



## **Hail & Cotton Global Human Rights Policy**

This policy sets out the commitments of Hail & Cotton, Inc., & Subsidiaries (H&C) in respect of human rights and the related expectations from our employees and supply chain. To fulfill our company purpose to be an 'ethical, reliable, and personable supplier of all types of leaf tobacco and value-added products,' respecting and promoting human rights is essential to how we conduct business.

Driven by our shared values of integrity, mutual respect, and dedication across the communities in which we operate, we are committed to taking a people-centered approach to addressing identified human rights impacts and improving our practices through continuous dialogue with affected rightsholders and stakeholders.

At H&C, we respect all internationally recognized human rights, as contained in the International Bill of Human Rights. Our approach to addressing human rights impacts is aligned with the principles contained in the United Nations Guiding Principles (UNGPs), OECD Guidelines for Responsible Business Conduct (OECD Guidelines,) and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and applicable national legislation.

We understand that there is the potential for human rights impacts within our operations and supply chain. As a result, we are actively committed to addressing these concerns by integrating respect for human rights into our business practices. We are collaborating with multiple stakeholders to ensure comprehensive efforts in this regard.

### **Scope and Application**

This policy applies to H&C, its employees, workers, and direct suppliers. All individuals within this scope are obliged to comply with and adhere to the standards of this policy.

The principles contained in this policy are reflected in other agreements, including our Hail & Cotton Agricultural Labor Practices Code (ALP Code) which applies to growers. Suppliers are encouraged to cascade the requirements within their supply chain.

We comply with the laws and regulations of the jurisdictions in which we operate. Where local law conflicts with this policy, the highest standard shall apply.

### **Key Terms**

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| Hail & Cotton Inc. and Subsidiaries (H&C) | Hail & Cotton Inc. and all subsidiaries (wholly or partly owned) within the global group structure.  |
| Employees                                 | An individual working under an employment contract for H&C whether permanent, fixed term, or temporary.  |
| Workers                                   | An individual working under an agreement, other than an employment contract. This includes agency staff, consultants, contractors, and agents. |
| Growers                                   | An individual who grows tobacco as an economic crop for H&C, either under a contract or as an independent farmer.                              |
| Direct suppliers (suppliers)              | Any individual or organization that provides goods, products, or services directly to H&C, without going through an intermediary.              |

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| Field technicians | H&C employees who provide growers with technical assistance and support with labor, environmental, and agronomic practices. |
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**Policy Provisions**

H&C is committed to respecting all internationally recognized human rights. Our approach focuses on the human rights issues that we consider most relevant to our business. These issues (in alphabetical order) are:

**Anti-Discrimination and Harassment:**

H&C supports the principles of equal opportunities in employment and service delivery and opposes all forms of unlawful or unfair discrimination and harassment.

Terms and conditions of employment should be solely based on the individual’s skills and abilities to perform the job.

We treat everyone equally and with the same attention, courtesy, and respect regardless of age, disability, gender identity or expression, ethnic or national origin, marital or civil status, race, religion, sexual orientation, or any other characteristics protected by law.

**Child Labor:**

As set out in our Global Child Labor Policy, we are committed to supporting the elimination of child labor. As defined by Article 3 of the ILO Worst Forms of Child Labour Convention (No. 182), child labor is: *“work by children under the age of 12; work by children under the age of 15 that prevents school attendance; and work by children under the age of 18 that is hazardous to the physical or mental health of the child.”*

The ILO Minimum Age Convention (No. 138) sets a general minimum age of 15 for employment to ensure the well-being of the child.

H&C is committed to and complies with ILO Conventions No. 138 and No. 182 and does not engage in or support the employment of persons under the age of 18 for hazardous work.

**Data Security and Privacy:**

Personal data must and will only be held for legitimate business purposes. All information must be handled responsibly in line with applicable legislation.

**Diversity, Equality, and Inclusion:**

H&C fosters a diverse, inclusive, transparent, and open work environment where employees are respected and feel engaged and empowered. We strive to ensure that everyone has equal access, opportunity, and representation in the workplace, irrespective of their identity, background, or beliefs.

We are committed to ensuring accessibility in the workplace according to legislative requirements and making reasonable adjustments for employees and job applicants.

We expect our suppliers to create a diverse and inclusive work environment and embed fair and equal employment practices in their operations.

**Forced Labor, Modern Slavery and Human Trafficking:**

We support the eradication of all forms of modern slavery. Modern slavery is a term used to encompass slavery, servitude, forced and compulsory labor, and human trafficking.

As defined by Article 2(1) of the ILO Forced Labour Convention (No. 29), forced or compulsory labor is: *“all work or service which is exacted from any person under the threat of a penalty and for which the person has not offered himself or herself voluntarily.”*

H&C does not tolerate the use of exploitation, for personal or commercial gain, in any form.

**Freedom of Association and Collective Bargaining:**

We are committed to endorsing the right of employees to join, form, or not to join a labor union, without fear of reprisal, and to bargaining in good faith with their representatives where employees are represented.

Where legally applicable, works councils are established and appropriately consulted with.

Employees should feel free to openly communicate and express ideas and concerns regarding working conditions, wages, and benefits without fear of retaliation, intimidation, or any form of harassment. They should also be able to choose representatives to advocate on their behalf.

**Health and Safety:**

We are committed to protecting and promoting the health and safety of our employees and non-company personnel on company premises. To fulfill this commitment, we have established procedures and seek to continually review and maintain them to ensure that high standards are upheld.

**Humane Treatment:**

We prohibit all forms of harsh or inhumane treatment. We are committed to fostering a culture in which unreasonable, offensive, and intimidating behaviors are understood by all to be unacceptable to ensure that everyone is always treated with dignity and respect.

H&C prohibits all forms of unwelcome behavior. This is not limited to physical acts and may include verbal and non-verbal communication and gestures.

**Land Rights:**

We are committed to respecting the rights of all communities involved in, or impacted by, our business activities. We aim to ensure that we do not cause adverse impacts on the rights of local or Indigenous communities and instead contribute to the sustainable development of these communities.

**Wages and Benefits:**

We are committed to paying employees and workers a fair wage per national minimum wage laws and legally mandated benefits.

Employees are provided with clear, written, and understandable information on wages before they enter into employment or an agreement with H&C and are provided with details on their wages each time that they are paid. Deductions from wages not provided for by law or employee contracts are not permitted.

**Working Conditions:**

We recognize our responsibility to provide a safe and healthy working environment. We provide reasonable access to clean drinking water, sanitary facilities, eating facilities, and resting areas across our operations. Where accommodation is provided, it must be clean and safe.

**Working Hours:**

We are committed to ensuring that regular and overtime working hours are not excessive and comply with national laws. Overtime must be voluntary and adequately compensated. Rest periods must comply with applicable legal requirements.

**Due Diligence**

H&C aims to conduct reviews of our operations and supply chain as a means of identifying and mitigating social impacts on people in our business and supply chain, in line with the UNGPs and OECD Guidelines, through the development of their supply chain due diligence framework. Where we cause or contribute to an impact, we aim to provide or contribute to remediation measures. Where our operations are directly linked to an adverse impact, leverage will be considered and taken into account to identify appropriate mitigation.

We strive to continuously improve this ongoing process in line with international best practice standards and legislative requirements.

**Monitoring and Reporting**

H&C will monitor and assess our own operations and supply chain and will employ a risk-based approach to ensure compliance with this policy and progression towards our commitments. Where risks and impacts are identified we will take steps to prevent and mitigate them as appropriate. In the case of identified impacts, we will also implement remediation measures, monitor their effectiveness, and maintain open communication in line with our responsibilities under the UNGPs.

We encourage a culture of speaking up amongst our employees and suppliers. All individuals within the scope of this policy must report any known or suspected violation of the policy, including any violation of related laws, rules, regulations, or other relevant policies.

Any person who knows of or suspects a violation of the principles set out in this policy shall immediately report the conduct to their point of contact at H&C.

**Communication**

This policy is communicated to employees upon induction and then each time it is updated. General managers in the countries where we operate are responsible for ensuring that the policy has been read and understood by employees.

The policy may be communicated to stakeholders in various forms, both directly and in related documents, for example, in relevant policies and contractual agreements.

**Training**

Appropriate training will be provided to employees to ensure that they understand and comply with the principles set out in this policy.

We will ensure that suppliers are encouraged to act under the principles set out in this policy and are given appropriate education and training to do so. We will also encourage our

suppliers to provide training to their employees and suppliers to ensure that the principles contained in this policy are shared and understood.

It is the responsibility of Field Technicians to provide sufficient training on the relevant principles set out in this policy to growers and communities, according to our ALP Code.

### **Non-Compliance and Enforcement**

The Board of Directors has ultimate responsibility for ensuring that the principles set out in this policy are upheld.

Any breach of the principles set out in this policy will be confidentially investigated. Depending on the nature of the violation, the employee who breaches this policy may face disciplinary action in line with our Corporate Code of Business Conduct, Integrity, and Ethics. We may terminate our relationship with a supplier for a breach of this policy.

The Sustainability Steering Committee has primary responsibility for implementing this policy, monitoring its effectiveness, and regularly reporting back to the Board on policy review. The Sustainability Steering Committee is supported by the Global Sustainability function. We rely on senior management to oversee our strategy implementation on a day-to-day basis in the countries in which we operate.

This policy will be routinely monitored, reviewed, and updated.

### **Governance**

This policy has been approved by order of the Executive Committee and signed on their behalf by:

**Andy Spies** - President International Operations

**Chris Cooksey** - President North America Operations

**Eric van der Linden** - President Dark Air Cured Operations

**Appendix**  
**Sources**

- International Bill of Human Rights, consisting of:
  - [The Universal Declaration of Human Rights \('UDHR'\)](#)
  - [The International Covenant on Civil and Political Rights \('ICCPR'\)](#)
  - [The International Covenant on Economic, Social, and Cultural Rights \('ICESCR'\)](#)
- [The UN Guiding Principles on Business and Human Rights](#)
- [OECD Guidelines for Responsible Business Conduct](#)
- [International Labour Organization \('ILO'\) Declaration on Fundamental Principles and Rights at Work](#)
- International Labour Organization ('ILO') Conventions:
  - [ILO Forced Labour Convention, 1930 \(No.29\)](#)
  - [ILO Minimum Age Convention, 1973 \(No.138\)](#)
  - [ILO Worst Forms of Child Labor Convention, 1999 \(No. 182\)](#)