement if we receive the announcement 12 days before the deadline.
Best regards,

Javier Zavaleta
Specialist SH&E / Nestlé Coatepec

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Catchment Information

Catchment Information

The Site is located within the Hydrological Region RH-28 in a catchment named “La Antigua”, South of México, State of Veracruz. (1)

The main surface water runoff in the basin is Los Pescados River and its tributaries. One of these tributaries is the Pixquiatic River (where The Site discharges the effluent of its WWTP), which runs through the town of Coatepec. These runoffs are born on the eastern slope of the a mountain named Cofre de Perote, at an altitude of around 3,300 meters above sea level and drain in the direction of east and southeast, on a terrain of abrupt relief with steep slopes and deep ravines. (1)

The annual average precipitation is 1,868 mm. The year 2011 was the driest from 2002 to 2019 and in the last 4 years the precipitation has decreased gradually. Rainy season is from May to October with more than 300 mm/month. July and August present a brief summer where rain decreases to about 230 mm/month. (1)

There are no regional aquifers in the area and groundwater is found in thin aquifer horizons located at different heights, giving rise to a large number of springs recharged by rain during most of the year. The supply of most of the populations of the region, including Coatepec, is carried out by capturing water from rivers and springs. In general, water is not obtained from wells (1). Therefore, rain is crucial for the area.

Among the important ecosystems in the catchment is Forest of Niebla (fog), with one of the highest biodiversity in the world and is in the limits of their existence. (2)

Even though rain declined in the catchment between 2014 to 2019, the official document published by the Government concludes that the catchment is in equilibrium and the Geohydrological study concludes that water scarcity is not a problem, at the moment. (1)(3)

(1) Update for the Hydrogeological Study of the Aquifer Located in the Vicinity of the Nestlé Coatepec Factory, Veracruz, 2020.

(2) Ruta de la Niebla – Proposal for Theme Park in Cerro de Las Culebras, 2021

(3) Zonas de Disponibilidad de Agua - Conagua (2022)

Comment Photographic evidence is included in its correspondence indicator.

Client Description and Site Details

Client/Site Background

Nestlé Factory Coatepec México is located in South of México, State of Veracruz, in La Antigua Catchment. Its only water source is the Puente Nuevo Spring which provides enough water for The Site's operations and for sharing with the community via a free water niche built and maintained by The Site.

The Site produces three main dairy products in different sizes and containers: La Lechera Condensed Milk and Dulce de Leche in squeeze, cans, pouches, spread, bags and cardboard presentations and; Powder Milk (Nido, Klim and Excella Gold) in cans and bags. This production requires an average of 1,100m³/day including cleanings of equipment, wash, embedded water inside condensed milk, etc.

Most of the milk is sourced from two areas outside the catchment: Los Lagos and Torreón and a small volume is source within the catchment.

Nestlé Factory Coatepec is projected to produce 151kton of product in 2023. Is the only producer of Condensed Milk in México and exports to the Caribbean.

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Summary of Shared Water Challenges

Summary of Shared Water Challenges

The Site identified three main shared water challenges: a) quantity, b) quality and c) impact of future urban development close to water sources. This last one is important because, according to the hydrological study sponsored by Nestlé, the risk of contamination of the spring is low, because there are no contaminants on the surface. However, the degree of vulnerability in this area is high, mainly because there are fractured rocks in which a pollutant could easily circulate. Just as Nestlé, springs are the main water source for most of the population although rivers and wells are also used as sources.

A graph showing the water challenges identified by stakeholders and the shared water challenges is attached.

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 Site occupies one catchment.

0.1.1.2 *The scope of the proposed certification shall be under the control of a single management system.*


Yes

Comment The scope of the proposed certification is under the control of a single management system.

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 scope of the proposed certification is homogeneous with respect to primary production system, water management, product or service range, and the main market structures.

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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

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Comment	Evidence:
	<p>1.1.1 Cuenca Hidrográfica.pptx 1.1.1 Layout Manantial (puente nuevo) 1.1.1 Mapa del Area del Sitio 1.1.1 trayectoria de la tubería de agua del manantial a la fábrica. 1.1.1_1.3.6 Zona importante relacionada con el agua in situ 1.1.1 Distancia manantial a Fabrica Coatepec 1.1.1_1.3.3 Email regarding size and location of cisterns and water balance 1.1.1 DTI AGUA POTABLE TERMINADO FINAL 29082022-Layout1</p>
	<p>Comment:</p> <p>The Site is divided in two areas, both property of Nestlé: a) the water source, b) production area (the factory).</p> <p>The water source is a Spring called "Puente Nuevo" located withing an area of 25,295m2 owned by Nestlé, approximately 1.2 Km NW from the factory.</p> <p>Both areas are connected via an underground pipe that passes though the property of the Galvez Family with whom Nestlé has a legal agreement that allows the family to use part of the water that flows from the spring. To fulfill this agreement, The Site connected a "T" tube and a faucet to its water line. The family can use the water free of charge.</p> <p>Once the water reaches the plant it is temporarily stored in 4 cisterns: main cistern (250.0 m3), new cistern (320.0 m3), fire contention cistern (14.0 m3) and condensed milk cistern (53.0 m3) where is treated to Mexican potable water standards and used for WASH, drinking, cleaning the site and equipment, sharing water with the community and is embedded in condensed milk.</p> <p>See blue lines in evidence "1.1.1 Mapa del Area del Sitio"</p> <p>All used process water is treated to Mexican standards before it is released in the Pixquiaco River.</p> <p>Domestic water is collected in septic systems that are periodically transferred to private WWTP by a third party.</p> <p>Nestlé has a concession to extract and discharge the water used in its production process.</p> <p>The physical scope of the site has been mapped, considering the regulatory landscape and zone of stakeholder interests, including site boundaries, water-related infrastructure, water sources providing water to the site, discharge points ultimate receiving water body and catchment that the site affect and is reliant upon for water.</p>
1.2	<p><i>Understand relevant stakeholders, their water related challenges, and the site's ability to influence beyond its boundaries.</i></p>

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1.2.1	<p><i>Stakeholders and their water-related challenges shall be identified. The process used for stakeholder identification shall be identified. This process shall:</i></p> <ul style="list-style-type: none"> - <i>Inclusively cover all relevant stakeholder groups including vulnerable, women, minority, and Indigenous people;</i> - <i>Consider the physical scope identified, including stakeholders, representative of the site's ultimate water source and ultimate receiving water body or bodies;</i> - <i>Provide evidence of stakeholder consultation on water-related interests and challenges;</i> - <i>Note that the ability and/or willingness of stakeholders to participate may vary across the relevant stakeholder groups;</i> - <i>Identify the degree of stakeholder engagement based on their level of interest and influence.</i> 	 No
Comment	<p>Evidence 1.2.1_1.2.2 Partes Interesadas AWS 2023 1.2.1_1.2.2_1.3.7_1.4.1_1.8.1_2.2.2_email submitting evidence</p> <p>Comment:</p> <p>Site presented a matrix of several stakeholder, among them:</p> <p>CONAGUA (National Water Bureau) - authorizes water concessions, receive payments and verifies compliance of quality and quantity of extractions and discharges.</p> <p>INECOL (Ecology Institute) - dedicated to research about the protection and use of natural resources. Operates in the basin.</p> <p>Pixquiac River Basin Committee - Citizen initiative that seeks the good management of natural resources and the integral development of the inhabitants of the basin.</p> <p>CocaCola-Femsa, International Paper and Prolifex – Important water users in Coatepec.</p> <p>The most relevant water-related interests and challenges identified are water quality, quantity, urban development close to water sources and water prices.</p> <p>The Site identified and described 43 stakeholders and its water challenges including Government Institutions, ONG, local associations, private industry operating in the basin, universities and suppliers. The degree of stakeholder engagement based on their level of interest and influence was identified however, no evidence was presented regarding the process used to identify these stakeholders or stakeholder consultation on water-related interests and challenges.</p> <p>Consultation with stakeholders will provide Nestlé a deeper understanding of its stakeholders water challenges, a more accurate identification of shared water related challenges and risks and better guidelines on the level of engagement required for each interested party.</p> <p style="text-align: right;">Finding No: TNR-004083</p>	
1.2.2	<p><i>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.</i></p>	 in progress

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Comment Evidence
1.2.1_1.2.2 Partes Interesadas AWS 2023
1.2.1_1.2.2_1.3.7_1.4.1_1.8.1_2.2.2_email submitting evidence

Comment:

The Site classified the stakeholders based on the degree of influence/power/interest and identified them by colors. Based on the colors, a strategy for engagement was presented. No explanation is given regarding the perceived impact on the organization or the rationale for this classification.

Among of the key players identified were: INECOL, Ruta de la Niebla (Route of the Mist – civic association), CocaCola Femsa and milk suppliers. Nestlé already has cooperation agreements with some of them.

The current and potential degree of influence between site and stakeholder was identified but no analysis or rationale for this classification was identified. Nestlé could explain the impact and influence per stakeholder in more detail to allow a better understanding of the risk to and from the organization in order to obtain relevant information on how to address this risks.

Finding No: TNR-004309

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 Evidence
1.3.1 PLAN DE EMERGENCIAS FCO 2022
1.3.1 Procedimiento de emergencia en PTAR
1.3.1 Procedimiento para el manejo de derrame
1.3.1 Procedimiento para la gestión de incidentes y casi accidentes de seguridad, salud y medio ambiente

Comment:

Evidence of spill response procedures for several chemicals such as ammonia, nitric acid, sodium hydroxide and diesel as well a response plan in case technical failure and overload of the WWTP was identified.

The Site has an emergency tank to receive any unscheduled discharge or a discharge that do not comply with the parameters required by the WWTP. This effluent is tested and, depending on the results, it is adjusted (ex.pH) and later introduced to the WWTP in small amounts to avoid an overload.

Response to accidental release of gases, which is very important due to its proximity to a forest is also address.

The area has a very low risk to flooding, water scarcity or earthquakes.

Existing water-related incident response plans have been identified.



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


Yes

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Comment	<p>Evidence 1.3.2 Water map Coatepec 2022, v1</p> <p>Comment:</p> <p>A detailed map of the Site's water balance showing cost, inflow, water distribution, specific uses, quality and quantity of each flow and final discharge was presented. This flow is measured daily and changes depending on the process, the equipment being cleaned and routine maintenance. Not all equipment is cleaned every day.</p> <p>Site water balance, including inflows, losses, storage, and outflows was identified and mapped.</p>	
1.3.3	<p><i>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.</i></p>	 Yes
Comment	<p>Evidence 1.3.3 Balance hidrico 1.1.1_1.3.3 Email regarding size and location of cisterns and water balance 1.3.3 Indication of annual high and low variances quantified</p> <p>Comment:</p> <p>Evidence of Site's water balance, inflows, losses, and outflows was presented. This is a general equation based on average flows therefore does not matches exactly with the screenshot presented in indicator 1.3.2 however, proves that The Site manages and quantifies its water use.</p> <p>The volume stored in the cisterns identified in indicator 1.1.1 was not quantified in the balance equation because the water flows in an out constantly. They do not serve as a long term water storage.</p> <p>The water balance equation shows that The Sites uses, on average, 1,100.0 m3/day. 441m3 goes out as WASH activities, evaporation or embedded in condensed milk, 686.0 m3 enter the WWTP along with 400.0m3 of cow water (the water extracted from the milk to produce powder milk).</p> <p>Evidence submitted by The Site suggest that there are no water-related challenges that would be a threat to good water balance for people or environment. Regardless of this, annual variance in water usage rate is quantified. The average from Oct to Dec 2022 was 1236.00 m3, very close to the average 1,100.00 m3 used in the water balance equation.</p> <p>Site water balance, inflows, losses and outflows, including indication of annual variance in water usage rates was quantified. Evidence submitted by The Site suggest that there are no water-related challenges that would be a threat to good water balance for people or environment.</p>	
1.3.4	<p><i>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.</i></p>	 Yes

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Comment	Evidence	
1.3.5	<p>1.3.4 Análisis de agua de cisterna 2021.pdf 1.3.4 Análisis de agua de cisterna 2022.pdf 1.3.4 Análisis de agua de manantial 2021.pdf 1.3.4 Análisis de agua de manantial 2022.pdf 1.3.4 Nom-127-SSA1-2021 Cisterna FCO.pdf 1.3.4 NOM-127-SSA1-2021 FCO.pdf 1.3.4 Nom-127-SSA1-2021 Manantial FCO A.pdf 1.3.4 Nom-127-SSA1-2021 Manantial FCO B.pdf 1.3.4 Nom-127-SSA1-2021 Manantial FCO C.pdf 3.4.1 Q1 2023 dia 1.pdf 3.4.1 Q1 2023 dia 2.pdf 3.4.2 Análisis Q1 dia 2 2022.pdf 3.4.2 Análisis Q1 dia 1 2022.pdf 3.4.2 Q2 2022 dia 1.pdf 3.4.2 Q2 2022 dia 2.pdf 3.4.2 Q3 2022 dia 1.pdf 3.4.2 Q3 2022 dia 2.pdf 3.4.2 Q4 2022 dia 1.pdf 3.4.2 Q4 2022 dia 2.pdf</p> <p>Comment:</p> <p>Site identified third party water quality test for its water source (manantial/spring), the cistern and the effluent of its WWTP (Q1 to Q4). The water from the spring and the cistern is of good quality and complies on heavy metals, temperature, pH, etc. The Site performs basic analysis every day and explained that when a parameter is out of compliance, it is addressed immediately.</p> <p>Results and analysis of the water are uploaded in the government platform (CONAGUA) by the third party. The Site must confirm with CONAGUA that the results have been received and wait for the email of approval.</p> <p>Water quality of the site's water source, provided waters, effluent were quantified. No water-related challenge that would be a threat to good water quality status for people or environment was identified.</p> <p>Water quality of the receiving water body (Pixquiac River) was quantified.</p>	<p> Yes</p>
	<p><i>Potential sources of pollution shall be identified and if applicable, mapped, including chemicals used or stored on site.</i></p>	

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Comment	Evidence 1.3.5 Fuentes potenciales de contaminación.	
	Comment: Dedicated storage room in place for supplies with chemicals appropriately separated and above spill trays, spill control equipment and spec sheets handy. Room is locked, only authorized personnel have access. Solid waste is separated and kept well organized. Nestlé is a zero waste facility. Equipment and milk trucks are washed and disinfected only in the inside, the water is collected and sent to the WWTP. No vehicles are services, re-fuel on site. Site map provided by Nestlé shows other potential sources of pollution that were not visited by the auditor, however emergency plans for spill control were identified. The Site presented a map indicating all potential sources of pollution along with potential consequences in case of spill.	
1.3.6	<i>On-site Important Water-Related Areas shall be identified and mapped, including a description of their status including Indigenous cultural values.</i>	 Yes
Comment	Evidence 1.3.6 Zona importante relacionada con el agua in situ Comment The Site identified 3 IWRA: a) The Pueblo Nuevo Spring who supplies water for Nestlé's operations. Status: water quality good, surrounding areas in the process of being restored. See indicator 1.3.4 for water quality evidence. b) The water niche who supplies drinking water for the personnel. Status good. Water is in compliance with Mexican regulations. This niche is fed with water from the cisterns therefore, therefore its quality is deemed the same. See indicator 1.3.4 for evidence. On-site Important Water-Related Areas shall were identified and mapped, including a description of their status. No indigenous cultural values were identified.	
1.3.7	<i>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.</i>	 Yes

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Comment	<p>Evidence 1.3.7_Costos 1.2.1_1.2.2_1.3.7_1.4.1_1.8.1_2.2.2_email submitting evidence 2.3.2_3.3.1_3.4.1_Plan_de_gestión_sostenible_del_agua_AWS</p> <p>The Site has identified all water cost including labor time; water related infrastructure investment and maintenance; stakeholder engagement with suppliers and the community; hydrogeological studies sponsored; etc.</p> <p>Nestlé identified the social, cultural, environmental, or economic water-related value generated by The Site through its program "Nestlé Cares". A column of "Nestlé Cares" was added in the WSP. Here, The Site shows how it has added value to communities (by contributing to its prosperous and resilient development) and to its personnel by inspiring a healthier and happier life for people. Other value added descriptions are in the attached WSP.</p> <p>Annual water-related costs, revenues, and a description of the social, cultural, environmental, or economic water-related value generated by the site shall be identified.</p>
1.3.8	<p><i>Levels of access and adequacy of WASH at the site shall be identified.</i></p> <p style="text-align: right;"> Yes</p>
Comment	<p>Evidence 1.3.8 WASH.pptx</p> <p>Comments</p> <p>The Site provides toilets to fulfill the necessities of small and handicap people. (pictures presented in evidence attached). There are 29 water stations throughout the site. Antibacterial gel is provided upon entrance to each area. Surface disinfectant products are provided for each dining table. There are 25 toilets for men, 14 toilets for women and 6 gender neutral.</p> <p>Levels of access and adequacy of WASH at the site have been identified.</p>
1.4	<p><i>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.</i></p>
1.4.1	<p><i>The embedded water use of primary inputs, including quantity, quality and level of water risk within the site's catchment, shall be identified.</i></p> <p style="text-align: right;"> Yes</p>
Comment	<p>Evidence 1.4.1 Agropecuario 1.2.1_1.2.2_1.3.7_1.4.1_1.8.1_2.2.2_email submitting evidence</p> <p>Comment</p> <p>Two areas outside the catchment, Los Lagos and Torreón, provide 99% of the milk bought annually. Producers in the Catchment represent less than 1% of the supply, therefore, it is not necessary to calculate this embedded water. See evidence attached.</p>
1.4.2	<p><i>The embedded water use of outsourced services shall be identified, and where those services originate within the site's catchment, quantified.</i></p> <p style="text-align: right;"> Yes</p>

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Comment	Comment	
	<p>Laundry services are done on site. Delivery trucks are not property of or work exclusively for The Site. After delivery, only the interior of the tanker is wash and disinfected by Nestlé, the waste water from this activity is treated in the WWTP consequently, is already accounted for in the water balance.</p> <p>The Site does not outsource services beside the transport of the milk thus, the embedded water use of outsourced services was not identified.</p>	
1.5	<i>Gather water-related data for the catchment, including water governance, water balance, water quality, Important Water-Related Areas, infrastructure, and WASH</i>	
1.5.1	<i>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.</i>	Obs.
Comment	<p>Evidence 1.5.2_2.2.1 Matriz de requisitos legales Coatepec 2023 LEGAL</p> <p>Comment:</p> <p>Nestlé has developed a matrix listing all legal obligations, periodicity and responsible person to keep the data updated. Some of the responsibilities for this person are: payments for water permits, transport requirement of hazardous materials, assessment and discharge of sludge generated in the WWTP, etc. It is also subscribed to a private service to help him register and be up to date with new regulations.</p> <p>Water governance initiatives mainly in the compliance sphere and with government institutions were identified. More emphasis in keeping up to date with other public stakeholder who operate in the area, environmental groups could help inform site of possible opportunities for water stewardship collective action.</p>	
1.5.2	<i>Applicable water-related legal and regulatory requirements shall be identified, including legally-defined and/or stakeholder-verified customary water rights.</i>	Yes

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Comment	<p>Evidence: 1.5.2 Acuerdo con familia Galv3ez 1.5.2 T3tulo de descarga de agua residual 1.5.2_2.2.1 Matriz de requisitos legales Coatepec 2023 LEGAL 1.5.2 T3tulo de conces33n manantial</p> <p>Comment:</p> <p>The Site has identified several legal requirements directly related to water, among those are:</p> <p>Permit to discharge treated wastewater in the Pixquiac River Validity: 2004-2034 General conditions: Install and maintain water meters and submit water quality assessments.</p> <p>Permit to extract water from the Pueblo Nuevo Spring Validity: 1983-2029</p> <p>General conditions: Install and maintain water meters and submit water quality assessments every three months.</p> <p>Even though water quantity is not an immediate risk for its operations, Nestl3e is implementing measures to save water.</p> <p>Another water niche with the same propose, is located inside the perimeter of the site for all its personnel.</p> <p>Compliance Matrix Nestl3e has developed a matrix listing all legal obligations, periodicity and a responsible person for compliance. Among those are: payments for water permits, transport requirement of hazardous materials, assessment and discharge of sludge generated in the WWTP, etc. The Site receives updates related to new regulations through a private service, if the regulation applies, the matrix is updated.</p> <p>Applicable water-related legal and regulatory requirements were identified, including legally-defined and/or stakeholder-verified customary water rights. The Site provides a water niche located outside of its perimeter, where citizens can fill their own water container without restrictions. It is the same water that The Site uses for its operations and WASH services on site, therefore it is tested every day.</p>
1.5.3	<p><i>The catchment water-balance, and where applicable, scarcity, shall be quantified, including indication of annual, and where appropriate, seasonal, variance.</i></p> <p style="text-align: right;"> Yes</p>

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Comment 1.5.3 Estudio Geohidrológico Actualización 2020
1.5.3 Zona disponibilidad 2023 - establishes the new water rates based on the water availability of the catchment.

Comment:

Two documents present information regarding the water balance in the basin:

A) Geohydrological Study Analysis of the Aquifer Located in The Surroundings of the Nestlé-Coatepec Plant, Ver. Update 2020. Sponsored by Nestlé.
The objective: to determine the possible causes of the low water level registered in Nestlé's spring in 2019 and find out if there has been a variation in the behavior of the wells and springs located in the surroundings. The study encompasses 9 km² (City of Coatepec and its surroundings). The rainiest months are from May to October with rainfall of more than 300 mm/month. Average monthly precipitation for the area is presented in fig 1.5a and 1.5b.

According to the study, the rain has been decreasing since 2013, which could have a direct impact on the observed decrease of water in Nestlé's Spring. Other wells and springs around the basin were measured and the results were compared with previous studies. In most cases, the flows of the springs have remained constant. The study recommends that Nestlé should keep on monitoring the area by sponsoring future updates of this hydrological study and maybe sharing the information with the interested stakeholders.

B) Availability Zone - Zona de disponibilidad
According to this document, the basin that supplies Nestlé (La Antigua Basin) has a relative annual water availability of 1.49 and was classified by Conagua as zone 2. Relative availability is the ratio between availability and total human and natural demand; Under the usual criteria, a relative availability of less than 1.4 is classified as a deficit; from 1.4 to 3.0, it qualifies as equilibrium; 3.0 to 9.0 as availability or available, and greater than 9 as abundance.
Availability Zone Report is released annually by the Environmental Bureau (Secretaría del Medio Ambiente) to establish the water availability for every aquifer and basin in México and it is the base to adjust water rates and the feasibility of new water concessions.

Conclusion:

Even though rain has declined in the catchment in the last four years, the official document published by the Government concludes that the catchment is in equilibrium and the Geohydrological study concludes that water scarcity is not a problem, at the moment.

The catchment water-balance, and scarcity, was quantified including indication of annual and seasonal variance. The data presented is a mix of government documents and a hydrological study sponsored by The Site. Nestle could join forces with other stakeholders (water users, government, and research centers) to produce a study that encompasses a bigger area.



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

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Comment	Evidence 1.5.3 Estudio Geohidrológico Actualización 2020 1.5.4 Estudio geohidrológico presentación 2020	
	Comment: Water quality, including physical, chemical, and biological status, of the catchment was indirectly identified and quantified via the hydrological study mentioned in indicator 1.5.3. The quality of water in the aquifer is classified as good. No water-related challenge that would be a threat to good water quality status for people or environment were identified	
1.5.5	<i>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.</i>	 Yes
Comment	Evidence 1.5.5 Zonas importantes relacionadas con el agua en la cuenca	
	Comment: 3 IWRA's were identified in the basin: The cloud forest (in conservation), the Pixquiac River (good quality) and the exterior part of the water niche (good quality). See mapping in evidence attached. Three important Water-Related Areas were identified and mapped, and their status assessed including any threats to people or the natural environment, The Site has a solid relationship with the University of Veracruz, who are working on the conservation of the cloud forest that is close to the site. As part of this longstanding collaboration, the Site updates the activities that are being carried out to protect and conserve this important site for the protection and conservation of the species of flora and fauna that inhabit it; in addition, there are plans to establish some protection actions on the land adjacent to the property where the spring is located. The stakeholder consultation is solid because it is composed of a number of specialists in different disciplines who collaborate in the protection of this site, consulted during the audit. In addition, through a trust fund, the site makes payments for hydrological environmental services. With a local foundation that we interviewed during the audit. Please find attached the projects that have been developed in the IWRA.	
1.5.6	<i>Existing and planned water-related infrastructure shall be identified, including condition and potential exposure to extreme events.</i>	 in progress

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Comment	<p>Evidence 1.5.6 y 1.5.7. Ideonidad de los servicios de agua.</p> <p>Comment:</p> <p>The Site does not relies in public or shared water infrastructure. It sources and treats its water and waste water. Effluent from the septic systems is treated by a private company. This is a voluntary activity implemented to protect the soil an possible ground water.</p> <p>No information is provided regarding the public potable water and wastewater infrastructure, although the auditee explained that the water service is interrupted max 2 times a year, so it not a concern for the community.</p> <p>Although The Site does not relies on the water infrastructure of Coatepec, it should be interested on its condition and future plans due to the following risk:</p> <p>a) Lack of this service will prompt more people to require water from the niche, which could affect the availability for Nestle's production process.</p> <p>b) One of the identified risk was "Impact of future urban development close to water sources" therefore identification of plans-projects to provide services (trash, water, wastewater) is important to assess and therefore address this risk.</p> <p style="text-align: right;">Finding No: TNR-004312</p>	
1.5.7	<i>The adequacy of available WASH services within the catchment shall be identified.</i>	 Yes
Comment	<p>Evidence: 1.5.6 y 1.5.7. Ideonidad de los servicios de agua.</p> <p>Comment: Data published by INEGI (National Institute of Statistics and Geography) shows that for 2015, 86.5% of the State of Veracruz has access to running and 88.2% had access to sewage services. The auditee manifested that interruption of water service is not common, probably twice a year.</p> <p>The adequacy of available WASH services within the catchment was identified.</p>	
1.6	<i>Understand current and future shared water challenges in the catchment, by linking the water challenges identified by stakeholders with the site's water challenges.</i>	
1.6.1	<i>Shared water challenges shall be identified and prioritized from the information gathered.</i>	 in progress
Comment	<p>Evidence Graph of share water challenges 1.2.1_1.2.2 Partes Interesadas AWS 2023 (1)</p> <p>Evidence of cooperation and communications with four Stakeholders (Inecol, Ruta de Niebla and FidecoAgua and milk producers) regarding its water challenges was presented, however shared water challenges were partially identified and not prioritized.</p> <p>Considering the water challenges of more stakeholders could bring more information regarding water challenges in the basin and different opportunities to collaborate.</p> <p style="text-align: right;">Finding No: TNR-004063</p>	
1.6.2	<i>Initiatives to address shared water challenges shall be identified.</i>	 Yes

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Comment Evidence
2.3.2_3.3.1_3.4.1_4.1.1_4.1.2 Plan de gestión sostenible del agua AWS

Comment:

The Site presented projects and initiatives coordinated with stakeholders based on their identified shared water challenges. Among those are:

- a) initiatives with Inecol (Institute of Ecology) to keep restoring the area that surrounds Nestlé's water source and financial support to future research on the basin;
- b) financial support to FidecoAgua for the program of "pay per ecological service" that aims to prevent the transformation of the forest in agricultural or urban land.
- c) financial support via soft loans and education to milk suppliers for the implementation of sustainable practices.
- d) Others identified in the WSP

Initiatives to address shared water challenges identified in 1.6.1 were identified.

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.*



Comment Evidence
1.7.1_1.7.2_2.4.1 __Evaluación_de_riesgos_y_oportunidades_AWS_(Metodología)_2023

The Sited identified several extreme risks along with the rationale for its categorization being the most severe:

- a) Risk of discharges out of the Norm due to overload of the WWTP that could lead to contamination of the Pixquiac River, bad reputation and fines.
- b) Stricter regulations that could lead to non compliance and fines.
- c) Urban development near the spring could lead to contamination, reduce its quality and require more investment in water treatment.

Through the activities proposed, the risk of water quality due to WWTP overload and the risk of contamination of the water source is expected to go from extreme to high, but still intolerable.

Water quantity, wash and water culture were identified as high risk and with the measures proposed are expected become middle risk, but still intolerable.

For other outcomes such as WASH, the efficacy of the measures proposed has not been determined.

Finding

Water risks faced by the site were identified, and prioritized, including likelihood and severity of impact, action proposed, potential costs and business impact.

1.7.2 *Water-related opportunities shall be identified, including how the site may participate, assessment and prioritization of potential savings, and business opportunities.*

in progress

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Comment The Site presented several water related opportunities along with a tentative budget. The most relevant opportunities are:

a) Potential savings in water management and fines due to poor quality at the source and at discharge in the Pixquiac River.
 b) Protect its water source to keep water quality under control water quality.
 c) Reducing the risk of water quality promotes the sustainability of the company, protects jobs and increases good public perception.

Water-related opportunities were identified, including how the site may participate, assessment, potential savings and business opportunities. Prioritization of potential savings was not identified.

Finding No: TNR-004334

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 identified the following best practices:

- Disclosure of water quality data to stakeholders, review of the sustainable water management plan to stakeholders and;
- Engage with stakeholders to promote sustainable water management.

Relevant catchment best practice for water governance were identified.

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: The Site has identified the following relevant sector and/or catchment best practice for water balance.

Educating milk suppliers about water efficiency matters in agriculture.
 Creating campaigns to detect leaks on site.
 Identifying projects to improve water efficiency on site.
 Creating a document to monitor water use on site.

Relevant sector and/or catchment best practice for water balance were identified.

1.8.3 *Relevant sector and/or catchment best practice for water quality shall be identified, including rationale for data source.* ✔
Yes

Comment: Based on Nestlé's experience, The Site has identified the following best practices:

- Spring water is tested by an accredited third-party lab for parameters not required by law such as pesticides and herbicides.
- Water for the spring is tested daily even though is not required by law.
- Even though The Site has permitted septic systems, the effluent is transported to a WWTP to avoid infiltration and consequent underground contamination.

Relevant sector and/or catchment best practice for water quality have been identified.

1.8.4 *Relevant catchment best practice for site maintenance of Important Water-Related Areas shall be identified.* ✔
Yes


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Comment Comment:
The Site has identified to following catchment best practice for site maintenance of Important Water-Related Areas:
-Cleaning and maintenance of Important Water-Related Areas
-Restoring of Important Water-Related Areas
-Joining efforts to protect Important Water-Related Areas
-Monitoring rain around the Important Water-Related Area.
-Identifying risk to an Important Water-Related Areas through technical research.



Relevant catchment best practice for site maintenance of Important Water-Related Areas were identified.

1.8.5 *Relevant sector and/or catchment best practice for site provision of equitable and adequate WASH services shall be identified.* 
Yes

Comment Comment:
The Site identified the following sector and/or catchment best practice for site provision of equitable and adequate WASH services:
Providing clean water for the employees and the community
Provide sufficient and good quality facilities for all factory employees (lockers, bathrooms, dining areas).
Provide instruments to ensure hygiene, such as hydration stations, sanitization stations (antibacterial gel) and face masks.

Relevant sector and/or catchment best practice for site provision of equitable and adequate WASH services shall be identified.

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2	STEP 2: COMMIT & PLAN - Commit to be a responsible water steward and develop a Water Stewardship Plan	
2.1	<i>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.</i>	
2.1.1	<p><i>A signed and publicly disclosed site statement OR organizational document shall be identified. The statement or document shall include the following commitments:</i></p> <ul style="list-style-type: none"> - <i>That the site will implement and disclose progress on water stewardship program(s) to achieve improvements in AWS water stewardship outcomes</i> - <i>That the site implementation will be aligned to and in support of existing catchment sustainability plans</i> - <i>That the site's stakeholders will be engaged in an open and transparent way</i> - <i>That the site will allocate resources to implement the Standard.</i> 	 Yes
Comment	<p>Evidence 2.1.1 Carta compromiso 2.1.1 Link para la declaración del sitio firmada y divulgada públicamente. 2.1.1_5.1.1. Divulgación de la gobernanza interna y compromiso 1.2.1_1.2.2_1.3.7_1.4.1_1.8.1_2.2.2_email submitting evidence</p> <p>Comment: A signed and publicly disclosed site statement document was identified. This statement was published in the Site's web page and next to the public water niche that Nestle provides to the community. The document fulfils almost all AWS Standard's requirements.</p>	
2.2	<i>Develop and document a process to achieve and maintain legal and regulatory compliance.</i>	
2.2.1	<p><i>The system to maintain compliance obligations for water and wastewater management shall be identified, including:</i></p> <ul style="list-style-type: none"> - <i>Identification of responsible persons/positions within facility organizational structure</i> - <i>Process for submissions to regulatory agencies.</i> 	 Yes

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Comment	Evidence
	1.5.2_2.2.1 Matriz de requisitos legales Coatepec 2023 LEGAL.xlsx
	1.5.2_2.2.1_3.2.2 Perfil de puesto Especialista Medio Ambiente.pdf
	1.5.2_2.2.1_3.2.2 RV_ Boletín - Estado de Veracruz - Marzo 2023 No. 2.eml
	2.2.1_5.1.1. Divulgación de la gobernanza interna relacionada con el agua.pptx

The Site is notified about new regulations via a company called NORLEX (Normatividad y Legislación Mexicana). Norlex provides an information system that comprehensively helps to register and control the normative and regulatory compliance related to Environment, Safety and Hygiene, Health, Transport and Energy. To verify its applicability, the information provided by Norlex is first evaluated by the Environmental Specialist and later by Nestlé's water and Energy Committee.

The Environmental Specialist is in charge of legal compliance, responsible for identifying the laws, regulations and official Mexican Norms applicable to factory operations, to reduce the environmental impact and the risk of possible administrative and economic sanctions by the Authorities.

Evidence of organizational structure of the facility shows the position of the Environmental specialist (Especialista SHE) above all other departments in Nestlé Coatepec. Water analysis for compliance are made by a third party who submits the results directly to CONAGUA, The Site verifies that CONAGUA has receive them via internet.

The system to maintain compliance obligations for water and wastewater management was identified, including identification of responsible persons/positions within facility organizational structure. Process for submissions to regulatory agencies was partially identified however, evidence of payments and compliance is proof that The Site has a process. See attached evidence in indicator 3.2.1.

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	Evidence
	2.3.1 Estrategia de gestión del agua

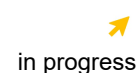
Comment:

The Site's main objective is: "To ensure proper sustainable management of water resources within the site and in the basin". Nestlé's vision and mission presented in the same document are accord with this objective.

Finding: A water stewardship strategy that defines the overarching mission, vision, and goals of the organization towards good water stewardship in line with this AWS Standard was 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.



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Comment Evidence:
2.3.2_3.3.1_3.4.1_Plan_de_gestión_sostenible_del_agua_AWS (1)


Comment:

The Site presents its WSP for 2020 to 2022 and for 2023 to 2025 including all requirements.

OBS: Quantitative evaluation of “status” instead of colours would enable accurate evaluation of performance for each activity.

Finding No: TNR-004247
Finding No: TNR-004595

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 identified and prioritized its water risks. Two are outside Nestlé’s control: drought and contamination of its water source due to the expansion of urban areas near the Spring Pueblo Nuevo. To mitigate these two risks, Nestlé is actively working with two public organization:

- a) Institute of Ecology: reforestation of 2.5 has surrounding its water source and sponsoring the update of a hydrogeological study to assess the status of part of the basin.
- b) FidecoAgua – Financially supporting programs to prevent pristine private property in the area to be transform in urban or agricultural land.

Evidence attached shows other activities proposed.

Finding
A plan to mitigate or adapt to identified water risks developed in co-ordination with relevant public-sector was identified. The Site does not shares infrastructure with other agencies.



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3	STEP 3: IMPLEMENT - Implement the site’s stewardship plan and improve impacts	
3.1	<i>Implement plan to participate positively in catchment governance.</i>	
3.1.1	<i>Evidence that the site has supported good catchment governance shall be identified.</i>	 Yes
Comment	Evidence 3.1.1 Colaboración FIDECOAGUA.msg 3.1.1 Minuta reunión comité técnico 2023.pdf 3.1.1 Subproyectos INECOL 2023 Propuestas.msg 3.1.1 Subproyectos INECOL 2023.msg Comment: Evidence of communications via email with FidecoAgua and Inecol regarding future collaborate in new projects and sponsor its activities was presented. The final election on the projects to be supported is beeing evaluated. Evidence that the site has supported good catchment governance was identified.	
3.1.2	<i>Measures identified to respect the water rights of others including Indigenous peoples, that are not part of 3.2 shall be implemented.</i>	 Yes
Comment	Evidence 3.1.2 Pago consumo de manantial Coatepec Q4 2022.pdf 3.1.2 Respetar los derechos de agua.pptx 3.1.2Linea de captura Manantial Coatepec Q4 2022 Comment: The Site is not does not have any other legal or regulatory rights besides the ones covered in indicator 3.2.2. The water niche is a good will action and is accessible to all citizens. See evidence attached. No indigenous people live in the Coatepec Area. See map on evidence "3.1.2 Respetar los derechos de agua" Measures to respect the water rights of others including Indigenous peoples are not required.	
3.2	<i>Implement system to comply with water-related legal and regulatory requirements and respect water rights.</i>	
3.2.1	<i>A process to verify full legal and regulatory compliance shall be implemented.</i>	 Yes

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Comment	Evidence	
	<p>3.2.1_Pago consumo de manantial Coatepec Q4 2022.pdf 3.2.1 Reporte Manantial Q2 2022.pdf 3.2.1 Reporte de consumo manantial Q3 2022.pdf 3.2.1 Comprobante de pago Q1 2023.pdf 3.2.1_Reporte de Manantial Coatepec Q4 2022.pdf 3.2.1 Actualizacion de resolutivo de manejo de residuos peligrosos 2021.pdf</p> <p>Comment:</p> <p>The Site is notified about new regulations via a company called NORELEX (Normatividad y Legislación Mexicana). Norelex provides an information system that comprehensively helps to register and control the normative and regulatory compliance related to Environment, Safety and Hygiene, Health, Transport and Energy. To verify its applicability, the information provided by Norelex is first evaluated by the Environmental Specialist and later by Nestlé’s water and Energy Committee.</p> <p>The Environmental Specialist is the person in charge of legal compliance, its duties are mentioned in indicator 2.2.1.</p> <p>No specific process was identified to verify full legal regulatory requirements however, The Site presented ample evidence of payments and updates for permits related to water obligations that suggest that the Site is in full compliance.</p>	
3.2.2	<i>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.</i>	 Yes
Comment	<p>Evidence</p> <p>3.2.2 Caudal a río 1.5.2_3.8.1 Acuerdo con familia Galvéz 3.2.1_3.6.2 effluent of WWTP</p> <p>The Site has the legal obligation to allow access to water to the Galvez Family. This agreement was explained in indicator 1.5.2. No complaints about the implementation of this agreement were identified by The Site.</p> <p>As part of water rights, The Site must comply with the required quality and quantity of its WWTP effluent. Evidence of this was presented in indicator 1.3.4</p> <p>The remainder of unused water mostly runs freely to the Pixquiac River, this was verified by the auditor during the visit. See attached picture.</p> <p>Measures implemented to respect the water rights of others were implemented. There are no indigenous peoples in the area.</p>	
3.3	<i>Implement plan to achieve site water balance targets.</i>	
3.3.1	<i>Status of progress towards meeting water balance targets set in the water stewardship plan shall be identified.</i>	 Yes

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Comment	<p>Evidence 2.3.2_3.3.1_3.4.1_4.1.1_4.1.2 Plan de gestión sostenible del agua AWS 3.3.1 Cazadores de fugas 2022</p> <p>Comment:</p> <p>The evaluation of the WSP 2020-2022 indicates that The Site fulfilled all proposed actions regarding water balance. This demonstrates a high level of commitment from Policy to planning to implementation.</p> <p>Interview with two milk producers during the audit, validated that actions pretraining water saving and reuse by farmers are in progress.</p> <p>The Site presented evidence and results of its water balance actions on Site through its campaign "cazadores de fugas" (leak hunters). The campaign achieved of two goals: a) 288.1043m3/month in water savings and b) promote the reuse and saving of water resources in the production processes of the factory and the commitment to raise awareness of employees about water leaks.</p> <p>The Water harvesting project will be reevaluated in 2023 to assess feasibility.</p> <p>Progress in water balance activities proposed for 2023-2025 WSP such as improve water use efficiency and monitoring of CO2 and CH4 is also presented.</p> <p>Status of progress towards meeting water balance targets set in the water stewardship plan were identified.</p>	
3.3.2	<p><i>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.</i></p>	 Yes
Comment	<p>Evidence 3.3.2 OBJETIVO CONSUMO DE AGUA 3.3.2 Evidencia de consumo de agua 2022 (Gráficas) 3.3.2 Objetivos Ambientales 2023 _ Absolutos y Relativos 1.2.1_1.2.2_1.3.7_1.4.1_1.8.1_2.2.2_email submitting evidence</p> <p>Comment:</p> <p>Even though rain has declined in the catchment in the last four years, the official document published by the Government concludes that the catchment is in equilibrium and the Geohydrological study concludes that water scarcity is not a problem, at the moment. More detail explanation in indicator 1.5.3.</p> <p>Regardless of this situation, The Site has the objective to reduce its water consumption by 2.5% at the end of 2023, this is the equivalent to 327.31m3 of water.</p> <p>Water quantity data shows that, in general, The Site is consuming more water than estimated, but it also shows corrective actions proposed in August to address the situation. Improvements can be seen in November and December.</p> <p>Even though water scarcity is not a shared water challenge for now (based on scientific evidence not stakeholders responses) annual targets to improve the site's water use efficiency, were implemented.</p>	
3.3.3	<p><i>Legally-binding documentation, if applicable, for the re-allocation of water to social, cultural or environmental needs shall be identified.</i></p>	 Yes

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Comment	Evidence 3.3.3 Título de extracción de manantial 1.8.1_1.8.2_ 2.2.1 Comité de agua y energía 2022
	Comment: The Site has submitted evidence on the legal mandate regarding the reallocation of water: According to the 2016 decree of the Federal Law of National Waters, the concession title and the assignment title are two different authorisations. The allocation is an authorisation that does not apply to Fábrica Nestlé Coatepec, it is only authorised to the municipality or state. What the Site does is maintain on its own premises a water intake of the same quality as the Site's, which can be used by workers and their families; this intake can be used by the public and is located within the Site's premises, but it is not a legal obligation. The Site constructed and maintains a water niche where citizens can fill their own water container without restrictions. It is the same water that The Site uses for its operations and WASH services, therefore it is tested every day on site and by a third party quarterly. Quarterly results are reported directly to the catchment authority (Conagua).
3.4	<i>Implement plan to achieve site water quality targets</i>
3.4.1	<i>Status of progress towards meeting water quality targets set in the water stewardship plan shall be identified.</i>
Comment	Evidencia 2.3.2_3.3.1_3.4.1_4.1.1_4.1.2 Plan de gestión sostenible del agua AWS 1.6.1_1.6.2 Área de oportunidad en cultura del agua Ruta de niebla
	Comment: Water quality objectives proposed for WSP 2020 – 2022 were fulfilled. The Site performs test such as pesticides that go beyond the Mexican regulations. See attached WSP and water quality analysis in indicator 1.3.4. To Protect and conserve areas of the Mountain Mesophilic Forest The Site joined efforts with the association Ruta de Niebla (The Route of the Fog). This group aims to protect the Forest of Fog, an ecosystem with high biodiversity that is under the pressure of urban development. In 2022 Nestlé supported this initiative by: -Contributing with a contest to design informational panels about the forest among university students. For its participation, Ruta de la Niebla will insert the image of Nestlé in these projects for one year. Evidence attached recognizes Nestle's support in pages 8, 21, 23 and 24. Other actions proposed were: To keep monitoring the effluent of the WWTP that discharges in the Pixquiac River and pay for its water permits. Nestlé implements other actions regarding water quality but failed to include them in the WSP. Status of progress towards meeting water quality targets set in the water stewardship plan was identified.
3.4.2	<i>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.</i>


Yes


Yes

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Comment **Evidence**
Effluent water quality data uploaded in indicator 1.3.4
2.3.2_3.3.1_3.4.1_4.1.1_4.1.2 Plan de gestión sostenible del agua AWS

The Site has presented sufficient evidence to demonstrate that the effluent of it WWTP is in compliance with Mexican Norms.

Continual improvement to achieve best practice for the site's effluent were identified and quantified.

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 **Evidence**
Monitoring of water quality of the water source is presented in indicator 1.3.4
2.3.2_3.3.1_3.4.1_4.1.1_4.1.2 Plan de gestión sostenible del agua AWS
3.5.1 Pluviometer at water source

Comment:

Practices set in the water stewardship plan 2020-2022 to maintain and/or enhance the site's Important Water-Related Areas were 100% implemented and evidenced such as:

Evidence of water quality monitoring for the water source was presented in indicator 1.3.4. The pluviometer was installed and the retrieved data is shared with Inecol. WWTP effluent test in compliance with Mexican Norms. 1.3.4. Support in the protection of Forest of the Fog.

Practices set in the water stewardship plan to maintain and/or enhance the site's Important Water-Related Areas shall be implemented.

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

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Comment Evidence
 1.3.8_3.6.1 WASH
 3.6.1 WASH Toilets at water source 2

Comment:

The Site has adequate toilets to fulfill the necessities of small and handicap people. See evidence attached.

There are 29 water stations throughout the site.
 Antibacterial gel is provided upon entrance to each area.
 Surface disinfectant products are provided for each dining table.
 Workers at the water source have a latrine and a hand wash station.
 There are 25 toilets for men, 14 toilets for women and 6 gender neutral.

253 females and 412 males work on site.

According to Mexican regulations, there must be one bathroom for every 15 employees. Adding 3 gender neutral restrooms to each gender, The Site provides one bathroom for every 15 employees.

Evidence of the site's provision of adequate access to safe drinking water, effective sanitation, and protective hygiene (WASH) for all workers onsite was identified and quantified.

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.*



Comment Evidence
 3.2.1 _Reporte de Manantial Coatepec Q4 2022
 3.2.1 _Pago consumo de manantial Coatepec Q4 2022
 Additional evidence is provided in indicator 3.2.1

Comment:

- The Sites water extraction is monitored via an electromagnetic meter that sends the information directly to the government, who in turns charges for the service and verifies that The Site is not consuming more than authorized.
- Water extractions are paid every 3 months (evidence attached).
- Wastewater effluent is monitored daily, if effluent is found out of compliance, corrective actions are implemented immediately.

No indication that the site is impinging on the human right to safe water and sanitation of communities through their operations was identified.

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.*



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Comment	<p>Evidence 3.7.1 Agro Sustentable Fco 3.7.1 Datos Auditoría AWS (agropecuario)</p> <p>Comment:</p> <p>The Site geared its efforts to the efficiency in water use by milk producers. Even though it did not set quantitative targets for 2020-2022, targets were achieved.</p> <p>Dairy producers were instructed in better water management to increase livestock productivity, cattle management in paddock rotation systems, manure management, compost and tree reforestation projects.</p> <p>Evidence that indirect water use targets set in the water stewardship was quantified.</p>	
3.7.2	<p><i>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.</i></p>	<p> Yes</p>
Comment	<p>Evidence provided in 3.7.1</p> <p>Comment:</p> <p>The Site strengthens milk producers in the catchment with technical training and financial support for investments in vermiculture, solar panels, biodigesters, drip irrigation, rain harvest and reforestation. This was verified in the interview with a milk supplier.</p> <p>Evidence of engagement with suppliers and service providers, as well as actions they have taken in the catchment as a result of the site's engagement related to indirect water use was identified.</p>	
3.8	<p><i>Implement plan to engage with and notify the owners of any shared water-related infrastructure of any concerns the site may have.</i></p>	
3.8.1	<p><i>Evidence of engagement, and the key messages relayed with confirmation of receipt, shall be identified.</i></p>	<p> Yes</p>
Comment	<p>The Site does not have any shared infrastructure.</p>	
3.9	<p><i>Implement actions to achieve best practice towards AWS outcomes: continually improve towards achieving sectoral best practice having a local/catchment, regional, or national relevance.</i></p>	
3.9.1	<p><i>Actions towards achieving best practice, related to water governance, as applicable, shall be implemented.</i></p>	<p> Yes</p>
Comment	<p>Comment:</p> <p>The following actions towards achieving best practice, related to water governance were implemented:</p> <ul style="list-style-type: none"> - The Site sponsored a hydrological study about the area and the results was shared with some stakeholders. - Meetings with stakeholders were conducted via teams to review plans, obtain feedback on past activities and propose new activities. - The Site applied a voluntary survey to its workers regarding their water interests and views in order to develop strategies and workshops valuable to them and the AWS outcomes. <p>Additional evidence attached in indicator 3.9</p>	

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3.9.2 *Actions towards achieving best practice, related to targets in terms of water balance shall be implemented.* ✔
Yes

Comment: Comment:

Some of the implemented actions towards achieving best practice, related to targets in terms of water balance were:

- Teaching dairy producers sustainable technics to increase livestock productivity, cattle management in paddock rotation systems, manure management, compost and tree reforestation projects.
- Planting 40 thousand trees in the catchment.
- Leak hunter campaign on Site. This led to the detection of 28 leaks and savings of approximately 3,180.0 m3/yr.
- A Water Map System, measures inflows and outflows daily.

Actions towards achieving best practice, related to targets in terms of water balance were implemented.

Additional evidence attached in indicator 3.9.

3.9.3 *Actions towards achieving best practice, related to targets in terms of water quality shall be implemented.* ✔
Yes

Comment: Comment:

Some of the implemented actions towards achieving best practice, related to targets in terms of water quality were:

- Preventive maintenance of equipment.
- Water quality test are performed daily for inflows and outflows.

Evidence attached in indicator 3.9

Actions towards achieving best practice, related to targets in terms of water quality were implemented.

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: Comment:

The following actions towards achieving best practice, related to targets in terms of the site's maintenance of Important Water-Related Areas were implemented:

- A cleaning event of the Pixquiac River was held with participation of collaborators of the site and their family. 220.0kg of waste was collected.
- In conjunction with Inecol, has planted 2460 trees in the basin.
- A pluviometry to measure the rain next to the Spring was installed and the data is shared with Inecol.


Actions towards achieving best practice, related to targets in terms of the site's maintenance of Important Water-Related Areas were implemented.

Evidence attached in indicator 3.9

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3.9.5 *Actions towards achieving best practice related to targets in terms of WASH shall be implemented.* 
Yes

Comment: Comment:

The following actions towards achieving best practice related to targets in terms of WASH were implemented:

- A niche was constructed to provide free water to employees and community in general.
- Men's and women's toilets were remodelled and updated.
- Hydration points were installed in all areas on site so that employees have the right to drinking water.


Actions towards achieving best practice related to targets in terms of WASH were implemented.

Evidence attached in indicator 3.9

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4 STEP 4: EVALUATE - Evaluate the site's performance.	
4.1	<i>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.</i>
4.1.1	<i>Performance against targets in the site's water stewardship plan and the contribution to achieving water stewardship outcomes shall be evaluated.</i>
Comment	<p>Nestlé achieved the 9 out of 10 targets presented in the 2020-2022 WSP.</p> <p>It was not possible to implement rain harvest due to the high water quality required for process and human consumption, however irrigation will be consider as a possibility. The project will be reevaluated in the 2023-2025 WSP.</p> <p>Current targets for the 2023-2025 WSP are being evaluated, its status of progress is already reflected in this new plan.</p> <p>Performance against targets in the site's water stewardship plan were evaluated, but the contribution to achieving water stewardship outcomes was not evaluated.</p> <p>Evidence attached in indicator 4.1</p> <p style="text-align: right;">Finding No: TNR-004077</p>
4.1.2	<i>Value creation resulting from the water stewardship plan shall be evaluated.</i>
Comment	<p>Comment:</p> <p>In the WSP, The Site presented SMART objectives vs cost/benefit obtained, including a monetary investment for each action. The column "Results", makes a description of the benefits obtained. For example, the objective "protection of the forest..." resulted in the protection of 110 hectares through the program "payment for environmental services".</p> <p>For other targets, such as "implement sustainable practices for milk production", The Site presented investments and results, regarding litters of milk produced in sustainable practices, however a financial water cost-benefit was not provided.</p> <p>Value creation resulting from the water stewardship was described, but a financial water cost-benefit was not provided.</p> <p style="text-align: right;">Finding No: TNR-004078</p>
4.1.3	<i>The shared value benefits in the catchment shall be identified and where applicable, quantified.</i>
	 Yes

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Comment Evidence
2.3.2_3.3.1_3.4.1_4.1.1_4.1.2 Plan de gestión sostenible del agua AWS

Comment:

The Site identified the following shared value benefits in the catchment:

- At least 100 people received water related information material and/or participated in activities sponsored or lead by The Site.
- Approximately 300m3 of potable water was supplied to the community, free of charge.
- 110 hectares of forest land was protected annually.
- The hydrogeological study for the 9km2 surrounding the Puente Nuevo Spring was updated. This information was relevant to assess current and future water risk in the area, not just Nestlé, and determine suitable actions to address this risk.
- Actions implemented for sustainable agriculture, including Nestlé's milk suppliers, proved to be successful and leave the door open for future improvements and the incorporation of more suppliers. Target already reflected in the 2023-2025 WSP.
- Others identified in the 2020-2022 WSP.

The shared value benefits in the catchment were identified.

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 The site did not presented any reportable incidents in 2022.

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.*


No

Comment Evidence
4..3.1 Reunion fidecoagua 2023
4.3.1 Reunion INECOL 2023

Comment:

Evidence of two stakeholder consultation regarding the performance of the WSP was presented. Both agree that objectives have been fulfilled. Only 2 of the 43 stakeholder identified were consulted. Engagement with other stakeholders could provide relevant information regarding the site's water stewardship performance, including the effectiveness of the site's engagement process.

Stakeholders' consultation feedback regarding the site's water stewardship performance, including the effectiveness of the site's engagement process was evaluated however, it was limited to two stakeholders.


Finding No: TNR-004256
Finding No: TNR-004257

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.*

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4.4.1	<i>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.</i>	 Yes
Comment	<p>Feedback and experience gained during the AWS journey, The Site presents the following lessons learned:</p> <ul style="list-style-type: none">- All objectives and activities should be identified and incorporated in the WSP.- Total costs and benefits of each objective should be quantify.- Our actions bring to people, the community and the planet.-There are many opportunities for good practices on site not related to legal compliance. <p>The 2023-2025 WSP plan has clearer goals and objectives, with measurable and monitorable deliverables that will be evaluated and renewed year after year.</p> <p>The WSP 2023'2025 has three additional columns: monitoring, responsible person and cost.</p> <p>The site's water stewardship plan was modified and adapted to incorporate relevant information and lessons learned from the evaluations in this step and these changes were identified.</p>	


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5 STEP 5: COMMUNICATE & DISCLOSE - Communicate about water stewardship and disclose the site's stewardship efforts	
5.1	<i>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.</i>
5.1.1	<i>The site's water-related internal governance, including positions of those accountable for compliance with water-related laws and regulations shall be disclosed.</i>
Comment	<p>Evidence 2.1.1_5.1.1. Divulgación de la gobernanza interna y compromiso.pptx</p> <p>Comment:</p> <p>The site's water-related internal governance, including positions of those accountable for compliance with water-related laws and regulations has been disclosed in a chart posted next to the water niche.</p>
5.2	<i>Communicate the water stewardship plan with relevant stakeholders.</i>
5.2.1	<i>The water stewardship plan, including how the water stewardship plan contributes to AWS Standard outcomes, shall be communicated to relevant stakeholders.</i>
Comment	<p>Evidence 5.2.1 Reunion fidecoagua 2023 5.2.1 Reunion INECOL 2023</p> <p>Comment:</p> <p>The water stewardship plan was only communicated to 2 of 12 relevant stakeholders identified. Relevant stakeholders identified such as University of Veracruz, Pixquiac River Committee and surrounding neighbours were not consulted.</p> <p style="text-align: right;">Finding No: TNR-004323</p>
5.3	<i>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.</i>
5.3.1	<i>A summary of the site's water stewardship performance, including quantified performance against targets, shall be disclosed annually at a minimum.</i>
Comment	<p>Evidence 2.1.1_2.3.1 Resume Alliance For Water Stewardship 2022 firmado</p> <p>Comment:</p> <p>A document presenting all activities implemented by Nestlé in 2022 and the WSP was communicated to some stakeholders, however it is not clear to what stakeholder and how it was done.</p> <p style="text-align: right;">Finding No: TNR-004096</p>
5.4	<i>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.</i>

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5.4.1 *The site's shared water-related challenges and efforts made to address these challenges shall be disclosed.* in progress 


Comment Shared water related challenges identified were address mainly via coordination with four stakeholders

- two public agencies: Inecol and Fidecoagua
- one private: the milk suppliers
- one civic group: Forest of the Fog

Evidence of this activities have been presented in full through this report. A document disclosing The site's shared water-related challenges and efforts made to address these challenges is presented but, it is not clear if this document was publicly disclosed and how it was done.

The site's shared water-related challenges and efforts made to address these challenges has not been disclosed.


Finding No: TNR-004097

5.4.2 *Efforts made by the site to engage stakeholders and coordinate and support public-sector agencies shall be identified.* Yes 


Comment Evidence regarding this indicator has been presented through several documents in this report. Even though efforts have been limited to two public stakeholders, the results of this cooperation have been meaningful and useful for many other actors. Examples of this are the reforestation and restoration of agricultural areas, education activities and protection of the forest.

Efforts made by the site to engage stakeholders and coordinate and support public-sector agencies was identified.


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.* Yes 

Comment There has not been any compliance issues, so no disclosure has been required.


5.5.2 *Necessary corrective actions taken by the site to prevent future occurrences shall be disclosed if applicable.* Yes 

Comment Corrective actions has not been necessary because there has not been any water related compliance violations.

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 

Comment This has not been necessary since water related compliance violations have not occurred.

Photographic Evidence from Audit

Yes 
 Comment Photographic evidence has been included in the correspondent indicator.

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-000558

Previous Findings

All non-conformities raised in the previous audit have been satisfactorily closed.



Yes

Comment The previous audit did not indicate any open non-conformities.