JT

Human resources

Aspirational goal

We will be the employer of choice by investing in people.

Target

We will be a certified employer of choice every year in at least 60 countries by focusing on talent management, rewards, and empowerment.

Progress

We were certified as employer of choice in 67 countries (64 with Top Employer and 3 with other local employer certifications). In addition, 11 countries hold more than one certification.

Read more about our latest progress on the JT Group's tobacco business sustainability strategy.

Aspirational goal, target and progress for our tobacco business.

Our approach

The JT Group human resources management philosophy

We believe that highly skilled and talented people form the foundation of a company's success and contribute to real sustainable growth. In light of this, the JT Group proactively takes steps to secure long-term engagement and employee satisfaction.



Our employees are assets to the Company, and their skills and spirit are the driving force behind everything we achieve. We are pleased to be an employer of choice, and our positive workplace culture and environment help us to attract, retain, and develop talented individuals. We are also taking further steps to create a diverse and inclusive culture.

To offer all of our employees the best possible experience, we are currently focusing on four areas:



Talent development

Today's business environment is evolving rapidly, and COVID-19 adds additional pressures. It requires flexibility and the adoption of new skills, such as remote ways of working.

We have implemented various global and regional learning programs. In these unprecedented times we supported employees as they navigated new digital learning platforms and courses. We constantly invest in our employees, including at a managerial level, to ensure they flourish in their careers.

Our commitment to talent development is seen in the fact that we recruit existing employees to fill open positions. Our internal hire rate has now been above 90% for more than six years, and in 2020, 91.5% of employees were internally promoted.

For all employees at all levels

All of our employees can access comprehensive training programs. Fundamental business courses in giving presentations, writing, or time management are available to those in junior positions. More advanced programs such as task execution, negotiation skills, or leadership are aimed at middle-management and senior positions.

Various tools are available to make the training programs more accessible. For instance, in 2018, we launched a global learning platform in our international tobacco business. It is available to 20,000 employees, who can choose programs according to their interests, such as leadership or language learning.

In 2020, we refreshed our learning programs for employees in our Japanese operations. Employees are now grouped into five stages of development. At each stage, they participate in training programs on topics such as capability development, understanding roles and responsibilities, and inner reflection. In addition, we try to boost human resources development by linking off-the-job training with on-the-job training.

As line managers play a key role in our employees' careers, we hold regular performance and career discussions throughout the year. Regular communication between managers and employees helps to leverage our employees' full potential and boost their development. In 2020, 85% of our employees participated in the 2019 performance review.

Online training

Following COVID-19, in our international tobacco business, all of our employees have access to 16,000 courses through the recognized video training provider LinkedIn Learning, as well as fully digital mentoring and coaching programs. We also run various cross-regional programs to support and develop young talent.

Future business leaders

One of our key initiatives is our talent partnership program, which aims to develop the global capabilities of our employees and train our future business leaders. It is also a great opportunity for employees to network and learn from colleagues with different backgrounds.

As part of this program, we organize an 'Exchange Academy' every two years* in our tobacco

business. In 2018, 25 employees were selected to take part. The participants spent one week in Japan and one week in Switzerland, working in teams to analyze and formulate the JT Group strategy for sustainable growth. Each team then gave a presentation and made a recommendation to senior executives within our Group.

* In 2020, the academy was postponed due to COVID-19.

Case study

Virtual training for JT Group leaders

To ensure the sustainability of our learning and development initiatives even during COVID-19, JTI directors carried out their Mindful Leadership course in a fully customized virtual format. The program, led by the Ashridge Hult International Business School, is designed for experienced leaders who are ready to enter the next phase of their leadership journey. The ten-week program included self-study, group sessions, personal coaching, business simulations, and personal reflection.

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This was an intense course spanning everything from personal resilience to managing stress during turbulent times. It also included modules on leading effectively under pressure and the art of 'inclusive conversation' when working with diverse cultures, age groups, and genders.

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Talent attraction

Another priority for us is ensuring that we are chosen by the best talent. Although our operation is worldwide, the Company is not yet well known in some countries and we wish to find ways to connect with talented individuals in these locations.

Attracting and retaining Generation Z* is particularly important, as this age group represents a growing proportion of our new hires, and their unique skills will help drive innovation in the JT Group. From a sustainability perspective, it is critical for us to understand this generation's professional expectations, which are different to those of previous generations.

*Generation born after the late 1990s.

With this in mind, in 2019 our international tobacco business launched its first global internship competition 'Make It Bright', in which students from 17 countries pitched ideas for positive change to our business. In 2020, we expanded this initiative across 30 countries, reaching 41 million students around the globe. More than 8,000 registered for the competition. The local winning teams competed in virtual global finals to win a six-month paid global internship in 2021.







The tobacco industry is undergoing a major transformation, and we want to make people aware of the new opportunities that our Company offers. In recognition of our need for a stronger employer brand, in 2018 our international tobacco business redefined its Talent Value Proposition. This is our promise to create a working environment that addresses four key talent needs: respect, growth, drive, and confidence. In the same year, we also launched a new HR campaign ('Join The Idea').

In 2019, we announced the opening of three new Global Business Service centers, in Warsaw (Poland), St. Petersburg (Russia) and Manila (Philippines). To let external candidates know about this new career opportunity and attract 1,600 bright new talents, we launched a Talent Attraction campaign in November 2019. The campaign reached over three million professionals and candidates visited our job postings more than 300,000 times. As a result, we received three to four times more applications than during the pre-campaign period.

Diversity and inclusion

For us, diversity means all the ways in which current and potential employees define themselves, in terms of age, gender, selfidentification, sexual orientation, disability, ethnicity, religion and nationality, as well as by experience and expertise. Inclusion is about treating all employees fairly and respectfully and ensuring that everyone feels like they are part of the same team.



Establishing a diverse and inclusive workplace is a top priority for us because we would like all of our employees to enjoy their work and to perform to the best of their abilities. We believe this brings a rich mix of viewpoints and perspectives, which can inspire new ideas, lead to solutions to complex issues, and drive our business forward.

In some respects, we are already highly diverse. Our workforce includes over 100 nationalities in more than 130 countries, and it is vital for us to create a workplace free from any discrimination, where people can be themselves. However, in order to further strengthen our organization, we wish to increase diversity and inclusion in other respects and within senior management across our Group.

We welcomed a new Vice President of Diversity and Inclusion in February 2019 in our international tobacco business and established a practical and ambitious new strategy consisting of three pillars: Gender Equality, New Ways of Working, and LGBT+ Inclusion. In 2020, we launched two additional pillars: Wellbeing and MyGeneration.

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Diversity, the state of being different, isn't the same as inclusion. One is a description of what is, while the other describes a style of interaction essential to effective teams and organizations. Diversity and inclusion have become absolutely essential. They are not just abstract notions for me. I want all of our employees to benefit



from this and to be themselves all the time, everywhere.

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Christiane Bisanzio, Vice President, Diversity and Inclusion, JT International

Gender equality - women in leadership

We have been focusing on building a gender-balanced workforce and our Board members are heavily involved in working towards this ambition. To further empower women, we hold workshops for top management and line managers, as well as training and seminars for female employees. Our new Group-wide target, specifically representation of women in leadership, is to reach 25% by 2030. We find it desirable that this should be more than 40% over time.



JT Group representation of women in leadership (%)

In our Japanese operations, we are taking many initiatives around gender, such as optimizing job assignments throughout the company via regular consultations with various functions. We also

offer opportunities to take part in external training programs and discussions with senior management in order to promote career advancement among female employees. In recognition of our exceptional work in promoting women's success in the workplace, in 2020 JT was named a <u>'Nadeshiko Brand'</u> for the second consecutive year and third year overall.

In our international tobacco business, a Diversity and Inclusion Advisory Council at Board level demonstrates senior management's support for this inclusive and forward-looking approach. Senior leadership have taken special training on identifying the obstacles preventing talented women from advancing their careers.

We have implemented a number of talent management and recruitment measures. These include diverse and balanced interview panels, as well as a 50-50 equal slate of candidates within the final round of our interview process. Additionally, all our job descriptions go through an AI algorithm that flags gender-biased language, helping us to attract a broader range of candidates.

To foster the professional development of female employees, we launched a one-year sponsorship program targeting female employees, supported by senior leadership. we also established a global Employee Resource Group called "TogetHer". This internal network is fully inclusive and open to all JTI employees. TogetHER includes both men and women as active members. The network is currently focusing on men activating progress, the role of gender in consumer centricity and innovation, as well as raising awareness and communication in the organization.

Following our Geneva headquarters' recognition as an equal-salary employer by the EQUAL-SALARY Foundation in 2018, which is valid for three years with annual progress checks, we are now aiming to apply the same approach in other countries.



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As a mother and grandmother, with a son, daughter, grandson, and granddaughter, I want future generations to grow up in a world where equal pay is a reality. With every single action taken by companies like JTI in tackling the gender pay

gap, the whole equal pay movement grows and gains more attention.



Véronique Goy Veenhuys, Founder and CEO, EQUAL-SALARY Foundation

LGBT+ Inclusion

Supporting our LGBT+ employees is vital for us to create a more equal JT Group, in which everyone is empowered to be themselves and do their best.

We believe in workplace equity and giving everyone the same opportunities. All of our job vacancies in our international tobacco business are now published on myGwork, a global networking hub for LGBT+ professionals and graduates.

We created a global LGBT+ Employee Resource Group with a dedicated internal communication platform (Workplace), to facilitate networking and interaction among like-minded people and enhance employees' understanding of LGBT+.

We develop strategies, professional development opportunities and LGBT+ inclusive policies. This helps us to create workplaces which are inclusive of all sexual orientations, gender identities, and gender expressions.

During PRIDE month in June 2020, we were not able to march together due to the effect of COVID-19. Nonetheless, we engaged all our colleagues in a global virtual Pride in three time zones, unleashing the power of inclusion from the warmth and safety of our homes.

In 2020, Geneva, the headquarters of our international business was one of the first companies in French-speaking Switzerland to be awarded the <u>SWISS LGBTi Label certification</u> \Box . Based on an extensive audit, this certification recognizes the implementation of our LGBT+ Inclusion strategy.

We have made positive progress in our Japanese operations too, achieving the highest-ranking <u>Gold status in the PRIDE Index 2020</u> for the fifth consecutive year.







New Ways of Working (N-WOW)

Recognizing that different people have different working styles and needs, we promote a workplace environment that allows all employees to fulfill their potential. N-WOW is a movement to boost flexibility and employee retention. We do this largely by removing many of the barriers and management styles of the past and bringing them in line with a modern, multigenerational workforce.

Ensuring business continuity

People come first. The safety and wellbeing of our employees, contractors, their families, and the communities in which we operate are at the heart of every decision we make.

We have a long-standing corporate culture of encouraging flexible hours and remote working right across the Company. Fortunately, these practices enabled most of our office-based employees to seamlessly work from home soon after the COVID-19 outbreak began in January 2020.

In Japan, we introduced full-time flexible working and no-limit remote working in February 2020. These new ways of working will continue beyond the end of the pandemic.

In our international tobacco business, our office-based employees in over 70 locations have been working from home.

Find out more about our response to COVID-19 in our <u>FY2020 Integrated Report (P.10)</u> and <u>the JT Group health and safety</u> section.

Working parents

In 2020, we launched <u>a new family leave policy</u> for our international tobacco business, which came into effect in January 2021. The policy grants 20 weeks of paid family leave, regardless of gender,

sexual orientation, age, or location, when an employee becomes a parent via natural birth, surrogacy, or adoption. The policy goes above and beyond the standard national requirements in more than 80% of the countries where JTI is present.

We also provide childcare facilities and financial support with childcare costs. In recognition of this, JT has been certified as a childcare-supporting company by the Japanese Ministry of Health, Labor, and Welfare.

A family-first approach

In some countries with an aging population, we offer support for employees who care for older people. For instance, in the U.K., we allow employees to take time off to look after senior family members. Equally, in our Japanese operations, employees can take days off when needed, and the Company offers financial support for professional nursing care.



Wellbeing and MyGeneration

In 2020, we added two new pillars to our Diversity and Inclusion strategy in our international tobacco business: Wellbeing and MyGeneration.

Wellbeing

In light of COVID-19, wellbeing has become more important and relevant than ever before. Ensuring that our employees are in the best physical and emotional health at this difficult time is paramount.

In 2020, we launched the Global Wellbeing program to support the physical, mental, emotional, and financial wellbeing of our people and the communities in which we operate. The program enables our employees to 'give back' by taking part in physical and/or remote volunteering, bringing benefits not only to local communities but also to their own wellbeing.

MyGeneration

We value the diverse perspectives that each generation brings to the workplace and our vision is to support age-diverse teams, creating optimum conditions for collaboration, knowledge exchange, and mutual respect. The launch of the MyGeneration pillar leverages the strengths of each generation and builds an inclusive culture. In 2020, two groups were created at the headquarters of our international business in Geneva. Each group will work on cross-functional projects including multi-generational focus groups and 'Sales Experience' sessions, as well as social events.

In 2020, with a heightened focus on Race and Ethnicity, we created a global employee working group dedicated to equal opportunities and equity for all our employees.

Being a responsible employer

Engaging with employees

As a responsible employer, engaging employees is crucial, and we communicate with our staff through multiple channels. Our aim is to foster a working environment that is free from discrimination, and to maintain constructive relationships with unions.

To evaluate the effectiveness of our programs and the level of engagement of our employees, and to identify areas for improvement, we carry out an Employee Engagement Survey (EES) every three years* across the Group.

Additional employee-related surveys are available, so that we can always be mindful of employees' concerns and quickly implement relevant measures. For instance, each office in our international tobacco business regularly conducts a survey called 'PULSE' to check their progress towards key challenges identified via EES.

In 2019, our Japanese operations introduced a new scheme allowing departments to carry out surveys at any time. A variety of options are available under the new scheme, including a threeminute survey for gathering rapid feedback, enabling departments to choose which option best meets their needs.

In 2020, we invited the 11,582 employees in our Japanese tobacco business to take the EES. The overall survey response rate was 92%. The survey includes a 'Sustainable Engagement' category, which measures employees' job satisfaction and long-term commitment to the business. The total favorable score for this category was 80%, which is 7 points ahead of the average score for Japanese companies.

The input we receive from employees helps us to understand our strengths, the progress we have

made, and the areas where we need to keep improving. Importantly, our people also help us understand what we need to do differently to maintain our reputation as a top employer.

*Before 2019, our Japanese operations used to conduct the survey every year.

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Despite a challenging year, JTI continued to demonstrate the power of putting people first. Successful policies implemented over the years meant that the company was able to continue fully engaging and motivating employees, showcasing why they are so deserving of their certification. This was demonstrated by their continued presence in top regional ratings, and their certification as a **Global Top Employer** since 2015. JTI has shown it is committed to continuously improving HR policies that affect its 45,000 employees worldwide.



CERTIFIED EXCELLENCE IN EMPLOYEE CONDITION

Freedom of association and trade unions

The JT Group supports freedom of association and the right to collective bargaining, even in countries where these freedoms are not a legal prerequisite. This means we are committed to open and constructive relations with trade unions and works councils. If one of our sites ever has to cease activities due to the operating environment it faces, we work closely with unions to ensure affected employees are treated fairly and beyond the minimum legal requirements.

We have a long history of positive industrial relations. Across the JT Group, industrial relations are based on individual countries' labor laws, and we aim for open and constructive relations with trade unions and works councils. Dialogue with trade unions generally takes place within the jurisdiction of our local operations, and typical engagements cover aspects of company management, strategy, and planning, as well as operational issues.

In line with the relevant European Directive, we also have a voluntary European Works Council agreement in place. Our European Works Council operates as an employee information and consultation body for transnational issues relating to our operations in Europe. The Council has regular meetings each year and is made up of employee representatives and members of management.

Related links



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JT Group health and safety

Our employees have the right to be protected from work-related injuries and illnesses, and it is our responsibility to provide a safe working environment. We align our health and safety standards with ISO 45001 (OHSAS 18001) and always meet or exceed legal requirements.

When our standards are stricter than local laws, we require our local offices to comply with our standards. The scope of our standards extends beyond our employees, covering contractors as well as visitors to our operations.



Aspirational goal

We will be the employer of choice by investing in people.

Target

In line with our vision of zero workplace injuries, we will reduce injury rates by 25% by 2023 and 50% by 2030. (Baseline year: 2015).

Progress

Health and safety performance in our tobacco business

		2015	2016	2017	2018	2019	2020
Recordable Injury Rate (per 200,000 working hours)	Employees	0.72	0.64	0.67	0.50	0.49	0.30

Recordable injury rate* declined 58.9% from 0.72 in 2015 to 0.30 in 2020.

* Recordable injury rate = recordable injuries/200,000 hours worked. Some data from newly acquired business has been excluded, as newly acquired business needs 18 months to integrate the JT Group health and safety standards.

Read more about our latest progress on the JT Group's tobacco business sustainability strategy.

Our health and safety performance as a Group

Recordable injury rate* declined 58.9% from 0.72 in 2015 to 0.30 in 2020.

		2015	2016	2017	2018	2019	2020
Number of fatalities	Employees	1	2	0	1	1	3
	Contractors	1	1 (only JTI)	2	0	0	0
Lost-time injury rate (per 200,000 working hours)	Employees	0.34	0.39	0.38	0.24	0.24	0.20
	Supervised workers		0.16	0.30	0.23	0.15	0.07
Occupational illness rate ^{*1} (per million working hours)	Employees	0	0	0.08	0.02	0.01	0.37
	Other importa	nt KPIs	;				
% of cigarette and tobacco-related factories certified to ISO 45001 (OHSAS 18001) ^{*2}		78.9 %	77.8%	74.4 %	76.9 %	79.5 %	70.0 %
Number of vehicle accidents*3		112 2	1151	66	85	71	64
Vehicle accident frequency rate ^{*3} (excludes property damage, accidents per million kilometers)		4.84	3.87	0.23	0.21	0.16	0.19

In 2019, we recalculated all of the historical data. Specifically, we removed some data from newly acquired business. This is because newly acquired business needs 18 months to integrate the JT Group Health and Safety Standards.

We no longer report the number of lost-time incidents or the lost-time incident rate, as this

data is now covered by the recordable injury rate and lost-time injury rate.

We regret that 3 employees died as a result of work accidents in 2020. We try to learn from every accident and remain committed to achieving zero fatalities.

- *1 Data scope: 2015: only JT. 2016 and 2017: JT and Japanese domestic Group companies. From 2018: the entire JT Group. 2020: the increase from 0.01 in 2019 to 0.37 in 2020 is due to COVID-19 work related cases. Read more <u>about our data scopes</u> and <u>external verification</u>.
- *2 Data scope: 2020 only JTI
- *3 The number of vehicle accidents and the vehicle accident frequency rate in 2015 and 2016 include damage to property, because the data is not available in our international tobacco business. The data in 2015 covers only our international tobacco business. From 2016, it covers JT and JTI.

Read more the way we define, calculate, and consolidate data in the Basis of reporting.

Three pillars of safety



Our safety programs are based on three fundamental pillars:

- 1 Safe workplaces
- 2 Safety competence
- 3 A Group-wide culture where the safety of our people always comes first

The level of risk varies from location to location, but the highest risks across the JT Group are driving vehicles, riding motorcycles (driver safety), and working with machinery, as well as slips, trips, and falls.

To mitigate these risks and prevent injuries, we conduct risk assessments throughout the whole

supply chain. This helps us to identify hazards, implement appropriate measures, and ensure that our approach helps us to protect our employees. We also focus on raising awareness among employees and thoroughly embedding our safety culture in our day-to-day work.

In 2019, we rolled out a new driver safety policy and implementation guidelines across our international tobacco business. Focusing on driver behavior, the new guidelines require local offices to conduct a risk assessment to identify high-risk drivers. They must also send periodic progress reports and action plans. In 2020, we completed a Driver Safety Compliance Assessment. The results showed that the average market now complies with 80% of our global guidelines.

Considering the growing number of female employees, the policy also includes maternity protection for female drivers. Between 2019 and 2021, 30,000 employees will take a driver training course.

We had planned to launch a global tool in 2020 to facilitate risk assessment at local offices. This tool had been piloted in Egypt, where trying to reduce vehicle accidents is challenging due to poor infrastructure and traffic management, nationwide. Feedback from local health and safety managers and employees had been very positive. Despite the onset of COVID-19 across the world, and because we believe that people come first, we nevertheless managed to launch the new risk assessment program in several countries, including Egypt, Lebanon, Jordan, Philippines, Indonesia, Nigeria, Turkey, and Poland, reaching more than 1,700 drivers.

In the sales division of our Japanese operations, we have set 'prevention of vehicle accidents during sales activities' as a priority issue within our 2020 Occupational Health and Safety Plan.



Case study

Reducing incidents by 50% through our motorcycle safety program

Driving is a critically important area of safety for us, as it can lead to serious injuries and even fatalities. Driving is most dangerous in countries where safety standards and awareness are lower, and ingrained driver behavior is less risk-averse.

We have been addressing this issue since 2016, when we launched a motorcycle risk management program in countries where employees drive motorcycles daily, such as Zambia, Malawi, and Tanzania. We have since updated the program and we are now planning to implement it in our acquired operations in countries such as Indonesia and Ethiopia. In 2020, we launched a Motorcycle Rider Hazard Assessment and Elearning program in Bangladesh to protect our employees.



The motorcycle program is designed to reduce risks by teaching the technique of 'defensive driving' to reduce accidents and focusing on the proper maintenance and inspection of vehicles. It emphasizes the need to wear proper protective equipment, such as helmets, gloves, and high-visibility jackets.

Thanks to Train-the-Trainer sessions, we now have 130 specialized motorcycle instructors who can provide training in their countries. The program has had a significant impact on safety performance. In 2019, the number of motorcycle-related injuries in the countries where we implemented the programs shrank by 50% compared to 2016 and 2017.

In 2020, we expanded and refined the program by developing and implementing a remote e-learning Driver Safety Leadership Program in Zambia. The program is for employees of all levels, including managers and supervisors, and specifically targets risks and behaviors within our Leaf Organization in this country.

Ensuring the same standards around the world

As part of our drive to expand the business geographically, we have made acquisitions in new markets.

- In 2017, we acquired an Indonesian tobacco company and assets of a tobacco company in the Philippines, and we became the majority shareholder of The National Tobacco Enterprise (Ethiopia) Share Company.^{*1}
- In 2018, we acquired additional tobacco companies in Russia and Bangladesh.
- These acquisitions considerably increased the size of our workforce.^{*2}

Most of these acquired businesses operate in developing countries, with a raft of societal and economical challenges. We recognize this and feel responsible for improving the working environment. We therefore introduce our policies firmly and immediately after each acquisition. We also visit the sites and support local managers to ensure that our policies are endorsed and embedded across the Group.

Particularly in these countries, health and safety issues pose a serious risk to local communities, our employees, contractors, and our business continuity. For this reason, we take a systematic and risk-based approach to acquired businesses from the outset.

The Health and Safety team at our headquarters conducts a risk assessment for potential new countries to check whether their standards meet ours. Following an



WORK-RELATED INJURIES OF EMPLOYEES IN ETHIOPIA (2018 vs 2019)

acquisition, we support local offices to identify key risks, develop and implement 18month action plans, and align policies with our standards.

Following the implementation of our global policy and standards in Ethiopia, employees can work in a much safer workplace and we have drastically reduced the number of work-related injuries at this location. Previously, there had been incidents involving moving equipment, falls, and vehicle accidents, among other safety risks. Now employees are more safety-aware, and we continue to make efforts to create a workplace free from any safety issues.

*1 We became the majority shareholder of the Ethiopian company in December 2017.

*2 Please refer to our GRI Index for detailed information about our workforce composition.



H&S ACQUISITIONS APPROACH

Towards a better workplace

We care deeply about employee well-being because we want our employees to feel comfortable and motivated every day. We run a variety of well-being programs across the Group, such as ergonomic assessments and ensuring general occupational hygiene.

To design these programs, we gather wellbeing data from our local offices. In 2018, we expanded our data scope by introducing new rules requiring all local offices to report their occupational health cases to our headquarters. This will allow us to understand our global risks and develop a consistent approach to them, while strengthening our existing protection measures.



Local managers are responsible for investigating reported issues and identifying the causes. If the issues are attributed to the work or workplace, we take appropriate measures immediately to protect employees' well-being and prevent recurrences.

We communicate the importance of health check-ups to our employees and put in place initiatives to facilitate them. In Japan, through these check-ups, we identified several lifestyle-related risk factors which can cause chronic conditions such as diabetes. We therefore launched a platform where employees can view the results of their check-up and receive relevant well-being tips. This will raise employee awareness of lifestyle-related risk factors, and ultimately reduce absenteeism rates.

Another key focus area in our Japanese operations is employee mental health. As mental health issues can be related to stress, we encourage employees to attend stress management sessions and individual meetings with doctors. Following the onset of COVID-19, these meetings took place via video call, and we also offered online exercise programs. Both measures were designed to support our employees' optimum health.

In addition, we created video content and held sessions on sleeping well, as our annual medical questionnaire showed that this was a key concern among employees.

These programs have had a positive impact on employee productivity and the absenteeism rate in Japan, which has recently been below 1%.

We are pleased to announce that JT was named as a <u>"White 500"</u> company for the fifth year running in 2021. This award is presented by Japan's Ministry of Economy, Trade, and Industry. It recognizes large enterprises that are making outstanding progress towards better well-being among their employees.

Our response to COVID-19

People come first. The safety and well-being of our employees, contractors, their families, and the communities in which we operate are at the heart of every decision we make.

At the JT Group, we implemented a number of measures to reduce the impact of COVID-19. We have taken a risk-based approach, identifying the highest risks to our Company and making it a priority to take relevant action.

We analyze the impact on business from various perspectives. Since the COVID-19 outbreak began in January 2020, we recognized the virus as a threat to our employees and the business community. Our corporate security and health and safety experts immediately started to create daily reports and risk assessments related to the impact of the virus on employee travel, health and safety, and supply chains. This gave management access to the latest information and speeded up decision-making.

We also provided best practices for business continuity during the pandemic. These included health and safety guidelines for different environments, including offices, factories, and sales, in dozens of countries. We supported business units worldwide by procuring and shipping personal protective equipment where needed.

In addition, we offered online health and safety training to more than 7,500 people. For health and safety leaders, we provided extra training on specific risk assessment and control measures. This training was also available to employees at a higher risk of exposure, including members of our sales force, our cleaning and hygiene staff, and security guards.

We have a long-standing corporate culture of encouraging flexible hours and remote working right across the Company. Fortunately, these practices enabled most of our office-based employees to seamlessly work from home soon after the COVID-19 outbreak began.

We also provided detailed travel security advice for employees when borders were rapidly closing, with severe and often unannounced restrictions on travelers.

We take a science-based approach to identifying the highest risks to our employees. Our COVID-19 policies and guidelines are accessible to all employees worldwide through our health and safety platform, ensuring a constant flow of clear and scientifically accurate information. Using new online technologies, we have increased collaboration across risk functions to make sure our people have the information and tools they need to protect themselves and their loved ones.



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Alicia Olo Martinez Director, Global Health and Safety, Corporate Sustainability, JT International



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2020 was certainly the year of the unexpected. The COVID-19 crisis and the resulting economic and social fallout were unforeseeable. However, JT Group's response to the crisis has been decisive. From fully embracing a work-fromhome platform for office employees to strict social distancing and hygiene measures in our factories, our leadership recognized what many did not – that we were experiencing a critical moment with profound and permanent changes to the business community. While 2021 will certainly remain unpredictable, we will continue to provide our leadership with timely advice and risk assessments to ensure they have the latest information to successfully navigate these uncertain times.

William L. Wallrapp Director, Corporate Security, Sustainability Management Division, JT

Read more about the impact of COVID-19 in our <u>FY2020 Integrated Report (P.10)</u>.

Case study

Japan steps up to eliminate global hunger

JT has been participating in the 'Table for Two' program, which donates the equivalent of one meal to a developing country for every meal purchased by employees at JT's cafeteria in Tokyo.

In light of COVID-19, working from home became the norm for employees in 2020, and use of the cafeteria decreased. However, we found a new way to keep the program running, while encouraging employees to keep fit at the same time. Throughout October, the Company donated one meal for every 8,000 steps taken per person per day. A total of 1,900 employees stepped up to the challenge.

Find out more our <u>community investment initiatives</u>.



About our reporting

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

Read more >

Related links

