



Alliance for Water Stewardship Assessment Report

**Prepared for R.J. Reynolds Tobacco Company (RJRT), subsidiary of
British American Tobacco**

Prepared by: SGS
SGS Ref.: 02-958-19795
Version: 1
Date: 18 December 2021

This is a controlled document, which is subject to SGS document control procedures.
It may not be reproduced in whole or in part without the express permission of SGS

REPORT DETAILS

WHEN YOU NEED TO BE SURE




REFERENCE	AWS-000395
CERTIFICATE No	SGS2022_AWS0001
REPORT TITLE	ALLIANCE FOR WATER STEWARDSHIP ASSESSMENT REPORT
DATE SUBMITTED:	18 th December 2021
CLIENT:	R.J. REYNOLDS TOBACCO COMPANY (RJRT) 7855 Doral Drive, Tobaccoville, 27050, North Carolina. United States of America. Janae Wells - wellsj1@RJRT.com
AUDIT TEAM:	17 th – 18 th November, 2021 Lead Assessor Ursula Antúnez de Mayolo (UA) – onsite
SIGNED:	 Ursula Antúnez de Mayolo
TECHNICAL SIGNATORY	 Paula Sofia Gomez geras
STATUS	FINAL
NOTICE	<p>This document is issued by SGS under its General Conditions of Service accessible at http://www.sgs.com/terms_and_conditions.htm. Attention is drawn to the limitation of liability, indemnification and jurisdiction issues defined therein.</p> <p>Any holder of this document is advised that information contained hereon reflects SGS's findings at the time of its intervention only and within the limits of Client's instructions, if any. SGS's sole responsibility is to its Client and this document does not exonerate parties to a transaction from exercising all their rights and obligations under the transaction documents. Any unauthorised alteration, forgery or falsification of the content or appearance of this document is unlawful and offenders may be prosecuted to the fullest extent of the law.</p>

Table of content

REPORT DETAILS	1
1 EXECUTIVE SUMMARY	4
2 SCOPE OF ASSESSMENT	5
3 PHYSICAL SCOPE AND DESCRIPTION OF CATCHMENT	7
4 SUMMARY OF SHARED WATER CHALLENGES	11
5 INDICATORS CHECKLIST	12
6 AUDIT FINDINGS	30
7 SUMMARY	31
8 OPPORTUNITIES FOR IMPROVEMENT	32
9 CONCLUSIONS AND RECOMMENDATIONS.....	33
10 REFERENCES	34

1 EXECUTIVE SUMMARY

The scope of services covers the assessment in compliance with the AWS International Water Stewardship Standard Standard Version 2.0 for R.J. Reynolds Tobacco Company (RJRT) for their Tobaccoville Factory, North Carolina, USA. The assessment has been completed in compliance with AWS Certification Requirements v 2.0 December 2019 and is a “full” conformity assessment.

British American Tobacco is a global organization whose subsidiaries manufacture tobacco related products. It has operations world-wide, and in USA, RJRT is its largest operating company.

Given the document review undertaken, verification of evidence and on-site audit performed, SGS recommends that RJRT is granted a certificate for a cycle of 3 years to be AWS “CORE” Certified to the Version 2.0 of the AWS standards. Next audit will be the yearly surveillance assessment.

There was only 1 non-conformance raised during the course of the audit process, minor.

2 SCOPE OF ASSESSMENT

The scope of services covers the assessment to the AWS International Water Stewardship Standard Version 2.0 (CORE Level) for RJRT for their Tobaccoville Factory, North Carolina, USA. The assessment has been completed in compliance with AWS Certification Requirements v 2.0 December 2019.

The assessment was initiated with 0.35 days off-site (preliminary review), followed by 2 days on-site visit by the Lead Auditor who also has 9 years auditing tobacco factories and farmers in North Carolina in US yearly, as well as in other countries of the world, The geographical scope has been only the Tobaccoville Factory. The water withdrawn is from the Yadkin - Pee Dee river basin, code 0304.

The audit was announced in 3 places:

- AWS webpage: Posted by SGS, published 8th October 2021
- Company Webpage: Uploaded by the client the 11th October 2021
<https://www.reynoldsamerican.com/press/1uSuijDO6nXcVJvGXzDOQ6>
- Twitter: Posted by the client, on 12th October 2021
https://twitter.com/RAI_News/status/1448021182771511304?s=20

The audit interviews were held for RJRT and stakeholders over 2 days for the factory visit to see the operations, stormwater system / pond / creek inspection, check the water meters, visit to stakeholders and to City of Winston-Salem / Forsyth County Utilities - Wastewater Treatment Plant, as well as virtual interview to NGOs, non-for-profit and a farmer. RJRT and stakeholders provided the requested supporting documentation as evidence whilst interviewed.

The external stakeholders visited and interviewed onsite were during the audit:

- City of Winston-Salem / Forsyth County Utilities - Wastewater Treatment Plant. It was visited the WWTP for understanding the context of the water availability and quality. It was confirmed the process for treating the wastewater to discharge again to the river stream. 3 supervisors were interviewed in the WWTP.
- Keep Winston-Salem Beautiful (NGO): Interviewed the executive director for environmental collective action. Supported by City of Winston Salem.
- Yadkin River Keeper (Non-for-profit Organization): Interviewed the representative for an overview of the water quality of the Yadkin river, and stakeholders.

- Tobacco Farmer of Tobaccoville, to confirm the Good Agriculture Practices of the company.

The internal stakeholders visited and interviewed onsite were during the audit: RJRT personnel of different areas, such as:

- Environmental, Health & Safety
- Operations
- Production
- Security

3 PHYSICAL SCOPE AND DESCRIPTION OF CATCHMENT

They prepared a drawing showing the boundaries of the site. Within the site boundaries, there is a small building rented to Credit Union that is connected to RJRT for water and effluents and do not have internal meters. Stormwater lines are marked in yellow with all the input points numbered in red, and it is shown the pond and the sampling point of discharge of stormwater. Barkers Creek that runs through the site is marked in pink lines.

They also have a map of the City Water tank located at the site, the City Water pipeline, the water receiving station of the site and metering boxes, as well as the pipelines of Potable water line and Fire Water line. They have another map for the effluent drains points through the site, and the effluent sampling station at discharge point to the city network.

The site has several location maps based on Google Maps. Also, in US it is used the "mailing codes" for the definition of the boundaries. It was shown the government platform with the mailing codes associated to RJRT. The site is surrounded by the highway and by roads. There are household neighbours and other industries in the surrounding areas. The site was built in the 80' when the company initiated operations. They have a small building close to the highway that is leased to Credit Union and can be accessed without getting into the site. There is also a power plant within the site which is in another mailing code, however, it is within the operation of the RJRT factory, so it is fully within the boundaries. There is a water tank within the facility that is owned by the City, as it is the storage for the water that the City water supplier provides. The site does not have a Waste Water treatment plant or pre-treatment. They test the effluents at a station prior to leaving the facility, for the regulatory parameters such as flow, solids, BOD, pH, metals, ammonia, arsenic, cadmium, copper, cyanide, chromium, etc.

The site also has a stormwater collection pool, and a map that shows all the stormwater system and they also have a stormwater management plan. The stormwater flows into the Barkers Creek. Barkers Creek starts within the facility, originated by rainfall, then, crosses through the site and after it leaves the site, it converts to Parkers Creek. Parkers Creek then is a tributary of Muddy Creek.

The ultimate water source is the Yadkin River of the Yadkin - Pee Dee river basin, code 0304. the Yadkin river is in North Carolina and flows south, then it converts to the Pee-Dee river that flows through South Carolina and ends up in the Atlantic Ocean. the effluents also go to the same river basin.

The infrastructure of the basin is the Salem Lake, which is a dam for the City Drinking water resources. And there are several Drinking Water Platns in the basin, which are fed by the Salem Lake and by the Yadkin - Pee Dee River Basin, including Muddy Creek.

Figure 1: Site Map of the Tobaccoville Factory

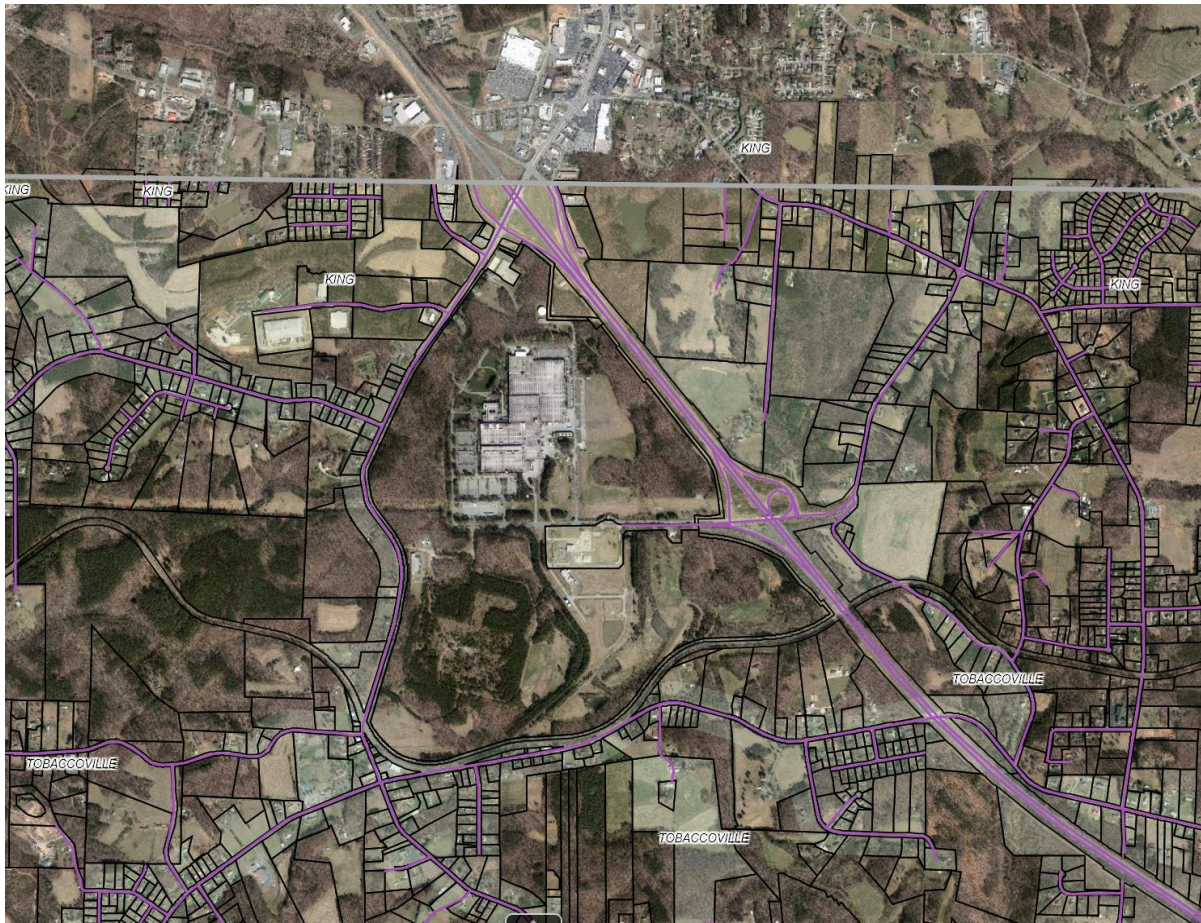


Figure 2: Yadkin Pee Dee Watershed – North Carolina

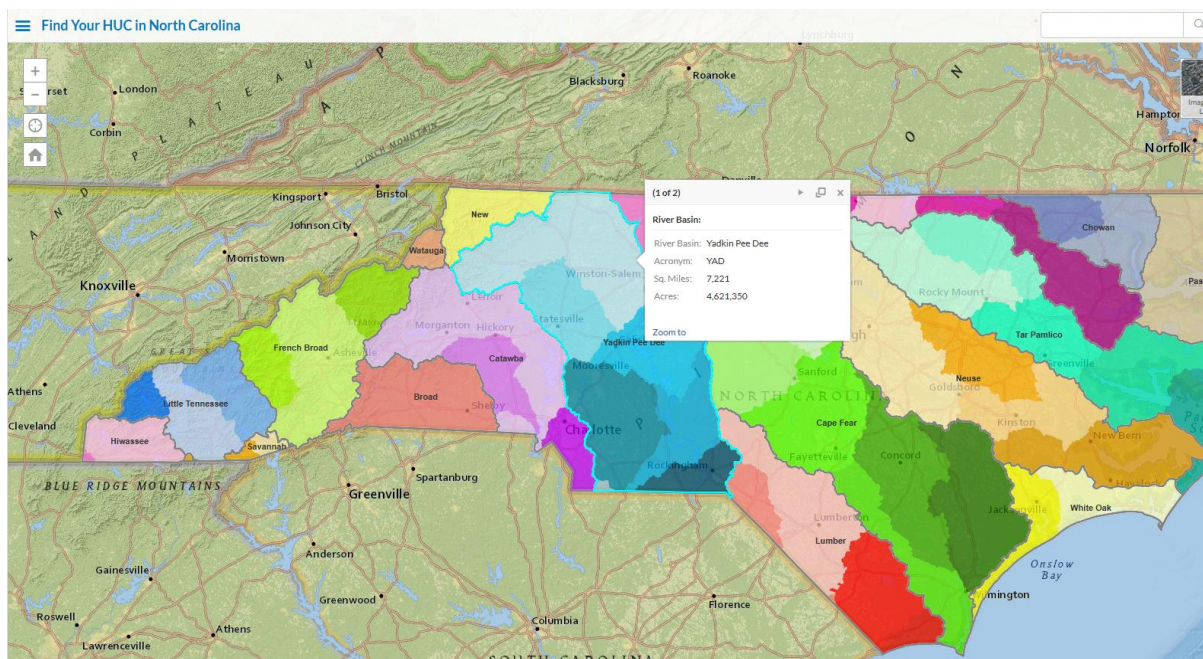


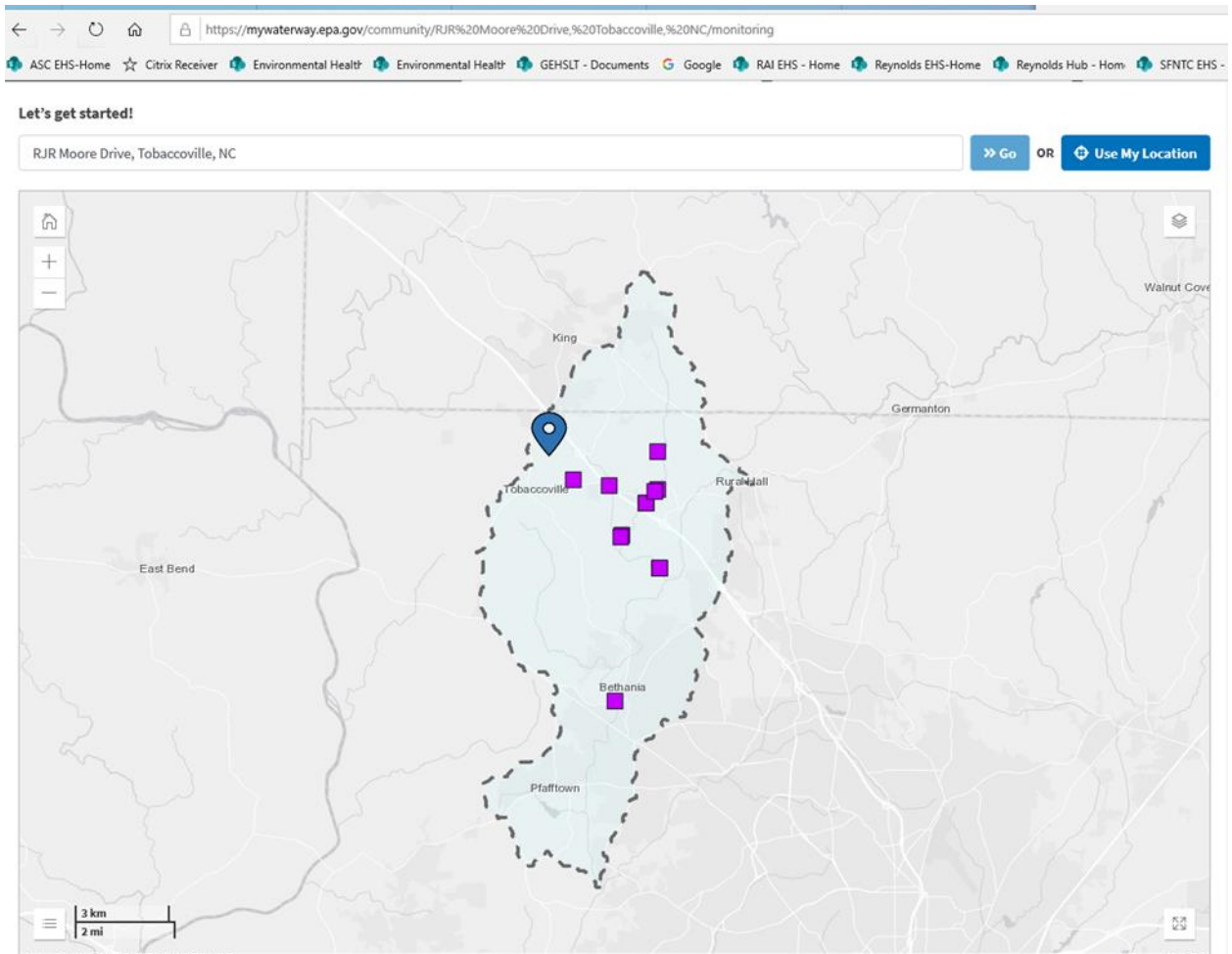
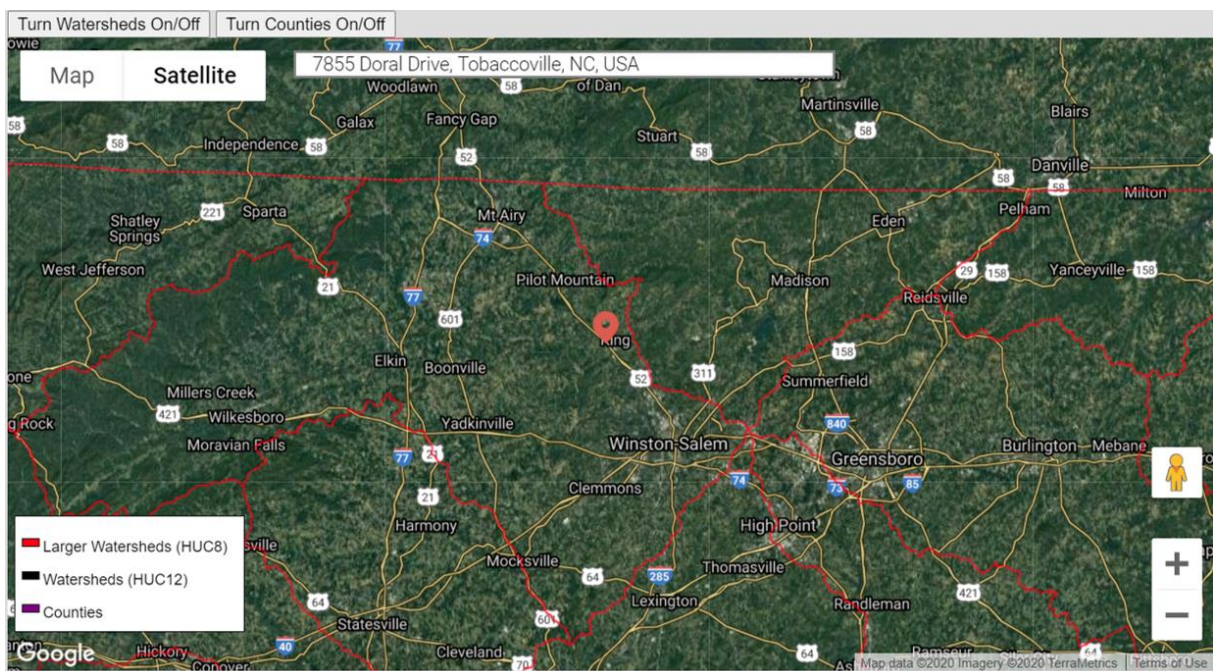
Figure 3: EPA US – My Waterway**Figure 4: Watershed Overview for Tobaccoville**

Figure 5: Headwaters Muddy Creek at WSN Webtool

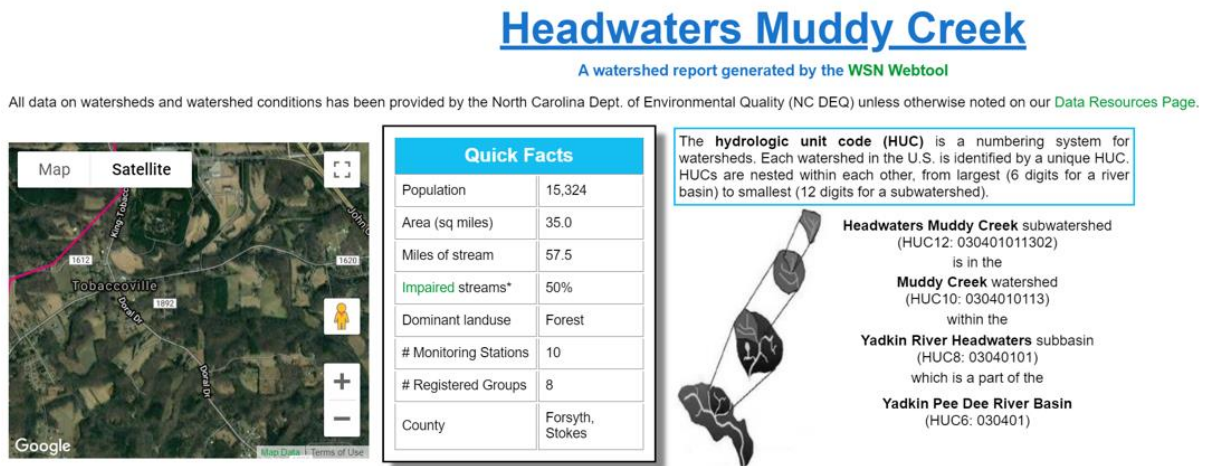
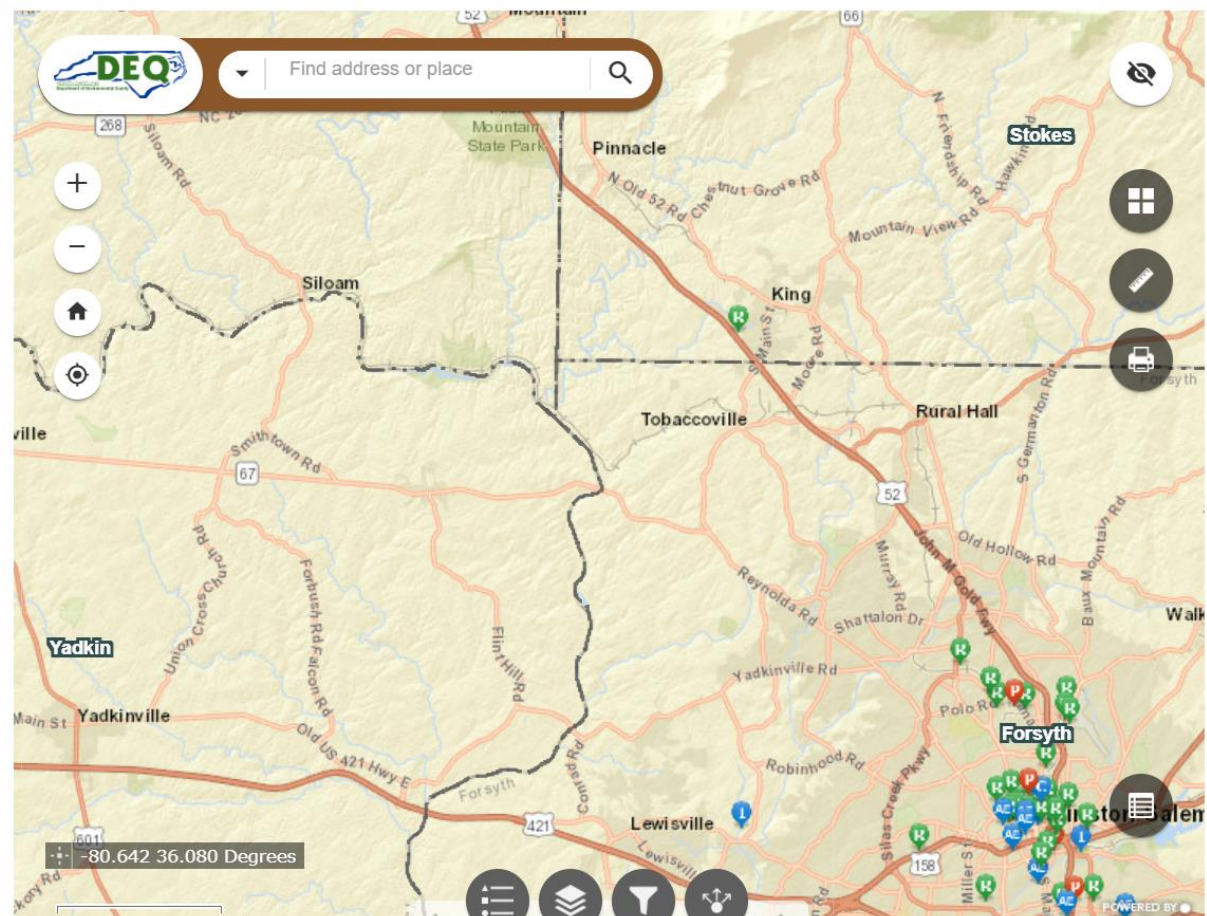


Figure 6: Tobaccoville and Forsyth



4 SUMMARY OF SHARED WATER CHALLENGES

The site identified and prioritized shared water challenges from the information gathered and recorded at the stakeholder matrix. The key shared water challenges identified are:

- **Protection of Water Quality and biodiversity**, as there is regulation and expectation by the community, environmental NGO's and shareholders of clean water that could be polluted by excess nutrients from animal operations, littering or chemicals through agricultural run-off
- **Lower Water Availability** due to Increased water demand by urban/population growth and by climate change effects.
- **Drinking Water resources** (quantity and quality), as the community also depends on the same water source.

Through the agency reports reviewed, it was shown that in some of the creeks / rivers sections, the water quality may be a potential water challenge. Other challenges may be present on the catchment.

5 INDICATORS CHECKLIST

As per the requirement set out in the AWS certification requirements Section 2.11.3.1 it was prepared a checklist of all the CORE AWS indicators with the relevant reviewed evidence provided by RJRT and the indicator with which it is associated. The checklists were aligned to the clauses / indicators of the AWS standard Version 2.0. See the checklist as follows:

Clause	Details	Yes	No	Comments/Evidence
1	GATHER AND UNDERSTAND			
1.1	Gather information to define the site's physical scope for water stewardship purposes, including: its operational boundaries; the 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.			
1.1.1	<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; - Catchment(s) that the site affect(s) and is reliant upon for water. 	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>They prepared a drawing showing the boundaries of the site. Within the site boundaries, there is a small building rented to Credit Union that is connected to RJRT for water and effluents and do not have internal meters. Stormwater lines are marked in yellow with all the input points numbered in red, and it is shown the pond and the sampling point of discharge of stormwater. Barkers Creek that runs through the site is marked in pink lines.</p> <p>They also have a map of the City Water tank located at the site, the City Water pipeline, the water receiving station of the site and metering boxes, as well as the pipelines of Potable water line and Fire Water line.</p> <p>They have another map for the effluent drains points through the site, and the effluent sampling station at discharge point to the city network.</p> <p>The site has several location maps based on Google Maps. Also, in US it is used the "mailing codes" for the definition of the boundaries. It was shown the government platform with the mailing codes associated to RJRT. The site is surrounded by the highway and by roads. There are household neighbours and other industries in the surrounding areas. The site was built in the 80' when the company initiated operations. They have a small building close to the highway that is leased to Credit Union and can be accessed without getting into the site. There is also a power plant within the site which is in another mailing code, however, it is within the operation of the RJRT factory, so it is fully within the boundaries. There is a water tank within the facility that is owned by the City, as it is the storage for the water that the City water supplier provides. The site does not have a Waste Water treatment plant or pre-treatment. They test the effluents at a station prior to leaving the facility, for the regulatory parameters such as flow, solids, BOD, pH, metals, ammonia, arsenic, cadmium, copper, cyanide, chromium, etc.</p>

Clause	Details	Yes	No	Comments/Evidence
				<p>The site also has a stormwater collection pool, and a map that shows all the stormwater system and they also have a stormwater management plan. The stormwater flows into the Barkers Creek.</p> <p>Barkers Creek starts within the facility, originated by rainfall, then, crosses through the site and after it leaves the site, it converts to Parkers Creek. Parkers Creek then is a tributary of Muddy Creek.</p> <p>The ultimate water source is the Yadkin River of the Yadkin - Pee Dee river basin, code 0304. the Yadkin river is in North Carolina and flows south, then it converts to the Pee-Dee river that flows through South Carolina and ends up in the Atlantic Ocean. the effluents also go to the same river basin.</p> <p>The infrastructure of the basin is the Salem Lake, which is a dam for the City Drinking water resources. And there are several Drinking Water Platns in the basin, which are fed by the Salem Lake and by the Yadkin - Pee Dee River Basin, including Muddy Creek.</p>
1.2	Understand relevant stakeholders, their water-related challenges, and the site's ability to influence beyond its boundaries.			
1.2.1	<p>Stakeholders and their water-related challenges shall be identified. The process used for stakeholder identification shall be identified. 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; - 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. 	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>The site prepared a stakeholder matrix, clasiffying in their location, if it is in the watershed (Y/N) and the type which was industry, recreational, agriculture, wildlife, water provider and treatement. Also if they are Local/National or International. including the water challenges. Finally, it was listed the water related challenge or concern per stakeholder.</p> <p>The site identified stakeholders such as regulatory agencies, neighbours, community, employees, etc.</p> <p>There are organizations such as the "Yadkin River Keeper" that often volunteers to monitor the river status.</p> <p>There are other organizations such as "Adopt a stream", where people, business and community to improve the river conditions, for example, picking waste. Also visually monitoring erosion and other parameters.</p>
1.2.2	Current and potential degree of influence between site and stakeholder shall be identified,	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Regulators have a major influence for the site. The site does not recall having any concerns related to water with other stakeholders.

Clause	Details	Yes	No	Comments/Evidence
	within the catchment and considering the site's ultimate water source and ultimate receiving water body for wastewater.			In the stakeholder matrix, they determined the influence / power of the stakeholder from 1 to 4, where 1 is low and 4 is high, against the interest, also from 1 to 4. Other aspects evaluated were the methods of engagement, and the influence of the stakeholder over the site and viceversa.
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	Existing water-related incident response plans shall be identified.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	They have incident response plans, such as "Spill Prevention Control and Countermeasure Plan - Kleinfelder Project NO. 20173414.001A / August 6, 2018" for oil spills, and chemical releases, stormwater plan, and wastewater plan. There are permits and regulations for the incident response plans
1.3.2	Site water balance, including inflows, losses, storage, and outflows shall be identified and mapped.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>In the "Application for Industrial User Permit Renewal" it is estimated the water use for: process water, process washdown water, air quality permitted units, domestic, boiler / cooling water blowdown and cooling water / HVAC. The total average is 445,000 gal/day, with a maximum of 506,000 gal/day. The outflows were determined as: Sanitary sewer w/o pretreatment or Evaporation. The last update was of 2017 for the 5 year renewal.</p> <p>The site fills the global tool "2021 Goal Setting File" which tracks the environmental performance indicators. There is a section for water topics, reporting: Total water withdrawn, municipal/3rd party water supplier, water intensity, water recycled and reused, etc. There is another section for water discharge, and they fill the water discharge through municipal/3rd party. The result shows: total water recycled and reused, as well as total water consumption (for example, evaporation). The tool is filled quarterly and shared with the leadership team and sent to BAT for the internal tracking and global goal setting.</p>
1.3.3	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>They have data of the global tool "2021 Goal Setting File" since 2017, so they show the historics for Q1 to Q4 since 2017 to 2020. Previous to that, they were reporting in other tools. The "Application for Industrial User Permit Renewal" tracks every 5 years..</p> <p>Through the site inspection, it was confirmed that the water usage is at the demineralization plant, steam plant for heat/moisture to the tobacco, washing containers of flavours, humidification at packing area, cooling tower, toilets and drinking fountains, kitchen.</p> <p>They have water meters, which were visited.</p> <p>During the site visit, it was also checked the stormwater drainage system.</p>

Clause	Details	Yes	No	Comments/Evidence
1.3.4	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>For the water quality of the source, the Winston-Salem / Forsyth county Utilities Agency provides a yearly Water Quality Report. It was shown the 2019 report, that demonstrate compliance to the parameters applicable. There is a section "Notice to the Public" in the Agency report where it is disclosed any violation or significant issue or alert.</p> <p>The receiving body of the stormwater is the Barkers Creek, and the Agency conducted a monitoring counts in 1987-03-19 as they were conducting a biodiversity study then. Furthermore, the North Carolina state conducts testing every 2-years to the rivers and creeks. It was shown the 2018 NC Integrated Report that had the parameters and if the evaluation (meeting criteria, exceeding criteria or data inconclusive). It was checked that the Yadkin - Pee Dee river were available. For Muddy Creek, some parameters were meeting criteria, some exceeding criteria and some data inconclusive.</p> <p>In the "Headwaters Muddy Creek Watershed Report" generated by the WSN Webtool of the North Carolina Department of Environmental Quality is showing that for the section of the creek assessed it was 50% impaired due to some parameters exceeding. Therefore, there is a potential challenge for good water quality.</p> <p>For Water Quality, the site has a quarterly monitoring conducted by the City of Winston-Salem. They provide a compliance report by parameter. The effluents parameters, compare the results with the limit. It is tested ammonia, arsenic, BOD, cadmium, chromium, copper, cyanide, flow, metals, pH, phosphorous, selenium, silver, Total nitrogen and total suspended solids and zinc. Last test conducted was in July 2020, records provided.</p> <p>Note that in August 2020, the flow decreased from 1.1 million gallons/day to 0.66 millions gallons per day. Therefore, the parameters of BOD and TSS increased due to lower dilution. Therefore they requested to the Regulatory Agency to increase the limit to 2,500 for TSS and BOD, which was approved. Statistics show that with this adjusted limits, there is compliance to the parameters.</p>
1.3.5	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>They have the list of chemicals of the site in the "Industrial User Waste Water Permit Application" at the table "Wastewater Pollutant Checklist" which is filled every 5-years. If there is a new chemical brought on-site on the mid-term, then, they advise to the regulator if there is a potential threat to the water.</p> <p>Furthermore, they have a "chemical management database" that has the information of all the chemicals on-site at any time, plus the Safety Data Sheets (SDS).</p> <p>At the SAP system they have the stock of each chemical.</p>
1.3.6	On-site Important Water-Related Areas shall be identified and mapped, including a	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>They have Barkers Creek that initiates in the site, and then after it leaves the facility it flows to the Parkers Creek. Also, the site advised that they searched</p>

Clause	Details	Yes	No	Comments/Evidence
	description of their status including Indigenous cultural values.			<p>information about potential significant features for the environment or biodiversity, but there is none within the facility. There are no indigeneous cultural values features on the site.</p> <p>Barkers creek that runs through the site boundaries was mapped. The site inspected the place on April 1, 2021 and concluded that the status is clean and functional creek.</p> <p>During the audit, it was visited the creek and confirmed that it was functional, with green areas and trees surrounding. So, it was not classified as IWRA.</p>
1.3.7	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>They have the bills of the water-related costs for: Water service provider, effluent treatment service provider, monitoring of the wastewater parameters by the City. They also have the invoices of eventual services of water consultants or others.</p> <p>They prepared an excel with the water related costs considering: Utility project expenditures, permits, donations & volunteering, time invested, etc.</p> <p>For the Social, cultural, environmental, or economic water-related value generated by the site was also included in the spreadsheet, being mostly internal staffing, pay taxes and assist with the regional culture and economy. Also, thorough the AWS commitment of improving health of the watershed, and providing clean drinking water for the employees and social / ethical water use.</p>
1.3.8	Levels of access and adequacy of WASH at the site shall be identified.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>For the water quality of the source, the Winston-Salem / Forsyth county Utilities Agency provides a yearly Water Quality Report. It was shown the 2019 report, that demonstrate compliance to the parameters applicable. There is a section "Notice to the Public" in the Agency report where it is disclosed any violation or significant issue or alert.</p> <p>The site has appropriate hygiene facilities, sinks, toilets, etc. This is heavily regulated in US by the Building Code and Public Health.</p>
1.4	Gather data on the site's indirect water use, including: its primary inputs; the water use embedded in the production of those primary inputs the status of the waters at the origin of the inputs (where they can be identified); and water used in out-sourced water-related services.			
1.4.1	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>The primary inputs for the site are tobacco, paper products, acetate, adhesives and flavoring. Some of the tobacco farmers are in the same catchment. The other materials and packaging are normally manufactured in other catchments.</p>

Clause	Details	Yes	No	Comments/Evidence
				<p>Of the primary inputs, the only one that is in the catchment is some of the tobacco purchased, as a big proportion comes from other catchments or overseas. The paper products, acetate and adhesives are from other catchments. Tobacco in the state grows with the rainfall, supplemented with irrigation, depending on the weather.</p> <p>They prepared a spreadsheet showing the water consumption in m³/ha for flue cured tobacco and Burley tobacco, and also the water embedded on the product 12.8% and 10% respectively. Then, it was quantified how many pounds of tobacco came from each county of but the major are not in their same catchment as they are in : Santa Fe (FL), Alapaha (GA), Gulf of Mexico (SC), Meheriin (VA). Through the WRI aqueduct tool, it was shown that all those counties are in Low Water risk.</p> <p>They also listed and analyse the non-tobacco suppliers, but all were not in the catchment.</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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>The only key outsourced service of the site is the cafeteria, and the water is included in on-site calculations and permits, so the risk was evaluated as low. Other outsourced services are already accounted in the site water balance, such as contracted personnel. Trucks don't need special washing. Contractors and outsourced services agree to the environmental and safety policies of the site and are trained on those topics.</p>
1.5	Gather water-related data for the catchment, including: water governance, water balance, water quality, Important Water-Related Areas, infrastructure, and WASH			
1.5.1	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"/>	<p>The "Headwaters Muddy Creek Watershed Report" generated by the WSN Webtool has the key information.</p> <p>It was prepared a document that lists and explains the water policy initiatives at a federal government EPA that are mostly related to water quality status, as well as the state and local government.</p> <p>At a watershed level the non-profit Yadkin Pee-Dee Water management group is a local collective action initiative.</p>
1.5.2	Applicable water-related legal and regulatory requirements shall be identified, including legally-defined and/or stakeholder-verified customary water rights.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>The legal water-related framework is available at the North Carolina state information, as well as at Federal level</p>
1.5.3	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"/>	<p>There is a water balance available at the "High Rock Lake Watershed - hydrology model input 2012". It shows the evaporation, withdrawal (residential, agricultural and industrial demand), withdrawal (energy demand): Alto, the Total inflow composed of inflow (precipitation,</p>

Clause	Details	Yes	No	Comments/Evidence
				<p>industry & residential WWPT Return, irrigation) and Inflow (Inter Basin Transfer).</p> <p>The balance showed the incows minus the outflows, and the balance result in the remaining elevation of High Rock Lake in ft.</p> <p>The "Headwaters Muddy Creek Watershed Report" generated by the WSN Webtool has the key information. Scarcity does not seem to be a challenge in the catchment.</p> <p>Observation 01-2021: Search for more updated catchment water balance available as the current one is 10 years old and does not show the projection of water available at the future.</p>
1.5.4	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"/>	Winston-Salem/Forsyth County public company (WSFC) is responsible for the catching, treatment and distribution. WSFC has an annual Water Quality Report. The plant has shown the WQR from 2019. The "Headwaters Muddy Creek Watershed Report" generated by the WSN Webtool has the key information.
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The "Headwaters Muddy Creek Watershed Report" generated by the WSN Webtool has the key information. There is information about general issues as physiographic, geographic, and identified some stakeholders.
1.5.6	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>The North Carolina state information and the The Winston-Salem / Forsyth county Utilities Agency, provide the information.</p> <p>The North Carolina University provided a study that For extreme events it is more concerning overflows, rather than scarcity.</p> <p>Existing facilities have the city of Winston-Salem / Forsyth Water Facilities (3) and WWTP facilities (2).</p> <p>There is also the W. Kerr Scott reservoir that can also provide water to Winston-Salem as a back-up plan</p>
1.5.7	The adequacy of available WASH services within the catchment shall be identified.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The Winston-Salem / Forsyth county Utilities Agency provides a yearly Water Quality Report. It was shown the 2019 report, that demonstrate compliance to the parameters applicable. There is a section "Notice to the Public" in the Agency report where it is disclosed any violation or significant issue or alert.
1.6	Understand current and future shared water challenges in the catchment, by linking the water			

Clause	Details	Yes	No	Comments/Evidence
	challenges identified by stakeholders with the site's water challenges.			
1.6.1	Shared water challenges shall be identified and prioritized from the information gathered.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>The site identified and prioritized shared water challenges from the information gathered and recorded at the stakeholder matrix. The key shared water challenges identified are:</p> <ul style="list-style-type: none"> - Protection of Water Quality and bioversity, as there is regulation and expectation by the community, environmental NGO's and shareholders of clean water that could be polluted by excess nutrients from animal operations, littering or chemicals through agricultural run-off - Lower Water Availability due to Increased water demand by urban/population growth and by climate change effects. - Drinking Water resources (quantity and quality), as the community also depends on the same water source of water. <p>Through the agency reports reviewed, it was shown that in some of the creeks / rivers sections, the water quality may be a potential water challenge. Other challenges may be present on the catchment.</p>
1.6.2	Initiatives to address shared water challenges shall be identified.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>Initiatives to address shared water challenges were identified at the stakeholder matrix. The key initiatives are:</p> <ul style="list-style-type: none"> - Roadmap to Cleaner Yadkin - Adopt a Stream - Certification of BAT sites before 2025 - Good Agricultural Practices GAP with tobacco farmers - Regulations and Compliance <p>There are volunteer groups that monitor the water quality, which are the "Yadkin Riverkeepers". Also the Clean Water Act, section 303-D for "impaired waters" has the purpose to identify polluted waters, and ensure that there is improvements.</p>
1.7	Understand the site's water risks and opportunities: Assess and prioritize the water risks and opportunities affecting the site based upon the status of the site, existing risk management plans and/or the issues and future risk trends identified in 1.6.			
1.7.1	Water risks faced by the site shall be identified, and prioritized, including likelihood and severity of impact within a	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>Water risks faced by the site were identified and prioritized at the "Water Risk & Opportunities" spreadsheet. These were classified in low, medium or high. The highest ones are related to water supply contamination and disruption, and to potential regulatory breach of the site. Risks were</p>

Clause	Details	Yes	No	Comments/Evidence
	given timeframe, potential costs and business impact.			classified in Physical, Regulatory and Reputational. Then, it explains the initiatives and actions to reduce and mitigate the risks. The "Roadmap to a Cleaner Yarkin" report, provides information about the status of the catchment, including the potential sources of pollution.
1.7.2	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"/>	Water opportunities for the site were identified and prioritized at the "Water Risk & Opportunities" spreadsheet. These were focused on Water consumption reduction by 35% by 2025 absolute (total consumption) and recycle 30% of water by 2025, and addressing shared water challenge stakeholder engagement activities. The "Roadmap to a Cleaner Yarkin" report, provides recommendations related to restoration and strategies to improve water quality.
1.8	Understand best practice towards achieving AWS outcomes: Determining sectoral best practices having a local/catchment, regional, or national relevance.			
1.8.1	Relevant catchment best practice for water governance shall be identified.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	It was prepared an analysis to Understand best practice towards achieving AWS outcomes for each outcome The "Roadmap to a Cleaner Yarkin" report, provides an overview of potential funding to support watershed restoration projects and best practices (stormwater, agricultures, etc).
1.8.2	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"/>	The "Goal Setting File" has the information related to water use and discharge, as well as recycling / reuse, to establish the benchmark of the different tobacco sites of the world. The site fills the global tool "2021 Goal Setting File" which tracks the environmental performance indicators. There is a section for water topics, reporting: Total water withdrawn, municipal/3rd party water supplier, water intensity, water recycled and reused, etc. There is another section for water discharge, and they fill the water discharge through municipal/3rd party. The result shows: total water recycled and reused, as well as total water consumption (for example, evaporation). The tool is filled quarterly and shared with the leadership team and sent to BAT for the internal tracking and global goal setting.
1.8.3	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"/>	For water quality, they have the limits of the regulator agencies, and US is one of the strictest benchmarks in relation to water quality.

Clause	Details	Yes	No	Comments/Evidence
1.8.4	Relevant catchment best practice for site maintenance of Important Water-Related Areas shall be identified.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Collaboration with preserving and improving IWRAs (water streams, aquifer and soil / biodiversity). This could be internally at the site or externally with initiatives of the municipality or other stakeholders.
1.8.5	Relevant sector and/or catchment best practice for site provision of equitable and adequate WASH services shall be identified.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>The best practice identified related to WASH would be within the site:</p> <ul style="list-style-type: none"> - Provide safe water drinking facilities to all the persons on site (workers and contractors) - Provide sanitation / hygiene facilities as per local regulation. <p>With relation to WASH in the catchment, is one of the highest ranking USA, therefore, there is no much need of the companies to support in WASH projects outside their site boundaries.</p>
2	COMMIT AND PLAN			
2.1	Commit to water stewardship by having the senior-most manager in charge of water at the site, or if necessary, a suitable individual within the organization head office, sign and publicly disclose a commitment to water stewardship, the implementation of the AWS Standard and achieving its five outcomes, and the allocation of required resources.			
2.1.1	<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 type="checkbox"/>	<input checked="" type="checkbox"/>	<p>The site has the document "Environmental Health & Safety Policies" applicable to all Reynolds American which is aligned to Environmental Management system. Includes a commitment to protect natural resources, transparency and compliance to regulations. Also, that it will provide resources for implementation.</p> <p>The EHS policy was updated in July 2021 to include AWS commitment to implement and maintain the AWS standard accross manufacturing, including water overnance and stakeholder engagement that promote water quality protections and a safe and sustainable water supply. The policy is signed byt the CEO of Reynolds American which is the US top manager. The policy is publicly available when requested.</p> <p>Minor CAR 01-2021: Although the policy commitment is available at request, it is not as accesible to the public as if published at the webpage or other means.</p> <p>The commitment could be more specific with regards to the 5 outcomes, as the IWRA's and WASH are iincluded within the water quality protecton and with the H&S section from the policy, however, they are not specifically mentioned.</p>

Clause	Details	Yes	No	Comments/Evidence
2.2	Develop and document a process to achieve and maintain legal and regulatory compliance.			
2.2.1	<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. 	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>The site has their permits for stormwater and for effluents up to date, and they are aware of the requirements.</p> <p>They have a system "opsinfo" which is a software where they upload all the routine compliance topics such as testing reports for stormwater, effluents, permits expiry, etc.</p> <p>Then, each activity (legal requirement testing reports or permits, incidents, etc) is tracked in the "Access database" and marked if they are completed or not, and the date. If there is any deviation or non-compliance, then a follow-up action is written and all the history is recorded in the system.</p>
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	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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>They prepared a document of Water Stewardship Strategy defining the mission, vision and goals of the site for good water stewardship</p> <p>They have several water stewardship plans, however, not yet an overall water stewardship strategy.</p>
2.3.2	<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>They prepared the matrix "TVL Water Stewardship Tabular Plan" which indicates the objectives, targets, measurement, actions, outcomes associated, budget, time frame and responsibilities. The targets are related to water reduction, biodiversity, stakeholder engagement, etc.</p> <p>Tobaccoville site had reduction of water usage every year, showing the statistics from 2014 to 2019. The water usage reduction was 48% in 5 years. They use the Credit 360 for the targets. Now they are preparing a Water Roadmap.</p>
2.4.1	Demonstrate the site's responsiveness and resilience to respond to water risks			
2.4.1	A plan to mitigate or adapt to identified water risks developed	<input checked="" type="checkbox"/>	<input type="checkbox"/>	They have incident response plans, such as "Spill Prevention Control and Countermeasure Plan -

Clause	Details	Yes	No	Comments/Evidence
	in co-ordination with relevant public-sector and infrastructure agencies shall be identified.			<p>Kleinfelder Project NO. 20173414.001A / August 6, 2018" for oil spills, and chemical releases, stormwater plan, and wastewater plan. There are permits and regulations for the incident response plans.</p> <p>For resilience, they prepared a checklist for RJRT US "Climate Change Risks" that includes the site of Tobaccoville and other sites. They filled the information for it to assess the risk for their site and for the tobacco that they source.</p> <p>The site is aligned with the NC Climate Risk Assessment and Resilience Plan.</p> <p>Observation 02-2021: The Climate Change Risk Register was due for re-assessment the 30-June-2021, but as the global managers of BAT are no longer with the company, it was not requested to the sites.</p>
3	IMPLEMENT			
3.1	Implement plan to participate positively in catchment governance.			
3.1.1	Evidence that the site has supported good catchment governance shall be identified.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>The site participated in the North Carolina Division of Water Resources meeting "Yadkin Pee Dee and Lumber Combined Hydrologic Model Virtual Stakeholder Meeting #2" the 11th December 2020. The purpose of this virtual meeting will be to demonstrate the schematic of the model, review of inflow data, and Basecase scenario and results.</p> <p>The site continues participating actively in the catchment governance. The site was invited to the "Yadkin-Pee River Water Resources Plan Stakeholder Group" and accepted.</p> <p>They also participate with "Keep Winston-Salem Beautiful" and "Yadkin River Keeper".</p> <p>Good agriculture practices activities with the catchment farmers.</p> <p>The site also focus on compliance and internal activities for water reduction and awareness.</p> <p>Through LEAF, they have also good governance activities and the GAP programme for good agriculture practices for tobacco farming.</p>
3.1.2	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, as there are no indigenous groups in the area
3.2	Implement system to comply with water-related legal and regulatory requirements and respect water rights.			
3.2.1	A process to verify full legal and regulatory compliance shall be implemented.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The site prepared the "Stormwater Discharge Monitoring Report" for the North Carolina Division of Energy, Mineral and Land Resources.

Clause	Details	Yes	No	Comments/Evidence
				Also, they provided the "General Permit No NCGo60000". This allows the "discharge of stormwater to the surface water of North Carolina". For the effluents, they provided the permit IUP-3001 until 30th June 2022
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, shall be implemented.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	N/A, as there are no water rights of others / indigenous groups in the area
3.3	Implement plan to achieve site water balance targets.			
3.3.1	Status of progress towards meeting water balance targets set in the water stewardship plan shall be identified.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	In the last years they implemented some projects for water savings through recycling or reuse water at the seals of the boilers and the vacuum pump water and other operational and water treatment changes. Tobaccoville site had reduction of water usage every year, showing the statistics from 2014 to 2019. The water usage reduction was 48% in 5 years.
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	No significant challenge of water scarcity. Nevertheless, they have rarely seasonal droughts that have some restrictions for crops in localized areas, however not to an extent to affect the overall availability of water.
3.3.3	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"/>	No legally-binding documentation for the re-allocation of water to social, cultural or environmental needs
3.4	Implement plan to achieve site water quality targets.			
3.4.1	Status of progress towards meeting water quality targets set in the water stewardship plan shall be identified.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	There are no targets of improvement as they are well below the threshold of the parameters for effluents pre-treatment and stormwater. The site has the laboratory test results, last conducted on the 4th June 2020. Also, it was provided the "Stormwater Discharge Monitoring Report" for the North Carolina Division of Energy, Mineral and Land Resources, in relation to their General Permit No NCGo60000 Furthermore they conduct an internal "Stormwater pollution prevention semi-annual inspection report" for the facility, and records were shown. Last conducted the 17th July 2020 For the effluents, they provided the "Industrial Pretreatment Program Compliance Results Report - by Parameter", last info of 31st October 2020 in relation to the permit IUP-3001

Clause	Details	Yes	No	Comments/Evidence
				They fill an "Industrial Waste Control Section Self Monitoring Compliance Certification Form" with the associated data spreadsheet of September 2020.
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Through the agency reports reviewed, it was shown that in some of the creeks / rivers sections, the water quality may be a potential water challenge. Other challenges may be present on the catchment.
3.5	Implement plan to maintain or improve the site's and/or catchment's Important Water-Related Areas.			
3.5.1	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"/>	Barkers Creek that runs through the site was not classified as IWRA, nevertheless, they monitor the status and participate in the river system activities.
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	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"/>	<p>The Drinking Water is provided by the Utilities company of the City. The reports of Drinking Water of the council, shows that the water is approved for drinking</p> <p>Toilets and sanitary is as per regulated in the US.</p> <p>Specific tests of drinking water at the point of use were undertaken on 14th July 2021 by an external laboratory. The results show that all the parameters are compliant. Current results of chlorine is in 1.07 ppm, that is well below the limit of 4ppm, which match with the city average of the utilities report which says 0.98 ppm for 2020.</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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	It does not appear to be a challenge
3.7	Implement plan to maintain or improve indirect water use within the catchment.			
3.7.1	Evidence that indirect water use targets set in the water stewardship plan, as applicable,	<input checked="" type="checkbox"/>	<input type="checkbox"/>	No plans specific of the site, as the LEAF department manages this topic

Clause	Details	Yes	No	Comments/Evidence
	have been met shall be quantified.			<p>The procurement department created a checklist that is filled by every supplier as part of the "Sustainability Engagement" strategy. It is about carbon, water, waste and biodiversity. The water related questions are for stewardship,. water reduction, data sharing and AWS membership. There is also a ppt presentation of the strategy.</p> <p>Opportunity for Improvement 01-2021: During the interview to the organization "Yadkin River-Keeper", they advised that are willing to participate in activities with the tobacco farmers..</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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	There are no concerns, periodic city inspections
3.8	Implement plan to engage with and notify the owners of any shared water-related infrastructure of any concerns the site may have.			
3.8.1	Evidence of engagement, and the key messages relayed with confirmation of receipt, shall be identified.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	N/A as they do not have shared water infrastructure. The external water infrastructure is of the municipality, and the internal is of the site, but it is not shared.
3.9	Implement actions to achieve best practice towards AWS outcomes: continually improve towards achieving sectoral best practice having a local/catchment, regional, or national relevance.			
3.9.1	Actions towards achieving best practice, related to water governance, as applicable, shall be implemented.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	There is continual reporting to the agencies and regulators
3.9.2	Actions towards achieving best practice, related to targets in terms of water balance shall be implemented.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	BAT Global prepared a "Water Usage Road Map" matrix applicable for all sites, which has rating criteria related: System design, water treatment, maintenance, social water (canteen, irrigation), process water, utility water, discharge water.
3.9.3	Actions towards achieving best practice, related to targets in terms of water quality shall be implemented.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	There is compliance regarding water quality
3.9.4	Actions towards achieving best practice, related to targets in terms of the site's maintenance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The sites started the water stewardship review, and therefore, they are sharing experiences among the sites.

Clause	Details	Yes	No	Comments/Evidence
	of Important Water-Related Areas shall be implemented.			
3.9.5	Actions towards achieving best practice related to targets in terms of WASH shall be implemented.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>The site takes action through:</p> <ul style="list-style-type: none"> - Provide safe water drinking facilities to all the persons on site (workers and contractors) - Provide sanitation / hygiene facilities as per local regulation.
4	EVALUATE			
4.1	Evaluate the site's performance in light of its actions and targets from its water stewardship plan and demonstrate its contribution to achieving water stewardship outcomes.			
4.1.1	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 site collects the data and fill the "Credit 360" tool that is for monitoring globally the water consumption and effluents. These are focused mostly on water quantity, effluent flow & recycling</p> <p>Effluents and stormwater are tracked through the compliance method</p>
4.1.2	Value creation resulting from the water stewardship plan shall be evaluated.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The water stewardship plan associates includes a column for evaluation of the value created, that is for the stakeholders, the human health, the nature and for other activities to be able to continue such as industry and farming.
4.1.3	The shared value benefits in the catchment shall be identified and where applicable, quantified.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>The financial contribution of RJRT to the Yadkin River Keeper has had a strong benefit to the watershed, and these benefits can be found in the attached Yadkin River Keeper Report.</p> <p>The site has financially contributed to Keep Winston-Salem Beautiful and is an active volunteer in their volunteer programs and their Adopt-A-Stream program.</p> <p>Through these events and programs the site is providing natural capital benefits to nature and communities. Some benefits were quantified for example the water reduction that leaves available more water in the system</p>
4.2	Evaluate the impacts of water-related emergency incidents (including extreme events), if any occurred, and determine the effectiveness of corrective and preventative measures.			
4.2.1	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	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The site did not have any emergency situation this year

Clause	Details	Yes	No	Comments/Evidence
	preventative and corrective actions and mitigations against future incidents shall be identified.			
4.3	Evaluate stakeholders' consultation feedback regarding the site's water stewardship performance, including the effectiveness of the site's engagement process.			
4.3.1	Consultation efforts with stakeholders on the site's water stewardship performance shall be identified.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The site consulted with some stakeholders about their progress, such as Yadkin River Keeper (March 9, 2021), Watershed Now (March 15, 2021), City of Winston-Salem WWTP (May 11, 2021) and Global BAT. For internal BAT, they have the Credit 360 where they inform and they get feedback.
4.4	Evaluate and update the site's water stewardship plan, incorporating the information obtained from the evaluation process in the context of continual improvement.			
4.4.1	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"/>	The site evaluated their water stewardship Plan through a checklist of 10 key questions with annual frequency. The last evaluation was the 26th October 2021. Also, it has a space for Best Management Practices and list of any areas of improvement.
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	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 site reports annually their performance to the regulator which is publicly available, and the accountable site staff.
5.2	Communicate the water stewardship plan with relevant stakeholders.			
5.2.1	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"/>	They share their information with the North Carolina regulator, and also with BAT corporate, and the accountable site staff. The site reports annually their performance to the regulator which is publicly available.
5.3	Disclose annual site water stewardship summary, including the relevant information about			

Clause	Details	Yes	No	Comments/Evidence
	the site's annual water stewardship performance and results against the site's targets.			
5.3.1	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"/>	There is a ppt Presentation created with all the requirements of the standard (internal governance, water stewardship summary, efforts to address challenges collectively, water related-compliance, etc. This is available in sharepoint for internal stakeholders intracompany Reynolds American. It was sent to external stakeholders on the 12th November 2021 (City of Winston Salem, Keep Winston-Salem Beautiful, Yadkin River Keeper, and other stakeholders.
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	The site's shared water-related challenges and efforts made to address these challenges shall be disclosed.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	They have engagement with stakeholders, sharing the water challenges and efforts. See indicator above.
5.4.2	Efforts made by the site to engage stakeholders and coordinate and support public-sector agencies shall be identified.			
5.5	Communicate transparency in water-related compliance: make any site water-related compliance violations available upon request as well as any corrective actions the site has taken to prevent future occurrences.			
5.5.1	Any site water-related compliance violations and associated corrections shall be disclosed.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The regulators make public the permits granted to the facilities, therefore, their information is available transparently
5.5.2	Necessary corrective actions taken by the site to prevent future occurrences shall be disclosed if applicable.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	N/A. There were no water-related violations for several years..
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	They did not have any water-related violation that may pose significant risk and threat to human or ecosystem health. And the site confirmed that they did not have any water-related violation on the last year

6 AUDIT FINDINGS

The findings raised during this certification audit were provided to the site, which were observations to V2-0 of the standard.

There was only 1 non-conformances raise, minor, during the audit process. Observations were also identified, as per detailed below.

Table 6.1. Non-Conformances raised during the AWS audit process

N°	Type	Ref.	Details	Action Proposed by Client
1	Minor Non-Conformance	2.1.1	<p>Although the policy commitment is available at request, it is not as accesible to the public as if published at the webage or other means.</p> <p>The commitment could be more specific with regards to the 5 outcomes, as the IWRA's and WASH are iincluded within the water quality protecton and with the H&S section from the policy, however, they are not specifically mentioned</p>	<p>Root Cause: The client considered that it was sufficient to have it available at request, as for other management systems.</p> <p>Action proposed by the client: The site will coordinate with the Director & Communications Corporate department in order to update the webpage of the company to publish the policy commitment.</p>

- Observations:**

Observation 01-2021 (clause 1.5.3): Search for more updated catchment water balance available as the current one is 10 years old and does not show the projection of water available at the future.

Observation 02-2021 (clause 2.4.1): The Climate Change Risk Register was due for re-assessment the 30-June-2021, but as the global managers of BAT are no longer with the company, it was not requested to the sites.

7 SUMMARY

In reviewing the evidence presented by RJRT, it was confirmed that they implemented their water stewardship system appropriately through the interviews and visits to the plant and the stakeholders. This was accompanied with the documentary evidence and actions to address the changes to version 2.0.

There was only 1 non-conformances raise, minor, during the audit process. Observations and Opportunities for Improvement were made during the audit, these are to be considered as areas for improvement which will be reviewed in future surveillance audit.

8 OPPORTUNITIES FOR IMPROVEMENT

- **Opportunity for improvement 01 - 2021 (clause 3.7.1):** During the interview to the organization “Yadkin River-Keeper”, they advised that are willing to participate in activities with the tobacco farmers.

9 CONCLUSIONS AND RECOMMENDATIONS

Given the evidence reviewed and the audit performed on-site, SGS recommends that RJRT USA gets certified for a CORE 3-year cycle version 2.0., with annual surveillance audits.

10 REFERENCES

- Commitment
- Diagrams Tobaccoville Factory
- Satellite map of surrounding area
- Map of catchment
- WSN Webtool
- Water Stewardship Strategy / Plan
- Records of engagement with stakeholders
- Emergency and Resilience plans
- Water Balance
- Credit 360 Tool
- Licenses for the site
- Monitoring records
- Other support documents