

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)



Audit Number: AO-001210

SITE DETAILS

Site: **BAT Pécsi Dohánygyár Kft**
Address: Dohány street 2-8, Pécs, 7622, HUNGARY
Contact Person: Gabriella Hegedus
AWS Group Reference Number: AWS-G-000023
Site Structure: Multi Site

CERTIFICATION DETAILS

Certification status: Certified Core
Date of certification decision: 2024-Nov-22
Validity of certificate: 2027-Nov-21

AUDIT DETAILS

Audited Service(s): AWS Standard v2.0 (2019)
Audit Type(s): Initial Audit
Audit Start Date: 2024-Aug-12
Lead Auditor: Ruth Wandera
Audit team participants:
Kadar Tibor Sandor
Site Participants:
Bianka Borbely, Sustainability Development Manager
Gabriella Stangne Hegedus, EHS Manager/AWS Multisite Representative
Igor Gmaz, Factory Manager

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ADDITIONAL INFO

Summary of Audit Findings: A total of 23 findings were raised during the certification audit, 0 major non-conformities, 17 minor non-conformities and 7 observations.

The Client is requested to perform a root cause analysis and define corrective actions for each of the non-conformities and to submit these to WSAS within 30 days of receipt of the audit report by 15 November 2024.

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

The audit team recommends certification of BAT Pécsi Dohánygyár Kft consisting of MYO/RYO Factory; LCO Factory & MO Factory at Core level pending approval of the corrective actions plan.

CLOSURE OF FINDINGS AND CORRECTIVE ACTION PLAN:

The Client has successfully submitted the corrective action plans addressing all findings. Proof of implementation has been requested for the Minors and this will be evaluated during the Surveillance Audit. The client is requested to upload evidence of implementation prior to the Surveillance Audit.

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Scope of Assessment: The scope of services covers the Initial certification audit for assessing conformity of BAT Pécsi Dohánygyár Kft consisting of MYO/RYO factory on 2-8 Dohány str. 7622, Pecs; MO factory on 2 Francia str., 7630 Pecs and LCO factory on 3 Finn str., 7630 Pecs. against the AWS International Water Stewardship Standard Version 2.

The BAT group of companies bought the Pécs Tobacco Factory in 1992. At the factory in Dohány Street, rolling tobacco is currently predominantly produced, supplying 37 markets.

Today, BAT is one of the largest investors in the tobacco industry in Hungary. So far, the BAT group of companies has spent more than HUF 40 billion on the development of the factory in Pécs, as a result of which a factory of outstanding quality and capacity was created in Pécs, even on a European level.

The BAT group of companies is the only one in the world to produce filter cigars here, at the location on Finn Street. This factory unit was handed over in 2014, which doubled the production area of the factory. The HUF 9 billion investment demonstrates BAT's long-term commitment to the country and Pécs. The cigar factory supplies 11 markets, the largest being the German and Italian markets.

A next step in this commitment is the HUF 7.5 billion investment handed over in 2019, the nicotine pillow factory in Francia Street, where the BAT group of companies was the first in Hungary to start manufacturing these less harmful* products. This product group represents the future of BAT and the tobacco industry, i.e. it plays a key role in reducing smoking-related harm. The nicotine pad factory in Pécs supplies a total of 39 markets.

The BAT Hungary multisite, comprising the MYO/RYO Factory, LCO Factory, and MO Factory, is located within the sub-catchment of the Pécs River (Pécsi-víz) specifically Upper Pécs River. The water supplier primarily sources water from the Pellérd-Tortyogó aquifer, which extends into part of the Pécs River basin. All three sites receive their water supply from the Tettye Forrásház company.

The audit was conducted onsite on 12th to 16th August 2024.

The onsite site visit included the assessment of MYO/RYO Factory; LCO Factory & MO Factory sites: as part of the audit i.e.

- Incoming water points and meters
- Main wastewater discharge points
- Water-related infrastructure on the sites.
- Chemical and hazardous storage locations
- Storm water management and discharge points
- Hazardous waste locations
- Staff WASH facilities
- Wastewater Treatment Works at MYO/RYO Factory & MO Factory sites
- Sprinkler storage tanks

The audit team recorded objective evidence of conformity during the assessment.

FINDINGS

NUMBER OF FINDINGS PER LEVEL

Observation	7
Minor	17

Audit Number: AO-001210

FINDING DETAILS

Finding No:	TNR-011441
Checklist Item No:	1.2.1
Status:	In Progress - CA plan approved
Finding level:	Minor
Due date:	2025-Aug-12
Checklist item:	Stakeholders and their water-related challenges shall be identified. The process used for stakeholder identification shall be identified. This process shall: - Inclusively cover all relevant stakeholder groups including vulnerable, women, minority, and Indigenous people; - Consider the physical scope identified, including stakeholders, representative of the site's ultimate water source and ultimate receiving water body or bodies; - Provide evidence of stakeholder consultation on water-related interests and challenges; - Note that the ability and/or willingness of stakeholders to participate may vary across the relevant stakeholder groups; - Identify the degree of stakeholder engagement based on their level of interest and influence.
Findings:	Stakeholders were identified but it is not clear how their water related challenges were determined. No NGOs were identified so its not clear how the facility fulfilled the criteria of inclusively covering all relevant stakeholder groups including vulnerable, women, minority, and Indigenous people. The willingness of stakeholders to participate is not clear.
Corrective action:	1. Making contact with Department of City Operations within Municipality Government - this has already happened on 04/11/2024. During our discussion, we addressed the issue of NGOs (please see attached records). 2. Researching the list of NGOs provided by Department of City Operations - depending on our research findings, we will include them in the list of stakeholders and contact them in order to find shared water challenges. - Deadline: 15/01/2025
Evidence of implementation:	Evidence of meeting with Municipality Government

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Audit Number: AO-001210

Finding No: TNR-013419
Checklist Item No: 1.3.3
Status: In Progress - CA plan approved
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: Considerable amount of water appears to be wasted in the cooling system at MYO/RYO plant. No recycling or knowledge of volumes was evident at the time of the audit.
Corrective action: 1. Spend request for water recycling initiative at the site was admitted to 2025 CAPEX plan and it was approved.
2. Issue was addressed in person with Site Maintenance Manager after the fact - reminder will be sent out before summer period to prevent this issue from happening again.
Evidence of implementation: Evidence for planned water initiative is attached

Finding No: TNR-012467
Checklist Item No: 1.3.7
Status: In Progress - CA plan approved
Finding level: Observation
Checklist item: Annual water-related costs, revenues, and a description or quantification of the social, cultural, environmental, or economic water-related value generated by the site shall be identified and used to inform the evaluation of the plan in 4.1.2.
Findings: The facility has not engaged beyond the boundaries of the 3 sites and there are no benefits or value generated from catchment based activities.
Corrective action: 1. Making contact with Department of City Operations within Municipality Government - addressing the issue of activities where BAT can join in . This has already happened on 04/11/2024.
2. Align with CORA - what initiatives BAT Pécs can join in - 15/12/2025
3. Follow through with chosen initiative - 31/07/2025
Evidence of implementation: Evidence of contact with Municipality Government is attached

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Audit Number: AO-001210

Finding No:	TNR-012468
Checklist Item No:	1.5.4
Status:	In Progress - CA plan approved
Finding level:	Minor
Due date:	2025-Aug-12
Checklist item:	Water quality, including physical, chemical, and biological status, of the catchment shall be identified, and where possible, quantified. Where there is a water-related challenge that would be a threat to good water quality status for people or environment, an indication of annual, and where appropriate, seasonal, high and low variances shall be identified.
Findings:	Given the poor state of both surface and ground water as indicated in the government report '1.5.4-1.8 Fekete_viz_JVK_2020_04_22 English' the facility did not provide an indication of annual, and seasonal, high and low variances of water quality in the catchment.
Corrective action:	Requested contact via Municipality Government. We will include data according to recieved documentations.
Finding No:	TNR-012470
Checklist Item No:	1.5.6
Status:	In Progress - CA plan approved
Finding level:	Minor
Due date:	2025-Aug-12
Checklist item:	Existing and planned water-related infrastructure shall be identified, including condition and potential exposure to extreme events.
Findings:	Existing water-related infrastructure was identified, however information on planned infrastructure was not provided neither was condition and potential exposure to extreme events.
Corrective action:	Discuss planned water related initiatives during next meeting with Department of City Operations - Deadline: 15/03/2025

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Finding No: TNR-012472
Checklist Item No: 1.6.1
Status: In Progress - CA plan approved
Finding level: Minor
Due date: 2025-Aug-12
Checklist item: Shared water challenges shall be identified and prioritized from the information gathered.
Findings: Shared water challenges were identified but they were not prioritized. It is also not clear whether the information was gathered through stakeholder consultation because the site has been struggling with stakeholder engagement.
Corrective action: 1. Promote external stakeholder relationships via regular meetings with Department of City Operations and the contact list provided by them - 3 times per year
2. Review list of identified shared challenges and put additional items if necessary
Deadline: 31/07/2025

Finding No: TNR-012473
Checklist Item No: 1.6.2
Status: In Progress - CA plan approved
Finding level: Minor
Due date: 2025-Aug-12
Checklist item: Initiatives to address shared water challenges shall be identified.
Findings: Initiatives to address shared water challenges were not properly identified.
Corrective action: 1. Promote external stakeholder relationships via regular meetings with Department of City Operations and the contact list provided by them - 3 times per year
2. Review list of identified initiatives regarding shared challenges and put additional items if necessary
Deadline: 31/07/2025

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Finding No: TNR-012483
Checklist Item No: 1.8.4
Status: In Progress - CA plan approved
Finding level: Observation
Checklist item: Relevant catchment best practice for site maintenance of Important Water-Related Areas shall be identified.
Findings: There is room for improvement in providing more examples of local/international catchment best practices for site maintenance of Important Water-Related Areas.
Corrective action: Consultation with other BAT factories regarding IWRA related best practices

Finding No: TNR-012508
Checklist Item No: 2.1.1
Status: In Progress - CA plan approved
Finding level: Minor
Due date: 2025-Aug-12
Checklist item: A signed and publicly disclosed site statement OR organizational document shall be identified. The statement or document shall include the following commitments:
- That the site will implement and disclose progress on water stewardship program(s) to achieve improvements in AWS water stewardship outcomes
- That the site implementation will be aligned to and in support of existing catchment sustainability plans
- That the site's stakeholders will be engaged in an open and transparent way
- That the site will allocate resources to implement the Standard.
Findings: There was no evidence to show that the document 'BAT Hungary - Commitment for AWS' was disclosed.
Corrective action: Disclosure of document with relevant stakeholders after reviewing stakeholder list.

Deadline: 15/01/2025

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Finding No:	TNR-012509
Checklist Item No:	2.2.1
Status:	In Progress - CA plan approved
Finding level:	Minor
Due date:	2025-Aug-12
Checklist item:	The system to maintain compliance obligations for water and wastewater management shall be identified, including: - Identification of responsible persons/positions within facility organizational structure - Process for submissions to regulatory agencies.
Findings:	The facility did not identify responsible persons/positions within the facility organizational structure. They also did not provide the process for submissions to regulatory agencies.
Corrective action:	Creating work instruction detailing relevant positions. Creating organizational structure detailing relevant positions for water governance based on best practices of other BAT factories. Deadline: 15/01/2025
Finding No:	TNR-012510
Checklist Item No:	2.3.2
Status:	In Progress - CA plan approved
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:	Shared water challenges were not correctly identified through stakeholder engagement therefore the link of the plan to shared water challenges would need further investigation.
Corrective action:	Update of Water Stewardship Plan based on regular meeting with stakeholders to address shared water challenges Deadline: 31/07/2025

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Audit Number: AO-001210

Finding No:	TNR-012511
Checklist Item No:	2.4.1
Status:	In Progress - CA plan approved
Finding level:	Minor
Due date:	2025-Aug-12
Checklist item:	A plan to mitigate or adapt to identified water risks developed in co-ordination with relevant public-sector and infrastructure agencies shall be identified.
Findings:	The identified water risks were not developed in coordination with relevant public-sector and infrastructure agencies.
Corrective action:	Regular meeting with public sector agencies - aim is to have it 3 times per year - and update of the Water Stewardship Plan accordingly.
	Deadline: 31/07/2025
Finding No:	TNR-012769
Checklist Item No:	3.1.1
Status:	In Progress - CA plan approved
Finding level:	Observation
Checklist item:	Evidence that the site has supported good catchment governance shall be identified.
Findings:	The site did not get involved in catchment level water governance activities. Progress on this needs to be checked during the surveillance audit.
Corrective action:	1. Making contact with Department of City Operations within Municipality Government - addressing the issue of activities where BAT can join in - 15/11/2024
	2. Align with CORA - what initiatives BAT Pécs can join in - 31/12/2024
	3. Follow through with chosen initiative - 31/07/2025

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Audit Number: AO-001210

Finding No: TNR-012787
Checklist Item No: 3.4.1
Status: In Progress - CA plan approved
Finding level: Minor
Due date: 2025-Aug-12
Checklist item: Status of progress towards meeting water quality targets set in the water stewardship plan shall be identified.
Findings: Evidence of measurement and quantification of water and waste water parameters, monitoring in tables in order to have quick reaction to non-compliance was not provided.
Corrective action: We will conduct water quality measurements - both for drinking and sewage water - on all 3 sites twice per year. Sewage water measurements will focus on chemical oxygen demand.

Additional action plans will be created depending on water quality results.

Finding No: TNR-012789
Checklist Item No: 3.4.2
Status: In Progress - CA plan approved
Finding level: Minor
Due date: 2025-Aug-12
Checklist item: Where water quality is a shared water challenge, continual improvement to achieve best practice for the site's effluent shall be identified and where applicable, quantified.
Findings: According to the data presented, surface water quality and ground water quality in the catchment was not good but the site did not determine water quality as a shared water challenge. Shared water challenges were also not developed through stakeholder engagement.
Corrective action: 1. Promote external stakeholder relationships via regular meetings with Department of City Operations and the contact list provided by them - 3 times per year

2. Review list of identified initiatives regarding shared challenges and put additional items regarding water quality if deemed necessary

Deadline: 31/07/2025

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Audit Number: AO-001210

Finding No: TNR-012788
Checklist Item No: 3.5.1
Status: In Progress - CA plan approved
Finding level: Minor
Due date: 2025-Aug-12
Checklist item: Practices set in the water stewardship plan to maintain and/or enhance the site's Important Water-Related Areas shall be implemented.
Findings: There was no evidence provided for the site's plan to maintain or improve Important Water-Related Areas. There are no IWRAs on site but there are IWRAs in the catchment and the indicator is applicable to both types of IWRAs identified by sites.
Corrective action: Researching IWRA maintenance or improvement related activities in the catchment via contact with Municipality Government and NGOs suggested by them.

Deadline: 31/05/2025

Finding No: TNR-012790
Checklist Item No: 3.8.1
Status: In Progress - CA plan approved
Finding level: Minor
Due date: 2025-Aug-12
Checklist item: Evidence of engagement, and the key messages relayed with confirmation of receipt, shall be identified.
Findings: Evidence of engagement with owners of shared water related infrastructure was not provided
Corrective action: Regular meeting with public sector agencies - Municipality Government and water provider (Tettye Forrásház Zrt) in relation to water infrastructure - 3 times per year

Deadline: 31/07/2025

Finding No: TNR-012875
Checklist Item No: 4.1.2
Status: In Progress - CA plan approved
Finding level: Minor
Due date: 2025-Aug-12
Checklist item: Value creation resulting from the water stewardship plan shall be evaluated.
Findings: The value creation resulting from the water stewardship plan was not evaluated.
Corrective action: Quantifying and evaluating value creation based on reviewed Water Stewardship Plan

Deadline: 31/07/2025

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Audit Number: AO-001210

Finding No: TNR-012876
Checklist Item No: 4.1.3
Status: In Progress - CA plan approved
Finding level: Minor
Due date: 2025-Aug-12
Checklist item: The shared value benefits in the catchment shall be identified and where applicable, quantified.
Findings: The shared value benefits in the catchment were not identified.
Corrective action: Identifying shared value benefits via regular meetings with stakeholders and presenting them within the Evaluation

Finding No: TNR-012878
Checklist Item No: 4.3.1
Status: In Progress - CA plan approved
Finding level: Observation
Checklist item: Consultation efforts with stakeholders on the site's water stewardship performance shall be identified.
Findings: The site needs to show progress on stakeholder consultation in the next audit because it was not adequate.
Corrective action: Regular meeting with public sector agencies - Municipality Government and water provider (Tettye Forrásház Zrt) - 3 times per year

Deadline: 31/07/2025

Finding No: TNR-012877
Checklist Item No: 4.4.1
Status: In Progress - CA plan approved
Finding level: Minor
Due date: 2025-Aug-12
Checklist item: The site's water stewardship plan shall be modified and adapted to incorporate any relevant information and lessons learned from the evaluations in this step and these changes shall be identified.
Findings: The site's water stewardship plan was not modified, based on lessons learned from the evaluation process.
Corrective action: Revision of Water Stewardship Plan in accordance with Evaluation
- inclusion of shared water challenges
- increased focus on stakeholder relations

Deadline: 31/07/2025

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Audit Number: AO-001210

Finding No:	TNR-012883
Checklist Item No:	5.1.1
Status:	In Progress - CA plan approved
Finding level:	Minor
Due date:	2025-Aug-12
Checklist item:	The site's water-related internal governance, including positions of those accountable for compliance with water-related laws and regulations shall be disclosed.
Findings:	There was no evidence provided of the disclosure of the site's internal governance including positions of those accountable for compliance with water-related laws and regulations.
Corrective action:	1. Creating new documentation to address internal governance including responsible positions - based on best practices from other BAT factories 2. Sharing new documentation with revised list of stakeholders
	Deadline: 01/30/2025
Finding No:	TNR-012884
Checklist Item No:	5.2.1
Status:	In Progress - CA plan approved
Finding level:	Minor
Due date:	2025-Aug-12
Checklist item:	The water stewardship plan, including how the water stewardship plan contributes to AWS Standard outcomes, shall be communicated to relevant stakeholders.
Findings:	The water stewardship plan, including how the water stewardship plan contributes to AWS Standard outcomes, was not communicated to relevant stakeholders.
Corrective action:	Disclosure of revised Water Stewardship Plan with the revised list of stakeholders
	Deadline: 31/07/2025

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Audit Number: AO-001210

Finding No:	TNR-012885
Checklist Item No:	5.4.1
Status:	In Progress - CA plan approved
Finding level:	Observation
Checklist item:	The site's shared water-related challenges and efforts made to address these challenges shall be disclosed.
Findings:	The site did not come up with shared water related challenges through stakeholder consultation.
Corrective action:	1. Promote external stakeholder relationships via regular meetings with Department of City Operations and the contact list provided by them - 3 times per year 2. Review list of identified shared challenges and put additional items if deemed necessary
	Deadline_ 31/07/2025

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Report Details

Report	Value
Report prepared by	Ruth Wandera
Report approved by	Tanya Christensen
Report approved on (Date)	15.10.2024

Surveillance

Proposed date for next audit
2025-Aug-12

Stakeholder Announcements

Date of publication	Location
07/06/2024	BAT Hungary Website - https://www.bat.hu/attachments/medMDD64K3N.pdf
14/06/2024	Local Newspaper - https://www.bama.hu/pr/2024/06/erde-kelt-felek-nyilvanos-felhivasa
30/04/2024	AWS Website - https://a4ws.org/wp-content/uploads/2024/04/240430-StakeAnn_AWS000492-493-494.pdf
30/04/2024	WSAS website - https://watersas.org/wp-content/uploads/2024/04/BAT-Hungary-Stake-Ann.pdf

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Catchment Information

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The BAT Hungary multisite, comprising the MYO/RYO Factory, LCO Factory, and MO Factory, is located within the sub-catchment of the Pécs River (Pécsi-víz) specifically Upper Pécs River. The water supplier primarily sources water from the Pellérd-Tortyogó aquifer, which extends into part of the Pécs River basin. All three sites receive their water supply from the Tettye Forrásház company.

The Pécsi River is the only significant surface watercourse near the factories, along with its tributaries such as the Árpádi Ditch and the Lámpási Ditch. The Pécs-víz originates in Pécs, flowing southwest, then southeast to Szaporca, where it merges with the Black Water.

Groundwater can be reached at a depth of more than 2 meters in the northern area, with groundwater depths ranging from 4-6 meters between the Vasas-Belvárdi River and the Villányi Mountains, and 2-4 meters in other areas.

The city of Pécs relies on three main water sources:

1. The Pellérd-Tortyogó water base, located on the southwestern edge of the city, provides around 70% of the city's water. Its wells draw from the fine- and medium-grained sand layers of the Pannonian aquifer. This is an operational but fragile water base.
2. The Tettyei water base on the northern side of the city, which is a Triassic karst source fed by the Mecsek's water reserves. This water base is also operational but fragile.
3. A water base of filtered wells on the Mohács coast, which is connected by a pipeline over 40 km long. However, this source is minimally used due to reduced residential demand.



Catchment 1.jpg



Catchment 2.jpg

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Client Description and Site Details

Client/Site Background

BAT Hungary Multisite consist of MYO/RYO factory on 2-8 Dohány str. 7622, Pecs; MO factory on 2 Francia str., 7630 Pecs and LCO factory on 3 Finn str., 7630 Pecs. Pécs and tobacco production have been connected since 1912. This is indicated by the national success of the Dohány Street in Pécs, the Sopianae brand named after the city, and the fact that BAT Pécsi Dohánygyár Kft. is one of the largest employer in the city.

The BAT group of companies bought the Pécs Tobacco Factory in 1992. At the factory in Dohány Street, rolling tobacco is currently predominantly produced, supplying 37 markets. Today, BAT is one of the largest investors in the tobacco industry in Hungary. So far, the BAT group of companies has spent more than HUF 40 billion on the development of the factory in Pécs, as a result of which a factory of outstanding quality and capacity was created in Pécs, even on a European level.

The BAT group of companies is the only one in the world to produce filter cigars here, at the location on Finn Street. This factory unit was handed over in 2014, which doubled the production area of the factory. The HUF 9 billion investment clearly demonstrates BAT's long-term commitment to the country and Pécs. The cigar factory supplies 11 markets, the largest being the German and Italian markets.

A next step in this commitment is the HUF 7.5 billion investment handed over in 2019, the nicotine pillow factory in Francia Street, where the BAT group of companies was the first in Hungary to start manufacturing these less harmful* products. This product group represents the future of BAT and the tobacco industry, i.e. it plays a key role in reducing smoking-related harm. The nicotine pad factory in Pécs supplies a total of 39 markets.

In accordance with the global corporate goals, as another step towards a sustainable economy, the site producing nicotine pads has achieved carbon neutrality by 2021. During the process, the carbon footprint of the factory was reduced to the minimum possible with the current technical solutions, and the remaining carbon emissions were offset by supporting a forest conservation green project.

* Based on a wide range of evidence and assuming complete abstinence. These products are not risk-free and are addictive.

Francia street (MO):



Site Details Francia Street (MO).jpg

Finn street (LCO)



Site Details Finn street (LCO).jpg

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Dohány street (MYO/RYO)



Site Details Dohany Street (MYO RYO).jpg

Summary of Shared Water Challenges

Summary of Shared Water Challenges

The facility listed the following shared water challenges:

1. Protection against contamination of surface water within the catchment area
2. Protection against subsurface contamination within the catchment area
3. Changing the urban environment and expanding the boundaries of the city
4. Lack of employee interest in monitoring water consumption
5. The lack of interest of the population living on the water base in reducing water consumption
6. Lack of knowledge about how to proceed in the event of an environmental accident
7. Failure to comply with legal requirements
8. Failure to carry out measurements, tests and inspections on time - lack of employee awareness, failure to provide full services of analytical laboratories
9. Lack of proper measurement and failure to detect leaks
10. Improving the principles of water resources management both in the factory and in the entire catchment area

Determination of shared water challenges was done at site level and not through stakeholder consultation.

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

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



Yes

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

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0.2	Requirements for Multisite Operations	
0.2.1	Multisite Management Requirements	
0.2.1.1	The Multisite operation shall nominate an "AWS Group Representative".	 Yes
Comment	Gabriella Stangne Hegedus is the AWS Group representative	
0.2.1.2	The name and location of each site within the proposed scope for certification of the Multisite operation shall be clearly defined.	 Yes
Comment	BAT Hungary multisite LCO Factory - 3 Finn str., 7630 Pecs MO Factory - 2 Francia str., 7630 Pecs MYO/RYO Factory - 2-8 Dohány str. 7622, Pecs	
0.2.1.3	Where a new site has been added to the multisite certificate, an onsite audit of the site was conducted prior to it being added to the certificate register.	 N/A
0.2.1.4	All AWS claims made by the client are managed through the "AWS Group Representative".	 N/A
Comment	The site has not had any claims yet.	

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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.



Yes

Comment

The assessment of this indicator is outlined as follows:

Site boundaries: Documented in '1.1.1 Factory Premises, Area'.
 Water-related infrastructure (including the piping network, owned or managed by the site or its parent organization): Provided in '1.1.1 Factory Premises, Area' and various engineering drawings for different sites.
 Water sources supplying the site, owned or managed by the site or its parent organization: Included in '1.1.1 Physical Scope of the Sites'.
 Water service provider (if applicable) and its ultimate water source: Detailed in the document 'BAT_tanulmány-jav (English)'.
 Discharge points and wastewater service provider (if applicable), and the ultimate receiving water body or bodies: Discharge points are noted in '1.1.1 Factory Premises, Area', with the receiving water body identified as the Pécsi River.
 Catchments affected and relied upon by the site: Presented in '1.1.1 Physical Scope of the Sites'.

1.2 *Understand relevant stakeholders, their water related challenges, and the site's ability to influence beyond its boundaries.*

1.2.1 *Stakeholders and their water-related challenges shall be identified. The process used for stakeholder identification shall be identified. This process shall:*

- Inclusively cover all relevant stakeholder groups including vulnerable, women, minority, and Indigenous people;
- Consider the physical scope identified, including stakeholders, representative of the site's ultimate water source and ultimate receiving water body or bodies;
- Provide evidence of stakeholder consultation on water-related interests and challenges;
- Note that the ability and/or willingness of stakeholders to participate may vary across the relevant stakeholder groups;
- Identify the degree of stakeholder engagement based on their level of interest and influence.

 in progress

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Comment

- Stakeholders are identified and the site indicated that during identification they considered physical scope, the representative of their ultimate water source, authorities dealing with water related issues, their immediate neighbours as well as internal stakeholders.
- It is not clear how the stakeholder's water related challenges were determined.
- A map was provided in the document '1.2.1_1.2.2_AWS_-Stakeholderek (1)' which shows the distribution of stakeholders in the catchment and considered the physical scope identified, including stakeholders, representative of the site's ultimate water source and ultimate receiving water body.
- Provide evidence of stakeholder consultation on water-related interests and challenges - Client provided email evidence of initial communications with various selected stakeholders.
- Willingness of stakeholders to participate is not clear.
- The degree of stakeholder engagement based on their level of interest and influence was determined here '1.2.1_1.2.2_AWS_-Stakeholderek (English)'.

Finding No: TNR-011441

1.2.2 *Current and potential degree of influence between site and stakeholder shall be identified, within the catchment and considering the site's ultimate water source and ultimate receiving water body for wastewater.* ✔
Yes

Comment Current and potential degree of influence was determined and the site indicated that they considered ultimate source and ultimate receiving body for waste water which was the upper Pécsi River.

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

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

Comment E-18 D1 Kiömlészveszélyes helyek és felitatóhelyeinek tároló helyei English - The site provided a list of absorbents as well as a map showing areas of potential risk of spillage and storage areas for absorbents on site.
E-18 Kiömlésselhárítási eljárás English - a spill response procedure was provided.
The site also provided a 'Pecs OPS Natural Event Plan' for the three sites which covers heavy rains and snow and ice. Additionally, the site provided a 'Pecs OPS Crisis Management Plan' for all sites. Each site has also provided a response plan specific to its operations.

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

Comment The site water balance, including inflows, losses, storage, and outflows were identified and mapped.

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

Comment The site water balance was quantified by assessing losses, inflows, outflows, and storage, with annual variations in water usage rates also accounted for.

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

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Comment	The facility has provided sludge quality test results from the MO wastewater treatment unit, which is extracted by Tettye Forrásház Zrt. The results confirm that the sludge meets all legislative requirements, as documented in '1.3.4_Water_quality_-_proof (English)'. Additionally, the MO plant has supplied pH correction data for discharged wastewater, found in the attachment 'MO_szenyvízkezelő_értékelés (English)'. Drinking Water quality results from the Pecs Chain street Clinic was provided here https://www.tettyeforrashaz.hu/labor-vizsgalati-eredmenyek-ivoviz?azon=1941-419-1327 MYO/RYO factory wastewater results are provided here: 'bat pecsi dohanygyar kft vizvizsgalati jkv-k 20230213' LCO Legionella results were provided here 'Legionella minőségi kockázatértékelés 2024_LCO English'.	
1.3.5	<i>Potential sources of pollution shall be identified and if applicable, mapped, including chemicals used or stored on site.</i>	 Yes
Comment	Potential sources of pollution were identified on the maps for LCO, MO & MYO/RYO. The list of chemicals used and stored on site was also provided.	
1.3.6	<i>On-site Important Water-Related Areas shall be identified and mapped, including a description of their status including Indigenous cultural values.</i>	 Yes
Comment	There are no IWRAs at any of the 3 factory premises.	
1.3.7	<i>Annual water-related costs, revenues, and a description or quantification of the social, cultural, environmental, or economic water-related value generated by the site shall be identified and used to inform the evaluation of the plan in 4.1.2.</i>	 Obs.
Comment	Annual water-related costs were provided and the facility provided the following as the environmental benefits/values created - - Raising awareness among employees regarding good water related practices - Raising awareness among employees regarding good water related practices that can be applied in their own home - AWS certificate in 2024 - approximately 3 500 000 HUF/year penalties	
1.3.8	<i>Levels of access and adequacy of WASH at the site shall be identified.</i>	 Yes
Comment	A Self assessment tool and legislative requirements were used to determine adequacy. The site provided quantities of Sanitary facilities, bathrooms and toilets.	
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	The facility provided evidence to show that none of their primary inputs were within the site's catchment.	
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	The facility provided evidence to show that the outsourced services do not originate from the catchment.	

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1.5	<i>Gather water-related data for the catchment, including water governance, water balance, water quality, Important Water-Related Areas, infrastructure, and WASH</i>	
1.5.1	<i>Water governance initiatives shall be identified, including catchment plan(s), water-related public policies, major publicly-led initiatives under way, and relevant goals to help inform site of possible opportunities for water stewardship collective action.</i>	 Yes
Comment	Several publicly led initiatives in form of European funds and investments in water infrastructure of the city were presented by sustainability team and attached as web links. In terms of plans only one water related agency document was presented dated 2015. This plan presents water geography of the region (Dél-Dunántúl). The facility provided the following link to indicate expected cooperation between the city and BAT:"100 cities": close cooperation between Budapest, Miskolc and Pécs - pecsma.hu	
1.5.2	<i>Applicable water-related legal and regulatory requirements shall be identified, including legally-defined and/or stakeholder-verified customary water rights.</i>	 Yes
Comment	The facility provided a legislation monitoring procedure here '1.5.2 2.2 Legislation_monitoring_procedure' as well as relevant water legislations in the following documents: - 1.5.2 Víz Jogszabályi megfeleloseg kiertekelese - new English - 1.5.2 Water related legal and regulatory requirement English There was no indication on customary rights toward water.	
1.5.3	<i>The catchment water-balance, and where applicable, scarcity, shall be quantified, including indication of annual, and where appropriate, seasonal, variance.</i>	 Yes
Comment	The water balance was calculated for the physical scope defined by the site which is in the upper Pecs river. This indicated a deficit in the water balance of the physical scope.	
1.5.4	<i>Water quality, including physical, chemical, and biological status, of the catchment shall be identified, and where possible, quantified. Where there is a water-related challenge that would be a threat to good water quality status for people or environment, an indication of annual, and where appropriate, seasonal, high and low variances shall be identified.</i>	 in progress

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Comment For this indicator controversial information was presented.
On one hand the site claimed that the catchment has good water quality on the other side several maps (sourced from governmental agency documents) showed potential pollution sources primary from agricultural and industrial sources.
Water quality KPI's were presented for the ultimate effluent leaving the municipality WWTP measured by the Tettye service provider.
Waste water quality indicators set by regulatory procedure were presented in form of signed document. The document was signed by third party company Hidro Consulting who is testing the sites discharged water after it gets treated in BAT's on site WWTP. Hidro consulting decalred on the signed document that measured indicators were below legal threshold.

An excerpt from a government report showed the following:
'As a result of the use of artificial fertilizers and organic nutrient substitutes (compost, sewage, sewage sludge) fertilizers (slurry, litter manure), the introduction of toxic metals and micropollutants into the soil, from there leaching into the groundwater, nitrate leaching into the groundwater, nitrogen and phosphorus leaching into the subsurface and the into surface waters (eutrophication). Increase in the amount of ammonium nitrite-nitrate in groundwater.'

'In the field of wastewater treatment and cleaning, the region lags behind the European Union's expectations.'

Finding No: TNR-012468

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 Important Water-Related Areas were identified, and mapped, and their status assessed. It is not clear whether any stakeholder engagement was done to gather information on the IWRAs.

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

Comment Water related infrastructure is partially identified mainly through E-Közmű:
<https://www.e-epites.hu/e-kozmu>
This public sites maps water infrastructure consisting in drinking water and sewage piping.

Finding No: TNR-012470

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

Comment Water related infrastructure is partially identified mainly through E-Közmű:
<https://www.e-epites.hu/e-kozmu>
These maps show that the city of Pécs has a very good level of access to WASH services (blue signals the drinking water system and red signifies the sewage water system).

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

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

Comment Shared water challenges were identified but they were not prioritized. It is also not clear whether the information was gathered through stakeholder consultation because the site has been struggling with stakeholder engagement.
There was one email correspondence provided where the facility sent an email to TETTYE FORRÁSHÁZ Zrt and got a response however this is not sufficient engagement on determining shared water challenges.

Finding No: TNR-012472

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Audit Number: AO-001210

1.6.2	Initiatives to address shared water challenges shall be identified.	 in progress
Comment	Initiatives to address shared water challenges were not identified. The facility developed site specific water related challenges and provided site specific actions taken by BAT to resolve these challenges.	
Finding No: TNR-012473		
1.7	Understand the site's water risks and opportunities: Assess and prioritize the water risks and opportunities affecting the site based upon the status of the site, existing risk management plans and/or the issues and future risk trends identified in 1.6.	
1.7.1	Water risks faced by the site shall be identified, and prioritized, including likelihood and severity of impact within a given timeframe, potential costs and business impact.	 Yes
Comment	Water risks faced by the site were identified, and prioritized, including likelihood and severity of impact within a given timeframe, potential costs and business impact. This could be found here 'Pécs_risk_assessment_v2 (English)'.	
1.7.2	Water-related opportunities shall be identified, including how the site may participate, assessment and prioritization of potential savings, and business opportunities.	 Yes
Comment	Water-related opportunities were identified, including how the site may participate, assessment and prioritization of potential savings, and business opportunities. This could be found here 'Pécs_risk_assessment_v2 (English)'.	
1.8	Understand best practice towards achieving AWS outcomes: Determining sectoral best practices having a local/catchment, regional, or national relevance.	
1.8.1	Relevant catchment best practice for water governance shall be identified.	 Yes
Comment	The facility provided an EHS procedure for water protection (E-40 Vízvédelem (English)) outlining work instructions, responsible persons and BAT Responsibility in water protection. A world water day educational video produced by BAT was provided as evidence for catchment best practice for water governance. The site also provided the Black water management plan (1.5.4-1.8 Fekete_viz_JVK_2020_04_22 (English)) but did not provide any references or extractions that are related to catchment best practice for water governance. The following information was provided 'Pécs aranytartaléka English' and outlines utility plans to protect the water in Pécs. They include: -10 billion HUF spent on the whole drinking water - and sewage network for construction. - drill new wells, rationalize the extraction of water, reduce network water loss, and recycle the energy produced by the biogas power plant back into water production . - Progress has also been made in matters concerning rainwater, around HUF 600 million worth of improvements have been made, of which the renovation of the Egervölgy reservoir, the development of the Tüskésrét lake, the creation of the Nagybányarét wasteland, and the decree that states that It is mandatory to build water reservoirs for properties under construction.	
1.8.2	Relevant sector and/or catchment best practice for water balance (either through water efficiency or less total water use) shall be identified.	 Yes

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Comment	- The facility identified the Sankey diagram used by Bangladesh - Iftekharul Islam. They indicated that the water balance diagram helps compare and understand water allocation and consumption, identifying high usage areas and potential inefficiencies for better management. - Schematic water balance diagram for Kanfanar Factory Croatia useful for verifying that water volumes and flows are reliably measured and accounted for. - Increased use of recovered water to avoid using fresh water and increase recycling rate project by BAT Bangladesh which has seen the following benefits: 1. Air cooled chiller saves 120 m3/day 2. AHU Condensate savings is 22 m3/day (during peak summer) 3. 30 m3/day savings from boiler condensate 4. 70 m3/ day fresh water use avoidance from treated water from RO to boiler 5. 5-6 m3/ day savings in RO reject water use. - Wastewater Recycle Process by BAT South Korea - Sehyeon Kim: Wastewater generated in the factory enters WWT through a single wastewater recovery line, and instead of purifying the incoming wastewater and discharging it to the outside, it is filtered by UF and RO and used as process water.	
1.8.3	<i>Relevant sector and/or catchment best practice for water quality shall be identified, including rationale for data source.</i>	 Yes
Comment	The following information was provided 'Pécs aranytartaléka English' and outlines utility plans to protect the water in Pécs. They include: - 10 billion HUF spent on the whole drinking water - and sewage network for construction. - drill new wells, rationalize the extraction of water, reduce network water loss, and recycle the energy produced by the biogas power plant back into water production . - Progress has also been made in matters concerning rainwater, around HUF 600 million worth of improvements have been made, of which the renovation of the Egervölgy reservoir, the development of the Tüskésrét lake, the creation of the Nagybányarét wasteland, and the decree that states that It is mandatory to build water reservoirs for properties under construction. - The future plans for the water utility include increasing the efficiency of karst water production, maintaining the capacity and water quality of the water base, developing the wastewater treatment network and building a new wastewater treatment plant.	
1.8.4	<i>Relevant catchment best practice for site maintenance of Important Water-Related Areas shall be identified.</i>	 Obs.
Comment	The facility provided information from the utility where progress has also been made in matters concerning rainwater, around HUF 600 million worth of improvements have been made, of which the renovation of the Egervölgy reservoir, the development of the Tüskésrét lake, the creation of the Nagybányarét wasteland.	
1.8.5	<i>Relevant sector and/or catchment best practice for site provision of equitable and adequate WASH services shall be identified.</i>	 Yes
Comment	The site provided information on the water-saving toilet replacement with 20% savings on water consumption per use of the toilet equal to 8 liters. Slide 6 of 16 of the attachment 'Best practices_Natural Resources_BAT'.	

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2	STEP 2: COMMIT & PLAN - Commit to be a responsible water steward and develop a Water Stewardship Plan	
2.1	<i>Commit to water stewardship by having the senior-most manager in charge of water at the site, or if necessary, a suitable individual within the organization head office, sign and publicly disclose a commitment to water stewardship, the implementation of the AWS Standard and achieving its five outcomes, and the allocation of required resources.</i>	
2.1.1	<i>A signed and publicly disclosed site statement OR organizational document shall be identified. The statement or document shall include the following commitments:</i> - 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.	 in progress
Comment	A signed 'BAT Hungary - Commitment for AWS' document was provided but it was not clear where it was disclosed. The commitment met the following requirements: - That the site will implement and disclose progress on water stewardship program(s) to achieve improvements in AWS water stewardship outcomes - Yes - That the site implementation will be aligned to and in support of existing catchment sustainability plans - Yes - That the site's stakeholders will be engaged in an open and transparent way - Yes - That the site will allocate resources to implement the Standard. - Yes	Finding No: TNR-012508
2.2	<i>Develop and document a process to achieve and maintain legal and regulatory compliance.</i>	
2.2.1	<i>The system to maintain compliance obligations for water and wastewater management shall be identified, including:</i> - Identification of responsible persons/positions within facility organizational structure - Process for submissions to regulatory agencies.	 in progress
Comment	The system to maintain compliance obligations for water and wastewater management was identified in the following document '1.5.2 2.2 Legislation_monitoring_procedure'. The following were not provided: - Identification of responsible persons/positions within facility organizational structure - Process for submissions to regulatory agencies.	Finding No: TNR-012509
2.3	<i>Create a water stewardship strategy and plan including addressing risks (to and from the site), shared catchment water challenges, and opportunities.</i>	
2.3.1	<i>A water stewardship strategy shall be identified that defines the overarching mission, vision, and goals of the organization towards good water stewardship in line with this AWS Standard.</i>	 Yes
Comment	A water stewardship strategy was identified that defines the overarching mission, vision, and goals of the organization towards good water stewardship in line with this AWS Standard.	

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2.3.2	<i>A water stewardship plan shall be identified, including for each target:</i> - <i>How it will be measured and monitored</i> - <i>Actions to achieve and maintain (or exceed) it</i> - <i>Planned timeframes to achieve it</i> - <i>Financial budgets allocated for actions</i> - <i>Positions of persons responsible for actions and achieving targets</i> - <i>Where available, note the link between each target and the achievement of best practice to help address shared water challenges and the AWS outcomes.</i>	 Obs.
Comment	A water stewardship plan was identified, including for each target: - How it will be measured and monitored - Column K - Actions to achieve and maintain (or exceed) it - Column C - Planned timeframes to achieve it - Columns H & I - Financial budgets allocated for actions - Column G - Positions of persons responsible for actions and achieving targets - Column J - Where available, note the link between each target and the achievement of best practice to help address shared water challenges and the AWS outcomes. Columns B, D, F	
2.4	<i>Demonstrate the site's responsiveness and resilience to respond to water risks</i>	
2.4.1	<i>A plan to mitigate or adapt to identified water risks developed in co-ordination with relevant public-sector and infrastructure agencies shall be identified.</i>	 in progress
Comment	The identified water risks were not developed in coordination with relevant public-sector and infrastructure agencies.	

Finding No: TNR-012511

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3	STEP 3: IMPLEMENT - Implement the site's stewardship plan and improve impacts	
3.1	Implement plan to participate positively in catchment governance.	
3.1.1	Evidence that the site has supported good catchment governance shall be identified.	Q Obs.
Comment	Actions presented by BAT Hungary focused mainly at the level of own sites and employees. The site provided evidence of BAT Talks with employees which focused on different environmental and water talks where they invited speakers to educate the employees on site.	
3.1.2	Measures identified to respect the water rights of others including Indigenous peoples, that are not part of 3.2 shall be implemented.	✓ Yes
Comment	Water rights in Hungary is guaranteed by the Hungarian Constitution (quoted by BAT Hungary). This constitutional right is further rolled down on the level of operational regulations. In this respect for environmental permit for industrial operations water quotas are set. This water quotas are reflected in contracts with service providers such as Tettye who supplies BAT Hungary with drinking water for social and industrial purposes. Commitment signed by CEO Igor Gmaz stating that they are not limiting access to safe water of local communities. No indigenous groups are identified in Hungary. Effluent quality is monitored by Tettye (water related service) provider and key indicators are presented on the company webpage. *water quota on the contract versus what is the yearly consumption quality targets at the level of effluent WWTP this should be part of WSP in form of actions	
3.2	Implement system to comply with water-related legal and regulatory requirements and respect water rights.	
3.2.1	A process to verify full legal and regulatory compliance shall be implemented.	✓ Yes
Comment	There is a list of regulation related to water governance. Updates related to changes in regulations are emailed toward sustainability department (responsible with AWS) by the legal department who follows the published changes in regulations. Procedure on how legal compliance is implemented was presented and explained by Sustainability team. A template with regulatory changes and who is responsible to implement them was presented.	
3.2.2	Where water rights are part of legal and regulatory requirements, measures identified to respect the water rights of others including Indigenous peoples, shall be implemented.	✓ Yes
Comment	Water rights are set by regulatory permits and the contract with the drinking water provider Tettye company. A commitment toward water rights signed by CEO was presented. In the sites water balance shows no water use above the set limits in the contract.	
3.3	Implement plan to achieve site water balance targets.	

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3.3.1	<i>Status of progress towards meeting water balance targets set in the water stewardship plan shall be identified.</i>	 Yes
Comment	The facility indicated the following to have been implemented - 5% water reduction in 2023 YE vs 2022 YE. 2023 yearly water withdrawal under 7000 m3 for (MYORYO) 7000 m3 for (LCO) and 8000 m3 (MO) -Water recycling study and evaluation with feasible project design involving Grey water reuse in line with corporate ESG targets, less water usage from the water base resulted in Water recycling based on study.	
3.3.2	<i>Where water scarcity is a shared water challenge, annual targets to improve the site's water use efficiency, or if practical and applicable, reduce volumetric total use shall be implemented.</i>	 Yes
Comment	The facility indicated the following to have been implemented - 5% water reduction in 2023 YE vs 2022 YE. 2023 yearly water withdrawal under 7000 m3 for (MYORYO) 7000 m3 for (LCO) and 8000 m3 (MO) -Water recycling study and evaluation with feasible project design involving Grey water reuse in line with corporate ESG targets, less water usage from the water base resulted in Water recycling based on study.	
3.3.3	<i>Legally-binding documentation, if applicable, for the re-allocation of water to social, cultural or environmental needs shall be identified.</i>	 Yes
Comment	N/A reallocation is in the hands of authority in case of extreme events legal procedures for this event should be clarified through stakeholder interviews and evaluation of existing local regulations for emergency situations and risk analysis of government entities.	
3.4	<i>Implement plan to achieve site water quality targets</i>	
3.4.1	<i>Status of progress towards meeting water quality targets set in the water stewardship plan shall be identified.</i>	 in progress
Comment	The following were the actions indicated in the water stewardship plan regarding water quality: - Measurement and quantification of water and waste water parameters, monitoring in tables in order to have quick reaction to non-compliance. Progress on this was indicated as follows; 1 sampling/year carried out for drinking water - Regular sampling for MO waste water treatment unit is carried out for pH levels. This was indicated as ongoing. - The on site WWTP discharge for MO and MYO/RYO plants is monitored mainly for pH levels. Finding No: TNR-012787	
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>	 in progress
Comment	According to the data presented, surface water quality and ground water quality in the catchment was not good but the site did not determine water quality as a shared water challenge. Shared water challenges were also not developed through stakeholder engagement. The site has provided data of continuous monitoring of the discharge and indicated action plan in their Water Stewardship Plan: 'Ensure the proper functioning of water treatment facilities such as filtration, ROs and waste water treatment units.' Finding No: TNR-012789	
3.5	<i>Implement plan to maintain or improve the site's and/or catchment's Important Water-Related Areas.</i>	

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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>	 in progress
Comment	No on site IWRA's No plan/proof was presented which addresses catchment level IWRA's Finding No: TNR-012788	
3.6	<i>Implement plan to provide access to safe drinking water, effective sanitation, and protective hygiene (WASH) for all workers at all premises under the site's control.</i>	
3.6.1	<i>Evidence of the site's provision of adequate access to safe drinking water, effective sanitation, and protective hygiene (WASH) for all workers onsite shall be identified and where applicable, quantified.</i>	 Yes
Comment	During site visit audit team checked WASH facilities on site which are according to the regulatory requirements (quantitative/qualitative) presented by BAT compliance team. Pictures of WASH were uploaded in file sections. The site provided adequate access to safe drinking water, effective sanitation and WASH for all workers at the three sites ; LCO, MO and RYO.	
3.6.2	<i>Evidence that the site is not impinging on the human right to safe water and sanitation of communities through their operations, and that traditional access rights for indigenous and local communities are being respected, and that remedial actions are in place where this is not the case, and that these are effective.</i>	 Yes
Comment	Water rights are set by regulatory permits and the contract with the drinking water provider Tettye company. This water amounts designated to social, industrial purposes are driven from governmental quotas which are based on scientific documents and measurements by research and academic organisation. There is a commitment signed by CEO Igor Gmaz stating that BAT HU is not affecting water rights of others and is fully compliant with national regulations in this respect. The water quality results for discharged water from the three sites do not show any exceedances of regulatory requirements.	
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	The three sites have no primary inputs or services within the BAT Hungary catchment.	
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	The three sites have no primary inputs or services within the BAT Hungary catchment.	
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>	 in progress
Comment	The site was not aware of the ownership of shared infrastructures. Stakeholder interview conducted by the audit team confirmed that the water related infrastructure (piping, sewage, WWTP) is owned by the Municipality Pécs. Shared water infrastructure is managed by Tettye Forrashaz as a company under the Municipality.	

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Finding No: TNR-012790

- 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 A world water day educational video produced by BAT was provided as evidence for catchment best practice for water governance in 1.8.1
The site also provided the second Stage Reverse Osmosis unit for LCO factory as having the benefit of reusing 2/3 of the current wastewater which means that 9 to 11% of wastewater recycling on an annual basis which means that the site would be aligned with BAT Global's current water governance strategy.
- 3.9.2** *Actions towards achieving best practice, related to targets in terms of water balance shall be implemented.* ✔
Yes
- Comment The site provided the second Stage Reverse Osmosis unit for LCO factory as having the benefit of reusing 2/3 of the current wastewater which means that 9 to 11% of wastewater recycling on an annual basis which means that the site would be aligned with BAT Global's current water governance strategy. This would provide a saving of ~3 500 GBP/year.
The site also provided the Water Saving Taps and Showers initiative at the three sites as resulting in savings of 7% water withdrawal in MYORYO site and around 30% water withdrawal in LCO sites. The facility indicated that they managed to achieve their targets in both of these sites (MYORYO: 6544 m3 YE result vs 7000 m3 target, LCO: 4300 m3 YE result vs 7000 m3 target). In MO, their water withdrawal increased, however this was the result of production volume growth driven by market demand. The target was also achieved at this site (7514 m3 YE result vs 8000 m3 target). This resulted to a saving of ~2 500 GBP/year according to the facility.
- 3.9.3** *Actions towards achieving best practice, related to targets in terms of water quality shall be implemented.* ✔
Yes
- Comment The facility indicated that due to technology change, the chemical oxygen demand of the waste water in MYORYO site increased to a level which was outside the legal threshold. To address this issue, BAT Hungary decided to install a biological reactor for waste water treatment.
The original deadline for this project was Q1 2024, however due to delays in spare part shipment and extra work required (chemical dosing unit), the new deadline for the official closing of the project is Q4 2024.
By installing this unit, the site was able to address the issues raised by high chemical oxygen demand, resulting in better sewage water quality released by BAT Hungary and obtaining legal compliance.
The saving identified was ~7 650 GBP/fines.
- 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 The facility indicated that because of installing a biological reactor for waste water treatment at MYORYO the site was able to address the issues raised by high chemical oxygen demand, resulting in better sewage water quality released by BAT Hungary and contribution to the protection of the Pellérd-Tortyogó aquifer which they identified as an IWRA.
- 3.9.5** *Actions towards achieving best practice related to targets in terms of WASH shall be implemented.* ✔
Yes

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Comment The site provided the Water Saving Taps and Showers initiative at the three sites as resulting in savings of 7% water withdrawal in MYORYO site and around 30% water withdrawal in LCO sites. The facility indicated that they managed to achieve their targets in both of these sites (MYORYO: 6544 m3 YE result vs 7000 m3 target, LCO: 4300 m3 YE result vs 7000 m3 target). In MO, their water withdrawal increased, however this was the result of production volume growth driven by market demand. The target was also achieved at this site (7514 m3 YE result vs 8000 m3 target). This resulted to a saving of ~2 500 GBP/year according to the facility.

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4 STEP 4: EVALUATE - Evaluate the site's performance.

4.1 *Evaluate the site's performance in light of its actions and targets from its water stewardship plan and demonstrate its contribution to achieving water stewardship outcomes.*

4.1.1 *Performance against targets in the site's water stewardship plan and the contribution to achieving water stewardship outcomes shall be evaluated.*



Comment The facility had a management review on 17 July 2024 where they evaluated the water stewardship plan including the site's performance against goals.

4.1.2 *Value creation resulting from the water stewardship plan shall be evaluated.*



in progress

Comment The facility had a management review on 17 July 2024 where they evaluated the water stewardship plan including the site's performance against goals. The write-up gave reference to value creation however the details of what values were created from the water stewardship plan was not evaluated.

Finding No: TNR-012875

4.1.3 *The shared value benefits in the catchment shall be identified and where applicable, quantified.*



in progress

Comment The shared value benefits in the catchment were not identified possibly because the site did not get involved in any catchment activities.

Finding No: TNR-012876

4.2 *Evaluate the impacts of water-related emergency incidents (including extreme events), if any occurred, and determine the effectiveness of corrective and preventative measures.*

4.2.1 *A written annual review and (where appropriate) root-cause analysis of the year's emergency incident(s) shall be prepared and the site's response to the incident(s) shall be evaluated and proposed preventative and corrective actions and mitigations against future incidents shall be identified.*



Comment Over the past 12 months, there have been no water-related emergencies at the facilities of BAT Pécsi Dohánygyár Kft. The management of such emergencies is incorporated into the BCP plan.

4.3 *Evaluate stakeholders' consultation feedback regarding the site's water stewardship performance, including the effectiveness of the site's engagement process.*

4.3.1 *Consultation efforts with stakeholders on the site's water stewardship performance shall be identified.*



Comment The most significant hurdle in the AWS implementation was the communication with external stakeholders. BAT reported that these stakeholders either failed to respond to inquiries or, if they did respond, they did not acknowledge any water-related challenges.

4.4 *Evaluate and update the site's water stewardship plan, incorporating the information obtained from the evaluation process in the context of continual improvement.*

4.4.1 *The site's water stewardship plan shall be modified and adapted to incorporate any relevant information and lessons learned from the evaluations in this step and these changes shall be identified.*



in progress

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Comment The site's water stewardship plan was not modified.

Finding No: TNR-012877

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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.	 in progress
Comment	There was no evidence provided of the disclosure of the site's internal governance including positions of those accountable for compliance with water-related laws and regulations. Finding No: TNR-012883	
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.	 in progress
Comment	The water stewardship plan, including how the water stewardship plan contributes to AWS Standard outcomes, was not communicated to relevant stakeholders. Finding No: TNR-012884	
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.	 Yes
Comment	AWS evaluation was disclosed including quantified performance against targets on the website here: https://www.bat.hu/DOCSHE5H.html	
5.4	Disclose efforts to collectively address shared water challenges, including: associated efforts to address the challenges; engagement with stakeholders; and co-ordination with public-sector agencies.	
5.4.1	The site's shared water-related challenges and efforts made to address these challenges shall be disclosed.	 Obs.
Comment	The evaluation document was provided and the difficulty in contacting stakeholders was highlighted. This was disclosed here: https://www.bat.hu/DOCSHE5H.html The site did not come up with shared water related challenges through stakeholder consultation.	
5.4.2	Efforts made by the site to engage stakeholders and coordinate and support public-sector agencies shall be identified.	 Yes
Comment	The evaluation document was provided and the difficulty in contacting stakeholders was highlighted. This was disclosed here: https://www.bat.hu/DOCSHE5H.html	
5.5	Communicate transparency in water-related compliance: make any site water-related compliance violations available upon request as well as any corrective actions the site has taken to prevent future occurrences.	
5.5.1	Any site water-related compliance violations and associated corrections shall be disclosed.	 Yes
Comment	No violations were recorded for the site.	

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5.5.2	<i>Necessary corrective actions taken by the site to prevent future occurrences shall be disclosed if applicable.</i>	 Yes
Comment	Not applicable	
5.5.3	<i>Any site water-related violation that may pose significant risk and threat to human or ecosystem health shall be immediately communicated to relevant public agencies and disclosed.</i>	 Yes
Comment	Not applicable	

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Photographic Evidence from Audit



LCO_hazmat_cabinet2.JPG



MO_nicotine_water.JPG

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MYORYO_hazmat2.JPG



MO_wastewater_treatment_unit3.JPG

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MO_mixer_emergency shower.JPG



MO_hazardous_mat_storage2.JPG



LCO_canteen_white_washing.JPG

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LCO_restroom2.JPG



LCO_site_water_incoming.JPG

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MO_exit_point.JPG



MO_nicotine_container_outside2.JPG

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MO_production_moisture_adding_area.JPG



MO_production_washing_area1.JPG

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MO_nicotine_container_storage.JPG



MO_water_entrance2.JPG

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MYORYO_changing_room1.JPG



MO_wastewater_treatment_unit2.JPG

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MYORYO_exit point.JPG



MO_resting_area_water_dispenser.JPG

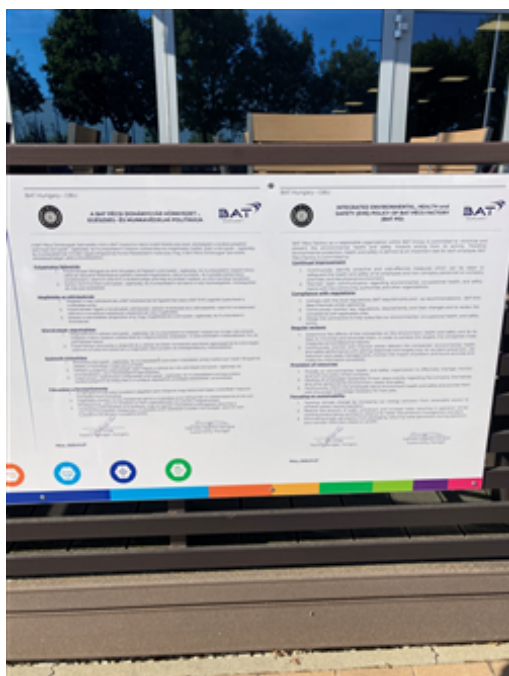
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LCO_canteen_black_washing.JPG



LCO_EHS_policy.JPG



LCO_changing room.JPG

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LCO_stormwater1.JPG



LCO_resting_area.JPG

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MO_wastewater_treatment_unit6.JPG



LCO_water_softener_meter.JPG

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MO_propylene_glycol.JPG



MO_hazardous_waste.JPG

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LCO_water_softener.JPG



MYORYO_entry_points2.JPG

✓
Yes

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MYORYO_acetil_acid_empty_barrels.JPG



MO_water_entrance1.JPG

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MO_mixer.JPG



MO_water_entrance3.JPG

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MYORYO_wwtreatment_chemical_dosage_tank.JPG



MO_nicotine_container_outside.JPG

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LCO_reverse_osmosis_retainer.JPG



MO_sparepart_cleaner.JPG

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LCO_changing_room2.JPG



LCO_warehouse_restroom1.JPG

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LCO_canteen_water_dispenser.JPG



MO_stormwater1.JPG

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MO_nicotine_container_washing_area2.JPG



MYORYO_washing_area.JPG

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LCO_changing_room_showers3.JPG



MO_stormwater.JPG

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MYORYO_changing_room2.JPG



LCO_changing_room_showers2.JPG

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MYORYO_hazmat1.JPG



LCO_resting_area_water_dispenser.JPG

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MO_production_washing_area2.JPG



MO_waste_water_treatment_sludge.JPG

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MO_mixer_washing_area.JPG



MO_wastewater_treatment_unit5.JPG



handwashing_area_LCO.JPG

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MO_mixer_machine_cleaning.JPG



LCO_site_water_incoming_meter.JPG

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MO_wastewater_treatment_unit1.JPG



LCO_wastewater.JPG

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LCO_changing_room.JPG



MO_resting_area.JPG

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LCO_stormwater2.JPG



LCO_sprinkler_retainer1.JPG

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LCO_changing room_showers1.JPG



LCO_reverse_osmosis.JPG

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MYORYO_wastewater_treatment unit.JPG



MYORYO_hazmat5.JPG

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LCO_changing_room_showers4.JPG



MO_nicotine_container_emergency_shower.JPG

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washing_area_LCO_production.JPG



MYORYO_changing_room3.JPG



MO_hazardous_mat_storage1.JPG

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MYORYO_hazmat3.JPG



MYORYO_hazmat4.JPG

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LCO_hazmat_cabinet1.JPG



LCO_warehouse_washing_area.JPG

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LCO_sprinkler_retainer2.JPG



MO_waste_water_treatment_unit4.JPG

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MYORYO_changing_room4.JPG



MYORYO_entry_points.JPG

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MO_waste_water_treatment_spillkit.jpg



LCO_warehouse_washing_area2.JPG

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MO_nicotine_container_washing_area1.JPG