CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-001605

WSAS WATER STEWARDSHIP ASSURANCE SERVICES

SITE DETAILS

Site: **MASSALIN PARTICULARES S.R.L. Merlo plant**
Address: Av. Pte. Juan Domingo Perón 26950, B1722CXW, Merlo, ARGENTINA
Contact Person: Yanet Santone
AWS Reference Number: AWS-000458
Site Structure: Single Site

CERTIFICATION DETAILS

Certification status: Certified Core
Date of certification decision: 2025-Aug-11
Validity of certificate: 2028-Aug-10

AUDIT DETAILS

Audited Service(s): AWS Standard v2.0 (2019)
Audit Type(s): Re-Certification Audit
Audit Start Date: 2025-May-20
Audit End Date: 2025-May-22
Lead Auditor: Marcos Antonio Tricallotis

Audit team participants:
Constanza Martinez
Marcos Tricallotis, Lead Auditor

Site Participants:
Yanet Santone, Factory projects - Environmental specialist
Diego Martínez, Manufacturing Manager
Mayara Vieira, Project Engineering Manager Sources Water
Augusto Damboriana, IFMS Supervisor
Hector Miranda, IFMS Supervisor
Natalia Perez Aguin, External affairs / External stakeholders
Romina Tovar Sassone, Operations Intern
María Mermoz, Support

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ADDITIONAL INFO

Summary of Audit Findings: During the recertification audit, 3 non-conformities and 10 observations were raised.

The Client is requested to submit a root cause analysis and corrective actions for each of the non-conformities to WSAS within 7 days of receipt of the audit report by 10/07/2025.

The non-conformities must be closed within 90 days of the end of the audit. In order to meet this timeline evidence is to be submitted to WSAS (within 75 days) by 05/08/2025.

Observations require attention from the site but no response to WSAS at this stage.

The audit team recommends re-certification of Site at Core level once the non-conformities has been satisfactory closed.
CLOSURE OF FINDINGS AND CORRECTIVE ACTION PLAN:

The Client has successfully closed all Non-conformities.

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-001605

Scope of Assessment: The scope of services covers the recertification audit for assessing conformity of MASSALIN PARTICULARES S.R.L. Merlo plant against the AWS International Water Stewardship Standard Version 2.

The site is located in the Municipality of Merlo, province of Buenos, Argentina and placed 41.5 km east to CABA (city of Buenos Aires) and accessible in one hour by car from the civic centre of Buenos Aires. The site's factory is a tobacco company that belongs to Philip Morris International (PMI) and supplies cigarettes to 4 markets, including the domestic production (98%) and exports (2%) to Chile, Brazil and Mexico. The company purchases its raw materials from tobacco farms located in northern Argentina. The site occupies an area of some 123,000 m2 from which around the 85% is covered with facilities/infrastructure of the factory. The facilities and process activities that were included in the assessment consisted of the main factory and its two main processing units: primary and secondary processing units (from which the most important for water relevance is the primary processing of tobacco whereby steam water is added to help the final product to reach 13-14% of humidity), 3 chilling towers, steam water "traps" in the primary processing unit, three (3) water extraction wells, storage water from the wells, water purification plant (inflows), two boilers, an internal power station, a wastewater treatment plant (WWTP) and the discharge point in the "Arroyo Torres" (creek), a hazardous waste warehouse, an onsite IWRA, a medical services unit for the staff, a canteen for the staff, toilets, showers and amenities including hydration points for the staff.

The facility is located in the "Rio Reconquista basin". The hydrogeology of the Reconquista River Basin in the province of Buenos Aires is characterized by the presence of aquifers throughout most of the area, especially to the east, which are the main source of water production. The basin comprises 18 districts ("partidos" in Spanish) and is home to more than 4 million inhabitants. The subsoil is composed of quaternary sediments, including Puelche sands, which have a paleo-morphology little affected by tectonics. The geography of the area is laid out on the floodplains of rivers (in this case the Reconquista river), virtually without significant elevations.

The audit was conducted onsite on 20, 21 and 22 May 2025.

The onsite site visit included the assessment of of the main factory and its two main processing units: primary and secondary processing units, 3 chilling towers, steam water "traps" in the primary processing unit, three (3) water extraction wells, storage water tank from the wells, water purification plant (inflows), two boilers, an internal power station, a wastewater treatment plant (WWTP) and the discharge point (outflows, effluents) in the "Arroyo Torres" (creek), a hazardous waste warehouse, an onsite IWRA, a medical services unit for the staff, a canteen for the staff, toilets, showers and amenities including hydration points for the staff. All those facilities were visited onsite as part of the audit.

FINDINGS

NUMBER OF FINDINGS PER LEVEL

Observation	10
Non-Conformity	3

FINDING DETAILS

Finding No:	TNR-018194
Checklist Item No:	1.4.2
Status:	Open
Finding level:	Observation
Checklist item:	The embedded water use of outsourced services shall be identified, and where those services originate within the site's catchment, quantified.
Findings:	While the site has determined the level of impact on the water consumption from each outsourced service and this has included the embedded water of the (a) canteen provider and the (b) cleaning services. However, the embedded water from those specific outsourced serviced must be quantified since they use water for their processes (embedded water). E.g. bottled water from the canteen service provider.

Finding No:	TNR-018195
Checklist Item No:	1.5.6
Status:	Open
Finding level:	Observation
Checklist item:	Existing and planned water-related infrastructure shall be identified, including condition and potential exposure to extreme events.
Findings:	The site has determined in the document "MP_Directriz_de_agua_2025_V5_.pdf " the existing and planned water-related infrastructure for the catchment - including, for example public wastewater treatment plants and surveillance wells to monitor their aquifers - but needs to also understand the condition and potential exposure to extreme events of such infrastructure

Finding No:	TNR-018209
Checklist Item No:	1.7.1
Status:	Open
Finding level:	Observation
Checklist item:	Water risks faced by the site shall be identified, and prioritized, including likelihood and severity of impact within a given timeframe, potential costs and business impact.
Findings:	While the site has identified and described more than 10 water risks in an Excel matrix named "Matriz de Riesgos y Oportunidades.xlsx" prioritizing them as well as including their likelihood and severity of impact, the description of their given timeframe, potential costs and business impact is missing.

Finding No:	TNR-018196
Checklist Item No:	1.7.2
Status:	Open
Finding level:	Observation
Checklist item:	Water-related opportunities shall be identified, including how the site may participate, assessment and prioritization of potential savings, and business opportunities.
Findings:	While the site has identified its water-related opportunities as well its prioritization in an Excel matrix named "Matriz de Riesgos y Oportunidades.xlsx", the description of how the site may participate and the description potential savings, and business opportunities is missing.

Finding No:	TNR-018205
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 site has developed a water stewardship plan identifying targets but some are action-based and do not indicate what the site wants to achieve with the planned actions, or it lacks clarity how the targets would be monitored and measured. Setting of outcome-oriented and measurable targets should be improved.

Finding No:	TNR-018199
Checklist Item No:	3.3.1
Status:	Open
Finding level:	Observation
Checklist item:	Status of progress towards meeting water balance targets set in the water stewardship plan shall be identified.
Findings:	The status of progress towards meeting water balance targets set in the water stewardship plan is shown in a separate column for each target in the Excel matrix "Plan de acción AWS 2024-2025.xlsx"; however, a summary of the status of progress for each of the 5 AWS outcomes - and particularly for water balance targets - as well as a general summary for the water stewardship plan is lacking.

Finding No:	TNR-018200
Checklist Item No:	3.4.1
Status:	Open
Finding level:	Observation
Checklist item:	Status of progress towards meeting water quality targets set in the water stewardship plan shall be identified.
Findings:	The status of progress towards meeting water quality targets set in the water stewardship plan is shown in a separate column for each target in the Excel matrix "Plan de acción AWS 2024-2025.xlsx"; however, a summary of the status of progress for each of the 5 AWS outcomes as well as a general summary for the water stewardship plan is lacking.

Finding No:	TNR-018201
Checklist Item No:	4.1.1
Status:	Closed
Finding level:	Non-Conformity
Due date:	2025-Aug-20
Checklist item:	Performance against targets in the site's water stewardship plan and the contribution to achieving water stewardship outcomes shall be evaluated.
Findings:	There is no specific evidence of detailing the site's performance against targets in the site's water stewardship plan and the contribution to achieving water stewardship outcomes.
Corrective action:	The site currently conducts management reviews annually, so this item will be included in the next management review. Additionally, an internal nonconformity will be raised in our tri-standard integrated management system to follow up on this nonconformity. Also, the integrated management manual will be updated, a procedure that is part of the integrated management system (ISO 9001, ISO 14001 and ISO 45001 standards), where the topics to be reviewed in the management review will be detailed, in accordance with the requested AWS standard requirements.
Evidence of implementation:	The integrated management manual is updated and an internal non-conformity is raised in our integrated management system under ISO standard for follow-up.

Finding No:	TNR-018206
Checklist Item No:	4.1.2
Status:	Open
Finding level:	Observation
Checklist item:	Value creation resulting from the water stewardship plan shall be evaluated.
Findings:	The site has presented the value creation resulting from the water stewardship plan in a separate column named "Resultado Obtenido"; however this information could be presented in a more summarized fashion for the site evaluating the value creation of its water stewardship plan (WSP).

Finding No:	TNR-018207
Checklist Item No:	4.1.3
Status:	Open
Finding level:	Observation
Checklist item:	The shared value benefits in the catchment shall be identified and where applicable, quantified.
Findings:	The site has identified the shared value benefits in the catchment in social, environmental and economic terms in three separate columns; however this information could be presented in a more summarized fashion for the site evaluating the shared value creation of its water stewardship plan (WSP).

Finding No:	TNR-018203
Checklist Item No:	4.4.1
Status:	Closed
Finding level:	Non-Conformity
Due date:	2025-Aug-20
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:	There is no evidence of the lessons learnt (and being documented) by the site from its water stewardship plan considering that the site has gone through and entire certification cycle.
Corrective action:	It is proposed as an action plan to incorporate the lessons learned that we have recently capitalized on as a result of the audit and formally reflect them for next year in our management review. Additionally, an internal nonconformity will be raised in our tri-standard integrated management system to follow up on this nonconformity. Also, the integrated management manual will be updated, a procedure that is part of the integrated management system (ISO 9001, ISO 14001 and ISO 45001 standards), where the topics to be reviewed in the management review will be detailed, in accordance with the requested AWS standard requirements.
Evidence of implementation:	The integrated management manual is updated and an internal non-conformity is raised in our integrated management system under ISO standard for follow-up.

Finding No:	TNR-018204
Checklist Item No:	5.1.1
Status:	Closed
Finding level:	Non-Conformity
Due date:	2025-Aug-20
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 is no evidence of the disclosure of the site's water-related internal governance, including positions of those accountable for compliance with water-related laws and regulations. No evidence on the company's website: https://www.pmi.com/markets/argentina/es/sostenibilidad.
Corrective action:	As an action plan, the annual performance report associated with 2024 will be updated and posted on our website by August.
Evidence of implementation:	The updated document was uploaded in the website of PMI https://www.pmi.com/markets/argentina/es/sostenibilidad/ https://www.pmi.com/content/dam/pmicom/markets/argentina/docs/Informe%20de%20performance%20AWS%202024%20Versi%C3%B3n%20final.pdf

Finding No:	TNR-018208
Checklist Item No:	5.3.1
Status:	Open
Finding level:	Observation
Checklist item:	A summary of the site’s water stewardship performance, including quantified performance against targets, shall be disclosed annually at a minimum.
Findings:	The site has presented the following evidence; https://www.pmi.com/resources/docs/default-source/argentina-files/informe-de-performance-aws-2024.pdf?sfvrsn=8bf75bc8_2 of its water stewardship performance; however, quantified performance against targets on an annual basis needs to be included in the disclosures.

Report Details

Report	Value
Report prepared by	Marcos Antonio Tricallotis
Report approved by	Juan Carlos Ceron
Report approved on (Date)	22-06-2025

Surveillance

Proposed date for next audit
2026-May-26

Stakeholder Announcements

Date of publication	Location
20/03/2025	"Diario El Círculo" newspaper - only printed copy available.
20/03/2025	aws-massalinparticulares-srlmerlo-plant-stakeholder-announcement.pdf

Comment: Two stakeholders announcements were verified by the audit team as detailed below. The publication of the "Diario El Círculo" was verified by the audit team during the onsite tour.

Catchment Information

Catchment Information

The catchment In which the site is located is the "Reconquista river basin" and the sub-catchment is the "Sub-cuenca del Arroyo Torres" (Arroyo Torres sub-catchment), that is the direct influence area of the site. The Reconquista river originates from the San Francisco lake (Lago San Francisco) that, in turn, is inside the "Depresión del Salado", a natural wetland with high rainfalls.

The Reconquista River basin covers an area of 1,684.61 m² and is currently comprised of 18 districts in the Greater Buenos Aires Metropolitan Area (CABA) and nearby rural areas. The basin is territorially comprised of almost all of the districts of San Fernando, Hurlingham, Ituzaingó, and San Miguel, with approximately 100% of them within the basin. The other districts that are partially influenced by it are: San Isidro, Moreno, General Rodríguez, Morón, General San Martín, Merlo District, Tres de Febrero, General Las Heras, Tigre, Marcos Paz, Malvinas Argentinas, José C. Paz, Luján, Vicente López, Navarro, and Mercedes. In the specific case of Merlo District, 58.8% of its territory belongs to the basin "Río Reconquista".

The Reconquista river borders the Luján River basin to the northwest; to the northeast, the Luján River itself at its mouth in the Río de la Plata; to the southwest with the middle and upper portion of the Matanza-Riachuelo River basin.

The basin comprises 134 waterways that cover a total of 606 km, of which 82 correspond to the Reconquista River. The Reconquista River originates at the confluence of the La Choza and Durazno streams in the Marcos Paz district. Shortly afterward, it is joined by the La Horqueta Stream, the last tributary upstream of the Ingeniero Roggero Dam, built on the border of the General Rodríguez, Marcos Paz, Moreno, and Merlo districts.
In the middle basin, it receives input from other tributaries such as Canal de Álvarez, Del Sauce, Gregorio de Laferrere, Torres, Saladero, Las Catonas, Los Berros, Soto, Morón, Villa Ballester, José León Suarez, Basualdo, Las Tunas, and Cordero; the largest tributaries in this section are the Las Catonas and Morón streams.
From here, the lower basin begins, which continues into the Luján River. In this sector, the riverbed forks into two courses: the Tigre River and an artificial canal called the Aliviador Canal (known as the Namby Guazú Canal and later the National Rowing Course), which joins its waters with those of the Luján River, which in turn flows into the Río de la Plata after a few kilometers.

The site extracts its inflow waters from three wells at 50-60 meters deep. The aquifer from which the site extracts water correspond to the great "Puelche" aquifer. Therefore, the site uses the Puelche aquifer as a groundwater source and discharges its treated effluents into the surface basin of the Reconquista River (Arroyo Torres sub-catchment). The discharge point is located in one of the corners of the site at the "Arroyo Torres" which runs through along the site.The Puelche Aquifer has an area of 240,000 km2 and the Reconquista River has an area of 1,750 km2. The recharge is indirectly localized from the "Pampean" Aquifer, which has a positive hydraulic head. Regional discharge occurs toward the Paraná-de la Plata and Salado basins.

The Puelche aquifer is the second semi-confined aquifer (above it lies the Pampeano) and is formed by the so-called Paraná green clays (practically impermeable), which limit downward vertical filtration. However, its roof contains another type of sediment (semi-permeable) that allows hydraulic connection with the upper aquifers, which permanently exposes it to contamination. Due to its depth, an average of 70 meters, it is the most exploited aquifer. Large areas of the second and third Buenos Aires belts draw water from this underground river. It has the highest pressure values (piezometric levels) toward the west and flows toward the northeast and east with values close to 9,900 m3/day.

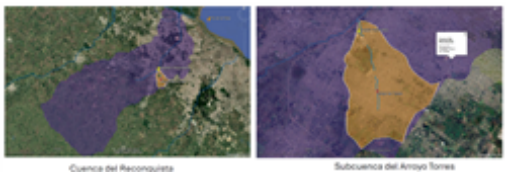
The recharge of the Puelche aquifer occurs in conjunction with the interfluvial areas, especially in the larger ones that separate drainage to the Salado basin from tributaries to the Paraná-de la Plata-Araucano system. The type of recharge is autochthonous and indirect, through the phreatic and semi-free aquifer contained in the Pampean Sediments, when the hydraulic head of the latter is positive relative to that of the Puelche, a circumstance that occurs specifically in the interfluvial sectors. Recharge depends on the

lateral transfer and vertical flow of the Pampean Aquifer through the aquitard. This vertical contribution depends on the differences in hydraulic head between the phreatic and piezometric levels.

The Puelche is characterized by a gradation of sediments that begin as fine and as we get closer to its base, its sediments become increasingly coarser until they reach coarse sand, gravel, and gravel in some thickness, which are supported by the Paraná formation. As the sandy sediments vary in the river as they are deposited, an aquifer does not have uniform characteristics.

The site is not affected by water scarcity by low rainfalls or electricity shortages that may cause to stop water pumps from the wells. Also, the area is not prone to flooding events since the site is located on a more elevated area as compared with other areas of the district (this was witnessed by the audit team). No environmentally protected areas have been declared by the authority as such in the Reconquista river basin; however, the "Camino La Rivera" along the river represents a certain environmentally sensitive interest as well as other ones like "Diques Ingeniero Roggero" and Reserva "Los Robles de Moreno" that will be further described in Step 1.

No inter-basin transfers between the Reconquista river and other basins; however, and as above-mentioned there is exchange between the Puelche and Pampeano aquifers. The climate has subtropical and template characteristics and the use of water in the catchment is mostly directed to urban, domestic/residential uses and non-hazardous industries.



Cuenca.png

Client Description and Site Details

Client/Site Background

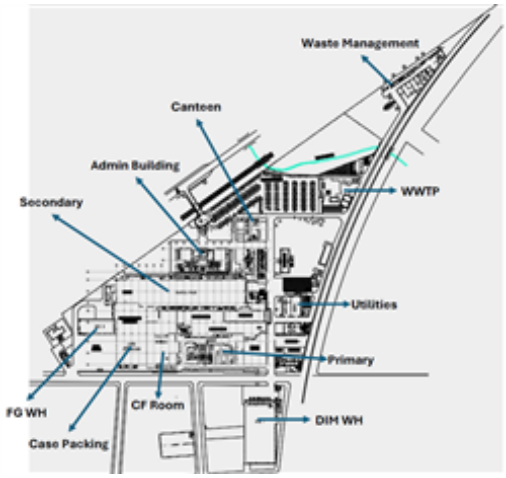
The site is located in the Municipality of Merlo, province of Buenos, Argentina and placed 41.5 km east to CABA (city of Buenos Aires) and accessible in one hour by car from the civic centre of Buenos Aires. The site is placed close to residential/commercial areas in Merlo, as well as immediately close to railways and skirts of the province of Buenos Aires.

The site's factory is a tobacco company that belongs to Philip Morris International (PMI) and supplies cigarettes to 4 markets, including the domestic production (98%) and exports (2%) to Chile, Brazil and Mexico. The company purchases its raw materials from tobacco farms located in northern Argentina. The site occupies an area of some 123,000 m2 from which around the 85% is covered with facilities/infrastructure of the factory. Massalin Particulares SRL PMI employs more than 2,000 people in Argentina.

Water is mostly used in the primary production process of tobacco to add enough moisture (13-14%) in the final product through a number of steps of humidification with steam water and drying, before entering the secondary processing units.

The facilities and process activities that were visited and assessed consisted of:

a) The main factory and its two main processing units: primary and secondary processing units - from which the most important for water relevance is the primary processing of tobacco whereby steam water is added to help the final product to reach 13-14% of humidity. The primary processing unit consists, in turn, of 4 sub-units where rather hot water and water steam are added to the tobacco leaves in a first stage where 33% o humidity is reached. Afterwards, through a drying process, the tobacco reach a 13-14% of humidity, enough to be transferred to the secondary processing where filters and tobacco paper are added to make the final cigarette.
b) Three 3 chilling towers: they work as a heat exchanger to allow the primary processing to operate.
c) Two boilers to allow the factory to yield enough hot water and water steam en energy to be used in the primary processing of tobacco; the hot water is conducted through pipelines that were seen during the onsite tour.
d) Steam water "traps" in the primary processing unit - at least three of them were seen during the onsite tour.
e) Three (3) water extraction wells (50-60 meters deep) that were located onsite and were seen during the onsite tour. Also, 27 measuring points of the phreatic levels of the groundwaters onsite were seen.
f) A water purification plant (inflows) that through the addition of chlorine and other compounds make the groundwater - extracted from the wells - suitable for drinking uses/human consumption and to be used in general by the factory - according to the Argentinian Food Code.
g) Storage water tank from the water extracted from the wells - visible from outside the factory.
e) An internal power station ("Usina") using fossil fuels and acting as a backup in case of any electricity shortages.
f) A wastewater treatment plant (WWTP) operating through aerobic reactors, and the discharge point in the "Arroyo Torres" (creek).
g) An internal laboratory to monitor the quality of the effluent from the WWTP and the technician in charge.
h) A hazardous waste warehouse that stored all chemical substances wasted, such as emptied containers of chemicals, equipped with MSDSs, emergency showers, solid concrete floor, etc. It had restricted access.
i) An onsite IWRA, of some 30,750 m2 in good conditions that was a green area (the company's gardens).
j) A medical services unit for the staff where its staff (physician) was interviewed to verify WASH conditions.
k) A canteen for the staff, toilets, showers and amenities including hydration points for the staff.
l) Fuel tank for energy consumption in the site's factory.
m) No Rainwater harvesting infrastructure or stormwater management was present in the site.
n) Fire water tank of 200 m3 was also seen onsite.



Site_picture.png

Summary of Shared Water Challenges

Summary of Shared Water Challenges
The main shared water challenges were:

1.Drinking water supply shortage.
2. Lack of sewage services.
3. Pollution of sewage effluents.
4. Inadequate waste disposal by industry and society. Garbage dumping.
5. Urbanization and demographic boom in Merlo (slums).
6. High population density lacking basic utilities.
7. Water-related diseases.
8. Floods.
9. Few natural protected areas, few wetlands and water recharge zones.
10. Lack of education and awareness on water-related issues.

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 site has mapped it physical scope, considering the regulatory landscape and zone of stakeholder interests, including:

1. Site boundaries: see attached slides presentation "1.1.1 Presentación auditoría AWS.pdf" (slides # 2, 6, 7, and 8 - showing geo-referencing and location in Google Maps). Also attached the maps showing the location of the wells and geo-referencing the site (see "2015-0~1.PDF", "2015-0~3.PDF" etc.).
2. Water-related infrastructure, including piping network, owned or managed by the site or its parent organization: the site attached a number of maps containing the water-related piping network for the site's factory which is owned by the organization in the attached maps "1.1.1 Distribución general de Agua Macro.pdf" that includes entire water pipeline network, water storage tanks, flowmeters location, etc.
3. Any water sources providing water to the site that are owned or managed by the site: the site presented and attached to this indicator the three wells and geo-referencing of the site in three maps; see "2015-0~1.PDF", "2015-0~2.PDF", and "2015-0~3.PDF". The slides presentation "1.1.1 Presentación auditoría AWS.pdf" (slide # 7) shows the location of the three wells onsite as well as the location of the onsite WWTP and the purification water plant (colored).
4. Discharge points and waste water service provider (if applicable) and ultimate receiving water body or bodies: the discharge point (see "Punto de Vertido" on the map) is the "Arroyo Torres, which is shown in slide #8 of the slides presentation "1.1.1 Presentación auditoría AWS.pdf".
5. Catchment(s) that the site affect(s) and is reliant upon for water: "Reconquista river basin" and the sub-catchment of "Arroyo Torres", which is shown in slide #9 of the slides presentation "1.1.1 Presentación auditoría AWS.pdf", but also in the document "MP_Directriz_de_agua_2025_V5_.pdf" section 4.1.1.

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.*	Yes

Comment

The stakeholders and their water-related challenges were identified and documented in the slides presentation "1.1.1 Presentación auditoría AWS.pdf" (slide # 11). The process used for stakeholder identification was identified in the document "Listado_y_contacto_de_stakeholders.pdf" following the classification of them in groups (private/state agency NGO-civil society group) for the catchment.
This process performed by the site:
1. Inclusively covered all relevant stakeholder groups including vulnerable, women, minority, and Indigenous people: while no indigenous peoples or minority groups were set aside, they were covered - in an indirect manner - by the Municipality of Merlo and the Undersecretary of Education and Environment of the Municipality of Merlo since they worked with vulnerable groups (in public schools). The direct neighbors (poor neighbourhoods) of the site's factory were also considered.
2. The physical scope of the stakeholders was representative of the site's ultimate water source (Puelche aquifer) and ultimate receiving water body or bodies (Reconquista river) as all the stakeholders were located along/close to this main basin.
3. Provide evidence of stakeholder consultation on water-related interests and challenges: the consultation to stakeholders was through an online survey by accessing a QR code (picture attached "Survey QR water related challenges.jpeg"). Also available this evidence as attached document " "Reunión con stakeholders PMI 2025.pdf" in the indicator 5.2.1.

Note that there is a summary in an exported Excel file "Challenges and Opportunities - AWS," from the survey response page. It is available in indicator 5.2.1. It lists all responses received by stakeholder, but in 2025, only one response was received. The audit team was abele to access the survey through the QR code.

4. Note that the ability and/or willingness of stakeholders to participate may vary across the relevant stakeholder groups: this willingness was presented in the document "Matriz_necesidades_y_expectativas_PI_2025.pdf" that identified 38 stakeholders.

5. Identify the degree of stakeholder engagement based on their level of interest and influence: this was identified in the document "Matriz_necesidades_y_expectativas_PI_2025.pdf"; the site decided that only the stakeholders having influence to some extent should be consulted in terms of their interest; hence, they had a 1st and 2nd assessment.

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

Comment

The current and potential degree of influence between site and stakeholder has been identified within the catchment - Reconquista river - that considered the site's ultimate water source and ultimate receiving water body for wastewater, through the document "Matriz_necesidades_y_expectativas_PI_2025.pdf"; whereby the site categorized the degree of influence in "A" or "B" and the power of influence in "A" our "B" as well. For example, Firefighters of Merlo and AYSA (private/public water supplier), following this classification and matrix, were prioritized as key players, whereas the National University of Moreno as "stakeholders to engage" in the site's AWS system/shared water-related challenges. The site classified and considered stakeholders since 2021.

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

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

Comment

The site presented its existing water-related incident response in the document "Plan de emergencia Agua version Nº 1.1.0" (Emergency plan for water), code EHS & S - 16 May 2024. Also attached as "2. Plan Emergencia Agua - AWS V1.pdf". According to this plan the site has developed high, medium and low type of emergencies. A water-related emergency, according to the site definition, is the reduction in the supply of water by negative impacts on the wells operation, or any other water-related infrastructure. The plan also considers a number of water-related actions such as the use of alternative water sources and the emergency repairment of pumps in case of affectation of one of the wells, and so on.

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

Comment

The site presented its water balance in a documented flow diagram titled "Diagrama de flujo.pdf" and in the document "Balance hídrico 2024.pdf".
The site identified as inflows: "Pozo 2" and "Pozo 3", losses (evaporation, evaporation PTE, etc.), storage (fire water tank, "Tanque blanco" (from steam water, etc.)) and outflows (sludges from the WWTP, industrial/domestic effluent, etc.). Overall, the site has identified at least 43 points of inflows, losses, storage, and outflows from its operations. FTD + DCCC `MEC 1, for instance, correspond to the water used in the primary processing of tobacco. The site showed a difference of up to 5% in its water balance that may have been caused by misreadings.

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

Comment

The site presented its water balance in a documented flow diagram titled ""Diagrama de flujo.pdf" and in the document "Balance hídrico 2024.pdf" (drawn up by an external consultancy firm). The general balance for the 2024 period was:

Inflows: Well 2 (27,583 m3) + Well 3 (35,262 m3) = 62,845 m3.
Outflows: Tank APII 1 (46 m3) + Cleaning TQ Ppal (240 m3) + Not recorded (6,384 m3) + Roof cleaning (188 m3) + API2 (1,389 m3) + Evaporation and runoff TEAS (9,687 m3) + Purge TEAS (6,215 m3) + Human consumption (1,249 m3) + Evaporation losses (5,997 m3) + Evaporation PTEL (475 m3) + Sludge final disposal (12 m3) + CTM (11,645 m3) + Backwash As (378 m3) + Reverse osmosis rejected water (5,788 m3) + Boiler purge (403 m3) + Tanker tricks IMHOFF (441 m3) + Recovery API 1 (1,357 m3) + Not considered losses (6,6,25 m3) + Other losses (631 m3) = 60,032 m3.

The balance is 95,52% , this difference may have been caused by misreadings.

The site, in the same report "Balance hídrico 2024.pdf" has recorded on a monthly basis from January to December 2024 (indicating thus, the annual variance in water usage rates) the consumption rates of its two operational wells (Well Nº 2: 27,583 m3 and Well Nº3: 35,262 m3) totaling 62,845 m3. The report also details the consumption of each of the processing units of the site's factory and the monthly variation of the effluents (2024). There is also a daily monitoring table by using a software.

The site operates a "DAILY LINE DDS IFMS 2025" IFMS system as a best practice for monitoring water consumption in the various operational units. BEST PRACTICE: This system monitors shutdowns, process interruptions, plant water KPIs, and how these vary. They record water and energy consumption and ensure consistency in the readings to verify whether the flow meters are providing accurate readings. The site operates at least 50 flow meters in the plant.

Note that the purge has high conductivity and cannot be re-entered into the process because it would alter all results.

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

Comment

The site has established the following water quality analysis for its provided waters, effluent and receiving water bodies:

1. Analysis of the water purification treatment plant: The Health and Safety Decree 19.785 requires semiannual analysis, and the Argentinian Food Code establishes the reference values. The analysis are available until March 2024, and they are semiannual. There were no parameters exceeding what is requested by law or any violation. Alkalinity is also carried out, although it is not required by law (best practice). There are 42 sampling points. At points where the analysis does not meet the standard, a sign is posted indicating that the water cannot be drunk.

2. Physical-chemical-bacteriological analysis is semiannual and annual, as required by law. Analysis are performed on the water taps in the cafeteria, cafeterias, and restrooms was performed. CIT Laboratory (Toxicological Research Center) conducted the analysis.

2. Well waters: This is required by law (semiannual, based on the operating permit to operate): for example as an audit sample, ECOTEC in November 2024 performed analysis at wells No. 3 and No. 1 (in PDF format, as an example the file"24-2633.pdf")and an Excel summary. All the results complied with the Argentinian regulations.

3. Effluents: (a) Sampling of the effluents and the "Arroyo Torres2 Creek, upstream and downstream sampling points.
Sampling has been carried out since December 2024, September, and May 2024. The sampling point is approximately 50-100 meters off site. Samples: "A Torres Aguas Arriba Dic 2024.pdf" and "A Torres Aguas Abajo Dic 2024.pdf
(b) The effluent itself was also analysed: on a monthly basis the analyses are carried out in accordance with legislation and is uploaded to a PDF file according to the resolution. Examples provided in the attached files "Efluente CIT NOV 2024.pdf" . All the results complied with the Argentinian regulations.

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

Yes

Comment

The site has provided the document "Mapa de zonas de contaminación.pdf", that allowed the site to identify and map de different chemical products stored onsite, with the description of each of them

The site has an Excel Matrix listing with maximum volumes (the supplier must generally have a permanent volume), the type of substances, and the system used to classify them (Globally Harmonized System). File "1.3.5 Fuentes de contaminación hoja 1".pdf (Sources of Pollution).

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

Yes

Comment

The site has identified and mapped three onsite IWRAs, as follows:

1. Puelche Aquifer (onsite portion): inside the site, there are three exploitation wells and an extensive phreatic network for sampling groundwater from the Puelche aquifer, from which the water used by the factory is obtained. This is an important IWRA for the site because it is the source of water for both human consumption and production processes that require water and water steam.
The semi-confined Puelche Aquifer is the most important in Argentina due to its reserves, quality, current exploitation, and diversity of uses. It covers approximately 240,000 km2 in the provinces of Santa Fe, Entre Ríos, Córdoba, and Buenos Aires; in the latter, it occupies approximately 92,000 km2 (Auge et al., 2002). Recharge is indirectly derived from the Pampean Aquifer, where it has a positive hydraulic head. Regional discharge occurs toward the Paraná-de la Plata and Salado basins. The status was identified as in "good conditions".

2. On-site green IWRAs (parks/gardens) of 30,750 m2: The site has several green spaces, ranging from employee break rooms to green areas (gardens) associated with the liquid effluent treatment plant. This type of space is a relevant IWRA for the site because it generates a sense of belonging for employees, who can enjoy these common spaces within the factory, also providing a connection to the natural environment even while remaining within the factory's physical boundaries.

3. The site is crossed by Torres Creek, where treated liquid effluent is discharged. Arroyo Torres creek belongs to the Arroyo Torres sub-catchment where the site is located, which then flows into the Reconquista River.
It is a significant IWRA for the site as it is the surface water body that receives treated liquid effluent. The Arroyo Torres is a small, permanent watercourse that feeds into the Reconquista River, whose waters in turn flow into the Luján River and eventually into the Río de la Plata. It joins the Reconquista River in the middle basin and flows entirely within the Municipality of Merlo. The status was identified as in "regular conditions".

These IWRAs were mapped in the slides presentation "1.1.1 Presentación auditoría AWS.pdf" (slides # 7, 8 and 9). No indigenous communities or groups were identified, only environmental and cultural values were determined.

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 annual water-related costs, revenues, and a description or quantification of the social, cultural, environmental, or economic water-related value generated by the site have been identified in the document "True cost of Water Tool Merlo 2025" attached to this indicator. The costs that have been detailed included water consumption, wastewater treatment costs, water quality monitoring, cooling towers, water balance 2024 (consulting firm), flow meters installation and so on. They totaled USD $ 367,941 and the unit cost was USD $ 3.96/m3. The relative contribution to each of these costs to the 2'24 total cost was represented in a pie chart. The audit team also verified the source of these costs by checking on invoices, purchase orders, etc.

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

Yes

Comment

The levels of access and adequacy of WASH at the site was identified as follows:

1. Through legal compliance audits (attached evidence) and the ISO 45001 site's certification that audits WASH conditions.
2. The audit team verified the conditions of WASH during the onsite tour (clean toilets, canteen in excellent conditions and other WASH facilities) and by interviewing two workers: one female and one male worker, they recognized that the toilets and hydration points were no more than 5 minutes from their workplace.
3. Visit to the Medical Services for the staff: the physician confirmed no water-relates diseases, as well as he showed the laboratory analysis from food microbiology (11/04/2025) and from the hands of workers: all of them indicated negative results in regards to the presence of indicator microorganisms.

1.4 *Gather data on the site's indirect water use, including: its primary inputs; the water use embedded in the production of those primary inputs the status of the waters at the origin of the inputs (where they can be identified); and water used in out-sourced water-related services.*

1.4.1 *The embedded water use of primary inputs, including quantity, quality and level of water risk within the site's catchment, shall be identified.*

Yes

Comment

The site has identified that the suppliers of its primary inputs are outside the catchment "Reconquista river basin". Most of the site's suppliers are from other countries or in Argentina but outside the catchment. However, to meet with this indicator the site developed the following documents:

1. 250327_2024_DIMs_Origins_Destinations.xlsx: in this file the site identified three suppliers in the province of Buenos Aires but outside the "Reconquista river basin". For example, "El Talar" (packaging), and "Malvinas Argentinas" (from the "Acumar" catchment) were two of them.
2. 250324 CDP Water Scores 2024.xlsx: By presenting this document the site estimated through a "CDP scoring methodology" that estimated the consumption and level of risk of water of the site's suppliers (in this case, all of them outside the catchment).

As described by the site "CDP scoring methodology to incentivize companies to measure and manage environmental impacts through one or more of our climate change, forests and water security questionnaires. Disclosure drives action and by scoring companies from D- to A. It is important to note that companies that achieve an A score are not at the end of their environmental journey - they are among the most transparent when it comes to disclosure and performance on climate change, deforestation or water security." The scores for each of the site's suppliers were presented in the spreadsheet "2024 CDP Water" of the Excel file.

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

Obs.

Comment

The site has identified the embedded water of more than 10 outsourced services that work on-site - and thus within the site's catchment - as contractors by presenting the document titled "IndirectWaterUse 2024 - Proveedores.pdf" attached to this indicator. The site has also determined the level of impact on the water consumption from each outsourced service and this has included the embedded water of the (a) canteen provider and the (b) cleaning services whose type of services are the only ones that really have "a water footprint".

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

The site has identified the following three water governance initiatives that are related to water-related public policies in the "Reconquista river basin" catchment; all providing opportunities for water stewardship collective action:

1. Biodiversity conservation "Camino La Rivera", an initiative to protect the water quality of this catchment as well as its biodiversity status, available at: https://www.merlo.gob.ar/plan-de-forestacion-camino-de-la-ribera/. and at: https://www.gba.gob.ar/comirec/noticias/moreno_nuevo_proyecto_para_mejorar_el_camino_de_la_ribera

2. Appropriate provision of drinking water (WASH) to the schools of the district of Merlo. Available at: https://www.merlo.gob.ar/tag/agua/

3. Comprehensive management plan for the Reconquista river basin, (aka "Programa de Saneamiento Ambiental de la cuenca del Río Reconquista"): funded by the BID, "The program's objective is to restore the environmental quality of the Reconquista River Basin (RRB) through the implementation of a comprehensive management plan that prioritizes actions in this regard. To motivate and include the population in the project, investments will be prioritized for populations living in areas at high health risk. These investments will contribute to: (i) increasing water, sewage, and wastewater treatment coverage; (ii) improving integrated solid waste (SW) management, primarily through the closure of open-air dumpsites (CBA); (iii) improving connectivity and access to peripheral neighborhoods located in hard-to-reach areas; and (iv) strengthening the operational management of the Reconquista River Basin Committee (COMIREC) through the development of management tools, including the Reconquista River Basin Comprehensive Management Plan (PGICRR)." Available at: https://www.iadb.org/es/proyecto/AR-L1121

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

Yes

Comment

The site has used a legal matrix titled "Matriz legal recursos hídricos.pdf" to help them in the compliance of its water-related obligations. The site identified 34 regulatory bodies amongst laws and regulations and was already prepared by the legal consultancy firm "Franco Abogados" No stakeholder-verified customary water rights were identified for the catchment in which the site operates. The site has also uploaded two receipts of payment to the Water Authority for water extraction rights and discharge treated effluents in the Reconquista river (by discharging to the Arroyo Torres).

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

Yes

Comment	The site has determined that the water balance of the Reconquista river, as a plain area, presents a variable water balance, with flows that can range from 69,000 m³/day to 1,700,000 m³/day. Its flow is influenced by rainfall patterns, fluctuations in the Paraná River, the tides of the Río de la Plata, and the southeastern winds. Information available at: https://farn.org.ar/wp-content/uploads/2020/06/Informe-DPN-FARN-Reconquista-2007.pdf Please note that water scarcity was identified as a shared water challenge, in this catchment and its sub-catchment "Arroyo Torres" water scarcity was not significant or relevant. However, the site developed a more accurate water balance for the "Arroyo Torres" catchment (2023 data that will be updated in 2025) in the document "Balance_de_agua_cuenca_Arroyo_Torres.pdf", and the general results were as follows: The water balance for the Torres Creek subbasin is as follows. □ Water Inflow o Water inflow is equal to the volume of precipitation, which amounts to 28.3 hm3. □ Water Outflow o Actual evapotranspiration: The volume of water leaving the system through evapotranspiration amounts to 16.43 hm3 per year. o Infiltration: The water leaving the system through infiltration is 2.08 hm3 per year. o Surface runoff: The volume of water leaving the system through surface runoff is equivalent to 1.7 hm3 per year. Therefore, no hydric stress has been identified in the site's catchment. The document "MP_Directriz_de_agua_2025_V5_.pdf" also describes some characteristics of the Arroyo Torres" catchment in the section 4.1.4 (page #18) of such a document, as well as its mapping. A water balance is also shown un section 4.1.7.	
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	The water quality of the site's catchment was determined in terms of physical, chemical, and biological status. The site identified the water quality of the Reconquista river and the Puelche-Pampeano aquifer system in the document titled ""MP_Directriz_de_agua_2025_V5_.pdf" , as follows: 1. Main conclusions Reconquista river: "▪ pH values at all points in the catchment are within established limits. ▪ According to the total phosphorus values in the Trophic State Index, they showed values indicating that almost all sites in the watershed are in the Hypertrophic category, and the LC1 site is Eutrophic. ▪ Through the source of organic matter analyzed with BOD5, COD, and the BOD5/COD ratio, we can observe that the majority of organic matter is biodegradable in the middle and lower watersheds. ▪ Total coliforms and E. coli are important biological parameters with health implications. The highest values were found in most sites in the middle and lower watersheds, with the exception of the upper watershed. ▪ No identifiable concentrations of glyphosate were observed in water in the upper watershed, an agricultural and livestock area. ▪ Consistent with the results of previous campaigns, a significant degradation of the water quality of the Reconquista River is observed in the most urbanized areas of the middle and lower basin." In the same document COMIREC sampling/analysis data is also shown for QDO, phosphorus and fecal coliforms and an indication of, high and low variances among different sites is also shown (showing high pollution in general). 2. Main conclusions for the Puelche-Pampeano aquifer system: "Nitrate constitutes the most oxidized, stable, and mobile form of nitrogen species in solution and generally originates from nitrogen sources outside the aquifer system. The results of chemical analyses of the wells studied between 1996 and 2002 indicate that 68% of them exceed the limit proposed by the World Health Organization for nitrate concentrations suitable for human consumption. The contamination of the Puelche aquifer could be related to the migration of nitrate ions from the surface due to its overexploitation. This is based on the fact that the highest nitrate concentrations are closely related to the areas of greatest exploitation of the Puelche aquifer. (Carol E., 2005) CONICET | Institute and Human Resources Search (Hydrochemical Aspects of Groundwater in Greater Buenos Aires, Argentina) Arsenic is a naturally occurring element, present in air, soil, water, and organisms. In Argentina, most of this element comes from the dissolution of arsenic minerals linked to volcanic eruptions and hydrothermal activity, mainly in the Andes Mountains, a process that has been occurring for millions of years and reached the Chaco-Pampean Plain as a result of wind (Draghi, 2014). The As content limits used to delimit the areas were: 0.01, 0.05, and 0.10 mg/L. Based on this, Image 33 shows a notable predominance of concentrations that exceed the current tolerable limit in the Province of Buenos Aires, given that 87% of its territory has values above 0.05 mg/L and only 13% has lower contents. Of the regions with more than 0.05 mg/L of dissolved As, the one with contents between 0.05 and 0.1 mg/L stands out due to its size. It represents 58% of the total area, but houses only 470,000 inhabitants, representing 3% of the total, who are supplied mainly by the Pampean Aquifer, with an average of 0.075 mg/L of As. The site has identified the annual, and where appropriate, seasonal, high and low variances in water quality both for its affluents (three wells) and effluents (Arroyo Torres, upstream and downstream points) by presenting the quality analysis as they were shown in the indicator 1.3.4.
1.5.5	*Important Water-Related Areas shall be identified, and where appropriate, mapped,and their status assessed including any threats to people or the natural environment, using scientific information and through stakeholder engagement.*	✓ Yes

Comment

The site has identified and mapped 9 IWRAs in the Reconquista river basin and they are described in the document titled "MP_Directriz_de_agua_2025_V5_.pdf" (section 5, page 43). As quoted in this document "Although there are no legally designated Nationally Protected Areas in the Reconquista River basin, we can proactively identify areas of environmental importance that must be taken into account when developing actions aimed at improving the basin. Only the Reconquista River basin, the MP's area of influence, was considered for the analysis of areas of relevance."

The IWRAs are as follows: (1) Dique Roggero, (2) Área natural protegida Dique Ingeniero Roggero, (3) Reserva “Los Robles” de Moreno, (4) Reserva natural Urbana Río Reconquista “El Corredor”, en San Miguel, (5) Estancia Saavedra - Reserva Natural, (6) Reserva Natural Arroyo El Durazno, (7) Camino de la Ribera, (8) Parque Natural Municipal Ribera Norte, and (9) Reserva Urbana de la Defensa Campo de Mayo. Overall, they are throughly described in terms of their environmental and socio-cultural values based on scientific/official information (references in end/footnotes) and their status was determined as "threatened" in most cases - in terms of biodiversity and water quality.

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

Comment

The site has determined in the document c the existing and planned water-related infrastructure for the catchment - including, for example public wastewater treatment plants and surveillance wells to monitor their aquifers - but the description of the condition and potential exposure to extreme events of such infrastructure is lacking.

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

Comment

The site has identified the adequacy of available WASH services within the catchment by presenting the document titled "MP_Directriz_de_agua_2025_V5_.pdf " in its section 6 and 6.1 and an important conclusion was obtained for the direct influence area (Merlo Municipality and the "Arroyo Torres" sub-catchment): "The Merlo district has a population of 580,806 people, according to the 2022 Census (INDEC, 2022). The 2019 census data indicates that 46% of households had a water connection. The rest of the population uses their own wells for their water supply. Regarding sanitation, only 20.59% have a sewage connection, meaning that almost 80% of households use individual sanitation systems." In general, the province of Buenos Aires (where the entire Reconquista river is included) had variable coverages of access to WASH, for example in CABA (city of Buenos Aires) WASH covers the 99.8% whereas the Merlo and other peripheral districts reach between 40-50% and 20-40% in water access and sewage access, respectively.

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 site has identified and prioritized its shared water challenges from the the document "Matriz_necesidades_y_expectativas_PI_2025.pdf" highlighting and prioritizing their "key players" responses and obtaining, thus, a summary of 10 shared water challenges. Therefore, all of these shared water challenges are worked, in tandem, with the site's key stakeholders.

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

Comment

The initiatives to address those identified shared water challenges can be found in separate column of the water stewardship plan titled "Desafíos de la Cuenca" (catchment challenges): this column is linked, in turn, with specific actions (column "acción/medidas") that are also linked with the specific AWS outcomes. For example, the shared water challenge "Information (better) of the catchment of Arroyo Torres" was linked with the action "redefinition of the catchment and influence area" as well as "meetings with relevant stakeholders". Another example of action for the shared challenge "water scarcity/water supply shortage" was "to install a second osmosis reverse unit to treat rejected water".

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.*

Obs.

Comment

While the site has identified and described more than 10 water risks in an Excel matrix named "Matriz de Riesgos y Oportunidades.xlsx" prioritizing them as well as including their likelihood and severity of impact, the description of their given timeframe, potential costs and business impact is missing.

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

Obs.

Comment

While the site has identified its water-related opportunities as well its prioritization in an Excel matrix named "Matriz de Riesgos y Oportunidades.xlsx", the description of how the site may participate and the description potential savings, and business opportunities is missing.

1.8 *Understand best practice towards achieving AWS outcomes: Determining sectoral best practices having a local/catchment, regional, or national relevance.*

1.8.1 *Relevant catchment best practice for water governance shall be identified.*

Yes

Comment

The site identified and described its relevant best practices for water governance in the following document titled "1.8 Buenas practicas relacionadas con el agua.pdf" and they are as follows:

1. Global Committee for AWS.
2. Program "Agua en Debate" (water in debate) through conferences and meetings (educational program for schools).
3. "Losses elimination team"; to face water losses.
4. Meetings with interested to address shared water-related challenges (COMIREC, companies within the basin, neighbors, Municipality of Merlo).

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

Comment

The site identified and described its relevant best practices for water balance in the following document titled "1.8 Buenas practicas relacionadas con el agua.pdf" and they are as follows:

1. Monitoring in WWTP: COD - PH - O2 - free chlorine (semi-automatic).
2. Water reuse (API tank).
3. Use of pressure reducers in the Patagonia sector, locker rooms, training center, truck driver restroom, and emergency response center.
4. Use of steam traps.
5. Open+ Tools - Sustainability Trigger.
6. Heat recovery system.
7. Open+ Tools - DDS.

1.8.3	*Relevant sector and/or catchment best practice for water quality shall be identified, including rationale for data source.*	Yes
Comment	The site identified and described its relevant best practices for water quality in the following document titled "1.8 Buenas practicas relacionadas con el agua.pdf" and they are as follows: 1. Monitoring in WWTP: COD - PH - O2 - free chlorine (semi-automatic). 2. Meetings with interested to address shared water-related challenges (COMIREC, companies within the basin, neighbors, Municipality of Merlo).	
1.8.4	*Relevant catchment best practice for site maintenance of Important Water-Related Areas shall be identified.*	Yes
Comment	The site identified and described its relevant best practice for IWRAs in the following document titled "1.8 Buenas practicas relacionadas con el agua.pdf" and they are as follows: 1. Cleaning of the "Arroyo Torres" creek which is the site's sub-catchment by staff volunteers/workers.	
1.8.5	*Relevant sector and/or catchment best practice for site provision of equitable and adequate WASH services shall be identified.*	Yes
Comment	The site identified and described its relevant best practices for WASH in the following document titled "1.8 Buenas practicas relacionadas con el agua.pdf" and they are as follows: 1. Zero waste to landfill - sending less than 1% of the waste generated to landfills. 2. Hygiene campaigns for an appropriate hand-washing (witnessed by the audit team in staff toilets).	

2	**STEP 2: COMMIT & PLAN - Commit to be a responsible water steward and develop a Water Stewardship Plan**

2.1 *Commit to water stewardship by having the senior-most manager in charge of water at the site, or if necessary, a suitable individual within the organization head office, sign and publicly disclose a commitment to water stewardship, the implementation of the AWS Standard and achieving its five outcomes, and the allocation of required resources.*

2.1.1 *A signed and publicly disclosed site statement OR organizational document shall be identified. The statement or document shall include the following commitments:*
- That the site will implement and disclose progress on water stewardship program(s) to achieve improvements in AWS water stewardship outcomes
- That the site implementation will be aligned to and in support of existing catchment sustainability plans
- That the site's stakeholders will be engaged in an open and transparent way
- That the site will allocate resources to implement the Standard.

Yes

Comment

The site attached its signed and publicly disclosed AWS site statement, that is signed by the Manufacturing Director and established the following:

"Massalin Particulares, as a result of its public commitment to sustainable water management, commits to:
▪ Support, uphold, and defend the principles and five outcomes of the Water Stewardship Partnership:
- good water governance,
- sustainable water balance,
- good water quality,
- conservation of important water-related areas and drinking water,
- sanitation and hygiene for all;
▪ Engage and involve stakeholders in an open and transparent manner in water-related programs;
▪ Comply with legal and regulatory requirements;
▪ Respect water-related rights, including ensuring adequate access to drinking water, sanitation, and hygiene for all workers at facilities under the site's control;
▪ Implement the AWS standard in alignment with and supporting existing basin sustainability plans;
▪ Continuously improve and adapt the site's water stewardship actions and plans; ▪ Implement and report on progress in water stewardship programs to achieve improvements in water stewardship outcomes;
▪ Maintain the organizational capacity necessary to successfully implement the AWS Standard, ensuring that employees have the time and resources necessary to implement and maintain the Standard;
▪ Support national and international water-related treaties;
▪ Disseminate relevant water-related information to stakeholders."

This commitment is publicly available at: https://www.pmi.com/markets/argentina/es/sostenibilidad and by clicking "Descargá nuestro compromiso con el agua".

2.2 *Develop and document a process to achieve and maintain legal and regulatory compliance.*

2.2.1 *The system to maintain compliance obligations for water and wastewater management shall be identified, including:*
- Identification of responsible persons/positions within facility organizational structure
- Process for submissions to regulatory agencies.

Yes

Comment

The site identified a system to maintain compliance obligations for water and wastewater management by presenting the documented presentation file titled "2.2.1 Local team.pdf" where in slide #2 an organizational flow chart "the local team" in which the AWS project manager is the responsible person for legal an regulatory affairs. The description of her duties is shown in slide #4.

The process for submissions to regulatory agencies is shown in the slide #3 of the above-mentioned slides presentation and adding a brief explanation "The role of the AWS Project Manager / Legal Representative of the company is the one in charge of carrying out this flow, in collaboration with the legal area, as well as, if required, by the External Affairs / External Stakeholders area in case their intervention is necessary in the submissions".

2.3 *Create a water stewardship strategy and plan including addressing risks (to and from the site), shared catchment water challenges, and opportunities.*

2.3.1 *A water stewardship strategy shall be identified that defines the overarching mission, vision, and goals of the organization towards good water stewardship in line with this AWS Standard.*

Yes

Comment

The water stewardship strategy of the site has defined the overarching mission and vision of the organization organization towards good water stewardship in line with this AWS Standard:

"• Mission: At Massalin Particulares, we are dedicated to the manufacture and marketing of tobacco products with the highest quality standards, complying with current regulations and promoting responsible practices throughout our value chain. We are committed to sustainability, pioneering sustainable water management and efficiently managing our resources, minimizing our environmental impact and contributing to the well-being of the communities where we operate.

• Vision: To be the leading tobacco company in Argentina, recognized not only for the excellence of our products but also for our commitment to innovation, sustainability, and responsible business development. We seek to generate a positive impact through efficient environmental management, including the responsible use of water certified under the AWS standard, and by promoting valuable relationships with our employees, customers, and society.

Additionally, the general goals were defined as follows:

"Philip Morris International's strategy is geared toward efficient use of water resources in all its processes.
The challenge for 2025 is to reduce water consumption by 16% compared to 2024."

"One of the strategies for reducing groundwater consumption is the reuse of treated effluent in non-productive processes. By 2025, the feasibility of reusing water in processes where reuse is compatible will continue to be analyzed."

This water stewardship strategy is publicly available at:
https://www.pmi.com/resources/docs/default-source/argentina-files/informe-de-performance-aws-2024.pdf?sfvrsn=8bf75bc8_2

2.3.2	*A water stewardship plan shall be identified, including for each target:* *- How it will be measured and monitored* *- Actions to achieve and maintain (or exceed) it* *- Planned timeframes to achieve it* *- Financial budgets allocated for actions* *- Positions of persons responsible for actions and achieving targets* *- Where available, note the link between each target and the achievement of best practice to help address shared water challenges and the AWS outcomes.*	Obs.
Comment	The site has developed a water stewardship plan identifying for each targets almost all of the elements as required by the AWS standard as well as the link between each target and the achievement of best practice to help address shared water challenges and the 5 AWS outcomes. For example, the site has set for water balance the "target of improving the information for water consumption" and for water quality the "target of complying with the 100% of water monitoring". However, the site is not including/describing how those targets will be measured and monitored.	
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 site has implemented an emergency plan to mitigate/adapt water risks (attached to this indicator). However, as the site is in the skirts of the province of Buenos Aires, they do not share any infrastructure with other stakeholders or users, or public agencies. Moreover, in the indicator 1.3.1 the site classified three main groups of water-related risks and none of them depended on/was affected by, public infrastructure or agencies (they use their own power generations for example, for water pumps). However, the site provided as additional evidence of contact with AYSA (public/private water supplier) to engage in the site activities in relation to the AWS standards - dated on 29 May 2024.	

3	STEP 3: IMPLEMENT - Implement the site's stewardship plan and improve impacts

3.1 *Implement plan to participate positively in catchment governance.*

3.1.1 *Evidence that the site has supported good catchment governance shall be identified.* ✓ Yes

Comment: The site provided the following evidence from its support to good catchment governance:

1. Meeting with COMIREC (Committee for the management of the Reconquista river) during the "water week" (dated on 21-03-2025 and the email evidence is dated on 11-04-2025) that was a meeting with the local university UNSAM as well.
2. Work panel with the UNSAM (local university), email dated on 21-03-2025 and with Nestlé Argentina (bottled waters). The panel was held on 21-03-2025.
3. invitation sent to relevant stakeholders to visit the site's factory, particularly the WWTP and discuss shared water challenges for 23 May 2025.

All of which have attached documented email evidence.

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: The site has identified the following measures to respect the water rights of others including indigenous peoples that are not present in the catchment.

According to the National Institute of Indigenous Affairs, to date there are no registered Aboriginal communities in the area of influence of Massalin Particulares. However, there are 9 communities with legal status in the Reconquista River basin, belonging to the Qom-Toba, Mbya Guaraní, Tupí Guaraní, Mapuche, Mapupe Tehuelche, Guaraní and Quechua communities (see section 5.2.3 of the document titled "MP_Directriz_de_agua_2025_V5_.pdf ") . No customary rights or water rights in the direct influence are of the site and in the catchment have been identified.

The site has also uploaded two receipts of payment (attached) to the Water Authority for water extraction rights and discharge treated effluents in the Reconquista river (by discharging to the Arroyo Torres). No fines or sanctions have been caused by any non-compliance on water over extraction or exceeded parameters in the sites effluents.

Additionally, the site periodically performs legal compliance audits to ensure the compliance of water-related laws and regulations (attached evidence).

3.2 *Implement system to comply with water-related legal and regulatory requirements and respect water rights.*

3.2.1 *A process to verify full legal and regulatory compliance shall be implemented.* ✓ Yes

Comment: The site has implemented the procedure "ARG-HS-016 Procedimiento de requisitos legales y otros requisitos.pdf" to evaluate the compliance of legal and regulatory requirements (attached). As evidence of implementation, the site periodically performs legal compliance audits to ensure the compliance of water-related laws and regulations (attached evidence).

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

The site has identified the following measures to respect the water rights of others including indigenous peoples that are not present in the catchment.

According to the National Institute of Indigenous Affairs, to date there are no registered Aboriginal communities in the area of influence of Massalin Particulares. However, there are 9 communities with legal status in the Reconquista River basin, belonging to the Qom-Toba, Mbya Guaraní, Tupí Guaraní, Mapuche, Mapupe Tehuelche, Guaraní and Quechua communities (see section 5.2.3 of the document titled "MP_Directriz_de_agua_2025_V5_.pdf ") . No customary rights or water rights in the direct influence are of the site and in the catchment have been identified.

The site has also uploaded two receipts of payment (attached) to the Water Authority for water extraction rights and discharge treated effluents in the Reconquista river (by discharging to the Arroyo Torres). No fines or sanctions have been caused by any non-compliance on water over extraction or exceeded parameters in the sites effluents.

Additionally, the site has implemented the procedure "ARG-HS-016 Procedimiento de requisitos legales y otros requisitos.pdf" to evaluate the compliance of legal and regulatory requirements (attached). As evidence of implementation, the site periodically performs legal compliance audits to ensure the compliance of water-related laws and regulations (attached evidence).

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.*

Obs.

Comment

The status of progress towards meeting water balance targets set in the water stewardship plan is shown in a separate column for each target in the Excel matrix "Plan de acción AWS 2024-2025.xlsx"; however, a summary of the status of progress for each of the 5 AWS outcomes - and particularly for water balance targets - as well as a general summary for the water stewardship plan is lacking.

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

While water scarcity is not a significant shared water challenge, the site has set a target of reducing water consumption by 16% by 2025 as compared to 2024: this is compared to m3/million cigarettes. This is included in the water performance report (attached and available at: https://www.pmi.com/resources/docs/default-source/argentina-files/informe-de-performance-aws-2024.pdf?sfvrsn=8bf75bc8_2) and the slides presentation "1.1.1 Presentación auditoría AWS" pdf (slide #15). Evidence of implementation is documented in the water stewardship plan, for example, steam traps, additional flowmeter installations, an overhead fire network to detect leaks quickly (previously underground), etc. Some evidence was seen by the audit team during the on-site tour; e.g. steam traps and flowmeters.

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 legal obligation or associated documentation for the provision of water for social, cultural, or environmental needs. However, water is freely available to the volunteer firefighters of the municipality of Merlo in the event of wildfires in the district (Merlo). In 2024, this amounted to 883 m2, corresponding to 1.4% of the water balance as seen in the 2024 water balance (indicator 1.3.3). The location of the water intake point was also seen by the audit team during the on-site tour.

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.* Obs.

Comment: The status of progress towards meeting water quality targets set in the water stewardship plan is shown in a separate column for each target in the Excel matrix "Plan de acción AWS 2024-2025.xlsx"; however, a summary of the status of progress for each of the 5 AWS outcomes - and particularly for water quality targets - as well as a general summary for the water stewardship plan is lacking.

3.4.2 *Where water quality is a shared water challenge, continual improvement to achieve best practice for the site's effluent shall be identified and where applicable, quantified.* Yes

Comment: For the site's effluents, the following best practices have been implemented to improve and monitor water quality:

1. Laboratory analysis for the wastewater treatment plant (WWTP) and the hiring of a wastewater treatment plant operator (beyond what is required by law). Daily analyses are performed for the following parameters: settleable solids, pH, chlorine, casing dosage for tobacco adjustment, and QDO (chemical demand of oxygen) (inlet and outlet), and O2 in an air chamber. Phosphorus is measured once a week. This was witnessed by the audit team during he onsite tour.

2. External advisor for WWTP and engineering projects: Included in the water costs, they provide advice in case of potential deviations in parameters or in the operation of the treatment plant. The purchase order for water and processes was verified in audit corresponded to No. 5701296793 dated January 21, 2025. The supplier was "Aguas y Procesos S.A."

3. The water quality analyses of the Torres stream that are uploaded in point 1.3.4, all of which are beyond what is required by laws and regulations.

3.5 *Implement plan to maintain or improve the site's and/or catchment's Important Water-Related Areas.*

3.5.1 *Practices set in the water stewardship plan to maintain and/or enhance the site's Important Water-Related Areas shall be implemented.* Yes

Comment: The site provided the following evidence of practices set in the water stewardship plan to maintain and/or enhance the site's Important Water-Related Areas:

1. Cleaning day of the "Arroyo Torres" creek (on/off site IWRA) shown through two pictures attached and the slides presentation "1.1.1 Presentación auditoría AWS.pdf" (slides #17 and 18).
2. There is also an email dated on l 08/11/2024 where it is confirmed the "Arroyo Torres" creek cleaning day by presenting the Work order # 64206 (attached evidence).

3.6 *Implement plan to provide access to safe drinking water, effective sanitation, and protective hygiene (WASH) for all workers at all premises under the site's control.*

3.6.1 *Evidence of the site's provision of adequate access to safe drinking water, effective sanitation, and protective hygiene (WASH) for all workers onsite shall be identified and where applicable, quantified.* Yes

Comment	The site has provided the following evidence of adequate access to WASH for all workers onsite: 1. Site walkthrough where adequate WASH facilities were provided and seen as such by the audit team. 2. Interviews with two workers and the medical staff that confirmed the non-existence of water-related diseases and microbiological contamination of food and surfaces by water-transmitted bacteria. Also, the workers confirmed the access in no ore than 5 minutes to WASH points. 3. Daily bathroom disinfection records , as seen/witnessed by the audit team. 4. Physical-chemical-bacteriological analysis is semiannual and annual, as required by law. Analysis are performed on the water taps in the cafeteria, cafeterias, and restrooms was performed. CIT Laboratory (Toxicological Research Center) conducted the analysis on tap water (at least 5 random points are sampled). See also indicator 1.3.4.	
3.6.2	*Evidence that the site is not impinging on the human right to safe water and sanitation of communities through their operations, and that traditional access rights for indigenous and local communities are being respected, and that remedial actions are in place where this is not the case, and that these are effective.*	✓ Yes
Comment	The site has implemented the following measures to respect the water rights of others including indigenous peoples that are not present in the catchment. 1. According to the National Institute of Indigenous Affairs, to date there are no registered Aboriginal communities in the area of influence of Massalin Particulares. However, there are 9 communities with legal status in the Reconquista River basin, belonging to the Qom-Toba, Mbya Guaraní, Tupí Guaraní, Mapuche, Mapupe Tehuelche, Guaraní and Quechua communities (see section 5.2.3 of the document titled "MP_Directriz_de_agua_2025_V5_.pdf ") . No customary rights or water rights in the direct influence are of the site and in the catchment have been identified. 2. The site has also uploaded two receipts of payment (attached) to the Water Authority for water extraction rights and discharge treated effluents in the Reconquista river (by discharging to the Arroyo Torres). No fines or sanctions have been caused by any non-compliance on water over extraction or exceeded parameters in the sites effluents. 3. Additionally, the site has implemented the procedure "ARG-HS-016 Procedimiento de requisitos legales y otros requisitos.pdf" to evaluate the compliance of legal and regulatory requirements (attached). As evidence of implementation, the site periodically performs legal compliance audits to ensure the compliance of water-related laws and regulations (attached evidence).	
3.7	*Implement plan to maintain or improve indirect water use within the catchment:*	
3.7.1	*Evidence that indirect water use targets set in the water stewardship plan, as applicable, have been met shall be quantified.*	✓ Yes
Comment	The site has not established indirect water use targets, so this point does not apply to them, since the suppliers - in this case service providers - that can be controlled are internal contractors. These are controlled through the site's water balance.	
3.7.2	*Evidence of engagement with suppliers and service providers, as well as, when applicable, actions they have taken in the catchment as a result of the site's engagement related to indirect water use, shall be identified.*	✓ Yes

Comment

Although the site has not set any engagement related to indirect water use - or goals - the site has provided the following evidence of engagement with suppliers and service providers in relation to water related challenges:

1. World Water Day, which took place on March 28, 2025, and where all suppliers and stakeholders in general were invited (email sent on March 18, 2025). See attached emails chains.

2. Photographs of the March 28, 2025 meeting. Acknowledgment emails from Nestlé and from PMI that notified the site of students from the University of Luján visiting the site's factory.

3.8 *Implement plan to engage with and notify the owners of any shared water-related infrastructure of any concerns the site may have.*

3.8.1 *Evidence of engagement, and the key messages relayed with confirmation of receipt, shall be identified.*

Yes

Comment

No shared water-related infrastructure with public or private owners of, for example, public wastewater treatment plants and water purification plants, was found in the site's interests.

However, the site provided evidence of engagement with other users of the Reconquista river basin, through the following evidence:

1. Meeting with COMIREC (Committee for the management of the Reconquista river) during the "water week" (dated on 21-03-2025 and the email evidence is dated on 11-04-2025) that was a meeting with the local university UNSAM as well. Email attached.

2. The interview with a representative officer of the COMIREC by telephone, held on 22-05-2025.
The representative confirmed the engagement and activities in which the site participated with the COMIREC and along other stakeholders.

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

The site implemented the following actions towards achieving best practices related to water governance:

1. Global Committee for AWS. Pilot plan to improve the water stewardship plan (internal). Attached evidence.
2. Program "Agua en Debate" (water in debate) through conferences and meetings (educational program for schools). The NGO representative of the "Asociación Conciencia" was interviewed by the lead auditor on 21-05-2025.
3. Meeting with COMIREC (Committee for the management of the Reconquista river) during the "water week" (dated on 21-03-2025 and the email evidence is dated on 11-04-2025) that was a meeting with the local university UNSAM as well. Attached email evidence.
4. Work panel with the UNSAM (local university), email dated on 21-03-2025 and with Nestlé Argentina (bottled waters). The panel was held on 21-03-2025. Attached email evidence.
5. invitation sent to relevant stakeholders to visit the site's factory, particularly the WWTP and discuss shared water challenges for 23 May 2025. Attached email evidence.

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

Yes

Comment

The site implemented the following actions towards achieving best practices related to water balance:

1. The external consultancy firm ECODATA elaborated the 2023 and 2024 water balance. Attached are as evidence the purchase orders (OC).
2. Use of steam traps that were verified by the audit team during the onsite tour.
3. Flowmeters (26 points) were installed in the site's factory and were declared in the water stewardship plan. They were also verified by the audit team during the onsite tour. A purchase order for one flowmeter is uploaded to this indicator as well.

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

Yes

Comment

The site implemented the following actions towards achieving best practices related to water quality:

1. Water quality monitoring on water dispensers for human consumption onsite (staff), which is not legally required. There are 14 water dispensers onsite . Current regulations are only used to set guidelines of the monitoring and analysis (Decree 351 establishes the monitoring program, and the Food Code establishes the parameters to be monitored). The email is attached as evidence to detail that this best practice was effectively beyond the law (Consultation to the site's lawyer).

2. Effluents: Sampling of the effluents and the "Arroyo Torres2 Creek, upstream and downstream sampling points. All of which is beyond legal compliance.
Sampling has been carried out since December 2024, September, and May 2024. The sampling point is approximately 50-100 meters off site. Samples: "A Torres Aguas Arriba Dic 2024.pdf" and "A Torres Aguas Abajo Dic 2024.pdf

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 site implemented the following actions towards achieving best practices related to the site's maintenance of IWRAs:

1. Cleaning day of the "Arroyo Torres" creek (on/off site IWRA) shown through two pictures attached and the slides presentation "1.1.1 Presentación auditoría AWS.pdf" (slides #17 and 18).

2. There is also an email dated on l 08/11/2024 where it is confirmed the "Arroyo Torres" creek cleaning day by presenting the Work order # 64206 (attached evidence). .

3. The site also received an economic proposal titled "Agua Segura" (Safe Water) which was a project from an external firm to conserve and improved biodiversity practices (attached presentation slides and email dated on 30-04-2025).

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

Yes

Comment

The site implemented the following actions towards achieving best practices related to WASH:

1. Hygiene campaigns for an appropriate hand-washing (witnessed by the audit team in staff toilets).

2. World Water Day awareness campaigns, where these brochures were sent to staff in the last week of March. Attached email and the content of the campaigns in PDF file documents.

3. The site also received an economic proposal titled "Agua Segura" (Safe Water) which was a project to also cover the provision of drinking water in the catchment. Uploaded in indicator 3.9.4.

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.*	No
Comment	Notwithstanding the site has presented a document named "Merlo site management review", there is no specific evidence of detailing the site's performance against targets in the site's water stewardship plan and the contribution to achieving water stewardship outcomes. ***Finding No: TNR-018201***	
4.1.2	*Value creation resulting from the water stewardship plan shall be evaluated.*	Obs.
Comment	The site has presented the value creation resulting from the water stewardship plan in a separate column named "Resultado Obtenido"; however this information must be presented in a more summarized fashion for the site evaluating the value creation of its water stewardship plan (WSP).	
4.1.3	*The shared value benefits in the catchment shall be identified and where applicable, quantified.*	Obs.
Comment	The site has identified the shared value benefits in the catchment in social, environmental and economic terms in three separate columns; however this information must be presented in a more summarized fashion for the site evaluating the shared value creation of its water stewardship plan (WSP).	
4.2	*Evaluate the impacts of water-related emergency incidents (including extreme events), if any occurred, and determine the effectiveness of corrective and preventative measures.*	
4.2.1	*A written annual review and (where appropriate) root-cause analysis of the year's emergency incident(s) shall be prepared and the site's response to the incident(s) shall be evaluated and proposed preventative and corrective actions and mitigations against future incidents shall be identified.*	Yes
Comment	The site has not reported any water-related emergency incident(s) but, if so, the site has implemented and certified the ISO 14001 standards that allowed the organization to investigate the root cause of any possible environmental incident/non-conformity, and set the corrective action plans as well as the verification of their effectiveness, as declared during the interviews with the site's staff.	
4.3	*Evaluate stakeholders' consultation feedback regarding the site's water stewardship performance, including the effectiveness of the site's engagement process.*	
4.3.1	*Consultation efforts with stakeholders on the site's water stewardship performance shall be identified.*	Yes
Comment	The consultation efforts with stakeholders on the site's water stewardship performance have been identified in the following evidence: 1. Email dated on 01-04-2025 from the site's Environmental specialist sharing the document "informe-de-performance-aws-2024.pdf" referencing (and attaching) this presentation showing the site's water stewardship performance to several stakeholders cc'ed. In the same email the survey on shared water challenges is sent - to be answered by a QR code. See attached evidence to this indicator.	

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.*	No
Comment	There is no evidence of the lessons learnt (and being documented) by the site from its water stewardship plan considering that the site has gone through and entire certification cycle. ***Finding No: TNR-018203***	

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.* — No

Comment: There is no evidence of the disclosure of the site's water-related internal governance, including positions of those accountable for compliance with water-related laws and regulations. No evidence on the company's website either: https://www.pmi.com/markets/argentina/es/sostenibilidad.

Finding No: TNR-018204

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.* — Yes

Comment: The site has provided the following evidence on how it communicated its water stewardship plan, including how the water stewardship plan contributes to AWS Standard outcomes, through the following:

1. Email dated on 01-04-2025 from the site's Environmental specialist sharing the document "informe-de-performance-aws-2024.pdf" referencing (and attaching) this presentation showing the site's water stewardship performance and the water stewardship planto several stakeholders cc'ed. In the same email the survey on shared water challenges is sent - to be answered by a QR code. See attached evidence to this indicator.

2. Emails from two stakeholders: Nestle (24-02-2025) and from the Technical trainer of PMI (27-03-2025) that acknowledged the presentation of the elements of the AWS documentation, including the water stewardship plan in an exchange among companies and the students of the University of Luján.

3. During the interviews with the site's stakeholders undertaken by the lead auditor, at least two of them confirmed that the site had shared its water stewardship plan with them.

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.* — No

Comment: The site has presented the following evidence; https://www.pmi.com/resources/docs/default-source/argentina-files/informe-de-performance-aws-2024.pdf?sfvrsn=8bf75bc8_2 of its water stewardship performance; however, it has not included the quantified performance against targets on an annual basis.

Finding No: TNR-018208

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.*	Yes
Comment	The site's shared water-related challenges and efforts made to address these challenges have been disclosed in the document titled "informe-de-performance-aws-2024.pdf" available at: https://www.pmi.com/resources/docs/default-source/argentina-files/informe-de-performance-aws-2024.pdf?sfvrsn=8bf75bc8_2	
5.4.2	*Efforts made by the site to engage stakeholders and coordinate and support public-sector agencies shall be identified.*	Yes
Comment	The efforts made by the site to engage stakeholders and coordinate and support public-sector agencies have been identified as follows: 1. Meeting with COMIREC (Committee for the management of the Reconquista river) during the "water week" (dated on 21-03-2025 and the email evidence is dated on 11-04-2025) that was a meeting with the local university UNSAM as well. 2. The site provided as additional evidence of contact with AYSA (public/private water supplier) to engage in the site activities in relation to the AWS standards - dated on 29 May 2024. 3. During the interviews held with representatives of the Municipality of Merlo and COMIREC, both stakeholders confirmed the efforts made by the site and their long-standing relationship.	
5.5	*Communicate transparency in water-related compliance: make any site water-related compliance violations available upon request as well as any corrective actions the site has taken to prevent future occurrences.*	
5.5.1	*Any site water-related compliance violations and associated corrections shall be disclosed.*	Yes
Comment	The site recorded and notified to ADA (Water Authority) and the Ministry of Environment a minor incident from its effluents, resulting in the total coliform units exceeding the regulations on effluent parameters. This occurred in November 2024 and due to the low impact and significance on the Arroyo Torres creek there were no fines or sanctions as a consequence. This was disclosed in page #5 of the performance report that also set the associated corrections, at: https://www.pmi.com/resources/docs/default-source/argentina-files/informe-de-performance-aws-2024.pdf?sfvrsn=8bf75bc8_2	
5.5.2	*Necessary corrective actions taken by the site to prevent future occurrences shall be disclosed if applicable.*	Yes
Comment	The site , as set in its performance report, and in reference to the incident declared in the indicator 5.5.1 set the following corrective action: "During the year, we identified some minor deviations in the discharge parameters. We have implemented an adaptation plan to reverse the situation and increased the plant's operational controls. We also retained the advice of external specialists in effluent treatment plant management." The evidence was provided in the indicator 3.9.3 by also sampling the "Arroyo Torres" creek, upstream and downstream sampling points to be compare with the quality of the site's effluents. All of which is beyond legal compliance. The corrective actions were disclosed at (page #6): https://www.pmi.com/resources/docs/default-source/argentina-files/informe-de-performance-aws-2024.pdf?sfvrsn=8bf75bc8_2	
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	No water-related violation that may pose significant risk and threat to human or ecosystem health have occurred, only a minor incident (see indicator 5.5.1 and 5.5.2) that was notified to environmental state agencies and it was also disclosed.

Previous Findings

All non-conformities raised in the previous audit have been satisfactorily closed.

N/A

Comment	N/A.