

GRI STANDARD CONTENT INDEX

We have compiled the FY2018 Report according to the principles of the Global Reporting Initiative (GRI) 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 a separate [Basis of Reporting](#) document, notably for the business divisions of Compliance, Human Resources (HR), Workplace Health and Safety, Environment, and Community Investment. Some of the data within the Report has been externally verified.

Universal Standard Disclosures

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Universal Standard Disclosures

#	DESCRIPTION	LOCATION OF DISCLOSURE, ADDITIONAL COMMENTS
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Organizational Profile

102-1	Name of organization	Japan Tobacco Inc.
102-2	Activities, brands, products, and services	<p><u>Location</u> Corporate profile</p> <p>With the Reduced-Risk Product category still in its infancy, regulatory approach 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"> › sales of E-Vapor and/or T-Vapor are banned completely; › E-Vapor without nicotine is permitted, but E-Vapor with nicotine is effectively banned as a pharmaceutical license is required (e.g. Japan); or › the same regulations apply to both cigarettes and T-Vapor.
102-3	Location of headquarters	<p><u>Location</u> About this report</p>
102-4	Location of operation	<p><u>Location</u> Corporate profile</p>
102-5	Ownership and legal form	<p><u>Location</u> Annual Report FY2018: The History of JT and Shareholder Information</p>
102-6	Markets served	<p><u>Location</u></p> <p>i. Geographic locations where products and services are offered: Corporate profile</p> <p>ii. Sectors served: Corporate profile</p> <p>iii. Types of customers and beneficiaries: Our tobacco business value chain Our pharmaceutical business value chain Our processed food business value chain</p>

#	DESCRIPTION	LOCATION OF DISCLOSURE, ADDITIONAL COMMENTS																																																
102-7	Scale of organization	<p><u>Location</u></p> <p>i. Total number of employees: Annual Report FY2018: Fact sheet (supplementary document)</p> <p>ii. Total number of operations: Annual Report FY2018: Consolidated Financial Statement</p> <p>iii. Net sales (for private sector organizations) or net revenues (for public sector organizations): Our tobacco business value chain Our pharmaceutical business value chain Our processed food business value chain</p> <p>iv. Total capitalization (for private sector organizations) broken down in terms of debt and equity: Annual Report FY2018: Consolidated Five-Year Summary or Consolidated Financial Statement</p> <p>v. Quantity of products or services provided: Annual Report FY2018: Review of Operations</p>																																																
102-8	Information on employees and other workers	<p><u>Location</u> Corporate profile Basis of Reporting</p> <p>EMPLOYEES BY TYPE OF CONTRACT AND GENDER AS OF THE END OF 2018</p> <table border="1"> <thead> <tr> <th>TYPE OF CONTRACT</th> <th>MALE</th> <th>FEMALE</th> <th>TOTAL</th> </tr> </thead> <tbody> <tr> <td>Permanent (full- and part-time)</td> <td>33,479</td> <td>10,719</td> <td>44,198</td> </tr> <tr> <td>Temporary full-time</td> <td>3,774</td> <td>1,765</td> <td>5,539</td> </tr> <tr> <td>Temporary part-time (*C)</td> <td>n/a</td> <td>n/a</td> <td>5,039</td> </tr> <tr> <td>Temporary part-time (*E)</td> <td>35</td> <td>91</td> <td>126</td> </tr> <tr> <td>Supervised workers (*C)</td> <td>n/a</td> <td>n/a</td> <td>1,563</td> </tr> </tbody> </table> <p>EMPLOYEES PER REGION AND GENDER AS OF THE END OF 2018</p> <table border="1"> <thead> <tr> <th>TYPE OF CONTRACT</th> <th>MALE</th> <th>FEMALE</th> <th>TOTAL</th> </tr> </thead> <tbody> <tr> <td>Japan</td> <td>13,135</td> <td>3,556</td> <td>16,691</td> </tr> <tr> <td>South and West Europe</td> <td>1,676</td> <td>1,142</td> <td>2,818</td> </tr> <tr> <td>North and Central Europe</td> <td>3,961</td> <td>1,881</td> <td>5,842</td> </tr> <tr> <td>CIS+*</td> <td>5,206</td> <td>2,088</td> <td>7,294</td> </tr> <tr> <td>Other</td> <td>13,275</td> <td>3,817</td> <td>17,092</td> </tr> </tbody> </table> <p>* Commonwealth of Independent States</p>	TYPE OF CONTRACT	MALE	FEMALE	TOTAL	Permanent (full- and part-time)	33,479	10,719	44,198	Temporary full-time	3,774	1,765	5,539	Temporary part-time (*C)	n/a	n/a	5,039	Temporary part-time (*E)	35	91	126	Supervised workers (*C)	n/a	n/a	1,563	TYPE OF CONTRACT	MALE	FEMALE	TOTAL	Japan	13,135	3,556	16,691	South and West Europe	1,676	1,142	2,818	North and Central Europe	3,961	1,881	5,842	CIS+*	5,206	2,088	7,294	Other	13,275	3,817	17,092
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102-9	Supply chain	<p><u>Location</u></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>Corporate profile – Our businesses Our tobacco business value chain Building sustainable supply chains Our pharmaceutical business value chain Our processed food business value chain</p>																																																

#	DESCRIPTION	LOCATION OF DISCLOSURE, ADDITIONAL COMMENTS
102-10	Significant changes to the organization and its supply chain	<p><u>Location</u></p> <p>i. Changes in the location of, or changes in, operations, including facility openings, closings, and expansions: About this report</p> <p>ii. Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations); About this report Annual Report FY2018: Shareholder Information</p> <p>iii. Changes in the location of suppliers, the structure of the supply chain, or relationships with suppliers, including selection and termination. Corporate profile (for countries in which we directly source tobacco leaf) Our tobacco business</p> <ul style="list-style-type: none"> › Our tobacco business value chain › Building sustainable supply chains › Exceeding expectations with products and services (Reduced-Risk Products Supply Chain) <p>Our pharmaceutical business value chain Our processed food business value chain</p> <p>JT Global website: Our tobacco business value chain: https://www.jt.com/sustainability/our_business/tobacco/value_chain/</p>
102-11	Precautionary principle or approach	<p><u>Location</u></p> <p>Whether and how the organization applies the Precautionary Principle or approach.</p> <p>The JT Group Environment Policy reflects how we have addressed the precautionary principle: JT Global website: https://www.jt.com/sustainability/people_planet_society/planet/enviroment/</p>
102-12	External initiatives	<p><u>Location</u></p> <p>A list of externally-developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes, or endorses.</p> <p>JT Global website: https://www.jt.com/sustainability/way_of_business/stakeholder_engagement/</p>
102-13	Membership of associations	<p><u>Location</u></p> <p>A list of the main memberships of industry or other associations, and national or international advocacy organizations.</p> <p>JT Global website: https://www.jt.com/sustainability/way_of_business/stakeholder_engagement/</p>

Strategy

102-14	Statement from senior decision-maker	<p><u>Location</u></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 Statement</p>
102-15	Key impacts, risks, and opportunities	<p><u>Location</u></p> <p>Annual Report FY2018:</p> <ul style="list-style-type: none"> › Our Approach to Sustainability › Business Plan 2019 › Business Plan 2019 — Role & objectives of each business. › Risk Factors <p>Sustainability Report FY2018:</p> <ul style="list-style-type: none"> › 4S model › Our sustainability strategy › Sustainable Development Goals

#	DESCRIPTION	LOCATION OF DISCLOSURE, ADDITIONAL COMMENTS
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Ethics and Integrity

102-16	Values, principles, standards, and norms of behavior	<p><u>Location</u></p> <p>Our sustainability strategy</p> <p>Good governance and business standards</p>
102-17	Mechanisms for advice and concerns about ethics	<p><u>Location</u></p> <p>Good governance and business standards</p>

Governance

102-18	Governance structure	<p><u>Location</u></p> <p>i. Governance structure of the organization, including committees of the highest governance body.</p> <p>ii. Committees responsible for decision-making on economic, environmental, and social topics.</p> <ul style="list-style-type: none"> › Annual Report FY2018: Corporate Governance › JT Global website: <ul style="list-style-type: none"> https://www.jt.com/about/corporate_governance/ https://www.jt.com/sustainability/way_of_business/governance_compliance/
102-19	Delegating authority	<p><u>Location</u></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>Annual Report FY2018: Corporate Governance, Executive Officer System</p>
102-20	Executive-level responsibility for economic, environmental, and social topics	<p><u>Location</u></p> <p>i. Whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental, and social topics.</p> <p>ii. Whether post holders report directly to the highest governance body.</p> <p>Annual Report FY2018:</p> <ul style="list-style-type: none"> › Corporate Governance, Executive Officer System › The Board of Directors, The Audit & Supervisory Board, Executive Officer System › Members of the JTI Executive Committee

#	DESCRIPTION	LOCATION OF DISCLOSURE, ADDITIONAL COMMENTS
102-21	Consulting stakeholders on economic, environmental, and social topics	<p><u>Location</u></p> <p>i. Processes for consultation between stakeholders and the highest governance body on economic, environmental, and social topics.</p> <p>ii. If consultation is delegated, describe to whom it is delegated and how the resulting feedback is provided to the highest governance body.</p> <p>JT Global website: JT Group Materiality: https://www.jt.com/sustainability/way_of_business/materiality_strategy/</p> <p>JT Global website: Stakeholder engagement: https://www.jt.com/sustainability/way_of_business/stakeholder_engagement/</p> <p>Sustainability Report FY2018: Our initiatives for stakeholder engagement are described throughout the report. For example, our engagement with:</p> <ul style="list-style-type: none"> › 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 'Building sustainable supply chains'); › our consumers or retailers (see 'Exceeding expectations with products and services'); › law enforcement partners in tackling illegal trade (see 'Tackling the Illegal trade'); local communities (see 'Improving our social impact'); › our employees (see 'Our Tobacco Business, Investing in People', 'Our people', or 'The JT Group Health and Safety Strategy'); › our Human Rights External Advisory Board and other partners (see 'Human Rights'). <p>Annual Report FY2018: Investor Relations Activities</p>
102-22	Composition of the highest governance body and its committees	<p><u>Location</u></p> <p>Composition of the highest governance body and its committees by:</p> <ul style="list-style-type: none"> i. Executive or non-executive ii. Independence iii. Tenure on the governance body iv. Number of each individual's other significant positions and commitments, and the v. Nature of the commitments vi. Gender vii. Membership of under-represented social groups viii. Competencies relating to economic, environmental, and social topics ix. Stakeholder representation <p>Annual Report FY2018: Corporate Governance</p> <ul style="list-style-type: none"> › Decision-making, Business Execution, Supervision › Internal Control System & Risk Management System

Stakeholder Engagement

102-40	List of stakeholder groups	<p><u>Location</u></p> <p>JT Global website: Stakeholder engagement: https://www.jt.com/sustainability/way_of_business/stakeholder_engagement/</p> <p>Sustainability Report FY2018: Our initiatives for stakeholder engagement are described throughout the report. See explanation for 102-21 for more details.</p> <p>Annual Report FY2018: Investor Relations activities</p>
102-41	Collective bargaining agreements	<p><u>Location</u></p> <p>Basis of Reporting</p> <p>59 companies have a union in our Group, and 91.4% (*C) of eligible employees 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>

#	DESCRIPTION	LOCATION OF DISCLOSURE, ADDITIONAL COMMENTS
102-42	Identifying and selecting stakeholders	<p><u>Location</u></p> <p>The basis for identifying and selecting stakeholders with whom to engage.</p> <ul style="list-style-type: none"> › JT Global website: Stakeholder engagement: https://www.jt.com/sustainability/way_of_business/stakeholder_engagement/ › Sustainability Report FY2018: Our initiatives for stakeholder engagement are described throughout the report. See explanation for 102-21 for more details. › Annual Report FY2018: Investor Relations Activities
102-43	Approach to stakeholder engagement	<p><u>Location</u></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> <ul style="list-style-type: none"> › JT Global website: Stakeholder engagement: https://www.jt.com/sustainability/way_of_business/stakeholder_engagement/ › Sustainability Report FY2018: Our initiatives for stakeholder engagement are described throughout the report. See explanation for 102-21 for more details. › Annual Report FY2018: Investor Relations Activities
102-44	Key topics and concerns raised	<p><u>Location</u></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> <ul style="list-style-type: none"> › JT Global website: Stakeholder engagement: https://www.jt.com/sustainability/way_of_business/stakeholder_engagement/ › Annual Report FY2018: Our initiatives for stakeholder engagement are described throughout the report. See explanation for 102-21 for more details. › Annual Report FY2018: Investor Relations Activities

Reporting Practice

102-45	Entities included in the consolidated financial statements	<p><u>Location</u></p> <p>JT Annual Securities Report FY2018: https://www.jti.co.jp/investors/others/12g3_2/index.html</p>
102-46	Defining report content and topic boundaries	<p><u>Location</u></p> <p>i. An explanation of the process for defining the report content and the topic boundaries.</p> <p>ii. An explanation of how the organization has implemented the Reporting Principles for defining report content.</p> <p>JT Global website: JT Group Materiality: https://www.jt.com/sustainability/way_of_business/materiality_strategy/Our_sustainability_strategy</p> <p>Scope of data and information presented in this report</p>
102-47	List of material topics	<p><u>Location</u></p> <p>A list of the material topics identified in the process for defining report content.</p> <p>JT Global website: JT Group Materiality: https://www.jt.com/sustainability/way_of_business/materiality_strategy/</p>

#	DESCRIPTION	LOCATION OF DISCLOSURE, ADDITIONAL COMMENTS
102-48	Restatement of information	<p><u>Location</u> Sustainability Report FY2017 – An unlawful value chain from manufacturing to distribution The estimated JTI product values attributed to our activities in tackling illegal online trade in 2017 is restated due to erroneous reporting. In 2017, JTI took down 6,916 social media posts and over 77,640 items, with the associated JTI product value estimated at £621,090.</p> <p><u>Sustainability Report FY 2018 – Building sustainable supply chains</u> A number of previously published documents stated that the ARISE program launched in 2012. As the program was founded and launched in 2011, this information has been restated in this report.</p> <p><u>Sustainability Report FY2017 – Workplace health and safety data</u> The number of lost-time incidents (LTIs) in FY2016 was 186, not 155. In FY2017, the correct number was 186, not 172. The LTI rate was 0.37, not 0.35.</p> <p><u>Sustainability Report FY2017 – Our people</u> The % of our workforce took part in performance appraisal for the year 2016 was 76.6%, not 80.4%.</p> <p><u>Sustainability Report FY2017 – GRI Index LA11</u> The % of male workforce who participated in the performance appraisal was 75.3%, not 79.6% and the % of female workforce was 80.6%, not 82.2%. The % of employee (excluding management) who participated in performance appraisal for the year 2016 was 75.4%, not 75.5%.</p> <p><u>Sustainability Report FY2017 – Our tobacco business value chain</u> The JT Group offices are in 70+ countries and regions.</p>
102-49	Changes in reporting	<p><u>Location</u> Significant changes from previous reporting periods in the list of material topics and topic boundaries Not applicable</p>
102-50	Reporting period	<p><u>Location</u> About this report</p>
102-51	Date of most recent report	
102-52	Reporting cycle	
102-53	Contact point for questions regarding the report	
102-54	Claims of reporting in accordance with the GRI Standards	
102-55	GRI content index	<p><u>Location</u> GRI Index Table</p>
102-56	External assurance	<p><u>Location</u> About this report</p>

Topic-specific Standards Disclosures

GRI STANDARD	DESCRIPTION	LOCATION OF DISCLOSURE, ADDITIONAL COMMENTS
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Economic Performance

103-1	Management approach: Explanation of the material topic and its boundary	Location JT Global website: https://www.jt.com/sustainability/way_of_business/materiality_strategy/														
103-2	Management approach: The management approach and its components	Location JT Global website: https://www.jt.com/sustainability/way_of_business/tax_it_practice/Annual_Report_FY2018														
103-3	Management approach: Evaluation of the management approach															
201-1	Direct economic value generated and distributed	Location JT Global website: https://www.jt.com/sustainability/way_of_business/tax_it_practice/Annual_Report_FY2018 Improving our social impact														
		<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;">DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED</th> <th style="width: 20%;">2018 (MILLION YEN)</th> </tr> </thead> <tbody> <tr> <td>Revenue*</td> <td style="text-align: right;">2,215,962</td> </tr> <tr> <td>Total employee benefits and wages</td> <td style="text-align: right;">406,204</td> </tr> <tr> <td>Current income taxes</td> <td style="text-align: right;">143,090</td> </tr> <tr> <td>Tobacco excise taxes</td> <td style="text-align: right;">4,677,971</td> </tr> <tr> <td>Dividends</td> <td style="text-align: right;">259,724</td> </tr> <tr> <td>Community investment</td> <td style="text-align: right;">5,865</td> </tr> </tbody> </table>	DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED	2018 (MILLION YEN)	Revenue*	2,215,962	Total employee benefits and wages	406,204	Current income taxes	143,090	Tobacco excise taxes	4,677,971	Dividends	259,724	Community investment	5,865
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		<i>* Excluding tobacco excise taxes and revenue from agent transactions</i>														

Market Presence

103-1	Management approach: Explanation of the material topic and its boundary	Location JT Global website: https://www.jt.com/sustainability/way_of_business/materiality_strategy/
103-2	Management approach: The management approach and its components	This is our standard operating procedure.
103-3	Management approach: Evaluation of the management approach	

GRI STANDARD	DESCRIPTION	LOCATION OF DISCLOSURE, ADDITIONAL COMMENTS																		
202-1	Ratios of standard entry-level wage by gender compared to local minimum wage at significant locations of operation	<p><u>Location</u> <u>Basis of Reporting</u></p> <table border="1"> <thead> <tr> <th>SIGNIFICANT OPERATIONS</th> <th colspan="2">RATIO OF STANDARD ENTRY LEVEL WAGE TO LOCAL MINIMUM WAGE</th> </tr> </thead> <tbody> <tr> <td rowspan="2">JT Tokyo HQ</td> <td>Male</td> <td>157.6%</td> </tr> <tr> <td>Female</td> <td>157.6%</td> </tr> <tr> <td rowspan="2">JTI Moscow</td> <td>Male</td> <td>238.5%</td> </tr> <tr> <td>Female</td> <td>238.5%</td> </tr> <tr> <td rowspan="2">JTI Trier</td> <td>Male</td> <td>146.3%</td> </tr> <tr> <td>Female</td> <td>146.3%</td> </tr> </tbody> </table>	SIGNIFICANT OPERATIONS	RATIO OF STANDARD ENTRY LEVEL WAGE TO LOCAL MINIMUM WAGE		JT Tokyo HQ	Male	157.6%	Female	157.6%	JTI Moscow	Male	238.5%	Female	238.5%	JTI Trier	Male	146.3%	Female	146.3%
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	Female	146.3%																		

Indirect Economic Impacts

103-1	Management approach: Explanation of the material topic and its boundary	<u>Location</u> JT Global website: https://www.jt.com/sustainability/way_of_business/materiality_strategy/
103-2	Management approach: The management approach and its components	<u>Location</u> Building sustainable supply chains
103-3	Management approach: Evaluation of the management approach	
203-1	Development and impact of infrastructure investments and services supported	As part of our Global Leaf CAPEX projects, we invested 40.88 million U.S. dollars in infrastructure-related projects in Brazil, Malawi, Tanzania, U.S., and Zambia. In addition, we invested 2.26 million U.S. dollars in infrastructure-related projects in Brazil, Malawi, Tanzania and Zambia, as part of our Grower Support Programs.
203-2	Significant indirect economic impacts, including the extent of impacts	<u>Location</u> Building sustainable supply chains Tackling the illegal trade of our products

Procurement Practices

103-1	Management approach: Explanation of the material topic and its boundary	<u>Location</u> JT Global website: https://www.jt.com/sustainability/way_of_business/materiality_strategy/
103-2	Management approach: The management approach and its components	<u>Location</u> Our tobacco business Our pharmaceutical business Our processed food business
103-3	Management approach: Evaluation of the management approach	

GRI STANDARD	DESCRIPTION	LOCATION OF DISCLOSURE, ADDITIONAL COMMENTS																					
204-1	Proportion of spending on local suppliers	<p>We define local as the country of operation. Significant location is defined as any location with more than 5% of global spend.</p> <table border="1"> <thead> <tr> <th>SIGNIFICANT LOCATIONS</th> <th>SUPPLIER TYPE</th> <th>% OF LOCAL SPEND IN 2018</th> </tr> </thead> <tbody> <tr> <td>Japan</td> <td>Tobacco leaf and non-tobacco material suppliers</td> <td>50%</td> </tr> <tr> <td>Geneva HQ</td> <td>Non-tobacco materials and other products and services suppliers</td> <td>58%</td> </tr> <tr> <td>Germany</td> <td>Non-tobacco materials and other products and services suppliers</td> <td>56%</td> </tr> <tr> <td>Philippines</td> <td>Non-tobacco materials and other products and services suppliers</td> <td>63%</td> </tr> <tr> <td>Russia</td> <td>Non-tobacco materials and other products and services suppliers</td> <td>96%</td> </tr> <tr> <td>Taiwan</td> <td>Non-tobacco materials and other products and services suppliers</td> <td>89%</td> </tr> </tbody> </table> <p>The percentage of local suppliers of bulk drug substances to our pharmaceutical business is 0%. The percentage of local spent for suppliers of TableMark is 100%.</p>	SIGNIFICANT LOCATIONS	SUPPLIER TYPE	% OF LOCAL SPEND IN 2018	Japan	Tobacco leaf and non-tobacco material suppliers	50%	Geneva HQ	Non-tobacco materials and other products and services suppliers	58%	Germany	Non-tobacco materials and other products and services suppliers	56%	Philippines	Non-tobacco materials and other products and services suppliers	63%	Russia	Non-tobacco materials and other products and services suppliers	96%	Taiwan	Non-tobacco materials and other products and services suppliers	89%
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Philippines	Non-tobacco materials and other products and services suppliers	63%																					
Russia	Non-tobacco materials and other products and services suppliers	96%																					
Taiwan	Non-tobacco materials and other products and services suppliers	89%																					
FP1	Percentage of purchased volume from suppliers compliant with Company's sourcing policy	<p>FP1 is a measure set out in the Food Processing Sector Disclosure. Therefore, this answer relates solely to our processed food business. 100% of purchased volume from suppliers is compliant with the sourcing policy of the JT Group processed food business, via self-declaration of suppliers.</p>																					

Anti-corruption

103-1	Management approach: Explanation of the material topic and its boundary	<p><u>Location</u> JT Global website: https://www.jt.com/sustainability/way_of_business/materiality_strategy/</p>
103-2	Management approach: The management approach and its components	<p><u>Location</u> Good governance and business standards – Anti-bribery and corruption</p>
103-3	Management approach: Evaluation of the management approach	<p>JT Group Anti-Bribery Policy https://www.jt.com/about/compliance/risk_management/pdf/anti_bribery_eng.pdf JT Global website: https://www.jt.com/about/compliance/risk_management/</p>
205-2	Communication and training on anti-corruption policies and procedures	<p><u>Location</u> Good governance and business standards – Anti-bribery and corruption</p>

Anti-competitive Behavior

103-1	Management approach: Explanation of the material topic and its boundary	<p><u>Location</u> JT Global website: https://www.jt.com/sustainability/way_of_business/materiality_strategy/</p>
103-2	Management approach: The management approach and its components	<p><u>Location</u> Good governance and business standards – Anti-competitive behavior JT Global website: https://www.jt.com/about/compliance/risk_management/</p>

GRI STANDARD	DESCRIPTION	LOCATION OF DISCLOSURE, ADDITIONAL COMMENTS
103-3	Management approach: Evaluation of the management approach	<p><u>Location</u> Good governance and business standards – Anti-competitive behavior JT Global website: https://www.jt.com/about/compliance/risk_management/</p>
206-1	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	<p><u>Location</u> Good governance and business standards – Anti-competitive behavior</p> <p>In 2018, 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>

Energy

103-1	Management approach: Explanation of the material topic and its boundary	<p><u>Location</u> JT Global website: https://www.jt.com/sustainability/way_of_business/materiality_strategy/</p>
103-2	Management approach: The management approach and its components	<p><u>Location</u> Improving our environmental impact – Making progress in energy and GHG emission reduction</p>
103-3	Management approach: Evaluation of the management approach	
302-1	Energy consumption within the organization	<p><u>Location</u> Improving our environmental impact – Making progress in energy and GHG emission reduction <u>Basis of Reporting</u> JT Global website: https://www.jt.com/sustainability/people_planet_society/planet/enviroment/</p>

Water and Effluents

103-1	Management approach: Explanation of the material topic and its boundary	<p><u>Location</u> JT Global website: https://www.jt.com/sustainability/way_of_business/materiality_strategy/</p>
103-2	Management approach: The management approach and its components	<p><u>Location</u> Improving our environmental impact – Water</p>
103-3	Management approach: Evaluation of the management approach	<p><u>Location</u> Improving our environmental impact – Water</p>
303-1	Interactions with water as a shared resource	<p><u>Location</u> <u>Basis of Reporting</u> Improving our environmental impact – Water</p>
303-2	Management of water discharge-related impacts	<p><u>Location</u> Improving our environmental impact – Water</p>
303-3	Water withdrawal	<p><u>Location</u> <u>Basis of Reporting</u></p>
303-4	Water discharge	<p>JT Global website: https://www.jt.com/sustainability/people_planet_society/planet/enviroment/</p>

GRI STANDARD	DESCRIPTION	LOCATION OF DISCLOSURE, ADDITIONAL COMMENTS
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Biodiversity

103-1	Management approach: Explanation of the material topic and its boundary	<p><u>Location</u> JT Global website: https://www.jt.com/sustainability/way_of_business/materiality_strategy/</p>
103-2	Management approach: The management approach and its components	<p><u>Location</u> Building sustainable supply chains — Promoting forestry at small-scale farms</p>
103-3	Management approach: Evaluation of the management approach	We approach biodiversity as a topic integrated into our responsible business operations.
304-2	Significant impacts of activities, products, and services on biodiversity	<p><u>Location</u> Building sustainable supply chains — Promoting forestry at small-scale farms</p> <p>Impacts on biodiversity can be observed directly or indirectly through activities such as:</p> <ul style="list-style-type: none"> › 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; › 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; › The building of new, or expansion of, buying stations, processing facilities, offices etc.

Emissions

103-1	Management approach: Explanation of the material topic and its boundary	<p><u>Location</u> JT Global website: https://www.jt.com/sustainability/way_of_business/materiality_strategy/</p>
103-2	Management approach: The management approach and its components	<p><u>Location</u> Improving our environmental impact – Making progress in energy and GHG emission reduction</p>
103-3	Management approach: Evaluation of the management approach	
305-1	Direct GHG emissions (Scope 1)	<p><u>Location</u> JT Global website: https://www.jt.com/sustainability/people_planet_society/planet/enviroment/</p>
305-2	Energy indirect GHG emissions (Scope 2)	<p><u>Location</u> JT Global website: https://www.jt.com/sustainability/people_planet_society/planet/enviroment/</p> <p>Improving our environmental impact – Making progress in energy and GHG emission reduction – Combined scope 1 and 2 GHG emissions</p>
305-3	Other indirect GHG emissions (Scope 3)	<p><u>Location</u> Building sustainable supply chains</p> <p>Improving our environmental impact – Making progress in energy and GHG emission reduction – GHG emissions in our value chain</p>
305-4	GHG emissions intensity	<p><u>Location</u> Improving our environmental impact – Making progress in energy and GHG emission reduction – GHG emissions intensity for the tobacco business</p>
305-5	Reduction of GHG emissions	<p><u>Location</u> Improving our environmental impact – Making progress in energy and GHG emission reduction – Combined scope 1 and 2 GHG emissions</p> <p>Our processed food business – Reducing our environmental impact</p>

GRI STANDARD	DESCRIPTION	LOCATION OF DISCLOSURE, ADDITIONAL COMMENTS
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Waste

103-1	Management approach: Explanation of the material topic and its boundary	<u>Location</u> JT Global website: https://www.jt.com/sustainability/way_of_business/materiality_strategy/
103-2	Management approach: The management approach and its components	<u>Location</u> Improving our environmental impact – Waste
103-3	Management approach: Evaluation of the management approach	
306-2	Total weight of waste by type and disposal method	<u>Location</u> Improving our environmental impact – Waste – Waste generation, breakdown of waste generated JT Global website : https://www.jt.com/sustainability/people_planet_society/planet/enviroment/Basis_of_Reporting

Environmental Compliance

103-1	Management approach: Explanation of the material topic and its boundary	<u>Location</u> JT Global website: https://www.jt.com/sustainability/way_of_business/materiality_strategy/
103-2	Management approach: The management approach and its components	<u>Location</u> Improving our environmental impact
103-3	Management approach: Evaluation of the management approach	
307-1	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	During 2018, there were no significant monetary fines or non-monetary sanctions for non-compliance with environmental laws and regulations.

Supplier Environmental Assessment

103-1	Management approach: Explanation of the material topic and its boundary	<u>Location</u> JT Global website: https://www.jt.com/sustainability/way_of_business/materiality_strategy/
103-2	Management approach: The management approach and its components	<u>Location</u> Building sustainable supply chains
103-3	Management approach: Evaluation of the management approach	
308-1	Percentage of new suppliers that were screened using environmental criteria	
308-2	Significant actual and potential negative environmental impacts in the supply chain and actions taken	

GRI STANDARD	DESCRIPTION	LOCATION OF DISCLOSURE, ADDITIONAL COMMENTS
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Employment

103-1	Management approach: Explanation of the material topic and its boundary	<u>Location</u> JT Global website: https://www.jt.com/sustainability/way_of_business/materiality_strategy/																																																																																
103-2	Management approach: The management approach and its components	<u>Location</u> Investing in people – Talent Development Our people																																																																																
103-3	Management approach: Evaluation of the management approach																																																																																	
401-1	Total number and rates of new employee hires and employee turnover by age group, gender, and region	<u>Location</u> <u>Basis of Reporting</u> NEW EMPLOYEES' HIRE AND TURNOVER The data scope is A and the total number of employees under this scope is 49,737. <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">BY GENDER</th> <th>MALE</th> <th>FEMALE</th> <th>TOTAL</th> </tr> </thead> <tbody> <tr> <td>Total number of new employees</td> <td style="text-align: center;">5,252</td> <td style="text-align: center;">1,950</td> <td style="text-align: center;">7,202</td> </tr> <tr> <td>Rate of new employees' hire</td> <td style="text-align: center;">14.1%</td> <td style="text-align: center;">15.6%</td> <td style="text-align: center;">14.5%</td> </tr> <tr> <td>Total employee turnover</td> <td style="text-align: center;">3,971</td> <td style="text-align: center;">1,821</td> <td style="text-align: center;">5,792</td> </tr> <tr> <td>Employee turnover rate</td> <td style="text-align: center;">10.7%</td> <td style="text-align: center;">14.6%</td> <td style="text-align: center;">11.6%</td> </tr> </tbody> </table> <p>The data scope is D. The total number of employees under this scope is 38,546.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">BY AGE</th> <th><30</th> <th>30-50</th> <th>>50</th> <th>TOTAL</th> </tr> </thead> <tbody> <tr> <td>Total number of new employees (*D)</td> <td style="text-align: center;">2,915</td> <td style="text-align: center;">3,412</td> <td style="text-align: center;">215</td> <td style="text-align: center;">6,542</td> </tr> <tr> <td>Rate of new employees' hire (*D)</td> <td style="text-align: center;">37.8%</td> <td style="text-align: center;">13.5%</td> <td style="text-align: center;">4.0%</td> <td style="text-align: center;">17.0%</td> </tr> <tr> <td>Total employee turnover (*D)</td> <td style="text-align: center;">1,449</td> <td style="text-align: center;">2,512</td> <td style="text-align: center;">661</td> <td style="text-align: center;">4,622</td> </tr> <tr> <td>Employee turnover rate (*D)</td> <td style="text-align: center;">18.8%</td> <td style="text-align: center;">9.9%</td> <td style="text-align: center;">12.3%</td> <td style="text-align: center;">12.0%</td> </tr> </tbody> </table> <p>The data scope is D. The total number of employees under this scope is 38,546.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">BY REGION</th> <th>JAPAN</th> <th>SOUTH AND WEST EUROPE</th> <th>NORTH AND CENTRAL EUROPE</th> <th>CIS+*</th> <th>OTHER</th> <th>TOTAL</th> </tr> </thead> <tbody> <tr> <td>Total number of new employees (*D)</td> <td style="text-align: center;">389</td> <td style="text-align: center;">285</td> <td style="text-align: center;">1,135</td> <td style="text-align: center;">785</td> <td style="text-align: center;">3,948</td> <td style="text-align: center;">6,542</td> </tr> <tr> <td>Rate of new employees' hire (*D)</td> <td style="text-align: center;">5.2%</td> <td style="text-align: center;">10.1%</td> <td style="text-align: center;">19.4%</td> <td style="text-align: center;">10.9%</td> <td style="text-align: center;">26.1%</td> <td style="text-align: center;">17.0%</td> </tr> <tr> <td>Total employee turnover (*D)</td> <td style="text-align: center;">384</td> <td style="text-align: center;">316</td> <td style="text-align: center;">539</td> <td style="text-align: center;">1,008</td> <td style="text-align: center;">2,375</td> <td style="text-align: center;">4,622</td> </tr> <tr> <td>Employee turnover rate (*D)</td> <td style="text-align: center;">5.1%</td> <td style="text-align: center;">11.2%</td> <td style="text-align: center;">9.2%</td> <td style="text-align: center;">14.0%</td> <td style="text-align: center;">15.7%</td> <td style="text-align: center;">12.0%</td> </tr> </tbody> </table> <p><i>* Commonwealth of Independent States</i></p>	BY GENDER	MALE	FEMALE	TOTAL	Total number of new employees	5,252	1,950	7,202	Rate of new employees' hire	14.1%	15.6%	14.5%	Total employee turnover	3,971	1,821	5,792	Employee turnover rate	10.7%	14.6%	11.6%	BY AGE	<30	30-50	>50	TOTAL	Total number of new employees (*D)	2,915	3,412	215	6,542	Rate of new employees' hire (*D)	37.8%	13.5%	4.0%	17.0%	Total employee turnover (*D)	1,449	2,512	661	4,622	Employee turnover rate (*D)	18.8%	9.9%	12.3%	12.0%	BY REGION	JAPAN	SOUTH AND WEST EUROPE	NORTH AND CENTRAL EUROPE	CIS+*	OTHER	TOTAL	Total number of new employees (*D)	389	285	1,135	785	3,948	6,542	Rate of new employees' hire (*D)	5.2%	10.1%	19.4%	10.9%	26.1%	17.0%	Total employee turnover (*D)	384	316	539	1,008	2,375	4,622	Employee turnover rate (*D)	5.1%	11.2%	9.2%	14.0%	15.7%	12.0%
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GRI STANDARD	DESCRIPTION	LOCATION OF DISCLOSURE, ADDITIONAL COMMENTS																																																																	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	<p data-bbox="1492 201 1685 260"><u>Location</u> <u>Basis of Reporting</u></p> <p data-bbox="1492 275 2763 394">As of the end of 2018, significant locations include 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.</p> <p data-bbox="1492 428 1792 453">JT HEAD OFFICE IN TOKYO</p> <table border="1" data-bbox="1492 470 2810 1024"> <thead> <tr> <th rowspan="2">BENEFITS</th> <th rowspan="2">PERMANENT EMPLOYEES</th> <th colspan="2">TEMPORARY FULL-TIME EMPLOYEES</th> <th rowspan="2">TEMPORARY PART-TIME EMPLOYEES</th> </tr> <tr> <th>COMMISSIONED PERSONNEL</th> <th>CONTRACT EMPLOYEES*</th> </tr> </thead> <tbody> <tr> <td>Bereaved family compensation program</td> <td>Y</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Regular health examination</td> <td>Y</td> <td>Y</td> <td>Y</td> <td>Y</td> </tr> <tr> <td>Medical leave system</td> <td>Y</td> <td>Y</td> <td></td> <td></td> </tr> <tr> <td>Parental leave</td> <td>Y</td> <td>Y</td> <td>Y</td> <td>Y</td> </tr> <tr> <td>Retirement provision</td> <td>Y</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Stock ownership</td> <td>Y</td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <p data-bbox="1492 1058 2199 1083">INTERNATIONAL TOBACCO BUSINESS HEAD OFFICE IN GENEVA</p> <table border="1" data-bbox="1492 1100 2810 1570"> <thead> <tr> <th>BENEFITS</th> <th>PERMANENT EMPLOYEES</th> <th>TEMPORARY FULL-TIME EMPLOYEES</th> <th>TEMPORARY PART-TIME EMPLOYEES</th> </tr> </thead> <tbody> <tr> <td>Life insurance</td> <td>Y</td> <td>Y</td> <td>Y (Prorated)</td> </tr> <tr> <td>Healthcare</td> <td>Y</td> <td>Y</td> <td>Y</td> </tr> <tr> <td>Disability and invalidity coverage</td> <td>Y</td> <td>Y</td> <td>Y (Prorated)</td> </tr> <tr> <td>Parental leave</td> <td>Y</td> <td>Y</td> <td>Y (Prorated)</td> </tr> <tr> <td>Retirement provision</td> <td>Y</td> <td>Y</td> <td>Y (Prorated)</td> </tr> <tr> <td>Stock ownership</td> <td>Y</td> <td></td> <td></td> </tr> </tbody> </table> <p data-bbox="1492 1604 2139 1629">* Contract employees may be given benefits if they are exempt from Company regulations.</p> <p data-bbox="1492 1646 2783 1734">We also provide more benefits to our employees. Regarding initiatives in our Japanese operations, please see the Sustainability Report FY2015 (page 35, Generational diversity and work-life balance), and our JT website: https://www.jti.co.jp/ (in Japanese.) Below are examples from our international tobacco business:</p> <p data-bbox="1492 1751 1745 1776">Flexible working style</p> <p data-bbox="1492 1780 2772 1839">We allow employees to use flexible working hours and to enjoy remote working arrangements in some offices such as Geneva (JTI HQ), U.K., and Spain, workload permitting.</p> <p data-bbox="1492 1856 1703 1881">Child care support</p> <p data-bbox="1492 1885 2754 1974">In the JTI HQ, employees are offered access to the Company-sponsored childcare facility; in some offices (e.g. Spain, U.K.), we provide vouchers to employees with children in the form of flexible benefits arrangements, or as part of the local benefits package. Our paid maternity and paternity leave exceeds legal requirements (e.g. U.K.).</p>	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				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		
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GRI STANDARD	DESCRIPTION	LOCATION OF DISCLOSURE, ADDITIONAL COMMENTS
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Labor/Management Relations

103-1	Management approach: Explanation of the material topic and its boundary	<u>Location</u> JT Global website: https://www.jt.com/sustainability/way_of_business/materiality_strategy/												
103-2	Management approach: The management approach and its components	We comply fully within the framework of local law in our places of operation.												
103-3	Management approach: Evaluation of the management approach													
402-1	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	<u>Location</u> About this report Basis of Reporting												
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Belgium	33 months	41 months	No											
Malaysia	2 months	8 months	Yes											

Occupational Health and Safety

103-1	Management approach: Explanation of the material topic and its boundary	<u>Location</u> JT Global website: https://www.jt.com/sustainability/way_of_business/materiality_strategy/
103-2	Management approach: The management approach and its components	<u>Location</u> Investing in people – Workplace safety The JT Group health and safety strategy
103-3	Management approach: Evaluation of the management approach	
403-1	Occupational health and safety management system	<u>Location</u> The JT Group health and safety strategy
403-2	Hazard identification, risk assessment, and incident investigation	
403-4	Worker participation, consultation, and communication on occupational health and safety	
403-5	Worker training on occupational health and safety	<u>Location</u> Investing in people – Workplace safety The JT Group health and safety strategy
403-6	Promotion of worker health	<u>Location</u> The JT Group health and safety strategy

GRI STANDARD	DESCRIPTION	LOCATION OF DISCLOSURE, ADDITIONAL COMMENTS																																								
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	<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>Green tobacco sickness poses a risk to tobacco farming, so we take steps to prevent this by applying our ALP.</p>																																								
403-8	Workers covered by an occupational health and safety management system	Our occupational health and safety management system covers all of our workers.																																								
403-9	Injury rate (IR), occupational disease rate (ODR), lost day rate (LDR), absentee rate (AR), and fatalities by region and by gender	<p><u>Location</u> The JT Group health and safety strategy</p> <p>We report lost-time incidents (LTIs) instead of lost-day rate, due to our data-collection methods within our management systems. In JT, absenteeism in 2018 was reported as 0.61.</p> <p>EMPLOYEES' NUMBER OF FATALITIES, LOST-TIME INCIDENTS (LTIS), AND LTI RATE PER REGION AND GENDER (FY2018)</p> <table border="1" data-bbox="1489 730 2807 1163"> <thead> <tr> <th rowspan="2">REGION</th> <th colspan="2">NUMBER OF FATALITIES</th> <th colspan="2">NUMBER OF LOST TIME INCIDENTS (LTIS)</th> <th rowspan="2">LTI RATE</th> </tr> <tr> <th>MALE</th> <th>FEMALE</th> <th>MALE</th> <th>FEMALE</th> </tr> </thead> <tbody> <tr> <td>South and West Europe</td> <td>0</td> <td>0</td> <td>4</td> <td>3</td> <td>0.26</td> </tr> <tr> <td>North and Central Europe</td> <td>0</td> <td>0</td> <td>13</td> <td>2</td> <td>0.30</td> </tr> <tr> <td>CIS+</td> <td>0</td> <td>0</td> <td>5</td> <td>2</td> <td>0.26</td> </tr> <tr> <td>Japan</td> <td>0</td> <td>0</td> <td>42</td> <td>45</td> <td>0.40</td> </tr> <tr> <td>Other</td> <td>3</td> <td>0</td> <td>52</td> <td>15</td> <td>0.21</td> </tr> </tbody> </table>	REGION	NUMBER OF FATALITIES		NUMBER OF LOST TIME INCIDENTS (LTIS)		LTI RATE	MALE	FEMALE	MALE	FEMALE	South and West Europe	0	0	4	3	0.26	North and Central Europe	0	0	13	2	0.30	CIS+	0	0	5	2	0.26	Japan	0	0	42	45	0.40	Other	3	0	52	15	0.21
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403-9	Injury rate (IR), occupational disease rate (ODR), lost day rate (LDR), absentee rate (AR), and fatalities by region and by gender	<p>The differences are due to JTI's geographical expansion in countries with higher safety risks. We have recognized and will address these risks by building a more holistic and systematic approach to safety at our manufacturing sites and sales branches. In 2019, the focus will be on targeting the highest risks in emerging markets.</p> <p>In 2018, most LTIs in Japan were due to vehicle collisions caused by third parties, sprains and strains, or slips and falls. To mitigate these risks, we not only conduct risk assessments, but also work on raising safety awareness among our employees.</p> <p>We record employees' occupational illness frequency rate. FY2015 :0 (*B), FY2016: 0 (*C), FY2017 :0.087(*C), FY2018:0(*C). The rate is calculated by the number of occupational illness divided by million working hours.</p>																																								
403-10	Work-related ill health	<p><u>Location</u> The JT Group health and safety strategy</p> <p>We started collecting JT Group-based data and expect further reporting in the future.</p>																																								

GRI STANDARD	DESCRIPTION	LOCATION OF DISCLOSURE, ADDITIONAL COMMENTS
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Training and Education

103-1	Management approach: Explanation of the material topic and its boundary	<u>Location</u> JT Global website: https://www.jt.com/sustainability/way_of_business/materiality_strategy/																
103-2	Management approach: The management approach and its components	<u>Location</u> Investing in people – Talent Development Our people																
103-3	Management approach: Evaluation of the management approach																	
404-2	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	<u>Location</u> Investing in people – Talent Development Our people In 2018, 207 of our employees joined our Talent Partnership Program.																
404-3	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	<p>PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;">BY GENDER</th> <th style="width: 10%;">2017</th> <th style="width: 30%;">BY EMPLOYEE CATEGORY (*D)</th> <th style="width: 10%;">2017</th> </tr> </thead> <tbody> <tr> <td>Male</td> <td>71.2%</td> <td>Executive Officers</td> <td>100%</td> </tr> <tr> <td>Female</td> <td>85.0%</td> <td>Management (excluding Executive Officers)</td> <td>93.8%</td> </tr> <tr> <td></td> <td></td> <td>Employees (excluding management)</td> <td>67.3%</td> </tr> </tbody> </table> <p>We have reported on the 2017 performance appraisal data because the information for 2018 is currently being analyzed.</p>	BY GENDER	2017	BY EMPLOYEE CATEGORY (*D)	2017	Male	71.2%	Executive Officers	100%	Female	85.0%	Management (excluding Executive Officers)	93.8%			Employees (excluding management)	67.3%
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Diversity and Equal Opportunity

103-1	Management approach: Explanation of the material topic and its boundary	<u>Location</u> JT Global website: https://www.jt.com/sustainability/way_of_business/materiality_strategy/																
103-2	Management approach: The management approach and its components	<u>Location</u> Investing in people Our people																
103-3	Management approach: Evaluation of the management approach																	
405-1	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>BREAKDOWN OF EMPLOYEES BY GENDER AND AGE GROUP (Except Executive officers)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;">AGE GROUP</th> <th style="width: 10%;">MALE</th> <th style="width: 10%;">FEMALE</th> <th style="width: 10%;">TOTAL</th> </tr> </thead> <tbody> <tr> <td>Under 30</td> <td>6,594</td> <td>2,822</td> <td>9,416</td> </tr> <tr> <td>30–50</td> <td>23,802</td> <td>7,988</td> <td>31,790</td> </tr> <tr> <td>Over 50</td> <td>6,660</td> <td>1,618</td> <td>8,278</td> </tr> </tbody> </table>	AGE GROUP	MALE	FEMALE	TOTAL	Under 30	6,594	2,822	9,416	30–50	23,802	7,988	31,790	Over 50	6,660	1,618	8,278
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405-1	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>EMPLOYEES BY POSITION AND GENDER AT THE END OF 2018</p> <table border="1"> <thead> <tr> <th>POSITIONS</th> <th>MALE</th> <th>FEMALE</th> <th>TOTAL</th> </tr> </thead> <tbody> <tr> <td>Executive officer</td> <td>93.7%</td> <td>6.3%</td> <td>63</td> </tr> <tr> <td>Management (excluding Executive Officers)</td> <td>86.4%</td> <td>13.6%</td> <td>3,489</td> </tr> <tr> <td>Employees (excluding Executive Officers and Management)</td> <td>66.2%</td> <td>26.0%</td> <td>46,096</td> </tr> </tbody> </table> <p>EXECUTIVE OFFICERS BY POSITION AND GENDER AT THE END OF 2018</p> <table border="1"> <thead> <tr> <th>AGE GROUP</th> <th>MALE</th> <th>FEMALE</th> <th>TOTAL</th> </tr> </thead> <tbody> <tr> <td>Under 30</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>30–50</td> <td>6</td> <td>0</td> <td>6</td> </tr> <tr> <td>Over 50</td> <td>50</td> <td>3</td> <td>53</td> </tr> </tbody> </table> <p><i>This data does not include four executives in our Japanese domestic Group companies, as we do not ask employees their age.</i></p>	POSITIONS	MALE	FEMALE	TOTAL	Executive officer	93.7%	6.3%	63	Management (excluding Executive Officers)	86.4%	13.6%	3,489	Employees (excluding Executive Officers and Management)	66.2%	26.0%	46,096	AGE GROUP	MALE	FEMALE	TOTAL	Under 30	0	0	0	30–50	6	0	6	Over 50	50	3	53
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405-2	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	<p>Location Basis of Reporting</p> <table border="1"> <thead> <tr> <th>SIGNIFICANT OPERATIONS</th> <th>EMPLOYEE CATEGORY</th> <th>RATIO OF ANNUAL BASE SALARY OF WOMEN TO MEN IN 2018</th> </tr> </thead> <tbody> <tr> <td rowspan="4">JTI Geneva HQ</td> <td>Vice President</td> <td>94.7%</td> </tr> <tr> <td>Director</td> <td>96.0%</td> </tr> <tr> <td>Manager</td> <td>92.6%</td> </tr> <tr> <td>Associate</td> <td>103.0%</td> </tr> <tr> <td rowspan="3">JT Tokyo HQ</td> <td>Executive Officer</td> <td>87.8%</td> </tr> <tr> <td>Management</td> <td>95.1%</td> </tr> <tr> <td>Employee</td> <td>99.1%</td> </tr> </tbody> </table>	SIGNIFICANT OPERATIONS	EMPLOYEE CATEGORY	RATIO OF ANNUAL BASE SALARY OF WOMEN TO MEN IN 2018	JTI Geneva HQ	Vice President	94.7%	Director	96.0%	Manager	92.6%	Associate	103.0%	JT Tokyo HQ	Executive Officer	87.8%	Management	95.1%	Employee	99.1%													
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Non-discrimination

103-1	Management approach: Explanation of the material topic and its boundary	<p>Location JT Global website: https://www.jt.com/sustainability/way_of_business/materiality_strategy/</p>
103-2	Management approach: The management approach and its components	<p>Location Good governance and business standards JT Global website: https://www.jt.com/sustainability/people_planet_society/people/ Basis of Reporting</p>

GRI STANDARD	DESCRIPTION	LOCATION OF DISCLOSURE, ADDITIONAL COMMENTS
103-3	Management approach: Evaluation of the management approach	<p><u>Location</u> Good governance and business standards JT Global website: https://www.jt.com/sustainability/people_planet_society/people/Basis_of_Reporting</p>
406-1	Total number of incidents of discrimination and corrective actions taken	<p><u>Location</u> Good governance and business standards JT Global website: https://www.jt.com/sustainability/people_planet_society/people/Basis_of_Reporting</p> <p>In 2018, three alleged cases of workplace discrimination were reported. One of the three was proven as a violation of our Codes of Conduct, and we took appropriate corrective action.</p>

Freedom of Association and Collective Bargaining

103-1	Management approach: Explanation of the material topic and its boundary	<p><u>Location</u> JT Global website: https://www.jt.com/sustainability/way_of_business/materiality_strategy/</p>
103-2	Management approach: The management approach and its components	<p><u>Location</u> Building sustainable supply chains Agricultural Labor Practices booklet: https://www.jti.com/sites/default/files/global-files/documents/related-documents/jti_ALP_booklet2017_view_doublepage.pdf</p>
103-3	Management approach: Evaluation of the management approach	<p><u>Location</u> Building sustainable supply chains</p>
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	<p><u>Location</u> Building sustainable supply chains</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 Agricultural Labor Practices program.</p>

Child Labor

103-1	Management approach: Explanation of the material topic and its boundary	<p><u>Location</u> JT Global website: https://www.jt.com/sustainability/way_of_business/materiality_strategy/</p>
103-2	Management approach: The management approach and its components	<p><u>Location</u> Building sustainable supply chains</p>
103-3	Management approach: Evaluation of the management approach	<p>JTI website: https://www.jti.com/our-views/arise-ending-child-labor-through-education-and-opportunity ARISE website: http://ariseprogram.org/en Agricultural Labor Practices booklet: https://www.jti.com/sites/default/files/global-files/documents/related-documents/jti_ALP_booklet2017_view_doublepage.pdf</p>

GRI STANDARD	DESCRIPTION	LOCATION OF DISCLOSURE, ADDITIONAL COMMENTS
408-1	Operations and suppliers at significant risk for incidents of child labor	<p><u>Location</u> Building sustainable supply chains</p> <p>JTI website: https://www.jti.com/our-views/arise-ending-child-labor-through-education-and-opportunity</p> <p>ARISE website: http://ariseprogram.org/en</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 Agricultural Labor Practices program, ARISE program – Achieving Reduction of Child Labor in Support of Education, Grower Support Programs and Good Agricultural Practices, as well as communication and training, and the Eliminating Child Labour in Tobacco-Growing (ECLT) Foundation.</p>

Forced or Compulsory Labor

103-1	Management approach: Explanation of the material topic and its boundary	<p><u>Location</u> JT Global website: https://www.jt.com/sustainability/way_of_business/materiality_strategy/</p>
103-2	Management approach: The management approach and its components	<p><u>Location</u> Building sustainable supply chains</p>
103-3	Management approach: Evaluation of the management approach	<p>JTI website: https://www.jti.com/future-proof-farming</p> <p>Agricultural Labor Practices booklet: https://www.jti.com/sites/default/files/global-files/documents/related-documents/jti_ALP_booklet2017_view_doublepage.pdf</p>
409-1	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><u>Location</u> Human Rights Building sustainable supply chains – Supplier Screening</p>

Human Rights Assessment

103-1	Management approach: Explanation of the material topic and its boundary	<p><u>Location</u> JT Global website: https://www.jt.com/sustainability/way_of_business/materiality_strategy/</p>
103-2	Management approach: The management approach and its components	<p><u>Location</u> Human Rights</p>
103-3	Management approach: Evaluation of the management approach	
412-1	Total number and percentage of operations that have been subject to human rights reviews or impact assessments	<p>In 2018, we carried out human rights due diligence in Japan, which covered our Japanese domestic tobacco, pharmaceutical and processed food businesses. These businesses in total represent 41% of our Group’s consolidated revenue. We have also conducted human rights assessments in five high-risk countries in our international tobacco business.</p>
412-2	Employee training on human rights policies or procedures	<p><u>Location</u> Human Rights</p>
412-3	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	<p>In 2018, we have 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>

GRI STANDARD	DESCRIPTION	LOCATION OF DISCLOSURE, ADDITIONAL COMMENTS
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Local Communities

103-1	Management approach: Explanation of the material topic and its boundary	<u>Location</u> JT Global website: https://www.jt.com/sustainability/way_of_business/materiality_strategy/
103-2	Management approach: The management approach and its components	<u>Location</u> Investing in people Improving our social impact
103-3	Management approach: Evaluation of the management approach	
413-1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	<u>Location</u> <u>Basis of Reporting</u> Corporate community investment programs: We have corporate community investment projects implemented in 79% of the countries where we operate. There are 63 countries in which we have corporate community investment projects. 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.

Supplier Social Assessment

103-1	Management approach: Explanation of the material topic and its boundary	<u>Location</u> JT Global website: https://www.jt.com/sustainability/way_of_business/materiality_strategy/
103-2	Management approach: The management approach and its components	<u>Location</u> Building sustainable supply chains
103-3	Management approach: Evaluation of the management approach	
414-1	Percentage of new suppliers that were screened using social criteria (or provide a statement describing future plans)	
414-2	Negative social impacts in the supply chain and actions taken	

Public Policy

103-1	Management approach: Explanation of the material topic and its boundary	<u>Location</u> JT Global website: https://www.jt.com/sustainability/way_of_business/materiality_strategy/
103-2	Management approach: The management approach and its components	<u>Location</u> Optimizing the regulatory environment Exceeding expectations with products and services – Latest regulatory developments on e-cigarettes in 2018
103-3	Management approach: Evaluation of the management approach	<u>Location</u> Optimizing the regulatory environment Exceeding expectations with products and services – Latest regulatory developments on e-cigarettes in 2018

GRI STANDARD	DESCRIPTION	LOCATION OF DISCLOSURE, ADDITIONAL COMMENTS
415-1	Total value of political contributions by country and recipient/beneficiary	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 2017, 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.

Customer Health and Safety

103-1	Management approach: Explanation of the material topic and its boundary	<p><u>Location</u> JT Global website: https://www.jt.com/sustainability/way_of_business/materiality_strategy/</p>
103-2	Management approach: The management approach and its components	<p><u>Location</u> Exceeding expectations with products and services</p>
103-3	Management approach: Evaluation of the management approach	<p>Our pharmaceutical business Our processed food business</p>
416-1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	<p><u>Location</u> Exceeding expectations with products and services Our pharmaceutical business Our processed food business</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>
416-2	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>During 2018, 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

103-1	Management approach: Explanation of the material topic and its boundary	<p><u>Location</u> JT Global website: https://www.jt.com/sustainability/way_of_business/materiality_strategy/</p>
103-2	Management approach: The management approach and its components	<p><u>Location</u> Our tobacco business Our pharmaceutical business Our processed food business</p>
103-3	Management approach: Evaluation of the management approach	<p><u>Location</u> Our tobacco business Our pharmaceutical business Our processed food business</p>
417-2	Total number of incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and labeling	<p>During 2018, 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>
417-3	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>During 2018, 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>

GRI STANDARD	DESCRIPTION	LOCATION OF DISCLOSURE, ADDITIONAL COMMENTS
FP5	Percentage of production volume manufactured in sites certified by an independent third party according to internationally recognized food safety management system standards	<u>Location</u> Our processed food business

Socioeconomic Compliance

103-1	Management approach: Explanation of the material topic and its boundary	<u>Location</u> JT Global website: https://www.jt.com/sustainability/way_of_business/materiality_strategy/
103-2	Management approach: The management approach and its components	<u>Location</u> Good governance and business standards – Living our Codes of Conduct
103-3	Management approach: Evaluation of the management approach	
419-1	Significant fines and non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area	During 2018, there were no significant fines or non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area.