# Surveillance Audit of Certification to Alliance for Water Stewardship Assessment Report (V.2)

## Prepared for PHILSA (PHILIP MORRIS SABANCI A.Ş.)

**Prepared by:** SGS

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# REPORT DETAILS

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| CLIENT REFERENCE | Burcu Şimşir Sarıalp, Ph.D. |
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# 1 EXECUTIVE SUMMARY

The scope of services covers the first surveillance of the conformity assessment of water use in compliance with the AWS International Water Stewardship Standard Version 2 for PHILSA (PHILIP MORRIS SABANCI A.Ş.) in Torbali, Izmir in Turkey. The first year assessment of surveillance has been completed in compliance with the AWS Certification requirements, Version 2 dated March 2019.

Philip Morris International is a company that manufactures tobacco related products, with more than 80,000 employees. It has operations world-wide, and they established PHILSA (Philip Morris Sabancı) A.Ş. located in the 7 Eylul Mahallesi, Philsa Caddesi No: 32, at Torbali in Izmir, Turkey.

A total of two findings were raised during the surveillance audit process, no one major non-conformance, no one minor non-conformance and two observation, one opportunity of improvement.

PHILSA responded the findings raised with root cause analysis and action plans and submitted corrected documentation as evidence to successfully clear all findings raised in the audit.

Given the review of the evidence produced and the remote audit performed with PHILSA, SGS recommends that PHILSA continue with the same quality of hard work and efforts to maintain AWS compliance, which will be reviewed for the next surveillance audit.

## 2 SCOPE OF ASSESSMENT

The scope of services covers the assessment of the first surveillance of conformity of water use in compliance with the AWS International Water Stewardship Standard Version 2 for PHILSA (PHILIP MORRIS SABANCI) A.Ş. in Torbali, Izmir in Turkey.

The assessment has been completed in compliance with the AWS Certification requirements, Version 2 dated March 2019.

Last year, the assessment was conducted for 3 days on-site, from the 1st to 3rd April 2019, and 2 days off-site (preliminary review and local expert review). The geographical scope has been the Torbali tobacco factory. The water used groundwater from the Torbali BayındırBayındır aquifer.

The audit was held at Philsa over two days, and the third day was used for a full factory walkthrough and stakeholders' meetings. Philsa and stakeholders provided the requested supporting as evidence whilst on site. SGS provided feedback on observations raised during the closing meeting on the 3rd April 2019 at Philip Morris Sabanci A.S. , Torbali factory.

Finally, PHILSA was awarded AWS core certified.

During this year, 2 days, from the 15th to 16th October 2020, SGS has kept with PHILSA again an audit session, this time remotely, in order to carry out the first year surveillance audit of AWS certification, inspecting documents and activities during this year. During the surveillance assessment, the audit team spent 0,5 day on the stakeholder consultation meeting, and 1,5 day on personnel interviews and document reviews.

Table 2.1 presents SGS audit team. The audit plan is attached as a separate document.

| Audit Team | Qualifications/Experience | |
|---|---|---|
| Jerónimo Casas de Gonzalo | Lead Auditor | AWS certified auditor, with more than 15 years' experience in environmental impact assessment, audit and training. |
| Paula Gómez | Technical Reviewer | AWS certified auditor, with more than 12 years' experience in environmental impact assessment, audit and training. |

# 3 DESCRIPTION OF CATCHMENT

The documents which described the catchment are the following:

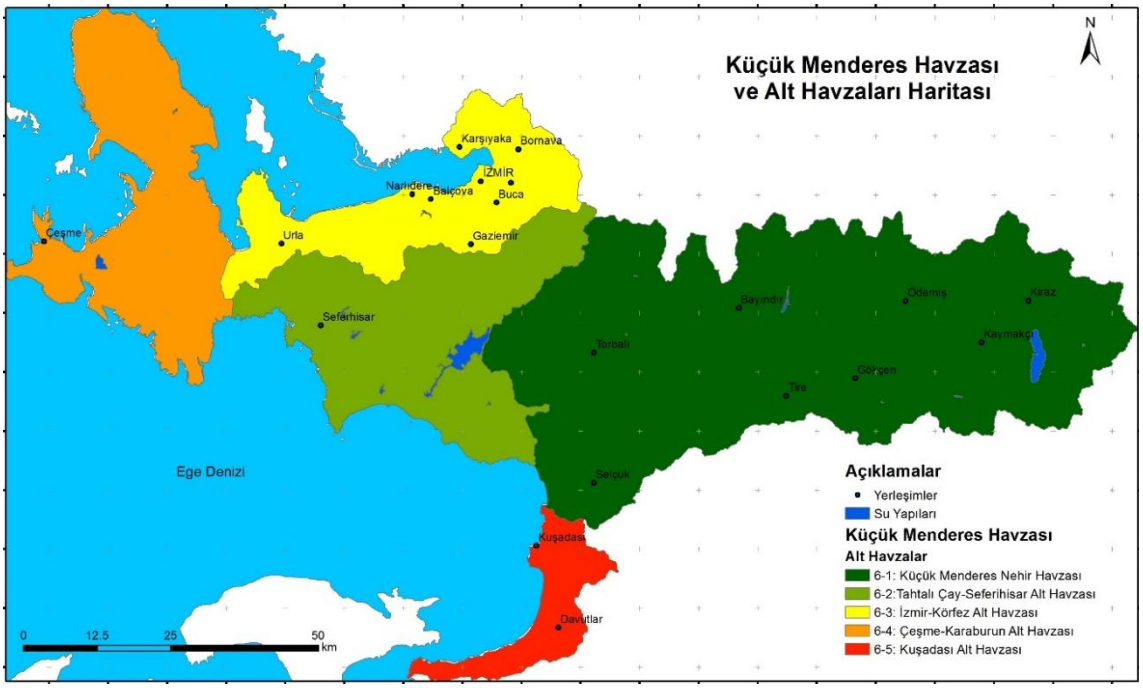
1. Küçük Menderes Basin Draft Final River Basin Management Plan
2. Küçük Menderes River basin Status Report 2.019

The first document has been developed by the Turkish Government and it makes a broad basin description (geology, surface water, groundwater, climate, uses, etc.), the second one, developed by PHILSA it´s a brief summary of the official governmental report.

PHILSA is located in the Küçük Menderes Basin. The basin has a series of lower basins and these are the following:

| | | |
|---|---|---|
| Küçük Menderes | 3.490,95 km$^2$ | 50,1 % |
| Tahtalı-Seferihisar | 1.248,92 km$^2$ | 17,9 % |
| İzmir-Körfez | 816,68 km$^2$ | 11,7 % |
| Çeşme-Karaburun | 1.114,27 km$^2$ | 16,0 % |
| Kuşadası | 292,43 km$^2$ | 4,2 % |

**Figure 3.1 Küçük Menderes Basin**



PHILSA is located in the Küçük Menderes lower basin

**Figure 3.2 PHILSA basin area**

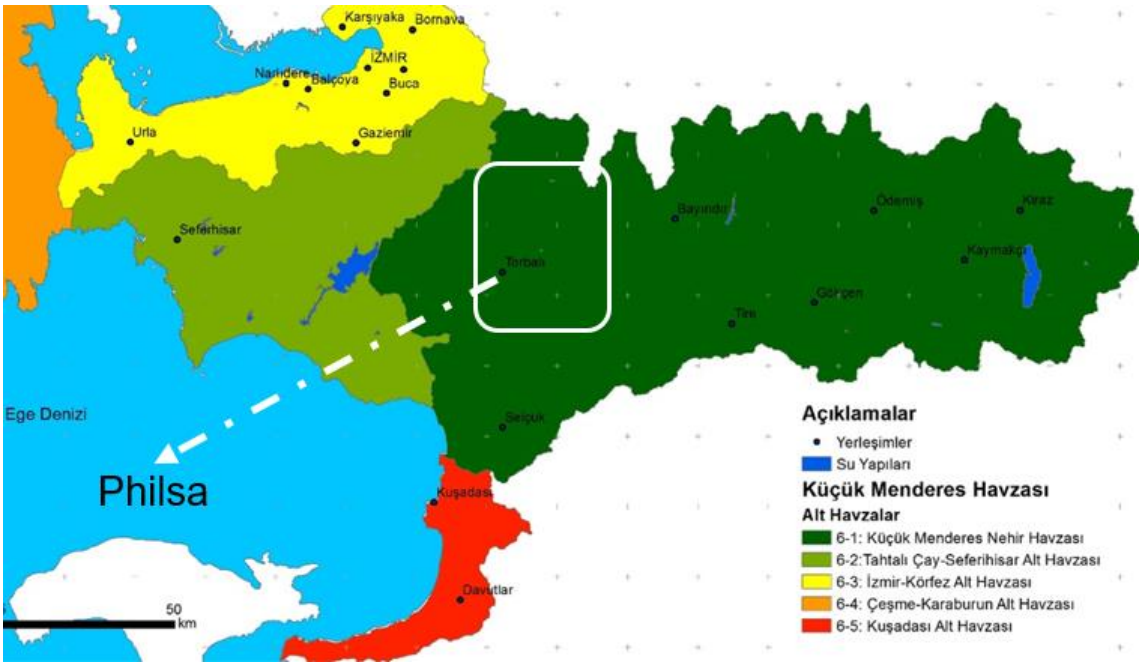
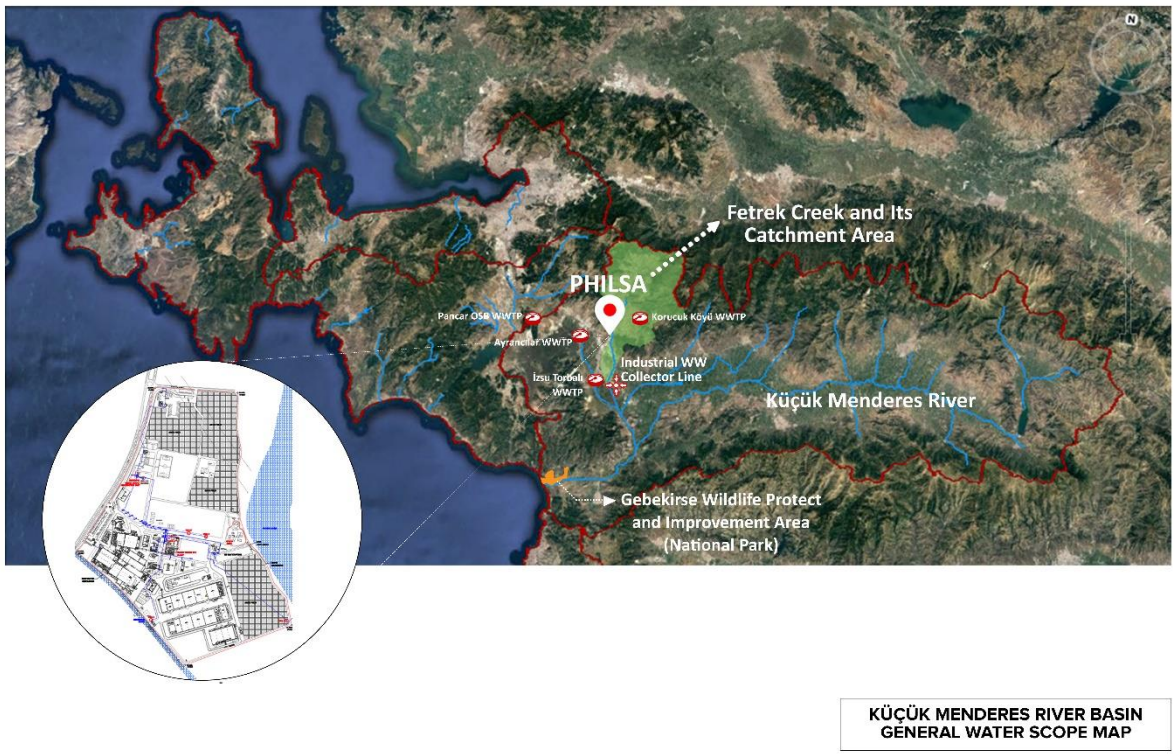
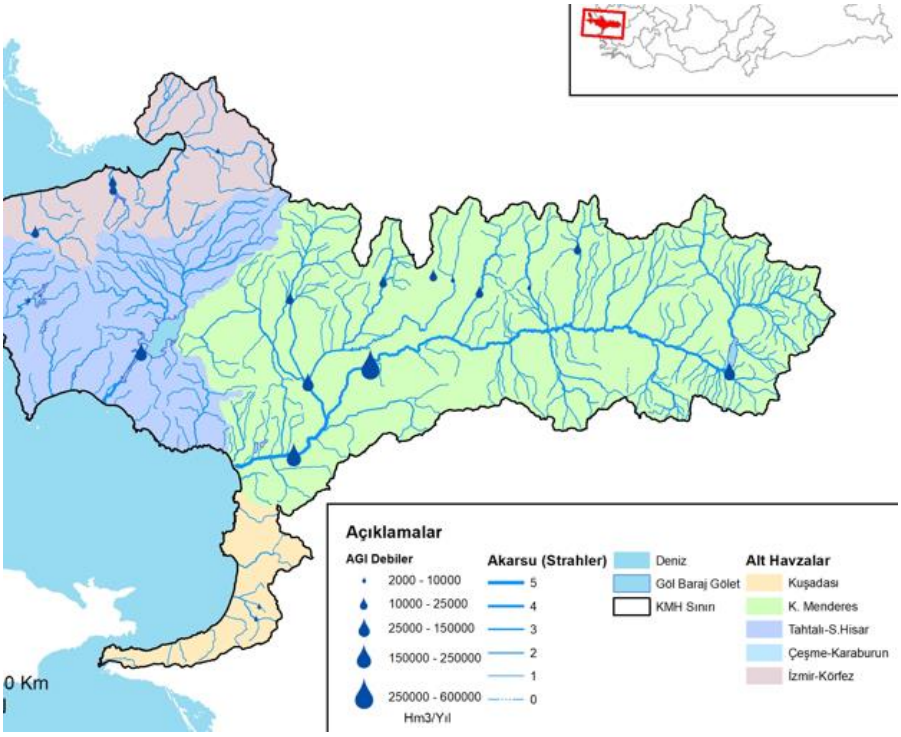



**Figure 3.3 PHILSA location in the basin**




The most important stream in the Küçük Menderes Basin is the Küçük Menderes River. The drainage area and drainage network map of the basin are given in Figure 3.4 below.

**Figure 3.4 Küçük Menderes basin drainage**




The total catchment area of the basin is 6,963 km2 and it is the smallest basin with Turkey's total rainfall. The average annual precipitation is approximately 727 mm, average annual flow rate is 17.16 m3 / s and 0.54 hm3, the annual average flow height is 693 mm, the annual average yield is 2.4 L / s / km2 participation rate is determined as 0.29 (MFWW, 2010).

To the west of the Küçük Menderes Basin, near the location where the Küçük Menderes River flows into the sea, there are the Gebekirse and Çatal lakes with a surface area of approximately 75 ha with element swamp covering an area of approximately 1.500 hectares.

It was proposed to be included in the Ramsar Convention by taking part in the Küçük Menderes Delta in 2006 at the Zeytinköy Mevkii in Gebekirse Lake. It is located in 839 ha area. The site is the 1st Degree Natural Site.

With regards to the groundwater mass, PHILSA is located in Torbali BayındırBayındır aera (601.07 km$^2$).

**Figure 3.5 Ground water mass Torbali BayındırBayındır**

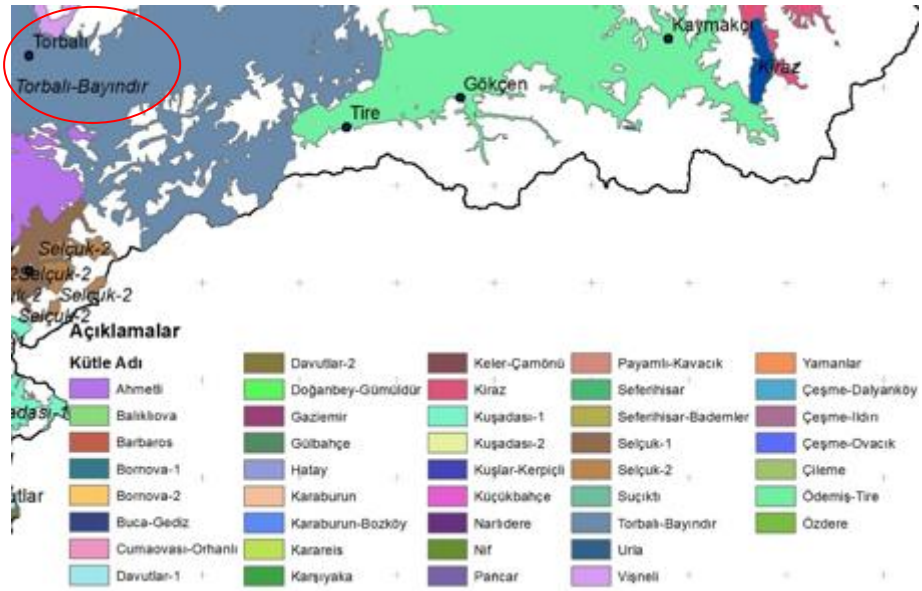



**Table 2.1. Groundwater bodies determined in the basin of Küçük Menderes**

| Mass code | Mass name | Contained volumes | Area (km2) |
|---|---|---|---|
| TR06050200 | Torbalı-BayındırBayındır | Torbalı-Bayındır alüvyonu, Torbalı-BayındırBayındır-Tire neojenleri, Alaylı karbonatları | 601,07 |

# 4 SUMMARY OF SHARED WATER CHALLENGES

PMI has developed a list of the main challenges of shared with other stakeholders in the basin with regards to water. To do so, they have established an order of priority ranging from 1 (highpriorit in red) to 4 (low priority in green), justifying with reviews the reasons for the assigned priority and the reasons for what are considered to be of importance for both the estate and the others actors of the basin.

The main issues the basin is facing with regards to a shared and sustainable management of water rsources, are summarised as follows:

a) Establish a leadership commitment on water stewardship
b) Develop a system that promotes and evaluates water- related legal compliance
c) Reduce water consumption in Philsa factory ; Improve water balance and governance
d) Control chemical storage in Philsa Site
e) Reduce risk of rainwater contamination
f) Contribute to the environmental awareness of internal staff and community. Contribute to good water governance in catchment
g) Identify and reduce water risk within basin; Understand and improve indirect water use (scope 3), participate in good water governance within catchment, have Leadership role, consult stakeholders on water related topics, improve indirect water use within catchment & Philsa among suppliers and to Contribute to the environmental awareness of internal staff, stakeholders and community.
h) Acess and adequacy of Safe Water, Sanitation and Hygiene for All (WASH) in Philsa and beyond boundaries

A more detailed presentation of shared water challenges identified by PHILSA Philip Morris Sabanci has been presented in Table 4.1 below. The information in the table below has been extracted from document “AWS.02.Philsa Site Water Stewardship Strategy and Plan_2019_2020”.

**Table 4.1.Detailed Shared Water Challenges for PHILSA Philip Morris Sabanci for 2018-2019-2020**

| No | Challenges/Risks/Opportunities | Goal | Action | Benefit | Responsibles & Supporting roles/ functions | Due date | Standard | Status | Cost | Follow-up Action (status) | Intended AWS Outcomes | Achieved Results | Created (Shared) Environmental Value | Created (Shared) Social Value | Created (Shared) Economical Value |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Establish a leadership commitment on water stewardship | Define AWS policy and commitment; communicate internally | Prepare a local AWS commitment and AWS-policy included EHS policy; get them signed by Philsa Manufacturing Director (Antonio De Marco) | Created water stewardship commitment on water stewardship | Burcu Şimşir Sarıalp | dic-18 | 2.1 Commit to water stewardship | Done | No cost | Done. Document number added-updated documents were prepared and imported for internal communication via OMSP | Good water governance | Created Water Stewardship commitment on water stewardship | Increase awareness on sustainable water management among Philsa employees, and all stakeholders | Ultimately, Increase clean and sustainable water source availability for other Torbalı community. | Position Philsa as leader in Water stewardship. |
| 2 | | | Train AWS Team and Philsa Management Team on AWS requirements | Created water stewardship commitment on water stewardship | Burcu Şimşir Sarıalp | mar-19 | 2.1 Commit to water stewardship | Done | No cost | Done. Denkstatt on 24th September, AWS trainings (full year to all employees) | Good water governance | Created Water Stewardship commitment on water stewardship | Increase awareness on sustainable water management among Philsa employees, and all stakeholders | Ultimately, Increase clean and sustainable water source availability for other Torbalı community. | Position Philsa as leader in Water stewardship. |
| 3 | | | Communicate Commitment internally via boards and trainings | Created water stewardship commitment on water stewardship | Burcu Şimşir Sarıalp | Full period | 2.1 Commit to water stewardship | On going | No cost | On going. Communicating the Philsa AWS, and AWS strategies will continue via trainings, stakeholder engagement | Good water governance | Created Water Stewardship commitment on water stewardship | Increase awareness on sustainable water management among Philsa employees, and all stakeholders | Ultimately, Increase clean and sustainable water source availability for other Torbalı community. | Position Philsa as leader in Water stewardship. |

| No | Challenges/Risks/Opportunities | Goal | Action | Benefit | Responsibles & Supporting roles/ functions | Due date | Standard | Status | Cost | Follow-up Action (status) | Intended AWS Outcomes | Achieved Results | Created (Shared) Environmental Value | Created (Shared) Social Value | Created (Shared) Economical Value |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 4 | Develop a system that promotes and evaluates water-related legal compliance | Improved management systems promoting and evaluating water- related legal compliance | Update Legal Follow-up list, include GW related- legal requirements | Developed good water management systems | Burcu Şimşir Sarıalp EHS | Full period | 2.2 Develop and document a process to achieve and maintain legal and regulatory compliance | On going | No cost | Done. Legal compliance document is being updated with groundwater related legal requirements. On going. Continuous follow-up, update of the legal requirement list | Good water governance Good water quality status Safe Water, Sanitation and Hygiene for All | Good documentation, good water governance | Being responsible water consumer, and complying with legal requirements | Increase clean and sustainable water source availability for other Torbalı community. | Improve company in water stewardship through being a company complying all legal requirements. |
| 5 | | | Obtain discharge point permission renewal (Environmental Permit) | Developed good water management systems Legal compliance | Yeşim Aydın | jun-20 | 2.2 Develop and document a process to achieve and maintain legal and regulatory compliance | OBS Done | No Cost to Philsa | Done. Environmental Permit document renewal was completed, Philsa was audited by Ministry of Environment and Urbanization Affairs, obtained the renewed Environmental Permit. | Good water governance Good water quality status Safe Water, Sanitation and Hygiene for All (WASH) Sustainable water balance | Good documentation, good water governance | Being responsible water consumer, and complying with legal requirements; reduce waste, mitigate water contamination indirectly | Increase clean and sustainable water source availability for other Torbalı community. | Improve company in water stewardship through being a company complying all legal requirements. |
| 6 | | | Obtain Municipality water registry document | Developed good water management systems | Fehmi Can, Süleyman Anbarcı | abr-19 | 2.2 Develop and document a process to achieve and maintain legal and regulatory compliance | OBS Done | No Cost to Philsa | Done. Municipality water registry document was obtained. | Good water governance Good water quality status Safe Water, Sanitation and Hygiene for All (WASH) Sustainable water balance | Good documentation, good water governance | Being responsible water consumer, and complying with legal requirements | Increase clean and sustainable water source availability for other Torbalı community. | Improve company in water stewardship through being a company complying all legal requirements. |

| No | Challenges/Risks/Opportunities | Goal | Action | Benefit | Responsibles & Supporting roles/ functions | Due date | Standard | Status | Cost | Follow-up Action (status) | Intended AWS Outcomes | Achieved Results | Created (Shared) Environmental Value | Created (Shared) Social Value | Created (Shared) Economical Value |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 7 | | | Zero waste certification submission | Developed good water management systems | Yeşim Aydın | oct-20 | 2.2 Develop and document a process to achieve and maintain legal and regulatory compliance<br>3.1 Implement plan to participate positively in catchment governance | Done | No Cost to Philsa | Done. Submission was completed for Zero Waste Certification | Good water governance<br>Good water quality status<br><br>Sustainable water balance | Good documentation, good water governance | Being responsible water consumer, and complying with legal requirements; reduce waste, mitigate water contamination indirectly | Increase clean and sustainable water source availability for other Torbalı community. | Improve company in water stewardship through being a company complying all legal requirements. |
| 8 | Reduce water consumption in Philsa factory; improve water related infrastructure; Improve water balance and governance | Good water conservation, strengthen ownership on water use; reduce water consumption; identify best practices to improve water balance on site; identify best practices implemented in indirect water consumption by site-stakeholder (#3) | Installation of water metering systems in Primary area to monitor cleaning and process water consumption in detail. | Improved water monitoring enabling easily focus on focus areas; ultimately Reducing consumption of water for cylinder and conveyor cleaning; creating opportunities for process water consumption reduction. | Süleyman Anbarcı, Fehmi Can, Burcu Şimşir Sarıalp, Özgün Akkaş | mar-19 | 3.3 Implement plan to achieve site water balance targets | Done | $ 10,000 | Done.<br>Monthly follow up on water consumption through each cleaning/process meters continue. Trainings were deployed to Primary operators & Euroserve employees working in the areas on water meter installation, water risks, call for their support/ role on sustainable water governance. (see training documents) | Sustainable water balance | More control on water balance; identification of improvement areas, focus areas to focus reduction of water; | Increase awareness on sustainable water management, ultimately will reduce water consumption. | Increase clean and sustainable water source availability for other Torbalı community. | Reduce water-related costs, Improve company sustainable water system management. |

| No | Challenges/Risks/Opportunities | Goal | Action | Benefit | Responsibles & Supporting roles/ functions | Due date | Standard | Status | Cost | Follow-up Action (status) | Intended AWS Outcomes | Achieved Results | Created (Shared) Environmental Value | Created (Shared) Social Value | Created (Shared) Economical Value |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 9 | | | Develop water related KPI´s (e.g. m³/production , m³water/m³ of produced solution in the kitchen) to strengthen ownership on water use per department. | Reduce water consumption, create more opportunities for process re-arrangement for water savings<br>Water metering and tracking water consumption will allow us to identify the excess water consumed areas in Primary mostly for manual cleaning (tanks, cylinders, conveyers). Kpi's will be defined for water consumption in Primary, and this will let us to standardize cleaning operations, and systems. Ultimate benefit will be saving water (amount will be reported accordingly). | Utility<br>Primary<br>EHS | jul-19 | 3.3 Implement plan to achieve site water balance targets | Done | No cost | Done. Water Kpi for water consumption in Primary was defined after tracking Primary water consumption for 3-4 months. Monthly water consumption is followed up by Utility-Engineering Department; if any increase of consumption is observed, communication is made to take corrective actions. | Sustainable water balance<br>Good water governance | More control on water balance; identification of improvement areas, focus areas to focus reduction of water; | Increase awareness on sustainable water management, ultimately will reduce water consumption. | Increase clean and sustainable water source availability for other Torbalı community. | Reduce water-related costs, Improve company sustainable water system management. |
| 10 | | | Implementation of 2 water reducing projects in Primary processes:<br>1) Automatic Tank cleaning optimization: Reduce the amount of water used for tank-cleaning between the same batches<br>2) Solution pushed by solution: previous method- washing the casing pipeline with waters between different casing solutions- will not be continued, instead, solutions will be pushed by following casing solutions. | Improve water efficiency in processes, reduce water consumption in Primary | Özgün Akkaş, Primary, Burcu Şimşir Sarıalp | mar-19 | 3.3 Implement plan to achieve site water balance targets<br>1.7 Understand the site's water risks and opportunities | Done | No cost | Done. Additionally, trainings were deployed to Primary operators & Euroserve employees working in the areas on water meter installation, water risks, call for their support/ role on sustainable water governance. (see training documents) | Sustainable water balance<br>Good water governance | 1) >110 tons/ year water saving by reducing water consumption for tank cleaning.<br>2) 43 tons/year water saving by solution pushed by solution initiative, additionally 4800 kg/ year casing solution (Dim) is not being wasted (~$ 4800 cost saving).<br>Indirectly- reducing proses water consumption, so reduction in WW generation through proses water generation treatment processes. | Reduce water consumption, increase awareness on sustainable water conservation | Increase clean and sustainable water source availability for other Torbalı community. | Reduce water related costs. |

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|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 11 | | | Standardizing water consumption for truck cleaning: Water consumption per truck cleaning were monitored for 2 months; a max time for cleaning was set to 20 mins. | Reduce water consumption, awareness raising among truck parking employees | Sami Tunçkıran, Burcu Şimşir Sarıalp | mar-19 | 3.3 Implement plan to achieve site water balance targets 1.3 Gather water-related data for the site | Done | No Cost to Philsa | Done. Employees responsible for truck cleaning was trained an informed recently-set, optimum and efficient truck washing period. Water trainings periodically. On going. Water consumption by PMSA truck parking area is being tracked. By Jun 2019. Search for an alternative agreement for truck washing, search for opportunities for truck cleaning at outside of the factory. | Sustainable water balance Good water governance | A- timer was installed on the truck washing water machine; trucks are being cleaned at most in 20mins. Reduced truck washing numbers by awareness raised. | Reduce water consumption, increase awareness on sustainable water conservation | Increase clean and sustainable water source availability for other Torbalı community. | Reduce water related costs. |
| 12 | | | Improvement and rearranging some water lines in Primary factory | Reduce soft water consumption in Primary, so reducing waste water generation through water softening process | Süleyman Anbarcı, Fehmi Can, Burcu Şimşir | oct-19 | 3.3 Implement plan to achieve site water balance targets 1.3 Gather water-related data for the site | Done | Cost of this action was covered under the metering system improvement project | Done. Water pipelines were defined, and changes opportunities to reduce soft water consumption in primary area have been identified, and changes were made accordingly (FTD, some cleaning lines, cylinder cleaning, wet scrubbers) | Good water governance Sustainable water balance | Piping systems were checked and improvement was made. | Reduce water consumption, increase awareness on sustainable water conservation | Increase clean and sustainable water source availability for other Torbalı community. | Reduce water related costs. |
| 13 | | | Connection of water guns to open-ended water hoses, which are mainly used for floor, conveyors, areal cleaning | Reduce water consumption, increase awareness on water conservation | Primary | mar-19 | 3.3 Implement plan to achieve site water balance targets | Done | Cost of this action was covered under the metering system improvement project | Done. Trainings were deployed to Philsa Primary operators, and Euroserve employees on reducing water consumption in primary area | Good water governance Sustainable water balance | Reduce water consumption, understanding sustainable water management | Reduce water consumption, increase awareness on sustainable water conservation | Increase clean and sustainable water source availability for other Torbalı community. | Reduce water related costs. |

| No | Challenges/Risks/Opportunities | Goal | Action | Benefit | Responsibles & Supporting roles/ functions | Due date | Standard | Status | Cost | Follow-up Action (status) | Intended AWS Outcomes | Achieved Results | Created (Shared) Environmental Value | Created (Shared) Social Value | Created (Shared) Economical Value |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 14 | | | Installation of water aerators at Philsa restrooms, showers, kitchens | Reduce water consumption, increase awareness on water conservation<br>This initiative was suggested by one of employee from Primary area, we communicated this initiative and his role on this - awareness raising among others | Ali Tunçkaya<br>Burcu Şimşir Sarıalp | jun-19 | 3.3 Implement plan to achieve site water balance targets<br>1.7 Understand the site's water risks and opportunities<br>1.3 Gather water-related data for the site | Done | $650 | 130 Water aerators were installed in Philsa restrooms, showers and kitchens | Good water governance<br>Sustainable water balance | 6900 m3 water saving. Reduced water consumption, understanding sustainable water management, increase water awareness | Reduce water consumption, increase awareness on sustainable water conservation | Increase clean and sustainable water source availability for other Torbalı community. | Reduce water related costs. Improve company sustainable water system management. |
| 15 | | | Renovation of old water treatment piping systems with more durable Polypropylene Random Copolymer (PPRC) pipes | Eliminated water leakages due to old piping system; reduce water consumption; water quality improvement.<br><br>Previous pipes were metal pipes and deformation in pipes resulted in water leakages. In order to prevent leakages, piping systems of water treatment was renovated. The leakages due to old piping system was noticed through daily water kpi follow meetings (DDS). | Süleyman Anbarcı<br>Fehmi Can | dic-19 | 3.3 Implement plan to achieve site water balance targets<br>1.7 Understand the site's water risks and opportunities<br>1.3 Gather water-related data for the site | Done | $3,375 | Done. Previous pipes were metal pipes and deformation in pipes resulted in water leakages. In order to prevent leakages, piping systems of water treatment was renovated. | Good water governance<br>Sustainable water balance<br>Good water quality status | Prevention of water leakages due to old piping system; reduce water losses; water quality improvement. Loss elimination with this initiative is not measurable; is counted in total water loss eliminations. | Reduce water losses & overall water consumption, increase awareness on sustainable water conservation; good water governance | Increase clean and sustainable water source availability for other Torbalı community. | Reduce water related costs. Improve company sustainable water system management. |
| 16 | | | Installation of magnetic flowmeter at water withdrawal points | Improved effectiveness of water monitoring/measurements enabling easily focusing on focus areas; identifying losses and create opportunity and governance capability for quick response at emergency situation | Süleyman Anbarcı<br>Fehmi Can | First part: July 2020<br>Second part: Jun 2021 | 3.3 Implement plan to achieve site water balance targets<br>1.7 Understand the site's water risks and opportunities<br>1.3 Gather water-related data for the site | On going | $10,580<br>$25,000 (second cost planned cost for future part of the project) | On going. Total of 5 magnetic flowmeter installation was completed at 3 wells (well # 5,6,7), water treatment plant (1), chilled water (1).<br>Future planned activities: more magnetic flowmeter will be installed at adiabatic humidification systems, fire water tank for exact water measurements. | Good water governance<br>Sustainable water balance | Exact water measurements enable instant leakages response, good water governance, indirectly reduced water consumption. | Increase awareness on sustainable water management, ultimately will reduce water consumption. | Increase clean and sustainable water source availability for other Torbalı community. | Reduce water-related costs, Improve company sustainable water system management. |

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|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 17 | | | Improvement of fire piping systems | Eliminated water leakages due to old piping system; reduce water consumption | Süleyman Anbarcı Fehmi Can | 2019 - 2020 | 3.3 Implement plan to achieve site water balance targets 1.7 Understand the site's water risks and opportunities 1.3 Gather water-related data for the site | Done | $26,000 | Done. All old fire pipes were replaced with new pipes to prevent water losses due to deformation of old piping systems. In 2019, piping systems at 14 points were improved; in 2020, piping systems at total of 6 points were improved / replaced. | Good water governance Sustainable water balance | Prevention of water leakages due to old piping system; reduce water losses; Loss elimination with this initiative is not measurable; is counted in total water loss eliminations. | Reduce water losses & overall water consumption, increase awareness on sustainable water conservation; good water governance | Increase clean and sustainable water source availability for other Torbalı community. | Reduce water related costs. Improve company sustainable water system management. |
| 18 | | | Replacement of reverse osmosis water tank with more durable material | Mitigate and eliminate water leakages due to old piping system; reduce water consumption | Süleyman Anbarcı Fehmi Can | jun-20 | 3.3 Implement plan to achieve site water balance targets 1.7 Understand the site's water risks and opportunities 1.3 Gather water-related data for the site | Done | $10,620 | Done. Previous tank was made of polypropylene, causing water leakages due to material deformation. Old tank was replaced with CTP tank. | Good water governance Sustainable water balance Good water quality status | Prevention of water leakages due to old piping system; reduce water losses; water quality improvement. Loss elimination with this initiative is not measurable; is counted in total water loss eliminations. | Reduce water losses & overall water consumption, increase awareness on sustainable water conservation; good water governance | Increase clean and sustainable water source availability for other Torbalı community. | Reduce water related costs. Improve company sustainable water system management. |
| 19 | | | Improvement of cooling systems with adiabatic cooling systems or hybrid cooling systems to reduce water consumption | Reduced water consumption due to classic (cross air-water) cooling systems; improve water governance within site & catchment | Süleyman Anbarcı Fehmi Can | TBD | 3.3 Implement plan to achieve site water balance targets 1.7 Understand the site's water risks and opportunities 1.3 Gather water-related data for the site | Ongoing | TBD | Ongoing investigation. Improvement of cooling systems with adiabatic cooling systems or hybrid cooling systems to reduce water consumption is being investigated. | Good water governance Sustainable water balance | Reduce water consumption, understanding sustainable water management | Reduce water consumption, increase sustainable water governance & balance | Increase clean and sustainable water source availability for other Torbalı community. | Reduce water related costs. Improve company sustainable water system management. |

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| 20 | Control chemical storage in Philsa Site | Reduce risk of water contamination through improper chemical handling | Control of chemical storage at PMSA Truck area by site visits; training deployment to ruck parking employees & truck drivers on precautions in case of spills, chemical storage conditions, and water governance. | Awareness raising through face to face trainings. Proper chemical storage at site | Burcu Şimşir Sarıalp, | feb-19 | 1.3 Gather water-related data for the site<br>1.7 Understand the site's water risks and opportunities | Done | No cost | Done. Truck parking employees & truck drivers were trained on water conservation by Borusan EHS Eng. | Good water governance<br>Good water quality status<br>Indirectly Healthy Status of IWRA | Reduce risk of oil-contaminated water running into the Derinceöz Creek, which could be result from any oils spills from accidents, maintenance of trucks. Ultimate benefit is keeping basin's groundwater and surface water sources cleaner by taking the preventive actions. | Increase awareness on sustainable water management, ultimately will reduce the risks of GW an/or rain water contamination. | Increase clean and sustainable water source availability for other Torbalı community. | Reduce water related costs by eliminating water related accidents. |
| 21 | | | Defining proper alternative chemical receiving and storage for storage in Primary area | Any chemical spill accidents are prevented at farmer chemical receiving area and the risk of discharging contaminated water in to Derinceöz Creek has been eliminated. | Primary | ene-19 | 1.3 Gather water-related data for the site | Done | No cost | Done. New route was defined for chemical receiving area. | Good water governance<br>Good water quality status<br>Indirectly Healthy Status of IWRA | Elimination of risk of oil-contaminated water running into the Derinceöz Creek, which could be result from any oils spills from accidents; Ultimate benefit is keeping basin's groundwater and surface water sources cleaner by taking the preventive actions. | Increase awareness on sustainable water management, risks of receiving body contamination | Increase clean and sustainable water source availability for other Torbalı community. | Reduce water related costs by eliminating water related accidents. |

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| 22 | Reduce risk of rainwater contamination | Eliminate and/or reduce the risk of rain water contamination through oil-water contact at truck routes and parking areas | Implementation of oil-water separators at rain water collecting pipelines from/at truck parking areas (PMSA& Philsa) and truck routes. | Elimination of risk of oil-contaminated water running into the Derinceöz Creek, which could be result from any oils spills from accidents, maintenance of trucks. Ultimate benefit is keeping basin's groundwater and surface water sources cleaner by taking the preventive actions. | Ahmet Tugay, Burcu Şimşir Sarıalp | mar-19 | 1.3 Gather water-related data for the site<br>3.1 Implement plan to participate positively in catchment governance | Done | $20,000 | Done. Periodical cleaning will be planned and followed (Admin) | Good water governance<br>Indirectly increase Healthy Status of IWRA<br>Good water quality status | Reduce of risk of oil-contaminated water running into the Derinceöz Creek, which could be result from any oils spills from accidents; Ultimate benefit is keeping basin's groundwater and surface water sources cleaner by taking the preventive actions. | Increase awareness on sustainable water management, ultimately will reduce the risks of GW an/or rain water contamination. | Increase clean and sustainable water source availability for other Torbalı community. | Position Philsa as leader in Water stewardship in Torbalı, and beyond catchment fences. |
| 23 | | Reduce risks of rain water contamination | Installation of air washer water collection pool at Primary IS Air washer | Any chemical spill, waste contamination are prevented | Primary Yeşim Aydın | 43800 | 1.3 Gather water-related data for the site<br>site 1.7 Understand the site's water risks and opportunities | Done | $3,750 | Done. Pool was installed to protect rain water pollution due to any accidents, contamination coming from IS air washer. | Good water governance<br>Good water quality status<br>Indirectly Healthy Status of IWRA | Keep basin's groundwater and surface water sources cleaner by taking the preventive actions. | Increase awareness on sustainable water management, ultimately will reduce the risks of GW an/or rain water contamination. | Increase clean and sustainable water source availability for other Torbalı community. | Position Philsa as leader in Water stewardship in Torbalı, and beyond catchment fences. |
| 24 | | | Clean rain water collection systems periodically | Periodical cleaning of the rainwater collection systems will reduce risks of GW contamination, and will improve system's efficiency to hold wastes. | Euroserve, Admin | Full period | 1.3 Gather water-related data for the site<br>3.1 Implement plan to participate positively in catchment governance | On going | NA | NA | Good water governance, increase Indirectly Healthy Status of IWRA<br>Good water quality status | Keep basin's groundwater and surface water sources cleaner by taking the preventive actions. | Increase awareness on sustainable water management, ultimately will reduce the risks of GW an/or rain water contamination. | Increase clean and sustainable water source availability for other Torbalı community. | Position Philsa as leader in Water stewardship in Torbalı, and beyond catchment fences. |

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| 25 | Contribute to the environmental awareness of internal staff, stakeholders and community<br>Contribute to good water governance in catchment | Communications & Environmental campaigns related to water | Make AWS policy-included EHS Policy & AWS Commitment publicly available and communicated with all Philsa employees, stakeholders. | Increased awareness of proper management of resources; good stakeholder engagement | Burcu Şimşir Sarılap | March 2019 October 2020 | 5.1 Disclose water-related internal governance of the site's management 5.2 Communicate the water stewardship plan with relevant stakeholders | Done | No Cost | Done. Commitments & policy have been updated based on V2 changes.<br>*Commitment is online at: https://www.pmi.com/markets/turkey---philsa/en<br>*EHS Policy & AWS commitment were hanged at various locations in Philsa Factory.<br>* Stakeholders were informed about AWS Commitment, and Philsa's AWS Policy<br>* Employee trainings (will continuo periodically)<br>*Updated AWS Commitment & Policy has been committed to Stakeholders (October 2020) | Good water governance<br>Good water quality status (indirectly)<br>Indirectly Healthy Status of IWRA | Increase awareness on sustainable water management Philsa's strategies on water among stakeholders. | Increase awareness on sustainable water management through all stakeholders | Increase awareness on sustainable water usage; indirectly will increase clean water sources for Torbalı community | Position Philsa as leader in Water stewardship in Torbalı, and beyond catchment fences. |
| 26 | | | Communication on water related topics awareness raising posters, video sharing through PMI communication channels, emailing, stakeholder communication meetings | Increased awareness of proper management of resources | Burcu Şimşir Sarıalp<br>Yeşim Aydın Hale Yalçınkaya | Full period | 5.1 Disclose water-related internal governance of the site's management 5.2 Communicate the water stewardship plan with relevant stakeholders | On going | $2500 (2019-2020) | Ongoing.<br>Workshop video preparation (February 2019); Water awareness video preparation(October 2019; Sustainability initiatives (sustainability is my job) video preparation(November 2019); Water awareness raising poster preparation (September 2020) TV slide sharing, etc.<br>Awareness raising activities will continue | Good water governance<br>Good water quality status | Increase awareness on sustainable water management Philsa's strategies on water among stakeholders. | Increase awareness on sustainable water management through all stakeholders | Increase awareness on sustainable water usage; indirectly will increase clean water sources for Torbalı community | Position Philsa as leader in Water stewardship in Torbalı, and beyond catchment fences. |

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| 27 | | | #misgibitorbalı (Cleaner Torbalı) project, an event, where employees volunteer collect trashes in Torbalı | Increased awareness of proper management of resources, and on water scarcity problems, water risks (see Stakeholder map document for details) | Hale Yalçınkaya, Burcu Şimşir Sarıalp, EA | April 2019 (delayed) November 2019 | 4.3 Evaluate the stakeholders' consultation feedback 3.1 Implement plan to participate positively in catchment governance | Done | $200 Breakfast /plastic bags, gloves for trash collection | This activity was reported on local news and shared with all our stakeholders including PMI global, suppliers, internal stakeholders via Sustainability Report, news paper, videos shows on factory TVs. | Good water governance Good water quality status Indirectly Healthy Status of IWRA | Increase awareness on sustainable water management Philsa's strategies on water among stakeholders; communication with public & customers | Increase awareness on environment, environmental and water related problems; reduce risks of water pollution/contamination in catchment area and increase awareness risks among internal and external stakeholders | Increase awareness on sustainable water usage; indirectly will increase clean water sources for Torbalı community | Improve Philsa as leader in Water stewardship in Torbalı, and beyond catchment fences. |
| 28 | | | Philsaya Bakış- news about water related actions /stakeholder engagements | Increased awareness of proper management of resources, and on water scarcity problems, water risks (see Stakeholder map document for details) | Burcu Şimşir Sarılap Hale Yalçınkaya | Full period | 5.3 Disclose annual site water stewardship summary 5.4 Disclose efforts to collectively address shared water challenges 5.1 Disclose water-related internal governance of the site's management consultation feedback 3.1 Implement plan to participate positively in catchment governance | On going | TBD/actions (awareness raising video preparation costs were covered under previous communication item) | On going. News is being shared as any water related activity (stakeholder meetings, sustainability business award communication etc.) happens. | Good water governance Good water quality status | Increase awareness on sustainable water management Philsa's strategies on water among stakeholders; communication with public & customers | Increase awareness on sustainable water management and catchment area environmental and water related problems and risks through all stakeholders | Increase awareness on sustainable water usage; indirectly will increase clean water sources for Torbalı community | Position Philsa as leader in Water stewardship in Torbalı, and beyond catchment fences. |

| No | Challenges/Risks/Opportunities | Goal | Action | Benefit | Responsibles & Supporting roles/ functions | Due date | Standard | Status | Cost | Follow-up Action (status) | Intended AWS Outcomes | Achieved Results | Created (Shared) Environmental Value | Created (Shared) Social Value | Created (Shared) Economical Value |
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| 29 | | | Sustainability Reporting | Increased awareness of proper management of resources, and on water scarcity problems, water risks (see Stakeholder map document for details) | Burcu Şimşir Sarıalp<br>EA<br>PM TR<br>Sustainability Stakeholders | Full period | 5.3 Disclose annual site water stewardship summary<br>5.4 Disclose efforts to collectively address shared water challenges<br>4.3 Evaluate the stakeholders' consultation feedback | Done for 2018-2020<br><br>On going | TBC-D/actions 2018-2019 Report cost was covered by PM TR budget, not included into Philsa water cost | Done for 2018 -2020 Sustainability Report publication was planned for 2018-2019, therefore report was published in 2020. Report has been shared with stakeholder, relevant authorities. Water PMI report will be publicly available. PM TR 2018-2019 Sustainability report includes all Philsa environmental and water related initiatives and management actions, and will be published by Aug 2019, and communicated to Stakeholders. Since Sustainability Report preparation is long-period process; starting from next year, separate water booklet preparation will continue yearly basis. | Good water governance<br>Good water quality status<br>Indirectly Healthy Status of IWRA<br>Safe Water, Sanitation and Hygiene For All (WASH) | Increase awareness on sustainable water management Philsa's strategies on water among stakeholders; communication with public & customers | Increase awareness on sustainable water management, catchment environmental and water related problems and risks among all stakeholders | Increase awareness on sustainable water usage; indirectly will increase clean water sources for Torbalı community | Position Philsa as leader in Water stewardship in Torbalı, and beyond catchment fences. |
| 30 | | | World Water Day Awareness Message | Increased awareness of proper management of resources, and on water scarcity problems, water risks (see Stakeholder map document for details) | Burcu Şimşir Sarıalp<br>Yeşim Aydın | Full period, yearly | 5.2 Communicate the water stewardship plan with relevant stakeholders | Done | TBD/actions | Water awareness raising posters, emailing are communicated during on World Environment & Water Days | Good water governance<br>Indirectly will lead Good water quality status | Increase awareness on sustainable water management among Philsa employees | Increase awareness on sustainable water management, catchment environmental and water related problems and risks | Increase awareness on sustainable water usage; indirectly will increase clean water sources for Torbalı community | Position Philsa as leader in Water stewardship in Torbalı, and beyond catchment fences. |

| No | Challenges/Risks/Opportunities | Goal | Action | Benefit | Responsibles & Supporting roles/ functions | Due date | Standard | Status | Cost | Follow-up Action (status) | Intended AWS Outcomes | Achieved Results | Created (Shared) Environmental Value | Created (Shared) Social Value | Created (Shared) Economical Value |
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| 31 | | | Sapling distribution to employees | Increased awareness on environment, water conservation through planting. Indirectly increase raining event, reduce evaporation from soil, increase water catchment by soil. | Yeşim Aydın | sep-20 | 4.3 Evaluate the stakeholders' consultation feedback 3.1 Implement plan to participate positively in catchment governance | Done | $1,000 | Total of 2500 sampling were distributed to PM and contactors employees. | Good water governance Sustainable water balance | Increase awareness on sustainable water management among internal & external stakeholders | Increase awareness on sustainable water management, catchment environmental and water related problems and risks; reduce water losses due to evaporation (indirectly) | Increase awareness on sustainable water usage; indirectly will increase clean water sources for Torbalı community | Position Philsa as leader in Water stewardship in Torbalı, and beyond catchment fences. |
| 32 | | | Water aerator distribution to employees | Increased awareness on natural resource, water consumption | Ali Tunçkaya Burcu Şimşir Sarıalp Yeşim Aydın | sep-20 | 3.1 Implement plan to participate positively in catchment governance 5.2 Communicate the water stewardship plan with relevant stakeholders | Done | $3,125 | Done. This activity was originally planned for 2020 World Water Day (22 March)i however due to COVID pandemic situation, distribution event was postponed. Water aerators were distribute to 1000 employees for them to use those in their homes. | Good water governance Sustainable water balance | Increase awareness on sustainable water management among internal & external stakeholders | Increase awareness on sustainable water management, catchment environmental and water related problems and risks; reduce water consumption | Increase awareness on sustainable water usage; indirectly will increase clean water sources for Torbalı community | Position Philsa as leader in Water stewardship in Torbalı, and beyond catchment fences. |
| 33 | | | Yemyeşil Torbalı (Greener Torbalı) event - planting sapling in catchment with volunteer employees and catchment stakeholders | Increased awareness on environment, water conservation through planting. Indirectly increase raining event, reduce evaporation from soil, increase water catchment by soil. This activity was taken with collaboration with Torbalı Municipality. | Birol Altıner, Hale Yalçınkaya, Burcu Şimşir Sarıalp Yeşim Aydın EA | feb-20 | 4.3 Evaluate the stakeholders' consultation feedback 3.1 Implement plan to participate positively in catchment governance | Done | $500 | Done. 60 Philsa employees attended to this event and planted 1000 sapling in Ayrancılar area within Küçük Menderes River Basin. District Governor of Torbalı was also invited and visited the event. | Good water governance Sustainable water balance | Increase awareness on sustainable water management among internal & external stakeholders | Increase awareness on sustainable water management, catchment environmental and water related problems and risks; reduce water losses due to evaporation (indirectly) | Increase awareness on sustainable water usage; indirectly will increase clean water sources for Torbalı community | Position Philsa as leader in Water stewardship in Torbalı, and beyond catchment fences. |

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| 34 | | | Support farmers in Küçük Menderes River basin for sustainable irrigation practices (drop irrigation) | Increased awareness of proper management of resources, and on water scarcity problems, water risks; reduce catchment water risks (see Stakeholder meeting documents/meeting minutes for details) | Burcu Şimşir Sarıalp<br>Birol Altiner EA<br>PMI Law Dept.<br>Stakeholders<br>Suppliers | TBD | 4.3 Evaluate the stakeholders' consultation feedback<br>3.1 Implement plan to participate positively in catchment governance | Ongoing | TBD | This action is under investigation by law department to see if Philsa can support farmers legally. If so this action will be planned together with catchment stakeholders. | Good water governance<br>Sustainable water balance<br>Good water quality status | Increase awareness on sustainable water management<br>Philsa's strategies on water among stakeholders; communication with public & customers | Increase awareness on sustainable water management<br>Philsa's strategies on water among stakeholders; communication with public & customers | Increase awareness on sustainable water usage; will increase clean water sources for Torbalı community | Position Philsa as leader in Water stewardship in Torbalı, and beyond catchment fences |
| 35 | | | Water & Energy Conference to increase water related concerns, awareness, to share shared water risks, and solutions within Küçük Menderes River Basin | Increased awareness of proper management of resources, and on water scarcity problems, water risks; reduce catchment water risks (see Stakeholder meeting documents/meeting minutes for details) | Burcu Şimşir Sarıalp<br>Birol Altiner EA<br>PMI Law Dept.<br>Stakeholders<br>Suppliers | TBD - 2021 | 4.3 Evaluate the stakeholders' consultation feedback<br>3.1 Implement plan to participate positively in catchment governance | Ongoing | TBD | Originally planned for 2020; however due to COVID, will be rescheduled for 2021. Collaboration with: Torbalı Municipality; Ministry of Torbalı Chamber of Trade, support from Ministry of Environment and Urbanization, DSI & Ministry of Agriculture and Forest | Good water governance<br>Sustainable water balance<br>Good water quality status | Increase awareness on sustainable water management<br>Philsa's strategies on water among stakeholders; communication with public & customers | Increase awareness on sustainable water management<br>Philsa's strategies on water among stakeholders; communication with public & customers | Increase awareness on sustainable water usage; will increase clean water sources for Torbalı community | Position Philsa as leader in Water stewardship in Torbalı, and beyond catchment fences |

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| 36 | | | Identify all water concerned stakeholders; and communicate them on catchment area water problems and risks; meet regular to discuss and find opportunities to improve sustainable water management in catchment. | Increased awareness of proper management of resources, and on water scarcity problems, water risks (see Stakeholder map document for details) | Burcu Şimşir Sarıalp | Full period | 1.1 Gather information to define the site's physical scope 4.3 Evaluate the stakeholders' consultation feedback 3.1 Implement plan to participate positively in catchment governance | On going | TBD/actions | On going. Disclosure on catchment water risks and opportunities, engagement meetings are done continuously. See stakeholder meeting angagement documents for details | Good water governance Good water quality status | Increase awareness on sustainable water management Philsa's strategies on water among stakeholders; communication with public & customers | Increase awareness on sustainable water management Philsa's strategies on water among stakeholders; communication with public & customers | Increase awarenes s on sustainabl e water usage; will increase clean water sources for Torbalı communit y | Position Philsa as leader in Water stewardship in Torbalı, and beyond catchment fences; |
| 37 | 1) Identify and reduce water risk within basin; 2) Understand and improve indirect water use (scope 3) 3)Participate in good water governance within catchment 4) have Leadership role, consult stakeholders on water related topics 5) Improve indirect water use within catchment & Philsa among suppliers 6)Contribute to the environmental awareness of internal staff, stakeholders and community | Stakeholder Engagement on Water issues; Reduce water risk, and govern water properly in basin area Improve indirect water consumption Increase awareness within catchment Reduce shared water risks in the catchment | Get information about quality and quantitative information, and actions plans of catchment. Get information about IWRA in KMRB. Agriculture and Forests; DSİ | Knowing water source predications, being ready for future water related risks, and taking actions on time. | Burcu Şimşir Sarıalp EA | mar-19 | 1.1 Gather information to define the site's physical scope 1.7 Understand the site's water risks and opportunities | Done | No cost | On going. Improve the stakeholder mapping document with any update/actions/stakeholder engagement | Good water governance Good water quality status | Understand physical scope, beyond physical scope (scope-3) water related influences on the scope of sustainable water management | Better understanding of catchment area's water risks and problems, | Increase clean and sustainabl e water source availability for other Torbalı communit y. | Better understandin g of water risks will lead us to find water opportunities reducing water consumption s, and risks in future; reduce water related cost ultimately. |

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| 38 | | | Stakeholder engagement meeting (together with governmental authorities), related to water issues, and governance:<br>1) Sustainability workshop with supply chain companies, and neighbours<br>2) DSI basin water discussion meeting/ DSI Philsa visit<br>3) Ministry of Agriculture and Forest, KMRB catchment area project meeting<br>4) Tübitak KBRB water discharge parameter-control project involvement<br>5) ESIAD, TUSIAD, SKD Membership in related working groups- Mounty meetings<br>6) UN 2019 Sustainable Development Progress-report contribution (water-related messages were reported to PSBD)<br>7) Stakeholder meetings periodically<br>Action-details are listed on stakeholder map. | Increased water and environmental awareness, which will help to govern resources sustainability together with stakeholders, and be prepare for future water risks to mitigate or adapt to future problems; scope-3 water footprint reduction | Burcu Şimşir<br>Sarıalp<br>EA<br>EHS | Full period | 4.3 Evaluate the stakeholders' consultation feedback<br>3.1 Implement plan to participate positively in catchment governance<br>5.4 Disclose efforts to collectively address shared water challenges<br>1.6 Understand current and future shared water challenges in the catchment<br>3.8 Implement plan to engage with and notify the owners of any shared water-related infrastructure … | On going | TBD/actions | On going. Participations, meetings are on going. | Good water governance<br>Good water quality status | Increase awareness on sustainable water management<br>Philsa's strategies on water among stakeholders | Increase awareness on sustainable water management<br>Philsa's strategies on water among stakeholders; improve catchment water management | Increase awareness on sustainable water usage; will increase clean water sources for Torbalı community | Position Philsa as leader in Water stewardship in Torbalı, and beyond catchment fences; reduce water related costs |

| No | Challenges/Risks/Opportunities | Goal | Action | Benefit | Responsibles & Supporting roles/ functions | Due date | Standard | Status | Cost | Follow-up Action (status) | Intended AWS Outcomes | Achieved Results | Created (Shared) Environmental Value | Created (Shared) Social Value | Created (Shared) Economical Value |
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| 39 | | | Perform proper pumping test on each working well (well #5,6,7). Report preparation on Philsa's well health status and | Knowing water source predications, being ready for future water related risks, and taking actions on time. | Süleyman Anbarcı, Fehmi Can, Burcu Şimşir Sarıalp | mar-19 | 1.5 Gather water-related data for the catchment 1.3 Gather water-related data for the site 5.4 Disclose efforts to collectively address shared water challenges | Done | $25,000 | Done. Pumping test report was prepared. | Good water governance Good water quality status | Improve the site water quality, and reduce risks of water contamination . | Increase knowledge and awareness on catchment area water quality and quantity risks and predictions. | Increase clean and sustainable water source availability for other Torbalı community. | Position Philsa as leader in Water stewardship in Torbalı through sharing this good practice with other stakeholders ; reduce water related costs by taking early precautions for the risks identified as a result of the tests. |
| 40 | | | Water well installation, old well 5 was disfunctioned due to siltation problem. | Increased good water governance within catchment, reduced water risks in catchment, good water governance with stakeholders | Burcu Şimşir Sarıalp External Affairs, Sustainability Dept. Law Dept. Stakeholders | ene-19 | 3.4 Implement plan to achieve water quality targets | Done | $20.000 | Completed. Well pumping test was performed, and report is being prepared on health and water status of new Well 5. | Good water governance Good water quality status | Improve the site water quality, and reduce risks of water contamination . | Reduce water treatment efforts, , improve water quality | Increase clean and sustainable water source availability for other Torbalı community. | Position Philsa as leader in Water stewardship in Torbalı through sharing this good practice with other stakeholders ; reduce water related costs by taking early precautions for the risks identified as a result of the tests. |

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| 41 | | | Agricultural waste elimination project: optimization of collecting pesticide packaging from farmers. | By controlling and optimizing pesticide packaging waste collections we will eliminate the risk of clean water contamination in farming areas. | Emre Örümlü, Yasemin Mert, Zafer Yılmaz, Burcu Şimşir Sarıalp, Law Dept. EA Tobacco Supplier | dic-19 | 4.3 Evaluate the stakeholders' consultation feedback 3.1 Implement plan to participate positively in catchment governance 5.4 Disclose efforts to collectively address shared water challenges | Done | No cost | Done Meetings with our stakeholders are continue, legal opportunities were investigated and discussed with governmental authorities. Legal opportunities are very limited, there no concrete ongoing governmental process dealing with this problem. Trainings are current prevention action we can take. | Good water governance Good water quality status | Reduce risk of Ground water contamination through pesticide packaging, scope -3 ecological footprint, improve agricultural practices, increase awareness among farmers | Improve water quality; increase awareness on water management | Increase clean and sustainable water source availability for others in community. | Position Philsa as leader in Water stewardship. |
| 42 | | | Rainwater collection project conducted by Tobacco suppliers: Having an alternative water source for OR tobacco production through rain water collection system in order to reduce the consumption of underground water | Good water conservation practice- reducing water consumption for farming. Rainwater collection project will be a good example for tobacco farming practices, and will be applied other farms. | Tobacco Supplier, Emre Örümlü, Yasemin Mert, Zafer Yılmaz | 2019-2020 | 4.3 Evaluate the stakeholders' consultation feedback 3.1 Implement plan to participate positively in catchment governance 5.4 Disclose efforts to collectively address shared water challenges | Done | $24,000 (81% PMI, 7% farmers, 12%OZE) | Done. 50 farmers received rain water collection tanks, and collected 2084 m3 water.<br><br>Additional 150 new water tank distribution planned for 2020; however due to COVID situation, project is now cancelled, and will be reevaluated in 2021. | Good water governance Good water quality status | Improve catchment area water management, will reduce water consumption | Reduce water consumption; reduce scope-3 water footprint; increase awareness on sustainable practices | Increase clean and sustainable water source availability for others in community. | Position Philsa as leader in Water stewardship; reduce water related costs |

| No | Challenges/Risks/Opportunities | Goal | Action | Benefit | Responsibles & Supporting roles/ functions | Due date | Standard | Status | Cost | Follow-up Action (status) | Intended AWS Outcomes | Achieved Results | Created (Shared) Environmental Value | Created (Shared) Social Value | Created (Shared) Economical Value |
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| 43 | | | Sustainable agricultural practices trainings & Women Trainings<br>In 2018 total of 29673 farmers were trained (İzmir, Manisa, aydın, Denizli, Usak)<br>1111 women were trained in 2019-2020 | Good water conservation practice-reducing water consumption for farming. Increasing awareness regarding hazardous work, child labor and safe working environment. | Emre Örümlü, Yasemin Mert, Zafer Yılmaz Tobacco Suppliers | 2019-2020 | 4.3 Evaluate the stakeholders' consultation feedback<br>3.1 Implement plan to participate positively in catchment governance<br>5.4 Disclose efforts to collectively address shared water challenges<br>3.7 Implement plan to maintain or improve indirect water use within the catchment | Done | $39,750<br>PMI: 79%, Suppliers: 21%) | Total of 1111 women were trained in 2019-2020.<br>Stakeholders: OZE, AOI, SOC<br>Due to COVID situation, cancelled 2020 plan: Training for 1500 women farmers & workers | Good water governance<br>Good water quality status<br>Sustainable water balance<br>Safe Water, Sanitation and Hygiene for All | Improve catchment area water management, Increase water awareness | Reduce water consumption; Increase awareness on sustainable water management (agricultural practices); reduce scope-3 water footprint | Increase clean and sustainable water source availability for others in community. | Position Philsa as leader in Water stewardship; reduce water related costs |
| 44 | | | PMI Leaf local risk assessment project | Increased awareness and knowledge on tobacco growing water risks were evaluated for Local tobacco farms (Ege region) | Emre Örümlü, Yasemin Mert, Zafer Yılmaz Tobacco Suppliers | dic-19 | 4.3 Evaluate the stakeholders' consultation feedback<br>3.1 Implement plan to participate positively in catchment governance<br>5.4 Disclose efforts to collectively address shared water challenges<br>3.7 Implement plan to maintain or improve indirect water use within the catchment | Done | Covered under PMI Leaf Budget - is not included into Philsa water related cost | Local Risk Assessment (water quantity, WASH, quality) was conducted in TR (2019).<br>Observed risk is '**External** Downstream Impact'. | Good water governance<br>Good water quality status<br>Sustainable water balance<br>Safe Water, Sanitation and Hygiene for All | Improve catchment area water management, Increase water awareness | Reduce water consumption; Increase awareness on sustainable water management (agricultural practices); reduce scope-3 water footprint | Increase clean and sustainable water source availability for others in community. | Position Philsa as leader in Water stewardship; reduce water related costs |

| No | Challenges/Risks/Opportunities | Goal | Action | Benefit | Responsibles & Supporting roles/ functions | Due date | Standard | Status | Cost | Follow-up Action (status) | Intended AWS Outcomes | Achieved Results | Created (Shared) Environmental Value | Created (Shared) Social Value | Created (Shared) Economical Value |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 45 | | | Farmer income survey: Investigating all farmer income sources among tobacco farmers | Good water conservation practice- reducing water consumption for farming. Increasing awareness regarding hazardous work, child labor and safe working environment. | Emre Örümlü, Yasemin Mert, Zafer Yılmaz Tobacco Suppliers | dic-20 | 4.3 Evaluate the stakeholders' consultation feedback 3.1 Implement plan to participate positively in catchment governance 5.4 Disclose efforts to collectively address shared water challenges 3.7 Implement plan to maintain or improve indirect water use within the catchment | Ongoing | $47,000 | # farmer : 100 | Good water governance Good water quality status Sustainable water balance Safe Water, Sanitation and Hygiene for All | Improve catchment area water management, Increase water awareness, enable WASH practices for farmers by increase income | Reduce water consumption; Increase awareness on sustainable water management (agricultural practices); reduce scope-3 water footprint | Increase clean and sustainable water source availability for others in community. | Position Philsa as leader in Water stewardship; reduce water related costs |
| 46 | | | Water Survey distribution to follow up on suppliers water consumption / governance (2018-2019 Supplier workshop & STEP Program) | Increased water and environmental awareness, which will help to govern resources sustainability together with stakeholders, and be prepare for future water risks to mitigate or adapt to future problems; scope-3 water footprint reduction | Burcu Şimşir Sarıalp PMI Procurement | Full period | 4.3 Evaluate the stakeholders' consultation feedback 3.1 Implement plan to participate positively in catchment governance 5.4 Disclose efforts to collectively address shared water challenges 3.7 Implement plan to maintain or improve indirect water use within the catchment | Ongoing | Covered globally | Ongoing.<br>Water related questionnaire had previously shared with suppliers in Dec 2018; and suppliers water related data were collected; followingly supplier workshop report was shared with suppliers in Jan 2020.<br><br>STEP Water questionnaire was distribute to Philsa global and local suppliers through global STEP program. | Good water governance Good water quality status Sustainable water balance Safe Water, Sanitation and Hygiene for All | Increase awareness on sustainable water management Philsa's strategies on water among stakeholders; communication with stakeholders | Reduce water consumption; reduce scope-3 water footprint; increase awareness on sustainable practices | Increase clean and sustainable water source availability for others in community. | Position Philsa as leader in Water stewardship; reduce water related costs |

| No | Challenges/Risks/Opportunities | Goal | Action | Benefit | Responsibles & Supporting roles/ functions | Due date | Standard | Status | Cost | Follow-up Action (status) | Intended AWS Outcomes | Achieved Results | Created (Shared) Environmental Value | Created (Shared) Social Value | Created (Shared) Economical Value |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 47 | Access and adequacy of Safe Water, Sanitation and Hygiene for All (WASH) in Philsa and beyond boundaries | Improve Safe Water, Sanitation and Hygiene for All (WASH) practices in Philsa and beyond boundaries | COVID actions (cleaning activities, relocation of offices, showers, care pack distribution, disinfection & mask to employees, personnel busses arrangement, cafeteria arrangement) - see 1.3.8 action folder for details of plans, action follow up, responsible. | Increased WASH practices, access to WASH | Philsa Admin, Security, Sustainability Teams. | Full period | 1.3 Levels of access and adequacy of WASH at site | Ongoing | $1,000,000 (COVID measures only since March 2020) | Ongoing. COVID actions. | Safe Water, Sanitation and Hygiene for All Good water governance | Improved WASH practices at site, good water governance | Reduce risk of health issues, access to WASH at site | Improved WASH practices; Increase clean and sustainable water source availability for others in community. | Position Philsa as leader in Water stewardship |
| 48 | | | Online chloring system installation for irrigation to eliminate COVID distribution through treated irrigation water | Increased WASH practices, access to WASH | Süleyman Anbarcı, Fehmi Can | April 2020 | 1.3 Levels of access and adequacy of WASH at site | Done | $3125 | Extra online chloring system was installed at the exit point of irrigation pond to to eliminate the risk of COVID distribution through treated irrigation water. Daily chlorine measurements are performed. | Safe Water, Sanitation and Hygiene for All Good water governance | Improved WASH practices at site, good water governance | Reduce risk of health issues, access to WASH at site | Improved WASH practices; Increase clean and sustainable water source availability for others in community. | Position Philsa as leader in Water stewardship |
| 49 | | | Implementation of extra domestic water chloring | Increased WASH practices, access to WASH | Süleyman Anbarcı, Fehmi Can | jun-20 | 1.3 Levels of access and adequacy of WASH at site | Done | $5250 | Done. Extra chloring is being implemented on domestic water to eliminate / reduce the risk of COVID distribution through domestic water | Safe Water, Sanitation and Hygiene for All Good water governance | Improved WASH practices at site, good water governance | Reduce risk of health issues, access to WASH at site | Improved WASH practices; Increase clean and sustainable water source availability for others in community. | Position Philsa as leader in Water stewardship |

## 5 INDICATORS CHECKLIST

It is a shown bellow, a checklist of all the AWS V.2 indicators with the relevant reviewed evidence provided by PHILSA Philip Morris Sabancı A.Ş. and the indicator with which it is associated for the first year surveillance of the AWS certificate.

**Table 5.1 Evidence reviewed by SGS against each CORE AWS indicator**

| Clause | Details | Yes | No | Comments/Evidence |
|---|---|---|---|---|
| **1** | **GATHER AND UNDERSTAND** | | | |
| **1.1** | ***Gather information to define the site's physical scope for water stewardship purposes, including: its operational boundaries; the Canals 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 (core) | The physical scope of the site shall be mapped, considering the regulatory landscape and zone of stakeholder interests, including:<br><br>- Site boundaries;<br><br>- Water-related infrastructure, including piping network, owned or managed by the site or its parent organization;<br><br>- Any Canals providing water to the site that are owned or managed by the site or its parent organization;<br><br>- Water service provider (if applicable) and its ultimate Canal;<br><br>- Discharge points and waste water service provider (if applicable) and ultimate receiving water body or bodies; | ☒ | ☐ | "2.2. Philsa partial stakeholders" shows the inmediatly neightbourghs which are:<br><br>- North side : Tezol Paper factory, Alliance one tobacco and Ozege Tobacco<br><br>- East side: Özkar Concrete Pipe factory and the natural water stream Fetrek Creek<br><br>- South side: Muzer makina, Bapa Fine Foods and artificial water stream Derinceoz Creek<br><br>- West side: Mayis Warehouse, Guralp Crane, DB Tarimsal Enerji and Aram oil and the artificial water stream Derinceoz Creek and several cultivated lands.<br><br>Philsa has the map "2.1.1.general water scope map" where are shown the facility, buildings and boundaries of the site considered.<br><br>They have the image "Philsa map.jpg" which is a detailed plant scheme about each building and areas of the facility.<br><br>"2.1.1.general water scope map" is a map of the facility where are marked the boundaries and the key locations: |

| Clause | Details | Yes | No | Comments/Evidence |
|---|---|---|---|---|
| | - Catchment(s) that the site affect(s) and is reliant upon for water. | | | - Water discharge points: rain water discharge (13), waste water treatment plant discharge (1) and water treatment plant discharge (1)<br>- Groundwater wells (8)<br>- Water treatment plant<br>- Waste water treatment plant (1)<br>- Municipal water supply connection unit (1)<br>- Creeks (2)<br><br>Wells are coded from 1 to 7 (and 5´):<br>- W1-W3: are closed, abandoned. W1 and W2 water runout, and W3 quality problems<br>- W4: is contaminated<br>- W5: closed<br>- W5-new´: working<br>- W6: working<br>- W7: working<br><br>After catchment, they have a Water treatment plant previous to the use into the process.<br><br>They have thirteen points of discharge from rain water to the Derinceoz Creek and there are treatment plants with two points of discharge to the Fetrek Creek:<br>- "WTP discharge" from the water treatment plant<br>- "WWTP discharge" from the waste water treatment plant after process.<br>The location of different points of discharge are shown in the "2.1.1.general water scope map" and the Industrial waste water Collector line point of discharge downstream, is shown in the 2.1.4. kucuk menderes water scope.jpg<br><br>Last year during the certification audit, one observation was raised in this sense:<br>*213OBS:*<br><br>*It is necessary to obtain the discharge point permission renewal.*<br><br>*This document must be available for its assessment and for the knowledge of criteria and thresholds established on it for its correct application and the assurance of its compliance.* |

| Clause | Details | Yes | No | Comments/Evidence |
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| | | | | This observation has been solved, and Philsa has obtained the discharge permit. First of all a temporal permit for 1 year till the Ministry gives them the final permit for 5 years.<br>They have the document Küçük Menderes Havzası Taslak Nihai Nehir Havza Yönetim Planı, published by "T.C. Tarım ve Orman Bakanlığı, Su Yönetimi Genel Müdürlüğü" which is the General Direction of Water Management for the Catchment belonging to the Ministry of Agriculture and Forestry. It contains a full information about it, including a Characterization ( Physical and geological analysis, Basin Hydrology Analysis, climatic analisys, land uses, hidrogeogical analisys, groundwater, surface water,…), quality and quantity, ….<br><br>The 2.1.4. kucuk menderes water scope.jpg, is a satellite map where the Küçük Menderes river basin and the Fetreck Creek and its Catchment Área (where PHILSA is located) are marked. |

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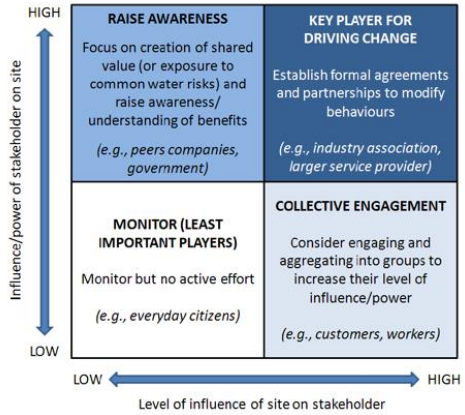
| **1.2** | ***Understand relevant stakeholders, their waterrelated challenges, and the site's ability to influence beyond its boundaries.*** | | | |
| 1.2.1 (core) | Stakeholders and their water-related challenges shall be identified. The process used for stakeholder identification shall be identified.<br><br>This process shall:<br><br>- Inclusively cover all relevant stakeholder groups including vulnerable, women, minority, and Indigenous people;<br><br>- Consider the physical scope identified, including stakeholders, representative of the site's ultimate Canal and ultimate receiving water body or bodies;<br><br>- Provide evidence of stakeholder consultation on water-related interests and challenges;<br><br>- Note that the ability and/or willingness of stakeholders to participate may vary across the relevant stakeholder groups;<br><br>- Identify the degree of stakeholder engagement based on their level of interest and influence. | ☒ | ☐ | Philsa has prepared an updated excel spreadsheet "AWS.02.Philsa Stakeholder Map" (interesd parties), that is for their integrated management system, listing each steakholder, classified as internal/external, their water realted concerns and the engagement actions to date for each one. The degree of stakeholders influence is classified according with this matrix:<br><br>  <br><br><br>These Stakeholders are:<br><br>- Ministry of Environment and Urbanization Affairs<br>- Ministry of Agricultural and Forest Affairs<br>- Presidential Strategy and Budget Directorate<br>- General Directorate of State Hydraulic Works (DSI)<br>- Torbalı Municipality<br>- TÜBİTAK<br>- TÜSİAD - Turkish Industry and Business Association |
| 1.2.2 (core) | Current and potential degree of influence between site and stakeholder shall be identified, within the catchment and considering the site's ultimate Canal and ultimate receiving water body for wastewater. | ☒ | ☐ | |

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| | | | | - ESİAD- Aegean Region Industry and Business Association<br>- Business World Sustainable Development Agency (SKD)<br>- Torbalı Chamber of Industry and Trade (TTO)<br>- Philsa Suppliers<br>- Tezol (paper mill)<br>- Öz Ege Tobacco<br>- Alliance Tobacco<br>- DB Agricultural Energy<br>- Farmers (tomatoes, corn producers, tobacco farmers)<br>- Özgörkey Food Industry<br>- Aram Oil Company<br>- Ege University<br>- Dokuz Eylül University<br>- Third party suppliers on site<br>- ***Bapa Fine Food***<br>- Customers<br>- Torbalı Community<br>- PMI Leaf<br>- Philsa Employees<br>- PMSA/ Borusan<br>- ***PMI Affiliates (38 total) - PMI AWS Team***<br>- ***Sustainability Business Awards***<br>- ***PMI Operations Sustainability***<br>- ***Procurement Agricultural Irrigational Association / Cooperative (Farmers Associations)***<br><br>the new Stakeholders are highlithed in bold and italic. |

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| | | | | The "Philsa Stakeholder Map" document, describes the site´s sphere of inluence as per AWS guidance, aligning to each of the stakeholders identified.<br><br>This document assesst each stakeholder it influence of PHILSA and power. This document describes too, the engagement to date with each stakeholder.<br><br>The assessment is high, moderate or low for each criterion (Power and Influence) |
| **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 (core) | Existing water-related incident response plans shall be identified. | ☒ | ☐ | They have water storage tanks with capacity for 1.5 days in case of problems with the waste water quality for discharging.<br><br>They are far from the quality limits, usually more than 15%.<br><br>There isn´t any incident identified till today. |
| 1.3.2 (core) | Site water balance, including inflows, losses, storage, and outflows shall be identified and mapped. | ☒ | ☐ | PMI PHILSA, has a quantified site water balance in place which is updated each 12 months.<br><br>It´s described in the “Philsa 2020 Water Consumption – Sankey Diagram”<br><br>Total input (water withdrawal from wells) 201851 m3/yr:<br>- for fire water tanks<br>- for leaf field irrigation<br>- is the total water to factory.<br><br>The most water quantity consumptionis for:<br>- Chillers<br>- Boilers and adiabatic system<br>- Primary factory<br><br>Total output is 88615 m3/yr: |

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| | | | | - 65% discharging to Fetrek Creek from the WWWTP<br>- 35% discharging to Fetrek Creek from the WTP |
| 1.3.3 (core) | 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. | ☒ | ☐ | This has been illustrated in the above mentioned Sankey Diagram (Philsa 2020 Water Consumption – Sankey Diagram).<br><br>Philsa has a quantified Site water balance, inflows, losses, storage, and outflows, including indication of annual variance in water usage rates.<br><br>This Diagram includes:<br><br>- Fire water tanks<br>- Leaf Fiels Irrigation<br>- Losses or Meter Discrepancy<br>- Filtrred Raw Water to Factory<br>- Soft water to Factory<br>- Water Softener<br>- R/O System<br>- Boiler Softener<br>- Chillers<br>- WTO<br>- WWTP<br>- Irrigation Pond<br>- Compressor and Cooling Towers<br>- Third part water use |

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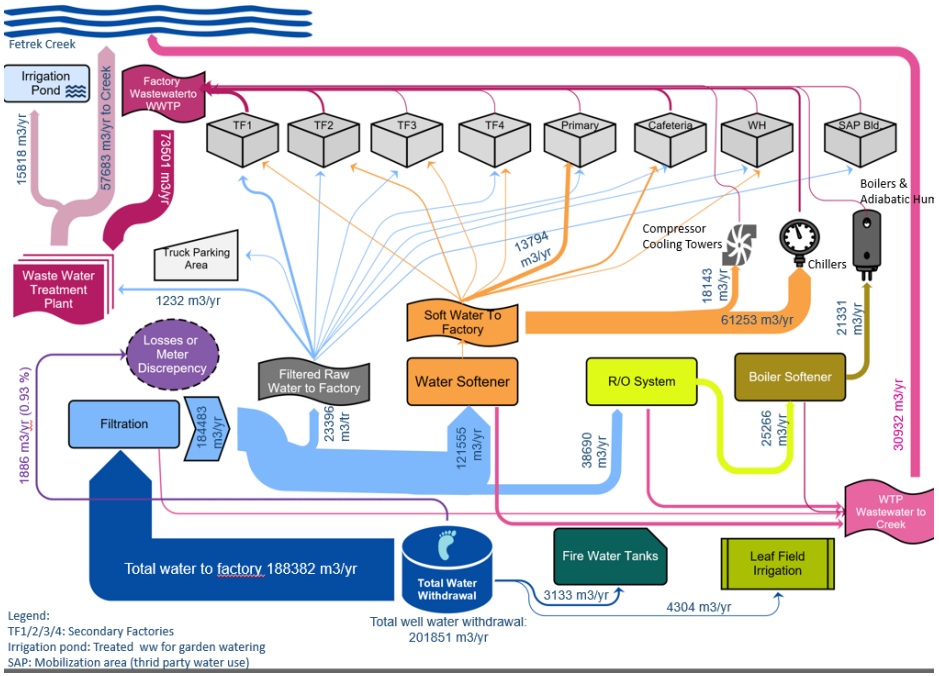
| | | | |  <br>**133OBS**<br>***The organization should implement a KPI for Domestic Water consumption***. |
| 1.3.4 (core) | Water quality of the site's Canal(s), provided waters, effluent and receiving water bodies shall be quantified. Where there is a water-related challenge that would be a threat to good water quality status for people or environment, an indication of annual, and where appropriate, | ☒ | ☐ | They have a monitoring water quality result of each of the underground wells. PHILSA has not detected quality problems in these lab test.<br>There has been detected a quality problem in the Fetrek Creek River with an industrial waste water collector line. This collector line discharge waste water from several industrial facilities in |

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| | seasonal,high and low variances shall be quantified. | | | Fetrek Creed river and it is downstream from PHILSA. This WW Collector Line doesn´t receive any waste water from PHILSA Torbali Plant.<br><br>All waste water from PHIILSA is treated in their Waste Water Treatment Plan, later treated waste water is discharged it into Fetrek Creek River. |
| 1.3.5 (core) | Potential sources of pollution shall be identified and if applicable, mapped, including chemicals used or stored on site. | ☒ | ☐ | Philsa has two water sources that are Municipal water supply connection and wells. Making self-monitoring wells water monthly. The last external results are providing for No6 and No7 wells why they are using water source.<br>Philsa has three discharge points that are water treatment plant discharge, waste water treatment plant discharge and rainwater discharge. Waste water treatment plant capacity is 400m3/day and discharge to Fetrek Creek. Water treatment plant discharge is also forwarded to Fetrek Creek and the other discharge point is Derinceöz Creek for rain water. They The waste water discharge water is analysed montly by accredited laboratory.<br>Philsa has a list with all the stored chemical products that are 79-80 tons yearly (ref doc "Chemical Stock List_2018.xls"<br>The chemical storages have proofing pools.<br>Legal compliance has been verified through "Discharge permit application" and the register "Philsa Regulation follow up" |
| 1.3.6 (core) | On-site Important Water-Related Areas shall be identified and mapped, including a description of their status including Indigenous cultural values. | ☒ | ☐ | "AWS.03.Philsa_IWRA_Risk" document identifies 5 IWRA and describes for each one the type of risk for the catchment (in terms of quantity and quality); its risk level, the influence of this risks on IWRAS and the stakeholders envolved on it.<br><br>It shows that the:<br><br>- the highest risk level is related with quantity and quality of Torbalı - Bayındır GW Basin and the quality of the Fetrek Creek, |

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| | | | | - Medium risk level is concerned Tobacco farming areas in relation with the quality because the pesticides<br>- Low risk level referring the quality of the Küçük Menderes River (Lower Section) and the degradation of ecological values in the Lake Gebekirse (Wildlife Protection and Improvement Area). |
| 1.3.7 (core) | 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. | ☒ | ☐ | It has been prepared in the sheet "2018-2019-2020" in the "AWS.0.2. Philsa Water Stewardship Strategy and Plan_2019-2020 excel file", which describes each of the three values generated (economic, environmental and social values) either qualitative or quantitative, for each action associated with the targets. |
| 1.3.8 (core) | Levels of access and adequacy of WASH at the site shall be identified. | ☒ | ☐ | At Philsa, the workers, have access to safe water, sanitation and hygiene, as this is also a requirement of the legal regulations for factories in Turkey.<br>Philsa carries out all required analytics of water from wells in order to give compliance with the regulations. |
| **1.4** | ***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.*** | | | |
| 1.4.1 (core) | The embedded water use of primary inputs, including quantity, quality and level of water risk within the site's catchment, shall be identified. | ☒ | ☐ | The most important indirect use for water is the agricultural water use for tobacco farms but there are not tobacco farms within the catchment.<br>There are two types of tobacco plants in general terms: oriental and occidental. The water use for oriental plants is less than for the occidental one.<br>Philsa is only supplied from tobacco companies, and the local tobacco farms are far from the site location so the farm activity doesn´t affect to the catchment quality and quantity. |
| 1.4.2 (core) | The embedded water use of outsourced services shall be identified, and where those | ☒ | ☐ | The only indirect water use outsourced service in site is from the lunch services company (Euroserve). |

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| | services originate within the site's catchment, quantified. | | | This water comes from the total water withdrawal of factory from wells and the quality is the same that the water used for Philsa facilities. |
| 1.4.3 (advanced) | The embedded water use of primary inputs in catchment(s) of origin shall be quantified. | ☐ | ☐ | N/A |

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| **1.5** | ***Gather water-related data for the catchment, including: water governance, water balance, water quality, Important Water-Related Areas, infrastructure, and WASH*** | | | |
| 1.5.1. (core) | 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. | ☒ | ☐ | Document "Small Menderes Basin Draft Final River Basin Management Plan" (Turkish Government document) describes the relevant aspects for the catchment and identifies all the rivers in the basin, groundwater, surface water, uses, water related areas, etc.. PHILSA has done a summary named "KÜÇÜK MENDERES RIVER BASIN STATUS REPORT-2020".<br>This public report includes a catchment plan and water related policy goals.<br>The water use in the basin is 88 % Agriculture; WASH 9% and 2 % industrial.<br>There is a water scarcity problem. New wells are forbidden. |
| 1.5.2. (core) | Applicable water-related legal and regulatory requirements shall be quantifed, including legally-defined and / or stakeholder verified customary water rights. | ☒ | ☐ | Philsa has the municipal water permit and carries out all legal and regulatory requirements, however Philsa only has used water from the authorized wells. |
| 1.5.3. (core) | The catchment water-balance, and where applicable, scarcity, shall be quantified, including indication of annual, and where appropriate, seasonal, variance. | ☒ | ☐ | Philsa has a licence for municipal water use catchment, but till now it has not been necessary to use. In this sense, all water used for Philsa comes from ground water.<br>Philsa has calculated the Basin water balance and it shows that the total result is between1,5-2 meters decreasing each year, taking into account difeferent inputs and outputs involved:<br>- Ground water inflow<br>- Industrial withdrawal<br>- Agricultural withdrawal<br>- Human consumption<br>- Philsa withdrawal |

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| 1.5.4. (core) | 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. | ☒ | ☐ | PHILSA has detected a quality stresss problem. The goberment knows it too and the government is studying to implement low limits in the authoritations.<br><br>PHILSA has developed a meeting with their neighbors in order to implement an action plant to mitigate this problem. |
| 1.5.5 (core) | Important Water-Related Areas shall be identified, and where appropriate, mapped, and their status assessed including any threats to people orthe natural environment, using scientific information and through stakeholder engagement. | ☒ | ☐ | “AWS.03.Philsa_IWRA_Risk” document identifies 5 IWRA and describes for each one the type of risk for the catchment (in terms of quantity and quality); its risk level, the influence of this risks on IWRAS and the stakeholders envolved on it.<br><br>It shows that the:<br><br>the highest risk level are related with quantity and quality of Torbalı - Bayındır GW Basin and the quality of the Fetrek Creek,<br><br>Medium risk level is concerned Tobacco farming areas in relation with the quality because of the pesticides<br><br>Low risk level referring the quality of the Küçük Menderes River (Lower Section) and the degredation of ecological values in the Lake Gebekirse (Wild Life Protection and Improvement Area). |
| 1.5.6. (core) | Existing and planned water-related infrastructure shall be identified, including condition and potential exposure to extreme events. | ☒ | ☐ | Document Kucuk Menderes Water Scope shows the waste water treatment plants in the catchment near the site: "Korucuk Köyü WWTP, Pancar OSB WWTP, Ayrancilar WWTP, Izsu Torbali WWTP |
| 1.5.7. (core) | The adequacy of available WASH services within the catchment shall be identified. | ☒ | ☐ | WASH principles were promoted throughout the catchment territory with different iniciatives:<br><br>- Update Legal Follow-up list, include GW related- legal requirements<br>- Obtain discharge point permission renewal (Environmental Permit)<br>- Sustainability Reporting<br>- "Sustainable agricultural practices trainings & Women Trainings<br>- In 2018 total of 29673 farmers were trained (İzmir, Manisa, aydın, Denizli, Usak) 1111 women were trained in 2019-2020"<br>- PMI Leaf local risk assessment project |

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| | | | | - Farmer income survey: Investigating all farmer income sources among tobacco farmers<br>- Water Survey distribution to follow up on suppliers water consumption / governance (2018-2019 Supplier workshop & STEP Program) |
| 1.5.8. (advanced) | Efforts by the site to support and undertake catchment level water-related data collection shall be identified | ☐ | ☐ | N/A |
| 1.5.9. (advanced) | The adequacy of WASH provision within the catchments of origin of primary inputs shall be identified. | ☐ | ☐ | N/A |
| **1.6** | ***Understand current and future shared water challenges in the catchment, by linking the water challenges identified by stakeholders with the site's water challenges.*** | | | |
| 1.6.1 (core) | Shared water challenges shall be identified and prioritized from the information gathered. | ☒ | ☐ | The shared water challenges have been identified and prioritized, on the basis of their impact on relevant Stakeholders, and the initiatives to address them identified. This has been reported as Shared Water Challenge spreadsheet in the "AWS.02. Philsa Stakeholders Map". |
| 1.6.2. (core) | Initiatives to address shared water challenges shall be identified | ☒ | ☐ | |
| 1.6.3. (advanced) | Future water issues shall be identified, including anticipated impacts and trends | ☐ | ☐ | N/A |
| 1.6.4. (advanced) | Potential water-related social impacts from the site shall be identified, resulting in a social impact assessment with a particular focus on water. | ☐ | ☐ | N/A |
| **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 (core) | Water risks faced by the site shall be identified, and prioritized, including likelihood and severity of | ☒ | ☐ | |

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| | impact within a given timeframe, potential costs and business impact. | | | The water risks faced by Philsa have been updated, identified and prioritized with potential costs and impact in the AWS.0.2. Philsa Water Stewardship Strategy and Plan_2019-2020 ("Risk Impact-Probability" spread sheet) |
| 1.7.2 (core) | Water-related opportunities shall be identified, including how the site may participate, assessment and prioritization of potential savings, and business opportunities. | ☒ | ☐ | Philsa has a list of water related risks and opportunities in the document AWS.0.2. Philsa Water Stewardship Strategy and Plan_2019-2020 ("Risk & Opportunities" spread sheet) impact , and has uploaded the evaluation for this year. |
| **1.8** | ***Understand best practice towards achieving AWS outcomes: Determining sectoral best practices having a local/catchment, regional, or national relevance.*** | | | |
| 1.8.1. (core) | Relevant catchment best practic governance shall be identified. | ☒ | ☐ | Best practices and actions carried out since las audit are allocated into the sheet 2018-2019-2020 in the AWS.0.2. Philsa Water Stewardship Strategy and Plan_2019-2020 excel file.<br><br>These best practice towards achieving different AWS outcomes are shown in table bellow : |

| Risks | | | Severity | | | |
|---|---|---|---|---|---|---|
| | | | D | C | B | A |
| | | | Low | Medium | Serious | Catastrophic |
| Probability | 4 | Very likely | 4D | 4C | 4B | 4A |
| | 3 | Likely | 3D | 3C | 3B | 3A |
| | 2 | Unlikely | 2D | 2C | 2B | 2A |
| | 1 | Almost never | 1D | 1C | 1B | 1A |

| Opportunities | | | Positive Impact | | | |
|---|---|---|---|---|---|---|
| | | | D | C | B | A |
| | | | Insignificant | Medium | Significant | Maximum |
| Probability | 4 | Very likely | 4D | 4C | 4B | 4A |
| | 3 | Likely | 3D | 3C | 3B | 3A |
| | 2 | Unlikely | 2D | 2C | 2B | 2A |
| | 1 | Almost never | 1D | 1C | 1B | 1A |

*** See "risk impact -probably" sheet in the excel document for risk/opportunity criteria

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| Communicate Commitment internally via boards and trainings | Good water governance |
| Update Legal Follow-up list, include GW related- legal requirements | Good water governance<br>Good water quality status<br>Safe Water, Sanitation and Hygiene for All |

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| 1.8.2. (core) | Relevant sector and/or catchment best practice for water balance (either through water efficiency or less total water use) shall be identified.  | ☒ | ☐ | |

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| Obtain discharge point permission renewal (Environmental Permit) | Good water governance<br>Good water quality status<br>Safe Water, Sanitation and Hygiene for All (WASH)<br>Sustainable water balance |
| Zero waste certification submission | Good water governance<br>Good water quality status<br>Sustainable water balance |
| Improvement and rearranging some water lines in Primary factory | Good water governance<br>Sustainable water balance |
| Installation of water aerators at Philsa restrooms, showers, kitchens | Good water governance<br>Sustainable water balance |
| Renovation of old water treatment piping systems with more durable Polypropylene Random Copolymer (PPRC) pipes | Good water governance<br>Sustainable water balance<br>Good water quality status |
| Installation of magnetic flowmeter at water withdrawal points | Good water governance<br>Sustainable water balance |
| Improvement of fire piping systems | Good water governance<br>Sustainable water balance |
| Replacement of reverse osmosis water tank with more durable material | Good water governance<br>Sustainable water balance<br>Good water quality status |
| Improvement of cooling systems with adiabatic cooling systems or hybrid cooling systems to reduce water consumption | Good water governance<br>Sustainable water balance |
| Installation of air washer water collection pool at Primary IS Air washer | Good water governance<br>Good water quality status<br>Indirectly Healthy Status of IWRA |
| Clean rain water collection systems periodically | Good water governance, increase<br>Indirectly Healthy Status of IWRA<br>Good water quality status |

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| | | | | Make AWS policy-included EHS Policy & AWS Commitment publicly available and communicated with all Philsa employees, stakeholders. | Good water governance<br>Good water quality status (indirectly)<br>Indirectly Healthy Status of IWRA |
| | | | | Communication on water related topics awareness raising posters, video sharing through PMI communication channels, emailing, stakeholder communication meetings | Good water governance<br>Good water quality status |
| 1.8.3. (core) | Relevant sector and/or catchment best practice for water quality shall be identified, including rationale for data source.  | ☒ | ☐ | #misgibitorbalı (Cleaner Torbalı) project, an event, where employees volunteer collect trashes in Torbalı | Good water governance<br>Good water quality status<br>Indirectly Healthy Status of IWRA |
| | | | | Philsaya Bakış- news about water related actions /stakeholder engagements | Good water governance<br>Good water quality status |
| | | | | Sustainability Reporting | Good water governance<br>Good water quality status<br>Indirectly Healthy Status of IWRA<br>Safe Water, Sanitation and Hygiene For All (WASH) |
| | | | | World Water Day Awareness Message | Good water governance<br>Indirectly will lead<br>Good water quality status |
| | | | | Sapling distribution to employees | Good water governance<br>Sustainable water balance |
| | | | | Water aerator distribution to employees | Good water governance<br>Sustainable water balance |
| | | | | Yemyeşil Torbalı (Greener Torbalı) event - planting sapling in catchment with volunteer employees and catchment stakeholders | Good water governance<br>Sustainable water balance |
| 1.8.4. (core) | Relevant catchment best practice for site maintenance of Important Water-Related Areas shall be identified.  | ☒ | ☐ | Support farmers in Küçük Menderes River basin for sustainable irrigation practices (drop irrigation) | Good water governance<br>Sustainable water balance<br>Good water quality status |
| | | | | Water & Energy Conference to increase water related concerns, awareness, to share shared water risks, and solutions within Küçük Menderes River Basin | Good water governance<br>Sustainable water balance<br>Good water quality status |

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| | | | | Identify all water concerned stakeholders; and communicate them on catchment area water problems and risks; meet regular to discuss and find opportunities to improve sustainable water management in catchment. | Good water governance<br>Good water quality status |
| | | | | Stakeholder engagement meeting (together with governmental authorities), related to water issues, and governance:<br>1) Sustainability workshop with supply chain companies, and neighbours<br>2) DSI basin water discussion meeting/ DSI Philsa visit<br>3) Ministry of Agriculture and Forest, KMRB catchment area project meeting<br>4) Tübitak KBRB water discharge parameter- control project involvement<br>5) ESIAD, TUSIAD, SKD Membership in related working groups- Mounty meetings<br>6) UN 2019 Sustainable Development Progress- report contribution (water-related messages were reported to PSBD)<br>7) Stakeholder meetings periodically<br>Action-details are listed on stakeholder map. | Good water governance<br>Good water quality status |
| | | | | Agricultural waste elimination project: optimization of collecting pesticide packaging from farmers. | Good water governance<br>Good water quality status |
| 1.8.5 (core) | Relevant sector and/or catchment best practice for site provision of equitable and adequate WASH services shall be identified.  | ☒ | ☐ | Rainwater collection project conducted by Tobacco suppliers: Having an alternative water source for OR tobacco production through rain water collection system in order to reduce the consumption of underground water | Good water governance<br>Good water quality status |
| | | | | Sustainable agricultural practices trainings & Women Trainings<br>In 2018 total of 29673 farmers were trained (İzmir, Manisa, aydın, Denizli, Usak)<br>1111 women were trained in 2019-2020 | Good water governance<br>Good water quality status<br>Sustainable water balance<br>Safe Water, Sanitation and Hygiene for All |
| | | | | PMI Leaf local risk assessment project | Good water governance<br>Good water quality status<br>Sustainable water balance<br>Safe Water, Sanitation and Hygiene for All |
| | | | | Farmer income survey: Investigating all farmer income sources among tobacco farmers | Good water governance<br>Good water quality status<br>Sustainable water balance |

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| | | | | | Safe Water, Sanitation and Hygiene for All |
| | | | | Water Survey distribution to follow up on suppliers water consumption / governance (2018-2019 Supplier workshop & STEP Program) | Good water governance<br>Good water quality status<br>Sustainable water balance<br>Safe Water, Sanitation and Hygiene for All |

| 2 | COMMIT AND PLAN | | | |
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| **2.1** | ***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.*** | | | |
| 2.1.1. (core) | A signed and publicly disclosed site statement OR organizational document shall be identified. The statement or document shall include the following commitments:<br><br>- That the site will implement and disclose progress on water stewardship program(s) to achieve improvements in AWS water stewardship outcomes<br><br>- That the site implementation will be aligned to and in support of existing catchment sustainability plans<br><br>- That the site's stakeholders will be engaged in an open and transparent way<br><br>- That the site will allocate resources to implement the Standard. | ☒ | ☐ | Philsa has the document E.06.TR.E Philsa EHS Policy in revision number 2.0 (revision date 05.10.2020) where PHILSA describes their Alliance for Water Stewardship Commitment.<br><br>This EHS Policy is signed by the Director Manufacturing Antonio de Marco and it is disclosed and available at their web page.<br><br>PHILSA PHILIP MORRIS / SABANCI<br><br>Revision Number: 2.0<br>Revision Date: 05.10.2020<br><br>**Philsa Philip Morris Sabancı Alliance for Water Stewardship Commitment**<br><br>Philip Morris Sabancı, as a result of their public commitment to good water management, undertakes to:<br><br>• Endorse, sustain and support the Alliance for Water stewardship (AWS) principles and five outcomes (good water governance, sustainable water balance, good water quality, good conservation of important areas related to water, and safe water, sanitation and hygiene for all);<br>• Engage and involve stakeholders in an open and transparent manner;<br>• Comply with the legal requirements and regulations respecting the rights related to water, including adequate access to clean drinking water, sanitation and hygiene for all workers in all facilities under the control of the site;<br>• Implement the AWS standard in alignment and in support to existing catchment plans;<br>• Collaborate with the agencies of the public sector for the implementation of water-related plans and policies, including working together to meet the human right to water and sanitation;<br>• Improve and continually adapt the actions and plans for water stewardship of the site;<br>• Maintain the organizational capacity required to successfully implement the AWS requirements, by ensuring that employees have time and resources required to accomplish the implementation and maintenance of AWS;<br>• Support national and international treaties related to water, and disclose material information related to water for the relevant public.<br><br>Director Manufacturing, TR<br><br>Antonio De Marco<br><br>E.06.TR.E |
| 2.1.2. (advanced)<br><br>(1point) | A statement that explicitly covers all requirements set out in Indicator 2.1.1 and is signed by the organization's senior-most executive or governance body and publicly disclosed shall be identified. | ☐ | ☐ | N/A |

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| **2.2.** | ***Develop and document a process to achieve and maintain legal and regulatory compliance.*** | | | |
| 2.2.1. (core) | The system to maintain compliance obligations for water and wastewater management shall be identified, including:<br><br>- Identification of responsible persons/positions within facility organizational structure<br><br>- Process for submissions to regulatory agencies. | ☒ | ☐ | A system to maintain legal and regulatory compliance for water ad wastewater management is in place.<br><br>PHILSA has performed different audits through the year so they are able to give compliance their obligations.<br><br>EHS Department is responsible to ensure these obligations. |
| **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. (core) | 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. | ☒ | ☐ | A responsive and resilient Water Stewardship Strategy Plan is in place The plan has been updated, monitored and assessed yearly.<br><br>The responsive and resilient Water Stewardship Strategy Plan has been created in response to the risks and challenges identified in Step 1. It contains:<br><br>- Risks and challenges that concern not only the site and its water supply but the entire catchment territory<br><br>- SMART (Specific, Measurable, Achievable, Realistic and Time-based) targets and objectives<br><br>- Actions that work towards improving all 5 water stewardship outcomes in line with the AWS Standard V 2.0 requirements (i.e. good water governance, sustainable water balance, good water quality status, IWRA, WASH).<br><br>The implementation of the water saving and recycling technologies as well as the water optimization settings proposed in the AWS Strategy Plan are giving the desired results: decreasing potable water use on site, and consequently impacting to a lesser extent on the territory.<br><br>Since the beginning of its AWS journey, PHILSA has been actively collaborating with other Stakeholders in order to raise awareness on water-related risks associated to the catchment territory and mitigate the risks by implementing best practices. Catchment level initiatives have also been carried out, many of |
| 2.3.2 (core) | A water stewardship plan shall be identified, including for each target:<br><br>- How it will be measured and monitored<br><br>- Actions to achieve and maintain (or exceed) it<br><br>- Planned timeframes to achieve it<br><br>- Financial budgets allocated for actions | ☒ | ☐ | |

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| | - Positions of persons responsible for actions and achieving targets<br><br>- Where available, note the link between each target and the achievement of best practice to help address shared water challenges and the<br><br>AWS outcomes. | | | which with local authorities, in order to involve the local community and share common goals and water conservation strategies.<br><br>Direct and indirect water saving strategies implemented on-site since 2019 can be summarized in the following:<br><br>1. Installation of flow-regulators in all of PHILSA buildings<br><br>2. Installation of magnetic flowmeter at water withdrawal points identifying losses and create opportunity and governance capability for quick response at emergency situation.<br><br>3. Sustainable agricultural practices trainings & Women Trainings. In 2018 total of 29673 farmers were trained (İzmir, Manisa, aydın, Denizli, Usak), 1111 women were trained in 2019-2020<br><br>4. Improvement of cooling systems with adiabatic cooling systems or hybrid cooling systems to reduce water consumption. Reduced water consumption due to classic (cross air- water) cooling systems; improve water governance within site & catchment<br><br>5. Improvement of fire piping systems. Eliminated water leakages due to old piping system; reduce water consumption |
| 2.3.3 (advance)<br><br>(4 points) | The site's partnership/water stewardship activities with other sites within the same catchment (which may or may not be under the same organisational ownership) shall be identified and described. | ☐ | ☐ | N/A |
| 2.3.4 (advance)<br><br>(4 points) | The site's partnership/water stewardship activities with other sites in another catchment(s) (either under same corporate structure or with another corporate site) shall be identified. | ☐ | ☐ | N/A |

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| 2.3.5 (advance) | Stakeholder consensus shall be sought on the site's water stewardship plan. Consensus should be achieved on at least one target. A list of targets that have consensus and in which stakeholders are involved shall be identified. | ☐ | ☐ | N/A |
| **2.4.** | ***Demonstrate the site's responsiveness and resilience to respond to water risks*** | | | |
| 2.4.1 (core) | A plan to mitigate or adapt to identified water risks developed in co-ordination with relevant public-sector and infrastructure agencies shall be identified. | ☒ | ☐ | Responsiveness: capability of reacting quickly and positively to a certain incident/event.<br><br>PHILSA has an Emergency Response Plan Incident in place to demonstrate responsiveness to water-related incidents and risk with immediate actions i.e. chemical spills, WWTP failure and spillage, contamination events etc. |
| 2.4.2 (advance) | A plan to mitigate or adapt to water risks associated with climate change projections developed in co-ordination with relevant public-sector and infrastructure agencies shall be identified. | ☐ | ☐ | N/A |

| 3 | IMPLEMENT | | | |
|---|---|---|---|---|
| **3.1.** | ***Implement plan to participate positively in catchment governance.*** | | | |
| 3.1.1. (core) | Evidence that the site has supported good catchment governance shall be identified. | ☒ | ☐ | PHILSA actively outreached and engaged with relevant external and internal Stakeholders (i.e. authorities, governance groups, water-demanding companies, service providers etc.) in order to express support for improved water governance and management.<br><br>PHILSA has given to employees water aerator in order to increas awareness on natural resource.<br><br>***311OBS***<br><br>***PHILSA knows the scarcity problem in the catchment and PHILSA has perform different activities as meetings, trainnings and disclose.***<br><br>***It is recommended to make activities with a real effect to reduce the water consumption in the catchment.*** |
| 3.1.2. (core) | Measures identified to respect the water rights of others including Indigenous peoples, that are not part of 3.2 shall be implemented. | ☒ | ☐ | In accordance to legal and regulatory requirements, no water-related and/or traditional rights have been violated |
| 3.1.3. (advanced)<br><br>(2 points) | Evidence of improvements in water governance capacity from a site-selected baseline date shall be identified. | ☐ | ☐ | N/A |
| 3.1.4. (advanced)<br><br>(2 points) | Evidence from a representative range of stakeholders showing consensus that the site is seen as positively contributing to the good water governance of the catchment shall be identified. | ☐ | ☐ | N/A |

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| **3.2.** | ***Implement system to comply with water-related legal and regulatory requirements and respect water rights.*** | | | |
| 3.2.1. (core) | A process to verify full legal and regulatory compliance shall be implemented. | ☒ | ☐ | No legal compliance deviations have been detected. |
| 3.2.2 (core) | 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. | ☒ | ☐ | In accordance to legal and regulatory requirements, no water-related and/or traditional rights have been violated |
| **3.3.** | ***Implement plan to achieve site water balance targets.*** | | | |
| 3.3.1 (core) | Status of progress towards meeting water balance targets set in the water stewardship plan shall be identified. | ☒ | ☐ | The following site water balance improvement activities are included in the responsive and resilient Water Stewardship Strategy Plan :<br><br>- Installation of magnetic flowmeter at water withdrawal points to improve effectiveness of water monitoring/measurements enabling easily focusing on focus areas; identifying losses and create opportunity and governance capability for quick response at emergency situation. Total of 5 magnetic flowmeter installation was completed at 3 wells (well # 5,6,7), water treatment plant (1), chilled water (1).<br><br>Future planned activities: more magnetic flowmeter will be installed at adiabatic humidification systems, fire water tank for exact water measurements.<br><br>- Improvement of fire piping systems to eliminat water leakages due to old piping system; reduce water consumption All old fire pipes were replaced with new pipes to prevent water losses due to deformation of old piping systems. In 2019, piping systems at 14 points were improved; in 2020, piping systems at total of 6 points were improved / replaced.<br><br>- Replacement of reverse osmosis water tank with more durable material to mitigate and eliminate water leakages due to old piping system; reduce water consumption. Previous tank was made of polypropylene, causing water leakages due to material deformation. Old tank was replaced with CTP tank.<br><br>- Improvement of cooling systems with adiabatic cooling systems or hybrid cooling systems to reduce water consumption to reduce water consumption due to classic |
| 3.3.2 (core) | 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. | ☒ | ☐ | |

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| | | | | (cross air- water) cooling systems; improve water governance within site & catchment. Improvement of cooling systems with adiabatic cooling systems or hybrid cooling systems to reduce water consumption is being investigated. |
| 3.3.3. (core) | Legally-binding documentation, if applicable, for the re-allocation of water to social, cultural or environmental needs shall be identified. | ☒ | ☐ | PHILSA does not re-allocate saved water for external benefits or uses. |
| 3.3.4. (advanced) | The total volume of water voluntarily re-allocated (from site water savings) for social, cultural and environmental needs shall be quantified. | ☐ | ☐ | N/A |
| **3.4.** | ***Implement plan to achieve site water quality targets.*** | | | |
| 3.4.1. (core) | Status of progress towards meeting water quality targets set in the water stewardship plan shall be identified. | ☒ | ☐ | In order to guarantee and monitor water quality parameters in accordance to limits and targets, PHILSA carried out a water analysis plan. |
| 3.4.2. (core) | 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. | ☒ | ☐ | PHILSA has an annual analysis plan to check their water discharge.<br><br>PHILSA has begun to work with their neighbors in order to improve this situation and mitigate the problem. |

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| **3.5.** | ***Implement plan to maintain or improve the site's and/or catchment's Important Water-Related Areas.*** | | | |
| 3.5.1. (core) | Practices set in the water stewardship plan to maintain and/or enhance the site's Important Water-Related Areas shall be implemented. | ☒ | ☐ | No IWRA are present on-site but In PHILSA catchment area,<br><br>PHILSA has identified the Lake Gebekirse (Wild Life Protection and Improvement Area), which is situated downstream from the site. Philsa activities don´t affect this IWRA.<br><br>Philsa has the document "AWS.03.Philsa_IWRA_Risk" where is evaluated its risk level as low. |
| 3.5.2. (advanced) | Evidence of completed restoration of non-functioning or severely degraded Important Water-Related Areas including where appropriate cultural values from a site-selected baseline date shall be identified. Restored areas may be outside of the site, but within the catchment. | ☐ | ☐ | N/A |
| 3.5.3. (advanced) | Evidence from a representative range of stakeholders showing consensus that the site is seen as positively contributing to the healthy status of Important Water-Related Areas in the catchment shall be identified. | ☐ | ☐ | N/A |

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| **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. (core) | 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. | ☒ | ☐ | PHILSA ensures access and adequacy of WASH to all workers on-site in accordance to national standards:<br><br>- Provision of sufficient supplies of safe drinking water for all workers, considering increased needs in hot weather<br><br>- Provision of sufficient and high standard facilities for toilets and washroom: cleaning records are available in each toilet and washroom<br><br>- Provision of showers for workers<br><br>- Provision of good hygiene practices for workers: correct hand washing steps with soap are illustrated in toilets, periodic cleaning interventions during the day etc. |
| 3.6.2. (core) | 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. | ☒ | ☐ | Philsa carries out all required analysis of water from wells in order to ensure compliance with the regulations |
| 3.6.3. (advanced) | list of actions taken to support the provision to stakeholders in the catchment of access to safe drinking water, adequate sanitation and hygiene awareness shall be identified | ☐ | ☐ | N/A |

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| 3.6.4. (advanced) | In catchments where WASH has been identified as a shared water challenge, evidence of efforts taken with relevant public-sector agencies to share information and to advocate for change to address access to safe drinking water and sanitation shall be identified. | ☐ | ☐ | N/A |
| **3.7.** | ***Implement plan to maintain or improve indirect water use within the catchment.*** | | | |
| 3.7.1. (core) | Evidence that indirect water use targets set in the water stewardship plan, as applicable, have been met shall be quantified. | ☒ | ☐ | PHILSA raw material suppliers have been mapped and information on their water use has been requested. This will be supported by Central Functions/Procurement presentation. |
| 3.7.2. (core) | 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. | ☒ | ☐ | PHILSA service providers have been listed as internal stakeholders. Evidence of engagement and notifications is illustrated in the Stakeholder Communication file. |
| 3.7.3. (advanced) (6 points) | Actions taken to address water related risks and challenges related to indirect water use outside the catchment shall be documented and evaluated. | ☒ | ☐ | N/A |
| **3.8** | ***Implement plan to engage with and notify the owners of any shared water-related infrastructure of any concerns the site may have*** | | | |
| 3.8.1. (core) | Evidence of engagement, and the key messages relayed with confirmation of receipt, shall be identified. | ☒ | ☐ | For evidence of periodic Follow-Ups, communications, sharing of information and data as well as best practices and ideas please see the Stakeholder Communication file |

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| **3.9** | ***Implement actions to achieve best practice towards AWS outcomes: continually improve towards achieving sectoral best practice having a local/catchment, regional, or national relevance.*** | | | |
| 3.9.1. (core) | Actions towards achieving best practice, related to water governance, as applicable, shall be implemented | ☒ | ☐ | a) Water stewardship strategy & plan is in place and periodically updated with new actions and initiatives<br><br>b) AWS Commitment has been updated to V 2.0., signed and published both internally and externally<br><br>c) Divulgation and engagement with employees on principles of water stewardship and information disclosure on project status:<br><br>- Internal Communication Plan in place and periodically updated with new actions and activities carried out in PHILSA<br><br>d) Engagement with water-demanding companies and stakeholders to promote water stewardship and disclose benefits:<br><br>- External Communication Plan in place and periodically updated<br><br>- Outreach and renewed engagement with old stakeholders<br><br>e) Support on good water governance and stewardship with appropriate authorities:<br><br>- External Communication Plan in place and periodically updated<br><br>- Stakeholder Communication Memorandum in place and periodically updated |
| 3.9.2. (core) | Actions towards achieving best practice, related to targets in terms of water balance shall be implemented. | ☒ | ☐ | a) Site water balance for 2019 has been identified and mapped:<br><br>- Water Sankey diagram and water flow-metering diagram are in place<br><br>b) Water monitoring for consumption & quantity flows is in place:<br><br>- Water meter installation<br><br>- water-related KPI, dashboard for daily tracking |

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| | | | | c) Water efficient technologies have been installed and water-saving settings are in place:<br><br>- Water savings have been measured and evaluated<br><br>d) Additional water meters have been installed to improve leak detection and water measurement assessment:<br><br>e) Employees are informed on the importance of water in basic daily activities and awareness campaigns are in place:<br><br>- Internal Communication Plan in place and periodically updated with new actions nd activities carried out in PHILSA<br><br>f) Indirect water analysis is ongoing:<br><br>- Water scarcity footprint for raw materials ongoing |
| 3.9.3. (core) | Actions towards achieving best practice, related to targets in terms of water quality shall be implemented. | ☒ | ☐ | a) Water quality control strategies are in place for incoming water and outgoing wastewater:<br><br>- Water quality parameters monitored and analytical results are in place<br><br>- Potable water quality for hygiene & sanitation monitored (i.e. legionella analysis) & analytical results are in place<br><br>b) Maintenance measures are in place for WWTP<br><br>c) Emergency response plan in place for water-related incidents<br><br>d) List of emergency-related incidents and mitigation measures are available |
| 3.9.4. (core) | Actions towards achieving best practice, related to targets in terms of the site's maintenance of Important Water-Related Areas shall be implemented. | ☒ | ☐ | The only official IWRA is the Lake Gebekirse (Wild Life Protection and Improvement Area). |

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| | | | | There are no targets set for the risk considered in “AWS.03.Philsa_IWRA_Risk” matrix (Quality, degredation of ecological values) because this IWRA is so far from site, so Philsa´s Influence on IWRA is very low. |
| 3.9.5. (core) | Actions towards achieving best practice related to targets in terms of WASH shall be implemented | ☒ | ☐ | a) Provision of sufficient supplies of safe drinking water for all workers,:<br><br>b) Provision of sufficient and high standard facilities for toilets and washrooms are in place:<br><br>c) Provision of showers for workers<br><br>d) Provision of good hygiene practices for workers: correct hand washing steps with soap, periodic cleaning interventions during the day etc |
| 3.9.6. (advance)<br><br>(8 points) | Achievement of identified best practice related to targets in terms of good water governance shall be quantified. | ☐ | ☐ | N/A |
| 3.9.7. (advance)<br><br>(8 points) | Achievement of identified best practice related to targets in terms of sustainable water balance shall be quantified. | ☐ | ☐ | N/A |
| 3.9.8. (advance)<br><br>(8 points) | Achievement of identified best practices related to targets in terms of water quality shall be quantified. | ☐ | ☐ | N/A |
| 3.9.9. (advance) | Achievement of identified best practices related to targets in terms of the site’s maintenance of Important Water-Related Areas have been implemented. | ☐ | ☐ | N/A |

| | | | | |
|---|---|---|---|---|
| (8 points) | | | | |
| 3.9.10. (advance) | Achievement of identified best practice related to targets in terms of WASH shall be quantified. | ☐ | ☐ | N/A |
| 3.9.11. (advance)<br><br>(3 points) | A list of efforts to spread best practices shall be identified. | ☐ | ☐ | N/A |
| 3.9.12. (advance)<br><br>(8 points) | A list of collective action efforts, including the organizations involved, positions of responsible persons of other entities involved, and a description of the role played by the site shall be identified. | ☐ | ☐ | N/A |
| 3.9.13. (advance)<br><br>(4 points) | Evidence of the quantified improvement that has resulted from the collective action relative to a site-selected baseline date shall be identified and evidence from an appropriate range of stakeholders linked to the collective action (including both those implementing the action and those affected by the action) that the site is materially and positively contributing to the achievement of the collective action shall be identified. | ☐ | ☐ | N/A |

| 4 | EVALUATE | | | |
|---|---|---|---|---|
| **4.1** | ***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.*** | | | |
| 4.1.1 (core) | Performance against targets in the site's water stewardship plan and the contribution to achieving water stewardship outcomes shall be evaluated | ☒ | ☐ | The excel file evaluates the Site's responsive and resilient Water Stewardship Strategy Plan and the value/benefits generated from its performance. The evaluation also reports how the plan has contributed to achieving the 5 AWS Outcomes. Please see below an example. |
| 4.1.2. (core) | Value creation resulting from the water stewardship plan shall be evaluated. | ☒ | ☐ | |
| 4.1.3 (core) | The shared value benefits in the catchment shall be identified and where applicable, quantified. | ☒ | ☐ | |

| Follow-up Action (status) | Intended AWS Outcom | Achieved Results | Created (Shared) Environmental | Created (Shared) Social Value | Created (Shared) Economical Value |
|---|---|---|---|---|---|
| On going. Communicating the Philsa AWS, and AWS strategies will continue via trainings, stakeholder engagement | Good water governance | Created Water Stewardship commitment on water stewardship | Increase awareness on sustainable water management among Philsa employees, and all stakeholders | Ultimately, Increase clean and sustainable water source availability for other Torbal community. | Position Philsa as leader in Water stewardship. |
| Done. Legal compliance document is being updated with groundwater related legal requirements.<br>On going. Continuous follow-up, update of the legal requirement list | Good water governance<br>Good water quality status<br>Safe Water, Sanitation and Hygiene for All | Good documentation, good water governance | Being responsible water consumer, and complying with legal requirements | Increase clean and sustainable water source availability for other Torbal community. | Improve company in water stewardship through being a company complying all legal requirements. |
| Done. Environmental Permit document renewal was completed, Philsa was audited by Ministry of Environment and Urbanization Affairs, obtained the renewed Environmental Permit. | Good water governance<br>Good water quality status<br>Safe Water, Sanitation and Hygiene for All (WASH)<br>Sustainable water balance | Good documentation, good water governance | Being responsible water consumer, and complying with legal requirements; reduce waste, mitigate water contamination indirectly | Increase clean and sustainable water source availability for other Torbal community. | Improve company in water stewardship through being a company complying all legal requirements. |
| Done. Submission was completed for Zero Waste Certification | Good water governance<br>Good water quality status<br>Sustainable water balance | Good documentation, good water governance | Being responsible water consumer, and complying with legal requirements; reduce waste, mitigate water contamination indirectly | Increase clean and sustainable water source availability for other Torbal community. | Improve company in water stewardship through being a company complying all legal requirements. |
| On going. Total of 5 magnetic flowmeter installation was completed at 3 wells (well # 5,6,7), water treatment plant (1), chilled water (1).<br>Future planned activities: more magnetic flowmeter will be installed at adiabatic humidification systems, fire water tank for exact water measurements. | Good water governance<br>Sustainable water balance | Exact water measurements enable instant leakages response, good water governance, indirectly reduced water consumption. | Increase awareness on sustainable water management, ultimately will reduce water consumption. | Increase clean and sustainable water source availability for other Torbal community. | Reduce water-related costs, Improve company sustainable water system management. |

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| 4.1.4 (advance) | A governance or executive-level review, including discussion of shared water challenges, water risks, and opportunities, and any water-related cost savings or benefits realized, and any relevant incidents shall be identified. | ☐ | ☐ | N/A |
| **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. (core) | 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. | ☒ | ☐ | There are water managment policy that are include water-related risks which are wastewater, sludge disposal. On the other hand chemical leaks and accidents intervention is available. |
| **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 (core) | Consultation efforts with stakeholders on the site's water stewardship performance shall be identified. | ☒ | ☐ | Stakeholder feedback on performance has given the following positive benefits, the actions are described in the water strategy plan. |
| 4.3.2 (advanced) | The site's efforts to address shared water challenges shall be evaluated by stakeholders. This shall include stakeholder reviewing of the site's efforts across all five outcome areas, and their suggestions for continual improvement. | ☐ | ☐ | N/A |
| **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.*** | | | |
| 4.4.1. (core) | The site's water stewardship plan shall be modified and adapted to incorporate any relevant information | ☒ | ☐ | - As required by the V 2.0 Standard, all 5 AWS outcomes have been fulfilled |

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| | and lessons learned from the evaluations in this step and these changes shall be identified. | | | - Water stewardship actions and efforts are being effective in mitigating water risks, decreasing shared water challenges and creating beneficial values for the local territory<br><br>- Water risks have changed in the catchment context since the last evaluation<br><br>- Successful strategies and/or best management practices have emerged/been implemented<br><br>- Stakeholder engagement efforts have been well-received<br><br>- Since 2019, numerous new projects and actions have been introduced, many of which have already been implemented and evaluated<br><br>- Many actions/projects are still ongoing and will be evaluated in 2021 |

| 5 | COMMUNICATE & DISCLOSE | | | |
|---|---|---|---|---|
| **5.1** | ***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.*** | | | |
| 5.1.1. (core) | The site's water-related internal governance, including positions of those accountable for compliance with water-related laws and regulations shall be disclosed. | ☒ | ☐ | The AWS team members as well as their roles and responsibilities have been defined and AWS team organizational chart has been disclosed to external Stakeholders during follow-ups and meetings as well as employees. PHILSA AWS organizational chart is available |
| **5.2** | ***Communicate the water stewardship plan with relevant stakeholders.*** | | | |
| 5.2.1. (core) | The water stewardship plan, including how the water stewardship plan contributes to AWS Standard outcomes, shall be communicated to relevant stakeholders. | ☒ | ☐ | PHILSA actions, projects and best-practices, have been shared with relevant stakeholder groups (i.e. authorities, governance groups, water-demanding companies, service providers etc.) throughout engagement activities and periodic follow-ups .<br><br>External Affair Communication Plan and the Internal Communication Plan includes all communication activities relative to the water stewardship plan. |
| **5.3** | ***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.*** | | | |
| 5.3.1. (core) | A summary of the site's water stewardship performance, including quantified performance against targets, shall be disclosed annually at a minimum. | ☒ | ☐ | PHILSA has shared with their stakeholders the relevant information about the site´s annual water stewardship performance and result against the site´s target in the Stakeholder meeting (6/10/2020). |
| 5.3.2. (advanced) | The site's efforts to implement the AWS Standard shall be disclosed in the organization's annual report. | ☐ | ☐ | N/A |
| 5.3.3. (advanced) | Benefits to the site and stakeholders from implementation of the AWS Standard shall be quantified in the organization's annual report. | ☐ | ☐ | N/A |

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| **5.4** | ***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.*** | | | |
| 5.4.1. (core) | The site's shared water-related challenges and efforts made to address these challenges shall be disclosed. | ☒ | ☐ | PHILSA has shared with their stakeholders the relevant information about the site´s annual water stewardship performance and result against the site´s target in the Stakeholder meeting (6/10/2020). |
| 5.4.2. (core) | Efforts made by the site to engage stakeholders and coordinate and support public-sector agencies shall be 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. (core) | Any site water-related compliance violations and associated corrections shall be disclosed. | ☒ | ☐ | No water related violations have ever been detected on-site |
| 5.5.2. (core) | Necessary corrective actions taken by the site to prevent future occurrences shall be disclosed if applicable. | ☒ | ☐ | |
| 5.5.3. (core) | 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. | ☒ | ☐ | |

# 6 AUDIT FINDINGS

A findings log was issued to PHILSA (PHILIP MORRIS SABANCI A.Ş.) which detailed the findings raised during the audit. As there were many documents supplied to SGS as evidence and each one had to be reviewed, the findings log acted as a live document and was updated periodically until all indicators and documents had been reviewed for compliance. PHILSA (PHILIP MORRIS SABANCI A.Ş.) was then afforded time to respond to the findings and supply additional information for SGS to the review and to either accept and close the finding or request further information or action.

## 6.1 MAJOR NON-CONFORMANCES

During the course of the audit no one major non-conformances was raised

## 6.2 MINOR NON-CONFORMANCES

No one minor non-conformance was raised during the surveillance audit process.

## 6.3 OBSERVATIONS

Two observations were raised during the surveillance audit.

No actions are necessary during this audit period, however, PHILSA (PHILIP MORRIS SABANCI A.Ş.) took actions about them before final report.

**Table 6.3.1. Observations and New Information Requests raised during the AWS audit process**

| No. | Type | Ref. | Details | Response by PHILSA (PHILIP MORRIS SABANCI A.Ş.) | Relevant References |
|---|---|---|---|---|---|
| 1.3.3. | Observation | 133OBS | Indicator 1.3.3.<br>The organization should implement a KPI for Domestic Water consumption. | | |
| 3.1.1. | Observation | 311OBS | Indicator 3.1.1.<br>PHILSA knows the scarcity problem in the catchment and PHILSA has perform different activities as meetings, trainings and disclose.<br>It is recommended to make activities with a real effect to reduce the water consumption in the catchment. | | |

## 7 SUMMARY

In reviewing the body of evidence presented by PHILSA (PHILIP MORRIS SABANCI A.Ş.) it is apparent that a considerable quantity of effort and work has been put into the preparation for the first surveillance audit for Alliance for Water Stewardship.

Some instances of requested for additional information were raised as new information requests where the information provided during the remote audit were insufficient to ascertain compliance to the AWS Standard. In all cases the requested information was supplied by PHILSA (PHILIP MORRIS SABANCI A.Ş.) and no further action was deemed necessary.

All evidence submitted to SGS in response to the findings was reviewed and evaluated for compliance to the AWS standard. All actions were accepted as sufficient to demonstrate compliance and the findings were cleared and closed.

## 8 OPPORTUNITIES FOR IMPROVEMENT

The audit was focused for the compliance, surveillance and assessment for conformity and as such allows for some areas for improvement.

As this was the second year assessment, the main objective of the review, has been centred on the updating of the documentation regarding the last actions carried out during the last year, and the surveillance of the develop and implementation AWS.

According to this focus, one opportunity for the improvement was given to c PHILSA (PHILIP MORRIS SABANCI A.Ş.):

- Take advantage of PHILSA knowledge to implement water savings in agriculture (LEAF TEAM) in order to help local farmers to implement this water savings actions in the catchment. It should be done, identifying key players in the catchment so other farmers will be able to copy them in a future.

# 9 CONCLUSIONS AND RECOMMANDATIONS

Given the review of evidence produced and site audit performed at the PHILSA (PHILIP MORRIS SABANCI A.Ş.) Plantation, SGS recommends that PHILSA (PHILIP MORRIS SABANCI A.Ş.) is awarded AWS Core Certified status with a certification audit in the next twelve months.