



HUMAN RIGHTS COMMITMENT



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Creating a better future for our planet, the people inhabiting it, and our customers is at the core of our business purpose and sustainability strategy.

We believe that taking care
of people in our value chain
– from our employees to our
growers – is how we positively
impact lives and livelihoods.

Since the publication of the first human rights policy at the Group level in 2016, Japan Tobacco International has evolved and expanded its work on **human rights**. The priorities have been maintaining a strong commitment to respecting and safeguarding the rights of all impacted rightsholders and building an effective and impactful due diligence program – with the UN Guiding Principles on Business and Human Rights as our compass and fundamental standard.

We intend to continue on this path, ensuring that people in our value chain can thrive and that **we contribute to a world where all human beings live lives of dignity and respect.**





1. Purpose and scope

Japan Tobacco International (JTI) is a subsidiary of JT Inc. and a leading international tobacco and vaping company headquartered in Geneva, Switzerland.

We have offices and factories in more than 70 countries and products distributed in more than 130 countries. Today, the company employs over 46,000 people globally and works with over 62,000 directly-contracted tobacco leaf growers and 28,000 suppliers of other products and services.

Our value chain is intertwined with hundreds of thousands of rightsholders, from growers to sales employees, from factory to office workers. We operate in vastly diverse environments worldwide, including in some contexts where human rights risks may be higher than others. For JTI, respecting and safeguarding human rights across our global operations means understanding our most salient impacts and improving how we operate, to mitigate, remedy, and prevent potential adverse outcomes. It is ultimately about creating a world of dignity and fulfilment for all people across our operations.

This document spells out JTI's Human Rights Commitment and is complementary to the [JT Group Human Rights Policy](#).

It applies to JTI's entire value chain from farm to consumer, including all JTI brands, employees, and worldwide business partners. Our partners include our customers, suppliers, growers, and any other parties with whom we have a commercial relationship.

We are dedicated to communicating this Commitment widely – both internally to our management and employees and externally to parties such as our business partners. As our operating context evolves, we commit to continually reviewing and updating it by incorporating the views and learnings from our global due diligence work, and interactions with our stakeholders and rightsholders.



2. Our commitment to human rights

We are committed to respecting all internationally recognized human rights across our global operations as expressed in the International Bill of Human Rights, which encompasses the Universal Declaration of Human Rights, and the International Labor Organization’s Declaration on Fundamental Principles and Rights at Work.

We follow the framework provided by the United Nations Guiding Principles on Business and Human Rights (UNGPs), the Organisation for Economic Co-operation and Development Guidelines for Multinational Enterprises, and the UN’s Food and Agriculture Organization Guidance for Responsible Agricultural Supply Chains. By following these principles, we can monitor, influence, and improve business practices within our own operations and those of our suppliers and partners.

We are committed to respecting and supporting children's rights in accordance with the Convention on the Rights of the Child and the International Labour Organization (“ILO”) Conventions 138 on Minimum Age for Employment and 182 on Eliminating the Worst Forms of Child Labour. As a company committed to equity and inclusion, we also commit to respecting the Convention on the Elimination of Discrimination against Women, the UN LGBTI Standards for Business, and international instruments promoting equity and non-discrimination.

We support freedom of association and the right to collective bargaining, even in countries where these freedoms are not a legal prerequisite.

As set out in our Code of Conduct, respecting human rights is a fundamental element of JTI’s values and management principles. Our Code of Conduct adopts the highest standards of ethical behavior and governs how JTI employees and business partners are expected to behave across our operations, including with respect to internationally recognized human rights.

ALP

JTI's Agricultural Labor Practices (ALP) is a program for promoting safe, legal, fair, and respectful working conditions on farms from which JTI sources tobacco directly or indirectly. The JTI ALP Standard is based on the three pillars of:

Ending child labor

Respecting the rights of workers

Driving workplace health & safety

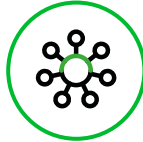
The JTI ALP Standard establishes JTI's expectations for how the minimum standards should be monitored, and outlines how to respond appropriately when non-adherence to the Standard is observed.



Local JTI entities operating in each jurisdiction adhere to applicable laws and regulations. Where national laws do not prescribe standards on specific topics already covered in international human rights standards, we apply the higher standard.

Where there are areas of conflict between national and international law regulations on human rights topics, we seek ways to respect international human rights to the greatest extent possible. In contexts where human rights are less likely to be protected or where national legislation does not live up to international standards, we aim to utilize our leverage and impact through multi-stakeholder initiatives and by working in partnership with others.

This Commitment is informed not only by our years of experience but also by regular consultations with:



Internal and external stakeholders



Company, country-level and leaf supply chain impact assessments

In addition to regular stakeholder engagement, this Commitment has also been reviewed and informed by our External Human Rights Advisory Board. The external human rights experts who support and challenge our work help us ensure that our due diligence program aligns with the UNGPs. We are committed to continue including expert and stakeholder feedback toward the improvement of our program and to ensure we keep a people-centered approach to it.

This includes continuous engagement with:



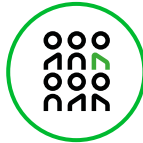
Growers



Workers



Their families

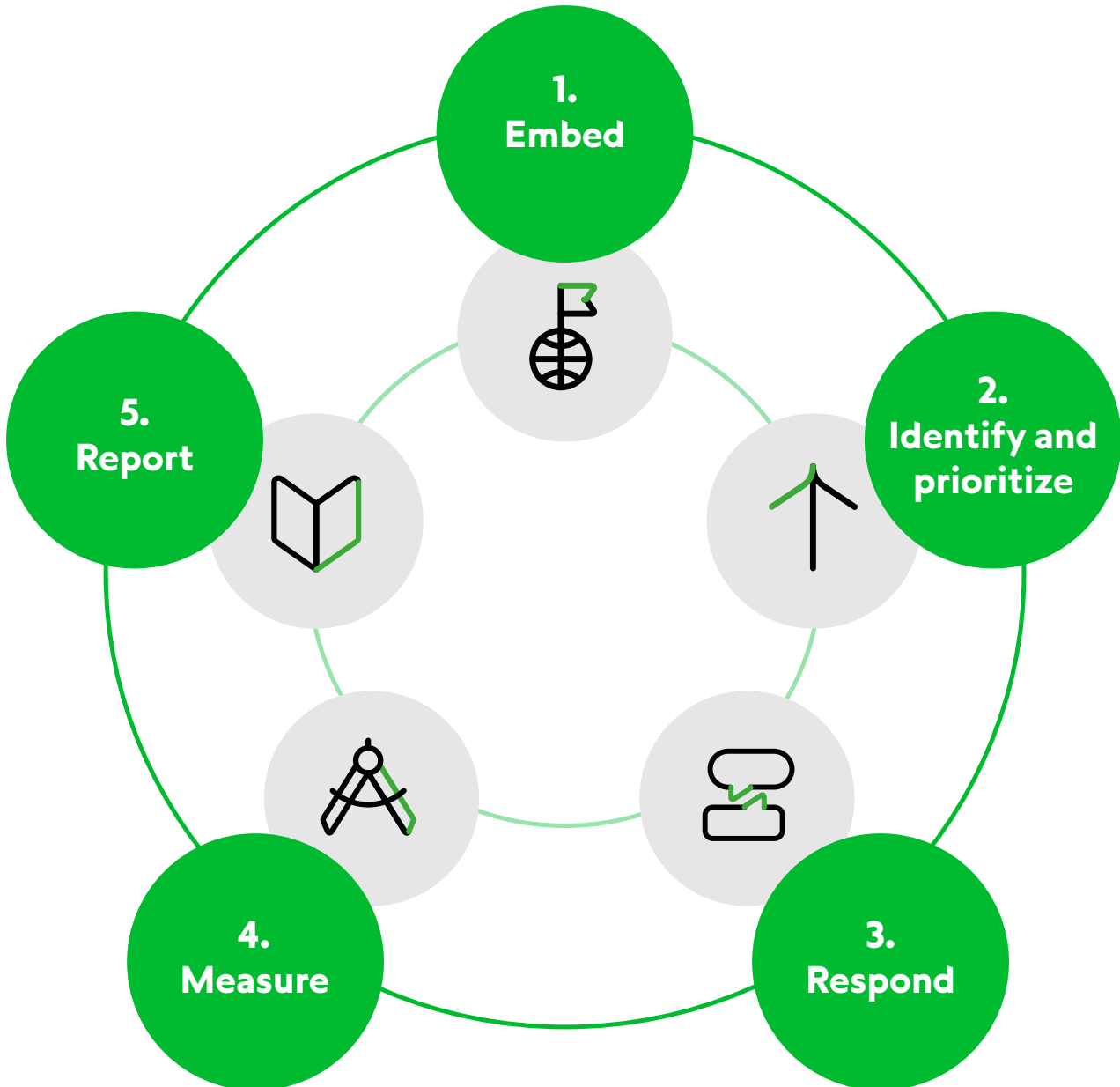


The wider communities in which we operate



3. Implementing our Commitment

Since the inception of our human rights program in 2018, JTI has been integrating a continuous due diligence approach along its entire value chain, in line with the UNGPs. Our approach consists of five pillars:



Through this **circular model**, our programs and activities aim to prevent, mitigate, and remedy any negative human rights impact on our operations.

3.1 Embed

For our Commitment to be long-lasting, we believe human rights must become intrinsic to our company's culture and way of operating.

To this aim, we work to integrate a human rights approach and increase human rights literacy among all our employees and partners so that human rights impacts, as they relate to our operations, are clearly understood and become part of daily decision-making.

We embed a culture of respect for human rights through regular training and communication, integrating human rights into relevant policies and procedures across the business to ensure they are prioritized, and their impacts assessed. In addition to our Code of Conduct, our JTI Supplier Standards aim at achieving the highest standards of integrity and promoting respect for human rights across our supply chain.

We engage on the topic of human rights internally, from a cross-functional approach to an internal integration led by Corporate Sustainability. Externally, we engage through continuous dialogue with our expert consultants and incorporating their feedback into our strategy.

Through a system of risk management and legal compliance monitoring, we keep abreast of geopolitical and regulatory changes at the global and country level, as they impact our business operations and the human rights of the people we work and interact with.

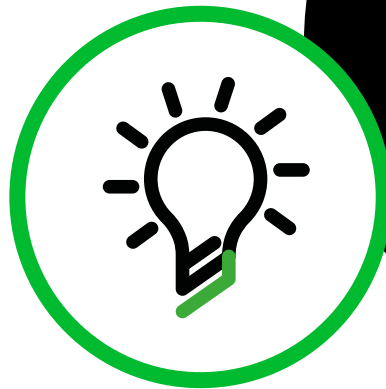
Marketing our products responsibly and in line with international human rights standards, we adhere to the Company's Core Principles: we acknowledge the health risks of smoking and are open about them; we provide transparency about our products and the ingredients used; we are committed to developing and bringing to market products that reduce exposure to known harmful constituents in tobacco smoke, and that we believe have the potential to lower the health risks of smoking. Further, we believe minors should neither smoke nor vape, and should not have access to such products. The principles are central to our Code of Conduct, our Global Marketing Principles, operational policies, and the way JTI does business.



3.2 Identify and prioritize

We conduct a range of impact assessments and due diligence to identify and assess actual and potential human rights risks.

We apply the **methodology of salience**, focusing on the impacts and risks to people, both within our own company and through business relationships with our suppliers. We do this from farm to store, prioritizing according to severity and likelihood. Salient impacts are likely to converge as risks to the business, so our due diligence helps inform and improve our approach to risk management.



Human rights due diligence is an integral part of our business. It aligns us with the framework of the UNGPs and enables us to identify actual and potential human rights risks.

Our Due Diligence program includes:

- **Human Rights Impact Assessments**
These are in-person assessments, conducted regularly and targeting the JTI Markets which pose potentially the highest human rights and operational risk. They are conducted by JTI teams and third-party experts and cover manufacturing, office, distribution, and marketing operations at the Market level as well as local non-tobacco suppliers.
- **Self-Assessment Questionnaires**
These are remote assessments conducted via a performance questionnaire and a document verification. They target JTI Markets with a medium to low human rights risk. They are self-led by local JTI teams with support from a third-party expert.
- **Leaf Supply Chain Impact Assessments**
These are in-depth, in-person human rights impact assessments to assess the human rights impacts in our tobacco supply chain and tobacco growing business. They focus on directly-contracted tobacco growers, tobacco leaf merchants, and the broader tobacco-growing community, and are conducted with the support of third-party experts.
- **In-depth Assessments Similar to Leaf Supply Chain Impact Assessments**, these are conducted under the Sustainable Tobacco Program (STP) umbrella and cover a range of STP themes, including Human and Labour Rights.
- **Agricultural Labour Practices**
As part of our continuous improvement approach, the Agricultural Labour Practices program (ALP) allows us and our suppliers to identify potential labor challenges on tobacco farms and help improve labor practices. This is an integral part of the supply chain due diligence process and contributes to the social aspects of grower communities, while supporting sustainable agriculture overall. Whether we source tobacco directly from growers or through tobacco leaf merchants, our contracted suppliers are committed to implementing our ALP.

- **Supplier and Third-Party Screening**

We aim to achieve high standards of integrity across our business operations and supply chain. We can only achieve this through close cooperation with our suppliers. Our JTI supplier screening process, ensures that we apply enhanced due diligence. Before entering into a commercial relationship, our suppliers go through an onboarding process where they are requested to comply with the JTI Supplier Standards and are screened for economic sanctions. In addition, our key suppliers have a questionnaire and certification process. As part of the certification process, we conduct an appropriate due diligence on our business partners to help ensure the level of compliance checks and controls are proportionate to the potential risk of a business partner. This process allows us to learn more about the supplier and understand any gaps, versus our standards and ESG requirements. In particular, it highlights any potential risks relating to compliance, human rights, environment, and health and safety.

- **Internal Audit**

Human rights are also part of our internal auditing approach and methodology.

Read more on our due diligence program in our [JT Group Human Rights Report](#) and [Human rights impact assessment map](#).

As a result of the impact assessments, we aim to address the identified impacts and risks to rightsholders, meet stakeholder expectations on respecting human rights, and mitigate and remedy the overall risks to people and, when related, the business.

Our salient issues

- **Child Labor**

We are committed to identifying child labor and its root causes, where it exists in our supply chains, and finding practical, meaningful, and culturally appropriate responses to support its prohibition. We have developed a holistic approach to tackle child labor, which consists of a mission, commitment, and strategic levers to deliver on our vision. We work together with communities, governments, and other stakeholders to ensure children have access to education and that the systemic issues underlying child labor are collectively tackled.

Read more on our dedicated [ARISE website](#), our flagship program committed to tackling child labor, and our [Child Labor Elimination Framework and Statement](#).

- **Modern Slavery**

We do not tolerate modern slavery and are taking a consistent, sustainable, and continual improvement approach to ensure that it does not occur in our operations and value chain. We are tackling it through

a range of initiatives, including by using leverage to promote and ensure fair and equitable recruitment practices. Should we observe extreme breaches, which include the worst violations on workers' rights, such as slavery, forced labor, human trafficking, violence, or severe physical, mental, or sexual abuse, we address them through the [JTI Critical Issues Framework](#).

Read more about our approach to Modern Slavery in our [Modern Slavery Act Statement](#)

- **Health Risk**

In line with an increasing number of scientists and public health experts, we believe that alternative products to combustible cigarettes, which deliver nicotine without burning tobacco, have the potential to reduce the health risks associated with smoking. We are committed to bringing to market such potential Reduced-Risk Products, including heated tobacco, e-vapor and oral products that meet



adult consumer expectations. We provide evidence-based scientific information, acquired through scientific assessment about these products, to ensure adult consumers have the freedom to make informed choices regarding the use of our tobacco or nicotine-containing products. We are clear that minors should not use combustible tobacco, vaping products, or any other alternative nicotine-containing products. Tobacco and nicotine-containing products are addictive and not risk-free. We play our part in ensuring adult consumers of our tobacco and other nicotine-containing products are aware of the associated health risks, and that is why we consistently adhere to our Company's [Core Principles](#) wherever we do business.

- **Workplace Health and Safety**

Our mission is putting people at the center to create a better, safer, healthier future. We focus on creating safe workplaces, building safety competence, and developing our safety culture. We align our health and safety standards with international requirements and always meet – and usually exceed – legal requirements. Their scope extends beyond our employees to cover contractors and visitors to our operations. Our publicly available Health and Safety Policy establishes our overall intentions and direction for maintaining health, safety, and well-being in the work environment. It provides a framework for action and for setting our Health and Safety objectives and targets.

Read more in the [JTI's Corporate Health & Safety Policy and Guidance](#).

- **Working Hours**

Long and excessive working hours can have severe consequences on occupational health and safety and impact the enjoyment of other human rights. We, therefore, expect our own operations and suppliers to ensure that working hours and remuneration comply with local legislation and relevant international standards, including ILO Conventions 1, 14, 95, and 132. Where local industry standards or international conventions are higher than applicable legal requirements, we expect our operations and suppliers to meet the standards most favorable to workers. We maintain robust programs at the agricultural and supply chain levels to promote respect for working hours.

- **Living Income and Wage**

We believe that every worker has the right to fair compensation and adequate income, to maintain a decent standard of living. We employ a range of measures to ensure that remuneration complies with local legislation and international conventions. In our tobacco leaf supply chain, the ambition is for all our growers to achieve a living income. We are committed to growing and supplying a sustainable, traceable, and customized tobacco crop that allows our growers to become more profitable.

- **Diversity, Equity and Inclusion**

We promote an inclusive culture where everyone can be themselves at work, without risk of discrimination or harassment due to their race, religion, ethnic background, origin, gender, age, disability, sexual orientation, marital status, or any other personal characteristic. Our programs are central to how we deploy Diversity, Equity, and Inclusion across all our global locations.

Read more on [Fostering a diverse and inclusive workplace](#).

- **Gender Impacts**

We recognize that the human rights of women and young girls may be disproportionately affected due to systemic, legal, and structural issues of gender discrimination and norms. With women representing a large portion of our workforce, particularly in Leaf operations, we are committed to identifying and addressing gender impacts, engaging with women in our operations and value chain, and reducing systemic barriers to ensure a work environment free of harassment.

- **Nature and Climate Change**

We are committed to identifying, understanding, and reducing the environmental impact of our business activities. We focus on the most significant environmental risks and opportunities for our business and stakeholders, including the communities in which we operate. These include risks and opportunities relating to climate change, water, biodiversity, the sustainable use of resources, and waste management.

- **Conflict Minerals**

As we develop and introduce new and innovative Reduced-Risk Products, we recognize the risks inherent to minerals' supply chains. The extraction, trade, and processing of minerals such as tin, tantalum, tungsten, and gold, collectively referred to as 3TG, and cobalt, may occur in areas of political instability and armed conflict, may directly or indirectly finance armed groups, and may be associated with severe human rights violations. We seek to better understand the risks associated with the sourcing of these minerals and are committed to conducting due diligence to identify and address actual and potential risks in our value chain.

Read more on our [Salient issues](#).

We recognize that our operations and products can have impacts on people. Identifying and engaging these rightsholders is a central component of our human rights work. Rightsholders are those that we focus on in our human rights due diligence.

Our main rightsholders

- **Our employees**
We commit to respecting the human rights of all our employees, creating a workplace free of discrimination and harassment, and upholding the highest standards of health and safety.
- **Children and young workers**
We commit to the eradication of child labor as a systemic societal issue in tobacco growing. We give identifying and remedying instances of child and young labor the highest priority in our due diligence program.
- **Workers at our growers, suppliers, and partners**
We work closely with our growers, suppliers, and partners to ensure that the rights of workers in our tobacco supply chain are respected and safeguarded.
- **Communities**
Our factories, suppliers, and growers are surrounded by communities who may be impacted by our operations in various ways. We are therefore committed to mitigating known and potential impacts, as well as engaging communities to enhance their well-being and resilience, particularly in our leaf-sourcing countries.
- **Consumers**
While we firmly believe in the principle of free choice, we are focusing our investment and innovation efforts on addressing the health impacts of our products, creating products that significantly reduce the health impact of tobacco. We transparently communicate about the health risks of smoking and uphold the highest standards in marketing, particularly towards minors.
- **Vulnerable groups**
We pay particular attention to individuals and groups across our operations that may be subject to disproportionate human rights impacts, due to systemic, geopolitical, or cultural issues. These are women and young girls, children and young workers, LGBTQI+ individuals, migrants, and people from cultural, racial, and religious groups at heightened risk of discrimination.

This integrated and well-resourced due diligence approach provides a consistent, efficient, and systematic way of identifying human rights impacts in our own activities, as well as in those connected to us through our business relations. This allows us to prevent, mitigate, and remedy them according to the UNGPs.



3.3 Respond

Impact identification alone does not lead to improvements in the lives and workplaces of our affected rightsholders. Our due diligence program works to mitigate and remediate adverse human rights impacts.

Following the assessments, we develop **action plans** to address identified issues. These plans enable us to drive improvements and integrate human rights into our existing management processes in a consistent manner. The plans have defined responsibilities, clear timelines for implementation, and key performance indicators to monitor progress.

To ensure the action plans are successfully completed, we have a **network of human rights liaisons** who coordinate the implementation of the action plan, together with the local teams. The liaisons are supported by the human rights team at the headquarters and our external third-party human rights experts.

Our **Supply Chain Due Diligence Committees** work across our tobacco leaf operations to ensure meaningful processes are developed and implemented to act on the assessment findings. Led by senior management, the committees are crucial to ensuring that we meet our long-term improvement objectives.

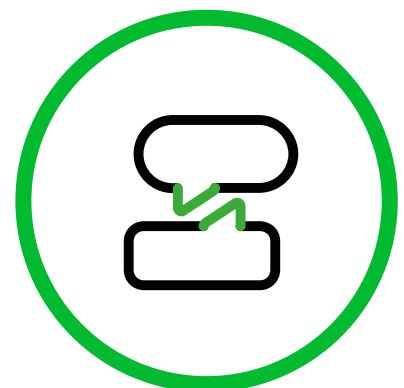
In cases of extreme breaches – including the worst violations of workers' rights, such as slavery, forced labor, human trafficking, violence, or severe physical, mental, or sexual abuse – we have in place an **Extreme Breach procedure**. We expect every supplier to have a management process that sets out how they will respond to an extreme breach.

Our commitment to human rights is reinforced in both our **Code of Conduct** and **Your Voice**, our mechanism for reporting concerns. This ensures that we listen to

and act on the grievances of those whose human rights are impacted by our activities.

The reporting concerns mechanism is available to all our employees and business partners worldwide. We encourage them to speak up on human rights confidentially and without fear of retaliation. We encourage everyone to report alleged violations of our Code of Conduct, our policies and procedures, or applicable laws. All concerns raised are reviewed by specially trained employees and, where needed, investigations are launched, and appropriate corrective actions are taken.

Read more about [JTI's Code of Conduct](#).





3.4 Measure

Our sustainability strategy, of which human rights is a founding pillar, is firmly anchored in a pledge to deliver visible impacts to the planet and its people.



Our goal is to build an effective due diligence program, and we have established metrics to track the impact and effectiveness of our due diligence activities, including the number of assessments conducted, the number of adverse impacts identified and resolved, and the number and nature of complaints received on human rights.

Action plans developed following the assessments, or supplier screening, include a set of key performance indicators to measure the effectiveness of our improvements over time. More broadly, as we expand our due diligence program globally, we will measure the overall effectiveness of our responses collectively.

3.5 Report

Our commitment to measurement is closely linked to transparency and disclosure, and reporting on our human rights program is integral to this.



JTI, together with JT Group, discloses in detail via reports, our website, and various publications, our work on human rights. This includes our salient issues, the number and nature of our assessments, the number of grievances raised through Your Voice, and our correspondence with civil society.

For more information, please visit the [JT Group Human Rights Report](#), and the [Human rights section](#) on [jti.com](#).



4. Governance

Accountability and ownership are fundamental to our Human Rights Commitment.

We have built a governance structure to ensure firm oversight of the JT Group Human Rights Policy and JTI Human Rights Commitment by our management. At the same time, a broad network of actors directly leads its implementation.

The JT Group Board of Directors and JT Group CEO are accountable for the strategy, governance, and reporting of adherence to the JT Group Human Rights Policy. The JTI CEO has approved the JTI Human Rights Commitment, with the JTI CFO upholding executive ownership.

The Corporate Sustainability and Leaf Global Supply Chain teams own the human rights strategy and its targets, and are accountable for the implementation of the due diligence program.

At the country level, General Managers and Factory Leads are accountable, while Local Human Rights Liaisons under Legal teams are responsible for coordinating the implementation of the action plans resulting from human rights

assessments. Local Supply Chain Due Diligence Committees are responsible for overseeing the development and implementation of country-level strategy, and policies on sustainability, including advancing the respect for human rights.

To establish further accountability, in 2017, JTI formed an External Human Rights Advisory Board composed of independent human rights experts. They are tasked with advising, challenging, and helping JTI reach our human rights due diligence ambitions. The Board continues to play a key role in improving our due diligence program.



5. Looking forward

Ensuring respect for and safeguarding human rights is non-negotiable, and it is an essential condition for JTI to deliver on its sustainability strategy.

Our approach to human rights due diligence is ongoing, as the risks to human rights may change over time. We will continue to act where actions are necessary and focus on our human rights salient issues. We will integrate new elements into our approach, from regulation to the implications of climate change on society.

We recognize that much work remains to further evolve our program, reach more rightsholders, and build more effective measures of impact. We know the challenge remains significant, but we are fully committed to being a part of the solution to bring about sustainable development and promote human rights for all.





**VISIT US AT
SUSTAINABILITY AT JTI**