



FISCAL YEAR 2022

UNIVERSAL CORPORATION

Sustainability Report



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FOREWORD

At Universal Corporation, our goal is to disclose our operational activities and sustainability performance consistently and in a transparent manner. This Sustainability Report builds on our 2018 Sustainability Review and continues our commitment identified in the 2019 Sustainability Report to disclose metrics, facts, and figures that represent our businesses throughout the world. Data disclosed in this report reflect activities from April 1, 2021 to March 31, 2022. All entities within the scope of this report are included in Universal's Annual Report for the 2022 fiscal year. This report has been prepared in accordance with the following GRI Standards: Core option and SASB Agriculture Products Standard.

This year, we decided to increase our disclosure around forestry as investors and customers are taking an increasing interest in our forestry activities. In so doing, we included additional information on forestry and what it means to our operations and supply chain.

UNITED NATIONS, SUSTAINABLE DEVELOPMENT GOALS

At Universal, we continuously evaluate how we can better align our operations with sustainable best practices. As such, with the European Union and others currently reviewing the need for supply chain due diligence directives, we have begun to enhance our communications to include references to the United Nations Sustainable Development Goals (UN SDGs). Accordingly, throughout this report, we have reviewed and evaluated the UN SDGs and have placed icons where our actions contribute towards meeting such goals. The UN SDGs identified in this report may not be inclusive of every SDG we contribute to, but our goal is to assure our global stakeholders that we proactively operate in alignment with the UN SDGs and will continue to evaluate our supply chains for risks or impacts to which we may be contributing.



LETTER FROM THE CHAIRMAN

Universal is proud of the commitment we made to stakeholders in 2019 to report annually on sustainability topics that impact our business. In these past three years, we have made strategic acquisitions, witnessed a global pandemic, and strengthened our approach to sustainability at the corporate level. We have a responsibility to our stakeholders to set high standards of social and environmental performance and to support a sustainable supply chain. Universal will continue to evaluate the best practices and expectations of stakeholders and implement programs to continue our culture of promoting a responsible supply chain.

Throughout fiscal year 2022, we demonstrated the strength of Universal's operations and the resilience of our business model in the face of ongoing industry and macro-economic challenges. Thanks to the dedication of our team, Universal remains the preferred supplier for our customers. We continue our commitment to a sustainable supply chain to offer our customers a unique value proposition—high-quality, customized, traceable, value-added agri-products—that is essential to their needs.

Last year, we became a supplier engagement leader through CDP, and this year we built upon our CDP disclosures by having our emissions numbers verified and opening our water and forest submissions to the public. We have also engaged a third party to support our transition to a lower carbon footprint in our long term goal to be net zero. We also have committed to evaluating our science based target for GHG emissions and have continued to monitor the industry for changes to target expectations. We look forward

to working with our operations around the world in order to continue to reduce our emissions and other environmental impacts. Our acquisitions have strengthened our company and improved our environmental and economic performance. Our emissions are lower even with the increase in revenue they provide.

Universal appreciates the employees, farmers, customers and other partners who helped us navigate these last 12 months. Despite supply chain challenges, we met our customers' needs, continued to invest in our businesses while returning cash to shareholders, and maintained our commitment to sustainability. I am confident we are a stronger company as a result. On behalf of our Board of Directors and the employees of Universal, thank you for your continued support.



George C. Freeman, III
*Chairman, President, and Chief Executive Officer,
 Universal Corporation*



UNIVERSAL'S GOALS & TARGETS

UNIVERSAL FURTHERS OUR COMMITMENT TO AGRICULTURAL LABOR PRACTICES

<p>BY CALENDAR YEAR 2025</p> <p>NO CHILD LABOR</p> <p>ON CONTRACTED FARMS</p>	<p>BY CALENDAR YEAR 2022</p> <p>ACCESS TO PPE FOR FARMERS & FARM WORKERS</p> <p>ON CONTRACTED FARMS WHERE WE SUPPLY CROP INPUTS</p>
<p>BY CALENDAR YEAR 2022</p> <p>MINIMUM WAGE PAID</p> <p>TO FARM WORKERS ON CONTRACTED FARMS</p>	<p>BY CALENDAR YEAR 2022</p> <p>APPROPRIATE ACCOMMODATIONS</p> <p>FOR FARM WORKERS ON CONTRACTED FARMS</p>

UNIVERSAL FURTHERS OUR COMMITMENT TO ENVIRONMENTAL STEWARDSHIP

<p>BY CALENDAR YEAR 2030 FROM A 2020 BASE YEAR</p> <p>REDUCE 30%</p> <p>ABSOLUTE SCOPE 1 & 2 GHG EMISSIONS</p> <p>SCOPE 3 GHG EMISSIONS FROM PURCHASED GOODS & SERVICES</p>	
<p>BY CALENDAR YEAR 2025</p> <p>5 MILLION LITERS OF RAINWATER COLLECTED</p> <p>ANNUALLY FOR OPERATIONAL USE</p>	<p>BY CALENDAR YEAR 2025</p> <p>75% OF WASTE COMPOSTED OR RECYCLED</p> <p>ANNUALLY</p>

COMPANY ACTIVITIES & PROFILE

For over 100 years, Universal Corporation has been finding innovative solutions to serve our customers and meet their agri-products needs. Today, we are a global business-to-business agri-products supplier to consumer product manufacturers, operating in over 30 countries on five continents, that sources and processes leaf tobacco and plant-based ingredients. We strive to be the supplier of choice for our customers by leveraging our farmer base, our commitment to a sustainable supply chain, and our ability to provide high-quality, customized, traceable, value-added agri-products essential for our customers' requirements. Tobacco has been our principal focus since our founding in 1918, and we are the leading global leaf tobacco supplier. Through our plant based ingredients platform, we provide a variety of value-added manufacturing processes to produce high-quality, specialty vegetable- and fruit-based ingredients as well as

botanical extracts and flavorings for the food and beverage end markets.

Universal Corporation has a long history of operating with integrity, honesty, and a focus on quality. We are a vital link in the leaf tobacco supply chain, providing expertise in working with large numbers of farmers, efficiently selling various qualities of leaf to a broad global customer base, adapting to meet evolving customer needs, and delivering products that meet stringent quality specifications and regulatory requirements. Going forward, we will build on our history by seeking opportunities in both tobacco and plant-based ingredients to leverage our assets and expertise. We will continue our commitment to leadership in setting industry standards, operating with transparency, providing products that are responsibly-sourced, and investing in and strengthening the communities where we operate.



Downtown skyline of Richmond, Virginia, U.S.A. ■

Headquarters Location

Richmond, Virginia, U.S.A.

What We Do

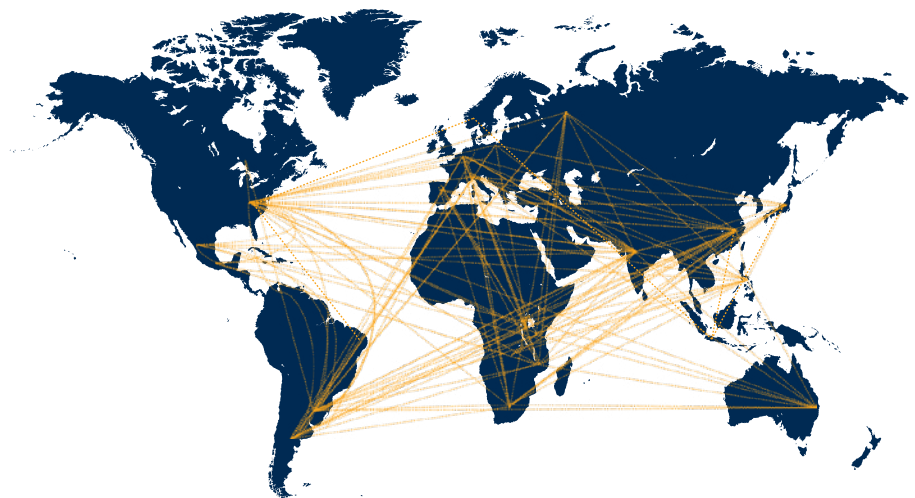
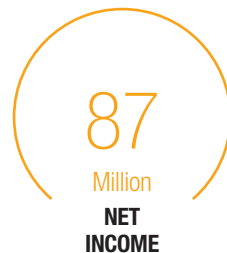
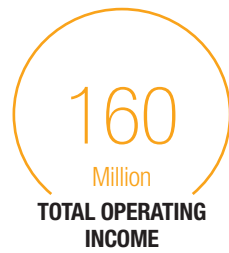
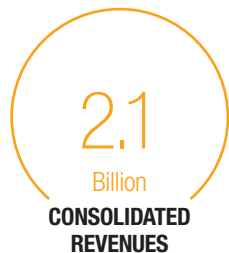
We source, process, and supply leaf tobacco and plant-based ingredients.

Common Stock Symbol

"UWV" on the New York Stock Exchange

Founding

1918



Universal ships from more than 30 countries around the world. ■

LEADERSHIP IS KEY TO ACTION

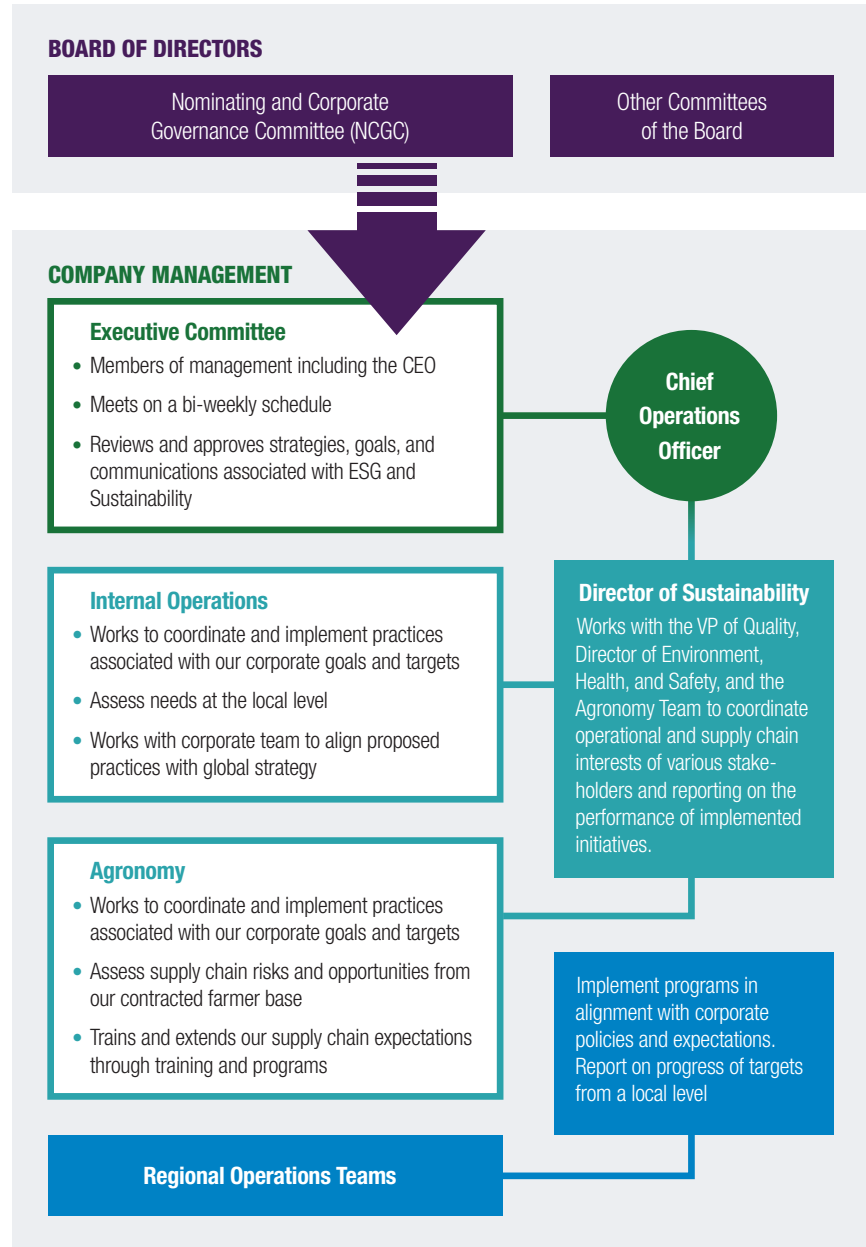
A company's governance structure and leadership play a crucial role in how the company functions and what goals it prioritizes. At Universal, the Company's governance structure and leadership better position it to implement sustainability best practices and achieve defined sustainability goals. In particular, Universal is (1) governed by a Board of Directors who serve as a prudent fiduciary for shareholders and oversee the management of Universal's businesses and (2) led by a group of senior executives who set high standards and governance principles for the Company's employees, officers, and directors. For its part, the Board of Directors follows the policies and standards that are set forth in Universal's governing documents, including our Corporate Governance Guidelines, which are available on our website. The Board of Directors is composed of five Committees that oversee important aspects of our business. One of those Committees is our Nominating and Corporate Governance (NCG) Committee which oversees and reviews Environmental, Social, and Governance (ESG) programs associated with the Company including, without limitation, programs related to our supply chain.

The NCG Committee is also responsible for developing and recommending to the Board a set of corporate governance principles applicable to Universal and overseeing the evaluation of the Board and Executives of the Company. The NCG Committee is composed of five independent Board members, and they currently have four committee meetings per year that include sustainability topics. The committee schedule is modified as needed to address emerging needs. The NCG Committee reviewed and approved this

Sustainability Report for public disclosure.

The NCG Committee assesses sustainability activities, reviews the annual sustainability report, and provides guidance and feedback regarding management's strategy. Sustainability topics that the committee reviews include climate change, water, waste, forestry, and social responsibility within our operations and supply chain. The committee also reviews policies, the proxy statement, and 10k annually.

All employees, officers, and directors must read, understand, and comply with these policies, rules and guidelines and report violations and occurrences that are inconsistent with them. Our local management teams operate using the corporate policies and expectations as guidance and submit requests for support as needed. The local leadership teams also give feedback to our corporate management as to what impacts we are having on the ground and feedback into our global strategy. Our strategy is ever evolving and relies on consistent communication and commitment from all of Universal's employees.



VALUING RIGHTS TO FAIRNESS, DIGNITY, EQUALITY, AND RESPECT

The Universal Code of Conduct and the Universal Human Rights policy define the high ethical and social standards we implement across our global operations. Universal is committed to business practices that respect the human rights of our employees, parties in our supply chain and their communities. The UN Guiding Principles on Business and Human Rights (the “UN Guiding Principles”) and the International Labor Organization Declaration on Fundamental Principles and Rights at Work (the “ILO Fundamental Principles”) provide the framework for internationally recognized human rights. Universal’s policy is to operate in a manner consistent with these frameworks. Our commitment also includes human rights due diligence efforts that target the identification and evaluation of actual and potential human rights impacts in our operations and supply chain. Our intention is to adopt, adjust, and reinforce the programs and practices needed to prevent, mitigate and remediate such human rights impacts. Such programs and practices include without limitation our Code of Conduct, Anti-Corruption Compliance Manual, and Agricultural Labor Practices Code.

Universal has prioritized six human rights that are specifically addressed in our human rights policy, and highlighted on page 4. These six are: Child Labor, Forced Labor, Safe Work Environment, Fair and Equal Treatment, Freedom of Association and Compliance and Protection of the Law. We strive to prevent any human rights impacts in our operations and supply chain. To the extent any such impacts are identified, we are committed to remediating them. Any human rights concerns or grievances in our operations

or supply chain can be reported to a grievance mechanism. We are committed to improving access to grievance mechanisms for all our operations and supply chains. We are also committed to building awareness among our officers, directors and employees and the parties in our supply chain about identifying and reporting human rights concerns. Universal will not tolerate any retaliation against persons making good faith reports of human rights concerns or grievances.

Throughout the world, we work side-by-side with our contracted farmers to produce a sustainable tobacco crop that adheres to Good Agricultural Practices, including appropriate labor practices. Our global Agricultural Labor Practices (“ALP”) code, or ALP code, consists of seven principles that set forth human rights requirements for our contracted farmers to meet. The ALP code requires progressive elimination of child labor; adherence to income and work hour requirements; fair treatment of workers so they are free from abuse; prohibition of forced labor; safe working environments; recognition and respect of workers’ rights to freedom of association and collective bargaining; and compliance with local employment laws. As part of our ALP program, we train contracted farmers on the ALP code requirements, and we monitor their adherence through multiple in-person farm visits during the growing season.





PRIORITIZED HUMAN RIGHTS



CHILD LABOR

Universal is committed to eliminating child labor. Children are vulnerable to exploitation and frequently are unable to defend themselves. Child labor also frequently interferes with school attendance, which infringes upon a child's right to education. Universal prohibits the employment or use of child labor and we will monitor and work with parties in our supply chain to counter child labor and its root causes.



FORCED LABOR

Universal believes that everyone has the right to their voluntary choice of employment, to decent working conditions, to move freely, and to enjoy leisure days. Universal does not tolerate any forced labor in its organization and expects the same from suppliers and others in our supply chain. Universal undertakes risk assessments and facilitates reporting mechanisms to identify the risk of forced labor, including involuntary or trafficked labor in its supply chain, and implements

measures to detect, avoid, address, mitigate and eliminate any such risk and its root causes.



SAFE WORK ENVIRONMENT

Health and Safety is of paramount importance to Universal. The resources and investments needed for the protection of our employees are a critical part of our business, and we work continually to improve our working environment and build upon our safety practices. We also expect our suppliers to provide a safe working environment to their own workers. Where suppliers require support, we work to facilitate access to protective equipment, clean water, medical help and safe worker accommodation.



FAIR AND EQUAL TREATMENT

Universal believes in maintaining a diverse and inclusive workforce by promoting employment equality. Universal believes in making personnel decisions based upon the merits without regard

to, or discrimination on the basis of, race, sex, color, national or social origin, ethnicity, religion, age, disability, sexual orientation, gender identification or expression, political opinion or any other status protected by applicable law. We hire locally within every region we operate and contribute to employee well-being with appropriate programs. Universal also extends this policy to our suppliers and monitors treatment of their work force. We believe that all people are entitled to be treated with dignity and respect, and we do not discriminate or allow behavior that is abusive or demeaning. If unfair treatment is found, the root cause must be identified and practices put in place to ensure it is addressed.



FREEDOM OF ASSOCIATION

Universal believes in the right of workers to organize and collectively bargain. Universal believes in constructive and transparent discussions between employers and workers, and welcomes associations that promote fair working conditions

and facilitate better communication without fear of retaliation.



COMPLIANCE WITH AND PROTECTION OF THE LAW

Universal believes in complying with and upholding the applicable laws of the locations in which we operate. To the extent applicable law is more stringent than our policies, we must comply with applicable law. We believe in the due process of the law and follow local legislation in any employment or discipline process. Universal also believes in upholding data privacy laws regarding employees and suppliers by diligently applying requirements and data transfer agreements. Universal also extends this policy to suppliers and monitors their treatment of employees to ensure that all local laws are followed in supplier business practices.

REDUCING OUR ENVIRONMENTAL FOOTPRINT

Universal recognizes three primary environmental responsibilities throughout our global footprint: responsible consumption of water and resources, forestry, and minimizing greenhouse gas emissions. Universal believes in careful evaluation and execution when implementing new practices throughout our operations and supply chain to minimize unintended consequences while pursuing new opportunities.

To uphold our business and stakeholder commitments, Universal complies with, or exceeds, all environmental laws and regulations in the locations in which we operate. Environmental compliance is a cornerstone of being and remaining a responsible corporate citizen. Numerous environmental laws and regulations have been enacted around the world aimed at reducing, eliminating, or restricting the discharge or release of contaminants or pollutants into the air, water, and soil, and to address climate change impacts. Universal's policy is to adhere to all applicable environmental laws and regulations.

Universal is committed to reducing our emissions across our entire value chain, including Scope 1, Scope 2, and Scope 3 greenhouse emissions. Universal has established science-based targets which have been approved by the Science Based Target Initiative in 2021. Our emissions targets are aligned with the Paris Agreement to limit global warming to well-below two degrees Celsius from a pre-industrial base level. We will continue to evaluate our targets and continuously monitor our progress towards these targets. We are committed to aligning our current and future targets with industry best practices.

Universal has developed a transition plan with assistance from a third party consultant well-versed in corporate climate action. The plan includes measures we must implement in pursuit of near and long-term goals. This plan includes increasing efficiencies, investing in new technologies to phase out fossil fuels, and working with suppliers to purchase electricity and goods and services that use renewable energy. We will also continue our forestation efforts to enhance biodiversity and offset emissions. Universal has challenged our operations to review these areas of improvement and implement plans to reduce local emissions.

Universal will continue to monitor and manage our identified environmental impacts in a sustainable and responsible way. We will continue to enhance water management at the operational level. We will continue to reduce waste and reuse or recycle when operationally feasible. We will continue to improve efficiencies and work towards using renewable fuels in our operations and supply chain. Finally, we will promote forestation and the use of sustainably sourced wood in our operations and our supply chain. These actions are a part of our efforts to address climate change and manage our climate change risks.

We are committed to reducing our environmental impact by maintaining environmental management systems at our local operations, reducing our environmental footprint and impacts, and providing our contracted farmers with guidance on good agricultural practices. We have also committed to emissions, water, and waste goals that we discuss in detail in their respective sections of this report.

UNIVERSAL FURTHERS OUR COMMITMENT TO ENVIRONMENTAL STEWARDSHIP THROUGH ENVIRONMENTAL GOALS



Absolute Scope
1 & 2 GHG Emissions

**BY CALENDAR YEAR 2030
FROM A 2020 BASE YEAR**



Scope 3 Ghg Emissions From
Purchased Goods & Services

**BY CALENDAR YEAR 2030
FROM A 2020 BASE YEAR**



Million Liters of
Rainwater Collected
Annually For Operational Use

BY CALENDAR YEAR 2025



Waste Composted Or
Recycled Annually

BY CALENDAR YEAR 2025

STAKEHOLDER ASSESSMENT

Universal also engages stakeholders on a regular basis. The six stakeholder groups in the adjacent table are the primary focus of the materiality assessment we performed in connection with this Sustainability Report. These stakeholders are important to the successful operation of our business throughout the world. Their varied interests and perspectives assist us to identify and address issues that are important to our business. Based on a review of stakeholder documentation and professional judgment derived from industry involvement, the included table is a compilation of important topics and indicators categorized by the three pillars of this Sustainability Report: Environmental, Social, and Supply Chain Integrity. All stakeholders have their own perspectives regarding the topics that they deem important within the tobacco supply chain

and our agri-products operations. While there are many topics, there is a level of convergence related to our business activities that allows the list to be condensed into a few broad focus areas within each Environmental, Social, and Supply Chain Integrity pillar. The table below represents our current summary of material topics. These topics guided the content of this Sustainability Report, and each will be discussed in detail.







The topics presented in this Sustainability Report are the focus of our data collection, goal setting, and risk assessment, and will shape our efforts and reporting in the future. As this is our fourth sustainability report, we are proud to present our environmental, social, integrity, and supply chain performance with respect to the goals and targets we have set.

MATERIAL TOPICS FOR EACH PILLAR

SUPPLY CHAIN INTEGRITY	ENVIRONMENTAL	SOCIAL
Compliance	Reducing GHG Emissions	Health and Safety
Economic Value	Managing Consumption	Community Engagement
Supply Chain Controls	Forestry	Employment Practices
Crop	Agricultural Environment	Agricultural Labor Practices



TOPICS OF CONCERN TO EACH OF UNIVERSAL'S STAKEHOLDERS

	STAKEHOLDER IMPORTANCE	KEY TOPICS
 FARMERS & SUPPLIERS	<p>At the beginning of the supply chain are farmers and suppliers of agricultural inputs including curing fuel, fertilizers and CPAs. We provide various levels of support and agricultural inputs to facilitate farmer success.</p>	<ul style="list-style-type: none"> • Training • Good Agricultural Practices • Agricultural Labor Practices • Living Income
 EMPLOYEES	<p>More than 20,000 Universal employees rely on our business for income and support for their families and livelihoods. We rely on our employees to execute our business plan with integrity and efficiency.</p>	<ul style="list-style-type: none"> • Health and Safety • Human Rights • Employee Grievance Mechanisms
 CUSTOMERS	<p>Our customers rely on us for a stable supply of agri-products and for the performance of related processing services that meets their blend and quality needs. Customer relationships drive our business.</p>	<ul style="list-style-type: none"> • Product Standards and Requirements • Responsibly Sourced Products • Resource Efficiency
 INVESTORS	<p>Investors are important to our business because, as owners of our company, they entrust us with capital to fund our business. We must demonstrate a stable and sustainable business to earn that trust through the generation of returns on their investments.</p>	<ul style="list-style-type: none"> • Business Performance • Corporate Governance • ESG Reporting • GHG Emissions • Forestry
 GOVERNMENTS & REGULATORY ORGANIZATIONS	<p>We conduct our business with integrity and within the law. Cooperation with regulatory organizations is important for us to maintain our operations and build trust in regard to our business conduct.</p>	<ul style="list-style-type: none"> • Compliance with Local Laws • Anti-Corruption
 LOCAL COMMUNITIES	<p>Our operations source agri-products from around the world and local communities benefit from the presence of our operations. Local people drive our supply chain and processing operations; and their success and support is vital for our operations.</p>	<ul style="list-style-type: none"> • Socioeconomic Stability • Community Engagement • Business Integrity

SUPPLY CHAIN INTEGRITY

Universal's Board has oversight of operational governance issues from anti-corruption measures to environmental and social issues that affect stakeholders in our supply chain. We recognize that good corporate governance is the key to our global supply chain integrity efforts. Universal's Board and strong corporate and local management teams work together to identify solutions to potential impacts within our supply chain.

Universal believes that our value lies in our ability to supply agricultural products to consumer product manufacturers. While tobacco is our primary agricultural product, the Company has a strategy to derive value from other agricultural products as well. We are doing this through strategic acquisitions and by contracting other crops directly with our existing farmers. Universal believes that agricultural products should be sourced in a responsible manner, and we work to align this belief to the products we source.

Universal has the following global policies and practices that guide our operating companies: Environmental; Health and Safety; Human Rights; Code of Conduct; Good Agricultural Practices; Agricultural Labor Practices; and Supply Chain Integrity. Our regional management teams implement these policies and practices in their regions, which have varying challenges depending upon the operating environments and constraints that each region faces. Universal supports our local operations and subsidiaries by establishing policies and monitoring their respective implementations, reviewing regional operating plans, seeking alignment with stakeholders, and funding initiatives identified at the local level.

In addition, our business directly and indirectly supports the communities and regions in which we operate by providing farmers efficient access to global markets, offering our employees a fair and safe working environment, and promoting sustainability in our communities. We are firmly committed to supporting our customers, farmers, employees, communities and business partners through ethical business practices as well as targeted programs and investments aligned with our organizational objectives.

ACTIVE PARTICIPANT IN SECTOR SUSTAINABILITY INITIATIVES

Universal is an active member of many organizations at the local, national, and international levels. These organizations represent an opportunity for us to engage and implement a number of our important commitments. Universal's participation expands beyond financial support to include organizational management, board membership and leadership, the sharing of best practices, and the provision of industry expertise.

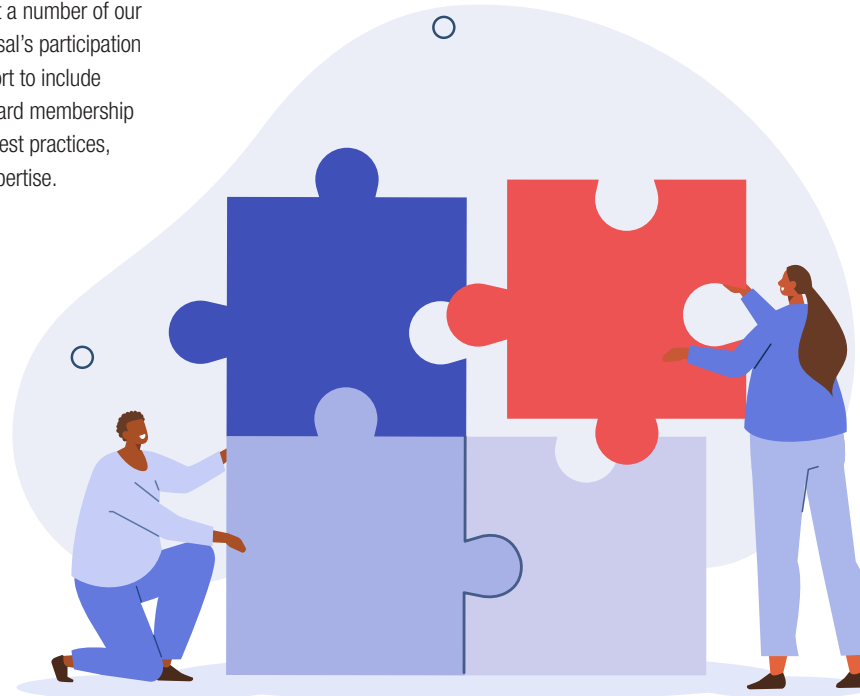
INTERNATIONAL INITIATIVES IN WHICH UNIVERSAL PARTICIPATES

Cooperation Centre for Scientific Research Relative to Tobacco (CORESTA): Founded in 1956, CORESTA's purpose is to promote international cooperation in scientific research related to tobacco and its derived products. The scientific work of CORESTA is carried out within four study groups: Agronomy & Leaf Integrity; Phytopathology & Genetics; Smoke Science; and Product Technology.

TMA's Global Tobacco & Nicotine Forum (GTNF): TMA's GTNF is a global forum for the exchange of views and ideas among public health experts, government representatives,

investors, and members of the tobacco/nicotine industries. Behind the success of the GTNF is a strong belief that deepening the conversation about tobacco, nicotine, and public health can lead to more informed views and decisions by all stakeholders.

Sustainable Tobacco Program (STP): STP is an industry-wide initiative that focuses on several topics associated with tobacco production, from Environmental to Human Rights issues. The program is currently undergoing revisions with a stronger focus on impact, risk assessment, and continuous improvement in the tobacco supply chain.





UNIVERSAL INGREDIENTS OPERATIONS

As part of our previously-announced capital allocation strategy to invest in non-tobacco growth opportunities, Universal completed the acquisitions of FruitSmart, Inc., Silva International, LLC, and Shank's Extracts, LLC. We believe that these companies have established value-added business-to-business goods that are a strategic fit for the Company. These acquisitions represent a foundational step in our development of a broader value-added, plant-based agri-products service platform and an investment in the section of the agricultural value chain where we possess significant business expertise.

Our ingredients businesses provide our business-to-business customers with a broad range of plant-based ingredients for both human and animal consumption. A variety of value-added manufacturing processes are used in these

businesses to convert raw materials into a wide spectrum of fruit and vegetable juices, concentrates, dehydrated products, botanical extracts, and flavorings. Our plant-based ingredients platform serves a number of markets, including the Food and Beverage market, one of the largest industrial categories in the United States.

There are thousands of companies represented in this segment and hundreds that offer similar or competitive types of products. We distinguish ourselves in this market by offering high-quality, customized product solutions with global sourcing capabilities and by having strong, long-standing customer relationships. Customers of our ingredients businesses include large multinational food and beverage companies, as well as smaller independent entities.



STAKEHOLDER IMPORTANCE



Supplies a broad set of juices, concentrates, pomaces, purees, fruit fibers, seed and seed powders, and other value-added products to food, beverage and flavor companies throughout the United States and internationally. Its top five products are apple, concord grape, raspberry, and blueberry juice concentrates as well as not from concentrate apple juice. Headquartered in the Yakima Valley in the state of Washington, FruitSmart has approximately 200 employees and two manufacturing facilities.



Procures over 60 types of dehydrated vegetables, fruits and herbs from over 20 countries around the world. Specializes in processing natural materials into custom designed dehydrated vegetable, herbs, mushrooms, spices and fruit-based ingredients for a variety of end products. Its top five ingredient product categories are vegetable blends, peppers, spinach, carrots, and pumpkin. Headquartered in Momence, Illinois, Silva employs over 250 people and has a 380,000 square foot manufacturing facility. Silva has established a reputation as the 'go-to' provider for 'clean,' natural, specialty dehydrated vegetable and fruit-based ingredients.



Produces botanical extracts and flavorings and has bottling capabilities. Shank's has a strong presence within the botanical extracts, flavorings, and bottling marketplace, with significant vanilla expertise. In addition to pure vanilla extract products, Shank's offers a robust portfolio of over 2,400 other extracts, distillates, natural flavors and colors for industrial and private label customers worldwide. Shank's employs more than 200 people and has a 191,000 square foot manufacturing campus in Lancaster, Pennsylvania.

CREATING VALUE

In fiscal year 2022, Universal continued our commitment to leadership in setting industry standards, operating with transparency, providing products that are responsibly-sourced, and investing in and strengthening the communities where we operate. Throughout the year, we continued to execute on the capital allocation priorities we previously laid out in 2018.

We continue to position ourselves for growth through diligently managing our businesses while investing in our future despite external challenges ranging from logistical constraints to inflationary pressures. For fiscal year 2022, we reported:

- *Net income attributable to Universal Corporation of \$86.6 million, or \$3.47 per diluted share, compared to \$87.4 million, or \$3.53 per diluted share, for fiscal year 2021.*
- *Operating income of \$160.3 million, compared to operating income of \$147.8 million for fiscal year 2021.*
- *Segment operating income of \$174.3 million, an increase of \$5.1 million, compared to the same period in fiscal year 2021.*
- *Consolidated revenues of \$2.1 billion, an increase of \$120.2 million, compared to the same period in the prior fiscal year, primarily driven by the acquired businesses in the Ingredients Operations seg-*

ment and higher average sales prices in the Tobacco Operations segment partially offset by lower tobacco sales volumes.

Lastly, in connection with fiscal year 2022 earnings, we were pleased to announce our 52nd consecutive annual dividend increase. In addition to delivering strong year over year results, we have been integrating and exploring opportunities for synergies between our acquired businesses of our plant-based ingredients platform.

The acquisition of Shank's Extracts, LLC ("Shank's"), which we completed in October 2021, marked another important step forward in our efforts to identify and execute on opportunities that broaden and enhance our plant-based ingredients platform. With Shank's as part of our platform, we have bolstered our offerings to customers by adding botanical extracts and flavorings.

Universal believes that all stakeholders should benefit from a relationship with our company. Operating costs that generate economic value

DIRECT ECONOMIC VALUE DISTRIBUTED	
Operating costs	\$ 1,576,313,000
Employee Wages and Benefits	\$ 292,742,000
Payments to Providers of Capital	\$ 107,427,000
Payments to Governments	\$ 43,650,000
Community Investments ¹	\$ 2,805,000

¹ Community investments does not include contributions by Universal Leaf Foundation which totaled more than \$1,000,000.

are primarily related to local tobacco and agri-product sourcing efforts, which puts earnings into the hands of local farmers and service

providers and supports local economies. Our sourcing efforts include smallholder farmers in many developing countries.



SHANKS ACQUISITION United States

Shank's Extracts is a premier supplier of vanilla and a wide range of other botanical extracts, flavors, food colors, syrups, sauces and more. Shank's products are widely distributed to industrial, private label, and grocery customers worldwide, and we are a valuable ingredient partner for food or beverage companies nationwide. We have the technical aptitude for exacting formulations, the business commitment and know-how to support ongoing R&D innovation, the production controls to consistently deliver quality products, and the comprehensive product line to help companies in food and beverage, retail and grocery remain competitive in the marketplace. Our SQF ratings reflect our continuous commitment to staff training. Our products fall under the jurisdiction of the U.S. Food and Drug Administration and the U.S. Alcohol and Tobacco Tax and Trade Bureau (TTB). Our products, processes, and facilities are further supervised by the Safe Quality Food Institute (SQF), Quality Assurance International (QAI), and the Orthodox Union.



COMPLIANCE & ETHICS

THE RIGHT WAY IS THE ONLY WAY

At Universal, our commitment to compliance and ethics guides our operations at every level from the Board of Directors to our local staff. The Board of Directors of Universal Corporation adopted our Code of Conduct and Anti-Corruption Compliance Manual in order to promote ethical behavior; encourage compliance with ethical standards; facilitate the reporting of unethical and illegal behavior; and address violations of ethical standards, Universal policies, and applicable laws. While it is true that everyone is required to comply with the law, our Code and Manual go beyond the law to set a higher standard to follow in some instances. Additionally, joint venture partners, sales agents and certain third parties, who represent our companies, are contractually bound to follow our Code and Manual. From risk mitigation to scrupulous attention to laws and regulations, integrity is embedded in our DNA and visible in our risk mitigation efforts, ethical decision-making processes, and corporate governance policies. Universal's management fervently believes that doing the right thing the right way is the only way to conduct business.

The Corporate Compliance Committee, which consists of our Chief Executive Officer and other senior members of our management team, strive to find new ways to improve the program to better mitigate risk and streamline administration to make the program more user friendly for employees and business. Our Compliance Policies are supported by detailed standard operating procedures that include both preventive and detective controls. These are closely monitored by both management and our Internal Audit Department. There is a tiered

monitoring and reporting system that starts with our Local Compliance Teams reporting monthly to their Regional Compliance Teams, and those Regional Compliance Teams reporting quarterly to the Corporate Compliance Committee on all program elements. Our Chief Compliance Officer delivers a comprehensive report every quarter to the Corporate Compliance Committee, and the Committee reports at least quarterly to our Board of Directors.

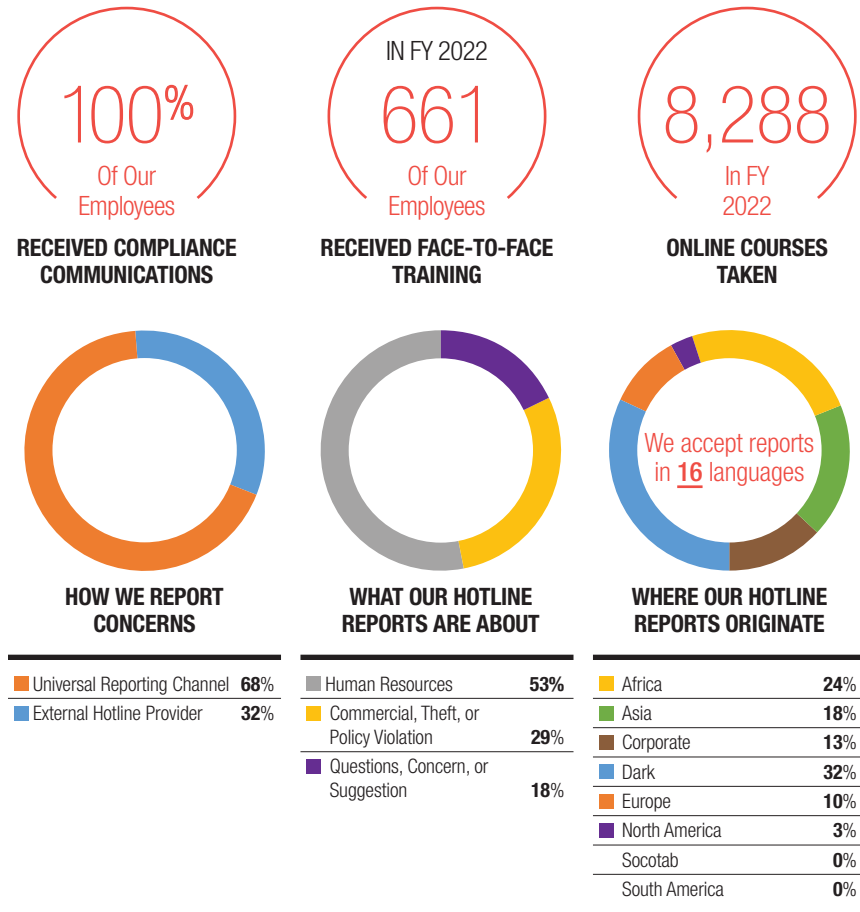
In addition to internal monitoring procedures, we engaged the services of a leading global law firm to conduct an independent benchmark assessment of our program. The law firm concluded that Universal designed and implemented a thoughtful and robust Anti-Corruption Compliance program. They reported that our program includes all required program elements and generally executes all such elements per regulator expectations, accounting for our company's risks, experiences, size, and resources. They also noted there were no significant or material gaps in our program.

Training and communication are key elements of our global Anti-Corruption Compliance program as they help drive company culture. We want to ensure that our employees and third parties regularly hear, see and believe our message. We design and deliver tailored face-to-face training to all employees in compliance-sensitive roles. Our training is developed at our corporate headquarters for consistency, but is delivered by local trainers in local languages to ensure comprehension and the inclusion of local law and examples.

In addition to regular compliance communications, we have communicated our Global Anti-Corruption Compliance Program to 100% of our business partners who interact with government officials on our behalf. Of those business partners, we consider 25% to represent higher corruption risk based on geography, nature of

government interaction, and other compliance factors. 100% of those high-risk business partners received face-to-face and online compliance training, and all our remaining business partners received online training or other forms of compliance communications that reinforce our program.

UNIVERSAL GLOBAL COMPLIANCE PROGRAM



SUPPLY CHAIN CONTROLS

Our commitment to sustainability encompasses a wide array of programs and initiatives. As an agri-products supplier operating in numerous countries around the world, we primarily focus our sustainability efforts on our operations and the farmers from whom we directly purchase leaf tobacco and food materials. Sustainability efforts with respect to our operations around the world involve the adoption and implementation of policies and procedures related to environmental impacts, workforce protections and programs, and other important considerations. Sustainability efforts with respect to our supply chain address environmental impacts, while also emphasizing important issues such as appropriate agricultural labor practices and other components of industry-recognized good agricultural practices (“GAP”).

Universal has implemented sound practices addressing supply chain integrity and traceability including protections against genetically modified organisms (GMOs), non-tobacco related materials, infestation, and spoilage. Our management systems include farm oversight, vendor approval, traceability, leaf assessment procedures, and supply chain sanitation and hygiene practices. Our Field Technicians train and provide agricultural extension services to our contracted tobacco farmers and conduct supplier audits on the respective farms. All contracted farmers are monitored and audited against our Good Agricultural Practices and Agricultural Labor Practices programs. Our supply chain procedures are illustrated on the following page and more details of farmer expectations can be found on pages 21 through 25 of this report.

We also institute numerous safeguards at our processing facilities to assure quality and integrity including sanitation, moisture content, non-tobacco related material, and infestation management. Our responsibly-sourced leaf is supervised, purchased, and processed under controlled conditions created by our quality management systems, and remains traceable to the farm-level through our extensive traceability systems. We are able to trace issues such as Non-Tobacco Related Material (NTRM) and agrochemical use back to the farm and utilize findings in our supplier review system. The result is that our customers know they can rely on Universal to consistently deliver a product that is responsibly-sourced and meets their exacting specifications.

Our ingredients businesses operate in alignment with the Global Food Safety Initiative (GFSI) and utilize GFCI-recognized certification programs to assess their business operations. FruitSmart (BRC), Shanks (SQF) and Silva (FSSC 22000) have integrated these food safety certification programs into their operations and are routinely audited by their respective certification program owners. In fiscal year 2022, no major non-conformities and two minor non-conformities were found with a 100% corrective action rate. There were no recalls issued by our operations.

Universal’s Board oversees the funding of significant capital expenditure initiatives requested by our local operations that support product quality and integrity. Our Board, management and designated committees consider and address issues that may occur in the supply chain. Universal works with our customers to

ensure that the tobacco that we source meets or exceeds our customers’ social, environmental and quality standards.

Universal processes tobacco and other agricultural products around the world and we have standards and procedures in place to consistently produce goods that our customers can rely on. Globally, eleven of our tobacco processing plants are ISO certified, covering approximately 70%

of our total processed tobacco volumes. Our ISO certifications cover Quality and Environmental procedures with ISO 9001 and 14001 respectively, while some operations have an additional certification for Health and Safety with ISO 45001.

Our ingredients operations maintain kosher and organic certifications for many of their product offerings as well as certifications associated with the supply chain of their raw ingredients.

“...eleven of our tobacco processing plants are ISO certified, covering approximately 70% of our total processed tobacco volumes. ...ISO 9001 and 14001 respectively, while some operations have an additional certification for Health and Safety with ISO 45001.”



ENVIRONMENTAL IMPACTS

As stated in our global Environmental Policy, we are committed to cooperating with our supply chain partners to implement strategies that reduce the environmental impact of agricultural activities and to implement best practices at our local operations to address environmental impacts. Universal recognizes three primary environmental risks throughout our global footprint: greenhouse gas emissions, consumption and disposal, and forestry. In our 2022 fiscal year, several environmental projects and programs were implemented with the goal of managing our environmental risks.

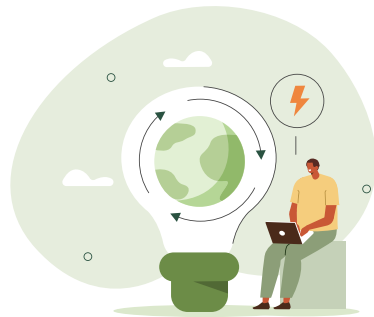
Numerous laws and regulations have been enacted around the world regarding the protection of the environment by eliminating, reducing, or restricting the discharge or release of contaminants or pollutants into the air, water, and soil. Local environmental regulations provide Universal with best practices to adopt at each operation. Our operations must adapt to the unique environmental challenges that each faces. Governmental requirements and environmental conditions vary amongst our areas of operation, so we depend on our local management teams to ensure that we mitigate environmental impacts while Universal (or corporate) monitors results and sets expectations on a global basis.

Within our factories, we monitor our environmental impact by focusing on fuel usage, water usage, and solid and liquid waste disposal. We monitor the efficiency of resource utilization along with factory emissions, and we continue to implement biomass fuel usage where practical to reduce fossil fuel usage. Additionally, proper protections are in place to minimize emissions

regardless of energy source. We continue to consider ways in which we can reduce the environmental impact of the tobacco supply chain, through promoting energy efficiency, supporting biodiversity, and conserving forestry and other natural resources. Our forestry activities have continued to expand and for the first time are a focus of this report.

We review the expectations of the Task Force for Climate Related Financial Disclosures (TCFD) and evaluate our risk mapping and adjust our disclosures accordingly. Annually, we disclose our greenhouse gas emissions with the Carbon Disclosure Project (CDP). Our Climate Change questionnaire is made public and we review our disclosure to improve the transparency of our environmental data. We also made our Water Security and Forestry CDP submissions public this year in order to continuously improve our disclosure and transparency.

Our NCG Committee is responsible for overseeing the environmental performance of the company, and each employee, officer, and director is expected to ensure that his or her activities and those of their fellow workers are environmentally sound.



TOPIC	RISK	OPPORTUNITY IN RESPONSE
GHG Emissions	<ul style="list-style-type: none"> Changing weather patterns due to climate change Increasing climate change regulation 	<ul style="list-style-type: none"> Tobacco and other crop varieties that require fewer inputs—drought tolerant, etc. Incentives and decreased costs associated with purchasing renewable energy
Managing Consumption	<ul style="list-style-type: none"> Pressure on water infrastructure for availability and quality Increased pressures associated with responsible disposal 	<ul style="list-style-type: none"> Enhancing our operational infrastructure to be more resilient by recycling water and capturing rainwater Reusing and recycling materials to reduce operational and disposal costs
Forestry	<ul style="list-style-type: none"> Deforestation impact from curing fuel procurement Loss of Biodiversity 	<ul style="list-style-type: none"> Control cost and distribution of wood supply Benefits to local biodiversity

“ We believe in science based approaches to setting targets and working towards our goals. We continue to review the latest protocols and best practices for emissions accounting, responsible consumption, and forestry. ”



Airton Hentschke

Senior Vice President and Chief Operating Officer, Universal Corporation



EMISSIONS

Climate change issues are important considerations directly related to the sustainability of tobacco production and our ability to supply tobacco to our customers. Universal monitors and tracks fuel and energy use throughout our supply chain; from the farm to the consumer product manufacturer. Our scope 1 activities include mobile, boiler, and generator combustion, while our scope 2 activities are primarily related to grid electricity use. Universal understands that impacts of climate change will vary by geographic region and the possible effects could include changes in rainfall patterns, water shortages, changing storm patterns and intensities, and changing temperature levels that could adversely impact our costs and business operations as well as the supply of agri-products.

Our long-term global strategy to mitigate climate impacts is through pursuit of economies of scale and diversity of supply to address customer needs. In the short term, we also continue to develop new tobacco cultivars and diversify our role in various agricultural supply chains, such as the agri-products associated with our ingredients business. We teach our contracted farmers resilient farming techniques which are discussed further in the Good Agricultural Practices

sections beginning on page 23 of this report. In sum, we take our climate impacts seriously.

In order to align our operations with the Paris Agreement in support of limiting global warming to well-below 2°C above pre-industrial levels, we have committed to reduce absolute scope 1 and 2 GHG emissions by 30% by 2030 from a 2020 base year, and to reduce absolute scope 3 GHG emissions from purchased goods and services by 30% within the same time-frame. These targets were reviewed and approved by the Science Based Target initiative (SBTi). We are pursuing these targets through a strategy of seeking operational efficiencies, converting to cleaner fuels, and purchasing renewable energy depending on availability in local markets.

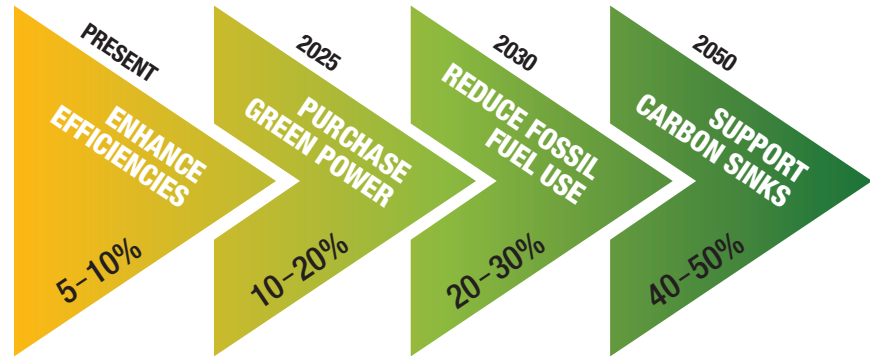
Universal has reported emissions through CDP to our supply chain partners since 2009, and we are now publicly disclosing our CDP submissions to provide greater accountability to our customers and shareholders. Universal aids our local management teams to identify and fund opportunities for reducing energy use and emissions, so our operations can combat climate change. This year we reduced our absolute emissions and emissions intensity throughout our global operations

even though our scope 2 and electricity usage increased, which can be attributed to using more renewable energy within our operations. Data collected from fiscal year 2022 is presented herein.

LOW CARBON TRANSITION PLAN

To meet our current science based target and in anticipation of future targets, Universal worked with a third party to develop a plan to effectively use our global resources to reduce our emissions

footprint. Our portfolio of fuels, their uses, and local operating factors were all analyzed concurrently to create a road map to achieve our 30% reduction target and understand the resources necessary to achieve net zero in the future based on our 2020 base year. Our plan includes reducing our current emissions intensity by creating efficiencies where possible, purchasing renewable energy, and reducing our use of fossil fuel use within our operations.



SCOPE 1 101,725 tCO _{2e}	SCOPE 2 50,082 tCO _{2e}	EMISSIONS INTENSITY 0.07 tCO _{2e} /Thousands in revenue
TOTAL MWH SCOPE 1 539,110 MWh	MWH FROM RENEWABLE SOURCES 145,159 MWh	TOTAL ELECTRICITY USE 142,342 MWh



SOLAR POWER ROOF PROJECT

Dominican Republic

In 2019, our subsidiary in the Dominican Republic, Inetab, began construction on a new sorting facility to meet the demands of increasing customer requirements. More than 1,500 square meters of solar panels were installed on the roof during construction to help meet the power needs of the new building. The panels began generating power April 2022 and are generating 35% of the electricity needed for the facility.



MANAGING CONSUMPTION

At Universal, we believe in minimizing our impact on natural resources by reducing our consumption and supporting reuse to the greatest extent practicable in our operating regions. We encourage our operations to work with local resources to increase reuse and recycling of water and other resources, through composting or recycling, and to minimize impacts on local infrastructure. Water use and waste disposal are two sets of metrics we use to monitor our impact and track progress towards our goals.

WATER

Universal believes that conserving water is important to our business from both a cost and sustainability perspective. We primarily use water during tobacco processing by heating it in boilers in order to condition and dry the tobacco. This process balances the moisture level in processed tobacco to facilitate storage and long-term use. We limit our use of public water sources, while managing overall water usage and discharge. In our ingredients business, water use is minimized, and typically involves removing moisture from

our raw products, with water usage mostly associated with cleaning and sanitation activities. In our supply chain, we work with our direct contracted farmers to implement efficient water use practices.

Our processing operations primarily rely on boreholes, municipal water systems, rainwater collection, and surface water withdrawals for industrial use. When necessary, water is filtered on-site for our own use. Around the world, we strive to increase our reuse of water, and we fund water projects to address regulatory requirements and long-term reductions in use. Reported water consumption in areas of water stress are according to the World Research Institute (WRI) Risk Atlas Tool (aqueduct.wri.org). Where access to water for sanitation and hygiene (WASH) and safe drinking water is found to be a risk, we work with local and industry stakeholders to increase availability where we operate.

On a monthly basis, Universal collects data to monitor water use within our processing operations. This data is reviewed by the corporate operations team to monitor our water risk in our operations. Flow meters and control systems provide the data that drives our understanding of water use and discharge. This year, in several of our operations, we increased our reused water with infrastructure upgrades. While our water withdrawal and consumption increased in 2022, this is largely due to FruitSmart, Silva, and Shank's being fully incorporated into the analysis. Each location continuously works on decreasing our water footprint. Data collected from fiscal year 2022 is presented herein.

TOTAL WATER WITHDRAWN

1,700,000 M³

TOTAL WATER CONSUMED

619,000 M³

PERCENTAGE OF WATER WITHDRAWN

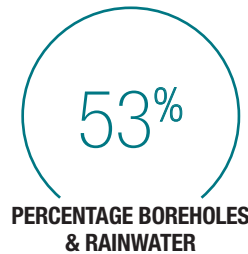
42%

In regions of high water stress

PERCENTAGE OF WATER CONSUMED

24%

In regions of high water stress



MANAGING CONSUMPTION

WASTE

Universal tracks waste associated with our processing operations as we believe that lower waste generation promotes responsible business practices. Waste disposal is commonly dictated by local regulations, and we regularly monitor our compliance. Our disposal amount can be dependent on local infrastructure limitations and the amount of tobacco our customers choose to purchase. Our subsidiaries are encouraged to exceed regulatory requirements by recycling and composting waste in order to reduce our impact on local disposal resources. Universal also encourages new technologies for waste reduction and provides the resources needed to implement solutions.

Each year, composting and recycling are expanded within our operations. The less we send to landfills, the less strain we put on local resources. We routinely review the waste data we collect in order to better identify the

opportunities for recycling and reuse. We work with our subsidiaries to understand their constraints, so that they have the resources they need to continue to reduce landfill disposal. As a Company, we produce and handle minimal amounts of hazardous waste. The majority of hazardous waste we produce is related to vehicle and equipment maintenance. Furthermore, we do not use chemicals to process our tobacco.

With regard to waste generation, Universal focuses on continuous improvement to reduce our overall waste generation while seeking opportunities to reuse byproducts. We seek to improve efficiencies throughout our processes, and this year we limited our hazardous waste to just 1% of all operational waste, and globally increased the amount of waste composted.

While, our total waste generated in the past year increased, this was due to the inclusion of ingredients companies FruitSmart, Silva, and Shank's.





FORESTRY

FORESTRY

Universal believes that it is important to responsibly use forest resources and prevent deforestation. Forestry and timber resources are essential to our business because wood is used in our supply chain to cure tobacco, construct barns, and in some regions to fire our boilers. We track company and contracted farm timber consumption, conversion of natural ecosystems, and area of trees planted during each crop cycle. Using timber, as opposed to fossil fuels, limits the emissions associated with curing tobacco. In fact, in some countries we maintain forestry resources as an essential part of our business strategy and plan.



TREES PLANTED DURING CY22

10,274,767

Our contracted farmers may directly purchase wood themselves, but in countries with limited forestry resources, we provide wood to them. Universal tracks the sources of wood used in the supply chain and works with local suppliers to ensure the sources are sustainable. In cases where Universal is not supplying wood to farmers, we monitor the farmer wood lots and timber stores to ensure the wood used has been legally sourced. Universal promotes the use of timber that is sourced from forest areas that have been certified by local or international organizations. These organizations include the Forest Stewardship Council (FSC), Sustainable Forestry Initiative (SFI), Programme for the Endorsement of Forest Certification (PEFC), and others. As of 2022, 11% of the timber consumed in our supply chain came from certified forest areas.

Traceability is an important part of working to combat deforestation. Traceability means knowing where timber originates, which provides increased visibility of the timber supply chain. To meet our timber supply goal of zero deforestation, we need an auditable and traceable timber supply chain which is pursued on an origin by origin basis. We work with suppliers and review their practices to encourage recognition and pursuit of deforestation standards. Where farmers source wood inputs, they are required to submit receipts or other relevant traceability documentation. Our field technicians monitor the farmers' wood storage and use throughout the growing season in order to evaluate circumstances and record associated documentation. As of 2022, we achieved 78% traceability in our timber supply chain.



KASUNGU FARM Malawi

Limbe Leaf Tobacco Company (LLTC) established a farm in 2014, in conjunction with an established customer, with the aim of producing high yielding eucalyptus trees to serve as a flue-cured tobacco curing fuel for contracted growers. This farm is situated in the eastern part of Kasungu District. LLTC's commercial forestry project is a key component of an integrated program and is centered on its forestry nursery and plantation operation in the heart of the tobacco growing area in Central Malawi. The site currently covers a total area of 2,000 hectares, 46% of which is commercial planted forestry, 23% is indigenous woodland, and the remainder is used for riparian, wetland restoration and preservation. Plantings on the farm include indigenous species alongside eucalyptus varieties, as well as bamboo species for either biomass supply or for building materials for barns, all to be supplied to contracted smallholder growers. The seedlings for each year's planting are produced in modern nurseries on site. The indigenous forest areas are carefully mapped, with the protection and regeneration managed with assistance from consultants having expertise in regeneration and maintenance of indigenous woodlands. A biodiversity inventory and monitoring system has been implemented in the indigenous forest and wetland areas to build on existing best practices.

SOCIAL IMPACTS

Universal operates throughout the world and impacts thousands of people every day. We operate in more than 30 countries, employing a multicultural and multinational work force. We are committed to supporting our employees and work to meet their needs and those of their communities. Through our diverse workforce, Universal has a global view of the needs and challenges that face people throughout the world, and we engage our employees and communities to help improve local circumstances. Our operations strive to make a meaningful difference by communicating with stakeholders, so we can support the needs of those in our communities.

Our business directly and indirectly supports the communities and regions in which we operate by providing local farmers efficient access to global markets and offering our employees and those of our contracted farmers fair treatment and a safe work environment. Universal further supports its farmer and employee communities through specific financial investments, programs, projects, and volunteering opportunities aligned with local business activities and the overall needs of the community. See more about our farmer engagement in the Good Agriculture Practices section of this report.

Universal reviews social issues in the regions where we operate in order to shape our actions. We operate in a fair and responsible manner and strive to be an inclusive workplace and a supportive supply chain partner. We also address key aspects and concerns of the tobacco and ingredients industries as well as the farming and industrial communities in which we operate.

COMMITTED TO PREVENTING AND ELIMINATING CHILD LABOR

Universal is strongly committed to preventing and eliminating child labor in agriculture and to supporting our farmers and their communities. In addition to our own efforts to reduce child labor through supply chain monitoring and local programs, Universal joined the Eliminating Child Labour in Tobacco Foundation (ECLT) at its inception in 2001 and has remained actively involved.

Over the past decade, the ECLT Foundation has directly impacted over 920,000 children, farmers, and citizens through projects in Guatemala, Indonesia, Kyrgyzstan, Malawi, Mozambique, the Philippines, Tanzania, Uganda, and Zambia. These projects focus on: (1) working with communities to identify and alleviate child labor; (2) raising awareness about child labor and the dangers it poses to children; (3) building capacities within communities to improve family livelihoods; and (4) increasing access to quality education and training to prepare children and youth for future work. As a result, ECLT estimates that in the last ten years it removed or kept over 195,000 children away from child labor; sent over 32,000 children to school; and financially empowered more than 90,000 families in tobacco-growing communities.

In addition, ECLT brings together national governments, employers, worker representatives, farmer associations, and local leaders to secure concrete commitments in building capacity and closing public policy gaps. For example, the Foundation has opened an office in Uganda to convene other agricultural sectors in the fight against child labor.

Universal's participation in ECLT is not merely financial, but includes larger commitments to management, leadership, and strategic vision. In 2014, thirteen organizations, including Universal, adopted ECLT's "Pledge of Commitment and

Minimum Requirements," a public agreement to uphold robust policies on child labor, conduct due diligence, and provide for remediation consistent with the UN Guiding Principles on Business and Human Rights.





HEALTH & SAFETY

The health and safety of our employees, contractors, and visitors is at the forefront of our business efforts. Universal is committed to the prevention of injury and illness in the workplace through strong health and safety management, employee empowerment and accountability, and strict compliance with health and safety regulations. Health and safety is a non-negotiable priority of our culture.

Our health and safety programs rely on a systems management approach to ensure compliance and continuous improvement. While compliance with health and safety regulations is important and required, our programs reach beyond compliance to influence our company's culture through employee engagement and leadership behavior.

Throughout the ongoing COVID-19 pandemic, our operations have taken action to prevent workplace exposure to acute respiratory illnesses, including COVID-19. We are giving our best efforts to maximize employee protection and safeguard our ability to operate. We continued these aggressive and scaled controls throughout 2021 to protect and safeguard our ability to operate. Our Regional Teams, supported by Corporate, continue to monitor and coordinate our response to the pandemic, supporting our operations with the resources needed.

In FY 2022, our Ingredients Operations were integrated into our employee EHS Program. This consolidation between different businesses has helped empower our whole organization to address and merge our health and safety, and organizational goals.

We continued the digitization of our Environment, Health, and Safety (EHS) systems, workflows, and technology in FY 2022 to enable self reporting and more effective information exchange. Digital tools, data, and analytics are an integral part of our EHS management programs, contributing to better performance and improved risk management.

Accordingly, Universal recently transitioned to an in-house Health and Safety Management platform called Flowy to support our health and safety programs worldwide. This system allows us to better align our critical controls with our operational processes, more effectively manage changes to the EHS program and provide enhanced reporting capabilities to drive improvement. In addition, the new platform helps to identify the story behind the data, leading to better decision-making.

In FY 2020, we set EHS targets, committed to them, and measured them. As a result, a significant improvement has been seen in the way that our operations are reporting and managing safety issues. Improved data quality leads to better decision-making across an organization. The more high-quality data we have, the more confidence we can have in our decisions. We are proud of the critical steps we have taken and we are committed to continuously improve.

Our Health and Safety Program is designed to prevent the loss of life or serious injuries. This is our most fundamental objective. In FY 2022, no fatalities were reported.

We are currently managing safety performance

based on the Total Recordable Incident Rate (TRIR). The TRIR operational dashboard is being supplemented with our Ingredients Operations data including historical performance data for the best organizational view.

Based on the targets established in FY 2020 by our EHS Committee through FY 2023 (Total Recordable Incident Rate <0.50), our factories have done a good job in FY 2022 and achieved a Total Recordable Incident Rate (TRIR) of 0.52. It is important to mention that since the target establishment in FY 2020, ULT has shown a TRIR reduction of 12%.

Regarding preventive actions, the Near Miss Frequency Rate (NMFR) has dropped 40%

compared with FY 2021; however, the number of inspections has increased by 20%, resulting in more than 2,000 corrective actions in FY 2022. The lower number of near misses and hazards reported can be linked to the fact that near misses and hazards are being addressed through the inspection process.

For FY 2023, our focus will be to review our internal processes, emphasizing systems and policies. Based on the experiences arising from the pandemic and also those shared by our operations, it was possible to identify important points for improvements in the EHS management program that will be part of our planning for the coming year.

HEALTH & SAFETY BY NUMBERS

FISCAL YEAR	TRIR	NMFR
2020	0.60	2.17
2021	0.54	4.06
2022	0.52	2.45
Target by FY 2023	0.50	—



Continued on next page ➔

HEALTH AND SAFETY (CONT.)

Inetab-Kaubeck, SRL, Universal's subsidiary in the Dominican Republic, has experienced exponential growth in production in recent years, which commits us to seek innovative solutions to maintain a safe working environment and encourage employee involvement and commitment. We understand that new systems such as the Flowy Management Platform allow us to have a stronger health and safety program with broad participation. This contributes to the minimization of risks in our operations, in addition to driving our decision-making process and focusing on opportunities for improvement in our daily activities.

"I am proud to work at Inetab and to be able to develop professionally in a pleasant work environment. I have been part of the company's growth. The company is committed to safety at all levels, which is why our employees work safely and with the firm conviction that their safety and health is important to the company".



Bianna Paola Liranzo started in 2017 as a Safety and Environment Supervisor at Inetab-Kaubeck. She is currently coordinating the EHS department which she has done since 2020. During her 17 years of work experience, she has participated in several sustainability projects focused on safety, occupational health, waste reduction, and environmental emissions.

EMPLOYMENT POLICIES & STANDARDS

Universal is committed to providing an inclusive working environment for our diverse employee base. Because we operate in more than 30 countries, each with different laws and regulations regarding employees, our Human Resources operations are primarily decentralized. Nonetheless, all of our companies must comply with our Human Rights Policy, Code of Conduct, and Labor Policies and have access to our 24-hour compliance hot line. Universal is an equal opportunity employer throughout the world and selects the best job candidates on the basis

“The company is committed to safety at all hierarchical levels, which is why our employees work safely and with the firm conviction that their safety and health is important to the company.”

Bianna Paola Liranzo

Safety and Environment Supervisor,
Inetab-Kaubeck, SRL

of merit, regardless of characteristics such as race, sex, color, national or social origin, ethnicity, religion, age, disability, sexual orientation, gender identification or expression, political opinion or any other status protected by applicable law.

We value our employees and understand that people are the backbone of our business. Without a reliable workforce, we cannot accomplish all that we do. Regionally, we employ various methods to improve employee satisfaction and decrease turnover. We also support our employees outside of work by offering health and wellness services as well as by implementing

projects that benefit their communities, such as, building schools and making technology more accessible.

Furthermore, Universal does not employ child or forced labor in any of our operations. Universal recognizes that employees have the freedom of association and the ability to individually or collectively communicate grievances and negotiate compensation without the fear of retaliation, consistent with local, state, and national laws. We want our employees to feel that the company they are working for is reputable and has their best interests at heart.



COMMUNITY ENGAGEMENT

Universal has long recognized the importance of community success and prosperity as a key component of the sustainability of our business. Universal funds various initiatives annually to support local economies and cultures as shown in Creating Value on page 9. While many of our engagements aim to empower our employees, farmers, and their families directly, Universal is also committed to a number of projects intended to uplift communities as a whole. Across our global footprint, Universal supports countless local projects, government programs, and charitable events that, in turn, benefit not only our contracted farmers, but also the community at large.

We believe that we do not simply work in a community; rather, we are a part of it. Therefore, we have the duty to support society as a whole and help make it prosperous and vibrant. The stronger the community, the more efficient and effective it is in addressing the labor, environmental, and financial challenges found in the entire agricultural sector.

Universal and our employees are proud to engage as both active corporate citizens and leaders in our neighborhoods, communities, and countries. All our regional operations fund local initiatives at the request of those within the community.

UNITED STATES: UNIVERSAL LEAF FOUNDATION

The Universal Leaf Foundation is a not-for-profit 501(c)(3) organization founded in 1975. The Foundation is the philanthropic arm of Universal Corporation in the United States dedicated to fulfilling its social responsibility in our local communities. Over the past 45 years, the Foundation has fulfilled Universal's strong sense of responsibility to its communities by providing pragmatic support for a number of qualifying 501(c)(3) organizations across four categories: higher education, civic/community/arts, environment, and the health and education of children, at-risk individuals, and families. The Foundation is committed to good corporate citizenship as is evidenced by its investments in a diverse array of community programs, its financial support for community events, and its promotion of employee volunteerism. This year the foundation contributed over \$1,000,000 to various activities and programs.



4 QUALITY EDUCATION ADOPT A SCHOOL Philippines

In the Philippines, the Adopt-A-School Program is a national program implemented by the Department of Education. The program allows private entities to extend assistance to a selected public school's educational program. Universal Leaf Philippines (ULPI) has chosen to participate in the program by providing direct support to children in tobacco growing areas since 2009. For 10 years, back packs and school supplies have been provided to more than 27,000 children in 7 provinces.

In order to help schools obtain approval to reopen to in-person learning from pandemic related closures, ULPI, through the Adopt-A-School Program, is providing disinfectants, triage tents, PPEs, masks, trash bins, UV lights, soap, oximeter, thermal scanner and other items required to create safe environments for children, teachers, and staff alike. Beneficiaries of the program are schools from tobacco-growing areas in the following provinces of Ilocos Sur, Ilocos Norte, La Union, Pangasinan, Abra, Ifugao, Nueva Vizcaya, Isabela and Cagayan.

ITEM/S	TOTAL NUMBER OF ITEMS		
Thermal Scanner With Alcohol Dispenser	70	Topical Antiseptic (Gallon)	770
Retractable Tent (6x3m)	70	Bleach (Gallon)	770
Pulse Oximeter	70	Face Mask- Disposable	1050
Topical Antiseptic Dispenser	105	Respirator FFP2 Mask	280
Rubber Foot Tray	455	Disposable Gloves	350
Disinfection/UV Tube Lights	105	Ppe Gown	525
Foot Pedaled Trash Bin	420	Goggles	525
		Antibacterial Soap	1960



GOOD AGRICULTURAL PRACTICES

At the heart of Universal's business are farmers. Around the world, Universal directly contracts with over 184,000 farmers across more than 20 countries. Universal strives to produce quality, sustainable tobacco in all of these markets by employing approximately 2,500 trained agricultural professionals known as Field Technicians. Universal's Field Technicians work side by side with our contracted farmers to produce a tobacco crop that adheres to industry recognized Good Agricultural Practices (GAP), including Agricultural Labor Practices (ALP). ALP is the labor standard containing our human rights expectations for the tobacco supply chain. We share this standard and provide routine training to our contracted farmers and other supply chain participants. ALP is discussed in more detail on page 22.

Good Agricultural Practices are a set of best practices extended to our suppliers that ensure farmers and workers are engaged in crop production that is environmentally responsible, economically profitable, and safe for both workers and the environment. Good Agricultural

Practices are designed to align with international agricultural and worker safety standards. Around the world, Universal's agronomy teams, including Field Technicians, conduct formal and informal training sessions throughout the tobacco production cycle, ensuring that our contracted farmers are properly trained in numerous disciplines that assure a safe, viable, and responsible tobacco production system. Farmer performance is routinely assessed according to our social, environmental, and quality standards.

In addition to our internal farm monitoring process, Universal participates in independent assessments of our tobacco-growing operations by third-party organizations. The results of these third-party evaluations provide valuable and transparent feedback on all areas of GAP: Agricultural Labor Practices, Crop Production, and Environmental Stewardship. Annual self-assessments and on-site reviews by third-parties better ensure that our operations identify and take corrective actions to address risks in our supply chain.

DIRECT CONTRACTED FARMERS

184,536

FIELD TECHNICIANS AND AGRONOMY SUPPORT STAFF

2,487

FARM VISITS AND CONTACTS BY FIELD TECHNICIANS

1,985,948

PROGRESS AGAINST ALP CORPORATE AIMS

BY 2025

NO CHILD LABOR
ON CONTRACTED FARMS

During the past season, Universal operations reported 1,241 Prompt Actions for Child Labor. A Prompt Action involves a situation where Field Technicians must intervene when they observe a child's physical or mental well-being at risk, such as operating farm machinery or working during school hours. All Prompt Actions are recorded and require one or more follow-up visits to ensure that the situation has been fully resolved. The majority of these Prompt Actions involved situations where children were assisting their parents with farm activities. Of the 1,241 Prompt Actions for Child Labor, 1,185 were resolved during the season. In addition, 63 farmers had their contracts with Universal cancelled due to Child Labor Prompt Actions.

*BY 2022

ACCESS TO PPE FOR FARMERS & FARM WORKERS

ON CONTRACTED FARMS WHERE WE SUPPLY CROP INPUTS

Universal operations achieved 100% of this target and will continue to monitor and assess PPE access.

*BY 2022

MINIMUM WAGE PAID

TO FARM WORKERS ON CONTRACTED FARMS

During the past season, Universal operations reported 280 Prompt Actions related to wage issues, such as, not meeting the local agricultural benchmark standard. The Prompt Action process requires a follow-up of one or more visits to ensure that the situation has been corrected. 220 of the reported workers' wages Prompt Actions were resolved during the season. In addition, 14 farmers had their contracts cancelled due to Workers' Wages Prompt Actions. Universal operations have been actively promoting the use of written contracts between farmers and their workers as a mechanism to further reduce disputes between parties.

*BY 2022

APPROPRIATE ACCOMMODATIONS

FOR FARM WORKERS ON CONTRACTED FARMS

During the past season, Universal operations reported 461 Prompt Actions related to workers' accommodations, such as unsecure doors or improper cooking facilities. The Prompt Action process requires a follow-up of one or more visits to ensure that the situation has been corrected. 343 of the reported workers' accommodations Prompt Actions were resolved during the season. In addition, 2 farmers had their contracts cancelled due to such Prompt Actions.

* Due to the low number of incidents found we have substantially met our aims for 2022. Work in our supply chain will be ongoing.

AGRICULTURAL LABOR PRACTICES (ALP)

Universal believes in extending our human rights standards to our suppliers, so we monitor each contracted farmer for safe and fair working conditions on the farm. The Universal Agricultural Labor Practices (ALP) Code consists of seven principles that embody Universal's human rights requirements for our contracted tobacco growers. The ALP Code requires that workers are treated fairly, child labor is eliminated on the farm, and workers have a safe work environment. In many cases the ALP Code is part of the farmer contract. During the farm monitoring process, if a Field Technician finds an incident or issue, they work with the farmer to correct the issue. Each issue warrants a different level of intervention, and depending on the findings, the solutions range from additional farmer training to the development of corrective action plans. Each level of intervention is monitored until the issue is closed. If a violation cannot be resolved during the season, the respective farmer is placed on a

watchlist for the next season. In situations where farmers incur repeat violations or where farmers refuse to comply with our robust requirements, they face the possibility of contract termination and loss of the ability to seek contracts with us in the future.

Universal actively works in our agricultural communities so workers are trained on how to safely perform their job tasks. As part of the Universal ALP Code, contracted farmers are trained and often provided with personal protective equipment (PPE) that is used for handling of green tobacco in order to prevent green tobacco sickness (GTS), and for applying crop protection agents (CPAs). The ALP Code is discussed regularly with our contracted farmers. The methods of communication and training vary among regions, but the seven principles are the same throughout our global footprint.

FARM WORKERS RECEIVING CPA TRAINING

51,407








FARM WORKERS RECEIVING GTS TRAINING

56,464

More information about Agriculture Labor Practices (ALP) Code can be found on the Universal Webpage at: http://www.universalcorp.com/Resources/Practices/HS_LP_Shared/ULT_ALP_Code.pdf



THE SEVEN ALP PRINCIPLES

 <p>CHILD LABOR</p>	<p><i>There is no employment or recruitment of child labor. The minimum age for admission to work is not less than the age for the completion of compulsory schooling and, in any case, is not less than 15 years or the minimum age provided by the country's laws, whichever affords greater protection.</i></p>
 <p>INCOME AND WORK HOURS</p>	<p><i>Income earned during a pay period or growing season shall always be enough to meet workers' basic needs and shall be of a sufficient level to enable the generation of discretionary income. Workers shall not work excessive or illegal working hours.</i></p>
 <p>FAIR TREATMENT</p>	<p><i>Farmers shall ensure fair treatment of workers. There shall be no harassment, discrimination, physical or mental punishment, or any other forms of abuse. Workers have access to a fair, transparent and anonymous grievance mechanism.</i></p>
 <p>FORCED LABOR</p>	<p><i>All farm labor must be voluntary. There shall be no forced labor. 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.</i></p>
 <p>SAFE ENVIRONMENT</p>	<p><i>Farmers shall provide a safe work environment to prevent accidents and injury and to minimize health risks. Accommodation, where provided, shall be clean, safe and meet the basic needs of the workers. Workers have access to clean drinking and washing water close to where they work and live.</i></p>
 <p>FREEDOM OF ASSOCIATION</p>	<p><i>Farmers shall recognize and respect workers' rights to freedom of association and to bargain collectively. The farmer does not interfere with workers' right to freedom of association.</i></p>
 <p>COMPLIANCE WITH THE LAW</p>	<p><i>Farmers shall comply with all laws of their country relating to employment. All workers are informed of their legal rights and the conditions of their employment when they start to work. Farmers and workers have entered into written employment contracts when required by a country's laws and workers receive a copy of the contract.</i></p>



AGRICULTURAL ENVIRONMENTAL IMPACTS

Universal is dedicated to managing our environmental impact in the areas where we purchase and process tobacco. We routinely gather data to review the environmental implications of tobacco production and we implement projects to reduce negative environmental impacts accordingly. We work with key industry stakeholders to implement locally appropriate standardized practices that are beneficial to all of our farmers, not only our contracted farmers. We believe a consistent industry approach to environmental issues is the key for continued success in implementing these initiatives. Through Good Agricultural Practices, responsible sourcing and recycling programs, and innovative technologies, Universal strives to reduce carbon emissions and protect the environment.

I CURING EMISSIONS

Certain types of tobacco require additional direct energy inputs in the curing process. Through our review of our emissions in our supply chain, we have found that Scope 3 emissions associated with farmers curing tobacco through the use of heat are the largest source of emissions in the supply chain. Universal is working diligently to ensure that these energy inputs come from traceable and sustainable sources, including managed agroforestry projects and biomass operations. Additionally, Universal is working with

our farmers to replace and/or upgrade their curing infrastructure to increase efficiency, thereby reducing their total fuel consumption.

I BIODIVERSITY

Maintenance of biodiversity in our growing regions is also an important issue for Universal. Different operating regions experience varying biodiversity risks, and our farmers are trained on practices to mitigate these risks. Universal also supports biodiversity in our operating regions with forestation and conservation projects that increase the success of biodiversity in various regions.

I SOIL & WATER CONSERVATION

As part of Universal's Good Agricultural Practices, our operations look for ways to improve the sustainability of contracted farms. In addition to ensuring the responsible use and disposal of CPAs and CPA containers, Universal also monitors cultivation practices. To protect the water and soil resources, our operations promote locally appropriate conservation techniques such as: cover crops, crop rotation, contour farming, drip irrigation, and reduced tillage.

NUMBER OF TREES PLANTED DURING SEASON
10,274,767

FCV FARMERS USING 100% TRACEABLE WOOD SOURCES
68%

NUMBER OF IMPROVED FCV BARNs
18,951



BRAZIL NATIVE TREES

Brazil

Universal works with many of our customers to implement projects that improve sustainability. One example of this cooperation is the native tree planting program in Brazil. The project targets increasing the number of native tree species growing on tobacco farms which further supports efforts already in place to increase environmental preservation and biodiversity.

One customer funded the purchase of native tree seedlings from specialized nurseries and field technicians at our Brazilian subsidiary, Universal Leaf Tabacos Limitada (ULTL), helped farmers decide the proper place to transplant the seedlings and provided guidance on how to care for the trees. Native tree species were selected for various purposes, such as: "Ipê Amarelo — Tabebuia sp." and "Cedro Rosa — Cedrela fissilis" for landscaping and biodiversity purposes and "Pitangueira — Eugenia uniflora", "Cerejeira — Prunus avium" for producing fruits for human consumption and attracting multiple bird species.

On regular farm visits, ULTL field technicians offer the seedlings of native trees and if a farmer decides to adhere to the project protocol, then the delivery of those seedlings is coordinated with the farmer at a specific period of the year.

The project has donated more than 45,000 native tree seedlings benefiting more than 1,100 farmers located in the three southern states of Brazil.

Universal will continue to explore opportunities to work with our customers, farmers, and local communities to find projects like this that benefit multiple stakeholders.



SUSTAINABLE CROP PRODUCTION

In order to produce our products in a responsible way, Universal takes great care in selecting and training the contracted farmers from whom we source our tobacco. The contracted farmers within the Universal supply chain are expected to adhere to a strict set of production practices that promote the sustainability of agricultural lands. For crop production to be sustainable, the fields and the crop must be properly managed. Part of this process is selecting crop varieties that are suitable for the various farm conditions and by encouraging farmers to properly rotate crops to reduce soil stress and disease. Universal also encourages practices that are reasonable for the farmers to implement. Practices that encourage farmer welfare have a better chance of success because the farmers are benefiting from the practices.

RESPONSIBLE CROP PROTECTION AGENT (CPA) APPLICATION

Our Field Technicians and other agronomy staff work closely with our contracted farmers to manage insects and disease. Universal works with our tobacco operations to reduce reliance on traditional pesticides, by utilizing effective biological controls, organic products, and alternative control methods. Our efforts include working with partners in the industry to identify, test, and embrace new pest control products and methods

that offer farmers safer tools to produce their crops. Utilizing Integrated Pest Management (IPM) practices, our Field Technicians advise our farmers on proper utilization of CPAs and other control strategies to produce a tobacco crop that meets the quality demands of our customers.

GENETICALLY MODIFIED TOBACCO

Universal does not supply or endorse the use of genetically modified tobacco seed for commercial tobacco production and we work hard to ensure that we do not purchase genetically modified tobacco. We work with growers to use tobacco seed from approved sources and bred with traditional plant breeding practices. We regularly test tobacco for genetic identifiers and will reject tobacco if we find evidence of genetically modified tobacco.

FARMER LIVELIHOOD

Ultimately, for the crop to be sustainable, the farmer must be profitable. Universal works in our growing regions to enhance the profitability of tobacco growing. Universal finances crop inputs in several regions, monitors the cost of production, and provides technical support to farmers to promote improved yields and quality. In some countries we also employ programs to help farmers better understand financial management, so that they are better able to pay workers on time and plan for future expenses. In summary, as the crop cannot be grown without farmers, we work with farmers to support their evolving needs.

In addition to the actions related to tobacco, in many countries, efforts are underway to promote crop diversification. Activities such as



providing improved food crop seed, financing and supplying fertilizer for food crops, and providing technical assistance on production of food crops are all part of the efforts to improve farmer livelihoods.

VSLAS AS A MEDIUM OF ECONOMIC EMPOWERMENT OF WOMEN IN FARMING COMMUNITIES

A Village Savings and Loan Association (VSLA) is a self-managed group of 15–25 people from within a community who meet regularly to save together and take small loans from those savings. In particular, the VSLA members create a group fund (or cash deposit) by accumulating their savings from which they can borrow as needed and repay with interest. At the end of a set operating cycle (of generally about one year), the entire fund, with interest earned, is proportionally distributed to members according to the amount each has saved in the group.

Limbe Leaf VSLA activities in Malawi run in

cycles of one year, after which the accumulated savings and the loan profits are distributed back to the members. The VSLAs are composed of women from the general community and many of the members are spouses or relatives of Limbe leaf contracted farmers. Specifically, between 60 to 78% of each VSLA cycle membership group has ties to the Limbe Leaf farmer base (farmer wife or relative).

The VSLA groups meet per their respective agreements, contribute shares in the form of cash, and then extend loans to the group's members. The group agrees on what a single share is worth, for instance MK100, and members of the group are free to buy shares according to capacity. The money raised is put in a cash box and members are free to borrow from it. Every member has a card documenting how much she has contributed and how much she wants to borrow or has borrowed. A social fund is also set-up specifically to help members with incidentals and welfare support.

NUMBER OF CONTRACTED FARMERS GROWING COMPLIMENTARY CROPS
158,034

Continued on next page ➔

SUSTAINABLE CROP PRODUCTION (CONT.)



self-selecting. Training is provided to VSLAs to demonstrate the rules and mechanics of the system and additional training is provided ad hoc. Training sessions cover book keeping, financial literacy, business skills, business planning, and business modelling etc.

Initially the women were using the money raised amongst themselves to fund their activities and small-scale business. Over time, due to proper financial management and record keeping, AgDev, an NGO, became a partner and has provided training to some VSLAs free of charge on VSLA operationalization and business skills for new groups seeking access to financing.

Microfinancing started through a partnership between AgriDev, Community Finance (CoFi), and Limbe Leaf to provide access to larger financing amounts needed to run a medium scale business. Through the VSLAs, the women obtain access to finance and markets, which would not be open to them on an individual level.

283 groups with 4,596 members have been established so far, with 3,600 members linked to Limbe Leaf's contracted farmers (78%). 2,939 VSLA members (64%) have accessed financing worth \$240,000 since 2019 with a 97% loan recovery. CoFi requires 20% collateral from VSLAs of each loan request. Initial tier one finance access is set at Mk40,000 (~\$40). Women who are able to pay back the loans will be able to access the second tier of MK70,000 (~\$70) and third tier of MK150,000 (~\$150). Over time, the initial access to finance has helped the women establish various businesses while gaining access to higher financing tiers

has allowed them to further grow these businesses and cash flow.

In fact, one VSLA group in Kasungu has been able to utilize all of the financing tiers to grow their business to the point of engaging in cross border trade. In particular, members of this group travel to Tunduma, Tanzania to import goods and sell them within their communities. This would not be possible without the VSLA initiatives. Their communities now have access to neighboring country markets. This trade has positively affected their living standards while their improved incomes have enabled them to have a greater say in household finances and other major decisions at the household level.

In addition, LLTC, together with AgriDev Feed the Future program, encouraged the women to access further finance from CoFi to start growing groundnuts for their own needs as well as for excess food for cash sales, including exports. In particular, CoFi provides the finance for the women to buy seed and inputs, LLTC provides access to markets for the groundnuts, and AgriDev purchases the groundnuts for sale to export buyers. So far, 68 groups representing 533 members have benefitted from this initiative, including one group in the Liziri Zone whose financed funds were used to grow 11,000 Kgs of groundnuts on 7.5 hectares.

What is more, VSLAs enable the women to have access to finance without the more formal documentation requirements by banks. By keeping each other up to speed, they are able to establish systems of accountability that can be leveraged for them to get access to finance

as a group. The profits made by the women in the VSLAs open up new avenues of businesses that are life transforming for most of them, their immediate households and their communities.

The proceeds from groundnut sales enable them to buy agricultural inputs without requiring further aid, which has the ripple effect of keeping commerce alive at community level as the much-needed cash flow trickles down through the grassroots economy.

They are also able to ensure there is no child labor on their family farms through engagement of paid labor and are better equipped to act as the eyes and ears on the ground to spot incidences of child or forced labor through the trainings they receive.

Additionally, excess cash at household levels means farmers are better able to pay the minimum wage to their workers and are able to hire additional labor during the labor-intensive tasks of the season when child labor risk is highest.

The program also helps ensure that pregnant and breastfeeding mothers do not need to be involved in tobacco related tasks as they are able to draw from the VSLA funds during this time.

Breaking the cycle of poverty is not a one-off affair; however, access to finance goes a long way in ensuring that the options given to rural women, especially those in farming communities, are expanded. As their knowledge base grows and they are given a chance to put into practice the knowledge they have acquired, their decision making and standards of living also grow.

For its part, Limbe Leaf, through an NGO, assisted with the initial VSLA set-up, but the VSLA groups are self-governing and groups are

SASB INDEX

DISCLOSURE TITLE	ACCOUNTING METRIC	LOCATION OF DISCLOSURE	NOTE
Greenhouse Gas Emissions			
Gross Scope 1 Emissions	FB-AG-110a.1	13	
Discussion of Strategy, Targets, and Performance	FB-AG-110a.2	13	
Fleet Fuel	FB-AG-110a.3	See Note	Universal is reviewing the data collection process and will be disclosing this information in future reports
Energy Management			
Operational Energy Consumed	FB-AG-130a.1	13	
Percentage Electricity	FB-AG-130a.1	13	
Percentage Renewable	FB-AG-130a.1	13	
Water Management			
Total Water Withdrawn	FB-AG-140a.1	14	
Total Water Consumed	FB-AG-140a.1	14	
High Baseline Water Stress	FB-AG-140a.1	14	
Description of water management	FB-AG-140a.2	14	
Water non-compliance incidents	FB-AG-140a.3	See Note	Universal did not have any water non-compliance water incidents in FY 2021
Food Safety			
GFSI audits and non-conformance	FB-AG-250a.1	11	
Recalls	FB-AG-250a.1	11	
Workforce Health and Safety			
(1) Total recordable incident rate (TRIR),	FB-AG-320a.1	18	
(2) Fatality Rate	FB-AG-320a.1	18	
(3) near miss frequency rate (NMFR) for (a) direct employees and (b) seasonal and migrant employees	FB-AG-320a.1	18	
Environmental and Social Impacts of Ingredients Supply Chain			
Discussion of strategy to manage environmental and social risks arising from contract growing and commodity sourcing	FB-AG-430a.3	11, 21–24	
GMO Management			
Discussion of strategies to manage the use of genetically modified organisms (GMOs)	FB-AG-430b.1	24	
Ingredient Sourcing			
Identification of principal crops and description of risks and opportunities presented by climate change	FB-AG-440a.1	13, 23	
Percentage of agricultural products sourced from regions with High or Extremely High Baseline Water Stress	FB-AG-440a.2	See Note	Based on an analysis of our global sourcing footprint, Universal sources less than 20% of its tobacco from regions of High or Extremely High water stress

NOTE: Universal Corporation has been placed in the tobacco sector according to the SASB reporting standards. However, we feel the metrics for that sector are better aligned with tobacco product manufacturers and do not adequately capture information relevant for our position in the tobacco supply chain. For this reason, we have decided to report on metrics and topics contained within the Agricultural Products standard.

GRI REPORTING INDEX

GRI STANDARD	STANDARD TITLE	DISCLOSURE NUMBER	DISCLOSURE TITLE	LOCATION OF DISCLOSURE	NOTE
102	General Disclosure	102-1	Name of Organization	1	
102		102-2	Activities, brands, products, and services	1	
102		102-3	Location of headquarters	1	
102		102-4	Location of operations	1	Available also in Universal's Annual Financial Report 2021 (pg. 5)
102		102-5	Ownership and legal form	1	
102		102-6	Markets served	1	
102		102-7	Scale of the organization	1	
102		102-8	Information on employees and other workers	19	
102		102-9	Supply chain	1	Available also in Universal's Annual Financial Report 2021 (Pg. 3–4)
102		102-10	Significant changes to the organization and its supply chain	See Note	The purchase of Shank's is discussed on page 9
102		102-11	Precautionary Principle or approach	See Note	Universal is conservative and cautious when implementing new practices throughout our supply chain
102		102-12	External initiatives	7	
102		102-13	Membership of associations	7	
102		102-14	Statement from senior decision-maker	ii	
102		102-16	Values, principles, standards, and norms of behavior	1 to 5	
102		102-18	Governance structure	2	
102		102-40	List of stakeholder groups	6	
102		102-41	Collective bargaining agreements	19	
102		102-42	Identifying and selecting stakeholders	6	
102		102-43	Approach to stakeholder engagement	6	
102		102-44	Key topics and concerns raised	6	
102		102-45	Entities included in the consolidated financial statements	See Note	See exhibit 21 "Subsidiaries of the Registrant" in Universal's Annual Financial Report 2021
102		102-46	Defining report content and topic Boundaries	i	
102		102-47	List of material topics	6	
102		102-48	Restatements of information	N/A	No restatements of information are contained within this report
102		102-49	Changes in reporting	N/A	Forestry is included in our disclosure
102		102-50	Reporting period	i	
102		102-51	Date of most recent report	See Note	December 2021
102		102-52	Reporting cycle	ii	
102		102-53	Contact point for questions regarding the report	See Note	sustainability@universalleaf.com
102		102-54	Claims of reporting in accordance with the GRI Standards	i	
102		102-55	GRI content index	27 to 28	
103	Economic Performance	103-1,2,3	Management Approach	7,9	
201		201-1	Direct economic value generated and distributed	9	
103	Anti-Corruption	103-1,2,3	Management Approach	10	
205		205-1	Operations assessed for risks related to corruption	10	

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GRI REPORTING INDEX (CONT.)

GRI STANDARD	STANDARD TITLE	DISCLOSURE NUMBER	DISCLOSURE TITLE	LOCATION OF DISCLOSURE	NOTE
205		205-2	Communication and training about anti-corruption policies and procedures	10	
103	Water	103-1,2,3	Management Approach	14	
303		305-1	Water withdrawal by source	14	
303		303-3	Water recycled and reused	14	
103	Emissions	103-1,2,3	Management Approach	13	
305		305-1	Direct (Scope 1) GHG emissions	13	
305		305-2	Energy indirect (Scope 2) GHG emissions	13	
305		305-4	GHG emissions intensity	13	
103	Effluents and Waste	103-1,2,3	Management Approach	15	
306		306-2	Waste by type and disposal method	15	
103	Occupational Health and Safety	103-1,2,3	Management Approach	18 to 19	
403		403-1	Workers representation in formal joint management-worker health and safety committees	18 to 19	
403		403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	18 to 19	
103	Local Communities	103-1,2,3	Management Approach	20	
413		413-1	Operations with local community engagement, impact assessments, and development programs	20	



P.O. Box 25099 | Richmond, Virginia 23260 | USA

www.universalscorp.com