



JT INTERNATIONAL SA REPORT ON CHILD LABOR DUE DILIGENCE

19 June, 2026

We at JT International SA, Geneva, Switzerland ("JTI"), prepared the following report in accordance with the Swiss child labor due diligence and reporting obligations under Articles 964*j-k* of the Swiss Code of Obligations ("CO") and the Ordinance on Due Diligence and Transparency in Relation to Minerals and Metals from Conflict-Affected Areas and Child Labor ("DDTrO").

We do not attain the thresholds regarding conflict minerals imported or processed in Switzerland, as per Article 4 DDTrO. This report therefore pertains to child labor due diligence and is prepared on behalf of the Board of Directors of JTI in line with our longstanding commitment to human rights. It covers the period from January 1 to December 31, 2025.



1. JTI

We are a subsidiary of Japan Tobacco Inc., Japan, and a leading international tobacco and vaping company with flagship brands such as Winston, Mevius, Camel and LD. We were formed in 1999 when the JT Group acquired the non-US operations of R.J. Reynolds. Since then, our international workforce has grown to about 46,000 employees with over 120 nationalities in more than 70 countries.

We are headquartered in Geneva, Switzerland, and operate in Africa, the Americas, Asia, Europe, and the Middle East. We have 39 finished goods and tobacco-related factories and eight research and development centers worldwide. We source tobacco leaves from more than 34 countries.

2. JTI'S SUPPLY CHAIN POLICY

OUR COMMITMENT TO HUMAN RIGHTS AND THE ELIMINATION OF CHILD LABOR

Our commitment to human rights is formalized through our [Code of Conduct](#), the [JT Group Human Rights Policy](#) as well as our [JTI Human Rights Commitment](#), which follows the UN Guiding Principles on Business and Human Rights ("UNGP"). Our approach is based on a five-step continuous approach to respect human rights: Embed, Identify and Prioritize, Respond, Measure, and Report.

As part of our human rights policies, we are committed to respecting and supporting child rights in accordance with the UN Convention on the Rights of the Child, the UNGPs, the Organization for Economic Co-operation and Development ("OECD") Guidelines for Multinational Enterprises on Responsible Business Conduct ("OECD Guidelines for Multinational Enterprises") and the relevant International Labor Organization's ("ILO") Conventions such as Convention 138 on Minimum Age and Convention 182 on the Worst Forms of Child Labor.

OUR SUPPLY CHAIN POLICY AGAINST CHILD LABOR

We source half of our tobacco from directly contracted growers and the other half from leaf merchants. In 2025, we contracted 71,659 tobacco leaf growers in Bangladesh, Brazil, Ethiopia, Japan,

Malawi, Serbia, Tanzania, Turkey, the US, and Zambia.

We also partner with over 25,000 suppliers for non-tobacco materials, and other products and services.

Our vision is to eliminate child labor in our global operations and supply chains. In the [Child Labor Elimination Statement](#), our stance is clear: child labor is an unacceptable practice that has no place in our value chain. It is, however, a complex problem that requires a comprehensive and collaborative approach.

We believe that one way to achieve a long-lasting solution to child labor is through the integrated efforts and cooperation of multiple stakeholders. We engage with farmers and their families and work with them to find the right solutions.

Experience has taught us that the long-term solution to child labor is not simply to remove children from work, but to address the causes that allow child labor to exist, and to help ensure that children and their families have viable alternatives.

Our [Child Labor Elimination Statement](#) reiterates our commitment to respect and support child rights. We have clear GUIDING PRINCIPLES to this end which inform our decision-making process:

1. We embed human rights due diligence into our business operations to help identify, prevent, mitigate, and where appropriate remediate child labor following a five-step human rights due diligence cycle (see below).
2. We follow JTI's culture of Kaizen and cycle of continuous improvement to help suppliers improve progressively through constructive dialogue and improvement measures.
3. We take a child-centered approach and rightsholder perspective, trying to keep the best interests of the child at the center of decision-making.
4. We focus on prevention, designed to prevent children from entering child labor. Where we have caused or contributed to adverse impacts, we aim to provide or cooperate in remediation.
5. We focus on the broader issues via a community development and holistic approach that tackles root causes. We do not view child labor in isolation, everything is connected.



6. We cannot eliminate child labor on our own, as such we seek to collaborate and partner to help ensure a more strategic, impactful, and effective approach.
7. We leverage and strengthen existing JTI-wide initiatives.
8. We measure our impact and make our decisions based on impact assessment.
9. We take an area-based/landscape approach.
10. We are transparent on the steps we take, our challenges and successes. We communicate in a credible way.

To these ends, we have notably implemented the following operational tools and programs:

Leaf Supply Chain Due Diligence

Our Leaf Supply Chain Due Diligence (“**SCDD**”) process is based on a five-step framework: Identify, Prioritize, Respond, Measure, Communicate and Report on respect for human rights. Together with our Agricultural Labor Practices program (see below), the SCDD helps us identify and address issues on tobacco farms on a daily basis.

The SCDD is a continuous process spanning one crop season to another using various tools such as LifeCycle Assessments, Supply Chain Impact Assessments, and Self-Assessments under the Sustainable Tobacco Program umbrella (see below “How we address and minimize the risk of child labor”).

The SCDD process aims to follow the OECD and Food and Agriculture Organization Guidance for Responsible Agricultural Supply Chains, the OECD Guidelines for Multinational Enterprises, as well as rules and principles of the ILO Fundamental Conventions and the UNGPs.

Agricultural Labor Practices

Our Agricultural Labor Practices (“**ALP**”) are standards based on the ILO Fundamental Conventions and related recommendations. They consist of three pillars: Ending child labor, Respecting the rights of workers, and Driving workplace health and safety.

As part of our continuous improvement approach, the ALP program aims to allow us and our suppliers to identify potential labor challenges on tobacco farms and help improve labor practices. This is an integral part of the SCDD process and also contributes to the social aspects of grower

communities and supports sustainable agriculture overall.

Human rights due diligence process

More generally, we have designed a thorough human rights due diligence (“**HRDD**”) process. This process of prevention and continuous improvement is based on five pillars: Embed, Identify, Respond, Measure and Report on respect for human rights. In cases where child labor is identified in this context, we work with relevant partners to respond and remediate them as appropriate, addressing the root causes and keeping the best interests of the child at the center of decision-making.

Human rights due diligence in the non-tobacco materials, other products, and services and Reduced Risk Products

Non-tobacco materials include packaging, filters, and cigarette-related materials. We also have suppliers for factory machinery, spare parts, and logistics, including freight. We manage the sourcing of these centrally. Other products and services that flow through our supply chain include Reduced Risk Devices, marketing-related services, facility management, IT, and other professional services, which are sourced globally, regionally, and locally.

Non-tobacco suppliers are contractually obliged to comply with JTI Supplier Standards, which prohibit child labor and require compliance with the ILO Conventions 138 and 182, if local legislation does not impose more stringent requirements. Nontobacco suppliers are also subject to our Supplier ESG risk management process (see below “How we address and minimize the risk of child labor”).

CONTRACTUAL INTEGRATION OF JTI’S POLICIES

We typically require our suppliers and other business partners worldwide to respect child rights by adopting and maintaining internationally recognized labor standards on child labor. Those requirements are embedded in the JT Group Human Rights Policy, the ALP and JTI Supplier Standards, which are included into our contracts and communicated to our business partners. We regularly inform our suppliers about up-to-date information on the supply chain related policies and expectations; as an example, in 2025, all JTI leaf merchants were formally notified about the latest 2025 JTI Supplier Standards and required to comply with this new edition of the standards.



3. HOW WE ADDRESS AND MINIMIZE THE RISK OF CHILD LABOR

As set out above, our stance is clear: child labor is an unacceptable practice that has no place in our value chain. It, however, remains a reality in some parts of the world and as a consequence in any major multinationals' global operations and supply chains. To achieve our vision to eliminate child labor, we have thus established clear roles and responsibilities. Our Child Labor Elimination handbook addresses areas of JTI's own operations where child labor represents a risk. Its objective is to raise awareness about child labor and provide strategic guidance, while also outlining our practical and operational tools and programs.

Through the general SCDD, HRDD and ALP programs mentioned above and the more specific programs below, we assess and minimize child labor risks associated with both directly contracted farmers and leaf merchants. We investigate cases where child labor is identified and work independently and with relevant partners to respond and remediate them as appropriate, adopting prevention measures, addressing the root causes and keeping the best interests of the child at the center of decision-making. In turn, we monitor the effectiveness of our interventions and share our progress. The specific programs depend on whether we work with directly contracted farmers or leaf merchants. This allows us to have appropriate processes in place to address and mitigate the child labor risks faced by JTI in both cases.

In 2026, particular emphasis will be placed on expanding and strengthening response, and where appropriate remediation measures and associated follow-up on-site verifications.

DIRECTLY CONTRACTED FARMERS

We implement our due diligence process on the tobacco farms we work with. Agronomy Technicians visit growers several times a year. During these visits they provide technical advice on how to achieve the right quality and yield, but they also observe labor practices, with a focus on identifying child labor risks. If child labor, or an indication of the risk of child labor, is observed on a farm, the technician is required to immediately address this with the grower and ask for the activity to stop. He or she must also record the observation and follow up on the next visit. If child labor is seen as a systemic issue, we deploy specific improvement programs like ARISE. In case of severe abuse, we use the Prompt Action, and Extreme

Breach Procedure (see below "JTI Critical Issues Framework").

Alongside our efforts to identify and address child labor risks on farms, we also recognize that growers' economic stability plays a critical role in building resilient communities. Living income is therefore a key priority for our directly contracted growers—discussed further in the "Living Income" section later in this report.

ARISE program: In our tobacco growing communities, our flagship program **ARISE** – Achieving Reduction of Child Labor in Support of Education – has been implemented to tackle child labor since 2012. Initially developed by us, the ILO, and non-profit organization Winrock International, ARISE aims to end child labor in communities where we source tobacco leaves. Today, ARISE continues to drive positive change by implementing robust solutions to prevent and address the root causes of child labor.

Under the current ARISE governance and management model, representatives in the countries where we grow our tobacco leaves are responsible for managing local partnerships, assessing projects, and implementing local activities. Country representatives have full ownership of local ARISE programs, from design to implementation. This approach allows us to maximize efficiency, strengthen our relationship with growers, and harmonize the program with other relevant community projects.

Through ARISE, we educate children, families, farmers and communities about the need to end child labor. We listen to their concerns and help them understand the long-term benefits of educating children. We provide families with the chance to develop skills and find new ways to earn an income. We train farmers and communities so they can find new ways of working and change cultural beliefs that put children at risk. We provide schools with resources, teachers with training, and governments with information so they can create relevant laws and enforce them. Our activities align with national, regional and local government policies to improve regulatory frameworks in support of improving labor practices, specifically reducing and eliminating child labor.

ARISE regularly collaborates with Grower Support Programs, Good Agricultural Practices, Market Match and various projects. Such activities complement each other and strengthen relationships with local communities.

ARISE is implemented in several of the countries where we have directly contracted growers, including Brazil, Malawi, Tanzania, Zambia, and Bangladesh. We continuously strengthen our ARISE



program, including measuring the effectiveness of our KPIs. In 2024, we have updated and refined the ARISE KPIs to enhance accuracy, transparency, and robustness in tracking progress and supporting regulatory readiness. Our ARISE KPIs are set at output, outcome, and impact level to monitor progress. The updates also include clearer definitions, improved consistency in how progress is measured, and new means of verification to ensure more reliable reporting.

ARISE's approach to eliminating child labor is anchored in two complementary pillars: prevention and response. Prevention remains the core of the program, addressing root causes such as low awareness, limited access to schooling, economic pressures, and weak community protection systems. Through these area-based interventions, ARISE strengthens community capacity and reduces the likelihood of child labor.

In parallel, ARISE is formalizing and scaling its response work through a Global Child Labor Case Management System ("CLCMS"). In 2025, the Global CLCMS Framework and accompanying Guide were finalized to provide countries with structured, practical guidance on establishing, implementing, and monitoring the effectiveness of the system. The approach is designed to be adaptable, enabling each operating country to tailor implementation to its local social and cultural context.

The system ensures that identified cases receive timely and appropriate support, supported by clear identification processes, safe immediate actions, formal referral pathways, defined governance, and systematic documentation, and follow up. During 2026, we will be working on ongoing digitalization of case management tools to enhance transparency and comparability across countries.

Together, these prevention and response elements form ARISE's hybrid model, which aims to sustain long-term risk reduction to child labor while ensuring robust, accountable responses when cases occur. This integrated model strengthens alignment with international standards, reinforces due diligence expectations, and advances JTI's commitment to safeguarding children across tobacco sourcing communities.

The strength of the ARISE Program is best understood when looking at how it functions in practice—Tanzania offers a clear illustration of how the model translates into real change on the ground.

In Tanzania, the ARISE program addresses child labor through the dual approach of prevention and response.

By identifying at-risk families early and providing support before children enter the workforce, prevention seeks to protect thousands. Response aims to provide immediate and long-term solutions by removing children from harmful work, reintegrating them into education, and addressing underlying vulnerabilities like poverty and lack of access to schooling. Through the ARISE program, JTI Tanzania supports a community-centric ownership model that empowers local leaders to deliver both prevention and response in their own communities.

In Tanzania's Tabora region, local leaders – from school committees to village heads – are not just participants: they lead. They receive training and resources, and the solutions come from them. They identify children in labor, intervene early with at-risk families, and champion education as a path to a better future.

See the most recent stories on ARISE:

- [Empowering women, transforming communities | JTI in Bangladesh](#)
- [Protecting children's rights | JTI - Tanzania](#)
- [Thriving through education | JTI in Zambia](#)

We provide regular updates on our approach to child rights on our ARISE webpage, in our annual JT Integrated Annual Report and on our dedicated Human Rights section on our JTI website.

JTI Critical Issues Framework: JTI operates a farm visitation program across all origins where tobacco is sourced from directly contracted growers. The program is implemented by JTI's vertically integrated origins and incorporates ALP monitoring as an integral component.

In line with the SCDD cycle, any observation identified by an agronomy technician during a farm visit triggers the response phase. The nature of the response is determined by the type and severity of the observation.

In this regard, the updated JTI ALP standard has been published in 2025, including the Critical Issue Framework.

A Critical Issue is defined by JTI as any incident or circumstance that presents an immediate threat to life, liberty, or limb. Besides Extreme breaches procedure that has been in place for many years, this Framework includes Prompt Action Issues:

- A Prompt Action arises wherever there is an immediate or prolonged risk to life or limb of an individual or group, due to ignorance or malpractice by them or by others. An immediate action should be taken to ensure the person(s) at risk are made safe without delay.



- An Extreme Breach arises wherever there is a severe risk to life, liberty, or limb due to purposeful actions or exploitation by other(s). Follow-up requires caution, management support, and specialist expertise.

Forced labor and human trafficking are some of the most serious Extreme Breaches of ALP. JTI teams on the ground are expected to understand the variety of indicators (or “clues”) that signify potential forced labor or human trafficking, and to monitor them in a way that highlights where two or more indicators combine to point to a situation of potential forced labor and/or human trafficking. Extreme Breaches may also include hazardous work by children.

In 2025, our Agronomy technicians recorded their child labor related observations within our directly contracted farmers’ supply chain. Of these observations, there were 12 confirmed reports of Extreme Breaches relating to child labor. All 12 cases relating to Extreme Breaches were investigated. Specific actions have been taken to address each case, in addition to the prevention and mitigation measures already implemented under our general programs, and ARISE in particular (see above “Arise program”).

More information is available in the ALP Critical Issues Framework on page 32, Agricultural Labor Practices (“[ALP](#)”).

Living Income: Our materiality assessment and SCDD have identified living income for directly contracted growers as a key priority. Growers are at the heart of our supply chain. Supporting a living income goes beyond fair pay. It helps empower families, strengthen communities, and sustain the long-term resilience of our supply chain.

In 2025, we achieved full implementation of our Living Income Calculator across all direct tobacco leaf supply chain origins, meeting the target set in 2023. This milestone strengthened our understanding of growers’ economic conditions and enabled us to establish robust baselines across origins. Building on these insights, we developed our Living Income Strategic Framework (“[LISF](#)”) to guide action and drive measurable, continuous progress.

The LISF aligns with our vision, mission, and commitments—supporting our ambition to contribute to a better future in which growers can afford a decent standard of living. We recognize that progress toward living income is not linear and that growers’ circumstances vary widely across regions, farm sizes, and socio-economic contexts.

The LISF is therefore data-informed, adaptive, and grounded in local realities.

Using the Living Income Calculator and baseline assessments, we assess potential living income gaps across our direct supply chain each year. These insights help us understand the drivers affecting growers’ livelihoods and prioritize support where it is needed most. Rather than applying one-size-fits-all solutions, we tailor grower support programs to the gaps identified, ensuring actions are relevant, respectful, and responsive to growers’ needs and aspirations.

LEAF MERCHANTS

The SCDD, HRDD and ALP programs also apply to sourcing from leaf merchants. In 2025, the overwhelming majority of our leaf merchants reported on ALP. Progress reports, including observations, suggestions for improvement and key challenges, are received and feedback provided annually. In addition, JTI discusses ESG targets, future strategies and challenges in annual global meetings held with key leaf merchants. JTI third party leaf merchants are also engaged via targeted workshops, trainings and webinars organized based on selected priorities.

Using a concrete example of ALP, JTI leaf merchants are expected to determine which issues they consider Prompt Action Issues, and which they consider Extreme Breaches, and to have dedicated response procedures in place for both.

We also expect leaf merchants to implement a management process setting out how they will respond to prompt action issues and to extreme breaches. These processes must incorporate three elements: protection for the victim and rapporteur (the person who reports potential breaches), a clear escalation route, timeline, and mitigation plan, and access to specialist support for those involved.

In this context, we also work collaboratively alongside other major tobacco companies, suppliers, the International Tobacco Growers’ Association and the [ILO](#) as part of the [Eliminating Child Labor in Tobacco-Growing \(“ECLT”\) Foundation](#). The ECLT Foundation is an independent Swiss not-for profit organization whose mission is to promote the elimination of child labor in agricultural communities, including in the tobacco-growing sector. Multi-stakeholder initiatives (“[MSIs](#)”) such as the ECLT are essential to bringing together governments, companies, and civil society to collaboratively eliminate child labor in agriculture, including in tobacco growing. By combining voluntary measures with mandatory



policies, MSIs drive the transformative action needed to end child labor.

The ECLT Foundation works to catalyze the power of States, business and communities in collective action to eliminate all forms of child labor in agriculture. The ECLT Foundation engages with States because gaps in governance, such as lack of quality education and inadequate social protection are often central causes of child labor. Effective engagement and collaboration with the State is essential for our efforts to make a positive difference in the fight against child labor. The second pillar of the ECLT Foundation's work involves supporting business to eliminate child labor. It supports JTI and its other member companies in terms of skills transfer, scaling up of action and projects like the roll out of child labor case management systems. Finally, the ECLT Foundation works at community level: promoting education, encouraging savings, and piloting new approaches to improve farmer incomes and livelihoods.

A strong example of ECLT Foundation's successful work in 2025 comes from Mozambique and Tanzania where the Foundation delivered technical assistance and support to the two governments to carry out tripartite review and update of their national lists of hazardous work for children. These lists, mandated under ILO Convention 182 on the Worst Forms of Child Labor, define the specific tasks across economic sectors, including tobacco, that are prohibited for children because they pose risks to health, safety, or moral development. Periodic review is not optional; it is a binding obligation for ratifying States. Results from this work include:

- Two national lists of hazardous tasks reviewed and updated (Mozambique and Tanzania)
- Full tripartite consultation processes facilitated in both countries
- Multi-stakeholder engagement convened, including: government ministries, workers' and employers' organizations, private sector actors, international organizations and civil society representatives, and
- Revised hazardous task lists finalized and currently in final stages of governmental approval.

By embedding child participation and tripartite dialogue into legally mandated review processes, the ECLT Foundation ensured that the revised lists reflect current agricultural practices and emerging risks. Once enacted, these updated instruments will directly influence labor inspection, enforcement priorities, corporate due diligence processes, and

remediation strategies at national and field levels. This work demonstrates the ECLT Foundation's comparative advantage: leveraging technical assistance and support investments to catalyze durable, system-wide legal reform in high-risk agricultural contexts.

Another example comes from Indonesia. Throughout 2025, ECLT Foundation supported Partnership for Action Against Child Labour in Agriculture ("PAACLA"), a multi-stakeholder partnership formed by the ECLT Foundation in 2018 to promote collective action against child labor in the agricultural sector in the country. JTI's subsidiary in Indonesia is an active member of PAACLA.

In the period under review, the ECLT Foundation supported PAACLA and provided technical assistance to the Ministry of National Development Planning (BAPPENAS), the Ministry of Manpower and Ministry of Human Rights, stakeholders across different agricultural sub-sectors (such as the palm oil, tobacco, cocoa), as well as international organizations and civil society partners (including ILO, UNICEF and Save the Children) to develop and adopt a minimum child labor standard for the agricultural sector. Based on the ILO Fundamental conventions, the "Labor Practices for Tackling Child Labor: Guidelines for Companies and Supply Chains in the Agricultural Sector" establishes minimum expectations for all farms and supply chain actors, including to uphold principles such as freedom of association and the right to collective bargaining, non-discrimination in respect of employment and occupation or, most critically, zero tolerance to all forms of child labor.

The achievements of the 2025 initiative advanced a cross-sector standard applicable to the broader agricultural economy, thereby significantly expanding the reach and sustainability of child labor prevention efforts. This work demonstrates the ECLT Foundation's catalytic role: leveraging a multi-stakeholder platform to translate international labor standards into nationally owned, cross-commodity implementation tools.

The Sustainable Tobacco Program: To help ensure a streamlined and consistent approach, we continuously map synergies between our SCDD process and the ALP program with the Sustainable Tobacco Program ("STP"), an industry-wide platform enabling businesses to collaborate on human rights (including child labor when dealing with third-party suppliers e.g. leaf merchants), environmental issues, and other sustainability challenges, and to drive sustainable agriculture through a continuous improvement process.

Leaf merchants are expected to submit annual reports in relation to human and labor rights and



wider due diligence progress, in the SCDD report and industry wide STP self-assessments questionnaires.

Depending on the risks and priorities, we (individually or with other STP member companies) conduct in-depth assessments on the ground versus key ESG priorities and suppliers are required to implement action plans to prevent and mitigate the effects of child labor based on the findings. Progress vs action plans is periodically updated by leaf merchants and submitted to STP.

In last year's report, we addressed a specific instance of child labor discovered on a leaf merchant's tobacco farm after an STP in-depth assessment, describing the process followed. We had then notified the responsible party of our findings, emphasizing the need to adhere to internationally recognized human rights standards including prohibitions on child labor. The leaf merchant had initiated and established corrective actions by preparing and sharing with us and the STP Secretariat, a formal action plan, detailing steps including campaign programs to eliminate and prevent the use of child labor in their operations. Specific care had been put into consideration to avoid negative impacts of corrective actions on rights holders. Throughout 2025, we continued constructive dialogue with the leaf merchant concerned. The dialogue included sharing of their policies, regular action plan updates and evidence focusing, amongst other priorities, on full compliance with zero tolerance for child labor. The leaf merchant has also established a website where they communicate their social and environmental commitments to broader public.

We continue working individually and via STP with the supplier on this subject matter. Follow-up field assessment via independent assessors is scheduled for 2026 to ensure the continued effectiveness of their measures.

SUPPLIER CERTIFICATION

Supplier certification is a key part of our supply chain management with both directly contracted farmers and leaf merchants, as it helps ensure we know who we are working with. Our suppliers' risk management and procurement system center, ATAI, covers both supplier information management and supplier screening.

NON-TOBACCO MATERIALS, OTHER PRODUCTS, AND SERVICES AND REDUCED RISK PRODUCTS

Non-tobacco suppliers are subject to our supplier screening process. Through this process we aim to ensure that we apply enhanced due diligence.

Before entering 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 gaps versus our standards. In particular, it highlights potential risks relating to compliance, human rights, including child labor, environment, and health and safety. If risks are identified through this process, we offer support and collaboration on how to mitigate the risks and make necessary improvements. Our key suppliers are actively continuously monitored for change of risk over time.

When selecting global indirect suppliers, we also consider their ESG performance as part of their scorecard. We review our procurement practices through annual reviews of strategic/critical suppliers for risk and ESG impact, with improvement plans being implemented where remediation is required.

In 2023, building on the efforts made to reach the supplier screening target which aimed to screen all key suppliers against ESG criteria, we have strengthened our ESG risk management process for non-tobacco materials, other products, and services. The objective is to ensure business continuity by managing ESG risks for all our critical suppliers. In 2025, we continued to evaluate the sustainability performance of the suppliers in scope using a global leading sustainability rating platform which provides an assessment based on four main criteria: environment, labor and human rights, ethics and sustainable procurement. The child labor risk is evaluated in the labor and human rights criteria, which involves the review of existing policies and actions, including those addressing vulnerable populations such as temporary and migrant workers. We review the results of this monitoring, and take follow-up actions, including on-site audits, when required, and document the entire process.

The devices in our Reduced Risk Products portfolio belong to the electronics industry which is known for its multiple and complex challenges, ranging from unpredictable economic changes and supply chain disruptions to lack of transparency and various labor and environmental risks. To best address those risks, we have become a member of the [Responsible Business Alliance](#) ("RBA"), the world's largest industry coalition dedicated to responsible business conduct in global supply



chains. We commit to the [RBA Code of Conduct](#) which prohibits child labor throughout the manufacturing process. We leverage the standards and tools developed by RBA, in particular the [Validated Assessment Program](#) (“VAP”) as the industry’s recognized tool for onsite verification and effective independent third-party audits. Further to the requirements set in our Supplier Standards, we require all our suppliers manufacturing our devices to undergo audits under VAP and put in place a corrective action plan to address the identified non-conformances. The most recent audits at our suppliers’ sites in 2025 have not identified non-conformances pertaining to child labor.

4. SUPPLY CHAIN TRACEABILITY

As outlined above, we procure approximately half of our planned tobacco leaf requirements through direct contracts with growers and the remaining half from third-party leaf merchants.

Our direct contracting model provides a high level of traceability and verifiable provenance, as it establishes a direct relationship with growers and enables structured oversight of agricultural, social, and environmental practices. This approach allows us to monitor sourcing conditions closely and to maintain clear visibility over the origin of the tobacco leaf at farm level. In 2025, we worked with more than 70,000 directly contracted tobacco leaf growers across Bangladesh, Brazil, Ethiopia, Japan, Malawi, Serbia, Tanzania, Türkiye, the United States, and Zambia.

In addition to direct sourcing, third-party leaf merchants represent a key component of our supply chain. We prioritize working with merchants that operate transparent and efficient supply chains. In the vast majority of cases, our leaf merchants source tobacco leaf directly from contracted growers, meaning that a direct contractual relationship exists between the merchant and the grower. This structure enhances transparency and accountability and supports clear traceability of the leaf’s origin, including its environmental and social footprint. Growers engaged by leaf merchants also typically receive guidance on crop management and good labor practices (see also above “How we address and minimize the risk of child labor”).

As part of our Sustainable Sourcing Framework, we apply a five-step due diligence process—embed, identify and prioritize, respond, measure, and report—across both directly contracted growers and third-party suppliers. This structured process is integrated into our supply chain management and traceability approach, enabling efficient monitoring of sourcing practices, risk identification, and

continuous improvement throughout the tobacco leaf supply chain.

Furthermore, our Leaf Supply Agreements with third-party merchants incorporate JTI CPA Standards, JTI Leaf Integrity Standards, and explicit traceability clauses. These contractual provisions require merchants to ensure traceability within their supply chains and aim to enable us to trace the origin of green tobacco leaf back to the farm level, with a view to demonstrating verifiable provenance and strengthening the integrity and reliability of our sourcing practices.

In 2026, we plan to further increase supply chain transparency and further develop traceability.

5. GRIEVANCE MECHANISM

[Your Voice](#) is JTI’s main mechanism for reporting concerns, which was again upgraded in 2024. Your Voice is accessible 24/7 worldwide, either via a secure [portal](#) run by an independent provider, in more than 75 languages with a computer or phone, or via the dedicated email address onebehaviour@jti.com.

Your Voice is available to employees, former employees, third-party suppliers and anyone raising a concern of potential breach of [JTI Code of Conduct](#), JTI Operating Guidelines, JTI Policies & Procedures or applicable laws in connection with JTI business. Every reported concern is assessed and treated confidentially. All substantiated instances of misconduct are addressed appropriately, and retaliation against anyone reporting a concern is not tolerated.

For the communities in our directly contracted supply chain, we are also putting in place a grower centric operational-level grievance mechanism that will be available in ten countries by 2027.