

GRI G4 content index

The JT Group Sustainability Report FY2017 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), workplace health and safety, environment, and community investment. Some of the data within the report has been externally verified.

General Standard Disclosures

#	GENERAL STANDARD DISCLOSURES	LOCATION	OMISSIONS AND ADDITIONAL INFORMATION
STRATEGY AND ANALYSIS			
G4-1	Statement from the most senior Decision-maker of the organization	CEO statement	
ORGANIZATIONAL PROFILE			
G4-3	Name of the organization	Corporate profile	
G4-4	Primary brands, products, and services	Corporate profile	
G4-5	Location of the organization's headquarters	Corporate profile	
G4-6	Number of countries where the organization operates, and names of countries where the organization has significant operations	Corporate profile	
G4-7	Nature of ownership and legal form	JT Annual Report FY2017	Detailed information is presented in the JT Annual Report FY2017: www.jt.com/investors/results/annual_report/index.html
G4-8	Markets served	Corporate profile	
G4-9	Scale of the organization	Corporate profile	Detailed information is presented in the JT Annual Report FY2017: www.jt.com/investors/results/annual_report/index.html The following financial information can be found in the JT Annual Report FY2017: <ul style="list-style-type: none"> › net sales (page 12) › total capitalization broken down in terms of debt and equity (page 3) › total assets (page 3) › beneficial ownership (including identity and percentage of ownership of largest shareholders) (pages 69–70)

#	GENERAL STANDARD DISCLOSURES	LOCATION	OMISSIONS AND ADDITIONAL INFORMATION																																																
G4-10	Workforce information	<p>Corporate profile</p> <p>GRI Index</p> <p>Basis of Reporting</p>	<p>EMPLOYEES BY TYPE OF CONTRACT AND GENDER AS OF THE END OF 2017</p> <table border="1"> <thead> <tr> <th>TYPE OF CONTRACT</th> <th>MALE</th> <th>FEMALE</th> <th>TOTAL</th> </tr> </thead> <tbody> <tr> <td>Permanent (full-and part-time)</td> <td>29,533</td> <td>10,170</td> <td>39,703</td> </tr> <tr> <td>Temporary full-time</td> <td>6,513</td> <td>1,749</td> <td>8,262</td> </tr> <tr> <td>Temporary part-time (*C)</td> <td>n/a</td> <td>n/a</td> <td>5,210</td> </tr> <tr> <td>Temporary part-time (*E)</td> <td>11</td> <td>29</td> <td>40</td> </tr> <tr> <td>Supervised workers (*C)</td> <td>n/a</td> <td>n/a</td> <td>2,071</td> </tr> </tbody> </table> <p>EMPLOYEES PER REGION AND GENDER AS OF THE END OF 2017</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>13,022</td> <td>3,396</td> <td>16,418</td> </tr> <tr> <td>South and West Europe</td> <td>1,715</td> <td>1,128</td> <td>2,843</td> </tr> <tr> <td>North and Central Europe</td> <td>3,563</td> <td>1,693</td> <td>5,256</td> </tr> <tr> <td>CIS+*</td> <td>5,250</td> <td>2,061</td> <td>7,311</td> </tr> <tr> <td>Other</td> <td>12,497</td> <td>3,640</td> <td>16,137</td> </tr> </tbody> </table> <p><small>* Commonwealth of Independent States</small></p>	TYPE OF CONTRACT	MALE	FEMALE	TOTAL	Permanent (full-and part-time)	29,533	10,170	39,703	Temporary full-time	6,513	1,749	8,262	Temporary part-time (*C)	n/a	n/a	5,210	Temporary part-time (*E)	11	29	40	Supervised workers (*C)	n/a	n/a	2,071	REGION	MALE	FEMALE	TOTAL	Japan	13,022	3,396	16,418	South and West Europe	1,715	1,128	2,843	North and Central Europe	3,563	1,693	5,256	CIS+*	5,250	2,061	7,311	Other	12,497	3,640	16,137
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G4-11	Percentage of total employees covered by collective bargaining agreements	<p>JT Global website www.jt.com/sustainability/people_planet_society/people/</p> <p>GRI Index</p> <p>Basis of Reporting</p>	<p>57 companies have a union in our Group, and 90.1% (*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 regarding employees in our international tobacco business.</p>																																																
G4-12	Organization's supply chain	<p>Our tobacco business - Our tobacco business value chain</p> <p>Our tobacco business - Supply chain management</p> <p>JT Global website www.jt.com/sustainability/our_business/tobacco/value_chain/</p> <p>Our pharmaceutical business - Our pharmaceutical business value chain</p> <p>Our processed food business - Our processed food business value chain</p>																																																	
G4-13	Significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	About this report																																																	

#	GENERAL STANDARD DISCLOSURES	LOCATION	OMISSIONS AND ADDITIONAL INFORMATION
G4-14	Report whether and how the precautionary approach or principle is addressed by the organization	JT Global website https://www.jt.com/sustainability/people_planet_society/planet/enviroment/ GRI Index	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 https://www.jt.com/sustainability/way_of_business/stakeholder_engagement/	
G4-16	List memberships of associations and national or international advocacy organizations	JT Global website https://www.jt.com/sustainability/way_of_business/stakeholder_engagement/	

IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES

G4-17	a. List all entities included in the organization’s consolidated financial statements or equivalent documents b. Report whether any entity included in the organization’s consolidated financial statements or equivalent documents is not covered by the report	JT Annual Report FY2017	
G4-18	a. Explain the process for defining the report content and the Aspect Boundaries b. Explain how the organization has implemented the Reporting Principles for Defining Report Content	About this report Our approach to sustainability GRI Index	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	Our approach to sustainability	
G4-20	For each material Aspect, report the Aspect Boundary within the organization	Our approach to sustainability	
G4-21	For each material Aspect, report the Aspect Boundary outside the organization	Our approach to sustainability	
G4-22	Effect of any restatements of information provided in previous reports, and the reasons for such restatements	About this report GRI Index	The number of fatalities in 2016 has been restated to include one case that relevant Japanese authority recognized as Lost time injury/diseases in January 2018.
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries	About this report	

STAKEHOLDER ENGAGEMENT

G4-24	List of stakeholder groups engaged by the organization	Our approach to sustainability	
G4-25	Basis for identification and selection of stakeholders with whom to engage	Our approach to sustainability Our approach to sustainability	
G4-26	Organization’s approach to stakeholder engagement	Our approach to sustainability Our approach to sustainability	
G4-27	Key topics and concerns that have been raised through stakeholder engagement	Our approach to sustainability	

#	GENERAL STANDARD DISCLOSURES	LOCATION	OMISSIONS AND ADDITIONAL INFORMATION
REPORT PROFILE			
G4-28	Reporting period for information provided	About this report	
G4-29	Date of most recent previous report	About this report	
G4-30	Reporting cycle	About this report	
G4-31	Contact point for questions regarding the report or its contents	About this report	
G4-32	GRI Content Index	GRI Index	
G4-33	Organization's policy and current practice with regard to seeking external assurance for the report	About this report	
GOVERNANCE			
G4-34	Governance structure of the organization, including committees of the highest governance body	Our approach to sustainability <u>JT Annual Report FY2017</u> JT Global Website https://www.jt.com/about/corporate_governance/	
ETHICS AND INTEGRITY			
G4-56	Organization's values, principles, standards, and norms of behavior such as codes of conduct and codes of ethics	Our way of doing business - Our business ethics Our approach to sustainability	

Specific Standard Disclosures

MATERIAL ASPECT	DISCLOSURES ON MANAGEMENT APPROACH (DMA) AND INDICATOR	LOCATION	OMISSIONS AND ADDITIONAL INFORMATION																				
ECONOMIC																							
ECONOMIC PERFORMANCE	DMA	JT Global Website www.jt.com/sustainability/way_of_business/tax_it_practice/ JT Annual Report FY2017																					
	G4-EC1 Direct economic value generated and distributed	JT Global Website www.jt.com/sustainability/way_of_business/tax_it_practice/ Our community investment JT Annual Report FY2017 GRI Index Basis of Reporting	<table border="1"> <thead> <tr> <th colspan="2">DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED</th> <th>2017 (million Yen)</th> </tr> </thead> <tbody> <tr> <td colspan="2">Revenue*</td> <td>2,139,653</td> </tr> <tr> <td colspan="2">Total employee benefits and wages</td> <td>379,845</td> </tr> <tr> <td colspan="2">Current income taxes</td> <td>112,081</td> </tr> <tr> <td colspan="2">Tobacco excise taxes</td> <td>4,572,362</td> </tr> <tr> <td colspan="2">Dividends</td> <td>243,572</td> </tr> <tr> <td colspan="2">Community investment</td> <td>6,090</td> </tr> </tbody> </table> <p><i>* Excluding tobacco excise taxes and revenue from agent transactions</i></p>	DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED		2017 (million Yen)	Revenue*		2,139,653	Total employee benefits and wages		379,845	Current income taxes		112,081	Tobacco excise taxes		4,572,362	Dividends		243,572	Community investment	
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MARKET PRESENCE	DMA	GRI Index	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 remunerate staff well above these levels due to our policy of offering pay and benefits that are highly competitive. This also applies to part-time employees.																				
	G4-EC5 Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	GRI Index Basis of Reporting	<table border="1"> <thead> <tr> <th colspan="2">SIGNIFICANT OPERATIONS</th> <th>RATIO OF STANDARD ENTRY LEVEL WAGE TO LOCAL MINIMUM WAGE</th> </tr> </thead> <tbody> <tr> <td rowspan="2">JT Tokyo HQ</td> <td>Male</td> <td>161.4%</td> </tr> <tr> <td>Female</td> <td>161.4%</td> </tr> <tr> <td rowspan="2">JTI Moscow</td> <td>Male</td> <td>205.6%</td> </tr> <tr> <td>Female</td> <td>205.6%</td> </tr> <tr> <td rowspan="2">JTI Trier</td> <td>Male</td> <td>142.9%</td> </tr> <tr> <td>Female</td> <td>142.9%</td> </tr> </tbody> </table>	SIGNIFICANT OPERATIONS		RATIO OF STANDARD ENTRY LEVEL WAGE TO LOCAL MINIMUM WAGE	JT Tokyo HQ	Male	161.4%	Female	161.4%	JTI Moscow	Male	205.6%	Female	205.6%	JTI Trier	Male	142.9%	Female	142.9%		
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MATERIAL ASPECT	DISCLOSURES ON MANAGEMENT APPROACH (DMA) AND INDICATOR	LOCATION	OMISSIONS AND ADDITIONAL INFORMATION				
MARKET PRESENCE	G4-EC6 Proportion of senior management hired from the local community at significant locations of operation	GRI Index Basis of Reporting	<table border="1"> <thead> <tr> <th>SIGNIFICANT LOCATION</th> <th>PERCENTAGE OF SENIOR MANAGEMENT HIRED FROM THE LOCAL COMMUNITY</th> </tr> </thead> <tbody> <tr> <td>JTI Moscow</td> <td>50%</td> </tr> </tbody> </table>	SIGNIFICANT LOCATION	PERCENTAGE OF SENIOR MANAGEMENT HIRED FROM THE LOCAL COMMUNITY	JTI Moscow	50%
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INDIRECT ECONOMIC IMPACTS	DMA	Our tobacco business – Our tobacco leaf supply chain Respecting human rights Our tobacco business – Illegal trade Our community investment					
	G4-EC7 Development and impact of infrastructure investments and services supported	GRI Index	As part of our Global Leaf CAPEX projects, we invested 19.65 million U.S. Dollars in infrastructure-related projects in Brazil, Malawi, Tanzania, U.S., and Zambia. In addition, we invested 1.853 million U.S. Dollars in infrastructure-related projects in the same locations, as part of our Grower Support Programs. Investments in the locations where we source tobacco include: <ul style="list-style-type: none"> › Provision of safe water through boreholes, water distribution points, and water canals for communities and agriculture purposes › Investments in solar projects for schools and communities, for efficient energy use › Refurbishment of structures that provide basic social services to communities i.e. schools and health centers. 				
	G4-EC8 Significant indirect economic impacts, including the extent of impacts	Our tobacco business – Our tobacco leaf supply chain Respecting human rights Our tobacco business – Illegal trade Our community investment	Apprenticeship and internship programs for youth in our tobacco communities in Arroio do Tigre Brazil. Literacy programs for farmers in Zambia and Malawi.				
PROCUREMENT PRACTICES	DMA	Our tobacco business – Supply chain management Our pharmaceutical Business – Our pharmaceutical business value chain Our processed food Business – Our processed food business value chain					

MATERIAL ASPECT	DISCLOSURES ON MANAGEMENT APPROACH (DMA) AND INDICATOR	LOCATION	OMISSIONS AND ADDITIONAL INFORMATION																					
PROCUREMENT PRACTICES	G4-EC9 Proportion of spending on local suppliers at significant locations of operation	GRI Index	<p>We define local as the country of operation. Significant location is defined as any location with more than 5% of global spend.</p> <table border="1"> <thead> <tr> <th>SIGNIFICANT LOCATIONS</th> <th>SUPPLIER TYPE</th> <th>% OF LOCAL SPEND IN 2017</th> </tr> </thead> <tbody> <tr> <td>Japan</td> <td>Tobacco leaf and non-tobacco material suppliers</td> <td>67%</td> </tr> <tr> <td>JTI Geneva HQ</td> <td>Other products and services suppliers</td> <td>53%</td> </tr> <tr> <td>Germany</td> <td>Non-tobacco materials and other products and services suppliers</td> <td>25%</td> </tr> <tr> <td>Russia</td> <td>Non-tobacco materials and other products and services suppliers</td> <td>45%</td> </tr> <tr> <td>Poland</td> <td>Non-tobacco materials and other products and services suppliers</td> <td>19%</td> </tr> <tr> <td>Taiwan</td> <td>Non-tobacco materials and other products and services suppliers</td> <td>89%</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. The percentage of local suppliers of bulk drug substances to our pharmaceutical business is 0%. The percentage of local spend for suppliers of TableMark is 100%.</p> <p>In 2016, we reported the % of the local suppliers vs global suppliers in the following countries: JTI Geneva HQ, Germany, Russia, Poland, and U.K. For 2017, we are reporting the actual % of local spend vs % of global spend, a correction from last year. The countries for 2017 are the same, with Taiwan replacing the U.K. The calculation for Japan is the same as for last year.</p>	SIGNIFICANT LOCATIONS	SUPPLIER TYPE	% OF LOCAL SPEND IN 2017	Japan	Tobacco leaf and non-tobacco material suppliers	67%	JTI Geneva HQ	Other products and services suppliers	53%	Germany	Non-tobacco materials and other products and services suppliers	25%	Russia	Non-tobacco materials and other products and services suppliers	45%	Poland	Non-tobacco materials and other products and services suppliers	19%	Taiwan	Non-tobacco materials and other products and services suppliers	89%
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G4-FP1 Percentage of purchased volume from suppliers compliant with company's sourcing policy	GRI Index	100% of purchased volume from suppliers is compliant with the sourcing policy of the JT Group processed food business, via self-declaration of suppliers.																						

ENVIRONMENTAL

ENERGY	DMA	<p>Our planet – A sustainable approach to environmental stewardship</p> <p>Our planet – GHG emissions in our operations</p>	
	G4-EN3 Energy consumption within the organization	<p>Our planet – GHG emissions in our operations</p> <p>JT Global Website https://www.jt.com/sustainability/people_planet_society/planet/environment/</p> <p>GRI Index Basis of Reporting</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>Our planet – A sustainable approach to environmental stewardship</p> <p>Our planet – Water</p>	

MATERIAL ASPECT	DISCLOSURES ON MANAGEMENT APPROACH (DMA) AND INDICATOR	LOCATION	OMISSIONS AND ADDITIONAL INFORMATION	
WATER	G4-EN8 Total water withdrawal by source	Our planet – Water JT Global Website https://www.jt.com/sustainability/people_planet_society/planet/environment/Basis_of_Reporting		
BIODIVERSITY	DMA	Our planet – Biodiversity		
	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	Our planet – Biodiversity GRI Index	We do not approach biodiversity as a topic that is separate from responsible business operation. Impacts on biodiversity can be observed directly or indirectly through activities such as: <ul style="list-style-type: none"> › Crop production/land management e.g., promotion and adoption of good agricultural practices; land/soil use and conservation practices; the use and management of agricultural inputs such as crop protection agents and fertilizers, and the use and management of water resources › Wood use and forestry management e.g., tree planting, natural regeneration, avoided deforestation and forest remediation; and the use of wood for tobacco curing, domestic consumption, and construction materials for curing barn and other buildings › The building of new, or expansion of, buying stations, processing facilities, offices etc. 	
GHG EMISSIONS	DMA	Our planet – GHG emissions in our operations		
	G4-EN15 Direct GHG emissions (Scope 1)	Our planet – GHG emissions in our operations JT Global Website https://www.jt.com/sustainability/people_planet_society/planet/environment/Basis_of_Reporting		
	G4-EN16 Energy indirect GHG emissions (Scope 2)			
	G4-EN17 Other indirect GHG emissions (Scope 3)		Our processed food business – Reducing our environmental impacts	
	G4-EN18 GHG emissions intensity		Basis of Reporting	
	G4-EN19 Reduction of GHG emissions			
EFFLUENTS AND WASTE	DMA		Our planet – Water Our planet – Waste	
	G4-EN22 Total water discharge by quality and destination	Our planet – Water JT Global Website https://www.jt.com/sustainability/people_planet_society/planet/environment/Basis_of_Reporting GRI Index Basis of Reporting	We do not have a single global standard on quality of discharged water, but we comply with local laws and regulatory requirements on water. We confirm our discharged water is not reused by other organizations.	

MATERIAL ASPECT	DISCLOSURES ON MANAGEMENT APPROACH (DMA) AND INDICATOR	LOCATION	OMISSIONS AND ADDITIONAL INFORMATION
EFFLUENTS AND WASTE	G4-EN23 Total weight of waste by type and disposal method	Our planet – Waste JT Global Website https://www.jt.com/sustainability/people_planet_society/planet/environment/Basis_of_Reporting	
PRODUCTS AND SERVICES	DMA	GRI Index	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 to this issue: creating awareness through campaigns, and providing smokers with facilities to easily dispose of their cigarette butts.
	G4-EN27 Extent of impact mitigation of environmental impacts of products and services	GRI Index	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.
COMPLIANCE	DMA	Our planet – A sustainable approach to environmental stewardship	
	G4-EN29 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	GRI Index	During 2017 there were no significant monetary fines or non-monetary sanctions for non-compliance with environmental laws and regulations in our international tobacco business.
SUPPLIER ENVIRONMENTAL ASSESSMENT	DMA	Our tobacco business – Our tobacco leaf supply chain Our planet – GHG emissions in our operations	
	G4-EN32 Percentage of new suppliers that were screened using environmental criteria	Our tobacco business – Our tobacco leaf supply chain GRI Index	Through the new supplier life cycle management system, we verify if suppliers are certified to ISO 14001, the Eco-Management and Audit Scheme (EMAS), or other environmental certified systems, and we are working toward being able to report the percentage of new suppliers screened using environmental criteria in subsequent years.
	G4-EN33 Significant actual and potential negative environmental impacts in the supply chain and actions taken	Our tobacco business – Our tobacco leaf supply chain GRI Index	Through the new supplier life cycle management system, we screen if suppliers have identified their significant environmental risks, and if they have been associated with a significant environmental incident in the last 5 years. In addition, we are working toward being able to report the significant actual and potential negative environmental impacts in the supply chain, and actions taken, in subsequent years.

MATERIAL ASPECT	DISCLOSURES ON MANAGEMENT APPROACH (DMA) AND INDICATOR	LOCATION	OMISSIONS AND ADDITIONAL INFORMATION
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LABOR PRACTICES AND DECENT WORK

EMPLOYMENT	DMA	Our people																																																																																										
	<p>G4-LA1 Total number and rates of new employee hires and employee turnover by age group, gender, and region</p>	<p>GRI Index Basis of Reporting</p>	<p>NEW EMPLOYEES' HIRE AND TURNOVER:</p> <table border="1"> <thead> <tr> <th colspan="2">BY GENDER</th> <th>MALE</th> <th>FEMALE</th> <th>TOTAL</th> </tr> </thead> <tbody> <tr> <td>Total number of new employees</td> <td></td> <td>7,600</td> <td>1,848</td> <td>9,448</td> </tr> <tr> <td>Rate of new employees' hire</td> <td></td> <td>21.1%</td> <td>15.5%</td> <td>19.7%</td> </tr> <tr> <td>Total employee turnover</td> <td></td> <td>3,620</td> <td>1,498</td> <td>5,118</td> </tr> <tr> <td>Employee turnover rate</td> <td></td> <td>10.0%</td> <td>12.6%</td> <td>10.7%</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th colspan="2">BY AGE</th> <th><30</th> <th>30-50</th> <th>>50</th> <th>TOTAL</th> </tr> </thead> <tbody> <tr> <td>Total number of new employees (*D)</td> <td></td> <td>4,434</td> <td>4,144</td> <td>113</td> <td>8,691</td> </tr> <tr> <td>Rate of new employees' hire (*D)</td> <td></td> <td>56.3%</td> <td>17.5%</td> <td>2.2%</td> <td>23.7%</td> </tr> <tr> <td>Total employee turnover</td> <td></td> <td>1,306</td> <td>2,362</td> <td>1,385</td> <td>5,053</td> </tr> <tr> <td>Employee turnover rate</td> <td></td> <td>13.6%</td> <td>7.8%</td> <td>17.3%</td> <td>10.6%</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>BY REGION</th> <th>JAPAN</th> <th>SOUTH AND WEST EUROPE</th> <th>NORTH AND CENTRAL EUROPE</th> <th>CIS+*</th> <th>OTHER</th> <th>TOTAL</th> </tr> </thead> <tbody> <tr> <td>Total number of new employees</td> <td>896</td> <td>264</td> <td>854</td> <td>840</td> <td>6,595</td> <td>9,449</td> </tr> <tr> <td>Rate of new employees' hire</td> <td>5.5%</td> <td>9.3%</td> <td>16.2%</td> <td>11.5%</td> <td>40.9%</td> <td>19.7%</td> </tr> <tr> <td>Total employee turnover</td> <td>662</td> <td>303</td> <td>671</td> <td>983</td> <td>1,470</td> <td>4,089</td> </tr> <tr> <td>Employee turnover rate</td> <td>4.0%</td> <td>10.7%</td> <td>12.8%</td> <td>13.4%</td> <td>9.1%</td> <td>8.5%</td> </tr> </tbody> </table> <p><small>* Commonwealth of Independent States</small></p>	BY GENDER		MALE	FEMALE	TOTAL	Total number of new employees		7,600	1,848	9,448	Rate of new employees' hire		21.1%	15.5%	19.7%	Total employee turnover		3,620	1,498	5,118	Employee turnover rate		10.0%	12.6%	10.7%	BY AGE		<30	30-50	>50	TOTAL	Total number of new employees (*D)		4,434	4,144	113	8,691	Rate of new employees' hire (*D)		56.3%	17.5%	2.2%	23.7%	Total employee turnover		1,306	2,362	1,385	5,053	Employee turnover rate		13.6%	7.8%	17.3%	10.6%	BY REGION	JAPAN	SOUTH AND WEST EUROPE	NORTH AND CENTRAL EUROPE	CIS+*	OTHER	TOTAL	Total number of new employees	896	264	854	840	6,595	9,449	Rate of new employees' hire	5.5%	9.3%	16.2%	11.5%	40.9%	19.7%	Total employee turnover	662	303	671	983	1,470	4,089	Employee turnover rate	4.0%	10.7%	12.8%	13.4%	9.1%
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EMPLOYMENT	G4-LA2 Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	GRI Index Basis of Reporting	<p>As of the end of 2017, significant locations include our JT head office in Tokyo, Japan, and our international tobacco business head office in Geneva, Switzerland.</p> <p>Our international tobacco business, for instance, positions compensation levels in the 75th percentile against companies with which we compete for talent.</p> <p>JT HEAD OFFICE IN TOKYO</p> <table border="1"> <thead> <tr> <th rowspan="2">BENEFITS</th> <th rowspan="2">PERMANENT EMPLOYEES</th> <th colspan="2">TEMPORARY FULL-TIME EMPLOYEES</th> <th rowspan="2">TEMPORARY PART-TIME EMPLOYEES</th> </tr> <tr> <th>COMMISSIONED PERSONNEL</th> <th>CONTRACT EMPLOYEES*</th> </tr> </thead> <tbody> <tr> <td>Bereaved family compensation program</td> <td>Y</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Regular health examination</td> <td>Y</td> <td>Y</td> <td>Y</td> <td>Y</td> </tr> <tr> <td>Medical leave system</td> <td>Y</td> <td>Y</td> <td></td> <td></td> </tr> <tr> <td>Parental leave</td> <td>Y</td> <td>Y</td> <td>Y</td> <td>Y</td> </tr> <tr> <td>Retirement provision</td> <td>Y</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Stock ownership</td> <td>Y</td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <p>INTERNATIONAL TOBACCO BUSINESS HEAD OFFICE IN GENEVA</p> <table border="1"> <thead> <tr> <th>BENEFITS</th> <th>PERMANENT EMPLOYEES</th> <th>TEMPORARY FULL-TIME EMPLOYEES</th> <th>TEMPORARY PART-TIME EMPLOYEES</th> </tr> </thead> <tbody> <tr> <td>Life insurance</td> <td>Y</td> <td>Y</td> <td>Y (Prorated)</td> </tr> <tr> <td>Health care</td> <td>Y</td> <td>Y</td> <td>Y</td> </tr> <tr> <td>Disability and invalidity coverage</td> <td>Y</td> <td>Y</td> <td>Y (Prorated)</td> </tr> <tr> <td>Parental leave</td> <td>Y</td> <td>Y</td> <td>Y (Prorated)</td> </tr> <tr> <td>Retirement provision</td> <td>Y</td> <td>Y</td> <td>Y (Prorated)</td> </tr> <tr> <td>Stock ownership</td> <td>Y</td> <td></td> <td></td> </tr> </tbody> </table> <p><small>* Contract employees may be given benefits if they are exempt from Company regulations.</small></p>	BENEFITS	PERMANENT EMPLOYEES	TEMPORARY FULL-TIME EMPLOYEES		TEMPORARY PART-TIME EMPLOYEES	COMMISSIONED PERSONNEL	CONTRACT EMPLOYEES*	Bereaved family compensation program	Y				Regular health examination	Y	Y	Y	Y	Medical leave system	Y	Y			Parental leave	Y	Y	Y	Y	Retirement provision	Y				Stock ownership	Y				BENEFITS	PERMANENT EMPLOYEES	TEMPORARY FULL-TIME EMPLOYEES	TEMPORARY PART-TIME EMPLOYEES	Life insurance	Y	Y	Y (Prorated)	Health care	Y	Y	Y	Disability and invalidity coverage	Y	Y	Y (Prorated)	Parental leave	Y	Y	Y (Prorated)	Retirement provision	Y	Y	Y (Prorated)	Stock ownership	Y		
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LABOR/MANAGEMENT RELATIONS	G4-LA4 Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	JT Global Website www.jt.com/sustainability/people_planet_society/people About this report GRI Index Basis of Reporting	<table border="1"> <thead> <tr> <th>MINIMUM NOTICE PERIODS REGARDING OPERATIONAL CHANGES</th> <th>NUMBER OF MONTHS BETWEEN THE ANNOUNCEMENT AND THE TIME THE FIRST EMPLOYEE LEAVES THE FACTORY BECAUSE OF THE CLOSURE</th> <th>NUMBER OF MONTHS BETWEEN THE ANNOUNCEMENT AND THE FINAL CLOSURE</th> <th>IS THE MINIMUM NOTICE PERIOD FOR CONSULTATION AND NEGOTIATION SPECIFIED IN COLLECTIVE AGREEMENTS?</th> </tr> </thead> <tbody> <tr> <td>Wervik, Belgium</td> <td>33 months</td> <td>41 months</td> <td>No</td> </tr> <tr> <td>Lisnafillan, Northern Ireland</td> <td>20 months</td> <td>37 months</td> <td>No</td> </tr> <tr> <td>Malaysia</td> <td>3 months</td> <td>8 months</td> <td>Yes</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	41 months	No	Lisnafillan, Northern Ireland	20 months	37 months	No	Malaysia	3 months	8 months	Yes																							
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	G4-LA6 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	Our people – Workplace health and safety GRI Index Basis of Reporting	<p>We report lost-time incidents (LTIs) instead of lost-day rate, due to our data-collection methods within our management systems. Absenteeism is recorded only in the finished goods manufacturing sites and tobacco processing facilities in our international tobacco business, which covers approximately 9,000 employees, and in 2017 was reported as 2.13, against a target of 2.16. In 2016 this figure was 2.09.</p> <p>In JT, absenteeism in 2017 was reported as 0.63.</p> <p>EMPLOYEES’ NUMBER OF FATALITIES, LOST-TIME INCIDENTS (LTIS), AND LTI RATE PER REGION AND GENDER (FY2017)</p> <table border="1"> <thead> <tr> <th rowspan="2">REGION</th> <th colspan="2">NUMBER OF FATALITIES</th> <th colspan="2">NUMBER OF LOST TIME INCIDENTS (LTIs)</th> <th rowspan="2">LTI RATE</th> </tr> <tr> <th>MALE</th> <th>FEMALE</th> <th>MALE</th> <th>FEMALE</th> </tr> </thead> <tbody> <tr> <td>South and West Europe</td> <td>0</td> <td>0</td> <td>6</td> <td>7</td> <td>0.21</td> </tr> <tr> <td>North and Central Europe</td> <td>0</td> <td>0</td> <td>17</td> <td>6</td> <td>0.50</td> </tr> <tr> <td>CIS+</td> <td>0</td> <td>0</td> <td>6</td> <td>4</td> <td>0.14</td> </tr> <tr> <td>Japan</td> <td>0</td> <td>0</td> <td>30</td> <td>38</td> <td>0.41</td> </tr> <tr> <td>Other</td> <td>0</td> <td>0</td> <td>38</td> <td>20</td> <td>0.38</td> </tr> </tbody> </table>	REGION	NUMBER OF FATALITIES		NUMBER OF LOST TIME INCIDENTS (LTIs)		LTI RATE	MALE	FEMALE	MALE	FEMALE	South and West Europe	0	0	6	7	0.21	North and Central Europe	0	0	17	6	0.50	CIS+	0	0	6	4	0.14	Japan	0	0	30	38	0.41	Other	0	0	38	20
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TRAINING AND EDUCATION	DMA	Our people – Building success by investing in people, Maximizing people potential																																								
	G4-LA10 Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Our people – Building success by investing in people, Maximizing people potential Basis of Reporting Stakeholder engagement	<p>We aim to offer a work environment that allows employees to express their potential, and that provides them with the most effective development opportunities.</p> <p>For example, we have a Talent Partnership Program that builds employees’ skills and experiences by exposing them to the different working styles and cultures within our two biggest businesses(JT and JTI). As of December 2017, 206 employees participated in this Program. Exchange Academy is part of this Program, and takes place every two years, and helps employees learn and network together, turning them into better future global leaders.</p>																																							

MATERIAL ASPECT	DISCLOSURES ON MANAGEMENT APPROACH (DMA) AND INDICATOR	LOCATION	OMISSIONS AND ADDITIONAL INFORMATION																																
TRAINING AND EDUCATION	G4-LA11 Percentage of employees receiving regular performance and career development reviews, by gender, and by employee category	Our people – Building success by investing in people, Maximizing people potential GRI Index Basis of Reporting	<p>PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS:</p> <table border="1"> <thead> <tr> <th>BY GENDER (*A)</th> <th>2016</th> </tr> </thead> <tbody> <tr> <td>Male</td> <td>79.6%</td> </tr> <tr> <td>Female</td> <td>82.2%</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>BY EMPLOYEE CATEGORY (*D)</th> <th>2016</th> </tr> </thead> <tbody> <tr> <td>Executive Officers</td> <td>100%</td> </tr> <tr> <td>Management (excluding Executive Officers)</td> <td>93.5%</td> </tr> <tr> <td>Employees (excluding management)</td> <td>75.7%</td> </tr> </tbody> </table> <p>We have reported on the 2016 performance appraisal data because the information for 2017 is currently being analyzed.</p>	BY GENDER (*A)	2016	Male	79.6%	Female	82.2%	BY EMPLOYEE CATEGORY (*D)	2016	Executive Officers	100%	Management (excluding Executive Officers)	93.5%	Employees (excluding management)	75.7%																		
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DIVERSITY AND EQUAL OPPORTUNITY	DMA G4-LA12 Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	Our people – Diversity in the workplace GRI Index Basis of Reporting	<p>BREAKDOWN OF EMPLOYEES BY GENDER AND AGE GROUP</p> <table border="1"> <thead> <tr> <th>AGE GROUP</th> <th>MALE</th> <th>FEMALE</th> <th>TOTAL</th> </tr> </thead> <tbody> <tr> <td>Under 30</td> <td>6,986</td> <td>2,640</td> <td>9,626</td> </tr> <tr> <td>30–50</td> <td>22,514</td> <td>7,603</td> <td>30,117</td> </tr> <tr> <td>Over 50</td> <td>6,431</td> <td>1,561</td> <td>7,992</td> </tr> </tbody> </table> <p>EMPLOYEES BY POSITION AND GENDER AT THE END OF 2017</p> <table border="1"> <thead> <tr> <th>Position</th> <th>Total</th> <th>Male</th> <th>Female</th> </tr> </thead> <tbody> <tr> <td>Executive Officers</td> <td>63</td> <td>96.8%</td> <td>3.2%</td> </tr> <tr> <td>Management (excluding Executive Officers)</td> <td>3,463</td> <td>86.4%</td> <td>13.6%</td> </tr> <tr> <td>Employees (excluding Management and Executive Officers)</td> <td>44,439</td> <td>74.2%</td> <td>25.8%</td> </tr> </tbody> </table>	AGE GROUP	MALE	FEMALE	TOTAL	Under 30	6,986	2,640	9,626	30–50	22,514	7,603	30,117	Over 50	6,431	1,561	7,992	Position	Total	Male	Female	Executive Officers	63	96.8%	3.2%	Management (excluding Executive Officers)	3,463	86.4%	13.6%	Employees (excluding Management and Executive Officers)	44,439	74.2%	25.8%
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EQUAL REMUNERATION FOR WOMEN AND MEN	DMA	JT Global Website www.jt.com/sustainability/people_planet_society/people																			
	G4-LA13 Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	JT Global Website www.jt.com/sustainability/people_planet_society/people GRI Index Basis of Reporting	<table border="1"> <thead> <tr> <th>SIGNIFICANT OPERATIONS</th> <th>EMPLOYEE CATEGORY</th> <th>RATIO OF ANNUAL BASE SALARY OF WOMEN TO MEN IN 2017</th> </tr> </thead> <tbody> <tr> <td rowspan="4">JTI Geneva HQ</td> <td>Vice President</td> <td>94.9%</td> </tr> <tr> <td>Director</td> <td>98.2%</td> </tr> <tr> <td>Manager</td> <td>93.0%</td> </tr> <tr> <td>Associate</td> <td>103.4%</td> </tr> <tr> <td rowspan="3">JT Tokyo HQ</td> <td>Executive Officer</td> <td>87.7%</td> </tr> <tr> <td>Management</td> <td>94.9%</td> </tr> <tr> <td>Employee</td> <td>99.8%</td> </tr> </tbody> </table>	SIGNIFICANT OPERATIONS	EMPLOYEE CATEGORY	RATIO OF ANNUAL BASE SALARY OF WOMEN TO MEN IN 2017	JTI Geneva HQ	Vice President	94.9%	Director	98.2%	Manager	93.0%	Associate	103.4%	JT Tokyo HQ	Executive Officer	87.7%	Management	94.9%	Employee
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SUPPLIER ASSESSMENT FOR LABOR PRACTICES	DMA	Our tobacco business – Supply chain management																			
	G4-LA14 Percentage of new suppliers that were screened using labor practices criteria	Our tobacco business – Supply chain management Our tobacco business – Our tobacco leaf supply chain (including In Focus – ALP) GRI Index	Through our ALP program and the new supplier life cycle management system, we are working toward being able to report the percentage of new suppliers screened using labor practices criteria in subsequent years. In Japan, we implemented an ALP pilot study in 2017.																		
	G4-LA15 Significant actual and potential negative impacts for labor practices in the supply chain, and actions taken	Our tobacco business – Supply chain management Our tobacco business – Our tobacco leaf supply chain (including In Focus – ALP) GRI Index	Through our ALP program and the new supplier life cycle management system, 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 subsequent years. In Japan, we implemented an ALP pilot study in 2017.																		
LABOR PRACTICES GRIEVANCE MECHANISMS	DMA	Our business ethics – Reporting concerns																			
	G4-LA16 Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	Our business ethics – Reporting concerns GRI Index Basis of Reporting	In 2017, 144 cases about labor practices were filed, of which 127 were resolved. The remaining 17 cases are under investigation.																		

MATERIAL ASPECT	DISCLOSURES ON MANAGEMENT APPROACH (DMA) AND INDICATOR	LOCATION	OMISSIONS AND ADDITIONAL INFORMATION
HUMAN RIGHTS			
INVESTMENT	DMA	Respecting human rights	
	G4-HR1 Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Respecting human rights Our tobacco business – Supply chain management GRI Index	We do not currently have a formal process in place, and are working toward implementing one. Once acquisitions are made, we put in place a remedy plan to ensure the area of human rights is taken into consideration in our business plan, in line with our JT Group Human Rights Policy.
NON-DISCRIMINATION	DMA	Our business ethics – Reporting concerns JT Global Website www.jt.com/sustainability/people_planet_society/people	
	G4-HR3 Total number of incidents of discrimination and corrective actions taken	Our business ethics – Reporting concerns JT Global Website www.jt.com/sustainability/people_planet_society/people GRI Index Basis of Reportingg	In 2017 there was one alleged case of workplace discrimination, and the appropriate corrective actions were taken.
FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING	DMA	Respecting human rights	
	G4-HR4 Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be being violated, or at significant risk, and measures taken to support these rights	Respecting human rights Our tobacco business – Supply chain management GRI Index JT Global Website www.jt.com/sustainability/people_planet_society/people	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. In 2017, we provided additional guidance on the rights of workers to leaf merchants (through a guidance document and face-to-face meetings). Additionally, we continued collaboration with the ILO to see how best to improve the fundamental principles of rights of work. As a result, several initiatives will be developed in 2018, including a social dialogue pilot in Zambia, and a set of indicators put in place to support people working on the ground in the field and to demystify the topic.
CHILD LABOR	DMA	Respecting human rights Our tobacco business – Our tobacco leaf supply chain	
CHILD LABOR	G4-HR5 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	Respecting human rights Our tobacco business – Our tobacco leaf supply chain GRI Index	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 2017, we implemented an ALP pilot study in Japan, and we relaunched JTI's ALP standards, to be more precise in defining hazardous work. With a now more specific position, our expectations to suppliers and people on the ground are clearer, which should make it easier to act on our requirements.

MATERIAL ASPECT	DISCLOSURES ON MANAGEMENT APPROACH (DMA) AND INDICATOR	LOCATION	OMISSIONS AND ADDITIONAL INFORMATION
FORCED OR COMPULSORY LABOR	DMA	Respecting human rights	
	G4-HR6 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	Respecting human rights Our tobacco business – Supply chain management <u>GRI Index</u>	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 2017, we provided additional guidance on the rights of workers to leaf merchants (through a guidance document and face-to-face meetings). Additionally, we continued collaboration with the ILO to see how best to improve the fundamental principles of rights of work, and how to go about it. As a result, several initiatives will be developed in 2018, including a social dialogue pilot in Zambia, and a set of indicators put in place to support people working on the ground in the field and to demystify the topic. In Japan, we implemented an ALP pilot study in 2017.
ASSESSMENT	DMA	Respecting human rights	
	G4-HR9 Total number and percentage of operations that have been subject to human rights reviews or impact assessments	Respecting human rights Our tobacco business – Supply chain management <u>GRI Index</u>	In 2017 we carried out human rights due diligence in Japan, which covered our Japanese domestic tobacco, pharmaceutical and processed food businesses. Those businesses in total represent 41.8% of our Group's consolidated revenue. We have also conducted a human rights due diligence in the headquarters of our international tobacco business. In the future, we plan to perform due diligence in our international tobacco business in a minimum of three markets each year, with a particular focus on high risk markets.
SUPPLIER HUMAN RIGHTS ASSESSMENT	DMA	Respecting human rights	
	G4-HR10 Percentage of new suppliers that were screened using human rights criteria	Respecting human rights Our tobacco business – Supply chain management <u>GRI Index</u>	Through our ALP program and the new supplier life cycle management system, we are working toward being able to report the percentage of new suppliers screened using human rights criteria in subsequent years. In Japan, we implemented an ALP pilot study in 2017.
	G4-HR11 Significant actual and potential negative human rights impacts in the supply chain, and actions taken	Respecting human rights Our tobacco business – Supply chain management	Through our ALP program and the new supplier life cycle management system, we are working toward being able to report the significant actual and potential negative human rights impact in the supply chain, and actions taken in subsequent years.
HUMAN RIGHTS GRIEVANCE MECHANISMS	DMA	Respecting human rights	
	G4-HR12 Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	Respecting human rights Our business ethics – Reporting concerns <u>GRI Index</u> Basis of Reporting	In 2017, 102 grievances about human rights impacts were filed, all of which were addressed. 88 grievances were resolved through formal grievance mechanisms. The remaining 14 cases are under investigation.

MATERIAL ASPECT	DISCLOSURES ON MANAGEMENT APPROACH (DMA) AND INDICATOR	LOCATION	OMISSIONS AND ADDITIONAL INFORMATION															
SOCIETY																		
LOCAL COMMUNITIES	DMA	Our community investment Our tobacco business – Our tobacco business leaf supply chain (including In Focus: ALP)																
	G4-S01 Percentage of operations with implemented local community engagement, impact assessments, and development programs	Our community investment Our tobacco business – Our tobacco business leaf supply chain (including In Focus: ALP) <u>GRI Index</u> Basis of Reporting	Corporate community investment programs We have corporate community investment projects implemented in 86% of the countries where we operate. There are 66 countries in which we have corporate community investment projects. ARISE and Grower Support Programs (GSPs) In addition to our corporate community investment programs, we also have ARISE and GSPs in Brazil, Malawi, Tanzania, and Zambia. In 2017, we covered 81% of these vertically integrated leaf operations. <table border="1"> <thead> <tr> <th>MARKETS</th> <th>NUMBER OF GSPS</th> <th>ARISE</th> </tr> </thead> <tbody> <tr> <td>Brazil</td> <td>13</td> <td>Y</td> </tr> <tr> <td>Malawi</td> <td>41</td> <td>Y</td> </tr> <tr> <td>Zambia</td> <td>56</td> <td>Y</td> </tr> <tr> <td>Tanzania</td> <td>19</td> <td>Y</td> </tr> </tbody> </table>	MARKETS	NUMBER OF GSPS	ARISE	Brazil	13	Y	Malawi	41	Y	Zambia	56	Y	Tanzania	19	Y
MARKETS	NUMBER OF GSPS	ARISE																
Brazil	13	Y																
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Zambia	56	Y																
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ANTI-CORRUPTION	DMA	Our business ethics – Living our Codes of Conduct																
	G4-S04 Communication and training on anti-corruption policies and procedures	Our business ethics – Living our Codes of Conduct Our business ethics – Anti-bribery and corruption <u>GRI Index</u> Basis of Reporting	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	Our tobacco business – Discussing Proportionate Regulations Our tobacco business – Latest Developments In RRP Regulation																
	G4-S06 Total value of political contributions by country and recipient/beneficiary	<u>GRI Index</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 2017, except a non-tobacco subsidiary in Japan, which made a political contribution that amounted to low-single-digit million Yen, at its own discretion, in compliance with all relevant Japanese laws.															
ANTI-COMPETITIVE BEHAVIOR	DMA	Our business ethics – Anti-competitive behavior																
	G4-S07 Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices, and their outcomes	Our business ethics – Anti-competitive behavior <u>GRI Index</u>	In 2017, there were no legal actions for anti-competitive behaviour, anti-trust, and monopoly practices that resulted in a significant fine for the JT Group, and no such legal actions that resulted in a penalty, or warning, with material impact for sustainability, taking into account the size of the JT Group.															

MATERIAL ASPECT	DISCLOSURES ON MANAGEMENT APPROACH (DMA) AND INDICATOR	LOCATION	OMISSIONS AND ADDITIONAL INFORMATION
COMPLIANCE	DMA	Our business ethics – Living our Codes of Conduct	
	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]	GRI Index	During 2017, 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) for the JT Group.
SUPPLIER ASSESSMENT FOR IMPACTS ON SOCIETY	DMA	Our tobacco business – Supply chain management Our tobacco business – Our tobacco business leaf supply chain (including In Focus: ALP)	
	G4-SO9 Percentage of new suppliers that were screened using criteria for impacts on society	Our tobacco business – Supply chain management Our tobacco business – Our tobacco business leaf supply chain (including In Focus: ALP) GRI Index	Through the new supplier life cycle management system, we are working toward being able to report the percentage of new suppliers screened using criteria for impacts on society in subsequent years.
	G4-SO10 Significant actual and potential negative impacts on society in the supply chain, and actions taken	Our tobacco business – Supply chain management Our tobacco business – Our tobacco business leaf supply chain (including In Focus: ALP) GRI Index	Through the new supplier life cycle management system, 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 subsequent years.
GRIEVANCE MECHANISMS FOR IMPACTS ON SOCIETY	DMA	Our business ethics – Reporting concerns	
	G4-SO11 Number of grievances about impacts on society filed, addressed, and resolved, through formal grievance mechanisms	Our business ethics – Reporting concerns Basis of Reporting	In 2017, 7 grievances about impacts on society were filed, all of which were addressed. 4 grievances were resolved through formal grievance mechanisms. The remaining 3 cases are under investigation.

PRODUCT RESPONSIBILITY

CUSTOMER HEALTH AND SAFETY	DMA	Our tobacco business – Smoking and health Our pharmaceutical business Our processed food business	
	G4-PR1 Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	Our tobacco business – Smoking and health Our pharmaceutical business Our processed food business GRI Index	Health and safety impacts for our products in our tobacco business, pharmaceutical business, and processed food business are all fully (100%) assessed for improvement.

MATERIAL ASPECT	DISCLOSURES ON MANAGEMENT APPROACH (DMA) AND INDICATOR	LOCATION	OMISSIONS AND ADDITIONAL INFORMATION
CUSTOMER HEALTH AND SAFETY	G4-PR2 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	GRI Index	During 2017, there were no incidents of non-compliance with regulations or voluntary codes concerning the health and safety impacts of products and services during their life cycle that resulted in a significant fine for the JT Group, and no such incidents that resulted in a penalty, or warning, with material impact for sustainability, taking into account the size of the JT Group.
PRODUCT AND SERVICE LABELING	DMA	Our tobacco business – Responsible marketing Our pharmaceutical business Our processed food business – Food communication	
	G4-PR4 Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information, and labeling, by type of outcomes	GRI Index	During 2017, there were no incidents of non-compliance with regulations or voluntary codes concerning product and service information, and labeling that resulted in a significant fine for the JT Group, and no such incidents that resulted in a penalty, or warning, with material impact for sustainability, taking into account the size of the JT Group.
	G4-FP5 Percentage of production volume manufactured in sites certified by an independent third party, according to internationally recognized food safety management system standards	Our processed food business	
MARKETING COMMUNICATIONS	DMA	Our tobacco business – Responsible marketing Our pharmaceutical business – Responsible promotion of drugs	
	G4-PR6 Sale of banned or disputed products	GRI Index	In 2017, in our international tobacco business, the sales and/or imports of e-cigarettes with nicotine were banned in 44 countries, flavored products were restricted in 40 countries, snus was banned in more than 45 countries, and waterpipe tobacco was banned in 9 countries, with more expected to follow. All of the aforementioned products are part of our product portfolio. The JT Group fully complies with these bans. Note regarding JT Group key markets: In Japan, e-liquid containing nicotine requires a pharmaceutical license. Therefore, e-cigarettes and e-liquid containing nicotine are essentially unavailable for purchase in the Japanese market without the aforementioned pharmaceutical license.
MARKETING COMMUNICATIONS	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 2017, there were no incidents of non-compliance with regulations or voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship that resulted in a significant fine for the JT Group, and no such incidents that resulted in a penalty, or warning, with material impact for sustainability, taking into account the size of the JT Group.
COMPLIANCE	DMA	Our business ethics – Living our Codes of Conduct Our tobacco business – Responsible marketing	
	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 2017, we did not receive any significant fines for non-compliance with laws and regulations concerning the provision and use of products and services for the JT Group.