

INDEPENDENT ASSURANCE REPORT



To: The Stakeholders of JT International S.A.

1. Introduction and Objectives of Work

Bureau Veritas UK Ltd (Bureau Veritas) has been engaged by JT International S.A. (JTI) to provide limited assurance over selected sustainability related indicators to be reported for the fiscal year 2023 in the JT Group annual Integrated Report 2023 ('the 'Report'), the JTI website, the JT Global site, and other external disclosures. The objective is to provide assurance to JTI and its stakeholders over the accuracy and reliability of the reported information and data.

2. Scope of Work

The scope of our work was limited to assurance over the following information included within the Report for the period 1 January 2023 to 31 December 2023 (the 'Selected Information'):

Sustainability

- Improving recyclability (product packaging)
 - Total weight of packaging (tonnes)
 - Weight of reusable and /or recyclable packaging (tonnes)
 - % of reusable and/or recyclable packaging (%)
- Recycled content (product packaging)
 - Total weight of recycled materials in packaging (tonnes)
 - % of recycled content in packaging (%)
- Community Investment
 - Total yearly donations to Community projects (including cash, in-kind and management costs) (USD)
 - Number of volunteering hours (Hours)
- Procurement: Supplier Screening
 - Number of key suppliers screened against Environmental, Social, and Governance (ESG) criteria (Count)
 - Number of key suppliers (Count)
 - % of key suppliers screened against ESG criteria (%)
- Agriculture Labor Practices (ALP)
 - % supplier entities reporting (%)
 - % volumes covered by ALP (%)
 - % of directly contracted growers covered by ALP (%)
 - % of third-party growers covered by ALP (excl. China and India) (%)
- Health and Safety
 - Recordable Injury Rate per 200,000 hours worked (Rate)
 - Road-related Recordable Injury Rate per 1 million km driven (Rate)

Environment

- Energy
 - Total energy consumption (MJ)
 - Total electricity usage (MJ)
 - Renewable electricity usage (MJ)
 - Proportion of renewable electricity (%)
- GHG Emissions (tCO₂e)
 - Scope 1 emissions (CO₂ and Fluorocarbons: CFCs, HCFCs and HFCs)
 - Scope 2 emissions (market-based)
 - Scope 3 Category 1: Purchased goods and services (GHG emissions from tobacco leaf, tobacco sheet and non-tobacco material purchased by JTI)
- Water (m³)

- Total water withdrawal
- Total wastewater discharged
- Waste (tonnes)
 - Total waste generated
 - Recycled including waste composted
 - Waste incinerated with heat recovery
 - Waste incinerated without heat recovery
 - Waste landfilled

3. Reporting Criteria

The Selected Information needs to be read and understood together with the Basis of Reporting as set out in the Report and the Website [here](#).

4. Limitations and Exclusions

Excluded from the scope of our work is assurance of information relating to:

- Activities outside the defined assurance period;
- Positional statements of a descriptive or interpretative nature, or of opinion, belief, aspiration, or commitment to undertake future actions; and
- Other information included in the Report other than the Selected Information.

The following limitations should be noted:

- This limited assurance engagement relies on a risk based selected sample of sustainability data and the associated limitations that this entails.
- The reliability of the reported data is dependent on the accuracy of metering and other production measurement arrangements employed at site level, not addressed as part of this assurance
- This independent statement should not be relied upon to detect all errors, omissions or misstatements that may exist.

5. Responsibilities

This preparation and presentation of the Selected Information in the Report are the sole responsibility of the management of JTI.

Bureau Veritas was not involved in the drafting of the Report or of the Reporting Criteria. Our responsibilities were to:

- Obtain limited assurance about whether the Selected Information has been prepared in accordance with the Reporting Criteria;
- form an independent conclusion based on the assurance procedures performed and evidence obtained; and
- report our conclusions to the Directors of JTI.

6. Assessment Standard

We performed our work to a limited level of assurance in accordance with International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements Other than Audits or Reviews of Historical Financial Information (effective for assurance reports dated on or after December 15, 2015), issued by the International Auditing and Assurance Standards Board.

7. Summary of Work Performed

As part of our independent assurance, our work included:

1. Conducting interviews with relevant personnel of JTI;
2. Reviewing the data collection and consolidation processes used to compile Selected Information, including assessing assumptions made, and the data scope and reporting boundaries;
3. Reviewing documentary evidence provided by JTI;
4. Agreeing a selection of the Selected Information to the corresponding source documentation;
5. Reviewing JTI systems for quantitative data aggregation and analysis;
6. Assessing the disclosure and presentation of the Selected Information to ensure consistency with assured information;
7. Conducting 3 remote site visits, selected on a risk-based approach to the following markets: Ethiopia, GSC Leaf Bangladesh, GSC Manufacturing Bangladesh and conducting 2 physical visits to the Turkish Market, and GSC Manufacturing Torbali.
8. Confirmation of accuracy of information with third parties and/or external stakeholders;
9. Reperforming a selection of aggregation calculations of the Selected Information;
10. Reperforming greenhouse gas emissions conversions calculations;
11. Comparing the Selected Information to the prior year amounts taking into consideration changes in business activities, acquisitions, and disposals;
12. Evaluating the design of internal systems, processes, and controls to collect and report the Selected Information;
13. Reviewing the current sustainability issues that could affect JTI and are of interest to stakeholders;
14. Reviewing JTI's overall approach to stakeholder engagement;

A 5% materiality threshold was applied to this assurance. It should be noted that the procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

8. Conclusion

On the basis of our methodology and the activities and limitations described above nothing has come to our attention to indicate that the Selected Information is not fairly stated in all material respects.

The list of KPIs assured is as follows:

Category	Indicators	UoM	2023 data
ENERGY	Total energy consumption	MJ	6,756,720,061
	Total electricity usage	MJ	2,635,411,500
	Total renewable electricity usage	MJ	860,433,445
	Proportion of renewable electricity	%	32.65
GHG	Scope 1* <i>*limited to CO₂ and Fluorocarbons (CFCs, HCFCs and HFCs)</i>	tCO ₂ e	262,248
	Scope 2	tCO ₂ e	133,962
	Total (Scope 1 + 2)	tCO ₂ e	396,210

	Scope 3 Category 1 <i>Tobacco leaf purchased from direct leaf supply: 2023 crop year</i> - <i>Tobacco leaf purchased from third party: 01/01/2023 through 31/12/2023</i> - <i>Other materials related to tobacco business 01/01/2023 through 31/12/2023</i>	tCO ₂ e	5,764,825
WATER	Water withdrawal	m ³	2,854,508
	Wastewater discharged	m ³	1,844,106
WASTE	Total waste generated	Tonnes	72,706
	Waste recycled (including composting, but excluding waste incinerated with heat recovery)	Tonnes	53,393
	Waste incinerated with heat recovery	Tonnes	7,471
	Waste incinerated without heat recovery	Tonnes	835
	Waste landfilled	Tonnes	11,007
BENCHMARK	Vehicles kilometres driven	km	322,327,935
REUSABLE/RECYCLED PACKAGING	Total weight of packaging	Tonnes	179,728
	Weight of reusable and/or recyclable packaging	Tonnes	157,477
	% of reusable and/or recyclable packaging	%	88
RECYCLED CONTENT	Weight of recycled materials in packaging	Tonnes	33,928
	% of recycled content in packaging	%	19
HEALTH & SAFETY	Recordable injuries Employees	Number	182
	Recordable injuries Supervised Workers	Number	12
	Recordable injuries Total	Number	194
	Recordable Injury Rate (per 200,000 hours worked)	Rate	0.34
	Road-related Recordable Injuries	Number	34
	Road-related Recordable Injury Rate per 1 million km driven	Rate	0.11
	Number of fatalities (Employees)	Number	0
	Number of fatalities (Supervised Workers)	Number	0
	Number of fatalities (Contractors)	Number	0
	Number of fatalities (Members of the public)	Number	3
	Total Number of fatalities	Number	3
	Number of Lost Time Injuries (LTIs) Employees	Number	90
	Number of Lost Time Injuries (LTIs) Supervised Workers	Number	8
	Total number of Lost Time Injuries (LTIs)	Number	98
	Lost Time Injury Frequency Rate (LTIFR) Employees (per 1,000,000 hours worked)	Rate	1.01

	Lost Time Injury Frequency Rate (LTIFR) Supervised Workers (per 1,000,000 hours worked)	Rate	0.30
	Lost Time Injury Rate (LTIR) Employees (per 200,000 hours worked)	Rate	0.20
	Lost Time Injury Rate (LTIR) Supervised Workers (per 200,000 hours worked)	Rate	0.06
	Number of Occupational Illnesses Employees	Number	3
	Number of Occupational Illnesses Supervised Workers	Number	0
	Total number of Occupational Illnesses	Number	3
	Occupational Illness Rate Employees (per 1,000,000 hours worked)	Rate	0.03
	Occupational Illness Rate Supervised Workers (per 1,000,000 hours worked)	Rate	-
	Hours Worked (Presence Hours) Employees	Hours	89,099,144
	Hours Worked (Presence Hours) Supervised Workers	Hours	26,358,100
	Hours Worked (Presence Hours) Total	Hours	115,457,244
AGRICULTURAL LABOR PRACTICES (ALP)	% supplier entities reporting	%	98.57
	% volume covered by ALP	%	89.10
	% of directly contracted growers covered by ALP	%	100
	% of third-party growers covered by ALP (excl. China and India)	%	99.99
PROCUREMENT	Number of key suppliers screened against ESG criteria	Count	5,454
	Number of key suppliers	Count	5,454
	% of key suppliers screened against ESG criteria	%	100
COMMUNITY INVESTMENT	Investment in our communities	USD	42,378,469
	Employee volunteering hours (working hours)	Hours	21,768

9. Statement of Independence, Integrity, and Competence

Bureau Veritas is an independent professional services company that specialises in quality, environmental, health, safety, and social accountability with over 190 years history. Its assurance team has extensive experience in conducting verification over environmental, social, ethical and health and safety information, systems, and processes.

Bureau Veritas operates a certified¹ Quality Management System which complies with the requirements of ISO 9001:2015, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, quality reviews and applicable legal and regulatory requirements which we consider to be equivalent to ISQM 1 & 2².

¹ Certificate available on request

² International Standard on Quality Management 1 (Previously International Standard on Quality Control 1) & International Standard on Quality Management 2

Bureau Veritas has implemented and applies a Code of Ethics, which meets the requirements of the International Federation of Inspections Agencies (IFIA)³, across the business to ensure that its employees maintain integrity, objectivity, professional competence and due care, confidentiality, professional behaviour, and high ethical standards in their day-to-day business activities. We consider this to be equivalent to the requirements of the IESBA code⁴. The assurance team for this work does not have any involvement in any other Bureau Veritas projects with JTI.



Bureau Veritas UK Ltd

Registered in England & Wales, Company Number: 1758622

Registered Office: Suite 206 Fort Dunlop, Fort Parkway, Birmingham, B24 9FD

London, 20th May 2024

³ International Federation of Inspection Agencies – Compliance Code – Third Edition

⁴ Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants