Nestlé – Right to Water and Sanitation

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Public Affairs, Nestlé S.A.
Cape Town, CEO Water Mandate
16 November 2010
Creating Shared Value: a definition

"Going beyond sustainability, to create value for shareholders & society - which is integrally linked to our core business strategies & operations"

"Development which meets the needs of the present without compromising the ability of future generations to meet their own needs"

Creating Shared Value
Nutrition, Water, Rural Development

Sustainability
Protect the Future

Compliance
With Nestlé Corporate Business Principles, Codes of Conduct, etc.
Nestlé Corporate Business Principles 1

- **2010**: Fully revised edition published; Corporate Responsibility to Respect Human Rights; recognition of Right to Water.
Commissions (examples): 

- UN Global Compact Principles, cutting across all NCBP.
- Fundamental ILO Conventions and ILO Tripartite Declaration for Multinational Enterprises
- OECD Guidelines for MNEs
- Nestlé Policy on Environmental Sustainability and Water Commitments

And: 
« Where our principles and regulations are stricter than local legislation, the higher standard applies ». 

16 November 2010
Work to continue reducing the amount of water used per kilo of food and beverage produced.
Assure that our activities respect local water resources. Take care that water we discharge into the environment is clean.
Engage with agricultural suppliers to promote water conservation among farmers. Reach out to others to collaborate on water conservation and access, with a particular focus on women and children.
Responsibility to Respect
Water Stress Index for Direct Operations

Two main types of water stress indicators

- **Freshwater availability per capita**: “the smaller the amount of water available per person in a river basin, the higher the water stress”. Focus on areas where competition around water among different sectors is strong and will exacerbate (World Resources Institute-Washington DC).

- **Water withdrawals to water availability**: “the larger the volume of water withdrawn, used and discharged back into a river, the more it is degraded and/or depleted, and the higher the water stress”. The higher the water stress the stronger the competition between society’s users and between society and ecosystem requirements (ETH, Institute for Environmental Engineering – Zürich).
<table>
<thead>
<tr>
<th>Country</th>
<th>Site</th>
<th>Google Earth ETH</th>
<th>Global Water Tool WRI 2025</th>
<th>Combined Index (WRI/ETH)</th>
<th>WSI (ratio withdrawals to availability)</th>
<th>Class</th>
<th>GWT 2025 projection (m3/person/year)</th>
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<tbody>
<tr>
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4 November 2010
Responsibility to Respect
Water Resources Review for Direct Operations

The WRR program is deployed in factories with high water related challenges:

- located in specific water stressed/water scarce regions and/or
- use of large amount of water in their process and/or
- represent a strategic interest in value creation and/or
- possible recorded issues encountered in the local water resources management.
Water Resources Review – 5 Pillars

1. Quantity (alignment with long term water needs at factory level, factory water use mapping, risk of groundwater management in critical environments: aquifers overexploitation, abstraction of non renewable water resources, …)

2. Quality (awareness in health/quality issues by stakeholders, evolution of groundwater properties, quality monitoring, contamination risks upstream and downstream, access right quality of water for the different factory users, …)

3. Regulatory Compliance (more restrictive and fast changing regulations worldwide, ensure availability and respect of needed drilling and water abstraction licenses, occurrence/impact of governmental/local water policies, …)

4. Site Protection (ensure active/passive security measures on water supply points and distribution systems; ensure groundwater protection practices, …)

5. Stakeholder Relations (risk for long term allocations in water competitive environments, i.e.: irrigation vs. domestic/industrial needs; relationships with local stakeholders on water topics, community outreach programs within Nestlé CSV: land/well owners, authorities, communities, pressure groups, …).
At the same time:

Human Rights Due Diligence Process with the Danish Institute for Human Rights (DIHR), including Water. Two year Global Partnership.

Starting:

WSI Mapping and WRR Assessments in Agricultural Supply Chain.

And of course → Beyond Respect:

Since 2006, Global Water and Sanitation Initiative – IFRC; LWF/IFAPA Water and Reconciliation since 2008, etc.
Beyond Respect
IFRC GWSI summary since 2005

- 109 Projects in 42 countries
- 4 Million beneficiaries to date
- 2015 target increased from 5 Million to 7 Million
- Donors include Red Cross, EU, Nestle and other private sector donors

Water Pump – Ivory Coast, Nestle Funded
Beyond Respect
LWF/IFAPA Water, Hygiene and Reconciliation in Rwanda
Thank you!

What else...?

www.nestle.com/csv
www.creatingsharedvalue.org