



**ESG Overview**

ITGA Forum

Lisbon Oct 2022



**Vision:** We aspire to create a better growing world in which high-quality products and ingredients are produced through sustainable practices, traceable for social, environmental and production information, and support the well-being of farmers and the communities with whom we work.

**Mission:** Everything we do is to transform people's lives so that together we can grow a better world.

**150**  
year old  
company

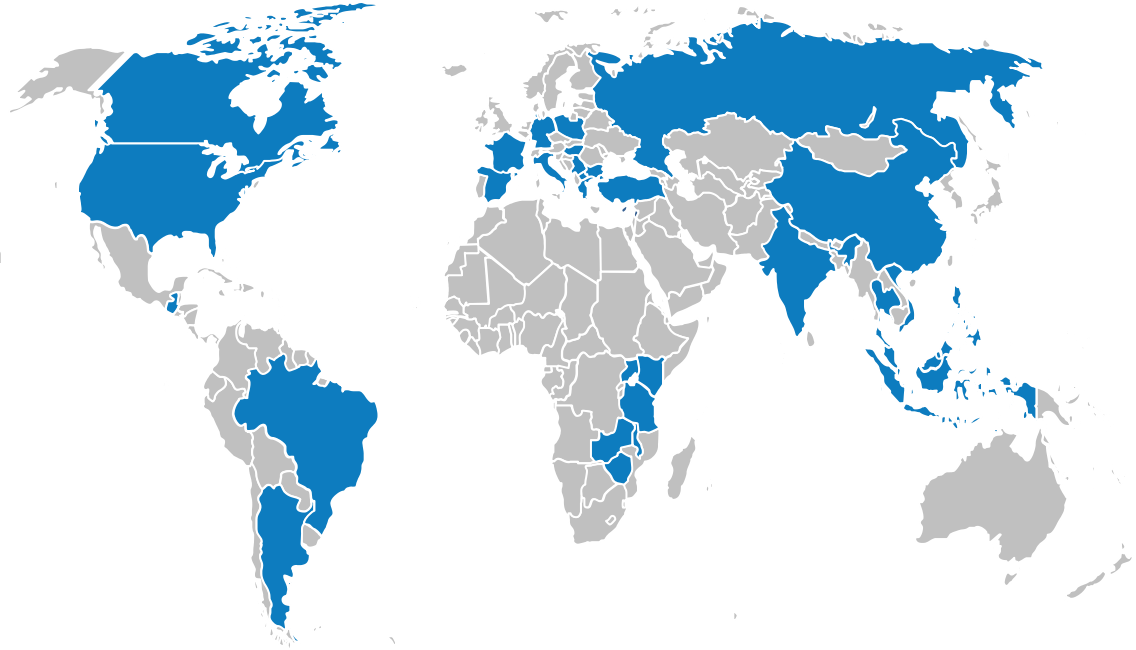
**\$1.8**  
billion  
annually

**3** organized  
geographic  
regions

Purchase from farmers in  
**35+**  
countries

Sell into  
**90+**  
countries

**300**  
active  
customers



# Leading Global Sustainable Tobacco Merchant



**300,000+** farmer relationships in **35+ countries** spanning **5 continents**

**Multi-generational** grower relationships

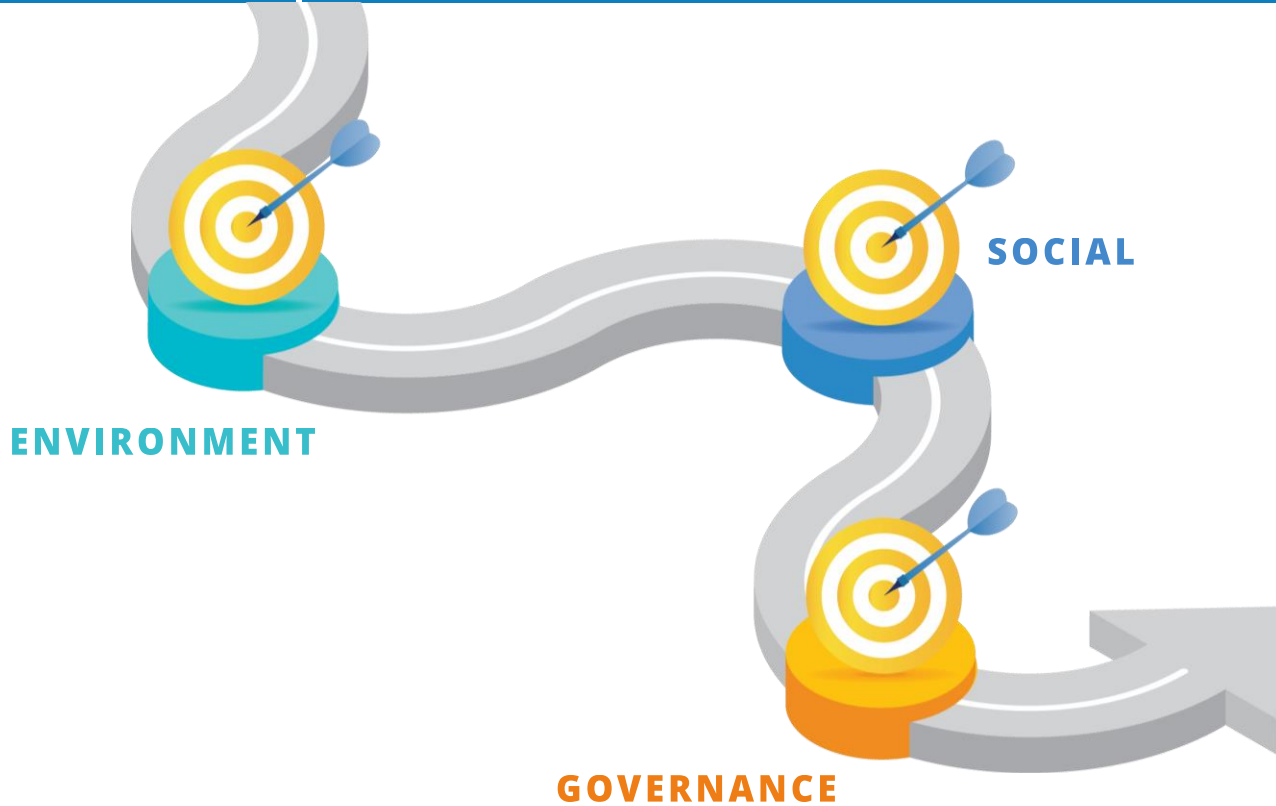
**1,000** trained agronomists and field technicians

**1 million+** farm visits conducted annually



- Based on FY2020 Materiality Assessment
- Reframed and tested in a Materiality Assessment in FY22
- Three pillars and 12 materiality topics





- Launched in Dec. 2021
- Builds off of the Company's legacy of sustainable agricultural production
- Connects our business priorities with our purpose
- Aligns with UN Sustainable Development Goals
- Aligns with the Science Based Target initiative's (SBTi) Business Ambition for 1.5°C Campaign & to achieve net zero value chain emissions by 2050
- Promotes a centralized, global approach incorporating localized solutions

# Our Agronomy Agenda



# Global Agronomy

- The department is subdivided into six areas: science, agronomy, ESG, projects, product compliance & data management.
- Alliance One Global Research and Development Department focuses on three main purposes: tobacco research, sustainability programs and people development.
- Two locations: Brazil and Turkey
- Allows us to develop & deploy best practices and new solutions across global operations helping improve farmer efficiency and overall livelihoods.

82

HECTARE OF LAND  
FOR RESEARCH AND  
TRAINING



30 PERMANENT  
EMPLOYEES  
AND  
70 SEASONAL  
EMPLOYEES



PASSO DO SOBRADO, BRAZIL





AOI's data management system assists in our data collection, analysis and insights to provide the right data at the right time to the right stakeholder

## Data Integrity Governance Program

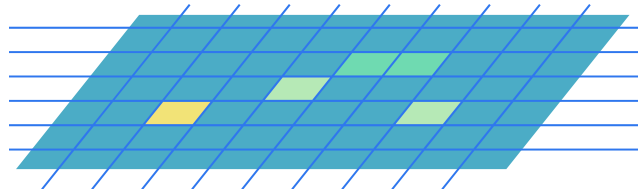
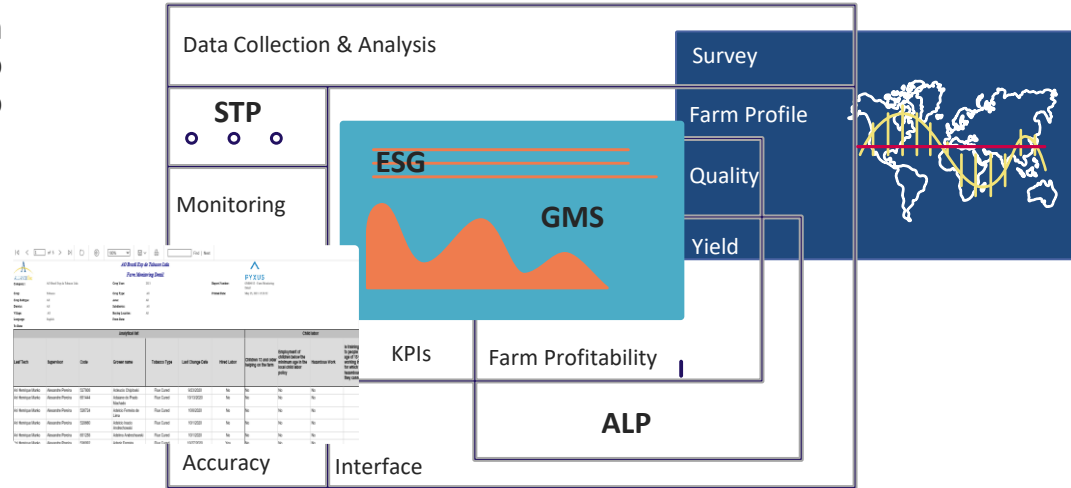


Data integrity refers to the quality, reliability and availability of data, including the preservation, precision and consistency of data.

## GMS full implementation



A great management tool, with further capabilities to be leveraged.



# Global Forestry Programs



**Global target:**  
Zero net global deforestation  
in our ag supply chain by 2030

**250+ million  
trees planted**

SINCE 1991

**8,400+ ha  
forests**

COMPANY MANAGED

**21,000+ ha  
forests**

FARMER MANAGED

**3,200+ ha  
forests**

3<sup>rd</sup>-PARTY MANAGED

## Grower Benefit

- Helps to eradicate the use of unsustainable wood for curing
- Tree seedlings to contracted farmers (select locations) and training on proper management methods & access to quality inputs to increase tree survival
- Savings realized by the farmer



**Global Target:**  
Maximize 100% of contracted farmers' income potential by 2030 through appropriate training in GAP and opportunities for crop diversification

**100% of contracted farmers**  
TRAINED ON GAP

**maize, groundnuts, wheat & soya**  
CROP DIVERSIFICATION PROJECT EXAMPLES

## Grower Benefit

- Continuing farmer education
- Provides farmer with access to quality inputs
- Helps farmer achieve higher quality crops and yields
- Supplemental income for the farmer, which can help address systemic issues such as child labor, deforestation, etc.



# Brazil – Project DiversificACTION

## Background

- BR Farmers usually grow maize
- Low technology applied

## Objective

- Maximize farmers total income through technical assistance and the best technology available

## How

- Partnership with Bayer Crop Science

A

## Main Objective

- Increase farmers' income – livelihoods
- To offer an alternative crop for AOI farmers to grow (household consumption/cash crop)

B

## Supply Inputs

- Maize seeds
- Fertilizers
- CPAs

C

## Strategic Partnership

- Technological package training
- Right partner - one of the main enablers (technology, image & support)

Results	Pilot (2021)	Roll Out (2022)
Field Technicians Involved	20	127
Integrated Farmers Involved	2,353	14,500
Maize Bags Supplied (Has)	586	5,721
Farmer's Additional Production (tons)	527	5,150
Maize Average Yield Increase	15%	15%
Average Farmers Income Increase (Ha)	USD 147	USD 270



# Indonesia: FCV Sustainable Fuel Timeline

2012



## Project

- Elimination of firewood usage - FCV curing
- Trials with converted furnaces using POKS/CNS

2013-16



## Implementation

- Conversion of traditional curing furnaces to POKS (Palm Oil Kernel Shells) and CNS (Candle Nut Shell)

2017-20



## Evolution

- Introduction of gasifier burner (NG)
- POKS/CNS distribution to 100% of our farmer base - 2020
- Production expansion (2021/22) - Distribution of additional gasifiers to all farmer base
- Monitor and usage of POKS/CNS, ensuring all production is using sustainable fuel

To date



## Benefits

- Portable system
- Eliminate usage of firewood saving est. 90,000 m3 of firewood (around 500ha of forest)
- COP reduction: Saving 30% (labor and inputs)
- Compliance and curing cost reduction



# The Path Forward

## We have a lot to do, but:

- We have a clear and ambitious plan
- The plan is feasible

## To deliver on the strategy we must:

- Work with our stakeholders, particularly farmers, to have the biggest impact
- Remain focused on delivering sustainable, compliant tobacco
- Be transparent
- Practice supply chain due diligence



Obrigado!



Благодаря ти! Ви благодарам!

谢谢! Thank you! ขอบคุณ!

¡Gracias! जी शुक्रिया! Dziękuję Ci!

Asante! Merci! cảm ơn bạn!

Terima kasih! teşekkür ederim!