



3 SUSTAINABILITY

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STANDARD

SUSTAINABILITY

3.1 Sustainable Tobacco Programme (STP)

The Sustainable Tobacco Program (STP) is an industry initiative to enhance agricultural supply chain due diligence and accelerate positive impacts on social and environmental footprints. The program is managed by an independent Secretariat and has currently eight participating manufacturers (members) who form the Steering Committee.

The revised Program was launched in November 2020 with a focus on local risk, however if a country is identified as high risk in relation to a specific theme, see 3.1.1, more detailed information must be reported. The revised scope and objectives are designed to prepare the tobacco industry for future challenges with a focus on continuous improvement, and the evaluation now classifies risks using a framework of low, medium or high.

The overall goal is to enhance agricultural supply chain due diligence and drive positive impacts on social and environmental footprints by focusing on:

1. Important sustainability aspects.
2. Your company's impacts and what you are doing to address them.
3. Your local context – with questions based on perceived risk.

STP applies to 100% of BAT's tobacco leaf suppliers. The Program uses the Worldfarmor platform which suppliers use for the input of self-assessment data.

3.1.1 Overview

The program structure focuses on 8 main themes which incorporates the management processes that must be put in place to successfully implement STP. The content aims to be aligned with appropriate and internationally recognized frameworks for each theme.



Sustainable Tobacco Program



Water



Human and labor rights



Crop



Climate change



Livelihoods



Natural habitat



Soil health



Governance

Developed by Global Leaf Operations Centre



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3.1.2 Participation in STP

Participation in the STP program is a minimum requirement, see below, for all suppliers of leaf to BAT. It is expected that participation in the STP should provide suppliers with the ability to make continuous improvements by focusing on mitigating risks, reducing any potential negative impacts identified and identifying opportunities for creating positive ones.

STP has six different tobacco types included in the programme so suppliers will need to submit data relating to different types depending on what they supply to BAT. Some information is applicable only to a specific tobacco type or types.

The following are the requirements of participation in the program:
An annual online self-assessment by the leaf supplier of its current capabilities supported by relevant evidence needs to be submitted into the STP online system (<https://portal.worldfavor.com/login>), every year in accordance with the crop cycle and reporting window.

WHAT	HOW	WHEN	FREQUENCY	WHERE
STP Self-Assessment	STP on-line system	In accordance with crop cycle.	Annually	Worldfavor Platform



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3.1.3 Reviews & Assessments

An in-depth assessment (IDA) is an in-country assessment conducted, as needed, as part of STP. An IDA is an important tool to identify and prioritize challenges on the ground, paving the way for impactful responses. Unlike a compliance-focused audit, an IDA is a broader and customized assessment that emphasizes supplier due diligence and continuous improvement.

Countries and topics for an IDA are selected based on the self-assessment data submitted annually. The STP Secretariat updates the IDA review schedule which is agreed with the STP Manufacturers. Once this has been agreed, the Secretariat will contact those suppliers that are due for an IDA.

3.1.4 Compliance with Local Legislation

It is requested that all BAT Leaf Suppliers comply with the local legislation of the country or region in which they operate, as well as meeting any regulatory requirements with regards to STP content.

3.1.5 STP Support

For STP platform queries:

WorldFavor: support@worldfavor.com

For general queries:

Secretariat: hello@sustainabletobaccoprogram.com



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3.2 BAT Minimum Requirement

BAT has set minimum requirements which it expects its leaf suppliers to comply with, and to drive continuous improvement in key sustainability indicators. These requirements are

- formal acceptance of BAT's Supplier Code of Conduct
- Participation and compliance with STP
- Annual Thrive data submission, upon request
- Full traceability to the farm on all tobacco supplied to BAT
- 100% formal and systematic farmer monitoring
- 100% of farmers have access to sufficient Personal Protective Equipment (PPE) for agrochemical application and harvesting

- Full compliance with approved crop protection agents (CPAs) & no use of highly hazardous pesticides (HHPs)
- 100% of wood used in tobacco production (curing and barn construction) must come from a sustainable and traceable source (according to Biodiversity Operational Standard), in line with the Group Deforestation and Conversion Free tobacco supply chain target by 2025
- 100% of the tobacco volume supplied to BAT is deforestation free year on year.
- Action plan in place to transition from coal to alternative fuel sources (such as biomass, sun and air cured) and volume supplied to BAT to be cured without coal by 2025.

3.2.1 Additional guidance

Reporting into Thrive should cover, but not limited to, the following:

1. Any tobacco supplied by farmers directly contracted by a BAT entity
2. When contracted via third party suppliers, it should only relate to volume sold to BAT

NEW

The following are the requirements to submit the Thrive assessments:

WHAT	HOW	WHEN	FREQUENCY	WHERE
Thrive Report Form	Submit the online form	Following deadlines individually agreed with BAT.	Annually	Thrive

WHAT	HOW	WHEN	FREQUENCY	WHERE
Living Wage and Living Income Analysis	Submit the online form	Following deadlines individually agreed with BAT.	Annually	Thrive

WHAT	HOW	FREQUENCY	WHERE
Prompt Action	Submit the online form	Quarterly for Third Parties Monthly for BAT Leaf Ops, if applicable	Thrive

While we expect our suppliers to monitor their entire farmer base, BAT reserves the right to reject any volume:

1. not conforming with the requirements set in 3.2.1 (minimum requirements)
2. associated with Child Labour and Forced Labour

3. that failed to demonstrate during an audit that the volume not complying with the criteria above (minimum requirements and no association with child and forced labour) had been segregated

Our detailed guidelines on the themes mentioned above are outlined in the **Biodiversity Operating Standard**, including but not limited to

- Wood Sustainability and Traceability
- Production of deforestation and conversion free crops
- Biodiversity Management Plans in High Risk Farmers
- Monitoring and Managing Compliance
- Education and Training on Biodiversity

The **Group Code of Human Rights for Tobacco Farming**, including but not limited to

- Farmer Living Income Guidance
- Personal Protective Equipment
- Land Rights

3.2.2 Water Usage in Tobacco Farming

Supplier should ensure that 100% of farmers hold any necessary licenses for water abstraction when required by law and also share a documented Water Protection Plan/Guidance with the relevant best practices.

The document should describe practices to avoid water pollution from fertiliser, agrochemicals and erosion and also practices to make the most efficient use of this resource.

3.2.3 The Group Code of Human Rights in Tobacco Farming and Implementation Guidance

Which outlines the core human rights standards that we expect all our BAT Group Leaf Operations globally to implement. The Code complements our Global Supplier Code of Conduct, Leaf Supplier Manual and Standard of Business Conduct, and applies to all BAT employees and Group Leaf Operations. In relation to the operations of third parties in our supply chain, we expect our third-party suppliers to similarly investigate potential human rights issues, to take steps to prevent and mitigate them and to remediate them, where appropriate..



PDF

**BAT Group Code of Human Rights - Executive Summary.pdf
and Implementation Guidance.pdf**



3.2.4 BAT Biodiversity Operational Standard

This document sets out the BAT Group's Biodiversity Operational Standard For Tobacco Crop (the 'Standard'). All BAT Leaf Operations must follow the requirements of this Standard. We ask third-party Leaf Suppliers to also consider this Standard as a key recommendation and to guarantee that its requirements have been implemented within their own practices and operations.



PDF

BAT Biodiversity Operational Standard.pdf