

Water Stewardship @ Nestle- Waters

Lebanon Case Study

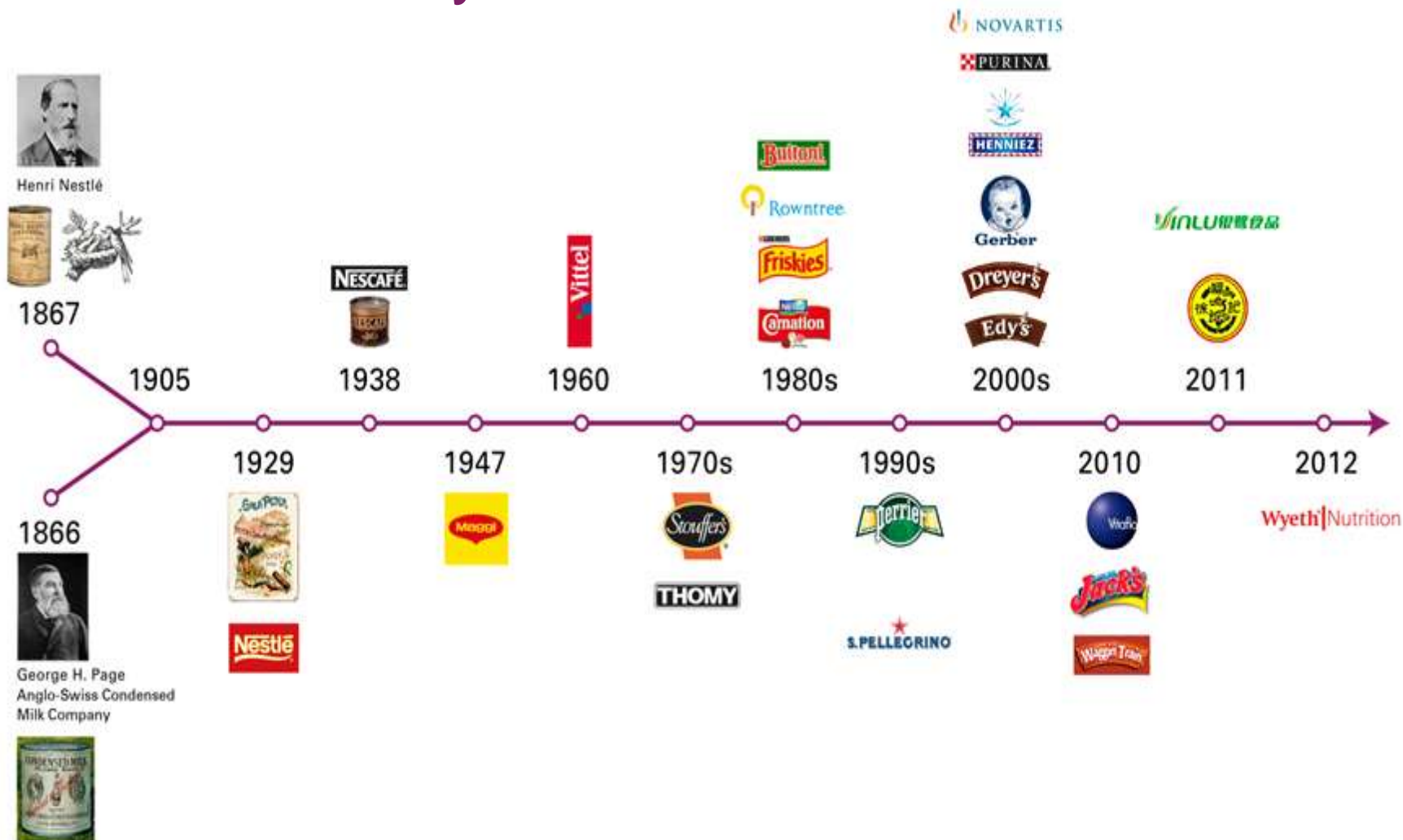
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Nestle Waters
March 22nd, 2016



The Healthy Water Company

The Nestlé Story



Nestlé at a Glance

- 
- CHF 91.6 billion in sales in 2014
 - 339,000 employees in over 150 countries
 - 442 factories in 86 countries
 - Over 2,000 brands
 - 1 billion Nestlé products sold every day

Nestle-Waters-2014 - Key figures

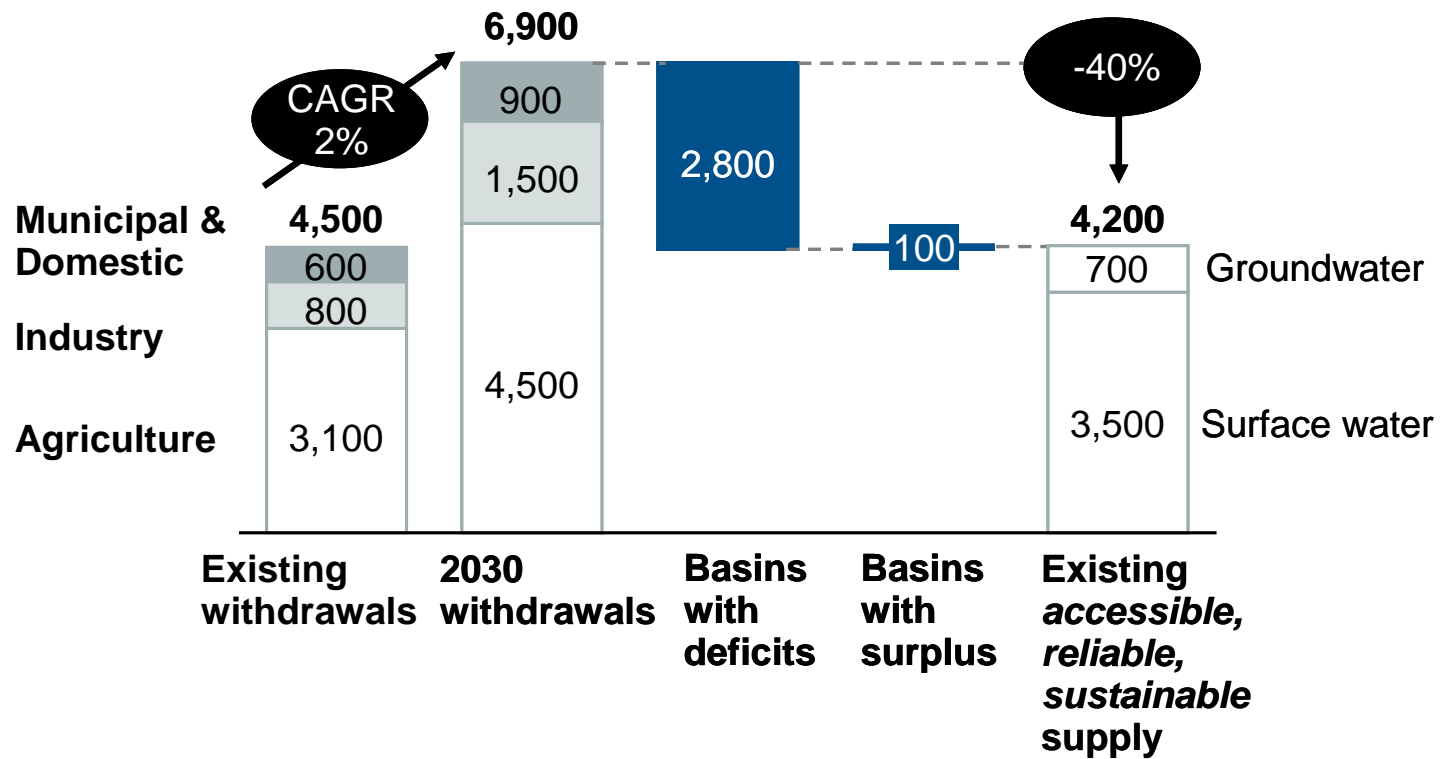
Sales	CHF 7 390 million (EUR 6 084million) <i>(8.1% of Nestlé Group sales)</i>
Organic growth	5.4%
RIG ⁽¹⁾	6.3%
COP2 ⁽²⁾	CHF 714 million (EUR 588 million)
Market share	11.5%
Employees	34 266
Factories	96
Producing countries	35
Brands ⁽³⁾	52

(1)RIG: Real Internal Growth

(2)COP2 Consolidated Trading Operating Profit Margin

(3)Bottled Water Brands
Estimation in value

The water challenge: global freshwater availability vs. projected demands



Global freshwater **withdrawal increased** nearly **seven-fold** in the past century...

Demand/Availability **gap** by 2030 will be **>40%**

Water scarcity is the new reality ...



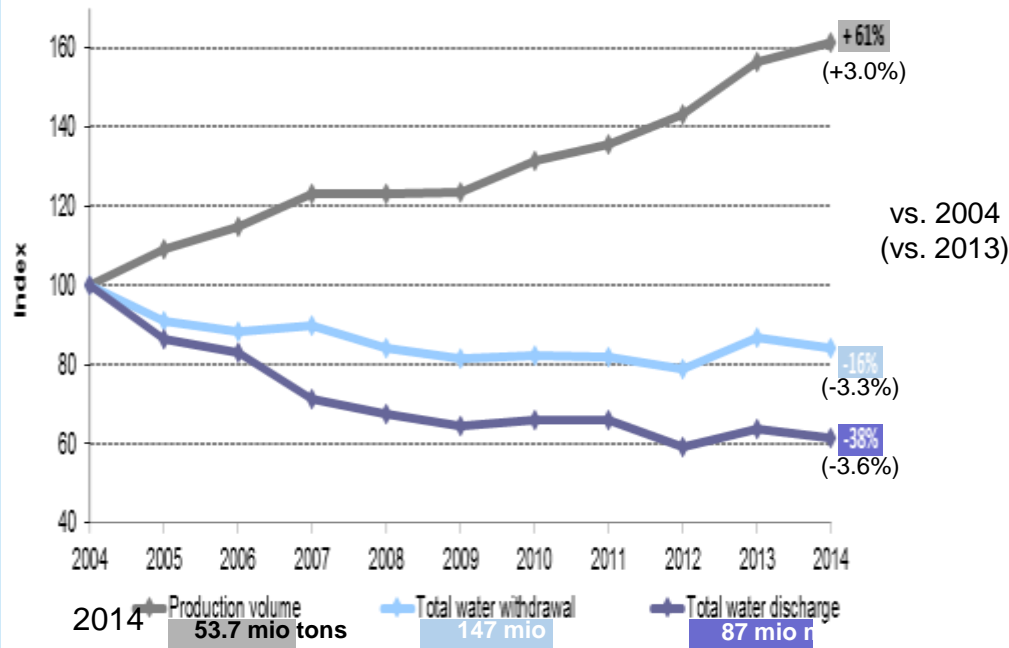
March 1, 2016
**NASA Finds Drought in Eastern Mediterranean
Worst of Past 900 Years**

... and already affects our operations



Work to achieve water efficiency and sustainability across our operations

Leading in water resource management and excelling in the reduction of the direct water use in all our facilities

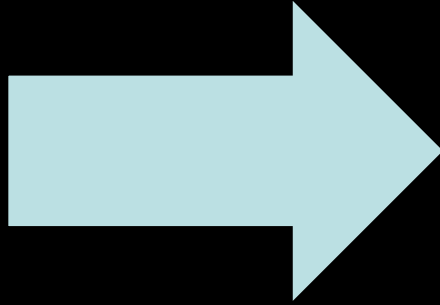


💧 **More with less** (-37% water withdrawal per ton of product since 2005)

💧 **More than doubled** water use efficiency (from 6.18 to 2.74 m³/t 2002/2014)

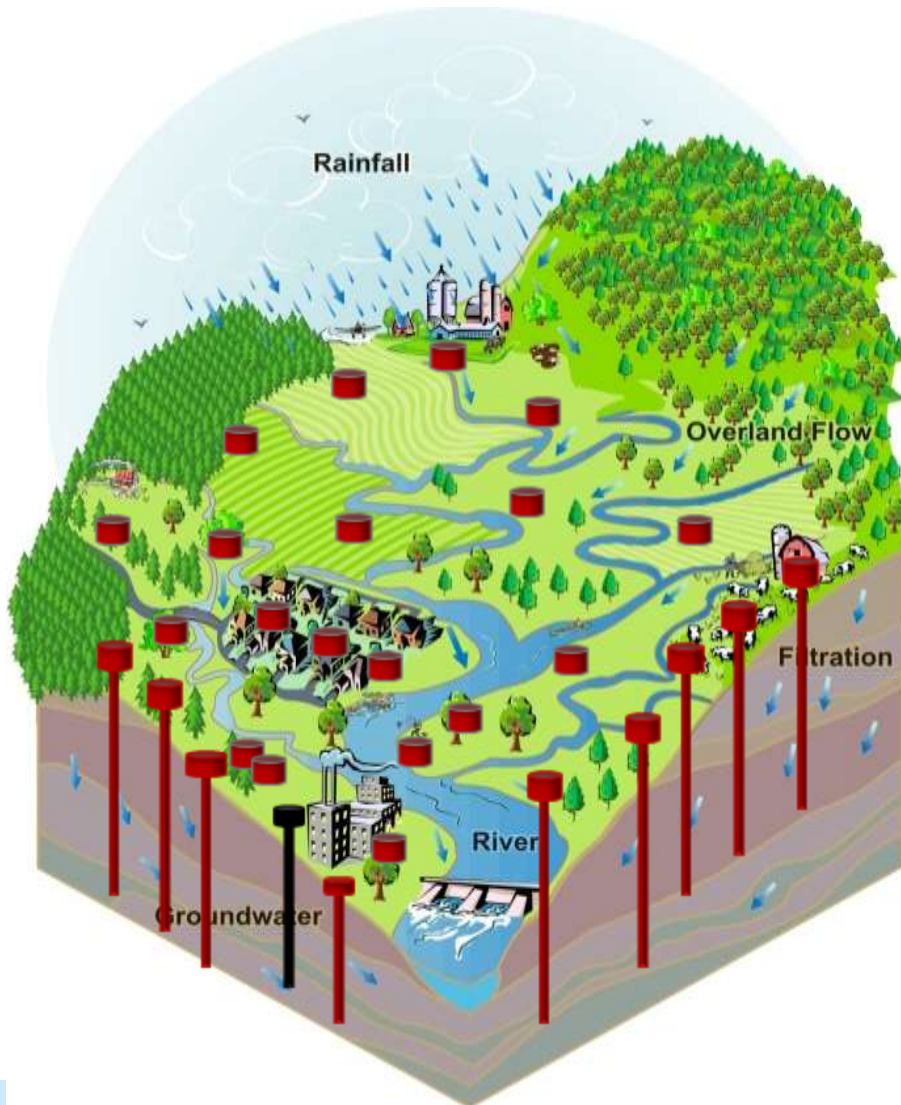
💧 **376 water-saving projects** run in 2014 within our manufacturing facilities (with special focus on HPMF's)

“Improve”: Nestlé Mexico “Cero Agua”



Protecting the source is a real challenge ...

... the **catchment area** includes different users introducing different risks!



Water Stewardship is our job ...

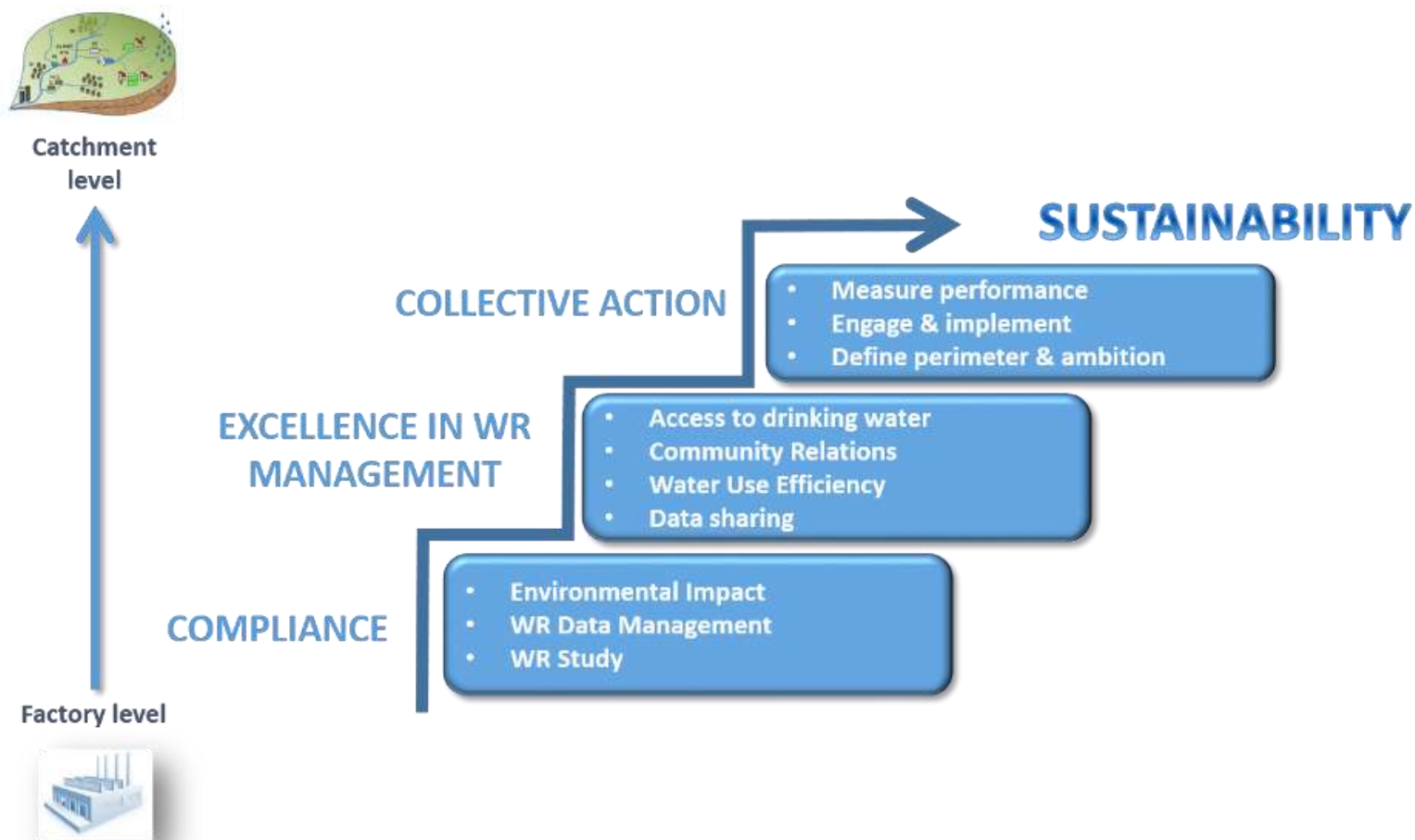


**Drive improvement in-house
and...**

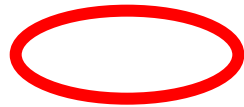
**... lead engagement beyond
the factory gate!**

**Remember: water is
everybody's business!**

Water stewardship ladder



Catchment area



Area to be protected

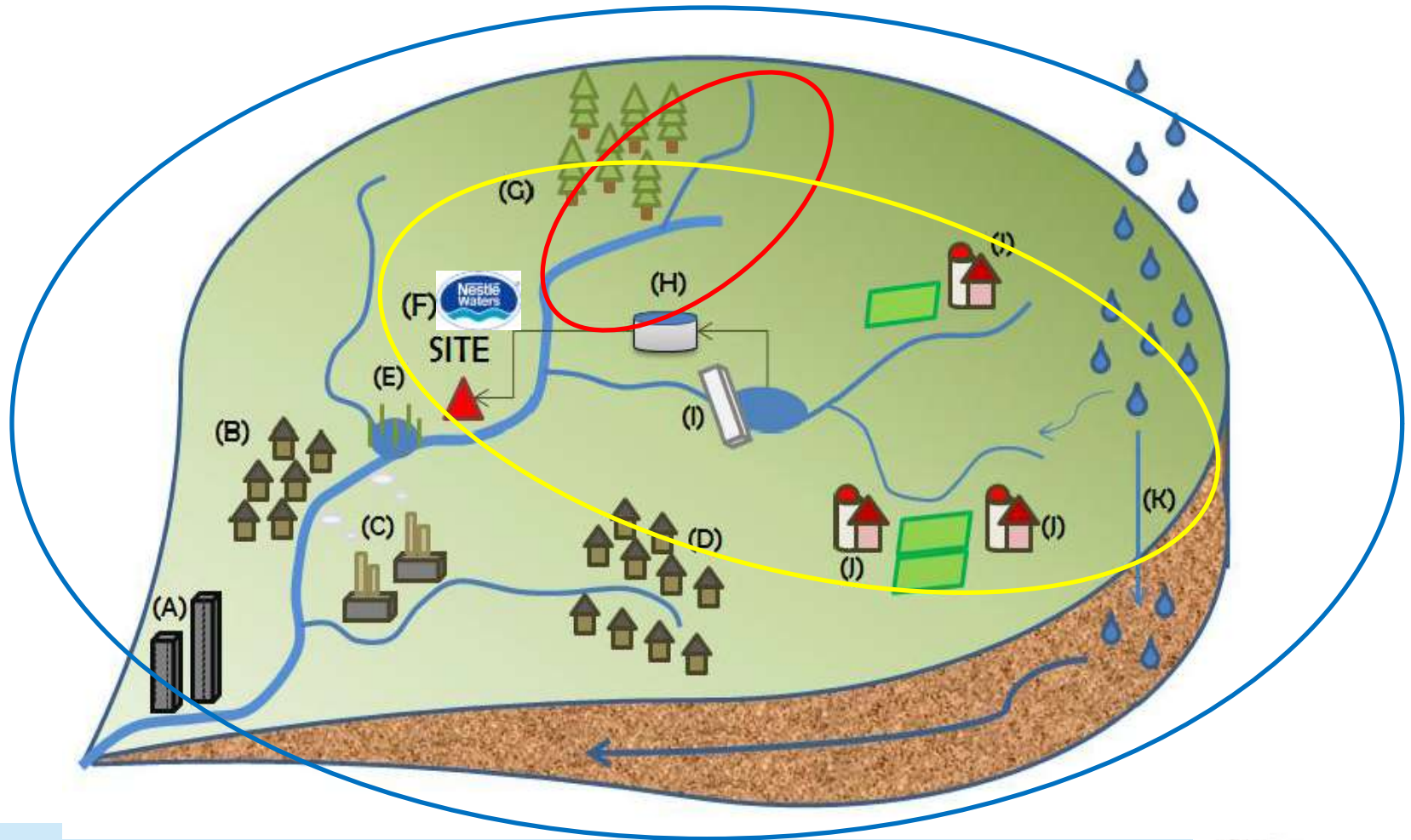


Local communities area



Catchment area

Define perimeter

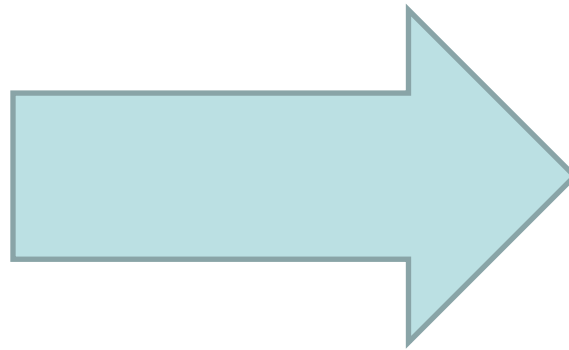




The Healthy Hydration Company™



Ain Zhalta Case- Lebanon



Site Location



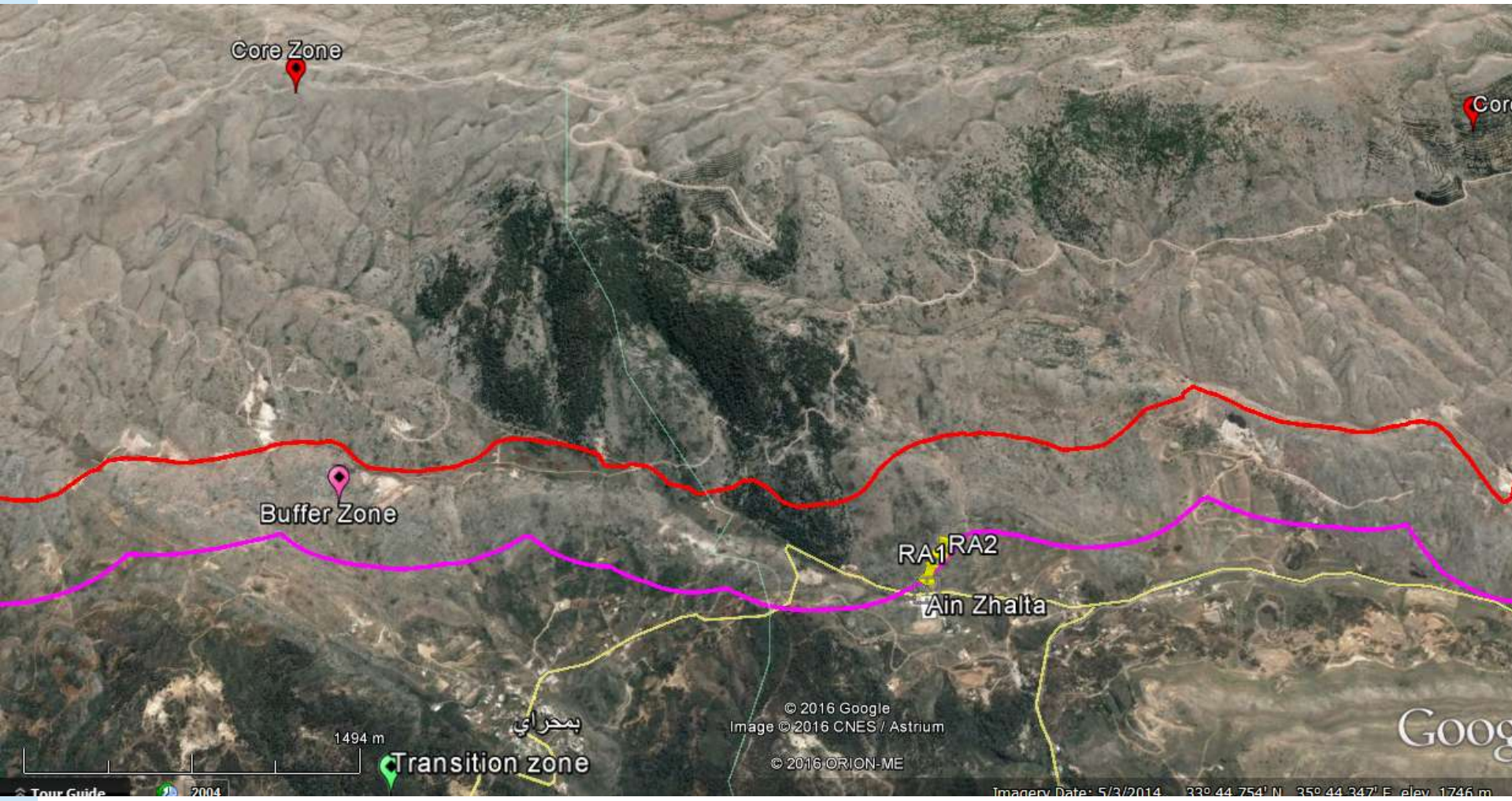
Shouf Biosphere Reserve Highlights

- ✓ Includes the **highest mountains** in the Middle East, providing a full wealth of environmental services, Groundwater storage, climate mitigation, and leisure value.
- ✓ The **largest stands of Lebanese Cedars**, one of the World's great tree icons. 50,000 hectares of surface, which make SBR on of the *largest protected areas in the Middle East and the East Mediterranean*.
- ✓ **Important Bird Area**, strategically located on the routes between Europe, Africa, and West Asia. Over 250 bird species recorded .

Shouf Biosphere Reserve Highlights

- ✓ 520 species of plants, 25 internationally and nationally threatened species, and 48 plants endemic to Lebanon
- ✓ 100,000 people living around the SBR, whose territory is shared by 24 different municipalities belonging to 2 different Districts.
- ✓ 70 different products made by members of the local community (mainly women) using traditional methods.
- ✓ 18 permanent and many temporary staff members make up the SBR management team.

Factory & Wells' Location



Road Map

In July 2015, an MOU was signed between Nestle-waters and the Shouf Biosphere Reserve



Goal and Objectives

The main Goal of the MOU is to ensure that:

The practices of water resource management in the Shouf Biosphere Reserve buffer and development zones will be more sustainable and better regulated

Objectives of the MOU

- ◆ *Development of a Water management and conservation strategy focusing on efficient water use, new harvesting techniques to support biodiversity and small scale agriculture.*
- ◆ *Building a mutual relationship and understanding with Nestlé-Waters to ensure more recognition and support for the Shouf Biosphere Reserve.*
- ◆ *Raising awareness about natural resources conservation and preservation, focusing on the linkage between protected areas, water recharge and reliable sustainable water supply.*
- ◆ *Set regulatory framework in the recharge area of Jabal Kneisseh mountain to protect the underground water resources and the biodiversity in the mountain.*

Community Projects

- 💧 80% local recruitment
- 💧 Sponsorship for local events and activities
- 💧 World water day in the factory with the participation of 800 students from the area (2015 and 2016), etc.



Other Initiatives

- ♣ Recycling initiative with Servcorp, a leading waste management service provider and Spinneys, the #1 domestic supermarket Franchise.
- ♣ This initiative to be developed in the Shouf area in partnership with SBR



Recycling Machine



Spinney's communication

End of 2013



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Thank You