



# SUPPLIER STANDARDS



# Our long-term success depends on acting responsibly in everything we do.

This ranges from how we source all the raw materials, goods or services we need, to the way our products are distributed and sold.

Managing our supply chain responsibly is a priority for our business. We believe this is beneficial not only for our sustainable growth, but also for our stakeholders and wider society.



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## 1. Our goal

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- 1.1. JTI aims to achieve the highest standards of integrity across its business operations. To meet this objective, where there are risks, the support and cooperation of JTI's Suppliers (i.e., all JTI suppliers) is invaluable.
- 1.2. The Supplier Standards (the "**Standards**") define the requirements for JTI's Suppliers. Our Suppliers are also responsible for ensuring their suppliers comply with these Standards.  
Tobacco leaf growers are excluded from the scope of these Standards since they follow JTI Agricultural Labor Practices.
- 1.3. JTI expects Suppliers to fully comply with these Standards as a condition of doing business with JTI. Non-compliance and refusal to support and cooperate with JTI could impact the business relationship and may lead to the termination of the relevant relationship.
- 1.4. JTI expects its Suppliers to implement the Standards through:
  - a) Policies and procedures
  - b) Training and communication
  - c) Appropriate due diligence and monitoring

The Standards aim to ensure the same level of integrity, honesty and ethical behavior as Suppliers can expect from JTI.

- 1.5. Suppliers must comply with local sustainability disclosure laws. Where none are required, JTI encourages voluntary disclosure.
- 1.6. Suppliers shall act in accordance with and comply with all applicable legislation relating to sustainability, including but not limited to any reporting obligations both in its own operations and those relating to its upstream and downstream supply chains. Suppliers shall further provide on-time data, information and/or certifications and reporting as required by JTI.

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## 2. Compliance with laws, regulations and these Standards

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- 2.1. Suppliers must comply on an ongoing basis with these Standards as well as all applicable laws and regulations in all their dealings with JTI.
- 2.2. If a Supplier is convicted or fined for an offence related to these Standards, they shall promptly report it to JTI at [onebehavior@jti.com](mailto:onebehavior@jti.com)

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## 3. Economic sanctions and export controls

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- 3.1. Suppliers must always comply with applicable economic sanctions and export controls regimes.

- 3.2. To meet these obligations Suppliers must implement appropriate measures and practices, including training, checks and other due diligence, and internal controls. These measures should be periodically reviewed to ensure ongoing monitoring and breach mitigation:
- 3.3. Suppliers must immediately notify JTI if:
  - a) any supply of goods or services has breached or may breach sanctions and export controls regimes applicable to JTI
  - b) any supply of goods or services originates from or is transhipped through a sanctioned territory
  - c) their goods or services become the subject of sanctions and export controls
  - d) they become the subject, directly or indirectly, of sanctions.
- 3.4. JTI will screen Suppliers, their directors and officers as well as their owners and other persons exercising control over them against relevant economic sanctions and export controls lists as per JTI processes.



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#### 4. Licenses and authorizations

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- 4.1. Suppliers are responsible for obtaining and maintaining any relevant licenses and authorizations required to perform their business activity.

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#### 5. Competition law

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- 5.1. JTI expects Suppliers to respect and comply with all applicable competition laws and regulations and establish processes to prevent competition law infringements.

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#### 6. Fighting illegal trade

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- 6.1. JTI aims to support governments and law enforcement agencies to prevent all forms of illegal trade including diversion or counterfeiting of Japan Tobacco brands. The scope includes the illegal manufacture, distribution, import, export, purchase, storage, sale, or possession of JTI products in contravention of national or international legislation, or JTI's intellectual property rights.
- 6.2. JTI will not tolerate any form of trade in contraband, counterfeit or illicit white tobacco products.
- 6.3. Suppliers must not sell JTI products to any person or entity who they know, should reasonably know, or suspect to be engaged in illegal trade.

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#### 7. Preventing financial crime

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- 7.1. JTI does not tolerate any form of financial crime, including tax evasion, facilitation of tax evasion, money laundering or terrorist financing.
- 7.2. Suppliers, including persons associated with such Suppliers (such as directors, employees, representatives, subcontractors, or persons supplying or acting on behalf of the Suppliers) shall not engage in any activity, practice or conduct that would constitute a financial crime.
- 7.3. To meet these obligations Suppliers shall conduct trainings sessions and implement financial controls, to support JTI in preventing financial crime.

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#### 8. Anti-bribery and corruption

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- 8.1. JTI does not tolerate any form of bribery or corruption, in any of its business activities.
- 8.2. Suppliers must not offer or accept any form of bribe or engage in any other activity which may breach anti-bribery and corruption laws applicable to the Suppliers or JTI. This includes, but is not limited to the following:

- a) Giving anything of value to a person in return for a business advantage

- b) Giving anything of value to a person to reward or encourage improper performance.

- 8.3. Suppliers must not make or accept direct or indirect facilitation payments. Facilitation payments are a form of bribery where public officials are given something of value to perform, or speed up the performance of, or refrain from doing, their duty.
- 8.4. Exchange of excessive gifts, hospitality or entertainment could be considered a form of bribery if offered to gain or retain a business advantage. Suppliers must not offer or accept any gifts, hospitality, entertainment or anything else of value on behalf of JTI, without JTI's approval.
- 8.5. JTI will not accept any benefit intended for a JTI employee to facilitate a business relationship with JTI.

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#### 9. Conflicts of interest

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- 9.1. Suppliers must disclose any situation that could result in an actual or potential conflict of interest. A conflict of interest can be related to family and/or other personal relationships or business relationships in respect of employment, financial interests, outside work engagements and Gifts, Hospitality and Entertainment as reflected in the JTI Code of Conduct.



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## 10. Human rights

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- 10.1. JTI is committed to conducting business according to internationally recognized human rights standards. Our Suppliers play an important role in ensuring fundamental human rights – for example those of workers, subcontractors and communities – are respected in their operations and value chains.
- 10.2. Suppliers are required to refer to the UN Guiding Principles on Business and Human Rights to develop policies and processes appropriate to their size and operating context, such as:
- A policy commitment to meet their responsibility to respect human rights
  - A due diligence process to identify, prevent, mitigate and account for how they address their impacts on human rights
  - A grievance and remediation process to address and remedy adverse human rights impacts
  - Regular and transparent public reporting on these processes
- 10.3. JTI expects its Suppliers to respect all human rights. As a minimum, we require our Suppliers to comply with the international labor standards by the International Labour Organization (ILO):
- a) Forced Labor & Modern Slavery**  
Forced labor and modern slavery is prohibited in all forms (such as indentured, bonded, servitude, imprisoned, passport retention, human trafficking and exploitation). This includes:
- o Any type of restriction on workers' freedom of movement, in the workplace or accommodations
  - o Retention of workers' passports, identity or personal documents
  - o Payment of recruitment fees or deposits to obtain work. If instances are unveiled, these fees shall be repaid to workers
  - o Sourcing goods or services from providers engaging in forms of modern slavery or using forced labor, including government labor schemes
  - o JTI Suppliers have an obligation to provide clear and fair contractual terms, which workers can understand, and which allow the worker to leave their employment without penalty prior reasonable notice.
- b) Child Labor**  
Child labor is prohibited. Suppliers are expected to respect child rights by adopting and maintaining internationally recognized labor standards regarding child labor. This includes:
- o following the principles of ILO Conventions 138 (Minimum Age for Employment) and 182 (Eliminating the Worst Forms of Child Labor) , to respect minimum legal ages for employment unless local legislation imposes more stringent requirements.
  - o when employing young workers (between legal working age and 18 years), establish adequate protections to ensure they do not perform hazardous, unsafe and night work which could impact their physical and mental development and health.

- c) Treating people with dignity and respect**  
Suppliers shall operate with dignity, respect, and integrity regarding the treatment of their workers. Suppliers shall prohibit and not tolerate any form of psychological, physical, sexual or verbal abuse, intimidation or harassment.
- d) Treating people equally**  
Suppliers shall provide a fair workplace with equitable opportunities for all. This includes having non-discrimination policies or procedures that prohibit discrimination in hiring and employment on account of gender, race, religion immigration status, age, disability, sexual orientation and similar.
- e) Working time**  
Suppliers should ensure that working hours, rest times and remuneration comply with local legislation and international standards or meet the standards most favourable to workers. A workweek shall not be more than 60 hours, including overtime, and there shall be at least one day off every seven days. Overtime shall be voluntary and compensated at a premium rate.
- f) Freedom of association and collective bargaining**  
Suppliers shall respect their employees' rights to freedom of association and collective bargaining, without penalty or interference or fear of discrimination, reprisal, intimidation, or harassment. Suppliers shall respect the right of all workers to form and join trade unions of their own choosing, to bargain collectively, and to engage in peaceful assembly as well as respect the right of workers to refrain from such activities. Where the rights of freedom of association and collective bargaining are restricted by applicable laws and regulations, workers shall be allowed to elect and join alternate lawful forms of representation.
- g) Respecting rights of employees**  
JTI expects Suppliers not to tolerate threats, intimidation, physical or legal attacks against human rights defenders, including those exercising their rights to freedom of expression, association, peaceful assembly and protest.
- h) Responsible sourcing of minerals**  
Suppliers shall adopt a policy, exercise due diligence, and provide JTI a declaration on the source and chain of custody of the tantalum, tin, tungsten, gold, and cobalt in the products they manufacture to reasonably assure that they are sourced in a way consistent with the Organization for Economic Co-operation and Development (OECD) [Guidance for Responsible Supply Chains of Minerals from conflict-affected and high-risk areas](#) or an equivalent and recognized due diligence framework.

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## 11. Environment

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- 11.1. Suppliers shall seek to minimize adverse effects on the community, environment and natural resources including biodiversity, while safeguarding the health and safety of the public.
- 11.2. Suppliers should map and understand their value chains and operating context, and measure and evaluate their impacts and dependencies on nature.
- 11.3. Suppliers shall ensure that all required environment-related permits, licenses, approvals and registrations are obtained and maintained up to date, and that the prescribed operational and reporting requirements are followed.
- 11.4. Suppliers should strive to reduce the environmental impact of products and services provided to JTI through improved product and packaging design, efficient delivery and the adoption of innovative technologies and approaches. Prohibited or restricted substances shall not be used in products or services provided to JTI. Suppliers shall provide to JTI only commodities or goods that are in full compliance with applicable local and international legislation.
- 11.5. Suppliers (except suppliers of tobacco leaf – see Clause 11.6) shall confirm that relevant commodities supplied to JTI (wood-based materials, rubber, glycerine and cocoa) are deforestation-free (by 2025) and conversion-free (by 2030); provide volumetric data of those commodities; and ensure traceability and verification of those commodities.
- 11.6. Suppliers supplying tobacco leaf to JTI shall strive to ensure that tobacco supplied to JTI is deforestation-free (by 2025) and conversion free (by 2030); provide volumetric data of those commodities; and ensure traceability and verification of those commodities.
- 11.7. In the absence of specific local legislation, JTI recommends that Suppliers:
- 11.7.1. Implement policies and management systems, in-line with recognized international management system standards, such as ISO14001 and which ensure that environmental risks and impacts are identified for their own operations and those of their own Suppliers, assessed and either eliminated or appropriately managed.
- 11.7.2. Implement measures and practices to minimize the use of natural resources, including water, fossil fuels, minerals, and virgin forest products.
- 11.7.3. Eliminate at source, or minimize, emissions to air, water and land, and discharges of pollutants. Point source and fugitive emissions to air, water and land shall be identified and monitored in-line with regulatory requirements. Ozone-depleting substances shall be phased-out or minimized and effectively managed, in accordance with the Montreal Protocol and applicable regulations.

- 11.7.4. Implement a systematic approach to identify, manage, reduce and recycle or legally dispose of wastes generated and support JTI's efforts in reducing waste and progressing towards circularity for its products and packaging. Suppliers shall utilize only the services of appropriately licensed waste contractors, when available. Wastes shall be labelled, appropriately segregated and securely transported. Wastes shall be tracked to final disposal and relevant waste documentation maintained.
- 11.7.5. Set science-based Greenhouse Gas reduction targets and/or put corrective action plans in place, appropriate to their size and operating context, to reduce their contribution to climate change across operations, transportation and sourcing of goods. JTI recommends that Suppliers seek third party validation of their targets, e.g. from the Science Based Targets initiative (SBTi). All targets and action plans made by a Supplier shall address emissions from their own operations and material elements of their value chain. Suppliers should also seek to increase the proportion of renewable energy they use. Suppliers of raw materials to JTI should calculate the emissions footprint of those materials and make available to JTI the emissions intensity of those materials. Suppliers should encourage their own suppliers to establish Greenhouse Gas reduction targets and /or actions plans to reduce their emissions.
- 11.7.6. Make every effort to conserve water and reduce water consumption associated with their operations and materials supplied to JTI by setting water consumption reduction targets, appropriate to their size and operating context.



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## 12. Health & Safety

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- 12.1. **Compliance with local Health and Safety legal requirements** is of utmost importance. Suppliers shall adhere to all relevant health and safety laws and regulations, ensuring the health and safety of their employees, contractors, and all individuals they engage with in their daily operations. Special consideration should be given to vulnerable workers (e.g., pregnant women, workers with disabilities, and younger and older workers).
- 12.2. **Respect the ILO Declaration on Fundamental Principles and Rights at Work, which recognizes a safe and healthy work environment as a fundamental right:** Suppliers shall provide a safe and healthy work environment to their employees, contractors, and all individuals they engage with in their operations to prevent Workplace accidents, illnesses, and injuries.
- 12.3. Suppliers should establish and maintain processes to identify, evaluate and control health and safety risks, ensure workers have personal protective equipment when needed and train workers regularly on health and safety while keeping appropriate records.
- 12.4. Guidelines for Health and Safety
- 12.4.1. Occupational Health and Safety Management System: Suppliers shall establish a comprehensive Health and Safety Management system with clearly defined policies, objectives, and action plans.
- 12.4.2. Workers' Participation in Health & Safety: Suppliers shall actively involve workers in the development of safety policies and procedures to create a culture of safety that empowers workers to take ownership of their safety.
- 12.4.3. Risk Assessment and Mitigation: Suppliers shall regularly assess their health and safety risks to identify hazards and implement controls per the Hierarchy of Controls.
- o If risks remain, suppliers shall provide well-maintained personal protective equipment free of charge.
  - o Implement gender-responsive measures, including maternity protection.
  - o Control hazards from physically demanding tasks
  - o Evaluate machinery for safety, ensuring guards and barriers are in place and maintained.
- 12.4.4. Emergency Preparedness & Response: Suppliers shall have emergency response plans to manage incidents effectively. These should include emergency reporting, employee notification, evacuation procedures, worker training, and annual drills or as required by law. Plans shall also cover fire detection and suppression, clear exits, contact information for responders, and recovery strategies, focusing on minimizing harm to life, the environment, and property.
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- 12.4.5. Monitoring & Reporting: Suppliers shall have procedures to prevent, manage, track, and report occupational injuries and illnesses. This includes encouraging worker reporting, classifying and recording cases, providing medical treatment, investigating and correcting causes, and facilitating workers' return to work. Workers should be able to remove themselves from imminent harm without fear of retaliation.
- 12.4.6. Workplace Conditions: Suppliers shall ensure a safe and healthy environment for their employees.
- o Regular inspections and assessments should be conducted to ensure that workplace conditions meet applicable standards.
  - o Sanitation, Food, and Housing. All workers shall have access to clean toilet facilities, potable water, and sanitary food preparation, storage, and eating facilities. If accommodation is provided, whether directly or through a third party, it shall be clean, safe, and meet basic standards for acceptable living conditions and the needs of workers.
  - o Industrial Hygiene: Suppliers shall identify, evaluate, and control worker exposure to chemical, biological, and physical agents. Exposure monitoring should be conducted regularly. Ongoing health programs should include educational materials on workplace hazards.
- 12.4.7. Training & Awareness: Suppliers shall provide health and safety information and training in a language workers understand, covering all workplace hazards. Information should be posted in accessible locations. Training should address specific risks for different demographics and be given before work starts and regularly thereafter. Workers should be encouraged to raise health and safety concerns without fear of retaliation.
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### 13. Responsible Sourcing of Minerals, Materials, Goods and Services

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- 13.1. The Supplier shall conduct appropriate due diligence to ensure the purchase or acquisition, of any minerals, materials, goods or services, in order to respect human rights and avoid contributing to conflict and other adverse impacts through their purchasing decisions and practices.

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### 14. Data privacy and data security

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- 14.1. JTI requires Suppliers to protect personal data in compliance with privacy and data protection laws. Personal data provided by or on behalf of JTI should only be processed or otherwise used, accessed and disclosed according to the contractual terms and conditions agreed with JTI.
- 14.2. JTI requires Suppliers to follow the 'need to know' principle and to have technical and operational measures in place to secure the confidentiality, integrity and availability of personal data.
- 14.3. Suppliers must comply with all applicable cybersecurity laws, regulations, and industry standards. This includes conducting cybersecurity assessments as required by law or when deemed necessary by JTI.

To meet these obligations, Suppliers must:

1. Process data only for a clear, legitimate, and specific business purpose
2. Protect the confidentiality, integrity, and availability of JTI's data and systems.
3. Implement appropriate access controls, encryption, and system protections to prevent unauthorized access or breaches.
4. Promptly report any security incidents that may impact JTI.
5. Ensure their employees receive appropriate cybersecurity training as relevant.

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### 15. GenAI Applications

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- 15.1. The usage of artificial intelligence (AI) or generative artificial intelligence (GenAI) by a Supplier in its engagement with JTI is allowed only in circumstances and subject to rules agreed in the respective agreement.



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### 16. Responsible marketing

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- 16.1. Where Suppliers are retained for market research, brand marketing, product promotions or other marketing or sales activities for JTI products, they shall comply with [JTI's Global Marketing Principles](#).

The Supplier should follow the stricter of local regulation or the Marketing Principles.

JTI's Global Marketing Principles include the following:

1. JTI only markets its products to existing adult consumers of combustible tobacco products and Reduced Risk Products.
2. JTI markets its products honestly and using accurate information.
3. All existing adult consumers of combustible tobacco products should be reminded about the health risks associated with these products.
4. All existing adult consumers of JTI's Reduced Risk Products should be informed that they have the potential to reduce the risks associated with smoking, though they are not risk free.

- 16.2. In line with JTI's Global Marketing Principles, minors should not have access to tobacco products or other nicotine-containing products, nor should they be targeted by the marketing or promotion of these products. This belief is central to JTI's Code of Conduct, and marketing practices, operational policies and the way JTI does business.

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### 17. Compliance & Investigations

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- 17.1. The Supplier must fully cooperate with JTI on any investigation related to compliance with JTI Supplier Standards.
- 17.2. JTI reserves the right to periodically review a Supplier's compliance with these Standards. This may be carried out by JTI employees or a third party. Access to premises, employees and relevant documentation may be required for an effective review.
- 17.3. Where gaps are identified, Suppliers agree to work with JTI to implement timely and appropriate remediation actions.

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### 18. Whistleblowing program

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- 18.1. JTI requires its Suppliers to establish or maintain a program that allows anonymous reporting of concerns arising within their own business and to take corrective action to address any concerns. The program should protect those raising concerns in good faith against any form of retaliation.
- 18.2. Suppliers must immediately notify JTI if the concern relates to conducting business with JTI.

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## 19. Reporting violations of the JTI Suppliers Standards and the JTI Code of Conduct

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- 19.1. We ask Suppliers to report concerns in relation to compliance with these Standards, the JTI Code of Conduct or applicable laws via Your Voice, JTI's main mechanism for reporting concerns.

JTI ensures access to Your Voice, either via a secure portal run by an independent provider, accessible 24/7 worldwide in more than 75 languages or via the dedicated email address [onebehaviour@jti.com](mailto:onebehaviour@jti.com).

We ask Suppliers to inform their employees about Your Voice and to communicate to them the link to the Your Voice portal and the dedicated email address.

Every reported concern is recorded and treated confidentially. All substantiated instances of misconduct are addressed appropriately, and retaliation against anyone reporting a concern or participating in any stage of the Your Voice process is not tolerated.

Concerns can be addressed in confidence via the [Your Voice channel](#) or [onebehaviour@jti.com](mailto:onebehaviour@jti.com).



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## Appendix

Any human rights reference in these Standards refers to the International Bill of Human Rights, which consists of:

- a) The Universal Declaration of Human Rights (“[UDHR](#)”)
- b) The International Covenant on Civil and Political Rights (“[ICCPR](#)”) and its two Optional protocols
- c) The International Covenant on Economic, Social, and Cultural Rights (“[ICESCR](#)”)

The following additional sources are also referenced in JTI’s Standards:

1. The [UN Guiding Principles on Business and Human Rights](#)
2. International Labour Organization ([ILO](#)) Conventions:
  - a) Freedom of Association and Protection of the Right to Organize Convention, 1948 ([No. 87](#))
  - b) Right to Organize and Collective Bargaining Convention, 1949 ([No. 98](#))
  - c) Forced Labour Convention, 1930 ([No. 29](#))
  - d) Abolition of Forced Labour Convention, 1957 ([No. 105](#))
  - e) Minimum Age Convention, 1973 ([No. 138](#))
  - f) Worst Forms of Child Labour Convention, 1999 ([No. 182](#))
  - g) Equal Remuneration Convention, 1951 ([No. 100](#))
  - h) Discrimination (Employment and Occupation) Convention, 1958 ([No. 111](#))
  - i) Protection of Wages Convention, 1949 ([No. 95](#))
  - j) Hours of Work (Industry) Convention, 1919 ([No. 1](#))
  - k) Weekly Rest (Industry) Convention, 1921 ([No. 14](#))
  - l) Holidays with Pay Convention (Revised), 1970 ([No. 132](#))
  - m) Harassment and Violence Convention ([No.190](#))
  - n) Older Workers Recommendation, 1980 ([No. 162](#))
  - o) International Labour Standards on Maternity protection ([No. 183](#))
  - p) International Labour Standards relevant to youth employment ([No.146](#))
3. The OECD [Guidance for Responsible Supply Chains of Minerals from conflict affected and high-risk areas](#)

Suppliers are additionally expected to familiarize themselves with documents available [here](#) and the following:

4. [JTG Code of Conduct](#)
5. [JTI Code of Conduct](#)
6. [JTI Human Rights Commitment](#)
7. [JTI Group Human Rights Policy](#)
8. [JTI Conflict Minerals Statement](#)
9. [JTI Environment Policy](#)
10. [JTI Environment Policy Standard](#)

 **Thank you**