

GROWER CODE OF CONDUCT

Revised May 2016

The R.J. Reynolds leaf department, under service agreements with each RAI tobacco operating company, audits or assess, at least every five years, 100 percent of contracted growers in the U.S. against GAP standards and these guidelines. The following grower code of conduct language is included in all U.S. grower contracts.



COMPLIANCE WITH LAWS

Growers for RJRT are required to abide by all applicable laws, codes and regulations, including, but not limited to, any federal, state, or local laws regarding wages and other terms and conditions of employment, labor, health, safety, environment and agriculture.

NON-DISCRIMINATION

Growers are required to comply with applicable federal, state and local laws prohibiting discrimination in hiring and employment on the grounds of race, color, religion, sex, age, physical disability, national origin, creed or any other basis prohibited by law.

RESPECT AND DIGNITY

Growers will conduct business in compliance with law and widely accepted norms of fairness and human decency. Growers shall not retaliate against workers for exercising any right they have under the law or for speech in connection with a request for changes or improvements in the terms and conditions of their employment or housing.

LABOR MANAGEMENT

Growers are required to comply with all applicable labor laws and regulations governing employee compensation and working hours and accurate documentation of such. If using a farm labor contractor for the procurement of labor for tobacco production, Growers shall utilize only those contractors who have a current Farm Labor Contractor Certificate of Registration issued by the U.S. Department of Labor.



FORCED LABOR

RJRT does not do business with suppliers who use forced labor. Any Grower who uses:

- physical force;
- the threat of physical force;
- the improper withholding of wages, passports, or other documents a worker may lawfully possess; or otherwise acts improperly to compel a person's labor violates the law and this Agreement.

EMPLOYMENT OF MINORS

Growers shall not employ or allow any person to labor on their farm who is under the applicable minimum legal age for employment for the type of work being performed by the worker. To the extent that growers employ or accept the labor of non-family minor workers who legally are allowed to work with restrictions, growers shall ensure that such minor workers are not engaged in any work that is hazardous or otherwise likely to harm the health or safety of those workers. Growers shall maintain proper documentation establishing compliance with applicable laws and regulations governing such permitted employment and make such documentation available for review upon request by RJRT or its third-party representative.

In addition to limitations imposed by applicable law, the following rules apply to the employment of minors in tobacco-related activities: Growers shall neither employ nor permit any farm labor contractor to employ for work on the grower's farm any minor less than sixteen years of age unless the minor is a member of the grower's family. Growers shall neither employ nor permit any farm labor contractor to employ for work on the grower's farm any minor sixteen or seventeen years of age or older who is not a member of the grower's family unless: the minor's parent or guardian gives express written permission for the minor to engage in such employment; the minor has received safety training prior to commencing work; the grower or farm labor contractor provides Personal Protective Equipment for the minor's use; and, the minor does not engage in any hazardous activity specified by the Department of Labor's Hazardous Occupations Orders for Agricultural Employment (available at 29 C.F.R. 570.71(a)(1)-(11)).

HEALTH AND SAFETY

Growers shall comply with all applicable safety and health laws and regulations and provide a safe working environment that supports accident prevention and minimizes exposure to health risks. Growers shall provide workers with appropriate Personal Protective Equipment (PPE) and, in accordance with GAP principles, educate workers about preventing exposure to crop protection agents and Green Tobacco Sickness.



FARM LABOR CONTRACTORS

The obligations of this Supplier Code of Conduct apply to farm labor contractors engaged by Grower with respect to the work performed on Grower's farm. Grower shall provide a copy of this Supplier Code of Conduct to each farm labor contractor engaged by Grower, and shall require such farm labor contractor to comply with these obligations.

WORKER HOUSING

If housing for workers is provided, it must be maintained in compliance with the Fair Labor Standards Act, the Migrant and Seasonal Worker Protection Act, and the Occupational Safety and Health Administration Temporary Labor Camps Standard (21 C.F.R. 1910.142). If required by a state agency, growers must have up-to-date housing certifications.

FREEDOM OF ASSOCIATION

Growers will comply with applicable federal, state, and local laws on freedom of association and collective bargaining.

KNOW YOUR CUSTOMER

As a responsible marketer of tobacco products, RJRT seeks to do business with growers that share RJRT's view regarding the responsible manufacturing and/or marketing of tobacco products. Growers should become familiar with, and abide by, applicable federal, state and local laws regarding the manufacture and distribution of tobacco products. It is desired that growers do not do business with any tobacco manufacturer or distributor that is in violation of an applicable law, rule or regulation.

