

# CERTIFICATION REPORT

## Alliance for Water Stewardship (AWS)



Audit Number: AO-000615

### SITE DETAILS

Site: **BAT Serbia - Vranje**

Address: Kralja Stefana Prvovenčanog 209, 17500, Vranje, SERBIA

Contact Person: Svetlana Zafirovic Nenkov

AWS Reference Number: AWS-000518

Site Structure: Single Site

### CERTIFICATION DETAILS

Certification status: Certified Core

Date of certification decision: 2023-Nov-01

Validity of certificate: 2026-Nov-01

### AUDIT DETAILS

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

Audit Type(s): Initial Audit

Audit Start Date: 2023-Aug-08

Lead Auditor: Neringa Pumputyte

Audit team participants:

Jovanka Ignjatovic

Neringa Pumputyte, Lead Auditor

Site Participants:

Milica Petrovic, EHS Specialist

Svetlana Zafirovic Nenkov, Sustainability Manager

Dalibor Stanojkovic, Engineering Manager

Vjekoslav Janjic, Factory Director

# CERTIFICATION REPORT

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Audit Number: AO-000615

### ADDITIONAL INFO

**Summary of Audit Findings:** A total of thirty-nine findings were raised during the certification audit: 2 major non-conformities, 21 minor non-conformities and 16 observations. The major non-conformity was of sufficient concern to warrant the categorization of the non-conformity as major and related to SUSTAINABLE WATER BALANCE and IWRA best Practice.

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 03-12-2023

Major non-conformities must be sufficiently addressed, and evidence submitted to WSAS within 90 days of receipt of the report by 03-01-2024

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

The audit team recommends certification of BAT Vranje 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-conformity and submitted the corrective action plan addressing all findings.

Proof of implementation has been requested for the Minors and this will be evaluated during the Surveillance Audit. The client is requested to upload evidence of implementation prior to the Surveillance Audit.

**Scope of Assessment:** The scope of services covers the initial certification audit for assessing conformity of British American Tobacco Vranje a.d (BAT Vranje) against the AWS International Water Stewardship Standard Version 2.

BAT Vranje is a manufacturing site, producing cigarettes and other tobacco products (OTP). It is in the city of Vranje, in the south of Serbia. On-site activities include primary production processes where dried tobacco is processed (moistened and cut), and secondary production processes, also called make pack, where cigarettes and OTP are made and packaged. On the main site, there is also a boiler house, a canteen, offices, and a warehouse of finished goods. In the outskirts of Vranje, there is a separate larger warehouse and a small office space next to it, and the site also owns a nearby plot of agricultural land, which is leased to a farmer.

The audit was conducted onsite on 08-10 August 2023. The onsite visit included the assessment of water use on the main site and a visit to the external warehouse.

The following external stakeholders were interviewed during the audit: JP "Vodovod" Vranje, the Vranje Municipality, and the National Alliance for Local Economic Development (NALED).

### FINDINGS

#### NUMBER OF FINDINGS PER LEVEL

<b>Observation</b>	16
<b>Minor</b>	21
<b>Major</b>	2

# CERTIFICATION REPORT

## Alliance for Water Stewardship (AWS)

Audit Number: AO-000615

### FINDING DETAILS

Finding No:	TNR-005853
Checklist Item No:	1.1.1
Status:	In Progress - CA plan approved
Finding level:	Minor
Due date:	2024-Sep-01
Checklist item:	<p>The physical scope of the site shall be mapped, considering the regulatory landscape and zone of stakeholder interests, including:</p> <ul style="list-style-type: none"><li>- Site boundaries;</li><li>- Water-related infrastructure, including piping network, owned or managed by the site or its parent organization;</li><li>- Any water sources providing water to the site that are owned or managed by the site or its parent organization;</li><li>- Water service provider (if applicable) and its ultimate water source;</li><li>- Discharge points and waste water service provider (if applicable) and ultimate receiving water body or bodies;</li><li>- Catchment(s) that the site affect(s) and is reliant upon for water.</li></ul>
Findings:	<p>A piping scheme provided includes stormwater drains on site but its further route outside the site up to a discharge to a water body, has not been mapped. The maps provided also do not include the agricultural land owned by the site next to the external warehouse. The maps should also have the location (north) and scale indicated.</p>
Corrective action:	<p>Update exiting map to show stormwater discharge from site to discharge water body.</p> <p>Update exiting map (site boundaries) to show agricultural land next to warehouse in Suvi Do and indicate location (north) scale.</p>

# CERTIFICATION REPORT

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Finding No:	TNR-005854
Checklist Item No:	1.2.1
Status:	In Progress - CA plan approved
Finding level:	Minor
Due date:	2024-Sep-01
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"><li>- Inclusively cover all relevant stakeholder groups including vulnerable, women, minority, and Indigenous people;</li><li>- Consider the physical scope identified, including stakeholders, representative of the site's ultimate water source and ultimate receiving water body or bodies;</li><li>- Provide evidence of stakeholder consultation on water-related interests and challenges;</li><li>- Note that the ability and/or willingness of stakeholders to participate may vary across the relevant stakeholder groups;</li><li>- Identify the degree of stakeholder engagement based on their level of interest and influence.</li></ul>
Findings:	Stakeholder identification does not cover environmental or civil society. NGOs and their view of water challenges is missing. The identification of other businesses and other stakeholders should also be expanded. Stakeholder water-related challenges are not identified.
Corrective action:	Investigate and expand stakeholder list with environmental or civil society, NGO's, other companies and identify water-related challenges and possibilities for cooperation in water related challenges
Finding No:	TNR-005855
Checklist Item No:	1.3.2
Status:	Closed
Finding level:	Major
Due date:	2024-Jan-02
Checklist item:	Site water balance, including inflows, losses, storage, and outflows shall be identified and mapped
Findings:	The site water balance does not sufficiently extend to all water outflows (to product, evaporation, irrigation, etc.), although these flows have been analyzed and are understood by the site. During the audit days the site improved the mapping, and this should be finalized.
Corrective action:	Update Sankey diagram to clearly reflect all water outflows (water that goes to product, evaporation, irrigation)
Evidence of implementation:	Updated Sankey diagram with water outflows

# CERTIFICATION REPORT

## Alliance for Water Stewardship (AWS)

Audit Number: AO-000615

Finding No:	TNR-005856
Checklist Item No:	1.3.4
Status:	Open
Finding level:	Observation
Due date:	2024-Sep-01
Checklist item:	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.
Findings:	In excel sheet, the site tracks trends of those parameters which are reported to regulatory authorities. The laboratory test results are available for more parameters, and it would also be good to add those other parameters, e.g. COD, to the tracking sheet to see if there are any spikes or trends.
Finding No:	TNR-005857
Checklist Item No:	1.3.6
Status:	Open
Finding level:	Observation
Due date:	2024-Sep-01
Checklist item:	On-site Important Water-Related Areas shall be identified and mapped, including a description of their status including Indigenous cultural values.
Findings:	As the small pond in the rest area of the site grounds appears to be important for the enjoyment of the employees, it could be identified as an on-site IWRA, as it is already regarded as such by the employees. Also, site should include a description of their status including Indigenous cultural values.
Finding No:	TNR-005858
Checklist Item No:	1.3.7
Status:	In Progress - CA plan approved
Finding level:	Minor
Due date:	2024-Sep-01
Checklist item:	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.
Findings:	Value generated by the site is noted in the water stewardship plan but it is noted in a very generic way (e.g. 'decrease water consumption', 'contribute to good water quality in the catchment'), which cannot really inform the evaluation of the plan.
Corrective action:	Update water stewardship plan and quantify value expected.

# CERTIFICATION REPORT

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Audit Number: AO-000615

Finding No: TNR-005859  
Checklist Item No: 1.4.2  
Status: Open  
Finding level: Observation  
Due date: 2024-Sep-01  
Checklist item: The embedded water use of outsourced services shall be identified, and where those services originate within the site's catchment, quantified.  
Findings: Known purchased services were considered. Evidence should be provided that all purchased services were screened to confirm there are no other purchased services with embedded water use.

Finding No: TNR-005860  
Checklist Item No: 1.5.1  
Status: In Progress - CA plan approved  
Finding level: Minor  
Due date: 2024-Sep-01  
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: Many documents that are separate strategies, plans and initiatives, have been uploaded for the audit as evidence that the site identified water governance initiatives. The site has also made a powerpoint summary of the information on the catchment but the summary itself is very long, includes information about water quality, quantity as well as some information from existing governance initiatives. It is difficult to understand the conclusions the site was able to draw from the analysis of the existing water governance initiatives and how this analysis informed the site of opportunities for water stewardship collective action.  
Corrective action: Analyse information and data gathered for the catchment and summarize key information and opportunities for water stewardship collective action

Finding No: TNR-005861  
Checklist Item No: 1.5.2  
Status: Open  
Finding level: Observation  
Due date: 2024-Sep-01  
Checklist item: Applicable water-related legal and regulatory requirements shall be identified, including legally-defined and/or stakeholder-verified customary water rights.  
Findings: Permit conditions should be added to the list of legal and regulatory requirements.

# CERTIFICATION REPORT

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Audit Number: AO-000615

Finding No: TNR-005862  
Checklist Item No: 1.5.3  
Status: In Progress - CA plan approved  
Finding level: Minor  
Due date: 2024-Sep-01  
Checklist item: The catchment water-balance, and where applicable, scarcity, shall be quantified, including indication of annual, and where appropriate, seasonal, variance.  
Findings: Although a large amount of information on part of the elements of the catchment water balance was collected, catchment water balance or catchment water scarcity has not been identified .  
Corrective action: Summarize information which are collected and properly identify water balance and scarcity of the catchment

Finding No: TNR-005863  
Checklist Item No: 1.5.4  
Status: Open  
Finding level: Observation  
Due date: 2024-Sep-01  
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: A large amount of information on catchment water quality should be better summarized, with conclusions formulated.

Finding No: TNR-005864  
Checklist Item No: 1.5.5  
Status: In Progress - CA plan approved  
Finding level: Minor  
Due date: 2024-Sep-01  
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: IWRA's, their status and threats to them have been identified using public information, but not yet from stakeholder engagement. Not only environmentally valuable large areas should be looked at.  
Corrective action: Explore IWRA in the catchment in more details (smaller environmental, economic, community areas), collect as well IWRA information from stakeholders and update the IWRA list based on information gathered.

# CERTIFICATION REPORT

## Alliance for Water Stewardship (AWS)

Audit Number: AO-000615

Finding No: TNR-005865  
Checklist Item No: 1.5.6  
Status: In Progress - CA plan approved  
Finding level: Minor  
Due date: 2024-Sep-01  
Checklist item: Existing and planned water-related infrastructure shall be identified, including condition and potential exposure to extreme events.  
Findings: Status of stormwater infrastructure and potential exposure to extreme events is not identified  
Corrective action: Collect additional data and identify status of stormwater infrastructure and potential exposure to extreme events

Finding No: TNR-005867  
Checklist Item No: 1.6.1  
Status: In Progress - CA plan approved  
Finding level: Minor  
Due date: 2024-Sep-01  
Checklist item: Shared water challenges shall be identified and prioritized from the information gathered.  
Findings: Shared water challenges have been formulated based on the public information gathered and analysed but was lacking stakeholder consultation in identifying them - not all types of stakeholders were engaged. Some of the identified challenges should be formulated more clearly - e.g. 'Wastewater quality in South Morava catchment' does not make it clear what about water quality is problematic.  
Corrective action: After updating stakeholder list organise meetings, surveys, forums with stakeholders to gather and analyse shared water challenges in more details.

Finding No: TNR-005868  
Checklist Item No: 1.6.2  
Status: Open  
Finding level: Observation  
Due date: 2024-Sep-01  
Checklist item: Initiatives to address shared water challenges shall be identified.  
Findings: Initiatives to address shared water challenges were explained and separate documents were provided but a clear linking between challenges and initiatives (own and external) - e.g. references to initiatives in the shared challenges table - is missing



# CERTIFICATION REPORT

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Finding No: TNR-005869  
Checklist Item No: 1.7.1  
Status: In Progress - CA plan approved  
Finding level: Minor  
Due date: 2024-Sep-01  
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: Risks from increasing droughts and risks stemming from other information gathered in step 1 are not included in site analysis. Potential costs and business impact are not included also.  
Corrective action: Include in factory risks analysis risks from increasing droughts and other potential water risks considering as well as cost and impact on the business.

Finding No: TNR-005870  
Checklist Item No: 1.7.2  
Status: In Progress - CA plan approved  
Finding level: Minor  
Due date: 2024-Sep-01  
Checklist item: Water-related opportunities shall be identified, including how the site may participate, assessment and prioritization of potential savings, and business opportunities.  
Findings: Opportunities for physical improvements on site are covered in site's existing EHS/facility management tools but the view is not expanded to outside the plant.  
Corrective action: Investigate water related opportunities outside the factory and update water related opportunities list

Finding No: TNR-005871  
Checklist Item No: 1.8.1  
Status: In Progress - CA plan approved  
Finding level: Minor  
Due date: 2024-Sep-01  
Checklist item: Relevant catchment best practice for water governance shall be identified.  
Findings: Relevant best practices for catchment water governance has not been identified.  
Corrective action: Identify relevant best practices for catchment water governance

# CERTIFICATION REPORT

## Alliance for Water Stewardship (AWS)

Audit Number: AO-000615

Finding No: TNR-005872  
Checklist Item No: 1.8.2  
Status: Open  
Finding level: Observation  
Due date: 2024-Sep-01  
Checklist item: Relevant sector and/or catchment best practice for water balance (either through water efficiency or less total water use) shall be identified.  
Findings: Next round of best practice on water balance should be identified.

Finding No: TNR-005873  
Checklist Item No: 1.8.3  
Status: Open  
Finding level: Observation  
Due date: 2024-Sep-01  
Checklist item: Relevant sector and/or catchment best practice for water quality shall be identified, including rationale for data source.  
Findings: Next round of best practice ideas have not been identified yet and stronger best practices on water quality should be identified.

Finding No: TNR-005874  
Checklist Item No: 1.8.4  
Status: Closed  
Finding level: Major  
Due date: 2024-Sep-01  
Checklist item: Relevant catchment best practice for site maintenance of Important Water-Related Areas shall be identified.  
Findings: No best practices on catchment IWRA were identified  
Corrective action: Identify best practices on IWRA in the catchment and update best practice list.  
Evidence of implementation: Updated best practice list include best practice of IWRA in the catchment , as well as evidence for already completed IWRA best practices in the catchment

Finding No: TNR-006218  
Checklist Item No: 1.8.5  
Status: Open  
Finding level: Observation  
Due date: 2024-Sep-01  
Checklist item: Relevant sector and/or catchment best practice for site provision of equitable and adequate WASH services shall be identified.  
Findings: Although not included in the documented list, but based on interviews, the site is considering making toilet facilities for people with disabilities - this can be added into the list.

# CERTIFICATION REPORT

## Alliance for Water Stewardship (AWS)

Audit Number: AO-000615

Finding No:

Checklist Item No:

Status:

Finding level:

Due date:

Checklist item:

TNR-005963

2.1.1

Open

Observation

2024-Sep-01

A signed and publicly disclosed site statement OR organizational document shall be identified. The statement or document shall include the following commitments:

- That the site will implement and disclose progress on water stewardship program(s) to achieve improvements in AWS water stewardship outcomes
- That the site implementation will be aligned to and in support of existing catchment sustainability plans
- That the site's stakeholders will be engaged in an open and transparent way
- That the site will allocate resources to implement the Standard.

Findings:

Some of the site commitment's wording should be more specified (that the site implementation will be aligned to and in support of existing catchment sustainability plans, and on engagement in an open and transparent way).

Finding No:

Checklist Item No:

Status:

Finding level:

Due date:

Checklist item:

TNR-005965

2.3.2

In Progress - CA plan approved

Minor

2024-Sep-01

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 water stewardship plan is action-based and does not link actions to overall targets, to show the target outcome to be achieved with the identified actions.

Corrective action:

Link actions to overall targets, and expected outcomes to be achieved with the identified actions.

# CERTIFICATION REPORT

## Alliance for Water Stewardship (AWS)

Audit Number: AO-000615

Finding No:	TNR-005966
Checklist Item No:	2.4.1
Status:	Open
Finding level:	Observation
Due date:	2024-Sep-01
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:	Operational risks have existing mitigation measures listed (some details should be better matched with actual measures) and no need for additional/modified mitigation plans was identified. However, as risk identification needs to be expanded, the possible need for developing additional plans or modifying existing ones to address the risks will need to be reviewed.
Finding No:	TNR-005971
Checklist Item No:	3.1.1
Status:	Open
Finding level:	Observation
Due date:	2024-Sep-01
Checklist item:	Evidence that the site has supported good catchment governance shall be identified.
Findings:	The actions the site implemented on supporting catchment governance are suitable for the initial stage of water stewardship but will need to be strengthened going forward.
Finding No:	TNR-005964
Checklist Item No:	3.2.1
Status:	In Progress - CA plan approved
Finding level:	Minor
Due date:	2024-Sep-01
Checklist item:	A process to verify full legal and regulatory compliance shall be implemented.
Findings:	Record of evaluation of compliance with water permit conditions is not included in the table where self-evaluation results on legal requirements are covered.
Corrective action:	Update record of evaluation of compliance with water permit conditions in the table where self-evaluation results on legal requirements are covered to enable easy tracking of compliance status

# CERTIFICATION REPORT

## Alliance for Water Stewardship (AWS)

Audit Number: AO-000615

Finding No:	TNR-005972
Checklist Item No:	3.4.1
Status:	In Progress - CA plan approved
Finding level:	Minor
Due date:	2024-Sep-01
Checklist item:	Status of progress towards meeting water quality targets set in the water stewardship plan shall be identified.
Findings:	There are no targets on water quality and actions so far are limited and indirectly contributing to water quality.
Corrective action:	Set targets for water quality
Finding No:	TNR-006225
Checklist Item No:	3.6.2
Status:	Open
Finding level:	Observation
Due date:	2024-Sep-01
Checklist item:	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.
Findings:	The site could do an analysis on how it 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.
Finding No:	TNR-005974
Checklist Item No:	3.9.1
Status:	In Progress - CA plan approved
Finding level:	Minor
Due date:	2024-Sep-01
Checklist item:	Actions towards achieving best practice, related to water governance, as applicable, shall be implemented.
Findings:	Actions on best practices relevant to water governance are reasonable for the on-site level, but actions at catchment level are missing.
Corrective action:	Explore and add actions for water governance at catchment level

# CERTIFICATION REPORT

## Alliance for Water Stewardship (AWS)

Audit Number: AO-000615

Finding No:	TNR-005975
Checklist Item No:	3.9.2
Status:	Open
Finding level:	Observation
Due date:	2024-Sep-01
Checklist item:	Actions towards achieving best practice, related to targets in terms of water balance shall be implemented.
Findings:	Actions on best practices on water balance are reasonable for the on-site level but should be expanded to catchment level
Finding No:	TNR-005976
Checklist Item No:	3.9.3
Status:	Open
Finding level:	Observation
Due date:	2024-Sep-01
Checklist item:	Actions towards achieving best practice, related to targets in terms of water quality shall be implemented.
Findings:	Actions implemented towards best practice on water quality are only indirectly contributing to water quality. The site should strengthen the implementation of best practice actions on water quality.
Finding No:	TNR-005978
Checklist Item No:	4.1.1
Status:	Open
Finding level:	Observation
Due date:	2024-Sep-01
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 performance is currently tracked per action, i.e. whether and to what extent actions have been implemented. Once the water stewardship plan is restructured to link actions to targets (in terms of what outcomes the site wants to achieve) the evaluation of performance should be done against targets.

# CERTIFICATION REPORT

## Alliance for Water Stewardship (AWS)

Audit Number: AO-000615

Finding No: TNR-005979  
Checklist Item No: 4.1.2  
Status: In Progress - CA plan approved  
Finding level: Minor  
Due date: 2024-Sep-01  
Checklist item: Value creation resulting from the water stewardship plan shall be evaluated.  
Findings: Value creation (to the site) is now noted per each action but then the description is very generic. The site should evaluate the value of a year's activities and aim to do it in a more concrete way.  
Corrective action: Evaluate the value of a year's activities in a more concrete way to be able to evaluate progress/achievements derived from water stewardship plan

Finding No: TNR-005980  
Checklist Item No: 4.1.3  
Status: In Progress - CA plan approved  
Finding level: Minor  
Due date: 2024-Sep-01  
Checklist item: The shared value benefits in the catchment shall be identified and where applicable, quantified.  
Findings: Shared value creation (to the catchment) is now noted per each action but then the description is very generic. The site should evaluate the value of the year's activities and aim to do it in a more concrete way.  
Corrective action: Evaluate the value of a year's activities in a more concrete way to be able to evaluate progress/achievements derived from water stewardship plan

Finding No: TNR-005982  
Checklist Item No: 4.3.1  
Status: In Progress - CA plan approved  
Finding level: Minor  
Due date: 2024-Sep-01  
Checklist item: Consultation efforts with stakeholders on the site's water stewardship performance shall be identified.  
Findings: Consultation efforts with stakeholders on the site's performance are limited so far – the engagement has been more on informing rather than consulting.  
Corrective action: Improve stakeholders level of stakeholder cooperation from informative to consultative related to water stewardship performance

# CERTIFICATION REPORT

## Alliance for Water Stewardship (AWS)

Audit Number: AO-000615

Finding No:	TNR-005984
Checklist Item No:	5.2.1
Status:	In Progress - CA plan approved
Finding level:	Minor
Due date:	2024-Sep-01
Checklist item:	The water stewardship plan, including how the water stewardship plan contributes to AWS Standard outcomes, shall be communicated to relevant stakeholders.
Findings:	Water stewardship plan has been provided to part of the stakeholders only (neighbours, Securitas, and car wash company). It has not yet been communicated to other stakeholders.
Corrective action:	Ensure that water stewardship plan is communicated to all stakeholders
Finding No:	TNR-005985
Checklist Item No:	5.3.1
Status:	In Progress - CA plan approved
Finding level:	Minor
Due date:	2024-Sep-01
Checklist item:	A summary of the site's water stewardship performance, including quantified performance against targets, shall be disclosed annually at a minimum.
Findings:	Summary of water stewardship performance has been provided to part of the stakeholders only (neighbours, Securitas, and car wash company). It has not yet been provided to other stakeholders.
Corrective action:	Ensure that summary of water stewardship performance is communicated to all stakeholders
Finding No:	TNR-005986
Checklist Item No:	5.4.1
Status:	In Progress - CA plan approved
Finding level:	Minor
Due date:	2024-Sep-01
Checklist item:	The site's shared water-related challenges and efforts made to address these challenges shall be disclosed.
Findings:	Shared water challenges have not been disclosed.
Corrective action:	Disclose shared water challenges to all stakeholders



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### Report Details

Report	Value
Report prepared by	Neringa Pumputyte
Report approved by	Juan Carlos Ceron
Report approved on (Date)	3 October 2023

### Surveillance

**Proposed date for next audit**  
2024-Sep-01

### Stakeholder Announcements

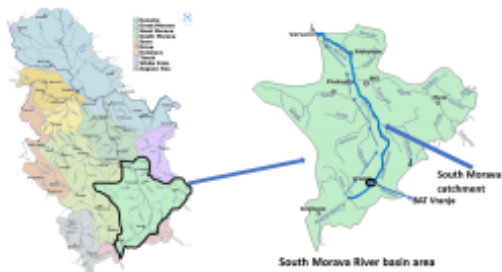
Date of publication	Location
12/07/2023	WSAS website
12/07/2023	AWS website
12/07/2023	Emailed to all stakeholders

### Catchment Information

**Catchment Information**

The site is in the South Morava Catchment. Its primary water source (supplied via the water service provider Vodovod) is the Prvonek dam. The "Prvonek" dam is located on the Banjska River, a right tributary of the South Morava. South Morava is also the receiving water of the site's treated wastewater (wastewater is treated by the municipal WWTP operated by Vodovod).

The South Morava is 295 km long. It originates in Montenegro and flows mainly in a south-north direction, to central Serbia, where it meets the West Morava near Stalac, a small town and central railway junction in central Serbia and forms the Great Morava. From that place to the confluence with the Danube northeast of Smederevo, Great Morava is 185 km long. The South Morava was once 318 km long and was a longer tributary of the Velika Morava. Having caused several floods over time, the meandering river was shortened by almost 30 km, so that it became shorter than the Western Morava.



South Morava catchment.png

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### Client Description and Site Details

#### Client/Site Background

BAT Vranje is a manufacturing site, producing cigarettes and other tobacco products (OTP). It is in the city of Vranje, in the south of Serbia. On-site activities include primary production processes where dried tobacco is processed (moistened and cut), and secondary production processes, also called make pack, where cigarettes and OTP are made and packaged. On the main site, there is also a boiler house, a canteen, offices, and a warehouse of finished goods. In the outskirts of Vranje, 4.5 km from the town of Vranje, next to the E-75 highway in the direction of Niš, there is a separate larger warehouse and a small office space next to it, and the site also owns a nearby plot of agricultural land, which is leased to a farmer.

There are two wells on the main site's plot, but they are not used. All the site's water supply comes from the municipal water service provider Vodovod. All wastewater is discharged to the municipal wastewater collection network and is treated in the new municipal WWTP.



External warehouse.jpg



Site map.jpg

### Summary of Shared Water Challenges

#### Summary of Shared Water Challenges

The site identified the following shared water challenges:

- Wastewater quality in South Morava catchment.
- Increasing risk of drought and water scarcity including climate change.
- Water loss because of leakage in the water infrastructure.
- Raise awareness in water resources protection.
- Protection of natural resources and protective areas.

# CERTIFICATION REPORT

## Alliance for Water Stewardship (AWS)

Audit Number: AO-000615

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>
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>
Comment	There is a single management system.
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>
Comment	Single site operation.

# CERTIFICATION REPORT

## Alliance for Water Stewardship (AWS)

Audit Number: AO-000615

### 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.

 in progress


**Comment** The main site's boundaries and the external warehouse's boundaries are mapped. Only the agricultural land owned by the site is not mapped. However, it is not used for the site's operations - it is leased to a nearby farmer.  
Schemes with water-related infrastructure have been provided. The site has two on-site wells but they are not used - this was confirmed during the walkaround. As the site is located on an old industrial site and the main building is even grade-listed (protected), the wells were likely the source of water before the municipal water supply was installed. The wells are now nicely furnished and are just a landscape feature.  
- Water service provider (Vodovod) and its ultimate water source (Prvonek dam on the Banjska River, a right tributary of the South Morava) are mapped.  
- Wastewater service provider (same company, Vodovod), the site's discharge location and WWTP's discharge location, as well as the ultimate receiving body (South Morava river) have been mapped.  
- A piping scheme provided includes stormwater drains on site but its further route outside the site up to a discharge to a water body, have not been mapped.  
The catchment map was provided.

**Finding No: TNR-005853**

**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.

 in progress


# CERTIFICATION REPORT

## Alliance for Water Stewardship (AWS)

Audit Number: AO-000615


**Comment** The site considered different stakeholder groups and identified the first list of stakeholders and started engagement with them. National and local regulatory and municipal institutions are covered, another local business, a known international company located in the catchment, neighbors, and an association NALED. The site regards NALED as an NGO, although it is an association of businesses, local governments, and civil society organizations. No environmental NGOs or civil society organisations have been identified by the site yet. In the stakeholder map, stakeholder roles and main interests in terms of what the organisations do and how they may be relevant to water stewardship are identified rather than what are their water-related challenges. The site has started engaging with the stakeholders and so far, has managed to meet with some of them but not all. The initial meetings were focused on explaining the AWS standard and aimed to discuss water challenges, but the site struggled to get stakeholders' challenges as several stakeholders do not think about water challenges. The stakeholders were also asked to complete a questionnaire with the view that its responses will help the site understand if the organisations have water related challenges, however the questionnaire's questions are too specific and do not facilitate discussion about any water-related challenges. Part of the stakeholders are also cautious and not easily engaging into a dialogue. An example of a completed questionnaire with a record of attendance is attached.

**Finding No: TNR-005854**


**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.*  Yes

**Comment** The degree of influence based on the current understanding of the relationship with stakeholders is identified in a matrix.

**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.*  Yes

**Comment** The site's business continuity plan (BCP) includes a scenario of water shortage. The site also has a chemical spillage response plan. Risk assessment (Procena rizika od katastrofa BAT VRANJE) done according to regulatory requirements by a qualified external company assessed that flood risk does not need a response plan.

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

**Comment** A Sankey diagram was provided showing water inflow and internal flows up to wastewater. However, evaporative losses, water for irrigation/watering the grounds, and water going to a product were not indicated in the map provided, although these flows have been analyzed and are understood by the site. During the audit days the site improved the mapping, and this should be finalized.






**Finding No: TNR-005855**

**1.3.3** *Site water balance, inflows, losses, storage, and outflows, including indication of annual variance in water usage rates, shall be quantified. Where there is a water-related challenge that would be a threat to good water balance for people or environment, an indication of annual high and low variances shall be quantified.*  Yes

# CERTIFICATION REPORT

## Alliance for Water Stewardship (AWS)

Audit Number: AO-000615







Comment	<p>The quantified flows are indicated in the Sankey diagram. Metering of water flows is at department level (scheme is provided). Wastewater is also measured by measuring water level in the wastewater pipe but because of backwater from the city system, the readings are not accurate (the flow gets overestimated using this reading). So, in balance, the wastewater volumes are estimated - estimates are based on measurements on non-rainy days. Water use in the external warehouse is included.</p> <p>Monthly data on total water use and water use intensity indicates monthly high and low values. The working pattern affects water usage per million cigarette equivalents: during the months with lower production, the water use intensity is higher (but the total volume lower).</p>	
1.3.4	<p><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></p>	 Obs.
Comment	<p>The site's wastewater quality is tested quarterly. In excel sheet, the site tracks trends of those parameters which are reported to regulatory authorities. The laboratory test results are available for more parameters, and it would also be good to add those other parameters, e.g. COD, to the tracking sheet to see if there are any spikes or trends.</p> <p>Tap water quality was also tested, and the site also tested quality of the water in the site's wells - no concerns were found. As the primary water source is the Prvonek dam, the site obtained a study on the status of the dam, although it is available on the status of 2013 only. The quality of receiving water is covered in the catchment water quality: chemical status of South Morava section at the ultimate discharge location is good, ecological status is poor - mainly because of microbiological parameters.</p>	
1.3.5	<p><i>Potential sources of pollution shall be identified and if applicable, mapped, including chemicals used or stored on site.</i></p>	 Yes
Comment	<p>Potential sources of pollution have been identified and mapped, and preventive measures identified. The main sources of pollution include triacetin storage, casing and flavor room and their storage, hazardous waste storage, and sludge and glue separators.</p>	
1.3.6	<p><i>On-site Important Water-Related Areas shall be identified and mapped, including a description of their status including Indigenous cultural values.</i></p>	 Obs.
Comment	<p>The two unused wells on the site's plot have been identified as on-site IWRA's. They are not used by the site or by the public and are dormant. The site also tested the water quality in these wells. The water quality is good, the wells look nice and therefore their status is adequately assessed as good, not requiring any status improvement.</p> <p>There is also a small artificial pond close to one of the wells, in the rest area of the yard. The employees keep some fish in the pond and feed them, and transfer to an indoor tank during the winter. As the pond appears to be important for the enjoyment of the employees, it could be identified as IWRA, as it is already regarded as such by the employees. The status of the pond is good. None of these</p>	
1.3.7	<p><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></p>	 in progress
Comment	<p>Water-related costs have been identified, including direct and indirect costs. The site has no water-related revenues. Value generated by the site is noted in the water stewardship plan but it is noted in a very generic way, which cannot really inform the evaluation of the plan. See also non-conformities raised on the water stewardship plan and on the evaluation of value creation.</p>	
<b>Finding No: TNR-005858</b>		
1.3.8	<p><i>Levels of access and adequacy of WASH at the site shall be identified.</i></p>	 Yes



# CERTIFICATION REPORT

## Alliance for Water Stewardship (AWS)





Audit Number: AO-000615

Comment	WASH facilities have been assessed against the applicable legal requirements (attached).	
<b>1.4</b>	<i>Gather data on the site's indirect water use, including: its primary inputs; the water use embedded in the production of those primary inputs the status of the waters at the origin of the inputs (where they can be identified); and water used in out-sourced water-related services.</i>	
<b>1.4.1</b>	<i>The embedded water use of primary inputs, including quantity, quality and level of water risk within the site's catchment, shall be identified.</i>	 Yes
Comment	The primary inputs have been reviewed to see which ones could be in the catchment. No primary inputs within the site's catchment have been identified.	
<b>1.4.2</b>	<i>The embedded water use of outsourced services shall be identified, and where those services originate within the site's catchment, quantified.</i>	 Obs.
Comment	The site analyzed and collected information on water use for the car wash services. No other services with embedded water use in the catchment were identified, however, evidence has not been provided that all purchased services were screened to confirm the outcome.	
<b>1.5</b>	<i>Gather water-related data for the catchment, including water governance, water balance, water quality, Important Water-Related Areas, infrastructure, and WASH</i>	
<b>1.5.1</b>	<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>	 Obs.
Comment	The site searched for available policies, initiatives, and plans. Many documents that are separate strategies, plans and initiatives, have been uploaded for the audit. The site has also made a PowerPoint summary of the information on the catchment but the summary itself is exceptionally long, includes information about water quality, quantity as well as some information from existing governance initiatives. It is difficult to understand the conclusions the site was able to draw from the analysis of the existing water governance initiatives and how this analysis informed the site of opportunities for water stewardship collective action.	
<b>1.5.2</b>	<i>Applicable water-related legal and regulatory requirements shall be identified, including legally-defined and/or stakeholder-verified customary water rights.</i>	 Obs.
Comment	The EHS department tracks legal changes in propisi.net and the applicable legal requirements are listed in the table. Permit conditions are in effect tracked by the site but not included in this list.	
<b>1.5.3</b>	<i>The catchment water-balance, and where applicable, scarcity, shall be quantified, including indication of annual, and where appropriate, seasonal, variance.</i>	 in progress
Comment	When the site asked Serbian Waters for South Morava water balance, they received data that is not providing a full picture of catchment water balance. The site also searched for other available information. Overall, quite a lot of information was collected on separate elements of what would constitute a water balance, but catchment balance or scarcity is yet to be determined.	
<b>Finding No: TNR-005862</b>		
<b>1.5.4</b>	<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>	 Obs.

# CERTIFICATION REPORT

## Alliance for Water Stewardship (AWS)

Audit Number: AO-000615






Comment	A large amount of information was collected on catchment water quality, including the chemical and ecological status of the surface water bodies identified in line with the Water Framework Directive: chemical status of South Morava section at the ultimate discharge location is good, ecological status is poor - mainly because of microbiological parameters. The large amount of information on catchment water quality should be better summarized, with conclusions formulated.	
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	The site has searched and used publicly available information and identified the catchment IWRAs and their status based on this information. No IWRAs with threats were identified in this way. Stakeholder engagement was not yet used in identification or status and threat assessment of IWRAs. Not only environmentally valuable large areas should be looked at. <b>Finding No: TNR-005864</b>	
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	The site has analyzed the status of existing infrastructure and the planned infrastructure. Only the summary document is uploaded for the report. Summary of the status: - The Prvonek dam is still relatively new. The piping between the reservoir and Vranje was built in the 80s-90s and is good. - Water supply piping in Vranje was built in 50s with Asbestos-containing pipes but most of it has recently been replaced with new plastic ones. 73% of the residents are connected, the plan is to have 85%. - Wastewater collection and treatment system are new, the WWTP construction was finished last year, and all piping is new. Sixty-three percent of residents are connected, and the target is for 80% to have connection (in the plan for up to 2030). - Stormwater: currently not in all the city the stormwater is collected separately from the wastewater, the plan is to separate them. Not clear about the capacity, status, and exposure to extreme events of the stormwater infrastructure. - One of key priorities - to connect rural areas to water supply and wastewater collection system. <b>Finding No: TNR-005865</b>	
1.5.7	<i>The adequacy of available WASH services within the catchment shall be identified.</i>	 Yes
Comment	The percentage of population connected to municipal vs village systems vs private is provided. For connection to sewerage collection systems, data at catchment level is available and was collected by the site.	
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>	 in progress
Comment	Shared water challenges so far have been formulated and prioritized by the site based on the public information gathered and analyzed. Stakeholder discussion was limited so far - the site struggled to obtain information on their stakeholder challenges (stakeholders do not see water issues), and as indicated in 1.2, stakeholder identification and engagement should be expanded. Part of the identified challenges are worded in a generic way, e.g. 'Wastewater quality in South Morava catchment' but it was not sufficiently clear what exactly wastewater quality is a challenge. <b>Finding No: TNR-005867</b>	



# CERTIFICATION REPORT

## Alliance for Water Stewardship (AWS)


Audit Number: AO-000615

<b>1.6.2</b>	<i>Initiatives to address shared water challenges shall be identified.</i>	 Obs.
Comment	Initiatives to address shared challenges were explained and separate documents were provided (attached under water governance indicator) but a clear linking between challenges and initiatives - e.g. references to initiatives in the shared challenges table - is missing.	
<b>1.7</b>	<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>	
<b>1.7.1</b>	<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
Comment	The site has prepared a risk assessment table covering the risks it identified, their likelihood and severity, and prioritization. The table covers EHS/operational risks to the site but risks from increasing droughts and risks stemming from other information gathered in step 1 are not yet included. Potential costs and business impact are not included in the table. <b>Finding No: TNR-005869</b>	
<b>1.7.2</b>	<i>Water-related opportunities shall be identified, including how the site may participate, assessment and prioritization of potential savings, and business opportunities.</i>	 in progress
Comment	The site has opportunities for water savings identified in what the site calls PDCA process. Breakages and leakages are notified using a notification system. The site also has Gemba walks, Enercon daily tracking etc that allow noticing items to fix or improve. These go to the PDCA list for improvement actions. However, opportunities to be water stewards have not been added. <b>Finding No: TNR-005870</b>	
<b>1.8</b>	<i>Understand best practice towards achieving AWS outcomes: Determining sectoral best practices having a local/catchment, regional, or national relevance.</i>	
<b>1.8.1</b>	<i>Relevant catchment best practice for water governance shall be identified.</i>	 in progress
Comment	Best practices to be done on site were identified at the time when site started to implementing AWS standard. On governance, daily water consumption monitoring and analysis was identified as best practice as well as having a dedicated person in each department trained and involved in water analysis and initiatives. This was implemented and the next round of best practice ideas has not been identified yet. Best practice for catchment water governance has not been identified. <b>Finding No: TNR-005871</b>	
<b>1.8.2</b>	<i>Relevant sector and/or catchment best practice for water balance (either through water efficiency or less total water use) shall be identified.</i>	 Obs.
Comment	Best practices to be done on site were identified at the time when site started to implementing AWS standard. On water balance, this included: - installation of additional water meters to be able to understand water use at department level; - daily tracking of water use; - daily leakage checks; - recycling of sanitary tap water in toilets and using it for flushing toilets.  These were implemented over the last year. Next round of best practice ideas have not been identified yet.	


# CERTIFICATION REPORT

## Alliance for Water Stewardship (AWS)

Audit Number: AO-000615


**1.8.3** *Relevant sector and/or catchment best practice for water quality shall be identified, including rationale for data source.*  Obs.

Comment Best practices to be done on site were identified at the time when site started to implementing AWS standard. On water quality these included checking well water quality (it has not been tested before), testing tap water quality (as it was not required by law). These were implemented over the last year. Next round of best practice ideas have not been identified yet and stronger best practices on water quality should be identified.

**1.8.4** *Relevant catchment best practice for site maintenance of Important Water-Related Areas shall be identified.*  closed

Comment Testing on-site well water quality was identified as the best practice, and no best practices on catchment IWRAs were identified.

**Finding No: TNR-005874**





**1.8.5** *Relevant sector and/or catchment best practice for site provision of equitable and adequate WASH services shall be identified.*  Obs.

Comment Best practices to be done on site were identified at the time when site started to implementing AWS standard. On WASH, the main best practice was renovating toilets. These were implemented over the last year. Although not included in the documented list, but based on interviews, the site is considering making toilet facilities for people with disabilities.

# CERTIFICATION REPORT

## Alliance for Water Stewardship (AWS)

Audit Number: AO-000615

2	<b>STEP 2: COMMIT &amp; PLAN - Commit to be a responsible water steward and develop a Water Stewardship Plan</b>	
2.1	<i>Commit to water stewardship by having the senior-most manager in charge of water at the site, or if necessary, a suitable individual within the organization head office, sign and publicly disclose a commitment to water stewardship, the implementation of the AWS Standard and achieving its five outcomes, and the allocation of required resources.</i>	
2.1.1	<i>A signed and publicly disclosed site statement OR organizational document shall be identified. The statement or document shall include the following commitments:</i> <ul style="list-style-type: none"> <li>- That the site will implement and disclose progress on water stewardship program(s) to achieve improvements in AWS water stewardship outcomes</li> <li>- That the site implementation will be aligned to and in support of existing catchment sustainability plans</li> <li>- That the site's stakeholders will be engaged in an open and transparent way</li> <li>- That the site will allocate resources to implement the Standard.</li> </ul>	 Obs.
Comment	The water policy was made in line with the group policy. It was communicated internally to employees via training, notice boards, tv screens.	
2.2	<i>Develop and document a process to achieve and maintain legal and regulatory compliance.</i>	
2.2.1	<i>The system to maintain compliance obligations for water and wastewater management shall be identified, including:</i> <ul style="list-style-type: none"> <li>- Identification of responsible persons/positions within facility organizational structure</li> <li>- Process for submissions to regulatory agencies.</li> </ul>	 Yes
Comment	The site has a procedure that is on tracking legal compliance. The process for submissions to regulatory agencies is covered in the table with regulatory requirements: it includes who is responsible, and how often. For the details on what form to fill in and how to submit, there is a so-called 'pipeline' - a dedicated replacement person who knows how functions must be done.	
2.3	<i>Create a water stewardship strategy and plan including addressing risks (to and from the site), shared catchment water challenges, and opportunities.</i>	
2.3.1	<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>	 Yes
Comment	A short water strategy outlining vision, mission and core value was developed by the site together with the water stewardship plan.	
2.3.2	<i>A water stewardship plan shall be identified, including for each target:</i> <ul style="list-style-type: none"> <li>- How it will be measured and monitored</li> <li>- Actions to achieve and maintain (or exceed) it</li> <li>- Planned timeframes to achieve it</li> <li>- Financial budgets allocated for actions</li> <li>- Positions of persons responsible for actions and achieving targets</li> <li>- Where available, note the link between each target and the achievement of best practice to help address shared water challenges and the AWS outcomes.</li> </ul>	 in progress

Audit Number: AO-000615

Comment      The site's water stewardship plan lists time limits, indicators for monitoring, budgets, and responsible persons for each action. The restructuring to link actions to overall targets is missing, to show the target effect to be achieved - e.g., actions contributing to the target on water recycling or water use intensity reduction.  
The link to best practices is not explicitly noted in the table but all items in the best practice table are listed in the plan.

Finding No: TNR-005965

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.*

Q  
Obs.

Comment      The site reviewed mitigation measures for the identified operational risks and no needs to develop additional plans to mitigate or adapt to water risks was identified. Some descriptions of the preventive or mitigation measures should be better matched with the actual measures the site has (e.g. for the last risk in the table).  
None of the measures identified included a plan developed in cooperation with the relevant public-sector and infrastructure agencies but this should be reviewed when the risk identification is improved. For the upstream pollution risk, the site is planning to meet Vodovod and see what plans they have or what plans could be developed.  
Once risk identification is expanded, the possible need for developing additional plans or modifying existing ones will need to be reviewed.

# CERTIFICATION REPORT

## Alliance for Water Stewardship (AWS)


Audit Number: AO-000615

3	STEP 3: IMPLEMENT - Implement the site's stewardship plan and improve impacts	
3.1	Implement plan to participate positively in catchment governance.	
3.1.1	Evidence that the site has supported good catchment governance shall be identified.	<div>Q</div> <div>Obs.</div>
Comment	<p>The site organized an event at Prvonek reservoir in cooperation with the water supplier Vodovod. The scope of work was agreed with Vodovod and the site also invited other stakeholders to participate as part of building the cooperation. The scope of work included cleaning (collecting rubbish) the area near the reservoir, purchasing and installing waste collection bins and contains, and replacing taps for washing hands. About 80 employees from the site participated and participants from two stakeholder companies. In cooperation with the municipality, the site organised cleaning of a stormwater channel in the vicinity of the site. As the site only started on water stewardship journey, these actions were important for starting the cooperation with stakeholders and building awareness.</p>	
3.1.2	Measures identified to respect the water rights of others including Indigenous peoples, that are not part of 3.2 shall be implemented.	<div>✓</div> <div>Yes</div>
Comment	<p>Information was provided to show there are no indigenous people. There are a few ethnic minorities. Water rights are respected via legal compliance.</p>	
3.2	Implement system to comply with water-related legal and regulatory requirements and respect water rights.	
3.2.1	A process to verify full legal and regulatory compliance shall be implemented.	<div>→</div> <div>in progress</div>
Comment	<p>Record of self-evaluation of legal compliance is in the table with legal requirements, only a record of evaluation of compliance with water permit conditions is not included. A water inspection report from the regulatory authority was also provided by the site - no non-compliance issues were raised in the report.</p> <p><b>Finding No: TNR-005964</b></p>	
3.2.2	Where water rights are part of legal and regulatory requirements, measures identified to respect the water rights of others including Indigenous peoples, shall be implemented.	<div>✓</div> <div>Yes</div>
Comment	<p>There are no specific provisions on water rights in the legal requirements.</p>	
3.3	Implement plan to achieve site water balance targets.	
3.3.1	Status of progress towards meeting water balance targets set in the water stewardship plan shall be identified.	<div>✓</div> <div>Yes</div>
Comment	<p>The site has a target on water use intensity but in the water stewardship plan, performance of separate actions is tracked. A more detailed tracker of water actions on site from ideas to implementation is used at the site - 'Water initiatives and action plan 2020-2025'. Several technical water saving measures have been implemented from 2020. The last ones were a project to reuse water from washbasins for toilet flushing in the clothes changing area; process optimization in the HVAC system for the primary department; installation of sensory water taps.</p>	

# CERTIFICATION REPORT

## Alliance for Water Stewardship (AWS)

Audit Number: AO-000615

<b>3.3.2</b>	<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>	 Yes
Comment	There is no issue of water scarcity, but the site has a target on reducing water use intensity. Yearly performance from 2018 to 2022 was provided, only 2018 data should be disregarded as there was a meter malfunction that year. Since 2020, intensity was either stable or reducing. This year, performance is not on track because there was a leak in the steam condensate tank. The leak could not be repaired, and an unplanned CAPEX approval was obtained to replace this tank.	
<b>3.3.3</b>	<i>Legally-binding documentation, if applicable, for the re-allocation of water to social, cultural or environmental needs shall be identified.</i>	 Yes
Comment	There is no allocation of water to social, cultural, or environmental needs.	
<b>3.4</b>	<i>Implement plan to achieve site water quality targets</i>	
<b>3.4.1</b>	<i>Status of progress towards meeting water quality targets set in the water stewardship plan shall be identified.</i>	 in progress
Comment	There are no targets on water quality. Actions related to water quality included cleaning the stormwater collection channel in the vicinity of the site, Prvonek dam cleaning event, testing the on-site well water, and the pollution control measures.	
	<b>Finding No: TNR-005972</b>	
<b>3.4.2</b>	<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>	 Yes
Comment	As wastewater quality is a shared challenge, this requirement is applicable. The site is doing quarterly monitoring of effluent quality to see if there are any negative trends or spikes. This effluent is sent to the wastewater treatment facility, which is new - its construction was completed last year. The site sought to obtain the data on the treated effluent's quality (along with a bunch of other requests on data and information) but Vodovod (the wastewater treatment service provider) said they cannot yet share the information (doc 1.2.1.12 Fwd Odogovor na zahtev BaT Vodovod).	
<b>3.5</b>	<i>Implement plan to maintain or improve the site's and/or catchment's Important Water-Related Areas.</i>	
<b>3.5.1</b>	<i>Practices set in the water stewardship plan to maintain and/or enhance the site's Important Water-Related Areas shall be implemented.</i>	 Yes
Comment	Prvonek dam (reservoir) cleaning event was the main practice to maintain the IWRA. The scope of the event was agreed in consultation with the water service provider Vodovod, as the reservoir is the water source. There is an area for visitors close to the reservoir, which was neglected, with a considerable amount of rubbish, no waste bins, and broken water taps. The site financed the waste bins, repaired the water taps, and the participants collected the rubbish.	
<b>3.6</b>	<i>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.</i>	
<b>3.6.1</b>	<i>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.</i>	 Yes
Comment	The main improvement on WASH was the renovation of toilet facilities in the secondary manufacturing department.	

# CERTIFICATION REPORT

## Alliance for Water Stewardship (AWS)




Audit Number: AO-000615

<b>3.6.2</b>	<i>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.</i>	Q Obs.
Comment	Tap water on site was tested for microbiological parameters. Legionella testing is not required by law in Serbia. The site is planning to test tap water and fire water tank (connected to sprinkler system) for legionella.	
<b>3.7</b>	<i>Implement plan to maintain or improve indirect water use within the catchment:</i>	
<b>3.7.1</b>	<i>Evidence that indirect water use targets set in the water stewardship plan, as applicable, have been met shall be quantified.</i>	✓ Yes
Comment	There is no indirect water use targets as no sizeable indirect water use is in the site's catchment.	
<b>3.7.2</b>	<i>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.</i>	✓ Yes
Comment	The following evidence of engagement with suppliers and service providers was provided and reviewed: - Information on water use provider by car wash services (Knez Petrol) - Record of the site providing AWS awareness information (training) to service providers (Knez Petrol and Securitas) - Awareness (training) slides - The questionnaire completed by Securitas	
<b>3.8</b>	<i>Implement plan to engage with and notify the owners of any shared water-related infrastructure of any concerns the site may have.</i>	
<b>3.8.1</b>	<i>Evidence of engagement, and the key messages relayed with confirmation of receipt, shall be identified.</i>	✓ Yes
Comment	Emails with communication with Vodovod on data and information requests were provided as evidence.	
<b>3.9</b>	<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>	
<b>3.9.1</b>	<i>Actions towards achieving best practice, related to water governance, as applicable, shall be implemented.</i>	✦ in progress
Comment	The following best practices on water governance on site were implemented: - Daily water consumption monitoring and analysis; - Having a dedicated person in each department trained and involved in water analysis and initiatives.	
<b>Finding No: TNR-005974</b>		
<b>3.9.2</b>	<i>Actions towards achieving best practice, related to targets in terms of water balance shall be implemented.</i>	Q Obs.

# CERTIFICATION REPORT

## Alliance for Water Stewardship (AWS)

Audit Number: AO-000615

Comment	The following best practices on water balance on site were implemented: <ul style="list-style-type: none"><li>- installation of additional water meters to be able to understand water use at department level;</li><li>- daily tracking of water use;</li><li>- daily leakage checks;</li><li>- recycling of sanitary tap water in toilets and using it for flushing toilets.</li></ul>	
<b>3.9.3</b>	<i>Actions towards achieving best practice, related to targets in terms of water quality shall be implemented.</i>	 Obs.
Comment	Cleaning of the stormwater channel in the vicinity of the site was identified and implemented as best practice on water quality. See the findings raised on identifying best practices on water quality and setting targets on water quality.	
<b>3.9.4</b>	<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>	 Yes
Comment	The event at the Prvonek dam can be considered as best practice as it was not only collection of rubbish, but included measures to prevent further littering - installation of waste collection points in the area that was previously littered.	
<b>3.9.5</b>	<i>Actions towards achieving best practice related to targets in terms of WASH shall be implemented.</i>	 Yes
Comment	Refurbishment in the secondary manufacturing department - see evidence in 3.6.1.	



# CERTIFICATION REPORT

## Alliance for Water Stewardship (AWS)

Audit Number: AO-000615


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>
Comment	The performance is currently tracked per action, i.e. whether and to what extent actions have been implemented. Once the water stewardship plan is restructured to link actions to targets (in terms of what outcomes the site wants to achieve) the evaluation of performance should be done against targets.
4.1.2	<i>Value creation resulting from the water stewardship plan shall be evaluated.</i>
Comment	Value creation (to the site) is now noted per each action in the water stewardship plan but then the description is very generic. The site should evaluate the value of a year's activities and aim to do it in a more concrete way.
	<b>Finding No: TNR-005979</b>
4.1.3	<i>The shared value benefits in the catchment shall be identified and where applicable, quantified.</i>
Comment	Shared value creation (to the catchment) is now noted per each action in the water stewardship plan but then the description is very generic. The site should evaluate the value of a year's activities and aim to do it in a more concrete way.
	<b>Finding No: TNR-005980</b>
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>
Comment	The site did not have emergency incidents. It had two instances of water leaks that were treated as incidents in sense that the site analyzed them for root causes to propose corrective actions: - Leakage from the steam condensate tank: old equipment, the site did only external inspection and did not realize there was a degradation of the tank from inside. - Leakage from underground pipes near the cafeteria entrance. Daily leakage testing routine was put in place in response. Also, a leakage was noticed in underground piping in Suvi Do. It was noticed in February, but the site could not fix winter conditions - fixed it in March 2023.
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>
Comment	The site had meetings with Neighbours, Securitas, and car wash company, and presented the water stewardship plan and actions done so far, and water use intensity metrics performance up to the end of 2022. Good practices were also presented.

# CERTIFICATION REPORT

## Alliance for Water Stewardship (AWS)

Audit Number: AO-000615

Finding No: TNR-005982

4.4	<i>Evaluate and update the site's water stewardship plan, incorporating the information obtained from the evaluation process in the context of continual improvement.</i>	
4.4.1	<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>	<div> Yes</div>
Comment	<p>Extended operations leadership team has monthly meetings where KPIs, plans, and activities are discussed.</p> <p>Steering committee meeting in June 2023 - this was specifically for AWS. It shows topics that were discussed. At this second meeting, AWS documents were shown to the steering committee.</p> <p>New actions added to the water stewardship plan can be seen as those indicating n/a for CY2022 and only having targeted values for CY2023.</p>	

# CERTIFICATION REPORT

## Alliance for Water Stewardship (AWS)




Audit Number: AO-000615

5 STEP 5: COMMUNICATE & DISCLOSE - Communicate about water stewardship and disclose the site's stewardship efforts	
5.1	Disclose water-related internal governance of the site's management, including the positions of those accountable for legal compliance with water-related local laws and regulations.
5.1.1	The site's water-related internal governance, including positions of those accountable for compliance with water-related laws and regulations shall be disclosed. <span style="float: right;">✔ Yes</span>
Comment	The site has prepared an organogram. It is disclosed on site - on the noticeboards. In the master plan, there is a plan to do disclosure of AWS documents to stakeholders. For stakeholders, it will be disclosed in the meetings, and it will be sent by email as the site does not have a website.
5.2	Communicate the water stewardship plan with relevant stakeholders.
5.2.1	The water stewardship plan, including how the water stewardship plan contributes to AWS Standard outcomes, shall be communicated to relevant stakeholders. <span style="float: right;">🚩 in progress</span>
Comment	The site had meetings with neighbors, Securitas, and car wash company, and presented the water stewardship plan and actions done so far, and water use intensity metrics performance up to the end of 2022. The site is planning to meet with other stakeholders as well. <b>Finding No: TNR-005984</b>
5.3	Disclose annual site water stewardship summary, including: the relevant information about the site's annual water stewardship performance and results against the site's targets.
5.3.1	A summary of the site's water stewardship performance, including quantified performance against targets, shall be disclosed annually at a minimum. <span style="float: right;">🚩 in progress</span>
Comment	The site had meetings with neighbors, Securitas, and car wash company, and presented the water stewardship plan and actions done so far, and water use intensity metrics performance up to the end of 2022. The site is planning to meet with other stakeholders as well. <b>Finding No: TNR-005985</b>
5.4	Disclose efforts to collectively address shared water challenges, including: associated efforts to address the challenges; engagement with stakeholders; and co-ordination with public-sector agencies.
5.4.1	The site's shared water-related challenges and efforts made to address these challenges shall be disclosed. <span style="float: right;">🚩 in progress</span>
Comment	The site met with part of the stakeholders to discuss its water stewardship plan and main actions, but the shared water challenges have not been clearly disclosed. <b>Finding No: TNR-005986</b>
5.4.2	Efforts made by the site to engage stakeholders and coordinate and support public-sector agencies shall be identified. <span style="float: right;">✔ Yes</span>
Comment	Records of meetings and copies of email communications were provided as evidence. A couple of examples are attached.
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.

# CERTIFICATION REPORT

## Alliance for Water Stewardship (AWS)

Audit Number: AO-000615

<b>5.5.1</b>	<i>Any site water-related compliance violations and associated corrections shall be disclosed.</i>	 Yes
Comment	There have been no compliance violations. A water regulator authority's inspection report from 26-07-2022 was provided.	
<b>5.5.2</b>	<i>Necessary corrective actions taken by the site to prevent future occurrences shall be disclosed if applicable.</i>	 Yes
Comment	There have been no compliance violations. Please see description in 4.2.1 of the sites analyzing what it regarded as incidents and taking corrective actions.	
<b>5.5.3</b>	<i>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.</i>	 Yes
Comment	There have been no compliance violations.	

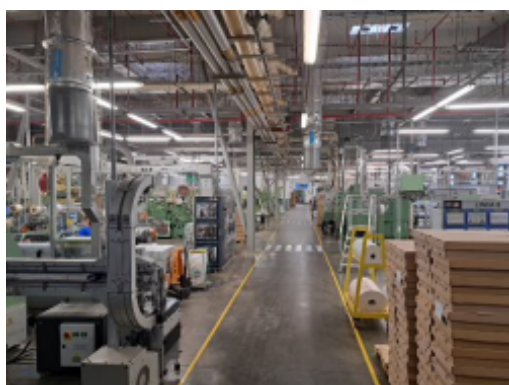
# CERTIFICATION REPORT

## Alliance for Water Stewardship (AWS)

Audit Number: AO-000615

### Photographic Evidence from Audit

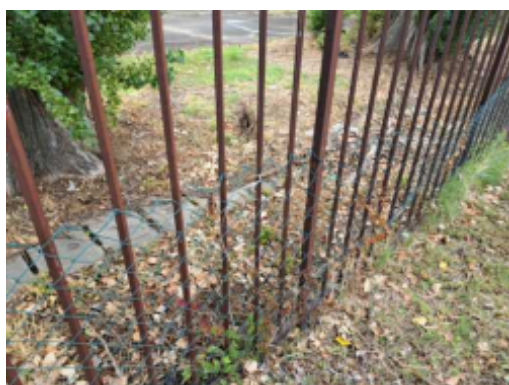
✓  
Yes



Manufacturing lines.jpg



Agricultural land near external warehouse.jpg

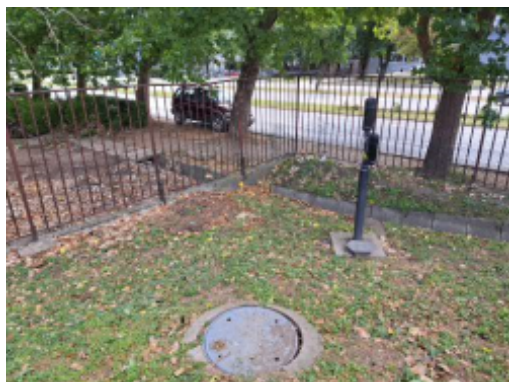


Stormwater channel.jpg

# CERTIFICATION REPORT

## Alliance for Water Stewardship (AWS)

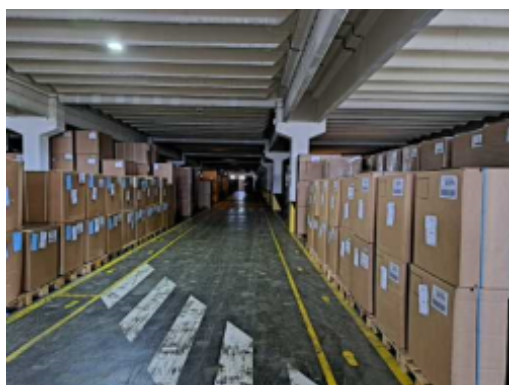
Audit Number: AO-000615



Wastewater discharge point and stormwater channel.jpg



Metering devices.jpg



External warehouse - inside.jpg



**WSAS**

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# CERTIFICATION REPORT

## Alliance for Water Stewardship (AWS)

Audit Number: AO-000615

Site main building.jpg



Little pond.jpg



On site well not used.jpg