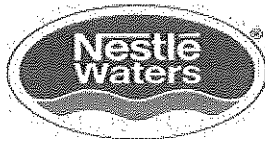


ETP-EG-1



NESTLÉ WATERS CANADA

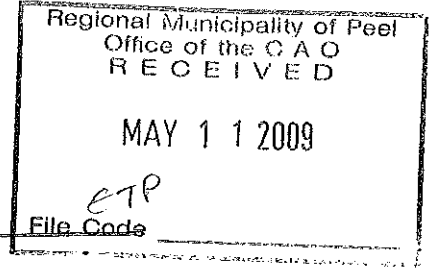
101 Brock Road South, Guelph, Ontario N1B 6H9 TEL: 519-763-9482 FAX 519-763-8156

COPY TO:	FOR:
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CAO <input checked="" type="checkbox"/>	CAO <input type="checkbox"/>
Corporate Services <input type="checkbox"/>	Corporate <input type="checkbox"/>
Environment, Transportation and Planning Services <input checked="" type="checkbox"/>	Environment <input checked="" type="checkbox"/>
Employee and Business Services <input type="checkbox"/>	Employee <input type="checkbox"/>
Finance <input type="checkbox"/>	Finance <input type="checkbox"/>
Health Services <input type="checkbox"/>	Health <input type="checkbox"/>
Human Services <input type="checkbox"/>	Human <input type="checkbox"/>
Peel Living <input type="checkbox"/>	Peel Living <input type="checkbox"/>

May 5, 2009

Mr. Emil Kolb  
 Regional Chairman  
 The Regional Municipality of Peel  
 10 Peel Centre Drive – Suite A & B  
 Brampton, Ontario  
 L6T 4B9

REFERRAL TO \_\_\_\_\_  
 RECOMMENDED \_\_\_\_\_  
 DIRECTION REQUIRED \_\_\_\_\_  
 RECEIPT RECOMMENDED



Dear Chairman Kolb;

The purpose of my writing is to express my concern about recent reports indicating that a ban on the sale of bottled water could possibly be implemented at all Region of Peel civic facilities.

In our position as one of South-western Ontario's larger employers and Canada's largest manufacturer and distributor of bottled water, the possibility of a ban is troubling to our employees, customers and business partners who live and conduct commerce in your community.

Given the current uncertain economic environment that exists across this province and this country, we are of the view that a ban would impact the current employment outlook for our industry as well as future job creation, environmental stewardship and industry investment prospects.

We believe we have a solution to concerns recently expressed by some of your fellow members of Council about bottled water, if those concerns are principally related to recycling and litter. We and our industry partners recently entered into a \$7.2 million, three-year agreement with the Government of Quebec and municipalities across that province to collect and recycle plastic beverage containers and other recyclable materials in public spaces. The pilot program that triggered this agreement resulted in, on average, an 85 percent participation rate amongst consumers and businesses. We would be interested in talking to you about the feasibility of introducing this methodology in your facilities.

It is important to note that bottled water makes up about 40 percent of all beverages sold in plastic containers in Canada. Waste audits conducted nationally indicate that bottled water containers account for less than one-fifth of 1 percent of the waste stream. If the bottled water industry was to disappear tomorrow, there would be no appreciable reduction in the amount of refuse going to landfill.

ETP-EG -2-

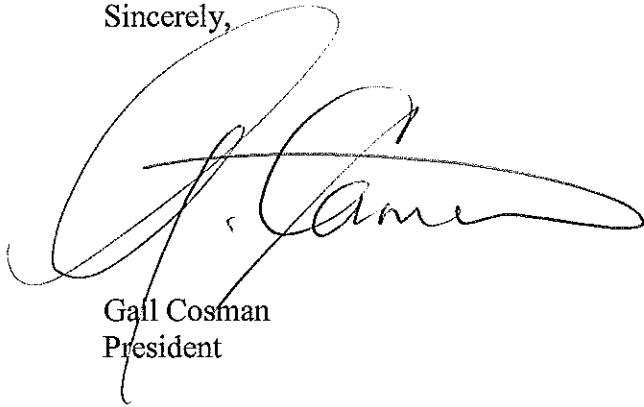
Bottled water is proving to be particularly helpful at a time when the incidence of obesity and diabetes are on a significant increase amongst young Canadians born after 2000. More than 60 percent of Canadians consume bottled water each and every day because it is a portable, accessible and healthy choice. They are not choosing bottled water over municipal tap water.

They are choosing bottled water over other bottled beverages that do not have the same health benefits as bottled water does. All residents of Peel Region need to be encouraged to consume more water, whether from bottled or tap sources, to help them live more healthy lifestyles.

I have attached a brief document that I am certain will assist you in your future discussions with colleagues and constituents about bottled water. If you require additional copies, please have your staff contact John Challinor II, our Director of Corporate Affairs, by telephone at 1 888 565-1445, Ext. 6441 or via email at [john.challinor@waters.nestle.com](mailto:john.challinor@waters.nestle.com).

Chairman Kolb, I would appreciate the opportunity to meet with you and your senior staff at your earliest convenience so that a common understanding about our products and your concerns is achieved. In the interim, should you have any further comments, questions or concerns, please feel free to contact me by telephone at 1 888 565-1445, Ext. 6422 or via email at [gail.cosman@waters.nestle.com](mailto:gail.cosman@waters.nestle.com).

Sincerely,

A handwritten signature in black ink, appearing to read 'G. Cosman', with a large, sweeping flourish above the name.

Gail Cosman  
President

# In the Know



Your guide to bottled water and Nestlé Waters Canada

## WHO WE ARE

Nestlé Waters Canada, a division of Nestlé Waters North America, is the leading bottled water company in Canada. Our family of well-known brands includes Nestlé® Pure Life® Natural Spring Water and Montclair® Natural Spring Water, as well as international bottled water brands such as Perrier®, S. Pellegrino® and Acqua Panna®. We are affiliated with Nestlé Waters, based in Paris, the bottled water subsidiary of the Swiss company Nestlé, S.A.

Nestlé Waters Canada currently operates facilities in Puslinch, Ontario; Laval, Quebec; Hope, British Columbia; and Chilliwack, British Columbia. We employ more than 500 associates across Canada.

## Your Health

According to the Dietitians of Canada, the human body needs 8 – 12 cups of liquids a day to stay well hydrated<sup>1</sup>. With no calories, carbohydrates, caffeine or artificial additives, bottled water is the natural choice for a growing number of active, health-conscious consumers.

In recent years, Canadian consumers, and consumers around the world, have chosen bottled water as a safe and accessible healthy beverage alternative to sweetened drinks in record numbers. Currently, 63% of Canadians say that they are trying to increase their water consumption as part of a healthy lifestyle<sup>3</sup>. In fact, 95% of current bottled water drinkers switched from other packaged beverages to bottled water<sup>4</sup>.

At Nestlé Waters Canada, we are proud to provide high quality beverage products to meet this significant and growing demand.

## Water Use

It may come as a surprise but bottled water actually requires significantly less water to produce than most other beverages, making it a water source-friendly beverage.

WATER USE	
Product	Water to Produce
Nestlé Waters Canada Spring water (1 litre)	1.5 litres
Cola soft drink (1 litre)	3 litres
Beer (1 litre)	42 litres

Source: Eshleman, K., *Drinking Water Research Foundation study summary*, Coca-Cola Company, Environmental Protection Agency (EPA)

COUNTING CALORIES		
Average calories for a 12-ounce beverage:		
	Calories	Teaspoons of Sugar
Bottled water	0	0
Sports drinks	110	6
Sweetened teas	130	7
Lemonade	140	9
Soft drinks	150	10
Apple juice <sup>2</sup>	165	10
Fruit punch/"drinks"	180	11

While bottled water manufacturers are an obvious user of water, the total extraction of water by Canadian-based water bottling companies is actually very small. Commercial bottled water production in Ontario accounts for less than 0.0014% of all water used by other permitted users including commercial, agricultural, industrial and recreational<sup>5</sup>.

<sup>1</sup> Dietitians of Canada, *Beat the Heat with Lots of Fluids*, August 11, 2006. <http://www.dietitians.ca/resources/resourcesearch.asp?fr=view&contentid=6898> (October 10, 2007)

<sup>2</sup> <http://www.hookedonjuice.com/> (October 10, 2007)

<sup>3</sup> ACNielsen PanelTrack Health & Wellness Survey 2006

<sup>4</sup> Neilson Homescan 2006

<sup>5</sup> Ontario Ministry of the Environment, 2007

**How much water do bottled water producers use compared to others?**

(Permits issued by the Ontario Ministry of the Environment as of May 2007)

PERMITS		
Industry	Total Permits	Total Permitted Taking (million cubic metres per day)
Agriculture	2,944	7.59
Water Supply*	1,196	18.36
Commercial**	691	2.12
Miscellaneous***	612	792.81
Industrial****	514	515.03
Dewatering/Dewatering Construction	345	18.57
Recreational	120	3.04
Remediation	90	0.18
Construction	32	0.72
Bottled Water	23	0.02
Institutional*****	14	0.01

\* Includes municipal, communal and campgrounds water supply

\*\* Includes aquaculture, golf course irrigation, mall/businesses, snowmaking, other

\*\*\* Includes dams &amp; reservoirs, heat pumps, pumping tests, wildlife conservation, other

\*\*\*\* Includes aggregate washing, brewing &amp; soft drinks, cooling water, food processing, manufacturing, pipeline testing, power production, other

\*\*\*\*\* Hospitals, schools, other

Source: Ontario Ministry of the Environment

**ENVIRONMENTAL EXCELLENCE**

At Nestlé Waters Canada, we recognize that water is essential to our ecology and sustaining life in all its forms. That is why painstaking care is taken to select sources that are high-quality, abundant and readily replenished. We monitor the water levels and conditions at our sources, and we use state-of-the-art quality practices in our bottling processes to ensure a safe and natural beverage.

**Earth-Friendly Facilities**

Mindful of the environment and natural resources, Nestlé Waters Canada is a leader in conserving natural resources and minimizing waste. In 2006, we invested \$2.5 million in new technology that made our Puslinch bottling facility 10% more water efficient. We hope to increase our water efficiency by another 20% in 2008. We are continuously working to find new and innovative ways to make our Canadian facilities more efficient.

**Reducing our Impact**

Bottled water containers in general use less plastic than carbonated soft drinks or other plastic beverage containers. At Nestlé Waters Canada, we are committed to finding new and innovative ways to reduce our packaging. For example, in the last five years, we have reduced the plastic content in our packaging by approximately 30% and our corrugate use by 65%.

Our "Eco-Shape" bottle, available in 500 millilitres, has reduced the amount of plastic in our bottles by 15%. The bottle feels different to the consumer, but we believe they will appreciate the lower plastic resin content. This new bottle design is for all of our brands in North America and will save approximately 30 million kilograms of plastic resin a year.

In addition to reducing the environmental impact of our bottles, we constantly look for ways to reduce the environmental impact of our activities. We have started to produce our plastic bottles onsite,

reducing the kilometres traveled by our trucks. Our new \$15 million warehouse expansion, expected to begin in 2008, will reduce the number of trucks traveling to and from our facility by 1,500 per year.

1/2 LITRE SPRING WATER BOTTLE WEIGHT REDUCTION		
2002	2004	2007
17.2 grams	15.3 grams	12.2 grams

**Reusing Materials**

When possible, Nestlé Waters Canada's facilities reduce waste by reusing items such as corrugate, wooden pallets and shipping containers.

**Recycling Focused**

All of our packaging is 100% recyclable and our corrugated trays are made from 100% recycled fibre. Nestlé Waters Canada promotes the recycling of our bottles. We also actively support long-term research into new environmentally focused packaging technologies such as biodegradable bottles.

## COMMONLY ASKED QUESTIONS

### Why should I drink bottled water?

We believe that bottled water is a healthy beverage choice, and we are proud to provide Canadians with a high quality product that supports a healthy lifestyle.

Over the last five years, many beverages including soft drinks, sports drinks and juices have experienced a slowdown in their sales growth. During the same time period, the demand for bottled water has increased as Canadians indicate their preference for a healthy bottled beverage.

### How much bottled water are Canadians drinking?

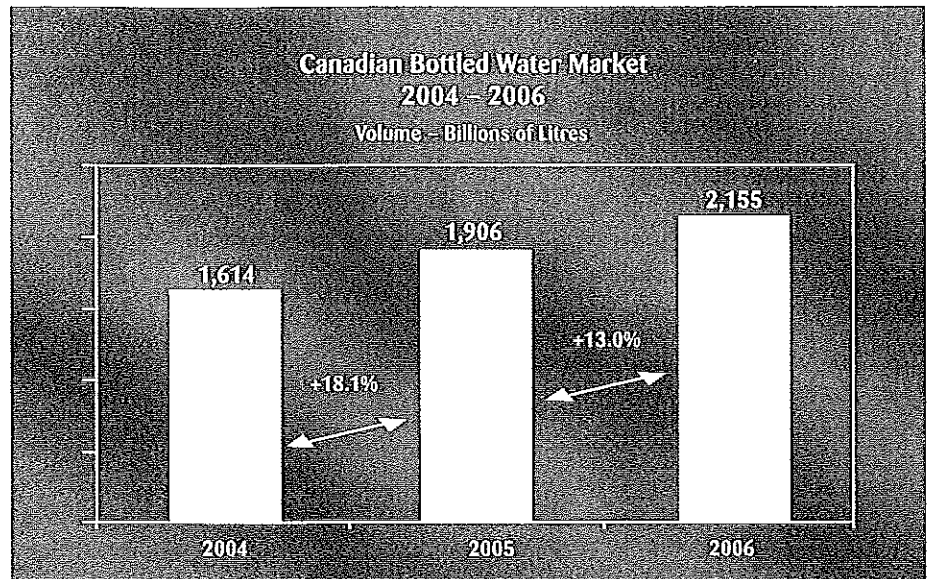
The Canadian bottled water industry has been growing rapidly over the past decade, moving the product into the mainstream<sup>6</sup>. Bottled water has become a staple for Canadian consumers with 52% choosing it for its portability and taste<sup>7</sup>.

CANADA'S THIRST FOR BOTTLED WATER	
Beverage	Volume of Market Share
Carbonated Soft Drinks	15.1%
Coffee	14.3%
Milk	11.5%
Tea	8.8%
Beer	9.5%
Fruit Beverages	8.6%
Bottled Water	9.1%
All Others	23.1%

Source: Beverage Marketing Corporation, 2006

### Do bottled water companies use a lot of water?

While bottled water is an obvious use of groundwater, the amount of water extracted by Nestlé Waters Canada is actually very small when compared with other uses.



Source: Beverage Marketing Corporation 2006

At Nestlé Waters Canada, we know that every drop counts and we are proud of our efficient water use. For example, to produce 1 litre of Nestlé Waters Canada bottled water brands, only 1.5 litres of water are required. This includes water used by equipment and in-line sanitation.

### Will you use up the water and leave?

Our sources are vital to our business, so it only makes sense for us to do everything we can to protect them. We plan to bottle water, at a sustainable rate, well into the future. Properly managed, sources are renewable indefinitely. Protecting these resources is not only the fiscally responsible way to operate, but also the right thing to do.

Nestlé Waters Canada researches historical and geological records and only selects water pumping sites that nature can naturally replenish. Recharge patterns are critical in determining the amount of water a source can safely yield, and Nestlé Waters Canada is committed to meticulously managing our sources – now and in the future.

### How do you monitor the environmental impact of the bottling plant?

We monitor the water level of our production wells on a continuous basis and regularly collect data from on-site and off-site monitoring wells. We also monitor water levels and temperatures of the creeks near our facilities.

Our program, which includes both surface and groundwater monitoring locations, exceeds the requirements of our individual permits.

We report our monitoring results quarterly to the Ontario Ministry of the Environment. Monitoring reports related to our activities in Puslinch and Erin, Ontario, are available from the Ontario Ministry of the Environment.

AMOUNT OF WATER TO MAKE/PROCESS	
Product	Water to Produce
1 litre Nestlé Waters Canada	1.5 litres
1 slice of brown bread	28 litres
1 can of fruit or vegetables	35 litres
1 slice of white bread	40 litres
1 medium sized orange (to grow and prepare it for market)	53 litres
1 kilogram of paper	300 litres
1 new car (including tires)	148,000 litres
1 ton of steel	215,000 litres

Source: Environment Canada, Freshwater Website: Did you know?

<sup>6</sup> [http://www.finewaters.com/Bottled\\_Water/Canada/](http://www.finewaters.com/Bottled_Water/Canada/) (October 10, 2007)

<sup>7</sup> Statistics Canada, Households and the Environment Survey 2006

## OPEN COMMUNICATION, CLOSE CONSULTATION

At Nestlé Waters Canada, we believe that corporate responsibility is more than just good business it's a bond we share with the communities where we live and serve. Our commitment to being a good neighbour comes in various forms including disaster relief and support of local community programs.

Nestlé Waters Canada is proud to support environmental, community, health and fitness and educational programs and events across Canada. We routinely work with a variety of national and regional organizations including:

- Unicef Canada
- United Way of Canada
- Second Harvest Food Bank
- Habitat for Humanity Canada
- Girl Guides of Canada
- The Foundation for Families (Canadian Tire)
- Kids Help Phone
- Friends of Mill Creek
- Puslinch Fire Department
- Table pour la récupération hors foyer
- Hope Volunteer Search and Rescue
- British Columbia Ambulance Service Flood Relief
- Chilliwack Initiation Hockey Tournament
- Waste Reduction Week

Nestlé Waters Canada welcomes questions from the public. Canadians can contact Gail Cosman, President of Nestlé Waters Canada, directly at [comments\\_for\\_the\\_president@waters.nestle.com](mailto:comments_for_the_president@waters.nestle.com). Gail personally responds to all inquiries.

### How do you monitor the quality of your bottled water?

Nestlé Waters Canada takes a multi-barrier approach to water safety. We subject all of our finished products and our source water to daily microbiological analysis that exceeds the microbiological requirements as outlined in the Safe Drinking Water Act. Water samples are also sent to a third party independent lab for analysis every week. On a daily basis we conduct 1,700 quality and 60 quantity tests.

### Is the Canadian bottled water industry regulated?

Yes. Bottled water is extensively and strictly regulated under the Food and Drugs Act and Regulations as a food product. The Food and Drugs Act sets identity standards, provides a basis for labelling requirements and establishes the safety parameters for bottled water and all other food products. Manufacturers and importers of bottled water are inspected and monitored by the Canadian Food Inspection Agency (CFIA) to help ensure that the products are safe and wholesome<sup>9</sup>.

### How much do you pay for the water you take?

In Ontario, we currently pay a \$3,000 application fee for our Permit to take Water, but do not pay for the water itself. In the future, we will pay \$3.71 per million litres extracted to the Province of Ontario. Nestlé Waters Canada fully supports the concept of paying our fair share for water usage along with other water users.

### Water is a shared resource. Why should Nestlé Waters Canada be allowed to bottle this valuable natural resource?

Canadian consumers are choosing bottled water as a healthy beverage alternative in record numbers.

At Nestlé Waters Canada, we believe that bottled water manufacturers have an important role to play in offering consumers a healthy, portable and convenient alternative to other bottled beverages. We are proud to provide high quality beverage products to meet this significant and growing demand.

### I've seen bottles of Nestlé Pure Life in the U.S. and other countries around the world. Are you shipping our water around the world?

Nestlé Pure Life is a global brand produced locally and close to the consumer. Nestlé Pure Life is produced around the globe, from local water sources, in countries as widespread as China, South Africa, Mexico, Canada and the U.S.

In Canada, for example, 98% of the water extracted at our Puslinch, Ontario, facility goes to Ontario and Quebec, ensuring that the vast majority of water stays within the Great Lakes/St. Lawrence water basin. The other 2% of the water is distributed within Canada and the northeast United States.

<sup>9</sup> <http://www.inspection.gc.ca/english/iss/concern/specif/bottwate.shtml> (November 13, 2007)

Nestlé Waters Canada  
101 Brock Road South  
Guelph, ON N1H 6H9  
Phone: (519) 753-9462  
Fax: (519) 763-8156  
Toll free: 1-888-565-1445  
[comments\\_for\\_the\\_president@waters.nestle.com](mailto:comments_for_the_president@waters.nestle.com)  
[www.nestle-watersna.com](http://www.nestle-watersna.com)



Nestlé Waters Canada is a proud sponsor of Waste Reduction Week in Canada

