

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)



Audit Number: AO-001247

SITE DETAILS

Site: **PMI Brasil Industria e Comercio Ltda.**

Address: Victor Frederico Baumhardt, No. 505, 96.835-749, Distrito Industrial Santa Cruz do Sul, Rio Grande do Sul, BRAZIL

Contact Person: Eduardo Schmitt

AWS Reference Number: AWS-000154

Site Structure: Single Site

CERTIFICATION DETAILS

Certification status: Certified Platinum

Date of certification decision: 2024-Oct-16

Validity of certificate: 2027-Oct-15

AUDIT DETAILS

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

Audit Type(s): Re-Certification Audit

Audit Start Date: 2024-Aug-27

Lead Auditor: Carla Oberdiek

Audit team participants:

Rosane Monteiro Borges

Site Participants:

Diego Martinez, Manufacturing Director

Fernando Dias Rosa, Sustainability Manager

Luciano Coan, Supervisor Utilities Maintenance

Joana Klein, Leaf Sustainability Coordinator

Jacqueline Freitas, Technical Resp.

Mateus Guterres, Sustainability Engineer

Samuel Koch, Manager Engineering

Rochele Machado, Production Manager

Bruno Hercolin, Manager Open +

Carolini Schimunek, Leader Utilities Maintenance

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)



Audit Number: AO-001247

ADDITIONAL INFO

Summary of Audit Findings: A total of 4 findings were raised during the certification audit, zero major non-conformities, zero minor non-conformities, 4 observations.

The audit team recommends re-certification of Philip Morris Brasil at Platinum level.

Scope of Assessment: The scope of services covers the recertification audit for assessing conformity of Philip Morris Brasil - Santa Cruz do Sul (PMB) against the AWS International Water Stewardship Standard Version 2.

PMB produces cigarrets and the factory is at Santa Cruz do Sul, city located at Rio Grande do Sul State, at south Brasil. Production consists of preparing tobacco, producing cigarettes, packaging and shipping. The company has its own printing shop for cigarette packaging. Steam is used in the manufacturing process. Other uses of water are for cleaning the company and human consumption.

The facility is located in the Pardo River Cachtment.

The audit was conducted onsite on 27-30-September.2024.
The onsite site visit included the assessment of primary and secondary production, Graphics, wells, lake, water treatment plant, sewage treatment plant, reservoirs, pipeline.

SCORE

151.00

FINDINGS

NUMBER OF FINDINGS PER LEVEL	
Observation	4

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-001247

FINDING DETAILS

Finding No: TNR-013341
Checklist Item No: 1.3.2
Status: Open
Finding level: Observation
Checklist item: Site water balance, including inflows, losses, storage, and outflows shall be identified and mapped
Findings: The entry of rainwater into the ETE is not included in the water balance.

Finding No: TNR-011833
Checklist Item No: 1.3.3
Status: Open
Finding level: Observation
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: The entry of rainwater into the ETE is not included in the water balance.

Finding No: TNR-012246
Checklist Item No: 2.3.2
Status: Open
Finding level: Observation
Checklist item: A water stewardship plan shall be identified, including for each target:
- How it will be measured and monitored
- Actions to achieve and maintain (or exceed) it
- Planned timeframes to achieve it
- Financial budgets allocated for actions
- Positions of persons responsible for actions and achieving targets
- Where available, note the link between each target and the achievement of best practice to help address shared water challenges and the AWS outcomes.
Findings: the link between target and the achievement of best practice is not explicit.

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)



Audit Number: AO-001247

Finding No:	TNR-013343
Checklist Item No:	2.3.5
Status:	Open
Finding level:	Observation
Checklist item:	Advanced Indicator
	Stakeholder consensus shall be sought on the site’s water stewardship plan. Consensus should be achieved on at least one target. A list of targets that have consensus and in which stakeholders are involved shall be identified.
Findings:	A consultation with a list of targets that have consensus and in which stakeholders are involved is not identified.

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-001247

Report Details

Report	Value
Report prepared by	Carla Oberdiek
Report approved by	Ozge Gokmen
Report approved on (Date)	15/10/2024

Surveillance

Proposed date for next audit
2025-Aug-20

Stakeholder Announcements

Date of publication	Location
01/04/2024	PMI website
01/04/2024	https://a4ws.org/certification/stakeholder-announcements/
01/04/2024	https://watersas.org/stakeholder-announcements/
02/07/2024	Riovale newspaper
01/04/2024	linkedin
Comment	PMI published it on the website at the following link: https://www.pmi.com/resources/docs/default-source/brazil-market-page/an%C3%Bancio-p%C3%ABlico-para-as-partes-interessadas-2024.pdf?sfvrsn=5fcdc6c9_8
Comment	An interview was carried out with 3 stakeholders, all 3 allowed their names to be disclosed.

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-001247

Catchment Information

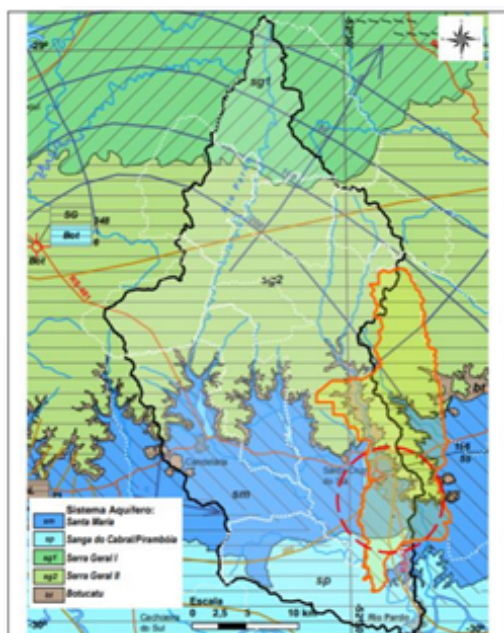
Catchment Information

PMI is located in the Pardo River Catchment. The Pardo River rises north of the municipality of Barros Cassal, about 700 meters altitude, and runs for 250 km to its mouth on the Jacuí River at 100 meters altitude. The Jacuí River flows into Lake Guaíba, which is part of the hydrographic region of the Guaíba Basin. With a drainage area of 3638 km², the Pardo river basin is divided into 13 study units.

The average annual precipitation is 1,457 mm and the total area of the basin is 3,637.91 km², the volume of renewable water resources corresponds to 5,301 million m³.

The average evapotranspiration is 821 mm per year and the annual evapotranspiration volume is approximately 2,986 million m³.

The target area does not face water scarcity.



Bacia hidrogeologica Rio Pardo.png

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-001247



Bacia do Rio Pardo.png

Client Description and Site Details

Client/Site Background

Philip Morris Brasil (PMI) is the second largest tobacco company in the country and has been offering quality products to Brazilian adult smokers for 50 years. PMI Santa Cruz do Sul is one of Philip Morris International's 50 production centers.

The portfolio includes brands such as Marlboro, L&M and Chesterfield which are produced at the factory in Santa Cruz do Sul. A team of more than 800 people works at the Santa Cruz do Sul factory. Furthermore, PMI is one of the largest buyers of tobacco in the Brazil.

The PMI factory in Santa Cruz do Sul has been certified according to the AWS standard since 2018. Water is used in the process in the form of steam, to clean facilities, cooling towers, sanitary facilities and the restaurant.



1.1.1.jpg

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-001247

Summary of Shared Water Challenges

Summary of Shared Water Challenges

The company identified the shared water challenges and prioritized these challenges. They used data from the basin committee and research carried out with Stakeholders to raise Shared water challenges. The shared water challenges are (in order of prioritization):

- 1- Training/education
- 2- Urban/rural sanitation
- 3- Land use and management
- 4- Water quality
- 5- Flooding and inundation
- 6- Degradation of riparian forests/APPs
- 7- Shortage of surface water
- 8- Water resource management/Basin plan
- 9- Groundwater vulnerability
- 10- Irrigation regulation

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 PMI Santa Cruz do Sul site sits within a single water catchment area

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 managed under a single-based 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 site's production system and water management are homogeneous.

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-001247

1 STEP 1: GATHER AND UNDERSTAND

1.1 *Gather information to define the site's physical scope for water stewardship purposes, including: its operational boundaries; the water sources from which the site draws; the locations to which the site returns its discharges; and the catchment(s) that the site affect(s) and upon which it is reliant.*

1.1.1 *The physical scope of the site shall be mapped, considering the regulatory landscape and zone of stakeholder interests, including:*

- Site boundaries;
- Water-related infrastructure, including piping network, owned or managed by the site or its parent organization;
- Any water sources providing water to the site that are owned or managed by the site or its parent organization;
- Water service provider (if applicable) and its ultimate water source;
- Discharge points and waste water service provider (if applicable) and ultimate receiving water body or bodies;
- Catchment(s) that the site affect(s) and is reliant upon for water.



Comment

- Site boundaries: Evidences: Planta baixa U2 - at10.2022.pdf; imagem de satélite.
- Water-related infrastructure, including piping network, owned by the site: Evidences: AWS PMB – 1.1.1" slides 22, 23, 24, 25, 26, 27.
- Any water sources providing water to the site that are owned by the site: doc called "AWS PMB – 1.1.1" slide 17 com a localização dos 3 poços.
- Water service provider and its ultimate water source: doc called "AWS PMB – 1.1.1" slides 15, 16, 17.
- Discharge points and waste water service provider and ultimate receiving water body or bodies: doc called "AWS PMB – 1.1.1" slides 18, 19, 20.
- Catchment that the site affect and is reliant upon for water: Area of Physical Scope: Rio Pardo Hydrographic Basin, Hydrogeological Location of the Philip Morris Brazil Unit.

Evidence
AWS PMB - 1.1.1.pdf
1.1.1.jpg
1.1.1 Introdução.zip

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.



CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-001247

Comment	<ul style="list-style-type: none"> - The mapping cover all relevant stakeholders including vulnerable, women, minority (quilombolas)(there isn't indigenous people in this region). -All this stakeholders were mapped, including stakeholders representative of the site's ultimate water source and ultimate receiving water body. - Evidence of stakeholder consultation on water-related interests and challenges: emails. - The degree of stakeholder engagement based on their level of interest and influence is identified. <p>Stakeholders and their challenges were identified in the "Partes Interessadas - Desafios" spreadsheet. The process used for identification and consultation is described in the methodology tab.</p> <p>Relevant groups were identified, including minorities and vulnerable groups.</p> <p>The physical scope was considered in identifying water source representatives.</p> <p>The standard emails sent to stakeholders (Q1 and Q2, see methodology) were included, as well as the report summarizing the responses to the stakeholder surveys.</p> <p>The degree of current and potential involvement was identified, taking into account the final source and the final receiving body of water.</p> <p>Evidence: Partes Interessadas - Desafios.xlsm Relatório Respostas PArt. Int. 2024 Q1.pdf Relatório Respostas PArt. Int. 2024 Q2.pdf Desafios Hídricos Compartilhados PMB - q2.msg Desafios Hídricos Compartilhados Q1- PMB.msg</p>	
1.2.2	<i>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.</i>	 Yes
Comment	<p>Stakeholders and their challenges were identified in the "Partes Interessadas - Desafios" spreadsheet. The process used for identification and consultation is described in the methodology tab. The degree of current and potential involvement was identified, taking into account the final source and the final receiving body of water.</p> <p>Evidence: Partes Interessadas - Desafios.xlsm (attached at 1.2.1)</p>	
1.3	<i>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.</i>	
1.3.1	<i>Existing water-related incident response plans shall be identified.</i>	 Yes
Comment	<p>The company has incident response Plans that shows the level of contingency with actions and responsibilities to act in case of a water-related incident. In addition to the contingency plan, Chemical Product Leak Prevention, simulation evaluation reports, and a report on the crisis committee that was set up to monitor the situation and actions related to the floods in Rio Grande do Sul were presented.</p> <p>Evidences: 1.3.1.zip Plano de Contingencia de Água.pdf</p>	
1.3.2	<i>Site water balance, including inflows, losses, storage, and outflows shall be identified and mapped</i>	 Obs.

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-001247

Comment	<p>The PMB water balance is carried out internally and is divided into 2 stages. First, part 1, the liquid mass, which demonstrates the water inputs and outputs and the internal flow of water at the PMB site. Part 2 demonstrates the interactions between this flow of water inputs and outputs and the input and output products. This relationship between these inputs and outputs demonstrates possible deviations and process efficiency. This balance was designed to meet PMB's demands and assist in internal analysis. In 2024, a consultant was hired to refine the method and assess possible irregularities, thus improving our system. Current deviation within acceptable levels at 1%.</p> <p>Evidence: Balanço_Hídrico_parte_1_-_Massa_Líquida.pdf; Balanço_Hídrico_parte_2_-_Massa_Líquida+_Produto.pdf</p>	
1.3.3	<p><i>Site water balance, inflows, losses, storage, and outflows, including indication of annual variance in water usage rates, shall be quantified. Where there is a water-related challenge that would be a threat to good water balance for people or environment, an indication of annual high and low variances shall be quantified.</i></p>	<p>Q Obs.</p>
Comment	<p>Attached the site's water balance according to 1.3.2 and the site's availability/flow data. Flow spreadsheets present quantification with annual variations and water use data. The maximum and minimum variations are in these documents, which are: Corsan consumption charts (municipal water); Wells DRH 1562, 507 and 508 with data from the 3 water collection wells with data on flow, time, static and dynamic levels. Effluent Flows with release and reuse data; Average monthly well abstraction volumes were also entered. These data are complementary to the water balance and are part of the site's critical analysis documentation. The difference between inflows and outflows is 1.02%.</p> <p>Obs: the entry of rainwater into the ETE is not included in the water balance.</p> <p>Evidence: Balanço_Hídrico_parte_2_-_Massa_Líquida+_Produto.pdf (graphs with annual variations (2016-2022)); 1.3.3_Disponibilidade_-_Vazão.zip.</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>	<p>✓ Yes</p>
Comment	<p>PMB quantified the water quality showing: - Environmental Measurement and Monitoring Spreadsheet with site control; - Quality Analysis Data with graphs where the checks and data control are performed.</p> <p>Evidences: - AWS_PMB_-_1.3.4.pptx (presentation with the context of water quality on the site and the link to access the water reports); 1.3.4_Dados_de_Análises_de_Qualidade.zip ; - Gráficos Qualidade Poços PMB x Premium x UTC.xlsx (Wells water analysis) - Gráficos água Superficial.xlsx (Water Course water quality report (upstream and downstream)) - Gráficos poços NE-ND PMB x Premium.xlsx (Wells water analysis) - Gráficos Qualidade efluente lançado.xlsx (treated effluent) - Medição e Monitoramento Ambiental (1).xlsx (analyzed parameters and sampling points)</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>	<p>✓ Yes</p>

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-001247

- Comment
- PMB presented potencial point of pollution:
- storage of risk products on the site
 - effluent and rainwater plan with possible contamination points.
 - list of pollution points with internal storage.
 - classified area reports and
 - NR 20 records for the context of the site's risks with potential risks,
 - list of stored quantities and mapping of the site's storage areas.

The points are also mapped in the KMZ file attached in 1.1.1.

Evidence:

1.3.5.zip containing:

- AWS PMB -1.3.5.pptx,
- PMI_2024_Memorial de classificação de áreas de risco – Ex.pdf
- PRONTUÁRIO DA INSTALAÇÃO NR20. pdf
- listagem pontos de poluição.xlsx
- Efluentes e pluvial geral U2.pdf

Philip Morris Brasil AWS G Earth.kmz (ver 1.1.1)

- 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 identified and mapped on-site Important Water-Related Areas and also on the catchment. The site analyzed their status.

IWRAs:

- Green area - Environmental preservation/PCA PMB;
- Pedras stream;
- Organic Backyard;
- Native tree planting area - reforestation;
- AAPM reservoir;

Evidences:

1.3.6.zip - contain:

- AWS PMB - 1.3.6 IWRA .pptx;
- Avaliação IWRAs PMB.xlsm.

- 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

The site identified the costs (2023) and the site has a description of social and cultural values, environmental water-related value generated by the site. The site presented:

- Incoming water cost (municipal water);
- The cost related to operation of the well;
- maintenance of wells;
- The cost of effluent treatment;
- analysis of water;
- payments to specialists that works to obtain the license of the wells;
- payment for projects related to water, (79% of total);
- stakeholder engagement and associated activities costs;
- costs with hours worked by employees in water-related actions;
- certification costs.

Evidence: Custos_de_Água_PMB.xlsx.

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






Yes

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-001247

Comment	<p>PMI identified the level of access and adequacy of WASH (sanitation, water and hygiene) through the "WASH PMB Assessment" spreadsheet.</p> <p>The information includes identification of the infrastructure present in the Hydraulic plants - U2 and WASH PMB 7 water network and guidance for employees related to hygiene.</p> <p>Evidences: 1.3.8.zip</p>	
1.4	<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>	
1.4.1	<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	<p>PMB identifies the indirect water use through a spreadsheet called "Uso Indireto de Água do Site PMB" .</p> <p>This document identifies the indirect water use of the main suppliers of primary inputs. In this identification, the primary inputs (goods acquired) that individually represent more than 5% of the site's costs were selected.</p> <p>This document also quantifies the water use in relation to the volume of inputs supplied (for suppliers who returned the survey conducted or who made data available in the CDP reports or site).</p> <p>To obtain data on the suppliers of primary inputs, PMB conducted a survey with them and prepared a report with the summary of this survey.</p> <p>For tobacco producers in the Pardo River Basin, details related to quality and level of water risk within the site's catchment are in the file "PMI Interface Local Risk Assessment RS 2022 PMB" which is attached in 1.6.2.</p> <p>Evidence:</p> <p>Relatório_Uso_Indireto_2024_-_1.4.pdf (pesquisa com fornecedores);</p> <p>Uso_Indireto_de_Água_do_Site_PMB.xlsx</p>	
1.4.2	<i>The embedded water use of outsourced services shall be identified, and where those services originate within the site's catchment, quantified.</i>	 Yes
Comment	<p>PMB identifies the indirect water use through a spreadsheet called "Uso Indireto de Água do Site PMB" .</p> <p>This document identifies the indirect water use of the main service providers of the site.</p> <p>This document also quantifies the water use in relation to the volume of inputs supplied (for suppliers who returned the survey conducted or who made data available in the CDP reports or site).</p> <p>To obtain data on the suppliers of primary inputs, PMB conducted a survey with them and prepared a report with the summary of this survey.</p> <p>Evidence (attached at 1.4.1):</p> <p>Relatório_Uso_Indireto_2024_-_1.4.pdf (pesquisa com fornecedores);</p> <p>Uso_Indireto_de_Água_do_Site_PMB.xlsx</p>	
1.4.3	<i>Advanced Indicator</i> <i>The embedded water use of primary inputs in catchment(s) of origin shall be quantified.</i>	 Yes

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-001247

Comment PMB identifies the indirect water use through a spreadsheet called "Uso Indireto de Água do Site PMB". This document quantifies the water use in relation to the volume of inputs supplied.

To obtain data on the suppliers of primary inputs, PMB conducted a survey with them and prepared a report with the summary of this survey.
This assessment took into account suppliers external to the target area covering numerous hydrographic regions (1.4.3).

For tobacco producers in the Pardo River Basin, details related to quality and level of water risk within the site's catchment are in the file "PMI Interface Local Risk Assessment RS 2022 PMB" which is attached in 1.6.2.

Evidence (at 1.4.1):
Relatório_Uso_Indireto_2024_-_1.4.pdf (pesquisa com fornecedores);
Uso_Indireto_de_Água_do_Site_PMB.xlsx

Score 7

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.* ✔
Yes

Comment PMB identified governance initiatives in the river basin and public policies related to water resource management, initiatives and actions that help PMB in decision-making. Many of these initiatives are carried out in conjunction with PMB or PMB is invited to participate due to its initiatives for good water management. Among the initiatives identified are:
- Rio Pardo River Basin Management Committee (www.comitepardo.com.br);
- Agepardo - Pro-Management Association of the Waters of the Rio Pardo River Basin;
- Legal Well Program; - Green Belt Movement;
- UNISC Socio-Environmental Center;
- Payment for Environmental Services;

Evidences: AWS_PMB_-_1.5.1.pptx

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 PMB has identified the main legal requirements related to water that the site needs to assess compliance with. PMB is certified under the ISO14001/2015 standard, which makes it necessary to constantly assess the legal requirements so that the company complies with these requirements.

In addition, external legal compliance audits are carried out annually.
The company hires a dedicated system to verify legislation at municipal, state and federal levels, which sends biweekly updates.

Evidences: AWS_PMB_-_1.5.2_Requisitos_Legais.pptx

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

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-001247

Comment PMB presented the water balance of the target area/catchment, with quantification taking into account water stress.

The average annual precipitation is 1,457 mm and the total area of the basin is 3,637.91 km², the volume of renewable water resources corresponds to 5,301 million m³.

The average evapotranspiration is 821 mm per year and the annual evapotranspiration volume is approximately 2,986 million m³.

The target area does not face water scarcity.

Evidence: 1.5.3_Balanço_Hídrico_da_Área_Alvo.xlsx

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.*


Yes

Comment PMB identified surface water quality data in the databases of the basin committee and the state of Rio Grande do Sul, as well as in other sources such as the Panorama da Qualidade das Águas Superficiais do Brasil [Overview of Surface Water Quality in Brazil].

The groundwater quality data in the target/catchment area are scarce and it was not possible to identify a database provided by the competent agencies. In view of this, PMB requested quality data from the environmental department of Santa Cruz do Sul/RS, but has not yet received a response.

In view of this fact, PMB sought water monitoring data from the catchment wells from its stakeholders (other companies) (for more details, see item 1.3.4 "Dados análise poços PMBxPremiumxUTC).

Evidence: 1.5.4.zip

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 IWRAs were identified and listed in requirement 1.3.6 in the "PMB IWAR Assessment" spreadsheet.
The fields for assessing the value and status of the IWRAs were listed, as well as the indigenous and quilombola areas (there are no indigenous people in the basin, but there is a quilombola area - the quilombolas are mapped among the stakeholders).

Evidence: AWS_PMB_-_1.5.5.pptx

1.5.6 *Existing and planned water-related infrastructure shall be identified, including condition and potential exposure to extreme events.*


Yes

Comment PMB identified the infrastructures, including Water and sewage treatment plants, dams, water intakes and wells. The conditions of the structures were also identified.

Evidence: 1.5.6_Infraestrutura Hídrica na Área Alvo.xlsx;

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


Yes

CERTIFICATION REPORT


Alliance for Water Stewardship (AWS)

Audit Number: AO-001247

Comment To understand the percentage of water and sewage service in the target area, data from the Brazilian National Sanitation Information System (SNIS) for the year 2022 (the most up-to-date to date) were used. Regarding sewage collection and treatment, most municipalities did not respond to the SNIS survey, making it impossible to make a real assessment of local rates.
The municipality of Santa Cruz do Sul has a sewage treatment rate of 92% and has a water service rate of 88%.

The mapped information can be found in the document "Philip Morris Brasil AWS G Earth.kmz" inserted in requirement 1.1.1 in WASH

Evidence: AWS_PMB_-_1.5.7.pptx

1.5.8 *Advanced Indicator* 
Yes
Efforts by the site to support and undertake catchment level water-related data collection shall be identified.

Comment PMI shows the efforts to support data collection. Water data are mainly collected by projects that PMB is implementing with stakeholders, namely:

- Water Protector: water collection and analysis, monitoring water classification (Email with water analysis results attached in "PROTETOR DAS ÁGUAS. Planilhas qualidade da água.msg").
- Auéra Project: Water analysis on rural properties and environmental indexes (an example report is attached in "AUERA. Sustainability Analysis (owner outside the basin "Elizeu S Hartleben.pdf").
- Analyses were carried out in the Taquari Antas River basin in the fluoride filtration system project (another basin).
- Water quality analyses of the Arroio das Pedras and rainwater discharged there (within the site).
- And finally, groundwater analyses together with stakeholders (within the basin).

Must do the following(s) to obtain 4 points: Develop a scheme of collecting catchment level data together with actual data collected: see above.

In addition, to obtain additional points:


- Two or more types of external water-related data are collected; (+1) : Analysis of more than 1 parameter was performed: BOD, Phosphorus, Nitrate, Oxygen, pH, total solids.
- At least one type of data are collected with certified methods or by licensed testing institutions; (+1): report of an analysis carried by a licensed Labor: 1.5.8 relatorio_01.09_1 standard de análise de água.pdf

Sharing the data with stakeholders; (+1): PMI shared with the City of Vera Cruz, University of Santa Cruz, ANA, FULBRA, EMATER.

Evidence:

AWS PMB - Análises de água.pptx
PROTETOR DAS ÁGUAS. Planilhas qualidade da água.msg
Sustainability Analysis: Case Study Intervention and Monitoring Stage: Elizeu Schwanke Hartleben Property Pelotas-RS

Score 7

1.5.9 *Advanced Indicator* 
Yes
The adequacy of WASH provision within the catchments of origin of primary inputs shall be identified.

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-001247

Comment PMB identifies the adequacy of WASH from main suppliers at the spreadsheet called "Uso Indireto de Água do Site PMB" (columns M, N and O with information on WASH.) .

To obtain data on the suppliers of primary inputs, PMB conducted a survey with them and prepared a report with the summary of this survey.

For tobacco producers in the Pardo River Basin, details related to quality and level of water risk within the site's catchment are in the file "PMI Interface Local Risk Assessment RS 2022 PMB" which is attached in 1.6.2.

Evidence:

Relatório_Uso_Indireto_2024_-_1.4.pdf (pesquisa com fornecedores);
Uso_Indireto_de_Água_do_Site_PMB.xlsx (attached at item 1.4.1)

Score 4

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.*



Yes

Comment The company identified the shared water challenges and prioritized this challenges.They used data from the basin committee and research carried out with Stakeholders to raise Shared water challenges. The shared water challenges are (in order of prioritization):

- 1-Training/education
- 2- Urban/rural sanitation
- 3- Land use and management
- 4- Water quality
- 5- Flooding and inundation
- 6- Degradation of riparian forests/APPs
- 7- Shortage of surface water
- 8- Water resource management/Basin plan
- 9- Groundwater vulnerability
- 10- Irrigation regulation

Evidences:

1.6.1 - 1.6.2 Desafios Compartilhados, Iniciativas e Stakeholders.xlsx
1.6.1_-_1.6.2.zip (data)

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



Yes

Comment The challenges were identified using extensive documentation that includes the local characteristics of the target area. These include the basin plan, the report on stage A of the basin plan and the report on stage C, all from the Rio Pardo Basin Committee. PMI also used the "PMI Interface Local Risk Assessment RS 2022 PMB" as a basis, which provides a challenge assessment approach for Philip Morris International affiliates, reinforcing the analysis of the main challenges in the target area.

The "Desafios Compartilhados, iniciativas e Stakeholders" document demonstrates the list of challenges identified, the results of the prioritization based on the stakeholder survey, the PMB initiatives in relation to these challenges and the role of the stakeholders.

The site identified 20 initiatives to address shared water challenges.

Evidences: 1.6.1 - 1.6.2 Desafios Compartilhados, Iniciativas e Stakeholders.xlsx (attached at 1.6.1)

1.6.3 *Advanced Indicator
Future water issues shall be identified, including anticipated impacts and trends*








Yes

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-001247

Comment	PMI conducted a survey with stakeholders to gather what they identify as future water issues. Regarding impacts related to population, the future trend is a decrease in the birth rate in southern Brazil, which would not be a factor that would impact future water-related issues. In indicator 2.4.2, there are issues related to climate change where the intensity and frequency of extreme precipitation and pluvial flooding are projected to increase at a global warming level of 2°C or more.	
Score	Evidence: AWS_PMB_-_1.6.3.pptx 3	
1.6.4	<i>Advanced Indicator</i> <i>Potential water-related social impacts from the site shall be identified, resulting in a social impact assessment with a particular focus on water.</i>	 Yes
Comment	PMI analyzed the potential social impacts arising from its water-related activities. In a table, it described the associated positive and negative impacts, the stakeholders impacted and the mitigation of negative impacts, among other information.	
Score	Evidence: 1.6.4_Avaliação_de_Impacto_Social (1).xlsx 4	
1.7	<i>Understand the site's water risks and opportunities: Assess and prioritize the water risks and opportunities affecting the site based upon the status of the site, existing risk management plans and/or the issues and future risk trends identified in 1.6.</i>	
1.7.1	<i>Water risks faced by the site shall be identified, and prioritized, including likelihood and severity of impact within a given timeframe, potential costs and business impact.</i>	 Yes
Comment	The site Water identified the risks faced by the site. The risks identified was prioritized including likelihood and severity of impact within a given timeframe, and the risks had their impacts on the business identified. Obs.: Potential costs have not been identified.	
	Evidences: Riscos_e_Oportunidades_de_Água_PMB.xlsm	
1.7.2	<i>Water-related opportunities shall be identified, including how the site may participate, assessment and prioritization of potential savings, and business opportunities.</i>	 Yes
Comment	Water-related opportunities were identified by the site, including how the site may participate, prioritization and business opportunities. Potential cost savings or investments are identified.	
	Evidence: Riscos_e_Oportunidades_de_Água_PMB.xlsm (attached at 1.7.1)	
1.8	<i>Understand best practice towards achieving AWS outcomes: Determining sectoral best practices having a local/catchment, regional, or national relevance.</i>	
1.8.1	<i>Relevant catchment best practice for water governance shall be identified.</i>	 Yes
Comment	The site identified relevant catchment best practice for water governance. Good practices relevant to the 5 AWS Outcomes were listed in the document "PMB Water Good Practices"	
	Evidence: "Boas Práticas de Água PMB.xlsx"	
1.8.2	<i>Relevant sector and/or catchment best practice for water balance (either through water efficiency or less total water use) shall be identified.</i>	 Yes

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-001247

Comment	The company identified the best practices for water balance through participation in the basin committee meeting where it has access to periodic technical reports for critical issues raised in committee meetings.	
	Evidence (attached at 1.8.1): "Boas Práticas de Água PMB.xlsx"	
1.8.3	<i>Relevant sector and/or catchment best practice for water quality shall be identified, including rationale for data source.</i>	 Yes
Comment	PMI identified the following best practices related to water quality: <ul style="list-style-type: none"> - Pardinho River restoration project - Responsible Leaf (socio-environmental diagnosis of tobacco-producing properties) - Water Protector - Monitoring of water quality for producers (Auéra) - CPR Verde - Voluntary monitoring of rainwater and the AAPM dam on the site - Monitoring of groundwater quality with interested parties 	
	Evidence (attached at 1.8.1): "Boas Práticas de Água PMB.xlsx"	
1.8.4	<i>Relevant catchment best practice for site maintenance of Important Water-Related Areas shall be identified.</i>	 Yes
Comment	PMI identified the following best practices related to IWRA: <ul style="list-style-type: none"> - Installation of signs in the internal IWRAs - Cleaning of the IWRA Gruta dos Índios stream - CPR Verde - Biodiversity monitoring (Water Producer) - Water Protector - Responsible Leaf (socio-environmental diagnosis of tobacco producing properties) - Restoration project of the Pardinho River 	
	Evidence (attached at 1.8.1): "Boas Práticas de Água PMB.xlsx"	
1.8.5	<i>Relevant sector and/or catchment best practice for site provision of equitable and adequate WASH services shall be identified.</i>	 Yes
Comment	PMI identified the following best practices related to WASH: <ul style="list-style-type: none"> - Monitoring of water quality of producers (Auéra) - Filtration system to remove fluoride from water in schools - Elimination of landfill waste disposal 	
	Evidence (attached at 1.8.1): "Boas Práticas de Água PMB.xlsx"	

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-001247

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	<p>A signed and publicly disclosed site statement OR organizational document shall be identified. The statement or document shall include the following commitments:</p> <ul style="list-style-type: none"> - That the site will implement and disclose progress on water stewardship program(s) to achieve improvements in AWS water stewardship outcomes - That the site implementation will be aligned to and in support of existing catchment sustainability plans - That the site's stakeholders will be engaged in an open and transparent way - That the site will allocate resources to implement the Standard.
Comment	<p>The site has a public document aligned with the five outcomes of AWS. This document is signed by Diego Martinez, diretor de manufatura e Roberto Schloesser, Diretor de LEAF.</p> <p>Evidences: PMB_Compromisso_de_água_2.1.1.pdf</p>
2.1.2	<p>Advanced Indicator</p> <p>A statement that explicitly covers all requirements set out in Indicator 2.1.1 and is signed by the organization's senior-most executive or governance body and publicly disclosed shall be identified.</p>
Comment	<p>PMI presented PMB's water commitment, which includes reporting and progress on AWS water management, support for basin plans, engagement with stakeholders, and the resources needed to implement the standard.</p> <p>This commitment is signed by the directors of PMB's two main business areas, namely the manufacturing director for factory operations and the Leaf director for field operations with farmers.</p> <p>This commitment is available in the annual water performance report published on PMB's website, see: https://www.pmi.com/markets/brazil/pt/about-us/overview</p>
Score	<p>Evidence (attached at 2.1.1): PMB_Compromisso_de_água_2.1.1.pdf</p> <p>1</p>
2.2	Develop and document a process to achieve and maintain legal and regulatory compliance.
2.2.1	<p>The system to maintain compliance obligations for water and wastewater management shall be identified, including:</p> <ul style="list-style-type: none"> - Identification of responsible persons/positions within facility organizational structure - Process for submissions to regulatory agencies.
Comment	<p>The site identified the responsible persons/positions within facility organizational structure and the Process for submissions to regulatory agencies. The process to achieve and maintain legal and regulatory compliance is managed through the CAL platform.</p> <p>Evidence: AWS_PMB_-_2.2.1_Requisitos_Legais_e_Responsáveis.pptx</p>

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-001247

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	<p>The site identified goals of the organization towards good water stewardship in line with this AWS Standard. The mission and vision regarding sustainable water management is contained within the text of the strategy.</p> <p>Evidence: "AWS PMB - Partial 2.3.1.pptx" "Estratégia de água PMB v1.pdf"</p>	
2.3.2	<i>A water stewardship plan shall be identified, including for each target:</i> <ul style="list-style-type: none"> - How it will be measured and monitored - Actions to achieve and maintain (or exceed) it - Planned timeframes to achieve it - Financial budgets allocated for actions - Positions of persons responsible for actions and achieving targets - Where available, note the link between each target and the achievement of best practice to help address shared water challenges and the AWS outcomes. 	Obs.
Comment	<p>The site has a water stewardship plan that included for each target:</p> <ul style="list-style-type: none"> - How it will be measured and monitored. - Actions to achieve and maintain (or exceed) it. - Planned timeframes to achieve it. - Financial budgets allocated for actions. - Positions of persons responsible for actions and achieving targets. <p>Observation: the link between target and the achievement of best practice is not explicit.</p> <p>Evidences: Water Stewardship Plan 2024 PMB.xlsx</p>	
2.3.3	<i>Advanced Indicator</i> <i>The site's partnership/water stewardship activities with other sites within the same catchment (which may or may not be under the same organisational ownership) shall be identified and described.</i>	Yes
Comment	<p>The site's partnership/water stewardship activities with other organizations within the Pardo river catchment is identified and described:</p> <p>Agepardo: partnership with Agepardo and Comite Pardo , Water protector: partnership with CEBDS NBS of the Pardo River: partnership with the Vera Cruz City Hall, UNISC, Pardo Committee, Rural Farmers, Salix Engenharia Natural, AFUBRA, EMATER, ANA - National Agency for Water and Basic Sanitation; Auéra Project: partnership with EMBRAPA and Rural Farmers; Pesticide Packaging Receipt Program: partnership with EMBRAPA and Rural Farmers;</p> <p>Evidence: AWS_PMB_-_2.3.3+_2.3.4.pptx</p>	
Score	4	
2.3.4	<i>Advanced Indicator</i> <i>The site's partnership/water stewardship activities with other sites in another catchment(s) (either under same corporate structure or with another corporate site) shall be identified.</i>	Yes

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-001247

Comment The site's partnership/water stewardship activities with other sites in another catchment(s) (either under same corporate structure or with another corporate site) shall be identified

Partnership outside the basin:

Filtration System in schools in Venâncio Aires: municipality of Venancio Aires, SENAI;
CEBDS: Brazilian Business Council for Sustainable Development
Packaging Receipt Program: partnership with EMBRAPA and Rural Farmers;
Auéra Project: partnership with EMBRAPA and Rural Farmers;

Evidence (attached at 2.3.3): AWS_PMB_-_2.3.3+_2.3.4.pptx

Score 4

2.3.5 Advanced Indicator

Stakeholder consensus shall be sought on the site's water stewardship plan. Consensus should be achieved on at least one target. A list of targets that have consensus and in which stakeholders are involved shall be identified.

 Obs.

Comment PMI demonstrated its engagement with relevant stakeholders and the communication of actions aimed at sustainable water management in the context of the river basin. There was a consensus that the website contributes positively to good water governance in the catchment area.

Philip Morris seeks to communicate with its stakeholders in a clear and objective manner, given their broad profiles. For this reason, PMI chose not to communicate the WSP (Water Sustainable Management Plan) in its full format, as it is complex and may not be understood by everyone. PMI communicated its objectives through the Water Performance Report, thus providing clear and objective communication.
In this report, they communicated the water strategy, which contains the PMB objectives.

Evidence:
Relatório Respostas PArt. Int. 2024 Q1.pdf
Relatório Respostas PArt. Int. 2024 Q2.pdf
"AWS PMB - Partial 2.3.5.pptx"
"AWS PMB - 2.3.5 - 3.1.4 - 4.3.1.pptx"

Score 7

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.

 Yes

Comment The company has a plan to mitigate or adapt to identified water risks, where, for each of the challenges, the proposed actions, the people responsible and the deadlines for completion, status and costs are described.


The actions to act on risks that are classified as Very high priority are within the WSP. PMI also presented PMB's water contingency plan aimed at adapting to water risks identified in the region of the site and other documents.

Evidence:
Riscos_e_Oportunidades_de_Água_PMB.xlsm
Plano de Contingencia de Água.pdf
Water_Stewardship_Plan_2024_PMB.xlsx (attached at 2.3.2)

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-001247

2.4.2	<i>Advanced Indicator</i> <i>A plan to mitigate or adapt to water risks associated with climate change projections developed in co-ordination with relevant public-sector and infrastructure agencies shall be identified.</i>	 Yes
Comment	PMI made available a presentation with projections of climate changes that could occur in the target area and their consequences. The site is certified Carbon Neutral and already has initiatives that contribute to increasing water and climate resilience such as the Water Protector, the Natural Water Reserve, NBS Rio Pardinho, among others. The water protection project was planned in conjunction with the City of Vera Cruz, UNISC and the Pardo River Committee. The NBS Riopardinho project was planned in conjunction with AGEPARDO, Pardo Committee and UNISC.	
	Evidence: AWS PMB - Análise de mudanças climáticas.pptx	
Score	6	

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)




Audit Number: AO-001247

3 STEP 3: IMPLEMENT - Implement the site's stewardship plan and improve impacts
<p>3.1 <i>Implement plan to participate positively in catchment governance.</i></p>
<p>3.1.1 <i>Evidence that the site has supported good catchment governance shall be identified.</i> ✔ Yes</p>
<p>Comment Evidence supporting water governance was included in some documents listed below:</p> <ul style="list-style-type: none"> - Document "AWS PMB 3.1.1 Relações com Governos.pptx" demonstrates how PMB has been participating together with municipal, state and federal bodies in sustainable water management actions. - Document "AWS PMB - Projetos vs Outcomes.pptx" aims to relate PMB projects and initiatives with AWS outcomes. Many projects are related to more than one outcome and this way we will distribute them within the requirements of step 3 according to this presentation. - "Projetos de Governança" folder presents evidence of governance projects according to the Projects vs Outcomes presentation. <p>Good governance actions:</p> <ul style="list-style-type: none"> - Pardo and Agepardo Committee: participation in meetings - CEBDS: annual fee payment and participation in meetings of the Water, Biodiversity, Carbon and Regenerative Agriculture Committee. - Auera: project to develop a conceptual model of sustainable tobacco-producing properties in Southern Brazil (done with EMBRAPA); - Collection of pesticide packaging: PMI provides technical guidance for the application of pesticides and the correct disposal of packaging, PMI pays an annual fee to Sinditabaco to collect packaging on properties. - Instituto Crescer Legal: action by companies associated with Sinditabaco with scholarships for young people. - Escola Família Agrícola: Financial contribution to the development of activities in these agricultural schools that encourage agroecology. - Sustainable School: partnership with FUPASC for environmental education in schools in the municipality of Santa Cruz do Sul, with financial and technical support. <p>Evidences: AWS PMB - Projetos vs Outcomes.pptx AWS PMB 3.1.1 Relações com Governos.pptx 3.1.1.zip (contais folder "Projetos de Governança")</p>
<p>3.1.2 <i>Measures identified to respect the water rights of others including Indigenous peoples, that are not part of 3.2 shall be implemented.</i> ✔ Yes</p>
<p>Comment Legislation related to water in the region contemplates and ensures the rights of all people, as well as minority groups such as indigenous peoples and quilombolas. Therefore, the evidence demonstrated in indicator 3.2.2 proves that PMB respects the right of access to water of all local people (including the Quilombo Rincão dos Negros community identified as an interested party).</p> <p>Evidences: AWS PMB - 3.1.2.pptx</p>
<p>3.1.3 <i>Advanced Indicator Evidence of improvements in water governance capacity from a site-selected baseline date shall be identified.</i> ✔ Yes</p>

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-001247

Comment	PMI demonstrated improved water governance capacity, comparing with the last year (2023), through new hires to the field team and the hiring of consultants to support and enhance sustainable water management (addition of 2 coordinators and 1 analyst) . Attached emails of new field team hires (governance of Leaf projects with farmers and relevant stakeholders).	
Score	Evidence: AWS PMB - 3.1.pptx 2	
3.1.4	<i>Advanced Indicator</i> <i>Evidence from a representative range of stakeholders showing consensus that the site is seen as positively contributing to the good water governance of the catchment shall be identified.</i>	 Yes
Comment	PMI presented support actions for good water governance in the catchment area, including sponsorship and participation in Hacka'dágua 2023 held at UNISC. He also presented research reports with interested parties taking into account their interests. Evidence: AWS_PMB_-_2.3.5_-_3.1.4_-_4.3.1.pptx Relatório Respostas PArt. Int. 2024 Q1.pdf Relatório Respostas PArt. Int. 2024 Q2.pdf	
Score	2	
3.2	<i>Implement system to comply with water-related legal and regulatory requirements and respect water rights.</i>	
3.2.1	<i>A process to verify full legal and regulatory compliance shall be implemented.</i>	 Yes
Comment	All control of compliance with applicable legislation is carried out through legal requirements management software. PMB currently uses the CAL 4.0 software, provided by the company IUS Natura. A Legal Compliance Check is carried out annually by the IUS Natura team. The Philip Morris Plant has an environmental license for operation issued by FEPAM number 05781/2020. And it is valid on 01/16/2025. In addition, it has 3 current grants issued by DRHS/SEMA: Weel AAPM – 001241-2023 Weel Cast Leaf – 001934-2023 Weel C1/Gráfica – 001942-2023 Evidences: AWS_PMB_-_1.5.2_e_3.2.1_Requisitos_Legais.pptx "Relatório de Requisitos Legais - VCL_137-23 Philip Morris.pdf" "ANEXO IV - Area esponsavel antes VCL 2023 RequisitoDeCalPdf.pdf" "ANEXO V - Area esponsavel depois VCL 2023 RequisitoDeCalPdf.pdf"	
3.2.2	<i>Where water rights are part of legal and regulatory requirements, measures identified to respect the water rights of others including Indigenous peoples, shall be implemented.</i>	 Yes

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-001247

Comment Compliance with legal requirements is presented in requirement 1.5.2 and there is no evidence of a violation of rights related to access to water. Attached the quality and flow analysis data with the checks carried out by the site to monitor these requirements and analyzes carried out voluntarily.

It has 3 current grants issued by DRHS/SEMA:
weel AAPM – 001241-2023
weel Cast Leaf – 001934-2023
weel C1/Gráfica – 001942-2023

Evidence:
"Gráficos Qualidade Poços PMB x Premium x UTC.xlsx"
"Gráficos água Superficial.xlsx"
"Gráficos poços NE-ND PMB x Premium.xlsx"
"Volumes mensais médios Captação Poços PMB.xlsx"
"Gráficos consumo CORSAN.xlsx"
Gráficos Qualidade efluente lançado.xlsx
"Poço DRH 507 - Vazões, Tempo, NE, ND.xlsm"
"Poço DRH 508 - Vazão, Tempo, NE, ND.xlsm"
"Poço DRH 1562 - Vazão, Tempo, NE, ND.xlsm"
"Vazões Efluente - Lançado e Reuso gráficos rev1.xlsx"

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 Within the Water_Stewardship_Plan_2024_PMB there is Objective 3. Reduce and/or optimize water use at factory level with the aim of generating a positive impact for the water user community and the environment. The action for this objective is as follows: "Review the factory's water balance model, adjusting the calculations according to the IFMS meters and review the input and output relationships with the help of a consultant specialized in water balance and mass balance, identifying possible losses".

Results in 2024:

- Q2: Document reviewed by the consultant and defined with the utilities team. BH finalized in Q2 with 2023 data.
- Lessons learned: Identified gaps in the previous model and opportunities in the utilities database that understood the improvements and committed to making them.

Evidence supporting sustainable water balance was included in each of the projects listed for this outcome. Attached in 3.3. The document "AWS PMB - Projects vs Outcomes.pptx" aims to relate PMB projects and initiatives with AWS outcomes. Many projects are related to more than one outcome.

And implementation of projects:

- Automatic cleaning of Schillers
- Adiabatic humidification: compared to the previous system, a 7% reduction in water demand from the biomass boiler.
- Installation of Venturi steam traps: 35-40% reduction in water waste in the condensate/steam system.
- Organic Backyards: project with EMBRAPA that contains management that optimizes water infiltration into the soil and the use of plants that are more resistant to droughts.

Evidence:

Water_Stewardship_Plan_2024_PMB.xlsx
3.3.1_-_3.3.2.zip

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-001247

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 Within the Water_Stewardship_Plan_2024_PMB there is Objective 3. Reduce and/or optimize water use at factory level with the aim of generating a positive impact for the water user community and the environment. The action towards this objective is as follows: "Achieve the water use indicator in cubic meters per million cigarettes produced (m³/m³/m³ Cig). The RF target for 2024 is 1.98 m³/m³/m³ Cig." Results in 2024:
-Q1: January was left out of the indicator due to low production volume. February slightly above expectations.
-Q2: June slightly above expectations. Indicator still within target.

Evidence:
Water_Stewardship_Plan_2024_PMB.xlsx
3.3.1_-_3.3.2.zip (attached at 3.3.1)

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 There is no Legally-binding requirement for PMB to re-allocate water to social, cultural or environmental needs.

Philip Morris supported the community by supplying industrial water (wells) to clean homes affected by the water. There were around 17 thousand liter IBCs, around 17 cubic meters of water. For more PMB initiatives related to flooding, check requirement 1.3.1.

Evidence: AWS_PMB_-_3.3.3_e_3.3.4.pptx

3.3.4 *Advanced Indicator
The total volume of water voluntarily re-allocated (from site water savings) for social, cultural and environmental needs shall be quantified.* ✔
Yes

Comment Philip Morris supported the community by supplying industrial water (wells) to clean homes affected by the water.
There were around 17 thousand liter IBCs, around 17 cubic meters of water. This volume of water is consistent with the volumes of water saved by the installation of projects such as Adiabatic humidification and Installation of Venturi steam traps.

For more PMB initiatives related to flooding, check requirement 1.3.1.

Evidence: AWS_PMB_-_3.3.3_e_3.3.4.pptx (attached at 3.3.3)

Score 6

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 Target: Maintain or improve water quality parameters for wells, effluents and drinking water.
Results in 2024:
Q1 and Q2: Data collected within normal limits. Quality indicators within expected parameters. Water Protector Project, meets the objective.

Evidence:
Water_Stewardship_Plan_2024_PMB.xlsx
1.3.4_Dados_de_Análises_de_Qualidade.zip (Wells water analysis; efluente tratado; Water Course water quality report (upstream and downstream).
3.4 (1).zip (contain Water Protector Project)

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-001247


3.4.2	<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	<p>Water quality is a shared water challenge at the site's catchment.</p> <p>Objective within the WSP: 6. Ensure, beyond legal limits, the ideal quality of factory water, especially for effluent discharges and joint actions to achieve WASH standards in the communities in which they operate.</p> <p>Results in 2024:</p> <p>Q1: Water collection in the reservoir carried out. Results do not demonstrate risks of contamination.</p> <p>Q2: Water collection in Arroio das Pedras at the effluent release point carried out. Dam collection carried out. Results do not demonstrate risks of contamination.</p> <p>Evidence:</p> <p>Water_Stewardship_Plan_2024_PMB.xlsx</p> <p>1.3.4_Dados_de_Análises_de_Qualidade.zip (Wells water analysis; efluente tratado; Water Course water quality report (upstream and downstream)).</p>	
3.5	<i>Implement plan to maintain or improve the site's and/or catchment's Important Water-Related Areas.</i>	
3.5.1	<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	<p>Goal in Water_Stewardship_Plan_2024_PMB: Maintain or increase the area of payment for environmental services. Action: Maintain projects for payment for environmental services in IWRAs within the watershed (Water Protector, Green CPR)</p> <p>Results 2024:</p> <p>Q1: Projects maintained and monitored by the Leaf team. No changes.</p> <p>Q2: Projects maintained and monitored by the Leaf team. No changes. Flood impact report related to the Water Protector carried out.</p> <p>Evidence of practices/projects/initiatives in important water-related areas (IWRA) was included in this requirement to demonstrate evidence for 3 projects.</p> <p>In addition to these projects, PMI also works to ensure the quality of rainwater in Arroio das Pedras at the discharge point and at the AAPM reservoir. The analyses were carried out and the action was completed in the WSP. The parameters were analyzed and the results compared with CONAMA 357 for class 2 and it was demonstrated that they are meeting this legal requirement. Data on water quality are listed in item 1.3.4.</p> <p>Evidence:</p> <p>Water Stewardship Plan 2024 PMB (1).xlsx</p> <p>- 3.5 zip with reports of the following projects:</p> <ul style="list-style-type: none"> - projeto CPR Verde (PSA). - NBS Restauração Rio Pardinho - Reserva Natural das Águas PR 	
3.5.2	<i>Advanced Indicator Evidence of completed restoration of non-functioning or severely degraded Important Water-Related Areas including where appropriate cultural values from a site-selected baseline date shall be identified. Restored areas may be outside of the site, but within the catchment.</i>	 Yes
Comment	<p>To demonstrate the complete restoration of IWRA, documentation from the Water Protection Project was included, which identifies the excellent results in the restoration of riparian forest areas, springs and slopes of the Andréas stream.</p> <p>Evidence:</p> <p>3.5.2_Evidências_Protetor_das_Águas.zip</p>	

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-001247

Score 6

3.5.3 *Advanced Indicator*
Evidence from a representative range of stakeholders showing consensus that the site is seen as positively contributing to the healthy status of Important Water-Related Areas in the catchment shall be identified.  Yes


Comment PMB sought feedback from interested parties regarding PMB's initiatives and consequently on its actions with IWRAs. Also evidenced actions and Projects with the participation and consensus of those interested in the Projects.

The Water Protector project has been highly praised by the interviewed stakeholders because to the contribution to the healthy status of Important Water-Related Areas.

Evidence:
AWS_PMB_-_3.5.3.pptx

Score 2

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 Actions related to adequate access to WASH are included in the Water_Stewardship_Plan_2024_PMB, Objective: 6. Ensure, beyond legal limits, the ideal quality of water from the factory, especially for effluent discharges and joint actions to achieve WASH standards in the communities where PMI operates.

Results in 2024:

Q1: Water collection from the reservoir carried out. Results do not demonstrate risks of contamination.

Q2: Water collection from the Arroio das Pedras at the effluent discharge point carried out. Collection from the reservoir carried out. Results do not demonstrate risks of contamination.


Regarding compliance with legal requirements, PMB complies with NR24 regarding the minimum number of bathrooms and showers (evidence is in item 1.3.8).

Evidence supporting access to water, sanitation and hygiene (WASH) was included in item 3.6. The document "AWS PMB - Projects vs Outcomes.pptx" aims to relate PMB projects and initiatives with AWS outcomes. Many projects are related to more than one outcome and in this presentation they are distributed within the requirements of step 3.

Evidence:

Water_Stewardship_Plan_2024_PMB.xlsx (attached at 2.3.1)

AWS PMB - Projects vs Outcomes.pptx (attached at 3.6)

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

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-001247

Comment The PMB presented water quality and flow analysis data demonstrating the critical analysis of the data and thus not affecting the rights of access to water and WASH relations. The delimited target area does not have areas with settlements of indigenous peoples, but it does have a Quilombola area that was mapped and the rights of access and WASH are not affected by the PMB.

Evidences (attached at 3.2.2):
 "Gráficos Qualidade Poços PMB x Premium x UTC.xlsx"
 "Gráficos água Superficial.xlsx"
 "Gráficos poços NE-ND PMB x Premium.xlsx"
 "Volumes mensais médios Captação Poços PMB.xlsx"
 "Gráficos consumo CORSAN.xlsx"
 "Poço DRH 507 - Vazões, Tempo, NE, ND.xlsm"
 "Poço DRH 508 - Vazão, Tempo, NE, ND.xlsm"
 "Poço DRH 1562 - Vazão, Tempo, NE, ND.xlsm"
 "Vazões Efluente - Lançado e Reuso gráficos rev1.xlsx"

3.6.3 Advanced Indicator

A list of actions taken to support the provision to stakeholders in the catchment of access to safe drinking water, adequate sanitation and hygiene awareness shall be identified.



Yes

Comment The PMB carries out annual monitoring of all producers in the base, with the aim of identifying the number of cases with difficulty in accessing water. For this process, two main points are assessed:

- The type of water source used on the property for human consumption.
- The distance the producer travels to access this water.

Following the PMI guidelines, what is expected to be considered adequate?

- It must be from an improved source, such as: Piped, municipal, borehole/tube well, protected well/spring, bottled water.
- It must be a maximum distance of 30 minutes (round trip), or a maximum of 1 km (one way).

Results of the 2023 Harvest:

- 96% of the producer base has access according to the points verified.

As a point of opportunity for the remaining 4%, there is the need to improve the water source used.

Evidence:
 AWS PMB - 3.6.3 Wash (information on PMB's WASH-related actions)
 Responsible leaf informações.pptx (at 3.6.zip attached at 3.6)

Score 5

3.6.4 Advanced Indicator:

In catchments where WASH has been identified as a shared water challenge, evidence of efforts taken with relevant public-sector agencies to share information and to advocate for change to address access to safe drinking water and sanitation shall be identified.




Yes

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)




Audit Number: AO-001247

Comment	<p>This indicator refers to efforts in the basin where the PMI is located. WASH was identified as a shared challenge (urban/rural sanitation). Initiative(s) related to the Challenge:</p> <p>A) Educational video shared with farmers by field technicians on issues related to WASH (water, basic sanitation and hygiene) on the farm.</p> <p>B) Water for human consumption: 1. Water consumption from an improved source (protected springs and wells, bottled water from an improved source) 2. Adequate distance and time (30km or 1 hour, on foot, round trip and including queue) 3. Sufficient quantity throughout the year (at least 20l of water per day for different uses)</p> <p>C) Basic sanitation: Bathrooms with improved facilities, 100% available 60m from the residence or 15m from the workplace (round trip considering possible queues for use).</p> <p>D) Hygiene: Washing facilities close to the bathrooms, 100% available for use, and with access to soap or other cleaning product for washing hands.</p> <p>The projects listed below have actions with WASH:</p> <p>Sustainable School – Guidelines on water use, waste and hygiene; Family Farming School – Guidelines on water use and hygiene; Auéra – WASH assessment on rural properties; Responsible Leaf – Action plan for improving WASH among rural producers; Water Protector – Care for springs and water sources; Pesticide packaging collection program – Management and collection of packaging with potential to pollute water and water sources.</p> <p>Evidence: AWS PMB - 3.6.4.pptx 3.5.zip (attached at 3.5 step) Responsible leaf informações.pptx (at 3.6.zip attached at 3.6)</p>		
Score	4		
3.7	<i>Implement plan to maintain or improve indirect water use within the catchment:</i>		
3.7.1	<i>Evidence that indirect water use targets set in the water stewardship plan, as applicable, have been met shall be quantified.</i>		Yes
Comment	<p>WSP Goal: Execute the indirect use form for primary inputs annually Result in Q2 2024: Suppliers and service providers defined. Survey with primary input suppliers sent. Data collection completed. PMB's indirect water use information was collected and the main suppliers listed in requirement 1.4. PMB conducted a survey with the main primary input suppliers as per the "Indirect Use Report 2024" attached with the data collected, as well as the quantification of the requested data. Attached email requesting support from the AWS global team to facilitate and improve the collection of primary input data. Attached template of the form used in the survey in "Alliance for Water Stewardship - Stakeholder Survey Indirect Use WaterMODELO".</p> <p>Evidence: 3.7.1.zip</p>		

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-001247

3.7.2	<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	<p>PMB demonstrated its main initiatives with the main website providers (FUPASC, SULPEL and AO PONTO). Their emails and monitoring information were also presented.</p> <p>Evidence:</p> <ul style="list-style-type: none"> - AWS PMB – 3.7.2.pptx - Ao Ponto monitoramento.png - Uso Indireto de Água - Indicadores de água Ao Ponto.msg (email to AoPonto about water consumption monitoring indicator and adoption of an annual 2% reduction in cafeteria consumption) - Matriz ACD FUPASC referente aos meses de Jan-Fev-Mar e Abril de 2024.msg - Uso Indireto de Água - Indicadores de água FUPASC.msg - Indicador água Sulpel.jfif - Uso Indireto de Água - Indicadores de água Sulpel.msg 	
3.7.3	<i>Advanced Indicator Actions taken to address water related risks and challenges related to indirect water use outside the catchment shall be documented and evaluated.</i>	 Yes
Comment	<p>Must do the following to obtain 5 points: A list of the site's actions taken with supporting evidence.</p> <p>PMB presented examples of initiatives with suppliers to mitigate water risks outside the catchment area. Initiatives:</p> <ul style="list-style-type: none"> - Irrigation of Santa Colomba Farm, - Packaging Receipt Program for farmers (Tobacco Suppliers), - Monitoring of initiatives and actions aimed at water management in Argentina – Merlo and - Support for stakeholders in good water management (talks with companies interested in AWS, such as Mercur, Premium and UTC Tabacos). <p>In addition, to obtain additional points:</p> <ul style="list-style-type: none"> - Evidence of suppliers taking action as a result of the site's engagement (+1): Packaging Receipt Program - Achievements of the actions are evaluated and quantified if applicable; (+1) The number of PMB producers that send empty packaging to the correct packaging disposal program was quantified. <p>Evidence:</p> <p>AWS_PMB_-_3.7.3.pptx</p>	
Score	7	
3.8	<i>Implement plan to engage with and notify the owners of any shared water-related infrastructure of any concerns the site may have.</i>	
3.8.1	<i>Evidence of engagement, and the key messages relayed with confirmation of receipt, shall be identified.</i>	 Yes

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-001247

Comment PMB presented emails demonstrating good relations with CORSAN, the agency responsible for water infrastructure in the state of Rio Grande do Sul for most cities. The attached examples demonstrate communication for the research of stakeholders and water challenges, an email regarding the support network during the floods in RS, an exchange of information about wells in the city of Santa Cruz do Sul for the listing of IWRAs, and a link to an event on PSA where PMB and CORSAN participated in a joint discussion panel.

Evidence:

-

<https://www.unisc.br/pt/noticias/1-seminario-gaucho-de-psa-marca-o-lancamento-do-centro-socioambiental-unisc>

- 3.8.zip (contains: "RES_ Informações Poços.msg" ; "Desafios Hídricos Compartilhados PMB - CORSAN.msg" ; "ENC_ Rede de Apoio -Enchentes RS.msg")

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 Many of the PMB's good practices are included in the largest investment projects, as they contribute to achieving the SWP objectives and were included in the evidence of step 3. The good water governance practices identified in the list of requirement 1.8 and that have not yet been demonstrated will be referenced in this attached presentation and listed below.

- Global Sustainability Committee (PMI): Raising awareness of PMI's Board of Directors on water-related risks reinforces PMB's commitment to sustainable water management and ensures that related issues will be addressed in a way that operations do not harm local water resources, ensuring greater quantitative and qualitative availability in the basin.

- Local Water Risk Assessments (LWRA) in Tobacco Growing Regions (TGAs): Carrying out LWRA allows for the early identification of risks related to extreme weather events, such as droughts and floods. With this, Leaf-PMB can implement preventive and mitigating measures that minimize negative impacts on local water resources, ensuring greater resilience for producers and communities near plantations. LWRA is available in requirement 1.6.

- Site Carbon Neutralization: Carbon emissions by the industry impact the temperature of the plane and cause adverse weather events such as the May floods in RS. PMB has been carbon neutral since 2021.

Evidence:

AWS_PMB_-_3.9.1.pptx

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



Yes

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-001247

Comment Many of the PMB good practices are included in the projects with the largest investment, as they contribute to achieving the SWP objectives and were included in the evidence of step 3. The good practices for sustainable water balance identified in the list of requirement 1.8 and that have not yet been demonstrated is referenced at the attached presentation.

Good practices:

- Real-time monitoring with Supervisory and electronic meters
- Water reuse (in the refrigeration system, discharges from cooling towers for toilets and floor cleaning, water from reverse osmosis, etc.)
- Use of pressure reducers on taps.

• Open+ tools:

- EOS (Environment Observation System)
- Environment Trigger
- Sustainability Kaizen
- Startup and Shutdown Checklist

Evidence: AWS_PMB_-_3.9.2.pptx

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



Yes

Comment Many of the PMB good practices are included in the largest investment projects, as they contribute to achieving the SWP objectives and were included in the evidence of step 3.

The good practices for good water quality identified in the list of requirement 1.8 and that have not yet been demonstrated is referenced at the attached presentation.

Good Practices:

- Voluntary monitoring of rainwater and the AAPM dam at the site
- Groundwater quality monitoring with interested parties

Evidence:

AWS_PMB_-_3.9.3.pptx

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.*



Yes

Comment Many of the PMB good practices are included in the largest investment projects, as they contribute to achieving the SWP objectives and were included in the evidence of step 3. The good practices in IWRAs identified in the list of requirement 1.8 and that have not yet been demonstrated is referenced at the attached presentation.

Good Practices:

- Cleaning of the IWRA Stream Gruta dos Índios (held on World Water Day on 03/22/2024)
- Installation of Signs in Internal IWRAs

Evidence: AWS_PMB_-_3.9.4.pptx

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



Yes

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-001247

Comment Many of the PMB's best practices are included in the projects with the largest investment, as they contribute to achieving the SWP objectives and were included in the evidence of step 3.

The WASH best practices identified in the list of requirement 1.8 and that were not demonstrated are referenced in the attached presentation.

Good Practices:

- Elimination of landfill waste disposal
- Identification of best practices for hand cleaning
- the Unit exceeds the requirements of NR24 in the number of bathrooms and showers.

Evidence:

AWS_PMB_-_3.9.5.pptx

3.9.6

Advanced Indicator

Achievement of identified best practice related to targets in terms of good water governance shall be quantified.



Yes

Comment

PMB quantified the achievement of targets related to good water governance. Good practices BP 1, 6, 7, 8, 11, 12, 17, 25 in terms of good water governance and their quantification are present in the annex "Boas_Práticas_de_Água_PMB.xlsx", also included in requirement 1.8.. Below are the best practices related to this topic and an example of quantification of target achievement.

BP1: Global Sustainability Committee (PMI)

BP 6: "Local Water Risk Assessments (LWRA) in Tobacco Growing Regions (TGAs)"

BP 7: Responsible Leaf (socio-environmental diagnosis of tobacco-producing properties)

BP 8: Water Protector:

- 1. Number of producers served (target: 103 (Farmers 2023), achieved: 103)
- 2. Number of springs protected (target: 129 springs, achieved: 129)

BP 11: Application of a tool for mapping and managing sustainability in small rural properties (AUÉRA).

BP 12: Green CPR issued:

- 1. Hectares of native forest protected (target: 109, achieved: 109)
- 2. Green CPR issued (target: 9, achieved: 9)

BP 17: FUPASC sustainable school

BP 25: Carbon neutralization of the site

Evidence:

Boas_Práticas_de_Água_PMB.xlsx (excel tab: 3.9.6-3.9.10)

Score

8

3.9.7

Advanced Indicator

Achievement of identified best practice related to targets in terms of sustainable water balance shall be quantified.



Yes

Comment

PMB quantified the achievement of targets related to sustainable water balance. Good Practices 2, 3, 4, 8, 12 to 15, 18 to 21 related to sustainable water balance targets and their quantification are present in the annex "Boas_Práticas_de_Água_PMB.xlsx", also included in requirement 1.8.

Evidence (attached at 3.9.6):

Boas_Práticas_de_Água_PMB.xlsx (excel tab 3.9.6-3.9.10)






Score

8

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-001247

3.9.8	<i>Advanced Indicator</i> <i>Achievement of identified best practices related to targets in terms of water quality shall be quantified</i>	 Yes
Comment	PMB quantified the achievement of targets related to water quality. Good practices BP 5,7 ,8,10,12, 26 e 27 in terms of water quality and their quantification are present in the annex "Boas_Práticas_de_Água_PMB.xlsx", also included in requirement 1.8..	
Score	Evidence (attached at 3.9.6): Boas_Práticas_de_Água_PMB.xlsx (excel tab 3.9.6-3.9.10) 8	
3.9.9	<i>Advanced Indicator</i> <i>Achievement of identified best practices related to targets in terms of the site's maintenance of Important Water-Related Areas have been implemented.</i>	 Yes
Comment	PMB quantified the achievement of targets related to maintenance of IWRA. Good practices BP 5, 7 a 9, 12,22,23 in terms of matintenance of IWRA and their quantification are present in the annex "Boas_Práticas_de_Água_PMB.xlsx", also included in requirement 1.8..	
Score	Evidence (attached at 3.9.6): Boas_Práticas_de_Água_PMB.xlsx (excel tab 3.9.6-3.9.10) 8	
3.9.10	<i>Advanced Indicator</i> <i>Achievement of identified best practice related to targets in terms of WASH shall be quantified.</i>	 Yes
Comment	PMB quantified the achievement of targets related to WASH. Good practices BP 10, 16, 24 in terms of WASH and their quantification are present in the annex "Boas_Práticas_de_Água_PMB.xlsx", also included in requirement 1.8..	
Score	Evidence (attached at 3.9.6): Boas_Práticas_de_Água_PMB.xlsx (excel tab 3.9.6-3.9.10) 4	
3.9.11	<i>Advanced Indicator</i> <i>A list of efforts to spread best practices shall be identified.</i>	 Yes
Comment	Efforts to disseminate good practices: <ul style="list-style-type: none"> • PMB is an active member of the Rio Pardo Basin Committee – Comitê Pardo and annually demonstrates PMB's efforts in sustainable water management and brings together community representatives who participate there for debate. • Support stakeholders in good water management: Support stakeholders in understanding and challenges in implementing the AWS standard and efforts to implement best water resources management practices in processes (local stakeholders: Mercur, Premium and UTC Tabacos, from outside the basin: CBA - Companhia Brasileira de Alumínio and Unilever). • Communications with local media to demonstrate sustainable water management and how we execute our projects. This approach shows the community how water users and the industry should act, with sustainability in their business strategy. 	
Score	Evidence: AWS_PMB_-_3.9.11.pptx 3	
3.9.12	<i>Advanced Indicator</i> <i>A list of collective action efforts, including the organizations involved, positions of responsible persons of other entities involved, and a description of the role played by the site shall be identified.</i>	 Yes

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-001247

Comment PMB presented the list of good practices, the identification of the interested parties involved and the functions were identified in the "1.8 and 3.9.12" tab of the document "Boas_Práticas_de_Água_PMB.xlsx".

Collective action efforts:
Restoration project of the Pardo River: Stakeholders involved: Rio Pardo Basin Committee, Agepardo, Public Prosecutor's Office, Corsan Water Supply Company, Salix Engenharia Natural and rural producers.

Water Protector: Stakeholders involved: University of Santa Cruz do Sul (UNISC), Vera Cruz City Hall, Rio Pardo Basin Committee, EMATER/RS, Afubra, ANA and producers.

Biodiversity monitoring (Water Producer): Public involved: University of Santa Cruz do Sul (UNISC), Vera Cruz City Hall, Rio Pardo Basin Committee, EMATER/RS, Afubra, ANA and producers.

Sustainable school FUPASC): Stakeholder Involved: Santa Cruz do Sul Environmental Protection Foundation (FUPASC) and Santa Cruz do Sul City Hall Filtration system for removing fluoride from water in schools: Stakeholder Involved: University of Santa Cruz do Sul, Senai Institute of Technology, Unisc and local population.

Additional points:

More than one action is taken, for every additional action; (+2, max 4): = 4 points
Contribute to more than one AWS outcome area; (+2): PMB presented contribution to all AWS outcome area.

Evidence:
Boas_Práticas_de_Água_PMB.xlsx (attached at 3.9.6)

Score 14

3.9.13 *Advanced Indicator*
Evidence of the quantified improvement that has resulted from the collective action relative to a site-selected baseline date shall be identified and evidence from an appropriate range of stakeholders linked to the collective action (including both those implementing the action and those affected by the action) that the site is materially and positively contributing to the achievement of the collective action shall be identified.


Yes

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-001247

Comment	<p>The quantified improvements will be demonstrated using the Water Protector project as an example. Documents containing data demonstrating improvements in the areas of action have been attached, in particular the technical note demonstrating the benefits of the program with the advent of the rains in May 2024.</p> <p>The actions of the water protector are also listed as good practices in 1.8.</p> <p>Must do the following to obtain 3 points: Evidence of quantified improvement from baseline date;</p> <p>Confirmation of the site's positive and material contribution from stakeholders participating in the actions and stakeholders affected by the actions;</p> <p>In addition, to obtain additional points:</p> <p>More than one action, for every additional action; (+2, max 4) only 1 action, no additional points.</p> <p>Contribute to more than one AWS outcome area; (+2): contribute ro 4 AWS outcome areas (Water quality, IWRA, governance, WASH)</p> <p>Results of the actions are validated by external experts or recognized by public authorities; (+1): Recognized by ANA, evaluated by a technical expert from UNISC.</p> <p>Evidence:</p> <p>3.9.13_Protetor_das_Águas.zip</p>
Score	6

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)


Audit Number: AO-001247

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	<p>Site performance is reviewed quarterly with WSP actions to achieve AWS objectives. Since August 2024, the review is conducted with water governance at AWS PDCA Board meetings. See requirement 3.2., Quarter review tab.</p> <p>Evidence: AWS PMB - 4.4.pptx</p>
4.1.2	<i>Value creation resulting from the water stewardship plan shall be evaluated.</i>
Comment	<p>The creation of economic value has been included and is assessed in the sustainable water management plan (WSP) as per document "Water Stewardship Plan 2024 PMB" in requirement 3.2.</p> <p>Evidence: AWS_PMB_-_4.1.2.pptx Water_Stewardship_Plan_2024_PMB.xlsx</p>
4.1.3	<i>The shared value benefits in the catchment shall be identified and where applicable, quantified.</i>
Comment	<p>Attached PPT presentation for details. The shared value benefits to the catchment area are identified in the sustainable water management plan (WSP) as per document "Water Stewardship Plan 2024 PMB" in requirement 3.2.</p> <p>Evidence: AWS_PMB_-_4.1.3.pptx Water_Stewardship_Plan_2024_PMB.xlsx</p>
4.1.4	<i>Advanced Indicator A governance or executive-level review, including discussion of shared water challenges, water risks, and opportunities, and any water-related cost savings or benefits realized, and any relevant incidents shall be identified.</i>
Comment	<p>PMB presented the agenda of the last meeting with senior leadership to demonstrate and discuss the main AWS requirements. An email was also presented with the items discussed in the meeting, sent with the agenda and the points covered, in addition to other related and important information for leadership decision-making. A photo of the meeting is attached (Lead Pillar - group with the site's senior leadership).</p> <p>Evidence: AWS PMB – 4.1.4 Alta Liderança.pptx Governança de Água – AWS.eml Reunião alta Liderança 18.07.24.jpeg</p>
Score	3
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>

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-001247

4.2.1	<i>A written annual review and (where appropriate) root-cause analysis of the year's emergency incident(s) shall be prepared and the site's response to the incident(s) shall be evaluated and proposed preventative and corrective actions and mitigations against future incidents shall be identified.</i>	 Yes
Comment	<p>In the last 3 years, 2 incidents of leaks from the PMB plant were recorded, one of them in January 2022 and the other in February 2024. These incidents did not generate infractions or communications to environmental agencies as they were minor and did not affect the soil and water resources on or off-site.</p> <p>They were contained appropriately and in a timely manner. The cause analysis was verified and the actions were carried out according to the documentation.</p> <p>Attached Powerpoint presentation with the context and other cause and action analysis documents for the events.</p> <p>Evidence: AWS PMB – 4.2.1.pptx 01.2023 – Trianetina doca Log (pasta com histórico) 02.2004 – Vazamento Triancetina e cola C3 e CR (pasta com histórico)</p>	
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>	 Yes
Comment	<p>PMB's efforts to consult with interested parties on the performance of sustainable water management actions were identified.</p> <p>The site actively sought stakeholder feedback through the stakeholder survey (evidence contained in requirement 1.2).</p> <p>PMB has an open channel to receive feedback from stakeholders, whether through emails or in external meetings, such as at the Basin Committee or other institutions when presenting its projects and water reports and answering questions from the public present.</p> <p>Evidence: AWS_PMB_-_2.3.5_-_3.1.4_-_4.3.1.pptx (attached at 4.3.1)</p>	
4.3.2	<i>Advanced Indicator The site's efforts to address shared water challenges shall be evaluated by stakeholders. This shall include stakeholder reviewing of the site's efforts across all five outcome areas, and their suggestions for continual improvement.</i>	 Yes
Comment	<p>PMB sought stakeholder assessment through a survey containing a questionnaire with a link to the Water Performance Reports (which contains the actions carried out within the five outcome areas).</p> <p>Attached stakeholder survey reports with feedback related to shared water challenges.</p> <p>Evidence: 1.6.1 - 1.6.2 Desafios Compartilhados, Iniciativas e Stakeholders.xlsx Pesquisa_com_as_PArtes_Interessadas_Q1_e_Q2.zip (Relatório Respostas PArt. Int. 2024 Q1.pdf; Relatório Respostas PArt. Int. 2024 Q2.pdf)</p>	
Score	6	
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>	 Yes

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)



Audit Number: AO-001247

Comment The WSP has been reviewed for recertification. Lessons learned are reviewed during or at the completion of water management plan (WSP) actions. They are filled out during the current year as difficulties and opportunities are identified in the process.

Evidence:
AWS_PMB_-_4.4.pptx
Water_Stewardship_Plan_2024_PMB.xlsx

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)





Audit Number: AO-001247

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.			<div><div></div><div>Yes</div></div>
Comment	The Water Performance Report is publicly disclosed annually on the PMB website, in meetings with interested parties and internally with employees. In chapter 3 (page 7) sustainability governance is explained.			
Evidence: https://www.pmi.com/resources/docs/default-source/brazil-market-page/pmb_rel%C3%B3rio-de-desempenho-de-agua-2023_final.pdf?sfvrsn=3e70edc9_6 https://www.pmi.com/markets/brazil/pt/about-us/overview AWS PMB - 5.1.1 - 5.2.1				
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.			<div><div></div><div>Yes</div></div>
Comment	The site presented the Water Performance Report, which communicates and publishes efforts to achieve PMB's objectives and good water management. In this report, the company discloses water governance, shows the projects and how they relate to AWS Standard outcomes.			
Evidence: Relatório de Desempenho de Água (Water Performance Report) at https://www.pmi.com/resources/docs/default-source/brazil-market-page/pmb_rel%C3%B3rio-de-desempenho-de-agua-2023_final.pdf?sfvrsn=3e70edc9_6 https://www.pmi.com/markets/brazil/pt/about-us/overview AWS_PMB_-_5.1.1_-_5.2.1.pptx AWS PMB - Partial 5.2.1.pptx				
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.			<div><div></div><div>Yes</div></div>
Comment	Performance reporting is provided in the PMI Integrated Report 2023, ESG Report 21-22 and Water Performance Report (2019, 2020, 2021, 2022, 2023). These documents demonstrate Philip Morris' annual reporting efforts (integrated and water performance) on sustainable environmental and water management actions. They provide a summary of the results of the site, efforts to maintain the AWS standard and the benefits to PMB and stakeholders of implementing the AWS standard.			
Evidence: 5.3.zip				
5.3.2	Advanced Indicator The site's efforts to implement the AWS Standard shall be disclosed in the organization's annual report.			<div><div></div><div>Yes</div></div>

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-001247

Comment	The Integrated PMI 2023 Report, ESG Report 21-22 and the Water Performance Report 2023 disclose efforts to implement AWS Standard, through Philip Morris' sustainable environmental and water management actions. They summarize site results, efforts to maintain the AWS standard, and benefits to PMB and stakeholders of implementing the AWS standard.	
	Evidence: 5.3.zip (attached at 5.3.1)	
Score	1	
5.3.3	<i>Advanced Indicator</i> <i>Benefits to the site and stakeholders from implementation of the AWS Standard shall be quantified in the organization's annual report.</i>	 Yes
Comment	The PMI 2023 Integrated Report, ESG Report 21-22 and Water Performance Report 2023 demonstrate efforts for annual disclosure (integrated and water performance) of Philip Morris' sustainable environmental and water management actions and the benefits to PMB and for parties interested in implementing the AWS standard.	
	Evidence: 5.3.zip (attached at 5.3.1)	
Score	1	
5.4	<i>Disclose efforts to collectively address shared water challenges, including: associated efforts to address the challenges; engagement with stakeholders; and co-ordination with public-sector agencies.</i>	
5.4.1	<i>The site's shared water-related challenges and efforts made to address these challenges shall be disclosed.</i>	 Yes
Comment	In the reports, PMB discloses efforts to collectively face shared challenges. Engagement with stakeholders was demonstrated in the initiatives, with examples of collective participation and with the public sector. The basin's shared challenges are identified and communicated in the assessment form sent to stakeholders.	
	Evidence: 5.4.zip	
5.4.2	<i>Efforts made by the site to engage stakeholders and coordinate and support public-sector agencies shall be identified.</i>	 Yes
Comment	In the reports, PMB discloses efforts made to engage stakeholders and public-sector agencies. Engagement with stakeholders was demonstrated in the initiatives, which include examples of collective participation and with the public sector.	
	Evidence: 5.4.zip (attached at 5.4.1)	
5.5	<i>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.</i>	
5.5.1	<i>Any site water-related compliance violations and associated corrections shall be disclosed.</i>	 Yes

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-001247

Comment In the last 3 years, 2 incidents of leaks from the PMB plant have been recorded. These incidents did not generate infractions or communications to environmental agencies as they were minor and did not affect soil and water resources at the plant or outside. They were contained appropriately and in a timely manner. The cause analysis was verified and the actions were carried out according to the documentation. Communications were made internally to those involved in order to carry out actions and avoid recurrence.

Evidence:
5.5.zip

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


Yes

Comment In the last 3 years, 2 incidents of leaks from the PMB plant have been recorded. These incidents did not generate infractions or communications to environmental agencies as they were minor and did not affect soil and water resources at the plant or outside. They were contained appropriately and in a timely manner. The cause analysis was verified and the actions were carried out according to the documentation. Communications were made internally to those involved in order to carry out actions and avoid recurrence.

Evidence:
5.5.zip (attached at 5.5.1)

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 In the last 3 years, 2 incidents of leaks from the PMB plant have been recorded. These incidents did not generate infractions or communications to environmental agencies as they were minor and did not affect soil and water resources at the plant or outside. They were contained appropriately and in a timely manner. The cause analysis was verified and the actions were carried out according to the documentation. Communications were made internally to those involved in order to carry out actions and avoid recurrence.

Evidence:
5.5.zip (attached at 5.5.1)

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-001247

Photographic Evidence from Audit



steam pipe.jpeg



ETE-sewage treatment plant.jpeg



WSAS

2 Quality Street North Berwick, EH39 4HW, UNITED KINGDOM

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-001247

Site's IWRA.jpeg



Site's IWRA-.jpeg



reverse osmosis.jpeg



Site's IWRA--.jpeg

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-001247



Water fountain for employees.jpeg

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-001247



Adiabatic humidification.jpeg

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-001247



well A1.jpeg

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-001247



Effluent after tertiary treatment, before filters.jpeg



Water treatment plant in the municipality of Vera Cruz.jpeg



Bins - buffer where tobacco temperature and humidity are controlled.jpeg

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-001247

✓
Yes



Sand, carbon and polypropylene filters.jpeg



Deposits of chemicals used in the ETE.jpeg



CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-001247

Corsan water inlet.jpeg



Stem humidifier.jpeg



Organic backyard with native fruit tree-IWRA.jpeg

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-001247



Ethyl acetate used to clean printing press rolls.jpeg



Storm drain outlet.jpeg



Primary process.jpeg

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-001247



Groundwater monitoring well.jpeg



Rainwater collection tanks - out of use.jpeg

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-001247



Storing Triacetin.jpeg

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-001247



Fire fighting system.jpeg

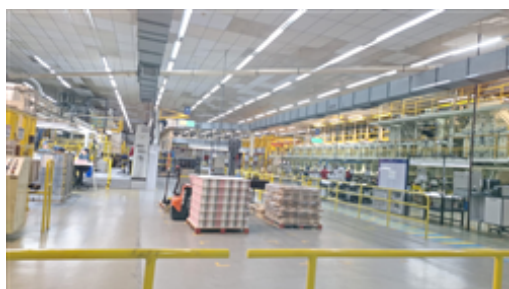
CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-001247



Well C1, with the pump under maintenance.jpeg



Company graphics.jpeg



Cigarette manufacturing, secondary process.jpeg

WSAS

2 Quality Street North Berwick, EH39 4HW, UNITED KINGDOM

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-001247



Raw water inflow from the Andreas River, which supplies 70% of the water supply to the municipality of Vera Cruz.jpeg



WSAS

2 Quality StreetNorth Berwick, EH39 4HW, UNITED KINGDOM

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-001247

well R4.jpeg



Water tank for fire fighting (2).jpeg



WASH at PMB office.jpeg

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-001247



nest of southern lapwing bird in the PMB courtyard.jpeg



Lake -IWRA.jpeg

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-001247



owl nest in the PMB courtyard.jpeg



Biogas - Gas produced in anaerobic reactors.jpeg



LPG tanks.jpeg

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-001247



Final destination of treated effluent.jpeg

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-001247



WASH-bathrooms inside the PMB.jpeg

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-001247



IWRA from PMB.jpeg

Previous Findings

	<i>All non-conformities raised in the previous audit have been satisfactorily closed.</i>	<div><div></div><div>Yes</div></div>
Comment	In the previous audit there were no non-conformities.	