



Alliance for Water Stewardship Assessment Report

**Prepared for, Philip Morris Products SA
(Quai Jeanrenaud 3, - 2000 Neuchatel, Switzerland)**

AWS-000354

Prepared by: SGS

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REPORT DETAILS

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CLIENT:	Philip Morris Products SA Quai Jeanrenaud 3 – 2000 Neuchatel – Switzerland
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1 EXECUTIVE SUMMARY

The scope of services covers the conformity assessment of water use in compliance with the AWS International Water Stewardship Standard (Version 2.0) for **Philip Morris Products SA (Neuchatel)** (hereinafter referred to as “the site”) located at **Quai Jeanrenaud 3 – 2000 Neuchatel**, in **Switzerland**.

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

Philip Morris Products SA, is a Manufacture of Tobacco Related Products.

On **November, 29th and 30th, 2021**, SGS Tecnos, S.A.U., (hereinafter referred to as “SGS”) conducted the conformity assessment 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 two observations.

Given the review of evidence produced at the **Philip Morris Products SA**, SGS recommends that **Philip Morris Products SA** is awarded **AWS Core Certified** status with a surveillance audit interval of annual frequency.

2 SCOPE OF ASSESSMENT

The scope of services covers the conformity assessment of water use in compliance with the AWS International Water Stewardship Standard (Version 2.0) for **Philip Morris Products SA (Neuchatel)** (hereinafter referred to as “the site”) located at **Quai Jeanrenaud 3 – 2000 Neuchatel, in Switzerland**.

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

On **November, 29th and 30th, 2021**, SGS Tecnos, S.A.U., (hereinafter referred to as “SGS”) conducted the conformity assessment for site’s facilities and activities with regard to certification to the AWS Standard. Table 2.1 presents SGS audit team. The audit plan is attached as a separate document.

Table 2.1 SGS Audit Team

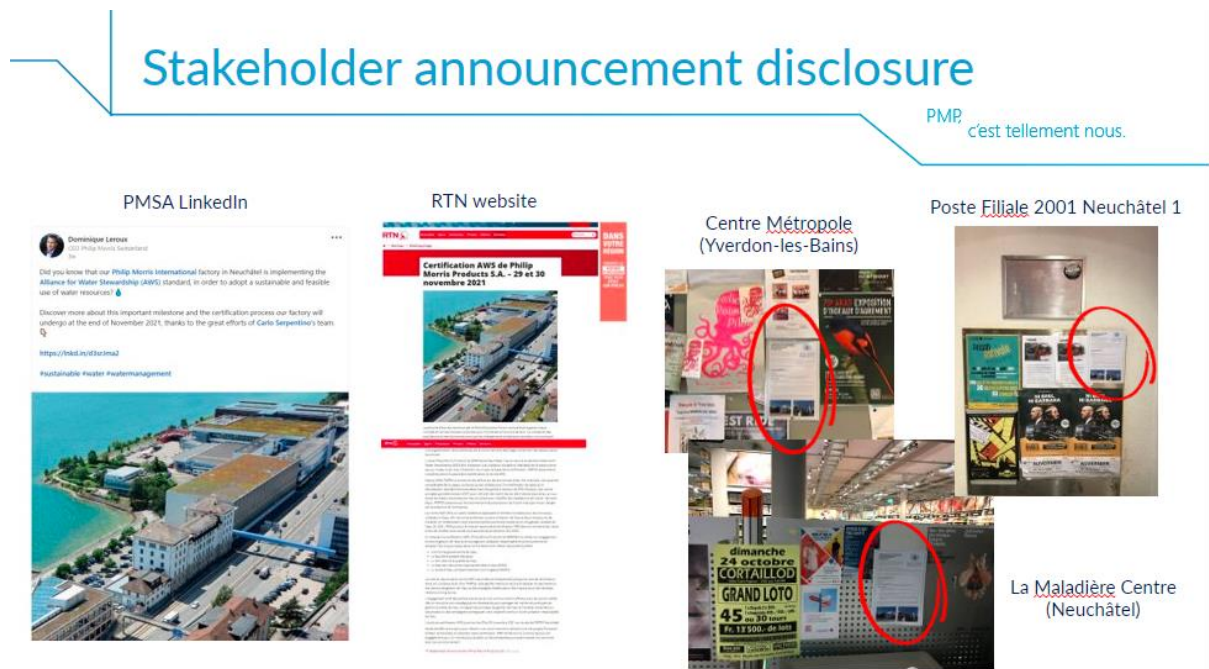
Audit Team	Qualifications/Experience	
Jerónimo Casas de Gonzalo	Leader Auditor	AWS certified auditor, with more than 21 years experience in pollution control, environmental impact assessment, ISO14001 audit and training.
Dominique Sframeli	Local Expert	Local expertise
Paula Gómez Geras	Technical Reviewer	AWS certified auditor, with more than 16 years experience in pollution control, environmental impact assessment, ISO14001 audit and training.

During the conformity assessment, the audit team spent 0,5 day on the stakeholder consultation meeting, and 1,5 days on the inspection of site’s documents, installations and activities in its plant, together with personnel interviews and document reviews.

3 STAKEHOLDER ANNOUNCEMENT AND CONSULTATION

Following the AWS Certification Requirements, before the on-site conformity assessment, site's prepared a stakeholder announcement, which stated intention to pursue AWS certification.

The pursue of AWS certification for the site was publicly available on AWS site and in PMSA LinkedIn, RTN website (Local Radio), Centre Métropole (Shopping center) and La Maladière Centre (sport Center) and poste filliale 2001.



They have shared this information with their external stakeholders and their employees with some internal tools as screens in the factory

The AWS certification audit was carried out on site and the site provided the stakeholder's mapping in advance of the audit to enable communication with a selected sample. The stakeholders who attended the meeting were the following:

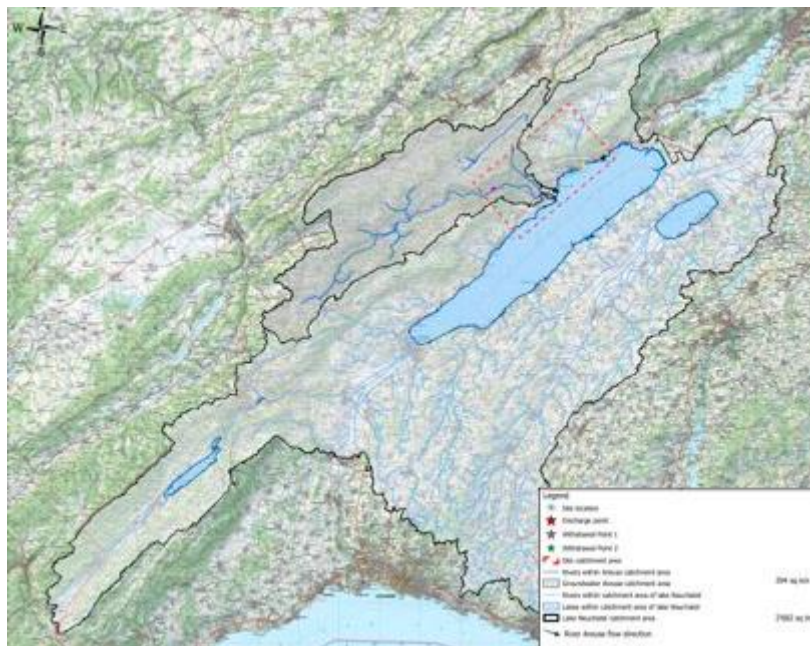
- Neuchatel Municipality
- Takeda Pharmaceutical company
- Viteos (water supplier at the municipality)
- City Waste Water Treatment Plant
- ISS

4 DESCRIPTION OF CATCHMENT

Philip Morris Products S.A. (PMPSA) is located in the City of Neuchâtel, capital of the Canton of Neuchâtel.

PMPSA's potable water is provided by water service provider Viteos that withdraws from superficial waters of Neuchâtel Lake and ground waters of Gorges de l'Areuse. Waste waters are discharged and purified in the Municipal WWTP of the City of Neuchâtel and successively discharged in Neuchâtel Lake.

PMPSA's catchment area, identified in Figure 1, is of approximately 3,000 km². In order to identify relevant stakeholders, IWRA's and focus of specific projects and engagements, a smaller area of physical scope was identified of approximately 150 km²



PMPSA catchment area and physical area of scope

SURFACE WATER

The Neuchâtel Lake is the biggest lake of Switzerland, with an area of about 220 km² and a maximal depth of about 150 m.

It is fed by several tributaries, such as la Thielle, l'Areuse, le Seyon, la Menthue, l'Arnon, le Canal de la Broye. It is connected to the nearby Lakes of Bienne and Morat, hence the name of the area, the 3 Lake Region.

The Lake is at the crossroads of 2 major geological Regional areas: the Jura (North West, mainly folded limestones) and the Plateau (South East molasse consisting mainly of sandstones, marls and conglomerates).

The monitoring, conservation and safeguard of the water quality, the shores and the natural biodiversity of Neuchâtel Lake are to be carried out by Authorities at Federal, Cantonal and Communal levels.

It is a fresh water lake with about 60% of its shores in a natural state, the lake shows a diverse ecosystem and wide range of biodiversity. Several fresh water fish species, as well as water birds, snakes, batrachians and even beavers can be observed.

The monitoring of the biodiversity related to surface waters is performed by Canton Vaud in two measurement stations located in the center of the Lake. Unfortunately, no data is disclosed by the Canton of Neuchâtel.

GROUNDWATER

The Gorges de l'Areuse catchment area can be summarized as being as one large karstic aquifer (non-confined). Situated in the Jura mountain chain, the lithologies consist mainly of Jurassic limestones deposited in shallow marine environments. The karstic nature of the aquifer and the lack of a sufficiently thick layer of terrain above, makes it prone to superficial influence such as human activities.

The Areuse River within the Gorges de l'Areuse catchment area is approximately 32 km long, with its source located close to St-Sulpice and its end in Lake Neuchâtel. The Areuse River It is one of the major affluents of Lake Neuchâtel. Part of its path from source to sink is underground in the local karstic system.

The flora varies from alpine with altitude marshes and peatlands to mainland forests and grasslands. The fauna reflects the same distribution as Ibexes or Tetrao urogallus (endangered specie) in altitude to mainland creatures such as the lynx, deers, foxes, rabbits etc.

Surveillance, control, and protection is in the hands of the Cantonal Authorities, as prescribed by National legislation applied Cantonally.

The groundwater body of the of Gorges de l'Areuse is replenished by rainfall.

It is mainly recharged by precipitations that occur in winter and spring. It reaches its maximum groundwater levels in March and its lowest levels at the end of summer. The groundwater level trend of the of the of Gorges de l'Areuse aquifer follows therefor the rainfall trend (with a slight

delay). In 2010 and 2011 the rainfall levels were below average and so were the groundwater levels. This causality effect is the major influence of change on the groundwater levels in the aquifer body.

The joint assessment of the chemical and quantitative status contributes to providing the overall groundwater quality classification. Groundwaters are classified as good when both the chemical and quantitative status are classified as such.

The 9 year monitoring period from 2007 to 2016 illustrates an overall good groundwater quality status with exceeding threshold values only for nitrates (in 3% of measured stations), phytosanitary compounds (in 2% of measured stations) and phytosanitary compound metabolites (in 1% of measured stations). Water levels are heterogeneous but are compliant to the the law devised to protect it (not more can be withdrawn than what is recharged).

Groundwaters are constantly and closely monitored due to the presence of hundreds of Persistent Organic Pollutants (POPs) (under legal limits for potable water, but overall hazardous and not allowed to presence) and high nitrate levels due to agricultural and anthropic activities and inadequate WWTP.



View of the groundwater springs of the Areuse River

5 SUMMARY OF SHARED WATER CHALLENGES

Philip Morris Products SA, has developed a list of main shared water challenges. Reasons for ranking was provided together with reasons why the challenges are to be considered priorities for both stakeholders and the site.

Below a list of the identified shared water challenges:

- a) Biodiversity Importance and Potential Degradation
- b) Projected Impacts on Freshwater Biodiversity
- c) Surface Water Quality
- d) Flood Occurrence
- e) Drought Frequency
- f) Baseline Water Stress

A more detailed presentation of shared water challenges, risk and opportunities identified by **Philip Morris Products SA** has been presented in Table below. Information in the table below has been extracted from “1.6. Shared Water related Challenges and mitigation initiatives 211123.xlsx”.

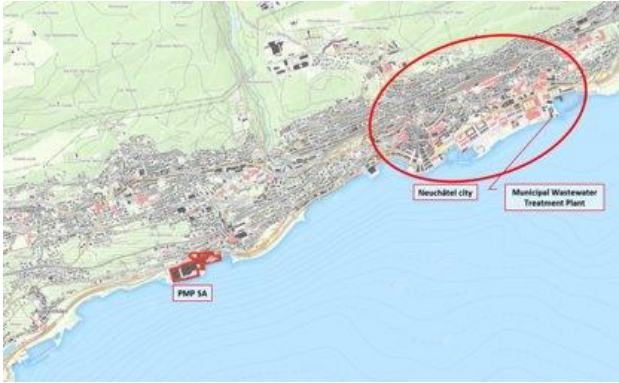
Shared water challenges	Motif	Actions	Relevance for stakeholders	Relevance for site
Biodiversity Importance and Potential Degradation	PMPSA is located in close proximity to several important water-related areas (IWRAs) that are Cantonal and/or Municipally protected due to the abundance and vulnerability of water-related habitats and autochthonous biodiversity	PMPSA has implemented deep-dive studies and data gathering regarding catchment water quality and balance, in order better understand and potentially mitigate water risks related to water quality and/or quantity.	Theme of concern for relevant environmental authorities (Department of Territorial Development and Environment of Neuchâtel City, Canton and Municipality, Purlac, Association de Quartier Serrières Bouge)	PMPSA lies in an extremely rich and sensitive area in terms of ecosystem biodiversity.
Projected Impacts on Freshwater Biodiversity		PMPSA has contacted relevant Stakeholders (amongst which authorities and associations) in order to raise awareness on shared water-related challenges, share implement best practices and potentially engage Stakeholder groups in mitigation activities related to Lake Neuchâtel's water quality. PMPSA has promoted clean-up actions along Lake Neuchâtel as well as sponsoring the installation of metal plates along Neuchâtel Lake shores with inscribed awareness messages. This had the aim of reaching out to the local population to avoid littering of the Lake waters	Opportunity to create a synergic and joint approach regarding the safeguard of local aquatic environments and water quality, especially of Lake Neuchâtel	PMPSA is also located on the shores of Lake Neuchâtel, so any activity may have a direct influence on the Lake water. PMPSA is implementing the A/Ws strategy plan in order to mitigate water quality-related risk and driving a synergic, sustainable change amongst its local Stakeholders
Surface Water Quality	PMPSA is located on the shores of Lake Neuchâtel and obtains its potable waters partly from it. Any potential activity may have a direct influence on the Lake waters. Strict Municipal and Cantonal protection regulation are however in force regarding surface waters and discharge permits.	In order to maintain optimum surface water quality, PMPSA: <ul style="list-style-type: none"> • Compliant with water-related quality prescriptions imposed by local water regulations • Monitors water quality, water flows, Lake water temperatures and waste water pH • Water management procedures in place related to water quality, water pH, temperature deviations and exceedances • Awareness initiatives amongst employees • Finances and/or executes environmental projects in catchment territory related to the safeguard of superficial water quality PMPSA has contacted and engaged with relevant Stakeholders in order to gather information related to catchment water quality and share best practices related to mitigation efforts.	Theme of concern for all catchment based Stakeholders that directly or indirectly utilize Neuchâtel Lake water for industrial, agricultural and/or domestic activities.	PMPSA is located adjacent to the shores of Neuchâtel Lake so any activity could directly influence the Lake waters. PMPSA obtains its potable waters from water service provider Viteos that partly relies on Lake Neuchâtel's waters. PMPSA also obtains waters for industrial cooling processes directly from Lake Neuchâtel.
Flood Occurrence	PMPSA falls within a residual flood risk area: flood risk has been considerably reduced due to the implementation of protective measures via Municipal and Cantonal regulations.	PMPSA has an internal flood management protocol which is periodically updated.	Theme of concern for all catchment based Stakeholders that are located in proximity to Neuchâtel Lake and/or in higher flood risk areas.	PMPSA is located adjacent to the shores of Neuchâtel Lake, an area susceptible by flooding. However the flood risk is to be considered low due to the efforts of local protective measures.
Drought Frequency	PMPSA is subjected to a low risk in terms of drought frequency: precipitation trends are relatively stable and drought occurrence is an unlikely threat for the future.	Drought and baseline water stress do not represent a threat at catchment level.	Not a theme of concern due to the low/absence of risk.	PMPSA is located in a catchment territory in which surface and groundwater's are readily available and not overexploited at territorial level
Baseline Water Stress	PMPSA is subjected to a low risk in terms of baseline water stress: abundant surface and ground water storages provide more available water than that exploited at catchment level.	PMPSA has however implemented technological water saving practices and actions in order to reduce its water use.	Stakeholder at catchment scale should however implement water-saving strategies to reduce their potable water consumption as a best practice.	PMPSA's engagements and cooperation with catchment Stakeholder may raise awareness on these topics, even if they are not a relevant threat for the future.

Table 4.1 1.6. Shared water-related challenges and mitigation initiatives.211123

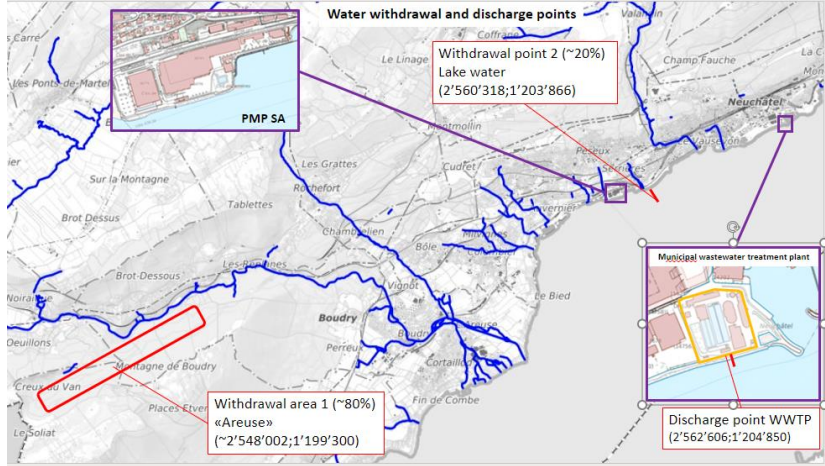
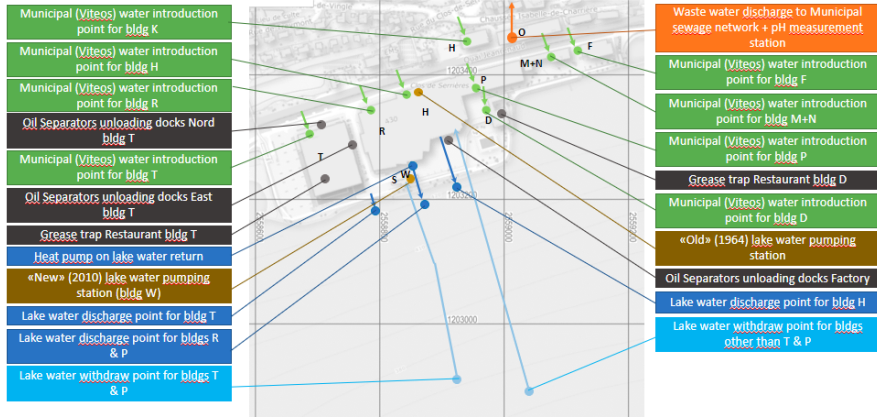
6 INDICATORS CHECKLIST

As per the requirement set out in the AWS certification requirements below is a checklist of all the CORE AWS indicators with the relevant reviewed evidence provided by **Philip Morris Products SA**, and the indicator with which it is associated.

Table 5.1 Evidence reviewed by SGS against each CORE AWS indicator

Clause	Details	Yes	No	Comments/Evidence
1	GATHER AND UNDERSTAND			
1.1	<i>Gather information to define the site's physical scope for water stewardship purposes, including: its operational boundaries; the water sources 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.</i>			
1.1.1 (core)	<p>The physical scope of the site shall be mapped, considering the regulatory landscape and zone of stakeholder interests, including:</p> <ul style="list-style-type: none"> - Site boundaries; - Water-related infrastructure, including piping network, owned or managed by the site or its parent organization; - Any water sources 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 water source; - Discharge points and waste water service provider (if applicable) and ultimate receiving water body or bodies; 	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>Within the framework the AWS Policy, the company defined as the scope of the public commitment to respect AWS "the area under its control/influence", the site is defined within the factory limits</p> <p>The site boundaries delimitate the entire area over which the site has control. They include the built area. This information can be visioned in mapped format in 1.1.a.</p> 

Clause	Details	Yes	No	Comments/Evidence
	- Catchment(s) that the site affect(s) and is reliant upon for water.			<div><p>Site Boundaries</p><p>Building O Car park Building K Lab & Admin Building P Manuf. Dev. Center Building I Administration Building M Administration Building D Restaurant Building I & J Offices Building H Secondary & QA Building R Primary Building S Reception Building T R&D</p></div> <div><p>Legenda</p><p>Site Boundaries</p></div>

Clause	Details	Yes	No	Comments/Evidence
				<p>The water-related infrastructures related to the site and the various treatment steps, phases and hydraulic piping network can be visioned in mapped format in 1.1.b.</p>  <p>Water introduction points, lake water withdraw and discharge points and waste water discharge point</p> 

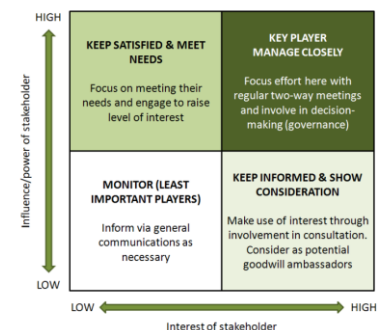
Clause	Details	Yes	No	Comments/Evidence
				<p>Site has two water introductions points, one from the lake and another one from the municipality.</p> <p>Water which come from the lake is used in the cooling system and it is discharged into the lake after it used.</p> <p>Water which come from the municipality (groundwater) is discharged into the sewage system, it's treated in the WWTP.</p> <p>Site has showed the authorization for water income and the discharge.</p>

1.2	<i>Understand relevant stakeholders, their waterrelated challenges, and the site's ability to influence beyond its boundaries.</i>			
1.2.1 (core)	<p>Stakeholders and their water-related challenges shall be identified. The process used for stakeholder identification shall be identified.</p> <p>This process shall:</p> <ul style="list-style-type: none"> - 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 water source and ultimate receiving water body or bodies; - Provide evidence of stakeholder consultation on water-related interests and challenges; 	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>According to AWS, the company has defined the following categories of internal (top management and employees) and external stakeholders (entities other than PMPSA):</p> <ul style="list-style-type: none"> • Those who impact the organization such as regulators, water service provider. • Those on whom the organization has (or is perceived to have) an impact such as other water users,neighbors, NGOs, municipalities,local community. • Those who have a common interest such as similar business sectors, contractors. • Those who are neutral, with no specific link, but with whom it is beneficial to maintain a positive reputation and relationship such as consumers and employees. <p>The main/most relevant stakeholder groups, that is the groups of individuals, organizations and/or companies that affect and/or could be affected by the site's activity, have been identified and mapped: the Stakeholder Map, 1.2.b. shows the location of each relevant stakeholder present in the catchment area, while the Stakeholder List, 1.2.a., states:</p> <ul style="list-style-type: none"> • Type of stakeholder and if external/internal • Level of Interest (High/Moderate/Low) • Current and/or potential degree of Influence • Engagement date • Stakeholder concerns

- 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.

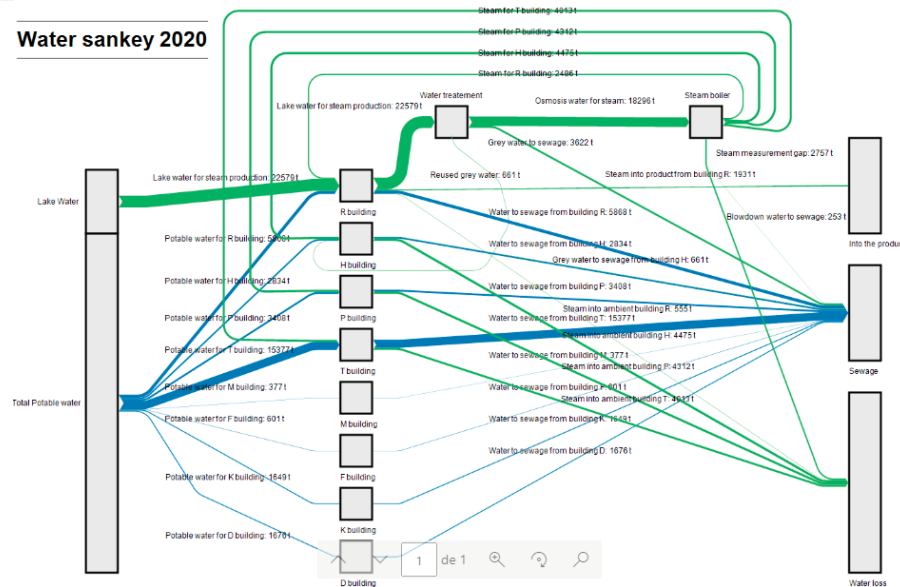
Stakeholders have been classified taking in account the following system:



External Stakeholders													
Stakeholders that have the ability to influence the organization or that can be impacted by the organization													
N°	Name of Stakeholder	Location	Location			Categorization		Description	Level of Interest (Water use – dependency)		Power to influence (PMP SA operations and AWS certification results)		Engagement Strategy
			Catchment Basin	Distance	Orientation	Type	Location Level						
1	Viteos	Quai Marc-Petitpierre 4, 2000 Neuchâtel, Switzerland	Inside	1.7 km	N/E	Suppliers	Local	Water service provider	Strategic partner; Supplies water and energy to PMP SA; shares the same water resource as well as water-related challenges and risks connected to the catchment territory	High	Power to influence outcomes in case of failure in water supply	High	Key Player Manage Closely
2	Municipality of Neuchâtel	Faubourg de l'Hôpital 2, Neuchâtel, Neuchâtel 2000, Switzerland	n/a	n/a	n/a	Public institutions and bodies	Local	Government authority	Strategic partner; shares the same water resource	High	Local government with political power in the physical scope	High	Key Player Manage Closely
3	Neuchâtel City Water Treatment Plant (STEP)	Quai Robert-Comtesse 8, 2000 Neuchâtel	Inside	4 km	N/E	Suppliers	Local	Municipal water sewage network – water treatment plant of Neuchâtel City	Located in the same catchment area as PMP SA; shares the same water resource as well as water-related challenges and risks connected to the catchment territory	High	Power to influence operational outcomes and to cause reputational damages in case of failure in water treatment	High	Key Player Manage Closely

Internal Stakeholders										
1. Stk. that are part of the organization 2. Stk. that operate within PMP SA's site										
N°	Name of Stakeholder	Location	Categorization		Description	Level of Interest (water use - dependency)		Power to influence (PMI operations and AWS certification results)		Engagement Strategy
			Type	Location Level						
47	PMP SA AWS Team	–	Employees	Local	Employees	Interest in water stewardship	High	Collective engagements and data gathering; influence in meeting final goals	High	Key Player Manage Closely
48	Workplace experience	2000 Neuchâtel, Svizzera	Employees	Local	PMI Campus IFMS (other than production)	Low water demanding activities; shares same water resource, shared water risks	Low	Can play a role in water stewardship by developing water saving or less water demanding production systems	High	Keep Satisfied Meet Needs
49	Bardusch	Rue des Petits Champs 4, 1400 Yverdon-les-Bains, Svizzera	Suppliers	Local	Laundry Service PMI's Supplier	Water demanding activities; located in the same catchment area as PMP SA; shares the same water resource and water-related challenges and risks	Medium	May cause reputational damages in case of lack in water stewardship. Alternatively, can bring good reputational outcomes to PMP SA in case of good water stewardship	Moderate-Low	Keep Informed Show Consideration
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 water source and ultimate receiving water body for wastewater.				<input checked="" type="checkbox"/>	<input type="checkbox"/>	Demonstrated and provided evidence of active outreach and consultation on water-related interests and challenges with relevant Stakeholders has been illustrated in the Stakeholder Communication Memorandum, 1.2.c., and in the Stakeholder Communication Evidence, 1.2.d.			

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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>The Emergency Response Plan (ERP) identifies the functional areas of the site, the emergency actions associated to each hazardous product as well the emergency procedure to follow in case of accidents.</p> <p>Scenarios described include: exceedances in emissions/discharges, flood events, earthquake, pipe ruptures and spillages, fires etc.</p> <p>The behaviour procedures to adopt in case of accidents and emergency numbers to call are available to employees.</p> <p>In the event of on-site events, they shall be recorded, at this moment there are not any Emergency Event.</p>
1.3.2 (core)	Site water balance, including inflows, losses, storage, and outflows shall be identified and mapped.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>Site water balance: illustrated in 1.3.b., shows the water demanding, it use and discharge. Evaporation is estimated form income data, losses and discharge..</p> <p>Site has performed a Sankey Diagram to illustrate the site water balance</p>



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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>MPSA has a quantified site water balance in place for 2020. The Sankey Diagram summarize volumes of water IN and OUT.</p> <p>PMPSA tracks and monitors water consumption trends over years: WEI and seasonality trends from 2018 to 2021 are available</p> <p>Maps of water installations at site level are available: installation has increased over the last year (3 - 5 new water meters in place since 2020), in order to better monitor water savings, consumptions and detect any water anomalies (i.e. leakages)</p>
1.3.4 (core)	Water quality of the site's water source(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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>PMPSA performs the qualitative monitorings, according to the legal requirements in force:</p> <ul style="list-style-type: none"> • Legionella • Discharge water • Lake water temperatures <p>PMPSA has implemented procedure 06 EHS&S "Water management", this procedure includes how PMPSA must comply legal water requirements.</p> <p>PMPS perform test to comply legal requirements, it includes the temperature water control before the cooling system discharge.</p>
1.3.5 (core)	Potential sources of pollution shall be identified and if applicable, mapped, including chemicals used or stored on site.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>Site has identified the following potential sources of pollution:</p> <ul style="list-style-type: none"> • Hazardous materials register and location • Substance storage tank inventory and location • Waste inventory and location. <p>This documents contain a substance description, classification, and they have been mapped into the site.</p>
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>Within the site there is a IWRA, Neuchatel lake, It has been identified, mapped and PMPSA has included a description of it status.</p> <p><i>Neuchâtel Lake is the largest of the Swiss Lakes and hosts a very rich and diverse biodiversity. It is surrounded by the Cantons of Neuchâtel, Vaud, Bern and Fribourg.</i></p> <p><i>Lake Neuchâtel hosts numerous animal species and is an internationally recognized wintering area for waterfowl. In November 2018, the AGC (Association de la Grande Carigaie) counted approximately 76,500 waterfowls on Lake Neuchâtel.</i></p> <p><i>It hosts over 36 species of fish, many of which are internationally endangered and endemic to Lake Neuchâtel such as pike, perch and the Wels catfish. 12 species of</i></p>

				<p>reptiles, 6 of which are indigenous (the common garter snake, the Austrian Cornella, the common lizard, the wall lizard and the Orvet), and approximately 16 species of amphibians (with the largest population of lobster newt in Switzerland) can also be found along the shores.</p> <p>The shores of Lake Neuchâtel are also popular areas for beavers, even in urban context.</p> <p>The general condition is Good.</p> <p>It is an important tourist destination and although unsustainably exploited in the past, there is growing attention from the authorities and the local population for its conservation, especially regarding its surface water quality.</p>
1.3.7 (core)	Annual water-related costs, revenues, and a description or quantification of the social, cultural, environmental, or economic water-related value generated by the site shall be identified and used to inform the evaluation of the plan in 4.1.2.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>Annual water-related costs for 2020 were divided and the data were showed to the audit Team.</p> <p>It includes, cost from water supplier, waste water out (treatment), water taxes, water cost from lake water, water management</p>
1.3.8 (core)	Levels of access and adequacy of WASH at the site shall be identified.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>The Site ensures access and adequacy of WASH, nevertheless PMPSA has performed some awareness initiatives about a correct water use with the employees.</p>

1.4	<i>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.</i>			
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>PMPSA 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 PMI.</p> <p>Pmi's Indirect Water Use Supplier List has also requested and information regarding their water-use and water management has been updated.</p> <p>Philip Morris International assesses themes regarding water consumption, water scarcity and shared water challenges in many countries that produce primary input products.</p>

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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>The embedded water use of outsourced service providers are listed as follows:</p> <ul style="list-style-type: none"> - ISS: responsible for soft water-related maintenance activities such as cleaning and general management. - VITEOS: PMPSA's water service provider, responsible for providing potable water to MTB as well as all catchment municipalities and industries <p>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 PMPSA in order to understand their water-use, their knowledge on shared water-related challenges and their interest in AWS principles.</p>
1.5	<i>Gather water-related data for the catchment, including: water governance, water balance, water quality, Important Water-Related Areas, infrastructure, and WASH</i>			
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Water governance, catchment plans, water-related public policies and publicly-led initiatives have been identified in a dedicated presentation
1.5.2. (core)	Applicable water-related legal and regulatory requirements shall be quantified, including legally-defined and / or stakeholder verified customary water rights.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>PMPSA., aims to identify all legal and regulatory requirements with specific environment, therefore, including for water management.</p> <p>Applicable water-related legal and regulatory requirements have been identified and described in detail</p> <p>PMPSA., complies with the applicable water related legal and regulatory requirements.</p>
1.5.3. (core)	The catchment water-balance, and where applicable, scarcity, shall be quantified, including indication of annual, and where appropriate, seasonal, variance.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The catchment water balance has been developed in "1.5.c. Catchment Area Water Balance.211110" file.

				<p>The catchment water-balance has been illustrated in a ppt.: the data for this study has been obtained from Swiss Meteorological Service, Canton of Neuchâtel, Viteos and the relative documentation used has been saved as supporting documents.</p> <p>This document describes the catchment as it was mentioned in the Criteria 1.1.1. Physical Scope”.</p>
	<p>➤ Water inflows:</p> <ul style="list-style-type: none"> • 2,824,231,200 m³ entering as rainfall • 10,028,000 m³ entering as potable water supply <p>➤ Water outflows:</p> <ul style="list-style-type: none"> • 1,667,836,570 m³ lost through evapotranspiration • 68,191,000 m³ lost as wastewater • 7,525,000 m³ lost through potable water supply leaving the catchment area 			<div> $(\text{Water outflow}) = (\text{Water inflow}) + (\text{Change in storage volume})$ $-(\text{Change in storage volume}) = (\text{Water inflow}) - (\text{Water outflow})$ $-\text{Change in storage volume} = (2,444,050,200 \text{ m}^3) - (1,736,027,570 \text{ m}^3)$ $\text{Change in storage volume} = 1,090,706,630 \text{ m}^3$ </div>
				<p>This report concludes, PMPSA's catchment water balance illustrates a catchment territory which is not overexploited in terms of water use. However, future climate change scenarios illustrate a dramatic toll in temperature raises that could trigger increasing stress in terms of water availability and use.</p> <p>For 2020, PMPSA's catchment area resulted as having greater water inflows in comparison to water outflows, with more water being stored than used in the catchment area</p>
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>Surface water quality assessments are disclosed in dedicated reports, which illustrate the results obtained during yearly monitoring campaigns, coordinated for superficial waters by the FOEN and controlled by dedicated entities (NADUF, IF AEPE, EAWAG).</p> <p>The quality status of surface waters is evaluated through the analysis of various chemical and ecological parameters, Over the last 15 years, surface water quality in</p>

				<p>accordance to European standards lies between good and very good for Neuchâtel Lake (0-5m depth). Source: https://www.die3seen.ch</p> <p>Ground water quality is monitored and under surveillance at National level by NAQUA National Groundwater Monitoring</p> <p>The 9 year monitoring period from 2007 to 2016 illustrates an overall good groundwater quality status with exceeding threshold values only for nitrates (in 3% of measured stations), phytosanitary compounds (in 2% of measured stations) and phytosanitary compound metabolites (in 1% of measured stations). Water levels are heterogeneous but are compliant to the the law devised to protect it (not more can be withdrawn than what is recharged).</p>
1.5.5 (core)	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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>PMPSA has identified 10 Important Water-Related Areas in the catchment (150 km²) these area have been mapped and their status has been assessed in a detailed file.</p> <ul style="list-style-type: none"> • A number of 10 Important Water Related Areas (IWRAs) have been identified in the area of physical scope ((approximately 150 km²). Identified IWRAs include: crest and forest areas of the Neuchâtel Canton; Natural Reserve of Creux du Van and Pertuis du Sault; a number of local, Municipal protected areas; Lake and Lake front area of Neuchâtel and the Gorges de l'Areuse spring area. <p>The IWRA were identified using:</p> <ul style="list-style-type: none"> • World Database on Protected Areas (WDPA): https://www.protectedplanet.net/ • Cantonal Geoportal of Neuchâtel territory https://sitn.ne.ch/
1.5.6. (core)	Existing and planned water-related infrastructure shall be identified, including condition and potential exposure to extreme events.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>Water-related infrastructures are related to storing, moving, delivering and treating water and wastewater.</p> <p>On-site there is the location of a Neuchâtel City (Municipal) underground storage tank (in the parking-space - Building). It is equipped with a pH sensor. Neuchâtel City is responsible for the underground storage tank maintenance once a year. Before pumping to the Neuchâtel City Waste Water Treatment Plant (STEP).</p>

1.5.7. (core)	The adequacy of available WASH services within the catchment shall be identified.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Population's access to safe drinking water and sanitation facilities at catchment Area.
1.6	<i>Understand current and future shared water challenges in the catchment, by linking the water challenges identified by stakeholders with the site's water challenges.</i>			
1.6.1 (core)	Shared water challenges shall be identified and prioritized from the information gathered.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	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. See point 5 from this report.
1.6.2. (core)	Initiatives to address shared water challenges shall be identified	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
1.7	<i>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.</i>			
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The water risks faced by the Site have been illustrated in a water-related risk assessment conducted for the catchment territory using the Water Risk Filter (http://waterriskfilter.panda.org/) an AWS Standard Tool. Relevant environmental data is available on the local Cantonal public GIS tool (Source: sitn.ne.ch). Locally obtained data is compared with global obtained data sets in order to identify more accurate and integrated water-risk scenarios by verifying the reliability of the global tools. For the catchment area, the WRF highlights an overall low risk Water stress the WRF highlightis a very low risk Drought: the WRF highlights a high risk in drought frequency As illustrated bellow figure from Risk assessment report, the meteorological and hydrologic conditions in the Canton of Neuchâtel do not favor drought or water scarcity conditions: annual precipitations are abundant, regular and usually above average.
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

For the area of interest, local data sets illustrate that drought frequency and subsequent baseline water stress risk is very low and unlikely to pose a threat in the future.

Precipitation, annual total



Figure 5: Precipitation trends in the Canton of Neuchâtel (source : <https://www.meteosuisse.admin.ch/>)

We can observe a relatively stable precipitation trend, with minimum variations from one year to another.

Flood: the WRF highlights a moderate risk. the area of interest is exposed to a Residual flood Risk (return time > 300 yrs. For the area of interest, local data sets confirm that flood occurrence may pose a low – moderate risk due to PMPSA's vicinity to Lake Neuchatel.

Surface Water Quality: the WRF highlights a high risk.




Surface and groundwaters are protected, according to the Federal Act on Water Protection (LEaux) and Ordinance for Water Protection (OEaux).

There is no local formal risk evaluation for the surface water quality. However, based on available data, PMPSA evaluates it to be a moderate-low risk, due to the good surface water quality status, defined monitoring regimes, water sanitation installations (WWTP), establishment of protected areas and the efforts of the local Authorities in conservation measures.

Freshwater Biodiversity : WRF highlights a low risk within the PMPSA catchment area in terms of impact on freshwater biodiversity.

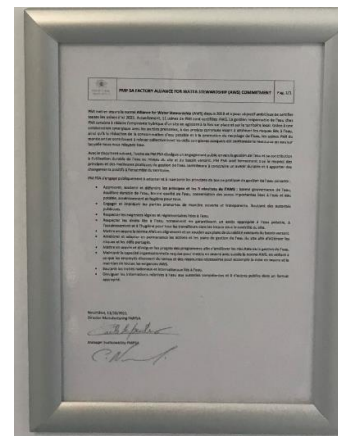
				<p>Biodiversity Importance and potential degradation: WRF shows a very high risk for the catchment area of PMPSA</p> <p>Based on available data, PMPSA evaluate it to be a moderate-high risk, due of the high vulnerability of the numerous sensitive water-related habitats and endangered species. This vulnerability may however be compensated by the monitoring regime of the shores and the protection measures implemented by local Authorities</p> <p>Conclusion</p> <table><tr><th>Risk</th><th>Global WRF</th><th>Local data*</th></tr><tr><td>Overall</td><td>Low</td><td>-</td></tr><tr><td>Baseline water stress</td><td>Very Low</td><td>Very Low</td></tr><tr><td>Drought Frequency</td><td>High</td><td>Very Low</td></tr><tr><td>Flood occurrence</td><td>Moderate</td><td>Low-Moderate</td></tr><tr><td>Surface water quality</td><td>High</td><td>Moderate-Low</td></tr><tr><td>Projected impacts on freshwater biodiversity</td><td>Low</td><td>Moderate-Low</td></tr><tr><td>Biodiversity importance and potential degradation</td><td>Very High</td><td>Moderate-High</td></tr></table>	Risk	Global WRF	Local data*	Overall	Low	-	Baseline water stress	Very Low	Very Low	Drought Frequency	High	Very Low	Flood occurrence	Moderate	Low-Moderate	Surface water quality	High	Moderate-Low	Projected impacts on freshwater biodiversity	Low	Moderate-Low	Biodiversity importance and potential degradation	Very High	Moderate-High
Risk	Global WRF	Local data*																										
Overall	Low	-																										
Baseline water stress	Very Low	Very Low																										
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Projected impacts on freshwater biodiversity	Low	Moderate-Low																										
Biodiversity importance and potential degradation	Very High	Moderate-High																										
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>Following best practices have been identified:</p> <ul style="list-style-type: none">• Water stewardship strategy & plan is in place and will be periodically updated with new actions and initiatives• AWS Commitment signed and published both internally and externally• Divulcation and engagement with employees on principles of water stewardship and information disclosure in order to raise awareness and better inform communities of the local catchment																								



				<ul style="list-style-type: none"> Engagement with External Stakeholders (i.e. via Webinar and questionnaire) to promote water stewardship, disclose benefits, gather information and feedback related to water-related topics etc. Ongoing public communication of PMPA's water stewardship best practices to set a leading example to others (i.e. via Water Stewardship Report)
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. 	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Following best practices have been identified: <ul style="list-style-type: none"> Water monitoring for consumption & quantity flows is in place (i.e. new water meter installation, WEI and KPI for daily tracking) Water efficient technologies have/are being implemented and water-saving settings are in place/under investigation for future implementation Additional water meters have been installed to improve leak detection and water measurement assessment
1.8.3. (core)	Relevant sector and/or catchment best practice for water quality shall be identified, including rationale for data source. 	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Following best practices have been identified: <ul style="list-style-type: none"> Water quality control strategies are in place for outgoing wastewater, legionella and lake water temperatures (i.e. water quality monitoring procedures in place & analytical results are available from 2018 to 2021) Water quality controls of catchment water are in place and publicly available on VITEOS's website Emergency response plan in place for water-related incidents Hazardous substances and material are mapped and volumes secured via containment basins 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. 	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Following best practices have been identified: <ul style="list-style-type: none"> Execution of a clean-up event along the shores of Lake Neuchâtel

1.8.5 (core)	<p>Relevant sector and/or catchment best practice for site provision of equitable and adequate WASH services shall be identified.</p> 	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>Following best practice has been identified:</p> <ul style="list-style-type: none"> Awareness activities related to the importance of water and WASH provision (i.e. World Water Day awareness video, Video wall messages on screens, Yammer communications etc.)
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2	COMMIT AND PLAN			
2.1	<i>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.</i>			
2.1.1. (core)	<p>A signed and publicly disclosed site statement OR organizational document shall be identified. The statement or document shall include the following commitments:</p> <ul style="list-style-type: none"> - 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. 	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>AWS Commitment of the PMPSA has been publicly disclosed.</p> <p>PMPSA's official Webpage in both Local and English language</p> <p>AWS Policy contains the following information:</p> <ul style="list-style-type: none"> the scope of AWS general objectives in accordance with the specifications of the AWS standard. explicitly covers the 5 outcomes of the AWS 2.0 <p>AWS Policy signed and updated whenever necessary is communicated to all employees, as well as to external stakeholders (as appropriate).</p>



2.2.	Develop and document a process to achieve and maintain legal and regulatory compliance.	
2.2.1. (core)	<p>The system to maintain compliance obligations for water and wastewater management shall be identified, including:</p> <ul style="list-style-type: none"> - Identification of responsible persons/positions within facility organizational structure - Process for submissions to regulatory agencies. 	<div> <input checked="" type="checkbox"/> <input type="checkbox"/> </div> <p>The system identifies the responsible persons/positions within the organization to maintain compliance with water related legal or regulatory requirements.</p> <p>In order to provide evidence of water-related legal and regulatory compliance, the following documents are in place</p> <ul style="list-style-type: none"> • ISO 14 001 + 45 001 Audit Report (September 2021) • Water legal register for regular compliance checks at Site level (updated to 2021) • Register of responsible personnel for water-related legal compliance • Water management Self-Assessment (February 2021) for 2020
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)	<p>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>	<div> <input checked="" type="checkbox"/> <input type="checkbox"/> </div> <p>The responsive and resilient Water Stewardship Strategy Plan has been created in response to the risks and challenges identified in Step 1. It contains:</p> <ul style="list-style-type: none"> • Risks and challenges that concern not only the site and its water supply but the entire catchment territory

				<ul style="list-style-type: none">• SMART (Specific, Measurable, Achievable, Realistic and Time-based) targets and objectives• Actions that work towards obtaining all 5 AWS outcomes in line with the Standard requirements (i.e. good water governance, sustainable water balance, good water quality status, IWRA, WASH) <p>The actions and projects illustrated in the responsive and resilient Water Stewardship Strategy Plan have been classified in:</p> <ul style="list-style-type: none">• Technological, projects focused on water-saving and optimization• Social and Community, actions focused on raising awareness, engagement and best practice disclosure
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2.3.2 (core)	<p>A water stewardship plan shall be identified, including for each target:</p> <ul style="list-style-type: none"> - 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. 	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>The Action Plan is issued specifying:</p> <ul style="list-style-type: none"> • Water-related risks to mitigate • Goal • Strategy • Action • Description • Responsible • Term • Resources • Status • relationship with AWS Objectives <p>During the audit are reviewed the following actions.</p> <p>Social and community actions:</p> <ul style="list-style-type: none"> • Stakeholder Webinars • Stakeholder Questionnaires • Virtual coffee with HPC • Video celebration • WASH campaigns • Contest What to do to Save Water • AWS Commitment publication • AWS Certification announcement • Stakeholder Engagement activities • Environment Award – Purlac <p>Technological Actions</p> <ul style="list-style-type: none"> • PH pre-treatment installation • Grey water usage in glue drums before disposal • Increase metering capability in R building • Filters against Quagga mussels on lake water pumping station HB27 • AI HVAC implementation (steam consumption reduction) • Swab pre-humidification • Water quality-quantity monitoring
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2.4.	<i>Demonstrate the site's responsiveness and resilience to respond to water risks</i>			
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>The responsive and resilient Water Stewardship Strategy Plan (2.3) has been created in order to mitigate and responded quickly and positively to water-related events and/or risks.</p> <p>Emergency Response Plan Incident in place to demonstrate responsiveness to water-related incidents and risk with immediate actions i.e. chemical spills,contamination events etc.</p> <p>Engagements with numerous stakeholders in order to raise awareness on water-related issues</p>

3	IMPLEMENT			
3.1.	<i>Implement plan to participate positively in catchment governance.</i>			
3.1.1. (core)	Evidence that the site has supported good catchment governance shall be identified.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>The site has also actively engaged with relevant stakeholder groups in order to support and contribute to good catchment governance. Evidence of engagement and active outreach (i.e. authorities, companies, water-demanding companies, service providers, employees etc.).</p> <p>PMPSA has also conducted the following:</p> <ul style="list-style-type: none"> • Project with Environmental Association Purlac to increase awareness and sensibilization amongst local citizens towards the quality status of Neuchâtel Lake • Campaigns with internal employees to create awareness and give helpful tips (i.e. campaigns on how to reduce water consumption, email information divulgation, information slides in common areas and videos etc.) • AWS dedicated Webinar organized and questionnaires were sent out to main Internal and External Stakeholders in order to gather feedback, disclose water stewardship plan and create a local network amongst key figures in the catchment area • Clean up event along the IWRA green areas located along the lake shores of Neuchâtel Lake, with the aim to mitigate water pollution, increase awareness and conservation 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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	N/A. Switzerland is a country where this section is not necessary to justify.
3.2.	<i>Implement system to comply with water-related legal and regulatory requirements and respect water rights.</i>			
3.2.1. (core)	A process to verify full legal and regulatory compliance shall be implemented.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>In order to provide evidence of water-related legal and regulatory compliance, the following documents are in place</p> <ul style="list-style-type: none"> • ISO 14 001 + 45 001 Audit Report (September 2021) • Water legal register for regular compliance checks at Site level (updated to 2021) • Register of responsible personnel for water-related legal compliance • Water management Self-Assessment (February 2021) for 2020

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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	N/A. Switzerland is a country where this section is not necessary to justify.
3.3.	<i>Implement plan to achieve site water balance targets.</i>			
3.3.1 (core)	Status of progress towards meeting water balance targets set in the water stewardship plan shall be identified.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>Water balance improvement activities are included in the responsive and resilient Water Stewardship Strategy Plan (2.3).</p> <p>Activities that have been performed to improve water balance are both site-specific as well as catchment based.</p> <p>The following water balance improvement activities, included in the responsive and resilient Water Stewardship Strategy Plan, have been implemented by PMPSA to improve water balance targets:</p> <ul style="list-style-type: none"> • Reuse of greywaters in cleaning processes • Implementing more water efficient processes in order to reduce use of potable water • Metering for previously un-metered production sections in order to increase monitoring and reduce losses/leakages
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	As illustrated in the Water-related Risk Assessment for 2021, water scarcity is not a shared water challenge.
3.3.3 (core)	Legally-binding documentation, if applicable, for the re-allocation of water to social, cultural or environmental needs shall be identified.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	N/A. Switzerland is a country where this section is not necessary to justify.

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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Site currently guarantees optimum water quality, in accordance to legal limits and targets: <ul style="list-style-type: none">• Efficient water monitoring & quality control strategy executed on-site• Efficient lake water temperature monitoring executed on-site as well as maintenance of sensors in place• Technological project related to the pH pre-treatment in order to better control and regulate waste water pH• Catchment projects and campaigns related to the mitigation of surface water deterioration. These include the clean up events along the Neuchatel Lake shores with local Stakeholders and awareness project with Purlac. Evidence of these actions are summarized in dedicated presentation in 3.1.b. Technological water saving & safeguarding initiatives.
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The IWRA's identified in the catchment area are illustrated in 1.5.f. Water Stewardship Strategy Plan all the activities related to IWRA actions/project implementation are described as the following: <ul style="list-style-type: none">• Awareness project with Purlac related to the installation of 'Les Clous'• Clean Up event with local Stakeholders to mitigate water-related risks realted to pollution in Lake Neuchâtel
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PMPSA ensures access and adequacy of WASH to all workers on-site in accordance to international and national standards

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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	N/A. Switzerland is a country where this section is not necessary to justify.
3.7.	<i>Implement plan to maintain or improve indirect water use within the catchment.</i>			
3.7.1. (core)	Evidence that indirect water use targets set in the water stewardship plan, as applicable, have been met shall be quantified.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PMPA's raw material (DIM and LEAF) suppliers have been mapped and information on their water use has been requested.
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PMPA's outsourced service providers have been identified and listed as internal stakeholders. Evidence of engagement and notifications is illustrated in the Communication evidence
3.8	<i>Implement plan to engage with and notify the owners of any shared water-related infrastructure of any concerns the site may have</i>			
3.8.1. (core)	Evidence of engagement, and the key messages relayed with confirmation of receipt, shall be identified.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	No shared water-related infrastructures are located on-site Throughout PMPA's AWS certification journey, VITEOS and the City of Neuchâtel have been contacted and engaged on multiple occasions. This is illustrated in the Stakeholder communication & consultation feedback evidence

3.9	<i>Implement actions to achieve best practice towards AWS outcomes: continually improve towards achieving sectoral best practice having a local/catchment, regional, or national relevance.</i>			
3.9.1. (core)	Actions towards achieving best practice, related to water governance, as applicable, shall be implemented	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>Action plan is introduced information about the objectives with which the actions are related, but also the category of "Good practices" associated, following the classification in one of the categories:</p> <ul style="list-style-type: none"> • Good aWS management practices • Good practices related to quantitative water balance sheet • Good water quality practices • Good practices related to access to drinking water, sanitation and hygiene facilities (WASH) • Good practices related to important water-related areas (IWRA), if applicable.
3.9.2. (core)	Actions towards achieving best practice, related to targets in terms of water balance shall be implemented.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
3.9.3. (core)	Actions towards achieving best practice, related to targets in terms of water quality shall be implemented.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
3.9.5. (core)	Actions towards achieving best practice, related to targets in terms of the site's maintenance of Important Water-Related Areas shall be implemented.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

4	EVALUATE			
4.1	<i>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.</i>			
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	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>The evaluation of the site's water stewardship performance includes:</p> <ul style="list-style-type: none">• List of actions taken and the extent at which they are being, or have been met• Evaluation of improvements: if the actions are being effective in mitigating water-related risks/challenges• Evaluation of the shared-values/benefits generated at catchment level (i.e. reducing water-related risk, improving natural capital and ecosystem services)• Evaluation of the financial cost-benefit component: investment costs and cost savings in order to help justify the measures taken• List of 5 AWS outcomes achieved <p>Performance information is available in the AWS water strategy plan.</p>
4.1.2. (core)	Value creation resulting from the water stewardship plan shall be evaluated.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
4.1.3 (core)	The shared value benefits in the catchment shall be identified and where applicable, quantified.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
4.2	<i>Evaluate the impacts of water-related emergency incidents (including extreme events), if any occurred, and determine the effectiveness of corrective and preventative measures.</i>			
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	No significant water-related emergency incident (i.e. spills, leakages, natural disasters such as gulfloods or droughts that have disrupted the water infrastructures and water availability etc.) has been recorded to date

4.3.	<i>Evaluate stakeholders' consultation feedback regarding the site's water stewardship performance, including the effectiveness of the site's engagement process.</i>			
4.3.1 (core)	Consultation efforts with stakeholders on the site's water stewardship performance shall be identified.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>The site has proven evidence of communication efforts towards various stakeholders and interest groups.</p> <p>The site will continue to involve stakeholders in the future in order to share and review water stewardship performance and outcomes.</p> <p>Feedback and comments from the stakeholders have also been reported.</p>
4.4.	<i>Evaluate and update the site's water stewardship plan, incorporating the information obtained from the evaluation process in the context of continual improvement.</i>			
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>The site's responsive and resilient Water Stewardship Strategy Plan (2.3.) will be evaluated and updated periodically (at a minimum on an annual basis) in order to ensure positive progress and regular data collection and monitoring. The evaluation document is available at 4.1.</p>

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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The roles and responsibility of those accountable for water related emergencies and compliance in water-related matters is available in 1.3.a.
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PMPSA actions, projects and best-practices, illustrated in Water Stewardship Strategy Plan, have been shared with- External and Internal Stakeholders during the AWS Webinar sessions and with the Employees during the HPC Virtual Coffee session on the 28th of October
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	As done for other PMI sites, PMPSA has disclosed its water stewardship performance, targets and implemented best practice actions for 2020-2021 in a dedicated and publically available Water Stewardship Report on PM Switzerland's website
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>The site has provided information to the stakeholders regarding shared water-related challenges and risks common to the catchment territory.</p> <p>In October 2021, PMPSA sent out a dedicated questionnaire to 27 Stakeholders in order to receive feedback regarding water-related themes. 10 Stakeholders have responded to date</p>

5.4.2. (core)	Efforts made by the site to engage stakeholders and coordinate and support public-sector agencies shall be identified.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>The above mentioned efforts has been performed to engage stakeholders and public-sector.</p> <p>All efforts to address and engage with Internal and External Stakeholders are available in the Stakeholder communication memorandum and evidence file</p>
5.5	<i>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.</i>			
5.5.1. (core)	Any site water-related compliance violations and associated corrections shall be disclosed.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	During 2021 there have been no violations compliance.
5.5.2. (core)	Necessary corrective actions taken by the site to prevent future occurrences shall be disclosed if applicable.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	No corrective actions have been necessary to prevent future compliance violations.
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	N/A . PMPSA doesn't have any water-related violation at the moment.

7 AUDIT FINDINGS

A findings log was issued to **Philip Morris Products SA** which detailed the findings raised for the audit. As there were a large number of documents supplied to SGS as evidence and each one had to be reviewed, the findings log acted as a live document and was updated periodically until all indicators and documents had been reviewed for compliance. **Philip Morris Products SA.** was then afforded time to respond to the findings and supply additional information for SGS to the review and to either accept and close the finding or request further information or action. Once all findings were closed by the Lead Auditor all documentation and audit trail were then reviewed by the Certifier.

7.1 MAJOR NON CONFORMITIES

During the course of the audit non major non-conformances were raised.

7.2 MINOR NON CONFORMITIES

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

7.3 OBSERVATIONS

Two observation were raised during the audit which are only to be considered as improvement opportunities. No action is necessary during this audit period but these issues would most likely come under scrutiny during a surveillance audit scenario.

Table 7.3.1. Observations and New Information Requests raised during the AWS audit process

No.	Type	Ref.	Details	Response by PMPSA	Relevant References
1.2.1.	Observation	121OBS	Observation 01 It is recommend to review the stakeholder list and include some univeristy.If there are any university and the stakeholder assessment identify them as key stakholder, try to engage them Although Swiss citizens are aware, it's recommend to go with them about it.		
4.3.1	Observation	431OBS	It's recommended to add Suggestions box in the stakeholders questionnaire (open it to their comments not only to your questions).		

8 SUMMARY

In reviewing the body of evidence presented by **Philip Morris Products SA** it is apparent that a considerable quantity of effort and work has been put into the preparation for the audit for Alliance for Water Stewardship Certification.

Non major and minor non- conformities have been identified.

9 OPPORTUNITIES FOR IMPROVEMENT

The certification audit for **Philip Morris Products SA** against the AWS Standard Version 2.0 is for the initial assessment of conformity and as such allows for some areas for improvement going forward.

10 CONCLUSIONS AND RECOMMANDATIONS

Given the review of evidence produced and site audit performed at the **Philip Morris Products SA** , SGS recommends that **Philip Morris Products SA – located at Quai Jeanrenaud 3, 2000 Neuchatel, Switzerland** is awarded **AWS Core Certified** status with a surveillance audit interval of annual frequency