



**ITGA
ANNUAL
GENERAL
MEETING**





Enhancing Farmers' Livelihoods

Carlos Palma – BAT Sustainable Agriculture Manager





Agenda

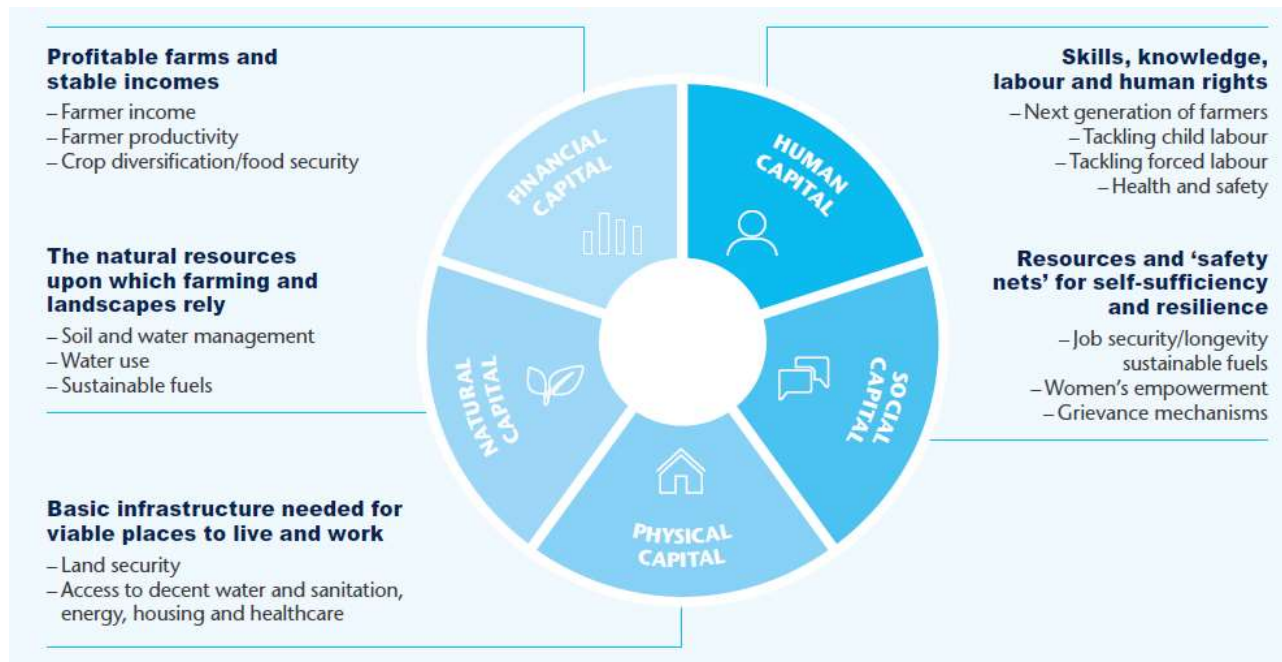


-  **BAT ESG Strategy**
-  **Farmer Livelihoods**
-  **Sustainable Agriculture**
-  **Human Rights**
-  **Digital transformation**

BAT ESG Strategy



Helping our Farmers to Thrive



Tobacco leaf

400,000+ tonnes of tobacco leaf purchased each year

Subject to the industry-wide **Sustainable Tobacco Programme** (see page 29)

68% via BAT leaf operations in 18 countries

32% via third-party suppliers in 26 countries

90,000+ farmers

250,000+ farmers

ITGA
International Tobacco Growers' Association

250,000 farmers assessed in Thrive programme, covering more than 80% of our total tobacco leaf purchases

+

Sustainable Tobacco Programme:
Applied to 100% of the tobacco suppliers



Long-term value and mutual benefit

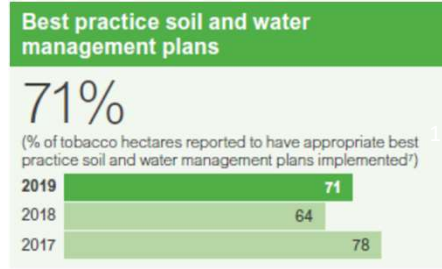
- **BAT** has a *proud history of working closely with farmers* around the world to advance agriculture through integrated production systems
- **Advancing sustainable agriculture through world-class agronomy R&D and deployment**
 - **Seeds** – yield, quality, and disease resistance
 - **Farming practices** – seedbeds, soil preparation, automated barns
 - **Mechanization** – tailored solutions to drive efficiency
- **Extension Services with on-the-ground support** - technical assistance and capacity building through a global network of expert field technicians.
- Provide our contracted farmers with *best practices, training* and support them with *deployment of sustainable farming techniques and technologies*.





Focus on natural resources

- Good agricultural practices are essential for ensuring farming communities are successful, **protecting the natural resources** on which they rely on.
- Working with our farmers to increase their **resilience to Climate Change**. in 2019, we commissioned independent **climate change impact assessments in 10 countries**.



 Independently assured data

¹ As reported through our Thrive assessments covering BAT contracted farmers and farmers contracted to our strategic third-party suppliers, representing more than 80% of our total tobacco leaf purchases in 2019.



Focus on protecting farmers and rural communities

- 1

Human Rights

Our approach to protecting HRs is aligned to the UN Guiding Principles for Business and Human Rights, including policies, due diligence, grievance channels and remediation, as well as working to understand and address the root causes.
- 2

Farmer livelihoods

We help our contracted farmers to optimize the profitability of their farms, such as by increasing yields and productivity, and to grow other crops to enhance food security and generate additional sources of income.
- 3

Farmers' Health and safety:

All our contracted farmers are required to provide personal protective equipment (PPE) for themselves and their workers for both agrochemical application and harvesting.





Farmer training	
(Number of farmer training sessions reported via our 2019 Thrive assessments ²)	
	2019
Farm business management:	
Sessions	2,709
Attendances	76,656
Women's empowerment and leadership:	
Sessions	298
Attendances	24,368

Provision of PPE for farmers and their workers			
(% of farms reported to have sufficient PPE for agrochemical use and harvesting ³)			
	2019	2018	2017
PPE for agrochemical use	93%	89%	89%
PPE for harvesting	97%	96%	90%

Operational standard for personal protective equipment (PPE) in tobacco farming:

Applies to all 90K farmers directly contracted by BAT leaf operations. We ask 3rd party leaf suppliers to guarantee that the requirements have been implemented within their own practices and operations.

Crop diversification and food security	
92%	
(% of tobacco farmers in our supply chain that grow other crops, including fruit, vegetables, wheat, maize, cotton and soy ^{2,3})	
2019	92
2018	95
2017	96

Farmer health and safety training	
(Number of farmer training sessions and total attendances ⁵)	
	2019
GTS and harvesting health and safety:	
Sessions	2,608
Attendances	196,982
Agrochemical health and safety:	
Sessions	2,871
Attendances	201,374



Improving Yield

57% of tobacco leaf grown by our contracted farmers was from elite varieties, resulting in an increase in yields by **12 to 20%**



Enhancing Farmers Infrastructure

Bangladesh Probaho programme – since 2009, over **200K** people a day benefit from access to over **400K** litres of safe drinking water, in **87** water filtration plants BATB has installed in tobacco-growing communities.

BAT does not condone child labour

2019: our leaf operations and third-party suppliers ran over **5K human rights training sessions** with more than **350K attendances** Operational Standard on Child Labour Prevention since 2017.

Supporting Communities

We work in partnership with rural communities to develop collaborative, cross-sector solutions to complex issues, address root causes and contribute to the Sustainable Development Goals.

Globally **£46.1 million** in community and charitable projects over the last three years

2019: 14 infrastructure programmes in **8 countries** and **25** on agribusiness development, food security and women's empowerment in **12 countries**

Sri Lanka: our Sustainable Agriculture Development Programme (SADP) in rural communities has been running for 14 years – benefitting over **76,000 individuals** in **19,600 families**

Florece Project in Mexico



Set up with the government, Universal Leaf and organisations such as the Rural Association of Collective Interest in Nayarit in Mexico in 2001.

Centres in the growing regions, for children to spend the day benefitting from education, healthcare, nutritional and recreational services.

In 2019: **1,6K** children benefited

Since 2001: over **16K** children attended

Farmer Sustainability Management - FSM

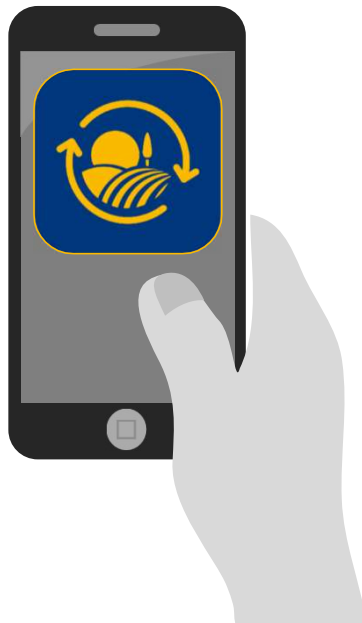
Digital monitoring platform with focus on monitoring and track performance of sustainability indicators

Faster and more accurate reporting and remediation

Mobile app + web portal

About 90% of the direct contracted farmers

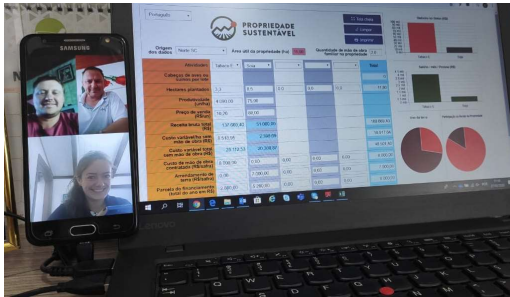
12 countries, 9 languages



Farmers' Web Portal BAT Brasil



- COVID-19 awareness to farmers;
- Field Technician training on prevention;
- Vehicle disinfection arrangements & PPE mandatory items.



Various Operations:
Virtual Crop negotiation and contracting, to ensure timely inputs delivery;
BR: farmers online tracking of buying



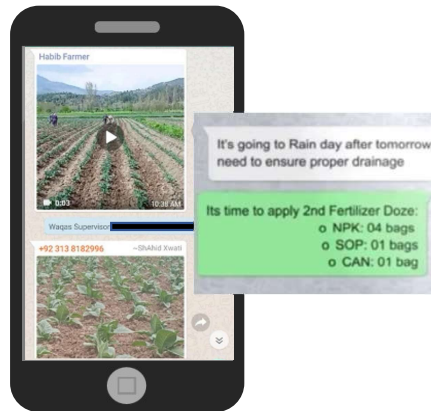
Global Leaf Agronomy, in BR:
Donations and loans of material an equipment to public lab



Supporting Communities all around the world:
KE donation of water and handwashing facilities



Brazil: campaign to prevent CL with school closure



Remote Technical Assistance + Electronic signature

Protecting the People and livelihoods worldwide





Thanks! Gracias! Obrigado!

https://www.bat.com/group/sites/uk_9d9kcy.nsf/vwPagesWebLive/DO52AD7G

