Alliance for Water Stewardship Re-evaluation Report

Prepared for PM MTB

SITE: PHILIP MORRIS MANUFACTURING & TECHNOLOGY BOLOGNA, S.p.A. in Crespellano, Valsamoggia BO, Italy

Prepared by: SGS

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Table of content

1 EXECUTIVE SUMMARY

The scope of services covers the Re-evaluation of water use in compliance with the AWS International Water Stewardship Standard (Version 2.0) for PM MTB (Philip Morris Manufacturing & Technology Bologna S.p.A.) in Crespellano, Valsamoggia BO, Italy. The re-evaluation has been completed in compliance with the AWS Certification requirements, Version 2.0 dated in December, 2019, covering all core indicators and advanced-level indicators implemented by the site.

On September, 28th-29th, 2021, SGS, Tecnos, S.A.U., (hereinafter referred to as "SGS") conducted the re-evaluation for site´s facilities and activities with regard to certification to the AWS Standard.

No findings were raised during the course of the surveillance audit process, no major non-conformance, no minor non-conformance and no one observations.

The assessment has been completed in compliance with the AWS requirements, Version 2.0 dated March 2019.

In addition, according to the re-evalation of PM MTB´s performance against the AWS advanced indicators (Version 2.0), the total of PM MTB´s cumulative advanced indicators scores is 65, which is upgrade to the AWS Gold Level.

Given the review of evidence produced SGS recommends that PM MTB´s AWS certification level be upgraded to Gold Certified status.

2 SCOPE OF ASSESSMENT

The scope of services covers the the re-evaluation of water use in compliance with the AWS International Water Stewardship Standard (Version 2.0) for PM MTB (Philip Morris Manufacturing & Technology Bologna S.p.A.) in Crespellano, Valsamoggia BO, in Italy. The re-evaluation has been completed in compliance with the AWS Certification requirements, Version 2.0 dated in December, 2019, covering all core indicators and advanced-level indicators implemented by the site.

During 2019, the certification audit was held during 19th and 20th June.

Given the document review undertaken, verification of evidence and site visit inspections performed, SGS recommended that PM MTB (Philip Morris Manufacturing & Technology Bologna S.p.A.) was awarded AWS Core Certified status with a surveillance audit interval of annual frequency.

In this sense, during 20th to 21th of October, 2020, SGS conducted the conformity assessment of site's facilities and activities with regard to the first surveillance audit of the certification to the AWS Standard. This surveillance audit was held remotely.

Non major and minor non-conformances and observations were identified and It was recommended to reach an advanced certify (Gold or Platinum), because all core criteria were understood and implemented in an excellent way by PM MTB Team.

On September, 28th-29th, 2021, SGS conducted the re-evaluation for PM MTB´s facilities and activities with regard to certification to the AWS Standard (Version 2.0).

Table 2.1 presents our audit team, and the audit plan is attached as a separate document.

Table 2.1 presents SGS audit team.

Audit Team	Qualifications/Experience	
Jerónimo Casas	Team Leader	AWS certified auditor, with more than 19 years experience in pollution control, environmental impact assessment, ISO14001 audit and training.
Paula Gómez Geras	Auditor	AWS certified auditor, with more than 12 years experience in pollution control, ISO14001 audit and training.

During the re-evaluation, we spent a half day on the inspection of PM MTB´s installations and activities in its areas covering production buildings, wastewater treatment station,

administration areas, etc. Another one day and a half were spent on the personnel interviews and document reviews at PM MTB's, in which a half day, was spent on the Stakeholders Interviews:

- HERA
- BOLOGNA AIRPORT
- ARPAE
- BASF
- LAMBORGHINI
- Landeres
- We.are.cob & FabLab

PM MTB provided the requested supporting documentation as evidences whilst on site. SGS provided some opportunities for improvement for PM MTB´s current management and the levels required by the AWS International Water Stewardship Standard Version 2.0 during the closing meeting of the re-evaluation on September, 29th, 2021.

3 DESCRIPTION OF CATCHMENT

The catchment is described in Core certification report. There has not been any changes.

4 SUMMARY OF SHARED WATER CHALLENGES

PM MTB has developed a list of the main challenges shared with the most important stakeholders in the basin with regards to water.

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

a) Baseline water stress
b) Water depletion and water quantity limitations
c) Drough occurrence and predicted increase in the future
d) Waste water discharge and contamination
e) Flood occurance
f) Surface water contamination and potential ecosystem degradation

PM MTB describes the motif why they have been chosen, the actions carried out for each one and the different relevances for site and Stakeholders.

A more detailed presentation of shared water challenges identified by PM MTB has been presented in Table 5.1 below. The information in the table below has been extracted from document “Water stewardship strategy and plan” and “Att.1.6. Shared water-related challenges and mitigation initiatives.2021.09.16”.

5 INDICATORS CHECKLIST

As per the requirement set out in the AWS certification requirements Section 2.11.3.1 below is a checklist of all the CORE AWS indicators and Advanced AWS Indicators selected by PM MTB with the relevant reviewed evidence provided by client and the indicator with which it is associated.

Table 5.1 Evidence reviewed by SGS against each CORE AWS indicator and ADVANCED AWS Indicators selected

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: - Site boundaries; - Water-related infrastructure, including piping network, owned or managed by the site or its parent organization; - Any Canals providing water to the site that are owned or managed by the site or its parent organization; - Water service provider (if applicable) and its ultimate Canal;	☒	☐	PM MTB's boundaries delimitate the entire area over which the site has control and includes the built area and the lands associated with the facility. No wells are present in the site boundary. The general overview map showing the site boundaries and the points of withdrawal & discharge is in place (Att.1.1.a). PM MTB's water-related infrastructures include: • Wastewater treatment plant: the site operates its own WWTP. • Hazardous substances storage. • Oil/water separators. PM MTB receives water from a primary aqueduct system (Acquedotto Primario di Bologna) managed by HERA SpA (here forward HERA), a local water service provider responsible for providing potable water to PM MTB.

Clause	Details	Yes	No	Comments/Evidence
	- Discharge points and waste water service provider (if applicable) and ultimate receiving water body or bodies; - Catchment(s) that the site affect(s) and is reliant upon for water.			It has been checked the concession of the Unique Environmental Authorization (AUA) issued by ARPAE (Regional Agency for the prevention of the environment and energy) dated March 29, 2021 (Att.1.1.g) In that AUA is established that The Integrated Water Service Manager (company HERA S.p.A.) with note Prot. No. 10407 of 02/02/2021, received in the acts of ARPAE-AACM on 02/02/2021 to PG / 2021/16517, sent a favorable opinion with updated requirements for the matrix discharges into the public sewer to authorize the environmental titles, as described in point 1 of the aforementioned decision, required for the plant in question. PM MTB's discharge points are summarized in Att.1.1.a. As specified by the AWS Standard, a typical AWS catchment area should not be excessively large and unreliable. For this reason the Site's catchment area has been identified, in more detail, as an area covering a territory of approximately 1,000 km2. This is illustrated in in Att.1.1.i.

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. This process shall: - Inclusively cover all relevant stakeholder groups including vulnerable, women, minority, and Indigenous people; - Consider the physical scope identified, including stakeholders, representative of the site's ultimate Canal and ultimate receiving water body or bodies; - Provide evidence of stakeholder consultation on water-related interests and challenges; - Note that the ability and/or willingness of stakeholders to participate may vary across the relevant stakeholder groups; - Identify the degree of stakeholder engagement based on their level of interest and influence.	☒	☐	The main water demanding groups were identified as: - agriculture - ceramic industries - distilleries - sporting structures - water parks - hospitals - airports. MTB was able to demonstrate and provide evidence of active outreach and consultation on water-related interests and challenges with relevant Stakeholders. This has been illustrated in the Stakeholder Communication file containing a summary memorandum and relative supporting documentation that testifies all contacts between MTB's Internal and External Stakeholders (Att.1.2.c) differentiating for each the type of topic (first outreach, general contracts, meetings, AWS Workshop and Feedback Questionnaire, Water Stewardship Report and Gold Level Questionnaire, Data sharing/information disclosure, etc...) Some of these evidences demonstrate this consultations between MTB and: - internal Stakeholders: SMIC and SUEZ - external Stakeholders; G.Marconi Airport, BASF, HERA and LAMBORGHINI, Landeres, We.are.cob & FabLab
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.	☒	☐	The Stakeholder List (Att.1.2.a) and Map (Att.1.2.b) covers the relevant Stakeholder groups engaged and updated this year. They are based on their level of interest and influence. The current and potential degree of influence between MTB and the various Stakeholders has also been identified. Into the highest level of interest of the stakeholders identified are: - ARPAE Regione Emilia-Romagn (first participation in AWS engagement during 2021) - Consorzio della Bonifica Renana - Autorità del Bacino del Fiume Po - Consorzio dei Canali di Reno e Savena

				- Città Metropolitana di Bologna - Comune di Valsamoggia (Association of collaborators Landeres, We.are.cob & FabLab), (first participation in AWS engagement during 2021) - Comune di Sasso Marconi - ENEA Bologna (first participation in AWS engagement during 2021)

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.	☒	☐	MTB has a AWS Internal Policy in place SC-Int 2021_07.00 in order to govern, in terms of regulatory compliance and consumption/discharge, the water resource used in MTB plants. The emergency response plan (ERP) identifies the functional areas of the warehouse, the activities performed and the emergency management. The various scenarios described include: exceedances in emissions/discharges, seismic and flood events, spillages, etc.
1.3.2 (core)	Site water balance, including inflows, losses, storage, and outflows shall be identified and mapped.	☒	☐	They have provided the Water Flow Sankey Diagram and the Site's Water Metering for 2020 MTB has a quantified site water balance in place for 2020. Water Metering scheme It´s described in the document reference (Att.1.3.b). Total Site Key Performance Indicator (KPI): 11.4 mc/mio Cig in 2020 previously 13.8 mc/mio Cig in 2019 MTB's water balance has a 3-5 % margin of acuracy. MTB's has a summarize of water balance between 2018-2020:
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 updated and illustrated in the above mentioned Sankey Diagram (Att.1.3.b). MTB has a quantified Site water balance, inflows, losses, storage, and outflows, including indication of annual variance in water usage rates. This Diagram includes: - Potable water - Primary osmotic water - Primary and secondary Scrubber - Utilities + reused osmotic water - Evaporation - Boiler water - Cooling tower water - Humifog water - Total water to sewage

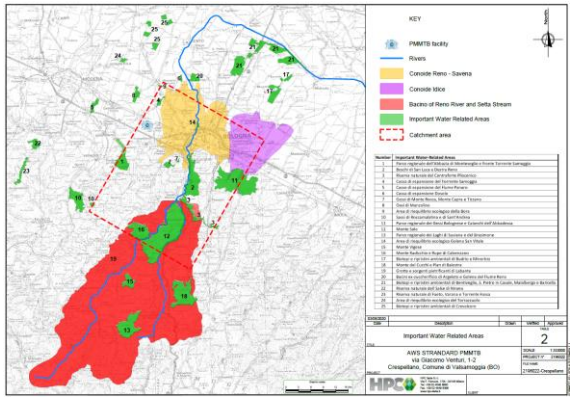
				- WWTP Sludge
1.3.4 (core)	Water quality of the site's Canal(s), provided waters, effluent and receiving water bodies shall be quantified. Where there is a water-related challenge that would be a threat to good water quality status for people or environment, an indication of annual, and where appropriate, seasonal,high and low variances shall be quantified.	☒	☐	The physical, chemical and biological status of MTB's water sources, provided waters, effluent and receiving water bodies are determined by HERA as well as SIMIC and SUEZ were verified and correct: - Water IN (analysis executed by SIMIC twice a year) - Water OUT (analysis executed by HERA once a month, SIMIC twice a year and cross-samples executed by SIMIC once a month) - Waste water (monthly COD analysis executed by SUEZ for the WWTP) - Legionella analysis are in charge of SIMIC In adittion, HERA operates their own water quality measurements (Att.1.3.c) Consorzio di Bonifica Renana also operates water quality measurements in the catchment territory in 28 sampling points with sampling point 2 being the closest to MTB. Every analisys results (updated till the first half of 2021) were available and gave compliance to the legal limits required.
1.3.5 (core)	Potential sources of pollution shall be identified and if applicable, mapped, including chemicals used or stored on site.	☒	☐	MTB identified as potential sources of pollution: - Hazardous substances storage - Wastewater treatment plant
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.	☒	☐	MTB doesn't´ have any IWRA on site.
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	☒	☐	Annual water-related costs and revenues from 2018 to 2020 were in place. For 2020, the information was summarized in the True Cost of Water document. The generated social, cultural, environmental and economic water-related value has been illustrated in the evaluation of MTB's water stewardship performance in Step 4.

	identified and used to inform the evaluation of the plan in 4.1.2.			
1.3.8 (core)	Levels of access and adequacy of WASH at the site shall be identified.	☒	☐	MTB ensures access and adequacy of WASH: - Workers on-site have access to safe drinking water - Provision of sufficient and high standard facilities for toilets and washrooms - Provision of good hygiene practices for workers - Canteen is certified HACCP (Hazard Analysis and Critical Control Points), guaranteeing adequate hygiene and food safety.Potable water is provided by water dispensers and not in plastic bottles. Additional WASH-related activites conducted since 2019 at site-level are available in Att.1.3.f. with related evidence (20.10.21 Leaf and WASH_AWS Surveliance Audit)
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.	☒	☐	MTB has identified their main Suppliers of raw materials/primary and their country of origin. The estimated water scarcity footprint of each raw material was calculated on the basis of the WST (Water Stress Index), the annual water quantity consumed by the Supplier and the annual quantity of raw material acquired by MTB. The MTB´s Indirect Water Use Supplier List has also requested and information regarding their water-use and water management has been updated. Philip Morris International assesses themes regarding water consumption, water scarcity and shared water challenges in many countries that produce primary input products.
1.4.2 (core)	The embedded water use of outsourced services shall be identified, and where those services originate within the site's catchment, quantified.	☒	☐	The embedded water use of outsourced service providers are listed. All outsourced service providers have been actively involved during the AWS certification procedure and are listed amongst the internal stakeholders. A questionnaire has been sent to them by MTB in order to understand their water-use, their knowledge on shared water-related challenges and their interest in AWS principles.

1.4.3 (advanced) 7 points	The embedded water use of primary inputs in catchment(s) of origin shall be quantified.	☒	☐	Trought the file "Indirect Water Use - DIM and LEAF Supplier List.210720" (Att.1.4.a.). MTB has identified main raw material suppliers (DIM and LEAF) located outside of the catchment area of origin, included the water-related risks associated to their catchment areas. Several communication evidences (emails) were verified (Att.1.4.b.): o regarding DIM suppliers: - a questionnaire in order to gather information regarding water use/water saving strategies was sent by MTB. Communication evidence is available at Att.1.4.b. - PMI sent a global questionnaire in order to gather information regarding water use and water-related risks for the various countries of origin Suppliers which replied to the questionnaires, it let them possible to understand how much water they used (m^3/ton) so they let to calculate how much freshwater they utilized for MTB related material. o regarding LEAF suppliers: - MTB obtained data regarding the quantity of material supplied - PMI obtained data regarding the quantity of fresh water consumed for MTB

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.	☒	☐	The water governance, catchment plans, water-related public policies and publicly-led initiatives that have been identified are: - Consorzio della Bonifica Renana: use of treated waste water for irrigation activities in the catchment territory - ARPAE: Suspension of water withdrawal from Fiume Reno and tributaries in hot, dry, summer periods (July 2018) - HERA: aims at ensuring (to all) water management sustainability and a sustainable and durable use of health and hygiene structures by 2030 - Technical Geological and Hydrogeological Report: Technical report stating the geotechnical, geological, hydrological and hydrogeological characteristics of the site area prior to MTB construction - River basin/management plan of Reno River : flood-risk areas of Torrente Reno; catchment planning (areas subjected to hydraulic risk/historical record of significant flood events); catchment goals (to reduce/minimize hydraulic risk) - River basin/management plan of Torrente Samoggia: flood-risk areas of Torrente Samoggia
1.5.2. (core)	Applicable water-related legal and regulatory requirements shall be quantifed, including legally-defined and / or stakeholder verified customary water rights.	☒	☐	MTB has the Autorizzazione Unica Ambientale (AUA): environmental authorization in accordance with Regional Law 59/2013, released by the SUAP of the Municipality of Valsamoggia. From the original 20.07.15 AUA released for Intertaba S.p.A., 7 modifications have been successively released and integrated for MTB. Last one has been updated on March, 29th, 2021. MTB describes the legislation applied like: ○ Regulation of withdrawals from surface and groundwater bodies: ▪ Royal Decree no. 1775/1933 as amended by Legislative Decree no. 275/1993 on public water grants ▪ Water Protection Plan for the Emilia Romagna Region or Piano Regionale di Tutela delle Acque ▪ Emilia Romagna Regional Regulation no. 41/2001 on public water concession ▪ Lgs. Decree no. 112/1998 ▪ Emilia Romagna Regional Law no. 3/1999 ▪ Emilia Romagna Regional Law no. 7/2004 which implements Habitat Directive 1992/43/CEE ▪ Emilia Romagna Regional Regulation no. 4/2005

				▪ Emilia Romagna Regional Law no. 4/2007 ○ Water quality intended for human consumption: ▪ Lgs. Decree no. 31/2001 which implements EU Directive 98/83/EC on drinking water quality into Italian legislation ○ Waste water quality: ▪ Lgs. Decree no. 152/2006 which abrogates Lgs. Decree no.152/1999 and implements EU Directive 2000/60/EC into Italian legislation ▪ Emilia Romagna Regional Decree no. 286/2005 which describes the measures taken to manage the discharge of meteoric and/or washing water from outdoor areas ▪ Autorizzazione Unica Ambientale (AUA), environmental authorization which describes discharge prescriptions for MTB
1.5.3. (core)	The catchment water-balance, and where applicable, scarcity, shall be quantified, including indication of annual, and where appropriate, seasonal, variance.	☒	☐	The catchment water balance has been analysed considering the Provincial territory of Bologna which encompasses the catchment area territory (Att 1.5.c). The Provincial territory of Bologna includes the Municipality of Valsamoggia. Based on the information provided by HERA (reported below) and publically available data, the catchment water-balance has been quantified. The following data was provided by HERA for the Provincial territory of Bologna during 2020: • Invoiced water volumes of the Municipality of Valsamoggia • Total water volume provided for the Province of Bologna • MTB's water consumption • Main water demanding categories in the Municipality of Valsamoggia
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.	☒	☐	The physical, chemical and biological status of the water in the catchment territory is determined thanks to a deep-dive data gathering with ARPAE-Emilia Romagna and Gruppo HERA has allowed to develop a network of periodic (yearly) data sharing and collection: - Water service provider HERA has engaged with MTB since 2019 had has, since then, shared data regarding catchment water consumption, water quality, water-saving mitigation actions and shared water related risks - ARPAE - Regione Emilia Romagna is the principal Regional institution for Environmental Protection and offers credible, certified and licensed local data sets

				that have been used and integrated in MTB's supporting documentation related to catchment water quality and water-related risk assessment The ppt "1.5.d. Catchment water data collection" explains the quality status evaluation of catchment surface and ground water bodies carried out.
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.	☒	☐	The Important Water-Related Areas (here forward IWRA) have been updated, mapped and identified:  It has been made using: - World Database on Protected Areas (WDPA) - Rete Natura 2000- Geoportal National In addition this year has been used a new tool in order to help in this identification and risk assessment: - Water Risk Filter: https://waterriskfilter.panda.org/
1.5.6. (core)	Existing and planned water-related infrastructure shall be identified, including condition and potential exposure to extreme events.	☒	☐	Water-related infrastructures are related to storing, moving, delivering and treating water and wastewater. MTB's water-related infrastructure includes the discharge canals adjacent to the Site. The only extreme event is related to MTB and adjacent areas is the FLOOD RISK.

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 two iniciatives: - 20.05 Hand Sanitizer donation to Emilia Romagna Region during COVID-19 pandemic. - REGIONE EMILIA-ROMAGNA: the Region of Emilia-Romagna has amongst its main sustainability goals of 2020 that of ensuring access to clean water and sanitation to all: https://progeu.regione.emilia-romagna.it/en/faircities/topics/sdgs-and-survey/the-17-sgds-of-the-2030-agenda
1.5.8. (advanced) 7 points	Efforts by the site to support and undertake catchment level water-related data collection shall be identified	☒	☐	Trough a meeting organized by MTB, whose evidence was able to be verified, into the external stakeholder´s comunications, (Att.1.2.c.), they got additional catchment-related data supplied by Stakeholders HERA and ARPAE, what they integrated in the water-related risk assessment and the catchment water data collection. MTB explains this data in the ppt “1.5.d. Catchment water data collection”, which includes its efforts by the site to undertake catchment level water-related data collection. Data gathering has involved a wide range of topics, from surface water quality, to ground water quality, catchment water balance and location of water-demanding companies, as well as shared water-related risks and challenges as well as local mitigation actions in the catchment territory. This Regional monitoring and analysis plan – ARPAE/Emilia Romagna, includes date from Surface waters and Ground waters.
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 “Att.1.6. Shared water-related challenges and mitigation initiatives.21.09.16”.

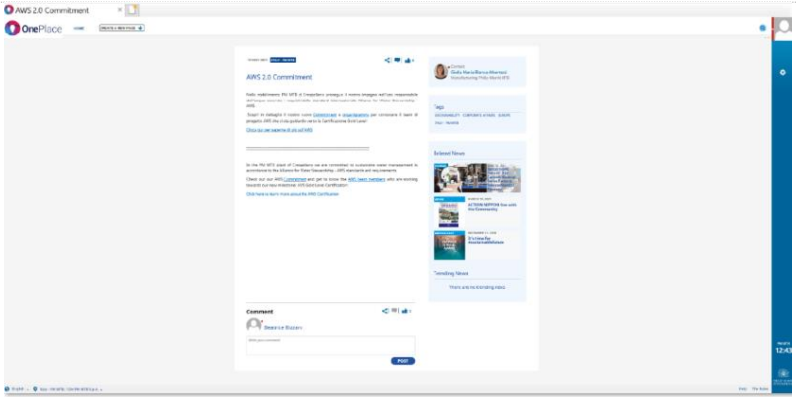
1.6.2. (core)	Initiatives to address shared water challenges shall be identified	☒	☐	This document has been updated during 2020. The main issues the basin is facing with regards to a shared and sustainable management of the water resources, are summarised as follows: a) Baseline water stress b) Water depletion and water quantity limitations c) Drough occurrence and predicted increase in the future d) Waste water discharge and contamination e) Flood occurance f) Surface water contamination and potential ecosystem degradation
1.6.3. (advanced) 3 points	Future water issues shall be identified, including anticipated impacts and trends	☒	☐	Future water issues including future impacts and trends have been identified by MTB: - flood risk assessment: in place to identify future flood-related trends for the site and adjacent territory (Att.1.3.a.) - water-risk assessment: illustrates additional information from environmental authorities ARPAE/Regione ER regarding future climate-related trends and water-related issues (Att.1.7.a.) - dedicated water-quality assessment has been conducted for the catchment territory in order to map and predict issues related to water quality (Att.1.5.d.) It has been explained in the document “1.7.a. Water risk assessment PM MTB.21.08.25”
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 impact within a given timeframe, potential costs and business impact.	☒	☐	It has been developed a new water risk assessment conducted by PM MTB to comply with AWS Advance Standard Criteria and better understand its catchment content which allows te alignment and integration of global risk assessment results (i.e., Water Risk Filter) with local water-risk scenarios for identification of a unique, average risk classification.

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.	☒	☐	Global tool: The Water Risk Filter is a World Wildlife Fund (WWF) global tool for water risk identification and assessment of future level of exposure: - Allows to gain high-resolution global data sets for a thorough understanding of country-based water related risks - Represents an Array of risk map layers Local Tool: Local environmental data portals from main Environmental Agencies will be used to obtain water-related datasets: - Emilia Romagna (ER) Region - Agenzia Regionale per la Protezione dell'Ambiente (ARPAE) - Autorità del Bacino del Fiume Po MTB has a list of water related risks and opportunities in the document Att.1.7.b. Water-related risks and opportunities.21.09.20, and has updated for 2021.
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 practice for water governance shall be identified. 	☒	☐	- Water stewardship strategy & plan is in place and periodically updated with new actions and initiatives - AWS Commitment signed and published both internally and externally - Divulgation and engagement with employees on principles of water stewardship and information disclosure on project status - Engagement with water-demanding companies and stakeholders to promote water stewardship and disclose benefits - Support and sharing of information related to good water governance with appropriate authorities - Public communication of MTB's water stewardship best practices to set a leading example to others
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. 	☒	☐	- Site water balance identified and mapped (i.e. water sankey diagram and water flow-metering are in place) - Water monitoring for consumption & quantity flows are in place (i.e. alarm system in BMS, new water meter installation, WEI and KPI for daily tracking) - Water efficient technologies have been installed and water-saving settings are in place - Additional water meters have been installed to improve leak detection and water measurement assessment

				- Installation of water efficient fittings (i.e. test trail on water areators) - Investigation of water efficient systems for irrigation (i.e. Bluetentacles technology must be evaluated) - Employees are informed on the importance of water in basic daily activities and awareness campaigns - Indirect water use analysis is on-going (i.e. DIM supplier map is in place (all out of catchment area), water scarcity footprint for raw materials ongoing) - Catchment water balance information has been provided from HERA
1.8.3. (core)	Relevant sector and/or catchment best practice for water quality shall be identified, including rationale for data source. 	☒	☐	- Water quality control strategies are in place for incoming water and outgoing wastewater (i.e. water quality parameters monitored & analytical results are in place) - Water quality controls of catchment water are in place and publicly available on HERA's website - Maintenance measures are in place for WWTP - Emergency response plan in place for water-related incidents - List of emergency-related incidents and mitigation measures are available
1.8.4. (core)	Relevant catchment best practice for site maintenance of Important Water-Related Areas shall be identified. 	☒	☐	- Provision of sufficient supplies of safe drinking water for all workers is in place (i.e. each floor in MTB is equipped with dispenser machines for potable water supply and water mugs are available in meeting rooms, potable water is provided by water dispensers and not in plastic bottles etc.) - Provision of sufficient and high standard facilities for toilets and washrooms for men and women is in place (i.e.cleaning records are available in each toilet and washroom) - Provision of good hygiene practices for workers: correct hand washing steps with soap, periodic cleaning interventions during the day etc. - Canteen certified HACCP - WASH awareness activities planned
1.8.5 (core)	Relevant sector and/or catchment best pra site provision of equitable and adequate services shall be identified. 	☒	☐	- Execution of a best practice activity for an IWRA located within the site catchment area: support of a project (via contribution) to restore and conserve the biodiversity of the water-front environment of the Samoggia Stream.

2	**COMMIT AND PLAN**			
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: - That the site will implement and disclose progress on water stewardship program(s) to achieve improvements in AWS water stewardship outcomes - That the site implementation will be aligned to and in support of existing catchment sustainability plans - That the site's stakeholders will be engaged in an open and transparent way - That the site will allocate resources to implement the Standard.	☒	☐	MTB has presented the updated AWS Commitment (April, 2021) for the 2.0. Version of the AWS Standard (Att.2.1.b): the document, signed by the factury manager, explicitly covers the 5 outcomes of the AWS 2.0. Version  ALLIANCE FOR WATER STEWARDSHIP PHILIP MORRIS MANUFACTURING & TECHNOLOGY BOLOGNA S.p.A. With the following document, the Crespellano facility of Philip Morris Manufacturing & Technology Bologna (PM MTB) discloses a public commitment to *water stewardship* and its contribution to sustainable water use at site and catchment-based level. PM MTB firmly believes that following *water stewardship* principles and best practices will help build a sustainable future and positive changes to the entire territory. PM MTB has been implementing the ***Alliance for Water Stewardship*** **(AWS)** Standard since 2019, thus achieving the *Core Level* Certification in July of the same year, becoming the first Philip Morris International *Reduced Risk Product* factory in the world to be certified AWS. The implementation of water stewardship has not only optimized technical and economic on-site water utility performances but has also generated synergic water governance at catchment level with local stakeholders. PM MTB publicly commits to undertake and sustain the following best practice water steward principles: • Endorse, sustain and uphold the **AWS principles and 5 outcomes**: good water governance, sustainable water balance, good water quality, conservation of important water-related areas and safe water, sanitation and hygiene for all • Engage and involve stakeholders in an open and transparent way and support public authorities • Comply with legal and regulatory requirements related to water • Respect water-related rights, including ensuring appropriate access to safe water, sanitation and hygiene for all workers in premises under the site's control • Implement the AWS Standard in alignment and in support to existing catchment sustainability plans • Continually improved and adapt the site's water stewardship actions and plans in order to mitigate shared water-related risk and challenges • Implement and disclose progress on water stewardship program(s) to achieve improvements in water stewardship results • Maintain the organizational capacity required to successfully implement the AWS Standard, by ensuring that employees have the time and resources required to accomplish the implementation and maintenance of all AWS requirements • Support water-related national and international treaties • Disclose material on water-related information to water relevant authorities and other public audience in an appropriate format Director Manufacturing Philip Morris MTB Massimo Caffarelli

2.1.2. (advanced)
 	
(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.	☒	☐	MTB has presented the AWS Commitment has been updated and publically disclosed as per Advance Standard Criteria. Evidence of its disclosure are available in Att.2.1.b. :
				
				- External:
				  ○ Facebook
				 
				
				  ○ Twitter
				 
				
				  ○ PMi Italycommitment-aws-ita-eng.pdf (pmi.com)
				- Internal:
				  ○ PMI Internal webpage

				
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: - Identification of responsible persons/positions within facility organizational structure - Process for submissions to regulatory agencies.	☒	☐	A system to maintain legal and regulatory compliance for potable and waste water management. The following documents are available in Att.2.2. The persons and positions responsible for maintaining compliance obligation have been identified in the ERP of Att.1.3.a. The activities performed during 2020 were: - ISO 14001 - Local EHS risk assessment and performance evaluation on meeting targets: a copy or the Management Review Presentation was available - Annual meeting regarding work-related safety measures (as per article 35 of the Legislative Decree 81/2008): a copy of the presentation is available
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	☒	☐	MTB has updated its responsive and resilient Water Stewardship Strategy Plan. The plan has been updated, monitored and assessed throughout 2019, 2020 and 2021.

	stewardship in line with this AWS Standard.			The responsive and resilient Water Stewardship Strategy Plan has been created in response to the risks and challenges identified in Step 1. It contains:
2.3.2 (core)	A water stewardship plan shall be identified, including for each target: - How it will be measured and monitored - Actions to achieve and maintain (or exceed) it - Planned timeframes to achieve it - Financial budgets allocated for actions - Positions of persons responsible for actions and achieving targets - Where available, note the link between each target and the achievement of best practice to help address shared water challenges and the AWS outcomes.	☒	☐	- Water-related risks that concern not only the site and its water supply but the entire catchment territory - Specific, Measurable, Achievable, Realistic and Time-based (SMART) targets and objectives - Actions that work towards improving all 5 water stewardship outcomes in line with the AWS Standard requirements (i.e. good water governance, sustainable water balance, good water quality status, IWRA, WASH) After 2 years of implementing the AWS Standard, water savings measured at MTB have been very nice, for potable water consumed, it has been decreased a 20% compared to 2019, waste water was reused and recycled has increased a 31% and the WEI (Water Efficiency Index) was of 11,4 m3/mio Cig vs 14.2 m3/mio Cig in 2019 According to data provided by HERA in April 2020, MTB's water consumption have been decreasing from 20% in 2018 till 14.5% incidence on the Municipality of Valsamoggia's total water consumption. The implementation of the AWS Strategy Plan is giving the desired results and expected targets: - water saving and optimization settings are optimizing potable water use, decreasing potable water use on-site and consequently decreasing water removal from the catchment territory - water recycling technologies and reutilization of waste water in production processes are decreasing expelled waste water and reducing costs - active collaboration and engagement with other Stakeholders are raising awareness and mitigating water-related risks associated to the catchment territory by implementing best practices - catchment level initiatives with local authorities and Stakeholders, are involving the local community in sharing common goals and water conservation strategies - MTB's water service provider HERA has been certified AWS certification it's Val di Setta potabilization water plant which supplies the catchment territory with potable water: this demonstrate a consolidated involvement and contribution to MTB's water stewardship journey.

2.3.3 (advance) (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.	☒	☐	The site's partnership/water stewardship activities with other sites and Stakeholders within the same catchment have been identified and described in dedicated Annex 1 of the annual Water Stewardship Report (SC-Ext 2020_5 - Att.3.1.a), which includes and describes next activities: - SAMOGGIA RIVER FRONT REGENERATION : is a project to make a contribution to enhance the water stewardship in their territory by implementing a partnership with local municipality and Landeresassociation for the regeneration of the Samoggia river front.The project was carried out in close collaboration with local institutions and social partners who, knowing the area, made it possible to allocate it in the most appropriate place. The first physical attempt to the regeneration of the Samoggia River Philip Morris funded the implementation of a pilot project that includes a naturalization intervention along the river side and a regeneration of the river front with socio-environmental and didactic functions. - RAIN WATER COLLECTION TANK TUTORIALS: the project will consist in a series of video tutorial that teach step by step how to replicate the domestic system for collecting rainwater, all from the comfort of home. Thay has carried out the project, in partnership with the OGGI -La Casa dell'Innovazione association, to increase awareness for the population and small actions that can have a good impact in solving the problem. An interview with the team which is involved (We.are.cob & FabLab) was carried out during the audit on site. - AWARENESS CAMPAIGNS: During the entire 2021 MTB has implemented different awareness sessions on AWS certification. In the website they built an entire section regarding water stewardship. - #CAMBIAGESTO CLEAN UP EVENT: the campaign #CAMBIAGESTO, promoted and financed by Philip Morris Italia, which aims to raise awareness on the correct disposal of cigarette butts. - Hand Sanitizer Donation: During first instances of COVID 19 pandemic outburst three-thousand liters of hand disinfectant had been delivered free of charge to hospitals and residential homes for senior citizens in Emilia-Romagna. - Workshop AWS (Protezione Civile + Università): PM MTB presented its water saving and water stewardship activities within universities and public congresses in order to inform people and distribute awareness on the delicate issues of the correct use of water. - Promotion of best practice update and data sharing: In 2021 PM MTB has undertaken detailed analysis related to the water quality and status of both superficial and groundwater bodies.

2.3.4 (advance) (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
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 is the capability of reacting quickly and positively to a certain incident/event. MTB has an Emergency Response Plan Incident (Att.1.3.a) to demonstrate responsiveness to water-related incidents and risk with immediate actions i.e. chemical spills, WWTP failure and spillage, contamination events etc. Further more the responsive and resilient Water Stewardship Strategy Plan (Att.2.3) has been created in mitigate and responde quickly and positively towater-related events and/risks. Resilience is the capability of adapting and diversifying actions in order to respond to long-term risks. In this sense, the Water Stewardship Strategy Plan (Att.2.3.) has been created in mitigate and responded quickly and positively to water-related events and/risks (i.e. floods, droughts and climate change. Moreover, MTB joint forces with numerous stakeholders (Att.1.2.) in order to promote numerous actions and projects.
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.	☒	☐	MTB 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. The activities and projects have been performed in order to improve governance strategies within the catchment territory, raise awareness on shared water-related risks/challenges as well as implement mitigation measures.
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) (2 points)	Evidence of improvements in water governance capacity from a site-selected baseline date shall be identified.	☒	☐	It can be note from the Water Stewardship Strategy Plan from 2019 to 2021. Baseline date for benchmark is July 2019. It has been created an internal AWS policy, AWS Ambassadors in order to raise awareness amongst employees on water-related themes and Internal information disclosure campaigns related to water stewardship have increased. Everything has been verified throughout different evidences as: - SC-Int 2019_1 Business Updates and Info. Point videos - SC-Int 2021_05.01 Sustainability pillar - AWS awareness - SC-Int 2021_05.02 AWS Ambassadors - SC-Int 2021_07.00 AWS Internal Policy - SC-Int 2021_07.02 Virtual factory tour All actions and projects realted to internal governance have been summarized in the Internal Communication Plan updated.

3.1.4. (advanced) (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.	☒	☐	MTB disclosed a dedicated questionnaire to 14 relevant stakeholder groups in order to obtain feedback regarding its role in contributing to good catchment water governance and organized a dedicated calls with all stakeholders in order to share implemented governance strategies and obtain feedback and/or helpful contributions for ameliorative actions. There are 14 evidences of Gold questionnaire for Stakeholder feedback and the questionnaire that were verified.
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. MTB has a strongly system implemented in order to give a full legal and regulatory compliance.
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.	☒	☐	Water balance improvement activities and their status of progress towards meeting water balance targets for each one, are included in the Water Stewardship Strategy Plan (Att.2.3.a.). MTB has invested in numerous site-specific projects in order to reach ambitious water saving targets. Since 2019, the following actions have been implemented to reduce potable water consumption: - Water-saving technologies and optimized settings (Att.3.1.b.)

				- Recycling technologies to reutilize waste water (Att.3.1.b.) - Investigating and scouting for new technologies by knowledge sharing with Stakeholders HERA and ENEA (Att.1.2.c.) - Water meter measurements 24/7 for continuous monitoring (Att.1.3.b.) - Installation of additional water meters for previously un-metered sections to directly measure water savings and detect losses due to leakages (Att.1.3.b.) - Aerators installed in all buildings (Att.3.1.b.) - Campaign to reduce random switch-on of automatic taps (Att.3.1.a.) - Installation of innovative irrigation technology (on-going): 30% reduction estimated with Blue tentacles technology (Att.3.1.b.) - Alarm system to detect anomalies - Daily and monthly tracking via Water Efficiency Index (WEI) and Desigo Dashboard (Att.1.3.b.) All water saving strategies implemented on-site since 2019 as well as annual targets achieved are summarized in IFMS/Engineering water saving initiative presentation for the current year (Att.3.1.b.).
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.	☒	☐	Since water depletion and predicted water scarcity increase is a shared water challenge, MTB is demonstrating continual improvement by having reduced its water consumption each year through diferent actions and projects which are contributing to mitigating this risk in the long-termMTB. MTB gives compliance to the concessions and limits for potable water provision from HERA and they are not planning to increase its withdrawls
3.3.3. (core)	Legally-binding documentation, if applicable, for the re-allocation of water to social, cultural or environmental needs shall be identified.	☒	☐	MTB 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.	☒	☐	Water quality improvement activities are illustrated in the Water Stewardship Strategy Plan (Att.2.3.a). Since 2019, the following actions are in place to maintain and improve water quality targets: - Efficient potable and waste water monitoring and quality control strategy in place (i.e. with online instrumentation, by offline internal and external laboratories, with dedicated alarm system and water meters etc. - Periodic follow-ups and active engagements with internal stakeholders responsible for water quality maintenance and monitoring - WWT maintenance measures and periodic controls to ensure that effluents are passed along/disposed of properly and do not have negative impacts All water quality data since 2019 is available in Att.1.3.c.
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.	☒	☐	The catchment area is not water quality-stressed.

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 MTB's catchment area, 9 IWRA are present. In the responsive and resilient Water Stewardship Strategy Plan several activities are included.
3.5.2. (advanced) 6 points	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.	☒	☐	The project of Restoration of the Samoggia Stream water front section in IWRA n. 1. in SC-Ext 2020_10 IWRA Landeres project- Att.3.1.a. was explained and its evidences were verified, including: - Communication evidences (emails) - Evidence of project communication and divulgation - Fotos and videos - IWRA Report - evidence of project execution and area restoration - Proposal and application form - Master Plan - Pilot Project Poster

3.5.3. (advanced)
 	
2 points
	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.	☒	☐	In July 2021 MTB organized a dedicated AWS Webinar to inform representative Stakeholders (internal and external) and request their opinions and feedback regarding the implemented project in IWRA n.1.
				
				Evidences as following were checked:
				
				- Email invitations and Evidences of the attendees and:
				  ○ July, 7th 2021 Internal Stakeholders
				  ○ July, 13th 2021 External Stakeholders
				  ○ July, 16th 2021 External Stakeholders
				  ○ July, 27th 2021 External Stakeholders
				- Stakeholders feedback questionnaire
				- Stakeholder AWS Workshop.ppt

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.	☒	☐	MTB ensures access and adequacy of WASH to all workers on-site in accordance to international and national standards (i.e. World Health Organization and Italian legislation): - Provision of sufficient supplies of safe drinking water for all workers, considering increased needs in hot weather: each floor in MTB is equipped with dispenser machines for potable water supply and water mugs are available in meeting rooms - Provision of sufficient and high standard facilities for toilets and washroom: cleaning records are available in each toilet and washroom - Provision of showers for workers and gym facilities - Provision of good hygiene practices for workers: correct hand washing steps with soap are illustrated in toilets, periodic cleaning interventions during the day etc. - Canteen is certified HACCP (Hazard Analysis and Critical Control Points), guaranteeing adequate hygiene and food safety - Hand Sanitizer is provided to all employees in order to fight the COVID-19 pandemic outbreak - Awareness activities are conducted to reach and give information to employees and their families (i.e. posters, brochures, lead wall videos etc.) WASH principles have been illustrated in responsive and resilient Water Stewardship Strategy Plan (Att.2.3.a.):
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.	☒	☐	Water is provided by HERA and the water supply is limited by the AUA Authorization and by local 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
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.	☒	☐	MTB has carried out an engagement with existing suppliers (mainly Dim and LEAF) to encourage them to improve their practices and make savings setting a good example by achieving a good water stewardship status and demonstrating the advantages and benefits. MTB raised awareness on water stewardship, water impacts and water-related risks by sending out a questionnaire. Some of these were checked.
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.	☒	☐	MTB's service providers have been listed as internal stakeholders. Evidence of engagement and notifications is illustrated in the Stakeholder Communication file. - MTB has carried out the following with its service providers: ○ active engagement to raise awareness on water stewardship, water impacts and water-related risks in the catchment territory by sending out a questionnaire and organizing dedicated meetings ○ periodic meetings and technical table with presentation of AWS benefits, outcomes and best practices ○ setting a good example by sharing water stewardship outcomes and best practices - The following actions were taken by the service providers: ○ HERA's Val di Setta potabilization plant has undergone AWS certification ○ active feedback, interest in AWS, involvement and better understanding of shared-water related risks ○ sharing of projects and actions
3.7.3. (advanced) (7 points)	Actions taken to address water related risks and challenges related to indirect water use outside the catchment shall be documented and evaluated.	☒	☐	PMI International is engaged on numerous projects focused on mitigating and addressing water-related risks and challenges related to the catchment areas of origin of its raw materials, such as LEAF, responsible for the majority of PMI's indirect water use consumption. It has been reviewed a presentation, "AWS_Leaf Presentation 2021.ppt" and the Agricultural labor practices and its progress update during Q3 of 2020.

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 were checked in the Stakeholder Communication file (Att.1.2.c)..
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	☒	☐	Town Hall AWS video 2021 AWS celebration event Gruppo HERA - aws interview Virtual factory tour AWS webinar with stakeholders AWS internal policy Catchment data gathering with ARPAE 4 capitali study and disclosure Euro-mediterranean conference for environmental integration (EMCEI) International world association (IWA) - digital world water congress (DWWC) Aws ambassadors Sustainability pillar Questionnaire for stakeholder feedback Rrp- AWS factory sharing Environmental engineering and management journal (eemj) Science publishing group (pg) Town hall AWS video 2020 AWS celebration event One people - employee AWS interview Rainwater collection tank tutorial - Valsamoggia municipality Gruppo HERA- AWS certification Water stewardship report Institutional visits Consolidation of past stakeholder relationships Clean up campaigns - #cambiagesto Business updates Press and social media Engagement activities with new stakeholders Flood risk sensors BE LEAF webinar - Consorzio di Bonifica Renana

				Fire pubblication
3.9.2. (core)	Actions towards achieving best practice, related to targets in terms of water balance shall be implemented.	☒	☐	Gruppo HERA - AWS interview International world association (IWA) - digital world water congress (DWWC) Rainwater collection tank tutorial - Valsamoggia municipality Gruppo HERA - AWS certification Consolidation of past stakeholder relationships Engagement activities with new stakeholders Flood risk sensors Reduction of random switch on of automatic taps Ultra-violet (uv) water disinfection Wwtp water reduction for pump backwash Reuse of rejected water from reverse osmosis (ro) in cooling towers (srct) Secondary deodorizing optimization New system of dryer belt washing - cl7 extension Dry scrubber extension (previously named cold plasma system in primary) Revise boilers top blowdown settings Increase cooling tower conductivity bd to 2000µs Washing water primary standardization Areator installation in gf bathrooms Wwtp master centreline implementation Installation of new water meters Sharing of best practice technologies with hera Electro dialysis reversal (edr) Legionella analysis Water-related infrastructure maintainance Water quality-quantity monitoring Reuse of meteoric waters in cooling towers Steam boilers condense rate increase Optimization of water discharge from belt washing cooling system Implementation of new irrigational technology Ibc and glue tank washing
3.9.3. (core)	Actions towards achieving best practice, related to targets in terms of water quality shall be implemented.	☒	☐	Catchment data gathering with ARPAE Legionella analysis Water-related infrastructure maintainance Water quality-quantity monitoring
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.	☒	☐	IWRA Landeres project Clean up campaigns - #cambiagesto

3.9.5. (core)	Actions towards achieving best practice related to targets in terms of WASH shall be implemented	☒	☐	Wash best practice activities in toilets
3.9.6. (advance) (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) (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) (8 points)	Achievement of identified best practices related to targets in terms of water quality shall be quantified.	☐	☐	N/A
3.9.9. (advance) (8 points)	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
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) (3 points)	A list of efforts to spread best practices shall be identified.	☒	☐	Obtainance of thr AWS Certification for Gruppo Hera's Val di Setta potabilization plant in Sasso Marconi (SC-Ext 2020_7 - Att.3.1.a). Due to PM MTB´s active engagement and communication activies. HERA has actively participated, together with PM MTB, in efforts to divulgate best practice uptake, AWS benefits and success:

				- organized the shooting of an AWS-dedicated video (SC-Ext 2021_09.00 - Att.3.1.a) - pubblication of an AWS-dedicated article in which HERA was directly interviewed (SC-Ext 2019_3 - Att.3.1.a) - It has been executed of tutorials to illustrate the construction of rainwater collection tanks for the local communities with the Municipalities of Valsamoggia (SC-Ext 2020_8 - Att.3.1.a) - It was carried out participation in international congresses and technical articles in order to create awareness regarding water stewardship practices (Att.3.1.a)
3.9.12. (advance) (14 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.	☒	☐	List of collective actions taken by the site, including the organizations involved, positions of responsible persons of other entities involved, and a description of the role played by the site are described in the Annex 2 of the annual Water Stewardship Report where are described a brief project description, project gobernance Composition, role descriptions, Main Stakeholders involved, Project Stakeholders Detailed List and the Key points, for each activitie included: - SAMOGGIA RIVER FRONT REGENERATION - RAIN WATER COLLECTION TANK TUTORIALS - AWARENESS CAMPAIGNS AND INFORMATION DISCLOSURE - #CAMBIAGESTO CLEAN UP EVENT - Hand Sanitizer Donation - Workshop AWS (Protezione Civile + Università
3.9.13. (advance) (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	☒	☐	Att.4.1. has been updated and 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.	☒	☐	
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.	☒	☐	Since its construction in 2016, the MTB facility has never been subjected to severe water-related emergency incidents and/or environmentally based extreme events. According to available information, no extreme events have ever occurred on-site in the past 10-20 years.

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: - HERA has undergone AWS Certification - Trust and relationship building with local stakeholder - Enhancement of catchment-based operations - Sinergic collaborations to mitigate shared water-related challenges and risks
4.3.2 (advanced) 6 points	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.	☒	☐	MTB organized an AWS Webinar In July 2021 in which projects, actions and/or activities implemented in order to achieve all five outcome areas were disclosed (SC-Ext 2021_07.01 - Att.3.1.a). It has been carried out with Internal and External Stakeholders. After it, a dedicated questionnaire was sent in order to have feedback from all Stakeholders.
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 and lessons learned from the evaluations in this step and these changes shall be identified.	☒	☐	Since MTB obtained AWS certification in July 2019, the water management plan and strategy has been periodically evaluated for continuous improvement. This has ensured positive progress in MTB water management and that MTB has been eligible for the gold level of AWS certification. Some of the actions implemented and their evaluation are shown below: - Water risks have changed in the catchment context since the last evaluation - Successful strategies and/or best management practices have emerged/been implemented - Stakeholder engagement efforts have been well-received - HERA, main stakeholder and water service provider, has certified AWS its water potabilization plant in Val di Setta - Many actions/projects are still ongoing and will be evaluated in the next years

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. The MTB AWS organizational chart is available at at the following link: http://oneplace.pmiapps.biz/comm/corpnews/en-us/CA/Pages/AWS-2-0-Commitment.aspx
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.	☒	☐	MTB's 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 to stakeholders, the annual Water Stewardship Report (PMI Italy website), press and social media and diferent congresses and article publications . 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.	☒	☐	MTB's water stewardship performance and targets as well as best practice actions have been publically disclosed in the PM Italy website in a Water Stewardship Report , which has also been shared with relevant stakeholders and employees, through diferent engagement activities and periodic follow-ups to Stakeholders, press and social media, congresses and article publications.
5.3.2. (advanced) 1 point	The site's efforts to implement the AWS Standard shall be disclosed in the organization's annual report.	☒	☐	Water Stewardship Report has been disclosed in the organization´s annual report. It has been verified the Report on Water Performance of PM Italy ("Water Stewardship Report_ENG.210812", the email where the audit date is communicated, and the implementation of the AWS Standard disclosed through the PM Italy Webpages.
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
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.	☒	☐	MTB's water-related challenges and risks have been disclosed with relevant stakeholders. Joint projects and engagements have been executed with catchment stakeholders in order to mitigate shared water risks and implement best practices in the catchment territory, the annual Water Stewardship Report, socialmedia release, congresses, article publications, questionnaires and data request.
5.4.2. (core)	Efforts made by the site to engage stakeholders and coordinate and support public-sector agencies shall be identified.	☒	☐	External Affair Communication Plan and the Internal Communication Plan includes all communication activities relative to the water stewardship plan

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

No non-conformity was raised during the audit process.

6.1 MAJOR NON CONFORMANCES

Non major non-conformances were raised.

Table 6.1.1. Major Non-Conformances raised during the AWS audit process

No.	Type	Ref.	Details	Response by PM MTB.	Relevant References

6.2 MINOR NON CONFORMANCES

Non minor non-conformances were raised during the audit process.

Table 6.2.1. Minor Non-Conformances raised during the AWS audit process

No.	Type	Ref.	Details	Response by PM MTB.	Relevant References

6.3 OBSERVATIONS

Non observations were raised during the audit .

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

No.	Type	Ref.	Details	Response by PM MTB.	Relevant References

7 SUMMARY

Based on the review of documents presented by MTB, the interview with MTB´s managers and employees, and the site reconnaissance, MTB has payed great attention to strengthening its water stewardship. A considerable quantity of effort and work has been put into the preparation for the re-evaluation.

During the audit process It was considered meeting the AWS Gold criterions requirement selected.

In addition, according to the re-evaluation of MTB’s performance against the AWS advanced-level criteria, the total of MTB’s cumulative advanced-level criteria scores is 65, which is upgrade to the AWS Gold Level.

8 OPPORTUNITIES FOR IMPROVEMENT

The following opportunities for improvement are suggested:

- it would be interesting to share the knowledge and use of its AWS Assessment Tool with other sites of the group.

- It is recommend to assess the water risk using local information if it is possible and use the WRF tool to identify trends.

- It is recommended to share the study carried out with the collaboration of HERA and ARPAE to identify the water quality and biological status.

- Adding a section for observations (open response) in the questionnaires, would allow a greater source of information about possible improvements in the treated areas referring to the AWS standard.

9 CONCLUSIONS AND RECOMMANDATIONS

Given the review of evidences presented and the site reconnaissance performed at PM MTB, SGS recommends that PM MTB´s AWS certification level be upgraded to Gold Certified status with a surveillance audit interval of annual frequency .