



Fiscal Year 2023

Sustainability Report

Together we can grow a better world



TABLE OF CONTENTS

- 2 **Our Footprint**
- 3 **A Message from our President & CEO**
- 4 **Report Highlights**
- 5 **Our Approach to Sustainability**
- 12 **GOVERNANCE**
Operating Ethically and Responsibly
 - 14 Our Governance Structure
 - 16 Cultivating a Compliant Value Chain
- 19 **ENVIRONMENT**
Minimal Environmental Impact
 - 21 Reducing Our Footprint
 - 25 Responsible Water Management
 - 27 Responsible Waste Management
 - 32 Sustainable Agricultural Methods and Practices
- 36 **SOCIAL**
Support for People and Communities
 - 38 Labor Standards in the Agricultural Supply Chain
 - 43 Support to Farmers for Improved Livelihood
 - 47 Support to Local Communities
 - 51 Motivated, Skilled and Engaged Employees
 - 53 Health and Safety in Operations
- 55 **Appendices**
 - 55 GRI Index

About This Report

This report has been prepared with reference to GRI Standards. It outlines the Company’s performance for the period between April 1, 2022, and March 31, 2023 (fiscal year 2023). When used in this report, the terms “Pyxus,” “we,” “us,” and “our” refer to Pyxus International, Inc. and its consolidated subsidiaries, unless otherwise noted.

In this report, the terms ‘materiality,’ ‘material,’ and similar terms when used in the context of economic, environmental, and social topics, are defined in the referenced sustainability standards and are not meant to correspond to the concept of materiality under the U.S. securities laws and/or disclosures required by the U.S. Securities and Exchange Commission.

FORWARD-LOOKING STATEMENTS

Readers are cautioned that the statements contained in this report regarding the expectation of achieving the Company’s goals, the anticipated impact on the Company from the implementation of its strategy to achieve these goals and other statements with respect to the Company’s plans, objectives, expectations and intentions are “forward-looking statements” as defined

in the Private Securities Litigation Reform Act of 1995. Presentation of the Company’s goals, plans, objectives, expectations and intentions, as well as the results of its strategy to achieve these goals, should not be viewed as a guarantee that the Company will be able to achieve these goals, expectations or objectives, or implement its plans or intentions, within the time periods anticipated or at all, particularly if underlying assumptions prove inaccurate, or if known or unknown risks or uncertainties prevent the achievement of these goals, objectives, plans, expectations and intentions. Many of these risks and uncertainties are beyond the Company’s control, including without limitation, challenges relating to economic, competitive, governmental and technological factors affecting the Company’s operations, markets and products. The Company does not undertake to update any forward-looking statements that it may make from time to time.



Our Footprint

Our Company believes everything we do is to transform people’s lives so that together we can grow a better world. Leveraging our diverse global footprint, extensive industry experience and agronomic expertise, we provide a range of products and services designed to drive efficiencies and deliver value to our customers.

► Headquartered in Morrisville, NC

~300,000
Global Farmer Relationships

\$1.9
Billion Annual Revenue

16
Principal Sourcing Locations

~3,000
Full-time Employees

Across
5
Continents

300+
Customers

Sell into
90+
Countries

► Our Product Categories



A Message from our President & CEO

Fiscal year 2023 (FY23) marked our Company’s 150th year of business, an achievement that should not be undervalued. This significant milestone is underscored by the resilience, tenacity and ingenuity of our teams around the world and highlights our commitment to anticipating and fulfilling the needs of our customers while keeping true to our purpose of transforming people’s lives so that together we can grow a better world.

I am proud of the tenure and growth of our Company, as well as our growing focus on sustainable initiatives over the past several decades. I am equally impressed with the progress made by the business in recent years. This year, we exceeded various financial and sustainability goals, even surpassing two of our relatively new environmental, social and governance (ESG) targets. We successfully navigated challenges and mitigated risks to drive value, and perhaps most importantly, we strengthened our position as a forward-thinking company as we chart our path through the next 150 years.

I attribute this success, in part, to the emphasis Pyxus has placed on connecting what we do with why we do it. This link is a result of the integration of our global sustainability and business strategies—shared in our [FY22 Sustainability Report](#)—and is visible not only within the pages of this report but through the values and actions we demonstrate each day.

To enhance these meaningful and measurable actions, during the last year we have focused internally on the standardization of ESG definitions, processes, protocols, calculation methodologies and reporting, regardless of location. As a result, we developed a global roadmap for each of our priority targets, which we will use as a compass to navigate minimizing our business’ environmental footprint and addressing systemic social issues within our supply chain and the communities where we operate.

We continued to engage with our stakeholders throughout FY23 and incorporated their feedback into our approach. This included increasing third-party validation of our sustainability data, a key element to compliance with the rapidly evolving regulatory landscape, as well as our commitment to supporting our customers as they pursued their own ESG targets. Additionally, we expanded our internal systems to better support data related to our ESG targets as we remain focused on data integrity across our operations.

Throughout the year, our teams on the ground showed their commitment to our ESG framework, executing successful initiatives in support of our global targets, including:




- ▶ One of our U.S. factories establishing a composting initiative that contributed to our global waste reduction target and has diverted more than 291 tons of waste from landfills, which equates to the weight of more than four commercial airplanes.*
- ▶ The expansion of our successful maize partnership with Bayer Crop Science, which is now ongoing in Argentina in addition to Brazil, helping over 4,900 farmers increase crop yield potential. This initiative provides the opportunity for increased farmer livelihood and aligns with multiple U.N. Sustainable Development Goals (SDGs) including SDG 8: Decent Work and Economic Growth.
- ▶ The conversion of our groundnut factory’s shell waste to biomass, replacing 50 percent of the coal used in our adjacent tobacco processing facility’s boilers resulting in a scope 1 greenhouse gas reduction of 42 percent, the equivalent of 1,874,017 pounds of coal burned.**

I look forward to watching these programs as they continue to grow, achieving further results for our business and stakeholders, and carrying those benefits through to the world in which we work and live. This report highlights many of our sustainability initiatives and was prepared with reference to GRI Standards to provide evidence of our impact and performance against our material sustainability topics.

I am grateful to our employees for their diligence and focus on producing sustainably grown, compliant agricultural products, and I thank all of our stakeholders for their support of our sustainability journey. I look forward to carrying the progress made this year into FY24 as we continue our efforts to grow a better world.

Pieter Sikkel
President & CEO




-  Diverted 291 tons of waste from U.S. landfills
-  4,900+ farmers participated in Bayer maize program
-  Replaced 50% of coal for boilers with biomass in Malawi

*Source: Pilot Institute
**Source and methodology: Environmental Protection Agency

Report Highlights

In fiscal year 2023, we...

Reduced our water withdrawal by
 ~13%* 

▶ Managed waste responsibly


19% reduction of waste sent to landfills*	55% consumer packaging reusable, recyclable or compostable	41% waste recycled, reused or repurposed	
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▶ Upheld human rights and labor standards in our supply chain

100%
contracted farmers monitored for Agricultural Labor Practices code compliance

Protected & supported our employees

0.41 LTI
rate achieved, continuing our downward trend



Achieved 99.5% completion of Code of Business Conduct training



Exceeded community support target

603,323
people benefited this year



100%
contracted farmers trained on good agricultural practices

Reduced scope 3 emissions by 11%**



Promoted sustainable agricultural development on 48% more acreage to replace wood used in our supply chain**




*Since 2021 base year
 **Compared to the previous year

Our Approach to Sustainability

Throughout our Company’s 150-year history, sustainability has been a growing and visible area of focus. As a global agricultural company, efforts that work to preserve the environment are directly linked to the success of our business and the supply chain that we support.

Given our diverse footprint, our business is positioned to have a wide-reaching, positive impact on key issues. We are committed to conducting business in accordance with international standards and practices related to human rights, environmental protections, and ethical and responsible principles. Our sustainability strategy aligns with the United Nations Sustainable Development Goals (SDGs) and we are committed to doing our part to help make those goals a reality.

Our sustainability strategy focuses on three pillars underscored by the Company’s purpose: To transform people’s lives so that together we can grow a better world.

OUR SUSTAINABILITY STRATEGY ALIGNS WITH U.N. SDGS AND THE BUSINESS AMBITION FOR 1.5°C CAMPAIGN.



Minimal Environmental Impact:

To implement sustainable solutions that further improve our environmental performance and reduce the environmental footprint of the Company and its supply chain.



Support for People and Communities:

To support our employees, contracted farmers and the communities where we operate, protecting human rights and providing an equal opportunity for success to all.



Ethical and Responsible Business

To operate responsibly and ethically in every action that we take.



LONG-STANDING HISTORY OF SUSTAINABLE AGRICULTURAL PRODUCTION

▶ **2021**

Updated our sustainability strategy and introduced our ESG framework, linking our business priorities with our purpose

▶ **2017**

Established our “why” statement: Everything we do is to transform people’s lives so that together we can grow a better world

▶ **2011**

Developed our Grower Management System (GMS), providing the capability to track from seed to finished product

▶ **2012**

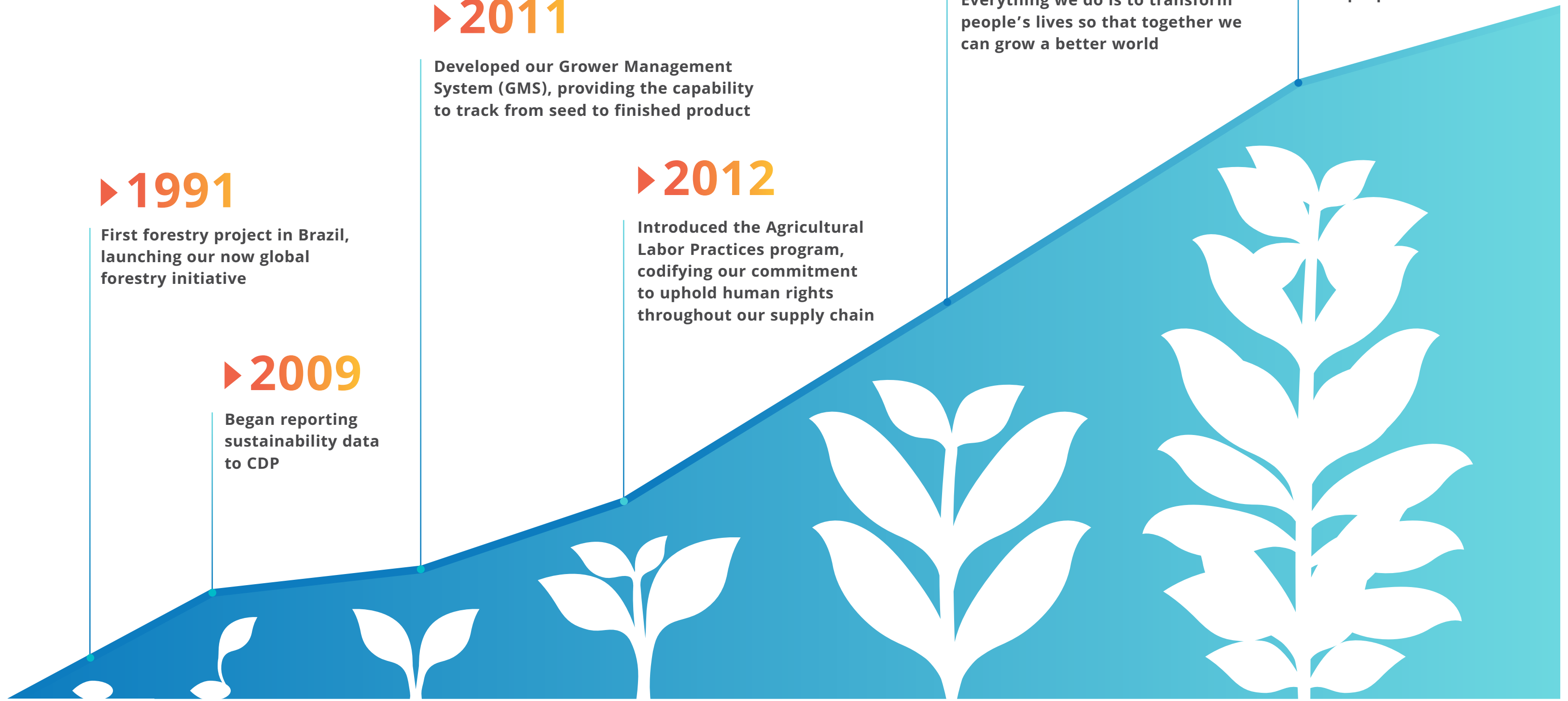
Introduced the Agricultural Labor Practices program, codifying our commitment to uphold human rights throughout our supply chain

▶ **1991**

First forestry project in Brazil, launching our now global forestry initiative

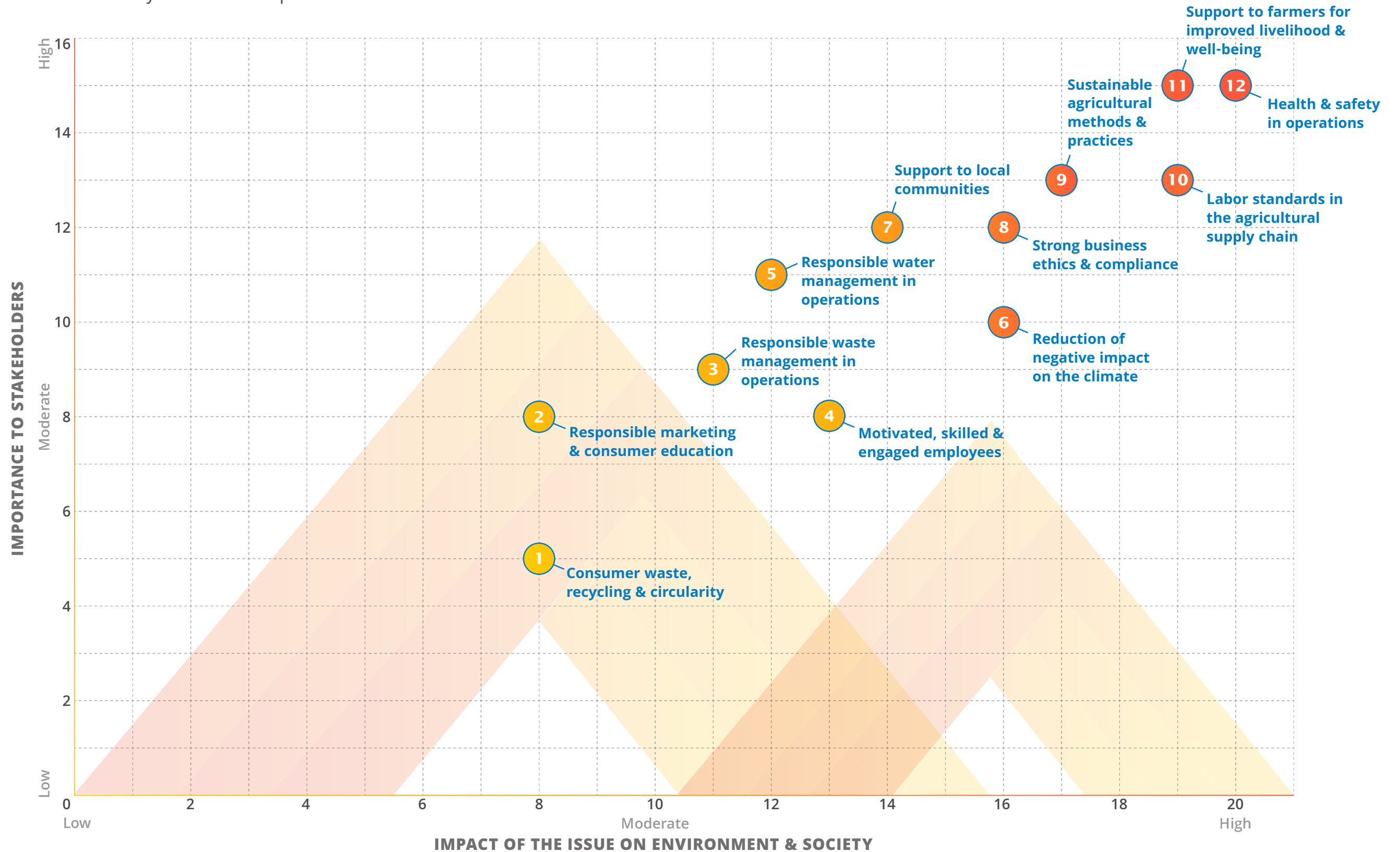
▶ **2009**

Began reporting sustainability data to CDP



Materiality Assessment

In support of our sustainability strategy, we identified 12 relevant focus areas to advance our three sustainability pillars. These focus areas were confirmed in 2021 during a third-party materiality assessment and serve as the foundation of our ESG framework. Pyxus intends to formally review our identified focus areas every three years through the materiality assessment process. Our next materiality assessment is planned for 2024.



Sustainability Framework

What

We are in business to be a trusted provider of responsibly sourced, independently verified, sustainable and traceable products, ingredients and services to businesses and consumers.



Minimal Environment Impact



Support for People and Communities



Ethical and Responsible Business

Why

Everything we do is to transform people's lives so that together we can grow a better world.

How

12 MATERIALITY TOPICS

- ▶ Reduction of negative impact on the climate
 - ▶ Responsible water management in operations
 - ▶ Responsible waste management in operations
 - ▶ Consumer waste, recycling and circularity
 - ▶ Sustainable agricultural methods and practices
-
- ▶ Support to farmers for improved livelihood and well-being
 - ▶ Health and safety in operations
 - ▶ Motivated, skilled and engaged employees
 - ▶ Support to local communities
 - ▶ Labor standards in the agricultural supply chain
-
- ▶ Strong business ethics and compliance
 - ▶ Responsible marketing and consumer education

VALUE WE CREATE



Farmers:
Support and skills for better livelihood and decent life



Employees:
Satisfying environment with opportunities for achieving individual goals



Communities:
Active involvement in resolving environmental and societal issues



Customers:
Reliable and compliant products that meet their needs



Investors:
Fair return and long-term value

Defining our ESG Framework

In December 2021, we expanded upon our sustainability strategy, publicly introducing our ESG framework. This framework links the Company’s business priorities and our purpose and builds off our legacy of sustainable agricultural production. The framework sets measurable goals and timelines, helping us drive positive change and create long-lasting impacts. These goals were based off of our materiality assessment and are reviewed annually for continued relevance and adequacy.

Environment

Reduction of Negative Impact on the Climate



Net-zero value chain emissions by 2050



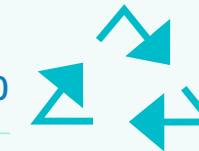
Responsible Water Management in Operations

10% reduction of water withdrawal in our direct operations by 2030 compared to 2020

Responsible Waste Management in Operations

50% of waste from our direct operations to be recycled, reused or repurposed by 2030

20% reduction of waste sent to landfills from our direct operations by 2030 compared to 2020



Consumer Waste, Recycling and Circularity

100% of all packaging to be reusable, recyclable or compostable by 2030

Sustainable Agricultural Methods and Practices

Zero-net global deforestation in our agricultural supply chain by 2030

Social

Health and Safety in Operations



LTI rate per 100 employees/200,000 hours worked to be <0.5



Support to Local Communities

150,000 people globally per year to benefit from our community support programs by 2030

Motivated, Skilled and Engaged Employees

20 hours of training per full-time employee per year by 2030



10% increase or greater of women in leadership roles in each country by 2030 compared to 2020, and 30% increase or greater of global leadership positions held by women by 2030

Achieve gender pay equity within our operations by 2030 ensuring equal pay for work of equal value

Labor Standards in Agricultural Supply Chain

100% of contracted farmers covered by our human rights due diligence

Maintain zero tolerance for forced or child labor on contracted farms, and act to remediate 100% of identified instances



Support to Farmers for Improved Livelihood and Well-being

Maximize 100% of contracted farmers’ income potential by 2030 through appropriate training in good agricultural practices and the opportunity for crop diversification

Governance

Strong Business Ethics and Compliance



100% of eligible employees to have completed assigned compliance courses within the assigned period

Responsible Marketing and Consumer Education

100% of required employees and retailers to receive training in responsible marketing within the assigned period

Pursuing our Why

At Pyxus, our sustainability strategy is closely linked to our business strategy, which is underscored by our purpose: We believe everything we do is to transform people’s lives so that together we can grow a better world. Senior Vice President of Global Communications & Sustainability Miranda Kinney discusses the importance of our sustainability goals to our mission and how they positively impact our business, stakeholders and the areas in which we operate.

Q: How is Pyxus’ “why” incorporated in the Company’s sustainability strategy?

A: Pyxus’ “why” statement serves as our business’ compass as we chart our path forward, achieve our goals and drive stakeholder value. Our sustainability strategy serves as the link between what we do – serving as a provider of responsibly produced, independently verified, sustainable and traceable products, ingredients and services – and why we do it – to transform people’s lives so that together we can grow a better world. This approach helps us make a positive impact on the planet and society while growing a viable, customer-focused business.

Q: Why is it important to link an organization’s sustainability strategy to its broader business strategy?

A: When sustainability is integrated into the business strategy, it becomes a core consideration in the decision-making and innovation processes. At Pyxus, linking our sustainability strategy to our business strategy strengthens our ability to reduce risk in our supply chain, attract and retain talent, and boost stakeholder confidence in our business, positioning us to create long-term value and impact.

Q: What drives Pyxus’ prioritization of sustainable efforts?

A: As a global agricultural company, the success of our business is linked to the health and resilience of the environments in which we operate. We must act as stewards of the land while helping others do the same. We take seriously our duty to responsibly and efficiently manage natural resources while minimizing negative environmental impact. Our prioritization process starts with a materiality assessment and individual initiatives are assessed on the potential total impact.

Q: How has Pyxus’ approach to sustainability and sustainability reporting evolved over time?

A: We have become more comprehensive, ambitious and transparent in our approach to sustainability and reporting efforts. Beyond supporting our purpose, our approach integrates stakeholder viewpoints through a materiality assessment process, and in 2021, we introduced our measurable ESG targets, which help hold us accountable both internally and externally. We will continue to adapt our approach and subsequent reporting to adhere to best practices and applicable regulations while striving to prioritize stakeholder objectives.



“THESE ACHIEVEMENTS ARE A DIRECT RESULT OF OUR LOCAL TEAMS’ CONTINUOUS INNOVATION AND FORWARD-THINKING APPROACH AS WE STRIVE TO GENERATE THE GREATEST IMPACT.”

—Miranda Kinney | SVP of Global Communications & Sustainability

Q: Reflecting on FY23, what progress toward Pyxus’ ESG goals are you most excited about?

A: I am pleased to share the strides we made against our scope 3 greenhouse gas (GHG) emissions – a 9.7 percent decrease since our base year – as well as the achievement of our water management and community support targets ahead of our 2030 timeline. These achievements are a direct result of our local teams’ continuous innovation and forward-thinking approach as we strive to generate the greatest impact. This year we expanded our third-party data validation, externally auditing our water withdrawal data for the first time. I also am proud of the “behind the scenes” ESG governance work we’ve conducted, particularly our strengthened data collection, calculation and reporting methodologies, which were finalized and shared globally during the reporting period.

Q: What does FY24 hold for Pyxus’ approach to sustainability?

A: In FY24, we will focus on GHG emission reduction initiatives, particularly those derived from our scopes 1 and 2, while turning our water management and community support efforts to maintenance mode as we assess next steps. We look forward to building on the progress made in FY23 as we adjust our roadmaps accordingly, positioning us for success ahead of our fast-approaching 2030 target deadlines.

Transforming Together

Our sustainability strategy is informed by our stakeholders, whose input helps us identify key issues and prioritize our efforts and is an essential part of our materiality process. We maintain two-way communication with our stakeholders to understand their needs, collect feedback and include them on our path forward to transform people’s lives so that together we can grow a better world.

Our Stakeholders

We continuously communicate with our stakeholders to provide visibility about our sustainability efforts and to understand their feedback. We regularly publish a customer-focused sustainability newsletter, hold meetings to share our progress on key metrics, and participate in industry events to share our approach to sustainability and the impact it has on our business and sector.

In addition to recognizing the value in stakeholder input, we also recognize value in collaborating with stakeholder groups to achieve mutual goals. We frequently collaborate with customers, industry groups and nongovernmental organizations to maximize our impact and the benefit we provide.

Pyxus is involved with many industry organizations, including:

Global Level

- *Eliminating Child Labour in Tobacco Growing Foundation (ECLT)*
- *International Tobacco Growers Association (ITGA)*
- *Cooperation Centre for Scientific Research Relative to Tobacco (CORESTA)*
- *Sustainable Tobacco Program (STP)*
- *Global Tobacco and Nicotine Forum (GTNF)*
- *Fetratab (European Union)*

Origin Level

- *Farm Labor Practices Group (FLPG) (United States)*
- *GAP Connections (GAPC) (United States)*
- *Tobacco Merchants Association (TMA) (United States)*
- *SindiTabaco (Brazil)*
- *Tobacco Processors Association (Malawi)*
- *Aegean Tobacco Exporters’ Association (Turkey)*
- *Canadian Tobacco Research Foundation (CTRF) (Canada)*



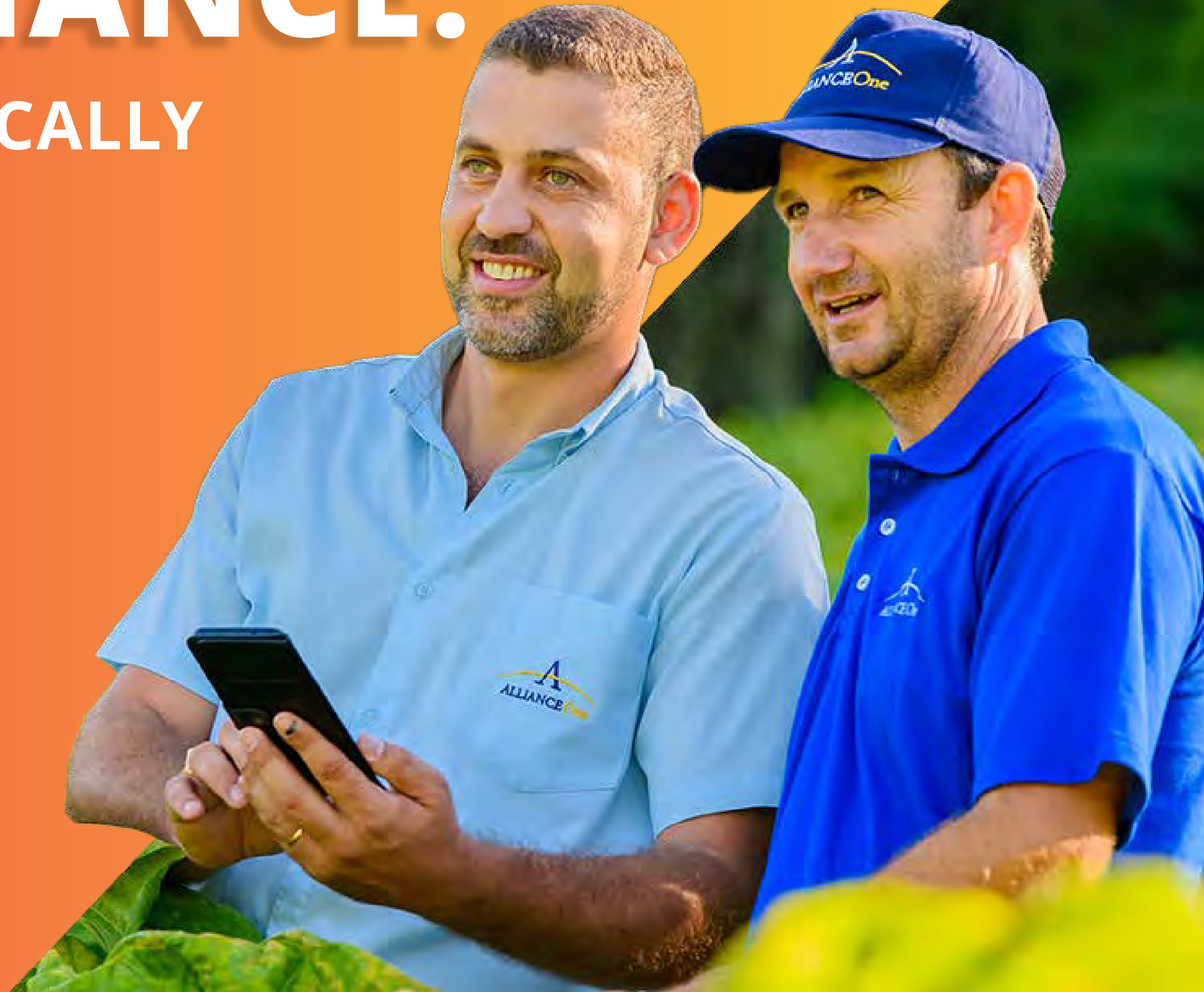
“THERE IS INCREASING EVIDENCE THAT BUSINESSES THAT OPERATE SUSTAINABLY AND IN SUPPORT OF THE UNITED NATIONS SDGS - WHILE REPORTING TRANSPARENTLY ABOUT THEIR PROGRESS - CAN DELIVER STRONGER GROWTH AND RETURNS FOR ALL STAKEHOLDERS.”

— Pieter Sikkel | President and CEO



GOVERNANCE:

OPERATING ETHICALLY & RESPONSIBLY



Adhering to the Highest Standards

At Pyxus, we take pride in our commitment to adhere to the highest ethical standards and conduct business with the utmost integrity. We are proud to be recognized as a trusted provider and partner in the industries in which we operate. Guided by strong corporate leadership and governance mechanisms, we operate ethically, lawfully and in accordance with our Code of Business Conduct as we continuously strive toward our mission.

Strong Business Ethics and Compliance

In support of our target to achieve 100 percent completion of assigned compliance courses within the assigned period by eligible employees, our Company assigns employees regular compliance trainings. The trainings offer interactive educational modules on relevant ethics and compliance topics, including data security, due diligence and anti-corruption measures.

Information Management

As we leverage technology to increase efficiency, data integrity and transparency, we recognize the need to mitigate risks regarding data privacy and cybersecurity. To this effect, our Company has implemented governing policies, including our Records Management Policy and our Information Security Policy, which were last updated in FY23. Our Information Services Department assigns regularly scheduled employee trainings regarding information security and digital best practices, and risks related to information management are included within the Company's enterprise risk management (ERM) process.

- ▶ We adhere to the **highest ethical standards**
- ▶ We conduct business with the utmost **integrity**
- ▶ We operate ethically, **lawfully** and in accordance with our Code of Business Conduct



Our Governance Structure

Pyxus’ business and sustainability strategies are closely intertwined and managed under the direction of our Board of Directors.

Sustainability Governance

Our Company’s sustainability objectives are embedded within our business strategy. Our ESG governance framework, comprised of internal teams and committees and culminating with our Board of Directors, enables us to leverage internal and external perspectives to identify and assess risks while promoting global alignment in working toward our goals.

In FY22, we implemented a centrally managed, three-tier structure within our Company to foster participation and alignment among global employees as we work toward success. Atop our three-tier structure sits the ESG Sponsors Committee, the highest internal governing body, which provides strategic guidance that is funneled through the second tier, the ESG Steering Committee. The Steering Committee is responsible for tactical planning and ensuring a link between our ESG framework and operational activities. The third tier of the structure is our ESG teams, which work at the local level to implement target-specific plans, programs and projects. The three tiers regularly communicate to review

progress and identify and problem-solve challenges. To align with our updated sustainability strategy and ESG framework released in FY22, in FY23 we updated our internal sustainability governance framework, including our data collection and reporting protocols and global implementation guidelines, providing standards and calculation methodologies to our teams around the world.

Pyxus’ Board of Directors appoints the Environmental, Social, Governance and Nominating (ESGN) Committee to oversee the Company’s sustainability initiatives and corporate governance policies, as well as monitor Company strategy and management of initiatives and issues related to our ESG topic areas. The ESGN Committee also reviews the Company’s annual sustainability reporting plan and the final sustainability report prior to publication. In addition to knowledge of our industry, our Board’s experience with and perspective on the modernization of governance and ESG best practices provides valuable insight that informs our approach to and execution of our sustainability strategy.

1

ESG Sponsors Committee

provides strategic guidance

2

ESG Steering Committee

responsible for tactical planning and ensuring a link between our ESG framework and operational activities

3

ESG Teams

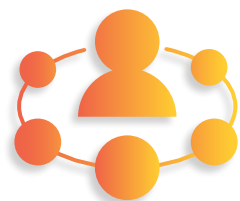
work at the local level to implement target-specific plans, programs and projects



Corporate Governance

The business and affairs of the Company are managed under the direction of Pyxus' Board of Directors. The Board of Directors is responsible for fostering and encouraging a corporate environment of strong disclosure controls and procedures, including internal controls, fiscal accountability, high ethical standards and compliance with applicable policies, laws and regulations.

The Board is chaired by Pyxus President and CEO Pieter Sikkel.



7 BOARD MEMBERS



2 NEW BOARD MEMBERS IN FY23



3 BOARD COMMITTEES

Governing Policies

Our Company has adopted several global policies through which we commit to upholding the highest standards of ethical and compliant behavior throughout our operations.

Code of Business Conduct

All employees are expected to adhere, as a condition of employment, to the Code of Business Conduct, which states the Company's expectations that employees conduct Company business according to the highest standards of professional ethics, integrity and legality. Employees are continuously educated on the Code of Business Conduct and topics contained within through quarterly compliance training courses, which include modules on bribery and corruption, anticompetitive behavior, conflicts of interest, proper management of records and more.

In FY23, 99.5% of eligible employees worldwide completed Code of Business Conduct training.

To achieve our goal of 100 percent of eligible employees completing Code of Business Conduct training, our compliance team will continue to work closely with local leadership teams as well as with the global human resources team to encourage training completion in a timely manner. Employees are expected to act in accordance with the Code of Business Conduct, as well as with the laws governing the countries where they are located. They are also expected and encouraged to report conduct or situations that raise legal or ethical concerns. We provide various reporting mechanisms for employees including an independent, third-party compliance helpline through which reports can be anonymously filed by employees as well as external stakeholders.

In addition to our Code of Business Conduct, Pyxus has sustainability-focused policies and procedures, and has integrated sustainability-related topics into our applicable preexisting protocols. These policies are global in nature and include our:

- ▶ **Human Rights Policy**
- ▶ **Anti-child Labor Policy**
- ▶ **Sustainability Policy**
- ▶ **Environmental and Climate Protection Policy**
- ▶ **Policy on Sustainable Agriculture**

Sustainability policies are reviewed and approved by the Company's president and CEO, and in certain circumstances, may be reviewed by the Company's ESG Sponsors Committee and/or the ESGN Committee of Pyxus' Board of Directors. For more information on our Company's sustainability policies, visit our website, www.pyxus.com.

Compliance Helpline:



- ▶ **AVAILABLE 24 HOURS A DAY, 7 DAYS A WEEK**
- ▶ **AVAILABLE IN 18 LANGUAGES**
- ▶ **3 CONTACT OPTIONS:**
 - ONLINE
 - BY PHONE
 - QR CODE

Cultivating a Compliant Value Chain

Contracted Farmer Relationships

At Pyxus, we are proud to have long-standing relationships with approximately 300,000 growers across the globe. Our contracted farmers are critical to the business' success and our ability to provide sustainable, compliant crops to our customers.

In our tobacco business, the majority of the crop is purchased through direct contracts with growers under a direct contract buying system called the Integrated Production System (IPS). IPS supports a method of tobacco production in which tobacco buyers directly contract with growers for a set volume. Direct contracts provide us the opportunity to monitor the growers' use of good agricultural practices (GAP) and compliance with our Company's Agricultural Labor Practices (ALP) code, which is an essential piece of our supply chain due diligence process.

Agricultural Labor Practices (ALP)

Pyxus' ALP program sets the human rights standards by which those in our agricultural supply chain are expected to comply. ALP standards align with the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work and other relevant ILO conventions, as well as with national and local legislation, whichever is more stringent. In line with our zero-tolerance policy for forced or child labor, the ALP program requires that all farm labor must be voluntary. The standards used to measure this include:

- ▶ Workers do not work under bond, debt or threat and must receive wages directly from the employer
- ▶ Workers are free to leave their employment at any time with reasonable notice
- ▶ Workers are not required to make financial deposits with employers
- ▶ Wages or income from crops and work done are not withheld beyond the legal and agreed payment conditions
- ▶ Growers do not retain the original identity documents of any worker
- ▶ The grower does not employ prison or compulsory labor

Good Agricultural Practices (GAP)

In addition to providing training on our ALP program, our agronomy team provides GAP training to our contracted growers to promote the implementation of agricultural practices that support successful, sustainable crop production. In alignment with the U.N. SDGs, our GAP program recognizes the many benefits of sustainable practices in agriculture, including promoting food security, human health and environmental health. GAP training is provided on an ongoing basis and training materials are tailored to each specific crop and growing region. Through effective GAP training, our agronomy team strives to support farmer livelihood by helping contracted farmers grow high-quality, high-yielding crops.

IPS Benefits:

- ▶ Quality and volume improvements
- ▶ Transparent labor practices
- ▶ High quality and appropriate crop inputs
- ▶ Grower training on our GAP and ALP programs
- ▶ Financial assistance (when needed)
- ▶ Assurance of market for contracted volume



Track-and-Trace Technology

Pyxus' proprietary "track-and-trace" system, SENTRI®, helps provide data insights and transparency into the lifecycle of our agricultural products. SENTRI® combines technology, people and processes to uphold the integrity of our products.

Through SENTRI®, we have the ability to collect, track and analyze approximately 900 data points related to the contracted farmer, crop cycle, cultivation practices, harvest, processing, formulation, testing and release of individual batches of product. The collection and analysis of data at each stage of the supply chain journey helps address supply chain challenges and promotes proactive decision-making for our Company, customers and contracted growers, which helps drive efficiencies, cost savings and the potential for improved farmer livelihood.

Supply Chain Due Diligence

Our Company has years of experience addressing human rights concerns in the agricultural supply chain. Through our risk-based due diligence procedure, we identify, prioritize, respond to, and measure actual and potential negative impacts on human rights. Our due diligence process includes engagement with stakeholders and identification of potential breaches related to human rights. Employees are trained to identify activities that may cause or contribute to actual or potential negative human rights impacts in the supply chain. Our procedure also involves preventing and mitigating adverse human rights impacts. Our due diligence procedure is supported by grievance mechanism procedures where actual or potential negative impacts on human rights can be reported.

EMPLOYEES ARE TRAINED TO IDENTIFY ACTIVITIES THAT MAY CAUSE OR CONTRIBUTE TO ACTUAL OR POTENTIAL NEGATIVE HUMAN RIGHTS IMPACTS IN THE SUPPLY CHAIN.



During the reporting period, Switzerland's Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour came into force. The ordinance requires companies with a registered office or head office in Switzerland to comply with due diligence duties in their supply chain and reporting obligations if there is a potential that products or services are manufactured or provided using child labor as defined by the ILO. Similarly, the European Union has proposed the Corporate Sustainability Due Diligence Directive, which would require mandatory human rights and environmental due diligence in supply chains. Like the Swiss legislation, the EU proposal is broadly aligned with the U.N. Guiding Principles on Business and Human Rights and the Organisation for Economic Co-operation and Development Guidelines for Multinational Enterprises.

Through our experience in addressing human rights and implementing voluntary due diligence procedures in our supply chain, we are well-positioned to comply with mandatory human rights and environmental due diligence regulations as they are introduced. During the reporting period, Switzerland's new due diligence obligations came into force. This new regulation, along with others that are forthcoming, will have direct and indirect impacts on our business.

We continue to monitor and comply with the evolving regulatory landscape and promote the highest due diligence standards across our value chain.



Anti-corruption

To further maintain a compliant value chain, our Company implements anti-corruption measures to mitigate related risks to our supply chain. All customers and high-risk vendors are screened for prior conduct including corrupt behavior. Mitigating controls, including the rejection of a customer or vendor, are put in place if necessary. Customers and vendors are informed of our compliance program, which includes anti-corruption measures, and vendors are required to sign a Third-party Services Provider Compliance Agreement, which states they will not engage in any kind of corrupt behavior.

We assess our operations for risks related to corruption as part of our overall ERM process, in which a survey is conducted by our Internal Audit (IA) team. The IA team also conducts anti-corruption audits in various origins. All global, full-time employees receive training on anti-corruption policies and procedures as part of our virtual compliance training program. Trainings may also be conducted in person by Pyxus' Corporate Compliance Department.



Independent Third-party Verification

Independent, third-party monitoring is an important aspect of our approach to governance and our efforts to mitigate supply chain risk. Our Company participates in various audits annually, including human rights impact assessments (HRIAs), In-Depth Assessments (IDAs) through the Sustainable Tobacco Program (STP) and customer individual assessments (CIAs). The audits are conducted by independent third parties and vary based on location, customer and topic area of focus from year to year. During FY23, our operations in India, North Macedonia and Tanzania participated in STP assessments, and our operations in Zimbabwe participated in a HRIA.

Verified Value

In FY23, our Company's North Macedonia operation took part in an IDA through STP to understand how supply chain risks impact Macedonian tobacco farmers and what measures are implemented to mitigate those risks. The assessment focused on two key areas: 1) Governance and 2) Water.



The auditors reviewed documentation provided by our Company, conducted on-farm visits, and interviewed growers, local environmental protection organizations, academic institutions and municipal agencies. Auditors also examined the Company's implementation of our Grower Management System and due diligence process. The audit process took place from July to September 2022, with the final report published in November 2022.

The auditor's findings concluded our Company:

- ▶ Has a valid system in place to train and monitor contracted growers, especially in regard to water use management, and annually tracks contracted growers' water volumes used as an input in tobacco production throughout the crop cycle
- ▶ Implements a variety of external and internal initiatives that meet STP requirements for governance, WASH and water resource management
- ▶ Is aware of water and governance risks and has a valid due diligence system in place for its contracted growers

The IDA findings verified that our North Macedonia operation implements best practices and is in compliance with STP requirements. Through independent, third-party audits, we are proud to validate our Company's management of supply chain and governance risks and our commitment to driving sustainable agricultural practices.



ENVIRONMENT:

MINIMAL ENVIRONMENTAL IMPACT



Growing a Better World

As a global agricultural company, Pyxus is uniquely positioned to create a positive impact on the environment. We are aware of the impact of our business activities on the environment, and we understand that climate change will have a long-term impact on our business, customers, employees, contracted farmers and the communities in which they live.

We are committed to reducing our environmental footprint and have identified the following environmental priorities:



NET-ZERO EMISSIONS

Decrease our carbon footprint and achieve net-zero emissions by 2050



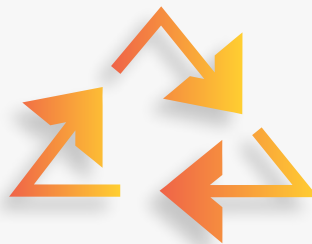
WATER

Practice responsible water management in our operations to reduce water withdrawal from unsustainable sources



REGENERATIVE AGRICULTURE

Work with our contracted growers to apply sustainable agricultural methods with the aim of promoting regenerative agriculture and eradicating the use of unsustainable wood in our value chain



PROMOTE CIRCULARITY

Practice responsible waste management and promote circularity in our operations to minimize what is sent to landfills



Reducing Our Footprint

Climate change is one of the greatest issues facing the world today, and the effects are visibly impacting agricultural production through increased extreme weather conditions such as prolonged droughts, flooding and other natural disasters. Pyxus strives to mitigate the risk of climate change on our operations and to our stakeholders and do our part to reduce our greenhouse gas (GHG) emissions.

Environmental risks to the business, such as the impacts of climate change, are included in our Company’s enterprise risk management (ERM) process. As part of this process, we also assess risks to the environment that could be caused by our operations and have thorough control activities in place to mitigate such risks.

Since 2009, we have disclosed our GHG emissions to CDP, the global gold standard for environmental reporting, and we continuously assess opportunities to reduce our reliance on unsustainable fuel sources as we transition to cleaner, renewable fuel.

Our Ambition

Our Company is focused on reducing scope 1, 2 and 3 emissions throughout our value chain. We are committed to achieving net-zero value chain emissions by 2050.

We are committed to:
Achieving net-zero value chain emissions by

2050



Scope 1

DIRECT EMISSIONS
from GHG sources owned or controlled by the Company

- ▶ Boilers
- ▶ Incinerators
- ▶ Generators
- ▶ Fuel from Company-owned vehicles

Scope 2

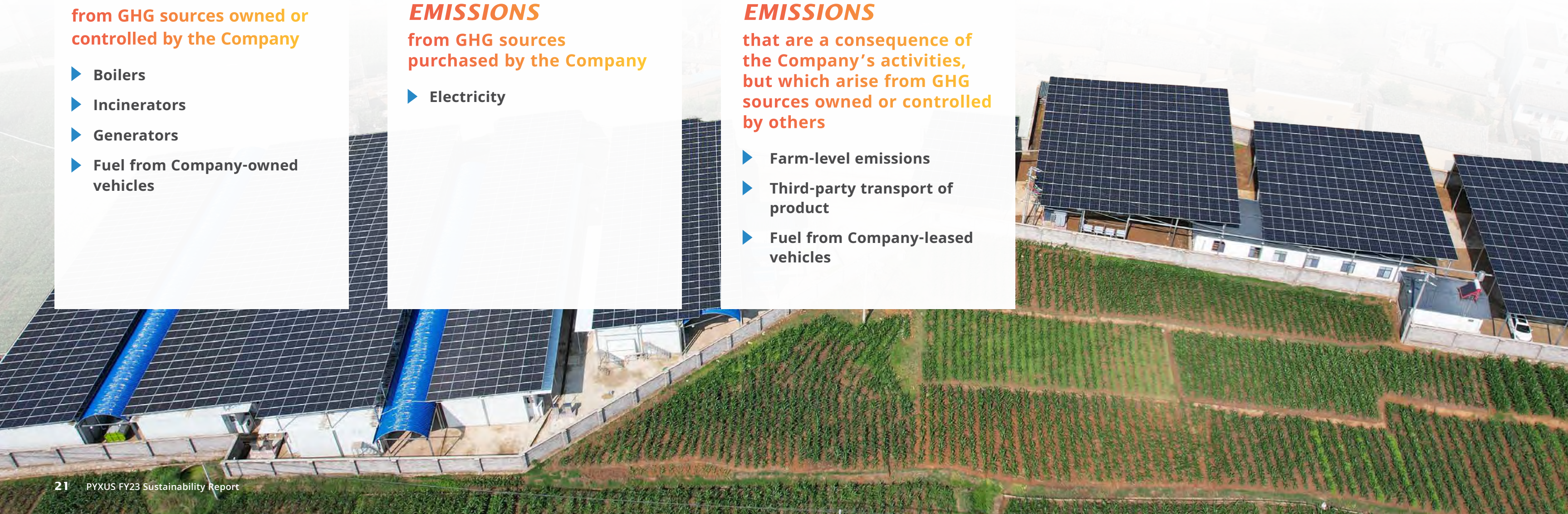
INDIRECT EMISSIONS
from GHG sources purchased by the Company

- ▶ Electricity

Scope 3

OTHER INDIRECT EMISSIONS
that are a consequence of the Company’s activities, but which arise from GHG sources owned or controlled by others

- ▶ Farm-level emissions
- ▶ Third-party transport of product
- ▶ Fuel from Company-leased vehicles



Moving the Needle

We work with our teams around the globe to assess areas for improvement and implement solutions that are both climate- and business-friendly. During the reporting period, we finalized our global roadmap for priority targets, which includes our low carbon transition plan through 2030. We are currently working to expand upon this plan, extending it to 2050.

To reduce scope 1 and 2 emissions, we are focused on improving the efficiency of our facilities, upgrading manufacturing equipment in our processing operations and transitioning to sustainable fuel sources where possible. Our scope 3 emissions are largely generated at the farm level. To promote GHG reductions on our contracted farms, we work with the farmer as well as customers, industry and other external partners to implement more efficient tobacco curing infrastructures, reduce fertilizer use and implement climate-smart best practices to improve soil health.

We report annually on our efforts through various disclosure systems and are committed to the continuous tracking of our progress toward our 2050 goal.

How We Measure

We collect and report on annual GHG emissions data from our operations, office locations, contracted farms and third-party processors using our GHG Emissions Data Collection and Reporting Protocol as our global standard for our emissions measurement, data capture and reporting process. Additionally, we measure our GHG inventory and report climate-related impacts of our business in alignment with our equity share in our consolidated and non-consolidated subsidiaries and joint ventures. The collected data is housed in a third-party platform where it is converted to actual (scope 1 and 2) and estimated (scope 3) GHG emissions, summarized at the country level and assured* by a third-party auditor prior to disclosure.



Our Results

We have decreased scope 1 and 2 emissions by 9.39 percent compared to the prior year, which reflects our successful efforts to transition from unsustainable to sustainable fuel sources, such as biomass pellets and solar power, in our operations. We have also decreased scope 3 emissions by 11.17 percent compared to the prior year, a result of our efforts to help contracted farmers embrace sustainable fuel sources for tobacco curing. Our FY23 results for scope 1, 2 and 3 emissions reflect the application of new emission factors and our amended inventory boundaries.

COMPARED TO PRIOR YEAR

Scope 1 & 2 emissions reduced by:

9.39%

Scope 3 emissions reduced by:

11.17%

SCOPE 1 & 2

FY21

82,892.02 tCO2e

FY22

91,283.26 tCO2e

FY23

82,716.25 tCO2e

SCOPE 3

FY21

883,148.04 tCO2e

FY22

897,381.04 tCO2e

FY23

797,178.13 tCO2e

*Independent, third-party assurance services are provided by SGS, which verifies the Company's disclosed GHG emissions meet the ISO 14064 standard.

Reducing Scope 3 Emissions Through Improved Curing Efficiency

Globally, industry stakeholders recognize the need to reduce negative impacts on the environment and have set targets to reduce emissions in their supply chains. However, in many parts of the world, coal is still used in the tobacco-curing process due to its availability and low price.



In 2016, we began collaborating with China National Tobacco Company (CNTC), as well as its provincial and municipal affiliates, and China Tobacco Import and Export Companies (CTIEC) in the Chinese provinces of Yunnan and Guizhou, where approximately 30 percent of the world’s Flue Cured Virginia tobacco supply is produced, to facilitate the conversion of Chinese farmers’ curing barns to more sustainable options.

Following various assessments to identify the advantages of different fuel types and determine updated barn specifications and standards, in 2019, a pilot program to convert curing units was implemented in the two provinces, which aimed at reducing emissions and transitioning farmers to sustainable fuel sources for curing tobacco.

The program’s focus is primarily on converting coal-fired curing barns to biomass barns powered by pellets made of blended sawdust waste; however, in some areas, barns are converted to electric or natural gas.

In addition to barn conversion programs, CNTC has developed technical specifications and quality standards for biomass barn construction and biomass pellet production to support ongoing barn conversion efforts while promoting a sustainable biomass supply chain.

By the end of the reporting period, nearly half of all curing barns in the two provinces, approximately 165,000 barns, have been converted to biomass energy. This has resulted in a 42 percent decrease of scope 3 emissions in China when compared to our base year (FY21).

Our plan is to continue the collaboration with CNTC affiliates and CTIEC with a focus on expansion in both provinces.



Approximately 165,000 curing barns have been converted from coal-fired to biomass since the project’s start.

42%

decrease in the origin’s scope 3 emissions since FY21



Minimizing Emissions Through Soil Testing

In Turkey, a recent change in legislation increased demand for Virginia and Burley tobaccos, which our contracted farmers had not been growing over the last several years due to lack of demand. Traditionally, these varieties require higher amounts of fertilizer per hectare, which can cause increased emissions.

To balance appropriate fertilizer inputs to support quality crop production with the need to minimize our impact on the environment, our Company decided to increase its soil analysis capabilities to help determine the appropriate amount of fertilizer for growing the new varieties.



The team purchased two portable, digital soil scanners for field technicians to conduct on-farm soil tests, helping increase the amount of tests conducted. The scanners operate using UV and remote-sensing technology to analyze elements in the soil sample and deliver results to field technicians within five minutes, providing improved

efficiency and cost savings when compared to gathering samples to send to a lab for testing.

In FY23, our field technicians were able to sample 99 percent of contracted farms across two of our growing areas, reaching a total of approximately 1,500 farmers. As a result, the optimum fertilizer dosage for the newly grown varieties was identified – 400 to 800 kilograms per hectare – leading to a 51 percent decrease in fertilizer use compared to the amount contracted farmers were using for these varieties through traditional practices. Based on these findings, the Company estimates an emissions reduction of 150 metric tons of CO2e.

The soil test results also help inform our agronomists as to whether different types of fertilizer or soil treatments are needed in a specific area, which provides an opportunity to offer contracted farmers improved inputs, helping to promote high-quality and high-yield crops.

The team in Turkey plans to purchase a third scanner in FY24 to amplify the benefits and by FY25 intends on all growing areas having on-site soil sampling as an option.



In FY23, we conducted soil samples on 99% of contracted farms across two growing areas, helping approximately 1,500 farmers decrease the amount of fertilizer used.

51%

decrease in fertilizer used compared to amount in traditional practices



Responsible Water Management

We strive to be responsible stewards of water use in and around our operations and to mitigate water-related risks in our agricultural supply chain and production facilities. We regularly work with stakeholders including customers and community partners to improve water quality and availability in the communities in which we operate. Within our operations, we aim to reduce water withdrawal and consumption and implement creative solutions to advance our sustainable water collection and use where possible.

Our Ambition

We formalized our commitment to reducing our water withdrawal in 2021 as a part of our ESG framework, setting a goal to achieve a 10 percent reduction of groundwater withdrawal per product unit in our direct operations by 2030 compared to 2020. We have since revised our goal to be more impactful, expanding beyond groundwater consumption to now encompass total water withdrawal.

Moving the Needle

Through our water management efforts, we work with local teams to improve water efficiency and savings in the field, implement innovative water solutions within our facilities and reduce our overall consumption of water across our footprint. Our global water management strategy is informed by Verisk Maplecroft mapping resources, which helps us prioritize our areas of focus and

Our Results*

WATER INTENSITY

FY21	1.01 m3/metric ton
FY22	0.84 m3/metric ton**
FY23	0.88 m3/metric ton

Since our 2021 base year, we have reduced our water withdrawal by approximately 12.87 percent – exceeding our goal to reduce water withdrawal by 10 percent in advance of our 2030 target date. In addition to conserving a scarce, finite resource, our water management efforts and successful reduction of water use can help lower operating costs throughout our value chain.

*The above results reflect our tobacco processing operations and exclude origins that do not process tobacco.

**This figure reflects updated FY22 water withdrawal measurements resulting from improved standardization of global data collection and subsequent recalculation.

efforts. Additionally, as a member of the Alliance for Water Stewardship (AWS), we align our water management strategy with the AWS International Water Stewardship Standard. Examples of our successful water management projects in our operations include recycling wastewater and rainwater harvesting, and beyond our direct operations, working with contracted growers to implement or improve crop irrigation infrastructure and increasing water access, sanitation and hygiene conditions in the communities where we operate.

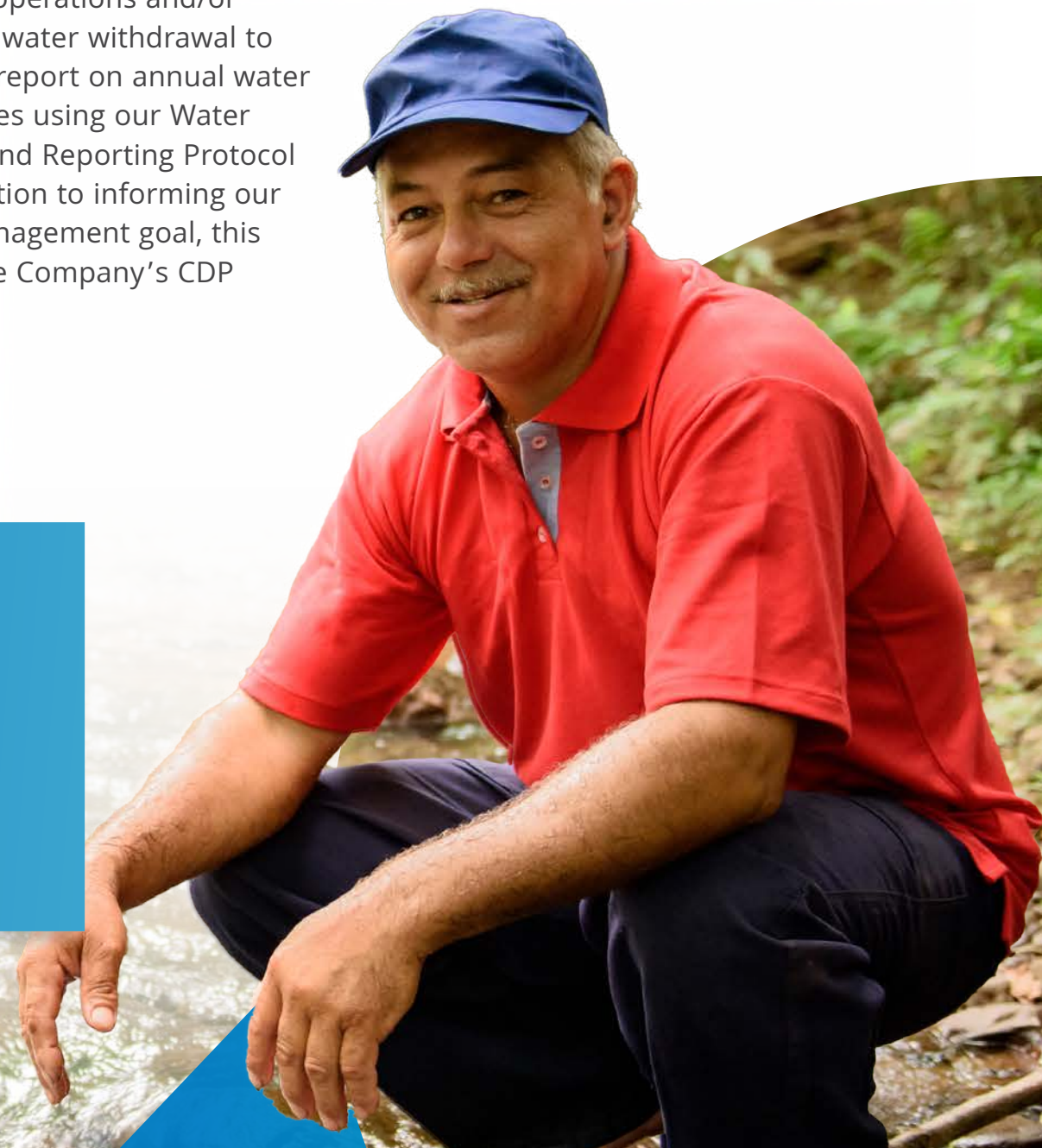
How We Measure

Our local teams use monthly water flow meters and water bills to monitor and report water withdrawal by source, water consumption and water intensity. Regular monitoring helps to identify issues and opportunities for improved water savings throughout our operations and/or opportunities to transition our water withdrawal to more sustainable sources. We report on annual water data collected from our factories using our Water Management Data Collection and Reporting Protocol as our global standard. In addition to informing our progress toward our water management goal, this data is reported annually in the Company’s CDP disclosures and other reports.

Exceeded our goal to reduce water withdrawal by

10%

in advance of our 2030 target date



Beyond Our Operations: Expanding Sustainable Crop Production and Irrigation Practices

In FY23, in response to growing demand, our Company sought to expand our production capabilities in Guatemala. To expand our tobacco-growing footprint, we identified land with favorable conditions for tobacco production, such as lower humidity and higher soil fertility; however, the region lacked existing irrigation infrastructure. With crop production occurring during the dry season, irrigation is a necessary input to successfully produce tobacco in Guatemala.

To solve this issue, our Company, through trials dating back to 2012, identified drip irrigation as an effective and sustainable method for the tobacco in our expanded growing region. We facilitated contracted growers' connectivity to water sources, the electrical grid and access to drip irrigation materials.



GROWERS SAVED
~230,400m³
OF WATER PER YEAR



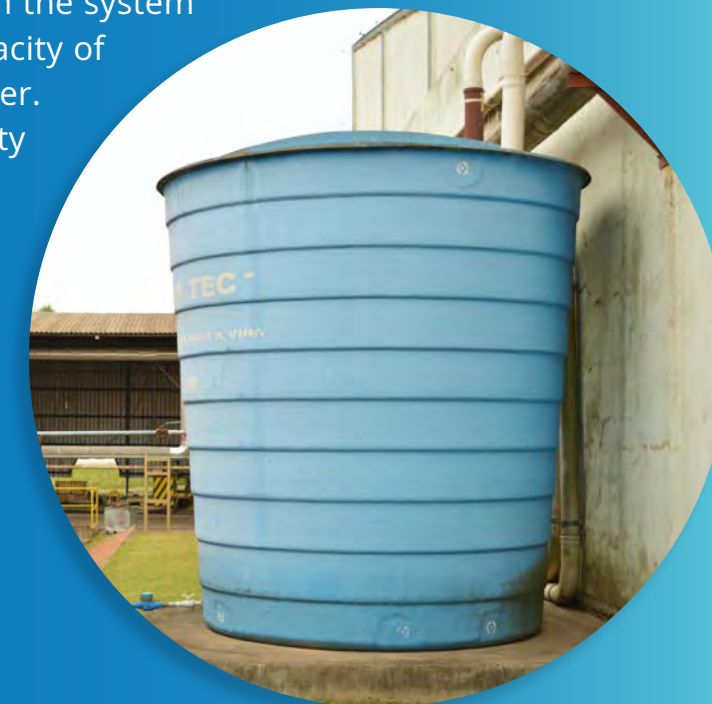
By developing new farms and equipping contracted growers with sustainable irrigation tools, our Company successfully expanded tobacco production to include an additional 105 hectares in crop year 2023*. At the end of the reporting period, nearly 20 percent of our contracted hectares were under drip irrigation.

By using sustainable irrigation methods, growers save an approximate 720 cubic meters of water per hectare, equating to approximately 230,400 cubic meters of water saved per year across the growing region. In addition to saving water, the drip irrigation systems promote enhanced crop quality by keeping moisture and humidity levels low and preventing disease and damage among crops. Through drip irrigation, we are able to promote both sustainable water use and sustainable income among contracted growers in our expanded tobacco-growing areas.

Growing Our Impact: Rainwater Harvesting in Brazil

In certain origins where we operate, industrial and economic developments rely on local water resources. In these areas, innovative water supply strategies are necessary to meet demand. In Brazil, the primary water source on the farm is from rainfall; however, as reported in our FY22 Sustainability Report, rainwater was an untapped resource at the Company's Venâncio Aires facility.

In 2019, the Venâncio Aires team incorporated rainwater harvesting into its sustainable water supply strategy, which contributed to the facility's 12.5 percent reduction of industrial water consumption from 2020 to 2021. In 2023, the team installed nine more rainwater storage tanks, making a total of 13 tanks within the system with a total storage capacity of 260 cubic meters of water. The total storage capacity of water has more than quadrupled since the project's inception and continues to benefit approximately 700 employees each processing season.



*The 2023 Guatemalan crop year occurred between September 2022 to May 2023.

Responsible Waste Management

At Pyxus, we strive to mitigate the impact of our waste generation on the environment by doing our part to reduce, repurpose or reuse, recycle and responsibly dispose of waste throughout our value chain. Throughout our global operations, local teams comply with relevant regulations governing waste management and disposal of both hazardous and non-hazardous waste categories.

Through responsible waste management practices, we aim to not only be good stewards of the environment and leaders within our industry, but also drive operational efficiencies and cost savings within our business.

Our Ambition:

Our Company focuses on two key areas of waste management:

- 1) Responsible waste management in operations
- 2) Consumer waste, recycling and circularity

We are committed to:

▶ *In our direct operations:*

Recycling, reusing or repurposing 50% of waste by 2030



Achieving a 20% reduction of waste sent to landfills by 2030 compared to 2020



▶ *Consumer waste:*

Striving for 100% of our packaging to be reusable, recyclable or compostable by 2030



Beyond these key focus areas
WE WORK WITH OUR EMPLOYEES, CONTRACTED FARMERS AND OTHER STAKEHOLDERS TO ADHERE TO BEST WASTE MANAGEMENT PRACTICES AND REDUCE OUR IMPACT ON THE ENVIRONMENT.



Moving the Needle

In addition to meeting regulatory standards for waste management, our teams go beyond what is required and implement best practices to improve waste management and outcomes within our operations. We implement innovative solutions that support the repurposing of waste materials and reduce the amount of waste sent to landfills.

At the farm level, we work with contracted growers and industry partners to identify best practices, improve waste collection efforts and protect environmental and human safety. This includes trainings on the proper disposal of crop protection agent containers and other hazardous materials.

How We Measure

Local teams handle waste in accordance with our global procedures on recycling, repurposing and reusing waste, as well as designating waste for landfills. To accurately measure our waste management efforts, we introduced a standardized calculation methodology during FY23, which incorporates data captured at both the facility level as well as in coordination with municipal and private waste management services. We are currently in the process of training our local operations on this new methodology, which will help us better assess our waste management data.

Our Results:

In FY23 we:

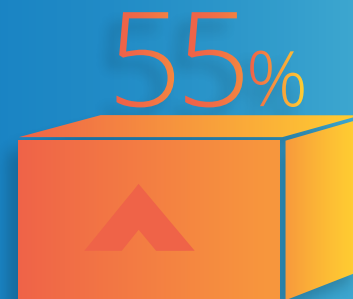
RECYCLED, REUSED OR REPURPOSED WASTE:



REDUCED THE AMOUNT OF WASTE SENT TO LANDFILLS TO DATE:



CONSUMER PACKAGING THAT IS REUSABLE, RECYCLABLE OR COMPOSTABLE:



WASTE DISPOSED OF AT A LANDFILL

FY21
22,404 metric tons

FY22*
21,976 metric tons

FY23
18,161 metric tons

WASTE FROM OPERATIONS RECYCLED, REUSED OR REPURPOSED

FY21
35.3%

FY22
35.1%

FY23
40.8%

The above results reflect our tobacco processing operations and exclude origins that do not process tobacco.

*This figure reflects updated FY22 waste disposal measurements resulting from improved standardization of global data collection and subsequent recalculation.

Delivering Value Through Repurposed Waste

Our Company’s research and development efforts and agronomic expertise position us to support complementary crop production in tobacco-growing regions worldwide. In Malawi, we contract with farmers to grow groundnuts, which we purchase and later process at our groundnut facility to ultimately produce a sustainable, traceable consumer product for domestic and international markets.

Our groundnut processing facility opened in March 2022 with the capacity to process up to 25,000 metric tons of groundnuts annually, which generates waste in the form of discarded nut shells.

Our team identified an opportunity to use the groundnut shells as a byproduct, reducing the facility’s waste and cost of waste removal. This is achieved by converting the groundnut shells into biomass pellets, creating a sustainable fuel source for individual and commercial use.

In FY23, we repurposed approximately 776 metric tons of groundnut shell waste into biomass pellets.

The pellets are used by our adjacent tobacco processing factory to power its boilers, supporting the factory’s transition away from coal to a cleaner, more sustainable and less costly energy source. As a result, the Malawi tobacco processing operation converted 50 percent of its boiler fuel to biomass in FY23, reducing the facility’s greenhouse gas emissions by 42.2 percent since our base year (FY21) and generating an approximate 20 percent cost savings. The biomass pellets are also sold to other businesses as well as to individual households, enabling Malawians to cook in their homes using a sustainable fuel source.

Our waste repurposing effort in Malawi helps progress our global goal to recycle, reuse or repurpose 50 percent of waste from our direct operations by 2030 as well as reduce our Company’s greenhouse gas emissions and operating costs. The impact from our waste repurposing effort expands beyond our Company, helping to lower our customers’ scope 3 emissions and reduce pollution within the community where we operate.



The pellets are used by our adjacent tobacco processing factory to power its boilers, supporting the factory’s transition away from coal to a cleaner, more sustainable and less costly energy source.



In FY23, we repurposed

~776

metric tons of groundnut shell waste into biomass pellets



Sustainable Waste Management in Turkish Tobacco Farming

Our Company strives to implement best practices in waste management throughout our supply chain, including by adhering to local regulations governing hazardous and non-hazardous waste disposal. Despite having regulations in place, some origins, such as Turkey, continue to face challenges with farmers' improper disposal of items such as crop protection agent (CPA) containers, often burning or burying the waste.

Our Company realized there was a need to educate, provide resources and improve waste management practices amongst contracted growers. In FY22, we joined a pilot program, led by the Aegean Tobacco Export Association (ATEA) in collaboration with other stakeholders in the industry, to provide training and materials that promote responsible waste disposal of CPA containers among tobacco farmers.

Special collection points were provided to securely dispose of empty CPA containers, adhering to international hazardous waste standards to prevent accidental exposure to the environment. Our Company contributed to farmer training that teaches farmers to treat empty CPA containers and properly dispose of the containers at the collection points, preventing accidental

exposure by farmers or other individuals and preserving the health and safety of the community and environment. Once the collection points are full, waste is collected and treated by local municipalities.

From FY22 through FY23, an estimated 8,000 kilograms of waste was collected from 16 hazardous waste collection points. Additionally, 8,000 growers, including approximately 1,200 of our contracted farmers, were trained on responsible waste management practices during the same period.

In FY24, we plan to continue collaborating in support of the expansion of the program to cover additional growers and address other forms of contamination, furthering the program's reach and maximizing our Company's efforts to reduce our environmental footprint.



From Dust to Dirt: Improving Soil Quality Through Composted Tobacco Waste

Tobacco processing can create significant amounts of waste, primarily in the form of dust. At our U.S.-based CRES facility, our teams identified the need to divert this waste from disposal at landfills.



In May 2022, the CRES team partnered with North Carolina-based Wallace Farm Products to repurpose its tobacco waste. Wallace Farm is a large composting facility that accepts compostable organic material and transforms it into soil, mulch and compost to sell to customers, contractors and wholesalers.

Since the CRES facility began the composting initiative, 100 percent of tobacco dust is now diverted to Wallace Farm, and approximately 75 percent of landfill-designated waste has been diverted from the landfill. Between May 2022 and March 2023, CRES sent over 290 U.S. tons of tobacco dust to Wallace Farm for composting.

In addition to realizing a cost savings through appropriate waste repurposing, the organic products created using our tobacco waste will positively impact a local North Carolina business, as well as those in our surrounding communities by providing healthy compost, soil and mulch to be used in gardens, commercial landscaping, highway beautification projects and parks.

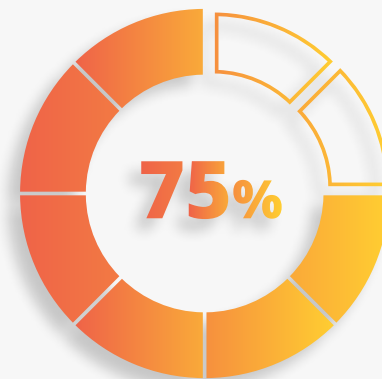


Wallace Farm Products' compost holds the Seal of Testing Assurance from the U.S. Composting Council and their products are registered with the N.C. Department of Agriculture as fertilizer and/or soil amendments

SINCE THE CRES FACILITY BEGAN THE COMPOSTING INITIATIVE



▶ 100 percent of tobacco dust diverted to Wallace Farm



▶ ~75 percent of landfill-designated waste diverted



Sustainable Agricultural Methods and Practices

At Pyxus, we remain committed to implementing sustainable agricultural methods and practices across the industry. This commitment is outlined in our Policy on Sustainable Agriculture and our GAP Principles and Guidelines. Recognizing our industry’s impact on the environment, we strive to mitigate our supply chain’s negative impact, prioritizing high-risk areas and working with stakeholders to implement solutions.

Our Ambition

In many of the regions in which we operate, loss of forest land and forest degradation represent significant issues and are largely attributed to agricultural activities.

Our Company is committed to:

PROMOTING

the management of natural forests and encouraging regeneration



MITIGATING

further deforestation and undertaking afforestation activities



ENCOURAGING

tree planting by our contracted grower base

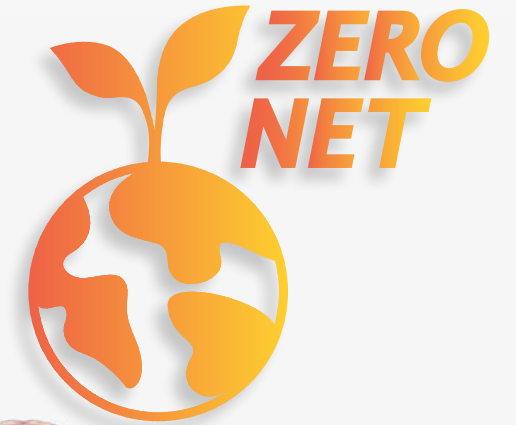


SUPPLYING

sustainably sourced wood to our contracted growers and promoting the efficient use of that fuel source



We are committed to:
ACHIEVING ZERO NET GLOBAL DEFORESTATION IN OUR AGRICULTURAL SUPPLY CHAIN BY 2030



Moving the Needle

Our Company has been implementing forestry initiatives for decades, and today we manage afforestation and reforestation programs, operated by our agronomy teams as well as contracted forest managers, around the world. From providing seedlings for planting and management by farmers or community partners to operating commercial forest plantations, we work with stakeholders to grow sustainable wood sources and diminish the need for future deforestation. Our forestry efforts positively impact our Company’s commitment to reduce emissions by offsetting carbon release and promote responsible water management by protecting water quality in certain regions.

During the reporting period, our Company drafted and released internal documents pertaining to proper forestry management practices including our Zero Net Deforestation Guideline and Afforestation, Reforestation and Deforestation Mitigation Guide.

Beyond reducing deforestation, our agronomy team works to implement a variety of sustainable agricultural practices including soil conservation efforts, crop irrigation practices, crop protection agent management and pollution prevention.

How We Measure

Through Ecometrica’s risk mapping tool, we generate a global deforestation risk analysis based on contracted farmers’ GPS coordinates. The risk analysis is based on various factors about the land and can help inform our approach to mitigating deforestation in our supply chain. Similarly, we use Verisk Maplecroft risk maps to identify country-level, forest-related risks.

As part of our GAP program, field technicians collect data on the source and quantity of wood used for fuel and curing barn construction by our contracted farmers to verify it was derived from a sustainable source. This data is stored in the Grower Management System within our SENTRI® track-and-trace platform.

In origins where we have commercial forestry operations, we have staff that are responsible for the location’s forestry management plan. From time to time, we have external consultants conduct audits of these operations and we have disclosed forestry data to CDP since 2021.

Through our participation in various forestry initiatives and our close monitoring of farm activity, we measure our progress through the number of trees planted and hectares of forests managed, and through the reduction of unsustainable wood resources used in our supply chain. In FY23, we finalized our data collection and calculation protocol for forestry and it is now being used across our global operations.

Our Results

During the reporting period, we planted trees on 48.11 percent more acreage compared to the previous year to replace wood used in our supply chain.

Through our improved data collection methodology, we have a more complete view of the progress made to reduce our footprint and meet our goal of zero-net deforestation in our agricultural supply chain. Afforestation initiatives and transitions to sustainable curing fuel sources in several growing regions contribute to our reduced footprint. Additionally, increased accuracy of data input allowed for more precise measures of curing efficiency, which, in turn, resulted in the need for less wood.



Cultivating the Solution

According to the United Nations Development Programme, the use of wood for fuel accounts for more than 60 percent of Zimbabwe’s total energy consumption, and deforestation resulting from the agriculture and mining industries is a rapidly increasing issue. To help address this situation, our Company engages in initiatives to prevent deforestation caused by the tobacco supply chain and promote reforestation.

Starting in crop year 2023*, our Company launched a new program to distribute 50 tree saplings to each of our contracted farmers to plant and manage. Once mature, these trees can be used as sustainably sourced fuel for tobacco curing, helping prevent future deforestation. This effort builds upon our existing involvement with the Sustainable Afforestation Association (SAA), a Zimbabwean group established to achieve a similar goal, and promotes grower compliance with regulation requiring one hectare of trees be planted for every three hectares of tobacco planted.

Through our farmer allocation program, we have supported contracted farmers in planting approximately 607,750 trees in crop year 2023. An initial assessment conducted by the Company indicates a tree survival rate of approximately 80 percent for year one and expected maturity by 2032. The farmer allocation program, in combination with the SAA and other Company forestry initiatives, has contributed to the planting of nearly 1.55 million trees in crop year 2023 — more than double the 666,000 trees planted in crop year 2022. At maturity, these trees can serve as a sustainable wood source to cure approximately 3,800 metric tons of tobacco.

In collaboration with SAA, we identify and help finance opportunities to increase the availability of saplings for distribution and planting as well as by providing tree planting support.



*The 2023 Zimbabwean crop year occurred between June 2022 to September 2023.

Growing Our Impact: Promoting Sustainable Resource Development in Tanzania

Deforestation is a significant issue in Tanzania, which, according to Global Forest Watch, lost 161,000 hectares of natural forest — the equivalent of 63.7 million metric tons of CO2 emissions — in 2022 alone. This includes deforestation linked to tobacco production. To combat this issue, our Company advocated the Tanzania Tobacco Board, the regulatory body over the industry, to implement a policy requiring growers to plant 500 trees per hectare of tobacco grown each year with the goal of creating a sustainable wood source to prevent further deforestation. This policy was enacted prior to the 2020-21 crop season.

Our Company developed a pre-financing program to prevent added pre-season cost to our contracted growers. We also ordered seeds of native trees and appropriate inputs and identified nursery vendors to raise the seedlings.

Once ready, the trees were planted on land provided by tobacco cooperative societies and farmers. As shared in our FY22 Sustainability Report, during the program’s first year, our Company and its contracted growers planted 4.96 million trees. During the program’s second year, we worked with our contracted farmers to plant 6.25 million trees. In June 2022, a third-party assessment* was conducted for the newly planted trees revealing a six-month survival rate of 94 percent. We estimate that 75 percent of these trees will reach maturity in 2029, the equivalent of 86 percent of the volume of wood used for curing in 2022.

Our Company continues to collaborate with farmers and other stakeholders to promote sustainable forestry management in Tanzania and aims to improve the survival rate of planted trees to drive greater impact and further reduce reliance on unsustainable wood sources.



*In June 2022, a third-party assessment was conducted by We Win Risk Associates.

SOCIAL:

SUPPORT FOR PEOPLE AND COMMUNITIES



Transforming People's Lives

Across our global footprint – from the tobacco fields of Zimbabwe and Indonesia to our global headquarters in Morrisville, North Carolina – we are connected through our shared purpose to transform people's lives so that together we can grow a better world. By supporting our employees, contracted farmers and the communities in which we operate, we strengthen our ability to achieve our mission and grow value for all our stakeholders.

We have identified the following social priorities:

- ▶ Uphold human rights throughout our supply chain
- ▶ Maximize farmer income through crop diversification and training on good agricultural practices
- ▶ Support local communities by improving access to education, healthcare services and more
- ▶ Provide a safe and healthy workplace for our employees, visitors and contractors
- ▶ Cultivate motivated, skilled and engaged employees

We have aligned our social priorities with measurable targets to provide added transparency and demonstrate progress throughout our social sustainability journey.



WE REMAIN COMMITTED TO TRANSFORMING PEOPLE'S LIVES.



Labor Standards in the Agricultural Supply Chain

At Pyxus, our commitment to upholding human rights is embedded throughout our Company culture and operations and, in alignment with the United Nations Guiding Principles on Business and Human Rights, is formalized in our Human Rights Policy and Anti-child Labor Policy. Our Agricultural Labor Practices (ALP) program, in alignment with the ILO Declaration on Fundamental Principles and Rights at Work as well as other ILO conventions, sets the standards for human rights compliance within our agricultural supply chain.

Our ALP program involves an ALP code, which defines labor practices, principles and standards that contracted farmers are expected to adhere to, including:

- ▶ No child labor
- ▶ No forced labor
- ▶ Wages that meet farmworkers' basic needs and compliant work hours
- ▶ Recognize and respect workers' rights to freedom of association
- ▶ Fair treatment of workers
- ▶ Compliance with the law
- ▶ Safe work environment

Our ALP program supports our human rights due diligence process, which helps us identify, prioritize, respond, measure and report on actual and potential negative impacts in our agricultural supply chain.

Our Ambition

Our Company maintains zero tolerance for forced or child labor at any point in our supply chain. In the agricultural supply chain in particular, child labor represents an industry-wide risk that all stakeholders must work to prevent. To mitigate this issue, we work with our field technicians and other stakeholders to perform appropriate due diligence and promote a compliant supply chain.

We are committed to:

- ▶ Maintaining zero tolerance for forced or child labor on contracted farms, and acting to remediate 100% of identified instances
- ▶ 100% of contracted farmers being covered by our human rights due diligence



100%

farmers covered by human rights due diligence

ZERO

tolerance for forced or child labor



Moving the Needle

To mitigate the risk of human rights violations in our supply chain, we implement various measures as part of our human rights due diligence, which includes maintaining a robust grower education, training and monitoring program. Our grower contracts, which are signed by the farmer and our Company prior to the start of the crop year, stipulate the farmer must abide by our standards, programs and policies regarding human rights or by the regulations governing the country in which they are located – whichever is more stringent. Our agronomy team members responsible for grower relationships receive annual training on human rights, empowering them to teach our contracted growers about the ALP program. On multiple occasions throughout the season, our agronomy team members conduct farm visits – both announced and unannounced – to provide guidance to the contracted grower on how to address labor and human rights issues as well as monitor for compliance with all relevant Company standards and laws. Additionally, our human rights due diligence measures include the availability of grievance mechanism procedures, providing stakeholders and rights-holders in the supply chain a platform to report any actual or potential negative impacts on human rights.

We are focused on addressing the root causes of human rights issues, which can include poverty and lack of access to quality education. To address these issues, many of our local operations implement farmer and/or community support initiatives such as Village Savings and Loan Associations, school infrastructure improvements and after-school activities.

We also work collaboratively with government, industry and NGOs around the world to eradicate human rights violations.



How We Measure

Our agronomy teams collect and report human rights impact data in accordance with our due diligence guidelines. All contracted farmers are recorded in the Company’s International Farmers Accounting System and Grower Management System, part of our SENTRI® system. Agronomy managers organize the due diligence process for each local operation based on the local crop calendar activities and farm monitoring programs.

Each reporting period, we calculate the percentage of new and existing contracted farmers who are covered by the Company’s human rights due diligence as well as the contracted farmers trained on our ALP code. We also calculate human rights training participation rates among our employees responsible for monitoring grower relationships.

Our agronomy teams continuously monitor for potential human rights violations within our supply chain. Ongoing monitoring efforts include:

- ▶ **Visual observation**
- ▶ **Grower interviews**
- ▶ **Worker interviews**
- ▶ **Written documentation review**

Through our community-based initiatives to prevent child labor, we assess indicators such as school attendance rates, availability of after-school programs and family income to identify if specific growing areas are at a higher risk for potential incidents of child labor.

Our Results



- ▶ **100% of farmers covered by human rights due diligence**
- ▶ **100% of farmers trained on ALP**
- ▶ **100% of Company staff responsible for grower relationships participated in human rights training**

Combating Child Labor Through Education and Community Support

Child labor is a systemic issue facing the agriculture industry. Our Company works to eradicate child labor in tobacco-growing areas by addressing the root causes, many times working closely with industry and community partners in pursuit of the greatest impact.

In Argentina, we helped establish and continue to fund the Open Arms program, which seeks to address poverty and inadequate education, two key contributors to instances of child labor.

The Open Arms program operates year-round, promoting completion of primary and secondary education for local students. The program provides recreational and learning opportunities to children in tobacco-growing communities during summer break, coinciding with the labor-intensive tobacco harvesting season, and offers adults trade skills training and other opportunities to strengthen economic opportunities within families and communities. Through our role as a cofounder and funder, our Company is collaboratively involved in all aspects of the program, which serves Argentinian tobacco-growing communities through its three core pillars:

1 Recreation and learning:

Hosting daily activity workshops for children during school break to foster social and educational development among local children while mitigating the risk for potential child labor.

2 Enhanced educational process:

Holding various trainings and workshops for children, teachers and parents to promote the completion of primary and secondary education by local students and combat child labor through improved access to education.

3 Strengthening families and communities:

Providing tools for economic and social development within tobacco-growing communities, such as offering skills training in various trades to community members, to reduce income-driven need for child labor.



31,000+ children benefited to date

- 2 ZERO HUNGER
- 4 QUALITY EDUCATION
- 8 DECENT WORK AND ECONOMIC GROWTH

Our Company has participated in the program since its inception in 2003. In addition to financial support, in FY23 our Company hosted a trade skills training workshop in one of our tobacco-growing areas to teach adults how to install and maintain solar panel systems, donated soil test materials to a local school to provide hands-on learning for students, and helped facilitate informational sessions for youth to educate them on their rights and the dangers of child labor.

To date, more than 31,000 children, including those in the communities in which we operate, have benefited from the various activities and initiatives offered by Open Arms.



Reducing Child Labor Through Improved Access to Education

In Guatemala, access to education – particularly in rural areas – is limited due to lack of infrastructure. Guatemala’s population has increased over time, but new schools have not been built to keep up with the increasing student population, and existing schools lack funding and resources for renovations. These problems lead to decreased school attendance rates, which is a root cause of children working at young ages.

To address this issue, our Company collaborated with Imperial Brands to improve facilities across six schools in two of our growing areas. Since 2021, more than 10 projects have been completed in La Nueva and La Maquina growing areas, which are home to approximately 280 of our contracted farmers and their families. The infrastructure improvements included roofing repairs, classroom renovations, water pump installation and electrical system updates.

The school improvement projects had an immediate, direct benefit on approximately 1,250 students and teachers and will continue to have an increased impact in the years to come. In crop year 2023*, zero instances of child labor were reported on our contracted farms in these growing areas.

ZERO

INSTANCES OF CHILD LABOR REPORTED



*The 2023 Guatemalan crop year occurred between September 2022 to May 2023.

Growing Our Impact: Combating Child Labor Through Lifelong Hobbies

The elimination of child labor within the supply chain is critical to the viability of the farmer and the sectors in which we operate. Across the globe, we mitigate instances of child labor through consistent farm monitoring and prompt actions, grower and community education, and opportunities to increase yields to help generate additional revenue for the farmer.

In our FY22 Sustainability Report, we shared that our team in Malawi, with assistance from one of our customers, partnered with the Chess Association of Malawi (CHESSAM) to form after-school chess clubs at two schools in our tobacco-growing areas of Dowa and Chigonthi. This initiative was introduced as a mechanism to encourage children to stay away from agricultural labor after school and promote educational and social development.

During the program’s first year, five teachers were trained to teach chess basics and provide support to a total of 57 students enrolled in the program.

Following its introduction, the area of Dowa experienced a reported 100 percent reduction of child labor incidents and Chigonthi saw an 80 percent reported reduction when compared to the number of incidents prior to the onset of the two chess clubs.

During FY23, we expanded the project into four additional schools within four more growing areas. Eight additional teachers were trained to support 319 new student participants, resulting in a year-over-year increase in enrollment of 460 percent.

The growing regions where the program is active continue to report reductions in child labor incidents, including a reported 100 percent reduction in three out of the four new growing areas added during the reporting period.

The Company plans to further expand this program in the FY24 reporting period.



FY22	2 schools	5 teachers	57 students
FY23	4 schools	8 teachers	319 students
Total since program start	6 schools	13 teachers	376 students

460%

year-over-year increase in enrollment



Support to Farmers for Improved Livelihood

We are committed to helping our contracted farmers – many of whom are smallholder farmers cultivating less than two hectares, or five acres, of land annually – achieve higher quality and higher yielding crops, which is vital to improving the economic position of the grower, their family and their community.

Our Ambition

Improving farmer livelihood is a top priority for Pyxus.

We are committed to:

Maximizing 100% of contracted farmers’ income potential by 2030 through appropriate training in good agricultural practices and the opportunity for crop diversification

Moving the Needle

From introducing irrigation best practices to engaging in partnerships that support crop diversification efforts, our Company works with contracted growers in a variety of ways to reduce cost of production, improve crop quality and yields, and increase their overall livelihoods.

Education is at the core of the support we provide to our contracted growers, helping them to achieve a living income. Our team of approximately 1,000 agronomists and field technicians works with contracted growers to identify solutions and implement improved growing methods and best practices that increase productivity and efficiency, which can lead to increased income generation. Many recommended best practices overlap with our Company’s goals to positively impact the environment, including the reduction of emissions and water use.

Our agronomy team conducts both individual and group farmer trainings on good agricultural practices (GAP) for tobacco as well as for complementary crops. In addition to providing a new income stream, growing crops that are complementary to tobacco helps to improve the land’s soil quality, which, in

turn, can improve the quality of the next tobacco crop.

In many countries where we operate, our Company helps farmers secure high-quality seed, fertilizer and other inputs that can help improve crop quality and yield. We provide financial assistance to minimize the pre-season cost to the farmer, promote adequate wages for farmworkers and help alleviate financial pressures that can lead to child or forced labor.

During the reporting period, our Company finalized our global Farmer Livelihoods Managing Protocol as well as our Farmer Income Data Collection and Reporting Protocol. These documents explain how to measure and calculate contracted farmers’ household incomes and help our teams address potential income gaps and maximize overall farmer income through appropriate training in GAP and complementary income stream opportunities.

How We Measure

Our local teams assess the nature of agronomic support that is needed and best suited to improve crop quality and yield among farmers in each growing area. We log contracted grower trainings conducted by our agronomy team, and similarly, we track crop diversification efforts supported by our Company and their financial impact on participating growers.

Our Results

▶ **100% of contracted growers received GAP training**

Since the base year of 2021, we are proud to have maintained 100 percent of our contracted growers being trained in GAP. Through our efforts to maximize farmer income and promote a living wage among contracted growers, we help to advance progress on other issues, such as eliminating child labor, minimizing farm-level impacts on the environment and more.

100%

contracted growers received GAP training



Supporting Farmer Resilience through Crop Diversification

Promoting a living income among our contracted grower base is one of the ways we contribute to the United Nations Sustainable Development Goals. Achieving a living income can reduce poverty, improve health and education, and mitigate the risk of child and forced labor.



Globally, our Company has set a target to maximize 100 percent of contracted farmers' income potential by 2030 through appropriate training in good agricultural practices and the opportunity for crop diversification. In India, we have partnered with one of our customers to drive this target forward, providing our Company's contracted tobacco growers with access to high-quality produce seeds as well as fertilizer and crop protection agents to be used on these complementary crops. Our local agronomy team also serves as a resource to the grower, providing technical education and guidance on crops including okra, cluster beans, cucumbers, tomato, bottle gourds, ridge gourds and brinjal (eggplant).

In crop year 2023*, a total of 166 participating tobacco farmers planted these complementary crops on 121.4 hectares of land. As a result of the crop diversification efforts, participating farmers increased their individual annual income by 12 percent on average. The additional income is used by farmers to invest in their family's well-being, including their children's education, as well as in materials for future crop cycles.

Beyond the additional income generated from growing and selling crops complementary to tobacco, crop diversification benefits the health of the farmers' soil, which can improve crop quality and yield as well as biodiversity, build soil carbon and organic matter, and reduce erosion.



2 ZERO HUNGER



8 DECENT WORK AND ECONOMIC GROWTH



On average, each participating farmer realized a

12%
income
increase



*The 2023 Indian crop year occurred between June 2022 to July 2023.

Growing Our Impact: Increasing Farmers' Bottom Lines Through Improved Irrigation Practices

In Asia, many growers use water pipes and flood irrigation methods to water crops. Though common, these practices are labor intensive, costly and wasteful of water resources – an increasingly significant concern as climate change worsens drought conditions around the world.

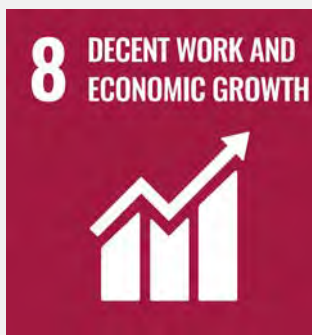
In our FY22 Sustainability Report, we shared that in September 2021, our Company identified an opportunity to introduce farmers in Thailand to a more efficient and cost-effective crop irrigation method. We implemented a pilot program with 10 contracted farmers, providing them with the necessary materials and training for drip irrigation practices. Participating



farmers realized an average cost reduction of approximately 63.3 percent in labor hours and an overall savings of \$0.13 per kilogram of tobacco purchased – including savings realized from appropriate water management.

Since the pilot began, an additional 99 farmers growing across 62 hectares have joined the program. To date, participating farmers have decreased water usage by 14 percent on average – some achieving up to a 37 percent reduction – and continue to save an average of \$0.13 per kilogram of tobacco purchased, which includes savings realized through appropriate water management. Additionally, the program continues to reduce labor costs, and in FY23, farmers realized savings of 10 labor days per hectare of tobacco grown.

As a result of the program's success, the Company plans to expand the program to additional growers in FY24.



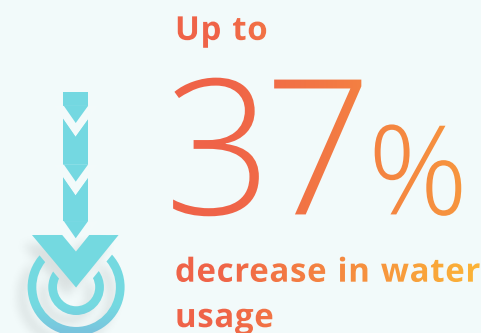
FY22

▶ 10 contracted farmers



FY23

▶ 109 contracted farmers



More Than a Compliance Tool: Leveraging GMS to Support Farmer Well-being

The southern region of Brazil has faced prolonged droughts and water challenges due to the La Niña effect and other impacts linked to climate change. Farmers and their families have been particularly affected by water scarcity and the risk of contaminated water sources, leading to potential health issues. To address these concerns, we collaborated with one of our customers to create the AOBewater program, aimed at improving water systems on farms and promoting water sustainability.

Through our Company’s Grower Management System (GMS) data – a component of our proprietary SENTRI® platform – we identified contracted farmers who lacked access to a potable water source, adequate water storage vessels and/or adequate sanitary conditions.

Through the AOBewater program, farmers received financial support and technical guidance to make improvements to their existing water infrastructure, such as protecting water sources and natural wells; obtaining domestic reservoirs used to hold water in case of interruption to the water supply; installing cisterns to capture and store rainwater; implementing riparian forests as buffering zones to protect springs and riverbeds and preserve water basins; and installing toilets and septic tanks to treat water allowing it to return to the environment with minimal impact.

In total, over 1,700 people – farmers, farm families and neighbors – have directly benefited from approximately 270 successful initiatives, enhancing and safeguarding farmers’ water systems.



- ▶ 32 springs and 20 water wells have been protected, securing access to clean water for more than 310 people.
- ▶ The program provided 182 polyethylene water tanks to tobacco-growing families, replacing asbestos tanks with a safer alternative benefiting over 1,170 people.
- ▶ Two cisterns were installed, supporting more than 10 people with water access for various purposes, from domestic cleaning to crop irrigation.
- ▶ The implementation of 5 buffering zones and riparian forests has positively impacted the environment and the lives of over 30 people, contributing to better water quality and availability through the prevention of water contamination and soil erosion.
- ▶ 31 septic tanks and 5 toilets were installed, enhancing hygiene conditions and the quality of life for more than 210 people.

Potable water access and adequate hygiene promote well-being among contracted growers and workers, reducing the potential risk of illness. By implementing sustainable water solutions, the AOBewater program not only improves the lives of individuals but also contributes to the preservation of natural water sources and enhances overall water sustainability in the region.

Our Company plans to continue the program in FY24.

By implementing sustainable water solutions, the AOBewater program not only improves the lives of individuals but also contributes to the preservation of natural water sources and enhances overall water sustainability in the region.



AOBewater program has benefited

1,700 people



Support to Local Communities

At Pyxus, we consider ourselves members of the communities in which we operate and are focused on maintaining and improving the communities' health and stability. We are uniquely positioned to address systemic social issues by improving access to education, health services, clean water, sanitation and appropriate accommodation. Our Company's community support initiatives benefit hundreds of thousands of people around the world every year and contribute to our mission of successfully transforming people's lives.

Our Ambition

Our local teams help identify the most important issues facing the communities in which we operate. Our Company aligns our support efforts accordingly, focusing on initiatives that will achieve the greatest impact.

We are committed to:

Benefiting 150,000 people globally per year from our community support programs by 2030

Moving the Needle

Community support initiatives vary from origin to origin depending on the location's specific issues and needs. Common threads throughout our community support efforts include providing support for women and children as well as improving access to education, health care, clean water, sanitation and appropriate accommodation. We frequently work with industry, NGOs and other community partners to maximize our impact. Many of the initiatives we support address the root causes of broader issues such as child labor.



During FY23, we introduced a standardized calculation methodology to enhance the measurement of our impact from our community support initiatives. The introduction of this protocol has helped us improve upon our community support initiatives' data integrity while exceeding our target. Given our impressive results, our internal governing body will review and consider updates to the target going forward.

How We Measure

Our success is measured by the number of people that directly benefit from each project.

Our Results

In FY23, 603,323 people benefited from our community support initiatives - more than four times our target.



FY23

603,323 people

benefited from our community support initiatives



EMPOWERING PEOPLE AND COMMUNITIES ACROSS THE GLOBE

USA

Granted university and community college scholarships to 4 students

Argentina

Donated soil test indicators to a local preparatory school, supporting the education of 90 students through improved study materials

Brazil

Donated tomography equipment to the public hospital, enhancing healthcare services for ~850 community members

Malawi

Repaired existing and drilled new boreholes within the growing community, providing ~9,740 people access to potable water

Tanzania

Donated 3 computers and 3 printers to local police to enhance record-keeping capabilities and improve public safety for approximately ~6,500 community members

Thailand

Provided financial aid to farmers' children in growing communities, promoting access to education for ~4,030 beneficiaries

Indonesia

Provided ~3,655 farmers and their family members with education about child labor prevention, safety, hygiene and sanitation, and societal issues, mitigating the risk of child labor



Combating Cholera in Malawi

A cholera outbreak was declared in Malawi in March 2022. By December 2022, Malawi’s government had declared a national public health emergency due to the bacterial disease, which spreads through contaminated food and water. As of February 2023, there were nearly 46,000 cholera cases reported in the country and over 1,400 deaths – the deadliest outbreak of the disease in Malawi’s history.



The large geographic spread and the high number of reported cases in the country limited the capacity to respond to the outbreak, increasing the risk of serious public health impact. To further compound the issue, a surge of cholera outbreaks globally constrained the availability of vaccines, tests and treatments, and Tropical Cyclone Freddy, which hit Malawi in March 2023, further degraded living conditions and hindered cholera relief efforts.

In response to a call for support from the Presidential Taskforce on Coronavirus and Cholera to fight against the disease, our Company donated various sanitation items to prevent its spread in Malawi’s schools. The donation included water buckets with taps and hand soaps for handwashing, as well as chlorine to use as a disinfectant, aiming to improve access to water and sanitation facilities and encourage good hygiene, as young students are among the most at-risk population for catching and spreading waterborne illnesses. The donation directly impacted 19 schools attended by our employees’ children, as well as provided benefit to the surrounding communities – impacting an estimated total of over 34,900 people.

As of June 19, 2023, the cholera outbreak was reportedly fully under control in 21 of 28 districts in Malawi.



Improving Maternal Care in North Macedonia

As part of our community support project selection process, we prioritize initiatives that will benefit areas where our contracted farmers and/or employees live and work. Our Company’s North Macedonia office is located in Kavadarci, a town of approximately 35,000 people best known for its wine production and tobacco manufacturing.

To promote our contracted farmers’ and employees’ access to adequate health care facilities, during the reporting period our Company donated a birthing chair to Kavadarci General Hospital. The donation replaced the 40-year-old chair that the hospital was using, a much-welcomed improvement by the hospital doctors and staff as well as expecting mothers from Kavadarci and the surrounding tobacco-growing municipalities.

In addition to facilitating the delivery and installation of the chair, our Company also facilitated training for the hospital’s gynecology and obstetrics team to promote proper use of the new equipment. Kavadarci General Hospital served approximately 320 expectant mothers in 2022.



Growing Our Impact: Empowering Women to Promote Economic Viability

At Pyxus, we are committed to improving the livelihoods of the farmers with whom we contract and bringing benefit to the communities in which we operate.

In India, across the Vinukonda tobacco-growing area, most of our contracted growers and their families are solely or largely reliant on their farm-generated income to maintain their standard of living. While a secondary income is encouraged to prevent poverty, women have not been positioned to provide a supplemental income for their families and have been vulnerable due to lack of economic and social empowerment.

To address these issues, our Company has committed to empowering the woman of the household by providing them with training and resources to promote economic viability and professional growth. Beginning in November 2020, we collaborated with a local NGO, ASSIST, and one of our customers to introduce the Women Empowerment Project in two villages that have a high concentration of our contracted growers.

Participants were placed in self-help groups and received training on micro-entrepreneurship projects.

186

women benefited from the program

The groups each received funding to pursue microbusiness options such as dairy farming, sheep rearing, grocery retail, tailoring, vegetable and fruit sales, and saree sales. Participants are mentored by other women who have successfully improved their economic viability from their own participation in the Women Empowerment Project. The participants are also educated on women’s legal rights, encouraging advocacy for themselves and the female population.

The Women Empowerment Project is ongoing, and at the end of the reporting period, 186 women have benefited from the program, including 171 that are part of a contracted farm family household. In 2022, the program participants realized on average an approximate 10 percent increase in their respective monthly household incomes.

The Company aims to continue growing this project and has set a goal to increase the number of women involved by 100 members each year.



Motivated, Skilled and Engaged Employees

Our employees are our greatest asset and are responsible for driving forward the success of our business. In FY23, our Company employed approximately 3,000 people, excluding seasonal employees, in our worldwide operations. Pyxus is committed to providing equal employment opportunities, and we are proud to hire a diverse workforce that strengthens our ability to problem solve, innovate and deliver value to our stakeholders.

Our Ambition

Our Company is committed to supporting our employees by promoting equity and providing opportunities for professional development across our business.

We are committed to:

- ▶ Providing 20 hours of training per full-time employee per year by 2030
- ▶ Increasing the number of women in leadership roles in each country by 10% or greater and increasing the number of women in global leadership positions by 30% or greater by 2030
- ▶ Achieving gender pay equity within our operations by 2030, ensuring equal pay for work of equal value

Moving the Needle

Supporting and cultivating motivated, skilled and engaged employees is key to the continued success of our Company. Employees have access to various continuing education benefits, including tuition reimbursement in select areas, and our global virtual training platform Percipio. The Company is actively working to implement or elevate structures within our global human resources department to help increase transparency among employees regarding career paths and employee pay. To lead the charge, our Company welcomed a new Chief Human Resources Officer during the reporting period.



We are currently developing additional employee development opportunities and will promote those opportunities within every level of the business. Additionally, we are working to implement a global Human Resources Information System with the intent to streamline the local and regional systems currently in place. This update will be essential in the evaluation of potential gender pay gaps and is aligned with global standardization across many fronts.

How We Measure

Our global and local human resources teams measure various aspects of human resource management to assess progress made and opportunities for continued improvement. For example, we calculate the annual hours of employee training using data from our virtual training platforms for continuing education, compliance and cybersecurity. The number of unique training participants is divided by the total number of hours trained to arrive at the average number of training hours per full-time employee.

Our global women in leadership target reflects the female positions of executive leadership reported in our annual report. Regarding our women in local leadership roles, we assess the number of women in each country who hold a permanent role that entails both the responsibility of delegating tasks to others and overseeing their work. These women are entrusted with assigning tasks, providing guidance and ensuring the successful completion of work by those who report to them.

Our Results:

In FY23:

- ▶ Employees received an average of 4.35 hours of training
- ▶ 60% global women in leadership
- ▶ The average of women in leadership by region was 18.29%



FY23: Our Company employed approximately

3,000 people



Empowering Employees Through Tailored Leadership Training

To best support the professional development of our employees, our Company continuously assesses where the need for support lies. In our Europe, Middle East and Africa (EMEA) region, our human resources team identified the need to expand personnel’s exposure to leadership development, helping them understand the theory behind their roles while connecting them to practical

GLOBAL EXECUTIVE MASTERCLASS MODEL

- ▶ Virtual delivery
- ▶ No homework
- ▶ 12-month duration
- ▶ 10 modules
- ▶ 20+ hours with Company executives



components of the global Company and their teams’ contributions.

The Company engaged a third-party resource to help develop and facilitate a custom, MBA-style training course – the Global Executive Masterclass (GEM) program. The GEM program launched in October 2022 with two groups of six participants representing regional- and country-level management within EMEA. Employees in each group were

invited to participate based on their role and location within the region with a goal to break down geographical and team silos, helping increase professional networks and promote a wider view and understanding of the business.

The virtual course features 10 modules focused on various elements of the business and leadership including topics on strategic planning and execution, sustainability and economic trends. Members of the Company’s global leadership team served as module experts, each teaching a topic aligned with their functional area, providing both theory-based learning and practical application of the concepts.

At the end of the reporting period, the participants were halfway through the program’s course load with an anticipated graduation date of October 2023. Following graduation, GEM training module recordings will remain available to the participants.

The Company is already planning to repeat the program within the region and expand this training beyond EMEA as we continue to invest in our greatest asset, our employees, as we develop leaders that will drive the Company forward.

Leveraging Global Talent and Diverse Cultures to Grow Value

Supporting motivated and skilled employees is one of our Company’s priorities, and we have set a target to achieve 20 hours of annual training per full-time employee by 2030. The training and continuing education of our employees is also key to developing skills among our contracted grower base, as transferring this knowledge can result in the farmer’s production of higher yielding, quality crops.

With this in mind, the Global Agronomy Team developed the Leaf Excellence Program (LEP), which was launched in November 2022 at the Company’s Global Research, Development and Deployment (GRD&D) Center in Brazil. Twelve employees from our operations in Argentina, China, India, Indonesia, Malawi, Tanzania, Thailand and



As highlighted by Vice President of Global Agronomy Hélio Moura, “We need to create a sense of global community, and foster understanding and respect of cultural differences. We are different people with different beliefs throughout the world, but with many similar issues. This is a key opportunity to learn with and to teach each other. If we are not able to have a real conversation, we are not able to find the solutions.”

Zimbabwe participated in the inaugural eight-day, in-person training covering both the technical aspects of our leaf business and the business’ strategy.

More than a training program, LEP is intended as a forum for discussion to build an increasingly stronger organization. By aligning concepts and exchanging knowledge and experiences, employees contribute to the development of strategies and the formation of global leaders for the Company.

In addition to engaging and training employees, LEP promotes employee retention by investing in our most important asset: our people. It also imparts valuable skills and lessons – from agronomy to business strategy – that further transfer value to our contracted farmers, our customers and our stakeholders.

The Global Agronomy team plans to run the training every other year, with the next LEP offered by the end of 2024.



Health and Safety in Operations

At Pyxus, the health and safety of our employees is a top priority. Our Company's stakeholders share this view, ranking it the most important focus area during our 2021 materiality assessment. We undertake many initiatives to prevent workplace accidents, mitigate the spread of illness in our facilities and improve overall employee well-being in order for our Company to remain a safe and trusted place to work.

Our Ambition

Our Company requires that all origins implement appropriate health and safety management systems to prevent injury and illness from work activities among stakeholders.

We are committed to:

- ▶ Maintaining a lost-time injury (LTI) rate of less than 0.5 per 100 employees over 200,000 hours worked

Moving the Needle

Our operations are expected to implement health and safety management systems that comply with local regulation and include risk assessments, health and safety training programs, incident and accident management protocols, site auditing and management of non-conformities. Additionally, many of our processing facilities have achieved applicable International Organization for Standardization (ISO) certifications.



To assist our operations in the global standardization of health and safety data while maintaining compliance with local regulatory requirements, during the reporting period we internally released our updated global calculation methodology and reporting protocols.

During the reporting period, we also focused on the mental health of our employees, introducing Global Recharge Days. The purpose of our Global Recharge Days is to foster employee well-being by providing for collective, Company-wide time off to limit the internal sending and receipt of emails, tasks and requests. Global Recharge Days are held on a quarterly basis and are offered in addition to regularly scheduled holidays and individual paid time off.

How We Measure

Our local teams measure LTI rates in compliance with local laws and guidelines due to the wide range of regulations from region to region. As part of our standardized global methodology, all sites collect, validate and report key metrics in a quarterly LTI report. This site-level data is then combined in a consolidated regional report and reviewed for quality and completeness. The accepted consolidated report from each region is ultimately included in our global LTI report.

In accordance with our Company's ESG reporting requirements, all sites must provide documentation to verify the accuracy of all reported information.

Our LTI rate continues to trend downward as origins around the globe implement safety measures, conduct trainings and more.

Our Results:

- ▶ Consolidated LTI rate of 0.49 in FY22
- ▶ Consolidated LTI rate of 0.41 in FY23



At Pyxus, the health and safety of our employees is a top priority.



Reducing Lost-time Injuries Through Accident Prevention Training

In Zimbabwe, road traffic accidents were contributing to most of our operation’s lost-time injuries. We found our leaf and forest technicians to be at a higher risk of experiencing traffic accidents compared to other staff since they spend significant time driving to complete farm visits in support of our Company’s compliance standards.

To help mitigate this risk and promote employee safety, in FY23, our Company engaged the Traffic Council of Zimbabwe to conduct an employee training program on safe driving skills. The two-day, eight-session program was designed to teach defensive driving skills with the goal of preventing road accidents and reducing lost time due to injuries.

A total of 179 employees participated in and successfully completed the program. Each was awarded with a defensive driver certificate that is valid for three years.

Between the training and the end of the reporting period, only three traffic accidents were recorded, contributing to the operation’s improved LTI rate, which decreased by 31.6 percent since the prior fiscal year.

Our Zimbabwe operation plans to support program participants in the renewal of their defensive drivers’ certificates in three years’ time. We also intend to train additional employees on defensive driving in the future.



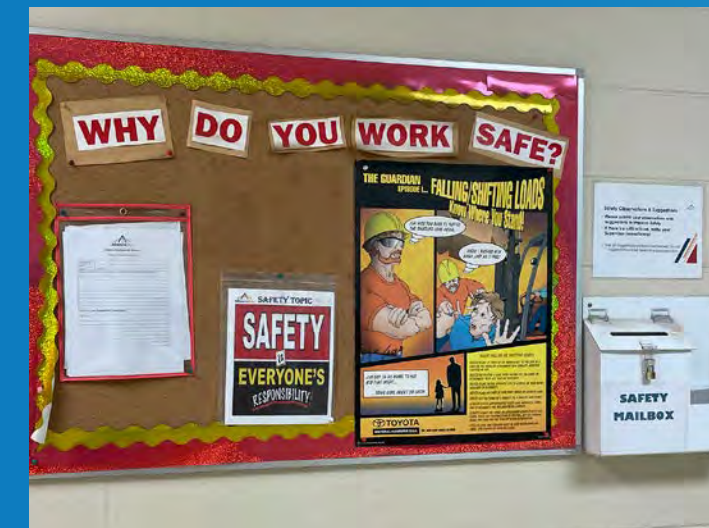
FY23
179 employees participated and successfully completed our two-day safe driving skills training



Growing Our Impact: Engaging Employees to Boost Workplace Safety

Our Company’s U.S.-based operations were experiencing a high level of recordable and lost-time injuries, dating back to 2016 and 2017. This impacted employees’ health, wellness and their perception of our Company as a safe and ideal place to work, as well as affected the organization in expenditures for treating injuries, claim reserves and workers’ compensation premiums.

In 2018, a number of measures were put into place to improve safety, and our facilities’ performance signaled that the renewed emphasis was moving the business in the right direction. In our FY22 Sustainability Report, we reported that our Alliance One Specialty Products (AOSP) facility, located in Wilson, North Carolina, had surpassed 1,500 consecutive days of zero lost time due to injuries.



This improved safety performance has also been achieved by employees at our CRES facility in King, North Carolina, which had similarly implemented additional safety measures. This included hiring dedicated safety personnel, discussing monthly safety topics with employees and holding daily safety meetings.

AOSP remains successful in maintaining its zero LTI rate, and recently surpassed 2,000 consecutive days of zero lost time due to injuries. In FY23, our CRES facility also achieved a 2,000-day LTI-free milestone.

GRI Index

Statement of use: Pyxus International has reported the information cited in this GRI content index for the period April 1, 2022, to March 31, 2023, with reference to the GRI Standards.

- ▶ GRI 1 used
- ▶ GRI 1: Foundation 2021

GRI 2: GENERAL DISCLOSURE

Disclosure	Location/Comment
Disclosure 2-1 Organizational details	See page 2. For more information, please reference our FY23 Annual Report on pyxus.com.
Disclosure 2-2 Entities included in the organization’s sustainability reporting	See pages 1-2. For more information, please reference our FY23 Annual Report on pyxus.com.
Disclosure 2-3 Reporting period, frequency and contact point	See page 1. Reporting frequency: Annually. Contact point: sustainability@pyxus.com.
Disclosure 2-4 Restatements of information	See pages 22, 25 and 28.
Disclosure 2-5 External assurance	See pages 10 and 22.
Disclosure 2-6 Activities, value chain and other business relationships	See pages 2 and 16.
Disclosure 2-7 Employees	See page 2.
Disclosure 2-9 Governance structure and composition	See pages 14-15.
Disclosure 2-10 Nomination and selection of the highest governance body	Please see our Definitive Proxy Statement on pyxus.com.
Disclosure 2-11 Chair of the highest governance body	See pages 14-15.
Disclosure 2-12 Role of the highest governance body in overseeing the management of impacts	See pages 14-15.
Disclosure 2-13 Delegation of responsibility for managing impacts	See pages 14-15.

GRI Index cont.

GRI 2: GENERAL DISCLOSURE CONT.

Disclosure	Location/Comment
Disclosure 2-14 Role of the highest governance body in sustainability reporting	See pages 14-15.
Disclosure 2-15 Conflicts of interest	Please see our Code of Business Conduct on pyxus.com.
Disclosure 2-16 Communication of critical concerns	Please see our Code of Business Conduct on pyxus.com.
Disclosure 2-17 Collective knowledge of the highest governance body	See pages 14-15.
Disclosure 2-18 Evaluation of the performance of the highest governance body	See pages 14-15.
Disclosure 2-22 Statement on sustainable development strategy	See pages 5-11.
Disclosure 2-23 Policy commitments	See pages 15-16.
Disclosure 2-24 Embedding policy commitments	See pages 15-16.
Disclosure 2-25 Processes to remediate negative impacts	See pages 15 and 17.
Disclosure 2-26 Mechanisms for seeking advice and raising concerns	See pages 15 and 17.
Disclosure 2-27 Compliance with laws and regulations	See page 13. Please also see our Code of Business Conduct on pyxus.com.
Disclosure 2-28 Membership associations	See page 11.
Disclosure 2-29 Approach to stakeholder engagement	See page 11.
Disclosure 2-30 Collective bargaining agreements	Please see our Human Rights Policy on pyxus.com.
Disclosure 3-1 Process to determine material topics	See page 7.
Disclosure 3-2 List of material topics	See page 8.

GRI Index cont.

GRI 205: ANTI-CORRUPTION

Material Disclosure	Location/Comment
Disclosure 3-3 Management of material topics	See pages 13-18. Please also see our Code of Business Conduct on pyxus.com.
Disclosure 205-1 Operations assessed for risks related to corruption	See page 18.
Disclosure 205-2 Communication and training about anti-corruption policies and procedures	See pages 15 and 18. Please also see our Code of Business Conduct on pyxus.com.
Disclosure 205-3 Confirmed incidents of corruption and actions taken	No legal actions in the reporting period.

GRI 206: ANTI-COMPETITIVE BEHAVIOR

Material Disclosure	Location/Comment
Disclosure 3-3 Management of material topics	See page 15. Please also see our Code of Business Conduct on pyxus.com.
Disclosure 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	No legal actions in the reporting period.

GRI 303: WATER AND EFFLUENTS

Material Disclosure	Location/Comment
Disclosure 3-3 Management of material topics	See page 25.
Disclosure 303-3 Water withdrawal	See page 25.



GRI Index cont.

GRI 305: EMISSIONS

Material Disclosure	Location/Comment
Disclosure 3-3 Management of material topics	See pages 21-22.
Disclosure 305-1 Direct (Scope 1) GHG emissions	See page 22.
Disclosure 305-2 Energy indirect (Scope 2) GHG emissions	See page 22.
Disclosure 305-3 Other indirect (Scope 3) GHG emissions	See page 22.
Disclosure 305-5 Reduction of GHG emissions	See page 22.

GRI 306: WASTE

Material Disclosure	Location/Comment
Disclosure 3-3 Management of material topics	See pages 27-28.
Disclosure 306-4 Waste diverted from disposal	See page 28.
Disclosure 306-5 Waste directed to disposal	See page 28.

GRI 403: OCCUPATIONAL HEALTH AND SAFETY

Material Disclosure	Location/Comment
Disclosure 3-3 Management of material topics	See page 53.
Disclosure 403-9 Work-related injuries	See page 53.

GRI Index cont.

GRI 413: LOCAL COMMUNITIES

Material Disclosure

Location/Comment

Disclosure 3-3 Management of material topics

See page 47.

Disclosure 413-1 Operations with local community engagement, impact assessments, and development programs

See pages 47-50.



