



# COMPLIANCE BOOK

Our responsibilities and actions

Pharmaceuticals Business

JT Group Code of Conduct

V 1.0

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## About this Code

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### **How to use this booklet**

This booklet is intended only for the use within the JT Group.

Please use it to the fullest extent as it is available for you to write down notes or to take back home.

This booklet shall be provided to persons who work in the JT Group such as temporary staff, as necessary.

When retiring from or leaving the company, please return the booklet to the person responsible for compliance or your line manager.

### **Scope of our Code of Conduct**

This Code of Conduct applies to all individuals who have employment relationships with any JT and JT Group entity, and belong to Pharmaceuticals Business, as well as external staff (such as temporary personnel) who accepted this Code of Conduct, even if not employed directly by any JT Group entity.

### **Responses and penalties in the case of violations**

If the contents incorporated in this booklet have been violated, punishment may become applicable according to the work regulations.

Furthermore, in situations where economic losses have been incurred by the company, the company may also seek compensation.

### **Notes**

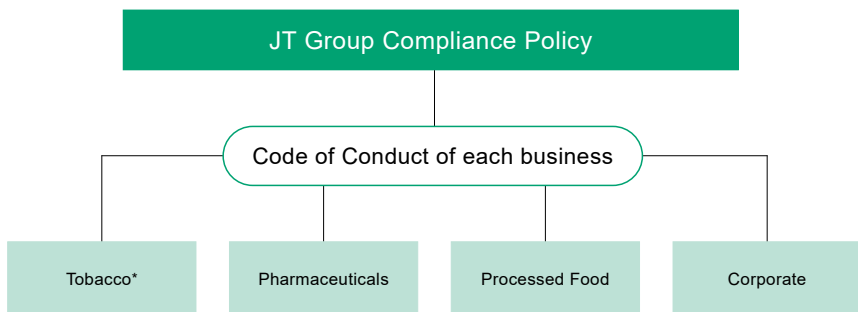
- The standards set out in the Code of Conduct are not comprehensive. In addition to the Code of Conduct, you should practice activities that follow laws and regulations and company internal rules in your everyday work.
- If you are unsure of a judgment concerning the contents incorporated in the Code of Conduct, please contact your superior or relevant departments.



## Message from CEO JT Group

Under the JT Group's 4S model, we strive to fulfill our responsibilities to our valued consumers, shareholders, employees and the wider society. This management principle enables us to carefully consider the respective interests of these four key stakeholders, and exceed their expectations whenever we can. The JT Group Purpose "Fulfilling Moments, Enriching Life" further clarifies the best direction for the JT Group to maintain its sustainability.

The shared values and ethical conduct defined in the "JT Group Compliance Policy" lay the foundation upon which we can realize the JT Group Purpose and foster sustainable growth over the mid- to long-term in pursuit of the 4S model. This JT Group-wide policy also sets the standards for our business-specific Codes of Conduct which provide sound guidance for our daily behaviors and actions.



\*Tobacco Business in Japan stipulated and implemented its own Code of Conduct, which provides a uniquely Japanese perspective on the global Tobacco Business Code of Conduct.



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Adhering to the prescribed behaviors and actions set out in our Codes of Conduct will not only inspire a high level of trust from consumers and other stakeholders, but also safeguard colleagues, contribute to cultivating employee-friendly workplaces, and foster an open and transparent corporate culture.

We ask that you carefully read the Code of Conduct for your business in order to fully understand and practice our compliance standards. If you are ever unsure whether an action violates or has the risk of violating a Code of Conduct, consult your line manager or contact “Compliance and Consulting Reporting Desk,” our independent and confidential reporting mechanism.

I commit to leading efforts to ensure Code of Conduct compliance within the JT Group.

CEO JT Group

*Mr. Terabatake*



## Message from EVP in charge of Pharmaceutical Business ~About Compliance~

We of the JT Group are making a statement to the world about what we offer and how we contribute to consumers and society through our business, expressing our reason for existing in the form of the JT Group Purpose of “Fulfilling Moments, Enriching Life.”

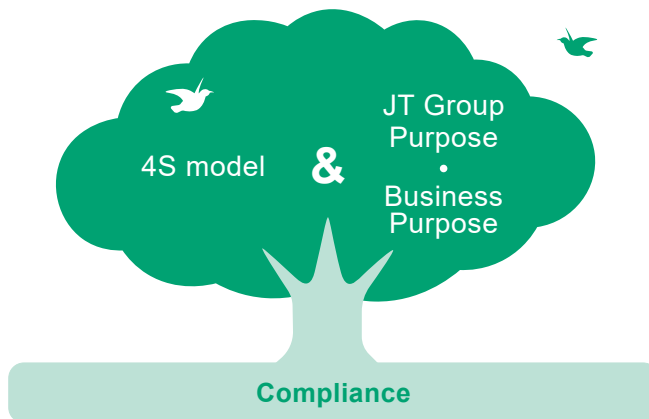
In addition, the Pharmaceuticals Business has formulated the Pharmaceuticals Business Purpose, “Respecting science, technology and people, we will contribute to patients’ lives,” to help us achieve the JT Group Purpose.

The basis for achieving the “JT Group Purpose” and the “Pharmaceuticals Business Purpose” is “Compliance.”

The general definition of compliance is “observing laws and regulations.” It goes without saying that JT Group observes laws, regulations and social rules of each country, and the term is more broadly defined within the group as follows.

### <JT Group Compliance>

“Actions for the shared JT Group Purpose, based on the values and ethics we must hold in order to become better corporate employees and citizens.”



- The laws, regulations and social standards of each country
- JT Group Compliance Policy
- JT Group Code of Conduct in each division
- Company internal regulations and manuals



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Based on the JT Group Compliance Policy, the JT Group Code of Conduct (Pharmaceuticals Business Edition) emphasizes the aspects of behavior that are required due to the impact that pharmaceuticals can have on people's lives and health. And, it clarifies the responsibility of each and every person to our various stakeholders as "Our Responsibilities," which is the basic policy governing our individual action, and defines "Actions" to fulfill our responsibilities through lists of example.

When you have any doubts or are unsure about a decision in your daily works, I hope that you will read this JT Group Code of Conduct (Pharmaceuticals Business Edition) and use it as a basis for reconsider the situation.

Let us achieve the Pharmaceuticals Business Purpose through the practice of compliance. I also declare that I will set an example by practicing this Code of Conduct and take the lead in striving to achieve the Pharmaceuticals Business Purpose.

EVP in charge of  
Pharmaceutical Business



# Our Responsibilities

## Our responsibilities to consumers

- We shall conduct activities from the perspective of consumers.
- We shall give top priority to consumer satisfaction and reliability to offer safe, secure and high-quality products and services.
- We shall provide consumers with useful and correct information that will not mislead them.

## Our responsibilities to our shareholders

- We shall disclose appropriate information in a timely manner so that our company can be understood and evaluated correctly.
- We shall conduct our business with high ethics and a sense of responsibility, keeping shareholders' interests in mind.
- We shall continuously strive to increase corporate value.





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### **Our responsibilities to our employees**

- We shall respect diverse opinions and values.
- We shall strive to create a comfortable and safe workplace environment without harassment.

### **Our responsibilities to society**

- We shall respect human rights and value each other's individuality and personality.
- We shall conduct ourselves in a manner that will not arouse suspicion or mistrust in society.
- We shall build a fair business relationship with all business partners.
- We shall procure the best and most appropriate resources through fair and transparent transactions.
- As a "good corporate citizen," we shall strive to protect the global environment and contribute to society.
- We shall strive to prevent smoking by minors and create a smoking environment that meets social expectations.



# Actions -How to read-

How to read "Action" for "Our responsibilities."

## Actions

There are 26 items.

## What does this mean for JT Group?

Describes what the items means for the JT Group.

## As a member of JT Group

Actions to be taken as a member of the JT Group.

### 1 Ensuring product quality

We are aware that "pharmaceutical products are products related to life," and we will comply with Japan's Pharmaceuticals and Medical Devices Act and related laws and regulations and supply products of appropriate quality in a stable manner in accordance with our internal regulations.

#### What does this mean for JT Group?

- Each of us must constantly be aware that the products we handle are directly related to people's health and lives, and we must work in collaboration with our business partners in Japan and other countries.
- We must comply with Japan's Pharmaceuticals and Medical Devices Act and related laws and regulations in all processes from the receipt of raw materials to the shipment of final products in order to guarantee product quality.
- We must avoid at all costs situations in which patients are unable to receive adequate treatment due to product shortages, defective products, etc.
- In order to supply products of appropriate quality in a stable manner, we must constantly monitor product quality and supply conditions, and engage in continuous improvement.
- Supplying products of appropriate quality in a stable manner will lead to trust in the JT Group.



#### As a member of JT Group

- Work with our business partners in Japan and other countries to achieve a system for stable supply of products of appropriate quality in a timely and proper manner. We will also confirm the status of compliance with laws and regulations by business partners in Japan and other countries.
- Promptly report to supervisors the discovery of potential quality or safety concerns. We will also act with the avoidance of health hazards to patients as our first priority, and promptly and appropriately contact and respond to government authorities, medical institutions, etc.

# Actions

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1. Ensuring product quality
2. Precise implementation of pharmaceutical safety assurance
3. Appropriate implementation of clinical research
4. Appropriate implementation of non-clinical research
5. Supervision and guidance for appropriate activities concerning pharmaceutical information
6. Respecting data protection & privacy
7. Managing external communications
8. Cooperating with government inquiries
9. Reporting and recording Company data
10. Preventing insider dealing
11. Safeguarding Company assets
12. Avoidance of conflicts of interest
13. Remaining politically neutral
14. Treating people equally and with respect
15. Ensuring health and safety
16. Respecting human rights
17. Fighting bribery and corruption
18. Exchanging gifts, hospitality and entertainment
19. Banning relations with anti-social forces and combatting illegal trade
20. Preventing financial crime
21. Respecting economic sanctions and export controls
22. Engaging with business partners
23. Ensuring fair competition
24. Protecting the environment
25. Investing in communities
26. Conscientious behavior as a member of society





# 1 Ensuring product quality

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## 2 Precise implementation of pharmaceutical safety assurance

In the event that an adverse event is suspected to have occurred due to a pharmaceutical product we sell, we will comply with Japan's Pharmaceuticals and Medical Devices Act and related laws and regulations, and will promptly collect, review, and respond to adverse event information in accordance with internal regulations. In this way, we will work to prevent the spread of adverse health effects caused by adverse reaction to pharmaceutical products.

In addition, we will appropriately conduct post-marketing surveillance based on the RMP (Risk Management Plan for pharmaceutical products) and collect and provide information that contributes to the proper use of the product.

### What does this mean for JT Group?

- Failure to ensure the safety of pharmaceutical products could undermine the JT Group's credibility and adversely affect our business.
- It is our responsibility to comply with Japan's Pharmaceuticals and Medical Devices Act and related laws and regulations to ensure the safety of pharmaceutical products. The collection of safety management information (adverse reactions, adverse events, and special circumstances) is mandatory for all employees, not just those in charge of pharmaceutical information and who directly face healthcare professionals.
- We must strive to establish and maintain a system to ensure safety by accurately and promptly collecting and reviewing information at medical sites and taking appropriate action based on the results.



**As a member of JT Group**

- Proactively collect information on adverse events.
- Report information on adverse events to regulatory authorities promptly and in compliance with reporting deadlines.
- Promptly report safety management information to partners in accordance with relevant laws and regulations and with internal regulations.
- Accurately provide the safety management information we obtain to medical personnel as information for proper use.
- Always confirm that collection, review, measures, etc. for safety management information are being conducted correctly.



## 3 Appropriate implementation of clinical research

In order to overcome diseases and maintain and improve people's healthy life, we will work toward clinical research (including clinical trials and clinical studies) with an aim for safer and more effective pharmaceutical products.

In conducting clinical research, we will respect the human rights of test subjects to the fullest extent, comply with relevant laws and regulations, and follow internal regulations.

We will collect accurate data and conduct sufficient scientific evaluation of the obtained data. We will disclose results in a fair and appropriate manner. And we will strive to maintain healthy and transparent relationships with medical institutions and physicians.

### What does this mean for JT Group?

- Inappropriate clinical research could undermine the JT Group's credibility and adversely affect our business.
- It is important to be aware that our decisions in the process of conducting clinical research are closely related to the life, health, and quality of life of patients.
- We will give consideration to protection of the human rights of subjects, maintenance of safety, and improvement of welfare.
- Clinical research must comply with laws and guidelines related to the specific research, such as Japan's Pharmaceuticals and Medical Devices Act and the Clinical Trials Act, and internal regulations must be followed in that.
- We will conduct clinical studies with tests planned and conducted in a scientifically valid manner. In the event of adverse reactions or other health hazards, we will respond promptly and appropriately.
- For the disclosure of information, we will use appropriate databases and disclose the stipulated information in an appropriate manner.
- We will collect and correctly evaluate objective and accurate data without modification based on legitimate scientific purposes.
- When disclosing results, we will clearly state any conflicts of interest and follow internal procedures after confirming the scientific validity of the results.





**As a member of JT Group**

- Conduct clinical research on pharmaceuticals to further improve the quality of life of patients, based on the actual conditions at medical sites.
- Endeavor in conducting clinical research to understand and comply with relevant laws and regulations, and conduct the research appropriately in accordance with internal regulation.
- Endeavor in the process of planning and conducting clinical research to provide a logical foundation and supporting evidence so that appropriate scientific judgments can be made. And we will strive to make ethical considerations in conducting clinical research.
- Requesting a clinical study, we will request the medical institution performing the study and physician responsible for the study to meet our standards and will provide sufficient education and training for all staff members.
- When disclosing results, we will confirm their scientific validity and then ensure the reliability of the data and receive review in accordance with the applicable internal regulations. We will appropriately disclose evidence obtained.



## 4

## Appropriate implementation of non-clinical research

We will conduct non-clinical research in compliance with relevant laws and regulations, in accordance with internal regulations, under appropriate management and use of chemical substances and other samples for research, and in consideration of occupational health and safety and of the environment.

In terms of ethics, we will conduct research using human-derived samples with full verification of ethical and scientific validity and protection of personal information; and we will conduct research using animals under appropriate management with recognition of the sanctity of life.

Through these means, we will collect accurate data, conduct sufficient scientific evaluation of the obtained data, and publicize research results in a fair and appropriate manner.

### What does this mean for JT Group?

- Inappropriate non-clinical research could undermine the JT Group's credibility and adversely affect our business. Therefore, we must comply with relevant laws and regulations as well as internal regulations, etc. In order to do that, we will conduct research with sufficient internal systems in place.
- Research must be conducted under a research plan with clear objectives.
- When using research samples such as chemical substances, etc., we must comply with the laws and regulations that apply to them, manage them appropriately, and use them properly. In particular, we must pay attention to occupational health and safety, take care of our own health management, and take care not to affect the environment.
- In using human samples, we must comply with the "Ethical Guidelines for Medical and Biological Research Involving Human Subjects," take all possible measures to protect the personal information of the donor, and properly carry out the necessary procedures such as informed consent.
- In conducting animal experiments, we must fully consider the significance of the test itself, do our utmost to respect life, and comply with "the Act on Welfare and Management of Animals," "the Standards relating to the Care and Keeping and Reducing Pain of Laboratory Animals," and other related laws, guidelines, etc.
- We must correctly evaluate the results of the by collecting objective and accurate data without modification based on legitimate scientific purposes. When disclosing results, we must clearly state conflicts of interest and follow internal procedures after confirming the scientific validity of the results.



### As a member of JT Group

- Our basic attitude as an entity involved in non-clinical research is that we must give due consideration to the collection of accurate data and scientifically appropriate evaluation. In addition, we must strictly and thoroughly handle the test plan and the recording, storage, etc. of test results and survey data.
- When conducting research, a research plan that has been thoroughly reviewed must be prepared, and if a review occurs, the plan must be changed appropriately.
- In order to conduct appropriate research, personnel involved must receive the necessary training and medical examinations.
- When handling samples of chemical substances, etc., they must be handled in an environmentally friendly manner in a designated area by persons who have received sufficient training. In particular, proper use and proper disposal of waste must be ensured.
- When conducting experiments using human tissue samples, ethical and scientific validity of the research content, method of managing of personal information, etc. must be reviewed by the Ethical Review Committee, and permission must be obtained from the head of the institution.
- When conducting animal experiments (including commissioned studies), the 3Rs (proactive Replacement with other testing methods, Reduction of the number of animals used, and Refinement to alleviate pain and distress) must be reviewed by the Institutional Animal Care and Use Committee, and permission must be obtained from the head of the institution.
- When disclosing results, scientific validity must be confirmed, and then the reliability of the data ensured and review received in accordance with the applicable internal regulations. Evidence obtained too must be appropriately disclosed.



## 5

## Supervision and guidance for appropriate activities concerning pharmaceutical information

As a company that plays a role in medical care, the JT Group must comply with Japan's Pharmaceuticals and Medical Devices Act and related laws and regulations, as well as the Guidelines for Provision of Sales Information on Prescription Drugs, and provide accurate information to medical professionals in an appropriate and timely manner backed by a high level of expertise.

Since the JT Group outsources activities of providing information on sales of prescription drugs, we will properly and smoothly provide the necessary supervision and guidance to our outsourcing partners and business partners.

### What does this mean for JT Group?

- Inappropriate activities concerning pharmaceutical information could undermine the JT Group's credibility and adversely affect our business.
- In providing pharmaceutical information to medical personnel, etc., we must acquire the medical and pharmacological knowledge necessary for activities concerning pharmaceutical information and make efforts to promote the proper use and dissemination of prescription drugs in accordance with the provisions of laws and regulations. Since the JT Group outsources activities of providing information on sales of prescription drugs, we must properly and smoothly provide the necessary supervision and guidance to our outsourcing partners and business partners in accordance with the "Guidelines for Provision of Sales Information on Prescription Drugs" (Ministry of Health, Labour and Welfare).



### As a member of JT Group

- In order to ensure appropriate activities of providing information on sales, we will properly and smoothly provide supervision and guidance to our outsourcing partners and business partners in accordance with the "Guidelines for Provision of Sales Information on Prescription Drugs" from the following perspectives.
- Does the company provide necessary information to medical personnel based on scientific and objective evidence, not only on efficacy, but also on safety including adverse reactions, etc., without selecting such information arbitrarily?
- In activities concerning pharmaceutical information (including face-to-face, online, e-mail, etc.), is information necessary for proper use appropriately provided in accordance with relevant laws and regulations and reported as business records (including information on unapproved and off-label use)?
- In the labeling, explanations and materials, advertisements, etc. of products, etc., are there any slanderous or defamatory actions or speech toward other companies or their products, false or exaggerated expressions that induce inappropriate use or misuse, efficacy or effects of unapproved or off-label use, or recommendations on dosage and administration, etc. as defined by laws and regulations?
- In lectures, etc., as well as in activities concerning pharmaceutical information, is information necessary for proper use appropriately provided in accordance with relevant laws and regulations?



## 6 Respecting data protection & privacy

We ensure we collect, use, share and store personal data lawfully and securely. We apply the same care to JT Group other information.

### What does this mean for JT Group?

We properly acquire, use, store, discard, and otherwise handle personal information belonging to our customers, executives, employees and other stakeholders as well as confidential information belonging to JT Group and properly manage it at each stage.

The improper disclosure of personal or confidential information can harm the JT Group's reputation and negatively impact its business.



### As a member of JT Group

- Take the following actions in order to properly manage personal and confidential information.
  - Acquire personal information only after identifying appropriate individuals and notifying them of the purpose of collecting their personal information.
  - When it is necessary to provide personal information belonging to our customers, executives, employees or other stakeholders to third parties, go through proper procedures such as obtaining those individuals' consent in writing.
  - When it is necessary to disclose confidential information belonging to our customers, executives, employees, other stakeholders or JT Group to a third party, go through proper procedures such as obtaining permission from the custodian of that information or by signing a nondisclosure agreement with the third party.
  - Protect personal information and/or confidential information from being acquired through leaks, unauthorized use or other accidents by securing it with a lock, passwords, encryption, etc.
  - Never respond to suspicious emails requesting personal or confidential information and do not open links or attachments contained in such emails.
  - Refrain from making posts containing confidential information or discussing JT Group business on private social media accounts, etc.
  - If personal or confidential information is leaked and used without authorization or otherwise misused, or there is a likelihood of this misuse occurring, promptly report to and consult with your line manager or relevant departments.
  - Do not disclose, provide or leak personal or confidential information obtained in the course of business even after resignation.

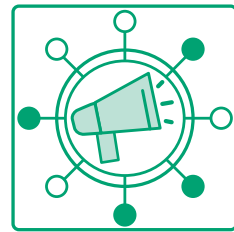


## 7 Managing external communications

In principle, authorized representatives handle information disclosures and public relations activities in order to disclose JT Group information in a timely manner and on an appropriate basis and to conduct public relations activities based on good judgment in accordance with requests under the law and internal regulations. Additionally, we recognize that every one of us is a “representation of JT Group,” and endeavor to be understood as and recognized by related stakeholders accordingly.

### What does this mean for JT Group?

Appropriate information disclosures and public relations activities are vital for stakeholders to gain an accurate understanding and image of JT Group.



### As a member of JT Group

- Endeavor to appropriately communicate information to obtain proper understanding and evaluations from stakeholders.
- Without concealment, promptly and fairly disclose accurate information based on facts.
- Disclose information to the extent approved advance internal approval.
- When in doubt about whether information should be disclosed, confirm with your line manager or relevant departments in advance.
- Do not voice personal views or give misleading answers to our stakeholders.
- Respond to media inquiries, including inquiries from newspapers, television and/or magazines, through the media relations department.
- Refrain from posting business-related information on social media, blogs, or other online forums operated by JT Group without the prior approval of your line manager.



## 8 Cooperating with government inquiries

We fully co-operate with government inquiries and investigations.

### What does this mean for JT Group?

Responding to investigations from government agencies, including local governments, with sincerity and providing correct information preserves trust in JT Group and translates into its sound business activities.



### As a member of JT Group

- If an inquiry has been received from a government agency, report to and consult with your line manager or relevant departments and respond appropriately.
- Do not respond to investigations by government agencies by voicing personal views or giving misleading answers.





## 9 Reporting and recording Company data

Our business relies on true, fair, timely and accurate record-keeping and reporting to support our decision-making, protect our reputation, promote operational efficiency and meet legal and regulatory obligations.

### What does this mean for JT Group?

In addition to serving as the foundation on which we ensure that we perform financial reporting, information disclosure and other obligations that JT Group must adhere to, proper business accounting procedures are imperative to the JT Group's sustainable and sound business activities.



### As a member of JT Group

- Conduct business accounting procedures in accordance with business accounting practices generally accepted to be fair and appropriate.
- When a transaction takes place, submit an application and handle it on a timely and appropriate basis in line with internal regulations and endeavor to perform business accounting procedures, payments, and deposits appropriately.
- When an error or omission is found in transaction records or reports, promptly report to and consult with your line manager or relevant departments.
- When involved in financial reporting or business accounting procedures, verify that records are accurate and appropriately documented and conduct business accounting procedures in line with internal regulations.



# 10 Preventing insider dealing

Employees must not engage in insider dealing under any circumstances.

## What does this mean for JT Group?

Engaging in insider dealing or acts of communicating information or recommending transactions that facilitate insider dealing are subject not only to disciplinary and other punitive actions by HR, but also to criminal and monetary penalties, and lead to a loss of trust in JT Group.



## As a member of JT Group

- Do not buy or sell shares or recommend to family members, acquaintances or other third parties that they do the same based on knowledge of non-public material facts related to JT Group or its business partners.
- Do not share non-public material facts related to JT Group or its business partners with family members, acquaintances, other third parties or with executives and employees who do not require that knowledge for work purposes.
- When buying or selling JT Group shares, follow the necessary procedures in accordance with internal rules.
- When buying or selling shares, confirm that the dealing does not constitute insider dealing.
- If you suspect a transaction may be insider dealing, report to and consult with your line manager or relevant departments before completing the transaction.

**i** Insider dealing is the act of buying, selling, or otherwise dealing in shares by parties related to the Company or persons who received information from parties related to the Company with knowledge of non-public material facts regarding a listed company or its subsidiaries (for example, business results forecasts, the status of contracts with business partners, M&A plans, or other information that significantly affects investment judgment). Insider dealing is prohibited by law. Relaying non-public material facts and recommending buying or selling of shares of a company to others and other similar acts are also prohibited. (Insider dealing regulations).



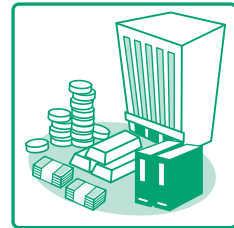
# 11 Safeguarding Company assets

We treat JT Group Company assets, and assets belonging to others, responsibly and with respect. We ensure that our Company assets are correctly acquired, maintained, protected and disposed of.

## What does this mean for JT Group?

Intellectual property and JT Group assets are essential for conducting business and contribute to the JT Group's competitiveness. Using those assets for non-business purposes or managing them inadequately leads to financial losses and a diminished competitive advantage in our business.

Neglecting others' intellectual property may trigger violations of rights or other disputes, leading to delays in or the suspension of business, or payment of compensation for damages or other punitive measures.



## As a member of JT Group

- Use JT Group assets in line with JT Group policies and procedures and do not use them for personal benefit.
- Do not transfer, loan or share JT Group assets, including intellectual property, to or with a third party without prior authorization. Note that achievements, ideas, concepts, and other intellectual property created in the course of work by executives and employees belong to JT Group.
- Use JT Group assets efficiently and with due consideration to cost-effectiveness.
- Never obtain or use third-party assets or intellectual property without a proper license or approval.



## 12

## Avoidance of conflicts of interest

and appropriate disclosure of relationships with medical institutions, etc., and provision of donations

We expect employees to avoid any situation where their personal interests might conflict with those of JT Group.

In addition, we will disclose information regarding our relationships with medical institutions, etc. in accordance with our own guidelines and fulfill accountability obligations. And when making donations to medical institutions, academic groups, etc., we will ensure that such donations do not violate any laws or regulations, not ask for favors in return from the other party, and not use such donations as a means to induce business transactions.

### What does this mean for JT Group?

Decisions made in situations where the interests of the JT Group may conflict with personal relationships, activities, or interests may not be in the best interest of the JT Group, so we must avoid such situations.

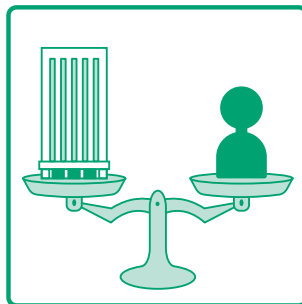
In addition, pharmaceutical companies must always ensure a high level of ethics and transparency in their business activities, disclose information on payments of money, etc. to medical institutions, including issues of conflict of interest, and fulfill appropriate accountability.

Donations are the provision of money, etc. in one direction to the other party, and they should never be made in the hope of receiving something in return.



**As a member of JT Group**

- Do not engage in any of the following activities that may be detrimental to the interests of the JT Group
  - Involvement in hiring or compensation decisions of those with which we have family or personal relationships
  - JT Group personnel having an interest in transactions with business partners that could influence the JT Group's decision-making or judgment
  - Receiving economic benefits from business partners (in particular, directly or indirectly accepting excessive gifts, hospitality or entertainment that could affect decision-making in the contract negotiation or bidding process).
- Do not engage in any activity that could compete with the JT Group's businesses.
- Also comply with the following with respect to relationships with medical institutions.
  - Follow procedures for monetary payments to medical institutions, etc., based on a thorough understanding of our company's guidelines. Especially with regard to information that will be disclosed to the public, we will always obtain the consent of the other party.
  - Recognize that donations are a unilateral act, and with respect for the independence of the organization concerned, not ask for anything in return from the other party and never make a donation that could be considered an inducement to a business transaction. If asked to make a donation in exchange for something in return, we will firmly decline the request.

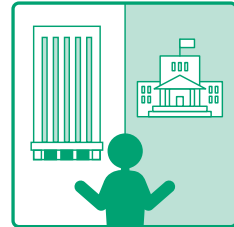


# 13 Remaining politically neutral

It is in our best interest to remain politically neutral.

## What does this mean for JT Group?

Remaining politically neutral as a company helps us preserve trust in JT Group.



## As a member of JT Group

- If you plan to run for public office, notify your line manager.
- Refrain from engaging in personal political activities during work hours and from using JT Group assets and information (such as email addresses) for personal political activities.
- When approaching government agencies or public officials in the course of the JT Group business, take appropriate action in accordance with internal regulations.

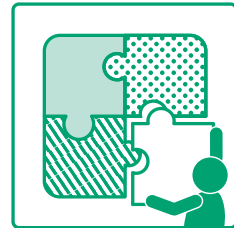


## 14 Treating people equally and with respect

We embrace diversity, equity, and inclusion. We promote a working environment where everyone can be themselves without risk of discrimination or harassment.

### What does this mean for JT Group?

Eliminating all discrimination based on gender, sexual orientation, age, race, religion, ethnicity, nationality, disability, marital status or other attributes protected under the law, as well as respecting differing experience, expertise, and other elements of people's backgrounds and values and identifying value in those differences translates into sustainable growth of JT Group.



### As a member of JT Group

- Create a mutually cooperative organizational climate through healthy communication and by respecting cultures, opinions, and lifestyles different from your own.
- Fully consider others' perceptions when communicating.
- Do not make inconsiderate jokes about others' physical or personal characteristics.
- Respect each other's diversity, accept each other's differences and never discriminate against or harass others in any form.
- If you feel like you have been the target of discrimination or harassment or have picked up on either taking place around you, do not look the other way and instead report to and consult with your Line Manager or the compliance department.



## 15 Ensuring health and safety

All employees have the right to be protected from work-related injuries and illnesses. We provide them with a safe working environment and promote a culture that prioritizes health and safety.

### What does this mean for JT Group?

JT Group considers its employees to be an asset. Their health and safety are indispensable elements for the JT Group's sustainable growth.



### As a member of JT Group

- Comply with laws and external and internal regulations in order to protect your own health and safety.
- If you learn of a dangerous situation or behavior, alert others in your workplace of the danger and take safety measures.
- Be mindful of safety and refrain from engaging in any dangerous behavior that may lead to industrial accidents.
- Be aware that consuming alcohol and using certain medications may adversely affect your ability to perform work safely.
- Take responsibility for your own health and endeavor to improve it on your own initiative.
- Be aware that long working hours increase the risk of health problems.





## 16 Respecting human rights

Throughout our business operations, we commit to respect the human rights of our employees, business partners and their workers, and the communities where we operate.

### What does this mean for JT Group?

Respect for human rights is an indispensable element of the JT Group's pursuit of its business activities based on the 4S model. We will have no involvement whatsoever in child labor or forced labor that contributes to human rights violations.



### As a member of JT Group

- Support and respect international human rights laws and refrain from committing or being a party to actions that violate human rights in accordance with JT Group Human Rights Policy.
- Conduct yourself by treating human rights issues as problems that each and every one of us must address.
- If you are concerned about a potential human rights violation, or a potential violation by colleagues or stakeholders, report to and consult with your line manager or relevant departments.
- Comply with international treaties, laws, and regulations that prohibit child and forced labor and do not force people to engage in labor against their will.



# 17 Fighting bribery and corruption

We have a zero-tolerance approach to bribery and corruption, and we are committed to acting with integrity in all our business dealings.

## What does this mean for JT Group?

Bribery refers to something valuable that is received or offered for the purpose of gaining a reward or illicit business profits that are prohibited under applicable laws and regulations in the country or region in question.

Both JT Group and its executives and employees may be the target of criminal penalties for violations of bribery laws and/or regulations.



## As a member of JT Group

- Do not offer bribes regardless of whether an individual is a public official or a private individual (this includes bribes offered through an agent or any other third party).
- Do not make facilitation payments (small payments or fees intended to speed up or facilitate the performance of government actions; considered to be bribery in many countries and regions).
- Do not accept or solicit bribes from a company or an individual wishing to start or maintain business in return for doing so.
- Keep in mind that gifts, hospitality, entertainment, donations to government agencies, charitable donations and sponsorships also carry bribery risks. Carry out these activities in accordance with internal regulations.



[Note]

The Act on Japan Tobacco Inc. stipulates that JT executives and employees are subject to special penalties in cases where they accept bribes.



## 18 Exchanging gifts, hospitality and entertainment

We do not encourage the exchange of gifts, hospitality and entertainment (GHE), but we acknowledge that appropriate GHEs, made for the right reason, are legitimate and are recognized as part of doing business.

### What does this mean for JT Group?

GHE that goes beyond socially accepted boundaries can adversely affect the healthy business activities of JT Group and its business partners, in addition to possibly being considered bribery or a conflict of interests.



### As a member of JT Group

- When giving or receiving GHE, verify the items listed below and do not allow the GHE to impact decision-making in accordance with laws and external and internal regulations.
  - Obtain approval before exchanging GHE
  - No frequent exchanges of GHE with the same party
  - No giving or receiving cash equivalents
  - Keep appropriate records of GHE
  - No offering prohibited GHE to government officials, organizations or persons equivalent to government officials



## 19

## Banning relations with anti-social forces and combatting illegal trade

We reject unreasonable demands from and ban any and all relations with anti-social forces.

We are determined to fight against organizations involved in illegal trade such as smuggling or counterfeiting and refrain from committing acts that facilitate those activities.

### What does this mean for JT Group?

Involvement with anti-social forces or illegal trade not only leads to a loss of trust in JT Group, but the executives or employees involved may be subject to disciplinary or other punitive actions by HR, and may be the target of criminal penalties.



### As a member of JT Group

- Ban any relations with anti-social forces that threaten civil society. Reject unreasonable demands from such organizations.
- Receive a pledge or declaration stating that counterparties are not considered anti-social forces prior to concluding an agreement or prescribe terms regarding the elimination of anti-social forces in that agreement.
- In the event that you become involved with anti-social forces, avoid handling the situation alone and promptly report to and consult with your line manager and relevant departments.



## 20 Preventing financial crime

We do not tolerate financial crime and are committed to actively managing risks related to it.

### What does this mean for JT Group?

Financial crimes can adversely affect the JT Group's business, as well as society. Moreover, executives or employees involved in financial crimes may be subject to disciplinary or other punitive actions by HR and may be the target of criminal penalties.



### As a member of JT Group

- Comply with laws and regulations relating to financial crimes and have no involvement whatsoever in associated acts.
- If asked to carry out an act that leads to money laundering or tax evasion, immediately report to and consult with your line manager or relevant departments.



## 21

## Respecting economic sanctions and export controls

We are committed to complying with applicable economic sanctions and export controls.

### What does this mean for JT Group?

Economic sanctions and export controls may restrict business dealings with specified individuals, entities, or countries or the import or export of specified cargo. Should they be violated, the JT Group's business may be damaged considerably.



### As a member of JT Group

- Pay close attention to economic sanctions and export controls and constantly update information about them.
- If there are concerns about economic sanctions or export controls, promptly report those concerns and consult with your line manager or relevant departments.



## 22 Engaging with business partners

Our business partners are critical to our success. They are carefully selected based on criteria including compliance with laws and regulations, business integrity, quality, health and safety, human rights, labor standards and environmental management.

### What does this mean for JT Group?

Our business partners include the JT Group's customers, suppliers, work consignees, and any other parties with whom we have a business relationship. Compliance violations by any of our business partners can adversely impact the JT Group's reputation. As such, we must give due care to the selection of those partners.



### As a member of JT Group

- Select business partners in accordance with internal regulations, not based on collusion or personal preference.
- Carry out regular evaluations of business partners and implement reviews when necessary.
- In transactions with suppliers, engage in environmentally-conscious procurement activities in accordance with JT Group Responsible Procurement Policy, and consider suppliers' quality, cost, delivery date, and whether they can provide a stable supply as well as whether they comply with JT Group Supplier Standards.



## 23 Ensuring fair competition

We firmly believe that free and fair competition benefits JT Group, our customers and our consumers.

### What does this mean for JT Group?

If we obstruct fair and free competition and violate associated laws or regulations, the JT Group and its executives and employees face severe penalties.



### As a member of JT Group

- Understand and comply with laws and regulations on fair and free competition (in Japan, the Anti-Monopoly Act and the Subcontract Act).
- Refrain from engaging in acts that violate laws and regulations on competition with competitors or business partners.
- Do not abuse any dominant position you may have with business partners or unilaterally impose unreasonable terms and conditions on them.
- Should you suspect a violation of laws or regulations on competition, avoid making judgments on your own and instead promptly report to and consult with your line manager and relevant departments.





## 24 Protecting the environment

Our business relies on a sustainable supply chain. We are committed to minimizing environmental impacts of our operations, products and packaging and to conserving resources for future generations.

### What does this mean for JT Group?

JT Group plays a vital role in mitigating its environmental footprint as a member of society. Sustainability-minded business activities translate into resource preservation, the protection of biodiversity, and the reduction of both waste and operating costs.



### As a member of JT Group

- Implement behaviors that balance our business activities with the environment by following the JT Group Environment Policy.
- Conserve energy and use of fuel and electricity efficiently in order to reduce greenhouse gas emissions.
- Take appropriate measures when treating or disposing of exhaust gases, wastewater, and waste in order to minimize the impact on the environment and the ecosystem.
- Conserve and recycle to protect water resources.



## 25 Investing in communities

We aim to make a positive contribution to the communities in which we operate.

### What does this mean for JT Group?

For JT Group to grow sustainably, it is imperative that we contribute to the sustainable development of society at large in accordance with our management philosophy.

In order to address critical issues faced by communities, JT Group continues to tackle those issues alongside its wide-ranging stakeholders and contribute to the development of inclusive, sustainable communities.



### As a member of JT Group

- Be attentive to social issues, understand the needs of the local community where we develop our business, and take part in activities that contribute to society of your own accord.
- Follow internal regulations when making donations as part of activities that contribute to society.



## 26

## Conscientious behavior as a member of society and a high level of ethics as an entity involved in pharmaceutical business

We recognize that every one of us is a “representation of JT Group” and that we must therefore comply with the laws, regulations and social standards of each country, not only in our business activities, but also our daily life.

Furthermore, as people engaged in life-related businesses that handle products related to people’s health, we will naturally comply with laws and regulations and also act with a high level of ethics, including bioethics, as a good corporate citizen in order to strive to realize a better society.

### What does this mean for JT Group?

We are expected to behave conscientiously and responsibly as a member of society in our daily life as well as at work and any violation of the laws, regulations and social standards by employees may harm the JT Group’s reputation.

In particular, those involved in the pharmaceutical business are required to adhere to strict and higher standards of corporate ethics because they are handling pharmaceuticals that affect people’s health and lives (life-related products).



### As a member of JT Group

- Follow traffic rules and make efforts to drive safely.
- Never engage in dangerous driving, including driving under the influence of alcohol.
- Never use illegal drugs or controlled substances.
- Never commit crimes or resort to violence.
- Follow smoking rules.

### As a member in pharmaceutical business

- Being engaged in pharmaceutical business, we will always be aware that we are dealing with life-related products such as pharmaceuticals and will always be committed to strict self-discipline with a high level of ethics.



