

JT Group Human Rights Policy

Commitment to respect human rights

The JT Group¹ consists of businesses in the tobacco, pharmaceutical and food industries, each of which has potential human rights impacts on stakeholders. We are committed to respecting human rights across our global operations as expressed in the International Bill of Human Rights² and the principles concerning fundamental rights in the International Labor Organization's Declaration on Fundamental Principles and Rights at Work³. We also commit to the United Nations Guiding Principles on Business and Human Rights⁴.

Respecting human rights is a fundamental element of delivering on our management principles as set out in our [4S model](#). The JT Group Human Rights Policy complements our Codes of Conduct and clarifies our approach concerning human rights elements within the Codes. The JT Group Human Rights Policy and the Codes of Conduct govern what we do and how we behave in our daily operations.

This Policy applies to those who work within the JT Group companies and Members of the Board. We also expect compliance from our suppliers and other business partners in relation to what they do on our behalf. Where we do not have managerial control, we will seek to exercise leverage to promote compliance with this Policy.

We adhere to all applicable laws and regulations wherever we operate. Where national law and international human rights standards differ, we will follow the higher standard; where they are in conflict, we will seek ways, including through third party partnerships, to respect international human rights to the greatest extent possible.

Commitment to the continuing process of human rights due diligence

In line with the United Nations Guiding Principles on Business and Human Rights, we will make human rights due diligence an essential and integrated part of our business processes to identify and assess actual and potential human rights risks. We will act upon the findings of this due diligence to seek to prevent or mitigate adverse human rights impacts, and deliver appropriate and effective remedy.

Our existing practices will inform our human rights due diligence efforts. Currently we have implemented a number of programs addressing stakeholder concerns, including the following.

Our employee-related policies and standards promote responsible labor practices, such as non-discrimination, respect for diversity and a safe working environment. We aim for open and constructive relations with trade unions and works councils, and are supportive of freedom of association and the right to collective bargaining.

We have grievance channels to address potential concerns from our employees and other stakeholders alike.

¹ References to the 'JT Group' in this Policy are to Japan Tobacco Inc. and its consolidated subsidiaries.

² The International Bill of Human Rights consists of the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights and the International Covenants on Economic, Social and Cultural Rights. It is widely regarded as the fundamental human rights framework in the international community.

³ The ILO Declaration includes the principles concerning fundamental rights as enshrined in the eight core conventions, namely, freedom of association and the effective recognition of the right to collective bargaining, the elimination of all forms forced or compulsory labor, the effective abolition of child labor and the elimination of discrimination in respect of employment and occupation.

⁴ The United Nations Guiding Principles on Business and Human Rights, endorsed by the United Nations Human Rights Council in 2011, are the authoritative global standard for States and business to prevent and address the risk of adverse impacts on human rights linked to business activity.

In order to fulfill the expectations of our consumers and behave responsibly, we apply strict quality control and marketing standards across our tobacco, pharmaceutical and processed food businesses.

We have established tailored programs in tobacco growing communities where we operate, which aim to address child labor and workers' rights issues, support good agricultural labor practices and promote growers' sustainable incomes.

We are committed to engaging with relevant stakeholders to understand and address human rights impacts linked to our business from the perspective of those affected.

We commit ourselves to communicating this Policy widely. In addition, we will provide the necessary training in order that the appropriate people throughout our business operations have the knowledge and capacity to effectively promote respect for human rights.

We will track the effectiveness of our actions to identify and address impacts. We will publically report our progress on implementing the Policy, at least annually.

We recognize that implementing the measures to respect human rights throughout our global operations is an ongoing process. This Policy is only the first iteration of our commitment to do so. We will seek to update our Policy and practices as we move forward on our journey.

Effective: September 1, 2016