

GAPC Certification in the Tobacco Industry

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BOWLING GREEN, KY



WHY?



RESULTS AND DATA



FUTURE



Corporate Responsibility

Deforestation

Community

Safe and Healthy Workplace

Sustainability

Water Quality

Social Responsibility

Water Quantity

Soil Health

Greenhouse Gas Emissions

Environmental

Biodiversity

Integrated Pest Management

Social

ESG

Governance

Carbon Sequestration



Corporate Responsibility

- Type of business self-regulation with the aim of social accountability and making a positive impact on society.
- “This is how we are we going to make an impact”, “our activities”, or “our plans”
- Mainly used by companies and their shareholders.
- About creating accountability

ESG

- Environmental, Social, and Governance
- More public type of business regulation that includes measurable outcomes or indicators used by financial markets, governments, and general investors.
- About measuring and quantifying accountability

The global focus on ESG reporting has influenced companies' Corporate Responsibility plans or strategies and made the need for data more significant.



Corporate Responsibility & ESG



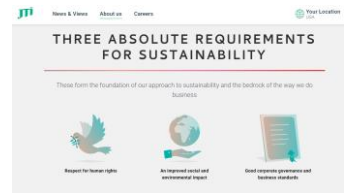
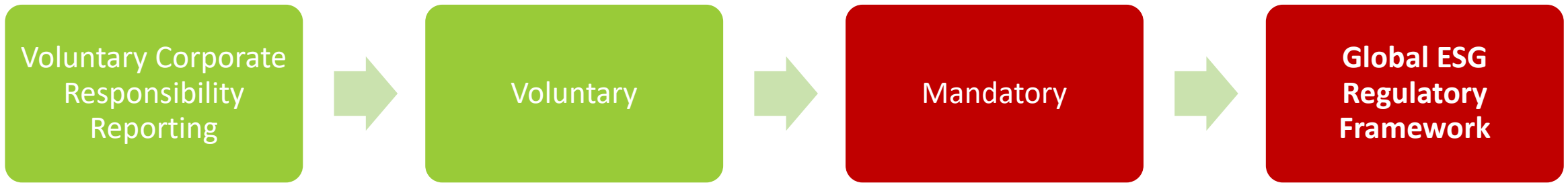
No longer is corporate responsibility limited to a corporations manufacturing and organization walls.

Today corporate responsibility spans the entire value chain and includes reporting ESG metrics related to a product's raw materials, the production of the product, as well as the disposal of the product.

Raw materials include the tobacco grown on farms...



Reporting Progress Transitions



S.3578 – Slave-Free Business Certification Act of 2022
 117th Congress (21-22) TBD

- 2022: EU Commission**
- *Non-Financial Reporting Directive*
 - *Corporate Sustainability Due Diligence Proposal Directive*



RESPONSIBLE FARMING

Building a legacy of great dairy depends on outstanding work ethic and a dedication to exceptional quality. And at Dairy Farmers of America, we set that bar high.

Our [Gold Standard Dairy Program](#) lays out a comprehensive set of standards to guide our farmers. The pride you see on each of their faces? It comes from producing dairy the right way – so you can feel good knowing that every product from DFA comes with a healthy helping of hard work and an obsession with caring for our land and animals.

SETTING THE BAR WITH GOLD STANDARD DAIRY

Our Gold Standard Dairy Program is one of the first on-farm evaluation programs of its kind, focused on employing best practices in the areas of animal care and wellness, environmental stewardship, employee training and milk safety and quality.



Verified Sustainable U.S. Soy: PRESERVING OUR LAND & OUR WORLD

LOGIN + REGISTER

LOGIN/REGISTER

THE U.S. SOY SUSTAINABILITY ASSURANCE PROTOCOL

SUSTAINABLE DEVELOPMENT GOALS

1. Biodiversity and High Carbon Stock Production Control Measures and Regulations

- 1.1 Land Use, Sensitive Habitats, and Biodiversity



2. Production Practices Control Measures and Regulations

- 2.1 Soil Health & Productivity
- 2.2 Crop Health & Agricultural Best Management Practices
- 2.3 Waste & Pollution
- 2.4 Greenhouse Gas Emissions, Fossil Fuel Use, & Air Quality



3. Public and Labor Health and Welfare Control Measures and Regulations

- 3.1 Water Quality & Quantity
- 3.2 Plant Protection & Nutrient Management
- 3.3 Working Conditions & Labor Relations
- 3.4 Worker & Public Safety
- 3.5 Community Relations



4. Continuous Improvement of Production Practices and Environmental Protection Control Measures and Regulations

- 4.1 Continuous Improvement



The U.S. Soy Sustainability Assurance Protocol (SSAP) is one way that U.S. farmers can demonstrate their commitment to sustainability and continuous improvement.

The U.S. Soy Sustainability Assurance Protocol (SSAP) was positively benchmarked against the European Feed Manufacturers' Federation's (FEFAC) Soy Sourcing Guidelines 2021 through the independent International Trade Centre (ITC) customized benchmark tool at: standardsmap.org/fejac.

Examination of publicly available data sources on the national scale indicates that between 1980 and 2015, U.S. farmers increased soy production by 120% while decreasing energy used for production per bushel by 35%.¹¹⁰



DATA HIGHLIGHTS



reduction in
greenhouse gas
emissions

21%



% of growers seeing
positive soil
conservation index

70%



increase in
water use efficiency

14%



reduction in
energy use

25%



reduction in
soil loss

78%



increase in
land use

13%



Synthetic Pesticide

kg/ha



China
-20%



India
-23%



Pakistan
-12%



Tajikistan
-62%



Turkey
-3%

Compared to



Average Non
Better Cotton
Farmer

Biopesticide*

yes/no



China
n/a



India
+16%



Pakistan
0%



Tajikistan
-9%



Turkey
n/a

Compared to



Average Non
Better Cotton
Farmer



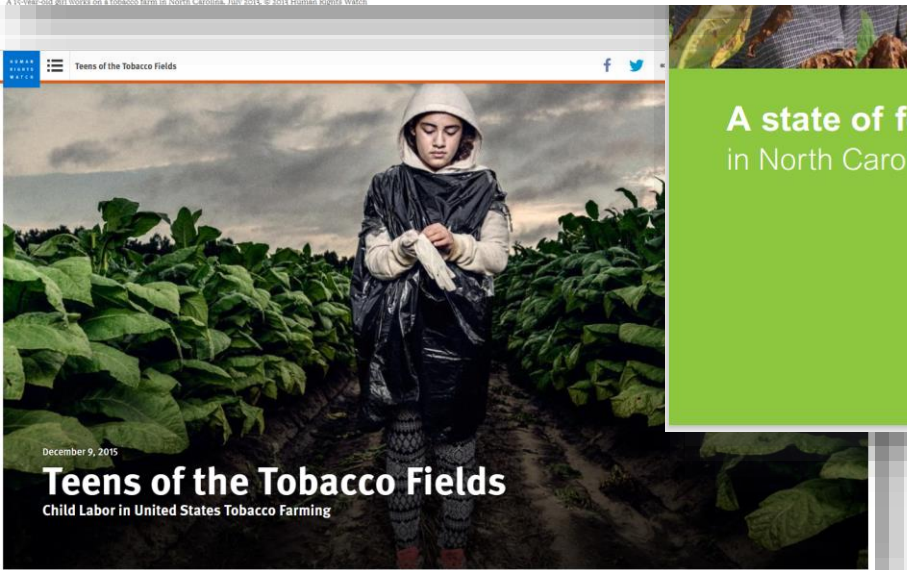
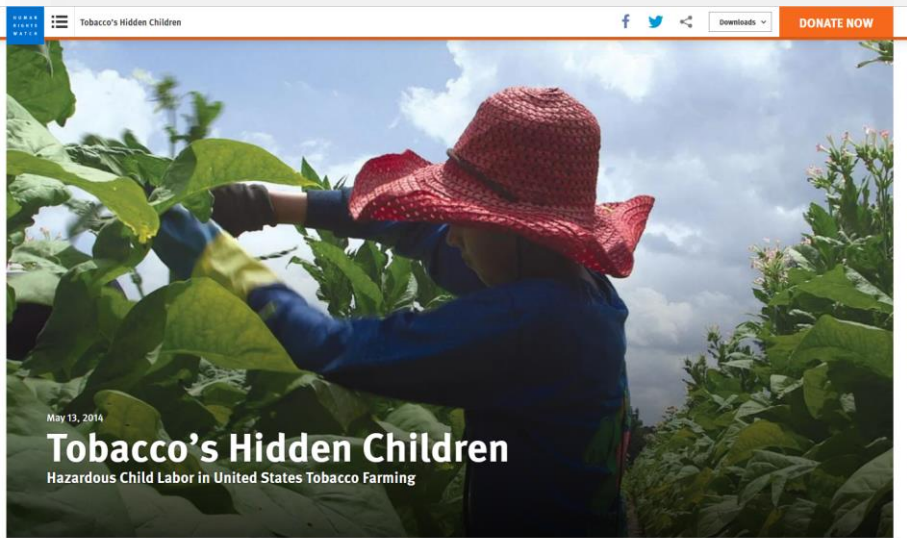


ROUND TABLE
ON RESPONSIBLE SOY



SRP





A state of fear: Human rights abuses in North Carolina's tobacco industry



FDA's tobacco program must be proactive, not reactive, independent panel says after extensive review

By Katherine Dillinger and Jen Christensen, CNN
Published 6:54 PM EST, Mon December 19, 2022

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How Could Lowering Nicotine Levels in Cigarettes Change the Future of Public Health?

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Third-party Reports

Potential and Existing Regulations



GEORGIA LANDSCAPER ORDERED TO PAY \$175K IN BACK WAGES, PENALTIES AFTER US DEPARTMENT OF LABOR FINDS VIOLATIONS OF H-2A WORKER PROGRAM

US DEPARTMENT OF LABOR FINDS THREE FLORIDA BEEKEEPING FARMS VIOLATED H-2A REQUIREMENTS

FLORIDA BEEKEEPER PAYS \$ VIOLATIONS OF GUEST WO

US DEPARTMENT OF LABOF CONTRACTOR FOR NUMER

MAINE TOMATO GROWER F

SOUTH FLORIDA H-2A EMPH PROGRAM VIOLATIONS

US DEPARTMENT OF LABOF TEMPORARY AGRICULTURA

NORTH CAROLINA FARM LA MELON PICKING, PACKING :

FEDERAL COURT ORDERS LC REQUEST FOR WATER, SCRE

GEORGIA LANDSCAPER ORI VIOLATIONS OF H-2A WORKER PROGRAM

US DEPARTMENT OF LABOR FINDS VIOLATIONS AT MISSISSIPPI FISH FARMS, RECOVERS MORE THAN \$102K IN BACK WAGES FOR 123 WORKERS

Owner of Bartow company gets 10 years in prison for forced labor of Mexican workers

Ledger staff

Published 4:00 a.m. ET Jan. 2, 2023

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The owner of a Bartow-based farm labor company was sentenced to 118 months in prison on Thursday for leading a conspiracy that trapped Mexican agricultural workers into forced labor in the U.S. between 2015 and 2017.

According to court documents, Moreno's farm labor contracting company brought large numbers of temporary, seasonal Mexican workers into the United States on H-2A agricultural visas and compelled them to work in Florida, Kentucky, Indiana, Georgia and North Carolina. Authorities also said he engaged in a pattern of other racketeering activity that included visa fraud and fraud in foreign labor contracting, among other things.

MENT OF LABOR FINDS

ROLINA FARM LABOR

ENT OF LABOR INVESTIGATION

ERS GUEST WORKER VISA

FARM SHORTCHANGED

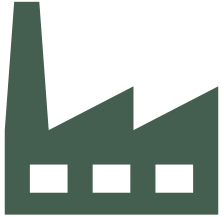
OUSING LAWS AT DELAWARE

ERATOR DENIED WORKERS'

DEPARTMENT OF LABOR FINDS



Manufacturers



Leaf Suppliers



Tobacco Growers

- Protect the environment
- Protect the rights of farm workers
- Build sustainable futures for farmers and their communities

INDUSTRY APPROACH

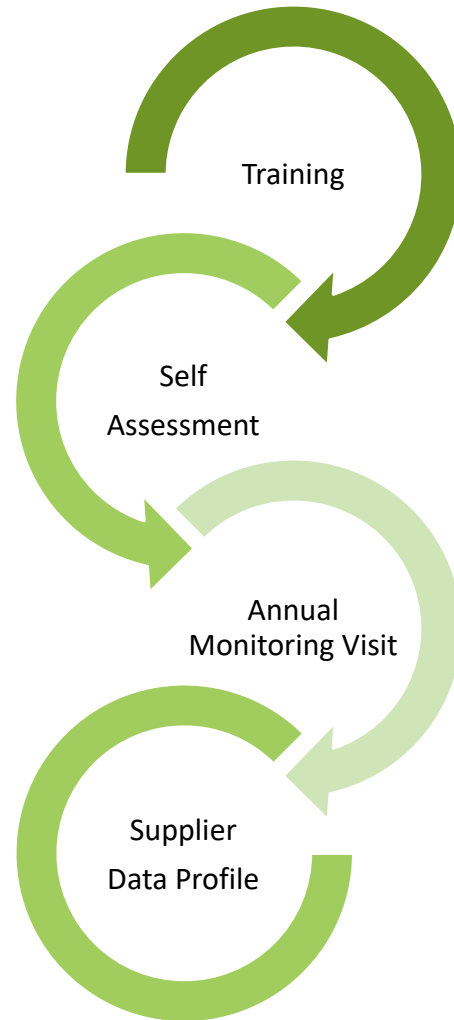
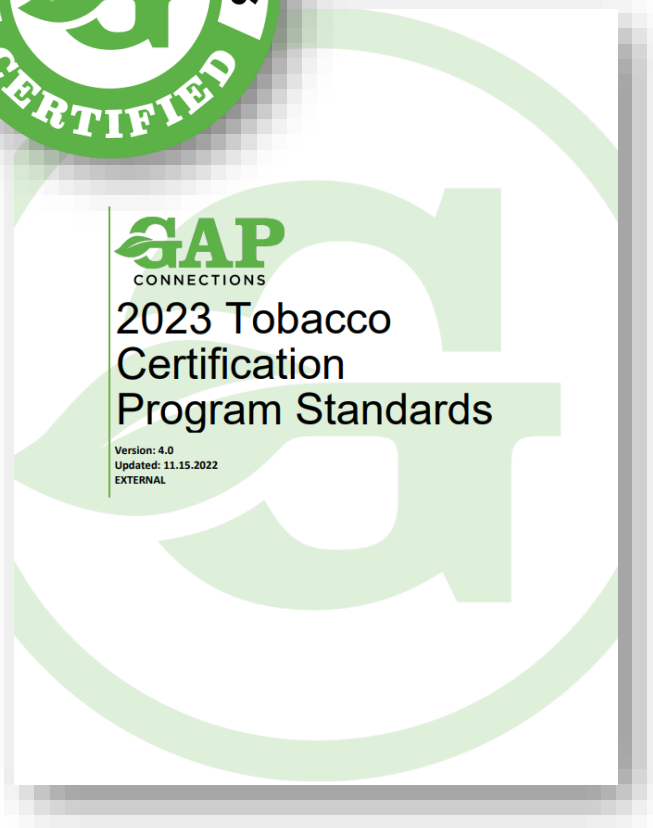
Continuous Improvement

- Identify potential risks
- Approach the risks
- Address risk root cause



Sustainable Tobacco Program





- Buying from GAP Connections Certified Tobacco Growers, means buying from growers who:
 - strive to use water resources efficiently,
 - care for soil health and natural habitats,
 - follow soil testing and scouting guidelines to reduce the use of agrochemicals, and
 - respect workers' rights and well-being.
- Buying from GAPC Certified Tobacco Growers allows companies to utilize the assessment and audit data to create an impact overview of our supply chain in reports to auditors and investors.

CROP - ENVIRONMENT - LABOR





Sustainable Tobacco Program

STP is an **industry collaboration** to support the sustainable and responsible supply of tobacco. STP is an **enhanced due diligence** program that enables the industry to work together to **continually improve the social and environmental footprints** of the global tobacco supply chain.

EIGHT THEMES



Risk Based Due Diligence

- Enable responsible practices across supply chain
- Improve environmental and social footprints
- Contribute to United Nations Sustainable Development Goals
- Communicate transparently on progress

Structural components:

- Technical platform
- Program Secretariat
- Supply chain due diligence process

Program Components:

- Risk indices
- Supplier self assessments (desktop)
- In-depth assessments (on ground)
- Action plans driving positive change

Key stakeholders:

- **STP members worldwide**
- **Leaf suppliers (global and local)**
- Growers and growers' communities
- External subject matter experts & service providers





Climate & Forestry

Curing fuel type & volume

- Emissions
- Deforestation

Soil conservation practices

- Soil and nutrient movement
- Carbon sequestration

Natural habitat protection

- Biodiversity
- Regenerative agriculture



CDP Forest Metrics Reported:

- Volume of sustainable wood used in curing
- Volume of unsustainable wood used in curing

What is the source of wood bi-products and do you practice high-volume curing in dark-fired tobacco?

Over **56,700** acres were verified with a Full Audit in 2022, **20%** of those acres were grown using no-till, minimum tillage, or strip tillage.

Of the 528 operations that went through a Full Audit in 2022 **roughly 50%** reported using environmentally and biologically friendly practices to control or reduce pests including using targeted CPAs that control or reduce pests but help maintain populations of beneficial insects.





Social Data

Labor type/age

- No Child labor
- Vulnerable populations

Wages & tasks

- Appropriate Tasks

Safety, training

- Emergency Plans
- Farm Safety

Basic needs, sanitation, housing

- Safe water & hygiene
- Provided housing standards

GAPC Certification Standards regarding minor labor, exceed those required by U.S. law.

In 2022 1,506 tobacco farms had a Certification Monitoring Visit, **less than 1%** reported hired, non-family labor under the age of 18.

All of these had parental consent and were enrolled in an approved vocational program and had completed their compulsory schooling requirement.





Social Data

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Wages & tasks

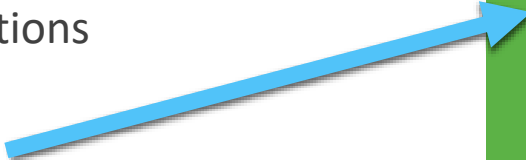
- Appropriate Tasks

Safety, training

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Basic needs, sanitation, housing

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In 2022, **99%** of tobacco operations participating in GAPC Certification paid, at minimum, the prevailing minimum wage rate.





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In 2022, **99%** of tobacco operations participating in GAPC Certification had emergency plans.

Extreme Weather - GAPC Certification Standards require identification of safe shelter for workers





Social Data

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- No Child labor
- Vulnerable populations

Wages & tasks

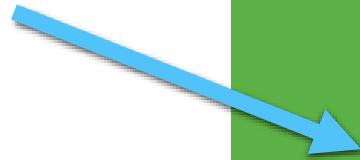
- Appropriate Tasks

Safety, training

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GAPC Certification requires worker housing to be inspected and maintained to federal and state requirements.



GAPC Certification Benefit

Result

Improved Recordkeeping



Improved Planning and Decision Making

Annual information in GAPC Annual Training to inform production decisions and cost of production



Scouting, new varieties, research trials, new CPAs, improved production methods (i.e. curing efficiency or optimal fertilizer applications), etc.

Improved compliance with laws and regulations



Less citations, violations, and DOL investigations

Improved working environment



More training, less accidents, more open communication, reduction in liability risk, minimize costs of using poor practices

Opportunity to distinguish growers who are committed to their operation, workers, crop, and the industry



Access to certain markets and/or contracts





Resources

Record templates and record checklists:

- Printed and available for free at GAP meetings
- Online in editable PDF's or Excel format
- Available in the GAPC Store

Posters:

- All-in-one Regulatory Poster
- Worker Concern Helpline Poster
- Worker Rights and Responsibility Poster

Training Aids:

- Tailgate Training Kits
- Safety DVDs



ACCURATE DATA MATTERS

Recordkeeping

Navigating our future relies on a clear understanding of past practices and the outcomes of those decisions. Farm records provide that clear understanding of past practices and outcomes in the hopes growers can see what worked or did not work.

1 Before Arrival	2 Arrival	3 Working on Farm	4 Departure or Termination
<ul style="list-style-type: none"><input type="checkbox"/> Draft or Review<ul style="list-style-type: none">• Anti-discrimination policy• Emergency plan• Check for applicable jobs• List of important numbers• Employment Terms & Conditions and additional assurances• Training needs (i.e. new equipment, new processes, etc.)<input type="checkbox"/> Put up required Postings<ul style="list-style-type: none">• Meat and Poultry Agricultural Worker Protection Act• Employee Rights Under the Fair Labor Standards Act• Check Job Safety and Health• Employee Rights Under the U.S. Migration Worker Rights and Responsibilities• Worker Concern Helpline• Terms and conditions of discrepancy<input type="checkbox"/> Inspect Housing & make needed repairs<ul style="list-style-type: none">• Review housing rules & expectations<input type="checkbox"/> Prepare Field Sanitation<input type="checkbox"/> Purchase applicable Personal Protective Equipment (PPE)<input type="checkbox"/> Inspect vehicles used to transport workers	<ul style="list-style-type: none"><input type="checkbox"/> Complete with Worker(s)<ul style="list-style-type: none">• Form I-9 (promptly return personal documents upon completion)• Required information & parental consent for minors• Employment contacts• Farm Roster<input type="checkbox"/> Review with Workers & Provide Copies<ul style="list-style-type: none">• Terms and Conditions of Employment• Worker Concern Process and Documentation• Anti-Discrimination Policy• Farm Emergency Plan<input type="checkbox"/> Obtain and Keep for all H-2A labor:<ul style="list-style-type: none">• Copy of ETA 790(j) & ETA 790A(e)• Copy of the ETA 9142<input type="checkbox"/> Obtain and Keep for all FLCs or H-2ALCs:<ul style="list-style-type: none">• Copy of FLC or H-2ALC License• Proof of Workers Compensation• If H-2ALC, copy of contract between grower and H-2ALC• If H-2ALC, proof of Surety Bond	<ul style="list-style-type: none"><input type="checkbox"/> Train Workers<ul style="list-style-type: none">• Review the location & use of employer provided personal protective equipment (PPE)• Review COVID-19 protocols and prevention tips• Complete Worker Training on required Farm Safety and Crop Integrity Topics & have workers sign documentation<input type="checkbox"/> Transportation Orientation<ul style="list-style-type: none">• Review any transportation rules or expectations.• Obtain and keep all necessary Transportation Documentation from anyone transporting workers:<ul style="list-style-type: none">• Driver's license• Insurance<input type="checkbox"/> Housing Orientation<ul style="list-style-type: none">• Review the housing rules or expectations.• Review the location & use of cleaning supplies	<ul style="list-style-type: none"><input type="checkbox"/> Maintain Records<ul style="list-style-type: none">• Time records• Wage Statements• OSHA 300 Accident Forms• Vehicle Inspection Tag(s)• Disciplinary records• H-2A: Records of work hours offered (for purpose of % guarantee)<input type="checkbox"/> Maintain Housing<ul style="list-style-type: none">• Inspect housing for repairs and cleanliness
		<ul style="list-style-type: none"><input type="checkbox"/> Complete Requirements for H-2A labor:<ul style="list-style-type: none">• Check that % guarantee was met• Include payment for outboard transportation<input type="checkbox"/> Maintain Records<ul style="list-style-type: none">• Worker Termination Records	

- Recordkeeping
- Worker Concern Helpline
- COVID-19 Resources
- COVID-19 Resources by State
- HR and Legal Helpline
- Farm Labor Contractor Guide
- Labor Management Guide
- Worker Training Guide
- Farm Worker Safety Videos
- GAPC Store
- Calendar

Farmworker Training

YOUR FARM. YOUR TOPICS.



GAP
CONNECTIONS

CUSTOMIZED. INTERACTIVE. FLEXIBLE

Farm Safety	Food Safety & Hygiene	Equipment Safety
Heat Stress	Farm Emergency Plans	Worker Housing
CPR & First Aid	Worker Protection Standards	And Many More.....

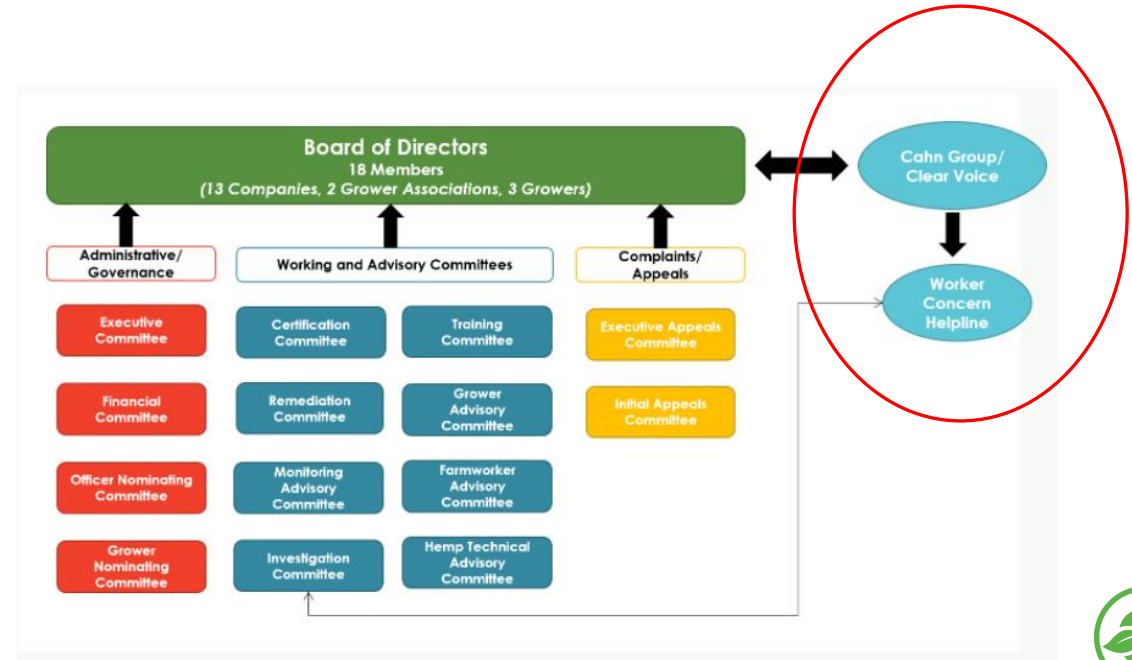


Worker Concern Helpline (WCH)

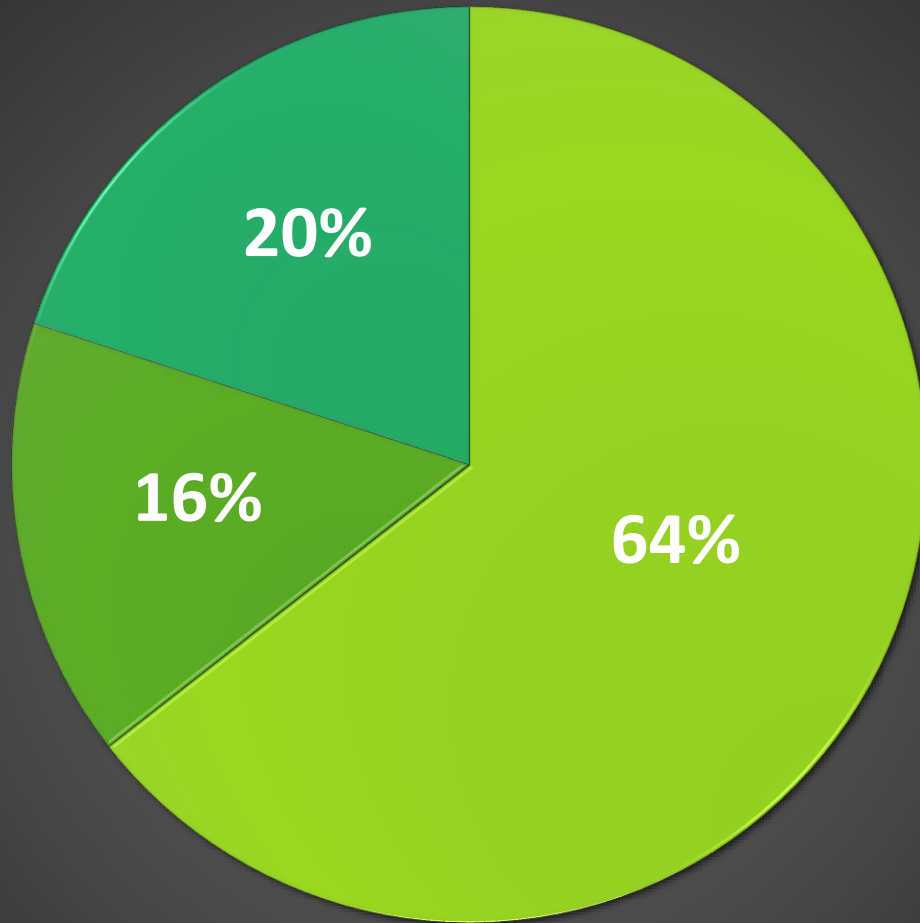
Free service to GAPC Grower Members that provides a way for employees to ask for information or express concerns

Enhanced the helpline in 2021 to provide a more robust, credible, independent, and trusted grievance mechanism in support of GAP Connections' mission to ensure the safety and rights of farm laborers.

- Role of Administrator with the Cahn Group
- Third-party approved list of Investigators, Mediators, and Arbitrators put into action by Administrator



Concerns



Worker Concern Helpline (WCH) Activity 2018-2021

45 Concerns

- In scope; resolved
- Out of scope
- Insufficient information or lack of credible evidence



HR/Legal Helpline for Growers

Partnership with Jackson Lewis to provide growers with a comprehensive risk management helpline service carefully designed to help manage workforce employment issues and questions.

Growers calling about a variety of topics including:

- HR
- H-2A
- FFCRA



JacksonLewis

This helpline is free to all GAPC grower members. Growers can access the helpline by phone or email.

Growers can also subscribe to receive communications from Jackson Lewis.



Remediation Numbers & Percentages

Roughly 70% of operations achieve Certification on 1st visit:

- 2018: 120, 24.8% of participating operations
- 2019: 440, 45.0% of participating operations
- 2020: 575, 46.1% of participating operations
- 2021: 403, 24.8% of participating operations
- 2022: 523, 34.7% of participating operations

Denials

- 2% or less are denied Certification





- **1,477** GAPC Certified Tobacco Operations
- **2,162** GAPC Certified Tobacco Growers
- **Over 15,000** workers work for a GAPC Certified Tobacco Grower
- About **163,000** acres of tobacco are grown on farms with GAPC Certified Tobacco Growers, representing over **80%** of the acreage reported to be harvested in 2022 by NASS.



- In 2022, **80%** of tobacco harvested in the U.S. was visited by a **third-party** and **verified** to follow standards that reflect best practices in crop, environmental, and labor management some of which exceed U.S. regulations and laws.

- **Verification by a third-party** including:
 - Reviewing records
 - Interviewing growers
 - Interviewing workers
 - Visual inspections of facilities





What other tobacco market can say that?





The integration of ESG into the leaf supply chain is well on its journey and will continue to evolve as required by policy and regulations, the expectations of consumers and investors, the needs of our growers and even the weather.



The industry will continue to drive continuous improvement and explore areas that will improve our social and environmental impact through the most responsible means.



GAPC will strive to continue our cycle of continuous evaluation, refinement, and improvement to try to find balance and best deliver the change needed for every stakeholder to succeed.





For more Information:

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