




Improving our social impact

For our Group to grow sustainably, it is vital for us to contribute to the sustainable development of our society. [Our community investment policy](#)  determines a common goal across the JT Group: “To contribute to the development of inclusive and sustainable communities”. We believe that everyone should have the opportunity to participate in society, and that inclusive societies are better for business. In line with our community investment policy, and as a responsible local community member, we recognize the value of nature, society, and human diversity, and work with a wide range of stakeholders to resolve social issues.

Our focus areas

Through long-term partnerships with various stakeholders, we are currently implementing 387 community programs that contribute to the development of inclusive and sustainable societies across 60 countries. Our offices around the world carry out programs aligned with our JT Group community investment policy and the following United Nations 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).

Through our programs, we are focusing on three specific issues:

1. Reducing inequalities, e.g., helping underprivileged people gain access to food and education.
2. Improving community resilience in disaster-prone areas, e.g., providing access to clean water.
3. Protecting the environment, e.g., replanting trees with the help of our employees.

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.



Aspirational goal

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

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 399 million U.S. dollars in our communities, and employees have volunteered 164,280 hours on company time.

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

	2015	2016	2017	2018	2019	2020	2021	2030 target
Value of our investments in the community	74 M	68M	54M	53M	50M	50M	50M	
Accumulated value of investments in the community	74 M	142 M	197 M	250 M	300 M	349 M	399 M	600 M


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

Hours volunteered by JT Group employees

	2015	2016	2017	2018	2019	2020	2021	2030 target
Number of hours volunteered by our employees	13,997*	24,292	21,911	25,428	33,055	19,199	26,398	
Accumulated number of hours volunteered by our employees	13,997	38,289	60,200	85,628	118,683	137,882	164,280	300,000

*Data only available for international tobacco business.

Measurement and management

To measure the social impact of our efforts, we use the [Business for Societal Impact \(B4SI\)](#) * Framework provided by Corporate Citizenship. In 2021, we invested 50 million U.S. dollars (15% charitable donations, 82% community investment, and 3% Commercial Initiatives) in corporate community investment in countries where we operate. We encourage more accurate reporting and measurement to ensure all of our programs deliver social impact according to our policy.



* Global standard in measuring and managing a company's social impact.

Contributing to our communities

TOTAL VALUE OF INVESTMENTS IN THE COMMUNITY IN 2021



TOTAL
50 million
U.S. DOLLARS

44.5 million U.S. dollars Cash

4.1 million U.S. dollars Management costs

1.0 million U.S. dollars Time contribution by employee volunteering

0.3 million U.S. dollars In-kind



4.2 million
BENEFICIARIES



410
ORGANIZATIONS SUPPORTED



26,398
HOURS VOLUNTEERED ON COMPANY TIME
(a total of 9,758 employees volunteered)

Our initiatives

Reducing inequalities

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

In 2021, we supported 328 programs related to reducing inequalities, covering 72% of the countries where we operate. 14 countries reported impact data according to the Business for Societal Impact (B4SI) Framework for programs related to 'reducing inequalities'.





328
PROGRAMS RELATED TO REDUCING INEQUALITIES SUPPORTED IN 2021

Case study

OrchLab: making a difference by making music



Our UK team has joined forces with the world-renowned [London Philharmonic Orchestra](#)  to bring the joy of creating music to adults with disabilities. This unique project, called OrchLab, is supported by pioneering assistive technology harnessed by Drake Music, experts in music, technology, and disability.

OrchLab offers innovative digital instruments, bespoke workshops, training and events, and [an interactive website](#)  where participants can watch performances, enjoy musical activities, and communicate with other members. The aim of the project is to enhance participants' wellbeing through music-making that is truly accessible to all.

OrchLab has worked intensively with 128 disabled adults since it began in 2017, positively impacting their wellbeing and confidence. In 2021 we celebrated our first OrchLab Festival Day, bringing 57 participants together to try out new OrchLab instruments and share the experience of making music with others.



Improving community resilience

Our Company has built expertise in disaster management over the years, due to the environmentally vulnerable geolocation of Japan. In 2021 we supported a total of 22 programs in 11 countries where we have business presence, benefitting 163,173 people worldwide.

In our Japanese operations, we support charities that respond to disasters and help rebuild communities to be more resilient in future. In 2021, we supported 18 organizations and 25,173 beneficiaries in Japan.

Case study

Winds of Change



Peace Winds Japan (PWJ) is a non-governmental organization dedicated to supporting people in distress and those threatened by conflict, poverty, or other turmoil. Although headquartered in Japan, PWJ operates around the world.

Our Japanese operations have partnered with PWJ since 2016 as part of our disaster management policy. In 2019, our collaboration was extended for three more years to foster the development of search and rescue teams and to support PWJ's response to disaster-stricken areas all around the world in the event of a disaster.

Over the next three years we will help support the following initiatives:

- Training rescue dogs and rescue staff
- Building relations with overseas Search and Rescue (SAR) groups, conducting joint training with these partners in readiness for future collaboration in the event of disaster
- Strengthening relationships with domestic stakeholders (local governments and hospitals) so that PWJ can seamlessly collaborate them in the event of a disaster
- Improving search and rescue helicopter operation systems and maintaining equipment and materials necessary for SAR
- Emergency goods transportation and support to disaster-stricken areas

We hope that this initiative will help strengthen resilience-building all around the world. We will continue to work with a wide range of stakeholders to resolve issues in the disaster prevention arena as a priority within our community investment pillar.

Protecting the environment

We try to reduce the environmental impact of our operations wherever we can, through environmental programs that benefit both communities and our employees. In 2021, we supported 32 environmental programs in 21 countries where we have a business presence.

Measuring the impact of our actions is important for us to continuously improve our programs. In 2021, six countries reported impact data according to the Business for Societal Impact (B4SI) methodology for programs related to 'environmental protection'.

In our Japanese operations, we are actively supporting the sustainable maintenance of nine forests. Employees have the opportunity to volunteer in these forests and help to preserve these precious natural habitats. In 2021, 365 employees volunteered their time. Many of these employees reported that volunteering had a significant impact on their behavior towards the environment and their job satisfaction.



Feedback from employees volunteering at JT forest:

- 90% reported an increase in job satisfaction through volunteering
- 89% reported that volunteering helped them to gain skills that are useful in their daily work
- 80% would like to change their behavior and move towards a more sustainable use of natural resources

Other initiatives

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. Since 2019, local teams have launched four projects as part of this initiative: one in Mexico, one in Ethiopia, and two in Bangladesh. We are working with international organizations that specialize in water- and sanitation-related projects, and we promote innovative concepts such as water ATMs (automated, solar-powered water-dispensing units that provide communities with 24/7 access to safe water).

Case study

Promoting water entrepreneurs and digital financing in Bangladesh



JTI Bangladesh supports the Shujola project. This ground-breaking project is part of our larger JTI initiative called 'WASH' (Water, Sanitation, and Hygiene), which will provide one million people with access to safe drinking water, sanitation, and hygiene in developing countries by 2025.

Based on the idea of 'ATM'-style machines that dispense fresh and safe drinking water, Shujola offers financial and technical assistance to well-established local entrepreneurs who set up safe drinking water booths. The water points are specifically targeted to India's ready-made garment (RMG) worker communities. The project aims to educate the communities on safe water and water-borne diseases as well as providing safe water points. Communities were given pre-loaded ATM cards that would release fresh drinking water. The pre-loaded cards were also a way of introducing digital financing into low income communities.

We are very pleased with the project achievements. Four operational booths have already reached 5,034 people by registering 1,240 RMG workers in residential community households. This has far exceeded the project target, which was to benefit approximately 500 low-income RMG workers and their households. In addition, setting up the booths has generated employment for 40 RMG

residential community members, who are now directly or indirectly employed by the water entrepreneurs.

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 employee donations).

In spite of Coronavirus restrictions, our volunteering activities continued throughout 2021, with 9,758 employees worldwide spending 26,398 hours of company time supporting community programs. Where necessary, we adapted our approach to keep employees and local communities safe.

Our many volunteering opportunities also support our HR initiative to build employees' engagement and skills. In 2021, we conducted surveys for employees who participated in Company volunteering activities related to "reducing inequalities" (one of the three focus areas of our community investment program). A total of 1,635 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.

VOLUNTEERING OPPORTUNITIES



Case study

Stepping up for an important cause, together

'Table for Two' (TFT) is a global initiative to fight food imbalance through a unique meal-sharing program. First established in Japan in 2007, it partners with corporations, restaurants, schools and other establishments to serve healthy meals. JT has been participating in the TFT program since 2010. JT donates the equivalent of one meal to a developing country for every "TFT menu" 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 2021, so use of the cafeteria decreased. However, we found a new way to keep the program running, while encouraging employees to interact with each other and keep fit at the same time.

In both May and October 2021, the Company donated one meal for every 8,000 steps taken per person per day. In total, 6,224 employees stepped up to the challenge and we were able to donate 1,857,760 Yen to TFT.

As an added benefit, this fun activity also helped to boost team spirit and increase interaction between colleagues.

Feedback from employees on the 'Walking challenge program':

- 82% reported that volunteering changed in their behavior such as increased volunteering or being more vocal advocate of the company.
- 69% reported that volunteering improved their job-related competencies such as communications, teamwork or leadership skills.
- 65% reported that volunteering changed their personal impact such as self-confidence, job satisfaction and pride in the company.
- We also noticed a significant improvement in employees' awareness of and attitude towards volunteering vs. 2020.