

CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)



Audit Number: AO-001679

SITE DETAILS

Site: **Philip Morris Pakistan Limited Sahiwal**
Address: GT Road Qadirabad, 57000, Sahiwal, PAKISTAN
AWS Reference Number: AWS-000453
Site Structure: Single Site

CERTIFICATION DETAILS

Certification status: **Certified Core**
Date of certification decision: 2025-Sep-16
Validity of certificate: 2028-Sep-15

AUDIT DETAILS

Audited Service(s): AWS Standard v2.0 (2019)
Audit Type(s): Re-Certification Audit
Audit Start Date: 2025-Jul-29
Audit End Date: 2025-Jul-31
Lead Auditor: Asif Hayat

Audit team participants:
Nil

Site Participants:

- Junaid Shahzad, Sustainability Specialist (Site AWS Lead)
- Ramsha Kanwal, Manager Sustainability
- Hussain Ali, Manufacturing Director
- Mobin Abrar, Manager Production
- Huleya Seven, Manager Sustainability PMI Turkey (Online Participation)
- Mahrukh Naeem, Manager Factory logistics
- Waqas Ali, Manager Labour Relations
- Irtaza Arshad, Manager BU
- Salman Shahid, Manager Operations Trainings
- Ali Azfar, Sustainability Specialist
- Rohaib Bhatti, IFMS Lead
- Kiran Mushtaq, IFMS Process Lead
- Muhammad Shaban, Manager IFMS
- Saqib Saeed, Supervisor Workplace Experience
- Minahil Tariq, Sustainability Specialist
- Abdul Hafeez, Sustainability Specialist

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AUDIT TIMES

Dates	Audit from	Duration	Auditor	Description
2025-Jul-30	09:00:00 - 17:30:00	08:30	Asif Hayat	
2025-Jul-31	09:00:00 - 14:30:00	05:30	Asif Hayat	
2025-Jul-29	09:00:00 - 17:30:00	08:30	Asif Hayat	

ADDITIONAL INFO

Summary of Audit Findings: During the recertification audit, 8 observations were raised. The audit team recommends re-certification of Philip Morris Pakistan Limited, Sahiwal plant at Core level.

Scope of Assessment: The scope of services covers the recertification audit for assessing conformity of Philip Morris Pakistan Limited, Sahiwal plant against the AWS International Water Stewardship Standard Version 2.

Phillip Morris Pakistan Limited (Sahiwal Plant) is located at around 165km Lahore-Multan Road in Sahiwal district. It is a cigarette manufacturing plant which has mainly two processes. Primary processing of Tobacco and cigarette manufacturing (secondary processing). Site is extracting groundwater from onsite deep wells for its consumption. Site effluents are treated in onsite effluent treatment plant and recycled for landscaping and gardening at site. No effluent is discharged from the site. Site has a three-shift operation and around 380 employees work here.

The audit was conducted onsite on 29th-31st July' 2025. The onsite visit included the assessment of Philip Morris Pakistan Limited, Sahiwal plant, following facilities and activities that were visited onsite as part of the audit:

- 1 - Both Deep wells, monitoring well point of source water locations.
- 2- Water Treatment facility (ETP), RO Plant, Arsenic Filtration units.
- 3- Treated water recycling network.
- 4- Water-related infrastructure.
- 5-Chemical Storage and Handling
- 6-Drinking Water & WASH facilities.

Note :- External Stakeholders came over to the factory for interviews.

FINDINGS

NUMBER OF FINDINGS PER LEVEL

Observation 8

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FINDING DETAILS

Finding No: TNR-020036

Checklist Item No: 1.1.1

Status: Open

Finding level: Observation

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

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

Findings: Whilst the site is located in the Indus basin at a large scale and lower parts of Ravi and Sutlej river basins on a lower scale, several different areas were identified, and in some cases they are interchangeably referred to as catchments, including:

- Bari Doab - this is an area between rivers and does not meet the definition of a catchment;
- A 10 km radius as the physical scope - whilst this is an area with most interest to the site, it should not be regarded as a catchment for analysis;
- Indus Basin - this is the large basin in which the site is located and was analysed for balance but is of a too large scale for analysing shared water challenges.

In addition, a clearer map of Ravi and Sutlej river basins should be provided.

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Finding No: TNR-020037
Checklist Item No: 1.2.1
Status: Open
Finding level: Observation
Checklist item: Stakeholders and their water-related challenges shall be identified. The process used for stakeholder identification shall be identified. This process shall:
- Inclusively cover all relevant stakeholder groups including vulnerable, women, minority, and Indigenous people;
- Consider the physical scope identified, including stakeholders, representative of the site's ultimate water source and ultimate receiving water body or bodies;
- Provide evidence of stakeholder consultation on water-related interests and challenges;
- Note that the ability and/or willingness of stakeholders to participate may vary across the relevant stakeholder groups;
- Identify the degree of stakeholder engagement based on their level of interest and influence.

Findings: The site sent questionnaires to stakeholders listing possible shared water-related challenges and asking stakeholders to rate them for magnitude and select possible root causes from the list. While this allowed the site to identify shared water challenges at a large scale, there are several concerns:
- some of the proposed water-related challenges are too broad, e.g. 'water quality'. It does not allow understanding which waters and which quality aspects are stakeholders concerned about. Similarly, one of the proposed challenges is 'degradation of IWRAs' but stakeholders are likely to be unfamiliar with the term and this does not facilitate understanding which areas they have concerns about and what kind of concerns.
- with only a pre-defined list, the questionnaire aims straight at shared water challenges and skips understanding what different water-related challenges different stakeholders see.
The site should supplement this questionnaire with engaging stakeholders in an open manner to better understand their water-related challenges.

Finding No: TNR-020038
Checklist Item No: 1.5.3
Status: Open
Finding level: Observation
Checklist item: The catchment water-balance, and where applicable, scarcity, shall be quantified, including indication of annual, and where appropriate, seasonal, variance.

Findings: The site has provided a balance for Indus river basin (surface water balance), with some important limitations: no data on interaction with groundwater, and consumption assumed to be zero. As the site uses groundwater, analysis of groundwater balance and/or groundwater table depth trends is important, and while there is some information on it in the study, it should be further reviewed and updated.

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Finding No: TNR-020039
Checklist Item No: 1.5.5
Status: Open
Finding level: Observation
Checklist item: Important Water-Related Areas shall be identified, and where appropriate, mapped, and their status assessed including any threats to people or the natural environment, using scientific information and through stakeholder engagement.

Findings: Further work to identify IWRAs in the relevant river basin(s) and understanding their issues and threats, using scientific information as well as stakeholder engagement, should be undertaken.

Finding No: TNR-020040
Checklist Item No: 1.6.1
Status: Open
Finding level: Observation
Checklist item: Shared water challenges shall be identified and prioritized from the information gathered.

Findings: Some of the identified challenges are broad and should be further refined or specified to better understand w.g. what kind of infrastructure gaps, what about freshwater biodiversity and where, etc. Specifying challenges allows better understanding and evaluating how initiatives target the challenges.

Finding No: TNR-020041
Checklist Item No: 1.6.2
Status: Open
Finding level: Observation
Checklist item: Initiatives to address shared water challenges shall be identified.

Findings: In addition to identifying site's initiatives, the site should look at what other initiatives (initiated by others) are in place, that would also be targeting shared water challenges.

Finding No: TNR-020056
Checklist Item No: 1.8.1
Status: Open
Finding level: Observation
Checklist item: Relevant catchment best practice for water governance shall be identified.

Findings: Identification of best practices is to be expanded to identify what further best practices could be applicable in the catchment context.

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Finding No:	TNR-020057
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's water stewardship plan is action-based, with targets set per action and therefore in many cases measuring amount of action rather than outcome. The site should identify overall targets that it wants to achieve with the planned actions.
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Report Details

Report	Value
Report prepared by	Asif Hayat
Report approved by	Ozge Gokmen
Report approved on (Date)	10/09/2025

Surveillance

Proposed date for next audit
2026-Jul-29

Comment This was a recertification audit. Next audit will be 1st Surveillance against core indicators.

Stakeholder Announcements

Date of publication	Location
24/06/2025	The announcement is also available at company website: https://www.pmi.com/markets/pakistan/en/media-center
Comment	The announcement is also available at company website: https://www.pmi.com/markets/pakistan/en/media-center
Comment	Total 5 group interviews done. All interviewees came at site. Two groups were new (marked in the attendance list below), whereas 3 groups were interviewed in the last surveillance audit as well.

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Catchment Information

Catchment Information

The site is located in the Indus Basin at a large scale.

It is located in the Bari Doab region, which is an area between rivers Ravi and Sutlej. Therefore the catchments of these rivers would represent the relevant surface water catchment.

The site's water source is groundwater. Water is extracted directly from on-site bore-wells, with no reliance on external service providers. It is a zero-discharge site, with all treated water reused in-house for gardening, ensuring no wastewater is released externally.

Hydrogeologically, the site lies on the Punjab Plain, underlain by thick alluvial sediments (5–3,000+ ft). The aquifer system is highly transmissive, recharged by precipitation, river seepage (notably from the Indus), irrigation return flows, monsoon rains, and Himalayan snowmelt. Groundwater studies (WAPDA, 1960s) identified sandy aquifers with clay lenses and a natural northeast-to-southwest flow.

The Indus River System remains the dominant source of surface and groundwater in the basin, supporting ~20.6 million hectares (51 million acres) of irrigated land. Groundwater is vital for both agriculture and domestic use, but faces pollution risks from wastewater and industrial runoff if not managed properly.

According to TCFD and WRI Aqueduct Atlas (2019), the catchment faces medium–high flood and drought risks, driven by infrastructure gaps, monsoon variability, and river overflow. Localized wind risks are also medium–high, while sea level rise is not applicable inland. Key vulnerabilities include weak flood control, poor watershed management, and urban encroachment.

Looking forward, climate change is expected to intensify water-related risks, heightening pressures on water security, agriculture, and infrastructure resilience across the catchment.

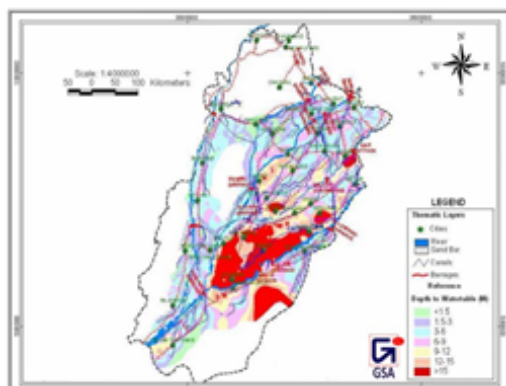


Lower parts of Sutlej and Ravi river basins.png

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Depth to groundwater table in the area.png

Client Description and Site Details

Client/Site Background

The site is a cigarette manufacturing facility comprising two main processes:

- Primary processing of tobacco
- Secondary processing, which involves cigarette manufacturing

Groundwater is extracted from onsite deep wells to meet the facility's water consumption needs. All effluents are treated in an onsite effluent treatment plant and recycled for landscaping and gardening purposes. No effluent is discharged offsite. The facility operates on a three-shift schedule and employs approximately 350 personnel.



PMI-Sahiwal-Google map location.jpg



PMI_site_google_pic.jpg

Comment Philip Morris Pakistan Limited (Sahiwal Plant) is located at around 165km Lahore-Multan road in Sahiwal district of Punjab in PAKISTAN.

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Summary of Shared Water Challenges

- Summary of Shared Water Challenges
The stakeholder engagement process identified the following key Shared Water Challenges:
- Water stress and groundwater level depletion
- Provision of WASH (Water, Sanitation, and Hygiene) services
- Drinking water quality concerns
- Freshwater biodiversity preservation
- Flood occurrence and related risks

The site employed the following approaches to engage stakeholders in defining Shared Water Challenges:
- Stakeholder visits to foster direct dialogue and understanding.
- Onsite invitations during events such as World Water Day and Environment Day, where the site's AWS journey, key water initiatives, and best practices were shared.
- Formal communication through letters and emails to ensure inclusive and transparent engagement.

0.0.1 Water Source & Discharge Locations

Table with 2 columns: ID/Label and Content. Row 1: 0.01, Have any water source or discharge locations been visited during the audit, if so, which and where? If none were visited, please provide justification. Row 2: Comment, Yes. The auditor visited a representative Deep well, monitoring well point of source water locations (on site), waste water treatment system (ETP), and areas within sites, where treated waste water is used for gardening purposes. [Note: site does not discharge treated water outside plant boundaries, its a Zero Discharge Site].

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1 STEP 1: GATHER AND UNDERSTAND

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

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

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

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Obs.

Comment The PMPKL Sahiwal is located in the Indus Basin, which is formed by the Indus River and its tributaries—Jhelum, Chenab, Ravi, and Sutlej. More specifically, it is in the Bari Doab region, bounded by the Ravi River to the north and the Sutlej River to the south. The Ravi River is located approximately 18 km north of the project site and flows in a south-western direction. The Lower Bari Doab Canal (LBDC) passes within 1 km of the factory premises. Sahiwal and its surrounding areas depend on the LBDC and groundwater sources to meet their daily water requirements.

The site operates as a Zero Liquid Discharge facility: all wastewater is treated onsite (septic tanks, soakage wells, oil separation tank, and WWTP) and reused within the premises for gardening purposes, ensuring that no effluent leaves the site boundary. Stormwater is managed internally through a dedicated drainage and holding system.

Water is sourced exclusively from onsite bore-wells, with no reliance on external water service providers. Treatment infrastructure includes deep wells, RO/arsenic filtration units, and overhead storage tanks.

There is some confusion in relation to mapping of catchment area, identified in the observation.

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.

Q
Obs.

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Comment	Over time, the site has employed a range of approaches to engage stakeholders. The engagement process included: - Conducting stakeholder visits - Hosting onsite events—such as World Environment Day and World Water Day—to share the site's AWS journey, key water initiatives, and best practices - Communicating through formal letters and emails The site has engaged all relevant stakeholder groups, including representatives from the local demographic, government sector, neighboring private industries, and the indigenous community—ensuring inclusion of both men and women. The population in the catchment is relatively homogeneous, and there are no identified vulnerable minority groups in relation to shared water challenges or access to water. The site sent questionnaires to stakeholders listing possible shared water-related challenges and asking stakeholders to rate them for magnitude and select possible root causes from the list. While this allowed the site to identify shared water challenges at a large scale, there are several concerns: - some of the proposed water-related challenges are too broad, e.g. 'water quality'. It does not allow understanding which waters and which quality aspects are stakeholders concerned about. - with only a pre-defined list, the questionnaire aims straight at shared water challenges and somewhat skips understanding what different water-related challenges different stakeholders see. The site should supplement this with engaging stakeholders in an open manner to better understand their water-related challenges.	
1.2.2	<i>Current and potential degree of influence between site and stakeholder shall be identified, within the catchment and considering the site's ultimate water source and ultimate receiving water body for wastewater.</i>	 Yes
Comment	The site uses a documented process that outlines rating criteria to assess the degree of influence between the site and its identified stakeholders.	
1.3	<i>Gather water-related data for the site, including: water balance; water quality, Important Water-Related Areas, water governance, WASH; water-related costs, revenues, and shared value creation.</i>	
1.3.1	<i>Existing water-related incident response plans shall be identified.</i>	 Yes
Comment	The site uses a documented process to identify potential water-related emergencies, including procedures for managing water-related non-conformities and implementing associated business continuity plans to ensure preparedness and effective emergency response. In support of this, the site has collaborated with Rescue 1122 to conduct emergency and disaster management training, and regularly engages with them through joint activities, awareness campaigns, and competency-building initiatives [see attachments].	
1.3.2	<i>Site water balance, including inflows, losses, storage, and outflows shall be identified and mapped</i>	 Yes
Comment	The site provided updated versions of the water balance diagram and associated calculations. The documentation includes a water balance diagram and a Sankey diagram illustrating all water inputs and flows, including steam, RO product water, RO reject water, condensate return, and wastewater effluents—all measured using calibrated meters. Both potable and non-potable water uses are captured, including domestic applications such as canteen and water coolers. Water is extracted from two deep wells, conveyed to storage tanks, and then distributed to process and domestic use points. Wastewater is treated on-site and reused internally for gardening and irrigation purposes.	

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1.3.3	<i>Site water balance, inflows, losses, storage, and outflows, including indication of annual variance in water usage rates, shall be quantified. Where there is a water-related challenge that would be a threat to good water balance for people or environment, an indication of annual high and low variances shall be quantified.</i>	 Yes
Comment	The site has quantified its water balance, including inflows, losses, storage, and outflows, with an indication of annual variance in water usage rates. Site has a strict governance and corporate reporting on water consumption KPI [m3/million units], as well as in absolute terms.	
1.3.4	<i>Water quality of the site's water source(s), provided waters, effluent and receiving water bodies shall be quantified. Where there is a water-related challenge that would be a threat to good water quality status for people or environment, an indication of annual, and where appropriate, seasonal, high and low variances shall be quantified.</i>	 Yes
Comment	The site continues to maintain its status as a Zero Effluent Discharge facility. Treated wastewater is reused onsite for gardening and landscaping purposes, ensuring no discharge to external water bodies. Wastewater treatment plant performance is regularly verified through testing by an accredited external laboratory. Results consistently meet the national effluent quality standards. Sample test reports were provided.	
1.3.5	<i>Potential sources of pollution shall be identified and if applicable, mapped, including chemicals used or stored on site.</i>	 Yes
Comment	Potential sources of pollution have been identified and mapped, including areas related to chemical storage and usage.	
1.3.6	<i>On-site Important Water-Related Areas shall be identified and mapped, including a description of their status including Indigenous cultural values.</i>	 Yes
Comment	Auditor's Note – Important Water-Related Areas (IWRA) Onsite IWRA: None identified. The site relies on deep wells as its primary water source, which are classified as water-related infrastructure rather than ecologically sensitive areas. Offsite IWRA: A canal is located nearby. The site demonstrates environmental stewardship through tree plantation drives along the canal bank, including collaboration with Rescue 1122 during the current reporting year. From a technical standpoint, the canal is a man-made water-related infrastructure and does not meet the intent of IWRAs in the standard. I.e. there are no on-site IWRAs.	
1.3.7	<i>Annual water-related costs, revenues, and a description or quantification of the social, cultural, environmental, or economic water-related value generated by the site shall be identified and used to inform the evaluation of the plan in 4.1.2.</i>	 Yes
Comment	The site utilizes a tool called "True Cost of Water" to calculate the comprehensive cost of water. Key components of this tool include costs associated with: - Water In - Water Out - Wastewater Treatment Plant (WWTP) - Water Management - Catchment-level Water-Related Initiatives The site has identified and quantified costs related to water processing and quality monitoring. In addition, the Water Stewardship Plan outlines and tracks the social, cultural, environmental, and economic value generated through water-related activities at the site. [See attachments for supporting evidence.]	
1.3.8	<i>Levels of access and adequacy of WASH at the site shall be identified.</i>	 Yes

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Comment	The site uses a documented process titled "Self-Assessment Tool for Evaluating Access to Water, Sanitation, and Hygiene (WASH)" to assess needs and monitor compliance with WASH standards on-site. The assessment tool benchmarks against the local laws to which the site was found compliant. Access to toilet facilities is provided without discrimination, with separate, well-maintained amenities available for both male and female personnel. [Refer to attached files for supporting evidence.]	
1.4	<i>Gather data on the site's indirect water use, including: its primary inputs; the water use embedded in the production of those primary inputs the status of the waters at the origin of the inputs (where they can be identified); and water used in out-sourced water-related services.</i>	
1.4.1	<i>The embedded water use of primary inputs, including quantity, quality and level of water risk within the site's catchment, shall be identified.</i>	Yes 
Comment	The site has confirmed that there are no suppliers of raw or packaging materials operating within the defined catchment boundaries. All raw material is sourced from Karachi or international locations. The only local service provider within the catchment is Khan Catering Services. (Refer to the attached supplier list and correspondence for verification.)	
1.4.2	<i>The embedded water use of outsourced services shall be identified, and where those services originate within the site's catchment, quantified.</i>	Yes 
Comment	The site has confirmed that there are no suppliers of raw or packaging materials operating within the defined catchment boundaries. All raw materials are sourced from Karachi or international locations. The only local service provider within the catchment is Khan Catering Services. In the previous audit cycle, an observation was raised due to water consumption reporting being based on estimations. This observation has now been closed. Evidence of meter installation has been examined, and the service provider has commenced measuring water consumption to establish a baseline assessment. (Refer to attached files for supporting documentation.)	
1.5	<i>Gather water-related data for the catchment, including water governance, water balance, water quality, Important Water-Related Areas, infrastructure, and WASH</i>	
1.5.1	<i>Water governance initiatives shall be identified, including catchment plan(s), water-related public policies, major publicly-led initiatives under way, and relevant goals to help inform site of possible opportunities for water stewardship collective action.</i>	Yes 
Comment	The site has effectively identified and engaged in water governance initiatives. These efforts reflect a strategic, multi-stakeholder approach to catchment-level stewardship, community impact, and transparent communication. Governance Initiatives Overview - Community Access: Installation of drinking water facilities in underserved neighborhoods - School-Based WASH Enhancements: Infrastructure upgrades in local government schools to improve sanitation and hygiene - Environmental Collaboration: Tree plantation drives involving public departments and private sector partners - AWS Engagements: Active stakeholder involvement in water stewardship planning and performance review Stakeholder Engagement and Collaboration The site has built strong partnerships with key stakeholders, including: - Government departments (Irrigation, PHED, Child Protection Bureau) - Environmental Protection Agency (EPA) - Water infrastructure agencies and academic institutions These collaborations have supported effective catchment governance and reinforced the site's role as a responsible water steward.	

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1.5.2	<i>Applicable water-related legal and regulatory requirements shall be identified, including legally-defined and/or stakeholder-verified customary water rights.</i>	 Yes
Comment	The site has a documented process for managing water and wastewater-related non-conformities, outlined in procedure 3S-EHS-11: Water & Wastewater Non-Conformity Procedure. This includes communication of results to internal and external stakeholders, as well as reporting through the company's Red Online (ROL) portal. The internal governance structure—extending up to legal oversight—is detailed in the attached PDF document. Additionally, the attached PPT file references procedure 3S-EHS-02: EHS Management System, which clearly defines roles and responsibilities for managing legal and regulatory compliance.	
1.5.3	<i>The catchment water-balance, and where applicable, scarcity, shall be quantified, including indication of annual, and where appropriate, seasonal, variance.</i>	 Obs.

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Comment	**Summary – Source Vulnerability Assessment: Watershed Mass Balance (Indus Basin)** The conceptual hydrologic model for the Indus Basin outlines key water balance components based on historical data and regional hydrology. The study also includes some information on groundwater but in a limited way. - **Mean Annual Precipitation (MAP)** varies significantly across the basin: - Upper mountainous regions: >1,800 mm - Middle basin: 400–700 mm - Southern basin: 100–200 mm - Estimated total: ~3,475 million m³/year (Hydrology and Earth System Sciences, 2007) - **Evapotranspiration (Et):** Primarily occurs over irrigated lands; natural rainfall contributes ~344,000 million m³/year. Irrigation-related evapotranspiration is accounted for separately under diverted water. - **Available Water Resources:** Based on precipitation and evapotranspiration, total annual availability is estimated at **827,475 million m³**. - **Surface Water Flow (Qsw):** Annual runoff is **178,300 million m³**, with **21,300 million m³** reaching the Arabian Sea and **157,000 million m³** diverted via canals. - **Groundwater Flow (Qgw):** Natural recharge is minimal due to low rainfall; groundwater outflow is assumed to be **0 million m³** in the absence of reliable data. - **Consumption (C):** Defined as water extracted and not returned. Urban use is assumed to be discharged back into the watershed, resulting in **0 million m³** net consumptive use. - **Watershed Mass Balance Equation:** $\Delta S = P - (Et + Q_{sw} + Q_{gw} + C)$ - Precipitation (P): 483,475 million m³/year - Evapotranspiration (Et): 344,000 million m³/year - Surface Water Flow (Qsw): 178,300 million m³/year - Groundwater Flow (Qgw): 0 million m³/year - Consumption (C): 0 million m³/year - **Net Change in Water Supply (ΔS):** **–38,825 million m³/year**, indicating a deficit in the basin's water balance.
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- 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

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Comment The site has an established water quality monitoring regime, supported by external testing through an EPA-certified laboratory. This includes both on-site boreholes and three catchment engagement points where water purification plants are operational.

The monitoring process provides traceable-spot sampling data that enables the site to assess water quality trends and variances across both internal and external sources. These insights inform CSR-related decision-making, particularly in identifying priority locations for community water investments.

Additional water quality intelligence is sourced from vulnerability assessments, including reports on 'water quality' and 'watershed health.' These complement the site's internal monitoring and strengthen its risk identification framework.

There is consistency between monitoring results and study conclusions, particularly in terms of risk identification and mitigation measures deployed. The site demonstrates proactive surveillance of priority contaminants; specifically arsenic and microbiological risks-which are being addressed through appropriate treatment systems.

Supporting Documentation is:

- Water Quality Test Reports from the deep well source
- Catchment Water Quality Report (Chak 66/4.R)
- Evidence of Arsenic Filtration Installation and operational status

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.*

Q
Obs.

Comment A canal is located nearby. The site demonstrates environmental stewardship through tree plantation drives along the canal bank, including collaboration with Rescue 1122 during the current reporting year. From a technical standpoint, the canal is a man-made water-related infrastructure and does not qualify as an ecologically significant IWRA.

Further work to identify IWRAs in the relevant river basin(s) and understanding their issues and threats, using scientific information as well as stakeholder engagement, should be undertaken.

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

✓
Yes

Comment The site has identified key water-related infrastructure within the catchment and assessed its condition and potential exposure to extreme events. This evaluation supports risk mitigation and resilience planning in alignment with AWS requirements.

Key Observations

- Infrastructure Mapping: Water-related assets have been identified, including abstraction points, conveyance systems, and treatment facilities
- Condition Assessment: The physical condition of infrastructure has been reviewed to ensure operational reliability
- Exposure to Extreme Events: Potential vulnerabilities to hydrological extremes (e.g., flooding, drought) have been evaluated

A Hydrological Consultant's Report has been attached as supporting evidence, providing detailed analysis and recommendations for infrastructure resilience.

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

✓
Yes

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Comment	The site has demonstrated proactive engagement in Water, Sanitation, and Hygiene (WASH) improvements within its catchment, contributing to enhanced public health and infrastructure resilience. Key Findings • Toilet Access: Significant improvement in public access to toilets; however, hygienic maintenance and full connection to impermeable sewage lines remain areas for further enhancement • Drinking Water Quality: Groundwater extraction poses health risks due to arsenic presence and biological/sewage contamination • Community Actions Implemented: - o Commissioning of a clean drinking water facility for local residents - o Construction of toilets in public schools and the Child Protection Bureau - o School-based awareness sessions on water conservation and WASH practices - o Installation of public awareness banners promoting hygiene principles - o Rehabilitation of drainage systems in community schools - o Distribution of drinking water bottles to students These initiatives reflect the site's sustained commitment to improving water access, sanitation infrastructure, and hygiene awareness across the catchment.	
1.6	<i>Understand current and future shared water challenges in the catchment, by linking the water challenges identified by stakeholders with the site's water challenges.</i>	
1.6.1	<i>Shared water challenges shall be identified and prioritized from the information gathered.</i>	Q Obs.
Comment	The site has engaged with relevant stakeholders to define shared water challenges within the catchment. Engagement Approaches • Stakeholder Visits: Direct outreach through in-person visits to key stakeholders • Onsite Engagements: Hosting stakeholders during events such as World Environment Day, showcasing the site's AWS journey, water initiatives, and best practices • Written Communication: Letters and emails used to initiate dialogue and share relevant information Outcome – Shared Water Challenges Identified: • Water Stress / Groundwater Level Depletion • WASH Provision and Infrastructure Gaps • Drinking Water Quality Concerns • Freshwater Biodiversity Preservation • Flood Occurrence and Catchment Resilience This process has enabled the site to align its water stewardship actions with catchment-level priorities and stakeholder concerns, reinforcing its role as a responsible and collaborative water user.	
1.6.2	<i>Initiatives to address shared water challenges shall be identified.</i>	Q Obs.

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Comment	The site has undertaken a series of targeted initiatives to promote water stewardship, enhance WASH infrastructure, and foster collaborative action within the catchment. These efforts reflect a holistic approach to addressing shared water challenges and advancing sustainability goals. Awareness and Stakeholder Engagement - Conducted community awareness sessions, including school-based programs focused on water conservation and hygiene - Hosted external stakeholder sessions during World Water Day and World Environment Day to share the site's AWS journey and promote best practices WASH Improvements - Upgraded WASH arrangements in local schools to improve sanitation and hygiene standards - Installed clean drinking water facilities to support community access to safe water Catchment-Level Tree Plantation - Organized tree plantation drives in June and August 2024 to support ecosystem restoration - Facilitated tree planting near IWRA in collaboration with Rescue 1122 Collaboration and Partnerships - Partnered with the Environmental Protection Agency (EPA) and Irrigation Department on water-related initiatives, reinforcing multi-stakeholder cooperation These actions demonstrate the site's integrated approach to water stewardship, combining infrastructure development, ecological restoration, and stakeholder engagement to deliver meaningful impact across the catchment.	
1.7	<i>Understand the site's water risks and opportunities: Assess and prioritize the water risks and opportunities affecting the site based upon the status of the site, existing risk management plans and/or the issues and future risk trends identified in 1.6.</i>	
1.7.1	<i>Water risks faced by the site shall be identified, and prioritized, including likelihood and severity of impact within a given timeframe, potential costs and business impact.</i>	 Yes
Comment	The site has implemented a quantitative assessment process to identify water-related risks and opportunities within the catchment. Key Risks Identified: - Physical: Increased water stress, flood occurrence, drought risk, poor enforcement of water regulations, and projected impact on freshwater biodiversity - Chemical & Biological: Groundwater well contamination and reduced water quality - Regulatory: Potential failure of wastewater treatment systems and regulatory changes requiring infrastructure upgrades - Reputational: Risk of exceeding wastewater discharge limits and associated penalties - Operational & Health: Ecosystem degradation impacting employee health and operational continuity Associated Actions and Investments: - Targeted investments totaling over USD 120K to support water efficiency, potable water availability, and governance improvements - Risk mitigation measures addressing water stress, quality degradation, and regulatory compliance, with estimated costs ranging from USD 33K to 122K per risk scenario	
1.7.2	<i>Water-related opportunities shall be identified, including how the site may participate, assessment and prioritization of potential savings, and business opportunities.</i>	 Yes

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Comment	The site has implemented a quantitative assessment process to identify water-related risks and opportunities within the catchment. Key Opportunities Identified: • Improved monitoring and access to primary water usage • Reuse of condensate and treated wastewater for cooling and irrigation • Rainwater harvesting for domestic use and aquifer recharge • Adoption of hybrid cooling technologies • Enhanced water governance and stakeholder engagement Associated Actions and Investments: • Targeted investments totaling over USD 120K to support water efficiency, potable water availability, and governance improvements • Risk mitigation measures addressing water stress, quality degradation, and regulatory compliance, with estimated costs ranging from USD 33K to 122K per risk scenario	
1.8	<i>Understand best practice towards achieving AWS outcomes: Determining sectoral best practices having a local/catchment, regional, or national relevance.</i>	
1.8.1	<i>Relevant catchment best practice for water governance shall be identified.</i>	 Obs.
Comment	The site has demonstrated strong collaboration with key stakeholders, including public departments, water infrastructure agencies, the Environmental Protection Agency (EPA), and academic institutions, in support of effective catchment governance. Engagements have been strategically aligned with major environmental occasions to enhance visibility and stakeholder outreach. These platforms have been used to communicate the site's Water Stewardship Plan, performance, and community impact through presentations and video content. Summary of Key Engagements (Past 12 Months): • World Cleanup Day (8 October 2024) • World Water Day (28 March 2025): Briefing to Additional Director General of EPA • Earth Day Celebrations (5 June 2025): Participation in EPA-led program with Friesland Campina and public sector partners • Rescue 1122 Site Visit (July 2025) • Government Department Engagements: Visits to Irrigation, PICIIP, EPA, Child Protection Bureau, and PHED • Field Visits to RO Plants in schools and villages (July 2025)	
1.8.2	<i>Relevant sector and/or catchment best practice for water balance (either through water efficiency or less total water use) shall be identified.</i>	 Yes
Comment	The site has contributed to improving water balance within the catchment through the following key pillars: - Awareness sessions conducted with local schools and farming communities, focused on water conservation and the adoption of modern techniques and technologies to reduce water usage - Tree plantation drives aimed at enhancing green cover and promoting long-term ecological resilience - Cleanup drives - Active participation in environmental events / drives arranged by government agencies, EPA / Academia / District Administration	
1.8.3	<i>Relevant sector and/or catchment best practice for water quality shall be identified, including rationale for data source.</i>	 Yes

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Comment	The site has demonstrated a commitment to catchment-level water stewardship through the implementation of several best practices. These initiatives reflect proactive engagement, data-driven decision-making, and community support in alignment with AWS requirements. Key Catchment Best Practices Identified • Collaboration with Government Agencies: Active engagement with water monitoring bodies such as the Public Health Engineering Department (PHE) and the Environmental Protection Agency (EPA) • Water Resource Studies: Participation in assessments to understand catchment hydrology and water availability • Water Quality Testing and Data Collection: Regular monitoring and documentation of water quality parameters across the catchment • Awareness Campaigns: Community outreach initiatives focused on water quality education and safe water practices • Infrastructure Support: Installation of drinking water facilities in local communities to improve access and public health outcomes	
1.8.4	<i>Relevant catchment best practice for site maintenance of Important Water-Related Areas shall be identified.</i>	 Yes
Comment	A canal is located nearby. The site demonstrates environmental stewardship through tree plantation drives along the canal bank, including collaboration with Rescue 1122 during the current reporting year.	
1.8.5	<i>Relevant sector and/or catchment best practice for site provision of equitable and adequate WASH services shall be identified.</i>	 Yes
Comment	The site has actively participated in and implemented a range of WASH (Water, Sanitation, and Hygiene) actions within its catchment. Key initiatives include: • Commissioning of a clean drinking water facility for the local community • Construction of toilets in public schools, Child protection bureau • Awareness sessions in schools focused on water conservation and WASH practices • Installation of awareness banners promoting WASH principles • Rehabilitation of drainage systems in local community public schools • Provision and distribution of drinking water bottles to school students	

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2	STEP 2: COMMIT & PLAN - Commit to be a responsible water steward and develop a Water Stewardship Plan	
2.1	<i>Commit to water stewardship by having the senior-most manager in charge of water at the site, or if necessary, a suitable individual within the organization head office, sign and publicly disclose a commitment to water stewardship, the implementation of the AWS Standard and achieving its five outcomes, and the allocation of required resources.</i>	
2.1.1	<i>A signed and publicly disclosed site statement OR organizational document shall be identified. The statement or document shall include the following commitments:</i> - That the site will implement and disclose progress on water stewardship program(s) to achieve improvements in AWS water stewardship outcomes - That the site implementation will be aligned to and in support of existing catchment sustainability plans - That the site's stakeholders will be engaged in an open and transparent way - That the site will allocate resources to implement the Standard.	 Yes
Comment	The site has a documented Water Stewardship Policy (refer to attached file), which is publicly disclosed on the company's official website: https://www.pmi.com/markets/pakistan/en/media-center	
2.2	<i>Develop and document a process to achieve and maintain legal and regulatory compliance.</i>	
2.2.1	<i>The system to maintain compliance obligations for water and wastewater management shall be identified, including:</i> - Identification of responsible persons/positions within facility organizational structure - Process for submissions to regulatory agencies.	 Yes
Comment	The site has a documented process for managing water and wastewater-related non-conformities, outlined in procedure 3S-EHS-11: Water & Wastewater Non-Conformity Procedure. This includes communication of results to internal and external stakeholders, as well as reporting through the company's Red Online (ROL) portal. The internal governance structure—extending up to legal oversight—is detailed in the attached PDF document. Additionally, the attached PPT file references procedure 3S-EHS-02: EHS Management System, which clearly defines roles and responsibilities for managing legal and regulatory compliance.	
2.3	<i>Create a water stewardship strategy and plan including addressing risks (to and from the site), shared catchment water challenges, and opportunities.</i>	
2.3.1	<i>A water stewardship strategy shall be identified that defines the overarching mission, vision, and goals of the organization towards good water stewardship in line with this AWS Standard.</i>	 Yes
Comment	The site has a documented water stewardship strategy, approved by the Manufacturing Director, which outlines the key pillars of water stewardship. This strategy serves as a guiding framework for the Water Stewardship Plan (WSP), enabling the site to track goals, actions, and targets aligned with its strategic intent.	

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2.3.2	<i>A water stewardship plan shall be identified, including for each target:</i> - <i>How it will be measured and monitored</i> - <i>Actions to achieve and maintain (or exceed) it</i> - <i>Planned timeframes to achieve it</i> - <i>Financial budgets allocated for actions</i> - <i>Positions of persons responsible for actions and achieving targets</i> - <i>Where available, note the link between each target and the achievement of best practice to help address shared water challenges and the AWS outcomes.</i>	 Obs.
Comment	The site has a documented Water Stewardship Plan (WSP) that defines specific actions, targets for actions, strategic objectives and goals, key performance indicators (KPIs), assigned responsibilities, associated savings or investments, and expected water stewardship outcomes.	
2.4	<i>Demonstrate the site's responsiveness and resilience to respond to water risks</i>	
2.4.1	<i>A plan to mitigate or adapt to identified water risks developed in co-ordination with relevant public-sector and infrastructure agencies shall be identified.</i>	 Yes
Comment	The site has implemented a quantitative assessment process to identify water-related risks and opportunities within the catchment. This process supports strategic planning, investment prioritization, and continuous improvement of the Water Stewardship Plan. Key Risks Identified: • Physical: Increased water stress, flood occurrence, drought risk, poor enforcement of water regulations, and projected impact on freshwater biodiversity • Chemical & Biological: Groundwater well contamination and reduced water quality • Regulatory: Potential failure of wastewater treatment systems and regulatory changes requiring infrastructure upgrades • Reputational: Risk of exceeding wastewater discharge limits and associated penalties • Operational & Health: Ecosystem degradation impacting employee health and operational continuity Key Opportunities Identified: • Improved monitoring and access to primary water usage • Reuse of condensate and treated wastewater for cooling and irrigation • Rainwater harvesting for domestic use and aquifer recharge • Adoption of hybrid cooling technologies • Enhanced water governance and stakeholder engagement Associated Actions and Investments: • Targeted investments totaling over USD 120K to support water efficiency, potable water availability, and governance improvements • Risk mitigation measures addressing water stress, quality degradation, and regulatory compliance, with estimated costs ranging from USD 33K to 122K per risk scenario	

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3 STEP 3: IMPLEMENT - Implement the site's stewardship plan and improve impacts
3.1 <i>Implement plan to participate positively in catchment governance.</i>
3.1.1 <i>Evidence that the site has supported good catchment governance shall be identified.</i> ✔ Yes
Comment The site has demonstrated collaboration with key stakeholders, including public departments, water infrastructure agencies, the Environmental Protection Agency (EPA), and academic institutions, in support of effective catchment governance. Summary of Key Engagements (Past 12 Months): • World Cleanup Day (8 October 2024) • World Water Day (28 March 2025): Briefing to Additional Director General of EPA • Earth Day Celebrations (5 June 2025): Participation in EPA-led program with Friesland Campina and public sector partners • Rescue 1122 Site Visit (July 2025) • Government Department Engagements: Visits to Irrigation, PICIIP, EPA, Child Protection Bureau, and PHED • Field Visits to RO Plants in schools and villages (July 2025)
3.1.2 <i>Measures identified to respect the water rights of others including Indigenous peoples, that are not part of 3.2 shall be implemented.</i> ✔ Yes
Comment Water is abstracted from deep wells under appropriate regulatory permissions, and there is no evidence of conflict or adverse impact on other users within the catchment. The site operates an on-site wastewater treatment plant, and all treated water is reused internally for landscaping purposes. Importantly, no treated effluent is discharged beyond the factory boundaries, ensuring that downstream water users are not affected. This closed-loop approach to water use reflects a responsible and self-contained water management system that safeguards stakeholder water rights and supports sustainable operations. Note: There are no indigenous people in the catchment.
3.2 <i>Implement system to comply with water-related legal and regulatory requirements and respect water rights.</i>
3.2.1 <i>A process to verify full legal and regulatory compliance shall be implemented.</i> ✔ Yes
Comment The site has a documented process for managing water and wastewater-related non-conformities, outlined in procedure 3S-EHS-11: Water & Wastewater Non-Conformity Procedure. This includes communication of results to internal and external stakeholders, as well as reporting through the company's Red Online (ROL) portal. The internal governance structure—extending up to legal oversight—is detailed in the attached PDF document. Additionally, the attached PPT file references procedure 3S-EHS-02: EHS Management System, which clearly defines roles and responsibilities for managing legal and regulatory compliance.
3.2.2 <i>Where water rights are part of legal and regulatory requirements, measures identified to respect the water rights of others including Indigenous peoples, shall be implemented.</i> ✔ Yes
Comment No legal or regulatory water rights obligations—general or Indigenous—apply to the site. Water is abstracted under permitted use from deep wells, and all treated wastewater is reused on-site for landscaping, with no external discharge.

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3.3 Implement plan to achieve site water balance targets.

3.3.1 Status of progress towards meeting water balance targets set in the water stewardship plan shall be identified.



Yes

Comment Operational enhancements implemented in prior years have delivered measurable gains in water efficiency and system performance:

- Descaling of chillers enhanced thermal efficiency and reduced water demand
- Reuse of RO product water in Jet Spray system minimized freshwater consumption
- Recovery of AHU condensate supported cooling tower operations
- Factory shutdowns on non-production days offset excess water usage
- Optimization of maintenance activities reduced domestic water consumption
- Insulation and cladding of water lines minimized thermal losses and water wastage

These foundational actions continue to support sustained water stewardship and consumption control across the site.

YTD 2025 Water Stewardship Targets

Strategic interventions in 2025 are focused on advancing water balance goals through measures:

- Water metering at Solar Park for precise consumption tracking
- Pilot installation of automatic sprinklers to reduce treated water use
- Water meter deployment in stakeholder kitchen to promote behavioral change and real-time monitoring
- Commissioning of arsenic filtration plant to ensure safe drinking water and support community health

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 The site has proactively set and monitored water efficiency targets, measured as cubic meters of water per million cigarettes produced (Water (m³/Mio)). Over the past six years, the site has demonstrated continuous improvement, reducing water consumption from 4.4 to 2.4 m³/Mio. The current target is to achieve 2.29 m³/Mio by the end of 2024.

3.3.3 Legally-binding documentation, if applicable, for the re-allocation of water to social, cultural or environmental needs shall be identified.



Yes

Comment No such legal binding exists.

3.4 Implement plan to achieve site water quality targets

3.4.1 Status of progress towards meeting water quality targets set in the water stewardship plan shall be identified.



Yes

Comment The site installed an arsenic filtration facility after groundwater testing revealed arsenic concentrations exceeding the drinking water threshold of ≤10 ppb. Filtered water lines have since been extended to all designated drinking water stations. This action directly addressed the key water quality target identified in the Water Stewardship Plan (WSP). Sample water quality test reports confirm that post-filtration arsenic levels consistently meet the required standard.

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

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Comment	The site continues to maintain its status as a Zero Effluent Discharge facility. Treated wastewater is reused onsite for gardening and landscaping purposes, ensuring no discharge to external water bodies. Wastewater treatment plant performance is regularly verified through testing by an accredited external laboratory. Results consistently meet the national effluent quality standards. Sample test reports are provided under Indicator 3.4.1 as supporting evidence.	
3.5	<i>Implement plan to maintain or improve the site's and/or catchment's Important Water-Related Areas.</i>	
3.5.1	<i>Practices set in the water stewardship plan to maintain and/or enhance the site's Important Water-Related Areas shall be implemented.</i>	 Yes
Comment	A canal is located nearby. The site demonstrates environmental stewardship through tree plantation drives along the canal bank, including collaboration with Rescue 1122 during the current reporting year.	
3.6	<i>Implement plan to provide access to safe drinking water, effective sanitation, and protective hygiene (WASH) for all workers at all premises under the site's control.</i>	
3.6.1	<i>Evidence of the site's provision of adequate access to safe drinking water, effective sanitation, and protective hygiene (WASH) for all workers onsite shall be identified and where applicable, quantified.</i>	 Yes
Comment	See attached evidence demonstrating the adequacy of WASH (Water, Sanitation, and Hygiene) arrangements at the site, ensuring unimpeded access without any discrimination. - The site utilizes a structured self-assessment tool to evaluate WASH conditions in the workplace, covering water supply, sanitation, and hygiene facilities. - Separate toilets are maintained for male and female employees, and the adequacy of the number of facilities for each gender has been assessed. - A WASH facility map and evaluation results are provided as supporting documentation.	
3.6.2	<i>Evidence that the site is not impinging on the human right to safe water and sanitation of communities through their operations, and that traditional access rights for indigenous and local communities are being respected, and that remedial actions are in place where this is not the case, and that these are effective.</i>	 Yes
Comment	See attached evidence in support of AWS Indicator 3.6.1. - WASH (Water, Sanitation, and Hygiene) arrangements for staff and workers are accessible to all, unimpeded and without any form of discrimination. All facilities are located within site boundaries. - There is no evidence that the site's operations are impinging on the human right to safe water and sanitation for surrounding communities. - The site sources its water from on-site deep well boreholes, ensuring self-sufficiency and minimizing external impact.	
3.7	<i>Implement plan to maintain or improve indirect water use within the catchment:</i>	
3.7.1	<i>Evidence that indirect water use targets set in the water stewardship plan, as applicable, have been met shall be quantified.</i>	 Yes
Comment	Site indicated that there is no supplier of raw or package material in the catchment.	
3.7.2	<i>Evidence of engagement with suppliers and service providers, as well as, when applicable, actions they have taken in the catchment as a result of the site's engagement related to indirect water use, shall be identified.</i>	 Yes

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Comment	The site has actively supported the implementation of water metering at Al-Khan Catering Services, the only service provider within the catchment. As part of its commitment to responsible water stewardship, site teams have initiated regular engagement with Al-Khan to support improvements in the following areas: • Water measurement and monitoring practices • WASH facilities, with emphasis on food safety compliance • Awareness and training on WASH standards • Water use reduction practices and target setting • On-site visits and audits conducted by AWS and internal quality teams These efforts reflect the site's proactive approach to extending water stewardship principles beyond its boundaries and fostering sustainable practices within the catchment.	
3.8	<i>Implement plan to engage with and notify the owners of any shared water-related infrastructure of any concerns the site may have.</i>	
3.8.1	<i>Evidence of engagement, and the key messages relayed with confirmation of receipt, shall be identified.</i>	 Yes
Comment	Despite regulatory limitations on public advertising due to its operation within the tobacco industry, the site has demonstrated proactive and multi-stakeholder engagement to disclose its AWS journey, water-related challenges, and performance. Key consultation platforms and activities include: • Participation in thematic environmental events such as World Cleanup Day (Oct 2024), World Water Day (Mar 2025), and Earth Day (Jun 2025), with notable collaboration alongside government bodies, academia, and industry peers. • Direct briefings to senior officials, including the Additional Director General of EPA. • Engagements with government departments (EPA, PHED, Irrigation, PICIIP, Child Protection Bureau). • Field visits to RO plants in schools and villages to demonstrate on-ground impact. • Targeted outreach via email to neighboring industries.	
3.9	<i>Implement actions to achieve best practice towards AWS outcomes: continually improve towards achieving sectoral best practice having a local/catchment, regional, or national relevance.</i>	
3.9.1	<i>Actions towards achieving best practice, related to water governance, as applicable, shall be implemented.</i>	 Yes
Comment	The site has demonstrated collaboration with key stakeholders, including public departments, water infrastructure agencies, the Environmental Protection Agency (EPA), and academic institutions, in support of effective catchment governance. Engagements have been strategically aligned with major environmental occasions to enhance visibility and stakeholder outreach. These platforms have been used to communicate the site's Water Stewardship Plan, performance, and community impact through presentations and video content. Summary of Key Engagements (Past 12 Months): • World Cleanup Day (8 October 2024) • World Water Day (28 March 2025): Briefing to Additional Director General of EPA • Earth Day Celebrations (5 June 2025): Participation in EPA-led program with Friesland Campina and public sector partners • Rescue 1122 Site Visit (July 2025) • Government Department Engagements: Visits to Irrigation, PICIIP, EPA, Child Protection Bureau, and PHED • Field Visits to RO Plants in schools and villages (July 2025)	
3.9.2	<i>Actions towards achieving best practice, related to targets in terms of water balance shall be implemented.</i>	 Yes

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Comment	Referencing the site's water balance diagram (Indicator 1.3.2), 9,375 m ³ of wastewater is treated annually at the on-site Wastewater Treatment Plant. This treated water is reused internally for gardening and irrigation, contributing to water reuse efficiency and reducing freshwater abstraction.	
	Beyond operational controls, the site has actively contributed to improving water balance within the catchment through the following key pillars: • Awareness sessions with local schools and farming communities on water conservation and modern water-saving technologies • Tree plantation drives to enhance green cover and promote ecological resilience • Cleanup drives to improve local water bodies and surroundings • Active participation in environmental events organized by government agencies, EPA, academia, and district administration	
3.9.3	<i>Actions towards achieving best practice, related to targets in terms of water quality shall be implemented.</i>	 Yes
Comment	The site has conducted water quality testing for nearby schools and shared the results with school administrations and community members. Additionally, a clean drinking water facility was recently commissioned at a newly identified village and at the Child Protection Bureau, providing safe water access to schoolchildren and the broader community.	
3.9.4	<i>Actions towards achieving best practice, related to targets in terms of the site's maintenance of Important Water-Related Areas shall be implemented.</i>	 Yes
Comment	A canal is located nearby. The site demonstrates environmental stewardship through tree plantation drives along the canal bank, including collaboration with Rescue 1122 during the current reporting year.	
3.9.5	<i>Actions towards achieving best practice related to targets in terms of WASH shall be implemented.</i>	 Yes
Comment	The site has actively participated in and implemented a range of WASH (Water, Sanitation, and Hygiene) actions within its catchment. Key initiatives include: • Commissioning of a clean drinking water facility for the local community • Construction of toilets in public schools, Child protection bureau • Awareness sessions in schools focused on water conservation and WASH practices • Installation of awareness banners promoting WASH principles • Rehabilitation of drainage systems in local community public schools • Provision and distribution of drinking water bottles to school students	

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4 STEP 4: EVALUATE - Evaluate the site's performance.		
4.1	<i>Evaluate the site's performance in light of its actions and targets from its water stewardship plan and demonstrate its contribution to achieving water stewardship outcomes.</i>	
4.1.1	<i>Performance against targets in the site's water stewardship plan and the contribution to achieving water stewardship outcomes shall be evaluated.</i>	 Yes
Comment	The site has a documented Water Stewardship Plan (Excel file) that outlines: • Performance against established targets • Value creation resulting from water-related initiatives • Linkages to shared water challenges • Alignment with AWS outcomes The program is under top management oversight and is regularly presented at internal review forums. Evidence was also provided of ongoing internal AWS communications ("drumbeats") focused on performance tracking and program evaluation.	
4.1.2	<i>Value creation resulting from the water stewardship plan shall be evaluated.</i>	 Yes
Comment	Attached excel document site's Water Stewardship Plan status for 2024-YTD June 2025. Environmental and social value creation is assessed.	
4.1.3	<i>The shared value benefits in the catchment shall be identified and where applicable, quantified.</i>	 Yes
Comment	Attached WS Plan refers, and PDF file show overview of shared value creation in the catchment.	
4.2	<i>Evaluate the impacts of water-related emergency incidents (including extreme events), if any occurred, and determine the effectiveness of corrective and preventative measures.</i>	
4.2.1	<i>A written annual review and (where appropriate) root-cause analysis of the year's emergency incident(s) shall be prepared and the site's response to the incident(s) shall be evaluated and proposed preventative and corrective actions and mitigations against future incidents shall be identified.</i>	 Yes
Comment	The site confirmed that no incidents related to water emergencies occurred during the review period. Accordingly, no follow-up actions were required.	
4.3	<i>Evaluate stakeholders' consultation feedback regarding the site's water stewardship performance, including the effectiveness of the site's engagement process.</i>	
4.3.1	<i>Consultation efforts with stakeholders on the site's water stewardship performance shall be identified.</i>	 Yes

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Comment	Despite regulatory limitations on public advertising due to its operation within the tobacco industry, the site has demonstrated proactive and multi-stakeholder engagement to disclose its AWS journey, water-related challenges, and performance. Key consultation platforms and activities include: • Participation in thematic environmental events such as World Cleanup Day (Oct 2024), World Water Day (Mar 2025), and Earth Day (Jun 2025), with notable collaboration alongside government bodies, academia, and industry peers. • Direct briefings to senior officials, including the Additional Director General of EPA. • Engagements with government departments (EPA, PHED, Irrigation, PICIIP, Child Protection Bureau). • Field visits to RO plants in schools and villages to demonstrate on-ground impact. • Targeted outreach via email to neighboring industries.
4.4	<i>Evaluate and update the site's water stewardship plan, incorporating the information obtained from the evaluation process in the context of continual improvement.</i>
4.4.1	<i>The site's water stewardship plan shall be modified and adapted to incorporate any relevant information and lessons learned from the evaluations in this step and these changes shall be identified.</i>
Comment	The site's water stewardship plan is maintained as a dynamic, living document. Throughout the AWS implementation journey from earlier ones used in the initial certification audits to the latest YTD 2025 (attached), the plan has undergone multiple revisions in response to completed actions, progress reviews, adjusted timelines, and strategic learnings or changes in targets. Version history is documented through dedicated tabs within the file.



Yes

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5 STEP 5: COMMUNICATE & DISCLOSE - Communicate about water stewardship and disclose the site's stewardship efforts	
5.1	Disclose water-related internal governance of the site's management, including the positions of those accountable for legal compliance with water-related local laws and regulations.
5.1.1	The site's water-related internal governance, including positions of those accountable for compliance with water-related laws and regulations shall be disclosed. ✓ Yes
Comment	The site uses its Media Center webpage to communicate AWS-related governance updates and key announcements: [https://www.pmi.com/markets/pakistan/en/media-center] The most recent disclosures were published on 24 June 2025.
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 leverages key environmental occasions such as World Environment Day, World Cleaning Day, Earth Day etc. to showcase its Water Stewardship Plan and performance to external audiences. These engagements typically include presentations and a video highlighting the site's water-related initiatives—both within the factory and in the surrounding community.
5.3	Disclose annual site water stewardship summary, including: the relevant information about the site's annual water stewardship performance and results against the site's targets.
5.3.1	A summary of the site's water stewardship performance, including quantified performance against targets, shall be disclosed annually at a minimum. ✓ Yes
Comment	The site leverages key environmental occasions such as World Environment Day, World Cleaning Day, Earth Day etc. to showcase its Water Stewardship Plan and performance to external audiences. These engagements typically include presentations and a video highlighting the site's water-related initiatives—both within the factory and in the surrounding community.
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 has utilized the following platforms to disclose its AWS journey, water-related challenges, performance, and associated efforts: • World Cleanup Day (8 October 2024) • World Water Day (28 March 2025): A briefing was provided to the Additional Director General of EPA during his visit. • Earth Day Celebrations (5 June 2025): Participation in an EPA-led program alongside Friesland Campina, Municipal Committee, Public Health Engineering Department (PHED), Punjab Irrigation, Rescue 1122, Civil Defense, University of Okara, and COMSATS University. • Engagements with government departments: Including visits to Irrigation, PICIIP, EPA, Child Protection Bureau, and PHED. • Field visits to RO plants in schools and villages. • E-mails to neighboring industry.

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5.4.2	<i>Efforts made by the site to engage stakeholders and coordinate and support public-sector agencies shall be identified.</i>	 Yes
Comment	The site has utilized multiple platforms to disclose its AWS journey, water-related challenges, performance, and associated efforts. Public sector agencies have been an integral part of these engagements, including the Municipal Committee, Public Health Engineering Department (PHED), Punjab Irrigation, Rescue 1122, Civil Defense, University of Okara, COMSATS University, PICIIP, EPA, and the Child Protection Bureau. Key disclosure activities include: - World Cleanup Day (8 October 2024) - World Water Day (28 March 2025): A briefing was provided to the Additional Director General of EPA during his visit. - Earth Day Celebrations (5 June 2025): Participation in an EPA-led program alongside FrieslandCampina and various public sector partners. - Engagements with government departments through visits to these agencies e.g. Irrigation, PICIIP, EPA, Child Protection Bureau, and PHED.	
5.5	<i>Communicate transparency in water-related compliance: make any site water-related compliance violations available upon request as well as any corrective actions the site has taken to prevent future occurrences.</i>	
5.5.1	<i>Any site water-related compliance violations and associated corrections shall be disclosed.</i>	 Yes
Comment	The site team confirmed that no water-related compliance violations have occurred in the recent past. Accordingly, no related disclosures are required.	
5.5.2	<i>Necessary corrective actions taken by the site to prevent future occurrences shall be disclosed if applicable.</i>	 N/A
Comment	The site team confirmed that no water-related compliance violations occurred in the recent past; therefore, no related disclosures were required.	
5.5.3	<i>Any site water-related violation that may pose significant risk and threat to human or ecosystem health shall be immediately communicated to relevant public agencies and disclosed.</i>	 N/A
Comment	The site team confirmed that no water-related compliance violations occurred in the recent past; therefore, no such communications and disclosures were required.	

Previous Findings

	<i>All non-conformities raised in the previous audit have been satisfactorily closed.</i>	 Yes
Comment	There were two non-conformities identified during the previous audit, pertaining to indicators 1.3.4 and 2.2.1. The corrective actions taken were verified and found to be satisfactorily implemented. Closure of each finding was supported by relevant evidence and documented comments.	