

Water Stewardship **REPORT** **2025**

Philip Morris Italy

**Philip Morris
Manufacturing &
Technology Bologna**



Letter from Philip Morris Italy

Water scarcity is recognized by the World Economic Forum* as a major global environmental risk in terms of its potential impact on both humanity and environment. Growing populations and economies as well as climate change effects are leading to an exponential increase in demand, competition and disputes over freshwater resources.

The **Philip Morris Manufacturing and Technology Bologna** (PMMTB) plant in Crespellano, Valsamoggia (BO), has implemented the Alliance for Water Stewardship (AWS) Standard with the aim of integrating a *modus operandi* based on *water stewardship*, a responsible and sustainable water management that considers environmental, social and economic needs. With the achievement of the Core level certification in July 2019, PMMTB became the second AWS certified site in Italy and the first *Smoke Free Product* (SFP) plant of Philip Morris International (PMI). In October **2021**, PMMTB achieved **Gold level** certification, which formalized a higher level of effort and commitment to water management principles and results.

The AWS Standard provides a structured approach to reducing the water footprint through the implementation of concrete actions within the broader watershed context and collaboration with local stakeholders for sustainable water resource management and mitigation of shared water challenges.

Each year, PMMTB continues to implement sustainable water practices both inside and outside its facility, with the aim of setting an example, raising awareness and encouraging other catchment Stakeholders take on an active role as virtuous *water stewards*.

PMI's commitment to sustainability has also a major impact on the Italian tobacco industry. The company actively promotes the production of high-quality tobacco in accordance with ecologically responsible agricultural practices. In this context, through the *Sustainable Tobacco Program* (STP), PMI has developed a set of *Good Agricultural Practices* (GAP), which guide the evaluation of suppliers' cultivation processes and the identification of opportunities for improvement. The Good Agricultural Practices promoted are economically sustainable, safe and oriented towards harvest quality, while contributing to environmental protection and respect for workers' rights. The program, which is the result of collaboration with farmers, companies in the sector, government institutions and universities, represents a virtuous model of innovation and shared responsibility throughout the supply chain.

At PMMTB, we are deeply proud of our transformation process, and although the path to a sustainable future is still a long one, the adoption of the AWS philosophy represents a solid foundation that has already brought concrete and significant results.

PMMTB AWS Team

PM Italy LEAF Team

PM Italy Sustainability Team



PHILIP MORRIS
MANUFACTURING & TECHNOLOGY
BOLOGNA S.p.A.



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ITALIA S.R.L.

Water Stewardship Commitment

PMMTB recognizes the fundamental importance of **water stewardship** in ensuring the sustainability of our operations, and the resilience of the local catchment area in which we operate. As such, we pledge to uphold the following commitments:

- **Implementation of the Alliance for Water Stewardship Standard:** we will implement, endorse and uphold the Alliance for Water Stewardship Standard, as well as achieve compliance and continuous **improvements** across **all 5 outcomes** areas: *water governance, water balance, water quality, Important Water-Related Areas (IWRA) and Safe Water, Sanitation, and Hygiene (WASH)*
- **Responsible water use:** we will strive to **optimize** our water use **efficiency** across all aspects of our operations, minimizing consumption whilst maintaining operational effectiveness
- **Water quality protection:** we will strive to **prevent** water **pollution** and contamination events by implementing best practices and technologies to safeguard our water quality
- **Regulatory compliance and respect of human rights to water and sanitation:** we will comply with national/regional water-related legal and regulatory requirements and **respect human rights** to water and sanitation of others, especially vulnerable or minority groups
- **Stakeholder engagement:** we will engage, collaborate and/or partner in an active, **open** and **transparent** way with diverse and representative stakeholder groups on water-related thematic
- **Water governance:** we will work in alignment and in **support** of existing **catchment** sustainability **plans**, with the aim of contributing to strategic water stewardship development in the wider catchment area
- **Education and awareness:** we will create awareness amongst employees, suppliers, and the broader community on the importance of water conservation, pollution prevention, and sustainable water management practices
- **Transparency and reporting:** we will provide a transparent, periodic and **public disclosure** of our water stewardship program, as well as our performance indicators across all five outcome areas and relevant water-related data
- **Resource allocation:** we will allocate resources to successfully comply and maintain all water-related regulatory compliance obligations and water stewardship activities, as well as **continuously improve** the implementation of the Alliance for Water Stewardship Standard.

Through this **Water Stewardship Commitment**, PMMTB reaffirms its dedication to responsible water stewardship and its role in safeguarding this fundamental resource for current and future generations.

Matteo Zompa

Director Manufacturing

Water Stewardship Strategy

In line with [Philip Morris International's Water Stewardship Ambition](#), PMMTB has defined a water stewardship strategy that clarifies its current **mission**, long-term **vision** and **strategic goals**, providing a clear and consistent direction for the implementation of the *water stewardship* plan.

Mission

Safeguarding local water resources through an [innovative approach](#) to ensure the continuity of operations and the simultaneous protection of the catchment area. By integrating sustainable [water management](#) and [protection practices](#), PMMTB aims to reduce water consumption, minimize pollution, and protect freshwater ecosystems by mitigating the risks that can compromise their balance. The goal is to contribute to the resilience and well-being of our local water resources by engaging stakeholders, promoting innovation and technological development, along with environmental awareness and collaboration to address shared water challenges.

Vision

Promoting a culture of innovation and continuous improvement in water management and protection practices, inspiring communities and stakeholders to prioritise water resources in their activities. PMMTB aspires to become a [model of excellence](#) in water management and a [catalyst for change](#) in its catchment area. Through innovative water footprint reduction technologies, strong partnerships with Stakeholders and synergistic projects to improve water resilience, PMMTB aims to create a [water secure future](#), where water risks and challenges are minimized and shared resources are protected.

Goals

Achieving a [sustainable water balance](#), good [water governance](#), good [water quality](#), ensuring the supply of [drinking water](#) and sanitation services, and [safeguarding sensitive water resource areas](#). They can be summarized as follows:

- **Water conservation** - water footprint reduction through the implementation of water-saving technologies, such as water-efficient devices, smart irrigation systems, wastewater recycling, rainwater harvesting, leakage detection/prevention, sustainable agricultural practices, etc.
- **Flood management** - flood risk mitigation and prevention by conducting flood risk assessments, implementing flood control infrastructure, appropriate stormwater management and warning/forecasting systems
- **Protection of water quality** - prevention and mitigation of pollution and contamination of water bodies through water quality monitoring campaigns, adequate and innovative wastewater treatment infrastructure, and sustainable agricultural practices to ensure cleanliness and safety for human consumption and ecosystems

- **Infrastructure maintenance and upkeeping** - implementation of programmes to detect and repair water leaks in pipes, equipment and infrastructure, with the aim of reducing breakdowns, waste and associated costs



- **Engagement and collaboration** - engagement with diverse and representative groups of stakeholders (e.g., employees, suppliers, etc.) to investigate shared water challenges, promote best practices and/or investigate opportunities for collaboration to benefit both the site and the catchment area
- **Education, awareness and training** - creating awareness among employees, suppliers, local communities, etc. on the importance of sustainable water management practices, hygiene and sanitation requirements for safe water, as well as emergency prevention (e.g., for water-related accidents, spills, leaks and floods)
- **Governance and partnership** - support and implementation of river basin management plans, strengthening of data collection, analysis and availability, partnership opportunities, in particular with the public sector, service providers and institutional stakeholders
- **Ecosystem restoration and rehabilitation** - protection and enhancement of important water-related areas and their ecosystems through restoration/rehabilitation actions such as reforestation, habitat protection, waste collection, improvement of recreational value, support for biodiversity conservation initiatives, etc.
- **Safe and accessible water, sanitation and hygiene** - maintaining adequate water, sanitation and hygiene facilities for employees, conducting training courses on good hygiene and sanitation practices and regular assessments of water, sanitation and hygiene requirements on site
- **Transparent and proactive disclosure** - establishment of a monitoring and reporting system to periodically disclose relevant water-related data, water management programme progress and performance indicators, with the aim of ensuring transparency and accountability

The **Water Stewardship Strategy** defined by PMMTB provides a solid basis to guide effective and consistent action in sustainable water management. It provides a clear reference for addressing current and future challenges, promoting resilience, innovation and collaboration within the river basin and between the stakeholders involved.

Internal Water Governance Team

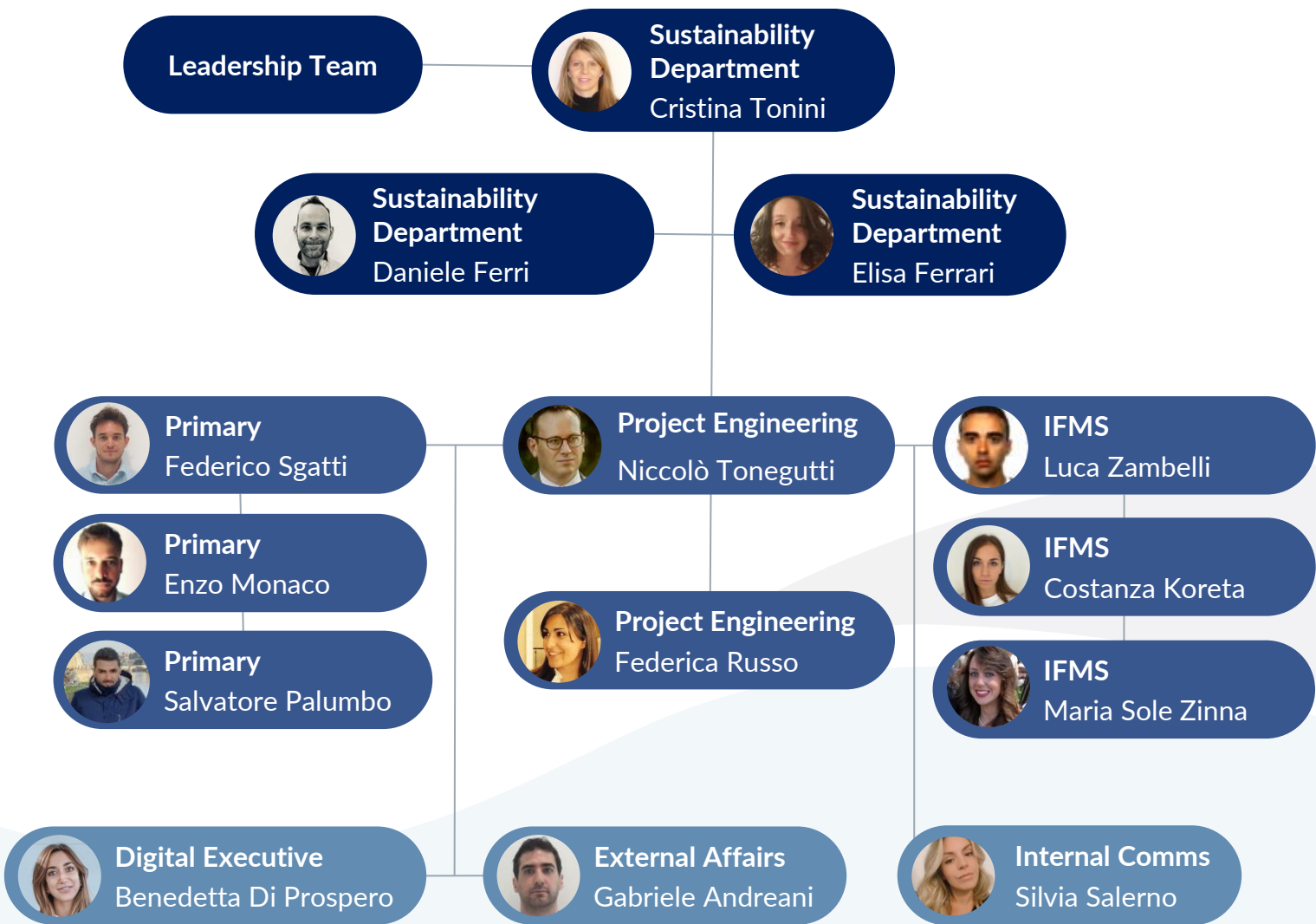
Organigram

At PMMTB, the internal water management structure involves several key positions of responsibility, in charge of both **operational activities related to water management** and compliance with applicable legal and regulatory obligations within the plants.

The team is also responsible for the implementation of the **Alliance for Water Stewardship (AWS) Standard**, through targeted actions both within the site and in the catchment area, with the aim of achieving compliance in all five *outcome* areas of the AWS Standard.








Some team members (highlighted in dark blue) also play a specific role in monitoring observations and verifying compliance, ensuring that the requirements of local laws, regulations and the company standard are fully respected.

The **organizational chart** of the water resource management team, as well as their roles and responsibilities are illustrated below:



Internal Water Governance Team

Roles and Responsibilities

	Cristina Tonini Manager Manufacturing Sustainability MTB	<ul style="list-style-type: none">• Ensures compliance with the organisation's Environment, Health and Safety standards• Sponsors sustainability projects• Promotes sustainability best practices• Shares water challenges with leadership team
	Daniele Ferri Manager Manufacturing Sustainability	<ul style="list-style-type: none">• Ensures that water-related incidents are analysed, and that mitigation and prevention actions are taken• Collaborates with authorities• Identifies and leads water-related improvement actions• Leads the internal AWS team
	Elisa Ferrari Sustainability Engineer	<ul style="list-style-type: none">• Ensures that water-related incidents are analysed, and that mitigation and prevention actions are taken• Collaborates with the authorities• Ensures the execution of the site water balance and identifies the WEI/KPIs also participating in the definition of the glidepath• Identifies and guides water-related improvement actions
	Gabriele Andreani Coordinator Sustainability & Public Policy	<ul style="list-style-type: none">• Conducts external communication with key stakeholders (industrial and institutional)• Coordinates the preparation of webinars and workshops on water• Involves institutional Stakeholders for water-related projects in the catchment area
	Benedetta Di Prospero Digital Executive	<ul style="list-style-type: none">• Coordinates external communication activities via social media and the company website
	Silvia Salerno Internal Communications Lead	<ul style="list-style-type: none">• Leads the Internal Communication master plan• Coordinates the Sustainability and Projects department in the preparation of the water awareness campaign: Company updates and information panels
	Niccolò Tonegutti Project Engineer	<ul style="list-style-type: none">• Prepares the business case for a project• Defines project priorities and ensures budget approval• Guides project execution to meet deadlines• Coordinates contractor activities



Federico Sgatti

Process Lead

- Monitors water consumption in the Primary Department
- Investigates over-consumption and prepares an action plan
- Identifies water-related improvement actions in the Primary Process
- Defines settings on equipment in the Primary Process



Luca Zambelli

IFMS Engineer

- Ensures that the wastewater treatment plant and/or other water-related infrastructure is operating effectively and efficiently
- Conducts investigations of water-related non-compliances
- Collaborates with different departments to identify water-related improvement actions
- Leads the implementation of water-related improvement actions in Utilities processes



Enzo Monaco

Line Lead

- Ensures the control of water consumption of the Primary Process
- Conducts investigations on water over-consumption and prepares a dedicated action plan
- Leads the improvement actions related to water in the Primary Process
- Ensures that primary water settings are under control



Costanza Koreta

IFMS Engineer

- Collaborates with the various departments to identify water-related improvement actions
- Carries out the site water balance and identifies the WEI/KPIs, also participating in the definition of the glidepath
- Collaborates with the Sustainability Department in the preparation of the water glidepath



Federica Russo

Project Engineer

- Prepares the project business case
- Defines project priorities and ensures budget approval
- Guides project execution to meet agreed timelines
- Coordinates the activities of contractors



Salvatore Palumbo

Process Lead

- Monitors water consumption in the Primary Department
- Investigates over-consumption and prepares an action plan
- Identifies water-related improvement actions in the Primary Process
- Defines settings on equipment in the Primary Process



Maria Sole Zinna

IFMS Engineer

- Ensures that the wastewater treatment plant and/or other water-related infrastructure is operating effectively and efficiently
- Conducts investigations of water-related non-compliances
- Collaborates with the various departments to identify water-related improvement actions

Water risks and shared water challenges

In line with the AWS Standard, since 2019 PMMTB has been assessing the water risk of the Reno River basin through the study 'Future Water Challenges, Trends and Impacts', identifying the main risks and common challenges for local Stakeholders.

To ensure a detailed and comprehensive analysis, the water risk survey is conducted annually using a combination of:

- global tools such as the  and the  AQUEDUCT
- institutional sources and local environmental portals
- Stakeholders surveys

The study showed that the main water risks in the catchment area are directly related to **flood events** (Figure 1 & 2) and **water scarcity**, phenomena made more frequent and intense by the effects of climate change.

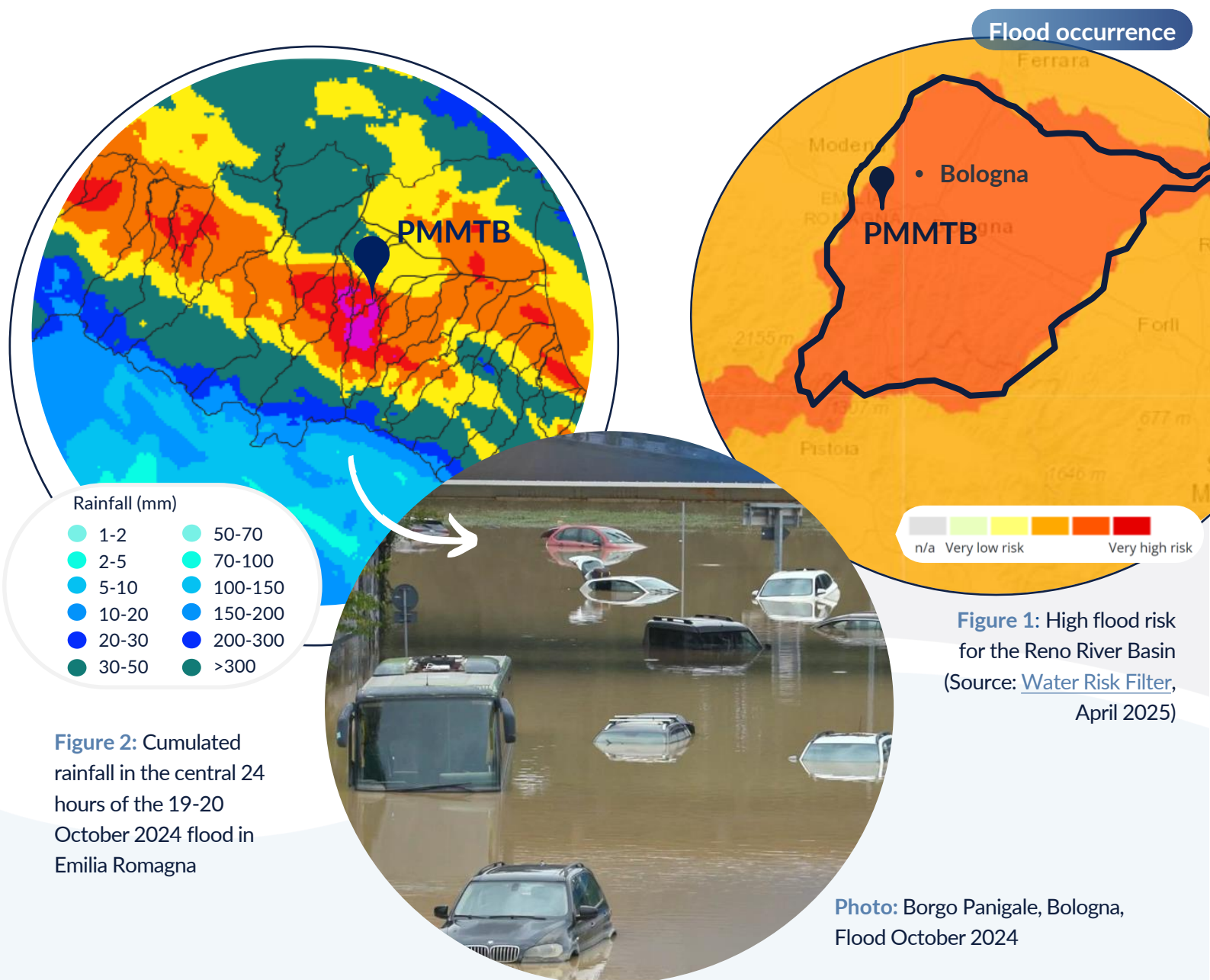


Figure 2: Cumulated rainfall in the central 24 hours of the 19-20 October 2024 flood in Emilia Romagna

As revealed by the study, the risk of water scarcity in the catchment, especially in the Province of Bologna, is linked to the constant increase in **temperatures** (Figure 3), and in the demand for drinking water, despite a partial improvement in the last two years, thanks to more abundant **rainfall** (Figure 4). The combination with the increasing climatic variability contributes to a high **baseline water stress** (Figure 5) also confirmed by a survey conducted among the catchment Stakeholders who perceive flooding events and water scarcity as the main water challenges of the territory.

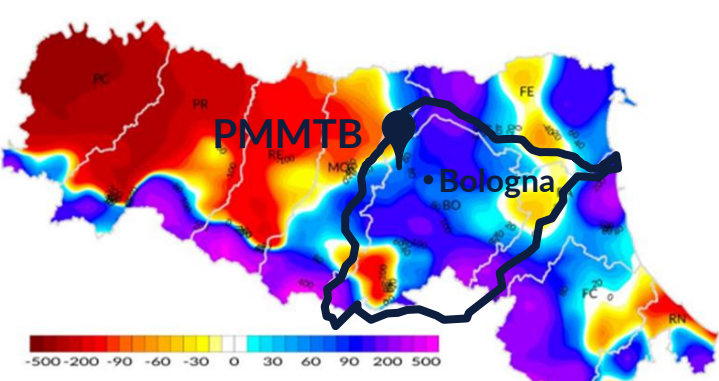
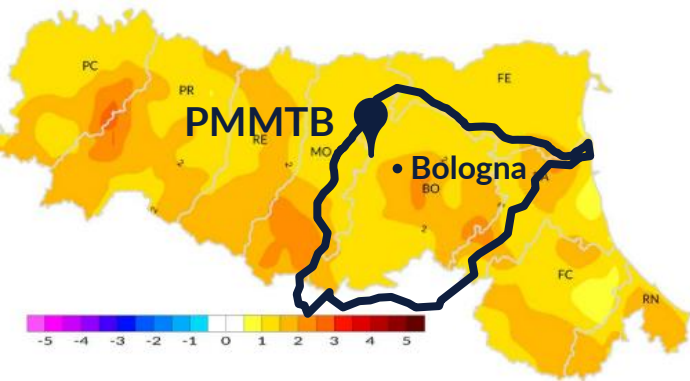


Figure 3: Anomalous Temperature Peak (Source: Report [IdroMeteoClima Emilia-Romagna, 2023](#))

Figure 4: Rainfall anomalies (Source: Report [IdroMeteoClima Emilia-Romagna, 2023](#))

In 2025, a survey was conducted among 40 key PMMTB Stakeholders to identify and prioritise the main water-related challenges in the catchment area. Responses analysis showed that physical risks, such as **water scarcity** and **flooding**, are the highest priorities for PMMTB's catchment area, in line with the categorisation of risks reported by the Water Risk Filter.

Water challenge	Shared by n° of Stakeholders	Frequency of occurrence			Magnitude of impact			Level of Prioritization
		Rare	Sporadic	Continuous	Minor	Moderate	Major	
Flooding	18	8	8	2	3	9	6	Very High
Water scarcity	14	7	5	2	6	8	0	Moderate
Infrastructure vulnerability	8	6	3	0	4	5	0	Low
Regulatory challenges	5	2	3	1			2	Low

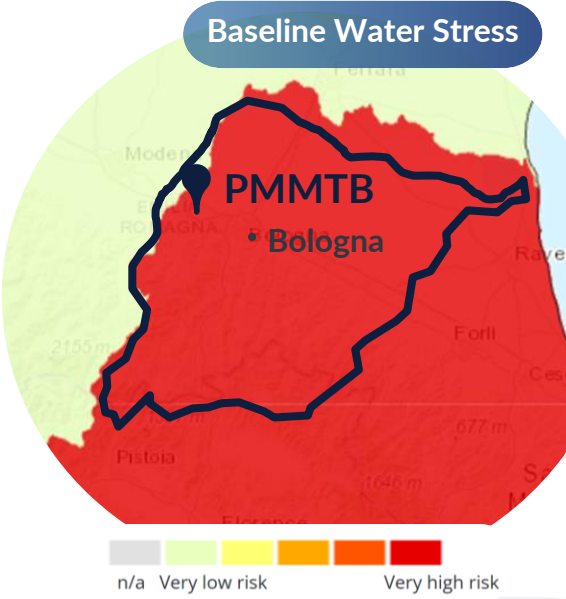
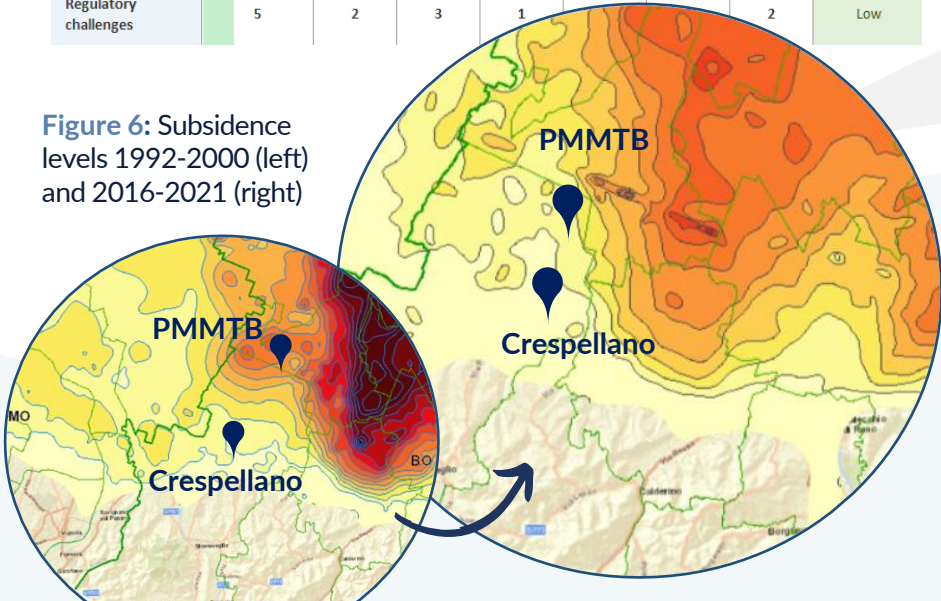


Figure 5: Very high risk of Baseline Water Stress in the catchment (Source: [Water Risk Filter](#), April 2025)

Figure 6: Subsidence levels 1992-2000 (left) and 2016-2021 (right)



However, the phenomenon of soil **subsidence**, (Figure 6) generated by the over-exploitation of local aquifers, has improved since the early 1990s thanks to the numerous water resilience policies implemented over the past 20 years in the local area.

Water Stewardship Plan

PMMTB has created the **Water Stewardship Plan**, which is periodically updated and structured around all 5 AWS outcomes:



GOOD WATER
GOVERNANCE



SUSTAINABLE
WATER BALANCE



GOOD WATER
QUALITY
STATUS



IMPORTANT
WATER-RELATED
AREAS



SAFE WATER,
SANITATION AND
HYGIENE FOR ALL
(WASH)

The Plan aims to address **water risks**, **shared challenges**, incorporate **best practices** in current management activities, and achieve the outcomes reported in the Water Stewardship Strategy by specifying Specific, Measurable, Achievable, Relevant and Time-bound (S.M.A.R.T) actions and objectives.

The actions listed in the PMMTB Water Stewardship Plan can be subdivided into 2 categories:

- **Technological** - actions for water footprint reduction and quality improvements, via water saving technologies, recycling, optimization of plant settings, monitoring device, etc.
- **Community/Social** - actions for improving internal and external water governance, WASH provision, status of IWRA's and mitigating shared water challenges in the catchment area.

Here forward several actions of PMMTB's Water Stewardship Plan have been reported and described in detail:

Clean-Up Event in Bazzano

Scope: rehabilitation of a sensitive area along the **Samoggia river** in the municipality of Valsamoggia, through the collection of **300 kg** of waste and the participation of at least **20 employees** of the PMMTB plant

Involvement:  **Comune di Valsamoggia** e 

Results: initiative launched in September 2023 with the collection of more than **80 kg** of waste and the participation of more than **20 people**; in 2024 it saw even greater involvement, with more than **24 participants** and a record **500 kg** of waste collected

Added value: preservation of water quality, mitigation of environmental damage on ecosystems, promotion of sustainable practices among community members



Biomonitoring Campaign and Benchmarking Network with Catchment Stakeholders

Scope: Installation of 6 beehives to carry out a biomonitoring campaign and periodic honey analysis, with the aim of assessing the presence of environmental contaminants in the vicinity of PMMTB. Development of a data-sharing/benchmarking network with at least 5 Stakeholders carrying out similar activities in the catchment area

Results: execution of 3 biomonitoring campaigns from July 2022 and installation of 6 beehives at the PMMTB site in June 2024. The presence of glyphosate was detected in 2022 and 2023, in line with the concentrations in the surface waters of the Samoggia river and the Ghironda stream (**arpae** , 2014-2019).


In 2024, an overall good bee health status (monitored with the Melixa system), an increase in heavy metal levels and the absence of glyphosate were recorded.

In 2025, installation of 1 Osmia beehive to obtain more precise data on the distribution and origin of pollutants. In parallel, development of a biomonitoring network with 6 stakeholders in the catchment area.

The project was appreciated and recognized by PMI as a valuable initiative for the protection of biodiversity in the area and was included in the market stories of the **PMI Integrated Report 2024**.

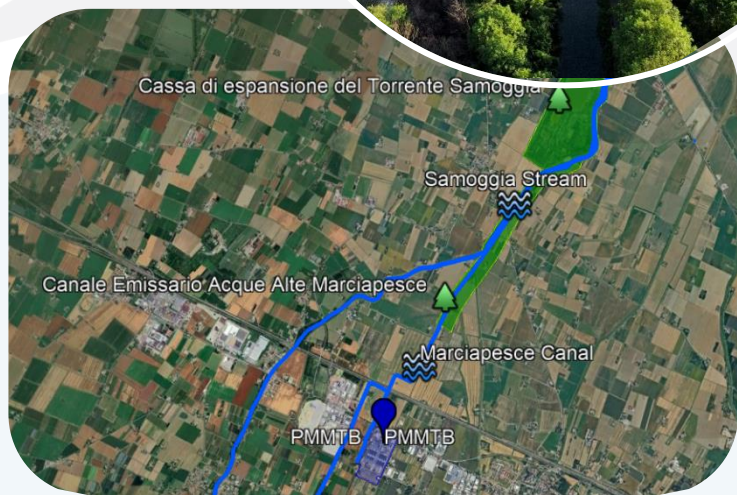
Added value: public awareness, implementation of IT decision-making processes and early warning systems for emerging environmental threats.

Restoration of the Canale Emissario Acque Alte Marciapesce

Scope: support to the Consorzio della Bonifica Renana  for the restoration of 200 meters of the riverbank of the Acque Alte Marciapesce drainage canal with the aim of improving its hydraulic stability and increasing its resilience to flooding events.

Results: consolidation of the canal banks on both sides and along a 200 meters stretch is planned for July 2025. It is also planned to regularize the profile of the Canal along the entire area affected by the intervention.

Added value: protection of the territory and adjacent infrastructures, increase of the resilience of the secondary hydrographic network to weather-intensive phenomena, improvement of ecological and safety conditions along the watercourse and downstream ecosystems, including the IWRA Cassa di Espansione del Torrente Samoggia.



Water Pledge Commitment

Scope: Actively involve associations, companies and other local stakeholders within the river basin, through communication and awareness-raising initiatives, with the aim of promoting a shared culture of protection and sustainable management of water resources. The activity includes dialogue with at least **10 Stakeholders** and annual participation in at least two **confrontation moments** (workshops or meetings), promoting the construction of collaborative relations and the activation of common tools to strengthen collective commitment.

Online il primo Report del percorso "Pledge sull'Acqua"




Results: adherence to the Water Pledge and signing of the Water Pledge in March 2024 with the participation of **15 stakeholders**, public communication and disclosure of the **first Report** in December 2024, and participation in **4 workshops** between 2024 and 2025.



Added value: sense of community and collective responsibility for water conservation, contribution to shared water goals, raising awareness of the importance of water conservation and the impacts of water risks, promoting behavioral changes and greater responsibility.

Workshop on Water Stewardship

Scope: Organize regular discussions with local Stakeholders to share the progress of PMMTB's *water stewardship* programme, gather qualified feedback, explore good practices in water stewardship, and evaluate possible synergies to collaboratively address common water challenges. At least **one workshop per year**, with the participation of about **20 Stakeholders**, is expected to ensure a continuous and meaningful dialogue with the local area.

Results: annual workshop held in May 2024 in cooperation with the Association , which was attended by **24 Stakeholders** with a total of **56 participants**. **19 Stakeholders** responded to a questionnaire, whereby the PMMTB received positive feedback on its water stewardship journey, the actions implemented in relation to the **5 outcomes** of the AWS and the efforts made to reduce water risks in the catchment.

Added value: improved communication, networking and relationship building among Stakeholders, increased ownership of initiatives and projects, alignment of interests and priorities, capacity building.



Contribution to community water resilience

Involvement:  **Comune di Valsamoggia**

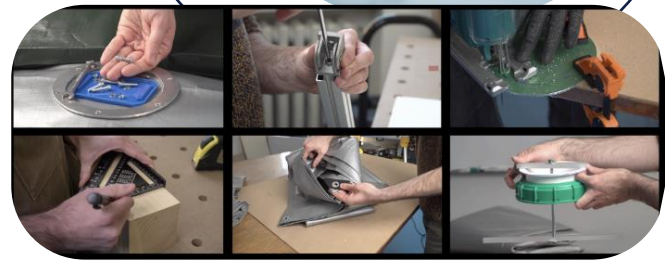
cob



Scope: construction of 3 rainwater harvesting systems, 1 video tutorial for their autonomous construction and donation of 1 water pump to support flood risk management.

Results: renewed in February 2024 the collaboration with We Are Cob and the local communities to strengthen the water-saving project based on rainwater collection. The activities led to the creation of 1 rainwater harvesting system at the Volhand headquarters and the donation of 4 water pumps to We Are Cob, which will supply them to the Valsamoggia Civil Protection Volunteer Association, for support in water emergencies for the community. The disclosure of 1 video tutorial on the Free Standing IBC collection system is planned for 2025.

Added value: promotion of sustainable management of water resources, strengthening of territorial resilience to extreme climatic events and concrete support to the response capacity of local communities in emergency situations.



Speaking at industry events



Scope: active participation in at least two working tables or panels at trade fairs, meetings and technical congresses at national and international level, with the aim of enhancing PMMTB's water stewardship path, promoting the exchange of experiences and disclosing best practices for sustainable water resource management.

Furthermore, for the Aquatech fair, the identification of at least 10 technologies and best practices potentially applicable to the site was planned, with a view to innovation and continuous improvement.

Results: in 2024 and 2025, PMMTB took part in three major events in the water and environmental sector: Ecomondo, Accadueo Bari and Aquatech Exhibition 2025. There, Crespellano site was presented within the panel 'Local Action, Global Impact: Corporate Water Stewardship in Action', where the environmental challenges, technological strategies adopted, and the AWS pathway were shared.

On this occasion, 19 potentially applicable site-specific technologies and best practices were identified.

Added value: Disclosure of the experiences gained by PMMTB in qualified contexts, stimulation of technical dialogue between stakeholders and promotion of an integrated approach to water management, reinforcing the visibility and credibility of the path undertaken.



Employee Involvement

Involvement: PMMTB internal employees and suppliers

Scope: annual internal awareness-raising campaigns in relation to sustainability and water issues with the aim of involving the ≈ 2,700 employees of PMMTB. The aim is to enable more conscious choices about water use at home and at work. In 2024 and 2025, the campaigns included:

- **tips** on best practice behavior in relation to water, biodiversity and energy
- **internal communications** via Business Updates, Yammer and Info Points at important water events
- **quizzes** to test internal know-how and understanding of AWS certification
- **water-related infrastructure tours**

Results: engagement of ≈ 2,700 employees and suppliers

Added value: education on the importance of water conservation, efficiency and sustainability, contribution to the mitigation of water scarcity risks by encouraging greater water conservation efforts and behavioral changes.



Water-saving and stress-reduction initiatives on the Potable Water Network

Scope: implementation of initiatives for:

- optimize and further **reduce drinking water consumption** at site level
- avoid **peaks in water consumption** at specific time intervals
- ensure **increasing control over water quality** (input, process and output)

Results:

1. avoidance of water consumption peaks and **reduction of stress** on the water distribution network thanks to the installation of a modulating valve (2022)
2. ≈ **3,000 m³** of drinking water savings (2022-2023) thanks to the reuse of motor pump test water for fire-fighting purposes
3. ≈ **23,500 m³** of drinking water savings (2023) due to replacement of osmotic membranes
4. ≈ **4,500 m³** of drinking water savings (2023) thanks to an intelligent irrigation system
5. ≈ **27,000 m³** of rainwater and **7,000 m³** of **recovered dryer condensate water** (2024)
6. **reducing** further the **risk level of surface water contamination** by the introduction of emergency equipment in outdoor areas (large spill kits, drain cover mats, skimmers)

Added value: increased resilience to water scarcity through reduced consumption of drinking water, protection of local freshwater resources and reduction of water stress, sustainable water management, economic savings in the purchase of drinking water.

Performance, KPIs and Results

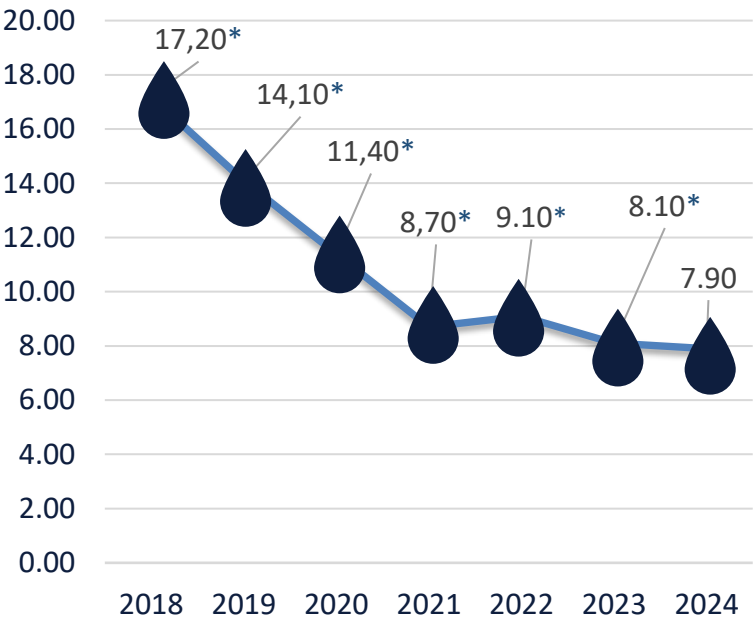
Since 2018, PMMTB has drastically reduced its drinking water consumption and consequently its impact on catchment ground and surface water resources. This has contributed to the mitigation of physical water-related risks, such as water scarcity and baseline water stress, affecting the catchment territory.

From 2019 to 2024, the absolute value of **drinking water saved** was $\approx 2,050,000 \text{ m}^3$, equivalent to the annual consumption of $\approx 41,000$ water users.

Improvements in PMMTB's water saving results are monitored and recorded through the **Water Efficiency Index (WEI)***, a KPI dedicated to water consumption based on m^3 per Million HeatSticks Produced (m^3/mioHS).

From 2018 to 2024, PMMTB has reduced its **WEI** from $17.20 \text{ m}^3/\text{mioHS}$ to $7.9 \text{ m}^3/\text{mioHS}$.

This corresponds to a **reduction** of $\approx 54\%$ in drinking water consumption per m^3/mioHS produced.



Since 2018, as much as $970,011 \text{ m}^{3**}$ of drinking water has been reused: the equivalent of **388 Olympic swimming pools!**



In 2024, **31%** of PMMTB's total water consumption will be **re-used water**.

Since 2018, PMMTB has invested in **innovative water reuse technologies** with the aim of optimizing the use of drinking water and reducing losses.



By 2025, PMMTB targets to **reduce its potable water consumption** by 56% and consequently achieve a **WEI of $7.52 \text{ m}^3/\text{mioHS}$** .



Tobacco Supply Chain

GAP Programme

Philip Morris International (PMI) is committed to the sustainable tobacco production to enable a consistent supply of products that meet the expectations of adult smokers and PMI's quality and regulatory requirements.

PMI defines sustainable as the efficient, competitive and quality production of tobacco under conditions that minimize the impact on the natural environment and improve the socio-economic conditions of the people and communities involved in production. Sustainable tobacco production is the result of farmers correctly applying PMI's **Good Agricultural Practices (GAP)** programme.

GAPs define principles and measurable standards to be met by all those who grow and supply tobacco to PMI. The principles are brief guidelines that guide farmers and suppliers to sustainable tobacco production. They represent the general objectives that PMI suppliers and farmers must meet or work towards.

Measurable standards are the method PMI uses to measure the level of alignment of the practices adopted by the farm or supplier with the specific principles defined by the GAP. These principles and standards are organized around three focus areas (pillars): **Crop**, **Environment** and **People** (ALP).

Governance is the foundation of these pillars and incorporates the management processes that must be put in place to successfully implement GAPs.



Crop



Environment



People



Tobacco Supply Chain

Call for Innovation: BeLeaf Be the Future

BeLeaf: Be the Future is the *open innovation* initiative promoted by Philip Morris Italia, in collaboration with Almacube, an innovation hub certified by the Ministry of Economic Development. The *call* is aimed at *start-ups* and innovative companies, both Italian and international, with the objective of accelerating the adoption of cutting-edge technologies and solutions applicable to the cultivation, harvesting and processing of tobacco.

In 2024, the *Proof of Concept* (PoC) of the winning *start-up* launched in 2023 was conducted. The *start-up* focused on the challenge inherent in the circular economy.

In 2025 Philip Morris Italia launched the fourth edition of the *call*, which saw 190 applications finalized from 38 different countries, with a specific focus on:

- Predictive agriculture
- Innovation in tobacco harvesting, curing and processing processes



BeLeaf
Be the future



Our journey towards more sustainable water management continues, together: sharing results, listening to the territory and building alliances is how we turn commitment into change.

