CHILD LABOR ELIMINATION STATEMENT

Version 1.0 31 May 2023 JTI is committed to respecting and supporting child rights in accordance with the Convention on the Rights of the Child (CRC), UN Guiding Principles on Business and Human Rights (UNGPs), OECD Guidelines for Multinational Enterprises and the relevant International Labor Organization ("ILO") Conventions such as Convention 138 on Minimum Age for Employment and Convention 182 on Eliminating the Worst Forms of Child Labor.

Child labor is unacceptable yet remains a serious issue across smallholder agriculture worldwide. JTI is aware that the risk of child labor is present at various points of our value chain: tobacco leaf harvesting, the non-leaf supply chain and the sale of tobacco.

JTI does not accept child labor in our global operations and supply chains. We are committed to identifying child labor and the root causes where it exists in our supply chains and finding practical, meaningful, and culturally appropriate responses to support the prohibition and elimination of such labor practices, as well as working with communities, governments, and other stakeholders to ensure children have access to education.

A child is any person under the age of 181. We base our child labor prohibition and elimination approach on the internationally agreed definitions provided in the ILO Conventions 138 and 182. "Child labor" is defined as work that deprives children of their childhood, potential, and dignity, and which is harmful to their physical and mental development. Not all work performed by children should be classified as child labor and targeted for elimination. This includes light work that does not affect their health and/or personal development; or interfere with their education. We have developed a clear guideline which includes details of a hazardous work list which is found in the <u>Agricultural Labor</u> <u>Practices (ALP) Standard and Guidance</u>.

JTI has in place a robust human rights due diligence process in line with the UNGPs and OECD Guidelines. This process of prevention and continuous improvement is based on five pillars: Embed, Identify, Respond, Measure & Report. In cases where child labor is identified, JTI will work with relevant partners to ensure that such cases are responded to and remediated appropriately, addressing the root causes and keeping the best interests of the child at the center of all decision-making. Where JTI is directly sourcing from leaf growers, it already deploys a range of grower support and other programs designed to raise the income and standards of living of its growers and eliminate the need for child labor. Where child labor cases are prevalent, formulating a child labor remediation plan can require a holistic, multi-stakeholder approach.

We require our suppliers and other business partners worldwide to respect child rights by adopting and maintaining internationally recognized labor standards regarding child labor. Those requirements are embedded in the JT Group Human Rights Policy, Agriculture Labor Practices (ALP) and JTI Business Partners Standards, which govern our relationship with our business partners. We will continue to use our leverage with suppliers, for example, through awareness raising and training where appropriate, as well as collaborating with industry players, farmers, communities, governments, and other stakeholders to progressively eliminate child labor by addressing its root causes.

In order to monitor the effectiveness of our interventions to tackle child labor, we define clear metrics and share our progress on how we are addressing child labor to drive continuous improvement. In our annual reporting process, we are committed to set out the actions we are undertaking to identify, prevent, mitigate, and remediate adverse impacts in our operations and supply chain.

¹ Article 1, Convention on The Rights of the Child (see UNICEF child-friendly version)