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INTERNATIONAL

AGRICULTURAL LABOR PRACTICES
PROGRESS UPDATE

**ACCESS TO WATER, SANITATION,
AND HYGIENE: IMPROVING
LIVELIHOODS IN OUR TOBACCO
SUPPLY CHAIN**

Q3 2020

WASH IN THE GLOBAL SUSTAINABILITY AGENDA

Water access, sanitation, and hygiene (WASH) is a fundamental human right that helps ensure health and prosperity for communities.¹ Despite the global progress made so far, billions of people worldwide, mostly in rural areas, still lack these basic services. According to the United Nations² (UN), one in three people do not have access to safe drinking water, two out of five people do not have a basic hand-washing facility with soap and water, and more than 673 million people still practice open defecation.

There is a clear link between poverty and limited access to WASH services.³ Because of this connection, an increase in WASH infrastructure can provide great improvements to both the well-being and livelihood of community members. Better WASH conditions enable

people to be more productive at home, in school, and in the workplace, maximizing their earnings and future potential. Proper access to water and sanitation is a key foundation for achieving sustainable development and guaranteeing good hygiene conditions. The 2030 agenda for Sustainable Development (set by the United Nations General Assembly in 2015) recognizes safe drinking water, effective sanitation, and good hygiene both as an end and as a driver of progress on many of the Sustainable Development Goals (SDGs), including health, nutrition, education, and gender equality.

At PMI, we are committed to play our part in making the SDGs become a reality. Improving WASH services means contributing directly to the following four SDGs:



Ensure healthy lives and promote well-being for all at all ages

Ensure availability and sustainable management of water and sanitation for all

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

End poverty in all its forms everywhere.

1. Available at: <https://www.unwater.org/water-facts/human-rights/>

2. Available at: https://www.un.org/sustainabledevelopment/wp-content/uploads/2019/07/E_Infographic_06.pdf

3. Available at: <https://sustainabledevelopment.un.org/getWSDoc.php?id=2438>

PMI'S STRONG COMMITMENT TO WASH

Ensuring a safe work environment for both farmers and workers on contracted farms has been one of PMI's priorities in all tobacco-sourcing countries. Since the establishment of the Agricultural Labor Practices (ALP) program in 2011, the safe work environment principle, as mentioned in PMI's [ALP Code](#), includes several measurable standards—ranging from personal protective equipment (PPE) availability and usage, safe and adequate accommodation to instructions on safe handling of fertilizers and other hazardous substances. In particular, the following measurable standard is specifically related to WASH: Every person has access to clean drinking and washing water close to where they work and live.

With the introduction of the Step Change approach in 2018, workers' accommodation was identified as a key priority. PMI, alongside its third-party suppliers, have developed and are implementing comprehensive and ambitious action plans with the objective of ensuring that all workers are provided with safe and decent accommodation by 2020.

As we continuously work to improve our ALP program, we decided in 2020 to strengthen our approach and not only focus on access to water (as was the case before), but to enlarge our scope to include ambitious targets and

interventions related to sanitation and hygiene. In order to do that, we aligned with the Joint Monitoring Programme (JMP), established by the World Health Organization (WHO) and UNICEF, for Water Supply, Sanitation, and Hygiene, and we developed PMI's framework on WASH. Building on the data collected from the farm-by-farm monitoring and specific surveys conducted on the field, we applied JMP's universal indicators to determine a baseline that helped us better understand the current situation in our tobacco sourcing countries and better measure the impact of future interventions.

Analyzing this baseline, we established priority markets to focus our actions and implement targeted initiatives on the ground. Aligning with the global sustainability agenda, we decided to define concrete targets (to build on the measurable standard mentioned above) for access to drinking water as well as sanitation and hygiene. These WASH targets were communicated in our [2019 Integrated Report](#):

- 100 percent of contracted farmers with access to water by 2025.
- 100 percent of contracted farmers with access to basic sanitation and hygiene by 2030.



Photo credits to Eduardo Royo, PMI

DEFINING WASH

ACCESS TO DRINKING WATER

Access to drinking water refers to accessibility, availability, and quality of the main water source used on the farm for drinking, cooking, personal hygiene, and other domestic uses. Improving the availability and quality of drinking water depends on the effective management of both freshwater supplies and wastewater to maintain sufficient water quality while reducing contamination risks. To guarantee access to water, in line with the basic JMP standards, the three following criteria are to be met:

- The water should be accessible on premises or within 30 minutes for a round trip of 1km.
- The water should be available in sufficient quantity when needed.
- The water supplied should be from an improved source.⁴

ACCESS TO BASIC SANITATION

Safe management of human excreta is vital for public health and is widely recognized as a human right. Inadequate sanitation is closely associated with diseases, malnutrition, and parasitic infections. Untreated sludge and wastewater can spread disease and pollute groundwater and surface water sources used for drinking and recreation.

A safe sanitation system is designed and used to separate human excreta from human contact. To guarantee access to basic sanitation, in line with the JMP standards, the three following criteria are to be met:

- The sanitation facilities should be improved.
- The sanitation facilities should be accessible on premises.
- The sanitation facilities should be enough for the people on the farm.

ACCESS TO HYGIENE

Hygiene refers to the conditions and practices that help maintain health and prevent the spread of disease, including but not limited to handwashing with water and soap. According to the WHO, these actions are among the most cost-effective interventions for reducing the transmission of diseases, to reduce the spread of pathogens and prevent infections, including the COVID-19 virus, and have been identified as the top priority for hygiene monitoring.

To guarantee access to hygiene, in line with the JMP standards, the three following criteria are to be met:

- There should be a facility available on premises for handwashing.
- There should be clean water available for handwashing.
- There should be soap or other cleansing agents.



Photo credits to Eduardo Royo, PMI

4. Improved drinking water sources are those that have the potential to deliver safe water. Detailed list available at: <https://washdata.org/report/jmp-2018-core-questions-household-surveys>

BUILDING ON OUR CURRENT LEARNINGS AND EXPERIENCE

Although our focus has been, until now, on safe accommodation for workers, we are not starting from zero. We have been implementing many local initiatives related to WASH, ranging from trainings on hygiene to refurbishing sanitation facilities in schools to building boreholes for water access. These are key building blocks to address social issues and improve the livelihoods of our contracted farmers. The following sections outline our WASH projects within our tobacco supply chain.

PROVIDING ACCESS TO DRINKING WATER IN MALAWI AND MOZAMBIQUE

In many areas of Malawi and Mozambique, where PMI sources tobacco, communities lack the appropriate infrastructure that ensures basic WASH services. Without improved water, local residents—particularly children under the age of five—are more prone to waterborne illnesses that can cause debilitating sickness and, for adults, the inability to work. Besides the health impacts, women and children often spend hours a day walking to get water—time that children could spend at school and women could invest in other income-generating activities.

In 2019, PMI, alongside its third-party suppliers, began to implement the WASH program in Malawi with a focus on providing improved water sources to our contracted tobacco

farmers. Initially, a pilot was conducted to understand the best approach and technology. This was done by deploying and testing various systems such as solar pump boreholes, rainwater harvesting and household water filtration systems, to analyze the impact and benefit on tobacco growing communities.

In 2019, in Malawi, we built 43 boreholes and 20 rainwater harvesting systems and distributed 70 household filtration systems. We have also started a WASH program in Mozambique, where we built 60 hand-pump boreholes. Overall, these initiatives have reached and positively impacted more than 3,500 farmers and 81,000 community members.⁵

In addition to providing water access to our farmers, creating awareness and sharing knowledge on best practices to ensure the longevity of boreholes is critical. We are working with our third-party suppliers to interact with local community leaders and, more specifically, with women in the villages (as they are typically in charge of collecting water) to establish “water committees.” When a borehole is drilled, a water committee is empowered to guarantee each borehole’s sustainability in the long term and ensuring that they are well maintained and kept in good condition.

In 2020, we continue to work toward the goal of building 43 additional hand-pump

boreholes in Malawi and 50 in Mozambique. It is estimated that each borehole that was built in Malawi benefits over 500 people, whereas in Mozambique the impact is even greater: each borehole reaches over 1,000 people. In parallel, PMI and its third-party suppliers have engaged with external WASH experts to conduct a baseline study that will provide a solid set of data to enable us to better measure the impacts of PMI interventions in the future. We are also working to identify and target non-functioning boreholes that could benefit from rehabilitation.

So far, we can already see the positive impact on local communities. When a borehole is opened, village members often perform a dance—many villagers hug the borehole, and the overall happiness of the farming communities is tangible. Our WASH campaign has reinforced our acknowledgement of the value of water, and we are inspired to continue our projects in Africa in order to increase the amount of people who have access to improved drinking water sources.



“This is the best thing that’s ever happened to me in 40 years of my life.” This message came from Alena Moyena from Benoni Village, Tete Province, Mozambique, after using a borehole near her home for the very first time. Photo credits to Eduardo Royo, PMI

5. PMI Leaf Suppliers estimation based on field interviews

IMPROVING SANITATION IN TOBACCO GROWING

Improving general sanitation facilities and ending open defecation have been identified as top priorities within the SDG ⁶ (clean water and sanitation), for reducing global inequalities and contributing to ending poverty. Unfortunately, open defecation and poor sanitation services is a reality in many rural areas where access to appropriate infrastructure is lacking.

Below are two examples demonstrating our work toward improving sanitation facilities in Argentina and Pakistan.

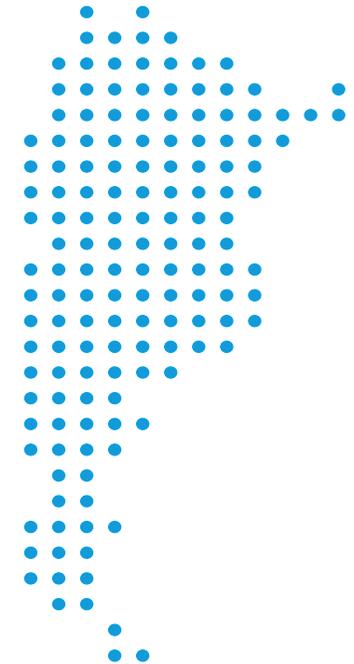
IMPROVED SANITATION IN ARGENTINA

Through the ALP farm-by-farm monitoring regularly conducted by PMI's affiliate in Argentina, Massalin Particulares, field technicians assess workers' living and working conditions including workers' access to improved sanitation facilities.

During the 2019 internal monitoring, 31 farmers were found not complying with our standards for not having enough toilets and/or showers for all tobacco workers living on the farm. Where these standards were not met, individual action plans were agreed upon with the farmers and implemented. This included building new toilets/showers or improving and



adapting the existing ones. Refurbishing these facilities improves overall health and well-being for our contracted tobacco farmers and workers. For example, as part of the agreed action plans, one of our contracted farmers in Argentina built new structures including two toilets and two showers that have benefited over 15 people living on the farm.



6. Target 6.2. Available at: <https://sdgs.un.org/goals/goal6>



SANITATION FACILITIES IN PAKISTAN

The PMI affiliate in Pakistan, PMPKL, sources tobacco from contracted farmers in the province of Khyber Pakhtunkhwa. In 2019, alongside the regular ALP farm-by-farm monitoring, an external assessment was conducted by Control Union, our specialist supply chain auditor. Extensive analysis of the data from these two sources revealed a few instances in which the accommodation sanitation facilities provided to workers by farmers needed improvements. Within our contracted farmer base, 178 accommodations were assessed to have limited or required provision of sanitation facilities for their workers.

A targeted initiative was then implemented by constructing toilets with septic tank systems. Such improvements were crucial to ensure that workers and their family members have access to improved sanitation facilities.



HYGIENE AS A BASIC NEED

Committing to achieving our hygiene targets has never been more relevant than it is today. Washing our hands with water and regularly using cleansing agents, such as soap, is among the most effective tools we have against multiple illnesses (including the COVID-19 virus). However, two out of five people globally do not have access to this critical service.⁷ Our 2030 target of 100 percent contracted farmers and workers having access to handwashing facilities with soap and water is, therefore, of paramount importance.

We have already started working toward our 2030 target by ensuring, as a first step, that workers and farmers are aware of the importance of good hygiene practices and have them embedded in their day-to-day activities. This is achieved by providing training and awareness-raising initiatives. These are conducted by PMI's field technicians and local partners at the beginning, as well as throughout the crop season. In Mexico, for example, farmers and workers are not only informed on good agricultural practices, but are also trained on the importance of good hygiene on the field and at home. In Indonesia, as mentioned in our [Q2 ALP Progress Update](#), our tobacco suppliers implemented an initiative to support farmers throughout the COVID-19 pandemic, delivering soap and other cleansing agents and providing small-group training on handwashing and hygiene practices.

In other countries, facilities are being constructed and refurbished in order to guarantee the hygienic and healthy standards on farms and in the provided accommodations. Our local affiliate in Argentina, for example, put in place action plans with farmers to support the construction of an adequate amount of washing facilities.



Participants in a training on hygiene in Indonesia

7. <https://washdata.org/monitoring/hygiene>



Photo credits to Eduardo Royo, PMI

LOOKING AHEAD

Since the introduction of the ALP program in 2011, one of PMI's principal objectives has been to provide a decent livelihood to all contracted farmers in its tobacco supply chain. Strengthening the WASH component of the program will increase health, well-being, and equality within our farmer base.

For women and girls the impact is even greater, as they are typically the ones who walk long distances to collect the water for the family. Therefore, constructing boreholes and providing access to water facilities closer to home, frees them to use this time toward other activities. Furthermore, constructing adequate sanitation facilities ensures privacy and safety and contributes to increased school attendance for girls.

At PMI, through the ALP program we are committed to achieving our WASH targets to positively improve livelihoods of tobacco growing communities and, in parallel, contribute to the SDGs. To reach our commitments, we first established an internal governance model, with key stakeholders at different levels within the organization setting up clear responsibilities to drive PMI's WASH program. We aligned our approach with internationally recognized standards and defined a guideline of requirements to support the achievement of our targets. We are currently incorporating these new requirements in our farm-by-farm monitoring in all the countries from where we source tobacco. Before the global rollout of the

guideline, we will also provide training sessions with suppliers and key stakeholders. These steps will ensure consistency, standardization, and an effective monitoring to assess WASH conditions and address relevant issues on the ground.

In parallel, we will continue to implement targeted local WASH initiatives in collaboration with our third-party tobacco suppliers and local partners. This will range from conducting trainings to constructing boreholes, refurbishing sanitation and hygiene facilities and providing soap.

The impact of WASH on daily life is profound; people who have access to clean, safe, and convenient water, sanitation, and hygiene services experience greater dignity, privacy, and security. The economic benefits of improved facilities can increase productivity, reduce healthcare costs, and prevent illnesses and disabilities.

The positive impact we saw on people and communities from the WASH initiatives on the ground is already significant. This inspires us to continuously challenge our current achievements and strengthen our ALP program, adapting it to changing needs and priorities. Enhancing WASH services, as per our 2025 and 2030 goals, will support our key objective to provide a decent livelihood to all contracted farmers in our tobacco supply chain and improve the overall well-being of the surrounding communities.



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We welcome your feedback. If you have comments or suggestions, please contact sustainability@pmi.com

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