

# **One Team. One Conduct.**

JT Group Code of Conduct  
(Tobacco Business in Japan Edition)

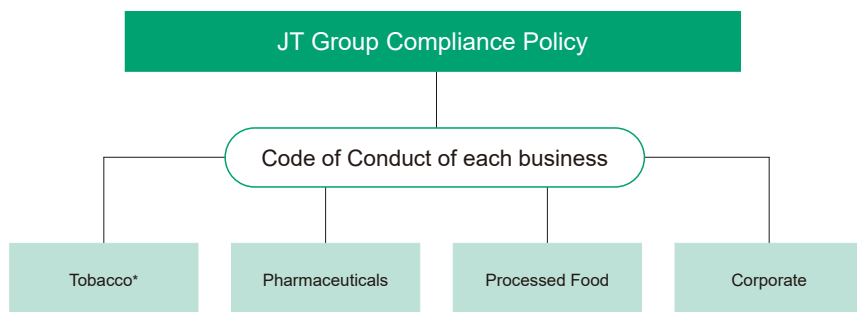
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# Message from CEO JT Group

Under the JT Group's 4S model, we strive to fulfill our responsibilities to our valued consumers, shareholders, employees and the wider society. This management principle enables us to carefully consider the respective interests of these four key stakeholders, and exceed their expectations whenever we can. The JT Group Purpose "Fulfilling Moments, Enriching Life" further clarifies the best direction for the JT Group to maintain its sustainability.

The shared values and ethical conduct defined in the "JT Group Compliance Policy" lay the foundation upon which we can realize the JT Group Purpose and foster sustainable growth over the mid- to long-term in pursuit of the 4S model. This JT Group-wide policy also sets the standards for our business-specific Codes of Conduct which provide sound guidance for our daily behaviors and actions.



\*Tobacco Business in Japan stipulated and implemented its own Code of Conduct, which provides a uniquely Japanese perspective on the global Tobacco Business Code of Conduct.

Adhering to the prescribed behaviors and actions set out in our Codes of Conduct will not only inspire a high level of trust from consumers and other stakeholders, but also safeguard colleagues, contribute to cultivating employee-friendly workplaces, and foster an open and transparent corporate culture.

We ask that you carefully read the Code of Conduct for your business in order to fully understand and practice our compliance standards. If you are ever unsure whether an action violates or has the risk of violating a Code of Conduct, consult your line manager or contact "Compliance and Consulting Reporting Desk," our independent and confidential reporting mechanism.

I commit to leading efforts to ensure Code of Conduct compliance within the JT Group.

CEO JT Group

*Mr. Terabatake*



# Message from CEO of Tobacco Business in Japan

## ~About Compliance~

We at the JT Group make a statement to the world about what we offer and how we contribute to consumers and society through our business, expressing our reason for existence in the form of the JT Group Purpose of “Fulfilling Moments, Enriching Life.”

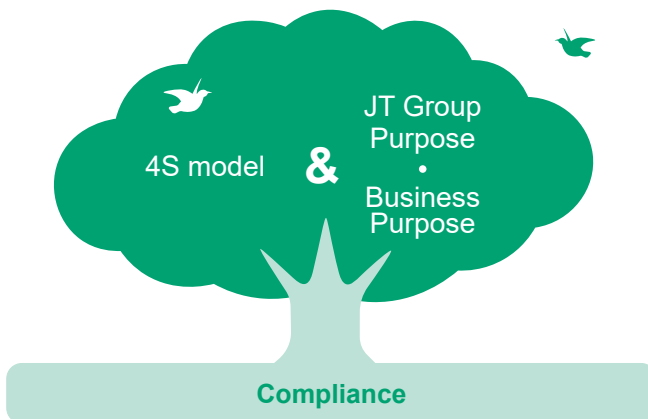
In addition, the Tobacco Business has formulated the Tobacco Business Purpose, “Creating fulfilling moments. Creating a better future.” to help us achieve the JT Group Purpose.

It is also intended to inspire our determination to achieve the Vision 2030, “To be the No.1 international tobacco company by 2030, by volume.”, through the pursuit by the Tobacco Business as a whole of the “Fulfilling Moments” concept, which is at the core of our reason for existence as a company, and thus to provide satisfaction to consumers.

It is compliance that will provide the foundation for achieving the JT Group Purpose and the Tobacco Business Purpose. “Compliance” is often interpreted as “obeying laws and regulations,” but for the JT Group it goes without saying that we comply with the laws and regulations and the social rules of various countries, and we use a broader definition, as follows.

### <JT Group Compliance>

**“Actions for the shared JT Group Purpose, based on the values and ethics we must hold in order to become better corporate employees and citizens.”**



- The laws, regulations and social standards of each country
- JT Group Compliance Policy
- JT Group Code of Conduct in each division
- Company internal regulations and manuals



The JT Group Code of Conduct (Tobacco Business in Japan Edition), which is based on the overarching concept of the JT Group Compliance Policy, specifies the values, decisions, and behaviors required of all employees and business partners involved in the Tobacco Business in Japan, and adds a uniquely Japanese perspective to the Code of Conduct for the global Tobacco Business to enable the Tobacco Business to work as One Team in its practice of compliance.

The values are divided into four areas (Our People, Our Products, Our Business Integrity, Our Role in Society) and for each item the meaning of that value to the Tobacco Business in Japan is clearly stated, along with the responsibilities that each of us assumes when making certain decisions or taking certain actions.

When you have any doubts or are unsure about a decision in your daily work, I hope that you will read this JT Group Code of Conduct (Tobacco Business in Japan Edition) again and use it as a basis for reconsidering the situation.

Let us achieve the Tobacco Business Purpose as One Team through the practice of compliance. I also declare that I will set an example by practicing this Code of Conduct and take the lead in striving to achieve the Tobacco Business Purpose.

CEO of Tobacco Business in Japan

*T. araki*



## About this code

We operate with the highest standards of ethical behavior and expect all employees, business partners, and every person acting on our behalf worldwide to live up to these standards. Doing so is critical to protecting our employees, upholding our reputation as a responsible company and to securing our ongoing business success.

This Code of Conduct applies to all individuals who have employment relationships with any JT and JT Group entity, and belong to JT Group tobacco business in Japan, as well as external staff (such as temporary personnel) who accepted this Code of Conduct, even if not employed directly by any JT Group entity.

The standards outlined in this Code are not exhaustive. They do not replace local laws or JTI operating guidelines, policies and procedures. If a standard within this Code differs from applicable laws, the stricter standard will prevail. However, you must never breach applicable laws.

Failure to comply with this Code of Conduct, our legal obligations or our operating guidelines, policies and procedures may result in disciplinary measures, including termination.

We want to do business with partners who share our values and adopt clear commitments to uphold the standards outlined in this Code.

For each section of this Code, references to additional resources are provided, including:



Who to talk to if you have a question or concern.



While local language translations of the Code may be made, both of the English version and the Japanese version remain the official versions.

This Code of Conduct, which comes into effect in January 2024, replaces the previous JT Group Code of Conduct 2018. The Code will be periodically reviewed and updated.



# Your Guide to making ethical decision

The decisions you make can impact us all.

Each of us plays a key role in upholding standards and values of our tobacco business in Japan, ensuring JT Group's reputation is protected and that tobacco business in Japan remains a great place to work.

In most of your day-to-day activities, the right decision will be clear to you, based on our values, our Code of Conduct and other company policies and procedures. Your own common sense can also help you to decide what's right.

However, at times, you might face situations where you are unsure what the right thing to do is. In these situations, 'Your Guide' leads you through the decision-making process, allowing you to consider all relevant factors and anticipate the potential consequences of your decision.

'Your Guide' is a simple tool to help you make the right decision for you and for tobacco business in Japan.



# Your Guide

## If something doesn't feel right...

For example, you're unsure about something that:

- You plan to do
- You were asked to do
- You saw or heard



### ■ Ask yourself: is there an issue?

Consider how you would feel:

- If you saw it in the media?
- If people close to you found out?



### ■ Then check if it is:

- Legal?
- In line with our Company values and Code of Conduct?
- In line with your own values?



### ■ Once you feel comfortable

Go ahead

### ■ Still concerned or not sure?

Ask for advice from any of the following:

- Your Line Manager
- Compliance contact personnel in your workplace
- Legal contact personnel in your workplace
- Compliance Consulting Reporting Desk



# Raising concerns

We have a collective responsibility to promote fairness, respect and integrity in our dealings with each other and our business partners. At tobacco business in Japan, we take all concerns raised seriously and take the necessary measures to resolve them.

## Who should I report my concern to?

If you ever have doubts or questions, you should always ask for guidance. Throughout the Code, the 'Find out more' sections direct you to the specific department which can help you with related questions or provide you with further information.

If you see or hear something that you believe may be unlawful, unethical, might breach our Code, policies or procedures, or that might threaten our business or reputation, you should speak up about it.

Whatever issue you are facing, you can talk to your line manager or the person in charge of compliance in confidence. If you do not feel comfortable with these options, you can raise your concern through Compliance Consulting Reporting Desk.

If you raise a concern, we expect this to be done in good faith. This means you have reasonable grounds to believe that the information you are reporting is true, even if it later turns out not to be. If you raise a concern that is intentionally false, misleading or malicious, this may result in disciplinary action.

## When should I report a concern?



However you choose to report, you should speak up sooner rather than later. If you wait before doing so, there is a risk that the situation could get worse, for yourself, for others and for tobacco business in Japan. This can also make it more difficult to resolve.

Any act of retaliation against anyone reporting a concern in good faith or assisting the investigation process will be treated as a serious disciplinary matter.

## Find out more



- Your Line Manager
- Compliance contact personnel in your workplace
- Legal contact personnel in your workplace
- Compliance Consulting Reporting Desk



Guidelines for use of Consultation and Reporting Desk

# How does Compliance Consulting Reporting work?

## Speak Up

There are several ways to raise concerns of misconduct. However you get in touch, we will keep your identity confidential throughout the all process, unless you request otherwise or it is required by law.



### How to speak up

- Talk to your Line Manager
- Raise concern through Compliance Consulting Reporting Desk



## Reception

The External Counter or JT Legal Compliance Division will review your concern and decide on the most appropriate course of action. If the concern is not in scope of the Desk, you will be advised of the next steps.



## Investigation

If further investigation is needed, this will be managed impartially and fairly by an investigation team. When involved in a formal investigation or similar type of inquiry, employees are expected to cooperate with honesty and integrity, and to comply with the confidentiality requirements.



## Notification of Investigation Results

Investigation Results will be reported back to the Reporting Person depending on the situation. The Executive officer in charge of compliance reviews all cases.



## Your role as a line manager

While our Code, policies and procedures apply to all employees, as a line manager, you have additional responsibilities. We expect you to set a positive example by living the values of tobacco business in Japan and inspiring others to always behave ethically and responsibly.

As a line manager, you play a key role in raising awareness of our Code with your team members and helping them understand it. It is important that employees reporting to you know what behavior is expected of them and receive the appropriate training and guidance to make the right ethical decisions.

We count on you to create a work environment that fosters and enables ethical behavior and where team members feel comfortable speaking up without fear of retaliation. We expect you to treat each concern reported to you seriously, in confidence and to support your team member in timely resolving the matter. It is important that appropriate corrective measures are implemented if a misconduct occurs within your team.

If you feel that you need support dealing with a concern or that the concern must be escalated, get in touch with Compliance or Legal contact personnel in your workplace or Compliance Consulting Reporting Desk.

Moreover, by virtue of your position, you have a greater responsibility to deal with or report a suspected breach of the Code of Conduct that you observe.

The guidelines for line managers on handling reported concerns of misconduct are available to help you.

If you have any concerns, please get in touch with Compliance or Legal contact personnel in your workplace.







# Our People

1. Treating people equally and with respect
2. Ensuring health and safety



# 1. Treating people equally and with respect

We embrace diversity, equity, and inclusion. We promote a working environment where everyone can be themselves without risk of discrimination or harassment.



## What does this mean for our business?

Disrespectful behavior, discrimination and harassment are against our values.

Discrimination occurs when a person, or group of people, is treated less favorably than another person or group based on gender, age, race, religion, disability, sexual orientation, marital status, family status, ethnic background, national origin, or any other characteristic protected by law. Discrimination has no place in JT Group.

We do not tolerate harassment which is defined as any ongoing or repeated behavior which may pressure, intimidate, or offend someone and lead to mental, emotional, or physical suffering. This includes any physical, sexual, verbal, or written harassment.

Abuse of power, which is the improper use of a position of authority to unduly influence others, intimidation and violence are other forms of unacceptable behaviors in JT Group.

We are dedicated to removing such behaviors from the workplace. We have a duty to ourselves and to one another to speak up and to act if something is not right.



## What does this mean to me as an employee?

I value and respect cultures, opinions and lifestyles that differ from my own. I consider how my behavior might affect others. I avoid offensive, aggressive, or intimidating communication. I do not make suggestive sexual propositions or unwelcome physical gestures toward others.

If anyone displays disrespectful behavior or any form of discrimination or harassment in the workplace, I am encouraged to either resolve it by providing feedback or to report it to my line manager or Compliance Consulting Reporting Desk.

As a line manager, I embrace diversity and treat colleagues equally and with respect. I make decisions that are fair and unbiased. I do not tolerate any form of discrimination or harassment and immediately act on concerns shared with me and on unacceptable behaviors within my team.





## What does this mean for our business partners?

Our business partners are expected to provide working conditions that treat workers with respect and fairness and ensure that no worker is subjected to any form of discrimination, harassment, violence, abuse of power or intimidation.



### What situations could this apply to?

Here are some examples of insensitive or offensive behavior:

- Inappropriate or offensive humor.
- Comments of a sexual nature or disrespectful comments.
- Expressing racist, sexist, or homophobic opinions.
- Humiliating an employee or a group of employees, for example by pointing out their mistakes in front of others.
- Marginalizing individuals or groups, for example by unduly excluding them from activities or conversations.
- Verbal abuse, insults, aggressive behavior against certain employees or groups.



Your Line Manager

Compliance contact personnel in your workplace

Compliance Consulting Reporting Desk



## 2. Ensuring health and safety

All employees have the right to be protected from work-related injuries and illnesses. We provide them with a safe working environment and promote a culture that prioritizes health and safety.



### What does this mean for our business?

We strive for zero harm among our employees and to carry out all our business activities in a safe manner. We focus on managing and mitigating health and safety risks arising from our business activities, creating safe workplaces, building safety competence, and developing a sustainable safety culture across the business.



### What does this mean to me as an employee?

Safety is everyone's responsibility: Everyone shares the responsibility for a safe and healthy workplace, and we each have a role to play to make it happen.

As an employee, I comply with local legal requirements and promptly report any H&S related incident to the local organization. I take responsibility for my own safety and that of my colleagues. If I am required to operate machinery or drive a company vehicle, I must behave safely and responsibly and be mindful of potential hazards. I must not operate machinery, drive or carry out any other activity that may result in harm to myself or others if my judgment or performance is impaired.

As a manager, I am responsible for ensuring compliance with local and company H&S requirements. I ensure that employees have the required competencies, training and protective equipment to work safely. If a health and safety incident or risk is brought to my attention, I address it immediately.



### What does this mean for our business partners?

We expect our business partners to always follow local H&S legal requirements and to ensure safe working conditions and practices. They are required to have adequate policies and systems in place for managing health and safety.





### What situations could this apply to?

Here are some examples of possible hazardous or high-risk situations:

- I am concerned that a colleague intends to drive or operate machinery under the influence of alcohol.
- My manager has asked me to carry out a task, but I have not yet received adequate training to do so safely.
- I've noticed a damaged electrical cable which may result in an injury to myself or my colleague.



Your Line Manager

Health and Safety contact personnel in your workplace

Compliance Consulting Reporting Desk







## Our Products

- 3. Engaging with business partners
- 4. Ensuring product quality
- 5. Marketing our products responsibly
- 6. Combatting illegal trade



### 3. Engaging with business partners

Our business partners are critical to our success. They are carefully selected based on criteria including compliance with laws and regulations, business integrity, quality, health and safety, human rights, labor standards and environmental management.



#### What does this mean for our business?

Our business partners include our customers, suppliers, growers, and any other parties with whom we have a commercial relationship.

All business partners must be willing to comply with our internal standards.

The JTI Agricultural Labor Practices ('ALP') program focuses on improving labor practices on the tobacco farms where we source our tobacco. The program covers child labor, rights of workers and workplace health and safety.



#### What does this mean to me as an employee?

I support company efforts to maintain high standards across our supply chain, by maintaining strong relationships with business partners, built on clear expectations and mutual respect.

Before engaging with a Business Partner, I am responsible to identify and verify the appropriate degree of due diligence and ensure the Business Partner certification process is completed.



#### What does this mean for our business partners?

We count on our business partners to respect the law, promote ethical business practices, and uphold our high standards.

All directly contracted growers and third-party leaf merchants supplying tobacco to tobacco business in Japan are encouraged to uphold our Agricultural Labor Practices (ALP).







### Agricultural Labor Practices in action

During the growing season, one of our Agronomy Technician's paid regular visits to a contracted grower. On one of his visits, he noticed the grower applying Crop Protection Agents (also called 'CPAs') without wearing the Personal Protective Equipment (PPE). The Agronomy Technician explained the risks associated with handling CPAs without the correct PPE and invited the grower to join a training session on CPA management in his area, organized with our support. During the next CPA application period, our Agronomy Technician was happy to see the grower wearing the PPE provided.



### Your Line Manager

Compliance contact personnel in your workplace

Compliance Consulting Reporting Desk



## 4. Ensuring product quality

We pride ourselves on our world-class operations, which consistently meet our quality standards and consumer expectations.



### What does this mean for our business?

Quality is assured throughout all stages of the product lifecycle including product development, sourcing, manufacturing, storage, distribution and customer service, and all in full compliance with regulatory and legal requirements.

We manufacture products in accordance with our stringent specifications using quality tobacco and non-tobacco materials from trusted sources.



### What does this mean to me as an employee?

I always follow the JTI Quality Management System containing our internal quality standards, programs, and processes, regardless of the impact it may have on timings or other resource constraints.

I ensure that any business partners I do work with adhere to the same principles.



### What does this mean for our business partners?

We expect our business partners to comply with applicable laws, our supplier standards, material quality criteria and service agreements. They are required to make available for inspection their goods or services when requested by JT Group.





### What situations could this apply to?

Here are some examples of possible product quality-related issues:

- Some cigarette packs contain brands that are different to the ones printed on the carton.
- A customer has reported that cigarette packs have arrived with broken seals and is concerned they may have been tampered with.
- A consumer has complained about a recently purchased device which is not charging.



Your Line Manager

QA contact personnel in your workplace

Compliance Consulting Reporting Desk



## 5. Marketing our products responsibly

We are committed to marketing our products and services responsibly to adult smokers.



### What does this mean for our business?

We take this responsibility seriously and fully comply with all relevant regulations, the TIOJ (Tobacco Institute of Japan) voluntary rules and the JT Marketing Principles.

We do not market our products to minors. We also do not encourage anyone to take up smoking, and do not try to dissuade smokers from quitting. We market our products to adult smokers in order to maintain brand loyalty and to encourage adult smokers of competitor brands to switch to our products.

We believe that adult smokers should be appropriately informed about the health risks of smoking before they make the decision to smoke.



### What does this mean to me as an employee?

If I am involved in Marketing and Sales (M&S) activities, I am responsible for familiarizing myself with M&S policies, guidelines and procedures, as well as all applicable legal requirements, TIOJ voluntary rules and the JT Marketing Principles. I apply them consistently in my day-to-day activities.



### What does this mean for our business partners?

We expect any business partners retained for market research, brand marketing, product promotions or other M&S activities to comply with our M&S policies, guidelines and procedures, as well as all applicable legal requirements, TIOJ voluntary rules and the JT Marketing Principles.





### What situations could this apply to?

Here are some examples of marketing activities that would not constitute responsible marketing:

- We pay for or otherwise permit the placement of our tobacco products in third party Internet postings such as videos and blogs which are accessed by minors or non-smokers.
- Distributing tobacco samples without age verification to persons suspected of being minors.
- Conducting sampling activities in publicly visible locations, not in smoking areas or other restricted spaces.



Your Line Manager

Legal contact personnel in your workplace

Compliance Consulting Reporting Desk



## 6. Combatting illegal trade

We lead the industry in combatting illegal tobacco trade through our partnerships with law enforcement agencies and governments, as well as the development of state-of-the-art technologies.



### What does this mean for our business?

We aim to support governments and law enforcement to prevent all forms of illegal trade in tobacco products including diversion or counterfeiting our brands. The scope includes the illegal manufacture, distribution, import, export, purchase, storage, sale, or possession of our products in contravention of national or international legislation, or our intellectual property rights.

Illegal tobacco negatively impacts society, reduces government tax revenues, supports organized crime, undermines legitimate tobacco business and damages reputation.

We closely monitor our markets and customers to ensure that our tobacco products only reach adult consumers through legal trade channels in their intended destination markets.



### What does this mean to me as an employee?

In support of company efforts to secure a legal tobacco supply chain, I ensure that any business partner I engage with is made aware of our internal standards and relevant policies. Any business partner who purchases or handles our tobacco products must be reputable and vetted through our supplier and customer certification programs.

I will immediately report any suspicious transaction or activity involving an our business partner or product to my line manager or Compliance Consulting Reporting Desk.



### What does this mean for our business partners?

We expect all business partners to safeguard our and their own business operations and supply chains against any form of illegal trade. Moreover, we expect full cooperation from our business partners with our supplier and customer certification programs and investigations into the diversion of our trademarks.

JT CA&C cooperates with law enforcement and investigates any seizures of our product. If an investigation puts any of our business partners' reputations in doubt, we take the appropriate action to secure our supply chain, including terminating business relationships where necessary.





### In numbers

- “1 out of 10 cigarettes around the world is illegal, on average” (Source: World Bank and Euromonitor)
- “40-50 bn USD is lost each year in global tax revenue” (Source: World Bank and Euromonitor)



### Your Line Manager

Compliance contact personnel in your workplace

Compliance Consulting Reporting Desk









## Our Business Integrity

- 7. Preventing financial crime
- 8. Banning relations with anti-social forces
- 9. Fighting bribery and corruption
- 10. Exchanging gifts, hospitality and entertainment
- 11. Avoiding conflicts of interest
- 12. Preventing insider dealing
- 13. Safeguarding Company assets
- 14. Respecting data protection & privacy
- 15. Managing external communications
- 16. Reporting and recording Company data
- 17. Cooperating with government inquiries
- 18. Respecting economic sanctions and export controls



## 7. Preventing financial crime

Financial crime harms society and governments. We do not tolerate any form of financial crime and actively manage risks related to it.



### What does this mean for our business?

Financial crime can adversely affect JT Group's business and reputation. The penalties for committing or facilitating financial crime can be serious for both JT Group and its employees, even if JT Group or the person responsible does not benefit from the activities carried out.

Financial crime includes money laundering, tax evasion, the facilitation of tax evasion and terrorist financing.

Money laundering is the process of converting money obtained illegally into apparently legitimate money or other assets.

Tax evasion involves taking measures to avoid making required tax payments.

Facilitation of tax evasion means assisting a business partner or other third party to evade taxes.

Terrorist financing involves the solicitation, collection or provision of funds with the intention that they may be used to support terrorist acts or organizations.



### What does this mean to me as an employee?

I must not engage in or facilitate any form of financial crime. I can refer to applicable company procedures which defines the framework and controls to mitigate the financial crime risks.

If I am asked to carry out an act which could lead to financial crime, I refuse to act and immediately report it. I speak up if I become suspicious that a colleague or business partner might be involved in financial crime.





## What does this mean for our business partners?

We expect our business partners, including those associated with our business partner (such as directors, employees, representatives, subcontractors, or persons supplying or acting on behalf of the business partner) not to engage in any activity, practice or conduct that would constitute a financial crime. We will exercise our right to terminate contractual arrangements where business partners are involved in any form of financial crime.

If a business partner is asked to carry out an act which may result in financial crime, they must immediately report their concern to Compliance Consulting Reporting Desk for business partners.



### What situations could this apply to?

Here are some examples of potential financial crime:

- A business partner has asked me to redirect a payment to an offshore bank account registered to a third party which I am not familiar with and I suspect the reason for this is to evade tax.
- A customer has asked me to wrongly classify the goods/services they purchased on their invoice to reduce the VAT, other taxes or duties that are due.



### Your Line Manager

Compliance contact personnel in your workplace

Legal contact personnel in your workplace

Compliance Consulting Reporting Desk



## 8. Banning relations with anti-social forces

We shall not accept any requests or demands from anti-social forces and shall not have any relationships with anti-social forces.



### What does this mean for our business?

Any relationship with anti-social forces can damage to the Company's credibility. In addition, executives and employees involved in illegal or improper acts related to anti-social forces may be subject to investigation and prosecution, in addition to disciplinary and other punitive actions.



### What does this mean to me as an employee?

I will not have any relationship with anti-social forces that threaten civil society. I will not accept any requests or demands from anti-social forces.

With regard to business partners, recipients of donations or sponsorships, contracts that we sign will stipulate clauses for the exclusion of anti-social forces, or we will receive written representations and warranties regarding the exclusion of anti-social forces. In the event that you become involved with anti-social forces, avoid dealing with the situation alone and promptly consult with a line manager and relevant departments.



### What does this mean for our business partners?

All business partners are required to comply with the rules of tobacco business in Japan regarding the exclusion of anti-social forces.





### What if you suspect a relationship with anti-social forces?

For example:

- A new supplier does not submit a "Written Representation and Affirmation of Non-Anti-Social Forces" when entering into a contract with us.
- A new supplier refuses to include a clause regarding the exclusion of anti-social forces in a contract.



Your line manager

Compliance contact personnel in your workplace

Legal contact personnel in your workplace

Compliance Consulting Reporting Desk



## 9. Fighting bribery and corruption

We have a zero-tolerance approach to bribery (including anything that could be considered a bribe) and corruption, whether direct or indirect, and we are committed to acting with integrity in all our business dealings.



### What does this mean for our business?

Breaching bribery and corruption laws can result in criminal investigation and prosecution, as well as potential financial penalties for JT Group and any employees involved.

Bribery involves giving or receiving something of value (typically money) in return for a business advantage.

Corruption is the abuse of power for personal gain.

Facilitation payments are a form of bribery and typically involve small gifts or payments to public officials in return for carrying out or speeding up a routine service.



### What does this mean to me as an employee?

I do not participate in any form of bribery or corruption. In particular, if I am offered or asked for a bribe or facilitation payment, I refuse it and report it immediately to my line manager or Compliance Consulting Reporting Desk.

I'm also mindful of the possible bribery risks related to gifts, hospitality, entertainment, donations to government bodies, charitable donations and sponsorships.

[Note]

The Act on Japan Tobacco Inc. stipulates that JT executives and employees are subject to special penalties in cases where they accept bribes.





## What does this mean for our business partners?

We expect all our business partners, including those appointed to act on our behalf, to fully comply with our zero-tolerance position on bribery and corruption as a condition of doing business with JT Group.

We may terminate our agreement with any business partner who is found to have been involved in a form of bribery or corruption.



### Living our values in practice

"I received repeated calls and emails from the sales agent of a prospective vendor. I told him the products he proposed did not meet our specifications. He called again, implying that he would be willing to pay me an extra 5% in 'personal commission' if JT accepted his offer.

I informed him that such practices are not in line with our values and our Code of Conduct and asked him not to call JT again. I immediately informed my manager."

—A Procurement employee



Your Line Manager

Compliance contact personnel in your workplace

Legal contact personnel in your workplace

Compliance Consulting Reporting Desk



## 10. Exchanging gifts, hospitality and entertainment

We do not encourage the exchange of gifts, hospitality and entertainment (GHE), but we acknowledge that appropriate GHEs, made for the right reason, are legitimate and are recognized as part of doing business.



### What does this mean for our business?

Gifts, Hospitality & Entertainment (GHE) are anything of value legitimately given or received for the right reason recognized as part of doing business without payment in return. Hospitality and entertainment include (but are not limited to) paid-for events, accommodation, meals and beverages.



### What does this mean to me as an employee?

I follow the GHE principles. Any GHE exchanged with a government official or organization, regardless of value, must be approved.

I do not let the exchange of GHE influence my business decisions.



### What does this mean for our business partners?

Our business partners are expected to comply with applicable legislation and local customs and only give and accept appropriate GHE.







### According to our GHE principles, GHE must:

- Be in line with applicable legislation and local custom.
- Be appropriate (i.e., reasonable, proportionate, and occasional).
- Not create a conflict of interest.
- Not be given or received to obtain an improper advantage, or to reward or induce, improper performance.
- Not be cash, vouchers, or coupons that can be exchanged for cash.
- Be approved, as per an appropriate procedures.
- Be kept records following GHE principles
- Not offer prohibited GHE to government officials, organization or persons equivalent to government officials



Your Line Manager

Compliance contact personnel in your workplace

Compliance Consulting Reporting Desk



## 11. Avoiding conflicts of interest

We expect employees to avoid any situation where their personal interests might conflict with those of JT Group.



### What does this mean for our business?

A conflict of interest arises when business decisions are influenced by personal interests. Conflicts of interest can induce employees to make decisions that are not in the best interest of JT Group and might negatively impact the Company's reputation as well as their own.



### What does this mean to me as an employee?

I avoid situations where conflicts of interest could arise.

I do not let my personal interests influence any decisions I make on behalf of JT Group. I declare any family or personal relationships that might influence my decisions at work.

Outside of work, I do not engage in any activity that could undermine or compete with JT Group's business interests.

I also monitor the possible conflicts of interest that might arise when exchanging gifts, hospitality or entertainment.

I do not accept inappropriate gifts, hospitality, entertainment or financial benefits from our business partners that could influence business decisions, especially during the contract negotiation or bidding process.

Where a conflict of interest is unavoidable, I declare it promptly to protect myself and JT Group.

As a line manager, it is my accountability and responsibility to address any conflict of interest declared by a member of my team, with the support of the legal contact personnel in my workplace.



### What does this mean for our business partners?

Business partners must avoid any situation that could result in a potential conflict of interest.

Any potential conflict of interest with JT Group must be reported to Compliance Consulting Reporting Desk.





## What situations could this apply to?

Here are some examples of possible conflicts of interest:

- My brother is applying for a position at JT Group for which I will be part of the decision making process.
- A supplier is bidding for a contract at JT Group, for which I will be part of the approval process and has offered me an all-expenses paid weekend in a luxury resort hotel.
- To earn some extra income, I signed up to do research outside of my working hours at a start-up working on technological developments for use in the tobacco industry.



Your Line Manager

Legal contact personnel in your workplace

Compliance Consulting Reporting Desk



## 12. Preventing insider dealing

Employees must not engage in insider dealing under any circumstances.



### What does this mean for our business?

Insider dealing is the use of inside information for personal benefit or to benefit a third party. It can also refer to a recommendation based on inside information. Inside information is any non-public information, which, if disclosed, could have a significant effect on the price of a company's securities. Inside information can include confidential financial results, declarations of dividends, issues or buybacks of shares, major expansion plans, and proposed mergers, acquisitions or takeovers.



### What does this mean to me as an employee?

I do not buy or sell any securities (e.g. shares, bonds or stock options) while in possession of inside information, nor do I advise others to buy or sell securities.

I do not share inside information with a third party unless I am authorized to do so.

I will follow the necessary procedures in accordance with our internal rules when buying or selling JT Group shares.

I will confirm that dealing in shares does not constitute insider dealing.

If I become aware of a colleague or an employee of a business partner attempting to obtain inside information without providing a reasonable explanation for this request, I report it immediately to my line manager or Legal contact personnel in your workplace.





### What situations could this apply to?

Here are some situations which may represent a risk of insider dealing:

- A member of the Business Development team would like to buy shares from a potential targeted company.
- An employee from the Finance team has access to financial information of JT Group that has not been publicly disclosed by JT Group and would like to sell his/her JT Group shares.
- My husband wants to buy some JT Group shares and has asked me about the Group's financial results which have yet to be announced.



Your Line Manager

Legal contact personnel in your workplace

Compliance Consulting Reporting Desk



## 13. Safeguarding Company assets

JT Group Company assets are critical to helping us meet our business objectives. We treat JT Group Company assets, and assets belonging to others, responsibly and with respect. We ensure that our Company assets are correctly acquired, maintained, protected and disposed of.



### What does this mean for our business?

Company assets are anything that is owned or paid by JT Group and include machinery and equipment, IT devices, products and production materials, Company data and intellectual property (IP). IP includes any corporate brandings, trademarks, patented inventions, copyrighted material, trade secrets, blends and recipes developed and/or owned by JT Group.

The misuse, unavailability or malfunction of Company assets can disrupt our business and may result in financial losses and reputational damage.

Our IP is especially valuable as it helps us to differentiate our products and services and maintain competitive advantage. All inventions, ideas and concepts developed for JT Group by our employees during their employment belong to the Company and must not be privately traded.



### What does this mean to me as an employee?

I have a duty to protect Company assets entrusted to me from theft, misuse and waste.

I use Company assets in line with our internal policies and procedures and do not use them for personal benefit.

I do not share Company assets, including intellectual property, with a third party without prior authorization.

I never improperly obtain or use third party assets or third party intellectual property without proper license or approval.

I will not use my personal computer, USB memory stick, or other information devices for work that have not been approved by the company in order to prevent information leaks or other accidents.

I understand the value and the vulnerability of JT Group's digital data and follow the i-SECURE code to minimize the risk of theft or loss.

If I have a doubt about the proper use of an IT resource, I ask the Global Service Desk (GSD) for support. If I make a mistake, I disclose it immediately.





### Remember the key principles of the i-SECURE code:

- Think before you click.
- Share safely.
- Protect your property.
- In case of doubt, ask an expert.

GSD and IT contact personnel in your workplace are there to help.



The Global Service Desk (GSD)

Your Line Manager

IT contact personnel in your workplace

Legal contact personnel in your workplace

Intellectual property contact personnel in your workplace

Compliance Consulting Reporting Desk



## 14. Respecting data protection & privacy

We ensure we collect, use, share and store personal data lawfully and securely. We apply the same care to JT Group other information.



### What does this mean for our business?

Throughout various operations we collect and handle personal data relating to our customers, employees, business partners and other stakeholders.

We have a duty to keep all such data carefully protected and work only with data necessary for the effective operation of tobacco business in Japan.

We also produce other business-sensitive information about JT Group which calls for the same level of care and protection. Unlawful or unauthorized disclosure of personal data or other information can harm JT Group reputation and negatively impact the business operations.



### What does this mean to me as an employee?

I am careful when I work with personal data. I always respect the privacy of the individuals and use their data lawfully.

I am especially careful when I share personal data. I do so only if there is a legitimate business reason. When disclosing or providing confidential information of stakeholders (including customers and employees) or JT Group to a third party, I will follow appropriate procedures, obtaining the written consent of the individual concerned and concluding a confidentiality agreement with the third party. If I am in doubt, I seek internal guidance.

I only use secure and approved IT solutions to collect, use, store and share personal data or other information.

I keep my devices and documents protected and I maintain strong and secure passwords for accessing IT systems, websites and other information assets. (JT Group assets are anything that is owned or paid for by JT Group).

I take extra care when working outside of JT Group premises to ensure unauthorized people cannot overhear, see or access JT Group information (including passwords).

If I receive any information and I am unsure of its origin or intended purpose, I speak to my line manager. I never respond to suspicious messages requesting any information and I do not open links or attachments contained in such messages.

I immediately report any suspected data breach (such as loss of confidentiality or misuse of any information) to my line manager or IT contact personnel or Legal contact personnel in your workplace.

I will not disclose, provide or leak personal or confidential information obtained in the course of business even after resignation from the company.







### What information does this refer to?

- Personal data is any information relating to an individual, for example: name, address, contact details, as well as details about their health, family, finances or job.
- Other information includes any data related to JT Group operations, products, business plans or business partners which, if disclosed, could damage JT Group business operations or reputation.



The Global Service Desk (GSD)

Your Line Manager

IT contact personnel in your workplace

Legal contact personnel in your workplace

Compliance Consulting Reporting Desk



## 15. Managing external communications

In principle, authorized representatives handle information disclosures and public relations activities in order to disclose information of tobacco business in Japan in a timely manner and on an appropriate basis and to conduct public relations activities based on good judgment in accordance with requests under the law and internal regulations. Additionally, we recognize that every one of us is a “representation of the Company,” and endeavor to be understood as and recognized by related stakeholders accordingly.



### What does this mean for our business?

Only Japan Market General Manager, a select group of experts and authorized representatives can speak to journalists. They have to coordinate information to disclose with the JT IR Department as needed.



### What does this mean to me as an employee?

I am careful about sharing information about JT Group on social media, and I only ever refer to information that has been provided by the Company and is publicly available.

I do not post or share confidential information about JT Group on social media sites, blogs, chat forums.

As a general rule, if I don't want to see something on the front page of a national newspaper, I should not post or share it on social media or in any other public forum.

I do not post information related to our work on social media, blogs, or other Internet sites operated by tobacco businesses in Japan without prior approval from my line manager.

I do not respond to journalists, including newspapers, television, and magazines, but communicate through the public relations staff in my workplace.

I do not share personal views about our business operation or give misleading answers to our stakeholders.

I disclose correct, factual information promptly and fairly, without concealment.

I only disclose information to the extent that we have obtained internal approval in advance.

When in doubt about whether information should be disclosed, I check with my line manager and relevant team in advance.

Employees are, of course, free to communicate personal views, but not to use JTI logo or name when communicating them.





### Don't do these on social media

- DON'T post your personal views as that of JT Group.
- DON'T post confidential information on social media sites.
- DON'T seek to promote tobacco products on social media.

For any questions, please contact Media Relations in your workplace or JT IR Department.



Your Line Manager

Media Relations contact personnel in your workplace

JT IR Department

Compliance Consulting Reporting Desk



## 16. Reporting and recording Company data

Our business relies on true, fair, timely and accurate record-keeping to support our decision-making, protect our reputation, promote operational efficiency and meet legal and regulatory obligations.



### What does this mean for our business?

Company records are any documents and data created or recorded in the course of our business operations and include financial and operational data, personal and confidential data, records of meetings, business plans, forecasts and analyses.

Business and financial records are essential to our business operations and our engagement with our shareholders, business partners, governments and other stakeholders.



### What does this mean to me as an employee?

I ensure that records are kept confidential, secure and retrievable and respect applicable laws and regulations when maintaining and disposing of them.

I conduct business accounting procedures in accordance with business accounting practices generally accepted to be fair and appropriate.

If I am involved in Company financial reporting or record-keeping, I comply with generally accepted accounting principles and ensure that records are accurate, secure and appropriately documented.

When a transaction takes place, submit an application and handle it on a timely and appropriate basis in line with internal regulations and endeavor to perform business accounting procedures, payments, and deposits appropriately.

I properly store and manage documents that form the basis for accounting procedures.

If I have made a reporting error or have failed to report something that could undermine the integrity and reliability of Company records, I immediately report it to my line manager or finance contact personnel in my workplace.



### What situations could this apply to?

Here are some examples of financial-related reporting concerns:

- Reporting revenues that have not been earned or expenses that have not been incurred.
- Failure to make accruals for expenses incurred in the current reporting year.



Your Line Manager  
Finance contact personnel in your workplace  
Compliance Consulting Reporting Desk



## 17. Cooperating with government inquiries

We fully co-operate with government inquiries and investigations.



### What does this mean for our business?

From time to time, authorities require information relating to various aspects of our business activities to issue permits and certificates and to ensure that JT Group is operating responsibly.

On occasion, authorities may also conduct unannounced visits, also referred to as 'Dawn Raids'.



### What does this mean to me as an employee?

I should always provide honest and accurate information, or make such information accessible. During site visits, officials must be accompanied at all times by an employee designated by a legal representative.

If I receive an unannounced request for information or a visit, I report it to my line manager and legal contact personnel in my workplace for asking their help.



### What is the role of Dawn Raid Coordinators?

A Dawn Raid can happen at any time. We have to make sure anyone else who may be involved - receptionists, members of IT, other members of the related team or employees in general – has the information they need and is prepared.



Your Line Manager

Legal contact personnel in your workplace

Compliance Consulting Reporting Desk



## 18. Respecting economic sanctions and export controls

We are committed to complying with applicable economic sanctions and export controls.



### What does this mean for our business?

Economic sanctions and export controls may restrict or prohibit business dealings with specified individuals, entities or countries. They can also restrict or prohibit the export or import of certain goods or services. The penalties for non-compliance with sanctions and export controls, even if unintentional, can be severe for both JT Group and its employees.

We have policies and processes in place to help ensure none of tobacco business in Japan or employees engage in a prohibited transaction.



### What does this mean to me as an employee?

I am responsible for familiarizing myself and complying with our internal policy and Legal guidance documents and for respecting all sanctions and export controls applicable to me or to the entity that I work for.

For business transactions involving embargoed and high-risk countries, products or services, I seek prior written approval from the legal contact personnel in my workplace.

If I have a concern about a possible sanction or export control risk, I notify the legal contact personnel in my workplace immediately.



### What does this mean for our business partners?

We expect our business partners to comply with all applicable sanctions and export controls and with our internal standards.





### What situations could this apply to?

Here are some situations where economic sanctions could be at risk of being violated:

- As a US citizen or green card holder, I am listed as a BAP/Memo approver for a project related to a country under US embargo.
- I wish to pay a supplier delivering goods to a country under US embargo in US dollars.
- I wish to send a laser which could be used for civilian or military purposes to a factory, but have not confirmed if an export license is required.



Your Line Manager

Legal contact personnel in your workplace

Compliance Consulting Reporting Desk









## Our Role in Society

- 19. Respecting human rights
- 20. Ensuring fair competition
- 21. Remaining politically neutral
- 22. Protecting the environment
- 23. Investing in communities
- 24. Conscientious behavior as a member of society



## 19. Respecting human rights

Throughout our business operations, we commit to respect the human rights of our employees, business partners and their workers, leaf growers, and the communities where we operate.



### What does this mean for our business?

Human rights are universal norms that apply equally to every person, irrespective of where they are in the world, covering such topics as equal opportunities, labor standards, freedom of speech and association, and privacy.

We provide all employees with clear information on human rights. We conduct human rights due diligence to identify, assess, and remedy actual and potential human rights risks in our operations.

To mitigate risks and impacts related to significant human rights considerations across JT Group operations we continuously improve our strategy to ensure our due diligence measures are effective. In addition, we collaborate with non-governmental organizations and business partners to improve situations where human rights may be at risk.



### What does this mean to me as an employee?

I expect JT Group to respect my human rights and the human rights of individuals or groups that are affected by JT Group's activities.

If I am concerned that my human rights or those of my colleagues may be negatively impacted or limited, I feel empowered to speak up.

If I am a line manager, I have a duty to ensure that the rights of employees in my team are respected. I handle any concern shared by an employee in collaboration with Compliance contact personnel in my workplace.



### What does this mean for our business partners?

All business partners are expected to adopt and maintain standards of labor practices and working conditions that comply with all applicable local laws and international conventions.





### What situations could this apply to?

Here are some examples of situations that may lead to concern:

- While on a tobacco farm, I noticed a child carrying a heavy tobacco load.
- An independent NGO claims that laborers working for a leaf grower were working without any personal protective equipment.
- I heard that a colleague was asked overtime work without payment by her line manager.



Your Line Manager

Compliance Consulting Reporting Desk

Compliance contact personnel in your workplace



## 20. Ensuring fair competition

We firmly believe that free and fair competition benefits JT Group, our customers and our consumers.



### What does this mean for our business?

We are committed to competing fairly in all markets and in full compliance with competition laws. In tobacco business in Japan, we comply with our Competition Law Policy and related internal rules.



### What does this mean to me as an employee?

I have a responsibility to know the rules of fair competition and be aware of the limits they set. I understand and comply with competition Law Policy and related internal standards at all times.

In particular in all activities I determine the commercial strategies of tobacco business in Japan and take decisions independently from our competitors and in the interest of JT Group alone without consultation or concertation with competitors, or access to competitors' Competitively Sensitive Information.

I understand that Competitively Sensitive Information is:

- i. non-public information
- ii. on which companies compete with each other
- iii. which can be traced back to individual companies and
- iv. relating to current or intended market behavior, the sharing of which would harm effective and fair competition in the market.

I do not enter into agreements that have as their aim or effect the prevention, restriction or distortion of competition.

I do not prevent that customers remain free to make their own business decisions on how they deal with their customers and how they behave and compete in the market.

I protect Competitively Sensitive Information belonging to tobacco business in Japan and do not share it directly or indirectly with competitors. I do not accept Competitively Sensitive Information relating to competitors directly from competitors or indirectly from any source.

I do not communicate Competitively Sensitive Information belonging to a trade customer with other trade customers.

I always keep clear written records of contacts and meetings with competitors, trade association and industry bodies by preparing agendas and accurate meeting minutes.

I do not abuse any dominant position you may have with business partners or unilaterally impose unreasonable terms and conditions on them.

I consult Legal contact personnel in my workplace orally and immediately if I suspect any incidence of anti-competitive activity in my business area, or if I have any questions about competition laws and how they relate to my work.





## What does this mean for our business partners?

Business partners, including: customers, consultants and data vendors, are responsible for understanding and complying with applicable competition laws and maintaining the confidentiality and security of Competitively Sensitive Information of tobacco business in Japan.

They should be clear that we do not seek or accept Competitively Sensitive Information of our competitors.

We do not communicate Competitively Sensitive Information belonging to a trade customer with other trade customers.

We will not enter into agreements or participate in concerted practices that have as their aim or effect the prevention, restriction or distortion of competition.



### Remember:

- Apply the same care to face-to-face conversations, emails and text messages as to a letter or a memorandum.
- Treat trade association meetings in the same way as a meeting with a competitor.
- Keep an accurate record of what was discussed during meetings with competitors, trade associations or industry bodies.



Your Line Manager

Legal contact personnel in your workplace

Compliance Consulting Reporting Desk



## 21. Remaining politically neutral

It is in our best interest to remain politically neutral.



### What does this mean for our business?

We do not apply or attempt to apply improper influence on government agencies, representatives or legislators to produce a favorable outcome for tobacco business in Japan.

We respect the right of our employees to play an active part in political processes, provided their involvement is personal and not associated with the Company.



### What does this mean to me as an employee?

My political affiliations are personal and unrelated to my work at tobacco business in Japan. I conduct any political activities in my own time and without the use of company resources, email addresses or other company references.

I do not use the workplace to promote political campaigns, canvass support from colleagues or seek financial contributions to my political activity.

If I intend to hold a position in public office, I inform my line manager.





### What situations could this apply to?

Here are some examples of issues involving political activities:

- I want to host a rally led by a parliamentary candidate on Company premises.
- I actively participate in local politics outside of work and would like to run for election as a local councilor.



Your Line Manager

Legal contact personnel in your workplace

Compliance Consulting Reporting Desk



## 22. Protecting the environment

Our business relies on a sustainable supply chain, which includes a large agricultural element. We are committed to minimizing environmental impacts of our operations, products and packaging and to conserving resources for future generations.



### What does this mean for our business?

We actively manage our environmental responsibilities and commit to continuous improvement and transparent disclosure of our performance.

Our business and our supply chain are exposed to the threat of climate change, natural resource depletion, water scarcity and disruption to vital ecosystem services.

We are committed to reducing our energy consumption and CO2 emissions through efficiency programs and investment in renewable energy. We also focus on reducing our water consumption and minimizing waste from our operations. This includes investing in training, awareness and reduction programs.

We assess environmental risks across our supply chain and adopt an integrated approach to mitigating these risks through our procurement processes and by collaborating with our suppliers, leaf growers and other stakeholders.



### What does this mean to me as an employee?

I aim to reduce my impact on the energy, water and materials used in the course of my work. I seek to reduce the Greenhouse Gas emissions and waste that I generate.

I consider the environment when making business decisions. If I am unsure of the environmental consequences of a decision, I speak to Sustainability contact personnel in my workplace.

As a manager, I have a duty to promote environmentally responsible behavior within my team and ensure that relevant environmental procedures are followed. I actively engage in programs aimed at improving our environmental performance.



### What does this mean for our business partners?

Our business partners are expected to have adequate management controls in place to effectively mitigate environmental risks and reduce their environmental footprint. We encourage business partners to work with us to identify and address environmental challenges across our supply chain.







### How can I extend my contribution?

- Identify and suggest potential reduction opportunities, e.g. emissions, resources, materials and waste.
- Use energy and water responsibly and turn them off when not required.
- Get involved in local environmental programs.
- Submit implemented environmental projects to JTI's annual Sustainability Awards.



### Your Line Manager

Sustainability contact personnel in your workplace

Compliance Consulting Reporting Desk



## 23. Investing in communities

We aim to make a positive contribution to the communities in which we operate.



### What does this mean for our business?

We invest in social, cultural, and environmental programs with carefully selected charitable organizations that improve social inclusion.

We do not support individuals, profit-making organizations, or organizations that do not align with our diversity and inclusion approach.



### What does this mean to me as an employee?

If I am involved in the selection of community investment partners or programs, I follow the procedures set out in the internal standards.



### How can I extend my contribution?

- Get in touch with CA&C to find out about community investment initiatives in Japan and how you can get involved.



Your Line Manager

CA&C

Compliance Consulting Reporting Desk



## 24. Conscientious behavior as a member of society

We recognize that every one of us is a “representation of the Company” and that we must therefore comply with the laws, regulations and social standards of each country, not only in our business activities, but also our daily life.



### What does this mean for our business?

We are expected to behave conscientiously and responsibly as a member of society in our daily life as well as at work and any violation of the laws, regulations, and social standards by employees may harm the JT Group's reputation.



### What does this mean to me as an employee?

As a member of the tobacco business in Japan,

- I follow traffic rules and make efforts to drive safely.
- I never engage in dangerous driving, including driving under the influence of alcohol.
- I never use illegal drugs or controlled substances.
- I never commit crimes or resort to violence.
- I follow smoking rules.



Your Line Manager

Compliance contact personnel in your workplace

Compliance Consulting Reporting Desk



