


# Top management message

Message from  
CEO 

CSO Interview 

## Message from CEO



Masamichi Terabatake

Chief Executive Officer

CEO message can be found [here](#)

※FY2020 Integrated Report P14

# CSO Interview (As of December 31, 2021)



Kazuhito Yamashita  
Director and Senior Vice President  
Chief Sustainability Officer,  
Compliance and General Affairs

Ari Kubota  
Sustainability Management Division  
Interviewer

## (Kubota) Looking back at 2020, how would you characterize the year?

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(Yamashita) With the outbreak of COVID-19, 2020 was a year like no other. To prevent the spread of the pandemic, we made the safety of our employees a top priority by implementing thorough health and safety measures to ensure business continuity. While the effect of the pandemic has proven to be limited for the JT Group, severe damages were inflicted on society. We have provided support to our local communities around the world in countries where we

operate. For example, in Japan, we extended emergency aid to local authorities and local groups in



need. We then organized support to sectors affected by the prolonged effect of the pandemic such as restaurants and eateries as well as people in need, while also extending our support to essential workers.

## (Kubota) Please discuss your role as CSO and the evolution of our organization in pursuing sustainability.

(Yamashita) It is essential to contribute to the sustainable development of our society through our business operations. Our business is underpinned by the 4S model, our management principle. As a member of the board and CSO of the company, it is my role to look to the future and to drive sustainability management across our Group.

In 2015, we identified material issues relevant to the JT Group and to our stakeholders, to achieve sustainable growth. Then, to build on our past sustainability initiatives and to evolve further, in 2019 we reshaped our organizational structure and established our sustainability management division. In the same year, a Senior Vice President responsible for sustainability was appointed, and we set out our sustainability strategy for the whole Group.

During 2020, we regularly organized online forums, providing opportunities for the heads of our business divisions to discuss sustainability initiatives within the Group. With the start of this forum, we set out an organizational framework to discuss Group-wide sustainability issues and extended support to our business functions, so that they can pursue their respective sustainability strategies. We are also set to pursue risk management, with enterprise risk management playing a pivotal part.

## Sustainability Advisory Forum



## (Kubota) What are the characteristics of the Group's sustainability strategy?

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(Yamashita) Firstly, there are universal sustainability issues that are important to all companies. Good governance is one. Improving social impact or environmental impact are other good examples of universally important sustainability issues. We then have material issues that are unique to our tobacco business. For example, tobacco leaf is the vital raw material for our Group, and maintaining a sustainable supply chain is paramount to us. We also operate in markets where human rights may be at risk. Having initiatives in place to ensure that human rights are respected is another key issue for our Group. Likewise, tackling illegal trade or dealing with tobacco regulation are other important issues for our tobacco business, the core business of the JT Group.

The effect of COVID-19 on our tobacco business is at present somewhat limited. By taking strict safety precautions throughout our value chain, we were able to deliver our products to end consumers. I am very grateful that we were able to do so during this difficult time and that our consumers appreciated the value of our products. At the same time, I realize that tobacco is a controversial product. Our mission is to offer consumers an even wider choice by focusing on quality, innovation, and reduced-risk potential. We will continue with an even greater focus on developing RRP (Reduced-Risk Products).

It goes without saying that investing in people is critical to sustaining all these initiatives. Our pharmaceutical business and processed food business have made "investing in people" a key focus area. While the Group-wide sustainability issues are the same across our Group, each business has chosen a specific focus area, which reflects the specific characteristics of the industry in which they operate.

## (Kubota) Please describe the progress made in 2020 and the challenges ahead.

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(Yamashita) In our tobacco business, this will be the second year that we will report our progress on the sustainability KPIs. For our pharmaceutical and processed food business, this will be the first time. I am pleased to announce our new Group-wide target for diversity and inclusion, specifically representation of women in leadership. Our target is to reach 25% by 2030 and we find it desirable that this should be more than 40% over time. As part of the JT Group Environment Plan 2030, targets have been made for the appropriate use and disposal of materials used in our products and packaging. Our tobacco business has also set its target in this area. Moreover, I am very pleased to announce that we officially endorsed the TCFD recommendations, representing significant progress for this year.

In 2020, we were included in the CDP's "Climate A List" and "Water A List" for the second consecutive year. Our Group has also been selected as a member of DJSI Asia Pacific for the seventh consecutive year, retaining the second position in the tobacco sector as we did last year. I am delighted that our initiatives are recognized by external rating agencies.

For 2021, we will be looking at updating the JT Group's material issues, bearing in mind the effect of COVID-19 and the longer-term changes that the pandemic will impose on our society. We are in uncertain times with the prolonged effect of the pandemic; nevertheless, we will strive to embed sustainability into the root of our business, involve all members of the Group and work towards a sustainable future for our society and for our business.

## (Kubota) What does "inclusiveness" mean to the JT Group?

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(Yamashita) Inclusiveness is a concept advocated by the SDGs. It is about leaving no one behind and envisioning an inclusive, better future. It is the key element in the field of community investment and a concept that is pivotal as we strive to improve our social impact. Inclusiveness goes beyond the benefits of community investment – it is also about proactively initiating projects.



A good example is a community clean-up campaign that we have run in Japan since 2004. The project is called “Pick up the litter and you will love your city.” We wanted to raise awareness for problems associated with public littering through a rubbish collecting initiative. It originally started as a cigarette butt cleaning exercise undertaken by our own employees and later evolved into a community-wide clean-up campaign. At present, local authorities, schools, volunteers, and committee members of local events and associations take part in the exercise. The campaign is run in various cities and places throughout Japan, even where our Group is not directly involved in the operation.

It is important that as we drive forward these new initiatives, we continue to cultivate, nurture and facilitate awareness around inclusiveness within communities, leaving no one behind. If we can unite everyone around the desire for these initiatives, we can be a strong force. In the long run, we can build a legacy. Eventually, it becomes a part of the culture embedded into our society. I hope we can promote and facilitate more examples of active inclusiveness like these.

## Related links

[Our sustainability strategy](#)

[Top management message](#)

[The 4S model, Materiality, Sustainability strategy, SDGs](#)

[Stakeholder engagement](#)

# The 4S model, Materiality, Sustainability strategy, SDGs

## Overview



The 4S model

Materiality

Sustainability strategy

SDGs

## The 4S model

We strive to fulfill our responsibilities to our valued consumers, shareholders, employees and the wider society. Carefully considering the respective interests of these four key stakeholder groups, and exceeding their expectations wherever we can.

Consumers, shareholders, employees, and society - these are the four stakeholder groups (4S) at the heart of everything we do at JT. Our commitment to serving these groups is represented in the 4S model.

We always try to exceed the expectations of our four stakeholder groups wherever we can, based on the principles of the 4S model. For our consumers, this means offering superior products that meet or go beyond their evolving needs. For our shareholders, we aim to enhance returns based on our profit growth

outlook and strike a balance between providing shareholder returns and investing in the business for future profit growth. For our employees, we will work to ensure that we maintain our reputation as a respected member of the community and a company that they can feel proud to be a part of. And we will continue to contribute to society as a whole, recognizing that our growth benefits from a sustainable society, and in doing so enhance our corporate value.

Our vision, based on the 4S model, is to achieve global growth by providing value unique to our Group. Our mission - our concrete action plan to achieve our vision - is to create, develop, and nurture our brands to meet consumers' needs while understanding and respecting the environment and the diversity present in society.

## The JT Group's material issues

To help the JT Group to grow, and to build a sustainable future as a member of the society in which we operate, we have identified a list of high-priority material issues. Our materiality is based on the JT Group's management principle, the 4S model. In 2015, we performed a materiality assessment covering the entire Group for the first time, selecting material issues through interviews with our internal and external stakeholders.

To identify our material issues, we began with a media and peer review, which generated a list of sustainability topics relevant to the Group. In addition to interviews with employees, our CEO, and other members of top management, we held interviews with 17 external stakeholders, including suppliers, investors, labor unions, NGOs, and industry associations. Our top management then approved the results of the materiality assessment during a special workshop.

This process resulted in a final list of 22 material issues. We then divided these into two categories according to their level of importance to the JT Group and our external stakeholders: medium or high.

Since 2015, we have continued to listen to our stakeholders and adapted our materiality according to the changing external business environment.



In 2020, we focused on the following key issues across the entire JT Group.

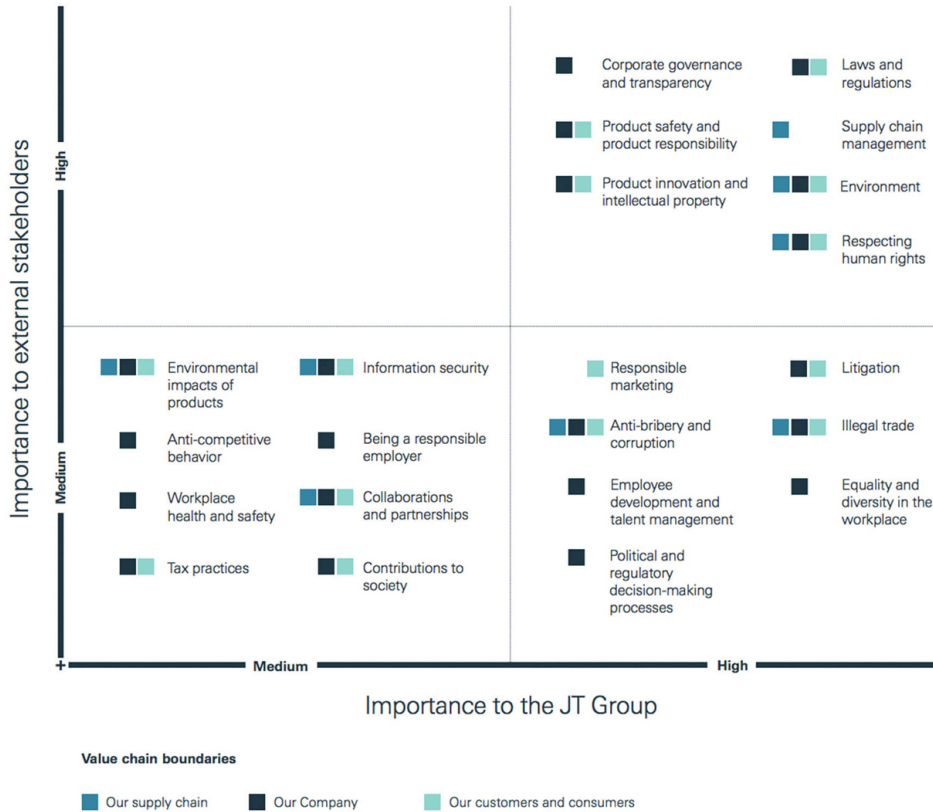
- **Environment:** > (a) Supporting the TCFD (Task Force on Climate-related Financial Disclosures) and (b) the appropriate use and responsible disposal of materials, including plastics, used in our products and packaging.
- **Investing in people:** > Equality and diversity in the workplace.

The COVID-19 pandemic obviously also had a major impact on our approach in 2020. From the onset of the global crisis, we have prioritized the safety of our employees and their families, and all of our other stakeholders. We have taken many different steps such as strengthening [occupational health and safety](#) measures to protect our employees and to mitigate potential disruption to our consumers and partners. We have kept our business running by expanding existing systems such as remote working and flexible hours, and implementing '[New Ways of Working](#)'. The JT Group will continue to support the communities where we operate in any way we can.

In the tobacco business, which is our core business, we will strengthen our investments in [Reduced-Risk Products](#) (Reduced-Risk Products (RRP): Products with the potential to reduce the risks associated with smoking.), the pillar of our future business growth, while realizing steady profit growth through [RMC](#). We will continue to work on 'product innovation' as a material issue to continue to provide new value to our consumers.

The business environment surrounding the JT Group will continue to evolve rapidly in 2021 and beyond. We will carry out periodic materiality assessments, reviewing and updating the priorities as necessary to ensure that they remain relevant and up-to-date.

## JT Group Materiality



## Sustainability strategy overview

The JT Group's sustainability strategy is based on the 4S model, our management principle, and encompasses our materiality analyses. It encourages us to look beyond our usual planning cycle period and think about the longevity of our business, the future of our planet, and the society we live in. The foundations of our sustainability strategy, which apply across the Group, are as follows.

## The JT Group's three absolute requirements for sustainability



### Respect for human rights

We are committed to respecting human rights across our global operations and value chains, as expressed in the JT Group Human Rights Policy.

[Read more](#)



## An improved social and environmental impact

We are committed to protecting the environment and making a positive difference wherever we operate.

Read more about how we are improving our [social](#) and [environmental](#) impact




## Good governance and business standards

We are committed to promoting transparent, fair and timely decision-making that carefully considers the respective interests of consumers, shareholders, employees and the wider society.

[Read more](#)

## Tobacco business sustainability strategy


We have selected the following four focus areas for the tobacco business, which is our core business. We have set [11 specific targets](#)  for the focus areas and have been reporting on progress since 2019. In 2020, we set a new target relating to the appropriate use and responsible disposal of materials, including plastics, used in our products and packaging.

Focus areas	Aspirational goals
Products and services	We will be a total tobacco company offering consumers an even greater choice of products by focusing on quality, innovation, and reduced-risk potential.
People	We will be the employer of choice by investing in people.
Supply chain	We will reduce environmental and social risks, and enable transparent and responsible practices across our supply chain.
Regulatory environment and illegal trade	We will ensure the Company is included in policymaking leading to fair and balanced regulation, and enhance our cooperation with governments to combat illegal trade.



## Tobacco business sustainability strategy - Focus areas, aspirations, targets and progress

## Pharmaceutical business sustainability strategy


The mission of our pharmaceutical business is to create innovative, original drugs to support patients in the shortest time possible. In view of this mission, in 2019, we selected the following three focus areas. We set [five specific targets](#)  for these focus areas and 2020 is the first time we are reporting on our progress towards achieving the targets.

Focus areas	Aspirational goals
Products and services	We will create innovative, original drugs to support patients in the shortest time possible.
People	We will strive to nurture talent development which enables us to create first-in-class (FIC) drugs.
Product safety and responsibility	We will strictly comply with all relevant laws, regulations, and industry standards in order to deliver safe drugs to patients.



## Pharmaceutical business sustainability strategy - Focus areas, aspirations and targets

## Processed food business sustainability strategy

Our mission in the processed food business is to deliver safe, high-quality products to consumers. In 2019, we selected the following three focus areas. We set [eight specific targets](#)  for these focus areas and 2020 is the first time we are reporting on our progress towards achieving the targets.

Focus areas	Aspirational goals
Products and services	We will continue to provide high-quality, technology-driven products in response to our customer's needs, to satisfaction and trust.
People	We will ensure workplace safety for our employees, while continuously investing in people who can contribute to enhancing corporate value.
Supply chain	We will reduce social and environmental impacts and continue to deliver safe products to consumers.



## Processed food business sustainability strategy - Focus areas, aspirations and targets
















## Contribution to the SDGs

The JT Group supports the Sustainable Development Goals (SDGs) adopted by the United Nations. Through our business activities, the JT Group will contribute to the SDGs related to our business and its environment. We have mapped related SDGs against our initiatives for sustainable business, and identified the nine SDGs to which our business can best contribute.





# Sustainability strategy of tobacco business

4 strategic focus areas	Aspirational goals	Targets*1	Progress	SDGs
Products and services	We will be a total tobacco company offering consumers an even greater choice of products by focusing on quality, innovation, and reduced-risk potential.	<b>Reduced-Risk Products</b> Reduced-Risk Products (RRP) offer real benefits to consumers and society. Our responsibility as a manufacturer is to continuously develop and launch RRP that meet consumer expectations and to provide information on them. We will lead in providing the widest range of consumer choice in the RRP category.	At the end of 2020, we offered a choice of 6 tobacco vapor offerings (T-Vapor) and/or 5 types of e-cigarettes (E-Vapor) in 27 countries.	
		<b>Product materials and packaging</b> We will reduce the environmental impact of our products and packaging through design solutions, facilitating responsible collection and disposal, and consumer awareness and education. More specifically, we will reduce our packaging (including plastic) and ensure that the remaining is 85% reusable or recyclable by 2025, rising to 100% by 2030. In total, recycled content will account for 20% of our tobacco business packaging by 2025.	We will start reporting progress from 2022. Read more about our initiatives and programs to improve the environmental impact of our products and packaging on <a href="#">JT.com</a> .	
People	We will be the employer of choice by investing in people.	<b>Zero injuries</b> In line with our vision of zero workplace injuries, we will reduce injury rates by 25% by 2023 and 50% by 2030. (Baseline year: 2015).	Recordable injury rate*2 declined 58.9% from 0.72 in 2015 to 0.30 in 2020.	
		<b>Community investment</b> 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.	Since 2015, we have invested US\$349 million in our communities and employees volunteered 137,882 hours on company time.	  
		<b>Employer of choice</b> We will be a certified employer of choice every year in at least 60 countries by focusing on talent management, rewards, and empowerment.	We were certified as employer of choice in 67 countries (64 with Top Employer and 3 with other local employer certifications). In addition, 11 countries hold more than one certification.	
Supply chain	We will reduce environmental and social risks, and enable transparent and responsible practices across our supply chain.	<b>Greenhouse gas emissions</b> We will reduce greenhouse gas emissions from our own operations by 35% and from our direct leaf supply chain by 40%, between 2015 and 2030.	Since 2015, we have reduced greenhouse gas emissions from our own operations by 28.6% and greenhouse gas emissions from our direct leaf supply chain by 6.0%.	
		<b>Water and waste</b> We will reduce water withdrawal by 15% and waste by 20%, in relation to our own operations, between 2015 and 2030.	Since 2015, we have reduced water withdrawal by 14.9% and waste by 13.8%, in relations to our own operations.	
		<b>Forestry</b> We will replace all wood from natural forests used in the tobacco curing process of our directly contracted growers with renewable fuel sources by 2030.	Based on our 2020 sustainable tree planting activities in Tanzania, Zambia and Brazil, we estimate that we are on a path to achieve consolidated 41% renewable wood sourcing by 2027. *3	 
		<b>Agricultural Labor Practices</b> We will implement our Agricultural Labor Practices (ALP) program in all sourcing countries by 2025.	In 2020, 87% of our supplying entities reported against ALP. [58% of our directly contracted growers and 92%*4 of our leaf merchants' growers were covered by ALP; leaf merchants data come from reporting entities only and excluding India and China.]  76% of our volumes were covered by ALP.	
		<b>Supplier screening</b> We will screen all key suppliers against environmental, social, and governance criteria by 2023.	At the end of 2020, 64%*5 of our key suppliers were screened against ESG criteria.	
Regulatory environment and illegal trade	We will ensure the Company is included in policymaking leading to fair and balanced regulation, and enhance our cooperation with governments to combat illegal trade.	<b>Engagement</b> We will always protect our ability to participate in public policy debate with the aim to achieve balanced regulation that meets societal concern and supports business growth.	During 2020, we engaged openly and transparently in public policy debate and made our views known to regulators, NGOs and other relevant stakeholders in the countries where we operate.	
		<b>Illegal trade</b> We will engage in dialogue with law enforcement agencies, with the goal to exchange intelligence regarding illegal tobacco products, in order to support the reduction of illegal tobacco products.	In 2020, our Anti-Illicit Trade team provided 1,117 intelligence reports to law enforcement agencies, and advised 859 law enforcement officers on counterfeit recognition.	



\*1 The above are targets for our tobacco business, except for Community investment which is a Group-wide target.

\*2 Recordable injury rate = Recordable injuries/200,000 hours worked. Some data from newly acquired business have been excluded, as newly acquired business needs 18 months to integrate the JT Group Health and Safety Standards.








\*3 Reduction from 59% in 2019 to 41% in 2020 can be attributed to lower tree planting and survival rates versus planned. Efforts and dedicated programs are in place to achieve 100% renewable wood supply by 2030.

\*4 The decrease from 98% in 2019 to 92% in 2020 is due to new suppliers reporting, who have not implemented ALP yet.

\*5 The decrease from 67% in 2019 is due to "key supplier" definition change, resulting in increased number of key suppliers, however total number of suppliers screened has increased.















## Sustainability strategy of pharmaceutical business

Strategic focus areas	Aspirational goals	Targets	Progress	SDGs
<b>Products and services</b>	<b>We will create innovative, original drugs to support patients in the shortest time possible.</b>	<p><b>Engaging in R&amp;D activities</b> We will continue our efforts and investments into research and development activities of innovative drugs in specific therapeutic areas.</p>	In June 2020, we launched CORECTIM® Ointment 0.5%. We then launched ENAROY® Tablets 2 mg and 4 mg in December 2020. Throughout the year, we spent 25.2 billion yen on our research and development activities.	
<b>People</b>	<b>We will strive to nurture talent development which enables us to create first-in-class (FIC) drugs.</b>	<p><b>Fostering ethical awareness</b> In order to develop talent and foster employees' ethical awareness and sense of responsibility towards saving patients, we will continue to learn more about patients' needs by engaging in dialogue with medical experts through our internal educational activity "For the Patients Project."</p>	In 2020, five employees took part in our "For the Patients Project" as facilitators. They interviewed medical representatives and organized an internal online ethical awareness event.	
		<p><b>Community investment*</b> 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.</p>	Since 2015, we have invested US\$349 million in our communities and employees volunteered 137,882 hours on company time.	  
<b>Product safety and responsibility</b>	<b>We will strictly comply with all relevant laws, regulations, and industry standards in order to deliver safe drugs to patients.</b>	<p><b>Responsible promotion of drugs</b> We will conduct, among others, regular training programs for our medical representatives in order to provide medical professionals with latest, appropriate information on pharmaceutical products.</p>	After their initial training, all of our medical representatives take a mandatory e-learning course once a month to keep their skills and knowledge up-to-date.	
		<p><b>Greenhouse gas emissions</b> We will reduce greenhouse gas emissions from our own operations by 31%, between 2015 and 2030.</p>	Since 2015, we have reduced greenhouse gas emissions from our own operations by 9.0%.	



\* Target for Community investment is a Group-wide target.

## Sustainability strategy of processed food business

Strategic focus areas	Aspirational goals	Targets	Progress	SDGs
<b>Products and services</b>	<b>We will continue to provide high-quality, technology-driven products in response to our customer's needs, to satisfaction and trust.</b>	<b>Improvement of quality of life</b> We will develop and provide high-value-added products with a focus on "health," "convenience," and "diversity," in response to diverse consumer needs.	In 2020, we developed a new category of ready meal to meet with growing our consumer needs demand. In total, we launched six products, which could all be served without plates and without adding water. Also, by utilizing a yeast technology, we launched six seasonings that can add authentic cooking feeling even after a heating process.	
<b>People</b>	<b>We will ensure workplace safety for our employees, while continuously investing in people who can contribute to enhancing corporate value.</b>	<b>Enhance job satisfaction</b> We will further improve job satisfaction by promoting talent development in a secure and motivating workplace.	To ensure a safe workplace environment under the COVID-19 pandemic, we introduced full-time flexible working and no-limit remote working.	
		<b>Zero injuries</b> In line with our vision of zero workplace injuries, we will reduce injury rates by 25% by 2025 and 50% by 2030. (Baseline year: 2018)	Recordable injury rate*1 declined 2.3% from 0.90 in 2018 to 0.88 in 2020.	
		<b>Community investment*2</b> 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.	Since 2015, we have invested US\$349 million in our communities and employees volunteered 137,882 hours on company time.	  
<b>Supply chain</b>	<b>We will reduce social and environmental impacts and continue to deliver safe products to consumers.</b>	<b>Foster a safe and reliable corporate brand</b> We will promote food safety management in compliance with global food safety standards to develop food safety. We will also enhance the way we communicate with customers so that they retain trust in our food quality.	We coordinate regular inspection in outsourced and our own factories. Also, through internal training programs, we try to raise awareness to improve the quality of our products. In order to communicate with customers and reflect their voice to our products, we launched a new online tools to share consumer feedback with all employees.	
		<b>Promote use of environmentally friendly packaging materials</b> We will promote the use of renewable plant-based resources and reduce our use of non-renewable resources, to reduce the environmental impact of our products.	We launched 24 products with a featuring biomass ink for its on the packaging in 2020. To reduce non-renewable resource use associated with our bakery operations business, Saint-Germain are promoting a campaign for customers who bring their own eco-bags to reduce the amount of plastic shopping bags used.	  
		<b>Waste</b> We will reduce the amount of waste associated with our Japanese domestic offices by an average of 1% per year. (Intensity target*3).	We have reduced the amount of waste associated with our Japanese domestic offices in 2020 by 1.3% vs 2019.	
		<b>Greenhouse gas emissions</b> We will reduce greenhouse gas emissions from our own operations by 28%, between 2015 and 2030.	Since 2015, we have reduced greenhouse gas emissions from our own operations by 14.2%.	

\*1 Recordable injury rate = Recordable injuries/200,000 hours worked.

\*2 Target for Community investment is a Group-wide target.

\*3 Intensity target = Amount of waste generation/Amount of production.





## Stakeholder engagement

We regularly engage with consumers, shareholders, employees, and members of wider society to understand the issues that matter to them most, and to meet their needs and expectations. This engagement is vital in helping us to make decisions that will drive long-term sustainability. Listed below are our key stakeholder groups and how we engage with them.

### Customers and consumers

- Our sales force interacts with our retailers and consumers on a day-to-day basis to better understand their needs and preferences (e.g. visiting retailers, interactive sampling of new products where legally permitted, etc.)
- We respond to product and business enquiries from consumers through our [consumer hotline service](#)
- When it comes to developing our Reduced-Risk Products, we listen to what our consumers want to make sure that we provide them with the widest range of quality products

### Shareholders

- We hold an annual general meeting every year and present our financial results to our shareholders
- We are in regular contact with institutional shareholders to discuss the issues of concern to them

### Employees

- We conduct regular employee engagement surveys to understand how we can continuously improve employee satisfaction
- Our employees have regular opportunities to discuss their career aspirations through performance assessments
- Our Codes of Conduct are developed in collaboration with our employees, and concerns about violations can be shared with management anonymously through our [Reporting Concerns](#)

## Mechanism >

- In our international tobacco business, our people celebrate their sustainability initiatives and share new ideas through our annual [Sustainability Awards](#) >

## Suppliers

- All of our suppliers are required to comply with our JT Group Supplier Standards and we select our suppliers not only based on quality, service, and cost, but also on their compliance with ESG related standards such as ensuring the health and safety of their employees. This is reflected in our JT Group Responsible Procurement Policy
- In our tobacco business, we support our growers through our Agricultural Labor Practices, which allows us and our suppliers to identify potential labor challenges on tobacco farms and help improve growers' labor practices
- For our non-tobacco materials, we develop strong partnerships with our key suppliers in order to achieve mutual long-term success

## Trade associations

- We engage with trade associations by participating in working groups and policy commissions in order to achieve a better business environment not only for us but also for other member companies

## Communities

- We support the development of inclusive and sustainable societies by voluntarily engaging with charitable organizations in the communities where we operate
- We provide post-disaster support to local communities

## Non-governmental, regional, and international organizations

- We partner with non-governmental organizations and non-profit organizations to deliver our community investment programs
- We partner with organizations supporting the communities where we buy tobacco leaves

## Governments and regulators


- We engage in open and transparent dialogues with governments and regulators regarding regulations affecting our business and society
- While engaging with regulators, we strictly comply with our anti-bribery policy which is embedded in our Codes of Conduct
- We will enhance our cooperation with governments to combat illegal trade

## Our partners, memberships, and registrations

We collaborate with a number of organizations to increase the impact of our initiatives and benefit society and business, globally.

## Across our Group

### Business for Social Responsibility (BSR)

BSR is a global non-profit organization that works with its network of companies and partners to build a just and sustainable world. We have been a member of BSR since 2015, and have a multi-year partnership to implement Human Rights Impact Assessments. We have also been a member of BSR's [Human Rights Working Group](#)  since 2018, which provides us with opportunities to learn and share human rights best practices with a cross-sector group of companies.

### Eliminating Child Labor in Tobacco-growing (ECLT) Foundation

The JT Group is a member of the ECLT Foundation, a non-profit organization that works towards eliminating the worst forms of child labor and forced labor from tobacco farming and tobacco production.

### International Integrated Reporting Council (IIRC)

The IIRC is a global non-profit organization with the aim of advancing the evolution of corporate reporting. We reference the requirements of the IIRC for the development of our integrated reporting. We are also a member of the IR business network, the IIRC global flagship program, which enables organizations to improve the quality of their integrated reporting. We joined in 2019.

## Business for Societal Impact


To measure the social impact our work on community investment, we use the Business for Societal Impact framework, a global standard in measuring and managing a company's social impact. Business for Societal Impact is provided by Corporate Citizenship.

## In our Japanese operations

### Council for Better Corporate Citizenship (CBCC)

The CBCC was established in 1989 with the support of Keidanren (the Japan Business Federation). It promotes and supports Japanese companies' Corporate Social Responsibility (CSR) activities.

### Declaration of Biodiversity by Keidanren

Keidanren (the Japan Business Federation) revised the Declaration of Biodiversity in 2018. JT agree with the purpose of this policy. Our approach and programs on biodiversity are showcased in the [booklet](#)  of the Declaration of Biodiversity by Keidanren.

### The Japan Frozen Food Association (JFFA)

The main members of this association are Japanese companies, including our Group company, TableMark. These companies produce frozen foods, and strive for a stable food supply and an effective use of food resources.

### Keidanren

Keidanren (the Japan Business Federation) is an economic organization. Its members include 1,412 Japanese companies, 109 national industrial associations, and 47 local economic organizations (as of April 1, 2019).

## The Tobacco Institute of Japan (TIOJ)

The TIOJ is a Japanese tobacco industry association, addressing social issues on tobacco products in Japan.

## Youth smoking prevention councils

We are a part of various youth smoking prevention councils nationwide, together with local government and police representatives, as well as the local tobacco retailers association.

## In our international operations

### Business Action to Stop Counterfeiting and Piracy (BASCAP)

The aim of the International Chamber of Commerce's BASCAP is to raise awareness of the economic and social harm of counterfeiting and piracy.

### BusinessEurope

BusinessEurope is a leading advocate for growth and competitiveness in Europe, standing up for companies across the continent. We are involved in various working groups.

### The CEB Compliance & Ethics Leadership Council (CELC)

The CELC is a leading provider of best practice research, executive education, and decision-support services to Chief Compliance Officers.

### The European Cigar Manufacturers Association (ECMA)

The ECMA represents the major cigar manufacturers in Belgium, Denmark, Germany, Hungary, Italy, Luxembourg, The Netherlands, Spain (including the Canary Islands), and Switzerland. Together, the

ECMA members account for over 90% of the cigars produced in and exported from the EU.

## The EU Transparency Register

The Transparency Register is operated by the European Parliament and European Commission, and has been set up to answer questions such as which interests are being pursued, by whom, and with what budgets. Since 2011, JTI has been a registrant of the EU Transparency Register, setting out our fields of interest and costs related to engagement activities within the EU decision-making process.

## Farm Labor Practices Group

This multi-stakeholder organization focuses on improving conditions for farm workers in the U.S. The aim of our membership is to improve legislation and bring higher standards of protection to farm workers.

## The Global Tobacco and Nicotine Forum (GTNF)

Through this global platform, we exchange views and ideas about tobacco, nicotine, and public health among public health experts, government representatives, investors and members of the tobacco and nicotine industries.

## International Chamber of Commerce (ICC)

The ICC is the world's largest business organization, representing more than 45 million companies in over 100 countries. We sit on three of ICC's policy commissions: Intellectual Property, Marketing and Advisory, and Trade and Investment.

## Law enforcement agencies

We work with law enforcement agencies worldwide to combat the illicit trade of tobacco products, sharing information and evidence that leads to seizures and prosecutions, and providing illegal tobacco awareness programs.



## Sustainable Tobacco Program (STP)

This industry-wide platform enables businesses to collaborate on human rights, environmental issues, and other sustainability challenges, and to drive sustainable agriculture through a continuous improvement process. We are an active member and chair of the STP's steering committee. Read more about how we are [building sustainable supply chains](#).

## Tobacco Europe

Tobacco Europe focuses on building relationships with policymakers in an open and transparent manner.

## TRACE

TRACE is a globally recognized anti-bribery business association and a leading provider of risk management solutions.

## The Institute of Business Ethics (IBE)


The IBE was established in 1986 to promote high standards of business behavior based on ethical values.

## GRI Community Membership

The GRI is an independent international organization that has pioneered sustainability reporting. We reference the principles of [the GRI standards](#) for the development of our sustainability online contents. JTI joined the GRI Community in 2020.

## Related links

Our sustainability  
strategy



CEO message

The 4S model,  
Materiality,  
Sustainability  
strategy, SDGs

Stakeholder  
engagement

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