

Our guiding principles

Socotab is committed to being a responsible corporate citizen, respecting human rights and social and environmental principles. Socotab expects the same engagement from its suppliers, business partners, and stakeholders. We undertake to uphold and respect human rights as laid out in:

- the United Nations Universal Declaration of Human Rights (UN Covenants I and II),
- the International Labor Organization (ILO) Conventions and Recommendations,
- the UN Guiding Principles on Business and Human Rights,
- the OECD Guidelines for Multinational Enterprises,
- the UN's Children's Rights and Business Principles, and
- the Swiss Ordinance on Due Diligence and Transparency in relation to Child Labor.

In accordance with the above, we are committed, on an ongoing basis and by taking into consideration the interests of our stakeholders, to identifying, assessing, preventing, and remediating any actual or potential human rights impacts occurring directly or indirectly through our operational footprint and supply chain.

We undertake to continuously improve the governance and management of ethical conduct and supporting processes. We also explore additional mechanisms to assess our impact, risks and opportunities in areas linked to human rights.

Governance

The Socotab Board of Directors and Executive Team take direct responsibility for managing the implementation of this statement. This ensures that respecting human rights and the environment is incorporated across our entire organization and supply chain.

The executive team leads the overall sustainability strategy and ensures its integration into the company's core business. The executive team provides oversight for sustainability-related efforts across the organization. The committee advises the board and Executive Team, setting the strategic direction and sustainability targets, while overseeing the implementation of sustainability strategies and monitoring emerging trends and material impacts.

Governance is the responsibility of the Group Sustainability Committee, which coordinates activities, sets priorities, and directs our company-wide efforts to uphold human rights and protect the environment. Country Sustainability Committees are responsible for identifying country-level sustainability priorities, setting targets, assessing and addressing impacts and risks, monitoring progress, and maintaining and raising awareness of Supply Chain Due Diligence (SCDD) best practices.

Child Labor and Forced Labor

Socotab is guided by the United Nations Guiding Principles on Business and Human Rights and supports the core conventions of the International Labor Organization (ILO). We ensure that our operations are free from child labor and forced labor and expect our suppliers and partners to adhere to these ILO principles too. risks and prompt actions associated with purchased tobacco are identified. All contracts with farmers require compliance with agricultural labor practices and human rights.

Non-discrimination and Freedom of Association

Socotab offers equal employment opportunities without regard to any distinctions based on age, gender, sexual orientation, disability, race, religion, citizenship, marital status, family situation, country of origin or other factors, in accordance with the laws and regulations of each country in which we do business.

Socotab commits to treating employees fairly, ethically, respectfully, and with dignity. We strive to protect our employees from all forms of sexual, physical, and psychological abuse.

Socotab recognizes and commits to the principle of freedom of association and the right to collective bargaining, as per applicable laws in the countries of our operations.

Traceability

Our established comprehensive tobacco traceability system ensures full tracking and tracing of the origin, production processes and distribution of tobacco throughout the supply chain. It enhances transparency, quality control and safety in the whole tobacco supply chain.

All business processes, from contracting to shipping, are recorded and reported to fulfill traceability requirements.

Engagement and Training

We commit to recognizing relevant stakeholders and taking appropriate actions to identify, prioritize, respond, measure, and report on all adverse human rights impacts. We strive to engage with stakeholders on every stage of our supply chain due diligence.

Socotab identifies as stakeholders its farmers and farmer cooperatives, suppliers of goods and services, employees, customers, shareholders, governments and regulatory authorities, and local communities. Our group is committed to associating itself with stakeholders who share its values of integrity, fairness, honesty, and respect for all individuals.

We are committed to continuously training all employees and third parties on human rights and environmental impacts, based on their relationship with us.

Health & Safety

We are dedicated to continuously providing a safe working environment in all our facilities and operations, protecting our employees from work-related accidents and occupational illness and to promote their health and well-being.

We use a proprietary safety management system allowing efficient monitoring of performance and identification of opportunities for improvement. Digitalization helps streamline our operations and drive actionable insights from the collected data.

Environment

We manage our environmental impact responsibly, comply with all applicable environmental laws and regulations, obtain all necessary environmental permits (licenses and registrations), and document them appropriately.

Socotab is committed to reducing the consumption of natural resources as to reduce the impact on the environment relating to air emissions, water and land use. Our strategy is aligned with the Integrated Management Systems principles, as well as with the United Nations Sustainable Development Goals (SDGs), to ensure continuous improvement of all processes applicable to our operations and supply chain. It includes implementing measures to prevent environmental damage, taking prompt remedial action in case of any incidents, as well as to improve our environmental performance. We regularly collect and report our GHG emissions and implement various projects to offset them.

Grievance Mechanism

Socotab has established local and global mechanisms to ensure all stakeholders may easily report concerns or raise questions. These include a global corporate hotline, farmers' and farm workers' local grievance mechanisms, human resources and other escalation resources.

The company takes every complaint seriously and maintains clearly defined and confidential follow-up procedures. Under no circumstances are reprisals or retaliations of any kind against an employee or third party who exercises their right to report reasonable grievances tolerated.

Data Protection

At Socotab, we respect data protection as a personal right. Personal data is used and processed only to the extent allowed under the law and our internal policies, and as permitted by data subjects. Our Data Protection Policies regulate the processing of personal data of employees, suppliers, customers, and partners within the scope of GDPR, as well as all other applicable local regulations. It ensures uniform data protection and data security standards and provides the framework required for data transfer.