



Improving our social impact

By helping to make communities more inclusive and resilient, we believe that we can contribute to the sustainable growth of societies. That’s why community investment is an inherent part of our sustainability strategy, which follows our [4S model](#).

Target*

Between 2015 and 2030 we will invest 600 million U.S. dollars to help make communities inclusive and resilient, with our employees contributing 300,000 volunteering hours.

*This is a Group-wide target.

Progress

Since 2015, we have invested 300 million U.S. dollars in our communities and employees have volunteered 119,349 hours on company time.

Value of JT Group investments in the community (U.S. dollars)

	2015	2016	2017	2018	2019	2030 TARGET
Value of our investments in the community	74MM	68MM	54MM	53MM	50MM	
Accumulated value of investments in the community	74MM	142MM	197MM	250MM	300MM	600MM

MM = 1,000,000 U.S. dollars

Hours volunteered by JT Group employees

	2015*	2016*	2017	2018	2019	2030 TARGET
Number of hours volunteered by our employees	13,997*	24,957	21,911	25,429	33,055	
Accumulated number of community volunteering hours contributed by our employees	13,997	38,954	60,865	86,294	119,349	300,000

*Data only available for international tobacco business.



50
MILLION U.S. DOLLARS
INVESTED IN OUR
COMMUNITIES IN 2019



33,055
HOURS
VOLUNTEERED BY OUR EMPLOYEES
ON COMPANY TIME

Our approach

For us, community investment is a way to voluntarily engage with charitable organizations, make a difference in the communities where we operate, and reach beyond our core business operations. In 2018, we revised our community investment policy, which determines a common goal across the JT Group: “To contribute to the development of sustainable societies, by helping to make communities more inclusive”. This will allow us to make a positive social impact and contribute more to our sustainable growth.

We believe that everyone should have the opportunity to participate in society, and that inclusive societies are also better for business. Our policy helps ensure that this philosophy is coherently implemented, both internally and externally, and that all of our programs respect the environment and the diversity of societies and individuals.

Through long-term partnerships with various stakeholders, we are implementing 398 community programs that contribute to the development of inclusive and sustainable societies across 68 countries. Our offices around the world implement programs aligned with our JT Group community investment policy and the United Nation’s Sustainable Development Goals (SDGs) Reduced Inequalities (goal 10), Sustainable Cities and Communities (goal 11), Life on Land (goal 15), and Partnerships for the Goals (goal 17).



Kevin, a Leonard Cheshire service user, taking part in a music-making workshop run by the London Philharmonic Orchestra

The programs target three specific issues based on global and local needs: reducing inequalities, improving community resilience in disaster-prone areas, and protecting the environment. We also offer volunteering opportunities, enabling employees to engage with our communities, develop new skills, and gain a sense of pride and satisfaction.

Global community investment functions help to implement the programs and ensure that they comply with our strategy and guidelines.

Reducing inequalities

Our mission is to support diversity in everything we do. We partner with organizations that drive social inclusion, and support social welfare and access to arts and culture for all.

In 2019, we supported 226 social welfare and 105 arts and culture programs, covering 82% of the countries where we operate.



226
SOCIAL WELFARE
PROGRAMS SUPPORTED
IN 2019



WE ARE CONTRIBUTING TO
'REDUCING INEQUALITIES' IN
82%
OF OUR MARKETS

Our programs also offer employees the opportunity to take part in a wide range of volunteering activities and support our Company's social commitments.

Our many volunteering opportunities also support our HR initiative to build employees' engagement and skills. In 2019, we conducted surveys for employees who participated in volunteering activities provided by the Company. A total of 460 employees reported that these activities had helped them to gain skills that were useful in their day jobs, as well as increased job satisfaction and a stronger interest in volunteering. Read more about our [volunteering opportunities](#).

In 2019, six countries reported impact data according to the [London Benchmarking Group \(LBG\) framework](#)  for programs related to 'reducing inequalities'.

Case study

Making Moscow's museums more accessible

As part of our community investment program, JTI partnered with the Garage Museum of Contemporary Art in Moscow to improve accessibility and raise awareness of issues faced by people with disabilities.

This unique project involved adapting exhibitions and training staff on how to create and maintain a disability-friendly environment. We also organized internships for people with disabilities to learn more about art and gain new professional skills.

The museum is now a safe and welcoming space in which everyone can enjoy art. Its employees have also been able to share their new expertise with other cultural institutions in Moscow, helping to make the city more inclusive and accessible for all.



© Garage
Museum of
Contemporary
Art

Improving community resilience

Our Company has built expertise in disaster management over the years, due to the disaster-prone environment in Japan. In 2019, we supported 30 programs in total in 18 markets where we have business presence, benefitting 211,564 people worldwide.

In Japan, we support charities that respond to disasters and help rebuild communities to be more resilient in future. In 2019, the JT Group supported four long-term programs. We also developed disaster risk resilience guidelines for our employees.

Case study

Rebuilding Rikuzentakata

When the Tohoku Earthquake struck in March 2011, the city of Rikuzentakata was devastated by a powerful tsunami. Vast swathes of farmland were submerged in seawater, bringing agricultural production almost to a halt and causing severe damage to the local economy, including widespread unemployment.

JT responded to the crisis by donating a new rice breed to the city, Takata no Yume, which had been developed and owned by JT as a dormant asset. The idea was to bring much-needed income to the region to help reconstruction efforts, and we worked closely with the local authorities and growers to set up and stabilize production.



This ambitious project has had a significant impact on Rikuzentakata. Having begun with one rice grower and 18 grams of seeds, it now involves over 47 growers and an annual yield of over 253 tons.* Takata no Yume has become a symbol of the city's resilience, and a source of local pride.

* Based on 2019 data.

Protecting the environment

We try to reduce the environmental impact of our operations wherever we can, through environmental programs that benefit both our communities and our employees. In 2019, we supported 33 environmental programs in 21 countries where we have a business presence.

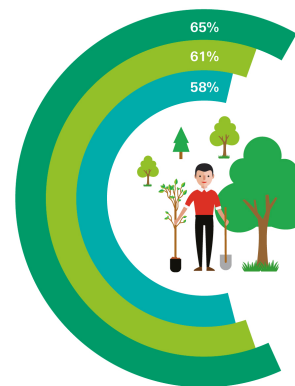
In Japan, we are actively supporting the sustainable maintenance of nine forests by helping to preserve them and spread awareness about environmental protection among JT employees by offering volunteering opportunities. In 2019, 1,005 employees volunteered their time and many of them reported that volunteering had a significant impact on their behavior towards the environment and their job satisfaction.

Feedback from employees:

- 61% reported that volunteering helped them to gain skills that are useful in their daily jobs
- 58% would like to change their behavior and move towards a more sustainable use of natural resources
- 65% reported an increase in job satisfaction through volunteering

Measuring the impact of our actions is important for us to continuously improve our programs. In 2019, two markets reported impact data according to the LBG methodology for programs related to 'environmental protection'.

FEEDBACK FROM EMPLOYEES VOLUNTEERING AT JT FOREST (%)



- Experienced an increase in job satisfaction
- Reported to have gained skills that are useful in their daily jobs
- Wants to move towards a more sustainable use of natural resources

Case study

Nurturing nature in Nakahechi forest

JT has been carrying out forest replantation programs in Japan for over 15 years. We began in Nakahechi forest in Wakayama prefecture on the Kii peninsula – an area 90% covered by forest, and home to the famous Kumano Kodo world heritage site.

The purpose of this initiative is to secure stable employment opportunities despite the declining forestry labor force in the region. The program also contributes to improving the technical skills of forestry workers.



When JT began working here in 2005, the forestry economy was stagnating. The average age of forestry workers was around 70, with few young employees. Over time, this led to a decrease in the number of forestry employees, exacerbated by a lack of training facilities that would appeal to a younger generation. The aging workforce meant that new technology was slow to be introduced or adopted, resulting in an increasing number of neglected forests. As a result, disasters such as landslides were more likely to occur.

JT has been promoting employment in the area, training young forestry workers, and promoting the acquisition of new technical skills. This has led to the introduction of new methods such as checking growth status using drones, resulting in improved efficiency and productivity.

The Nakahechi forest is now a thriving local



community, thanks to increased employment among young people and improvements in forestry technology.

The JTI global water, sanitation, and hygiene (WASH) initiative

Target

We are investing up to 15 million U.S. dollars to enable adequate and affordable access to safe and clean water and sanitation for one million people by 2025.

In a spirit of solidarity between mature and emerging markets, the top 10 markets in the JT Group set up a fund to help new and developing markets make communities more inclusive and resilient. Not only does this create a better balance of community investment presence across our Group, it also gives a significant boost to communities in need of help.

The JTI Global WASH initiative focuses on improving access to safe water and sanitation in communities that struggle with this issue. In 2019, we launched three projects under this initiative: one in Mexico and two in Bangladesh. We are now working with international charities specializing in improving access to safe water and sanitation in these countries, and a new project is scheduled to launch in Ethiopia in 2020.

The JT SDGs Contribution Project

As part of our ambition to build more sustainable and inclusive societies, JT launched a new initiative in Japan in January 2020: the JT SDGs Contribution Project.

To enhance our engagement with Japanese communities, the project supports organizations working on three specific issues: reducing inequalities, improving community resilience in disaster-prone areas, and protecting the environment.

The JT SDGs Contribution Project replaces our JT NPO support program, which contributed a total of 1.5 billion Yen to 1,202 nonprofit organizations (NPOs) over two decades. The new project targets an even broader range of organizations, offers increased funding, and accepts applications all year round.

Volunteering opportunities

Volunteering brings mutual benefits for employees, our business, and the community. It also enables our teams to make a positive impact in the communities where they live and work by sharing their skills and knowledge.

We actively encourage our employees to take part in volunteering activities. We do this by organizing programs and events, or by providing the necessary resources (funds through corporate matching, employee time, in kind, or fundraising).

In 2019, 13,896 employees worldwide spent 55,896 hours of their time supporting our community programs.

【JT公式】 JTI - The Big Challenge



Case study

Empowering new graduates in Myanmar

There is currently a significant knowledge and skills gap in Myanmar, due to a lack of investment in education. As a result, employers often recruit talent from overseas, reducing the number of job opportunities for local people.

To help young people launch their careers and look forward to a brighter future, we developed an internship program at our JTI offices. The aim was to offer highly practical and relevant work experience opportunities for new graduates.



By spending time in an international, multicultural office environment, the interns were able to gain confidence and valuable professional skills, such as teamwork and giving presentations. They also learned how to collaborate with colleagues from many different backgrounds.

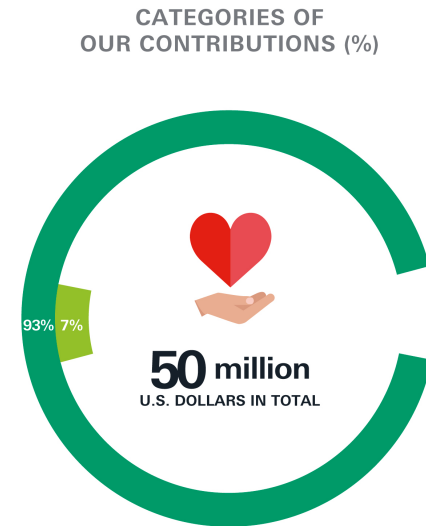
As part of this initiative, each intern was assigned a mentor at JTI. As well as providing guidance and support for the mentees, this helped our employees to develop their own confidence and coaching skills.

Measurement and evaluation

Our work is highly rated by external agencies, including the Dow Jones Sustainability Indices (DJSI), which recognize us as the industry leader in corporate citizenship and philanthropy, with a perfect score of 100.

To measure the social impact of our work, we use the LBG* Framework provided by Corporate Citizenship. In 2019, we invested 50 million U.S. dollars (7% charitable donations and 93% community investment) in corporate community investment in countries where we operate. We encourage more accurate reporting and measurement to ensure all of our programs deliver the social impact according to our policy.

*Global standard for measuring and reporting on corporate community investment.



- Community investment
- Charitable donations

Contributing to our communities

TOTAL VALUE OF INVESTMENTS
IN THE COMMUNITY IN 2019



TOTAL
50 million
U.S. dollars

44,044,379 in cash

4,213,951 in management costs

1,109,297 in employee
volunteer hours

303,483 in kind



2,270,421

BENEFICIARIES



398

COMMUNITY INVESTMENT
PROGRAMS



33,055

HOURS VOLUNTEERED
ON COMPANY TIME
(a total of 10,256 employees volunteered)

22,841

HOURS VOLUNTEERED
ON EMPLOYEES' OWN TIME
(a total of 3,640 employees volunteered)



689

ORGANIZATIONS
SUPPORTED



We strive to make a positive difference in everything we do. Our community investment program focuses on projects and initiatives that will help make the communities in which we operate more inclusive. This enables everyone to thrive and play an active role in their community.



Suzanne Wise,
Senior Vice President, Corporate
Development, JT International

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