CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-001719

WSAS WATER STEWARDSHIP ASSURANCE SERVICES

SITE DETAILS

Site: **BAT Croatia Leaf (Hrvatski duhani d.d.) - Virovitica**
Address: Osječka 2, 33000, Virovitica, CROATIA (local name: Hrvatska)
Contact Person: Kristina Požgaj
AWS Reference Number: AWS-000484
Site Structure: Single Site

CERTIFICATION DETAILS

Certification status: Certified Core
Date of certification decision: 2025-Dec-23
Validity of certificate: 2028-Dec-22

AUDIT DETAILS

Audited Service(s): AWS Standard v2.0 (2019)
Audit Type(s): Re-Certification Audit
Audit Start Date: 2025-Oct-21
Audit End Date: 2025-Oct-23
Lead Auditor: Aleksandar Simic

Site Participants:
Kristina Požgaj, Operations Sustainability Coordinator
Martina Grubač, Operations Sustainability Assistant
Aleksandra Grigić, Head of BAT Leaf
Dejana Lukačić Kutija, Finance Manager
Ivona Horvat, Human Resources Business Partner
Marina Miseta, IWS Manager
Renato Balen, Supply Chain Manager
Marijan Fereža, GLT Manager
Hrvoje Stepić, Leaf Sustainability and Engagement Manager
Tomislav Basioli, EHS Security & Facility Manager

AUDIT TIMES

Dates	Audit from	Duration	Auditor	Description
2025-Oct-22	08:00:00 - 16:00:00	08:00	Aleksandar Simic	
2025-Oct-23	08:00:00 - 16:00:00	08:00	Aleksandar Simic	
2025-Oct-21	08:00:00 - 16:00:00	08:00	Aleksandar Simic	

ADDITIONAL INFO

Summary of Audit Findings: During the re-certification audit, 2 non-conformities and 3 observations were raised.
The site's water stewardship is managed at a sufficient level; however, the gaps and areas for improvement identified during this audit almost exclusively include insufficient communication with stakeholders in order to gather information required by the Standard.

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 01 December 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 07 January 2026.

The audit team recommends re-certification of BAT Leaf at Core level pending closure of the non-conformities.

Scope of Assessment: The scope of services covers the recertification audit for assessing conformity of BAT Croatia Leaf (Hrvatski duhani d.d.) - Virovitica against the AWS International Water Stewardship Standard Version 2.

BAT Croatia Leaf (Hrvatski duhani d.d.) is located in Virovitica which is in the sub-basin area of the Drava River "Županijski kanal" (approximately 9356 km2), which is part of Drava River aquifer. The main river in the area is the Drava. The GLT at BAT Leaf Croatia – Hrvatski Duhani was established in 1957. and acquired by BAT in 2015. The BAT operation is classed as a Tier 2 Leaf Operation. It has the highest farm scale and mechanized operation. The operation controls 80% of Croatia Leaf market share.
There are a total of 98 permanent employees, consisting of 10 managers and 88 non-managerial staff.
In the periods of GLT processing, which are between November and March, the operation employs up to 300 subcontractors on its site.

The audit was conducted onsite during the period 21-23-10-2025.
The onsite site visit included the assessment of the parking area and the truck loading area.

FINDINGS

NUMBER OF FINDINGS PER LEVEL

Observation	3
Non-Conformity	2

FINDING DETAILS

Finding No:	TNR-021041
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:	Questionnaires the site used to consult with stakeholders on water related challenges did not provide any useful information - basically no feedback was received. As a result, the site did not identify stakeholders' water-related challenges.
Corrective action:	We will create a new simpler online questionnaire with more questions that will hopefully engage stakeholders to provide useful information

Finding No:	TNR-021615
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:	The site's IWRAs have not been mapped. The site failed to provide status assessment for the pumping station "Bikana" and Drava River aquifer.
Corrective action:	We do not have IWRAs on site, but we will provide status assessment for the pumping station "Bikana" and Drava River aquifer, which may include threats to people or the natural environment.

Finding No:	TNR-020972
Checklist Item No:	1.6.1
Status:	Closed
Finding level:	Non-Conformity
Due date:	2026-Jan-22
Checklist item:	Shared water challenges shall be identified and prioritized from the information gathered.
Findings:	No information on shared water challenges is gathered from the identified stakeholders so the identified water challenges are not "shared" since their only source is BAT Leaf.
Corrective action:	We will create a new simpler online questionnaire with more questions that will hopefully engage stakeholders to provide useful information. After receiving information, we will analyse water challenges. Corrective action will be finalised by January 7th 2026
Evidence of implementation:	We have created a new online questionnaire that has engaged stakeholders and has provided useful information. We're submitting an exported excel from Google forms, excel file shared water challenges and evidence of stakeholder engagement.

Finding No:	TNR-021592
Checklist Item No:	1.6.2
Status:	Open
Finding level:	Observation
Checklist item:	Initiatives to address shared water challenges shall be identified.
Findings:	The site has limited feedback from stakeholders regarding shared water challenges, which restricts available information on externally identified or collective initiatives.
Corrective action:	We will create a new simpler online questionnaire with more questions that will hopefully engage stakeholders to provide useful information. After receiving information, we will analyse water challenges

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Finding No:	TNR-021036
Checklist Item No:	4.3.1
Status:	Closed
Finding level:	Non-Conformity
Due date:	2026-Jan-22
Checklist item:	Consultation efforts with stakeholders on the site's water stewardship performance shall be identified.
Findings:	The site made a additional efforts to communicate with the identified stakeholders (mails and questionnare), but the response lacked any relevant information. The criterion 4.3 also requires evaluating effectiveness of the site's engagement process, which as not been effectively done.
Corrective action:	We will create a new simpler online questionnaire with more questions that will hopefully engage stakeholders to provide useful information. Questionnaires will be sent more frequently. Corrective action will be finalised by January 7th 2026
Evidence of implementation:	We have created a new online questionnaire that has engaged stakeholders and has provided useful information. We're submitting an exported excel from Google forms, excel file shared water challenges and evidence of stakeholder engagement.

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Alliance for Water Stewardship (AWS)

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WSAS WATER STEWARDSHIP ASSURANCE SERVICES

Report Details

Report	Value
Report prepared by	Aleksandar Simic
Report approved by	Nathalie Karam
Report approved on (Date)	14/11/2025

Surveillance

Proposed date for next audit
2026-Oct-21

Stakeholder Announcements

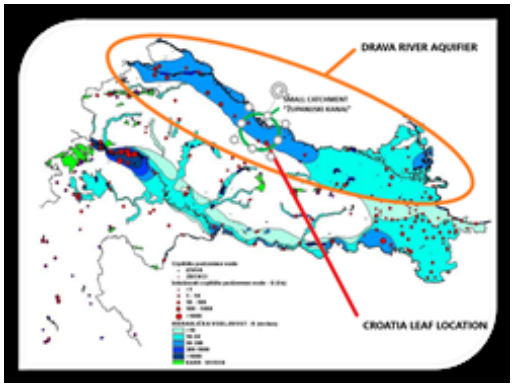
Comment: On September 3rd 2025. the site published stakeholder announcement in the form prescribed by the Standard on local media site https://www.icv.hr/vijesti/hrvatska/bat-hrvatski-duhani-pripremaju-se-za-recertifikaciju-po-standardu-aws-a/. The site does not posses its own website.

Catchment Information

Catchment Information

Virovitica is located in the sub-basin of Drava River "Županijski kanal" (approximately 9,356 km²), which is part of Drava River aquifer. It has a continental climate. The whole area is rich with water- surface and ground and the general water quality is very good.
The main river in the area is the Drava River. The alluvial aquifers in the Drava basin are rich in water and represent the main water supply resource of the northern part of Croatia.
The main features of alluvial aquifers in the Drava basin or the Drava aquifer are:
- general deepening of the aquifer from west to east, mostly evenly along the Pridrava plain,
- a change in the lithological composition of the aquifer from west to east in terms of an increase in the share of the fine-grained component and, accordingly, a decrease in the yield of the aquifer,
- the highest values of the average hydraulic conductivity in the peak parts of the sedimentation basin and their gradual decrease from west to east, in accordance with the lithological composition,
- an increase in the thickness of roof deposits from west to east and in the lateral direction and a corresponding change in the method of aquifer recharge,
- frequent occurrence of sub-artesian and artesian waters in the eastern parts of the Drava plain,
- increased content of iron, manganese, arsenic and other accompanying elements in deeper aquifers in the eastern parts of the Drava plain,
- very slow underground flows and slow exchange of water, which is why major pollution can have long-term consequences.
In the extreme west, where there are no roof deposits or they are very thin, there is an open type of aquifer, due to which natural recharge takes place by infiltration of precipitation directly into the aquifer, which is estimated at more than 30% of the average annual precipitation.
Both potable water supplier and wastewater treatment provider is Virkom. Groundwater is used for treatment into drinking water. Groundwater balance shows that groundwater pumping is at a much lower level than its recharge, so this resource is used sustainably.
WWTP has a teritaly wastewater treatment.
The area of Županijski kanal sub-catchment is dominated by agricultural production so irrigation and pesticide control is of particular interest.

Županijski canal- position.png



Županijski canal sub-catchment.png

Danube& Drava River catchment.png

Client Description and Site Details

Client/Site Background

Comment

The GLT at BAT Leaf Croatia – Hrvatski Duhani was established in 1957. and acquired by BAT in 2015. The BAT operation is classed as a Tier 2 Leaf Operation. It has the highest farm scale and mechanized operation. The operation controls 80% of Croatia Leaf market share. There are a total of 98 permanent employees consisting of 10 Managers and 88 non-managerial staff. In the periods of GLT processing which are between November and March, the operation employs up to 300 subcontractors/ farmers on its site.
The site is located in a residential surrounding. It does not have any water sources on site, but is connected to municipal water supply (Virkom). Also, wastewater is not treated on site, but is transported via sewage system to WWTP (also Virkom). The wastewater quality is controlled in BAT Leaf internal laboratory semi-annually (requirement of the water permit). Quantities of water used in the production process are strictly monitored and constantly reduced (trend of declining water intensity throughout the years). Rainwater from roofs and paved surfaces is collected in rainwater channels and merged with wastewaters (no separate rainwater infrastructure on site). Hydrants are connected to potable water supply.

Summary of Shared Water Challenges

Summary of Shared Water Challenges

- Security of available water supply and waste water drainage,
- Good water quality,
- Availability of public irrigation systems and their efficient use,
- Development strategies at the county and city level.

Comment

As reflected through the findings, shared water challenges give only BAT Leaf perspective without stakeholder point of view. Some of the identified challenges formulations are redundant.

0.0.1	Water Source & Discharge Locations

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.*	Yes
Comment	Water source location and the potable water treatment plant in Virkom has been visited. Also, at another location, WWTP (also operated by Virkom) is visited. Standard SBR technology, tertiary treatment. Much more interesting are reed fields surrounding the WWTP in which biological treatment is naturally performed. This WW treatment method is not often used in the Balkan region because of the lack of available space from it.	

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 situation regarding physical scope of the site has not changed since the last audit. BAT Croatia Leaf uses only the public water supply network without utilization of other water sources on site.
The provider of water services is VIRKOM d.o.o. Virovitica for the following services:
- drinkable water supply - the source of water that Virkom supplies to the location is the pumping station "BIKANA" Virovitica. The pump station of "BIKANA," the route (piping network) through which the pumped water reaches the site, the on-site inlet, the on-site discharge point, the route by which discharged wastewater reaches the external WWTP, and the discharge point of the WWTP to the Drava River have all been identified (refer to 1.1.1 Physical scope - supporting documentation.zip and Physical_scope_2024.pptx). Municipal water source is ground water. The alluvial aquifers in the Drava basin are rich in water and represent the main water supply resource of the northern part of Croatia.
- wastewater service provider - ultimate receiving water body of municipal wastewater, after tertiary level treatment in the municipal wastewater treatment plant, is Drava river (from WWTP to Manteč canal, then County canal and finally into the river Drava).
Storm water infrastructure coincides with the sewage network.
Virovitica is located in the sub-basin area of the Drava river small basin "Županijski kanal".
Division to sub-basins in Croatia is legally defined (Uredba o uslužnim područjima).

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

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

Obs.

Comment	The site adequately identified all relevant stakeholders, but the communication with them through mails and questionnaires did not provide any useful information (basically no feedback on shared water challenges). Filled-in questionnaires are in the body of emails. Attempts to communicate with stakeholders were documented in List of evidence of stakeholder engagement 2025.	
1.2.2	*Current and potential degree of influence between site and stakeholder shall be identified, within the catchment and considering the site's ultimate water source and ultimate receiving water body for wastewater.*	Yes
Comment	Current and potential degree of influence between site and stakeholders has been adequately identified.	
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	In accordance with Croatian regulations, Croatia Leaf has an Operational Plan of Intervention Measures in the Event of Extraordinary and Sudden Water Pollution. The aforementioned Plan is an integral part of the documentation for the issuance of the Water Management Permit for the discharge of waste water issued by Hrvatske vode - the Public Institution for Water Management in the Republic of Croatia, established on the basis of the Water Act. It identifies all possible water-related risks (floods, different spillages, discontinuity in water supply...) and prescribes adequate response plans.	
1.3.2	*Site water balance, including inflows, losses, storage, and outflows shall be identified and mapped*	Yes
Comment	Site's water balance for the period 28.10.2024- 03.03.2025. is depicted and quantified in a representative Sankey diagram, which includes incoming water, water use in production, boilers, reuse facilities, domestic water use, loss, and waste water discharge. Rainwater has not been included in this diagram (except for the output wastewater quantities which include rainwater) since the Croatian Meteorological and Hydrological Service does not have any data on annual precipitation in Virovitica for 2024. and 2025. Proxy data for the city of Bjelovar, as the closest to Virovitica, is used for the estimate.	
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	Site's water balance for 2024 is depicted and quantified in representative Sankey diagram. A part- time operation of BAT Leaf GLT processing (between November and March) implies significant variance in water usage rates throughout the year, which is documented from December 2022 (Sankey diagram file).	
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	Information on potable and wastewater quality is publicly available through Virkom (service provider) web site, while the information on final recipient (Drava river) quality is provided by Hrvatske vode. All on-site testing is performed as defined by the water permit. Quantity and quality of irrigation water for farmers is constantly monitored (Thrive software). Since the good water quality status is one of the shared water challenges, an indication of annual, and also seasonal, high and low variances of the site's receiving water body is available from the reports of the dedicated institutions (Croatian waters).	

1.3.5	*Potential sources of pollution shall be identified and if applicable, mapped, including chemicals used or stored on site.*	Yes
Comment	All potential sources of pollution have been mapped. List of chemicals stored in the pesticide warehouse is provided.	
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	There are no identified IWRAs on site.	
1.3.7	*Annual water-related costs, revenues, and a description or quantification of the social, cultural, environmental, or economic water-related value generated by the site shall be identified and used to inform the evaluation of the plan in 4.1.2.*	Yes
Comment	Annual (and monthly for potable water) water-related costs (e.g. water tests, sewage, WASH improvements...) is monitored and documented since 2020. The site does not generate any water-related revenues. Description of the social, cultural, environmental or economic water-related value is differentiated by defined targets in WSP.	
1.3.8	*Levels of access and adequacy of WASH at the site shall be identified.*	Yes
Comment	Croatia Leaf provides for employees and other persons on site safe and healthy drinking water and adequate sanitation services. A legally prescribed (and more than that) number of taps, toilets and showers (prescribed by the law based on the number of employees) is also provided for all employees and others present at the site.	
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 used WRI Aqueduct site to assess risk level in the catchment (which is generally low). Embedded water can only be linked to tobacco farmers, since other used materials are from different sources and outside the catchment. Communication with farmers about the efficient use of irrigation and the rational use of pesticides and mineral fertilizers in production, in order to reduce the impact on groundwater, is a recurring activity. Software Thrive is used to very thoroughly monitor water consumption by farmers, resulting in detailed information on embedded water use.	
1.4.2	*The embedded water use of outsourced services shall be identified, and where those services originate within the site's catchment, quantified.*	Yes
Comment	The only water-related outsourced service is car washing. Outsorced security workers are obliged to follow the same procedures as BAT employees. The embedded water use of car wash services is quantified. The service provider signed a statement in which he confirmed that average water usage for one car washing is 400l.	
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	Relevant water governance initiatives have been identified and summarized in document Water governance initiatives. The umbrella document is the Croatian Water Management Strategy, with various ongoing regional (DRAVA LIFE, VEPAR) and local projects (National Resilience and Recovery Program- Virovitica, Digitization of the water supply system in Virkom).	
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	Applicable water-related legal and regulatory requirements are identified as a documented information from ISO 14001 documentation. Stakeholder-verified customary water rights are not recognized.	
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	Detailed information regarding groundwater and surface water balance have been presented in reports by Water Institute Josip Juraj Strossmayer. Quantities of groundwater drawn from an aquifer are much lower than its recharging capacity. Drava River does not have a problem with its flows during the dry season.	
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	Detailed information regarding groundwater and surface water quality have been presented in reports by Water Institute Josip Juraj Strossmayer. A very few exceedances of nitrates, nitrites and ammonia were documented.	
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.*	Obs.
Comment	WIth the help of the Institute of Environment and Nature (attached mail), IWRAs in the cachment have been identified (the results have not been aggregated into one file). The status of IWRAs listed by the Institute of Environment and Nature has been assessed by themselves (as Natura 2000 sites), but the site failed to provide status assessment for the pumping station "Bikana" and Drava River aquifer.	
1.5.6	*Existing and planned water-related infrastructure shall be identified, including condition and potential exposure to extreme events.*	Yes
Comment	Existing and planned water-related infrastructure has been identified through various county-level documents (e.g. Development plan until 2027). Its condition (latest information from 2023) is documented in IZVJ_VODNE_USLUGE_2023 (Izvješće o stanju u sektoru vodnih usluga). Potential exposure to extreme events has been covered in document Major Accident Risk Assessment (Water related–infrastructure .pptx, slide 11). poslednje iz 2023. , pg 37	
1.5.7	*The adequacy of available WASH services within the catchment shall be identified.*	Yes

Comment	Available WASH services within the catchment and their adequacy (zero samples of faulty drinking water from the distribution network) has been identified using municipality and county level documents (Virovitica Development strategy). With the perspective of the constant decrease of the number of inhabitants in Virovitica municipality (23% in the last 20 years) and the ongoing efforts to extend potable water and sewage network, WASH services within the catchment are adequate.	
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.*	✓ closed
Comment	The site contacted all stakeholders in June 2025 through email and accompanying questionnaire. The gathered results did not provide any information on shared water challenges. Prioritization of documented water challenges has been performed. ***Finding No: TNR-020972***	
1.6.2	*Initiatives to address shared water challenges shall be identified.*	🔍 Obs.
Comment	Lack of feedback from the stakeholders regarding shared water challenges does not leave much room for the site to identify initiatives outside their own. With better undestanding of stakeholders's views on shared water challenges it will be possible to identify accordingly relevant initiatives. The site carried out the reforestation action to tackle, among the other things, flood risks. https://www.icv.hr/vijesti/aktualno/hrvatski-duhani-donacijom-podrzali-sadnju-5000-stabala-hrasta-i-ocuvanje-iznimno-rijetke-biljke-velike-sase-na-papuku/	
1.7	*Understand the site's water risks and opportunities: Assess and prioritize the water risks and opportunities affecting the site based upon the status of the site, existing risk management plans and/or the issues and future risk trends identified in 1.6.*	
1.7.1	*Water risks faced by the site shall be identified, and prioritized, including likelihood and severity of impact within a given timeframe, potential costs and business impact.*	✓ Yes
Comment	The site's water risk have been identified and classified in line with the requirements of the Standard, but also included mitigation measures and the assessment of the residual risks. Identified risks are water shortage (differentiated by potable and technological), dangerous substances spillage (chemicals, pesticides, oil& fuel) and inadequate waste management. All risks are also assessed from the point of their origin (production facility, management building, storages...). Only catchment- wide risk is related to the potable water supply. All identified risks are aligned with the online tools. The site assessed likelihood, severity, potential costs, and business impact within a defined timeframe (5 years).	
1.7.2	*Water-related opportunities shall be identified, including how the site may participate, assessment and prioritization of potential savings, and business opportunities.*	✓ Yes
Comment	Water-related opportunities have been assessed parallel to the risks. All risks and opportunities were discussed and updated at the EHS Steering Committee meeting on 25.09.2025.	
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 catchment best practice for water governance include several country (VEPAR), county (Drava Life) and municipal projects (digitization of the water supply system in Virkom Virovitica).	
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 same examples of best practice for water balance have been presented as in the previous years- Drava Life (improvement of the riverine ecosystem), National Resilience and Recovery Program (increasing the quality of water supply services), VEPAR (flood risk management), Digitization of the water supply system in Virkom Virovitica and Reduction of water use in the tobacco production process.	
1.8.3	*Relevant sector and/or catchment best practice for water quality shall be identified, including rationale for data source.*	Yes
Comment	The catchment best practice for water quality mostly referes to the site's own activities (legionella testing), as well as Virkom (potable water supplier and wastewater managing company)- publicly available data on the quality of drinking water on the official websites of water suppliers.	
1.8.4	*Relevant catchment best practice for site maintenance of Important Water-Related Areas shall be identified.*	Yes
Comment	The catchment best practice for site maintenance of IWRAs also lists the site's own activities (cooperation with NGOs), Virkom (WWTPs) and the Visitors Center Križnica (educational activities).	
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 best practice for WASH relies on extension of the potable water network that is already part of Virovitica Development Plan until 2027.	

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	Formulating and disclosing Water management policy is proof of site's commitment. The document is available internally through mails and notice boards and externally through https://www.icv.hr/vijesti/hrvatska/hrvatski-duhani-idu-u-recertifikaciju-saveza-za-upravljanje-vodom/.	
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	Standard operating procedures SOP Q03 Pracenje zakonskih i drugih propisa and SOP Q02 Interna i eksterna komunikacija i provedba politika document positions within organisation that are resposible to maintain compliance obligations for water and wastewater management, as well as the process for submissions to regulatory agencies. Job description for the relevant positions (EHS Manager, EHS Coordinator, Operations Sustainability Assistant) also have documented these obligations.	
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	A water stewardship strategy has been developed and it contains the mission, vision, and goals of the organization.	

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.*	Yes
Comment	A water stewardship plan is formulated in accordance with requirements of the Standard. It includes onsite targets (e.g. condensate return in GLT) and catchment- wide targets (farmers- increase of irrigation areas, decrease of pesticide use, waste management and overall public awareness raising). Link between defined targets and best practices is provided. WSP is reviewed on EHS Steering committee meeting held on 25.09.2025.	
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	In accordance with Croatian regulations, Croatia Leaf has an Operational Plan of Intervention Measures in the Event of Extraordinary and Sudden Water Pollution. The aforementioned Plan is an integral part of the documentation for the issuance of the Water Management Permit for the discharge of waste water issued by Hrvatske vode - the Public Institution for Water Management in the Republic of Croatia, established on the basis of the Water Act. It is developed internally, but since this document is a Water Permit requirement, which is issued by the relevant authority (mail attached), it can be considered a document developed in co-ordination with relevant public-sector.	

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: BAT Leaf has a representative in the Croatian Chamber of Commerce- Professional group of agriculture and food processing industry. Through this body, BAT Leaf supports all sustainability topics and especially those that are water related. Special focus of this body is on the irrigation systems within the whole Virovitica-Podravina County, which also coincides closely with the BAT Leaf interests. Further information is published on https://www.vpz.hr/2024/12/17/strukovna-grupa-poljoprivrede-prehrambeno-preradivacke-industrije-hgk-zk-virovitica-navodnjavanje-jedno-najvaznijih-preduvjeta-uspjesne-poljoprivredne-proizvodnje/

3.1.2 *Measures identified to respect the water rights of others including Indigenous peoples, that are not part of 3.2 shall be implemented.* ✓ Yes

Comment: Water rights are part of basic human rights in Croatia and they don't extend beyond legal requirements defined in 3.2.

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: As a part of ISO 14001 management system, BAT Leaf has been applying the procedure for monitoring legal and other requirements, which also includes requirements related to water. List of legal and other requirements is updated at least once a year, assessing compliance with each individual legal requirement. The process was traced during the audit.

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: In accordance with the Law on Water Services , Virkom Virovitica d.o.o. - the provider of public water supply and public sewage service in the small catchment area of Županijski kanal, where Croatia Leaf is located, is responsible for the supply of healthy drinking water and for wastewater management. BAT Leaf direcly uses water only within its boundaries and makes constant efforts to reduce consumption. Same as with indirect water use through farmers, so, in this regard, it respects the water rights of everyone.

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: Document Water Virovitica 2021 - 2024 gives overview of water balance related KPI throughout the years. Water withdrawal in 2024. had a all time low (5913 m3), total wastewater also (1681 m3), which confirms effectivnes of site's water/saving measures (condensate return and heat recovery/ steam consumption). Targets from WSP reflect Enercon water monitoring system. Status of progress towards meeting water balance targets can also be traced through WSP.

3.3.2	*Where water scarcity is a shared water challenge, annual targets to improve the site's water use efficiency, or if practical and applicable, reduce volumetric total use shall be implemented.*	Yes
Comment	Water scarcity is not identified as a shared water challenge. Within WSP, the site monitors targets to improve its water use efficiency (e.g. percentage of recycled water).	
3.3.3	*Legally-binding documentation, if applicable, for the re-allocation of water to social, cultural or environmental needs shall be identified.*	Yes
Comment	There is no legally required or any other water re-allocation that applies to the site.	
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	Going beyond regulatory requirements, BAT Leaf conducts regular water tests for legionella and wastewater tests. These activities, being a regular ones, are not included in WSP. Targets related to waste management (on site and by the farmers- farm waste recycling and seed trays collection) and to pesticide usage reduction, that can influence water quality, are defined and monitored.	
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	The site conducts regular water tests for legionella and wastewater tests. Wastewater testing indicators are regularly significantly better than prescribed by the water law permit. Amount of active ingredients in pesticides used per hectare is also reduced by the year (with quantified 2030. target).	
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	BAT Leaf does not have IWRAs on site. Practices set in the water stewardship plan are threefold: through cooperation with stakeholders - farmers, through cooperation with non-governmental organizations and through public communication. Only one target is directly related to IWRAs (reforestation), but most water quality targets indirectly influence IWRAs (waste management, seed tray collection).	
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	BAT Leaf provides for employees and other persons on site safe and healthy drinking water and adequate sanitation services. A sufficient number of taps, toilets and showers (above the number prescribed by the law based on the number of employees) is also provided.	
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	BAT Leaf uses public service for drinkable water and wastewater treatment and, based on the site's water balance and the overall water availability (Virkom data), it cannot impinge the human rights to safe water and sanitation of communities.	
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	Indirect water use target is defined in WSP ("Increase transplanted areas under irrigation 1% vs previous year") have documented quantified results.	
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	Communication with farmers on water stewardship is an ongoing activity that is handeled very thoroughly. Water-related outsourced service is car washing. Relevant data from the service provider is collected (400l of water per one car wash) and training has been performed.	
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	Virkom is an owner of a potable water and sewage network. Communication with Virkom is mostly oriented towards its laboratory and the water analysis that they provide. Aside from that, all contacts are direct (attached attendance list). Information on shared water-related infrastructure is not received from them, but from the county or national level (attached file Water-related infrastructure). Maintenance and repairs of potable water and sewage networks within the site boundaries are its sole responsibility.	
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	BAT Leaf is a member of Croatian Chamber of Commerce and it always has its representative within its specialized group for agriculture. Irrigation is one of its priorities and the irrigation-related target is, due to the very close collaboration with the farmers, one of the most closely monitored ones in the WSP.	
3.9.2	*Actions towards achieving best practice, related to targets in terms of water balance shall be implemented.*	Yes
Comment	BAT Leaf monitors the water balance Enercon, through reports in the Cr360 (Water) system and through the HR Deployment Tracker. The WSP lists the implemented and planned activities. BAT global KPI for recycled water is 30% by 2030.	
3.9.3	*Actions towards achieving best practice, related to targets in terms of water quality shall be implemented.*	Yes
Comment	The site regularly conducts legionella and wastewater quality controls and gathers and analyzes publicly available data on the quality of water delivered from the public water supply system. BAT Leaf also carries out activities aimed at preserving water quality with stakeholders. The WSP lists the implemented and planned activities.	

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	WSP documents a few targets that indirectly help achievement of best practice related to targets related to IWRAs- reforestation in Bilogora area, raising public awareness and reduction of pesticide use by farmers. All related actions are monitored regularly.	
3.9.5	*Actions towards achieving best practice related to targets in terms of WASH shall be implemented.*	Yes
Comment	The number of sanitary facilities significantly exceeds the legal threshold required by the Occupational Safety Ordinance for workplaces. The site also provided toilets for farmers.	

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.*	Yes
Comment	Since the last audit, the site evaluated performance against targets in WSP on 31.07.2025. Analysis of the achieved results was carried out at the session of the EHS Steering committee held on 25.09.2025.	
4.1.2	*Value creation resulting from the water stewardship plan shall be evaluated.*	Yes
Comment	Value creation has been documented in WSP and connected to the information from 1.3.7 . Where applicable, breakdown of capex and opex has been provided.	
4.1.3	*The shared value benefits in the catchment shall be identified and where applicable, quantified.*	Yes
Comment	WSP documents value benefits in the catchment. Some of them are quantified (e.g. m3 of water saved annualy pre employee as the result of education on water savings).	
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 didn't have emergency incidents since the last audit. In accordance with Croatian regulations, BAT Leaf has an Operational Plan of Intervention Measures in the Event of Extraordinary and Sudden Water Pollution. The new Operational Plan was adopted in March 2024. The only change to this Plan is employee schedule from December 2024.	
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.*	closed
Comment	The site sent emails with questionnaire to all stakeholders on 30.06.2025, but their feedback was only formal. Literally no information is gathered on shared water challenges. Considering that this problem with data gathering is unsolved basically from the certification, the site must urgently find the way to solve it. ***Finding No: TNR-021036***	
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.*	Yes

Comment	Results from EHS Steering committee session held on 25.09.2025. were used to update WSP.

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's water-related internal governance, including the positions of those responsible for compliance with water-related laws and regulations, is disclosed internally, on bulletin boards and via email to all employees and publicly available through publication in the media/ on the local news portal (https://www.icv.hr/vijesti/hrvatska/hrvatski-duhani-idu-u-recertifikaciju-saveza-za-upravljanje-vodom/) In addition, emails were sent to all stakeholders with notification of the publication and a link to the published article.	
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	Since the WSP was externally communicated via ICV site (https://www.icv.hr/vijesti/hrvatska/hrvatski-duhani-idu-u-recertifikaciju-saveza-za-upravljanje-vodom/) that contained link to WSP, this is communicated to all stakeholders in emails from 30.06.2025. WSP already contains information on how it contributes to AWS Standard outcomes.	
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 main efforts and achieved results in reaching the goals of WSP were published in a public announcement on the local news portal (https://www.icv.hr/vijesti/hrvatska/hrvatski-duhani-idu-u-recertifikaciju-saveza-za-upravljanje-vodom/) and sent via e-mail to all employees and other stakeholders.	
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 were published in a public announcement on the local news portal (https://www.icv.hr/vijesti/hrvatska/hrvatski-duhani-idu-u-recertifikaciju-saveza-za-upravljanje-vodom/) and sent via e-mail to all employees and other stakeholders.	
5.4.2	*Efforts made by the site to engage stakeholders and coordinate and support public-sector agencies shall be identified.*	Yes

Comment	Aside from email with questionnareis sent to stakeholders on 30.06.2025. and the engagement of BAT Leaf representative in the Croatian Chamber of Commerce (group for agriculture), the site organized event on World Water Day with Virovitica Red Cross (https://www.icv.hr/virovitica/hrvatski-duhani-obiljezili-svjetski-dan-voda-edukativnim-predavanjem-u-suradnji-s-gradskim-drustvom-crvenog-kriza-virovitica/). Virovitica Development plan until 2027. has a specific points regarding irrigation. General problem with stakeholder communication is already documented through other indicators.	
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 didn't have any water-related compliance violations since the last audit. All laboratory results of water testing corroborate this.	
5.5.2	*Necessary corrective actions taken by the site to prevent future occurrences shall be disclosed if applicable.*	Yes
Comment	Since the site didn't have any water-related compliance violations, no corrective actions were needed.	
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	The site didn't have water-related violation that may pose significant risk and threat to human or ecosystem health since the last audit. In case there is an immediate threat to local stakeholders and ecosystems, the obligation and procedure of informing competent agencies and institutions of the public sector is elaborated in Annex I of the Operational Plan of Intervention Measures in the Event of Extraordinary and Sudden Water Pollution.	

Previous Findings

	All non-conformities raised in the previous audit have been satisfactorily closed.	No
Comment	Not all non-conformities raised in the previous audit were satisfactorily closed. Despite the efforts to initiate communication and obtain relevant information regarding shared water challenges, the site did not get any information on them, resulting in repeated finding in 1.6.1. The site used the information gathered on shared water challenges throughout the previous years to formulate mitigation measures.	