



JTI Supplier Standards

Revised August 2016

Introduction

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

These Standards define the requirements for suppliers providing goods and services¹ to JTI². We require suppliers to comply with these Standards and to also ensure that their suppliers involved in providing goods and services¹ to JTI 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 excluded as they are subject to the JTI Agricultural Labor Practices requirements

1. Compliance with laws and regulations

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

2. Anti-bribery and corruption

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

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 JTI.

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 JTI without JTI's prior written approval.

3. Conflicts of interest

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

3.2. Suppliers shall promptly disclose to JTI any situation that is or may be perceived to be a conflict of interest, involving JTI employees, at onebehavior@jti.com.

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 services¹ to JTI.

5. Fighting illegal trade

5.1. JTI 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 JTI's Global Marketing Standard.

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

9.2. Suppliers shall grant JTI or a third party appointed by JTI, 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 JTI to agree on and implement timely and appropriate corrective action.

10. Reporting concerns

10.1. JTI expects its suppliers to report to JTI 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 JTI, or addressed in confidence to JTI's Compliance department at onebehavior@jti.com.

10.3. Alternatively, suppliers may contact JTI's Chief Compliance Officer via the following details:

Tel: +41 22 703 07 77
Case Postale 1656
1 Mont Blanc
1211 Geneva
Switzerland

