

Alliance for Water Stewardship Assessment Report Prepared for BRITISH AMERICAN TOBACCO CHILE OPERACIONES S.A.

CHILE / Casablanca Factory

Prepared by: SGS SGS Ref.: AWS-000405 Version: 1 Date: 03/08/22

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REPORT DETAILS

REFERENCE	AWS-000405
CERTIFICATE No	SGS0022_AWS0032
REPORT TITLE	ALLIANCE FOR WATER STEWARDSHIP ASSESSMENT REPORT
DATE SUBMITTED:	3th August 2022
CLIENT:	BRITISH AMERICAN TOBACCO CHILE OPERACIONES S.A. Casablanca Factory. Casablanca, Valparaíso. CHILE. Julio_Sarmiento@bat.com
AUDIT TEAM:	 28th – 29th June, 2022 Lead Assessor/ Expert Hydrogeologist/Local Assessor: Jorge Peñaranda (JP) – onsite Support Assessor (expert): Ursula Antúnez de Mayolo (UA) – offsite / virtual
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TECHNICAL SIGNATORY	
STATUS	FINAL
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August 3, 2022

1 EXECUTIVE SUMMARY

The scope of services covers the assessment in compliance with the AWS International Water Stewardship Standard Standard Version 2.0 for BRITISH AMERICAN TOBACCO CHILE OPERACIONES S.A. (BAT CASABLANCA) for their Casablanca Factory, Valparaiso, Chile. 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 company that manufactures tobacco related products. It has operations operations world-wide, and in Chile they established BRITISH AMERICAN TOBACCO CHILE OPERACIONES S.A..

Given the document review undertaken, verification of evidence and on-site audit performed, SGS recommends that BAT Casablanca 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 were nil non-conformances raised during the course of the audit process.

2 SCOPE OF THE ASSESSMENT

The scope of services covers the assessment to the AWS International Water Stewardship Standard Version 2.0 (CORE Level) for BRITISH AMERICAN TOBACCO (BAT) LTDA. (BAT CASABLANCA) for their Casablanca Factory, Valparaiso, Chile. The assessment has been completed in compliance with AWS Certification Requirements v 2.0 December 2019.

The assessment was conducted during 2 days on site by a local AWS assessor hydrogeologist, the 28th and 29th June, 2022, supported offsite (virtually) by a Supporting Auditor, as per shown in the audit plan, and 0.35 days off-site (preliminary review).

The BAT Casablanca Chile Factory is located in the hydrographic delimitation called the coastal basins between the Aconcagua River and the Maipo River. 100% of the water used on the site comes from the Casa Blanca aquifer, current knowledge presupposes that the Casa Blanca aquifer is fed by the recharge of the transversal basins of Lo Orozco, Lo Ovalle and Los Perales, in addition to the Longitudinal basin La Vinilla-Casablanca. These 4 sub-basins form the Casablanca Valley

The audit interviews were held for BAT Casablanca and stakeholders over days for their water management projects, WASH activities in the community, etc. BAT Casablanca and the stakeholders provided the requested supporting documentation as evidence whilst interviewed. The interviews with the Stakeholders were carried out on the first day during a period of 2 hours.



Figure 1: Diagram showing the location of the Casablanca Factory (Image Taken from Source Vulnerability Assessment – SVA-Report)

3 PHYSICAL SCOPE AND DESCRIPTION OF THE CATCHMENT

BAT Chile Casablanca is located in an urban area, called the ZII-PM zone, which corresponds to the Annoying Productive Zone. Residential use (housing) is expressly prohibited in this area. The entire place covers approximately 756,624.32 m2 of surface. The built surface corresponds to 49,100.2 m2. The BAT Chile Casablanca factory is distributed as follows: to the east the access to the Factory, to the southeast the primary production area, the filter production area, raw materials warehouse and administrative areas associated with production, health, safety and security. environment. To the southwest is the secondary production area, the casino, the dressing rooms and administrative areas associated with operations management, finance, human resources, engineering and the Supply Chain. To the north are both the finished product warehouse and the treated water lagoon, and to the northwest is the Factory sports complex and the PTAR.

The main occupation around the BAT Casablanca Factory is residential, with commercial activities concentrated to the south and southwest. The analysis of the use and occupation of the land next to the factory is as follows:

- West: there is a container storage company 300 meters away.
- North: the forest owned by BAT is located. Adjacent to this forest there are residential areas approximately 1 km. away.
- South: Highway 68 is on the other side, 400 meters from the commune of Casablanca.
- East: Part of the forest owned by BAT. Adjacent to this forest is a company called Maderas Agroindustriales, 2 km away.

There are no creeks or rivers that cross through the site. Rainwater is only used for emergency system, as they have an open pond artificial for the water storage that refills with the rainwater, but not for industrial or drinking water.

The BAT Casablanca Chile Factory is located in the hydrographic delimitation called the coastal basins between the Aconcagua River and the Maipo River. The factory in particular is located in the "Coastal between Estero Casablanca and Estero San Jerónimo" sub-basin, the sub-basin has a size of 970 km2.

Figure 2 geographical limits of the coastal catchments Estero Casablanca and Estero San Jerónimo.





BAT Casablanca's main source of water is groundwater pumped from the aquifer of the Estero Casablanca. The BAT Casablanca Factory is located in a zone in which the basement reaches a maximum depth of 83 m and an average depth of 35 m2. The Estero Casablanca Aquifer is a productive groundwater source and is the main source of water for the Casablanca Valley. Until 2015, there were extraction permits totaling nearly 6,200 L/s. Due to its pluviometric characteristics and intense agricultural and urban exploitation, the cachment is considered an area of significant hydric stress. An example of this is the fact that in recent decades the aquifer has lowered its static water levels up to 28 meters in the areas most critical and 10 m in the area of the BAT Casablanca Factory. **Figure 3** shows the hydrogeological sectors of the aquifer of interest: Estero Casablanca Aquifer





August 3, 2022

BAT Chile's water demand is supplied solely by groundwater from three wells installed at the Factory; Well 01, Well 02 and Well 03 located within the property, which are authorized for extraction by the public authority that grants these rights in Chile: General Water Directorate (DGA)

The water stress index, the criticality ratio, the water poverty index, as well as the water mass balance, confirm the scenario of extreme scarcity.

The water extracted from the three wells is digested to an accumulation tank of 1,200 m³. In this pond, the water receives a dose of chlorine before part of it goes through a final treatment with reverse osmosis. It should be noted that it is only the water that is going to be consumed in boilers that goes through reverse osmosis.



Figure 4: Water traitment system. Modified from BAT Chile (2022)

Water consumption calculations are obtained by means of hydrometers that count the flows from the individual catchment in m³ of each well, to the different areas that consume it: PMD, RO Plant, Humidifiers, Restrooms, Showers, Cantine and Shower Dispensers. The output flows to the treatment or aeration system are estimated. The calculation of the 2020 water balance indicates that the factory consumes 80% of the water that comes out of the treatment in the process.

BAT CASABLANCA has 3 water wells within the site for industrial water for the site. They represent most of the industrial water use (about 52% in 2020). The water of the 3 water wells. They have the licenses of the 3 operative groundwater production wells, and the water quantity and quality are managed in a basis integrated with the internal water balance system.



Figure 5: Local surface water net (Modified from Source Vulnerability Assessment – SVA-Report)

Figure 6: Groundwater Wells Location (Modified from Source Vulnerability Assessment – SVA-Report)



August 3, 2022

4 SUMMARY OF SHARED WATER CHALLENGES

BAT-CAS produced a report with a external consultant "Avaliação de Vulnerabilidade das Fontes de Água" (Water Vulnerability Assessment) were is included a table that lists the different stakeholders that can have influence at the catchment. This is the first assessment (desktop study) to identify and prioritize water-related stakeholders major water users, municipalities, etc. The list of stakeholders (Partes Interesadas) related to water are presented in the table below. For each stakeholder, its mission, water-related challenges, and priorities were included. A qualitative assessment was also carried out to verify the perception in relation to BAT-CAS, on table 1 can be seen that one of the most important shared challenge for BAT-CAS is scarcity, the same was said by the representative of the Corporación Casablanca (a major Stakeholder on the catchment), Valeria Serrano during the audit. In relation to the shared challenges, a copy of a record of the telematic meeting of March 3, 2022 with the local Stakeholders has been obtained, **Figure 7**. This record shows that for the 2022 environmental plan the shared challenge is care in the use of water.

Parte Interesada	Membresía (Gobierno, ONG, CBO, Industria, etc.)	Ámbito Geográfico	Misión, Desafíos y Prioridades relacionados con el agua	Importancia para BAT Chile	Percepción de las partes interesadas de BAT Chile
Municipio de Casablanca	Gobierno	Nacional	El municipio de Casablanca es una corporación autónoma de derecho público, con personalidad jurídica y patrimonio propio. Su principal objetivo es satisfacer las necesidades de la comunidad local, asegurando su participación en el progreso económico, social y cultural. (Ley N° 18.695). Basándose en estos, deben ser quienes aseguren las necesidades básicas de la comunidad tales como el agua.	Las decisiones tomadas por el Municipio de Casablanca, afectan la gestión de los recursos a nivel municipal en pro de velar por las necesidades de la comunidad, y por ende tienen una influencia indirecta en las acciones que BAT Casablanca realice en cuanto al manejo de recursos como el agua.	Esta parte interesada tiene más poder e influencia que BAT Chile dentro del territorio, por lo que es relevante mantenerlo como un buen aliado.
Corporación Casablanca	Privado	Local	Es una entidad privada sin fines de lucro que busca aportar al crecimiento de Casablanca, con fin de lograr,	Los proyectos e iniciativas que la Corporación Casablanca ha	BAT Chile es visto como parte relevante de esta corporación por su papel

Table 1: Summar	ry of Relevant Stakeholders,	, shared challenges at the catchment
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			mediante iniciativas y proyectos, un desarrollo integral, inclusivo y sostenible. BAT Chile es parte de los Socios.	desarrollado con la comunidad de Casablanca son relevantes para los socios y por ende las necesidades actuales como la escasez hídrica en el sector son un tema de suma imporancia para la agenda que se prepare para proponer iniciativas en pro de aportar al manejo de esta situación.	como socio y aliado estratégico.
Junta de vecinos La Rotunda	Comunal	Local	Busca representar a los vecinos ante las autoridades para lograr convenios de desarrollo, poder gestionar la solución de problemas ante las autoridades y a su vez, proponer y ejecutar proyectos que beneficien a los vecinos.	Es la junta de vecinos que se encuentra ubicada en la parte posterior de la Fábrica de BAT Chile Casablanca, por lo tanto, por su condición de vecinos colindantes son de alta relevancia para cualquier actividad que realice la Fábrica en cuanto a relacionamiento con la comunidad.	Como un importante usuario de agua y debido a su influencia, BAT Chile puede ser visto como un aliado en la protección de los recursos hídricos.
MMA: Ministerio de Medio Ambiente	Gobierno	Nacional	El Ministerio del Medio Ambiente de Chile, es quien busca liderar el desarrollo sustentable del país, a través de la generación de políticas públicas y regulaciones eficientes, promoviendo buenas prácticas y mejorando la educación ambiental ciudadana para así poder de mejorar la calidad de vida de los chilenos, tanto de esta generación como de futuras.	Las decisiones tomadas por el MMA, afectan directamente la gestión de los recursos naturales a nivel nacional, por lo tanto es un actor relevante en cuanto cumplimiento normativo general y en específico para el manejo sustentable del agua.	Esta parte interesada tiene más poder e influencia que BAT Chile, por lo que es relevante mantenerlo como un buen aliado.
Junta de vecinos La Rotunda	Comunal	Local	Busca representar a los vecinos ante las autoridades para lograr convenios de desarrollo, poder gestionar la solución de problemas ante las autoridades y a su vez, proponer y ejecutar proyectos que beneficien a los vecinos.	Es la junta de vecinos que se encuentra ubicada en la parte posterior de la Fábrica de BAT Chile Casablanca, por lo tanto, por su condición de vecinos colindantes son de alta relevancia para cualquier actividad que realice la Fábrica en cuanto a relacionamiento con la comunidad.	Como un importante usuario de agua y debido a su influencia, BAT Chile puede ser visto como un aliado en la protección de los recursos hídricos.
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[ALLIANCE FOR WATER STEWARDSHIP ASSESSMENT REPORT]

SEA: Servicio de evaluación ambiental	Gobierno	Nacional	El servicio de evaluación ambiental busca contribuir al desarrollo sustentable, la preservación y conservación de los recursos naturales y la calidad de vida de los habitantes del país, por medio de la gestión del Sistema de Evaluación de Impacto Ambiental, asegurando una calificación ambiental transparente, técnica y eficiente en coordinación con los organismos del Estado.	Es aquella entidad que autoriza la implementación de los proyectos a través de la evaluación ambiental.	Esta parte interesada tiene más poder e influencia que BAT Chile, por lo que es relevante mantenerlo como un buen aliado.
SMA: Superintenden cia del medio ambiente	Gobierno	Nacional	La Superintendencia del Medio Ambiente, entre sus deberes esta la fiscalización y el cumplimiento de las autorizaciones de calificación ambiental (RCA) de los proyectos entre las que se encuentran: las Normas de Emisión de residuos líquidos hacia cuerpos de agua superficiales, subterráneos y marinos y su preservación.	Fizcalizadores, por lo cual deben hacer cumplir las normas de uso y descarga de agua.	Esta parte interesada tiene más poder e influencia que BAT Chile, por lo que es relevante mantenerlo como un buen aliado.
DGA: Dirección general del agua	Gobierno	Nacional	La Dirección General de Aguas (DGA) está encargada de gestionar, verificar y difundir la información hídrica del país, en especial respecto su cantidad y calidad, las personas naturales y jurídicas que están autorizadas a utilizarlas, las obras hidráulicas existentes y la seguridad de las mismas.	Es la entidad que otorgó la autorización de los pozos existentes de la Fábrica de BAT Casablanca y quienes velarán por el cumplimiento del nuevo código de aguas.	Esta parte interesada tiene más poder e influencia que BAT Chile, por lo que es relevante mantenerlo como un buen aliado.
ESVAL: Empresa Sanitaria de Valparaíso, Aconcagua y Litoral)	Privado	Local	Esval S.A. (Empresa Sanitaria de Valparaíso, Aconcagua y Litoral), anteriormente conocida como Empresa de Obras Sanitarias de Valparaíso, es una empresa chilena de servicios sanitarios que realiza distribución de agua potable y tratamiento de aguas servidas en la Región de Valparaíso.	Son quienes proveerán de sus servicios en caso de fallo de PTAR de BAT Chile.	La parte interesada tiene una influencia indirecta en el suministro de agua de la Fábrica y puede tener una relación con la Fábrica más beneficiosa que perjudicial.
1	1		1		
APR: Agua potable rural	Privado	Local	Organizaciones comunitarias que proveen de agua potable a la comuna de Casablanca.	Relación indirecta debido a que es una empresa que también tiene acceso al recurso hídrico.	La parte interesada tiene una influencia indirecta en el suministro de agua de la Fábrica y puede tener una relación con la Fábrica más beneficiosa que perjudicial.

Figure 7: Official record of the telematic meeting sponsored by the Corporación Casablanca that defines water care as an environmental guideline of the catchment

			- Corporación -					
			CASABLANCA					
	JORM	ADA DE PLANIFICACIÓN 2022						
echa I	Aiércoles 2 de marzo d	le 2022						
ugar	elemática							
Hora 9:30 a 11:45hrs								
		PARTICIPANTES						
Emprosa	Contacto	Cargo Em	27052					
Linpiesa	Folino Lira	Cargo Elli	aibilidad					
Tresmontes Lucchetti	relipe Lita	Coordinadora do Brovostos y Soster						
	Kinna Guichard	Coordinadora de Proyectos y Comunicaciones Gerencia Asuntos Corporativos						
Polygal Sud	Jorge Quinteros	Gerente General						
AEVC (Asociación de Viña) Mario Agliati	Presidente Asociación de Viñas						
Universidad Viña del Mar	Francisca Huber	Directora General de Vinculación con e	l Medio					
Calca (Cooperativa)	Francesco Venezian	Gerente General						
Sonacol	Raúl Maza	Gerente Asunto Corporativos						
BAT Chile	Camila Gatica	Government Affairs Executive						
	Kattherine laque	Communications Analyst Chile & Argentina						
		Blan de Comunicaciones	PLANIFICACIÓN 2022					
			Plan de Acción Medioambiental					
		Página WEB Corporación	Plan de Acción Medioambiental Desarrollo de Campaña:					
		Página WEB Corporación Brochure	Plan de Acción Medioambiental Desarrollo de Campaña: Sensibilización con la formación de					
		Página WEB Corporación Brochure Plan de Acción Reactivación	Plan de Acción Medioambiental Desarrollo de Campaña: Sensibilización con la formación de microbasurales					
		Página WEB Corporación Brochure Plan de Acción Reactivación Guía Virtual - Asociado al Turismo	Plan de Acción Medioambiental Desarrollo de Campaña: Sensibilización con la formación de microbasurales En el cuidado y uso del Agua					
		Página WEB Corporación Brochure Plan de Acción Reactivación Guía Virtual - Asociado al Turismo Ferias Emprendedores - BAT Bealizar un aprovo a los emprendedorer	Plan de Acción Medioambiental Desarrollo de Campaña: Sensibilización con la formación de microbasurales En el cuidado y uso del Agua Plan de Vinculación con la Comunidad Participación en Mesa de trabajo con					
		Página WEB Corporación Brochure Plan de Acción Reactivación Guía Virtual - Asociado al Turismo Ferias Emprendedores - BAT Realizar un apoyo a los emprendedores posterior a la capacitación	Plan de Acción Medioambiental Desarrollo de Campaña: Sensibilización con la formación de microbasurales En el cuidado y uso del Agua Plan de Vinculación con la Comunidad Participación en Mesa de trabajo con Hospital San José de Casablanca					
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		Página WEB Corporación Brochure Plan de Acción Reactivación Guía Virtual - Asociado al Turismo Ferias Emprendedores - BAT Realizar un apoyo a los emprendedores posterior a la capacitación Cámara de Comercio de Casablanca Plan de Acción Turismo ZOIT - Mesa Capital Humano	Plan de Acción Medioambiental Desarrollo de Campaña: Sensibilización con la formación de microbasurales En el cuidado y uso del Agua Plan de Vinculación con la Comunidad Participación en Mesa de trabajo con Hospital San José de Casablanca Trabajo colaborativo con los colegios subvencionados de la comuna. En temas de Educación, alimentación, entre otros.					
		Página WEB Corporación Brochure Plan de Acción Reactivación Guía Virtual - Asociado al Turismo Ferias Emprendedores - BAT Realizar un apoyo a los emprendedores posterior a la capacitación Cámara de Comercio de Casablanca Plan de Acción Turismo ZOIT - Mesa Capital Humano Vincular el turismo con la comunidad -	Plan de Acción Medioambiental Desarrollo de Campaña: Sensibilización con la formación de microbasurales Plan de Vinculación con la Comunidad Participación en Mesa de trabajo con Hospital San José de Casablanca Trabajo colaborativo con los colegios subvencionados de la comuna. En temas de Educación, alimentación, entre otros. Firma convenio con Municipalidad de Casablanca					
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		Página WEB Corporación Brochure Plan de Acción Reactivación Guía Virtual - Asociado al Turismo Ferias Emprendedores - BAT Realizar un apoyo a los emprendedores posterior a la capacitación Cámara de Comercio de Casablanca Plan de Acción Turismo ZOIT - Mesa Capital Humano Vincular el turismo con la comunidad - Asociación Viñas Ferias - Turismo	Plan de Acción Medioambiental Desarrollo de Campaña: Sensibilización con la formación de microbasurales Plan de Vinculación con la Comunidad Participación en Mesa de trabajo con Hospital San José de Casablanca Trabajo colaborativo con los colegios subvencionados de la comuna. En temas de Educación, alimentación, entre otros. Firma convenio con Municipalidad de Casablanca Reconocer y levantar el trabajo agrícola de Casablanca					
		Página WEB Corporación Brochure Plan de Acción Reactivación Guía Virtual - Asociado al Turismo Ferias Emprendedores - BAT Realizar un apoyo a los emprendedores posterior a la capacitación Cámara de Comercio de Casablanca Plan de Acción Turismo ZOIT - Mesa Capital Humano Vincular el turismo con la comunidad - Asociación Viñas Ferias - Turismo	Plan de Acción Medioambiental Desarrollo de Campaña: Sensibilización con la formación de microbasurales Plan de Vinculación con la Comunidad Participación en Mesa de trabajo con Hospital San José de Casablanca Trabajo colaborativo con los colegios subvencionados de la comuna. En temas de Educación, alimentación, entre otros. Firma convenio con Municipalidad de Casablanca Reconocer y levantar el trabajo agrícola de Casablanca 4ta Compañía de Bomberos - Invitar a la empresa a Simularos canacitación					

It is very important to highlight and reinforce that the greatest challenge is the scarcity of water in the catchment, and that this is how users, stakeholders and the organization itself understand it. It is the great concern in Chile, especially vulnerable to climate change due to its natural characteristics of aridity. Also in this report was deduced a stakeholder degree of influence as a guide to BAT concentrate efford. This matrix is represented by the Figure 8 bellow.

Figure 8	: Stakeholder	influence/power/l	nterest matrix
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DE LA PARTE	MANTENER SATISFECHO Y SATISFACER LAS NECESIDADES 1. Junta de Vecinos La Rotunda	JUGADOR CLAVE (ENFOQUE DEL ESFUERZO AQUÍ) 1. Municipio de Casablanca 2. MMA 3. SEA 4. SMA 5. DGA
NFLUENCIA/ PODER INTERESADA	MONITOREAR (JUGADORES MENOS RELEVANTES) 1. ESVAL 2. APR	MANTENER INFORMADO Y MUESTRE CONSIDERACIÓN 1. Corporación casa blanca
BAJA	≺ INTERÉS DE LAS PART	► ALTA

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 BAT CASABLANCA and the indicator with which it is associated. The checklists were aligned to the clauses / indicators of the AWS standard Version 2.0.

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	 The physical scope of the site shall be mapped, considering the regulatory landscape and zone of stakeholder interests, including: Site boundaries; Water-related infrastructure, including piping network, owned or managed by the site or its parent organization; Any 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. 			 The organization has: * 03 wells have been deepened from 30 meters deep to 90 meters * 1,200 m3 accumulation tank * They have meters in the main consumptions and in the productive area that consumes the most water (primary production, tobacco). * Online monitoring system: electric, steam, gas and water * Osmosis plant * Wastewater treatment plant operated by a third-party company. Wastewater is used for reuse in fence irrigation and green areas There is document "Water management Casablanca Factory" where the most important infrastructure is detailed There is a "drinking water network measurement" board where the control valves are detailed and there is on-line monitoring There is a document "design of a water treatment plant", where part of the infrastructure is explained. Catchment: During the audit, it was possible to identify that the site is in the Subcachment of Estero Casablanca (970 km2) is part of the Coastal cachment between Aconcagua and Maipo (2,307 km2), it is located on the western slope of the Cordillera de la Costa , Valparaíso Region, Chile. In relation to Gather and Understand, the following should be updated: the consolidated June 2022 BAT Casablanca Factory Water Source Vulnerability Assessment report incorporates the most important points of AWS item 1.1.1 in an organized manner. The index of the report includes
				the limits of the site, main Stakeholders and other technical relevant information related to G&U.

Clause	Details	Yes	No	Comments/Evidence
1.2	Understand relevant stakeholders, their water-related challenges, and the site's ability to influence beyond its boundaries.			
1.2.1	 Stakeholders and their water-related challenges shall be identified. The process used for stakeholder identification shall be identified. This process shall: Inclusively cover all relevant stakeholder groups including vulnerable, women, minority, and Indigenous people; Consider the physical scope identified, including stakeholders, representative of the site's ultimate 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. 			Meetings with 2 Stakeholders were planned: La Corporación and the Municipality. We were only able to meet with a representative from La Corporación, Valeria Serrano. However, the evidence of the interaction with the municipality as a Stakeholder is in several emails and communications that could be seen during the audit. As mentioned above BAT shown the evidence of interaction with Stakeholders. Stakeholder 1 we had a meeting with a representative person of "La Corporación" Valeria Serrano. La Corporación is the join of 12 different and relevant interprises in the cachment who share different interests, one is water management. 'La Corporación" also has a estrategic aliance with the public sector like municipality of Casablanca ans regional secretary of tourism. There has been an interval due to the pandemic situation, but the intention now with La Corporación de Casablanca is to be part of the committee that discusses sustainability issues, and initially to share knowledge about energy and water treatment. The initial objective is to level knowledge, BAT has its strategic guide based on AWS. The minutes of meetings, emails and the presence of Valeria Serrano during the audit are the evidence, in addition to brochures disclosing the actions of La Corporación de Casablanca. Stakeholder 2. Meeting with the mayor. Focal point Alexa Gonzalez. The last meeting was on June 10, messages about it were verified. The project they develop is "Responsible Use of Water" (which is an initiative of best practices and water care). The focus is the inhabitants of a neighborhood neighboring BAT, priority "where the leaks are", the focus through plant workers, especially partner companies. Another point is to work with schools). Considering the chart in Figure 8 and the fact that the Stakeholder Corporación Casablanca attended the meeting and showed a high degree of communication with BAT, it is understood that his degree
1.2.2	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.			It was identified the current and potential degree of influence between site and stakeholder based on the identification matrix of Stakeholders based on their influence and interest. These stakeholders are incorporated into an internal plan called the "Plan de Relacionamiento de Actores Clave" that follows a classic project management system.
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.			

Clause	Details	Yes	No	Comments/Evidence
1.3.1	Existing water-related incident response plans shall be identified.			An emergency response plan is in place
1.3.2	Site water balance, including inflows, losses, storage, and outflows shall be identified and mapped.			Audit Core 2022. The water balance 2021 was verified. It is calculated in an Excel matrix. Measurements are made in cubic meters and the entire calculation process is based on measurements of groundwater wells that lead to a single tank. All the inputs are seen from 12 hydrometers distributed throughout the process from the inputs to the outputs. They calculate production values, gardens, treatment, and the result of water consumed, as well as losses. There is a Weekly Report of all GSE aspects, such as water. Based on this, an annual target is defined. The global commitment of water targets (among others) is included in the Water Recycling Targets that is in Credit 360 (global tool), associated under the ESG umbrella.
				OBS . The water balance for the catchment has been done, but the theoretical model of water circulation proposed in the SVA report does not consider the aquifer to be an integral part of the water circulation in the cachment, this is a very complex calculation and for which reliable data is almost never available in developing countries. It is actually an observation of something that must be given attention in order to continuously improve the basin balance. OI . The opportunity for improvement is to take into account inputs and outputs to and from the aquifer to the extent that regional hydrogeological knowledge improves over time in the catchment. The opportunity in relation to the water balance is related to the possibility that BAT is attentive to the academic debate within the universities that study issues related to Chilean aquifers.
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.			The challenges related to the water and water balance of the cachment have been identified from pre-existing publications, the SVA report is clearly based on the World Bank's Aqueduct Water Risk Atlas. The BAT Chile Casablanca Factory is located in an area that currently faces HIGH water stress and will continue to experience EXTREMELY HIGH water stress in the year 2030
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.			The company is the holder of 3 groundwater exploitation rights. There is monitoring of water after water treatment - osmosis. In addition, there is monitoring of residual water, after treatment in the WWTP. In the document "Jornada Planificación 2021-2022_Final" and in the " Informe anual y Planificación 2022_Final" of the Casablanca Corporation, the challenge related to water could be identified within the actions documented in the manual planning report of La Corporación de Casablanca for 2022, one of its objectives is to take care of water, although it is just a declaration of intent as an objective for 2022.
				It was possible to verify that chemical analyzes of all water sources are carried out. And of the discharged waters after

Clause	Details	Yes	No	Comments/Evidence
				the treatment. The laboratories are certified with the documentation up to date by the public body that verifies the adequacy.
				OBS 1 . It is necessary that throughout the year 2022 until the follow-up check of the year 2023, specific projects that come out of the declaration of intent can be verified. There is also the minutes of the meetings that define these objectives and the water is not made explicit.
				OBS 2. It was verified that some drinking water quality control parameters are very close to the maximum tolerable limits, in the case of nitrate. It is necessary to implement a more precise control of the evolution of these values since they are very close to the legal limits allowed. Likewise, it was verified that for some parameters the laboratories work with detection limits that are too close to the maximum allowed limits.
1.3.5	Potential sources of pollution shall be identified and if applicable, mapped, including chemicals used or stored on site.			There is a "schematic plan for the location of hazardous substances and wastes"; with which the possible sources of contamination on the site are detailed.
				products. Power point PLAN OF LOCATION OF HAZARDOUS SUBSTANCES AND WASTE STORAGE WAREHOUSES. In addition, it was possible to visit the areas in situ and the adequacy of dangerous products in accordance with the applicable chilean regullations was verified. Additionally, these areas are more than 200m away from the minimum protection perimeter recommended by the SVA consultants, specialists in underground water sources.
				Opportunity for improvement The precise determination of an area of hydraulic influence by water extraction by wells is a task for other more ambitious phases of the AWS
1.3.6	On-site Important Water- Related Areas shall be identified and mapped, including a description of their status including Indigenous cultural values.			It is in the SVA report, in Chapter 13 on page 12. It is considered that the site does have an IWRA: the aquifer itself. The aquifer it is mapped, described but no indigenous, cultural values status are applicable.
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.			Explained in the SVA report, capter 11 "Oportunidad de inversión en cuencas y comunidades", pages 70 and 71. And in the SVA report, in Chapter 13 on page 12. It is considered that the site does not have an IWRA apart from the aquifer, therefore it is not applied. It is technically evaluated and documented. The cost that was calculated based on the operating costs of the (third) water treatment station - monitoring costs, PTR operation, electricity - are 4.04 million Chilean pesos per month, approximately 22,800 USD. Related to the social, cultural or environmental ther is not a metric about it, only maybe that BAT Casablanca Factory, within its projects for water consumption by 35% by 2025, that ina certain way is to reduce environmental costs.

Clause	Details	Yes	No	Comments/Evidence
				OI It is possible to think of a more precise methodology for calculating these benefits, even if they seem intangible, for example those related to the social, cultural or environmental. There is not a metric about them, but maybe the organization could try to consider water circularity to stablish a goal of reducing water consumption by certain percentage until a certain year and consider this m3 per year reduction as a echonomical environment or social benefit because the cost produccion/treatment water related costs.
1.3.8	Levels of access and adequacy of WASH at the site shall be identified.			The organization indicates that the site has sanitation and hygiene. It has cleaning programs for restrooms, and dining rooms with access to water, and cleaning utensils. I have a water plant - osmosis to treat the water. BAT follows the Chilean health standards for bathrooms and changing rooms, it was possible to verify by sampling and throughout the audit that the bathrooms are in a perfect state of cleanliness and accessibility to water. In addition, there are internal improvement and access policies such as the guards who make rounds in the external area. Drinking water analyzes were verified. OBS. Despite the fact that the chemical analyzes of the drinking water indicate that all the values are below the legal limits, there is concern about the level of Nitrate in the water consumed within the site. These are very close to the reference values and as the chemical analysis is not done individually by well, but by the mixture of the waters that comes from time to time in the water storage tank, it is necessary to answer the question if the nitrate values are being diluted and if any of the post-wells presents values above the reference values for human health. This is a crucial question even to determine the origins of the nitrate and whether specific and localized action can be taken for
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.			The main raw material is tobacco, which is collected by another BAT site. All external supplying farmers are presumed to be outside the catchment. All suppliers of supplies and services are listed in the SAP. In fact, the 2022 auditor was able to verify that there is no indirect water supply from the hydrographic cachment of interest for the products used in the manufacture of cigarettes or their packaging or distribution. The primary manufacturing process only uses water to control the different degrees of humidity necessary for the tobacco to acquire the desired manufacturing and flavor properties.

Clause	Details	Yes	No	Comments/Evidence
1.4.2	The embedded water use of outsourced services shall be identified, and where those services originate within the site's catchment quantified			The main raw material is tobacco, which is collected by another BAT site. All external supplying farmers are presumed to be outside the catchment. All suppliers of supplies and services are listed in the SAP.
	ole o outonnon, quannou			All non-primary products that are part of the process come from outside the cachment. The SVA Pg 16 lists the providers and it is noted that all are external.
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.			The site is in the Estero Casablanca Sub-cachment (970 km2). It is part of the Coastal Cachment between Aconcagua and Maipo (2,307 km2). It is located on the western slope of the Cordillera de la Costa, Valparaíso Region, Chile. The Estero Casablanca receives contributions from the transverse cachments of Lo Orozco, Lo Ovalle and Los Perales, in addition to the Longitudinal La Vinilla-Casablanca cachment. These 4 sub-cachments form the Casablanca Valley, a region internationally recognized for the production of high quality wines, with a high demand for water rights, decreeing it a restricted area in 2005. The SVA report is the master document that defines the scope of the cachment, and also prepares the basic suggestions for the governance plans. It also lists the water-related public policies and laws that affect the cachment does not have a cachment/basin plan, there never was. Chile is in the process of drafting a new constitution that should establish the framework for public policies for cachment management. For now, it is civil society that is organized, especially from the companies that discuss the water issue in associations such as La
1.5.2	Applicable water-related legal and regulatory requirements shall be identified, including legally-defined and/or stakeholder-verified customary water rights.			The organization has a identification and monitoring procedure for legal requirements from 06.15.2016 where responsibilities are defined The organization has a software from the National Information System sinail.cl, to carry out the monitoring of the identification of legal requirements and the follow-up of compliance with them. BAT has its monitoring system, via the SINAIL Matrix, which is a national legal monitoring system. Additionally verifies information of a legal nature with its internal DHS system. It was possible to verify in the 2022 audit an action/procedure protocol in the PRO-SIG-B1 file
1.5.3	The catchment water-balance, and where applicable, scarcity, shall be quantified, including indication of annual, and where appropriate, seasonal, variance.			The organization has identified the catchment, is well described at the SVA Report "Evaluación de Vulnerabilidad de Fuentes de Agua Fábrica BAT Casablanca" the catchment is named as Cuenca del Estero Casablanca. As well the aquifer from wich it gets the groundwater.

Clause	Details	Yes	No	Comments/Evidence
				In the SVA report chapter 7 pg.48. There is a catchment water balance. It identifies that there is a surplus of 34,680,000 m3/year.
				In the SVA report chapter 7 pg.48. There is a catchment water balance. It identifies that there is a surplus of 34,680,000 m3/year.
				OBS . The water balance is a difficult calculation when the contribution of the aquifers must be considered. The numbers mentioned in the SVA report are based on public data that also does not consider groundwater. This water balance will have to be updated as scientific knowledge evolves. This requires regional hydrogeology studies that may have to be carried out by public entities. OI . These entities can be mapped and have the potential to be future stakeholders
1.5.4	Water quality, including physical, chemical, and biological status, of the catchment shall be identified, and where possible, quantified.			The organization has identified the water quality, including physical, chemical, and biological. It is well described at the SVA Report "Evaluación de Vulnerabilidad de Fuentes de Agua Fábrica BAT Casablanca" the catchment is named as Cuenca del Estero Casablanca.
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.			OBS. The information available in the summary presented in the SVA report is too generic. Its veracity is not questioned, but it is necessary to have quantified data on the parameters that represent a threat to the surface and underground cachment. At least the quality of quality for the Water Source that concerns BAT, in this case groundwater.	
				OBS . The status of the water quality of the surface and groundwater cachments will have to be updated as scientific knowledge evolves.
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			The organization has identified the catchment, is well described at the SVA Report "Evaluación de Vulnerabilidad de Fuentes de Agua Fábrica BAT Casablanca" the catchment is named as Cuenca del Estero Casablanca.
	environment, using scientific information and through stakeholder engagement.			It has been addressed in the SVA report chapter 3 page 12. Important Water-Related Areas (IWRA).
				The factory is located in an industrial zone, the water source is local and underground, the identified IWRA is considered to be the Estero Casablanca aquifer.
1.5.6	Existing and planned water- related infrastructure shall be identified, including condition and potential exposure to extreme events.			There is no record of extreme events such as floods, or atmospheric events of any kind, nor are there public maps of this type of risk areas. Casablanca, like the whole country, is a seismic zone. However, the history of events of this type never recorded interruption of the water supply via underground water wells. There is therefore no applicable protocol.
1.5.7	The adequacy of available	\boxtimes		It can be seen in the Cap 7 Pg 51.SVA report.
	catchment shall be identified.			WASH services for the Valparaiso Region catchment are described. 99.5% of the population has access to drinking water and 93.4% to sewage. 70% of the population lives in urban areas. The city of Casablanca, almost in its entirety, has drinking water services and a sewage system, there is also a Sewage Treatment Plant that prevents water contamination. According to statistical data from the World Bank, the mortality rate attributed to unsafe water, unsafe

Clause	Details	Yes	No	Comments/Evidence
				sanitation, and lack of hygiene (per 100,000 inhabitants) in Chile is 0.2, being one of the lowest in the world and the lowest in South America.
1.6	Understand current and future shared water challenges in the catchment, by linking the water challenges identified by stakeholders with the site's water challenges.			
1.6.1	Shared water challenges shall be identified and prioritized from the information gathered.			SVA report capter 10 table 26. In chapter 10 of the SVA, a list of potential vulnerabilities is compiled, and an action plan is prepared at the level of BAT facilities and the cachment of direct influence. Table 26 of the SVA report summarizes the vulnerabilities organized from highest to lowest risk with their respective recommended strategies to mitigate the risks for the BAT Factory
1.6.2	Initiatives to address shared water challenges shall be identified.			A document has been identified called "CORPORACION CASABLANCA Informe 2021 Planificación 2022" made in conjunction with the Casablanca Corporation that identifies the challenges and focuses on actions of a general nature, one of them water. At the moment the activities are in the initial phase together with La Corporación Casablanca, which is the Union of a group of companies that operate within the cachment. In relation to the water in the cachment, initially an attempt will be made to understand how the care and use of water in the cachment is exercised. This goal is within the Environmental Action Plan. It is in the document Annual Report and Planning 2022_Final for action planning 2022.
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 given timeframe, potential costs and business impact.			There are two documents related to this issue: : "Carta de compromiso de BAT" and "Plan de mitigación" In the commitment letter, it establishes the essential points for water management from the corporate point of view, and it mentions precisely the AWS. And it's signed by the factory manager. The Casablanca vulnerability mitigation plan is a risk calculation matrix in excel. It is based on priority, frequency and probability of the risks. As a result, a series of risks are defined and classified: priority in red, secondary in orange and third degree in green. The mitigation plan also works with the frequency, the impact, the risk classification, the specific area of the organization that is under risk, the risk category, the risk factor, and finally establishes mitigation actions. Finally, it defines the mitigation actions, the responsible area and the name of the responsible person, in addition to the status of the implementation and the expected terms for the start, end and costs.

Clause	Details	Yes	No	Comments/Evidence
1.7.2	Water-related opportunities shall be identified, including how the site may participate, assessment and prioritization of			Mentioned at the SVA Report, Cap 11 and well developed in the Addressed in the Stakeholder Engagement Plan and included in the matrix "Plan de Relacionamiento de Actores Clave (BAT CHIEL-CASABLANCA).1"
	potential savings, and business opportunities.			It is addressed in the Stakeholder Engagement Plan, this plan is specified in an Excel matrix called the "Plan de Relacionamiento de Actores Clave (BAT CHIEL- CASABLANCA).1". A column entitled "commitment stage" was identified, describing steps and points of common interest on water that the organization has organized in order to execute actions.
				In relation to Corporación Casablanca: Development of the "Responsible use of water" project, which will advance in the second and third half of the year.
				In relation to APR (Agua potable rural) Evaluate the implementation of projects that can benefit the use of water in the community
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.			They were identified by understanding the relationship with stakeholders such as La Corporación de Casablanca, the Municipality of Casablanca and the APR (Agua Potable Rural), which is the association of rural producers who discuss water issues in rural areas. As commented on items 1.2.1 and 1.2.2
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.			The relationship with stakeholders through La Corporación de Casablanca and other actors is just beginning and tends to evolve through the implementation of the stakeholder engagement plan. In this future context, the aspects of water quantity and opportunities are discussed as part of the interests that BAT must have for its water management in the scope of the AWS.
1.8.3	Relevant sector and/or catchment best practice for water quality shall be identified, including rationale for data source.			The relationship with stakeholders through La Corporación de Casablanca and other actors is just beginning and tends to evolve through the implementation of the stakeholder engagement plan. In this future context, the aspects of water quality and opportunities are discussed as part of the interests that BAT must have for its water management in the scope of the AWS.
1.8.4	Relevant catchment best practice for site maintenance of Important Water-Related Areas shall be identified.			It is understood that there are no surface IWRAs, rather the IWRA of interest is the aquifer. However, as noted above, the relationship with stakeholders through La Corporación de Casablanca and other actors is just beginning and tends to evolve through the implementation of the stakeholder engagement plan. In this future context, the aspects of water quality as well as quantity and opportunities are discussed as part of the interests that BAT must have for its water management in the scope of the AWS.
1.8.5	Relevant sector and/or catchment best practice for site provision of equitable and			The relationship with stakeholders through La Corporación de Casablanca and other actors is just beginning and tends to evolve through the implementation of the stakeholder engagement plan. In this future context, the

Clause	Details	Yes	No	Comments/Evidence
	adequate WASH services shall be identified.			aspects of WASH and opportunities are discussed as part of the interests that BAT must have for its water management in the scope of the AWS.
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	A signed and publicly disclosed site statement OR organizational document shall be identified. The statement or document shall include the following commitments: - That the site will implement and disclose progress on water stewardship program(s) to achieve improvements in AWS water stewardship outcomes - That the site implementation will be aligned to and in support of existing catchment sustainability plans - That the site's stakeholders will be engaged in an open and transparent way - That the site will allocate resources to implement the Standard.			There is a quality, environment, safety and occupational health policy of April 2020 signed by senior management, which includes a commitment to stakeholders and compromise of take enviroment. The documents that are part of the evidence are: Commitment letter (carta de Compromiso) and declaratory document of the Mission and Vision (Mision y Visión) BAT has the Letter of Commitment that has been signed by the factory manager Jorge Villaron in June 2022. This letter declares 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, and the site will allocate resources to implement the Standard.
2.2	Develop and document a process to achieve and maintain legal and regulatory compliance.			
2.2.1	 The system to maintain compliance obligations for water and wastewater management shall be identified, including: Identification of responsible persons/positions within facility organizational structure Process for submissions to regulatory agencies. 			The organization has a monitoring procedure for legal requirements from 06.15.2016 where responsibilities are defined The organization has a software from the National Information System sinail.cl, to carry out the monitoring of the identification of legal requirements and the follow-up of compliance with them.
2.3	Create a water stewardship strategy and plan including addressing risks (to and from the site), shared catchment water challenges, and opportunities.			

Clause	Details	Yes	No	Comments/Evidence
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.			The "Alliance for Water Stewardship (AWS) Strategic Plan", signed by the factory manager in February 2022, presented the Casablanca Factory Strategic Plan in order to ensure compliance with the AWS standard and contribute to the continuous improvement of the management of water resources in the Catchment between the Aconcagua and Maipo rivers, Estero Casablanca and Estero San Jeronimo sectors. It is a very complete document, whose index shows the structure of the plan:
				INDICE NUMBER OF THE ADDRESS OF THE
				NDCE 2 PRESENTACIÓN 2 COMPROMISO-FÁBRICA CASABLANCA 4 MISIÓN VUSIÓN 5 COBERINZAZA 6 OBJETIVOS Y METAS 7 1) Metas de Consumo 7 2) Mitigación de Vulnerabilidades 8 3) Participación de los Stakeholders. 9 4) Inversiones en Naivos Proyectos 10 1) Objetivido de Consumo 12 DOCUMENTACIÓN 12 DOCUMENTACIÓN 12 DOCUMENTACIÓN 12 CONCLUSIÓN 13
2.3.2	A water stewardship plan shall be identified, including for each target: - How it will be measured and monitored - Actions to achieve and			establishing annual reduction goals. BAT has the Letter of Commitment that has been signed by the factory manager Jorge Villaron in June 2022. This letter declares 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, and the site will allocate resources to implement the Standard.
	 national interview and maintain (or exceed) it Planned timeframes to achieve it 			In the commitment letter, it establishes the essential points for water management from the corporate point of view, and it mentions precisely the AWS. And it's signed by the factory manager. The Casablanca vulnerability mitigation

Clause	Details	Yes	No	Comments/Evidence
	 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. 			plan is a risk calculation matrix in excel. It is based on priority, frequency and probability of the risks. As a result, a series of risks are defined and classified: priority in red, secondary in orange and third degree in green. The mitigation plan also works with the frequency, the impact, the risk classification, the specific area of the organization that is under risk, the risk category, the risk factor, and finally establishes mitigation actions. Finally, it defines the mitigation actions, the responsible area and the name of the responsible person, in addition to the status of the implementation and the expected terms for the start, end and costs.
2.4	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 in co-ordination with relevant public-sector and infrastructure agencies shall be identified.			As mentioned, there are two documents: "Vulnerabilities Mitigation Plan (BAT CHILE-CASABLANCA).1"; and t "Contingency Plan". The first establishes the degrees of severity of a certain vulnerability (vulnerabilities are always evaluated and reviewed as because it is a living document), and in the second, the actions, responsible persons and deadlines to mitigate the risks are defined.
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.			The "Plan de contingencia hídrica" establishes the initial parameters for water governance in the catchment. These are generic aspects that BAT can monitor while a relationship on specific issues with the most important stakeholders (La Corporación Casablanca and APR) is not yet developed. For example: Monitoring of the static and dynamic levels of the organization's wells or maintaining constant communication with La Corporación Casablanca and APR.

Clause	Details	Yes	No	Comments/Evidence
				AccionesMonitoreo de niveles estáticos y dinámicos.Monitoreo del consumo de agua de pozos.Evaluación de oportunidades para reducir el consumo de agua y definición del 5YP.Contrato con fuente de agua de respaldo.Análisis crítico de la alta dirección sobre indicadores de consumo de agua.Evaluación trimestral del consumo de agua en comparación con el mismo período del año anterior.Comunicación de indicadores de agua a colaboradores.Canal de comunicación con Municipalidad Casa Blanca
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.			In nearby areas there are no indigenous peoples. The cachment has been identified, it is the Coastal Cachment between Aconcagua and Maipo, and here are no indigenous people related to. BAT complies with regulations, laws and standards related to water management, and already has the initiative to interact with other stakeholders in the Cachment, as evidenced by its stakeholder engagement plan.
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.			The organization has a monitoring procedure for legal requirements from 06.15.2016 where responsibilities are defined The organization has a software from the National Information System sinail.cl, to carry out the monitoring of the identification of legal requirements and the follow-up of compliance with them Evidence of compliance with legal requirements is reviewed such as: * Water use authorizations - well * Declarations of environmental monitoring of osmosis treatment water and wastewater. * Approval of the expansion of the liquid waste treatment system * Monitoring - HIDROLAB wastewater July 2020 trial * SILOB CHILE drinking water test report for September 2020. OBS: It is observed that the organization has a parameter in the wastewater report for the last guarter of 2020

Clause	Details	Yes	No	Comments/Evidence
				evaluated outside the range established by the national legislation. Although the auditee indicates that the actions regarding the new osmosis plant will positively impact the reduction of this level, this impact has not been documented into a Action plen the follow-up of this deviation
				The update on this matter is that during the 2021 audit, 2 parameters were observed outside the pattern of the legal standard for treated water. They are Chloride 454 Mg/l (Norm 200 mg/l) and sodium 68.6% (Norm 35%). It is a problem related to the efficiency of the treatment basically. It is important to note that when the PTR (water treatment station) began operating in 1998, BAT adhered to the only existing standard at that time, which was very restrictive, for crop irrigation. Today there is a standard only for irrigation without the objective of being for cultivation, the plant did not adhere to it because it would imply a complete review of its environmental operating permits. To solve it, they requested a formal evaluation from the Ministry of the Environment whose conclusion is that the detected concentrations of chloride and sodium are not relevant to the use given to the residual water, which is irrigation of gardens. Additionally, the plant has an action plan to mitigate this issue linked to phase II of the PTR of the five year plans. In any case, the action plans of recent years show, especially with reverse osmosis, decreases in the concentrations of the aforementioned parameters.
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.			In nearby areas there are no indigenous peoples on the cachment. OBS . A new constitution for the republic is being discussed that should give special attention to the water issue. It is important to understand that the private property model of this resource still exists. What can be expected with certainty is that a change in the Chilean Constitution will bring with it an important change in legislation and its application, as everything indicates that water management will be decentralized and based on the basic geographic unit: The Cachment. also taking into account that water is a public good and domain of the state.
3.3	Implement plan to achieve site water balance targets.			
3.3.1	Status of progress towards	\boxtimes		Implementation
	set in the water stewardship plan			Outcome: Water balance:
	shall be identified.			Actions: There is a Local Business Case Summary of Replacement of the steam boiler.
				Implementation. The purchase order is evidenced.
				Monitoring The activity is just finishing. The results of this activity will still be monitored.
				2022: It was seen the Strategic plan Alliance for Water Stewardship (AWS)
				It was seen the Strategic plan Alliance for Water Stewardship (AWS), this document presents BAT Casablanca's Strategic Plan to comply with the AWS and contribute to the management of water resources in the cachment. On the water balance in the performance evaluation chapter, it develops its plan to achieve the consumption objectives, which is also integrated into its

Clause	Details	Yes	No	Comments/Evidence
				corporate policy of "Zero losses IWS (integrated work Systems).
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.			 2022: Can be seen on the "Plan Estratégico Alliance for Water Stewardship (AWS)". BAT has established a management system that uses an energy and water resource management tool called Enercon. The Enercon system checks, monitors and monitors indicators and specific actions of water consumption. Permanent improvement is sought, for which there is a specific governance on water. Performance is evaluated monthly through indicators, and every quarter a critical evaluation is carried out to monitor the objectives in accordance with the established consumption goals.
3.3.3	Legally-binding documentation, if applicable, for the re-allocation of water to social, cultural or environmental needs shall be identified.			Legally binding documentation is not applicable because there are no specific social, cultural or environmental needs. The needs closest to applicability are the social ones, which are the same for all the stakeholders of the catchment: water scarcity.
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.			 Implementation Outcome: Water Quality: Action: Reverse osmosis plant. Implementation. Installation report is evidenced Plan Estratégico for the Alliance for Water Stewardship (AWS) It was seen the Plan Estratégico for the Alliance for Water Stewardship (AWS), this document presents BAT Casablanca's Strategic Plan to comply with the AWS and contribute to the management of water resources in the cachment. Related to the water quality in the "Plan de Mitigación de Vulnerabilidades" (Part of the Plan estratégico Alliance for Water Stewardship) develops a plan to monitor groundwater, to improve the quality of rainwater that can be used in the system, and to control chloride concentrations over time given the persistent anomalies in the quality of the water that comes out of the treatment.
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.			There is still no open and developed debate with other stakeholders on the challenge of quality, which is the objective in the near future, even if it exists. It is understood that the discussion of these issues with the community that is part of the cachment, especially with the Casablanca Corporation, will be developed in the near future as the engagement plan with stakeholders is recovered.
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.			The aquifer is considered an IWRA. So the activities set in the water stewardship plan (Plan Estratégico) to achieve the objectives, as the goal to reduce the consumption of water resources, are practices to maintain and enhance the IWRA

Clause	Details	Yes	No	Comments/Evidence
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.			 The organization has routine inspections of hygienic services and canteens. It can be verified that access to water throughout the plant is adequate for all areas and people in the organization. It was possible to verify the chemical analyzes that are carried out for drinking water. OBS. There is a potential problem with nitrate whose concentrations are very close to the limit allowed for legislation. Control actions have been suggested to return these nitrate concentrations individually by well and not in their mixture, as is done at the present day.
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.			BAT follows the Chilean health standards for bathrooms and changing rooms, it was possible to verify by sampling and throughout the audit that the bathrooms are in a perfect state of cleanliness and accessibility to water. In addition, there are internal improvement and access policies such as the guards who make rounds in the external area. Drinking water analyzes were verified. OBS . Despite the fact that the chemical analyzes of the drinking water indicate that all the values are below the legal limits, there is concern about the level of Nitrate in the water consumed within the site. These are very close to the reference values and as the chemical analysis is not done individually by well, but by the mixture of the waters that comes from time to time in the storage lung, it is necessary to answer the question if the nitrate values are being diluted and if any of the post-wells presents values above the reference values for human health. This is a crucial question even to determine the origins of the nitrate and whether specific and localized action can be taken for its mitigation.
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, have been met shall be quantified.			The main raw material is tobacco, which is collected by another BAT site. It is assumed that all external supplier farmers are outside the cachment, therefore there is no virtual water consumption (indirect). It does not apply, there is no virtual water linked to the product that BAT handles.
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.			The main raw material is tobacco, which is collected by another BAT site. It is assumed that all external supplier farmers are outside the cachment, therefore there is no virtual water consumption (indirect). It does not apply, there is no virtual water linked to the product that BAT handles.

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Clause	Details	Yes	No	Comments/Evidence
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.			It was possible to verify by visualizing the exchange of electronic messages between the different stakeholders and BAT, such as the municipality, Casablanca Corporation and suppliers.
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.			It was seen the Strategic plan Alliance for Water Stewardship (AWS), this document presents BAT Casablanca's Strategic Plan to comply with the AWS and contribute to governance. It was seen action towards the implementation of the following documents, "Plan contingencia", "Plan de Involucramiento de Partes Interesadas", "Plan de Relacionamiento de Actores Clave (BAT CHIEL-CASABLANCA).1", but mainly "Plan de Mitigación de Vulnerabilidades (BAT CHILE- CASABLANCA).1"
				The actions that are being carried out with La Corporación Casablanca in conjunction with BAT, are essentially to initiate discussions with other industrial stakeholders on the problems of over-exploration and scarcity of the catchment.
3.9.2	Actions towards achieving best practice, related to targets in terms of water balance shall be implemented.			These are the internal water balance reports that are made quarterly through the Enercom control
3.9.3	Actions towards achieving best practice, related to targets in terms of water quality shall be implemented.			Progress was verified in relation to water quality control, some problems identified, such as nitrate, and the actions being taken to monitor and improve indicators. Essentially, in relation to potability, it is the issue of nitrate and in relation to wastewater, chloride and sodium. For the rest, BAT is limited to complying with the legislation in relation to water treatment, the required quality of drinking water consumed in its facilities.
3.9.4	Actions towards achieving best practice, related to targets in terms of the site's maintenance of Important Water-Related Areas shall be implemented.			Not applicable because the IWRA is the aquifer and not a specific area of the catchment
3.9.5	Actions towards achieving best practice related to targets in terms of WASH shall be implemented.			Not applicable because the IWRA is the aquifer and not a specific area of the catchment
4	EVALUATE			
4.1	Evaluate the site's performance in light of its actions and targets			

Clause	Details	Yes	No	Comments/Evidence
	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.	\boxtimes		Outcome: Water Quality:
				Action: Reverse osmosis plant.
				Implementation. Installation report is evidenced
				Monitoring The activity has ended. The results of this activity will still be monitored in the next environmental monitoring.
				Performance There is a of environmental monitoring of quality of water of the osmosis treatment water and wastewater.
				Outcome: Water balance:
				Actions: There is a Local Business Case Summary of Replacement of the steam boiler.
				Implementation. The purchase order is evidenced.
				Monitoring The activity is just finishing. The results of this activity will still be monitored.
				Performance There is a "Drinking water network measurement" board. There is weekly monitoring of the extraction of wells, consumption in different points of the plant.
				There is the measurement of wastewater from the wastewater treatment plant.
				The Enviromental performance table is evidence, where the results of objectives in EHS included in water consumption (water outcome balance) are shown. Also a ScoredCArd excel to monitoring the result
				The evidence is the document "Water performance report 2022"
				This is an annual progress report on water management in line with the guidelines of the AWS, and the Letter of Commitment signed by BAT's senior management, that is: consumption, water balance, progress with stakeholders, reinforcement in its commitments on water management and public disclosure.
				In the 2020 performance report, water consumption was mapped across the Casablanca Factory. The main water consumers and their location within the network of hydrometers were mapped and it was possible to more fully understand the characteristics and opportunities of the water system, including WASH Stakeholder Engagement.
				The sustainable water management plan exist and BAT called it as Plan de Mitigación de Vulnerabilidades (BAT CHILE-CASABLANCA).1, that it is an alive document that can be followed and permanently evaluated.
				OI. Related to the interaction with stakeholders, a precise quantification cannot yet be made. But it is a fact that the execution of the "Plan de Involucramiento de Partes Interesadas" must consolidate projects to improve the quality and quantity of water available in the catchment.

Clause	Details	Yes	No	Comments/Evidence
				Then it is possible that a numerical evaluation of these benefits can be made in the future.
4.1.2	Value creation resulting from the water stewardship plan shall be evaluated.			There is a sustainable water management plan, represented by "Plan de Mitigación de Vulnerabilidades (BAT CHILE-CASABLANCA).1". Also the SVA report synthesizes the creation of value in relation to water recycling, recovery and treatment of water, water treatment, and also estimates the creation of social and cultural value. Finally the "Informe de rendimiento del agua" shows quantified creation value related
				to the continuous reduction in the consumption of water resources, taking into account that the scarcity of water in the cachment is the main vulnerability. From 2,93 m3/MCE in 2017 to 2,27 m3/MCE
4.1.3	The shared value benefits in the catchment shall be identified and where applicable, quantified.			The report "Informe de rendimiento del agua" shows quantified shared value benefits mainly related to the continuous reduction in the consumption. Also social and cultural, but for now intangible.
				OBS. In relation to the interaction with the stakeholders, a precise quantification cannot yet be made. But it is a fact that the execution of the "Plan de Involucramiento de Partes Interesadas" must consolidate projects to improve the quality and quantity of water available in the cachment, and thus a numerical assessment of these benefits can be made. As has already been said, this interaction is beginning and the stakeholders with the most potential are already strongly interacting: the Municipality and the La Corporación de Casablanca.
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 preventative and corrective actions and mitigations against future incidents shall be identified.			No water-related emergencies have been generated from 2020 to 2022.
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.			There is not yet a formal e water management plan in order to be consulting with the stakeholders. The level of interaction with the stakeholders has not matured, however there is a plan to have feedback among the members of the La Corporación de Casablanca.

Clause	Details	Yes	No	Comments/Evidence
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.			The Vulnerability Mitigation Plan (BAT CHILE- CASABLANCA).1 . it is a living document that is continually revised based on the deadlines for each mitigation action.
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	\boxtimes		It is disclosed public na internaly in the "Plan Estratégico
	governance, including positions of those accountable for compliance with water-related laws and regulations shall be disclosed.			AWS" It is disclosed public na internaly in the "Plan Estratégico AWS" in page 6. The site has published the positions and responsibilities in relation to the management of the BAT's water resources. It is described in the table on governance chapter, there are columns with the area involved, those responsible and the activity to be developed. It does not establish specific names, but it does establish positions.
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.			It is disclosed public na internaly in the "Plan Estratégico AWS" The "Plan estratégico" is a public document, during the interviews with one of the stakeholders, his knowledge of the policy, objectives, challenges and activities related to the strategic water plan based on the AWS was evident. Additionally, communication with stakeholders is guaranteed through an agenda of meetings and emails on water issues. The main stakeholders whose communication and common actions were verified are the Municipality and La Corporación de Casablanca.
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	A summary of the site's water stewardship performance, including quantified performance against targets, shall be disclosed annually at a minimum.			It is in the water performance report ("Rendimiento del agua 2021/2022") This report collects the factory's performance in relation to water consumption, water balance, the form of interaction and with which stakeholders, as well as reinforces BAT Casablanca's commitment to water resources and the AWS process. It

Clause	Details	Yes	No	Comments/Evidence
				is also committed to disclosing performance and policy and water resources on the BAT Chile page.
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.		The challenges and actions are defined and disclosed on the "Plan Estratégico AWS". El Plan estratégico is a public document, were the shared aballenges and activities related are difined and disclosed.
5.4.2	5.4.2 Efforts made by the site to engage stakeholders and coordinate and support public- sector agencies shall be identified.	The efforts with the public sector are related to the recognition of BAT of the Municipality of Valparaiso as a Stakeholder and the development of a plan and actions with it.	
			OBS. It is necessary that in the future the auditor can be shown how this relationship has been consolidated since the meeting with the Stakeholder of the Municipality could not be held.
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.		The organization states that it has not had any infraction or accident related to water in 2019, 2020 or 2021. There have been some incidents, which are attended to and reported using the SOMAX incident listing s oftware and EHS Incident Report.
5.5.2	Necessary corrective actions taken by the site to prevent future occurrences shall be disclosed if applicable.		Non aplicable.
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.		The organization states that it has not had any infraction or accident related to water in 2019, 2020 or 2021. There have been some incidents, which are attended to and reported using the SOMAX incident listing s oftware and EHS Incident Report.

5.1 AUDIT TRAILS

The strategy of BAT CASABLANCA prioritized with a specialized consultancy in the analysis in water vulnerability assessment that made a general analysis of the threats in a report called "Avaliação de Vulnerabilidade das Fontes de Água " (SVA), the following stand out: Bat Casablanca is doing 100% reuse of its treated water. In 2021, 21,553 m3 were recovered and there was no need to incorporate water directly extracted from the aquifer for irrigation of its green areas. Additionally the water consumption reduction and efficiency initiatives carried out from 2017 to 2021 have brought as a benefit that an expense of 12,000 in 2017 has fallen to 1,550 m3/year.

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At the same time, BAT researched with the same consultants on vulnerabilities to water sources, highlighting the resilience plan in the event of a total interruption of the supply of water from the wells. BAT CASABLANCA developed a Plan de Mitigación de Vulnerabilidades (BAT CHILE-CASABLANCA).1"; and t "Plan de Contingencia". The first establishes the degrees of severity of a certain vulnerability (vulnerabilities are always evaluated and reviewed as because it is a living document), and in the second, the actions, responsible persons and deadlines to mitigate the risks are defined. That is, there is a plan in execution based on the threats and opportunities that are mapped so far.

Among the most important challenges is knowing the aquifer in more detail, beyond the general hydrogeological context. It is mainly a matter of numerically assessing specific hydraulic aspects of the production wells that, under the analysis of a hydrogeologist, bring a basic hydrogeological model of the local aquifer, in addition to the areas of influence / interference between the BAT wells, or even external ones. As well as future estimates of the behavior of the local aquifer in terms of growth scenarios in production demand. Or medium and long-term changes in the amounts of groundwater available due to water shortages caused by a scenario of high vulnerability to water scarcity (endemic to the region), ongoing climate change and overexploitation of underground water resources.

Greater knowledge of the aquifer implies the potential for interaction with stakeholders that use the same resource at the cachment, or even in areas close to BAT CASABLANCA.

The biggest common problem in the cachment is water scarcity, additionally there is still no formal River Cachment Committee related to Río Aconcagua y Río Maipo cachments/cachments. Chile is at a time of constitutional change, these processes are highly complex and will surey change some of the models of ownership, consumption, sustainability, and regulatory attributions on surface and groundwater resources. The fact that BAT is in a systematic water resource management process like the AWS makes it necessarily a protagonist in discussions about water, so the most important opportunity lies precisely in the exchange of ideas with other stakeholders. The strong technical knowledge of BAT factory regarding the efficiency of use and water treatment is an opportunity for technical exchange and discussion of ideas on education and dissemination of good practices.

6 AUDIT FINDINGS AND OPPORTUNITIES

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

There were nil non-conformance raised during the audit process. Nevertheless, observations and opportunities for improvement were identified:

Observations:

<u>Water Balance. Gather & Understand 1.3.2.</u> OBS. The water balance for the catchment has been done, but the theoretical model of water circulation proposed in the SVA report does not consider the aquifer to be an integral part of the water circulation in the cachment, this is a very complex calculation and for which reliable data is almost never available in developing countries. It is actually an observation of something that must be given attention in order to continuously improve the basin balance.

<u>Gather & Understand 1.3.4.</u> OBS . It is necessary that throughout the year 2022 until the followup check of the year 2023, specific projects that come out of the declaration of intent can be verified. There is also the minutes of the meetings that define these objectives, but the relation with water is not made explicit. OBS. It was verified that some drinking water quality control parameters are very close to the maximum tolerable limits, in the case of nitrate. It is necessary to implement a more precise control of the evolution of these values since they are very close to the legal limits allowed. Likewise, it was verified that for some parameters the laboratories work with detection limits that are too close to the maximum allowed limits.

<u>Gather & Understand 1.3.8</u>..OBS. Despite the fact that the chemical analyzes of the drinking water indicate that all the values are below the legal limits, there is concern about the level of Nitrate in the water consumed within the site. These are very close to the reference values and as the chemical analysis is not done individually by well, but by the mixture of the waters that comes from time to time in the water storage tank, it is necessary to answer the question if the nitrate values are being diluted and if any of the post-wells presents values above the reference values for human health. This is a crucial question even to determine the origins of the nitrate and whether specific and localized action can be taken for its mitigation.

<u>Gather & Understand 1.5.3</u>. OBS. The water balance is a difficult calculation when the contribution of the aquifers must be considered. The numbers mentioned in the SVA report are based on public data that also does not consider groundwater. Although it is not possible at this time, the organization must take into account that as its knowledge of the aquifer evolves,

it will have to think about a catchment water balance including the numbers that come from the aquifer. This water balance will have to be updated as scientific knowledge evolves.

<u>Gather & Understand 1.5.4.</u>OBS. The information available in the summary presented in the SVA report is generic. Its veracity is not questioned, but it is necessary to have quantified data on the parameters that represent a threat to the surface and underground cachment. At least the quality of quality for the Water Source that concerns BAT, in this case groundwater. The status of the water quality of the surface and groundwater cachments will have to be updated as scientific knowledge evolves.

<u>Implement 3.2.1.</u>: OBS. It is observed that the organization has a parameter in the wastewater report for the last quarter of 2020 evaluated outside the range established by the national legislation. Although the auditee indicates that the actions regarding the new osmosis plant will positively impact the reduction of this level, this impact has not been documented into a Action plan the follow-up of this deviation

The update on this matter is that during the 2021 audit, 2 parameters were observed outside the pattern of the legal standard for treated water. They are Chloride 454 Mg/l (Norm 200 mg/l) and sodium 68.6% (Norm 35%). It is a problem related to the efficiency of the treatment basically. It is important to note that when the PTR (water treatment station) began operating in 1998, BAT adhered to the only existing standard at that time, which was very restrictive, for crop irrigation. Today there is a standard only for irrigation without the objective of being for cultivation, the plant did not adhere to it because it would imply a complete review of its environmental operating permits. To solve it, they requested a formal evaluation from the Ministry of the Environment whose conclusion is that the detected concentrations of chloride and sodium are not relevant to the use given to the residual water, which is irrigation of gardens. Additionally, the plant has an action plan to mitigate this issue linked to phase II of the PTR of the five year plans. In any case, the action plans of recent years show, especially with reverse osmosis, decreases in the concentrations of the aforementioned parameters.

Implement 3.2.2. OBS. A new constitution for the republic is being discussed that should give special attention to the water issue. It is important to understand that the private property model of this resource still exists. What can be expected with certainty is that a change in the Chilean Constitution will bring with it an important change in legislation and its application, as everything indicates that water management will be decentralized and based on the basic geographic unit: The Cachment. also taking into account that water is a public good and domain of the state.

<u>Implement 3.6.1.</u> OBS. There is a potential problem with nitrate whose concentrations are very close to the limit allowed for legislation. Control actions have been suggested to return these nitrate concentrations individually by well and not in their mixture, as is done at the present day.

Implement 3.6.2..OBS. Despite the fact that the chemical analyzes of the drinking water indicate that all the values are below the legal limits, there is concern about the level of Nitrate in the water consumed within the site. These are very close to the reference values and as the chemical analysis is not done individually by well, but by the mixture of the waters that comes from time to time in the storage lung, it is necessary to answer the question if the nitrate values are being diluted and if any of the post-wells presents values above the reference values for human health. This is a crucial question even to determine the origins of the nitrate and whether specific and localized action can be taken for its mitigation.

<u>Evaluate 4.1.3.</u>OBS. In relation to the interaction with the stakeholders, a precise quantification cannot yet be made. But it is a fact that the execution of the "Plan de Involucramiento de Partes Interesadas" must consolidate projects to improve the quality and quantity of water available in the cachment, and thus a numerical assessment of these benefits can be made. As has already been said, this interaction is beginning and the stakeholders with the most potential are already strongly interacting: the Municipality and the La Corporación de Casablanca.

<u>Communicate & Disclose 5.4.2.</u> OBS. It is necessary that in the survaillence audit in 2023 how this relationship has been consolidated since the meeting with the Stakeholder of the Municipality could not be held in 2022.

Opportunity for Improvement:

<u>Gather & Understand 1.3.2.</u> OI. The opportunity in relation to the water balance is related to the possibility that BAT is attentive to the academic debate within the universities that study issues related to Chilean aquifers.

<u>Gather & Understand 1.3.5</u>.. OI._The opportunity for improvement related to the aquifer knowledge would be a precise determination of an area of hydraulic influence by water extraction by wells is a task for other more ambitious phases of the AWS.

<u>Gather & Understand 1.3.7.</u> OI It is possible to think of a more precise methodology for calculating these benefits, even if they seem intangible, for example those related to the social, cultural or environmental. There is not a metric about them, but maybe the organization could try to consider water circularity to stablish a goal of reducing water consumption by certain percentage until a certain year and consider this m3 per year reduction as a echonomical environment or social benefit because the cost produccion/treatment water related costs.

<u>Gather & Understand 1.5.3</u>.. OI. The water balance will have to be updated as scientific knowledge evolves. This requires regional hydrogeology studies that may have to be carried out by public entities. These entities can be mapped and have the potential to be future stakeholders, it is an opportunity also.

Evaluate 4.1.1.. OI. Related to the interaction with stakeholders, a precise quantification cannot yet be made. But it is a fact that the execution of the "Plan de Involucramiento de Partes Interesadas" must consolidate projects to improve the quality and quantity of water available in the catchment. Then it is possible that a numerical evaluation of these benefits can be made in the future.

7 SUMMARY

In reviewing the evidence presented by BAT CASABLANCA, 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 were nil non-conformances raised. Observations were made during the audit, these are to be considered as areas for improvement which will be reviewed in future surveillance audit.

8 CONCLUSIONS AND RECOMMENDATIONS

Given the evidence reviewed and the virtual audit performed, SGS recommends that BAT CASABLANCA Chile gets certified for a CORE 3-year cycle version 2.0., with annual surveillance audits.

9 **REFERENCES**

- Commitment letter
- Diagram Casablanca Factory
- Satellite map of surrounding area
- Map of catchment
- Water Stewardhsip Strategy / Plan
- Records fo communications with stakeholders
- Emergency and Resilience plans
- Water Balance
- Records about projects with the farmers and at site
- Licenses for each of the water wells
- Monitoring records for each well
- Laboratory tests of external lab for each monitoring point
- Other support documents