

Alliance for Water Stewardship Assessment Report
as per AWS Standard Version 2.0

For

PMFTC INC. Batangas Factory

**Phase 3, Lot 1B, First Philippine Industrial Park, 4232,
Tanauan City, Batangas, Philippines**

Prepared by: TÜV Rheinland

Cert. Number: AWS-000352

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1. Client and Certification Details

Client Name:	PMFTC INC. Batangas Factory
Audit location:	Phase 3, LOT 1B, First Philippine Industrial Park, 4232 Tanauan City, Batangas, Philippines
Country:	Philippines
Activities/Processes:	Cigarette manufacturing
Contact person:	Buhat Susette
Contact email:	Susette.Buhat@pmi.com
Company website:	https://www.pmi.com/markets/philippines/en/about-us/overview
AWS Reference Number:	AWS-000352
Type of audit:	Conformity assessment
Audit date(s):	3 rd to 5 th November 2021
Audit Standard:	V2.0 Core
Proposed date of next audit:	3 rd November 2022
Audit report completed by:	Ian Jiang
Contact email:	Ian.Jiang@tuv.com

Executive Summary

The scope of service covers the conformity assessment of water management and usage for PMFTC INC. Batangas Factory. The assessment was completed in compliance with the AWS Standard Version 2.0 dated on Mar 2019.

PMFTC INC. Batangas Factory is a tobacco manufacturer, mainly producing a variety of tobacco products. The premises occupied about 250,000 square meters, and currently it has about 650 employees. The production process is primary process-secondary process- Packing.

The plant located in the First Philippine Industrial Park (FPIP). Surrounding are the different types of factories. The plant only uses the groundwater. The plant also has a wastewater treatment plant. After onsite treatment, the wastewater is discharged to central wastewater treatment plant of FPIP for final treatment.

The plant conducted the pre-assessment in 4-5 October 2021, during the pre-assessment, the plant provided the evidences compliant to the standard. The PMFTC INC. is ready initial assessment the AWS standard Version 2.0- Core Level.

During 3rd to 5th November, TÜV Rheinland conduct the offsite conformity assessment for PMFTC INC. Batangas Factory. During audit, document review, management interview and stakeholder interview were performed. Nil non-conformity was raised, and five observations were identified in the audit.

Certification level: Core

After thorough evaluation of the non-conformance and observations, in compliance with the AWS Certification Requirement V2.0, TÜV Rheinland auditor team would recommend to reward PMFTC INC. Batangas Factory AWS Core Certified status. Surveillance audit should be conducted on an annual basis.

2. Scope of Assessment

Client factories main products	Tobacco, Filters, Cigarettes
Client factories production processes	Primary process-Secondary process-Packing
Assessment preparations activities include:	Document review, stakeholder comments collecting
Assessment activities includes:	Document review, management interview, employee interview, site tour by pre-recording
Assessment follow-up activities includes (in any):	Non-conformity follow up

3. Description of the Catchment

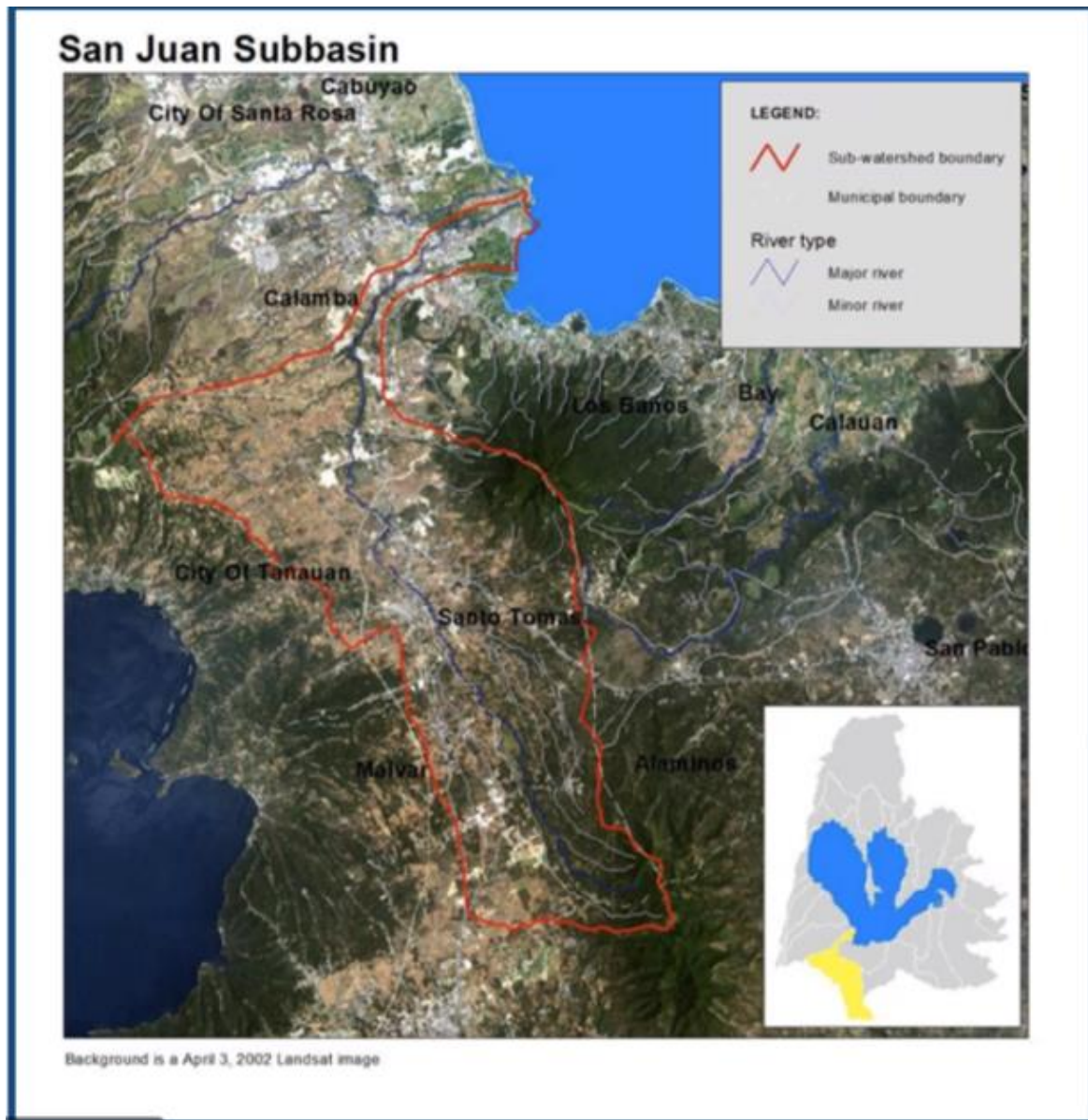


Photo 1: The catchment map

The plant is located within San Juan River basin, and the basin drains into Laguna Lake. The San Juan basin is located at the southwestern portion of the Laguna De Bay Basin, covering area of 20000 hectares. The basin covers the barangays of two municipalities and three cities: Municipality of Santo Tomas, Municipality of Malvar, Calamba City, Tanauan City and Lipa City. San Juan River is one of the important river tributary draining into the South Bay of Laguna Lake, and it is 33 km long. About 700,000 population lived with the basin, one of the area with the highest population intensity in the Batangas province.



Photo 2: The sub-catchment map

The plant identified a sub-catchment of San Juan River, which is the green rectangle in the map. The green star is the plant, the blue wave is the discharge point.

The plant uses the ground water, which originated from San Juan River basin. The wastewater will be treated by the onsite wastewater treatment plant, and then discharged to FPIP's central plant for further treatment. The discharge point of FPIP locates in the San Juan River as well. The final water receiving body is Laguna Lake.

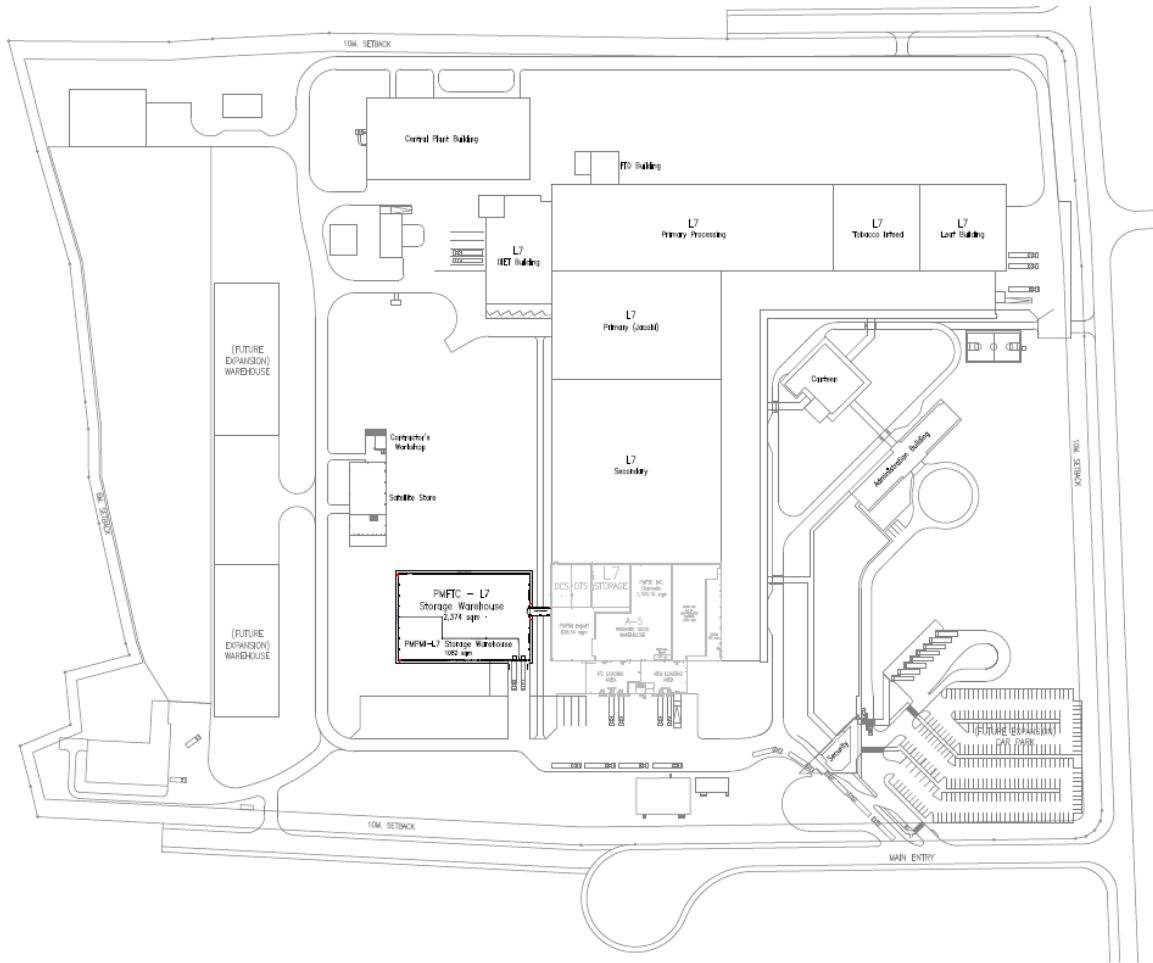


Photo 2: The layout of the plant

The plant has one main production building, and a few production workshops are within it. The main utility includes one deep well, one water treatment building, one wastewater treatment plant and one boiler. The drink water is bottle water from third party.

4. Summary of the Stakeholder Interview

During the audit, auditor conducted the remote interview with stakeholders by phone call. Total 5 participants attended the stakeholder meeting. one were from the government (*First Philippine Industrial Park*), one from the local representative (Association of Barangay Captains (ABC) of Tanauan), and 2 from the Internal Stakeholders.

Based on the interviews with local stakeholders, overall the stakeholders were satisfied about the PMFTC effort on the water stewardship. The officers from FPIP stated that the PMFTC have done great contribution on the conservation such as tree planting, and engaging watershed protection. The village representative appreciated the litter Boom installation provided by the PMFTC. Third party workers from internal stakeholders stated that they are awareness with colleagues and water conservation efforts

All of these showed that the PMFTC were leading the water stewardship in the local area.

Stakeholder name	Stakeholder type	Summary
Association of Barangay Captains (ABC) of Tanauan	local representative	<p>The litter Boom installation provided by the PMFTC.</p> <p>Positive: tree planting to prevent soil erosion.</p> <p>No foreseen negative impacts.</p> <p>Received AWS commitment communication via email and in person Meetings.</p>
First Philippine Industrial Park	government	<p>The PMFTC have done great contribution on the conservation such as tree planting, and engaging watershed protection.</p> <p>Positive impacts of PMFTC:</p> <ul style="list-style-type: none"> Compliant and collaborative No violations since the start of operations in 2003 (estimated) No Negative impacts <p>Communication on AWS – received through emails and meetings</p>
Murata	Industrial Stakeholder	<ul style="list-style-type: none"> Efforts to engage and share catchment data Collaboration on CSR activities is in line with plans to increase ESG (Environmental and Social level/ rating). <p>Positive and negative impacts:</p> <ul style="list-style-type: none"> Positive - programs to improve water usage/ consumption like zero discharge Positive - employment of community Positive - ongoing project to focus on opportunities for disabled, as part of the ESG plans. Negative – none <p>Communication on AWS – received through emails and meetings</p>
Reynaldo Corona –	Employee	<p>a. Awareness on AWS – collective engagement of stakeholders to have sustainable water in the catchment</p>

Stakeholder name	Stakeholder type	Summary
External affairs / Social Corporate responsibility team		b. Communication on AWS – received through emails and meetings c. Suggestions – Other functions besides Batangas factory should also engage with external stakeholders to increase awareness in the communities we operate in. d. Positive impacts – Influence communities and raise awareness e. Negative – none
Arnold Arquiza, Supervisor (Bauer International)	Third Party Worker	a. Communication on AWS – received through emails, yammer (social media page of PMI), and Whatsapp b. Positive Impact – raising awareness with colleagues and water conservation efforts c. Negative – none seen.

5. Summary of Shared Water Challenges

Water-related challenges	Initiatives by related public institutions	Relevance to stakeholders	Relevance to site	Priority	Site's effort
Surface Water Contamination	River Rehabilitation Program	Theme of concern for relevant environmental authorities and local stakeholders	PMFTC INC. is a part of a relevant water-demanding complex (FPIP), located in close proximity to the San Juan River (400 m E)	3	PMFTC INC. has implemented deep-dive studies and data gathering regarding catchment surface and ground water quality in order better understand and potentially mitigate water risks related to water quality
Ecosystem Degradation	Watershed Greening Program	Opportunity to create a synergic and joint approach to water stewardship in the territory	PMFTC INC. is implementing the AWS strategy plan in order to mitigate its impact on the territory	3	<p>PMFTC INC. has contacted relevant authorities and industrial stakeholders in order to raise awareness on water-related catchment risks and challenges, and implement best practices related to mitigation of contamination events</p> <p>PM FCT has promoted several actions along the San Juan River (clean-up event, trash trap installation, tree planting, waste collection in local communities, etc.) together with relevant stakeholders like ABC (Association of Barangay Captains), City ENRO (Environment and Natural Resource Office) of Tanauan and Community ENRO of Lipa, LGU (Local Government Authority), in order to mitigate pollution and ecosystem degradation</p>
Access to Sanitation	Laguna Water WASH Program	WASH matters are relevant for all stakeholders in the catchment, especially the local barangays communities, the local population and the authorities which may	PMFTC INC. with the implementation of AWS best practices regarding WASH, might drive a change within is catchment area of reference	3	<p>PMFTC INC. has engaged in actions and projects for ensuring access to WASH facilities amongst the local communities (in schools and local Barangays)</p> <p>PMFTC INC. has also implemented campaigns in order to raise awareness on the importance of good potable water quality.</p>

Water-related challenges	Initiatives by related public institutions	Relevance to stakeholders	Relevance to site	Priority	Site's effort
		synergistically help increasing awareness			
Flood Occurrence	Adopt a River	CENRO (Community Environment and Natural Resource Office), LGU and ABC are very interested in implementing safe-guarding actions on the San Juan riverbanks and the Mount Makiling forest in order to control and protect the high and medium flood risk areas	PMFTC INC. is located less than a kilometer away from San Juan riverbanks, where the risk of flooding grows	3	PMFTC INC. has a very active Incident Communication Centre (ICC) which frequently informs internal employees on risky events and raise awareness on general flood risk related to its territory
Projected Change in Flood Occurrence	Adopt a River		The site has implemented and continues to implement awareness actions in order to prevent internal flooding incidents and mitigates flooding effects in the local territory	3	PMFTC INC. has joint actions with local stakeholder, ABC (Association of Barangay Captains) and LGU (Local Government Authority), to mitigate landslides, triggered by flooding, and clogging of canals which might induce flood events

6. Indicators Checklists

Per requirements set from the AWS certification requirements V2.0, below is a checklist of all the CORE AWS indicators. The documents reviewed/ processes reviewed are also indicated.

Criteria	Documents Reviewed
STEP 1: Gather and Understand	
<p>1.1 Define the physical scope:</p> <p>1.1.1 Map site boundaries;</p> <p>1.1.2 Water-related infrastructure, including piping network, owned or managed by the site or its parent organization</p> <p>1.1.3 Any water sources providing water to the site that are owned or managed by the site or its parent organization</p> <p>1.1.4 Water service provider (if applicable) and its ultimate water source</p> <p>1.1.5 Discharge points and waste water service provider (if applicable) and ultimate receiving water body or bodies</p> <p>1.1.6 Catchment(s) that the site affect(s) and is reliant upon for water</p>	<p><input checked="" type="checkbox"/> Documentation or map of the site's boundaries</p> <p><input checked="" type="checkbox"/> Names and location of water sources</p> <p><input checked="" type="checkbox"/> Names and location of effluent discharge points</p> <p><input type="checkbox"/> Other :</p> <p>The plant provided the map of the site boundaries, which contained the water-related infrastructure and piping line.</p> <p>The plant extract the water from one deep well within the site. The plant obtained the license of the well. Deep wells used to meet clean water needs both for domestic needs (except for drinking) and production needs.</p> <p>The wastewater will be treated by the onsite wastewater treatment plant, and then discharged to FPIP's central plant for further treatment.</p> <p>The company has a water catchment map. Based on the water catchment area, the plant is in the San Juan River Watershed.</p> <p>Evidences: Layout of the plant and catchment map. Piping diagram of the plant.</p>

Criteria	Documents Reviewed
<p>1.2 Understand relevant stakeholders:</p> <p>1.2.1 Stakeholders and their water-related challenges shall be identified. The process used for stakeholder identification shall be identified</p> <p>1.2.2 Current and potential degree of influence between site and stakeholder shall be identified</p>	<p><input checked="" type="checkbox"/> List of stakeholders</p> <p><input checked="" type="checkbox"/> Water-related challenges</p> <p><input checked="" type="checkbox"/> Current and potential degree of influence</p> <p><input type="checkbox"/> Other :</p> <p>List of stakeholders was established. Three types of stakeholders (institutional, industrial, and internal) were identified, and their influence and interest were evaluated as well.</p> <p>The company has list of stakeholder on document "Stakeholder list".</p> <p>The plant used the matrix of AWS guideline for the stakeholders' identification and assessment.</p> <p>.</p> <p>Evidences: Stakeholders List</p>

Criteria	Documents Reviewed
<p>1.3 Gather water-related data for the site:</p> <p>1.3.1 Existing water-related incident response plans</p> <p>1.3.2 Site water balance, including inflows, losses, storage, and outflows</p> <p>1.3.3 Site water balance, inflows, losses, storage, and outflows, including indication of annual variance in water usage rates. An indication of annual high and low variances shall be quantified for risky water-related challenge</p> <p>1.3.4 Water quality of the site's water source(s), provided waters, effluent and receiving water bodies. An indication of annual, and where appropriate, seasonal, high and low variances shall be quantified for risky water-related challenge</p> <p>1.3.5 Potential sources of pollution, including chemicals used or stored on site</p> <p>1.3.6 Mapping on-site Important Water-Related Areas, including a description of their status including Indigenous cultural values</p> <p>1.3.7 Annual water-related costs, revenues, and a description or quantification of the social, cultural, environmental, or economic water-related value</p> <p>1.3.8 Levels of access and adequacy of WASH at the site</p>	<p><input checked="" type="checkbox"/> Water-related incident response plans</p> <p><input checked="" type="checkbox"/> Site water balance (in Mm³ or m³)</p> <p><input checked="" type="checkbox"/> Water quality of the site's water source(s), provided waters, effluent and receiving water bodies, such as water test reports</p> <p><input type="checkbox"/> Other :</p> <p>The plant has established the Emergency Preparedness & Response procedure "PH-EHS-2017" to cope with the emergency.</p> <p>The plant has established 'Water Balance PMFTC-Batangas Plant', which indicated the monthly input and output of the water.</p> <p>The plant has assigned the qualify agent to conduct regularly testing report for the effluent, and the testing report of last 12 months were provided for review, all are compliant.</p> <p>The chemical list is established including all the use chemicals.</p> <p>No IWRA is identified with in the plant.</p> <p>The water-related cost, revenue of the site has been conducted.</p> <p>One observation is raised.</p> <p>In the site water balance map, it is suggested to distinguish the data of meter record and data of estimation.</p> <p>Evidences: Emergency Preparedness & Response procedure " PH-EHS-2017"</p> <p>'Water Balance PMFTC-Batangas Plant'</p> <p>Water quality testing report (Well water, discharged water)</p>

Criteria	Documents Reviewed
<p>1.4 Gather data on the site's indirect water use:</p> <p>1.4.1 The embedded water use of primary inputs, including quantity, quality and level of water risk within the site's catchment</p> <p>1.4.2 The embedded water use of outsourced services shall be identified, and where those services originate within the site's catchment, quantified</p>	<p><input checked="" type="checkbox"/> List of primary inputs</p> <p><input checked="" type="checkbox"/> List of outsourced services</p> <p><input type="checkbox"/> Other :</p> <p>The plant has a list of all primary input including the leaf, dim and chemicals, as well as the outsource activities list.</p> <p>One observation is raised.</p> <p>It is no need to identify supplier use the water from the site as indirect water use.</p> <p>Evidences:</p> <p>Indirect water use- DIM supplier</p> <p>Indirect water use- leaf supplier</p> <p>Indirect water use- Outsourced services</p>

Criteria	Documents Reviewed
<p>1.5 Gather water-related data for the catchment:</p> <p>1.5.1 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</p> <p>1.5.2 Applicable water-related legal and regulatory requirements shall be identified, including legally-defined and/or stakeholder-verified customary water rights</p> <p>1.5.3 The catchment water-balance, and where applicable, scarcity, shall be quantified, including indication of annual, and where appropriate, seasonal, variance</p> <p>1.5.4 Water quality, including physical, chemical, and biological status, of the catchment shall be identified, and where possible, quantified</p> <p>1.5.5 Important Water-Related Areas shall be identified, and where appropriate, mapped, and their status assessed including any threats to people or the natural environment, using scientific information and through stakeholder engagement</p> <p>1.5.6 Existing and planned water-related infrastructure shall be identified, including condition and potential exposure to extreme events</p> <p>1.5.7 The adequacy of available WASH services within the catchment</p>	<p><input checked="" type="checkbox"/> Water governance initiatives</p> <p><input checked="" type="checkbox"/> Applicable water-related legal and regulatory requirements</p> <p><input checked="" type="checkbox"/> Catchment water balance (in Mm³ or m³)</p> <p><input checked="" type="checkbox"/> Documentation identifying Important Water-Related Areas (IWRA)</p> <p><input type="checkbox"/> Other :</p> <p>The document “Water governance authorities” has list all catchment plan or water-related public policy for national and regional level.</p> <p>It also list all the applicable water-related laws and regulations.</p> <p>The plant has consulted with vendor to conduct a study of the catchment, including the water balance, water quality and WASH services within the catchment.</p> <p>The facility established ‘IWRA Risk Assessment’ to list the IWRA within the catchment, and evaluated the status. IWRA included San Juan Riverbanks, Laguna de Bay, Mount Makiling Forest Reserve and Taal Volcano National Park.</p> <p>The plant conducted the investigation and found that no water-related infrastructure is constructed in the catchment area.</p> <p>Evidences: Water governance authorities San Juan River Basin Hydrologic Modelling Study for PMFTC Corporate Water Strategy IWRA Risk Assessment</p>

Criteria	Documents Reviewed
<p>1.6 Understand current and future shared water challenges in the catchment:</p> <p>1.6.1 Shared water challenges shall be identified and prioritized from the information gathered</p> <p>1.6.2 Initiatives to address shared water challenges</p>	<p><input checked="" type="checkbox"/> List of shared water challenges</p> <p><input type="checkbox"/> Other :</p> <p>The water challenges were listed and prioritized, based on the stakeholder's feedback and internal assessment, such as contamination, WASH of the local.</p> <p>Evidences: Shared water-related challenges and mitigation initiatives.2021</p>
<p>1.7 Understand the site's water risks and opportunities:</p> <p>1.7.1 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</p> <p>1.7.2 Water-related opportunities shall be identified, including how the site may participate, assessment and prioritization of potential savings, and business opportunities</p>	<p><input checked="" type="checkbox"/> List of water risks facing the site</p> <p><input checked="" type="checkbox"/> List of water-related opportunities</p> <p><input type="checkbox"/> Other :</p> <p>The water risks and opportunities were identified and evaluated.</p> <p>Evidences: List of water risks and opportunities.</p>
<p>1.8 Understand best practice towards achieving AWS outcomes:</p> <p>1.8.1 Relevant catchment best practice for water governance</p> <p>1.8.2 Relevant sector and/or catchment best practice for water balance (either through water efficiency or less total water use)</p> <p>1.8.3 Relevant sector and/or catchment best practice for water quality, including rationale for data source</p> <p>1.8.4 Relevant catchment best practice for site maintenance of Important Water-Related Areas</p> <p>1.8.5 Relevant sector and/or catchment best practice for site provision of equitable and adequate WASH services</p>	<p><input checked="" type="checkbox"/> Relevant catchment best practices</p> <p><input type="checkbox"/> Other :</p> <p>The plant has identified relevant catchment best practice for water governance, water balance, water quality, IWRA and WASH.</p> <p>One observation is raised.</p> <p>The best practices are now separated in different documents, and it is suggested to include all the collected best practices into one list.</p> <p>Evidences: Best practices list.</p>
STEP 2: Commit	

Criteria	Documents Reviewed
<p>2.1 Commit to water stewardship:</p> <p>2.1.1 A signed and publicly disclosed site statement OR organizational document</p>	<p><input checked="" type="checkbox"/> Statement</p> <p><input type="checkbox"/> Other :</p> <p>The factory has a water stewardship commitment dated September 2021. Commitment available in each processing (Primary, secondary, printing).</p> <p>Water stewardship commitment statement (in English and Tagalog): This statement was prepared covering all the requirements of clause 2.1.1 of standards. It is signed by the Director of Manufacturing PH (Mr. Nicolas Souvlakis) on 16 September 2021.</p> <p>The Water stewardship commitment has socialization to all employee through the SHARP application.</p> <p>The Water stewardship commitment has socialization to all employee through email blast, put on the bulletin board, official PMFTC Facebook account and announcement in the Sharepoint.</p> <p>Evidences: PMFTC INC. Water Stewardship Commitment</p>
<p>2.2 Develop and document a process to achieve and maintain legal and regulatory compliance:</p> <p>2.2.1 The system to maintain compliance obligations for water and wastewater management shall be identified</p>	<p><input checked="" type="checkbox"/> Documented description of system</p> <p><input type="checkbox"/> Other :</p> <p>The company has mechanism for maintaining legal compliance. Based on the documentation review "Identification and Management of Legal and Other Requirements- PH-EHS-1003" demonstrated the written statement of the legal compliance system and assigned the responsible person</p> <p>The process of identifying compliance with regulations is carried out every month.</p> <p>Evidences: PH-EHS-1003 ' Identification and Management of Legal and Other Requirements'</p>

Criteria	Documents Reviewed
<p>2.3 Create a water stewardship strategy and plan:</p> <p>2.3.1 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</p> <p>2.3.2 A water stewardship plan shall be identified</p>	<p><input checked="" type="checkbox"/> Water stewardship strategy</p> <p><input checked="" type="checkbox"/> Water stewardship Plan</p> <p><input type="checkbox"/> Other :</p> <p>The company has a water stewardship strategy be identified that defines the overarching mission, vision, and goals of the organization towards good water stewardship in line with AWS Standard. This is stated in document of water stewardship policy.</p> <p>The company has A water stewardship plan 2021. Each target covering all the requirements of clause 2.3.2 of standards. Example, daily update water usage.</p> <p>Evidences: Water Stewardship Plan 2020-2021</p>
<p>2.4 Demonstrate the site's responsiveness and resilience to respond to water risks:</p> <p>2.4.1 A plan to mitigate or adapt to identified water risks developed in co-ordination with relevant public-sector and infrastructure agencies</p>	<p><input checked="" type="checkbox"/> Water risk mitigation plan</p> <p><input type="checkbox"/> Other :</p> <p>The water risks and opportunities were identified and evaluated developed with relevant public-sector and infrastructure agencies.</p> <p>Evidences: List of water risks and opportunities.</p>
STEP 3: Implement	
<p>3.1 Implement plan to participate positively in catchment governance:</p> <p>3.1.1 Evidence that the site has supported good catchment governance</p> <p>3.1.2 Measures identified to respect the water rights of others including Indigenous peoples, that are not part of 3.1</p>	<p><input checked="" type="checkbox"/> Good catchment governance evidence</p> <p><input checked="" type="checkbox"/> Identified measures</p> <p><input type="checkbox"/> Other :</p> <p>The site has developed Water Conservation and preservation program for community, and worked with the local government the enhanced the water governance in the local area</p> <p>Evidences: Water Conservation and preservation program for community.</p>

Criteria	Documents Reviewed
<p>3.2 Implement system to comply with water-related legal and regulatory requirements:</p> <p>3.2.1 A process to verify full legal and regulatory compliance</p> <p>3.2.2 Where water rights are part of legal and regulatory requirements, measures identified to respect the water rights of others including Indigenous peoples</p>	<p><input checked="" type="checkbox"/> Legal and regulatory compliance verification process</p> <p><input checked="" type="checkbox"/> Identified measures (if applicable)</p> <p><input type="checkbox"/> Other :</p> <p>The company has mechanism for regulatory compliance. Example of evaluation results of compliance with regulations owned by the company: permit for temporary storage of hazardous and toxic, Document of environmental management, Groundwater permit, and Wastewater test results.</p> <p>Evidences: Government evaluation report</p>
<p>3.3 Implement plan to achieve site water balance targets:</p> <p>3.3.1 Status of progress towards meeting water balance targets set in the water stewardship plan</p> <p>3.3.2 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</p> <p>3.3.3 Legally-binding documentation, if applicable, for the re-allocation of water to social, cultural or environmental needs</p>	<p><input checked="" type="checkbox"/> Status of progress</p> <p><input checked="" type="checkbox"/> Water use efficiency annual target (if applicable)</p> <p><input type="checkbox"/> Legally-binding documentation (if applicable)</p> <p><input type="checkbox"/> Other :</p> <p>The plant set the target to reduce 2.69 m³/emio cig. 2021, based on the progress report, the actual reduction is about 2.50 m³/emio cig until Oct. 2021.</p> <p>Evidences: Water consumption report and plan.</p>
<p>3.4 Maintain or improve site water quality:</p> <p>3.4.1 Status of progress towards meeting water quality targets set in the water stewardship plan</p> <p>3.4.2 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</p>	<p><input checked="" type="checkbox"/> Status of progress</p> <p><input checked="" type="checkbox"/> Site's effluent best practice (if applicable)</p> <p><input type="checkbox"/> Other :</p> <p>Based on the testing report of the underground water, it show that the water quality maintain compared with last year, which comply with local standard.</p> <p>Evidences: Water testing report.</p>
<p>3.5 Implement plan to maintain or improve the site's and/or catchments IWRAs:</p> <p>3.5.1 Practices set in the water stewardship plan to maintain and/or enhance the site's IWRAs shall be implemented</p>	<p><input checked="" type="checkbox"/> Practices set in the water stewardship plan</p> <p><input type="checkbox"/> Other :</p> <p>The plan conduct the risk assessment and engagement with the government, the status of the catchment's IWRA may maintain stable in the future 3 years.</p> <p>Evidences: IWRA Risk Analysis</p>

Criteria	Documents Reviewed
<p>3.6 Implement plan to provide access to WASH:</p> <p>3.6.1 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</p> <p>3.6.2 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</p>	<p><input checked="" type="checkbox"/> Evidence of site's provisions of WASH</p> <p><input type="checkbox"/> Evidence of site operations not affecting water rights of surrounding environment</p> <p><input type="checkbox"/> Other :</p> <p>The site purchased the barrelled water for drinking water. The site provided sufficient sanitation facilities in the workshop, and conducted the regular cleaning to ensure the hygiene of the site.</p> <p>Evidences: WASH assessment.</p>
<p>3.7 Implement plan to maintain or improve indirect water use within the catchment:</p> <p>3.7.1 List of suppliers and service providers, along with the actions they have taken as a result of the site's engagement relating to indirect water use</p> <p>3.7.2 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</p>	<p><input checked="" type="checkbox"/> List of suppliers and service providers</p> <p><input checked="" type="checkbox"/> Evidence of engagement with suppliers and service providers</p> <p><input type="checkbox"/> Other :</p> <p>The plant launched the project aiming to trace the water consumption of the leaf and clove suppliers, also help to capacity building and raise the awareness of the water.</p> <p>For outsource supplier, the plant started to track the water consumption of them.</p> <p>Evidences: PMFTC Plant Primary Input List Primary Input questionnaire to DIM vendor PMFTC Plant Indirect water user/Outsourced services list</p>
<p>3.8 Notify the owners of shared water-related infrastructure of any concerns:</p> <p>4.8.1 Evidence of engagement, and the key messages relayed with confirmation of receipt</p>	<p><input checked="" type="checkbox"/> Evidence of engagement</p> <p><input type="checkbox"/> Other :</p> <p>The site has reported the water management plan and concerns to the zone management authority</p> <p>Evidences: Engagement with Stakeholders</p>

Criteria	Documents Reviewed
<p>3.9 Implement actions to achieve best practice towards AWS outcomes:</p> <p>3.9.1 Actions towards achieving best practice, related to water governance</p> <p>3.9.2 Actions towards achieving best practice, related to targets in terms of water balance</p> <p>3.9.3 Actions towards achieving best practice, related to targets in terms of water quality</p> <p>3.9.4 Actions towards achieving best practice, related to targets in terms of the site's maintenance of IWRAs</p> <p>3.9.5 Actions towards achieving best practice, related to targets in terms of WASH</p>	<p><input checked="" type="checkbox"/> Actions related to water governance</p> <p><input checked="" type="checkbox"/> Actions related to water balance</p> <p><input checked="" type="checkbox"/> Actions related to water quality</p> <p><input checked="" type="checkbox"/> Actions related to IWRAs</p> <p><input checked="" type="checkbox"/> Actions related to WASH</p> <p><input type="checkbox"/> Other :</p> <p>The plant implemented the actions to achieve the best practices, and also established a tracking form to track the progress of the implementation of the best progress.</p> <p>Evidences: Implementation Best Practice 2021</p>
STEP 4: Evaluate	
<p>4.1 Evaluate the site's performance:</p> <p>4.1.1 Performance against targets in the site's water stewardship plan and the contribution to achieving water stewardship outcomes shall be evaluated</p> <p>4.1.2 Value creation resulting from the water stewardship plan shall be evaluated</p> <p>4.1.3 The shared value benefits in the catchment shall be identified and where applicable, quantified</p>	<p><input checked="" type="checkbox"/> Performance against targets</p> <p><input checked="" type="checkbox"/> Value creation</p> <p><input type="checkbox"/> The shared value benefits (if applicable)</p> <p><input type="checkbox"/> Other :</p> <p>The company has a management review document that is conducted every month. In the management review, topics related to campaign planning, AWS strategy and action plans, water performance, etc. were discussed. In the management review, it also discusses the long-term AWS plan. In the plan there is information about challenges / risks, goals, actions, benefits</p> <p>Evidences: Evaluation of water stewardship strategy plan PMFTC_2021</p>

Criteria	Documents Reviewed
<p>4.2 Evaluate the impacts of water-related emergency incidents:</p> <p>4.2.1 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</p>	<p><input checked="" type="checkbox"/> A written annual review and root-cause analysis</p> <p><input type="checkbox"/> Other :</p> <p>Once emergency report occurs, the company immediately conducts emergency response reporting and evaluation. During the past year there was no emergency response related to water.</p> <p>All events are recorded in the application ehsspms.app.pmi/, EHS staff can access this application.</p> <p>Every time an emergency response occurs, it is also discussed in EHS meeting.</p> <p>The company has accident reporting and emergency response procedures.</p> <p>Evidences: Emergency respond plan.</p>
<p>4.3 Evaluate the stakeholders' consultation feedback:</p> <p>4.3.1 Consultation efforts with stakeholders on the site's water stewardship performance shall be identified</p>	<p><input checked="" type="checkbox"/> Stakeholder feedback</p> <p><input type="checkbox"/> Other :</p> <p>The plant has an external engaging team, and the team is responsible for stakeholder's communication.</p> <p>The team will collect the feedback from stakeholder and communicate with the relevant departments.</p> <p>The evaluation of the stakeholder are provided for review.</p> <p>Evidences: Response letters from various stakeholder.</p>

Criteria	Documents Reviewed
<p>4.4 Evaluate and updated the site's water stewardship plan:</p> <p>4.4.1 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</p>	<p><input checked="" type="checkbox"/> Modification of water stewardship plan</p> <p><input type="checkbox"/> Other :</p> <p>It's the first year that the site implemented the AWS, so no updated yet.</p> <p>The plant planned to update the water stewardship plan at the end of the year.</p> <p>One observation is raised.</p> <p>It is recommended to establish the written procedure or guideline for updating the water stewardship plan, for example, the frequency and topics to discuss.</p> <p>Evidences:</p> <p>Nil</p>
STEP 5: Communication and Disclosure	
<p>5.1 Disclose water-related internal governance of the site's management:</p> <p>5.1.1 The site's water-related internal governance, including positions of those accountable for compliance with water-related laws and regulations shall be disclosed</p>	<p><input checked="" type="checkbox"/> Summary of governance</p> <p><input type="checkbox"/> Other :</p> <p>The company has an organizational structure "<i>Water Internal Governance</i>" available to the public.</p> <p>Evidences:</p> <p>Water Internal Governance Chart</p>
<p>5.2 Communicate the water stewardship plan with relevant stakeholders:</p> <p>5.2.1 The water stewardship plan, including how the water stewardship plan contributes to AWS Standard outcomes, shall be communicated to relevant stakeholders</p>	<p><input checked="" type="checkbox"/> Documented evidence of communicating</p> <p><input type="checkbox"/> Other :</p> <p>The plant has conducted the AWS workshop, and shared the water stewardship plan which included water stewardship plan, annual performance and shared water challenge on the workshop.</p> <p>Evidences:</p> <p>Water stewardship report</p> <p>Stakeholder workshop record</p>

Criteria	Documents Reviewed
<p>5.3 Disclose annual site water stewardship summary:</p> <p>5.3.1 A summary of the site's water stewardship performance, including quantified performance against targets, shall be disclosed annually at a minimum</p>	<p><input checked="" type="checkbox"/> Water stewardship performance summary</p> <p><input type="checkbox"/> Other :</p> <p>The plant has conducted the AWS workshop, and shared the water stewardship plan which included water stewardship plan, annual performance and shared water challenge on the workshop.</p> <p>Evidences: Water stewardship report Stakeholder workshop record</p>
<p>5.4 Disclose efforts to collectively address shared water challenges:</p> <p>5.4.1 The site's shared water-related challenges and efforts made to address these challenges shall be disclosed</p> <p>5.4.2 Efforts made by the site to engage stakeholders and coordinate and support public-sector agencies shall be identified</p>	<p><input checked="" type="checkbox"/> Disclosure evidence</p> <p><input type="checkbox"/> Other :</p> <p>The plant has conducted the AWS workshop, and shared the water stewardship plan which included water stewardship plan, annual performance and shared water challenge on the workshop.</p> <p>Evidences: Water stewardship report Stakeholder workshop record</p>
<p>5.5 Communicate transparency in water-related compliance:</p> <p>5.5.1 Any site water-related compliance violations and associated corrections shall be disclosed</p> <p>5.5.2 Necessary corrective actions taken by the site to prevent future occurrences shall be disclosed if applicable</p> <p>5.5.3 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</p>	<p><input checked="" type="checkbox"/> List of water-related compliance violations with corresponding corrective actions</p> <p><input type="checkbox"/> Other :</p> <p>The company has a list of legal compliance. Some compliance of regulation, example: Water permit.</p> <p>The company has complied with regulations related to evidence:</p> <p>One observation is raised.</p> <p>Though no water-related violation last year, It is recommended to disclose the environmental compliance information in the Water stewardship report, like discharge water testing result.</p> <p>Evidences: Water stewardship report</p>

Assessment Non-conformities:

1. Findings of the audit.

Nil non-conformity was identified during the audit.

Five observations were raised.

No	Process/Dept.	Issue
1	1.3.4	In the site water balance map, it is suggested to distinguish the data of meter record and data of estimation.
2	1.4.2	It is no need to identify supplier use the water from the site as indirect water use.
3	1.8.1	The best practices are now separated in different documents, and it is suggested to include all the collected best practices into one list.
4	4.4.1	It is recommended to establish the written procedure or guideline for updating the water stewardship plan, for example, the frequency and topics to discuss.
5	5.5	Though no water-related violation last year, It is recommended to disclose the environmental compliance information in the Water stewardship report, like discharge water testing result.

7. Summary and Conclusion of the Assessment

In assessment of the water stewardship performance of the PMFTC INC. Batangas Factory, it is apparent that the site made considerable effort to adopt the AWS standard into the management system.

Nil conformity was raised during the assessment. Therefore, no improvement or action is required to address the Non-conformity to fully compliant to the standard.

Five observations were issued during this audit. Auditors pointed out the areas that to be considered for improvement in the following implementation, however, no action is needed during the audit cycle.

In conclusion, the PMFTC INC. Batangas Factory met the AWS standard Version 2.0- Core Level.