



## People



### JT Human Resource Management

We believe that highly skilled and talented people form the foundation of a company's success and contribute to real sustainable growth. In light of this, the JT Group proactively takes steps to secure long-term engagement and employee satisfaction.

Our employees are assets to the Company, and their skills and spirit are the driving force behind everything we achieve. We are pleased to be an employer of choice, and our positive workplace culture and environment help us to attract, retain, and develop talented individuals. We are also taking further steps to create a diverse and inclusive culture.

[Read more >](#)

### Health and Safety

The JT Group believes that it's essential to realize work environments that encourage health, safety and well-being of everyone including employees, contractors and visitors, enabling individuals to immerse themselves in their work both physically and mentally for making the most of their potential.



That's why we have created the JT Group Health and Safety Policy to aim for zero harm. We put a range of measures in place to raise employee safety awareness and improve work environments continuously. We also put effort into health-related support to help each employee promote own health.

[Read more >](#)



## Community investment

Through our community investment programs, we contribute to the sustainable development of society by helping to make communities more inclusive and sustainable. At the same time, these programs provide volunteering opportunities for our employees to engage with local communities and develop a variety of soft skills. To assess how effective our approach is, we have set a community investment target. We are also reporting on our Group-wide contributions to communities and our progress against our target.

[Read more >](#)



# JT Human Resource Management

## The JT Group human resources management philosophy

We believe that highly motivated employees with diverse skills and talent form the foundation of the JT Group's success and contribute to our sustainable growth. In light of this, the JT Group proactively takes steps to secure long-term engagement and employee satisfaction.

Our employees are assets to the Company, and their skills and spirit are the driving force behind everything we achieve. We are pleased to be an employer of choice, and our positive workplace culture and environment help us to attract, retain, and develop talented individuals. We are also taking further steps to create a diverse and inclusive culture.

For our human resource management initiatives, please refer to the following.

- [JT Group initiatives\(p.50～\)](#) 
- [JTI initiatives](#) 



## Training and Keeping Our People

Percentage of open positions filled by internal candidates	FY2021	FY2022	FY2023
	91.2%	94.2%	83.2%

Turnover rate	FY2021	FY2022	FY2023
	3.98%	4.46%	4.02%

## Gender Equality - Unleashing the talent of our Women

Ratio of women junior managers	FY2021	FY2022	FY2023
	19.5%	19.6%	26.0%

Ratio of women in profitable segments	FY2021	FY2022	FY2023
	13.1%	9.3%	19.0%

Ratio of women in STEM-related jobs	FY2021	FY2022	FY2023
	16.7%	19.9%	24.8%

## Freedom of Association and Labor Unions

The JT Group supports the rights of our employees to free association and collective bargaining, even in countries where those rights are not legally protected. Our management team strives to maintain open, constructive relationships with unions and labor-management councils, and works closely with unions to ensure that we treat employees fairly and better than legally required,

especially when they are affected by any closure of a business site due to adverse business conditions.

The JT Group has been enjoying positive labor-management relations for many years, adhering closely to the labor laws of every nation in which we operate. Our management team works to build open, constructive relationships with unions and labor-management councils, regularly discussing business plans, strategies, challenges, and other subjects with union representatives in each country.

In the European Union, following its laws and regulations, we have voluntarily forged agreements with European Works Councils. EWCs provide workers with information and opportunities for discussion about international labor issues related to business in Europe. They consist of representatives of corporate employees and management, and conduct regular annual talks.

## Human Resource Management in Japan

For continuous growth the JT Group undertakes a range of initiatives to help employees grow and make the most of their skills. Specifically we help in career development, maintain attractive working conditions, and promote workplace diversity.

### Attractive Working Conditions

#### **Respecting Work-Life Balance**

JT believes that with desirable work-life balance our employees get both a sense of fulfillment on the job and opportunities to broaden their perspective and experience and put their talents to greater use. Based on that conviction, we have built and are promoting systems and programs to support the range of workstyles as well as opportunities for employees to think differently about ways to work, by which we intend to foster an organizational culture that encourages every employee to embrace the diverse workstyles of their coworkers. We make programs available that employees can employ flexibly as they wish to make work easier and more satisfactory, especially when they want more time for family, raising children, caring for the sick and elderly, and other responsibilities.

Recognizing our initiatives to assist employees in raising children in particular, in 2008 the Ministry of Health, Labour and Welfare certified the JT Group for the first time as a corporation promoting measures to “support raising the next generation,” and again in October 2018 for a higher level of achievement with those measures.

“Platinum Kurumin” certification based on the Act on Advancement of Measures to Support Raising Next-Generation Children



## Programs for supporting work-family balance

	Leave	Financial assistance	Flexible work options
Childbirth and raising children	Maternity leave before and after childbirth for self and spouse, childcare leave, short-term leave to support parents returning early to work	Daycare, extended daycare, after-school program and babysitting	Flextime, telework, reduced work hours, exemption from overtime work and late-night work
Elder and nursing care	Non-expiring paid holidays saved for future use, caregiving leave	Elder and nursing care	

## Promoting Diversity

JT prioritizes diversity in terms of race, faith, ethnicity, background, birthplace, gender, age, ability or disability, sexual orientation, gender identity, gender expression, and marital status, as well as individual experience and specialties, among others. We recognize that respecting people of different backgrounds and values and finding value in our differences lead to the Company's sustainable growth, and therefore consider promoting diversity to be a management priority.



## Our Ideals

We maintain the competitiveness of our businesses into the future and support sustainable growth through effort to maintain work environments that encourage diverse people to perform at their best.



## Promotion of women's activities

For JT an important part of promoting workplace diversity is actively working to unleash the talents of women at work. We offer training programs and seminars to encourage continuing growth for women employees, and implement expanding initiatives to support a positive work-family balance. Women in JT Group management increased from 2.1% (24 people) on December 31, 2013 to 8.8% on December 31, 2023. The following table outlines employment in general and the promotion of women managers in total JT employment in recent years.

\* Total managers as of December 31, 2013: 1,165

### Employment at JT (full-time employees)

	FY2019	FY2020	FY2021	FY2022	FY2023
Total workforce	7,239	7,048	6,919	5,655	5,940
Women	1,142	1,170	1,199	1,124	1,198

\* Numbers are as of December 31 of the corresponding year for JT on a non-consolidated basis.

### (Reference) Employee age groups (as of December 31, 2023)



	Total workforce	Women
29 and younger	705	256
30-39	1,997	496
40-49	1,820	293
50-59	1,322	148
60 and older	96	5

## Women in management at JT

Managers	FY2019	FY2020	FY2021	FY2022	FY2023
Women	66	69	70	70	77
	6.5%	6.8%	6.8%	7.5%	8.8%
Total workforce	1,016	1,022	1,033	934	879

Division heads and upper management	FY2019	FY2020	FY2021	FY2022	FY2023
Women	2	1	1	2	4
	2.1%	1.1%	1.1%	2.4%	4.7%
Total workforce	97	95	93	83	86




Newly appointed managers	FY2019	FY2020	FY2021	FY2022	FY2023
Women	13	7	5	11	18
	10.4%	9.0%	6.6%	8.5%	12.4%
Total workforce	135	78	76	130	145

\* Numbers are as of December 31 of the corresponding year for JT on a non-consolidated basis.

\* Newly appointed managers: Difference in numbers of managers between December 31 of the corresponding year and the year before for JT on a non-consolidated basis.

## Action Plan in Compliance with the Act on the Promotion of Women's Active Engagement in Professional Life

We created an action plan in compliance with the Act on the Promotion of Women's Active Engagement in Professional Life.

[Link to Japan Tobacco Inc. Action Plan \(Act on the Promotion of Women's Active Engagement in Professional Life\) \(Japanese\)](#) 

## People with Disabilities

JT is working to provide further opportunities for employees with disabilities to achieve greater success.

We have set out our approach to hiring people with disabilities, and we will take action to promote it. We have consistently exceeded the statutory employment rate for individuals with disabilities, as demonstrated by the data below.

## Approach to Employing People with Disabilities

**We aim to create an inclusive environment where everyone can thrive, regardless of disabilities.**

- The recruitment process and evaluations will be based fairly on adequate capacity and competence.
- Opportunities and policies will be offered to encourage employees to actively engage with and plan their careers.

- Employees will be given opportunities to deepen their understanding of disabilities and engage in discussions fostering mutual respect.

## Employment rate of people with disabilities at JT and statutory employment rate

	2020	2021	2022	2023	2024
Employment rate of people with disabilities at JT	3.23	3.20	3.57	3.38	3.23
Statutory employment rate	2.2	2.3	2.3	2.3	2.5

### Related links

People

JT Human  
Resource  
Management

Health and  
Safety

Community  
investment



## Health and Safety

The JT Group believes that it is essential to realize work environments that encourage health, safety and well-being of everyone including employees, contractors and visitors, enabling individuals to immerse themselves in their work both physically and mentally for making the most of their potential.



### The JT Group Health and Safety

In our pursuit of "Fulfilling Moments, Enriching Life," the JT Group upholds the philosophy of "People come first," placing the utmost importance on safety and health and aims for zero harm.

#### JT Group Health and Safety Policy

To promote health and assure safety at work, the JT Group has established the Health and Safety Policy approved by the Board of Directors.

# JT Group Health and Safety Policy

## Policy Statement

### WHAT WE AIM

- In our pursuit of "Fulfilling Moments, Enriching Life," the JT Group upholds the philosophy of "People come first," placing the utmost importance on safety and health and aims for zero harm\*.
- To achieve this commitment, we will create a work environment that encourages the health, safety and well-being of everyone including employees, contractors and visitors, enabling individuals to immerse themselves in their work both physically and mentally.

### HOW WE ACT

To align with our policy, we will implement the following:

1. Complying with all applicable laws, regulations and internal rules in the respective country or region.
2. Working towards eliminating or reducing hazards and harmful factors.
3. Advocating for the physical and mental health of all our employees.
4. Proactively and continuously providing essential education and training on occupational health and safety.
5. Regularly evaluating these efforts and continually improving them.
6. Encouraging open communication with our employees regarding occupational health and safety.
7. Appropriately disclosing essential information on occupational health and safety to our stakeholders.

April 1st, 2024  
JAPAN TOBACCO INC.

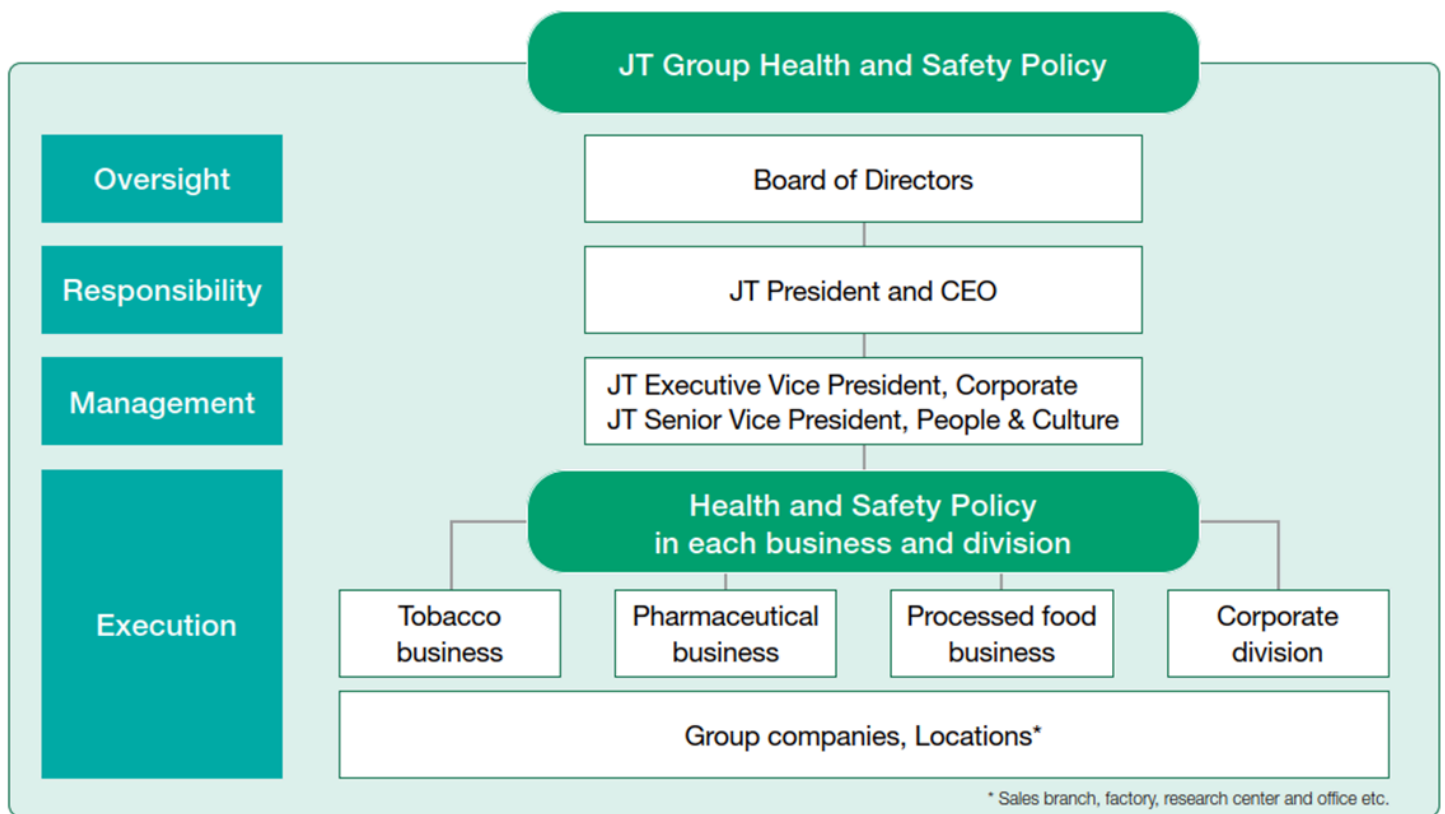
President, Chief Executive Officer and Representative Director  
**Masamichi Terabatake**

\*Harm: Work-related physical injury or mental damage

## Health and Safety System

We implement health and safety initiatives under the responsibility of the JT CEO and enhance group governance under a system supervised by the Board of Directors.

In addition, each business establishes its own version of the Health and Safety Policy based on the Group Policy, and works to implement it among employees and all people concerned. Health and Safety Policy is also established at each location as needed, and reviewed regularly.



## Monitoring Indicators

Based on the Group Policy we have set up monitoring indicators to track the JT Group health and safety initiatives, and institute measures promptly as they are determined as necessary.

Please see our monitoring indicators [here](#).

## Health and Safety Initiatives

For our health and safety initiatives, please refer to the following.

- JT Group initiatives(P.56 and P.57)
- JTI initiatives

### About our reporting

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

Related links

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# Community investment

For our Group to grow sustainably, it is vital for us to contribute to the sustainable development of our society. Our [JT Group Community Investment Policy](#)  determines a common goal across the JT Group: “To contribute to the development of inclusive and sustainable communities.” We believe that everyone should have the opportunity to participate in society, and that inclusive societies are better for business. In line with our community investment policy, and as a responsible local community member, we work with a wide range of stakeholders to resolve social issues.

## Our focus areas

Through long-term partnerships with various stakeholders, we are currently implementing 513 community programs that contribute to the development of inclusive and sustainable societies across 97 countries. Our offices around the world carry out programs aligned with our JT Group Community Investment Policy.

Through our programs, we are focusing on three specific issues:

1. Reducing inequalities, e.g., helping underprivileged people gain access to food and education
2. Improving community resilience in disaster-prone areas, e.g., providing access to clean water
3. Protecting the environment, e.g., protecting and reinvigorating forests and green public spaces

We also offer volunteering opportunities, enabling employees to engage with our communities, develop new skills, and gain a sense of pride and satisfaction.

In our tobacco business, global community investment functions help to implement the programs and ensure that they comply with our strategy and guidelines.

## Target




Between 2015 and 2030 we will invest US\$600 million to help make communities inclusive and resilient, with our employees contributing 300,000 volunteering hours.

## Progress

In 2023, we invested about US\$50 million and volunteered 24,549 hours.

Since 2015, we invested US\$500 million in our communities and employees volunteered 218,070 hours on company time.

## Measurement and management

To measure the social impact of our efforts, we use the [Business for Societal Impact \(B4SI\)](#). \* Framework provided by Corporate Citizenship. In 2023, we invested US\$50 million (6.7% charitable donations, 93.0% community investment, and 0.3% commercial initiatives) in corporate community investment in countries where we operate. We encourage more accurate reporting and measurement to ensure all of our programs deliver social impact according to our policy.



\* B4SI is the global standard in measuring and managing corporate social impact.

## Contributing to our communities

### TOTAL VALUE OF INVESTMENTS IN THE COMMUNITY IN 2023



TOTAL  
**50** million  
U.S. DOLLARS

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45.8 million U.S. dollars Cash

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3.4 million U.S. dollars Management costs

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0.4 million U.S. dollars Time contribution by employee volunteering

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0.2 million U.S. dollars In-kind

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**0.4** million  
BENEFICIARIES



**514**  
ORGANIZATIONS  
SUPPORTED



**24,549**  
HOURS VOLUNTEERED  
ON COMPANY TIME  
(a total of 11,310 employees  
volunteered)

## Our initiatives

Reducing inequalities

We're committed to ensuring that the most vulnerable and excluded people can participate in society and have their voices heard. That's why we work with charities that support adult education, people with disabilities, older people, and other disadvantaged members of society.


In many communities, the things that most of us take for granted - clean water, food, literacy, education - are not readily attainable. We want to change that as best we can for the communities we interact with around the world.


In 2023, we supported 402 programs in 51 countries where we operate. Among these countries, 10 reported impact data according to the B4SI Framework for programs related to "reducing inequalities."

## Case study

### OrchLab: making a difference by making music



Our UK team has joined forces with the world-renowned [London Philharmonic Orchestra \(LPO\)](#)  to support music-making and music appreciation with disabled adults. This unique project, called OrchLab, is run by the LPO in partnership with Drake Music, experts in music, technology, and disability. OrchLab uses accessible instruments, pioneering assistive technology, LPO recordings, and playable online instruments to enable participants to immerse themselves in the orchestra's music whilst making it their own.

OrchLab offers innovative digital instruments, bespoke workshops, training and events, and the [interactive website](#)  where participants can listen to and discover LPO performances, make their own music using playable online instruments, and access additional resources including musical games and quizzes. The aim of the project is to enhance participants' well-being through music-making that is truly accessible to all.

OrchLab has worked intensively with 169 disabled adults since it began in 2017. In 2023, 19 people took part in an average of 26 hours of musical workshops, with 87% of participants reporting positive impacts on their skills, quality of life or well-being.

In 2023, we celebrated the third in-person OrchLab Festival Day, with the event

livestreamed for greater inclusion and participation. In total, the day brought together 122 disabled guests and care staff to try out new OrchLab instruments and share the experience of making music with others.

## Improving community resilience

Our company has built expertise in disaster management over the years, due to the environmentally vulnerable geolocation of Japan. In 2023, we supported a total of 57 programs in 17 countries, benefiting 58,890 people worldwide.

In regions prone to disaster, the strength and sustainability of communities doesn't rely solely on their ability to respond to disasters in the short term - it also depends on their resilience.

Community resilience means being able to adapt positively after a disaster, bouncing back so that they can continue to develop and grow stronger over the long term.

In our tobacco business, we help communities achieve this largely through the work of the JTI Foundation and markets-driven programs. We engage closely with partners and charities that respond to disasters, helping to revitalize communities so they can be more resilient in the future.

Read more about the JTI Foundation on the [JT International sustainability website](#). 

## Case study

### Winds of change

Peace Winds Japan (PWJ) is an international non-governmental organization dedicated to supporting people in distress and those threatened by conflict, poverty, or other turmoil. Although headquartered in Japan, PWJ operates around the world.

In Japan, we have partnered with PWJ since 2016 as part of our disaster management policy. In 2022, our collaboration was extended for three more years to foster the development of search and rescue teams and to support PWJ's response to disaster-stricken areas all around the world in the event of a disaster.



Over the three years, we will be supporting initiatives in the following areas:

- Training and developing search and rescue (SAR) teams, including some that work with SAR dogs
- Building a collaborative structure with SAR partner organizations overseas through joint training in preparation of future disasters
- Strengthening relationships with stakeholders in Japan by:
  - Setting up support agreements with local governments and hospitals at risk of being affected by disasters
  - Building partnerships with supporting organizations and medical personnel
- Strengthening logistics capabilities and developing lifesaving equipment
- Organizing a logistics system and practical training for the setup of a multi-institutional field hospital

- Coordinating emergency supply transportation and rapid support activities in response to local information from PWJ in the event of a disaster

We hope that this initiative will help strengthen resilience-building all around the world. We will continue to work with a wide range of stakeholders to resolve issues in the area of disaster prevention as a priority within our community investment pillar.

## Protecting the environment

We try to reduce the environmental impact of our operations wherever we can, through environmental programs that benefit both communities and our employees. In 2023, we supported 52 environmental programs in 20 countries where we have a business presence.

It is important that we measure the impact of our actions so that we can continually improve our programs. In 2023, 10 countries reported impact data according to the B4SI Framework for programs related to “environmental protection.”

In Japan, we are actively supporting the sustainable maintenance of nine forests. Employees have the opportunity to volunteer in these forests and help to preserve these precious natural habitats. In 2023, 506 employees volunteered their time. Many of these employees reported that volunteering had a significant impact on their behavior towards the environment and their job satisfaction.



### Feedback from employees volunteering at JT Forest

- 94% reported an increase in job satisfaction through volunteering
- 74% would like to change their behavior and move towards a more sustainable use of natural resources
- 82% reported that volunteering helped them to gain skills that are useful in their daily work



# Other initiatives

## The JTI Global WASH (water, sanitation, and hygiene) initiative

### Target


We are investing up to US\$20 million to enable adequate and affordable access to safe and clean water and sanitation for one million people by 2025.

In a spirit of solidarity between mature and emerging markets, the top 10 markets in JTI set up a fund to help new and developing markets make communities more inclusive and resilient. Not only does this create a better balance of community investment presence across the company, it also gives a significant boost to communities in need of help.

The JTI Global WASH (water, sanitation, and hygiene) initiative focuses on providing and/or improving access to safe water and sanitation in communities that struggle with this issue. Since 2019, local teams have launched 10 projects as part of this initiative benefiting communities in countries diverse as Bangladesh, Mexico, Ethiopia, Indonesia, Bolivia, Morocco and Kazakhstan.

We are working with international and local organizations that specialize in WASH-related projects, and we promote innovative concepts that offer the best solutions for local communities and their needs.



Read more about the JTI Global WASH initiative on the [JTI International sustainability website](#). 

## Volunteering opportunities

Volunteering brings mutual benefits for employees, our business, and the community. It also enables our teams to make a positive impact in the communities where they live and work by sharing their skills and knowledge.

We actively encourage our employees to take part in volunteering activities. We do this by organizing programs and events or by providing the necessary resources (funds through corporate matching, employee time, in kind, or employee donations).

In 2023, 11,310 employees worldwide spent 24,549 hours of company time supporting community programs.

Our many volunteering opportunities also support our HR initiative to build employees' engagement and skills. In 2023, we conducted surveys among employees who participated in company volunteering activities related to "reducing inequalities" (one of the three focus areas of our community investment program). A total of 1,882 employees reported that these activities had helped them to gain skills that were useful in their daily work, as well as increased job satisfaction and a stronger interest in volunteering.



## Case study

### Walking healthy to contribute to society

TABLE FOR TWO (TFT) is a global initiative to fight food imbalance through a unique meal-sharing program. Established in Japan in 2007, it partners with corporations, restaurants, schools and other establishments to serve healthy meals. In Japan, we have been participating in the TFT program since 2010. The Company donates the equivalent of one meal to a developing country for every TFT meal purchased by employees at the cafeteria in Tokyo.

In light of COVID-19, employees have been working from home, and the use of the cafeteria has declined. However, we have found a new way to continue contributing to TFT, while encouraging employees to interact with each other and maintain their health at the same time.

In this new program, for each employee who walks at least 8,000 steps in a day, the Company donates one meal (20 yen). When we introduced this program in 2020, about 2,000 employees participated. In 2023, a total of 6,647 employees participated in the program in May and October, and we were able to donate 2,064,280 yen to TFT. As an added benefit, this program helped to build team spirit and interaction between colleagues, while also improving employee awareness and attitudes toward social contribution.

#### Feedback from employees on the walking challenge program

- 96% reported that volunteering changed their behavior such as increased volunteering or being a more vocal advocate of the company
- 58% reported that volunteering had a personal impact such as on their self-confidence, job satisfaction and pride in the company
- 65% reported that volunteering improved their job-related competencies such as communications, teamwork or leadership skills



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