

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-000350

SITE DETAILS

Site: **BAT Argentina Pilar Plant - Buenos Aires**

Address: Calle 14 N° 506, Parque Industrial Pilar, 1629, Buenos Aires, ARGENTINA

Contact Person: Julieta Carcagno

AWS Reference Number: AWS-000480

Site Structure: Single Site

CERTIFICATION DETAILS

Certification status: Certified Core

Date of certification decision: 2022-Dec-21

Validity of certificate: 2025-Dec-21

AUDIT DETAILS

Audited Service(s): AWS Standard v2.0 (2019)

Audit Type(s): Initial Audit

Audit Start Date: 2022-Sep-26

Lead Auditor: Claudia M. Jaime

Audit team participants:

Maximiliano Agudo

Site Participants:

Sofia Alberti, SHE Manager

Agustina Agüero, Environmental Analyst

Carlos Salve, Factory Manager

Camila Frisco, EHS Analyst

Julieta Carcagno, Engineering Manager

Ignacio Kearney, SMD Manager

Eleonora Bolivio, FMD & PMD Manager

Sebastian Cepeda, Procurement Analyst

Pablo Cirillo, Consultant

David Borges, Sustainability Project Manager; DRBU Latam South

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-000350

ADDITIONAL INFO

Summary of Audit Findings: A total of 34 findings were raised during the certification audit, 7 major non-conformities, 19 minor non-conformities, 8 observations. The major non-conformities were of sufficient concern to warrant the categorisation of the non-conformity as major and related to the 5 AWS outcomes.

The Client is requested to perform a root cause analysis and define corrective actions for each of the non-conformities and to submit these to WSAS within 60 days of receipt of the audit report by 19/01/2023.

The major non-conformities must be sufficiently addressed and evidence submitted to WSAS within 90 days of receipt of the report by 16/02/2023.

Minor non-conformities must be closed out by the time of the next annual audit.

The audit team recommends certification of BAT Argentina Pilar Plant at Core level pending approval of the corrective actions plan and closure of the major non-conformities

CLOSURE OF FINDINGS AND CORRECTIVE ACTION PLAN:

The Client has successfully resolved the major non-conformities and submitted the corrective action plan addressing all findings.

Scope of Assessment: The scope of services covers the Initial certification audit for assessing conformity of BAT Argentina Pilar Plant against the AWS International Water Stewardship Standard Version 2.

The facility is located in the locality of Fátima, Pilar District, Province of Buenos Aires. The unit is bordered to the east by rural plots, to the north by an area of vacant land and to the west and south by various industrial activities. The factory is approximately 9 km from the centre of the city of Pilar.

The Luján River basin occupies a total surface area of 3,379 km² in the districts of Campana, Chacabuco, Escobar, Carmen de Areco, Exaltación de la Cruz, Gral. Rodríguez, José C. Paz, Luján, Malvinas Argentina, Mercedes, Moreno, Pilar, San Andrés de Giles, Suipacha, San Andrés de Giles, Mercedes, Moreno, Pilar, Malvinas Argentina and Suipacha. Andrés de Giles, Suipacha and Tigre. It is located in the northeast of the province of Buenos Aires, forming part of the northern border of the Metropolitan Region of Buenos Aires (RMBA). Buenos Aires (RMBA).

The general direction of the Luján River is SW-NE from its beginning to the height of the junction with National Route Nº 9, where it turns towards a SE course parallel to the Paraná de la Palmas. It is a typical plain river, which has a sinuous design of slow waters and wide flood valleys as a consequence of the flood valleys as a consequence of its low gradient, which reaches an average of 0.44 m/km. average of 0.44 m/km. The maximum and minimum levels correspond to 62.50 metres and 2.50 metres respectively. Its average flow is 5.4 m³/s, reaching maximums of around 400 m³/s in the of the order of 400 m³/s for rains of centennial recurrence (in the city of Luján), according to the PMRL (Master Plan for the Luján River).

The audit was conducted onsite on 26-28 Sept-2022.

FINDINGS

NUMBER OF FINDINGS PER LEVEL

| | |
|--------------------|----|
| Observation | 8 |
| Minor | 19 |
| Major | 7 |

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-000350

FINDING DETAILS

| | |
|--------------------|---|
| Finding No: | TNR-002105 |
| Checklist Item No: | 1.1.1 |
| Status: | For information |
| Finding level: | Observation |
| Due date: | 2023-Sep-25 |
| Checklist item: | The physical scope of the site shall be mapped, considering the regulatory landscape and zone of stakeholder interests, including: <ul style="list-style-type: none">- Site boundaries;- Water-related infrastructure, including piping network, owned or managed by the site or its parent organization;- Any water sources providing water to the site that are owned or managed by the site or its parent organization;- Water service provider (if applicable) and its ultimate water source;- Discharge points and waste water service provider (if applicable) and ultimate receiving water body or bodies;- Catchment(s) that the site affect(s) and is reliant upon for water. |
| Findings: | The company has not defined a site map where it is described the water-related infrastructure, including the piping network, owned or managed by the site or its parent organization. |
| Corrective action: | Create site map demonstrating water-related infrastructure. |

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-000350

| | |
|--------------------|---|
| Finding No: | TNR-002063 |
| Checklist Item No: | 1.2.1 |
| Status: | In Progress - CA plan approved |
| Finding level: | Minor |
| Due date: | 2023-Sep-25 |
| Checklist item: | Stakeholders and their water-related challenges shall be identified. The process used for stakeholder identification shall be identified. This process shall: <ul style="list-style-type: none">- Inclusively cover all relevant stakeholder groups including vulnerable, women, minority, and Indigenous people;- Consider the physical scope identified, including stakeholders, representative of the site's ultimate water source and ultimate receiving water body or bodies;- Provide evidence of stakeholder consultation on water-related interests and challenges;- Note that the ability and/or willingness of stakeholders to participate may vary across the relevant stakeholder groups;- Identify the degree of stakeholder engagement based on their level of interest and influence. |
| Findings: | <p>The site does not identify water-related challenges.</p> <p>The site does not identify the process by which it has organized stakeholders.</p> <p>The site has not described the presence or absence of relevant stakeholders, including vulnerable people, women, minorities and indigenous peoples;</p> <p>The site does not present evidence on the identified physical extent of stakeholders, representatives of the final source water of the site and the final receiving water body or bodies;</p> <p>The site has not presented evidence on stakeholder consultation on water-related interests and challenges;</p> <p>The site has not identified the degree of stakeholder engagement based on their level of interest and influence; The site has not identified the degree of stakeholder engagement based on their level of interest and influence</p> |

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-000350

| | |
|--------------------|--|
| Corrective action: | <p>a) The site does not identify water-related challenges. Comment: Present the vulnerabilities identified in the ""SVA - Source Vulnerability Assessment"". With ""vulnerabilities"" the consulting firm that conducted the SVA meant ""water-related challenges"", which can be shared with other water users in the watershed or be related to BAT operations.</p> <p>b) The site does not identify the process by which it has organized stakeholders. Comment: In the ""1.2.1 Plan de participación de partes interesadas - BAT Pilar"" was added a paragraph describing how the stakeholders were organized.</p> <p>c) The site has not described the presence or absence of relevant stakeholders, including vulnerable people, women, minorities and indigenous peoples; Comment: Carry out an assessment of stakeholders such as vulnerable groups, women, minorities, and indigenous peoples. Include stakeholders in the ""1.2.1 Plan de participación de partes interesadas - BAT Pilar"".</p> <p>d) The site does not present evidence on the identified physical extent of stakeholders, representatives of the final source water of the site and the final receiving water body or bodies; Comment: Create a map with the stakeholders' location in comparison with the target area considered in the ""SVA"", and include it in the ""1.2.1 Plan de participación de partes interesadas - BAT Pilar"".</p> <p>e) The site has not presented evidence on stakeholder consultation on water-related interests and challenges; Comment: Implement all actions defined in the ""1.2.1 Plan de participación de partes interesadas - BAT Pilar"", gathering evidence of the interactions.</p> <p>f) The site has not identified the degree of stakeholder engagement based on their level of interest and influence; Comment: State clearly in the ""Stakeholder_participation_plan_-_BAT_Pillar"" how the degree of interest and influence of each stakeholder was defined.</p> |
| Finding No: | TNR-002064 |
| Checklist Item No: | 1.2.2 |
| Status: | In Progress - CA plan approved |
| Finding level: | Minor |
| Due date: | 2023-Sep-25 |
| Checklist item: | 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. |
| Findings: | The Site should identify the current and potential degree of influence between site and stakeholders (the list will be updated, see 1.2.1) |
| Corrective action: | <ul style="list-style-type: none">• Complete the ""Plan de participación de partes interesadas - BAT Pilar"" review as pointed out in the corrective action for item 1.2.1.• Pay special attention to the categorization of the stakeholders as relevant and irrelevant, and also properly assess their relationship and interests. |

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)



Audit Number: AO-000350

| | |
|--------------------|---|
| Finding No: | TNR-002068 |
| Checklist Item No: | 1.3.1 |
| Status: | For information |
| Finding level: | Observation |
| Due date: | 2023-Sep-25 |
| Checklist item: | Existing water-related incident response plans shall be identified. |
| Findings: | The site should identify current flood risk plans. And include well closures in the contingency plan. The risks that a fire could cause have not been included in the contingency plan. |
| Corrective action: | Update Contingency Plan including: <ul style="list-style-type: none">- Flood risk- Artesian Well closures- Fire risk |

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-000350

| | |
|--------------------|---|
| Finding No: | TNR-002069 |
| Checklist Item No: | 1.3.2 |
| Status: | In Progress - CA plan approved |
| Finding level: | Minor |
| Due date: | 2023-Sep-25 |
| Checklist item: | Site water balance, including inflows, losses, storage, and outflows shall be identified and mapped |
| Findings: | In the water balance, the following input and output elements have not been considered or are unclear |

Inputs

- It is not calculated what is the consumption of soft water that distributes to the soft water tank which in turn distributes to softeners which has a discharge to the treatment plant.
- It is not known how much is going into the osmosis water tank which distributes to the osmosis water ring (896 m3) and to the osmosis which has an unknown output.
- There are two wells (1 and 4) from which it is not known whether or not water is being captured.

Outputs

- The site should consider water losses due to evaporation in its diagram.
- The diagram does not include water losses and water consumption during production.
- The amount of water leaving the osmosis water ring and the softeners for the treatment plant is not known, i.e. in order to be able to calculate and obtain the value of 1700 m3/month of discharge.

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-000350

Corrective action:

a) It is not calculated what the consumption of soft water that distributes to the soft water tank which in turn distributes to softeners that have a discharge to the treatment plant.

Comment: Include soft water consumption that distributes to the soft water tank which in turn distributes to softeners that have a discharge to the treatment plant in the "New Water Map" and in the "New Water Balance".

b) It is not known how much is going into the osmosis water tank which distributes to the osmosis water ring (896 m3) and to the osmosis which has an unknown output.

Comment: With the installation of new water meters, it will be known how much is going into the osmosis water tank.

c) There are two wells (1 and 4) from which it is not known whether or not water is being captured.

Comment: Make it clear in the "New Water Map" and in the "New Water Balance" all the water inputs.

Outputs

d) The site should consider water losses due to evaporation in its diagram.

Comment: Include water losses due to evaporation in the "New Water Map" and in the "New Water Balance".

e) The diagram does not include water losses and water consumption during production.

Comment: Include water losses and water consumption during production in the "New Water Map" and in the "New Water Balance".

f) The amount of water leaving the osmosis water ring and the softeners for the treatment plant is not known, i.e. in order to be able to calculate and obtain the value of 1700 m3/month of discharge.

Comment: Include the amount of water leaving the osmosis water ring and the softeners for the treatment plant in the "New Water Map" and in the "New Water Balance".

Other Actions:

- Install new 7 water meter (2023)
- Create a new procedure to register data from the old and new water meters.
- Develop a new and improved water map ("New Water Map").
- Create a complete water balance ("New Water Balance").

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-000350

Finding No: TNR-002072
Checklist Item No: 1.3.5
Status: In Progress - CA plan approved
Finding level: Minor
Due date: 2023-Sep-25
Checklist item: Potential sources of pollution shall be identified and if applicable, mapped, including chemicals used or stored on site.
Findings: The Site should include the chemical species identification map.
Corrective action:

- Create a file describing the potential contamination sources inside the site ("1.3.5 Potential sources of pollution"). This document must include a description and location of all chemical products stored on site.
- Include in the document "1.3.5 Potential sources of pollution" the location of the spill containment kits.

Evidence of implementation: Evidence of chemical list & map.

Finding No: TNR-002073
Checklist Item No: 1.4.2
Status: In Progress - CA plan approved
Finding level: Minor
Due date: 2023-Sep-25
Checklist item: The embedded water use of outsourced services shall be identified, and where those services originate within the site's catchment, quantified.
Findings: The site should include a list of its service providers and if necessary estimate the volume of embedded water used to provide the service.
Corrective action:

- Map the main inputs and service providers.
- Identify which providers are located in the same catchment.
- Include the more important ones in the "Plan de participación de partes interesadas - BAT Pilar".
- Engage with providers and gather additional information that may help in the estimation of embedded water.

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-000350

Finding No: TNR-002078
Checklist Item No: 1.5.1
Status: In Progress - CA plan approved
Finding level: Minor
Due date: 2023-Sep-25
Checklist item: 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.
Findings: The site should find out how the relevant governance institutions and the key people working in them and investigate initiatives, plans, policies and objectives relevant to their basin and any changes in their basin, and investigate initiatives, plans, policies and objectives relevant to its basin and any changes to these that are being planned. to these that are being planned.
Corrective action:

- Clearly define what are the relevant governance institutions and the key people working in them.
- Include these people in the ""Plan de participación de partes interesadas - BAT Pilar"".
- Investigate initiatives, plans, policies, and objectives relevant to the basin and any changes in it.
- Investigate initiatives, plans, policies, and objectives relevant to the basin and any changes to these that are being planned.
- Consolidate all the gathered information into a new document called "Water-related Initiatives" in the catchment.

Finding No: TNR-002079
Checklist Item No: 1.5.2
Status: In Progress - CA plan approved
Finding level: Minor
Due date: 2023-Sep-25
Checklist item: Applicable water-related legal and regulatory requirements shall be identified, including legally-defined and/or stakeholder-verified customary water rights.
Findings: The site should provide evidence of the laws with which the site must comply, as well as evidence of the absence of customary rights and indigenous peoples' rights. The technical review could not verify the records that show us the company's determination of legal requirements and other requirements and evaluation of compliance. The company has not demonstrated to the audit team a systematic and record to secure compliance with the indicator.
Corrective action:

- Confirm the absence of customary rights and indigenous peoples' rights with BAT legal consultant.
- Consolidate all water-related legal and regulatory requirements in a new document called ""1.5.2 Applicable water-related legal and regulatory requirements"".
- Include in the ""1.5.2 Applicable water-related legal and regulatory requirements"" a clear evaluation of compliance with each requirement.
- Also include in the ""1.5.2 Applicable water-related legal and regulatory requirements"" a description of the systematic used to secure compliance with the indicator.

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-000350

Finding No: TNR-002074
Checklist Item No: 1.5.3
Status: For information
Finding level: Observation
Due date: 2023-Sep-25
Checklist item: The catchment water-balance, and where applicable, scarcity, shall be quantified, including indication of annual, and where appropriate, seasonal, variance.
Findings: While it is not the responsibility of the site to determine the hydrological balance of the catchment. The Site could request a consultancy to develop a hydrological balance of the basin and thus have a basic planning element in the sustainable management of water in the basin.
Corrective action: Evaluate with stakeholders the opportunity to determine the hydrological balance of the basin.

Finding No: TNR-002075
Checklist Item No: 1.5.4
Status: In Progress - CA plan approved
Finding level: Minor
Due date: 2023-Sep-25
Checklist item: Water quality, including physical, chemical, and biological status, of the catchment shall be identified, and where possible, quantified. Where there is a water-related challenge that would be a threat to good water quality status for people or environment, an indication of annual, and where appropriate, seasonal, high and low variances shall be identified.
Findings: The site should provide evidence of seasonal variations in water quality in the catchment.
Corrective action:

- Re-analyze available public data looking for information about seasonal changes in the water quality in the catchment.
- If data is not available, create a plan to get this information through public agencies, partnerships, or solo.

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-000350

Finding No: TNR-002076
Checklist Item No: 1.5.5
Status: In Progress - CA plan approved
Finding level: Minor
Due date: 2023-Sep-25
Checklist item: Important Water-Related Areas shall be identified, and where appropriate, mapped, and their status assessed including any threats to people or the natural environment, using scientific information and through stakeholder engagement.
Findings: The site should provide evidence on the status of the identified IWRA's, including potential threats. The unique IWRA's identified by the company are Nature Reservas but has not been analyzed if other IWRA's exist.
Corrective action:

- Complement the IWRA's identification to include areas other than natural reserves.
- Create a map to show their location in the catchment.
- Include the status and the threats faced by each IWRA.
- Link each IWRA to a stakeholder and include them in the ""Plan de participación de partes interesadas - BAT Pilar"".
- Gather evidence on the engagement with these stakeholders to talk about the status, created values, and how it's being ensured their preservation.

Finding No: TNR-002077
Checklist Item No: 1.5.6
Status: In Progress - CA plan approved
Finding level: Minor
Due date: 2023-Sep-25
Checklist item: Existing and planned water-related infrastructure shall be identified, including condition and potential exposure to extreme events.
Findings: The site should provide evidence of planned infrastructure to reduce flood risks in the catchment.
Corrective action:

- Consult publicly available information, authorities, and water supply agencies on the extent of water infrastructure to reduce flood risk in the catchment.
- Evaluate their general condition, percentage of the catchment population served, and potential exposure to extreme events.
- Investigate future projects to minimize the risks of flood affecting BAT and also other water users in the catchment.

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-000350

Finding No: TNR-002080
Checklist Item No: 1.6.2
Status: Closed
Finding level: Major
Due date: 2023-Feb-16
Checklist item: Initiatives to address shared water challenges shall be identified.
Findings: The Site has not identified the initiatives to address shared water challenges.
Corrective action: The document "1.6.2 Initiatives to address shared water challenges" was created, based on the document presented in 1.6.1, with the identification of initiatives to address shared water challenges, demonstrating initiatives on site level and at the catchment level .
Evidence of implementation: 1.6.2 - Presentación
1.6.2 Initiatives to address shared water challenges

Finding No: TNR-002081
Checklist Item No: 1.7.1
Status: In Progress - CA plan approved
Finding level: Minor
Due date: 2023-Sep-25
Checklist item: 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.
Findings: The Site should identify the water risks faced by the site, and prioritized, including likelihood and severity of impact within a given time frame, potential costs and business impact.
Corrective action:

- Identify all physical, regulatory, and reputational water risks applicable to the site.
- Develop a methodology to classify all water risks according to their severity and likelihood.
- Classify all water risks following the methodology.
- Define the potential costs and business impact of each water risk.

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-000350

Finding No: TNR-002082
Checklist Item No: 1.7.2
Status: Closed
Finding level: Major
Due date: 2023-Feb-16
Checklist item: Water-related opportunities shall be identified, including how the site may participate, assessment and prioritization of potential savings, and business opportunities.
Findings: The Site should identify water-related opportunities, including how the site can intervene, assessment and prioritization of potential savings and business opportunities.
Corrective action: An opportunities matrix was created (file Water related opportunities Register Argentina), where it was possible to classify the opportunities according to their level of significance (Significant or Not Significant) using the methodology of Assessment of Environmental Aspects and Impacts. In the matrix are identified the projects/initiatives, as well as the costs and plan of action.
Evidence of implementation: -Presentation "1.7.2"
- Water related opportunities Register

Finding No: TNR-002083
Checklist Item No: 1.8.4
Status: For information
Finding level: Observation
Due date: 2023-Sep-25
Checklist item: Relevant catchment best practice for site maintenance of Important Water-Related Areas shall be identified.
Findings: The Site should identify Relevant catchment best practice for site maintenance of Important Water-Related Areas.
Corrective action: Advance in the process with the stakeholder related to the IWRA.

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-000350

| | |
|-----------------------------|---|
| Finding No: | TNR-002086 |
| Checklist Item No: | 2.2.1 |
| Status: | Closed |
| Finding level: | Major |
| Due date: | 2023-Feb-16 |
| Checklist item: | 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. |
| Findings: | The site shall identify the system for maintaining compliance with water management obligations, describing the submission process to regulatory bodies. The site shall identify the responsible positions. |
| Corrective action: | The system's methodology for maintaining compliance with water and effluent management obligations has been consolidated in the file "2.2.1 - Personas_Posiciones responsables within the structure", which presents the evaluation flow of the standards and the identification of people / positions responsible within the organizational structure of the institution. The file "2.2.1 - Proceso de Presentación a las Entidades Reguladoras" identifies the requirements and processes that need to be submitted to regulatory bodies, as well as those responsible for the management, monitoring and status of each requirement. |
| Evidence of implementation: | 2.2.1 - Personas_Posiciones responsables dentro de la estructura 2.2.1 - Proceso de Presentación a las Entidades Reguladoras Auditoría AWS - Estado de trámites + Evidencias.msg BAT Operaciones S.A.U. - Certificado de prefactibilidad - Status 03.08.2022.pdf Bat Operaciones S.A.U. - Estado Permiso de Explotación - Status 26.07.2022.pdf Bat Operaciones S.A.U. - Estado Permiso de Vuelco - Status 26.07.2022.pdf CAA (Certificado de Aptitud Ambiental) - 17.10.2019.pdf CAA (Certificado de Aptitud Ambiental) val.13.03.2020.pdf Certificado Tramite en Curso Certificado de Prefactibilidad 26.07.2022.pdf Certificado Tramite en Curso Permiso de explotacion 01.11.2022.pdf FRANCO ABOGADOS - SERVICIO DE CONSULTORÍA Y ACTUALIZACIÓN NORMATIVA (SCAN) + ALERTAS - NOVIEMBRE 2022.msg Habilitación Municipal de Fabrica - cambio razon social - 20.05.2021.pdf Permiso de Vuelco Solicitud - D-EHS-C11-006-2017-04.pdf Prefactibilidad Hídrica y Permiso de Explotación Status - Noviembre 2022.pdf RE Consulta derechos de agua de comunidades indigenas.msg |

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-000350

Finding No: TNR-002088
Checklist Item No: 2.3.2
Status: In Progress - CA plan approved
Finding level: Minor
Due date: 2023-Sep-25
Checklist item: A water stewardship plan shall be identified, including for each target:
- How it will be measured and monitored
- Actions to achieve and maintain (or exceed) it
- Planned timeframes to achieve it
- Financial budgets allocated for actions
- Positions of persons responsible for actions and achieving targets
- Where available, note the link between each target and the achievement of best practice to help address shared water challenges and the AWS outcomes.

Findings: The WSP of the site should include for each target:
- Planned time frames to achieve it. However, there are some inconsistencies; since the target is to measure water quality in a pond, they suggest they will monitor twice a year, the % of progress could be 0%, 50%, or 100%, and the WSP shows 10%.

The Site should review the WSP because there are goals that are repeated as presented in lines 7 and 8, the only thing that changes is the frequency, one half-yearly and the other quarterly, but it is the same goal. This appears to duplicate goals and duplicate investments.

The site shall define the objectives associated with the different shared water challenges to secure the implementation of actions associated with criteria 3 and 4.

Corrective action: Review the WSP to:
• Correct inconsistencies.
• Include goals that can be followed up.

Finding No: TNR-002084
Checklist Item No: 2.4.1
Status: In Progress - CA plan approved
Finding level: Minor
Due date: 2023-Sep-25
Checklist item: A plan to mitigate or adapt to identified water risks developed in co-ordination with relevant public-sector and infrastructure agencies shall be identified.

Findings: The site should update its water contingency plan to include all relevant risks. Coordination with relevant public agencies should be demonstrated.

Corrective action: Update the contingency plan to:
• Include droughts events.
• Include flood events.
• Corrective actions in coordination with relevant public sector and infrastructure agencies.

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-000350

Finding No: TNR-002085
Checklist Item No: 3.1.1
Status: For information
Finding level: Observation
Due date: 2023-Sep-25
Checklist item: Evidence that the site has supported good catchment governance shall be identified.
Findings: The site should present evidence of how it has supported good governance in the catchment. The company must promote mechanisms that ensure a proactive response to the different stakeholders (social, environmental, public administration, scientific, etc.).
Corrective action: Create material with consolidated evidence supporting good governance in the catchment

Finding No: TNR-002089
Checklist Item No: 3.1.2
Status: For information
Finding level: Observation
Due date: 2023-Sep-25
Checklist item: Measures identified to respect the water rights of others including Indigenous peoples, that are not part of 3.2 shall be implemented.
Findings: The site should provide evidence that there are no customary rights and/or indigenous people with water rights.
Corrective action: Demonstrate evidence of non-existence of customary rights and/or indigenous peoples with water rights.

Finding No: TNR-002090
Checklist Item No: 3.3.1
Status: For information
Finding level: Observation
Due date: 2023-Sep-25
Checklist item: Status of progress towards meeting water balance targets set in the water stewardship plan shall be identified.
Findings: The Site shall identify the status of progress towards meeting water balance targets set in the WSP
The site does not present progress on meeting the objective "Support stakeholders to investigate about "outstanding in the catchment" information" and three plans associated with it.
Corrective action: Review the WSP to identify progress towards achieving water balance targets.

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-000350

| | |
|-----------------------------|--|
| Finding No: | TNR-002091 |
| Checklist Item No: | 3.4.1 |
| Status: | Closed |
| Finding level: | Major |
| Due date: | 2023-Feb-16 |
| Checklist item: | Status of progress towards meeting water quality targets set in the water stewardship plan shall be identified. |
| Findings: | The site does not present any progress for water quality compliance, the document presented only describes the frequency of monitoring, without including the results obtained. |
| Corrective action: | The water quality assurance goal was included in the site's WSP, with the aim of ensuring the frequency, compliance of water and effluent quality results. In addition, a tool was created to consolidate the monitoring, in order to provide visibility in identifying the state of progress towards meeting the water quality objectives established in the sustainable management program. The site's WSP will be reviewed to verify the other items found in this audit (major, minor and observations), in order to further improve the development of the site's strategic plan. |
| Evidence of implementation: | 3.4.1 - Quality Water Monitoring - Presentación 3.4.1 - Quality Water Monitoring Análisis de Pozos Monitoreo de agua potable Monitoreo de Legionella R-EHS-C11-001- Resultados planta de tratamiento WSP - 3.4.1 - water quality targets Análisis de Efluente Líquido Análisis Agua Potable FQ y Bacterológico Legionella Analysis Monitoreo de pozos explotación - BAT (Planta Pilar) |
| Finding No: | TNR-002092 |
| Checklist Item No: | 3.4.2 |
| Status: | In Progress - CA plan approved |
| Finding level: | Minor |
| Due date: | 2023-Sep-25 |
| Checklist item: | 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. |
| Findings: | The site shall improve the consistency of its WSP and update it to make it a useful tool in water management. (see comment) |
| Corrective action: | Review the WSP to: <ul style="list-style-type: none">• Correct inconsistencies.• Include goals that can be followed up |

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-000350

Finding No: TNR-002093
Checklist Item No: 3.5.1
Status: Closed
Finding level: Major
Due date: 2023-Feb-16
Checklist item: Practices set in the water stewardship plan to maintain and/or enhance the site's Important Water-Related Areas shall be implemented.
Findings: The Site shall set practices in the water stewardship plan to maintain and/or enhance the site's Important Water-Related Areas. The unique IWRA's identified by the company are Nature Reservas but has not been analyzed if other IWRA's exist.
Corrective action: The AWS Standard was consulted to review the IWRA inclusion criteria. According to the Standard, IWRA's are areas that, if damaged or lost, would adversely impact the environmental, social, cultural or economic benefits derived from the watershed in a significant or disproportionate way. For BAT-SAU, artesian wells have an economic function as it is essential for the execution of the industrial activity on the site. After justifying the consideration of the wells as Site IWRA's, the maintenance/improvement objectives were added to the site's WSP, demonstrating actions that have already been implemented and others that are in progress.
Evidence of implementation: 3.5.1 - IWRA On Site Presentación
Water Stewardship Plan - Pilar_3.5.1 IWRA ON SITE

Finding No: TNR-002094
Checklist Item No: 3.9.3
Status: In Progress - CA plan approved
Finding level: Minor
Due date: 2023-Sep-25
Checklist item: Actions towards achieving best practice, related to targets in terms of water quality shall be implemented.
Findings: The site shall implement actions that can be identified as good practices because of the benefits they generate. The company should define one or more water quality objectives.
Corrective action: Review the document ""1.8 Best Practices"" to:

- Only contain action with a clear benefit linked to it.
- Define more objectives linked to water quality.

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-000350

Finding No: TNR-002095
Checklist Item No: 3.9.4
Status: In Progress - CA plan approved
Finding level: Minor
Due date: 2023-Sep-25
Checklist item: Actions towards achieving best practice, related to targets in terms of the site's maintenance of Important Water-Related Areas shall be implemented.
Findings: The site should be verified that all good practices described correspond to IWRA.

The potential of the good practices in the basin should be exploited in the construction of agreements, coordination of actions among other possibilities.

The company should define one or more clear objectives associated with IWRAs.
Corrective action: Review the document "1.8 Best Practices" to:

- Create objectives associated with IWRAs.
- Define objectives that impact other water users in the catchment.

Finding No: TNR-002096
Checklist Item No: 3.9.5
Status: In Progress - CA plan approved
Finding level: Minor
Due date: 2023-Sep-25
Checklist item: Actions towards achieving best practice related to targets in terms of WASH shall be implemented.
Findings: The site shall implement actions that can be identified as good practices because of the benefits they generate.

The company should define one or more clear objectives associated with WASH.
Corrective action: Review the document ""1.8 Best Practices"" to:

- Create objectives associated with WASH.
- Define objectives that impact other water users in the catchment.

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-000350

Finding No: TNR-002097
Checklist Item No: 4.1.1
Status: Closed
Finding level: Major
Due date: 2023-Feb-16
Checklist item: Performance against targets in the site's water stewardship plan and the contribution to achieving water stewardship outcomes shall be evaluated.
Findings: The Site shall assess and list the objectives of its WSP measures and improvements and report on the extent to which they are being or have been met. It should also report on how it has contributed to achieving each of the five AWS outcomes.
Corrective action: A review of the WSP was performed to correct inconsistencies and list of objectives according to the 05 objectives of AWS. Then, the evaluation of the measure the objectives are being or have been achieved was made, demonstrating the 2022 target and the Year to Date result achieved by December 2022.
Evidence of implementation: 4.1.1 - Presentación Summary
Water Stewardship Plan - BAT Pilar 2022 + 4.1.1

Finding No: TNR-002098
Checklist Item No: 4.1.2
Status: In Progress - CA plan approved
Finding level: Minor
Due date: 2023-Sep-25
Checklist item: Value creation resulting from the water stewardship plan shall be evaluated.
Findings: The Site shall evaluate the value creation resulting from the water stewardship plan
Corrective action:

- Complement the WSP assessing the value creation of each action/project, as well as of each target.

Finding No: TNR-002099
Checklist Item No: 4.1.3
Status: In Progress - CA plan approved
Finding level: Minor
Due date: 2023-Sep-25
Checklist item: The shared value benefits in the catchment shall be identified and where applicable, quantified.
Findings: The Site should identify the shared benefits of the catchment and where applicable quantify them.
Corrective action: Review the document ""1.8 Best Practices"" to:

- Identified shared benefits
- Quantify shared benefits - when applicable.

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-000350

Finding No: TNR-002106
Checklist Item No: 4.3.1
Status: For information
Finding level: Observation
Due date: 2023-Sep-25
Checklist item: Consultation efforts with stakeholders on the site’s water stewardship performance shall be identified.
Findings: The company must promote mechanisms that ensure a proactive response to the different stakeholders (social, environmental, public administration, scientific, etc.).
Corrective action: Identify consultation efforts, means of communication and any feedback from stakeholders.

Finding No: TNR-002087
Checklist Item No: 5.1.1
Status: Closed
Finding level: Major
Due date: 2023-Feb-16
Checklist item: The site’s water-related internal governance, including positions of those accountable for compliance with water-related laws and regulations shall be disclosed.
Findings: The Site shall disclose their water-related internal governance of the site’s management
Corrective action: Consolidation of evidence into a single file, showing images and access links that demonstrate the site's internal water-related governance, including the positions of those responsible for compliance with water-related laws and regulations. as required by AWS Standard Guidance
Evidence of implementation: 5.1.1 - Presentación con las Evidencias

Signature WSAS

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)



Audit Number: AO-000350

Report Details

| Report | Value |
|---------------------------|----------------------|
| Report prepared by | Claudia Mendez Jaime |
| Report approved by | Gregorio Crespo |
| Report approved on (Date) | 18 November 2022 |

Surveillance

Proposed date for next audit
2023-Sep-25

Stakeholder Announcements

| Date of publication | Location |
|---------------------|--|
| 2022-Aug-25 | Pagina web del sitio https://www.batargentina.com/group/sites/bat_9yxkep.nsf/vwPagesWebLive/DO9T5KJU/\$FILE/medMDCHNCCP.pdf?openelement |
| 2022-Aug-25 | LinkedIn webpage of the site |
| 2023-Aug-25 | Español - https://www.linkedin.com/feed/update/urn:li:activity:6967464347744763907 Inglés - https://www.linkedin.com/feed/update/urn:li:activity:6967464939623976960 |
| Comment | The site published the stakeholder announcement on its website and LinkedIn page (25/08/2022). |

Catchment Information

Catchment Information

The Site is located in the municipality of Pilar, Province of Buenos Aires and is situated in the hydrographic region of the Lujan River.

Luján river. The Site's water supply is provided by 3 groundwater wells (two in operation and one to be incorporated in the short term).

The Luján River is a fluvial course that runs through the north of the province of Buenos Aires (passing through the metropolitan area of Buenos Aires) in central-eastern Argentina. It originates at the junction of the El Durazno and Los Leones streams, in the district of Suipacha, and also flows through the districts of Mercedes, Luján, Pilar, Exaltación de la Cruz, Campana, Escobar, Tigre, San Fernando and San Isidro, and empties into the waters of the Río de la Plata estuary at the height of the Club Náutico San Isidro, 128 kilometres from its source.

The Luján river basin is located in the northeast of the province of Buenos Aires. To the northwest it borders the Areco river basin, to the southwest with the Salado river basin, to the southeast with the Reconquista river basin and to the northeast with the Paraná river basin².

This river has numerous tributary streams, such as: Grande, Chico, De la Cruz, Balta, Leguizamón or del Chimango and del Oro. A few kilometres from its end, the Reconquista River, another important river in Buenos Aires, flows into its waters, as does the Tigre River, which is actually a branch of the former. In its last stretch (in the districts of Escobar, Tigre, San Fernando and San Isidro), it is connected to the Paraná de las Palmas River through several rivers, streams and canals, forming islands belonging to the first section of the Paraná Delta.

Being a typical river of undulating plains, it has several meanders and a gentle slope. It is also a very important tributary of the Río de la Plata. It is located in the undulating pampa, and as it passes through, it forms valleys of different types. Its widest stretch goes from Tigre to San Isidro, flowing into the Río de la Plata.

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-000350

Client Description and Site Details

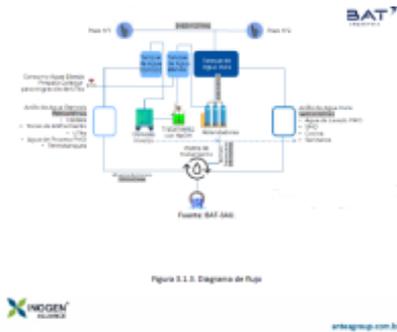


Fig. 3.1.3 Diagrama de flujo.png

Client/Site Background

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-000350

Primary Production Process (PMD)

1- Tobacco bales warehouse.

1.1- Leaf Line

Here the tobacco bales are introduced, the boxes and the polypropylene that wraps them are opened.

- Cutting

The bales are cut by a guillotine for further processing.

- Blending and Conditioning

The leaves pass through the DCCC Conditioning Cylinder where steam is applied to the leaves to open them, facilitating the entry of ingredients into the next cylinder. After the humidification process they are parked in the leaf silos.

- Chopping

They are then transported by belt to the chopper, which consists of blades mounted on an oscillating drum, after passing through a metal detector and weighing.

- Humidification

The strands (chopped leaves) go to the buffer silo, pass through a weighing machine and then enter the RCCC Cylinder for a new humidification process.

- Strand Drying

Here the strands enter the HXD strand dryer, where they are dried by hot air injection, drying them twice to remove ditrosomine, sugar and nicotine.

- Cooling

Then, the strands go through a cooling process in the Cooling Band, they are weighed again and transported to the Aggregate Scale CRS, where the processes of the Leaf Line, Stick Line and Deer Line are joined.

1.2- Stick Line

In the stick line, the bundle of sticks is put into boxes; the boxes and the polypropylene that wraps them are opened.

- Mixing and Conditioning

The leaves pass through the Admoist Cylinder where steam is applied as a humidification process and are parked in the stick silos.

- Chopping

The sticks are conveyed by belt to the chopper (blades mounted on an oscillating drum) after passing through a metal detector and weighing.

- Humidification

The chopped sticks enter the STS equipment for a new humidification process.

- Stick Drying

They then enter the FBD stick dryer, where the strands are dried by indirect heating. They are then re-weighed and transported to the Aggregate Scale CRS, where they will join the Leaf and Deer Line process.

1.3- Deer Line

In the Deer line, the tobacco powder collected from the Primary and Secondary sectors enters, which is stored in a silo to be transported to an extruder machine previously mixed with humectants and flavourings. The product obtained is stored and incorporated into the semi-manufactured tobacco.

- Aggregation

Here the leaf, stick and Deer lines are brought together, the mixture is cooled and pre-blending is carried out. The dust produced by the dryer is removed, sent to a vacuum system and the essence is added. The processed tobacco is sent to the final blending silos where it is stored and transported to the Tobacco Warehouse.

- Filling of crates

The processed tobacco from the Primary Production Sector (PMD) reaches the strand room by means of a conveyor belt. It is dosed into wooden crates, where it is stored. The crates are transported by forklifts and stored temporarily in the warehouse.

- Dumping

According to the batch, the crates are transported and deposited in the tippers. These take the box and tip it onto a belt where it is vacuumed and transported pneumatically to the processing modules of the Secondary Sector according to demand.

Filter Production Process (FMD)

The acetate wick arrives, which is taken by the machine and separates the strands, these are treated with triacetin. The strands are then twisted and stretched and a vinyl adhesive is added.

Subsequently, two lines of hotmelt adhesive are added to the paper rod to close the paper into a cylinder

Audit Number: AO-000350

shape, and a vinyl adhesive is also added to one line to make it stick to the paper.

From there it goes to the HTF machine where it is sorted into boxes and parked for 24 hours. Then it goes to the Filtro Mat machine, where the filters enter, are sorted and sent by pneumatic transport to the cigarette making modules.

Secondary Production Process (SMD)

In this sector, the final assembly of the cigarette takes place and it is packed in boxes and sent to the Finished Product Warehouse.

The tobacco enters the upper part of the module, which comes by pneumatic transport from the tipper located in the Strands Room. The filters are cut with a drum.

The paper that forms the outside of the cigarette is given a U-shape and the tobacco is deposited. A line of vegetable glue is applied to one of the edges to seal the cylinder. A stick is formed and cut to a certain length. To dry the glue, it is passed through a hot plate, thus curing the product.

The tobacco and paper cylinder passes into a linear zone where it is cut by a circular blade. It then passes through an accelerator line that separates them and places them in drums where a double-length filter is inserted in the middle of two tobacco sectors.

The set of two tobacco cylinders and a double filter is wrapped with a sector of filter paper, which was previously soaked with adhesive in a cylinder. The two facing cigarettes are then cut and passed into a device that turns one cigarette in half, aligning them. The cigarettes are transported to a lung where the packaging takes place.

The cigarettes are separated into sets of 12 or 20. They are wrapped in aluminium foil, the marker is glued to the packet and the stamps are affixed with vegetable adhesive. The packets are covered with polypropylene. These are separated into sets of 10 and form the cigarette cartons. The cartons are placed in cardboard boxes glued with hotmelt adhesive. The cartons are sent to the dispatch sector by conveyor belts.

Dispatch
The finished cartons coming from the modules of the Secondary Production Sector are palletised on racks in the Dispatch Warehouse awaiting dispatch. Pallets are transported using forklifts. The orders are prepared in cages until they are full for loading the trucks.

The BAT-UDI production process can be better understood with the support of the flow chart shown in Figure 3.1.3.

Summary of Shared Water Challenges

Summary of Shared Water Challenges

The Site has included a list on their vulnerability mitigation plan.

- There are no overall costs for groundwater abstraction.
- Lack of measurement of static and dynamic levels of extraction wells
- Proximity of extraction wells in relation to the liquid effluent plant
- Prevalence of industrial activities with semi-intensive type of exploitations
- Decrease in piezometric levels detected by the Water Authority, as a result of intensive extraction activity in the area of the Pilar industrial park
- Lack of measurement of the volume of liquid effluent discharged from the treatment system.
- Lack of updated information on groundwater quality in the study area.
- Lack of information on future trends in groundwater quality and quantity in the study area.
- The municipality of Pilar, where the Site is located, is characterised by the Water Authority as a restricted area in terms of groundwater availability.
- Access to sanitation services (sewage network) for the Luján River basin is 17.3% and for access to mains water 22%.
- Lack of information on future trends in surface water quality and quantity in the study area.
- In the Lujan river basin, 11 natural reserves have been identified, for which there is no official information on their conservation status".

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-000350

| 0.1 General Requirements for Single Sites, Multi-Sites and Groups | | |
|---|--|--|
| 0.1.1 | <i>Eligibility Criteria</i> | |
| 0.1.1.1 | <i>The site(s) occupy one catchment OR an exception has been granted.</i> |  Yes |
| Comment | The Site occupies one catchment | |
| 0.1.1.2 | <i>The scope of the proposed certification shall be under the control of a single management system.</i> |  Yes |
| Comment | The operation of the system is conducted by a single management | |
| 0.1.1.3 | <i>The scope of the proposed certification shall be homogeneous with respect to primary production system, water management, product or service range, and the main market structures.</i> |  Yes |
| Comment | The sope of the Site is homogeneous | |

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-000350

1 STEP 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.

Comment: The Site features maps with the following information:
Site boundaries;
- Water-related infrastructure, including the pipe network, owned or managed by the site or its parent organisation;
- Any water sources supplying the site, owned or managed by the site or its parent organisation;
- Final water source;
- Discharge points and wastewater service provider (if applicable) and ultimate receiving water body(ies); and
- The watershed(s) that the site affects and relies on for water.
- 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.

Q
Obs.

in progress

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-000350

Comment The site presents the Excel document "Stakeholder_participation_plan_-_BAT_Pillar". Which identifies different stakeholders, the way in which the information is presented does not allow to identify the influence/interest relationship of each of the identified stakeholders as presented in the stakeholder engagement matrix found on page 9 of the AWS standard guide.

Findings:

The site does not identify water-related challenges.
The site does not identify the process by which it has organised stakeholders.
The site has not described the presence or absence of relevant stakeholders, including vulnerable people, women, minorities and indigenous peoples;

The site does not present evidence on the identified physical extent of stakeholders, representatives of the final source water of the site and the final receiving water body or bodies;

The site has not presented evidence on stakeholder consultation on water-related interests and challenges;

The site has not identified the degree of stakeholder engagement based on their level of interest and influence; The site has not identified the degree of stakeholder engagement based on their level of interest and influence

Finding No: TNR-002063

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.* 🚩 in progress

Comment The Site presents evidence on this indicator in relation to the importance of stakeholders in the document added in 1.2.1, where it describes the different stakeholders.
The Site describes their relationship and shared interests in a generic way, including non-relevant stakeholders.
It does not make a clear categorisation of relevant stakeholders as it mixes relevant and irrelevant stakeholders.
It does not describe your current relationship with relevant stakeholders.

Finding No: TNR-002064

1.3 *Gather water-related data for the site, including: water balance; water quality, Important Water-Related Areas, water governance, WASH; water-related costs, revenues, and shared value creation.*

1.3.1 *Existing water-related incident response plans shall be identified.*

🔍
Obs.

Comment The site presents 3 documents related to plans in place for responding to water-related incidents, which contain procedures for responding to spills of hazardous compounds within the site.
The site does not include procedures related to other risks, e.g. flooding. Several news items on flooding in the Lujan River basin were identified in the news portals and even the SVA_BAT_Pilar document includes the topic of flooding in several sections.

1.3.2 *Site water balance, including inflows, losses, storage, and outflows shall be identified and mapped* 🚩 in progress

Comment The Site has presented a diagram describing the water balance. While it is true that water is required for processing, the water must be very well controlled and for this purpose the site has flow meters installed.

Finding No: TNR-002069

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-000350

| | | |
|--------------|--|---|
| 1.3.3 | <i>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.</i> |  Yes |
| Comment | The site has 14 flow meters of its own, which are monitored on a daily basis, with this information its annual KPI is generated. The site keeps a regular monitoring program which is presented in monthly basis. The Site includes annual variance graph; because goods water balance is a water related challenge. The site has presented a graph (see attached report "informe de rendimiento del agua" p. 3), showing the results achieved by Fábrica Pilar since 2017. It is possible to verify that from 2017 to 2022 (July) there was a 38% reduction in water consumption intensity. However, due to the Covid-19 pandemic that started in 2020, the consumption result was impacted, given that compliance with personal hygiene, cleaning and sanitation protocols, measures considered essential to combat the pandemic. | |
| 1.3.4 | <i>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.</i> |  Yes |
| Comment | The site quantifies the water quality of its water sources. It describes that the quality of the raw water from the wells is analysed biannually for bacteriological analysis and annually for physico-chemical analysis (SVA_BAT, p23). The site includes the results of the water quality studies carried out. The results show that the water quality of the wells is suitable for industrial use. | |
| 1.3.5 | <i>Potential sources of pollution shall be identified and if applicable, mapped, including chemicals used or stored on site.</i> |  Obs. |
| Comment | Activities in the Lujan River Basin that may affect the quality of water resources used by the plant include mainly soil and groundwater contamination from industries, service activities or agricultural use. Surface water contamination can occur mainly due to agriculture-related activities, poor effluent remediation from industrial and service activities. Groundwater quality can be affected by site activities such as chemical and effluent leakage. Groundwater quantity may be affected by groundwater use, increased use exceeding the maximum limits defined by the concessions. There has been no evidence of soil or groundwater contamination. | |
| 1.3.6 | <i>On-site Important Water-Related Areas shall be identified and mapped, including a description of their status including Indigenous cultural values.</i> |  Yes |
| Comment | The Site is located in an industrial park, they have not identified on-site IWRA. Wells could be considered as IWRAs if they are for public use. | |
| 1.3.7 | <i>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.</i> |  Yes |

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-000350

Comment The Site presents the Excel document, cost consolidation where it includes the costs incurred in 2022, the costs of the projects related to water saving, cleaning costs and maintenance costs.
Their project include: Dry urinals
Single lever push-buttons in showers and sinks
Re circulation Reject Osmosis - Phase 2
Recycling of condensate from Utilities
The SAV_BAT document includes costs for effluent treatment, drinking water supply (see 1.3.4).
It does not identify water-related revenues.
BAT-SAU reduces water consumption due to the reuse of osmosis reject water and the rainwater harvesting and utilization project, by reducing consumption and reusing water.
The volume of water used in 2021 was 46287 m3, of which 35520 m3 is discharged into the A° Larena, which indicates that by incorporating the circular economy into the effluents discharged, the unit would be helping around 897 people to meet their basic needs, living a more dignified life with greater well-being.

1.3.8 *Levels of access and adequacy of WASH at the site shall be identified.*



Yes

Comment The Site refers that the water distribution and consumption points related to WASH (water, sanitation and hygiene) correspond to: - water supply, sanitation and hygiene (WASH), sanitation and hygiene) correspond to:
- Water for human consumption;
- Toilets;
- Changing rooms;
- Dining room;
- Kitchen.
The water sent to the points of consumption where there is ingestion corresponds to the water currently provided by the IVESS company (INSTITUTO VERIFICADOR DE ELABORACION DE SODA IN SIPHONS). This water does not receive additional treatment, as it is controlled by the supplying company, in accordance with the provisions of Article 983 of the Food Code. Article 983 of the Argentine Food Code.
On the other hand, the water supplied to the different points of the plant's network, where there is contact with the person, is where there is contact with people, is monitored on a quarterly basis, in accordance with the provisions of the established by the Occupational Health and Safety Law N° 19587 Art. 58 Dto. 351/79.
The water sent to the plant's mains points, including toilets and changing rooms, corresponds to the water extracted from the groundwater wells, which is monitored every six months in accordance with the provisions of the Health and Safety at Work Act, Art. 58 Decree 351/79.
monitored every six months for bacteriological analysis and annually for physical and chemical analysis.
According to the information provided by the Site, there are 88 toilets (toilets and urinals). (toilets and urinals) and 27 showers, for a total of 228 employees.
0.39 per employee for toilets and 0.12 showers per employee for showers
See document at 1.3.4 (p.8-9)

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.*



Yes

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-000350

| | | |
|--------------|---|--|
| Comment | <p>The site conducted the indirect water use analysis and came to the following conclusions:</p> <ul style="list-style-type: none"> - The vast majority of suppliers are not located within the catchment. - Of the two suppliers that are in the catchment: <ul style="list-style-type: none"> - One has a closed water circuit. - The other is a supplier that is only used in case of contingencies. - It does not have an internal laundry service or any other service that involves off-site water use processes. | |
| 1.4.2 | <p><i>The embedded water use of outsourced services shall be identified, and where those services originate within the site's catchment, quantified.</i></p> |  in progress |
| Comment | <p>The Site does not identify service providers such as: Maintenance to facilities or equipment. The Site does not include any service providers e.g. kitchen.</p> | Finding No: TNR-002073 |
| 1.5 | <p><i>Gather water-related data for the catchment, including water governance, water balance, water quality, Important Water-Related Areas, infrastructure, and WASH</i></p> | |
| 1.5.1 | <p><i>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.</i></p> |  in progress |
| Comment | <p>The Site has not identified the plans, water related public policies, major publicly-led initiatives under way, and relevant goals to help the Site to be informed of possible opportunities for water stewardship collective action.</p> <p>With the exception of the reference to the Project for the Implementation of the Integrated Management Plan for the Luján River Basin - Stage I - II, financed by the Latin American Development</p> <p>The general objective of this project is to prevent floods, control flow and moderate the effect of floods on the Luján River Basin, with the exception of the implementation of the Integrated Management Plan for the Luján River Basin - Stage I - II, financed by the Development Bank of Latin America (CAF). Its general objective is to prevent floods, control the flows and moderate the effect of floods in the Lujan River Basin.</p> <p>Luján River Basin.</p> <p>Its specific objectives are to:</p> <ul style="list-style-type: none"> - Collaborate in mitigating floods in the areas surrounding the Luján River and its main tributaries, whose basins are developed in intensely populated areas; while pilot actions are carried out to improve urban storm drains. - Consolidate the banks of the Luján River and its main tributaries, prevent its formal and informal formal and informal occupation, also enabling access to enjoy recreational use without direct contact with these watercourses, cushioning the negative influence on the health of the inhabitants. the negative influence on the health of the ecosystems and aiming to. - Improve the water quality of surface watercourses in order to reduce the detrimental effect of floods, which can cause the detrimental effect of floods, produced when the conditions of existing and future existing and future works, through the implementation of infrastructural and control measures. infrastructural and control measures. - To reduce social vulnerability through actions framed in the social and environmental management of the basin. <p>social and environmental management of the basin, by strengthening local capacities and providing strengthening local capacities and the provision of services related to water management. management.</p> <ul style="list-style-type: none"> - To provide the Lujan River Basin Committee (COMILU) with an administrative structure and strengthen its institutional capacity. <p>administrative structure and strengthen its institutional capacity. (document uploaded at 1.3.4, p.35-36)</p> | Finding No: TNR-002078 |

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-000350

| | | |
|--------------|--|--|
| 1.5.2 | <i>Applicable water-related legal and regulatory requirements shall be identified, including legally-defined and/or stakeholder-verified customary water rights.</i> |  Obs. |
| Comment | <p>The site in the SAV_BAT document includes references to various laws and regulations with which the company complies. (See document at 1.3.4)</p> <p>During the audit the Site has presented a power point document with legal compliance (ECOTEC), that has not been submitted as exhibit.</p> | |
| 1.5.3 | <i>The catchment water-balance, and where applicable, scarcity, shall be quantified, including indication of annual, and where appropriate, seasonal, variance.</i> |  Obs. |
| Comment | <p>The site does not provide a water balance for the Basin. A web research was carried out to identify the information available on the subject and it was found that there is no official water balance for the basin. The site identifies that there is a risk of scarcity in terms of water quality due to surface water pollution. The site does not present data on the hydrological balance of the basin because there is no official information on the balance of the Lujan River. During the stakeholder interview a link with the British-Argentine Chamber of Commerce and universities interested in better understanding the behaviour of the basin was observed.</p> | |
| 1.5.4 | <i>Water quality, including physical, chemical, and biological status, of the catchment shall be identified, and where possible, quantified. Where there is a water-related challenge that would be a threat to good water quality status for people or environment, an indication of annual, and where appropriate, seasonal, high and low variances shall be identified.</i> |  in progress |
| Comment | <p>The Site identifies that the water quality of the Luján river is characterized by a higher proportion of decomposing organic material, as evidenced by high levels of organic matter, total organic carbon and sulphides. In addition to the levels of organic content, upstream it is the only sector where concentrations of total hydrocarbons and copper are detected at levels higher than environmental standards. Groundwater quality may be affected by Site activities such as chemical leaks and effluents. The quantity of groundwater may be affected by its use above the maximum limits defined by the concessions, causing the water level in the region to decrease. Water quality has challenges due to contamination of surface water which implies social and environmental risks.</p> <p style="text-align: right;">Finding No: TNR-002075</p> | |
| 1.5.5 | <i>Important Water-Related Areas shall be identified, and where appropriate, mapped, and their status assessed including any threats to people or the natural environment, using scientific information and through stakeholder engagement.</i> |  in progress |
| Comment | <p>The site identifies 11 IWRA's in the Basin and presents basic information on each area. However, the site does not provide information on their status, including threats. It does not present evidence of scientific information and stakeholder involvement. There is publicly available information on their status and links for stakeholder consultation related to IWRA's.</p> <p style="text-align: right;">Finding No: TNR-002076</p> | |
| 1.5.6 | <i>Existing and planned water-related infrastructure shall be identified, including condition and potential exposure to extreme events.</i> |  in progress |
| Comment | <p>The Site presents as evidence a file containing information on the low risk of shortages due to the failure of the hydraulic infrastructure. The Site does not include the risks related to flooding and the actions that are developed to prevent this type of events that are common in the basin.</p> <p style="text-align: right;">Finding No: TNR-002077</p> | |
| 1.5.7 | <i>The adequacy of available WASH services within the catchment shall be identified.</i> |  Yes |

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-000350

| | | |
|--------------|---|--|
| Comment | The site identifies the districts with the highest proportion of households connected within the Upper and Middle Basin as Mercedes (65.8%), Suipacha (43.1%), Luján (40.6%) and then Exaltación de la Cruz in the Lower Basin (31.3%). Sewerage network coverage is only 17.3% of households. The remaining 82.7% of households dispose of excreta in cesspools (with or without septic tanks). See document at 1.3.4 | |
| 1.6 | <i>Understand current and future shared water challenges in the catchment, by linking the water challenges identified by stakeholders with the site's water challenges.</i> | |
| 1.6.1 | <i>Shared water challenges shall be identified and prioritized from the information gathered.</i> |  Yes |
| Comment | The Site identifies and prioritises shared risks as evidenced by the Excel document "1.6.1 & 1.6.2 Vulnerability Mitigation Plan_BAT-SAU". Not all identified risks correspond to shared risks, for example some of them are site risks. | |
| 1.6.2 | <i>Initiatives to address shared water challenges shall be identified.</i> |  closed |
| Comment | The Site has not identified the initiatives to address shared water challenges. The analysis on 1.5.1, will support the identification of initiatives. | Finding No: TNR-002080 |
| 1.7 | <i>Understand the site's water risks and opportunities: Assess and prioritize the water risks and opportunities affecting the site based upon the status of the site, existing risk management plans and/or the issues and future risk trends identified in 1.6.</i> | |
| 1.7.1 | <i>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.</i> |  in progress |

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-000350

Comment The Site has not identify the water risks faced by the site, and prioritized, including likelihood and severity of impact within a given time frame, potential costs and business impact.

There are some examples of water related risk:
Examples of water-related risks include:
- Physical risks from public supply.
Abrupt infrastructure failure, such as ruptures or leaks, resulting in the interruption of water supply.
Increased of charges
The outbreak of contamination in the supply (e.g. from reservoir contamination or leaking pipes).
leaks in pipelines)
Regular supply interruptions (more common in underdeveloped countries with under investment in water infrastructure).
under investment in water infrastructure)
Vulnerability to extreme natural events (e.g. earthquakes, pipe freezing and bursts due to extreme cold).
due to extreme cold)
Drought constraints
- Physical risks to private supply
Failure of water sources due to poor condition and poor maintenance
Restrictions on permitted abstractions during dry seasons or drought
contamination of the main water body (surface water or aquifer)
Direct contamination of the water source
Failure of the water treatment system
- Regulatory risks
Non-compliance with abstraction permit conditions, such as over-abstraction
The cause of contamination of water bodies
Non-compliance with wastewater discharge permit quality conditions
- Reputational risks
Public awareness of any non-compliance with regulations
The actual or perceived cause of negative impacts on other water users and/or the natural water environment.
natural water environment.
The perception that the site uses too much water negatively affects the "Social Licence to Operate".

Finding No: TNR-002081

1.7.2 *Water-related opportunities shall be identified, including how the site may participate, assessment and prioritization of potential savings, and business opportunities.*



closed

Comment The Site has not identified water-related opportunities, including how the site can intervene, assessment and prioritization of potential savings and business opportunities. potential savings and business opportunities.

Finding No: TNR-002082

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.*



Yes

Comment The site has not listed a series of activities such as meetings with PEPSICO, Universities, Nestlé, Coca Cola, Maped, UMICOR, UNILEVER, AOM, British Chamber of Sustainability (British Argentine Chamber of Commerce), responsible for the Pilar nature reserve, installing a piezometer in the Pilar nature reserve.
Many of these meetings have a relatively low percentage of progress (aprox. 10%).
This was evident from interviews with stakeholders, who are aware that the Site is interested to achieve an AWS certification, but are unaware of its WSP.

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-000350

| | | |
|--------------|---|--|
| 1.8.2 | <i>Relevant sector and/or catchment best practice for water balance (either through water efficiency or less total water use) shall be identified.</i> |  Yes |
| Comment | Monitoring of the water table in the wells of the Site, Proposal for the installation of a piezometer in the El Pilar Nature Reserve Static and dynamic water level monitoring. Reuse of osmosis rejection for Site toilets. Dry monitoring in the Site's facilities. | |
| 1.8.3 | <i>Relevant sector and/or catchment best practice for water quality shall be identified, including rationale for data source.</i> |  Yes |
| Comment | The Site should not include as good practice the requirements that the law obliges them to do. Water recovery from treatment plant . Control of sewage chambers Surveillance of chemical storage Site effluent water quality monitoring | |
| 1.8.4 | <i>Relevant catchment best practice for site maintenance of Important Water-Related Areas shall be identified.</i> |  Obs. |
| Comment | The Site is planning to keep a monitoring of water quality in a natural reserve. However at the moment of the audit the agreement has not been concluded. | |
| 1.8.5 | <i>Relevant sector and/or catchment best practice for site provision of equitable and adequate WASH services shall be identified.</i> |  Yes |
| Comment | The Site should not include as good practice actions that are required by law. However there are some good practices related to this outcome water quality monitoring of drums. Posters disseminating good hand washing practices. | |

| 2 STEP 2: COMMIT & PLAN - Commit to be a responsible water steward and develop a Water Stewardship Plan | |
|---|--|
| 2.1 | <p><i>Commit to water stewardship by having the senior-most manager in charge of water at the site, or if necessary, a suitable individual within the organization head office, sign and publicly disclose a commitment to water stewardship, the implementation of the AWS Standard and achieving its five outcomes, and the allocation of required resources.</i></p> |
| 2.1.1 | <p><i>A signed and publicly disclosed site statement OR organizational document shall be identified. The statement or document shall include the following commitments:</i></p> <ul style="list-style-type: none"> - <i>That the site will implement and disclose progress on water stewardship program(s) to achieve improvements in AWS water stewardship outcomes</i> - <i>That the site implementation will be aligned to and in support of existing catchment sustainability plans</i> - <i>That the site's stakeholders will be engaged in an open and transparent way</i> - <i>That the site will allocate resources to implement the Standard.</i> |
| Comment | <p>The site submits as evidence the document "Letter of commitment". In this document the site commits to comply with all the points of this indicator. The document is signed by the manager of the Pilar BAT Argentina factory.</p> |
| 2.2 | <p><i>Develop and document a process to achieve and maintain legal and regulatory compliance.</i></p> |
| 2.2.1 | <p><i>The system to maintain compliance obligations for water and wastewater management shall be identified, including:</i></p> <ul style="list-style-type: none"> - <i>Identification of responsible persons/positions within facility organizational structure</i> - <i>Process for submissions to regulatory agencies.</i> |
| Comment | <p>The site submits as evidence several documents demonstrating compliance with various applicable legal requirements according to local laws. The site does NOT identify the system for maintaining compliance with obligations for water and wastewater management, including:</p> <ul style="list-style-type: none"> - The identification of responsible persons/positions within the organizational structure of the institution; and - The process for submission to regulatory bodies. <p>Regarding the hydraulic pre-feasibility permit (ADA) it is indicated that the permit is preliminary, and does not give feasibility of use. This extraordinary waiting period is typical of ADA's management of the project. It is confirmed that the process has passed phase 1 pre-feasibility, and is now in phase 2 on the ADA portal. ADA Resolution 222292019 indicates that the process has been initiated, no infringement is indicated. ADA inspections have been received and the record indicates that the permits are under management (NCM).</p> <p style="text-align: right;">Finding No: TNR-002086</p> |
| 2.3 | <p><i>Create a water stewardship strategy and plan including addressing risks (to and from the site), shared catchment water challenges, and opportunities.</i></p> |
| 2.3.1 | <p><i>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.</i></p> |
| Comment | <p>The Site has defined its mission, vision, and strategy towards good water stewardship in line with AWS Standard. The document describes internal governance issues with those responsible for implementing the objectives for better management of water resources.</p> |

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-000350

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 maintain (or exceed) it
 - Planned timeframes to achieve it
 - Financial budgets allocated for actions
 - Positions of persons responsible for actions and achieving targets
 - Where available, note the link between each target and the achievement of best practice to help address shared water challenges and the AWS outcomes. in progress

Comment The Site has presented a WSP that includes:
 - How it will be measured and monitored
 - 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.

It is essential to include goals that can be followed up, for example in the goal to install a piezometer in the nature reserve El Pilar; during the visit to the park we were able to understand that the association in charge of the park will not make any collaboration agreement with the Site. This target involves the development of alternative strategies that are not reflected in their WSP.

Finding No: TNR-002088

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.* ↑

Comment The site submits its water contingency plan, which has a single objective of ensuring the availability, quality and potability of water for site processes.
 Findings
 The plan does not include risks associated with meteorological events such as droughts and/or floods.
 Coordination with relevant public sector and infrastructure agencies is not clear in the plan.

Finding No: TNR-002084

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-000350

| 3 STEP 3: IMPLEMENT - Implement the site's stewardship plan and improve impacts | | |
|---|--|-----------|
| 3.1 | <i>Implement plan to participate positively in catchment governance.</i> | |
| 3.1.1 | <i>Evidence that the site has supported good catchment governance shall be identified.</i> | 🔍 Obs. |
| Comment | <p>The site presents as evidence the Excel document. All stakeholders contacted by the site. There is evidence of virtual and physical meetings, as well as stakeholders visiting the factory. While the commitment to achieve certification with AWS can be considered as part of the commitment, there is a lack of evidence of the commitments established with stakeholders. The site has presented a document that includes key stakeholders and what actions El Sitio is taking to engage with them (p.8-9).</p> | |
| 3.1.2 | <i>Measures identified to respect the water rights of others including Indigenous peoples, that are not part of 3.2 shall be implemented.</i> | 🔍 Obs. |
| Comment | <p>The site presents as evidence the Excel document. For all stakeholders contacted, the site includes evidence of water rights payments made. The site does not show evidence that there are no rights outside those established by Argentinean legislation.</p> | |
| 3.2 | <i>Implement system to comply with water-related legal and regulatory requirements and respect water rights.</i> | |
| 3.2.1 | <i>A process to verify full legal and regulatory compliance shall be implemented.</i> | ✅ Yes |
| Comment | <p>The site submits as evidence the document "P-EHS-B1.2-001-Legal_and_Other_Requirements". In which describes in detail the procedure developed by the site to comply with applicable legal requirements. It describes a Legal matrix but is not included as evidence.</p> | |
| 3.2.2 | <i>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.</i> | ✅ Yes |
| Comment | <p>Rights captured in legal and regulatory requirements are in compliance, regarding the observed evidence in the 3.2.1 indicator. The human right to water in Argentina is a fundamental right and, as such, fully enforceable, fully enforceable. Argentine Civil and Commercial Code in force since 1 August 2015.</p> | |
| 3.3 | <i>Implement plan to achieve site water balance targets.</i> | |
| 3.3.1 | <i>Status of progress towards meeting water balance targets set in the water stewardship plan shall be identified.</i> | ❌ No |

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-000350

| | | |
|--------------|--|--|
| Comment | <p>The site presents the document "3.3.1 - Percentage of water reduction and reuse", which refers exclusively to the water savings achieved by the site.</p> <p>The site shows the results achieved by Fábrica Pilar since 2017. Where it is possible to verify that from 2017 to 2022 (July) there was a 38% reduction in water consumption intensity. However, due to the Covid-19 pandemic that started in 2020, the consumption result was impacted, given that compliance with personal hygiene, cleaning and sanitisation protocols, measures considered essential to combat the pandemic.</p> | |
| | | Finding No: TNR-002090 |
| 3.3.2 | <p><i>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.</i></p> |  Yes |
| Comment | <p>The site in its plan identifies: 13 actions as good practices to improve the water balance in the basin, also presents the document "3.3.1 - Percentage of reduction and reuse of water", each one of them and presents time established for the development of each one.</p> | |
| 3.3.3 | <p><i>Legally-binding documentation, if applicable, for the re-allocation of water to social, cultural or environmental needs shall be identified.</i></p> |  Yes |
| Comment | <p>The site submits as evidence an email with the response of its legal advisory on the issue of water reallocation in Argentinean legislation. Indicating that there is no law related to this issue.</p> | |
| 3.4 | <p><i>Implement plan to achieve site water quality targets</i></p> | |
| 3.4.1 | <p><i>Status of progress towards meeting water quality targets set in the water stewardship plan shall be identified.</i></p> |  closed |
| Comment | <p>The site presents as evidence the Excel document "Chronogram of measurements", which presents the analyses carried out and programmed in 2022.</p> | |
| | | Finding No: TNR-002091 |
| 3.4.2 | <p><i>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.</i></p> |  in progress |
| Comment | <p>The Site presents as evidence its water management plan where it includes a column with the title % progress.</p> <p>The Site makes no reference to whether water quality has been identified as a shared challenge.</p> <p>Findings</p> <p>For example, the plan is to monitor water quality in the natural reserve, which presents 5% progress and its measurement says that two annual samplings will be carried out, the only logical possibilities to determine the progress would be 0%, 50% or 100%.</p> <p>The form of measurement is not adequate given that the focus of the analysis should be on water quality, not on the number of samplings.</p> | |
| | | Finding No: TNR-002092 |
| 3.5 | <p><i>Implement plan to maintain or improve the site's and/or catchment's Important Water-Related Areas.</i></p> | |
| 3.5.1 | <p><i>Practices set in the water stewardship plan to maintain and/or enhance the site's Important Water-Related Areas shall be implemented.</i></p> |  No |

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-000350

Comment The sustainable management plan does not include any IWRAs within the site, because no IWRAs have been identified on the site.
Wells could be considered as IWRAs if they are for public use.
One of their plans linked to IWRA is to arrange visits with universities to promote AWS knowledge and best practices; however this is not linked to any specific IWRA and actions to be developed.

Finding No: TNR-002093

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.*


Yes

Comment The Site provides safe drinking water for all workers, there are also hygiene measures, that became more strict since the pandemic period.
The site has 88 toilets (toilets and urinals) and 27 showers, for a total of 228 employees. 0.39 per employee for toilets and 0.12 showers per employee for showers 0.12 showers per employee.
This could be corroborated during the site tour.

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.*


Yes

Comment The site has submitted evidence of compliance with applicable laws and according to this evidence does not affect the human right to safe drinking water and sanitation.

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.*


Yes

Comment The site did not identify any objectives in its WSP related to indirect water use; because in the assessment it made in 4.1.1 and 4.2.1 most of the users providing goods and services are located outside the catchment.

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.*


Yes

Comment The site presents evidence on its suppliers and their location only two of them are in the catchment and their water consumption is low.
It includes evidence of communication with its suppliers

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.*


Yes

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-000350

| | | |
|--------------|---|--|
| Comment | The site presents evidence of communication and engagement with different stakeholders. The Site presents evidence of communication campaigns on water management: <ul style="list-style-type: none"> - June 2022, Campaign BAT internal World Environment Day. - July 2022, Sustainability Week Campaign - March 2022 Water Day - June 2021 Sustainability Week Campaign - June 2021 Training Campaign for Managers - March 2021 Water Day (Performance Report; p.8-9) | |
| 3.9 | <i>Implement actions to achieve best practice towards AWS outcomes: continually improve towards achieving sectoral best practice having a local/catchment, regional, or national relevance.</i> | |
| 3.9.1 | <i>Actions towards achieving best practice, related to water governance, as applicable, shall be implemented.</i> |  Yes |
| Comment | The actions implemented to achieve best practices regarding governance identify three key actors in Pilar for a coordinated governance on water issues, especially with the Luján river basin: 1) AOM (Advanced Organic Materials), 2) Universidad del Salvador and 3) British Chamber of Sustainability. We have maintained constant communication with them, making a commitment to the following: <ol style="list-style-type: none"> 1. AOM (Advanced Organic Materials): Although we already have a link with the company, at present, we seek to set up regular meetings with the Environmental Management area to identify opportunities for improvement and report good practices. 2. Universidad del Salvador: In order to support the knowledge of future professionals in development related to Health and Safety and Environment careers, visits were organised by students from this university. During these visits, they are immersed in the AWS standards, our path towards certification and our best practices applied for good water management. In addition, communication was established to promote a study on the quality and quantity of groundwater in the basin, taking into account that this is one of the vulnerabilities encountered. 3. British Chamber of Sustainability: Meetings with the chamber are held monthly in person. Good practices related to the environment are exchanged to identify needs and develop projects. (p.6) | |
| 3.9.2 | <i>Actions towards achieving best practice, related to targets in terms of water balance shall be implemented.</i> |  Yes |
| Comment | The Site has a long term commitment on reduction of water use. The Site invest significant economic resources in 2021, the first phase of the Reverse Osmosis system, resulting in a 13% reduction in well water consumption and an increase in water recycling at the site. In 2022, with further significant investment, the implementation of the second phase, for the treatment of wastewater for reuse in toilets, is in its final phase, which will result in a 47% reduction in well water (p.5) | |
| 3.9.3 | <i>Actions towards achieving best practice, related to targets in terms of water quality shall be implemented.</i> |  in progress |
| Comment | Only some of the actions identified as good practice have identified benefits. If there are actions that have no benefits they cannot be considered good practice. <p style="text-align: right;">Finding No: TNR-002094</p> | |
| 3.9.4 | <i>Actions towards achieving best practice, related to targets in terms of the site's maintenance of Important Water-Related Areas shall be implemented.</i> |  in progress |

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-000350

Comment Most of the actions identified as good practices have benefits within the site, not all of them correspond to IWRA, as is the case of wells, which cannot be included because they are not for public use.
For the actions that are developed in the basin the benefits identified are access to information which represents a minimal benefit for the actions developed.
Finding No: TNR-002095

3.9.5 *Actions towards achieving best practice related to targets in terms of WASH shall be implemented.*  in progress

Comment None of the actions identified as good practice have identified benefits.
If there are actions that have no benefits, they cannot be considered good practices.
The potential of good practices in the basin should be harnessed.
The potential of the good practices in the basin should be exploited in the construction of agreements, coordination of actions among other possibilities.
Finding No: TNR-002096

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-000350

| 4 | | STEP 4: EVALUATE - Evaluate the site's performance. |
|---------|--|---|
| 4.1 | <i>Evaluate the site's performance in light of its actions and targets from its water stewardship plan and demonstrate its contribution to achieving water stewardship outcomes.</i> | |
| 4.1.1 | <i>Performance against targets in the site's water stewardship plan and the contribution to achieving water stewardship outcomes shall be evaluated.</i> |  No |
| Comment | The Site shall evaluate and list the objectives of its WSP measures and improvements and report on the extent to which they are being or have been met. It should also report on how it has you have contributed to achieving each of the five AWS outcomes. Finding No: TNR-002097 | |
| 4.1.2 | <i>Value creation resulting from the water stewardship plan shall be evaluated.</i> |  in progress |
| Comment | The Site presented a document with the status of progress of 2022 projects. On it is possible to observe the water projects the have completed until level 2 and levels 4-5 are planned. However is impossible to link the results presented with the targets of their WSP. The Site should assess and list the objectives of its WSP measures and improvements and report on the extent to which they are being or have been met. It should also report on how it has you have contributed to achieving each of the five AWS outcomes. It will be important to note that the plans proposed in your WSP are consistent with the water project outcomes presented on slide 7. Finding No: TNR-002098 | |
| 4.1.3 | <i>The shared value benefits in the catchment shall be identified and where applicable, quantified.</i> |  in progress |
| Comment | The Site has not identified the shared water benefits and where applicable quantified. Finding No: TNR-002099 | |
| 4.2 | <i>Evaluate the impacts of water-related emergency incidents (including extreme events), if any occurred, and determine the effectiveness of corrective and preventative measures.</i> | |
| 4.2.1 | <i>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.</i> |  Yes |
| Comment | The Site did not have emergency incidents | |
| 4.3 | <i>Evaluate stakeholders' consultation feedback regarding the site's water stewardship performance, including the effectiveness of the site's engagement process.</i> | |
| 4.3.1 | <i>Consultation efforts with stakeholders on the site's water stewardship performance shall be identified.</i> |  Obs. |
| Comment | The Site has made efforts to consult with stakeholders on the site's sustainable water management performance. | |
| 4.4 | <i>Evaluate and update the site's water stewardship plan, incorporating the information obtained from the evaluation process in the context of continual improvement.</i> | |

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-000350

| | | |
|--------------|--|--|
| 4.4.1 | <i>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.</i> |  Yes |
| Comment | The Site has made a modification to its WSP and has incorporated an approach in line with the requirements of the standard. Going forward, the site intends to incorporate the lessons learned from the evaluations at this stage to make updates to its WSP. | |

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-000350

| 5 | | STEP 5: COMMUNICATE & DISCLOSE - Communicate about water stewardship and disclose the site's stewardship efforts |
|---------|--|--|
| 5.1 | <i>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.</i> | |
| 5.1.1 | <i>The site's water-related internal governance, including positions of those accountable for compliance with water-related laws and regulations shall be disclosed.</i> |  closed |
| Comment | The site has presented their water related internal governance structure. Including the positions of those accountable for compliance with water related laws and regulations. Finding No: TNR-002087 | |
| 5.2 | <i>Communicate the water stewardship plan with relevant stakeholders.</i> | |
| 5.2.1 | <i>The water stewardship plan, including how the water stewardship plan contributes to AWS Standard outcomes, shall be communicated to relevant stakeholders.</i> |  Yes |
| Comment | The site has mailed the WSP to 10 government offices and stakeholders. By mentioning that BAT aims to build A Better Tomorrow by reducing the health impact of our business by offering more truthful, less risky products with sustainability at the front and center of everything we do. That's why in addition to the Carbon Neutral certification achieved in 2021, we are in the process of AWS certification for our water management at our Pilar plant. For this reason, the company shares with the auditor the Strategic Water Plan where it is possible to find the key actors, projects, and best practices. | |
| 5.3 | <i>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.</i> | |
| 5.3.1 | <i>A summary of the site's water stewardship performance, including quantified performance against targets, shall be disclosed annually at a minimum.</i> |  Yes |
| Comment | The site presents as evidence the document "BAT_ESG_Report_2021" which demonstrates the company's global performance and commitment to sustainability. The site presents as evidence the document "Summary point 5", which shows how the site complies with the indicator including links to its website. It demonstrates its good performance at the local level. | |
| 5.4 | <i>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.</i> | |
| 5.4.1 | <i>The site's shared water-related challenges and efforts made to address these challenges shall be disclosed.</i> |  Yes |
| Comment | The site presents as evidence the document "Summary point 5", which shows how the site complies with the indicator including links to its website. | |
| 5.4.2 | <i>Efforts made by the site to engage stakeholders and coordinate and support public-sector agencies shall be identified.</i> |  Yes |

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-000350

Comment The Site's commitment to responsible water use seeks to integrate stakeholders in the territory with the objective of generating a common collaboration on the rational, shared and sustainable use of water.
 Along these lines, three key actors in Pilar have been identified for coordinated governance on water issues, especially with the Luján river basin: 1) AOM (Advanced Organic Materials), 2) Universidad del Salvador and 3) British Chamber of Sustainability. The Site participate and support public sector agencies such as: "gestion ambiental-ADA, Mesa de Ayuda-ADA, Medio Ambiente-Pilar, Unidad administrativa-Pilar", some emails have been presented as exhibits

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.* ✔
Yes

Comment The site indicates that it has not received any sanctions for non-compliance with water regulations.

5.5.2 *Necessary corrective actions taken by the site to prevent future occurrences shall be disclosed if applicable.* ✔
Yes

Comment The site has not carried out any corrective actions as it has not been necessary.

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.* ✔
Yes

Comment The Site has not received any sanctions and has not had to disclose this type of information.

Photographic Evidence from Audit

✔
Yes

Comment The photographic evidence is related to their wells, wastewater treatment plant and "reserva natural"