

## Global Reporting Initiative (GRI) ♦ Index

We have compiled our FY2021 <u>on-line sustainability content</u> with reference to the principles of the Global Reporting Initiative (GRI) Index Sustainability Reporting Standards. We defined the content of this document using a materiality assessment that covered the entire JT Group.

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

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

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### **Universal Standard Disclosures**

### **Organizational Profile**

GRI indicator	Disclosure
<b>102-1</b> Name of organization	Japan Tobacco Inc.
<b>102-2</b> Activities, brands, products, and services	Corporate profile The regulatory approach to the Reduced-Risk Products* category varies greatly from country to country. Depending on the jurisdiction and product characteristics, there may be no restrictions, outright bans, or any number of regulatory variants. There are countries in which: >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 cigarette regulations also apply to T-Vapor. * Reduced-Risk Products (RRP) are those with the potential to reduce the risks associated with smoking.
<b>102-3</b> Location of headquarters	About our reporting
<b>102-4</b> Location of operation	<u>Corporate profile</u>
<b>102-5</b> Ownership and legal form	Integrated Report FY2021: >History of the JT Group p.20-21 >Shareholder information p.1128-129
<b>102-6</b> Markets served	<ol> <li>Geographic locations where products and services are offered: <u>Corporate profile</u></li> <li>Sectors served: <u>Corporate profile</u></li> <li>Types of customers and beneficiaries: <u>Our tobacco business value chain</u> <u>Our pharmaceutical business value chain</u> <u>Our processed food business value chain</u></li> </ol>

GRI indicator	Disclosure
<b>102-7</b> Scale of organization	<ul> <li>1. Total number of employees: Integrated Report FY2021: Fact sheet (supplementary document)</li> <li>2. Total number of operations: March 23, 2022 <u>Annual Securities Report</u> <sup>1</sup> &gt;Consolidated financial statements</li> <li>3. Net sales (for private sector organizations) or net revenues (for public sector organizations): Integrated Report FY2021 &gt;Key performance indicator p.14-15</li> <li>4. Total capitalization (for private sector organizations) broken down in terms of debt and equity: Integrated Report FY2021: Fact sheet (financial data)</li> <li>5. Quantity of products or services provided Integrated Report FY2021; &gt;Business Review p.26-67</li> </ul>
102-8	Corporate profile

Information on employees and other workers Corporate profile Basis of Reporting

# EMPLOYEES BY TYPE OF CONTRACT AND GENDER AS OF THE END OF 2021

#### Disclosure

TYPE OF CONTRACT	MALE	FEMAL E	TOTAL
Permanent (full- and part-time)	35,254	12,846	48,100
Temporary full-time	3,438	1,339	4,777
Temporary part-time <sup>*C</sup>	n/a	n/a	5,769
Temporary part-time <sup>*E</sup>	8	17	25
Supervised workers *C	n/a	n/a	1,384

COUNTRY	THE NUMBER OF EMPLOYEES		TOTAL	
	MALE	FEMALE		
Japan	13,319	5,191	18,510	
Total of all other countries (excluding Japan)	25,373	8,994	34,367	

The above data excludes temporary part-time and supervised workers.

**102-9** Supply chain Description of the organization's supply chain, including its main elements as they relate to the organization's activities, primary brands, products, and services.

<u>Corporate profile – Our businesses</u> <u>Our tobacco business value chain</u> <u>Building sustainable supply chains</u>

GRI indicator	Disclosure
	<u>Our pharmaceutical business value chain</u> Our processed food business value chain
<b>102-10</b> Significant changes to the organization and its supply chain	<ol> <li>Changes in the location of, or changes in, operations, including facility openings, closings, and expansions:         About our reporting         JT Inc., head office relocation         2. Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations):         About our reporting         Integrated Report FY2021:         Shareholder information p.128-129         3. 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         Building sustainable supply chains         Exceeding expectations with products and services(Reduced-Risk Products supply chain)         Our pharmaceutical business value chain     </li> </ol>
	Our processed food business value chain
<b>102-11</b> Precautionary principle or approach	Whether and how the organization applies to the precautionary principle or approach. <u>Materiality</u> <u>Risk management</u>
<b>102-12</b> External initiatives	A list of externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes, or endorses. Stakeholder engagement
<b>102-13</b> Membership of associations	A list of the main memberships of industry or other associations, and national or international advocacy organizations. Stakeholder engagement

Strategy Ethics and Integrity

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

### Governance

GRI indicator	Disclosure
<b>102-14</b> Statement from senior decision- maker	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. CEO message: Integrated Report FY2021 >p.3 CSO Message
<b>102-15</b> Key impacts, risks, and opportunities	Integrated Report FY2021: >Value creation story p.22-25 >Investing in people p.68-71 >Our material issues、sustainability strategy, focus areas of each business and KPIs p.30-33 >Risk factors p.80-83 >Non-financial key performance p.16-17 >Thee absolute requirements (Respecting human rights, improving our social and environmental impact) p.73-79 >Awards and recognition p.126-127 > <u>Our sustainability strategy</u> (materiality, sustainability strategy, sustainable development goals Tobacco business sustainability strategy targets Pharmaceutical business sustainability strategy targets Processed food business sustainability strategy targets
<b>102-18</b> Governance structure	<ul> <li>1 Governance structure of the organization, including committees of the highest governance body.</li> <li>2 Committees responsible for decision-making on economic, environmental, and social topics.</li> <li><u>Integrated Report FY2021:</u></li> <li>&gt;Good governance and business standards p.88-111</li> <li><u>Corporate Governance</u></li> <li><u>Compliance</u></li> </ul>
<b>102-19</b> Delegating authority	Process for delegating authority for economic, environmental, and social topics from the highest governance body to senior executives and other employees. <u>Integrated Report FY2021:</u> >Good governance and business standards p.88-111
<b>102-20</b> Executive-level responsibility for economic,	1 Whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental, and social topics. 2 Whether post holders report directly to the highest governance body.

GRI indicator	Disclosure
environmental, and social topics	Integrated Report FY2021: >Good governance and business standards p.88-111
	JTI Executive Committee: <u>https://www.jti.com/about-us/our-business/our-leadership</u> ロ
	1 Processes for consultation between stakeholders and the highest governance body on economic, environmental, and social topics.
	2 If consultation is delegated, describe to whom it is delegated and how the resulting feedback is provided to the highest governance body. <u>JT Group Materiality</u>
	Stakeholder engagement
<b>102-21</b> Consulting	Our initiatives for stakeholder engagement are described in the Sustainability section of our global website. For example, our engagement with:
stakeholders on economic, environmental,	<ul> <li>our suppliers such as directly contracted growers, third-party suppliers of tobacco leaf or other suppliers as well as government agencies, NGOs and industry organizations (see <u>Building sustainable supply chains</u>);</li> </ul>
and social topics	<ul> <li>our consumers or retailers (see <u>Exceeding expectations with products and services</u>);</li> <li>&gt; law enforcement partners in tackling illegal trade (see <u>Tackling the Illegal trade</u>);</li> </ul>
	<ul> <li>local communities (see <u>Improving our social impact</u>);</li> </ul>
	<ul> <li>our employees (see <u>Our people</u>, or <u>The JT Group health and safety</u>);</li> <li>our Human Rights External Advisory Board and other partners (see</li> </ul>
	Respecting human rights).
	Integrated Report FY2021: >CFO message p.34-37
102-22	Composition of the highest governance body and its committees by:
Composition of the highest	1 Executive or non-executive
governance body and its	2 Independence
committees	3 Tenure on the governance body
	4 Number of each individual's other significant positions and commitments, and
	5 The nature of the commitments
	6 Gender
	7 Membership of under-represented social groups
	8 Competencies relating to economic, environmental, and social topics
	9 Stakeholder representation

### Stakeholder Engagement

GRI indicator	Disclosure
<b>102-40</b> List of stakeholder groups	Stakeholder engagement         Integrated Report FY2021:         >CFO message p.34-37         Our initiatives for stakeholder engagement are described throughout the sustainability content. See explanation for 102-21 for more details.         JT Corporate Governance Policy         https://www.jt.com/about/corporate_governance/governance_policy/index.html
<b>102-41</b> Collective bargaining agreements	Basis of Reporting A total of 65 companies have a union in our Group, and 99.6% of eligible employees (only in JT and Japanese domestic group companies) are covered by collective bargaining agreements. Due to legal requirements in certain countries, we can't know whether employees are unionized, and thus cannot provide the information regarding employees in our international tobacco business.
<b>102-42</b> Identifying and selecting stakeholders	The basis for identifying and selecting stakeholders with whom to engage. <u>Stakeholder engagement</u> <u>Integrated Report FY2021:</u> >CFO message p.34-37 Our initiatives for stakeholder engagement are described throughout the sustainability content. See explanation for 102-21 for more details. JT Corporate Governance Policy <u>https://www.jt.com/about/corporate_governance/governance_policy/index.html</u>
<b>102-43</b> Approach to stakeholder engagement	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. <u>Stakeholder engagement</u> JT Corporate Governance Policy <u>https://www.jt.com/about/corporate_governance/governance_policy/index.html</u>
<b>102-44</b> Key topics and concerns raised	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. <u>Stakeholder engagement</u>

GRI indicator	Disclosure
	Integrated Report FY2021:
	>Value creation p.18-25
	>Sustainability: Strategy p.30-33, Absolute requirements for sustainability p.73-79

**Reporting Practice** 

GRI indicator	Disclosure
<b>102-45</b> Entities included in the consolidated financial statements	JT Annual Securities Report FY2021: https://www.jti.co.jp/investors/others/12g3_2/index.html ロ
	1 An explanation of the process for defining the report content and the topic boundaries.
<b>102-46</b> Defining report content and topic boundaries	2 An explanation of how the organization has implemented the Reporting Principles for defining report content. <u>JT Group Materiality</u> <u>Our sustainability strategy</u> <u>Scope of data and information presented</u>
<b>102-47</b> List of material topics	A list of the material topics identified in the process for defining report content. <u>JT Group Materiality</u>
<b>102-48</b> Restatement of information	<u>JT Group health and safety &gt; Our health and safety performance as a Group</u> Recordable Injury Rate (per 200,000 working hours) in 2020 has been restated from 0.30 to 0.29 due to the recalculation.
<b>102-49</b> Changes in reporting	Significant changes from previous reporting periods in the list of material topics and topic boundaries. Not applicable <u>Materiality</u>
<b>102-50</b> Reporting period	About our reporting
<b>102-51</b> Date of most recent report	
<b>102-52</b> Reporting cycle	

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

### **Topic-specific Standards Disclosures**

### **Economic Performance**

#### 103-1

Management approach: Explanation of the material topic and its boundary

#### 103-2

Management approach: The management approach and its components

#### 103-3

Management approach: Evaluation of the management approach

#### 201-1

Direct economic value generated and distributed

### Tax practice

Integrated Report FY2021: >Message from the CEO p.6-11 >Financial review p.112-123 >Improving our social impact p.75

#### Tax practice

Integrated Report FY2021: >Message from the CEO p.6-11 >Financial review p.112-123

### JT Group Materiality

**GRI** indicator

#### Disclosure

2021 (MILLION YEN)
2,324,838
501,536
127,999
5,400,405
251,961
5,486

\* Excluding tobacco excise taxes and revenue from agent transactions.

### **Market Presence**

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

		Disclosure		
SIGNIFICANT OPERATIONS		DARD ENTRY-LEVEL WAGE TO L MINIMUM WAGE		
	Male	155.9%		
JTI Moscow	Female	155.9%		
	Male	217.6%		
	Female	217.6%		
	Male	139.2%		
JIIIrier	Female	139.2%		
JTI UK	Male	138.8%		
	Female	138.8%		
	OPERATIONS JT Tokyo HQ JTI Moscow JTI Trier	OPERATIONSLOCAJTT Tokyo HQMaleFemaleMaleJTI MoscowFemaleJTI MoscowFemaleJTI TrierMaleJTI TrierMaleJTI UKMale		

### Indirect Economic Impacts

GRI indicator	Disclosure			
<b>103-1</b> Management approach: Explanation of the material topic and its boundary	<u>JT Group Materiality</u>			
<b>103-2</b> Management approach: The management approach and its components				
<b>103-3</b> Management approach: Evaluation of the management approach	<u>Building sustainable supply chains</u>			
<b>203-1</b> Development and impact of infrastructure investments and services supported	As part of our Global Leaf CAPEX projects, we invested 19.52 million U.S. dollars in infrastructure-related projects in Brazil, Malawi, Tanzania, U.S., and Zambia. In addition, we invested 0.9 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>Building sustainable supply chains</u> <u>Tackling illegal trade</u>			

### **Procurement Practices**

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

#### Disclosure

SIGNIFICAN T LOCATIONS	SUPPLIER TYPE	% OF LOCAL SPEND IN 2021
Japan	Tobacco leaf and non-tobacco material suppliers	67
Geneva HQ	Non-tobacco materials and other products and services suppliers	45
Germany	Non-tobacco materials and other products and services suppliers	72
Philippines	Non-tobacco materials and other products and services suppliers	52
Russia	Non-tobacco materials and other products and services suppliers	32
Taiwan	Non-tobacco materials and other products and services suppliers	47

The percentage of local suppliers of bulk drug substances to our pharmaceutical business is 0%. The percentage of local spend for Tier 1 suppliers of TableMark on its raw material sourcing is 100%.

### Anti-corruption

GRI indicator	Disclosure
<b>103-1</b> Management approach: Explanation of the material topic and its boundary	<u>JT Group Materiality</u> <u>Integrated Report FY2021:</u> >Good governance and business standards p.88-111
<b>103-2</b> Management approach: The management approach and its components	Integrated Report FY2021: >Good governance and business standards p.88-111
<b>103-3</b> Management approach: Evaluation of the management approach	JT Group Anti-Bribery Policy Anti-bribery and corruption
<b>205-2</b> Communication and training on anti-corruption policies and procedures	Anti-bribery and corruption

### Anti-competitive Behavior

GRI indicator	Disclosure
<b>103-1</b> Management approach: Explanation of the material topic and its boundary	<u>JT Group Materiality</u> <u>Integrated Report FY2021:</u> >Good governance and business standards p.88-111
<b>103-2</b> Management approach: The management approach and its components	<u>JT Group Materiality</u> <u>Integrated Report FY2021:</u> >Good governance and business standards p.88-111
<b>103-3</b> Management approach: Evaluation of the management approach	Anti-competitive behavior Integrated Report FY2021: >Good governance and business standards p.88-111
<b>206-1</b> Total number of legal actions for anti-competitive behavior, anti- trust, and monopoly practices and their outcomes	March 23, 2022 <u>Annual Securities Report</u> Consolidated Financial Statements, Notes to Consolidated Financial Statements, Contingencies

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

### Energy

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

### Water and Effluents

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

### Biodiversity

	1	:	
GRI	Ina	icai	lor

#### 103-1

Management approach: Explanation of the material topic and its boundary

#### 103-2

Management approach: The management approach and its components

#### 103-3

Management approach: Evaluation of the management approach

#### 304-2

Significant impacts of activities, products, and services on biodiversity

#### JT Group Materiality

Environment and our operations

We approach biodiversity as a topic integrated into our responsible business operations.

#### Environment and our operations

Impacts on biodiversity can be observed directly or indirectly through activities such as:

>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

#### 103-2

Management approach: The management approach and its components

#### 103-3

Management approach: Evaluation of the management approach

#### 305-1

Direct GHG emissions (Scope 1) Environment and our operations > Energy and emissions and climate change

#### Basis of Reporting

JT Group Materiality

#### 305-2

Energy indirect GHG emissions (Scope 2)

#### 305-3

Other indirect GHG emissions (Scope 3)

**305-5** Reduction of GHG emissions

### Waste

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

### **Environmental Compliance**

GRI indicator	Disclosure
<b>103-1</b> Management approach: Explanation of the material topic and its boundary	<u>JT Group Materiality</u>
<b>103-2</b> Management approach: The management approach and its components	<u>The JT Group Environment Policy</u>
<b>103-3</b> Management approach: Evaluation of the management approach	
<b>307-1</b> Monetary value of significant fines and total number of non- monetary sanctions for non-compliance with environmental laws and regulations	During 2021, 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

#### 103-2

Management approach: The management approach and its components

#### 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

### Employment

#### JT Group Materiality

#### Building sustainable supply chains

GRI indicator	Disclosure
<b>103-1</b> Management approach: Explanation of the material topic and its boundary	<u>JT Group Materiality</u>
<b>103-2</b> Management approach: The management approach and its components	
<b>103-3</b> Management approach: Evaluation of the management approach	<u>Talent attraction</u>
401-1	Basis of Reporting

#### Total number and rates of new employee hires and employee turnover by age group, gender, and region

### NEW EMPLOYEES' HIRE AND TURNOVER

BY GENDER	MALE	FEMALE	TOTAL
Total number of new employees	4,845	1,778	6,623
New employee hire rate	12.5%	12.5%	12.5%
Total employee turnover	3,469	1,759	5,228
Employee turnover rate	9.0%	12.4%	9.9%

BY AGE	> 30	30- 50	> 50	TOT AL
Total number of new employees (only in JT and JTI)	2,19 0	3,76 2	152	6,10 4
New employee hire rate (only in JT and JTI)	32.2 %	13.2 %	2.5%	14.7 %
Total employee turnover*	1,12 1	2,80 8	1,29 9	5,22 8
Employee turnover rate*	13.8 %	8.3%	14.0 %	10.2 %

\* Some Japanese Group companies (Akros Pharma Inc. and Fuji Foods) are excluded.The denominator of the "employee turnover rate by gender" and "employee turnover rate by age" are different.

#### Basis of Reporting

At the end of 2021, significant locations included our JT head office in Tokyo, Japan, and our international tobacco business head office in Geneva, Switzerland. Our international tobacco business, for instance, positions compensation levels in the 75th percentile against companies with which we compete for talent.

### JT HEAD OFFICE IN TOKYO

401-2

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

BENEFITS	PER MA NEN T EMP LOY EES	TEMPO FULL- EMPLO COM MIS SION ED PER SON NEL	TIME	TEMP ORAR Y PART- TIME EMPL OYEE S
Bereaved family compensation program	Y			
Regular health examination	Y	Y	Y	Y
Medical leave system	Y	Y		
Parental leave	Y	Y	Y	Y
Retirement provision	Y			
Stock ownership	Y			

# INTERNATIONAL TOBACCO BUSINESS HEAD OFFICE IN GENEVA

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

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

We also provide more benefits related to generational diversity and work-life balance to our employees. Regarding initiatives in our Japanese operations and international tobacco business, please see <u>Investing in people</u>.

### Labor/Management Relations

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GRI		ICa	lUI

#### 103-1

Management approach: Explanation of the material topic and its boundary

#### 103-2

Management approach: The management approach and its components

#### 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 We comply fully within the framework of local law in our places of operation.

#### About our reporting

#### Basis of Reporting

MINIMUM NOTICE PERIODS regarding operational changes	NUMBER OF MONTHS between the announceme nt and the time the first employee leaves the factory because of the closure	NUMBER OF MONTHS between the announceme nt and the final closure	MINIMUM NOTICE PERIOD FOR CONSULTATI ON AND NEGOTIATIO N: Is this minimum notice period specified in collective agreements?
NA	NA	NA	NA

#### Disclosure

<u>JT Group Materiality</u>

GRI indicator	Disclosure
	In 2019, our international tobacco business refined the organizational structure and globally 3,720 employees will be affected by the organizational change over the next three years. However, during the same period 1,300 new positions will be created. Each employee was notified of the change in accordance with local labor laws.

## Occupational Health and Safety

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

GRI indicator	Disclosure
<b>403-5</b> Worker training on occupational health and safety	<u>The JT Group health and safety</u>
<b>403-6</b> Promotion of worker health	The JT Group health and safety
	Description of our approach to preventing and mitigating significant occupational health and safety impacts that are directly linked to business.
<b>403-7</b> Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	<ul> <li>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.</li> <li>Exposure to hazardous substances and green tobacco sickness pose a particular risk to tobacco farming, so we take steps to prevent this through our ALP program. We also follow industry best practices set by CORESTA:</li> <li>No.17 – Sustainability in Leaf Tobacco Production and Elimination of Highly Hazardous Pesticides (HHPs) in Leaf Tobacco Production and Elimination of Highly Hazardous Pesticides (HHPs) in Leaf Tobacco Production and Elimination of Highly Hazardous Pesticides (HHPs) in Leaf Tobacco Production and Elimination of Highly Hazardous Pesticides (HHPs) in Leaf Tobacco Production and Elimination of Highly Hazardous Pesticides (HHPs) in Leaf Tobacco Production and Elimination of Highly Hazardous Pesticides (HHPs) in Leaf Tobacco Production and Elimination of Highly Hazardous Pesticides (HHPs) in Leaf Tobacco Production and Elimination of Highly Hazardous Pesticides (HHPs) in Leaf Tobacco Production and Elimination of Highly Hazardous Pesticides (HHPs) in Leaf Tobacco Production and Elimination of Highly Hazardous Pesticides (HHPs) in Leaf Tobacco Production and Elimination of Highly Hazardous Pesticides (HHPs) in Leaf Tobacco Production and Elimination of Highly Hazardous Pesticides (HHPs) in Leaf Tobacco Production and Elimination of Highly Hazardous Pesticides (HHPs) in Leaf Tobacco Production and Elimination of Highly Hazardous Pesticides (HHPs) in Leaf Tobacco Production and Elimination of Highly Hazardous Pesticides (HHPs) in Leaf Tobacco Production and Elimination of Highly Hazardous Pesticides (HHPs) in Leaf Tobacco Production and Pase Production and Pase Pase Pase Pase Pase Pase Pase Pase</li></ul>
<b>403-8</b> Workers covered by an occupational health and safety management system	Our occupational health and safety management system covers employees, supervised workers, and third-party contractors.
<b>403-9</b> Injury rate (IR), occupational disease rate (ODR), lost day rate (LDR), absentee rate	<u>The JT Group health and safety</u> We don't disclose breakdown of health and safety data by gender as we do not have a significant difference in results between men and women in the workforce. In our Japanese operations, the absenteeism in 2021 was reported as 0.74.

(AR), and fatalities by

GRI indicator	Disclosure
region and by gender	
<b>403-10</b> Work-related ill health	The JT Group health and safety

# Training and Education

GRI indicator	Disclosure
<b>103-1</b> Management approach: Explanation of the material topic and its boundary	<u>JT Group Materiality</u>
<b>103-2</b> Management approach: The management	

#### Talent development

#### 103-3

Management approach: Evaluation of the management approach

approach and its components

#### 404-2

Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings

#### 404-3

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

#### Talent development

Average hours per employee of training and development: 158.0 hours (\*D)

Average amounts spent per FTE on training and development: 48,604 Yen (\*D)

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

GRI indicator	Disclosure			
employee category	BY GENDER	2020	BY EMPLOYEE CATEGORY <sup>*D</sup>	2020
	Male	77.5%	Executive Officers	100%
	Female	68.5%	Management (excluding Executive Officers)	97.2%
			Employees (excluding management)	62.1%

### **Diversity and Equal Opportunity**

Our workforce is diverse comprising of employees from over 100 countries, ranging from Japan, Philippines, Russia, EU countries, UK or Brazil, to name but a few. Percentage of employees with disabilities for FY2021 was 3.20% for JT.

Disclosure
<u>JT Group Materiality</u>
Diversity and inclusion
Diversity and inclusion

#### 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

### BREAKDOWN OF EMPLOYEES BY GENDER AND AGE GROUP (Except Executive Officers)

AGE GROUP	MALE	FEMALE	TOTAL
Under 30	5,368	2,770	8,138
30-50	25,190	8,637	33,827
Over 50	7,290	1,956	9,246

Akros Pharma Inc. and Fuji Foods are excluded from the data by age group.

Disclosure

# EMPLOYEES BY POSITION AND GENDER AT THE END OF 2021

POSITIONS	MALE	FEMALE	TOTAL
Executive Officer	95.7%	4.3%	70
Management (excluding Executive Officers) *	83.8%	16.2%	3,391
Employees (excluding Executive Officers and Management)	72.4%	27.6%	49,416

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

# EXECUTIVE OFFICERS BY POSITION AND GENDER AT THE END OF 2021

AGE GROUP	MALE	FEMALE	TOTAL
Under 30	0	0	0
30-50	5	2	7
Over 50	62	1	63

GRI indicator	Disclosure
	This data does not include 3 executives in our Japanese domestic Group companies, as we do not ask employees their age.

#### Basis of Reporting

SIGNIFICANT OPERATIONS	EMPLOYEE CATEGORY	RATIO OF ANNUAL BASE SALARY OF WOMEN TO MEN
	Vice President	88.6%
JTI Geneva HQ	Director	96.6%
	Manager	94.5%
	Associate	112.3%
	Executive Officer	86.4%
JT Tokyo HQ	Management	91.3%
	Employee	95.6%
	Director	104.9%
JTI UK	Manager	96.6%
	Associate	87.7%

405-2 Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation

### Non-discrimination

GRI indicator	Disclosure
<b>103-3</b> Management approach: Evaluation of the management approach	Integrated Report FY2021: >Good governance and business standards p.88-111 Our Codes of Conduct Diversity and inclusion Basis of Reporting
<b>406-1</b> Total number of incidents of discrimination and corrective actions taken	Our Codes of ConductDiversity and inclusionBasis of ReportingIn 2021, 10 alleged cases of workplace discrimination were reported. None of the reported cases were proven as a violation of our Codes of Conduct.

### Freedom of Association and Collective Bargaining

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

### Child Labor

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

### Forced or Compulsory Labor

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

### Human Rights Assessment

labor

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#### Disclosure

#### 103-1

Management approach: Explanation of the material topic and its boundary

#### 103-2

Management approach: The management approach and its components

#### 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

#### 412-2

Employee training on human rights policies or procedures

#### 412-3

Total number and percentage of significant investment

### JT Group Materiality

#### Respecting human rights

We have implemented human rights due diligence in Japan since 2016, which covered our Japanese domestic tobacco, pharmaceutical and processed food businesses. These businesses in total represent 38% of our Group's consolidated revenue.

Since 2018, we have also conducted human rights assessments in ten high-risk markets in our international tobacco business. A further 17 high risk markets were subject to a human rights self-assessment questionnaire.

#### Respecting human rights

In 2018, we implemented a formal process for 100% of all significant investment agreements and new acquisitions covering human rights, by updating our Business Development Risk Assessment Protocol to include pre-acquisition human rights screening.

GRI indicator	Disclosure
agreements and	
contracts that	
include human	
rights clauses or	
that underwent	
human rights	
screening	

### Local Communities

GRI indicator	Disclosure
<b>103-1</b> Management approach: Explanation of the material topic and its boundary	<u>JT Group Materiality</u>
<b>103-2</b> Management approach: The management approach and its components	
<b>103-3</b> Management approach: Evaluation of the management approach	Improving our social impact
<b>413-1</b> Percentage of operations with implemented local community engagement, impact assessments, and development programs	Basis of Reporting Community investment programs: We have corporate community investment programs implemented in 85% of the countries where we operate. There are 60 countries in which we have community investment programs.

# Supplier Social Assessment

Disclosure

#### 103-1

Management approach: Explanation of the material topic and its boundary

#### 103-2

Management approach: The management approach and its components

#### 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)

#### JT Group Materiality

Building sustainable supply chains

**Public Policy** 

GRI indicator	Disclosure
<b>103-1</b> Management approach: Explanation of the material topic and its boundary	<u>JT Group Materiality</u>
<b>103-2</b> Management approach: The management approach and its components	<u>Optimizing the regulatory environment</u>
<b>103-3</b> Management approach: Evaluation of the management approach	<u>Optimizing the regulatory environment</u>
<b>415-1</b> Total value of political contributions by country and recipient/benefic iary	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 2021, 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

GRI indicator	Disclosure
<b>103-1</b> Management approach: Explanation of the material topic and its boundary	<u>JT Group Materiality</u>
<b>103-2</b> Management approach: The management approach and its components	Exceeding expectations with products and services - Pharmaceuticals Processed food
<b>103-3</b> Management approach: Evaluation of the management approach	
<b>416-1</b> Percentage of	Exceeding expectations with products and services

Percentage of significant product and service categories for which health and safety impacts are assessed for

improvement

#### 416-2

Total number of incidents of noncompliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by

# Exceeding expectations with products and services Pharmaceuticals Processed food

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.

#### March 23, 2022

Annual Securities Report Consolidated Financial Statements, Notes to Consolidated Financial Statements, Contingencies

GRI indicator	Disclosure
type of outcomes	

# Marketing and Labeling

GRI indicator	Disclosure
<b>103-1</b> Management approach: Explanation of the material topic and its boundary	<u>JT Group Materiality</u>
<b>103-2</b> Management approach: The management approach and its components	Tobacco Pharmaceuticals Processed food
<b>103-3</b> Management approach: Evaluation of the management approach	<u>Tobacco</u> <u>Pharmaceuticals</u> <u>Processed food</u>
<b>417-2</b> Total number of incidents of non- compliance with regulations and/or voluntary codes concerning product and service information and labeling	March 23, 2022 Annual Securities Report Consolidated Financial Statements, Notes to Consolidated Financial Statements, Contingencies
<b>417-3</b> Total number of incidents of non- compliance with regulations and voluntary codes	March 23, 2022 <u>Annual Securities Report</u> Consolidated Financial Statements, Notes to Consolidated Financial Statements, Contingencies

compliance with regulations and voluntary codes concerning marketing communications, including

GRI indicator	Disclosure
advertising, promotion, and sponsorship, by type of outcomes	

### Socioeconomic Compliance

GRI indicator	Disclosure	
<b>103-1</b> Management approach: Explanation of the material topic and its boundary	<u>JT Group Materiality</u> Integrated Report FY2021: >Good governance and business standards p.88-111	
<b>103-2</b> Management approach: The management approach and its components	Our Codes of Conduct Integrated Report FY2021: >Good governance and business standards p.88-111	
<b>103-3</b> Management approach: Evaluation of the management approach		
<b>419-1</b> Significant fines and non- monetary sanctions for non-compliance with laws and/or regulations in the social and economic area	March 23, 2022 <u>Annual Securities Report</u> Consolidated Financial Statements, Notes to Consolidated Financial Statements, Contingencies Annual securities report	

### SASB Standard - Tobacco

### **Public Health**

Code	Topics & Accounting Metrics	Our reporting
FB-TB-260a.1	(1) Gross revenue and (2) revenue net of excise taxes from (a) non-tobacco nicotine products and (b) heated tobacco products	<ul> <li>2021 Full Year Earnings Report : </li> <li>Revenue results and forecast of heated tobacco products (Reduced-Risk Products: RRP): p1, 12-13, 16, 31</li> <li>For RRP definitions : P34</li> </ul>
FB-TB-260a.2	Discussion on the process to assess risks and opportunities associated with "tobacco harm reduction" products	<u>JT Global Web 'Reduced-Risk Products</u> ( <u>RRP): Exceeding expectations with</u> product and services <u>JT Science.com</u> □

## **Marketing Practices**

Code	Topics & Accounting Metrics	Our reporting
FB-TB-270a.1	Total amount of monetary losses as a result of legal proceedings associated with marketing, labeling, and/or advertising practices	GRI Standard, Topic Specific Standards, 417-3: March 23, 2022 Annual Securities Report □ Consolidated Financial Statements, Notes to Consolidated Financial Statements, Contingencies
FB-TB-270a.2	Description of the company's marketing policy and relevant positions on Articles 11 and 13 of the World Health Organization Framework Convention on Tobacco Control (WHO FCTC)	JT Global Web: • Our tobacco principles • Global Tobacco Marketing Principles • Our view on regualtion FY2021 Integrated Report: Regulation and key laws (P84-86)

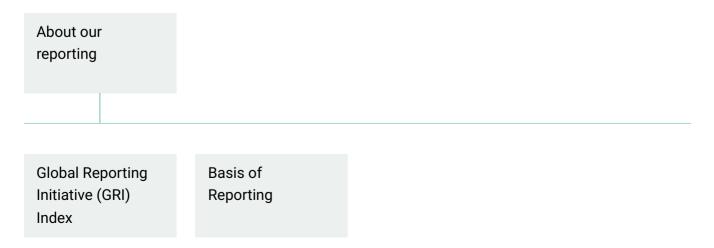
Code	Activity metric	Our reporting
FB-TB-000.A	Combustible tobacco product sales volume: (1) cigarette, (2) cigar, and (3) other smoked tobacco products <sup>3</sup>	2021 Full Year Earnings Report 🗅 p26- 31
FB-TB-000.B	Non-combustible product sales volume: (1) traditional smokeless tobacco, (2) non- tobacco nicotine products, (3) heated tobacco products, and (4) nicotine replacement therapy products <sup>4</sup>	2021 Full Year Earnings Report D p26- 31

#### About our reporting

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

Read more >

### **Related links**



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