



# Global Reporting Initiative (GRI)



## Index

We have compiled our FY2020 [on-line sustainability content](#) with reference to the principles of the Global Reporting Initiative (GRI) Index Sustainability Reporting Standards. We defined the content of this document using a materiality assessment that covered the entire JT Group.

The Index below includes the location of and additional information pertaining to the Universal Standard Disclosures and the Specific Standard Disclosures. Further information on the calculation methodology and scoping is available in our [Basis of Reporting](#), notably for data related to Compliance, Human Resources (HR), Workplace Health and Safety, Environment, as well as our tobacco business sustainability strategy performance data. Some of our data has been [externally verified](#).

In addition, our [Integrated Report](#) is compiled to align with the International Integrated Reporting Framework by Integrated Reporting Framework Council (IIRC). Our reporting also takes in to account the principles and standards of Sustainability Accounting Standards Board (SASB). See the end of the page for our disclosure in relation to SASB.

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## SASB Standard - Tobacco

▪ [Public Health >](#)

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Universal Standard Disclosures

Organizational Profile

GRI indicator	Disclosure
<b>102-1</b> Name of organization	Japan Tobacco Inc.
<b>102-2</b> Activities, brands, products, and services	<p><a href="#">Corporate profile</a></p> <p>The regulatory approach to the Reduced-Risk Products* category varies greatly from country to country. Depending on the jurisdiction and product characteristics, there may be no restrictions, outright bans, or any number of regulatory variants. There are countries in which:</p> <ul style="list-style-type: none"> <li>&gt;sales of E-Vapor and/or T-Vapor are banned completely;</li> <li>&gt;E-Vapor without nicotine is permitted, but E-Vapor with nicotine is effectively banned as a pharmaceutical license is required (e.g. Japan); or</li> <li>&gt;the cigarette regulations also apply to T-Vapor.</li> </ul> <p>* Reduced-Risk Products (RRP) are those with the potential to reduce the risks associated with smoking.</p>
<b>102-3</b> Location of headquarters	<a href="#">About our reporting</a>
<b>102-4</b> Location of operation	<a href="#">Corporate profile</a>
<b>102-5</b> Ownership and legal form	<p><a href="#">Integrated Report FY2020:</a></p> <ul style="list-style-type: none"> <li>&gt;History of the JT Group p.18-19</li> <li>&gt;Shareholder information p.184</li> </ul>
<b>102-6</b> Markets served	<ol style="list-style-type: none"> <li>1. Geographic locations where products and services are offered: <a href="#">Corporate profile</a></li> <li>2. Sectors served: <a href="#">Corporate profile</a></li> <li>3. Types of customers and beneficiaries: <a href="#">Our tobacco business value chain</a> <a href="#">Our pharmaceutical business value chain</a> <a href="#">Our processed food business value chain</a></li> </ol>

GRI indicator	Disclosure
<p><b>102-7</b> Scale of organization</p>	<p>1. Total number of employees: Integrated Report FY2020: <a href="#">Fact sheet</a> (supplementary document)</p> <p>2. Total number of operations: <a href="#">Integrated Report FY2020:</a> &gt;Consolidated financial statements p.114-179</p> <p>3. Net sales (for private sector organizations) or net revenues (for public sector organizations): <a href="#">Integrated Report FY2020</a> &gt;Key performance indicator p.6-7</p> <p>4. Total capitalization (for private sector organizations) broken down in terms of debt and equity: Integrated Report FY2020: <a href="#">Fact sheet</a> (financial data)</p> <p>5. Quantity of products or services provided <a href="#">Integrated Report FY2020:</a> &gt;Business Review p.34~49</p>
<p><b>102-8</b> Information on employees and other workers</p>	<p><a href="#">Corporate profile</a> <a href="#">Basis of Reporting</a></p> <p><b>EMPLOYEES BY TYPE OF CONTRACT AND GENDER AS OF THE END OF 2020</b></p>

GRI indicator	Disclosure			
	TYPE OF CONTRACT	MALE	FEMALE	TOTAL
	Permanent (full- and part-time)	33,649	11,934	45,583
	Temporary full-time	3,542	1,592	5,134
	Temporary part-time <sup>*C</sup>	n/a	n/a	4,693
	Temporary part-time <sup>*E</sup>	19	47	66
	Supervised workers <sup>*C</sup>	n/a	n/a	1,884
	COUNTRY	THE NUMBER OF EMPLOYEES		TOTAL
		MALE	FEMALE	
	Japan	13,125	4,578	17,703
	Total of all other countries (excluding Japan)	24,066	8,948	33,014
	The above data excludes temporary part-time and supervised workers.			

GRI indicator	Disclosure
<p><b>102-9</b> Supply chain</p>	<p>Description of the organization’s supply chain, including its main elements as they relate to the organization’s activities, primary brands, products, and services.</p> <p><a href="#">Corporate profile – Our businesses</a>  <a href="#">Our tobacco business value chain</a>  <a href="#">Building sustainable supply chains</a>  <a href="#">Our pharmaceutical business value chain</a>  <a href="#">Our processed food business value chain</a></p>
<p><b>102-10</b> Significant changes to the organization and its supply chain</p>	<p>1. Changes in the location of, or changes in, operations, including facility openings, closings, and expansions:  <a href="#">About our reporting</a>  <a href="#">JT Inc., head office relocation</a> </p> <p>2. Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations):  <a href="#">About our reporting</a>  <a href="#">Integrated Report FY2020:</a>  Shareholder information p.184</p> <p>3. Changes in the location of suppliers, the structure of the supply chain, or relationships with suppliers, including selection and termination.  <a href="#">Corporate profile</a>(for countries in which we directly source tobacco leaf)  <a href="#">Our tobacco business</a>  <a href="#">Building sustainable supply chains</a>  <a href="#">Exceeding expectations with products and services</a>(Reduced-Risk Products supply chain)</p> <p><a href="#">Our pharmaceutical business value chain</a>  <a href="#">Our processed food business value chain</a></p>
<p><b>102-11</b> Precautionary principle or approach</p>	<p>Whether and how the organization applies to the precautionary principle or approach.  <a href="#">Materiality</a>  <a href="#">Risk management</a></p>
<p><b>102-12</b> External initiatives</p>	<p>A list of externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes, or endorses.  <a href="#">Stakeholder engagement</a></p>
<p><b>102-13</b> Membership of associations</p>	<p>A list of the main memberships of industry or other associations, and national or international advocacy organizations.  <a href="#">Stakeholder engagement</a></p>

# Strategy


## Ethics and Integrity

GRI indicator	Disclosure
<b>102-16</b> Values, principles, standards, and norms of behavior	<a href="#">Our sustainability strategy</a> <a href="#">Group compliance</a>
<b>102-17</b> Mechanisms for advice and concerns about ethics	<a href="#">Our Codes of Conduct</a>

## Governance



GRI indicator	Disclosure
<p><b>102-14</b> Statement from senior decision-maker</p>	<p>A statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy for addressing sustainability.</p> <p>CEO message:  <a href="#">Integrated Report FY2020</a>            &gt;p. xx  <a href="#">CSO Message</a></p>
<p><b>102-15</b> Key impacts, risks, and opportunities</p>	<p><a href="#">Integrated Report FY2020:</a></p> <ul style="list-style-type: none"> <li>&gt;Value creation story p.20-21</li> <li>&gt;Investing in people p.68-71</li> <li>&gt;Our material issues p.60-61</li> <li>&gt;Our sustainability strategy p.62-63</li> <li>&gt;Tobacco business sustainability strategy 4 focus areas p.72-79</li> <li>&gt;Risk factors p.50-53</li> <li>&gt;Non-financial key performance p.8-9</li> <li>&gt;Respect for Human Rights p.64</li> <li>&gt;Improving our social impact p.65</li> <li>&gt;Improving our environmental impact p.66-67</li> <li>&gt;Awards and recognition p.182</li> </ul> <p>&gt;<a href="#">Our sustainability strategy</a> (materiality, sustainability strategy, sustainable development goals            Tobacco business sustainability strategy targets            Pharmaceutical business sustainability strategy targets            Processed food business sustainability strategy targets)</p>
<p><b>102-18</b> Governance structure</p>	<p>1 Governance structure of the organization, including committees of the highest governance body.</p> <p>2 Committees responsible for decision-making on economic, environmental, and social topics.</p> <p><a href="#">Integrated Report FY2020:</a>            &gt;Good governance and business standards p.86-103</p> <p><a href="#">Corporate Governance</a>  <a href="#">Compliance</a></p>
<p><b>102-19</b> Delegating authority</p>	<p>Process for delegating authority for economic, environmental, and social topics from the highest governance body to senior executives and other employees.</p> <p><a href="#">Integrated Report FY2020:</a>            &gt;Good governance and business standards p.86-103</p>

GRI indicator	Disclosure
<p><b>102-20</b> Executive-level responsibility for economic, environmental, and social topics</p>	<p>1 Whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental, and social topics.</p> <p>2 Whether post holders report directly to the highest governance body.  <a href="#">Integrated Report FY2020:</a>            &gt;Good governance and business standards p.86-103</p> <p>JTI Executive Committee:  <a href="https://www.jti.com/about-us/our-business/our-leadership">https://www.jti.com/about-us/our-business/our-leadership</a> </p>
<p><b>102-21</b> Consulting stakeholders on economic, environmental, and social topics</p>	<p>1 Processes for consultation between stakeholders and the highest governance body on economic, environmental, and social topics.</p> <p>2 If consultation is delegated, describe to whom it is delegated and how the resulting feedback is provided to the highest governance body.  <a href="#">JT Group Materiality</a>  <a href="#">Stakeholder engagement</a></p> <p>Our initiatives for stakeholder engagement are described in the Sustainability section of our global website. For example, our engagement with:</p> <ul style="list-style-type: none"> <li>› our suppliers such as directly contracted growers, third-party suppliers of tobacco leaf or other suppliers as well as government agencies, NGOs and industry organizations (see <a href="#">Building sustainable supply chains</a>);</li> <li>› our consumers or retailers (see <a href="#">Exceeding expectations with products and services</a>);</li> <li>› law enforcement partners in tackling illegal trade (see <a href="#">Tackling the Illegal trade</a>);</li> <li>› local communities (see <a href="#">Improving our social impact</a>);</li> <li>› our employees (see <a href="#">Our people</a>, or <a href="#">The JT Group health and safety</a>);</li> <li>› our Human Rights External Advisory Board and other partners (see <a href="#">Respecting human rights</a>).</li> </ul> <p><a href="#">Integrated Report FY2020:</a>            &gt;CFO message p.30-33</p>


GRI indicator	Disclosure
<p><b>102-22</b> Composition of the highest governance body and its committees</p>	<p>Composition of the highest governance body and its committees by:</p> <ul style="list-style-type: none"> <li>1 Executive or non-executive</li> <li>2 Independence</li> <li>3 Tenure on the governance body</li> <li>4 Number of each individual's other significant positions and commitments, and</li> <li>5 The nature of the commitments</li> <li>6 Gender</li> <li>7 Membership of under-represented social groups</li> <li>8 Competencies relating to economic, environmental, and social topics</li> <li>9 Stakeholder representation</li> </ul> <p><a href="#">Integrated Report FY2020:</a> &gt;Good governance and business standards p.86-103</p>

# Stakeholder Engagement

GRI indicator	Disclosure
<p><b>102-40</b> List of stakeholder groups</p>	<p><a href="#">Stakeholder engagement</a></p> <p><a href="#">Integrated Report FY2020:</a> &gt;CFO message p.30-33</p> <p>Our initiatives for stakeholder engagement are described throughout the sustainability content. See explanation for 102-21 for more details.</p> <p>JT Corporate Governance Policy <a href="https://www.jt.com/about/corporate_governance/governance_policy/index.html">https://www.jt.com/about/corporate_governance/governance_policy/index.html</a></p>
<p><b>102-41</b> Collective bargaining agreements</p>	<p><a href="#">Basis of Reporting</a></p> <p>A total of 63 companies have a union in our Group, and 92.5% of eligible employees (only in JT and Japanese domestic group companies) are covered by collective bargaining agreements. Due to legal requirements in certain countries, we can't know whether employees are unionized, and thus cannot provide the information regarding employees in our international tobacco business.</p>
<p><b>102-42</b> Identifying and selecting stakeholders</p>	<p>The basis for identifying and selecting stakeholders with whom to engage.</p> <p><a href="#">Stakeholder engagement</a></p> <p><a href="#">Integrated Report FY2020:</a> &gt;CFO message p.30-33</p> <p>Our initiatives for stakeholder engagement are described throughout the sustainability content. See explanation for 102-21 for more details.</p> <p>JT Corporate Governance Policy <a href="https://www.jt.com/about/corporate_governance/governance_policy/index.html">https://www.jt.com/about/corporate_governance/governance_policy/index.html</a></p>
<p><b>102-43</b> Approach to stakeholder engagement</p>	<p>The organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.</p> <p><a href="#">Stakeholder engagement</a></p> <p>JT Corporate Governance Policy <a href="https://www.jt.com/about/corporate_governance/governance_policy/index.html">https://www.jt.com/about/corporate_governance/governance_policy/index.html</a></p>

GRI indicator	Disclosure
<p><b>102-44</b> Key topics and concerns raised</p>	<p>The organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.</p> <p><a href="#">Stakeholder engagement</a></p> <p><a href="#">Integrated Report FY2020:</a> &gt;Value creation p.14-25 &gt;Sustainability: Strategy p.62-63, Absolute requirements for sustainability p.64-67</p>

# Reporting Practice

GRI indicator	Disclosure
<p><b>102-45</b> Entities included in the consolidated financial statements</p>	<p>JT Annual Securities Report FY2019:  <a href="https://www.jti.co.jp/investors/others/12g3_2/index.html">https://www.jti.co.jp/investors/others/12g3_2/index.html</a> </p>
<p><b>102-46</b> Defining report content and topic boundaries</p>	<p>1 An explanation of the process for defining the report content and the topic boundaries.</p> <p>2 An explanation of how the organization has implemented the Reporting Principles for defining report content.</p> <p><a href="#">JT Group Materiality</a>  <a href="#">Our sustainability strategy</a>  <a href="#">Scope of data and information presented</a></p>
<p><b>102-47</b> List of material topics</p>	<p>A list of the material topics identified in the process for defining report content.  <a href="#">JT Group Materiality</a></p>
<p><b>102-48</b> Restatement of information</p>	<p><a href="#">JT Group health and safety &gt; Our health and safety performance as a Group</a>  Lost time injury rate in 2019 has been restated from 0.24 to 0.23 due to recalculation.</p>
<p><b>102-49</b> Changes in reporting</p>	<p>Significant changes from previous reporting periods in the list of material topics and topic boundaries.</p> <p>Not applicable  <a href="#">Materiality</a></p>
<p><b>102-50</b> Reporting period</p>	<p><a href="#">About our reporting</a></p>
<p><b>102-51</b> Date of most recent report</p>	
<p><b>102-52</b> Reporting cycle</p>	

GRI indicator	Disclosure
<p><b>102-53</b> Contact point for questions regarding the report</p>	
<p><b>102-54</b> Claims of reporting in accordance with the GRI Standards</p>	
<p><b>102-55</b> GRI content index</p>	<p><a href="#">GRI Index</a></p>
<p><b>102-56</b> External assurance</p>	<p><a href="#">About our reporting</a> <a href="#">External verification</a></p>

## Topic-specific Standards Disclosures

## Economic Performance

GRI indicator	Disclosure
<p><b>103-1</b> Management approach: Explanation of the material topic and its boundary</p>	<p><a href="#">JT Group Materiality</a></p>
<p><b>103-2</b> Management approach: The management approach and its components</p>	<p><a href="#">Tax practice</a></p> <p><a href="#">Integrated Report FY2020:</a></p>
<p><b>103-3</b> Management approach: Evaluation of the management approach</p>	<p>&gt;Message from the CEO p.14 &gt;Financial review p.106~113</p>
<p><b>201-1</b> Direct economic value generated and distributed</p>	<p><a href="#">Tax practice</a></p> <p><a href="#">Integrated Report FY2020:</a></p> <p>&gt;Message from the CEO p.14 &gt;Financial review p.106~113 &gt;Improving our social impact p.65</p>



GRI indicator	Disclosure	
	DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED	2020 (MILLION YEN)
	Revenue*	2,092,561
	Total employee benefits and wages	447,767
	Current income taxes	111,142
	Tobacco excise taxes	4,821,891
	Dividends	273,200
	Community investment	5,286
	* Excluding tobacco excise taxes and revenue from agent transactions.	

## Market Presence

GRI indicator	Disclosure
<p><b>103-1</b> Management approach: Explanation of the material topic and its boundary</p>	<p><a href="#">JT Group Materiality</a></p>
<p><b>103-2</b> Management approach: The management approach and its components</p>	<p>This is our standard operating procedure.</p>
<p><b>103-3</b> Management approach: Evaluation of the management approach</p>	
<p><b>202-1</b> Ratios of standard entry-level wage by gender compared to local minimum wage at significant locations of operation</p>	<p><a href="#">Basis of Reporting</a></p>

GRI indicator	Disclosure		
	SIGNIFICANT OPERATIONS	RATIO OF STANDARD ENTRY-LEVEL WAGE TO LOCAL MINIMUM WAGE	
	JT Tokyo HQ	Male	152.7%
		Female	152.7%
	JTI Moscow	Male	228.7%
		Female	228.7%
	JTI Trier	Male	145.4%
		Female	145.4%
	JTI UK	Male	122.1%
		Female	122.1%

## Indirect Economic Impacts

GRI indicator	Disclosure
<p><b>103-1</b> Management approach: Explanation of the material topic and its boundary</p>	<p><a href="#">JT Group Materiality</a></p>
<p><b>103-2</b> Management approach: The management approach and its components</p>	<p><a href="#">Building sustainable supply chains</a></p>
<p><b>103-3</b> Management approach: Evaluation of the management approach</p>	
<p><b>203-1</b> Development and impact of infrastructure investments and services supported</p>	<p>As part of our Global Leaf CAPEX projects, we invested 15.3 million U.S. dollars in infrastructure-related projects in Brazil, Malawi, Tanzania, U.S., and Zambia. In addition, we invested 1.3 million U.S. dollars in infrastructure-related projects in Brazil, Malawi, Tanzania and Zambia, as part of our Grower Support Programs.</p>
<p><b>203-2</b> Significant indirect economic impacts, including the extent of impacts</p>	<p><a href="#">Building sustainable supply chains</a> <a href="#">Tackling illegal trade</a></p>

# Procurement Practices

GRI indicator	Disclosure
<p><b>103-1</b> Management approach: Explanation of the material topic and its boundary</p>	<p><a href="#">JT Group Materiality</a></p>
<p><b>103-2</b> Management approach: The management approach and its components</p>	<p><a href="#">Tobacco</a></p>
<p><b>103-3</b> Management approach: Evaluation of the management approach</p>	<p><a href="#">Pharmaceuticals</a> <a href="#">Processed food</a></p>
<p><b>204-1</b> Proportion of spending on local suppliers</p>	<p>We define local as the country of operation. Significant location is defined as any location with more than 5% of global spend.</p>

GRI indicator	Disclosure		
	SIGNIFICANT LOCATIONS	SUPPLIER TYPE	% OF LOCAL SPEND IN 2020
	Japan	Tobacco leaf and non-tobacco material suppliers	65
	Geneva HQ	Non-tobacco materials and other products and services suppliers	51
	Germany	Non-tobacco materials and other products and services suppliers	60
	Philippines	Non-tobacco materials and other products and services suppliers	59
	Russia	Non-tobacco materials and other products and services suppliers	33
	Taiwan	Non-tobacco materials and other products and services suppliers	40
	<p>The percentage of local suppliers of bulk drug substances to our pharmaceutical business is 0%. The percentage of local spend for Tier 1 suppliers of TableMark on its raw material sourcing is 100%.</p>		

## Anti-corruption

GRI indicator	Disclosure
<p><b>103-1</b> Management approach: Explanation of the material topic and its boundary</p>	<p><a href="#">JT Group Materiality</a></p> <p><a href="#">Integrated Report FY2020:</a> &gt;Good governance and business standards p.86~103</p>
<p><b>103-2</b> Management approach: The management approach and its components</p>	<p><a href="#">Integrated Report FY2020:</a> &gt;Good governance and business standards p.86~103</p>
<p><b>103-3</b> Management approach: Evaluation of the management approach</p>	<p><a href="#">JT Group Anti-Bribery Policy</a></p> <p><a href="#">Anti-bribery and corruption</a></p>
<p><b>205-2</b> Communication and training on anti-corruption policies and procedures</p>	<p><a href="#">Anti-bribery and corruption</a></p>

## Anti-competitive Behavior

GRI indicator	Disclosure
<p><b>103-1</b> Management approach: Explanation of the material topic and its boundary</p>	<p><a href="#">JT Group Materiality</a></p> <p><a href="#">Integrated Report FY2020:</a> &gt;Good governance and business standards p.86~103</p>
<p><b>103-2</b> Management approach: The management approach and its components</p>	<p><a href="#">JT Group Materiality</a></p> <p><a href="#">Integrated Report FY2020:</a> &gt;Good governance and business standards p.86~103</p>
<p><b>103-3</b> Management approach: Evaluation of the management approach</p>	<p><a href="#">Anti-competitive behavior</a></p> <p><a href="#">Integrated Report FY2020:</a> &gt;Good governance and business standards p.86~103</p>
<p><b>206-1</b> Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes</p>	<p>In 2020, there were no legal actions for anti-competitive behavior, anti-trust, and monopoly practices that resulted in a significant fine for the JT Group, and no such legal actions that resulted in a penalty, or warning, with material impact for sustainability, taking into account the size of the JT Group.</p>

## Tax



GRI indicator	Disclosure
<p><b>207-1</b> Approach to tax</p>	<p><a href="#">Tax practices</a></p>
<p><b>207-2</b> Tax governance, control, and risk management</p>	
<p><b>207-3</b> Stakeholder engagement and management of concerns related to tax</p>	<p><a href="#">JT Group Tax Policy</a></p>

# Energy

GRI indicator	Disclosure
<p><b>103-1</b> Management approach: Explanation of the material topic and its boundary</p>	<p><a href="#">JT Group Materiality</a></p>
<p><b>103-2</b> Management approach: The management approach and its components</p>	
<p><b>103-3</b> Management approach: Evaluation of the management approach</p>	<p><a href="#">Environment and our operations &gt; Energy and emissions and climate change</a></p> <p><a href="#">Basis of Reporting</a></p>
<p><b>302-1</b> Energy consumption within the organization</p>	

# Water and Effluents

GRI indicator	Disclosure
<p><b>103-1</b> Management approach: Explanation of the material topic and its boundary</p>	<p><a href="#">JT Group Materiality</a></p>
<p><b>103-2</b> Management approach: The management approach and its components</p>	
<p><b>103-3</b> Management approach: Evaluation of the management approach</p>	<p><a href="#">Environment and our operations &gt; Natural Resources &gt; Water</a></p> <p><a href="#">Basis of Reporting</a></p>
<p><b>303-1</b> Interactions with water as a shared resource</p>	
<p><b>303-2</b> Management of water discharge-related impacts</p>	
<p><b>303-3</b> Water withdrawal</p>	<p><a href="#">Environmental data / External verification</a></p>
<p><b>303-4</b> Water discharge</p>	

## Biodiversity

GRI indicator	Disclosure
<p><b>103-1</b> Management approach: Explanation of the material topic and its boundary</p>	<p><a href="#">JT Group Materiality</a></p>
<p><b>103-2</b> Management approach: The management approach and its components</p>	<p><a href="#">Environment and our operations</a></p>
<p><b>103-3</b> Management approach: Evaluation of the management approach</p>	<p>We approach biodiversity as a topic integrated into our responsible business operations.</p>
<p><b>304-2</b> Significant impacts of activities, products, and services on biodiversity</p>	<p><a href="#">Environment and our operations</a></p> <p>Impacts on biodiversity can be observed directly or indirectly through activities such as:</p> <ul style="list-style-type: none"> <li>&gt;Crop production/land management e.g. promotion and adoption of good agricultural practices; land/soil use and conservation practices; the use and management of agricultural inputs such as crop protection agents and fertilizers, and the use and management of water resources</li> <li>&gt;Wood use and forestry management e.g. tree planting, natural regeneration, avoided deforestation and forest remediation; and the use of wood for tobacco curing, domestic consumption, and construction materials for curing barns and other buildings</li> <li>&gt;The building of new, or expansion of, buying stations, processing facilities, offices etc.</li> </ul>

## Emissions

GRI indicator	Disclosure
<p><b>103-1</b> Management approach: Explanation of the material topic and its boundary</p>	<p><a href="#">JT Group Materiality</a></p>
<p><b>103-2</b> Management approach: The management approach and its components</p>	
<p><b>103-3</b> Management approach: Evaluation of the management approach</p>	
<p><b>305-1</b> Direct GHG emissions (Scope 1)</p>	<p><a href="#">Environment and our operations &gt; Energy and emissions and climate change</a></p> <p><a href="#">Basis of Reporting</a></p>
<p><b>305-2</b> Energy indirect GHG emissions (Scope 2)</p>	
<p><b>305-3</b> Other indirect GHG emissions (Scope 3)</p>	
<p><b>305-5</b> Reduction of GHG emissions</p>	

# Waste

GRI indicator	Disclosure
<b>103-1</b> Management approach: Explanation of the material topic and its boundary	<a href="#">JT Group Materiality</a>
<b>103-2</b> Management approach: The management approach and its components	
<b>103-3</b> Management approach: Evaluation of the management approach	<a href="#">Environment and our operations &gt; Waste</a> <a href="#">Environment and our products</a> <a href="#">Basis of Reporting</a>
<b>306-2</b> Total weight of waste by type and disposal method	

## Environmental Compliance

GRI indicator	Disclosure
<p><b>103-1</b> Management approach: Explanation of the material topic and its boundary</p>	<p><a href="#">JT Group Materiality</a></p>
<p><b>103-2</b> Management approach: The management approach and its components</p>	<p><a href="#">The JT Group Environment Policy</a></p>
<p><b>103-3</b> Management approach: Evaluation of the management approach</p>	
<p><b>307-1</b> Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations</p>	<p>During 2020, there were no significant monetary fines or non-monetary sanctions for non-compliance with environmental laws and regulations.</p>

# Supplier Environmental Assessment

GRI indicator	Disclosure
<p><b>103-1</b> Management approach: Explanation of the material topic and its boundary</p>	<p><a href="#">JT Group Materiality</a></p>
<p><b>103-2</b> Management approach: The management approach and its components</p>	
<p><b>103-3</b> Management approach: Evaluation of the management approach</p>	
<p><b>308-1</b> Percentage of new suppliers that were screened using environmental criteria</p>	<p><a href="#">Building sustainable supply chains</a></p>
<p><b>308-2</b> Significant actual and potential negative environmental impacts in the supply chain and actions taken</p>	

# Employment



GRI indicator	Disclosure																				
<p><b>103-1</b> Management approach: Explanation of the material topic and its boundary</p>	<p><a href="#">JT Group Materiality</a></p>																				
<p><b>103-2</b> Management approach: The management approach and its components</p>	<p><a href="#">Talent attraction</a></p>																				
<p><b>103-3</b> Management approach: Evaluation of the management approach</p>																					
<p><b>401-1</b> Total number and rates of new employee hires and employee turnover by age group, gender, and region</p>	<p><a href="#">Basis of Reporting</a></p> <p><b>NEW EMPLOYEES' HIRE AND TURNOVER</b></p> <table border="1" data-bbox="475 1509 1388 2107"> <thead> <tr> <th data-bbox="475 1509 904 1630">BY GENDER</th> <th data-bbox="904 1509 1051 1630">MALE</th> <th data-bbox="1051 1509 1230 1630">FEMALE</th> <th data-bbox="1230 1509 1388 1630">TOTAL</th> </tr> </thead> <tbody> <tr> <td data-bbox="475 1630 904 1749">Total number of new employees</td> <td data-bbox="904 1630 1051 1749">2,856</td> <td data-bbox="1051 1630 1230 1749">1,409</td> <td data-bbox="1230 1630 1388 1749">4,265</td> </tr> <tr> <td data-bbox="475 1749 904 1868">New employee hire rate</td> <td data-bbox="904 1749 1051 1868">7.7%</td> <td data-bbox="1051 1749 1230 1868">10.4%</td> <td data-bbox="1230 1749 1388 1868">8.4%</td> </tr> <tr> <td data-bbox="475 1868 904 1986">Total employee turnover</td> <td data-bbox="904 1868 1051 1986">3,169</td> <td data-bbox="1051 1868 1230 1986">1,418</td> <td data-bbox="1230 1868 1388 1986">4,587</td> </tr> <tr> <td data-bbox="475 1986 904 2107">Employee turnover rate</td> <td data-bbox="904 1986 1051 2107">8.5%</td> <td data-bbox="1051 1986 1230 2107">10.5%</td> <td data-bbox="1230 1986 1388 2107">9.0%</td> </tr> </tbody> </table>	BY GENDER	MALE	FEMALE	TOTAL	Total number of new employees	2,856	1,409	4,265	New employee hire rate	7.7%	10.4%	8.4%	Total employee turnover	3,169	1,418	4,587	Employee turnover rate	8.5%	10.5%	9.0%
BY GENDER	MALE	FEMALE	TOTAL																		
Total number of new employees	2,856	1,409	4,265																		
New employee hire rate	7.7%	10.4%	8.4%																		
Total employee turnover	3,169	1,418	4,587																		
Employee turnover rate	8.5%	10.5%	9.0%																		

BY AGE	> 30	30–50	> 50	TOTAL
Total number of new employees (only in JT and JTI)	1,703	1,943	135	3,781
New employee hire rate (only in JT and JTI)	25.4%	7.4%	2.3%	9.8%
Total employee turnover*	946	2,542	1,080	4,568
Employee turnover rate*	11.6%	7.9%	12.4%	9.3%

\* Some Japanese Group companies (Akros Pharma Inc., Fuji Foods, and Saint-Germain America) are excluded.

#### 401-2

Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation

#### Basis of Reporting

At the end of 2020, significant locations included our JT head office in Tokyo, Japan, and our international tobacco business head office in Geneva, Switzerland.

Our international tobacco business, for instance, positions compensation levels in the 75th percentile against companies with which we compete for talent.

## JT HEAD OFFICE IN TOKYO

BENEFITS	PERMANENT EMPLOYEES	TEMPORARY FULL-TIME EMPLOYEES		TEMPORARY PART-TIME EMPLOYEES
		COMMISSIONED PERSONNEL	CONTRACT EMPLOYEES*	
Bereaved family compensation program	Y			
Regular health examination	Y	Y	Y	Y
Medical leave system	Y	Y		
Parental leave	Y	Y	Y	Y
Retirement provision	Y			
Stock ownership	Y			

**INTERNATIONAL TOBACCO BUSINESS HEAD OFFICE IN GENEVA**

BENEFITS	PERMANENT EMPLOYEES	TEMPORARY FULL-TIME EMPLOYEES	TEMPORARY PART-TIME EMPLOYEES
Life insurance	Y	Y	Y (Prorated)
Healthcare	Y	Y	Y
Disability and invalidity coverage	Y	Y	Y (Prorated)
Parental leave	Y	Y	Y (Prorated)
Retirement provision	Y	Y	Y (Prorated)
Stock ownership	Y		

\* Contract employees may be given benefits if they are exempt from Company regulations.

We also provide more benefits related to generational diversity and work-life balance to our employees. Regarding initiatives in our Japanese operations and international tobacco business, please see [Investing in people](#).




## Labor/Management Relations

GRI indicator	Disclosure
<p><b>103-1</b>  Management approach:  Explanation of the material topic and its boundary</p>	<p><a href="#">JT Group Materiality</a></p>
<p><b>103-2</b>  Management approach: The management approach and its components</p>	<p>We comply fully within the framework of local law in our places of operation.</p>
<p><b>103-3</b>  Management approach:  Evaluation of the management approach</p>	

GRI indicator	Disclosure								
<p><b>402-1</b> Minimum notice periods regarding operational changes, including whether these are specified in collective agreements</p>	<p><a href="#">About our reporting</a></p> <p><a href="#">Basis of Reporting</a></p> <table border="1" data-bbox="475 432 1388 1131"> <thead> <tr> <th data-bbox="475 432 705 1010">MINIMUM NOTICE PERIODS regarding operational changes</th> <th data-bbox="705 432 933 1010">NUMBER OF MONTHS between the announcement and the time the first employee leaves the factory because of the closure</th> <th data-bbox="933 432 1161 1010">NUMBER OF MONTHS between the announcement and the final closure</th> <th data-bbox="1161 432 1388 1010">MINIMUM NOTICE PERIOD FOR CONSULTATION AND NEGOTIATION: Is this minimum notice period specified in collective agreements?</th> </tr> </thead> <tbody> <tr> <td data-bbox="475 1010 705 1131">NA</td> <td data-bbox="705 1010 933 1131">NA</td> <td data-bbox="933 1010 1161 1131">NA</td> <td data-bbox="1161 1010 1388 1131">NA</td> </tr> </tbody> </table> <p>In 2019, our international tobacco business refined the organizational structure and globally 3,720 employees will be affected by the organizational change over the next three years. However, during the same period 1,300 new positions will be created. Each employee was notified of the change in accordance with local labor laws.</p>	MINIMUM NOTICE PERIODS regarding operational changes	NUMBER OF MONTHS between the announcement and the time the first employee leaves the factory because of the closure	NUMBER OF MONTHS between the announcement and the final closure	MINIMUM NOTICE PERIOD FOR CONSULTATION AND NEGOTIATION: Is this minimum notice period specified in collective agreements?	NA	NA	NA	NA
MINIMUM NOTICE PERIODS regarding operational changes	NUMBER OF MONTHS between the announcement and the time the first employee leaves the factory because of the closure	NUMBER OF MONTHS between the announcement and the final closure	MINIMUM NOTICE PERIOD FOR CONSULTATION AND NEGOTIATION: Is this minimum notice period specified in collective agreements?						
NA	NA	NA	NA						

# Occupational Health and Safety

GRI indicator	Disclosure
<p><b>103-1</b> Management approach: Explanation of the material topic and its boundary</p>	<p><a href="#">JT Group Materiality</a></p>
<p><b>103-2</b> Management approach: The management approach and its components</p>	<p><a href="#">The JT Group health and safety</a></p>
<p><b>103-3</b> Management approach: Evaluation of the management approach</p>	<p><a href="#">The JT Group health and safety</a></p>
<p><b>403-1</b> Occupational health and safety management system</p>	
<p><b>403-2</b> Hazard identification, risk assessment, and incident investigation</p>	<p><a href="#">The JT Group health and safety</a></p>
<p><b>403-4</b> Worker participation, consultation, and communication on occupational health and safety</p>	

GRI indicator	Disclosure
<p><b>403-5</b> Worker training on occupational health and safety</p>	<p><a href="#">The JT Group health and safety</a></p>
<p><b>403-6</b> Promotion of worker health</p>	<p><a href="#">The JT Group health and safety</a></p>
<p><b>403-7</b> Prevention and mitigation of occupational health and safety impacts directly linked by business relationships</p>	<p>Description of our approach to preventing and mitigating significant occupational health and safety impacts that are directly linked to business.</p> <p>Health and safety on the farm is essential to our business. Our Leaf Production Technicians work closely with our directly contracted growers to improve health and safety. We do so through our Agricultural Labor Practices (ALP) program. We apply the same standards when working with our leaf merchants.</p> <p>Exposure to hazardous substances and green tobacco sickness pose a particular risk to tobacco farming, so we take steps to prevent this through our ALP program. We also follow industry best practices set by CORESTA:</p> <p><a href="#">No.17 – Sustainability in Leaf Tobacco Production</a>  ,</p> <p><a href="#">No. 19 - Responsible Use of Crop Protection Agents (CPAs) in Tobacco Leaf Production</a> </p> <p>and</p> <p><a href="#">No. 27 - Identification and Elimination of Highly Hazardous Pesticides (HHPs) in Leaf Tobacco Production</a> </p>
<p><b>403-8</b> Workers covered by an occupational health and safety management system</p>	<p>Our occupational health and safety management system covers employees, supervised workers, and third-party contractors.</p>



GRI indicator	Disclosure
<p><b>403-9</b> Injury rate (IR), occupational disease rate (ODR), lost day rate (LDR), absentee rate (AR), and fatalities by region and by gender</p>	<p><a href="#">The JT Group health and safety</a></p> <p>We don't disclose breakdown of health and safety data by gender as we do not have a significant difference in results between men and women in the workforce.</p> <p>In 2019, we revised our KPIs and we expanded the scope of our reporting to lost-time injuries, occupational illness cases, and recordable injuries.</p> <p>In JT, absenteeism in 2020 was reported as 0.68.</p>
<p><b>403-10</b> Work-related ill health</p>	<p><a href="#">The JT Group health and safety</a></p>

## Training and Education

GRI indicator	Disclosure
<p><b>103-1</b> Management approach: Explanation of the material topic and its boundary</p>	<p><a href="#">JT Group Materiality</a></p>
<p><b>103-2</b> Management approach: The management approach and its components</p>	<p><a href="#">Talent development</a></p>
<p><b>103-3</b> Management approach: Evaluation of the management approach</p>	
<p><b>404-2</b> Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings</p>	<p><a href="#">Talent development</a></p> <p>Average hours per employee of training and development: 228.8h hours (*C)</p> <p>Average amounts spent per FTE on training and development: 110,269 Yen (*C)</p>

**404-3**

Percentage of employees receiving regular performance and career development reviews, by gender and by employee category

## PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS

BY GENDER	2019	BY EMPLOYEE CATEGORY <sup>*D</sup>	2019
Male	79.5%	Executive Officers	100%
Female	91.3%	Management (excluding Executive Officers)	96.9%
		Employees (excluding management)	78.5%

We have reported on the 2019 performance appraisal data because the information for 2020 is currently being analyzed. Employees who did the appraisal on paper are excluded in the scope as we cannot track their data by our HR system.

## Diversity and Equal Opportunity

Our workforce is diverse comprising of employees from over 100 countries, ranging from Japan, Philippines, Russia, EU countries, UK or Brazil, to name but a few. Percentage of employees with disabilities for FY2020 was 3.23% for JT.

GRI indicator	Disclosure																
<p><b>103-1</b> Management approach: Explanation of the material topic and its boundary</p>	<p><a href="#">JT Group Materiality</a></p>																
<p><b>103-2</b> Management approach: The management approach and its components</p>	<p><a href="#">Diversity and inclusion</a></p>																
<p><b>103-3</b> Management approach: Evaluation of the management approach</p>	<p><a href="#">Diversity and inclusion</a></p>																
<p><b>405-1</b> Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity</p>	<p style="text-align: center;"><b>BREAKDOWN OF EMPLOYEES BY GENDER AND AGE GROUP (Except Executive Officers)</b></p> <table border="1" data-bbox="475 1525 1386 2004"> <thead> <tr> <th data-bbox="475 1525 842 1646">AGE GROUP</th> <th data-bbox="842 1525 1027 1646">MALE</th> <th data-bbox="1027 1525 1206 1646">FEMALE</th> <th data-bbox="1206 1525 1386 1646">TOTAL</th> </tr> </thead> <tbody> <tr> <td data-bbox="475 1646 842 1765">Under 30</td> <td data-bbox="842 1646 1027 1765">5,426</td> <td data-bbox="1027 1646 1206 1765">2,705</td> <td data-bbox="1206 1646 1386 1765">8,131</td> </tr> <tr> <td data-bbox="475 1765 842 1883">30–50</td> <td data-bbox="842 1765 1027 1883">23,950</td> <td data-bbox="1027 1765 1206 1883">8,152</td> <td data-bbox="1206 1765 1386 1883">32,102</td> </tr> <tr> <td data-bbox="475 1883 842 2004">Over 50</td> <td data-bbox="842 1883 1027 2004">6,848</td> <td data-bbox="1027 1883 1206 2004">1,812</td> <td data-bbox="1206 1883 1386 2004">8,660</td> </tr> </tbody> </table> <p data-bbox="438 2087 1390 2154">Akros Pharma Inc., Fuji Foods, and Saint-Germain America are excluded from the data by age group.</p>	AGE GROUP	MALE	FEMALE	TOTAL	Under 30	5,426	2,705	8,131	30–50	23,950	8,152	32,102	Over 50	6,848	1,812	8,660
AGE GROUP	MALE	FEMALE	TOTAL														
Under 30	5,426	2,705	8,131														
30–50	23,950	8,152	32,102														
Over 50	6,848	1,812	8,660														

## EMPLOYEES BY POSITION AND GENDER AT THE END OF 2020

POSITIONS	MALE	FEMALE	TOTAL
Executive Officer	97.2%	2.8%	71
Management (excluding Executive Officers) *	85.0%	15.0%	3,275
Employees (excluding Executive Officers and Management)	72.5%	27.5%	47,371

\* Management is defined as persons in positions of supervision or management according to national legislation in Japan and in our international tobacco business, the Vice President and Director-level employees are categorized as Management.

## EXECUTIVE OFFICERS BY POSITION AND GENDER AT THE END OF 2020


AGE GROUP	MALE	FEMALE	TOTAL
Under 30	0	0	0
30–50	6	0	6
Over 50	65	2	67

GRI indicator	Disclosure																										
	This data does not include 3 executives in our Japanese domestic Group companies, as we do not ask employees their age.																										
<p><b>405-2</b> Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation</p>	<p><u>Basis of Reporting</u></p> <table border="1" data-bbox="475 472 1390 1865"> <thead> <tr> <th data-bbox="475 472 751 667">SIGNIFICANT OPERATIONS</th> <th data-bbox="751 472 1027 667">EMPLOYEE CATEGORY</th> <th data-bbox="1027 472 1390 667">RATIO OF ANNUAL BASE SALARY OF WOMEN TO MEN</th> </tr> </thead> <tbody> <tr> <td data-bbox="475 667 751 1144" rowspan="4">JTI Geneva HQ</td> <td data-bbox="751 667 1027 786">Vice President</td> <td data-bbox="1027 667 1390 786">89.5%</td> </tr> <tr> <td data-bbox="751 786 1027 904">Director</td> <td data-bbox="1027 786 1390 904">97.1%</td> </tr> <tr> <td data-bbox="751 904 1027 1023">Manager</td> <td data-bbox="1027 904 1390 1023">94.7%</td> </tr> <tr> <td data-bbox="751 1023 1027 1144">Associate</td> <td data-bbox="1027 1023 1390 1144">100.1%</td> </tr> <tr> <td data-bbox="475 1144 751 1503" rowspan="3">JT Tokyo HQ</td> <td data-bbox="751 1144 1027 1263">Executive Officer</td> <td data-bbox="1027 1144 1390 1263">90.0%</td> </tr> <tr> <td data-bbox="751 1263 1027 1382">Management</td> <td data-bbox="1027 1263 1390 1382">91.7%</td> </tr> <tr> <td data-bbox="751 1382 1027 1503">Employee</td> <td data-bbox="1027 1382 1390 1503">96.6%</td> </tr> <tr> <td data-bbox="475 1503 751 1865" rowspan="3">JTI UK</td> <td data-bbox="751 1503 1027 1621">Director</td> <td data-bbox="1027 1503 1390 1621">92.3%</td> </tr> <tr> <td data-bbox="751 1621 1027 1740">Manager</td> <td data-bbox="1027 1621 1390 1740">94.2%</td> </tr> <tr> <td data-bbox="751 1740 1027 1865">Associate</td> <td data-bbox="1027 1740 1390 1865">89.3%</td> </tr> </tbody> </table>	SIGNIFICANT OPERATIONS	EMPLOYEE CATEGORY	RATIO OF ANNUAL BASE SALARY OF WOMEN TO MEN	JTI Geneva HQ	Vice President	89.5%	Director	97.1%	Manager	94.7%	Associate	100.1%	JT Tokyo HQ	Executive Officer	90.0%	Management	91.7%	Employee	96.6%	JTI UK	Director	92.3%	Manager	94.2%	Associate	89.3%
	SIGNIFICANT OPERATIONS	EMPLOYEE CATEGORY	RATIO OF ANNUAL BASE SALARY OF WOMEN TO MEN																								
	JTI Geneva HQ	Vice President	89.5%																								
		Director	97.1%																								
		Manager	94.7%																								
		Associate	100.1%																								
	JT Tokyo HQ	Executive Officer	90.0%																								
		Management	91.7%																								
		Employee	96.6%																								
	JTI UK	Director	92.3%																								
		Manager	94.2%																								
		Associate	89.3%																								

# Non-discrimination

GRI indicator	Disclosure
<p><b>103-3</b> Management approach: Evaluation of the management approach</p>	<p><a href="#">Integrated Report FY2020:</a> &gt;Good governance and business standards p.86~103</p> <p><a href="#">Our Codes of Conduct</a></p> <p><a href="#">Diversity and inclusion</a></p> <p><a href="#">Basis of Reporting</a></p>
<p><b>406-1</b> Total number of incidents of discrimination and corrective actions taken</p>	<p><a href="#">Our Codes of Conduct</a></p> <p><a href="#">Diversity and inclusion</a></p> <p><a href="#">Basis of Reporting</a></p> <p>In 2020, four alleged cases of workplace discrimination were reported. None of the four was proven as a violation of our Codes of Conduct.</p>

# Freedom of Association and Collective Bargaining

GRI indicator	Disclosure
<p><b>103-1</b> Management approach: Explanation of the material topic and its boundary</p>	<p><a href="#">JT Group Materiality</a></p>
<p><b>103-2</b> Management approach: The management approach and its components</p>	<p>Agricultural Labor Practices booklet: <a href="https://www.jti.com/sites/default/files/global-files/documents/related-documents/jti_ALP_booklet2017_view_doublepage.pdf">https://www.jti.com/sites/default/files/global-files/documents/related-documents/jti_ALP_booklet2017_view_doublepage.pdf</a> </p>
<p><b>103-3</b> Management approach: Evaluation of the management approach</p>	<p><a href="#">Building sustainable supply chains</a></p>
<p><b>407-1</b> Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk</p>	<p><a href="#">Agricultural Labor Practices and Leaf Supply Chain Due Diligence</a></p> <p>The right to exercise freedom of association and collective bargaining is at significant risk in a number of countries where we directly or indirectly source tobacco leaf. We assess and mitigate those risks through our Leaf Supply Chain Due Diligence, which includes our Agricultural Labor Practices program.</p>

## Child Labor



GRI indicator	Disclosure
<p><b>103-1</b> Management approach: Explanation of the material topic and its boundary</p>	<p><a href="#">JT Group Materiality</a></p>
<p><b>103-2</b> Management approach: The management approach and its components</p>	<p><a href="#">Building sustainable supply chains</a></p> <p><a href="#">Agricultural Labor Practices and leaf supply chain due diligence</a></p> <p>JTI website: <a href="https://www.jti.com/our-views/arise-ending-child-labor-through-education-and-opportunity">https://www.jti.com/our-views/arise-ending-child-labor-through-education-and-opportunity</a></p>
<p><b>103-3</b> Management approach: Evaluation of the management approach</p>	<p>ARISE website: <a href="http://ariseprogram.org/en">http://ariseprogram.org/en</a></p> <p>Agricultural Labor Practices booklet: <a href="https://www.jti.com/sites/default/files/global-files/documents/related-documents/jti_ALP_booklet2017_view_doublepage.pdf">https://www.jti.com/sites/default/files/global-files/documents/related-documents/jti_ALP_booklet2017_view_doublepage.pdf</a></p>
<p><b>408-1</b> Operations and suppliers at significant risk for incidents of child labor</p>	<p><a href="#">Building sustainable supply chains</a></p> <p><a href="#">Agricultural Labor Practices and leaf supply chain due diligence</a></p> <p>JTI website: <a href="https://www.jti.com/our-views/arise-ending-child-labor-through-education-and-opportunity">https://www.jti.com/our-views/arise-ending-child-labor-through-education-and-opportunity</a></p> <p>ARISE website: <a href="http://ariseprogram.org/en">http://ariseprogram.org/en</a></p> <p>Operations and suppliers having significant risk for incidents of child labor have been identified in a number of countries where we directly or indirectly source tobacco leaf. We assess and mitigate those risks through our Leaf Supply Chain Due Diligence, which includes the Agricultural Labor Practices program, the ARISE program – Achieving Reduction of Child Labor in Support of Education, the Grower Support Programs and Good Agricultural Practices, as well as communication and training, and the Eliminating Child Labor in Tobacco-Growing (ECLT) Foundation.</p>

## Forced or Compulsory Labor

GRI indicator	Disclosure
<p><b>103-1</b> Management approach: Explanation of the material topic and its boundary</p>	<p><a href="#">JT Group Materiality</a></p>
<p><b>103-2</b> Management approach: The management approach and its components</p>	<p><a href="#">Building sustainable supply chains</a></p> <p>JTI website: <a href="https://www.jti.com/our-views/arise-ending-child-labor-through-education-and-opportunity">https://www.jti.com/our-views/arise-ending-child-labor-through-education-and-opportunity</a></p>
<p><b>103-3</b> Management approach: Evaluation of the management approach</p>	<p>Agricultural Labor Practices booklet: <a href="https://www.jti.com/sites/default/files/global-files/documents/related-documents/jti_ALP_booklet2017_view_doublepage.pdf">https://www.jti.com/sites/default/files/global-files/documents/related-documents/jti_ALP_booklet2017_view_doublepage.pdf</a></p>
<p><b>409-1</b> Suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor</p>	<p><a href="#">Supplier Screening</a></p> <p><a href="#">Respecting human rights</a></p>

## Human Rights Assessment

GRI indicator	Disclosure
<p><b>103-1</b> Management approach: Explanation of the material topic and its boundary</p>	<p><a href="#">JT Group Materiality</a></p>
<p><b>103-2</b> Management approach: The management approach and its components</p>	<p><a href="#">Respecting human rights</a></p>
<p><b>103-3</b> Management approach: Evaluation of the management approach</p>	<p><a href="#">Respecting human rights</a></p>
<p><b>412-1</b> Total number and percentage of operations that have been subject to human rights reviews or impact assessments</p>	<p>We have been carrying out human rights due diligence in Japan since 2016, which covered our Japanese domestic tobacco, pharmaceutical and processed food businesses. These businesses in total represent 40% of our Group's consolidated revenue.</p> <p>Since 2018, we have also conducted human rights assessments in ten high-risk markets in our international tobacco business. A further 12 high risk markets were subject to a human rights self-assessment questionnaire.</p>
<p><b>412-2</b> Employee training on human rights policies or procedures</p>	<p><a href="#">Respecting human rights</a></p>

GRI indicator	Disclosure
<p><b>412-3</b>            Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening</p>	<p>In 2018, we implemented a formal process for 100% of all significant investment agreements and new acquisitions covering human rights, by updating our Business Development Risk Assessment Protocol to include pre-acquisition human rights screening.</p>

# Local Communities

GRI indicator	Disclosure
<p><b>103-1</b> Management approach: Explanation of the material topic and its boundary</p>	<p><a href="#">JT Group Materiality</a></p>
<p><b>103-2</b> Management approach: The management approach and its components</p>	<p><a href="#">Improving our social impact</a></p>
<p><b>103-3</b> Management approach: Evaluation of the management approach</p>	
<p><b>413-1</b> Percentage of operations with implemented local community engagement, impact assessments, and development programs</p>	<p><a href="#">Basis of Reporting</a></p> <p>Corporate community investment programs: We have corporate community investment projects implemented in 88% of the countries where we operate. There are 66 countries in which we have corporate community investment projects.</p> <p>ARISE and Grower Support Programs (GSPs): In addition to our corporate community investment programs, we also have ARISE and GSPs in Brazil, Malawi, Tanzania, and Zambia.</p>

## Supplier Social Assessment

GRI indicator	Disclosure
<p><b>103-1</b> Management approach: Explanation of the material topic and its boundary</p>	<p><a href="#">JT Group Materiality</a></p>
<p><b>103-2</b> Management approach: The management approach and its components</p>	
<p><b>103-3</b> Management approach: Evaluation of the management approach</p>	
<p><b>414-1</b> Percentage of new suppliers that were screened using social criteria (or provide a statement describing future plans)</p>	<p><a href="#">Building sustainable supply chains</a></p>
<p><b>414-2</b> Negative social impacts in the supply chain and actions taken)</p>	

# Public Policy

GRI indicator	Disclosure
<p><b>103-1</b> Management approach: Explanation of the material topic and its boundary</p>	<p><a href="#">JT Group Materiality</a></p>
<p><b>103-2</b> Management approach: The management approach and its components</p>	<p><a href="#">Optimizing the regulatory environment</a></p>
<p><b>103-3</b> Management approach: Evaluation of the management approach</p>	<p><a href="#">Optimizing the regulatory environment</a></p>
<p><b>415-1</b> Total value of political contributions by country and recipient/beneficiary</p>	<p>In compliance with Political Funds Control Laws in Japan, JT refrains from making political contributions. None of JT's subsidiaries made political contributions in any jurisdiction in 2020, except a non-tobacco subsidiary in Japan, which made a political contribution that amounted to low-single-digit million Yen, at its own discretion, in compliance with all relevant Japanese laws.</p>

## Customer Health and Safety

GRI indicator	Disclosure
<p><b>103-1</b> Management approach: Explanation of the material topic and its boundary</p>	<p><a href="#">JT Group Materiality</a></p>
<p><b>103-2</b> Management approach: The management approach and its components</p>	<p><a href="#">Exceeding expectations with products and services</a> <a href="#">Pharmaceuticals</a> <a href="#">Processed food</a></p>
<p><b>103-3</b> Management approach: Evaluation of the management approach</p>	<p><a href="#">Exceeding expectations with products and services</a> <a href="#">Pharmaceuticals</a> <a href="#">Processed food</a></p>
<p><b>416-1</b> Percentage of significant product and service categories for which health and safety impacts are assessed for improvement</p>	<p><a href="#">Exceeding expectations with products and services</a> <a href="#">Pharmaceuticals</a> <a href="#">Processed food</a></p> <p>Health and safety impacts in our tobacco business, pharmaceutical business, and processed food business are fully (100%) assessed for improvement, with the exception of some of our most recent tobacco business acquisitions, where assessments are ongoing.</p>



GRI indicator	Disclosure
<p><b>416-2</b>            Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes</p>	<p>During 2020, there were no incidents of non-compliance with regulations or voluntary codes concerning the health and safety impacts of products and services during their life cycle that resulted in a significant fine for the JT Group, and no such incidents that resulted in a penalty, or warning, with material impact for sustainability, taking into account the size of the JT Group.</p>

## Marketing and Labeling

GRI indicator	Disclosure
<p><b>103-1</b> Management approach: Explanation of the material topic and its boundary</p>	<p><a href="#">JT Group Materiality</a></p>
<p><b>103-2</b> Management approach: The management approach and its components</p>	<p><a href="#">Tobacco</a> <a href="#">Pharmaceuticals</a> <a href="#">Processed food</a></p>
<p><b>103-3</b> Management approach: Evaluation of the management approach</p>	<p><a href="#">Tobacco</a> <a href="#">Pharmaceuticals</a> <a href="#">Processed food</a></p>
<p><b>417-2</b> Total number of incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and labeling</p>	<p>During 2020, there were no incidents of non-compliance with regulations or voluntary codes concerning product and service information, or labeling that resulted in a significant fine for the JT Group, and no such incidents that resulted in a penalty, or warning, with material impact for sustainability, taking into account the size of the JT Group. No issues were found against our voluntary code, our Global Marketing Principles.</p>



GRI indicator	Disclosure
<p><b>417-3</b>  Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes</p>	<p>During 2020, there were no incidents of non-compliance with regulations or voluntary codes concerning marketing communications, including advertising, promotion and sponsorship that resulted in a significant fine for the JT Group, and no such incidents that resulted in a penalty or warning with material impact for sustainability, taking into account the size of the JT Group. No issues were found against our voluntary code, our Global Marketing Principles.</p>

# Socioeconomic Compliance




GRI indicator	Disclosure
<p><b>103-1</b> Management approach: Explanation of the material topic and its boundary</p>	<p><a href="#">JT Group Materiality</a></p> <p><a href="#">Integrated Report FY2020:</a> &gt;Good governance and business standards p.86~103</p>
<p><b>103-2</b> Management approach: The management approach and its components</p>	<p><a href="#">Our Codes of Conduct</a></p> <p><a href="#">Integrated Report FY2020:</a> &gt;Good governance and business standards p.86~103</p>
<p><b>103-3</b> Management approach: Evaluation of the management approach</p>	<p><a href="#">Integrated Report FY2020:</a> &gt;Good governance and business standards p.86~103</p>
<p><b>419-1</b> Significant fines and non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area</p>	<p>During 2020, there were no significant fines or non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area.</p>




## SASB Standard - Tobacco

### Public Health

Code	Topics & Accounting Metrics	Our reporting
FB-TB-260a.1	(1) Gross revenue and (2) revenue net of excise taxes from (a) non-tobacco nicotine products and (b) heated tobacco products	<p data-bbox="970 237 1374 271"><a href="#">2020 Full Year Earnings Report</a> : </p> <p data-bbox="986 320 1318 387">For revenue of heated tobacco products :</p> <ul data-bbox="986 398 1401 768" style="list-style-type: none"> <li data-bbox="986 398 1401 544">■ Analysis of Reduced-Risk Products (RRP) performance”, Analysis of “Core revenue and Adjusted operating profit (p10)</li> <li data-bbox="986 589 1401 768">■ Tobacco Business Data, Japanese Domestic Tobacco Business: 4. Results of Reduced Risk Products and 5. Breakdown of financial results (p30)</li> </ul>
FB-TB-260a.2	Discussion on the process to assess risks and opportunities associated with “tobacco harm reduction” products	<p data-bbox="970 900 1390 1003"><a href="#">JT Global Web ‘Reduced-Risk Products (RRP): Exceeding expectations with product and services</a></p> <p data-bbox="970 1048 1193 1081"><a href="#">JT Science.com</a> </p>

## Marketing Practices

Code	Topics & Accounting Metrics	Our reporting
FB-TB-270a.1	Total amount of monetary losses as a result of legal proceedings associated with marketing, labeling, and/or advertising practices	<a href="#">GRI Standard, Topic Specific Standards, 417-3:</a> Notes to the Consolidated Financial Statement, Contingencies, Contingent Liabilities (p169-171)
FB-TB-270a.2	Description of the company's marketing policy and relevant positions on Articles 11 and 13 of the World Health Organization Framework Convention on Tobacco Control (WHO FCTC)	JT Global Web: <ul style="list-style-type: none"> <li>■ <a href="#">Our tobacco principles</a> </li> <li>■ <a href="#">Global Tobacco Marketing Principles</a> </li> <li>■ <a href="#">Our view on regulation</a> </li> </ul> <a href="#">FY2020 Integrated Report:</a> Regulation and key laws (P54)

Code	Activity metric	Our reporting
FB-TB-000.A	Combustible tobacco product sales volume: (1) cigarette, (2) cigar, and (3) other smoked tobacco products <sup>3</sup>	<a href="#">2020 Full Year Earnings Report</a>  for a summary of cigarette sales volumes of international tobacco business (p5)  <a href="#">2020 Full Year Earnings Report</a>  for a summary of cigarette sales volumes of Japanese domestic tobacco business(p10)  <a href="#">FY2020 Integrated Report:</a> P38, 42
FB-TB-000.B	Non-combustible product sales volume: (1) traditional smokeless tobacco, (2) non-tobacco nicotine products, (3) heated tobacco products, and (4) nicotine replacement therapy products <sup>4</sup>	<a href="#">2020 Full Year Earnings Report</a>  for a summary of Reduced-Risk Products sales volume in our Japanese domestic tobacco business (p10)  <a href="#">FY2020 Integrated Report:</a> P38, 42

## About our reporting

Our referenced guidelines(GRI), notes on data (BoR), and scope of our data (\*A-E).

[Read more >](#)

## Related links

About our reporting

Global Reporting Initiative (GRI) Index

Basis of Reporting