



# GRI G4 Content Index

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The JT Group Sustainability Report FY2016 contains Standard Disclosures from the Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines and is in accordance with the GRI G4 'Core' Guidelines. The identification of the material Aspects is based on a materiality assessment for the entire JT Group.

The GRI G4 Content Index below includes the location, omissions, and additional information around the General Standard Disclosures and the Specific Standard Disclosures. Further information on the calculation methodology and scoping is available in a separate Basis of Reporting document for the areas of compliance, human resources (HR), health and safety, environment, and corporate community investment. Some of the data within the report has been externally verified.

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# GENERAL STANDARD DISCLOSURES

#	GENERAL STANDARD DISCLOSURES	LOCATION	OMISSIONS AND ADDITIONAL INFORMATION
<b>STRATEGY AND ANALYSIS</b>			
G4-1	Statement from the most senior decision-maker of the organization	<u><a href="#">CEO statement</a></u> <u><a href="#">Q&amp;A</a></u>	
<b>ORGANIZATIONAL PROFILE</b>			
G4-3	Name of the organization	<u><a href="#">Corporate profile</a></u>	
G4-4	Primary brands, products, and services	<u><a href="#">Corporate profile</a></u>	
G4-5	Location of the organization's headquarters	<u><a href="#">Corporate profile</a></u>	
G4-6	Number of countries where the organization operates, and names of countries where the organization has significant operations	<u><a href="#">Corporate profile</a></u>	
G4-7	Nature of ownership and legal form	<u><a href="#">JT Annual Report FY2016</a></u>	Detailed information is presented in the JT Annual Report FY2016: <u><a href="http://www.jt.com/investors/results/annual_report/index.html">www.jt.com/investors/results/annual_report/index.html</a></u>
G4-8	Markets served	<u><a href="#">Corporate profile</a></u>	
G4-9	Scale of the organization	<u><a href="#">Corporate profile</a></u>	Detailed information is presented in the JT Annual Report FY2016: <u><a href="http://www.jt.com/investors/results/annual_report/index.html">www.jt.com/investors/results/annual_report/index.html</a></u>  The following financial information can be found in the JT Annual Report FY2016: <ul style="list-style-type: none"> <li>• net sales (page 12)</li> <li>• total capitalization broken down in terms of debt and equity (page 3)</li> <li>• total assets (page 3)</li> <li>• beneficial ownership (including identity and percentage of ownership of largest shareholders) (pages 69–70)</li> </ul>

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# GENERAL STANDARD DISCLOSURES

#	GENERAL STANDARD DISCLOSURES	LOCATION	OMISSIONS AND ADDITIONAL INFORMATION																																																
G4-10	Workforce information	<p><b><u>Corporate profile</u></b></p> <p><b><u>GRI Index</u></b></p> <p><b><u>Basis of Reporting</u></b></p>	<table border="1"> <thead> <tr> <th>Employees by type of contract and gender as of the end of 2016</th> <th>Male</th> <th>Female</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Permanent (full- and part-time)</td> <td>28,039</td> <td>9,696</td> <td>37,735</td> </tr> <tr> <td>Temporary full-time</td> <td>1,642</td> <td>1,461</td> <td>3,103</td> </tr> <tr> <td>Temporary part-time (*C)</td> <td colspan="2">n/a</td> <td>5,744</td> </tr> <tr> <td>Temporary part-time (*E)</td> <td>17</td> <td>1</td> <td>18</td> </tr> <tr> <td>Supervised workers (*C)</td> <td colspan="2">n/a</td> <td>2,149</td> </tr> </tbody> </table> <p><b>Employees per region and gender as of the end of 2016</b></p> <table border="1"> <thead> <tr> <th>Region</th> <th>Male</th> <th>Female</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Japan</td> <td>12,485</td> <td>3,147</td> <td>15,632</td> </tr> <tr> <td>South and West Europe</td> <td>2,441</td> <td>1,588</td> <td>4,029</td> </tr> <tr> <td>North and Central Europe</td> <td>3,858</td> <td>1,527</td> <td>5,385</td> </tr> <tr> <td>CIS+*</td> <td>4,339</td> <td>1,763</td> <td>6,102</td> </tr> <tr> <td>Other</td> <td>6,558</td> <td>3,132</td> <td>9,690</td> </tr> </tbody> </table> <p>* Commonwealth of Independent States</p>	Employees by type of contract and gender as of the end of 2016	Male	Female	Total	Permanent (full- and part-time)	28,039	9,696	37,735	Temporary full-time	1,642	1,461	3,103	Temporary part-time (*C)	n/a		5,744	Temporary part-time (*E)	17	1	18	Supervised workers (*C)	n/a		2,149	Region	Male	Female	Total	Japan	12,485	3,147	15,632	South and West Europe	2,441	1,588	4,029	North and Central Europe	3,858	1,527	5,385	CIS+*	4,339	1,763	6,102	Other	6,558	3,132	9,690
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G4-11	Percentage of total employees covered by collective bargaining agreements	<p><b><u>Our people – Being a responsible employer</u></b></p> <p><b><u>GRI Index</u></b></p> <p><b><u>Basis of Reporting</u></b></p>	<p>56 companies have a union in our Group and 91.7% (*C) of eligible employees are covered by collective bargaining agreements. Due to legal requirements in certain countries, we cannot know whether employees are unionized, and thus cannot provide the information for employees in our international tobacco business.</p>																																																
G4-12	Organization’s supply chain	<p><b><u>Our tobacco business – Overview</u></b></p> <p><b><u>Our tobacco business – Supply chain management</u></b></p> <p><b><u>Our pharmaceutical business – Overview</u></b></p> <p><b><u>Our processed food business – Overview</u></b></p>																																																	

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# GENERAL STANDARD DISCLOSURES

#	GENERAL STANDARD DISCLOSURES	LOCATION	OMISSIONS AND ADDITIONAL INFORMATION
G4-13	Significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	<b><u>About this report</u></b>	
G4-14	Report whether and how the precautionary approach or principle is addressed by the organization	JT Global website <b><u>www.jt.com/csr/environ/management/index.html</u></b>  <b><u>GRI Index</u></b>	The JT Group Environment Charter reflects how we have addressed the precautionary principle.
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses	JT Global website <b><u>www.jt.com/csr/overview/stakeholder/index.html</u></b>	
G4-16	List memberships of associations and national or international advocacy organizations	JT Global website <b><u>www.jt.com/csr/overview/stakeholder/index.html</u></b>	

## IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES

G4-17	<ul style="list-style-type: none"> <li>a. List all entities included in the organization's consolidated financial statements or equivalent documents</li> <li>b. Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report</li> </ul>	<b><u>About this report</u></b>  <b><u>JT Annual Report FY2016</u></b>	
G4-18	<ul style="list-style-type: none"> <li>a. Explain the process for defining the report content and the Aspect Boundaries</li> <li>b. Explain how the organization has implemented the Reporting Principles for Defining Report Content</li> </ul>	<b><u>About this report</u></b>  <b><u>Our strategic approach – Our material issues</u></b>  <b><u>GRI Index</u></b>	Identification of GRI Aspects is based on the materiality assessment conducted for the entire JT Group.
G4-19	Material Aspects identified in the process for defining report content	<b><u>Our strategic approach – Our material issues</u></b>	
G4-20	For each material Aspect, report the Aspect Boundary within the organization	<b><u>Our strategic approach – Our material issues</u></b>	
G4-21	For each material Aspect, report the Aspect Boundary outside the organization	<b><u>Our strategic approach – Our material issues</u></b>	

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# GENERAL STANDARD DISCLOSURES

#	GENERAL STANDARD DISCLOSURES	LOCATION	OMISSIONS AND ADDITIONAL INFORMATION
G4-22	Effect of any restatements of information provided in previous reports, and the reasons for such restatements	<p><a href="#">About this report</a></p> <p><a href="#">GRI Index</a></p>	<p>The number of reported cases for violations of the Code of Conduct reported in 2015 has been restated to include certain cases that were not accounted for. Number of employees who received performance evaluations reported in 2015 have been restated as the data presented in 2015 was incomplete.</p> <p>We have previously reported that emerging products were within the scope of the international tobacco business's updated Global Marketing Standards. However, the Standards only apply to conventional tobacco products.</p> <p>Information reported for G4-PR2, G4-PR4, G4-PR7, G4-PR9, G4-SO7, G4-SO8, and G4-HR1 in 2016 has been restated to include only our international tobacco business. The scope of information was incorrectly reported as *A in 2015 and has therefore been changed to *E in 2016.</p> <p>2015 data reported for G4-EC9 for percentage of local spend on suppliers of other products and services in JTI HQ in Geneva has been restated to 86% due to a reclassification of vendors.</p>
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries	<a href="#">About this report</a>	

## STAKEHOLDER ENGAGEMENT

G4-24	List of stakeholder groups engaged by the organization	<a href="#">Our strategic approach - Stakeholder engagement</a>	
G4-25	Basis for identification and selection of stakeholders with whom to engage	<p><a href="#">Our strategic approach - Stakeholder engagement</a></p> <p><a href="#">Our strategic approach - Our management approach</a></p>	
G4-26	Organization's approach to stakeholder engagement	<p><a href="#">Our strategic approach - Stakeholder engagement</a></p> <p><a href="#">Our strategic approach - Our management approach</a></p>	
G4-27	Key topics and concerns that have been raised through stakeholder engagement	<a href="#">Our strategic approach - Stakeholder engagement</a>	

## REPORT PROFILE

G4-28	Reporting period for information provided	<a href="#">About this report</a>	
G4-29	Date of most recent previous report	<a href="#">About this report</a>	

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# GENERAL STANDARD DISCLOSURES

#	GENERAL STANDARD DISCLOSURES	LOCATION	OMISSIONS AND ADDITIONAL INFORMATION
G4-30	Reporting cycle	<a href="#">About this report</a>	
G4-31	Contact point for questions regarding the report or its contents	<a href="#">About this report</a>	
G4-32	GRI Content Index	<a href="#">GRI Index</a>	
G4-33	Organization’s policy and current practice with regard to seeking external assurance for the report	<a href="#">About this report</a>	
<b>GOVERNANCE</b>			
G4-34	Governance structure of the organization, including committees of the highest governance body	<p><a href="#">Our strategic approach</a> - <a href="#">Our management approach</a></p> <p><a href="#">Our way of doing business</a> - <a href="#">Corporate governance and transparency</a></p> <p><a href="#">About this report</a></p> <p><a href="#">JT Annual Report FY2016</a></p> <p>JT Global website <a href="http://www.jt.com/csr/overview/governance/index.html">www.jt.com/csr/overview/governance/index.html</a></p>	
<b>ETHICS AND INTEGRITY</b>			
G4-56	Organization’s values, principles, standards, and norms of behavior such as codes of conduct and codes of ethics	<p><a href="#">Our way of doing business</a></p> <p><a href="#">Our strategic approach</a> - <a href="#">Our management approach</a></p>	

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SPECIFIC STANDARD DISCLOSURES

MATERIAL ASPECT	DISCLOSURES ON MANAGEMENT APPROACH (DMA) AND INDICATOR	LOCATION	OMISSIONS AND ADDITIONAL INFORMATION														
<b>ECONOMIC</b>																	
Economic performance	DMA	<p><u><a href="#">Our way of doing business – Our tax practices</a></u></p> <p><u><a href="#">JT Annual Report FY2016</a></u></p>															
	G4-EC1 – Direct economic value generated and distributed	<p><u><a href="#">Our way of doing business – Our tax practices</a></u></p> <p><u><a href="#">Our contributions to society</a></u></p> <p><u><a href="#">JT Annual Report FY2016</a></u></p> <p><u><a href="#">GRI Index</a></u></p> <p><u><a href="#">Basis of Reporting</a></u></p>	<table border="1" data-bbox="1795 871 2864 1260"> <thead> <tr> <th data-bbox="1795 871 2597 934">Direct economic value generated and distributed</th> <th data-bbox="2597 871 2864 934">2016 (million Yen)</th> </tr> </thead> <tbody> <tr> <td data-bbox="1795 934 2597 987">Revenue<sup>1</sup></td> <td data-bbox="2597 934 2864 987">2,143,287</td> </tr> <tr> <td data-bbox="1795 987 2597 1039">Total employee benefits and wages</td> <td data-bbox="2597 987 2864 1039">367,811</td> </tr> <tr> <td data-bbox="1795 1039 2597 1092">Current income taxes</td> <td data-bbox="2597 1039 2864 1092">129,128</td> </tr> <tr> <td data-bbox="1795 1092 2597 1144">Tobacco excise taxes</td> <td data-bbox="2597 1092 2864 1144">4,483,518</td> </tr> <tr> <td data-bbox="1795 1144 2597 1197">Dividends</td> <td data-bbox="2597 1144 2864 1197">229,223</td> </tr> <tr> <td data-bbox="1795 1197 2597 1249">Corporate community investment</td> <td data-bbox="2597 1197 2864 1249">7,446</td> </tr> </tbody> </table> <p data-bbox="1795 1291 2864 1333"><sup>1</sup> Excluding tobacco excise taxes and revenue from agent transactions</p>	Direct economic value generated and distributed	2016 (million Yen)	Revenue <sup>1</sup>	2,143,287	Total employee benefits and wages	367,811	Current income taxes	129,128	Tobacco excise taxes	4,483,518	Dividends	229,223	Corporate community investment	7,446
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Dividends	229,223																
Corporate community investment	7,446																
Market presence	DMA	<u><a href="#">GRI Index</a></u>	<p>The hiring of local talent contributes to the economies of countries and regions in which we operate, and is a part of our corporate responsibility to those communities. While we have no Group-wide policy on the hiring of local employees, and our approach is to recruit and assign ‘the right person in the right position at the right time,’ we are mindful of our responsibilities in this area. All our businesses conform with legally set local minimum wage levels, and in many cases are well above these levels due to our policy of offering pay and benefits that are highly competitive. This also applies to part-time employees.</p>														

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SPECIFIC STANDARD DISCLOSURES

MATERIAL ASPECT	DISCLOSURES ON MANAGEMENT APPROACH (DMA) AND INDICATOR	LOCATION	OMISSIONS AND ADDITIONAL INFORMATION																						
<b>Market presence</b>	<b>G4-EC5</b> – Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	<u><b>GRI Index</b></u>  <u><b>Basis of Reporting</b></u>	<table border="1"> <thead> <tr> <th colspan="2" data-bbox="1795 510 2466 552"><b>Significant operations</b></th> <th data-bbox="2466 510 2873 611"><b>Ratio of standard entry level wage to local minimum wage</b></th> </tr> </thead> <tbody> <tr> <td data-bbox="1795 611 2071 663">JT Tokyo HQ</td> <td data-bbox="2071 611 2466 663">Male</td> <td data-bbox="2466 611 2873 663">172:100</td> </tr> <tr> <td></td> <td data-bbox="2071 663 2466 716">Female</td> <td data-bbox="2466 663 2873 716">172:100</td> </tr> <tr> <td data-bbox="1795 716 2071 768">JTI Moscow</td> <td data-bbox="2071 716 2466 768">Male</td> <td data-bbox="2466 716 2873 768">213:100</td> </tr> <tr> <td></td> <td data-bbox="2071 768 2466 821">Female</td> <td data-bbox="2466 768 2873 821">213:100</td> </tr> <tr> <td data-bbox="1795 821 2071 873">JTI Trier</td> <td data-bbox="2071 821 2466 873">Male</td> <td data-bbox="2466 821 2873 873">145:100</td> </tr> <tr> <td></td> <td data-bbox="2071 873 2466 926">Female</td> <td data-bbox="2466 873 2873 926">145:100</td> </tr> </tbody> </table>		<b>Significant operations</b>		<b>Ratio of standard entry level wage to local minimum wage</b>	JT Tokyo HQ	Male	172:100		Female	172:100	JTI Moscow	Male	213:100		Female	213:100	JTI Trier	Male	145:100		Female	145:100
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<b>G4-EC6</b> – Proportion of senior management hired from the local community at significant locations of operation	<u><b>GRI Index</b></u>  <u><b>Basis of Reporting</b></u>	<table border="1"> <thead> <tr> <th data-bbox="1795 993 2258 1035"><b>Significant location</b></th> <th data-bbox="2258 993 2873 1056"><b>Percentage of senior management hired from the local community</b></th> </tr> </thead> <tbody> <tr> <td data-bbox="1795 1056 2258 1108">JTI Moscow</td> <td data-bbox="2258 1056 2873 1108">60%</td> </tr> </tbody> </table>		<b>Significant location</b>	<b>Percentage of senior management hired from the local community</b>	JTI Moscow	60%																		
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JTI Moscow	60%																								
<b>Indirect economic impacts</b>	<b>DMA</b>	<u><b>Our tobacco business – Our tobacco leaf supply chain</b></u>  <u><b>Respecting human rights – Due diligence process</b></u>  <u><b>Our tobacco business – Illegal trade</b></u>  <u><b>Our contributions to society</b></u>																							
	<b>G4-EC7</b> – Development and impact of infrastructure investments and services supported	<u><b>GRI Index</b></u>	As part of our Grower Support Programs (GSPs) and Achieving Reduction of Child Labor in Support of Education (ARISE) activities in 2016, we invested more than 25.1 million U.S. Dollars in infrastructure-related projects in Brazil, Malawi, Tanzania, U.S., and Zambia.																						
	<b>G4-EC8</b> – Significant indirect economic impacts, including the extent of impacts	<u><b>Our tobacco business – Our tobacco leaf supply chain</b></u>  <u><b>Respecting human rights – Our approach</b></u>  <u><b>Our tobacco business – Illegal trade</b></u>  <u><b>Our contributions to society</b></u>																							



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SPECIFIC STANDARD DISCLOSURES

MATERIAL ASPECT	DISCLOSURES ON MANAGEMENT APPROACH (DMA) AND INDICATOR	LOCATION	OMISSIONS AND ADDITIONAL INFORMATION																					
Procurement practices	DMA	<p><u><a href="#">Our tobacco business – Supply chain management</a></u></p> <p><u><a href="#">Our pharmaceutical business – Overview</a></u></p> <p><u><a href="#">Our processed food business – Overview</a></u></p>																						
	G4-EC9 – Proportion of spending on local suppliers at significant locations of operation	<u><a href="#">GRI Index</a></u>	<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" data-bbox="1795 898 2843 1638"> <thead> <tr> <th data-bbox="1795 898 2131 1003">Significant locations</th> <th data-bbox="2131 898 2564 1003">Supplier type</th> <th data-bbox="2564 898 2843 1003">% of local spend in 2016</th> </tr> </thead> <tbody> <tr> <td data-bbox="1795 1003 2131 1108">Japan</td> <td data-bbox="2131 1003 2564 1108">Tobacco leaf and non-tobacco material suppliers</td> <td data-bbox="2564 1003 2843 1108">70%</td> </tr> <tr> <td data-bbox="1795 1108 2131 1213">JTI Geneva HQ</td> <td data-bbox="2131 1108 2564 1213">Other products and services suppliers</td> <td data-bbox="2564 1108 2843 1213">87%</td> </tr> <tr> <td data-bbox="1795 1213 2131 1318">Germany</td> <td data-bbox="2131 1213 2564 1318">Non-tobacco materials and other products and services suppliers</td> <td data-bbox="2564 1213 2843 1318">79%</td> </tr> <tr> <td data-bbox="1795 1318 2131 1423">Russia</td> <td data-bbox="2131 1318 2564 1423">Non-tobacco materials and other products and services suppliers</td> <td data-bbox="2564 1318 2843 1423">89%</td> </tr> <tr> <td data-bbox="1795 1423 2131 1528">Poland</td> <td data-bbox="2131 1423 2564 1528">Non-tobacco materials and other products and services suppliers</td> <td data-bbox="2564 1423 2843 1528">87%</td> </tr> <tr> <td data-bbox="1795 1528 2131 1638">U.K.</td> <td data-bbox="2131 1528 2564 1638">Non-tobacco materials and other products and services suppliers</td> <td data-bbox="2564 1528 2843 1638">88%</td> </tr> </tbody> </table> <p>Outside of Japan our central leaf function purchases tobacco from directly contracted farmers and merchants, which is then supplied to our cigarette and tobacco-related factories. About 50% of our spend is local – from directly contracted farmers – and the rest we buy from merchants.</p> <p>The percentage of local spend for suppliers of bulk drug substances to our pharmaceutical business is approximately 1%.</p> <p>The percentage of local spend for suppliers of TableMark is 100%.</p>	Significant locations	Supplier type	% of local spend in 2016	Japan	Tobacco leaf and non-tobacco material suppliers	70%	JTI Geneva HQ	Other products and services suppliers	87%	Germany	Non-tobacco materials and other products and services suppliers	79%	Russia	Non-tobacco materials and other products and services suppliers	89%	Poland	Non-tobacco materials and other products and services suppliers	87%	U.K.	Non-tobacco materials and other products and services suppliers	88%
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MATERIAL ASPECT	DISCLOSURES ON MANAGEMENT APPROACH (DMA) AND INDICATOR	LOCATION	OMISSIONS AND ADDITIONAL INFORMATION
Procurement practices	G4-FP1 – Percentage of purchased volume from suppliers compliant with company’s sourcing policy	<p><u><a href="#">Our processed food business – Overview</a></u></p> <p><u><a href="#">GRI Index</a></u></p>	100% of purchased volume from suppliers is compliant with the sourcing policy of the JT Group processed food business, via self-declaration of suppliers.
<b>ENVIRONMENTAL</b>			
Energy	DMA	<p><u><a href="#">Our planet – Environmental management</a></u></p> <p><u><a href="#">Our planet – GHG emissions</a></u></p>	
	G4-EN3 – Energy consumption within the organization	<p><u><a href="#">Our planet – GHG emissions</a></u></p> <p>JT Global website <u><a href="http://www.jt.com/csr/envIRON/data/index.html">www.jt.com/csr/envIRON/data/index.html</a></u></p> <p><u><a href="#">GRI Index</a></u></p> <p><u><a href="#">Basis of Reporting</a></u></p>	We use renewable and non-renewable energy sources within the organization. Renewable energy sources include solar, hydropower, biomass, and geothermal. Non-renewable energy sources include natural gas and fuel oils for heating, and diesel and petrol for fleet vehicles. We also purchase electricity, heating, and steam.
Water	DMA	<p><u><a href="#">Our planet – Environmental management</a></u></p> <p><u><a href="#">Our planet – Water</a></u></p>	
	G4-EN8 – Total water withdrawal by source	<p><u><a href="#">Our planet – Water</a></u></p> <p>JT Global website <u><a href="http://www.jt.com/csr/envIRON/data/index.html">www.jt.com/csr/envIRON/data/index.html</a></u></p> <p><u><a href="#">Basis of Reporting</a></u></p>	

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SPECIFIC STANDARD DISCLOSURES

MATERIAL ASPECT	DISCLOSURES ON MANAGEMENT APPROACH (DMA) AND INDICATOR	LOCATION	OMISSIONS AND ADDITIONAL INFORMATION
Biodiversity	DMA	<a href="#">Our planet – Biodiversity</a>	
	G4-EN12 – Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	<a href="#">Our planet – Biodiversity</a> <a href="#">GRI Index</a>	In Brazil we help farmers to plant areas of their land with native trees to promote biodiversity.
GHG emissions	DMA	<a href="#">Our planet – GHG emissions</a>	
	G4-EN15 – Direct GHG emissions (Scope 1)	<a href="#">Our planet – GHG emissions</a>	
	G4-EN16 – Energy indirect GHG emissions (Scope 2)	JT Global website <a href="http://www.jt.com/csr/environ/data/index.html">www.jt.com/csr/environ/data/index.html</a>	
	G4-EN17 – Other indirect GHG emissions (Scope 3)		
	G4-EN18 – GHG emissions intensity		<a href="#">Basis of Reporting</a>
	G4-EN19 – Reduction of GHG emissions		
Effluents and waste	DMA	<a href="#">Our planet – Waste</a>	
	G4-EN22 – Total water discharge by quality and destination	<a href="#">Our planet – Waste</a> JT Global website <a href="http://www.jt.com/csr/environ/data/index.html">www.jt.com/csr/environ/data/index.html</a> <a href="#">GRI Index</a> <a href="#">Basis of Reporting</a>	We do not have one global standard on quality of discharged water, but we comply with local laws and regulatory requirements on water. Where there are no such laws and requirements, we have a voluntary standard on the quality of water discharged. We confirm our discharged water is not reused by other organizations.
	G4-EN23 – Total weight of waste by type and disposal method	<a href="#">Our planet – Waste</a> JT Global website <a href="http://www.jt.com/csr/environ/data/index.html">www.jt.com/csr/environ/data/index.html</a> <a href="#">Basis of Reporting</a>	

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SPECIFIC STANDARD DISCLOSURES

MATERIAL ASPECT	DISCLOSURES ON MANAGEMENT APPROACH (DMA) AND INDICATOR	LOCATION	OMISSIONS AND ADDITIONAL INFORMATION
<b>Products and services</b>	<b>DMA</b>	<u><b>Our processed food business – Environmental impacts of products</b></u>  <b>GRI Index</b>	Litter from tobacco products is an issue that calls for collective action to educate adult consumers to act responsibly. A litter-free environment benefits everyone, smokers included. We adopt a two-pronged approach on this issue: creating awareness through campaigns, and providing smokers with facilities to easily throw away their cigarette butts.
	<b>G4-EN27</b> – Extent of impact mitigation of environmental impacts of products and services	<u><b>Our processed food business – Environmental impacts of products</b></u>  <b>GRI Index</b>	We understand that the mitigation of environmental impacts of products and services is an important issue. We do not currently have a holistic approach in place to address the environmental impacts of all our products and services. However, we will be looking into this in future years.
<b>Compliance</b>	<b>DMA</b>	<u><b>Our planet – Environmental management</b></u>	
	<b>G4-EN29</b> – Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	<b>GRI Index</b>	During 2016 there were no significant monetary fines or non-monetary sanctions for non-compliance with environmental laws and regulations in our international tobacco business.
<b>Supplier environmental assessment</b>	<b>DMA</b>	<u><b>Our tobacco business – Our tobacco leaf supply chain</b></u>  <u><b>Our tobacco business – Improving social and labor conditions</b></u>  <u><b>Our tobacco business – Improving environmental conditions</b></u>  <u><b>Our planet – GHG emissions</b></u>	
	<b>G4-EN32</b> – Percentage of new suppliers that were screened using environmental criteria	<u><b>Our tobacco business – Our tobacco leaf supply chain</b></u>  <b>GRI Index</b>	Through our Agricultural Labor Practices (ALP) program and the new supplier life cycle management system under development, we are working toward being able to report the percentage of new suppliers screened using environmental criteria in following years.

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SPECIFIC STANDARD DISCLOSURES

MATERIAL ASPECT	DISCLOSURES ON MANAGEMENT APPROACH (DMA) AND INDICATOR	LOCATION	OMISSIONS AND ADDITIONAL INFORMATION
<b>Supplier environmental assessment</b>	<b>G4-EN33</b> – Significant actual and potential negative environmental impacts in the supply chain and actions taken	<u><b>Our tobacco business</b></u> <u>– <b>Our tobacco leaf supply chain</b></u>  <u><b>Our tobacco business</b></u> <u>– <b>Improving environmental conditions</b></u>  <u><b>GRI Index</b></u>	Through our ALP program and the new supplier life cycle management system under development, we are working toward being able to report the significant actual and potential negative environmental impacts in the supply chain and actions taken in following years.

LABOR PRACTICES AND DECENT WORK

Employment	DMA	Our people – Employee development and talent management					
	<b>G4-LA1</b> – Total number and rates of new employee hires and employee turnover by age group, gender, and region	<u><b>Our people</b></u> <u>– <b>Employee development and talent management</b></u>  <u><b>GRI Index</b></u>  <u><b>Basis of Reporting</b></u>	<b>New employees’ hire and turnover by gender</b>	<b>Male</b>	<b>Female</b>	<b>Total</b>	
			Total number of new employees	2,686	1,423	4,109	
			Rate of new employees’ hire	9.0%	12.8%	10.1%	
			Total employee turnover	3,432	1,670	5,102	
			Employee turnover rate	11.6%	15.0%	12.5%	
			<b>New employees’ hire and turnover by age</b>	<b>&lt;30</b>	<b>30-50</b>	<b>&gt;50</b>	<b>Total</b>
			Total number of new employees (*D)	1,889	1,378	66	3,333
			Rate of new employees’ hire (*D)	36.1%	6.9%	1.4%	11.1%
			Total employee turnover	1,167	2,344	1,562	5,073
			Employee turnover rate	16.8%	8.9%	21.1%	12.5%

# SPECIFIC STANDARD DISCLOSURES

MATERIAL ASPECT	DISCLOSURES ON MANAGEMENT APPROACH (DMA) AND INDICATOR	LOCATION	OMISSIONS AND ADDITIONAL INFORMATION																																											
Employment			<table border="1"> <thead> <tr> <th data-bbox="1795 514 2136 577">New employees' hire and turnover by region</th> <th data-bbox="2136 514 2255 577">Japan</th> <th data-bbox="2255 514 2389 619">South and West Europe</th> <th data-bbox="2389 514 2507 619">North and Central Europe</th> <th data-bbox="2507 514 2626 577">CIS+*</th> <th data-bbox="2626 514 2745 577">Other</th> <th data-bbox="2745 514 2864 577">Total</th> </tr> </thead> <tbody> <tr> <td data-bbox="1795 651 2136 714">Total number of new employees</td> <td data-bbox="2136 651 2255 714">781</td> <td data-bbox="2255 651 2389 714">356</td> <td data-bbox="2389 651 2507 714">734</td> <td data-bbox="2507 651 2626 714">734</td> <td data-bbox="2626 651 2745 714">1,504</td> <td data-bbox="2745 651 2864 714">4,109</td> </tr> <tr> <td data-bbox="1795 724 2136 787">Rate of new employees' hire</td> <td data-bbox="2136 724 2255 787">5.0%</td> <td data-bbox="2255 724 2389 787">8.8%</td> <td data-bbox="2389 724 2507 787">13.6%</td> <td data-bbox="2507 724 2626 787">12.0%</td> <td data-bbox="2626 724 2745 787">15.5%</td> <td data-bbox="2745 724 2864 787">10.1%</td> </tr> <tr> <td data-bbox="1795 798 2136 850">Total employee turnover</td> <td data-bbox="2136 798 2255 850">1,369</td> <td data-bbox="2255 798 2389 850">983</td> <td data-bbox="2389 798 2507 850">475</td> <td data-bbox="2507 798 2626 850">1,014</td> <td data-bbox="2626 798 2745 850">1,261</td> <td data-bbox="2745 798 2864 850">5,102</td> </tr> <tr> <td data-bbox="1795 861 2136 913">Employee turnover rate</td> <td data-bbox="2136 861 2255 913">8.8%</td> <td data-bbox="2255 861 2389 913">24.4%</td> <td data-bbox="2389 861 2507 913">8.8%</td> <td data-bbox="2507 861 2626 913">16.6%</td> <td data-bbox="2626 861 2745 913">13.0%</td> <td data-bbox="2745 861 2864 913">12.5%</td> </tr> </tbody> </table> <p data-bbox="1795 955 2300 987">* Commonwealth of Independent States</p>							New employees' hire and turnover by region	Japan	South and West Europe	North and Central Europe	CIS+*	Other	Total	Total number of new employees	781	356	734	734	1,504	4,109	Rate of new employees' hire	5.0%	8.8%	13.6%	12.0%	15.5%	10.1%	Total employee turnover	1,369	983	475	1,014	1,261	5,102	Employee turnover rate	8.8%	24.4%	8.8%	16.6%	13.0%	12.5%		
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SPECIFIC STANDARD DISCLOSURES

MATERIAL ASPECT	DISCLOSURES ON MANAGEMENT APPROACH (DMA) AND INDICATOR	LOCATION	OMISSIONS AND ADDITIONAL INFORMATION																															
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Labor/management relations	<p><b>DMA</b></p> <p><b>G4-LA4</b> – Minimum notice periods regarding operational changes, including whether these are specified in collective agreements</p>	<p><b><u>Our people</u></b>  <b><u>– Being a responsible employer</u></b></p> <p><b><u>About this report</u></b></p> <p><b><u>GRI Index</u></b></p> <p><b><u>Basis of Reporting</u></b></p>	<table border="1"> <thead> <tr> <th data-bbox="1792 1297 2080 1570">Minimum notice periods regarding operational changes</th> <th data-bbox="2080 1297 2332 1570">Number of months between the announcement and the time the first employee leaves the factory because of the closure</th> <th data-bbox="2332 1297 2594 1570">Number of months between the announcement and the final closure</th> <th data-bbox="2594 1297 2852 1570">Is the minimum notice period for consultation and negotiation specified in collective agreements?</th> </tr> </thead> <tbody> <tr> <td data-bbox="1792 1570 2080 1623">Wervik, Belgium</td> <td data-bbox="2080 1570 2332 1623">33 months</td> <td data-bbox="2332 1570 2594 1623">39 months</td> <td data-bbox="2594 1570 2852 1623">No</td> </tr> <tr> <td data-bbox="1792 1623 2080 1707">Lisnafillan, Northern Ireland</td> <td data-bbox="2080 1623 2332 1707">20 months</td> <td data-bbox="2332 1623 2594 1707">32 months</td> <td data-bbox="2594 1623 2852 1707">No</td> </tr> </tbody> </table>	Minimum notice periods regarding operational changes	Number of months between the announcement and the time the first employee leaves the factory because of the closure	Number of months between the announcement and the final closure	Is the minimum notice period for consultation and negotiation specified in collective agreements?	Wervik, Belgium	33 months	39 months	No	Lisnafillan, Northern Ireland	20 months	32 months	No																			
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SPECIFIC STANDARD DISCLOSURES

MATERIAL ASPECT	DISCLOSURES ON MANAGEMENT APPROACH (DMA) AND INDICATOR	LOCATION	OMISSIONS AND ADDITIONAL INFORMATION													
Occupational health and safety	DMA	<u>Our people</u> – <u>Workplace health and safety</u>														
	<b>G4-LA6</b> – Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	<u>Our people</u> – <u>Workplace health and safety</u>  <u>GRI Index</u>  <u>Basis of Reporting</u>	We report lost-time incidents (LTIs) instead of lost-day rate due to the format the data is collected in our management systems.  Absenteeism is only recorded in the finished goods manufacturing sites and tobacco processing facilities in our international tobacco business, which covers approximately 9,000 employees, and in 2016 was reported as 2.09, against a target of 2.16. In 2015 this figure was 2.51.  In JT, absenteeism in 2016 was reported as 0.55. We anticipate that data for Japanese domestic Group companies will be available in future years.													
Training and education	DMA	<u>Our people</u> – <u>Employee development and talent management</u>														
	<b>G4-LA10</b> – Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	<u>Our people</u> – <u>Employee development and talent management</u>  <u>Basis of Reporting</u>														
	<b>G4-LA11</b> – Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	<u>Our people</u> – <u>Employee development and talent management</u>  <u>GRI Index</u>  <u>Basis of Reporting</u>	<table border="1"> <thead> <tr> <th>Percentage of employees receiving regular performance and career development reviews by gender (*D)</th> <th>2015</th> </tr> </thead> <tbody> <tr> <td>Male</td> <td>76.8%</td> </tr> <tr> <td>Female</td> <td>80.6%</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Percentage of employees receiving regular performance and career development reviews by employee category (*D)</th> <th>2015</th> </tr> </thead> <tbody> <tr> <td>Executive Officers</td> <td>100%</td> </tr> <tr> <td>Management (excluding Executive Officers)</td> <td>97.6%</td> </tr> <tr> <td>Employees (excluding management)</td> <td>76.3%</td> </tr> </tbody> </table> <p>We have reported on the 2015 performance appraisal data because the information for 2016 is currently being analyzed. We expect to report on this in 2017. Please refer to G4-22 for further details. In 2017 we will provide data for Japanese domestic Group companies.</p>	Percentage of employees receiving regular performance and career development reviews by gender (*D)	2015	Male	76.8%	Female	80.6%	Percentage of employees receiving regular performance and career development reviews by employee category (*D)	2015	Executive Officers	100%	Management (excluding Executive Officers)	97.6%	Employees (excluding management)
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SPECIFIC STANDARD DISCLOSURES

MATERIAL ASPECT	DISCLOSURES ON MANAGEMENT APPROACH (DMA) AND INDICATOR	LOCATION	OMISSIONS AND ADDITIONAL INFORMATION																		
<b>Diversity and equal opportunity</b>	<b>DMA</b>	<u><b>Our people</b></u> <b>- Diversity in the workplace</b>																			
	<b>G4-LA12</b> – Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	<u><b>Our people</b></u> <b>- Diversity in the workplace</b>  <b>GRI Index</b>  <b>Basis of Reporting</b>	<table border="1"> <thead> <tr> <th data-bbox="1795 636 2442 699"><b>Breakdown of employees by gender and age group</b></th> <th data-bbox="2442 636 2585 699"><b>Female</b></th> <th data-bbox="2585 636 2727 699"><b>Male</b></th> <th data-bbox="2727 636 2873 699"><b>Total</b></th> </tr> </thead> <tbody> <tr> <td data-bbox="1795 720 2442 772">Under 30</td> <td data-bbox="2442 720 2585 772">2,410</td> <td data-bbox="2585 720 2727 772">4,518</td> <td data-bbox="2727 720 2873 772">6,928</td> </tr> <tr> <td data-bbox="1795 772 2442 825">30–50</td> <td data-bbox="2442 772 2585 825">7,187</td> <td data-bbox="2585 772 2727 825">19,069</td> <td data-bbox="2727 772 2873 825">26,256</td> </tr> <tr> <td data-bbox="1795 825 2442 877">Over 50</td> <td data-bbox="2442 825 2585 877">1,448</td> <td data-bbox="2585 825 2727 877">5,970</td> <td data-bbox="2727 825 2873 877">7,418</td> </tr> </tbody> </table>	<b>Breakdown of employees by gender and age group</b>	<b>Female</b>	<b>Male</b>	<b>Total</b>	Under 30	2,410	4,518	6,928	30–50	7,187	19,069	26,256	Over 50	1,448	5,970	7,418		
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Over 50	1,448	5,970	7,418																		
<b>Equal remuneration for women and men</b>	<b>DMA</b>	<u><b>Our people</b></u> <b>- Being a responsible employer</b>																			
	<b>G4-LA13</b> – Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	<u><b>Our people</b></u> <b>- Being a responsible employer</b>  <b>GRI Index</b>  <b>Basis of Reporting</b>	<table border="1"> <thead> <tr> <th data-bbox="1795 1182 2056 1245"><b>Significant operations</b></th> <th data-bbox="2056 1182 2525 1245"><b>Employee category</b></th> <th data-bbox="2525 1182 2873 1245"><b>Ratio of annual base salary of women to men in 2016</b></th> </tr> </thead> <tbody> <tr> <td data-bbox="1795 1287 2056 1518" rowspan="4">JTI Geneva HQ</td> <td data-bbox="2056 1287 2525 1339">Vice President</td> <td data-bbox="2525 1287 2873 1339">97.9%</td> </tr> <tr> <td data-bbox="2056 1339 2525 1392">Director</td> <td data-bbox="2525 1339 2873 1392">98.6%</td> </tr> <tr> <td data-bbox="2056 1392 2525 1444">Manager</td> <td data-bbox="2525 1392 2873 1444">92.4%</td> </tr> <tr> <td data-bbox="2056 1444 2525 1497">Associate</td> <td data-bbox="2525 1444 2873 1497">104.1%</td> </tr> <tr> <td data-bbox="1795 1518 2056 1675" rowspan="3">JT Tokyo HQ</td> <td data-bbox="2056 1518 2525 1570">Executive Officer</td> <td data-bbox="2525 1518 2873 1570">93.2%</td> </tr> <tr> <td data-bbox="2056 1570 2525 1623">Management</td> <td data-bbox="2525 1570 2873 1623">96.7%</td> </tr> <tr> <td data-bbox="2056 1623 2525 1675">Employee</td> <td data-bbox="2525 1623 2873 1675">100.0%</td> </tr> </tbody> </table>	<b>Significant operations</b>	<b>Employee category</b>	<b>Ratio of annual base salary of women to men in 2016</b>	JTI Geneva HQ	Vice President	97.9%	Director	98.6%	Manager	92.4%	Associate	104.1%	JT Tokyo HQ	Executive Officer	93.2%	Management	96.7%	Employee
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SPECIFIC STANDARD DISCLOSURES

MATERIAL ASPECT	DISCLOSURES ON MANAGEMENT APPROACH (DMA) AND INDICATOR	LOCATION	OMISSIONS AND ADDITIONAL INFORMATION
Supplier assessment for labor practices	DMA	<u><a href="#">Our tobacco business – Supply chain management</a></u>	
	G4-LA14 – Percentage of new suppliers that were screened using labor practices criteria	<u><a href="#">Our tobacco business – Supply chain management</a></u>  <u><a href="#">Our tobacco business – Improving social and labor conditions</a></u>  <u><a href="#">GRI Index</a></u>	Through our ALP program and the new supplier life cycle management system under development, we are working toward being able to report the percentage of new suppliers screened using labor practices criteria in following years. In Japan, we are implementing an ALP pilot study from 2017.
	G4-LA15 – Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	<u><a href="#">Our tobacco business – Supply chain management</a></u>  <u><a href="#">Our tobacco business – Improving social and labor conditions</a></u>  <u><a href="#">GRI Index</a></u>	Through our ALP program and the new supplier life cycle management system under development, we are working toward being able to report the significant actual and potential negative impacts for labor practices in the supply chain and actions taken in following years. In Japan, we are implementing an ALP pilot study from 2017.
Labor practices grievance mechanisms	DMA	<u><a href="#">Our way of doing business – Reporting concerns</a></u>	
	G4-LA16 – Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	<u><a href="#">Our way of doing business – Reporting concerns</a></u>  <u><a href="#">GRI Index</a></u>  <u><a href="#">Basis of Reporting</a></u>	In 2016, 111 grievances about labor practices (excluding human rights) were filed, all of which were addressed. 98 grievances were resolved through formal grievance mechanisms.
<b>HUMAN RIGHTS</b>			
Investment	DMA	<u><a href="#">Respecting human rights – Due diligence process</a></u>	
	G4-HR1 – Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	<u><a href="#">Respecting human rights – Due diligence process</a></u>  <u><a href="#">Our tobacco business – Supply chain management</a></u>  <u><a href="#">GRI Index</a></u>	In our international tobacco business, our business development projects are routinely subject to compliance due diligence, including certain human rights compliance aspects. We are currently unable to report on the number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening. However, we are working toward being able to report on this in the future.

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SPECIFIC STANDARD DISCLOSURES

MATERIAL ASPECT	DISCLOSURES ON MANAGEMENT APPROACH (DMA) AND INDICATOR	LOCATION	OMISSIONS AND ADDITIONAL INFORMATION
Non-discrimination	DMA	<p><u>Our way of doing business</u> – <u>Reporting concerns</u></p> <p><u>Our people</u> – <u>Being a responsible employer</u></p>	
	<p><b>G4-HR3</b> – Total number of incidents of discrimination and corrective actions taken</p>	<p><u>Our way of doing business</u> – <u>Reporting concerns</u></p> <p><u>Our people</u> – <u>Being a responsible employer</u></p> <p><u>GRI Index</u></p> <p><u>Basis of Reporting</u></p>	<p>In 2016 there was one alleged case of workplace discrimination, and the appropriate corrective actions were taken.</p>
Freedom of association and collective bargaining	DMA	<p><u>Respecting human rights</u> – <u>Due diligence process</u></p> <p><u>Respecting human rights</u> – <u>Launching a human rights policy</u></p>	
	<p><b>G4-HR4</b> – Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights</p>	<p><u>Respecting human rights</u> – <u>Due diligence process</u></p> <p><u>Respecting human rights</u> – <u>Launching a human rights policy</u></p> <p><u>Our tobacco business</u> – <u>Supply chain management</u></p> <p><u>GRI Index</u></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 ALP.</p>

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SPECIFIC STANDARD DISCLOSURES

MATERIAL ASPECT	DISCLOSURES ON MANAGEMENT APPROACH (DMA) AND INDICATOR	LOCATION	OMISSIONS AND ADDITIONAL INFORMATION
<p>Child labor</p>	<p>DMA</p>	<p><u>Respecting human rights</u> – <u>Due diligence process</u></p> <p><u>Our tobacco business</u> – <u>Our tobacco leaf supply chain</u></p>	
	<p><b>G4-HR5</b> – Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor</p>	<p><u>Respecting human rights</u> – <u>Due diligence process</u></p> <p><u>Respecting human rights</u> – <u>Launching a human rights policy</u></p> <p><u>Our tobacco business</u> – <u>Our tobacco leaf supply chain</u></p> <p><u>GRI Index</u></p>	<p>Operations and suppliers identified as 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 in our leaf supply chain through our ALP and subsequently programs such as GSP, ARISE, and Good Agricultural Practices, communication and training, and the ECLT Foundation. In Japan, we are implementing an ALP pilot study from 2017.</p>
<p>Forced or compulsory labor</p>	<p>DMA</p>	<p><u>Respecting human rights</u> – <u>Due diligence process</u></p> <p><u>Respecting human rights</u> – <u>Launching a human rights policy</u></p>	
	<p><b>G4-HR6</b> – Operations and 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>	<p><u>Respecting human rights</u> – <u>Due diligence process</u></p> <p><u>Respecting human rights</u> – <u>Launching a human rights policy</u></p> <p><u>Our tobacco business</u> – <u>Supply chain management</u></p> <p><u>GRI Index</u></p>	<p>Operations and suppliers identified as having significant risk for incidents of forced or compulsory 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 ALP in our leaf supply chain. In Japan, we are implementing an ALP pilot study from 2017.</p>

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SPECIFIC STANDARD DISCLOSURES

MATERIAL ASPECT	DISCLOSURES ON MANAGEMENT APPROACH (DMA) AND INDICATOR	LOCATION	OMISSIONS AND ADDITIONAL INFORMATION
<p><b>Assessment</b></p>	<p><b>DMA</b></p>	<p><u>Respecting human rights</u> – <u>Due diligence process</u></p> <p><u>Respecting human rights</u> – <u>Launching a human rights policy</u></p>	
	<p><b>G4-HR9</b> – Total number and percentage of operations that have been subject to human rights reviews or impact assessments</p>	<p><u>Respecting human rights</u> – <u>Due diligence process</u></p> <p><u>Respecting human rights</u> – <u>Launching a human rights policy</u></p> <p><u>Our tobacco business</u> – <u>Supply chain management</u></p> <p><u>GRI Index</u></p>	<p>Through the new supplier life cycle management system under development, we are working toward being able to report the number of operations subject to human rights reviews in following years.</p>
<p><b>Supplier human rights assessment</b></p>	<p><b>DMA</b></p>	<p><u>Respecting human rights</u> – <u>Due diligence process</u></p> <p><u>Respecting human rights</u> – <u>Launching a human rights policy</u></p>	
	<p><b>G4-HR10</b> – Percentage of new suppliers that were screened using human rights criteria</p>	<p><u>Respecting human rights</u> – <u>Due diligence process</u></p> <p><u>Respecting human rights</u> – <u>Launching a human rights policy</u></p> <p><u>Our tobacco business</u> – <u>Supply chain management</u></p> <p><u>GRI Index</u></p>	<p>Through our ALP program and the new supplier life cycle management system under development, we are working toward being able to report the percentage of new suppliers screened using human rights criteria in following years. In Japan, we are implementing an ALP pilot study from 2017.</p>
	<p><b>G4-HR11</b> – Significant actual and potential negative human rights impacts in the supply chain and actions taken</p>	<p><u>Respecting human rights</u> – <u>Due diligence process</u></p> <p><u>Respecting human rights</u> – <u>Launching a human rights policy</u></p> <p><u>Our tobacco business</u> – <u>Supply chain management</u></p>	

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SPECIFIC STANDARD DISCLOSURES

MATERIAL ASPECT	DISCLOSURES ON MANAGEMENT APPROACH (DMA) AND INDICATOR	LOCATION	OMISSIONS AND ADDITIONAL INFORMATION														
<p><b>Human rights grievance mechanisms</b></p>	<p><b>DMA</b></p>	<p><u>Respecting human rights – Training</u></p>															
	<p><b>G4-HR12</b> – Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms</p>	<p><u>Respecting human rights – Training</u></p> <p><u>Our way of doing business – Reporting concerns</u></p> <p><u>GRI Index</u></p> <p><u>Basis of Reporting</u></p>	<p>In 2016, 87 grievances about human rights impacts were filed, all of which were addressed. 77 grievances were resolved through formal grievance mechanisms.</p>														
<p><b>SOCIETY</b></p>																	
<p><b>Local communities</b></p>	<p><b>DMA</b></p>	<p><u>Our contributions to society – Our approach</u></p> <p><u>Our tobacco business – Improving social and labor conditions</u></p> <p><u>Our tobacco business – Improving environmental conditions</u></p>															
	<p><b>G4-SO1</b> – Percentage of operations with implemented local community engagement, impact assessments, and development programs</p>	<p><u>Our contributions to society</u></p> <p><u>Our tobacco business – Improving social and labor conditions</u></p> <p><u>Our tobacco business – Improving environmental conditions</u></p> <p><u>GRI Index</u></p> <p><u>Basis of Reporting</u></p>	<p><b>Corporate community investment programs</b> We have corporate community investment projects implemented in 87% of the countries where we operate. There are 62 countries in which we have corporate community investment projects.</p> <p><b>ARISE and Grower Support Programs (GSPs)</b> In addition to our corporate community investment programs, we also have ARISE and GSPs in Brazil, Malawi, Tanzania, and Zambia in 2016, covering 57.1% of the markets where we produce tobacco.</p> <table border="1" data-bbox="1795 1696 2858 1984"> <thead> <tr> <th>Markets</th> <th>Number of GSPs</th> <th>ARISE</th> </tr> </thead> <tbody> <tr> <td>Brazil</td> <td>9</td> <td>Y</td> </tr> <tr> <td>Malawi</td> <td>104</td> <td>Y</td> </tr> <tr> <td>Zambia</td> <td>75</td> <td>Y</td> </tr> <tr> <td>Tanzania</td> <td>15</td> <td>Y</td> </tr> </tbody> </table>	Markets	Number of GSPs	ARISE	Brazil	9	Y	Malawi	104	Y	Zambia	75	Y	Tanzania	15
Markets	Number of GSPs	ARISE															
Brazil	9	Y															
Malawi	104	Y															
Zambia	75	Y															
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SPECIFIC STANDARD DISCLOSURES

MATERIAL ASPECT	DISCLOSURES ON MANAGEMENT APPROACH (DMA) AND INDICATOR	LOCATION	OMISSIONS AND ADDITIONAL INFORMATION
Anti-corruption	DMA	<u><a href="#">Our way of doing business – Living our Codes of Conduct</a></u>	
	G4-SO4 – Communication and training on anti-corruption policies and procedures	<u><a href="#">Our way of doing business – Living our Codes of Conduct</a></u>  <u><a href="#">Our way of doing business – Anti-bribery and corruption</a></u>  <u><a href="#">GRI Index</a></u>  <u><a href="#">Basis of Reporting</a></u>	Our anti-bribery and corruption policies and procedures, including on gifts, hospitality, and entertainment, are outlined in our Codes of Conduct, which we communicate to all employees. Mandatory training on our Codes of Conduct is provided to all our employees. We also require all business partners in our international tobacco business to act in accordance with our Supplier Standards. Further details on training are included in our Sustainability Report.
Public policy	DMA	<u><a href="#">Our way of doing business – Our tax practices</a></u>	
	G4-SO6 – Total value of political contributions by country and recipient/beneficiary	<u><a href="#">GRI Index</a></u>	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 2016 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.
Anti-competitive behavior	DMA	<u><a href="#">Our way of doing business – Anti-competitive behavior</a></u>	
	G4-SO7 – Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	<u><a href="#">Our way of doing business – Anti-competitive behavior</a></u>  <u><a href="#">GRI Index</a></u>	In 2016 there were no legal actions (court judgments or arbitration awards) for anti-competitive behavior, anti-trust, and monopoly practices in our international tobacco business. We are currently unable to report on this indicator for the entire JT Group. However, we are working toward being able to report this in the future.
Compliance	DMA	<u><a href="#">Our way of doing business – Living our Codes of Conduct</a></u>	
	G4-SO8 – Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations [related to accounting fraud, workplace discrimination, or corruption]	<u><a href="#">GRI Index</a></u>	During 2016 there were no significant monetary fines or non-monetary sanctions for non-compliance with laws and regulations (related to accounting fraud, workplace discrimination, or corruption) in our international tobacco business. We are currently unable to report on this indicator for the entire JT Group. However, we are working toward being able to report this in the future.
Supplier assessment for impacts on society	DMA	<u><a href="#">Our tobacco business – Supply chain management</a></u>  <u><a href="#">Our tobacco business – Improving social and labor conditions</a></u>	

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SPECIFIC STANDARD DISCLOSURES

MATERIAL ASPECT	DISCLOSURES ON MANAGEMENT APPROACH (DMA) AND INDICATOR	LOCATION	OMISSIONS AND ADDITIONAL INFORMATION
<b>Supplier assessment for impacts on society</b>	<b>G4-S09</b> – Percentage of new suppliers that were screened using criteria for impacts on society	<u><b>Our tobacco business – Supply chain management</b></u>  <u><b>Our tobacco business – Improving social and labor conditions</b></u>  <b>GRI Index</b>	Through the new supplier life cycle management system under development, we are working toward being able to report the percentage of new suppliers screened using criteria for impacts on society in following years.
	<b>S010</b> – Significant actual and potential negative impacts on society in the supply chain and actions taken	<u><b>Our tobacco business – Supply chain management</b></u>  <u><b>Our tobacco business – Improving social conditions</b></u>  <b>GRI Index</b>	Through the new supplier life cycle management system under development, we are working toward being able to report the significant actual and potential negative impacts on society in the supply chain and actions taken in following years.
<b>Grievance mechanisms for impacts on society</b>	<b>DMA</b>	<u><b>Our way of doing business – Reporting concerns</b></u>	
	<b>G4-S011</b> – Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	<u><b>Our way of doing business – Reporting concerns</b></u>  <b>Basis of Reporting</b>	
<b>PRODUCT RESPONSIBILITY</b>			
<b>Customer health and safety</b>	<b>DMA</b>	<u><b>Our tobacco business – Smoking and health</b></u>  <u><b>Our pharmaceutical business – Overview</b></u>  <u><b>Our processed food business – Delivering safe, high-quality products</b></u>	



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SPECIFIC STANDARD DISCLOSURES

MATERIAL ASPECT	DISCLOSURES ON MANAGEMENT APPROACH (DMA) AND INDICATOR	LOCATION	OMISSIONS AND ADDITIONAL INFORMATION									
<b>Customer health and safety</b>	<b>G4-PR1</b> – Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	<u><a href="#">Our tobacco business – Smoking and health</a></u>  <u><a href="#">Our pharmaceutical business – Overview</a></u>  <u><a href="#">Our processed food business – Delivering safe, high-quality products</a></u>  <u><a href="#">GRI Index</a></u>	<b>Percentage of products for which health and safety impacts are assessed for improvement</b>	<table border="1"> <thead> <tr> <th data-bbox="2151 478 2398 619">Traditional tobacco products</th> <th data-bbox="2398 478 2585 619">Processed food business</th> <th data-bbox="2585 478 2867 619">Pharmaceuticals</th> </tr> </thead> <tbody> <tr> <td data-bbox="2151 619 2398 703">100%</td> <td data-bbox="2398 619 2585 703">100%</td> <td data-bbox="2585 619 2867 703">100%</td> </tr> </tbody> </table>	Traditional tobacco products	Processed food business	Pharmaceuticals	100%	100%	100%		
	Traditional tobacco products	Processed food business	Pharmaceuticals									
100%	100%	100%										
<b>G4-PR2</b> – 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	<u><a href="#">GRI Index</a></u>	During 2016 there were no incidents of non-compliance with regulations concerning the health and safety impacts of products and services during their life cycle that resulted in a significant fine, penalty, or warning in our international tobacco business. We are currently unable to report on the total number of incidents of non-compliance with voluntary codes concerning the health and safety impacts of products and services during their life cycle. However, we are looking into a way in which we can report this in the future.										
<b>Product and service labeling</b>	<b>DMA</b>	<u><a href="#">Our tobacco business – Responsible marketing</a></u>  <u><a href="#">Our pharmaceutical business – Responsible marketing</a></u>  <u><a href="#">Our processed food business – Food communication</a></u>										
	<b>G4-PR4</b> – Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	<u><a href="#">GRI Index</a></u>	During 2016 there were no incidents of non-compliance with regulations concerning product and service information and labeling that resulted in a significant fine, penalty, or warning in our international tobacco business. We are currently unable to report on the total number of incidents of non-compliance with voluntary codes concerning product and service information and labeling. However, we are looking into a way in which we can report this in the future.									
	<b>G4-FP5</b> – Percentage of production volume manufactured in sites certified by an independent third party according to internationally recognized food safety management system standards	<u><a href="#">Our processed food business – Food safety</a></u>										

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SPECIFIC STANDARD DISCLOSURES

MATERIAL ASPECT	DISCLOSURES ON MANAGEMENT APPROACH (DMA) AND INDICATOR	LOCATION	OMISSIONS AND ADDITIONAL INFORMATION
Marketing communications	DMA	<p><u>Our tobacco business</u> - <u>Responsible marketing</u></p> <p><u>Our pharmaceutical business</u> - <u>Responsible marketing</u></p>	
	G4-PR6 – Sale of banned or disputed products	GRI Index	In 2016, in our international tobacco business, the sales and/or imports of e-cigarettes were banned in more than 20 countries, flavored products were restricted in more than 30 countries, snus was banned in more than 40 countries, and waterpipe tobacco was banned in more than five countries – all of which are part of our product portfolio. The JT Group fully complies with these bans.
	G4-PR7 – Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	GRI Index	During 2016 there were no incidents of non-compliance with regulations concerning marketing communications, including advertising, promotion, and sponsorship, that resulted in a significant fine, penalty, or warning in our international tobacco business. We are currently unable to report on the total number of incidents of non-compliance with voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship. However, we are looking into a way in which we can report this in the future.
Compliance	DMA	<p><u>Our way of doing business</u> - <u>Living our Codes of Conduct</u></p> <p><u>Our tobacco business</u> - <u>Responsible marketing</u></p>	
	G4-PR9 – Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	GRI Index	In 2016 we did not receive any significant fines for non-compliance with laws and regulations concerning the provision and use of products and services in our international tobacco business. We are currently unable to report on this indicator for the entire JT Group. However, we are working toward being able to report this in the future.