



The Healthy Hydration Company™

Managing Water Resources For Sustainability

Why It's Both A Public Sector And A Private Sector Imperative

A Nestlé Waters Canada Perspective

November 16, 2011



Presentation Focus



- **Question tasked of me to answer:**
 - Do businesses have a responsibility to assess their own needs for water in order to ensure future sustainability and, if so, how?
- **My response:**
 - Yes, it's simply good business practice to do so, but it's complicated...



Agenda

- Water-taking in Ontario
- The big water users
- Nestlé water-taking policies
- Questions

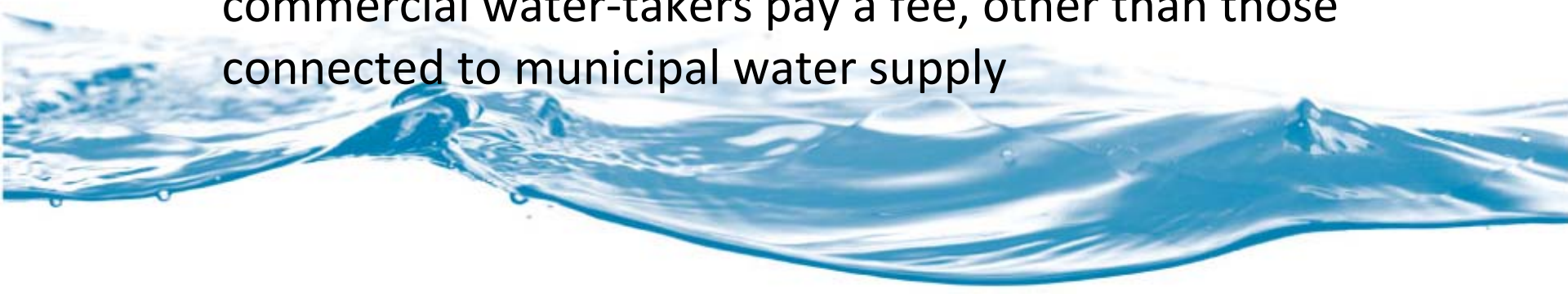


The Healthy Hydration Company™



Useful Background Information

- Ontario most heavily regulated jurisdiction in North America in terms of commercial water-taking:
 - Permit To Take Water (PTTW) required
 - PTTW application typically requires supporting hydro-geological, biological studies, stakeholder input
 - PTTW approval typically requires ongoing hydro-geological monitoring and, possibly, other conditions
 - PTTW water-taking fees in place – although only 2% of commercial water-takers pay a fee, other than those connected to municipal water supply



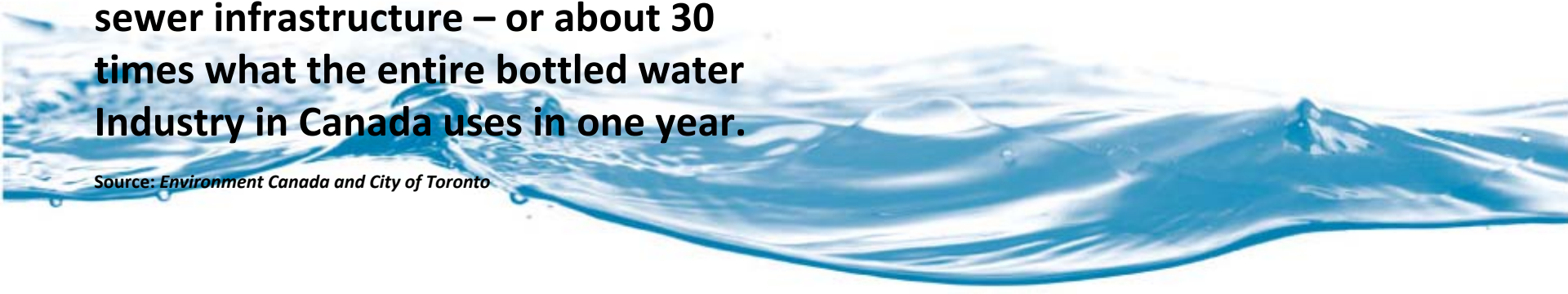
Useful Background Information

Canadian Water Usage:

- Thermal Power Generation – 64%
- Manufacturing – 14%
- Municipalities – 12%
- Agriculture – 9%
- Mining – 1%
- **Bottled Water Industry – 0.02%**

City of Toronto loses about 14%, or 54,928,172,480 litres of fresh water annually because of leaky water and sewer infrastructure – or about 30 times what the entire bottled water Industry in Canada uses in one year.

Source: Environment Canada and City of Toronto



Useful Background Information

Ontario Water Usage (Permitted):

- Agricultural – 1%
- Commercial – 0.001%
- Construction – 0.001%
- Dewatering Construction – 1%
- Industrial – 38%
- Institutional --- 0.0001%
- Miscellaneous – 58%
- Recreational – 0.001%
- Remediation – 0.001%
- Water Supply – 1%
- **Bottled Water Industry – 0.000147%**



Source: Ontario Ministry of Energy, 2007



Useful Background Information

Local Water Usage (GRCA):

- Municipal Supply – 35%
- Dewatering – 15%
- Aquaculture – 11%
- Aggregate Washing – 7%
- Remediation – 5%
- Golf Course irrigation – 3%
- Agriculture/Irrigation – 3%
- Industrial, Other – 3%
- Miscellaneous – 3%
- Food Processing – 2%
- Rural Domestic – 2%
- Cooling Water – 1%
- Recreational – 1%
- Water Supply, Other – 1%
- Commercial, Other – 1%
- Water Supply, Communal – 1%
- **Bottled Water industry – 0.0053%**
- Water Supply, Campgrounds – 0.003%
- Mall/Business – 0.001%
- Snowmaking – 0.001%
- Heat Pumps – 0.0001%
- Other Institutional – 0.0001%



Nestlé Water Policy

Nestlé Company Water Policy

“The Nestlé Company recognizes that the responsible management of worldwide water resources is an absolute necessity. Preserving both the quantity and quality of water is not only an environmental challenge, but also one that spans economic, political, social, cultural and emotional considerations.”



Nestlé

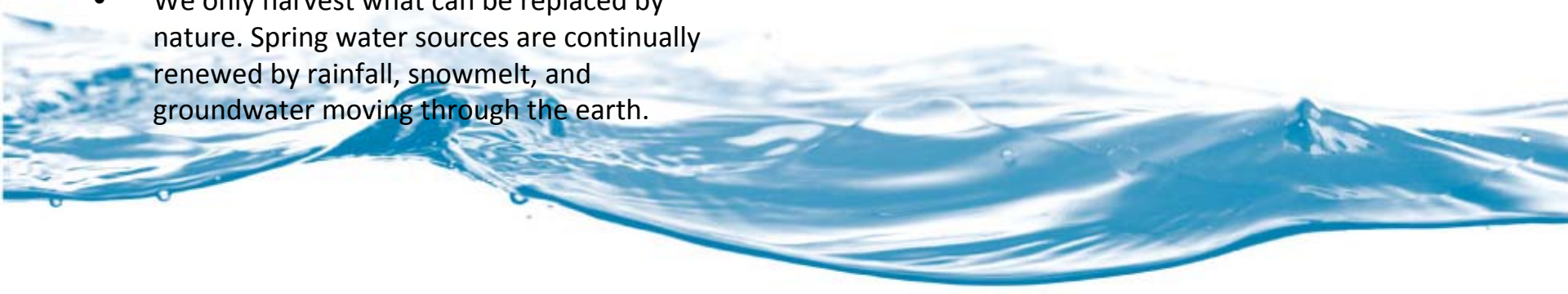
Makes the Very Best... For You™



Nestlé Water Policy

Because Nestlé Waters Canada invests millions of dollars in bottling plants near its spring sites, and shares water resources with local communities and ecosystems, the Company seeks sources that can be used and managed for long-term sustainability:

- We are one of only a few companies that manage water resources for sustainability. First and foremost a spring water company, we must be vigilant about the conditions of our spring water assets to help ensure that they remain stable and high-quality;
- We only harvest what can be replaced by nature. Spring water sources are continually renewed by rainfall, snowmelt, and groundwater moving through the earth.



Nestlé Water Policy

Nestlé Waters Canada is committed to conducting its operations in a manner that will not adversely impact the wells or water supplies of local communities:

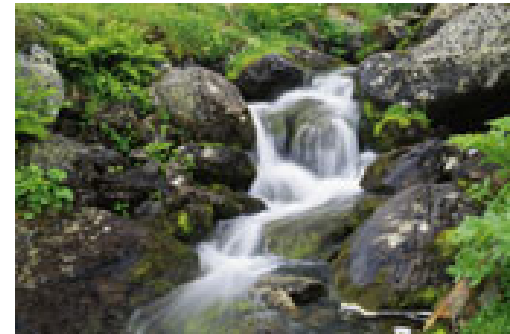
- We also actively monitor the surrounding water sources and environment on a daily basis. Those data are regularly reported to government agencies and are made available for public review. Based on the monitoring data, water collection may remain steady, be reduced or stopped altogether depending on environmental conditions;
- If questions about water levels do arise, we will review water levels, share data, hold meetings and, if appropriate, support a review by an independent third party. If we are found to be at fault, we work to mitigate the problem;
- We also meet with stakeholders, including local community members, government officials and non-governmental organizations, to explain our activities and discuss any questions;
- We monitor aquatic and plant life in the area to ensure the ecology remains stable. The success of our business depends on our managing spring water resources properly over the long term.



Nestlé Water Policy

What do we measure when determining the effects of water taking on the environment?

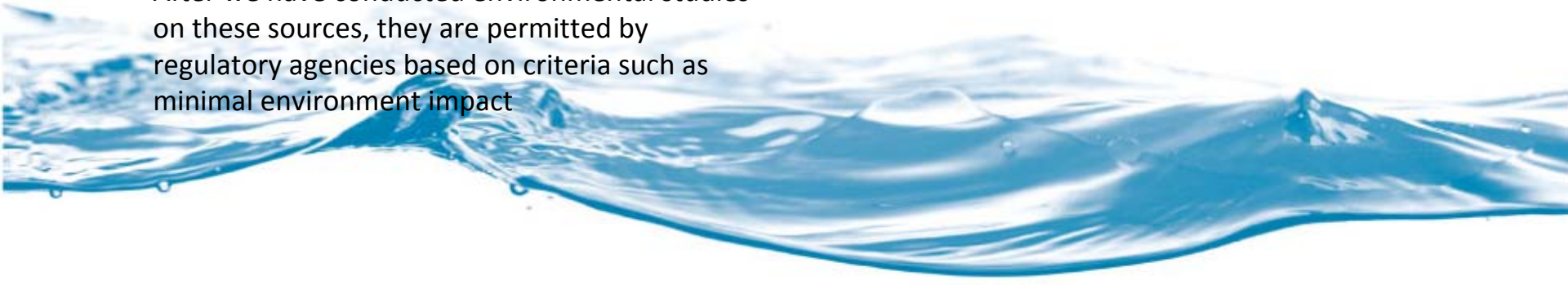
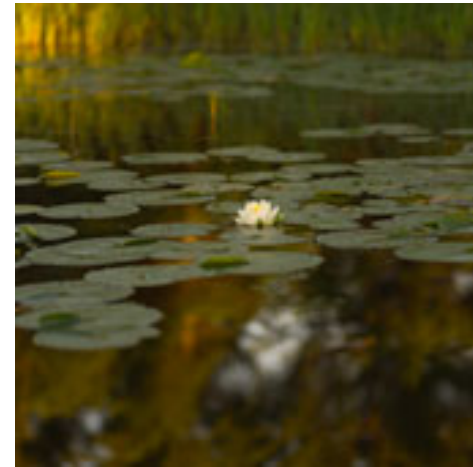
- Climate data: Precipitation, temperature, wind velocity
- Groundwater levels
- Stream flow
- Surface water levels
- Water quality
- Biological diversity – terrestrial and aquatic



Nestlé Water Policy

To identify appropriate sites, Nestlé Waters Canada evaluates a number of factors including water flow volumes, water chemistry, the recharge area that replenishes the source, other uses of the resource and the required investment to develop the site:

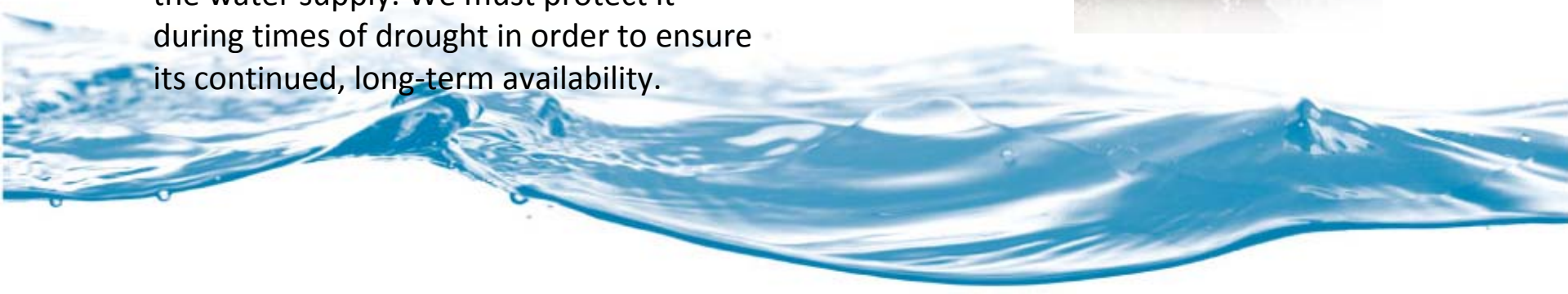
- At a minimum, we review at least one year's worth of data on potential water sources to understand variations in seasonal weather patterns and ensure adequate water flow throughout the year, and we make the data available to the public
- After we have conducted environmental studies on these sources, they are permitted by regulatory agencies based on criteria such as minimal environment impact



Nestlé Water Policy

Nestlé Waters Canada is committed to operate with no significant adverse impact even in the event of drought:

- That commitment is based on science. Our staff of natural resource managers actively monitors each spring site and the surrounding environment to determine when or if it may be necessary to reduce water collection rates. This is especially important during periods of drought;
- Our business depends upon the health of the water supply. We must protect it during times of drought in order to ensure its continued, long-term availability.



Nestlé Water Management

- Nestlé Waters Canada's plants are ISO 14001 certified. This environmental management standard is helping the Company drive towards continuous operational improvements. As part of that certification, the Company has set targets that require reduction in energy usage, reduction in water consumption and recycling of ever-higher percentage of its refuse.



Questions

