



**BRITISH AMERICAN
TOBACCO**

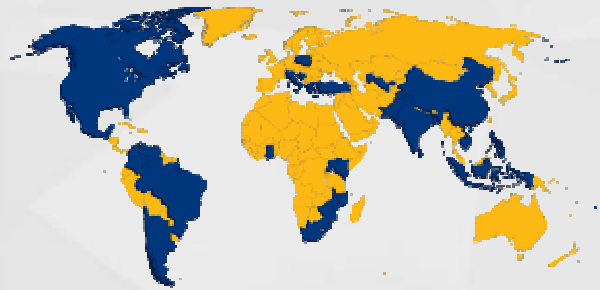


STP Overview

April 2018

How STP fits into BAT's Approach

LEAF FOOTPRINT



Focus on cost, quality and sustainability

Leaf Supplier Manual

Supplier Code of Conduct

SUSTAINABLE TOBACCO PROGRAMME



Industry programme

Supplier monitoring – annual assessments and action plans

Independent site review every 3 years

THRIVE (SAFL)



BAT programme

Holistic view

Focus on farmers and communities

STP



What does it do?

- Drives ownership of sustainability goals down to suppliers
- Creates value for suppliers and farmers and their communities
- Manages risk and promotes continuous improvement through corrective action plans
- BAT internally defines high-risk as score below 60%
-

What is it and how does it work?

- Operates across 52 countries, 180 Suppliers and 5 million farmers
- Built-in best practice identification and continuous improvement
- Self-entry of data on-line with 1000+ data points
- Farm, factory & supply chain assurance programmes
- Annual self-assessments for all suppliers and an external review every 3 years by ABSustain.



OPERATING MODEL

Data entry by suppliers including improvement plans

B. Processing: 1. Working Environment

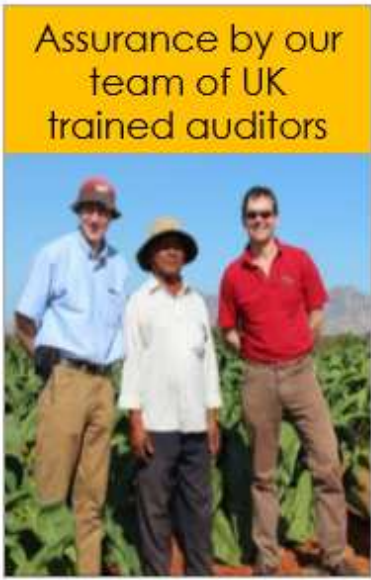
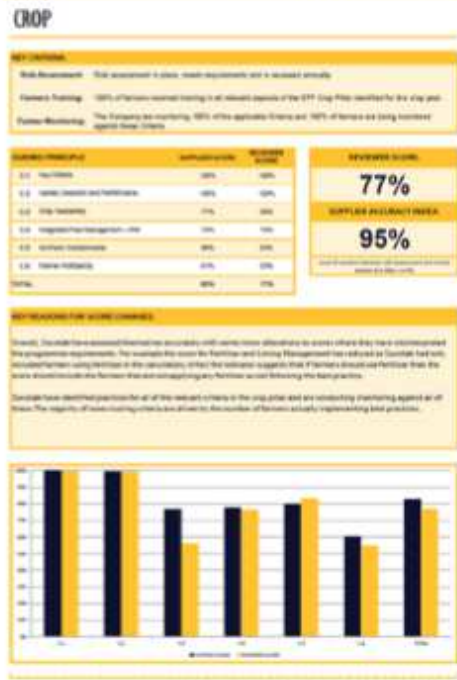
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Item	Sub-Item	Current Score	Current Status	Planned Date	Planned Score	Last Update
1. Risk Assessment		10	10			
2. Noise (Working Environment)		10	10			
3. Dust		10	10			
4. Light		10	10			
5. Thermal comfort		10	10			
6. Ergonomics		10	10			
7. Hygiene		10	10			
8. Housekeeping		10	10			
9. Hazardous Materials		10	10			
10. Aspect of new machinery and processes		10	10			

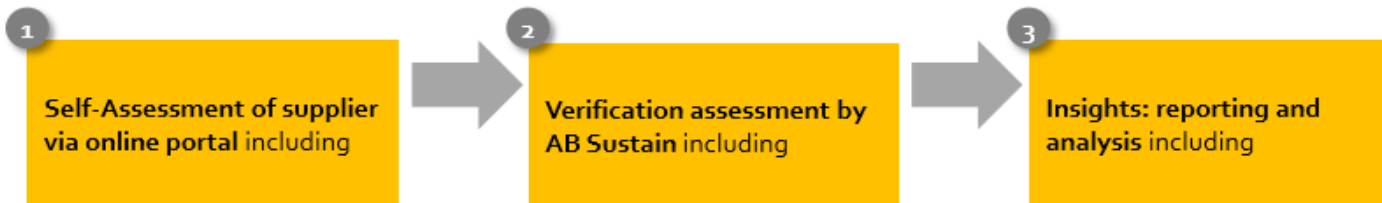
Documented assessment, reviewed as required, with planned remedial action for all relevant potential risks, prioritized by probability and severity.

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Detailed reports include benchmarking



ASSESSMENT: 3 STEP PROCESS



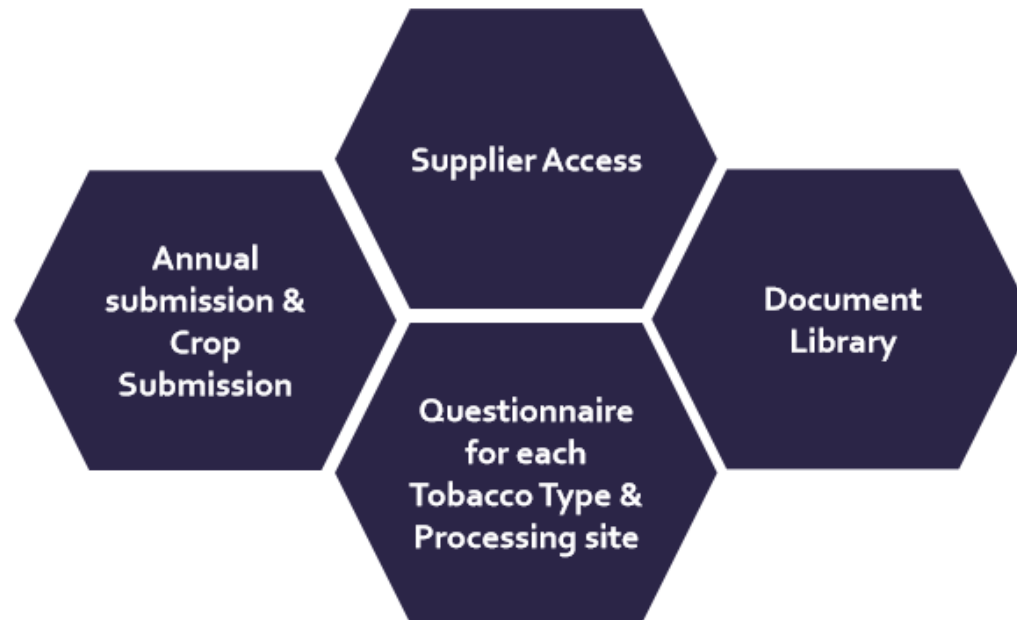
ASSESSMENT: 3 STEP PROCESS



1

Self-Assessment of supplier via online portal including

- How to guides
- Training content
- STP Questionnaires
- YoY Global Supplier data
- Secure data exports



ASSESSMENT: 3 STEP PROCESS



2

Verification assessment by AB Sustain including

- STP documentation assessment
- Field Visits
- Facility Visits
- Pre-planned with supplier 6 months ahead, in line with crop calendar



ASSESSMENT: 3 STEP PROCESS



3

Insights: reporting and analysis including

- Review, annual, risk based reporting
- Supplier vs Assessor comparisons
- Performance summary by STP Pillar
- Farm & Processing visit findings
- Farm & Processor improvement areas



STP – Agronomy Criteria and issues covered



GOVERNANCE	FACILITIES	ENVIRONMENT	PEOPLE
Company Policies	Key Criteria	Key Criteria	Key Criteria
Documented Procedures	Emissions		
Records	Hygiene	Emissions	Terms of Employment
Business Integrity	Hazardous Materials & Biohazards		
Implementation of STP	New Processes & Equipment	Disposal of Waste	Training
Stakeholder Engagement	Facility Safety	Fuel & Chemical Storage	Appraisal
Training of Key Personnel	Guards & Protection	Permits & Operating Licenses	Labour Codes & Conventions
Traceability	PPE	Reduction in Consumption of Natural Resources & GHGs	Wellbeing & Community
Economic Viability of Farmers	Accidents		
	Fire & Emergency Response		
	Evacuation		
	First Aid & Medical Facilities		
	Facility Security		

Thank you



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