AUDIT REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-000833

WSAS WATER STEWARDSHIP ASSURANCE SERVICES

SITE DETAILS

Site: **Philip Morris Polska S.A. ("PMPL SA")**
Address: Jana Pawla II 196, 31-982, Cracow, Malpolska, POLAND
Contact Person: Iwona Rudnicka
AWS Reference Number: AWS-000189
Site Structure: Single Site

AUDIT DETAILS

Audited Service(s): AWS Standard v2.0 (2019)
Audit Type(s): Re-Certification Audit
Audit Start Date: 2023-Sep-25
Lead Auditor: Neringa Pumputyte

Audit team participants:
Patrycja Romaniuk

Site Participants:
Iwona Rudnicka, Other
Krzystof Szczudlo, Sustainability Manager
Jolanta Zawitkowska, Other
Marek Urban, Other
Andrzej Kalkus, Other
Justyna Sliwinska-Karcz, Other

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ADDITIONAL INFO

Summary of Audit Findings: A total of 26 findings were raised during the certification audit, 0 major non-conformities, 9 minor non-conformities and 17 observations.

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 14 January 2024.

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

The audit team recommends re-certification of Philip Morris Polska S.A. at Core level pending approval of the corrective actions plans.

Scope of Assessment: The scope of services covers the recertification audit for assessing conformity of Philip Morris Polska S.A. site in Krakow against the AWS International Water Stewardship Standard Version 2.

Philip Morris Polska S.A. is part of Philip Morris International, a tobacco company. The site is a cigarette factory located in the city of Krakow, in the southern part of Poland. The operations in the scope include primary production (treatment of dried tobacco leaves to prepare them for use in the products), secondary production (making and packaging of cigarette products), and planned operations of smoke-free products.

The facility is located in the middle of the upper part of the Vistula (Wisła) catchment. The Vistula can be divided into three parts: upper, from its sources to Sandomierz; central, from Sandomierz to the confluences with the Narew and Bug; and bottom, from the confluence with the Narew to the sea.

The audit was conducted onsite on 25-27 September 2023. The site visit included the assessment of the manufacturing facilities and its main water uses as part of the audit.

The following external stakeholders were interviewed during the audit: representatives of the municipal water supply and wastewater treatment company WMK Krakow, Arcelor Mittal Poland S.A and Zarząd Zieleni Miejskiej w Krakowie.

AUDIT RESULT

Preliminary: AWS Core

FINDINGS

NUMBER OF FINDINGS PER LEVEL	
Observation	17
Minor	9

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FINDING DETAILS

Finding No:	TNR-006988
Checklist Item No:	1.1.1
Status:	In Progress - CA plan approved
Finding level:	Minor
Due date:	2024-Sep-24
Checklist item:	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.
Findings:	The site identified sub-catchments of the sources of water up to the points of water withdrawal and a rectangular area around the site as its catchment that the site relies on and potentially affects. However, the rectangular area is not a catchment. The map of the upper Vistula catchment was not provided.
Corrective action:	The site will identify and include the upper Vistula catchment area in the catchment area map currently in place.

Finding No:	TNR-007028
Checklist Item No:	1.2.1
Status:	Open
Finding level:	Observation
Due date:	2024-Sep-24
Checklist item:	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.
Findings:	The site refrained from identifying some NGOs/CSOs as its stakeholders because such organisations often do not want to work with a tobacco company. However, stakeholder engagement is not just about cooperation on common projects. Information on water-related challenges is collected but is not well structured.

Finding No:	TNR-007052
Checklist Item No:	1.3.3
Status:	Open
Finding level:	Observation
Due date:	2024-Sep-24
Checklist item:	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.
Findings:	A closer examination of the metered flows and estimations indicates that wastewater volume is likely a bit overestimated because adiabatic cooling is not included in the calculation of what evaporates.

Finding No:	TNR-007029
Checklist Item No:	1.3.4
Status:	In Progress - CA plan approved
Finding level:	Minor
Due date:	2024-Sep-24
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:	Quality of the receiving water body is partially understood, but not sufficiently clearly identified given that information should be available. Low and high variances of the site's effluent are not well identified/understood.
Corrective action:	The site will provide additional information on the quality of wastewaters conveyed into the municipal sewage system (i.e., report of analysis, threshold limits (pre-treatment agreement), detailed mapping of sewage sources, etc.). The site will also provide a dedicate presentation illustrating the variances of effluent's water quality in the last three (3) years, with specific graphs and the indication of threshold limits. Informations about water quality of receiving water body (Vistula river) after municipal WWTP discharge point will be provided in dedicated presentation.

Finding No:	TNR-007031
Checklist Item No:	1.4.1
Status:	Open
Finding level:	Observation
Due date:	2024-Sep-24
Checklist item:	The embedded water use of primary inputs, including quantity, quality and level of water risk within the site's catchment, shall be identified.
Findings:	The site will need to update the analysis of embedded water use of its primary inputs when the catchment identification is corrected.

Finding No:	TNR-007032
Checklist Item No:	1.4.2
Status:	Open
Finding level:	Observation
Due date:	2024-Sep-24
Checklist item:	The embedded water use of outsourced services shall be identified, and where those services originate within the site's catchment, quantified.
Findings:	Some services listed in the table on indirect water use of outsource services - for example, maintenance , canteen or cleaning services) use water on site - that volume is already counted as direct water use and should not be regarded as indirect water use.

Finding No:	TNR-007216
Checklist Item No:	1.5.1
Status:	Open
Finding level:	Observation
Due date:	2024-Sep-24
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:	Consideration of the River basin management plan and flood management plans developed as implementation of the Water Framework Directive is missing among the identified water governance initiatives.

Finding No:	TNR-007215
Checklist Item No:	1.5.3
Status:	Open
Finding level:	Observation
Due date:	2024-Sep-24
Checklist item:	The catchment water-balance, and where applicable, scarcity, shall be quantified, including indication of annual, and where appropriate, seasonal, variance.
Findings:	The site has engaged a consultancy company that conducted a study on the catchment water balance, however, the balance was analysed for the rectangular area and not a catchment.

Finding No:	TNR-007035
Checklist Item No:	1.5.4
Status:	Open
Finding level:	Observation
Due date:	2024-Sep-24
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 data collected points to the challenge on water quality in the relevant tributaries to Vistula and in in the Vistula itself, although the analysis should be complemented with more information on the Vistula river quality before next audit.

Finding No:	TNR-007217
Checklist Item No:	1.5.6
Status:	Open
Finding level:	Observation
Due date:	2024-Sep-24
Checklist item:	Existing and planned water-related infrastructure shall be identified, including condition and potential exposure to extreme events.
Findings:	The site should supplement this analysis with information obtained from engagement with the service provider on the status of infrastructure.

Finding No:	TNR-007036
Checklist Item No:	1.6.1
Status:	In Progress - CA plan approved
Finding level:	Minor
Due date:	2024-Sep-24
Checklist item:	Shared water challenges shall be identified and prioritized from the information gathered.
Findings:	Part of the shared water challenges identified by the site are more risks to the site rather than shared challenges. The information gathered from step 1 should be better used to clarify the wording of shared water challenges
Corrective action:	The site will re-define the shared water challenges, with clear differentiation from site-specific water-related risks. All relevant shared water challenges will be reported in a dedicated document (i.e., excel) and prioritized based on public available data and feedback gather directly from its stakeholders.

Finding No:	TNR-007037
Checklist Item No:	1.6.2
Status:	Open
Finding level:	Observation
Due date:	2024-Sep-24
Checklist item:	Initiatives to address shared water challenges shall be identified.
Findings:	The site identified own initiatives to address shared water challenges but initiatives by others are missing, although the site has an understanding about them

Finding No:	TNR-007039
Checklist Item No:	1.7.1
Status:	In Progress - CA plan approved
Finding level:	Minor
Due date:	2024-Sep-24
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:	Different types of possible risks were analysed to screen which types of risk are relevant to the site but part of the actual risks are not clearly formulated, therefore potential costs and business impact are not clearly evaluated. E.g. what risks are to the site from flooding? What impact it may cause, how much it may cost?
Corrective action:	The site will integrate the currently existing document with: - additional information and clarification in column "I" related to the potential impact on-site for each water risk category (i.e., why is impacting or will potentially impact the site and how) - additional column to report potential costs and business impacts for every site-specific water risk.

Finding No:	TNR-007040
Checklist Item No:	1.7.2
Status:	Open
Finding level:	Observation
Due date:	2024-Sep-24
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 identified by the site are mostly site-focussed, although there are also good wider ones like increasing the retention capacity. The view should be expanded to catchment level opportunities where the site may only participate, maybe push the dialogue etc.

Finding No:	TNR-007041
Checklist Item No:	1.8.1
Status:	Open
Finding level:	Observation
Due date:	2024-Sep-24
Checklist item:	Relevant catchment best practice for water governance shall be identified.
Findings:	The current list of best practices on water governance is mainly actions implemented. Next cycle of identifying further best practices is yet to be done.

Finding No:	TNR-007042
Checklist Item No:	1.8.2
Status:	Open
Finding level:	Observation
Due date:	2024-Sep-24
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:	The current list of best practices on water balance is mainly actions implemented, and the list focusses on site-based actions. Next cycle of identifying further best practices is yet to be done and the site should also consider best practices contributing to catchment water balance.

Finding No:	TNR-007043
Checklist Item No:	1.8.3
Status:	Open
Finding level:	Observation
Due date:	2024-Sep-24
Checklist item:	Relevant sector and/or catchment best practice for water quality shall be identified, including rationale for data source.
Findings:	The current list of best practices on water quality is mainly actions implemented. Next cycle of identifying further best practices is yet to be done. Several best practices considered by the site were explained during the walkaround but are not in the list of identified best practices because the site considered that this list should contain best practices already implemented.

Finding No:	TNR-007398
Checklist Item No:	2.3.2
Status:	In Progress - CA plan approved
Finding level:	Minor
Due date:	2024-Sep-24
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:	In the water stewardship plan, targets are now listed per action and are therefore often focused on measuring action rather than outcomes (although some are on outcomes). For water quantity, the site has an overall goal in the commitment and an overall water KPI target in the PDCA system. For so-called social actions, the plan needs to be restructured to have goals on what outcomes the site wants to achieve, with actions then linked to goals.
Corrective action:	The site will integrate the currently existing document with: - an overall goal for social & community actions - outcomes that the site is planning to achieve with the implementation of each specific action.

Finding No:	TNR-007400
Checklist Item No:	2.4.1
Status:	In Progress - CA plan approved
Finding level:	Minor
Due date:	2024-Sep-24
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:	When the finding on the risk assessment (1.7.1) is addressed, the need for developing a plan to mitigate or adapt the risks will need to be reconsidered.
Corrective action:	The site will include in the WS Plan specific action(s) carried out with relevant public-sector and infrastructure agencies to mitigate or adapt the risks identified in 1.7.1-1.7.2 (i.e., joint action with Municipality Project Office (KEGW) to mitigate the potential risk of flooding in site's areas which suffer of water retention).

Finding No:	TNR-007057
Checklist Item No:	3.9.3
Status:	Open
Finding level:	Observation
Due date:	2024-Sep-24
Checklist item:	Actions towards achieving best practice, related to targets in terms of water quality shall be implemented.
Findings:	The situation around a planned difficulty in meeting the current wastewater quality limits set in the agreement with the WMK, and associated negotiations on additional pre-treatment service to be provided by WMK, may appear contentious when there is an issue of poor water quality in the catchment. The audit team understands information was obtained from the service provider that they can treat the site's effluent comfortably. The site should still ensure strong argumentation and evidence is available why treatment by the municipal service provider is a better option than pre-treatment on site.

Finding No:	TNR-007059
Checklist Item No:	3.9.4
Status:	Open
Finding level:	Observation
Due date:	2024-Sep-24
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 consider how it can best target its actions on IWRAs to correspond to the threats these areas are facing.

Finding No:	TNR-007061
Checklist Item No:	4.1.1
Status:	Open
Finding level:	Observation
Due date:	2024-Sep-24
Checklist item:	Performance against targets in the site’s water stewardship plan and the contribution to achieving water stewardship outcomes shall be evaluated.
Findings:	Performance is currently evaluated per action in the site's water stewardship plan, apart from the water use goal. Once the plan is re-structured, performance should be evaluated at a higher target level for all types of actions. The auditors also noted that the strategic goal on water footprint reduction is formulated implying a reduction of total water use, whilst internal tracking and evaluation of performance is based on the KPI of water use per million of cigarettes, i.e. the indicator of performance is different.

Finding No:	TNR-007404
Checklist Item No:	4.4.1
Status:	In Progress - CA plan approved
Finding level:	Minor
Due date:	2024-Sep-24
Checklist item:	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.
Findings:	Over multiple evidences, it is clear the new focus area for the site's water stewardship activities in 2023 was water quality. Yet there is limited identification of the changes to the plan as earlier year's versions of the water stewardship plan are not kept and the record is fuzzy on how the plan was adapted to incorporate lessons learned from the evaluation step.
Corrective action:	The site will save the Minutes Of Meeting of periodic internal disclosure and discussion relative to the performance and implementation of WS Plan. The site will use gathered feedback (i.e., from internal meetings, stakeholders etc.) as evidence for WS Plan modification/adaptation/change (new version vs. previous).

Finding No:	TNR-007405
Checklist Item No:	5.2.1
Status:	Open
Finding level:	Observation
Due date:	2024-Sep-24
Checklist item:	The water stewardship plan, including how the water stewardship plan contributes to AWS Standard outcomes, shall be communicated to relevant stakeholders.
Findings:	At outline of planned actions is communicated to stakeholders but no targets are communicated apart from the strategic goal to reduce the site's water footprint.

Finding No:	TNR-007069
Checklist Item No:	5.3.1
Status:	In Progress - CA plan approved
Finding level:	Minor
Due date:	2024-Sep-24
Checklist item:	A summary of the site’s water stewardship performance, including quantified performance against targets, shall be disclosed annually at a minimum.
Findings:	Performance is communicated as actions implemented, but comparison with targets is missing. On the water quantity, the indicators in the strategy and in the disclosure of performance appear different - total water use of Philip Morris Poland vs water use intensity of production processes.
Corrective action:	The site will specify KPIs and targets for tracking its water stewardship performance and will include them in the annual WS Report.

Finding No:	TNR-007406
Checklist Item No:	5.4.1
Status:	In Progress - CA plan approved
Finding level:	Minor
Due date:	2024-Sep-24
Checklist item:	The site's shared water-related challenges and efforts made to address these challenges shall be disclosed.
Findings:	Once the site clarifies the wording of the shared challenges, they should be more fully disclosed.
Corrective action:	The site will include in the WS Report the most relevant shared water challenges (information gathered from 1.6.1-1.6.2). The WS Report will be successively disclosed externally.

AUDIT REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-000833

WSAS WATER STEWARDSHIP ASSURANCE SERVICES

Report Details

Report	Value
Report prepared by	Neringa Pumputyte
Report approved by	Monserrath Zamora
Report approved on (Date)	14 November 2023

Surveillance

Proposed date for next audit
2024-Sep-24

Comment Annual surveillance is recommended.

Stakeholder Announcements

Date of publication	Location
19/07/2023	https://watersas.org/wp-content/uploads/2023/07/AWS-000189-Stakeholder-Announcement-23-06-07.pdf
20/07/2023	Philip Morris Poland website: https://www.pmi.com/markets/poland/en/overview
19/07/2023	AWS website: https://a4ws.org/wp-content/uploads/2023/07/AWS-000189-Stakeholder-Announcement-PMI-Polska-23-06-07.pdf

Stakeholder interviews

Name	Organisation/Role/Relationship
Bartosz Łuszczek	WMK - Waterworks of the City of Cracow, Director
Piotr Kempf	Zarząd Zieleni Miejskiej (ZZM) , Director
Łukasz Sęk	Councillor of the City of Krakow, resident of Nowa Huta
Wojciech Motyka	Arcelor Mittal, Head of Environmental Protection

Main Outcome of Stakeholder Interviews

WMK is the municipal water supply and wastewater treatment service provider. There are already at least 15 years of collaboration between WMK and the site, including development of joint initiatives. The representative explained the current discussions between the site and WMK regarding the additional sewage treatment in preparation for the production of non-smoke tobacco products at the site. There is no water deficit the supplier can see but in the distant future, there will be need to improve security of supply. The challenges mentioned are urban growth, climate change, changing rainfall patterns - long dry spells, intense spot rainfall that can disrupt rainwater collection. WMK treats the wastewater to the required level, sometimes the quality of the treated effluent is better than the Vistula river.

ZZM and the site have been cooperating on the cleaning up of the river Dłubnia for several years, reseeding the meadows, and organising webinars. According to ZZM, water retention in the city, especially after rains, is a huge need - the city needs to make urban greening work. The aim of reseeding flower meadows is to convince the unconvinced and aesthetics, as the meadows lose their visual value with years. Philip Morris Polska S.A. has contributed to the increasing acceptance among the public.

Councillor of the City of Krakow reported about the joint implemented and planned initiatives, including cleaning up the River Dłubnia and plans for Woźniców park, which is planned close to the site. The representative confirmed that the site shared information about what helped the site reduce water consumption. The water challenges expressed include fighting flash floods, building local retention reservoirs; that the city is growing and tourist levels are increasing but the outlook for the future is that the river levels may be falling.

Arcelor Mittal indicated that the relationship on water issues started when the site was seeking initial certification, and over these last 3 years the relationship has been getting closer. The stakeholder meetings help expand the knowledge on water management, and participants are encouraged to take joint initiatives. Overall, the opinion about the site is very positive.

All stakeholders indicated they knew about the site's AWS certification, knew about the main activities and plans, and most knew about the 20% water reduction target. The assessor's impression was that perhaps on performance, the engagement was more of a type of informing rather than consulting. There is consultation on the idea for initiatives though.

Catchment Information

Catchment Information

The facility is located in the middle of the upper part of the Vistula (Wisła) catchment. The Vistula river catchment is very large but the river can be divided into three parts: upper, from its sources to Sandomierz; central, from Sandomierz to the confluences with the Narew and Bug; and bottom, from the confluence with the Narew to the sea.

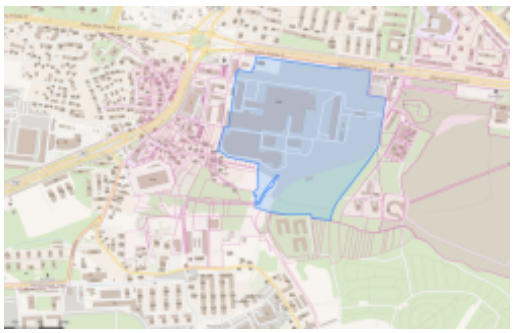
The site receives all its water needs from the municipal supplier and discharges all wastewater and stormwater to the municipal collection and treatment system. WMK Kraków is the provider of the water supply and wastewater collection and treatment services. WMK Kraków sources water from two tributaries of Vistula: Raba and Rudawa.

PMPL catchment area & physical scope identified by the site.jpg

Vistula river catchment with Krakow in the southern part.png

Client Description and Site Details

Client/Site Background
Philip Morris Polska S.A. is part of Philip Morris International, a tobacco company. The site is a cigarette factory located in the city of Krakow, in the southern part of Poland. Apart from the factory operations, there are also distribution operations, tobacco purchase operations, and offices of other Philip Morris Polska S.A. functions - those are not included in the main water use KPI the site tracks. The operations in the scope include primary production (treatment of dried tobacco leaves to prepare them for use in the products), secondary production (making and packaging of cigarette products), and planned operations of smoke-free products.



Site boundaries.png

Summary of Shared Water Challenges

Summary of Shared Water Challenges
Shared water challenges at a high level are named as: surface water contamination, ecosystem degradation, future drought occurrence, future flood occurrence, and baseline water stress. There is further information provided on more concrete problems but not for all shared challenges. A finding was raised to formulate the shared water challenges more clearly.

0.1 General Requirements for Single Sites, Multi-Sites and Groups

0.1.1 *Eligibility Criteria*

0.1.1.1 *The site(s) occupy one catchment OR an exception has been granted.* Yes

Comment: The site is located in the upper part of the Vistula catchment.

0.1.1.2 *The scope of the proposed certification shall be under the control of a single management system.* Yes

Comment: The site is under teh control of a single management system.

0.1.1.3 *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.* Yes

Comment: The scope is homogeneous with respect to primary production system, water management, and product range.

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

Site boundary map is available. There are a number of buildings on site but not all water use is considered for the total water use the site reports in its KPIs. A scheme listing water meters has building numbers. The following buildings are excluded:
- Building N is rented to a medical centre, an office for temporary contractors, and an office for SGS (contractor).
- Buildings G7 and G8 - a service centre for PMI Europe.

The site receives all its water needs from the municipal supplier and discharges all wastewater and stormwater to the municipal collection and treatment system. WMK Kraków is the provider of the water supply and wastewater collection and treatment services. WMK Kraków sources water from two tributaries of Vistula: Raba and Rudawa. A map with the withdrawal points is available. Dlubnia was also a source of water but no longer since several years ago.

Municipal main collector for wastewater passes through the site's area. There are several points of wastewater and stormwater discharge from the site's buildings to that collector. A presentation about wastewater discharge points includes schemes and maps showing where the treated municipal WWTP's effluent is discharged to the river Vistula.

For the identification of the catchment, the site identified sub-catchments of the sources of water up to the points of water withdrawal on the Raba and Rudawa rivers, and a rectangular area around the site as its physical scope, encompassing the municipal WWTP as well as its discharge location. However, the rectangular area is not a catchment. It should be noted that for the collection of data and information on the catchment, the site mostly considered more than just these two sub-catchments and the rectangular area, i.e. it considered a wider upper Vistula catchment. However, the map of the upper Vistula catchment was not provided.

Finding No: TNR-006988

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.*	Obs.
Comment	For identification of stakeholder, the site looked at what institutions are related to water, what are the big companies the site know, and NGOs important for IWRAs. The site is aware that not all NGOs/CSOs want to work with a tobacco company and refrained from identifying more NGOs, although stakeholder engagement is not just about cooperation. The site keeps a table with identified stakeholders, their type (category), location including distance from the site, categorisation of interest from the site to stakeholder and vice verse, power in both directions, disposition (positive, neutral, negative), ranking of importance, category of engagement, relationship level, and engagement trend. A separate sheet includes a useful short record of engagement. A range of engagement evidences were provided to the audit team. During stakeholder meeting in June 2023, the site asked participants to answer some questions, including water challenges. "Digested" information is presented in a presentation on consultation feedback.	
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 is identified in the stakeholder table as explained in the indicator above.	
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 provided a Emergency Response Plan and a documented practice (procedure) 'Emergency and Special Situations Management' with its annexes. In terms of water-related incidents, they are considered covered in the general categories of Natural Disasters, Industrial Accidents and Emergencies in the vicinity of the plant. Interruption of water supply was not really considered because of the large volume of water use the site would follow a process deciding which processes should be switched off first, and then the factory would simply need to be closed. The risk is considered low. Chemicals spill response is covered in the procedures and plans on chemicals management and spill response.	
1.3.2	*Site water balance, including inflows, losses, storage, and outflows shall be identified and mapped*	Yes
Comment	A Sankey diagram covering inflows, outflows (to sewage and evaporation) and key internal flows was presented. There is no large storage with fluctuating levels.	

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.*

Obs.

Comment The quantified balance is presented for a year. The incoming water is metered, and wastewater volume is estimated based on estimation of evaporative flows.
However, monthly data in a graph is presented for total water inflow and the largest outflows to evaporation: steam water make up and cooling tower water use. The site also presented a graph with the monthly water use intensity value dynamics from 2019 to 2022. These graphs give an indication of seasonality. There is no water-related challenge that would be a threat to good water balance.

1.3.4 *Water quality of the site's water source(s), provided waters, effluent and receiving water bodies shall be quantified. Where there is a water-related challenge that would be a threat to good water quality status for people or environment, an indication of annual, and where appropriate, seasonal, high and low variances shall be quantified.*

in progress

Comment Information on the quality of water sources in terms of primary water source is available in catchment information.

Information on how quality of provided waters is monitored and the results of the monitoring are summarised in the presentation 'Water IN quality analysis'
Information on how wastewater quality is monitored and the results are summarised in the presentation 'Water OUT quality'. The site effluent is monitored by the site and by the municipal wastewater service provider. Data in tabular and graphical format is provided in the spreadsheet. The site has had exceedances of part of its wastewater quality limits set in the agreement with the wastewater service provider. See indicator 4.2.1 on how this was analysed and followed up on.

Regarding the quality of the receiving water body, partial information is available in the information collected on the catchment quality, but it is not sufficiently clearly identified. Information on Vistula's water quality near the municipal WWTP's discharge location should be available.

In terms of variances, the site expects higher concentrations during cleaning activities. But low and high variances are not well identified/understood.

The site is also preparing for the production of smoke free products. The site will need more water and have changed the contract and looked at wastewater quality limits. The site analysed that some of the wastewater quality limits are likely to be difficult to meet for the site and have liaised with the service provider on possible ways forward. The limits in the agreement could not be changed but the site is negotiating with the service provider another contract for providing additional pre-treatment service as the service provider indicated that it can treat the expected wastewater quality.

Finding No: TNR-007029

1.3.5 *Potential sources of pollution shall be identified and if applicable, mapped, including chemicals used or stored on site.*

Yes

Comment Pollution sources have been mapped and a list of stored chemicals is available.

1.3.6 *On-site Important Water-Related Areas shall be identified and mapped, including a description of their status including Indigenous cultural values.*

Yes

Comment The site has not identified IWRAs in the site's premises. There is a large green area with mature trees on the site's grounds that is considered important area for local biodiversity and also important for rainwater retention. Some of the site's sustainability actions are on improvements in this area, so the site is in fact considering this area as partially an IWRA.

1.3.7 *Annual water-related costs, revenues, and a description or quantification of the social, cultural, environmental, or economic water-related value generated by the site shall be identified and used to inform the evaluation of the plan in 4.1.2.* Yes

Comment: Annual water-related costs for 2022, including direct and indirect costs, are collected in a table and presented in a chart. Costs for AWS activities was provided as a total for 2023. Costs of the projects are tracked for different timeframes (in the water stewardship plan), not for a calendar year. Value generated by the site is identified in the water stewardship plan but refer to finding on 4.1.2.

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

Comment: A presentation is provided on the levels and adequacy of WASH at the site. The facilities are mostly at a high standard and the site is continually renovated the ones that are somewhat older (but still provide good access and hygiene).

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.* Obs.

Comment: Data on tobacco amount supplied from various countries was provided - only a small amount is provided from Poland. Supplies of other materials were also analysed to understand if they are within the same catchment. Nothing was found to be in the same catchment but the catchment identification was too restricted. The site will need to update this analysis when the catchment identification is corrected.

1.4.2 *The embedded water use of outsourced services shall be identified, and where those services originate within the site's catchment, quantified.* Obs.

Comment: The site collected information on water use in 2022 for Philip Morris Poland. Some services listed in the table (e.g. maintenance services, canteen services, cleaning services) use water on site - that volume is already counted as direct water use and should not be regarded as indirect water use.

1.5 *Gather water-related data for the catchment, including water governance, water balance, water quality, Important Water-Related Areas, infrastructure, and WASH*

1.5.1 *Water governance initiatives shall be identified, including catchment plan(s), water-related public policies, major publicly-led initiatives under way, and relevant goals to help inform site of possible opportunities for water stewardship collective action.* No

Comment: The site provided a good summary of a variety of initiatives by the water and wastewater service provider, NGOs, and some authorities. Consideration of the River basin management plan and flood management plans developed as implementation of the Water Framework Directive is missing. The site also explained about a direction in Krakow on increasing retention capacity but to their knowledge it is not published as a strategy or other kind of documentation yet.

Finding No: TNR-007216

1.5.2 *Applicable water-related legal and regulatory requirements shall be identified, including legally-defined and/or stakeholder-verified customary water rights.* Yes

Comment: The site has identified applicable water-related legal and regulatory requirements, including permits. An on-line system 'Ren on line' is used to track changes to legal requirements.

1.5.3 *The catchment water-balance, and where applicable, scarcity, shall be quantified, including indication of annual, and where appropriate, seasonal, variance.* — Obs.

Comment: The site has engaged a consultancy company that conducted a study on the catchment water balance, however, the balance was analysed for the rectangular area and not a catchment. Nevertheless, some useful information was obtained as part of the study that indicates there is no issue with the water quantity.

1.5.4 *Water quality, including physical, chemical, and biological status, of the catchment shall be identified, and where possible, quantified. Where there is a water-related challenge that would be a threat to good water quality status for people or environment, an indication of annual, and where appropriate, seasonal, high and low variances shall be identified.* — Obs.

Comment: Detailed information and comparisons over years is provided on water quality in the surface water monitoring points in the rectangular influence area. Generally the status is mostly poor according to the classification under the Water Framework Directive. The data collected points to the challenge on water quality in the relevant tributaries to Vistula and in in the Vistula itself, although the analysis should be complemented with more information on the Vistula river quality before next audit.

Although gourndwater is not used, information on groundwater status from the public monitoring data was also collected. Also, the site installed two monitoring wells and checked their water quality. Nitrates seems a bit of a problem.

1.5.5 *Important Water-Related Areas shall be identified, and where appropriate, mapped,and their status assessed including any threats to people or the natural environment, using scientific information and through stakeholder engagement.* — Yes

Comment: The site has analysed protected areas in the sub-catchments of the tributaries that serve as water sources and in a large influence area around the site including wastewater discharge to the ultimate receiving water body. The table summarises the values of the areas, their status, awareness about future conditions, and provides a priority ranking to allow the site focus its efforts.

1.5.6 *Existing and planned water-related infrastructure shall be identified, including condition and potential exposure to extreme events.* — No

Comment: Infrastructure presentation focusses on water supply. In terms of the status, the site has some information from the official publication from the service provider and understands the status is generally good, with some further investments planned to make improvements. The site should supplement this analysis with information obtained from engagement with the service provider on the status of infrastructure.

Finding No: TNR-007217

1.5.7 *The adequacy of available WASH services within the catchment shall be identified.* — Yes

Comment: The adequacy of available WASH services within the catchment has been identified. Presentation with information on the levels of connections was provided. The level of connections is high.

1.6 *Understand current and future shared water challenges in the catchment, by linking the water challenges identified by stakeholders with the site's water challenges.*

1.6.1 *Shared water challenges shall be identified and prioritized from the information gathered.* — in progress

Comment Shared water challenges are listed in a table in the order of priority and at a high level are named as: surface water contamination, ecosystem degradation, future drought occurence, future flood occurence, and baseline water stress. Part of the challenges are more risks to the site than shared challenges. The second column provides more information and some paragraphs there provide better understanding of the shared water challenges. Overall, information gathered from step 1 should be better used and clarity of shared water challenges improved.

Finding No: TNR-007036

1.6.2 *Initiatives to address shared water challenges shall be identified.* Obs.

Comment In the table with shared water challenges, the site identified own initiatives to address shared water challenges but initiatives by others are missing, although the site has an understanding about them.

1.7 *Understand the site's water risks and opportunities: Assess and prioritize the water risks and opportunities affecting the site based upon the status of the site, existing risk management plans and/or the issues and future risk trends identified in 1.6.*

1.7.1 *Water risks faced by the site shall be identified, and prioritized, including likelihood and severity of impact within a given timeframe, potential costs and business impact.* in progress

Comment Quite detailed analysis of water risks using global tools and supplemented by local research is presented. Different types of possible risks were analysed but the actual risks to the site should be more clearly formulated, with potential costs and business impact that are currently missing. What risks are to the site from flooding? What impact it may cost, how much it may cost?

Finding No: TNR-007039

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

Comment Opportunities identified by the site are mostly site-focussed, although there are also good wider ones like increasing the retention capacity. The view should be expanded to catchment level opportunities where the site may only participate, maybe push the dialogue etc.

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.* Obs.

Comment A document on best practices for all outcomes was presented. Sources of information used by the site were own ideas, sharing with other PMI sites, common stakeholder meetings (the site had a session on best practices), and bilaterial stakeholder meetings. The current list is mainly actions implemented. Next cycle of identifying further best practices is yet to be done. Some practices are steps what site needs to do in order to get certification and should not really be regarded as best practices.

1.8.2 *Relevant sector and/or catchment best practice for water balance (either through water efficiency or less total water use) shall be identified.* Obs.

Comment The current list of best practices on water balance is mainly actions implemented, and the list focusses on site-based actions. Next cycle of identifying further best practices is yet to be done and the site should also consider best practices contributing to catchment water balance.

1.8.3	*Relevant sector and/or catchment best practice for water quality shall be identified, including rationale for data source.*	Obs.
Comment	Several best practices considered by the site were explained during the walkaround but are not in the list of identified best practices because the site considered that this list should contain best practices already implemented.	
1.8.4	*Relevant catchment best practice for site maintenance of Important Water-Related Areas shall be identified.*	Yes
Comment	The site identified types of best practices on IWRAs and listed what actions were done.	
1.8.5	*Relevant sector and/or catchment best practice for site provision of equitable and adequate WASH services shall be identified.*	Yes
Comment	Existing best practices and improvements for 2023 are identified.	

2	STEP 2: COMMIT & PLAN - Commit to be a responsible water steward and develop a Water Stewardship Plan	
2.1	*Commit to water stewardship by having the senior-most manager in charge of water at the site, or if necessary, a suitable individual within the organization head office, sign and publicly disclose a commitment to water stewardship, the implementation of the AWS Standard and achieving its five outcomes, and the allocation of required resources.*	
2.1.1	*A signed and publicly disclosed site statement OR organizational document shall be identified. The statement or document shall include the following commitments:* *- That the site will implement and disclose progress on water stewardship program(s) to achieve improvements in AWS water stewardship outcomes* *- That the site implementation will be aligned to and in support of existing catchment sustainability plans* *- That the site's stakeholders will be engaged in an open and transparent way* *- That the site will allocate resources to implement the Standard.*	Yes
Comment	A statement signed by the manufacturing director of Philip Morris Poland is displayed on the site's EHS board and on the company's website. The statement covers the required commitments.	
2.2	*Develop and document a process to achieve and maintain legal and regulatory compliance.*	
2.2.1	*The system to maintain compliance obligations for water and wastewater management shall be identified, including:* *- Identification of responsible persons/positions within facility organizational structure* *- Process for submissions to regulatory agencies.*	Yes
Comment	Quality management system's procedure on legal requirements describes the process of ensuring legal compliance. From red-on-line system (external service on regulatory requirements) the site is receiving information on changes. To check compliance, the site does own self-assessment, and once per year have an external company doing compliance evaluation (all EHS requirements). For compliance evaluation, see documents attached to the indicator 3.2.1. The only water-related reporting the site has to do, is to the service provider on phosphorus measurement results.	
2.3	*Create a water stewardship strategy and plan including addressing risks (to and from the site), shared catchment water challenges, and opportunities.*	
2.3.1	*A water stewardship strategy shall be identified that defines the overarching mission, vision, and goals of the organization towards good water stewardship in line with this AWS Standard.*	Yes
Comment	The site has a site level water stewardship strategy that lists the directions towards which the site will be wording. It also contains main quantified goal of the site's water footprint reduction.	

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.*	No
Comment	In the site's water stewardship plan, targets are listed per each separate action and are therefore mostly focussed on action (doing) rather than results and outcomes the site wants to achieve with those actions. Therefore it is a long list of separate actions, categorised into technical (mostly on water quantity) and social actions. For water quantity, there is also an overall goal (water footprint reduction by 20% by 2024 compared to 2020 baseline) and overall KPI (water use ration) that are tracked as part of PDCA system. For so-called social actions, the restructuring should be done to link actions to goals related to the outcomes the site wants to achieve. Budgets, responsible persons etc are listed per action. ***Finding No: TNR-007398***	
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.*	No
Comment	The assessment of risk drivers did not yet result in identification of risks that would need plans to mitigate or adapt to them. However please see a finding raised regarding the risk assessment. When the risk assessment (1.7.1) is improved, this indicator will need to be reconsidered. ***Finding No: TNR-007400***	

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.* ✓ Yes

Comment

The following initiatives and actions were implemented over the last year that are contributing to good catchment governance:
- During the Earth day, a webinar with employees was held by representative of the manager of green areas of the city, on a topic of biodiversity in the city and why it is important, including linking with the need to increase water retention capacity in the city. Then some employees participated in reseeding of flower meadows (the city indicated they cannot afford renovation and asked Philip Morris Polska S.A.'s help).
- Meeting with external stakeholders focussed on water quality. A consultant did a presentation about water quality in the administrative region where the site is located; the municipality presented about water retention; the NGO EcoTravel Foundation presented about Dlubnia river where some parts of the river were heavily littered. Many participants were surprised to hear about water quality issues in Poland and the region.
- On the World water day, internal communication was done on a topic of water quality issue and to encourage employees to participate in Dlubnia clean up event.
- The site's representatives joined the conference organised by students (science club) of the technology university in Krakow. The university wanted companies to speak about how they work on sustainability. The site presented about water sustainability, water risks, water stewardship. Did a workshop to students on how to manage risks related to water (how water risk filter is working etc).
- Clean up event in a future park. The organisation for management of the green areas in the city of Krakow and asked the site to join it. It was action with the city's district no. 14 where the site is located. The event was for families, with children.

There were two themes/directions in these actions: increasing awareness on water quality issues, as most people are not aware that water quality is poor in the catchment; and ways to increase retention capacity in the city while at the same time contributing to biodiversity.

The site also presented some other sustainability initiatives that are worthwhile but are more related to biodiversity or waste handling and have somewhat remote contribution to water governance.

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.* ✓ Yes

Comment

There are no additional measures beyond respecting the legal requirements.

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.* ✓ Yes

Comment

The site uses the following processes to verify legal compliance:
- Self-assessment in the Red-on-line system;
- A system of internal audits to check compliance with local procedures that also indicate how relevant legal requirements are to be implemented on site;
- Once per year have an external company doing compliance evaluation on all EHS requirements, and try to change the service provider regularly to have fresh eyes looking at the compliance.

The latter element can be highlighted as a best practice.

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.*	Yes
Comment	There are no specific provisions on water rights. Compliance with legal requirements and permit conditions is meant to ensure water rights of others are respected.	
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.*	Yes
Comment	The following projects and actions have been implemented over the last year: - Flush tower drier condensate used to be cooled and sent to wastewater. The site then switched off cooling and reused condensate for cleaning and then for wet scrubber. - Review data weekly to ensure any leakages are repaired timely. - Reduce water for steam generation (improved controls). - Casing tanks were relocated to a different area – piping is then smaller and less water for washing is needed. - Joining the controls of two different types of humidification systems (adiabatic and steam) that proved to reduce the use of water and energy. - A pilot project of trying a different machine for washing glue guns and tank - it works on a closed cycle with special washing liquid.	
3.3.2	*Where water scarcity is a shared water challenge, annual targets to improve the site's water use efficiency, or if practical and applicable, reduce volumetric total use shall be implemented.*	Yes
Comment	Water scarcity is not a shared water challenge but 4-5 years ago the site started with annual objectives of 5% reduction per year. The site installed 24 mechanical meters for diagnostics: i.e. to help locate the problem in case they see higher usage. There have been actual annual reductions of total water use from 2019 until 2022. Last half year the performance is worsening. The site hopes the performance of the KPI should recover by the end of the year 2023. For regular tracking and for reporting to corporate, water use intensity KPI is used instead of the total water withdrawal.	
3.3.3	*Legally-binding documentation, if applicable, for the re-allocation of water to social, cultural or environmental needs shall be identified.*	Yes
Comment	No re-allocation of water is applicable.	
3.4	*Implement plan to achieve site water quality targets*	
3.4.1	*Status of progress towards meeting water quality targets set in the water stewardship plan shall be identified.*	Yes
Comment	The site implemented separate actions to contribute to better water quality in the catchment: - Cleaning of Nova Huta meadows in Sep 2022 organised by several organisations, where some employees from the site participated. Collected 55 bags full of garbage, including car tyres. Next one is planned after the audit. It is considered as a preventive measure to prevent groundwater pollution. - Dlubnia river clean up event with NGO EcoTravel Foundation. - On-site, a different machine for glue pot washing machine has been tested, with a closed cycle, where special cleaning liquid is exchanged only rarely. Previously, water was used and water with glue was flushed to wastewater. There is also a planned project in the primary to reduce total suspended solids but it is not yet implemented and will be considered for next audit.	

3.4.2	*Where water quality is a shared water challenge, continual improvement to achieve best practice for the site's effluent shall be identified and where applicable, quantified.*	Yes
Comment	Water quality is a shared water challenge. At the site, one of the contributing factors to wastewater quality is cleaning of machines. During the site walkaround, small changes to the cleaning regime were shown that allow better capturing of tobacco dust. To reduce glue remnants washing into the wastewater, a pilot machine with a closed cycle for washing was tested, and the site is planning to change other machines as well.	
3.5	*Implement plan to maintain or improve the site's and/or catchment's Important Water-Related Areas.*	
3.5.1	*Practices set in the water stewardship plan to maintain and/or enhance the site's Important Water-Related Areas shall be implemented.*	Yes
Comment	The following initiatives were implemented to maintain or enhance IWRAs: - Dlubnia river clean up event with NGO EcoTravel Foundation. - On-site green areas with mature trees are also essentially regarded as an on-site IWRA. Flower meadows were created next to the mature trees to improve the biodiversity and resilience of the on-site green areas. Further IWRA clean-up events were planned for the days just after the audit in Nowa Huta meadows, the IWRA next to the site, and for mid-October in Dlubnia river.	
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 has run several projects on remining about good hygiene habits and about what should not be thrown into toilets and sinks. To encourage hydration and the use of the tap water, the site provided all employees with soda streams (1843 in total), and 7 water dispensers were installed on site.	
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	Other than actions described above, the site is testing water for legionella.	
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	There are no targets as such on indirect water use. Activities at Philip Morris Polska S.A. Tobacco were presented: in Poland, tobacco fields are only rain fed, no irrigation is used.	
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	Evidence of engagement to obtain information was provided. No specific actions were planned.	

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

Comment: Summary of engagement with the municipal water supply and wastewater treatment service provider WMK was provided, along with a pack of separate emails sent and received. The main engagement overt the past year was related to changing the agreement to plan for the planned increase use of water at the site to support manufacturing of smoke free products, and associated negotiations for additional wastewater pre-treatment services as it is foreseen that the site may have difficulty meeting the wastewater quality limits set in the contract with WMK.

3.9 *Implement actions to achieve best practice towards AWS outcomes: continually improve towards achieving sectoral best practice having a local/catchment, regional, or national relevance.*

3.9.1 *Actions towards achieving best practice, related to water governance, as applicable, shall be implemented.* Yes

Comment: Organisation of and participation in meetings and events where the topics of poor water quality in the catchment and the need to increase stormwater retention in the city are discussed, to raise stakeholder awareness, can be regarded as best practice. Water quality is widely not considered to be an issue and there is lack of awareness about reduced stormwater retention, therefore raising the importance of these topics is important in the local context. See the description of separate actions in 3.1.1.

3.9.2 *Actions towards achieving best practice, related to targets in terms of water balance shall be implemented.* Yes

Comment: The site has been progressing on water use reduction on site for several years, and the actions implemented can be regarded as best practice in the catchment. The site shared some of these best practices in events with stakeholders.

3.9.3 *Actions towards achieving best practice, related to targets in terms of water quality shall be implemented.* Obs.

Comment: The site's actions on water quality that it presented, are mostly on prevention of pollution: at the site level, they are mostly EHS measures, and at the catchment level, they are clean up events at IWRAs and other areas. Changing of glue pot washing machines to a closed loop system can be regarded as best practice. This idea appears to be shared among Philip Morris sites.
However, the situation around a planned difficulty in meeting the current wastewater quality limits set in the agreement with the WMK, and associated negotiations on additional pre-treatment service to be provided by WMK, may appear contentious when there is an issue of poor water quality. The audit team understands information was obtained from the service provider that they can treat the site's effluent comfortably. The site should still ensure strong argumentation and evidence is available why treatment by the municipal service provider is a better option than pre-treatment on site.

3.9.4 *Actions towards achieving best practice, related to targets in terms of the site's maintenance of Important Water-Related Areas shall be implemented.* Obs.

Comment: The clean up events organised over the past year can be regarded as best practice at the initial stages of AWS implementation, not least because these initiatives were in response to the concerns expressed by, or developed in coordination with the site's stakeholders, but the site should consider how it can best target its actions on IWRAs to correspond to the threats these areas are facing.

3.9.5	*Actions towards achieving best practice related to targets in terms of WASH shall be implemented.*	Yes
Comment	There is limited scope for improving WASH provision but the site's action to provide all employees at this really large site with soda streams to encourage the use of tap water, can be noted as best practice.	

4	STEP 4: EVALUATE - Evaluate the site's performance.	
4.1	*Evaluate the site's performance in light of its actions and targets from its water stewardship plan and demonstrate its contribution to achieving water stewardship outcomes.*	
4.1.1	*Performance against targets in the site's water stewardship plan and the contribution to achieving water stewardship outcomes shall be evaluated.*	Obs.
Comment	Performance is currently evaluated per action in the site's water stewardship plan. Once the plan is re-structured, performance should be evaluated at a higher target level. For water KPI, there is also regular tracking of performance at leadership level and actions if KPI is not on track. The auditors noted that the strategic goal on water footprint reduction is formulated implying a reduction of total water use, whilst internal tracking and evaluation of performance is based on the KPI of water use per million of cigarettes, i.e. the indicator of performance is different.	
4.1.2	*Value creation resulting from the water stewardship plan shall be evaluated.*	Yes
Comment	Value creation (to the site) is noted per each action.	
4.1.3	*The shared value benefits in the catchment shall be identified and where applicable, quantified.*	Yes
Comment	Shared value creation (to the catchment) is noted per each action.	
4.2	*Evaluate the impacts of water-related emergency incidents (including extreme events), if any occurred, and determine the effectiveness of corrective and preventative measures.*	
4.2.1	*A written annual review and (where appropriate) root-cause analysis of the year's emergency incident(s) shall be prepared and the site's response to the incident(s) shall be evaluated and proposed preventative and corrective actions and mitigations against future incidents shall be identified.*	Yes
Comment	There have been no incidents like spills or similar. However, the site has had exceedances of part of its wastewater quality limits set in the agreement with the wastewater service provider. This was analysed, one possibility was building own WW pre-treatment. A study was done by Polytechnika about building WWTP in the factory - a paper study was shown to the audit team during the audit. The service provider took the initiative to sign an additional contract for sewage pre treatment. The proces is ongoing. Management review slide reflects this was discussed at leadership level.	
4.3	*Evaluate stakeholders' consultation feedback regarding the site's water stewardship performance, including the effectiveness of the site's engagement process.*	
4.3.1	*Consultation efforts with stakeholders on the site's water stewardship performance shall be identified.*	Yes
Comment	Consultation efforts with stakeholders on the site's water stewardship performance was identified. The site asked for feedback when they sent the water report to its stakeholders, using a questionnaire. The site also asked for feedback during the stakeholder meeting on June 19.	
4.4	*Evaluate and update the site's water stewardship plan, incorporating the information obtained from the evaluation process in the context of continual improvement.*	

4.4.1	*The site's water stewardship plan shall be modified and adapted to incorporate any relevant information and lessons learned from the evaluations in this step and these changes shall be identified.*	in progress
Comment	The site discussed the learnings after the audit. At the start of the year, they have a brainstorming meeting to think about what the site could do - the list from the session is attached. They had more ideas than they put into the plan. The plan is continually updated and earlier versions are not kept. Therefore the record is fuzzy. But from the overview of evidence and interviews it is clear new focus area for 2023 was water quality. Separate notes were shown about getting feedback and ideas from stakeholders.	

Finding No: TNR-007404

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.* — Yes

Comment: The water governance scheme is disclosed on site. The main team is responsible for various aspects of water-related laws and regulations, with manager having accountability.

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.* — Obs.

Comment: In August, the site sent out a report on its water management to its stakeholders. The report shows main planned actions, and their link to AWS outcomes (logo) is communicated, but no targets are communicated in this report.
In the meeting with stakeholders where best practices were shared, a bit more information was provided on planned actions but still no targets. Legal department is restricting what information can be shared.

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.* — in progress

Comment: In the report sent to stakeholders, main implemented actions are disclosed but no comparison with targets. There is some concern about the disclosure of water use performance:
- Philip Morris Poland's strategy includes a goal on 20% reduction of water footprint by 2024 compared to 2020, which in the absence of further information is likely to be read as reduction of total water use by Philip Morris Poland
- In the water report, there is a chart on water use ratio (a different metrics) and information on water savings, but no comparison with the target of 20% reduction is provided.

Finding No: TNR-007069

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.* — No

Comment: The shared water challenges were discussed at some level at a meeting with stakeholders water report but once the site clarifies the wording of the shared challenges, they should be more fully disclosed.

Finding No: TNR-007406

5.4.2 *Efforts made by the site to engage stakeholders and coordinate and support public-sector agencies shall be identified.* — Yes

Comment: There is multiple evidence of engagement with stakeholders and public sector agencies.

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 exceedances of wastewater quality limits were in relation to the limits in the contract with the wastewater service provider, which are lower than the legal limits. The average yearly concentrations were below the legal limits and were therefore not considered as a legal non-compliance. Email correspondences with the water service provider were provided to the audit team as evidence.	
5.5.2	*Necessary corrective actions taken by the site to prevent future occurrences shall be disclosed if applicable.*	Yes
Comment	The site has been liaising with the wastewater service provider on wastewater quality actions.	
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	There were no violations that may pose significant risk and threat to human or ecosystem health.	

Photographic Evidence from Audit

Yes

Primary production department.jpg

Cooling towers.jpg

Site view.jpg

Mature tree and wild meadow area on site grounds.jpg

	Previous Findings	
	All non-conformities raised in the previous audit have been satisfactorily closed.	N/A
Comment	There were no non-conformities raised during the previous surveillance audit.	