

JT Group Supplier Standards

Introduction

The JT Group aims to achieve high standards of integrity across its business operations and its supply chain. The cooperation of the JT Group suppliers is indispensable for that purpose.

These Standards define the requirements for suppliers providing goods and services^{※1} to the JT Group^{※2}. We require suppliers to comply with these Standards and to also ensure that their suppliers involved in providing goods and services to the JT Group comply with these Standards.

We expect suppliers to have policies, communications, due diligence processes and control systems to implement these Standards within their business operations and supply chains.

In case of conflict between these Standards and local legislation, the local legislation will prevail.

※1 Goods and services include software, technology and data

※2 Tobacco leaf growers are subject to the "JT Group Principles in Leaf Tobacco Production"

1. Compliance with laws and regulations

1.1. Suppliers shall comply with all applicable laws and regulations.

2. Anti-bribery and corruption

2.1. The JT Group will not tolerate any form of bribery or corruption in any of its business activities. The JT Group expects suppliers to comply fully with this position as a condition of doing business with the JT Group.

2.2. Suppliers shall not offer or accept any form of bribe (i.e. anything of value given to a person in return for a business advantage or to reward or induce improper performance by that person) or engage in any other activity which may constitute a breach of any anti-bribery and corruption laws applicable to suppliers or the JT Group.

2.3. Exchange of excessive gifts, hospitality or entertainment could be considered a form of bribery if offered to gain or retain a business advantage.

Suppliers shall not offer or accept any gifts, hospitality or entertainment on behalf of the JT Group without the JT Group's prior written approval.

3. Conflicts of interest

3.1. Suppliers shall avoid dealing with the JT Group employees who have an actual or perceived conflict of interest, i.e. when the JT Group employees' personal interests or activities in relation to the supplier could interfere with their responsibilities as a the JT Group employee.

3.2. Suppliers shall promptly disclose to the JT Group any situation that is or may be perceived to be a conflict of interest, involving the JT Group employees.

4. Economic sanctions and export controls

4.1. Suppliers shall comply with all applicable economic sanctions and export controls.

4.2. Suppliers are responsible for obtaining export licenses and authorizations required by applicable laws and regulations for supplying goods and services to the JT Group.

5. Fighting illegal trade

5.1. The JT Group works to prevent all forms of illegal trade in tobacco products and expects suppliers to safeguard their business operations and supply chains against association with any form of illegal trade.

6. Responsible marketing

6.1. Suppliers retained to conduct market research, marketing or promotional activities on tobacco products shall comply with the marketing standards applicable to the JT Group.

7. Human rights and labor standards

7.1. Suppliers shall respect human rights by adopting and maintaining standards of labor practices and working conditions that comply with all applicable local legislations and international conventions.

7.2. Suppliers are expected to follow the spirit and intent of the following requirements to ensure respect for human rights:

- a) Slavery, servitude and using forced or compulsory labor in all its forms is prohibited.
- b) Human trafficking and exploitation are prohibited.
- c) Child labor is prohibited. Suppliers must comply with the applicable national minimum age of employment.
- d) Suppliers shall provide fair treatment and equal opportunities in terms of recruitment, compensation, access to training, promotion, termination or retirement for all employees.
- e) Workers must not be subject to any physical, verbal, sexual or psychological harassment or abuse.
- f) Suppliers shall ensure that working hours and remuneration comply with applicable local legislation.
- g) Suppliers shall grant their employees the right to freedom of association and collective bargaining.

8. Environment, health & safety

8.1. Suppliers shall ensure safe and healthy working conditions for their employees, suppliers and visitors.

8.2. Suppliers shall have in place policies and management systems that ensure environmental, health and safety hazards and risks are identified and assessed, and either eliminated or appropriately managed.

8.3. Suppliers shall seek to optimize the use of resources, materials and utilities and minimize waste, wastewater and air emissions.

9. Compliance review

9.1. The JT Group reserves the right to periodically review suppliers' compliance with these Standards. This may be carried out by the JT Group employees or third parties appointed by the JT Group.

9.2. Suppliers shall grant the JT Group or a third party appointed by the JT Group, upon reasonable notice, access to their premises, employees and relevant documentation to enable an effective review to take place.

9.3. Where shortfalls are identified, suppliers shall cooperate with the JT Group to agree on and implement timely and appropriate corrective action.

10. Reporting concerns

10.1. The JT Group expects its suppliers to report to the JT Group any concern in relation to compliance with these Standards or a situation or incident which may affect suppliers' compliance with these Standards, so that any issues can be promptly identified, assessed and addressed.

10.2. Concerns or other matters can be raised with suppliers' account managers at the JT Group, or addressed in confidence to JT Compliance Office via online reporting form accessible at the following URL:

Reporting concerns:

https://www.jtnet.ad.jp/cgi-bin/global/inquiries/reporting_concerns/input.cgi