



## Our sustainability strategy



Top management message



The 4S model, Materiality, Sustainability strategy, SDGs

Stakeholder engagement

[Read more >](#)



## Top management message

Message from  
CEO

Message from  
CSO

Message from CEO



Masamichi Terabatake  
Chief Executive Officer

CEO message can be found [here](#)  
※FY2021 Integrated Report

## Message from CSO



Hisato Imokawa

Senior Vice President  
Chief Sustainability Officer

## Where we stand

COVID-19 and geopolitical issues have triggered drastic changes to our daily life and to our social environment. As we continue to face challenges from the pandemic, we should take initiative and act swiftly. Changes are also seen within ESG, as ESG investment is gaining increasing momentum. With both of these factors, we are entering a period of transformation regarding how corporations are managed. Some may take a pessimistic view of the turbulent times, while others would see the changes as opportunities. Needless to say, the mindset of our Group belongs to the latter.

## Sustainability of our Group

Pursuing the JT Group's 4S model is about pursuing the sustainability for a foundation as well as the universe where we can exist and be utilized. Based on the 4S model, we have a history of proactively transforming our Group and are equipped with the ability to transform. It is my belief that disruptive environmental change is an arena where we can show our true strength. Here in lies the essence of our Group's sustainability.

## My role as CSO, the challenges

The role of a CSO is to promote sustainability management as a whole group, while anticipating where and how we want to be in the future. I consider myself as part of an ecosystem with a very long-time axis. My role is to persistently strive for new initiatives, to collaborate with a diverse range of partners, and to proactively embed a universal perspective in which we believe. In other words, the role of a CSO is to look ahead to the year 2050, 2100 or even beyond, and to expand or to create the structures we need to enhance our Group's capability and assets, offering both financial and non-financial value.

2022 marks a year of significant transformation for our tobacco business, our core business. It is also the starting point of the transformation of the entire Group. As the Group CSO, my wish is to embed sustainability into the root of our management. I hope that all our employees will take actions that will lead us to the sustainable growth of our society and our business, and I look forward to driving this change together.

# FY2021 Sustainability highlights by our CSO

We have outlined three basic requirements that apply across the whole Group, while each business has set out its own focus areas. The following are some of our initiatives and progress in 2021.

## Improving our environmental impact

In the updated JT Group Environment Plan 2030, our target is to achieve net zero greenhouse gas (GHG) emissions by 2050 throughout our value chain. We will continue to work on improving our environmental impact. Our GHG emission target has been revised accordingly. Our initiatives are recognized by external parties. We were recognized by CDP, securing a place on its prestigious 'A List' for tackling climate change and acting to protect water security for the third consecutive year.

## Improving our social impact

We have long-term partnerships with local and international organizations, with around 400 community investment programs in 60 countries. These programs help communities to become more inclusive, sustainable, and resilient. In response to the COVID-19 pandemic, precautionary measures were put in place, while we continued to provide opportunities for our employees to engage with their communities.

## Respecting human rights

Our approach to human rights' due diligence is collated and described in this report and is based on our Group Human Rights Policy, our commitment to respecting human rights and our past and current initiatives. In 2021, we issued our first JT Group Human Rights Report.

## Investing in people

The effect of the COVID-19 pandemic persisted throughout 2021. We continued to find flexible ways to work, primarily through remote working. We prioritized the safety and well-being of our employees and their families, by organizing or providing information about COVID-19 vaccinations. As reported in the previous report, we have set out a Groupwide target for representation of women in leadership and we continue to work on diversity initiatives.

## Governance

JT Group and we work proactively to fulfill this requirement. To ensure sustainable profit growth, we believe it is essential to further secure a strong commitment of the Group's management. In this light, we are introducing an ESG-related index for director remuneration, starting from FY2022.

## Business progress

Each business has set out focus areas with sustainability targets. In our tobacco business, we are reporting on the target progress for Reduced-Risk Products reflect our resource allocation and focus on HTS (heated tobacco sticks). In leaf supply chain management, Agricultural Labor Practices (ALP) remains our core program. Preparatory work is underway for the program to be extended to additional sourcing countries.

**We are also working to establish frameworks for pursuing sustainability initiatives.**

## Sustainability Advisory Forum

In order to discuss our sustainability issues and challenges, we have held regular Sustainability Advisory Forums since 2020. CSO is the Chairman of the forum, and heads of the JT Group businesses and functions attend.

## Materiality

Since we first set out our material issues, external circumstances and the business environment in which we operate have changed. Bearing this in mind, we started to update the Group's materiality in 2021. The new materiality will take into account the changes that our Group has gone through as well as current ESG issues. We will of course engage our stakeholders throughout the process.

## Related links

Our sustainability strategy

Top management message

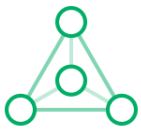
The 4S model, Materiality, Sustainability strategy, SDGs

Stakeholder engagement

# The 4S model, Materiality, Sustainability strategy, SDGs

Our new Group purpose can be found [here](#) 

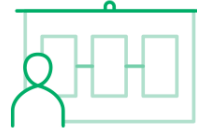
## Overview



The 4S model



Materiality




Sustainability strategy



SDGs

The 4S model 

Materiality 

Sustainability strategy 

SDGs 

## The 4S model

We strive to fulfill our responsibilities to our valued consumers, shareholders, employees and the wider society. Carefully considering the respective interests of these four key stakeholder groups, and exceeding their expectations wherever we can.

Consumers, shareholders, employees, and society - these are the four stakeholder groups (4S) at the heart of everything we do at JT. Our commitment to serving these groups is represented in the 4S model.

We always try to exceed the expectations of our four stakeholder groups wherever we can, based on the principles of the 4S model. For our consumers, this means offering superior products that meet or go beyond their evolving needs. For our shareholders, we aim to enhance returns based on our profit growth outlook and strike a balance between providing shareholder returns and investing in the business for future profit growth. For our employees, we will work to ensure that we maintain our reputation as a respected member of the community and a company that they can feel proud to be a part of. And we will continue to contribute to society as a whole, recognizing that our growth benefits from a sustainable society, and in doing so enhance our corporate value.

Our vision, based on the 4S model, is to achieve global growth by providing value unique to our Group. Our mission - our concrete action plan to achieve our vision - is to create, develop, and nurture our brands to meet consumers' needs while understanding and respecting the environment and the diversity present in society.

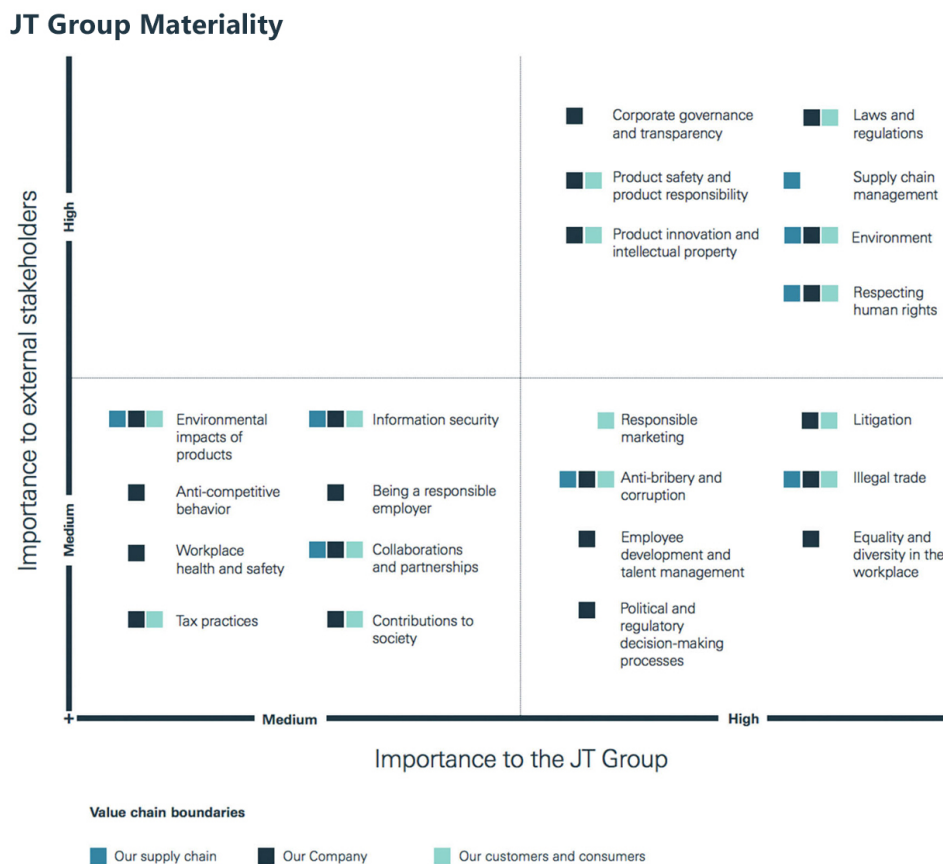
## Our material issues

To help the JT Group to grow, and to build a sustainable future as a member of the society in which we operate, we have identified a list of high-priority material issues. Our materiality is based on the JT Group's management principle, the 4S model. In 2015, we performed a materiality assessment covering the entire Group for the first time. We selected our material issues through interviews with our internal and external stakeholders.

Since we first selected our original material issues, external circumstances and the business environment in which we operate have changed. In 2021, we began updating the Group’s materiality framework by revisiting and identifying our material issues. With this in mind, external and internal stakeholders are being consulted to prioritize our new materiality topics.

In updating our materiality, there are several issues we are paying particular attention to: the rise and growth of RRP (Reduced-Risk products); the increasing global awareness to combat climate change; impacts of the COVID-19 pandemic, the progress of information technology; greater diversity in the workplace; regulatory trends such as the revision of Japan's Corporate Governance Code, to name but a few. We also recognize the importance of creating new shared value, together with our stakeholders.

Taking these factors into consideration, as well as the ESG issues facing our Group, we will set out our new materiality.



## Overview of the sustainability strategy

The JT Group’s sustainability strategy is based on the 4S model, our management principle, and encompasses our materiality analysis. The foundations of our sustainability strategy, which apply across the Group, are outlined below. In 2021, we updated our JT Corporate Governance Policy and the Group Environment Plan 2030, which includes a commitment for a net zero target.



# Three absolute requirements for sustainability



## Respect for human rights

We are committed to respecting human rights across our global operations and value chains, as expressed in the JT Group Human Rights Policy.

[Read more](#)



## An improved social and environmental impact

We are committed to protecting the environment and making a positive difference wherever we operate.

Read more about how we are improving our [social](#) and [environmental](#) impact



## Good governance and business standards

We are committed to promoting transparent, fair and timely decision-making that carefully considers the respective interests of consumers, shareholders, employees and the wider society.

[Read more](#)

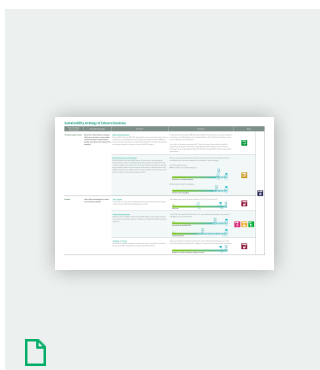
With the update of the JT Group Environment Plan 2030 in February 2022, we will also update the targets for greenhouse gas emissions in each business, which will be disclosed in the next Integrated Report 2021 and other documents.

## Tobacco business

We have selected the following four focus areas for tobacco, our core business. In 2019, we set out 11 specific targets covering each focus area and have been reporting on progress. In 2020, we set a

new target relating to the appropriate use and responsible disposal of materials, including plastics, used in our products and packaging. As a result, a total of 12 targets are in place.

Focus areas	Aspirational goals
Products and services	We will be a total tobacco company offering <u>consumers</u> (The word, consumers, used in the context of the tobacco business means adult consumers. Minimum legal age for smoking varies in accordance with the legislation in each country.) an even greater choice of products by focusing on quality, innovation, and reduced-risk potential.
People	We will be the employer of choice by investing in people.
Supply chain	We will reduce environmental and social risks, and enable transparent and responsible practices across our supply chain.
Regulatory environment and illegal trade	We will ensure the Company is included in policymaking leading to fair and balanced regulation, and enhance our cooperation with governments to combat illegal trade.



## Tobacco business sustainability strategy - Focus areas, aspirations, targets and progress

## Pharmaceutical business

The mission of our pharmaceutical business is to create innovative, original drugs to support patients in the shortest time possible. In view of this mission, in 2019, we selected the following three focus areas. We subsequently set five specific targets for these focus areas.

Focus areas	Aspirational goals
Products and services	We will create innovative, original drugs to support patients in the shortest time possible.
People	We will strive to nurture talent development which enables us to create first-in-class (FIC) drugs.
Product safety and responsibility	We will strictly comply with all relevant laws, regulations, and industry standards in order to deliver safe drugs to patients.



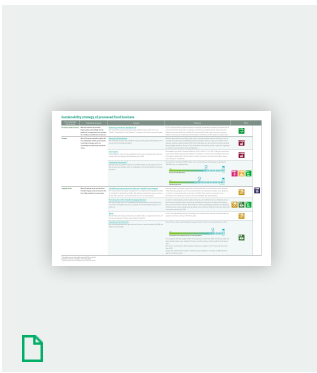
## Pharmaceutical business sustainability strategy - Focus areas, aspirations and targets

## Processed food business

Our mission in the processed food business is to deliver safe, high-quality products to consumers. In 2019, we selected the following three focus areas. We subsequently set eight specific targets for these focus areas.

Focus areas	Aspirational goals
Products and services	We will continue to provide high-quality, technology-driven products in response to our customer's needs, to satisfaction and trust.
People	We will ensure workplace safety for our employees, while continuously investing in people who can contribute to enhancing corporate value.
Supply chain	We will reduce social and environmental impacts and continue to deliver safe products to consumers.

## Processed food business sustainability strategy - Focus areas, aspirations and targets



## Contributing to the SDGs

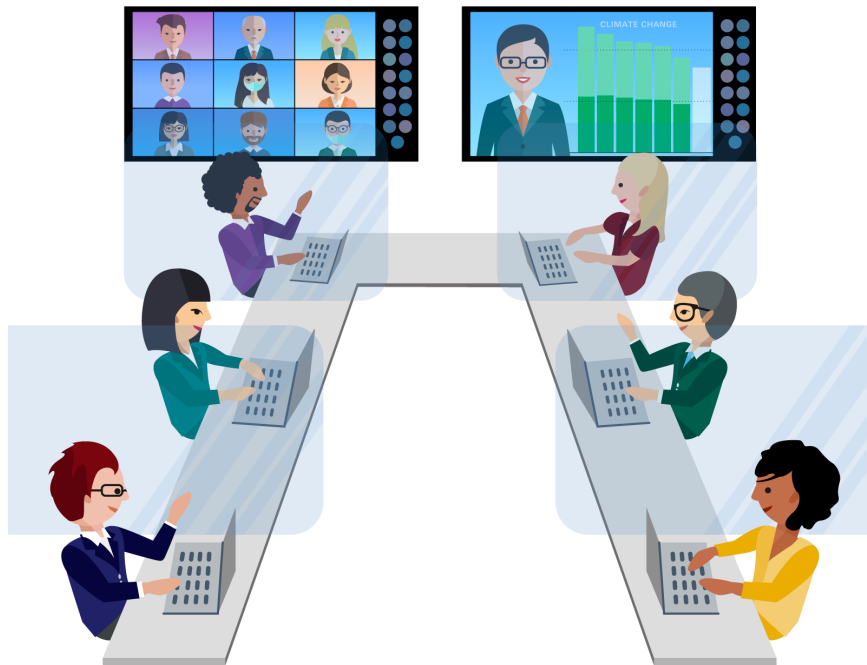
The JT Group supports the Sustainable Development Goals (SDGs) adopted by the United Nations. Through our business activities, the JT Group will contribute to the SDGs related to our business and its environment. We have mapped related SDGs against our initiatives for sustainable business, and identified the nine SDGs to which our business can best contribute.



## Sustainability Advisory Forum

Since 2020, we have held regular Sustainability Advisory Forums to discuss the Group's sustainability issues. With our Chief Sustainability Officer acting as Chairman, the forum is attended by heads of the JT Group's businesses and corporate functions. In 2021, three forums were held. We discussed and shared information on a number of sustainability issues such as updating the Group's materiality, progress of the sustainability strategy, action against climate change or diversity and inclusion. Discussions at the forum are appropriately reported to the CEO and board of directors.

## SUSTAINABILITY ADVISORY FORUM



## Stakeholder engagement

It is paramount that we regularly engage with our stakeholders, striving to create value for the wider society. Stakeholder engagement is essential for the Group's sustainable growth. Our 4S model is the foundation of our management principle. In accordance with this principle, we communicate with a diverse group of stakeholders every day.

[Read more](#)

## Related links

Our sustainability strategy

Top management message

The 4S model, Materiality, Sustainability strategy, SDGs

Stakeholder engagement




# Stakeholder engagement

We regularly engage with consumers, shareholders, employees, and members of wider society to understand the issues that matter to them most, and to meet their needs and expectations. This engagement is vital in helping us to make decisions that will drive long-term sustainability. Listed below are our key stakeholder groups and how we engage with them.

## Customers and consumers

- Our sales force interacts with our retailers and consumers on a day-to-day basis to better understand their needs and preferences (e.g. visiting retailers, interactive sampling of new products where legally permitted, etc.)
- We respond to product and business enquiries from consumers through our consumer hotline service
- When it comes to developing our RRP (Reduced-Risk Products), we listen to what our consumers (The word, consumers, used in the context of the tobacco business means adult consumers. Minimum legal age for smoking varies in accordance with the legislation in each country.) want to make sure that we provide them with the widest range of quality products

Read more about how we engage with our [consumers through the hot-line service](#) , or about our [RRP](#).

## Shareholders

- We hold an annual general meeting every year and present our financial results to our shareholders
- We are in regular contact with institutional shareholders to discuss the issues of concern to them

Read more about how we engage with our [shareholders](#).

## Employees

- We conduct regular employee engagement surveys to understand how we can continuously improve employee satisfaction

- Our employees have regular opportunities to discuss their career aspirations through performance assessments
- Our Codes of Conduct are developed in collaboration with our employees, and concerns about violations can be shared with management anonymously through our Reporting Concerns Mechanism
- In our international tobacco business, our people celebrate their sustainability initiatives and share new ideas through our annual Sustainability Awards

Read more about how we engage with our [employees](#) or about our [reporting concern mechanism](#).

## Suppliers

- All of our suppliers are required to comply with our JT Group Supplier Standards and we select our suppliers not only based on quality, service, and cost, but also on their compliance with ESG related standards such as ensuring the health and safety of their employees. This is reflected in our JT Group Responsible Procurement Policy
- In our tobacco business, we support our growers through our Agricultural Labor Practices, which allows us and our suppliers to identify potential labor challenges on tobacco farms and help improve growers' labor practices
- For our non-tobacco materials, we develop strong partnerships with our key suppliers in order to achieve mutual long-term success

Read more about how we engage with our [suppliers](#).

## Trade associations

- We engage with trade associations by participating in working groups and policy commissions in order to achieve a better business environment not only for us but also for other member companies

## Communities

- We support the development of inclusive and sustainable societies by voluntarily engaging with charitable organizations in the communities where we operate
- We provide post-disaster support to local communities

Read more about how we engage with the [communities](#) in which we operate.

# Non-governmental, regional, and international organizations

- We partner with non-governmental organizations and non-profit organizations to deliver our community investment programs
- We partner with organizations supporting the communities where we buy tobacco leaves

Read more about how we engage with the [communities](#) in which we operate, or with the [tobacco leaf communities](#).

## Governments and regulators

- We engage in open and transparent dialogues with governments and regulators regarding regulations affecting our business and society
- While engaging with regulators, we strictly comply with our anti-bribery policy which is embedded in our Codes of Conduct
- We will enhance our cooperation with governments to combat illegal trade

Read more about how we [engage with the regulators](#) or with law enforcement agencies to [combat illegal trade](#).

## Related links

Our sustainability strategy


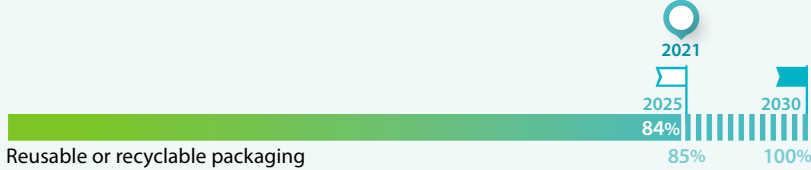
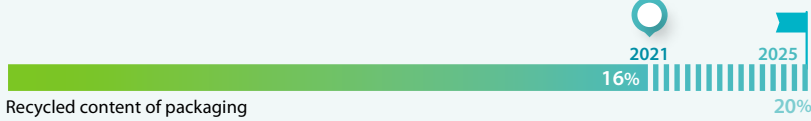


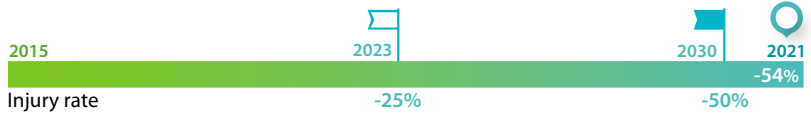

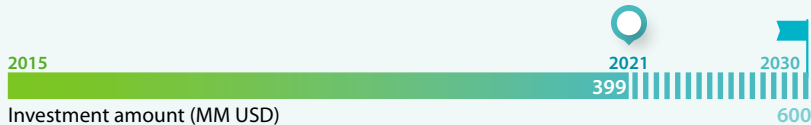
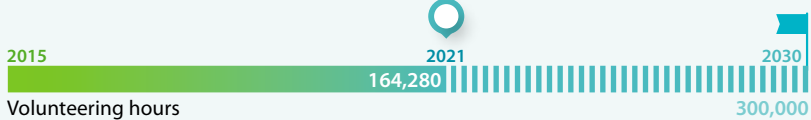



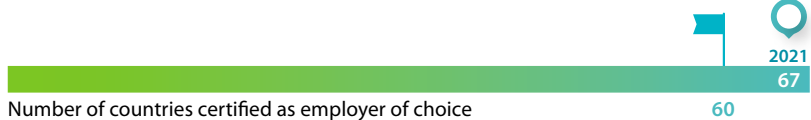

CEO message

The 4S model, Materiality, Sustainability strategy, SDGs

Stakeholder engagement



# Sustainability strategy of tobacco business

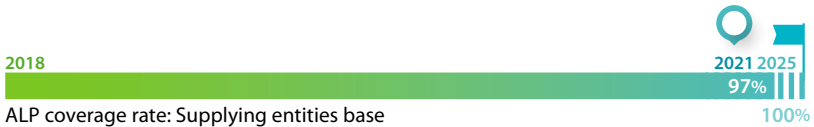









Four strategic focus areas	Aspirational goals	Targets*1	Progress	SDGs
<b>Products and services</b>	We will be a total tobacco company offering consumers* an even greater choice of products by focusing on quality, innovation, and reduced-risk potential.	<b>Reduced-Risk Products</b> Reduced-Risk Products (RRP) offer real benefits to consumers and society. Our responsibility as a manufacturer is to continuously develop and launch RRP that meet consumer expectations and to provide information on them. We will lead in providing a range of consumer choice in the RRP category.	In 2021, we offered products (RRP) with the potential of risk reduction, social consideration, convenience, and affordability, such as Heated Tobacco Sticks (HTS), infused tobacco products, e-cigarettes and oral products.  In an effort to increase the presence of JT Group in reduced-risk products, we will be accelerating the level of investment, mainly towards heated tobacco sticks. In the last three years, we invested approximately JPY 200 billion towards R&D, marketing and capital expenditures.	
	<b>Product Materials and Packaging</b> We will reduce the environmental impact of our products and packaging through design solutions, facilitating responsible collection and disposal, and consumer awareness and education. More specifically, we will reduce our packaging (including plastic) and ensure that the remaining is 85% reusable or recyclable by 2025, rising to 100% by 2030. In total, recycled content will account for 20% of our tobacco business packaging by 2025.	<b>Product Materials and Packaging</b> We will reduce the environmental impact of our products and packaging through design solutions, facilitating responsible collection and disposal, and consumer awareness and education. More specifically, we will reduce our packaging (including plastic) and ensure that the remaining is 85% reusable or recyclable by 2025, rising to 100% by 2030. In total, recycled content will account for 20% of our tobacco business packaging by 2025.	We have carried several initiatives looking at design solutions and responsible collection and disposal, and consumer awareness and education. <a href="#">Read more here.</a>  In 2021, our efforts led to: <ul style="list-style-type: none"> <li>• 84% reusable or recyclable packaging</li> <li>• 16% recycled content of packaging</li> </ul>  	 
<b>People</b>	We will be the employer of choice by investing in people.	<b>Zero Injuries</b> 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).	Recordable injury rate*2 declined 54% from 0.72 in 2015 to 0.33 in 2021. 	
	<b>Community Investment</b> Between 2015 and 2030 we will invest US\$600 million to help make communities inclusive and resilient, with our employees contributing 300,000 volunteering hours.	<b>Community Investment</b> Between 2015 and 2030 we will invest US\$600 million to help make communities inclusive and resilient, with our employees contributing 300,000 volunteering hours.	Since 2015, we invested US\$399 million in our communities and employees volunteered 164,280 hours on company time.  	  
	<b>Employer of Choice</b> We will be a certified employer of choice every year in at least 60 countries by focusing on talent management, rewards, and empowerment.	<b>Employer of Choice</b> We will be a certified employer of choice every year in at least 60 countries by focusing on talent management, rewards, and empowerment.	We were certified as employer of choice in 67 countries (66 with Top Employer and 1 with other local employer certifications). In addition, 14 countries hold more than one certification. 	

\* The word, consumers, used in the context for the tobacco business means adult consumers. Minimum legal age for smoking varies in accordance with the legislation in each country.

# Sustainability strategy of tobacco business

Four strategic focus areas	Aspirational goals	Targets* <sup>1</sup>	Progress	SDGs
<b>Supply chain</b>	We will reduce environmental and social risks, and enable transparent and responsible practices across our supply chain.	<p><b>Greenhouse Gas Emissions</b></p> <p>We will reduce greenhouse gas emissions from our own operations by 35% and from our direct leaf supply chain by 40%, between 2015 and 2030.</p>	<p>Since 2015, we have reduced greenhouse gas emissions from our own operations by 27%, while greenhouse gas emissions from our direct leaf supply chain increased by 9%*<sup>3</sup> in 2021.</p> <p>Following announcement of JTG Net-Zero target in February 2022 “JT Group Environment Plan 2030” and Tobacco Business Sustainability Strategy was updated. Read about the updated GHG related targets on <a href="http://JTI.com">JTI.com</a>. Progress against new targets will be reported in 2023.</p>	
		<p><b>Water and Waste</b></p> <p>We will reduce water withdrawal by 15% and waste by 20%, in relation to our own operations, between 2015 and 2030.</p>	<p>Since 2015, we have reduced water withdrawal by 16% and waste by 15%, in relations to our own operation.</p>	
		<p><b>Forestry</b></p> <p>We will replace all wood from natural forests used in the tobacco curing process of our directly contracted growers with renewable fuel sources by 2030.</p>	<p>Based on our 2021 tree planting activities in Tanzania, Zambia and Brazil, we estimate that we are on a path to achieve consolidated 81% renewable wood sourcing by 2028.</p>	

# Sustainability strategy of tobacco business

Four strategic focus areas	Aspirational goals	Targets*1	Progress	SDGs
Supply chain	We will reduce environmental and social risks, and enable transparent and responsible practices across our supply chain.	<p><b>Agricultural Labor Practices</b></p> <p>We will implement our Agricultural Labor Practices (ALP) program in all sourcing countries by 2025.</p>	<p>In 2021, 97% of our supplying entities*4 reported against ALP.</p>  <p>ALP coverage rate: Supplying entities base</p> <p>84% of our directly contracted growers and 97% of our leaf merchants' growers*5 were covered by ALP.</p>  <p>Directly contracted growers</p>  <p>Leaf merchants' growers</p> <p>79% of our volumes were covered by ALP.</p>  <p>ALP coverage rate: Volume base</p>	 
		<p><b>Supplier Screening</b></p> <p>We will screen all key suppliers against environmental, social, and governance criteria by 2023.</p>	<p>At the end of 2021, 100% of our key suppliers were screened against ESG criteria.</p>  <p>Supplier screening implementation rate</p>	
		<p><b>Engagement</b></p> <p>We will always protect our ability to participate in public policy debate with the aim to achieve balanced regulation that meets societal concern and supports business growth.</p>	<p>During 2020, we engaged openly and transparently in public policy debate and made our views known to regulators, NGOs and other relevant stakeholders in the countries where we operate.</p>	
		<p><b>Illegal Trade</b></p> <p>We will engage in dialogue with law enforcement agencies, with the goal to exchange intelligence regarding illegal tobacco products, in order to support the reduction of illegal tobacco products.</p>	<p>In 2021, our Anti-Illicit Trade team provided 1,627 intelligence reports to law enforcement agencies, and advised 2,238 law enforcement officers on counterfeit recognition.</p>	

\*1 The above are targets for our tobacco business, except for Community investment which is a Group-wide target.








\*2 Recordable injury rate = Recordable injuries/200,000 hours worked. Some data from newly acquired business have been excluded, as newly acquired business needs 18 months to integrate the JT Group Health and Safety Standards.

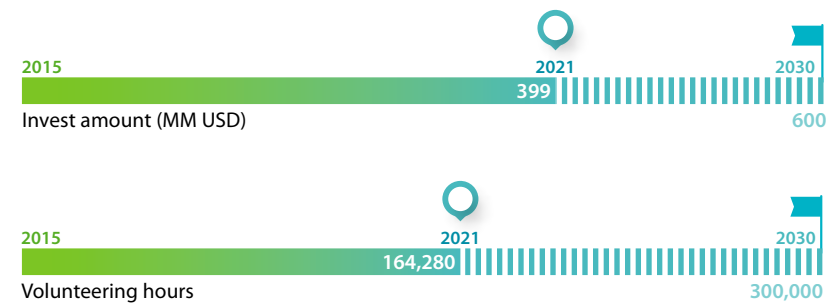
\*3 Increase in emissions is due to increased leaf volume sourced from Zambia and Tanzania, where currently wood used for curing is predominately non-renewable. Initiatives are in place to improve curing barn efficiency, reduce wood consumption, and increase the proportion of renewable wood used. We expect that impact of these initiatives will be seen from 2022 onwards.

\*4 ALP coverage in grower base is calculated based on the data reported by 97% of our leaf merchants.

\*5 Growers from India and China are excluded.







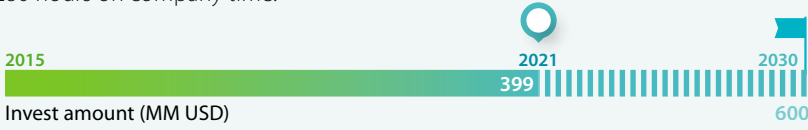







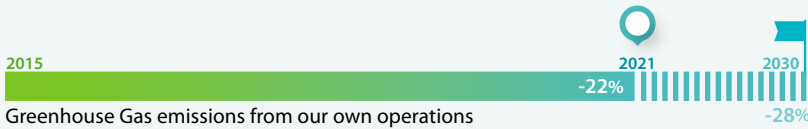

# Sustainability strategy of pharmaceutical business

Four strategic focus areas	Aspirational goals	Targets	Progress	SDGs
<b>Products and services</b>	We will create innovative, original drugs to support patients in the shortest time possible.	<p><b>Engaging in R&amp;D Activities</b></p> <p>We will continue our efforts and investments into research and development activities of innovative drugs in specific therapeutic areas.</p>	<p>In March 2021, we received approval for an additional indication of iron deficiency anemia for Riona® Tablets 250mg as well as approval for additional pediatric dosage and administration for CORECTIM® Ointment 0.5%.</p> <p>In June 2021, we launched CORECTIM® Ointment 0.25%.</p> <p>Throughout the year, we spent 29.0 billion Yen on our research and development activities.</p>	
<b>People</b>	We will strive to nurture talent development which enables us to create first-in-class (FIC) drugs.	<p><b>Fostering Ethical Awareness</b></p> <p>In order to develop talent and foster employees' ethical awareness and sense of responsibility towards saving patients, we will continue to learn more about patients' needs by engaging in dialogue with medical experts through our internal educational activity "For the Patients Project."</p>	<p>In 2021, 11 employees took part in our "For the Patients Project" as facilitators. They interviewed health professionals and organized an internal online ethical awareness event.</p>	
		<p><b>Community Investment*</b></p> <p>Between 2015 and 2030 we will invest US\$600 million to help make communities inclusive and resilient, with our employees contributing 300,000 volunteering hours.</p>	<p>Since 2015, we invested US\$399 million in our communities and employees volunteered 164,280 hours on company time.</p>	  
<b>Product safety and responsibility</b>	We will strictly comply with all relevant laws, regulations, and industry standards in order to deliver safe drugs to patients.	<p><b>Responsible Promotion of Drugs</b></p> <p>We will conduct, among others, regular training programs for our medical representatives in order to provide medical professionals with latest, appropriate information on pharmaceutical products.</p>	<p>After their initial training, all of our Medical Representatives take a mandatory e-learning course once a month to keep their skills and knowledge up-to-date.</p>	
		<p><b>Greenhouse Gas Emissions</b></p> <p>We will reduce greenhouse gas emissions from our own operations by 31%, between 2015 and 2030.</p>	<p>Since 2015, we have reduced greenhouse gas emissions from our own operations by 11%.</p>	



\* Target for Community investment is a Group-wide target.

# Sustainability strategy of processed food business

Four strategic focus areas	Aspirational goals	Targets	Progress	SDGs
Products and services	We will continue to provide high-quality, technology-driven products in response to our customer's needs, to satisfaction and trust.	<b>Improving Consumers' Quality of Life</b> We will develop and provide high-value-added products with a focus on "health," "convenience," and "diversity," in response to diverse consumer needs.	In 2021, we launched 3 products that do not require a plate when cooked or served and thus are convenient for consumers. In addition, our frozen and ambient foods, seasonings and bakery businesses rolled out the total of 10 new products that meet consumers' growing health consciousness, including low-salt products and those containing lactic acid bacteria.	
		<b>Enhance Job Satisfaction</b> We will further improve job satisfaction by promoting talent development in a secure and motivating workplace.	We have promoted new working styles such as remote working without restrictions on the number of working days and flexible working schedules without core hours. Thanks to the relevant initiatives, approximately 70% of the employees who are entitled to remote working have adopted work from home. In 2021, workshops and training sessions were also organized to improve communication among employees.	
		<b>Zero Injuries</b> In line with our vision of zero workplace injuries, we will reduce injury rates by 25% by 2025 and 50% by 2030. (Baseline year: 2018)	Recordable injury rate*1 increased 24% from 0.90 in 2018 to 1.12 in 2021. Taking this result seriously, we are enhancing existing initiatives to achieve our vision of zero workplace injuries by thoroughly implementing action plans to prevent recurrence and improving safety awareness among our employees.	
People	We will ensure workplace safety for our employees, while continuously investing in people who can contribute to enhancing corporate value.	<b>Community Investment*2</b> Between 2015 and 2030 we will invest US\$600 million to help make communities inclusive and resilient, with our employees contributing 300,000 volunteering hours.	Since 2015, we invested US\$399 million in our communities and employees volunteered 164,280 hours on company time.	  
		<b>Invest amount (MM USD)</b> 2015: 399, 2021: 399, 2030: 600		
		<b>Volunteering hours</b> 2015: 164,280, 2021: 164,280, 2030: 300,000		
Supply chain	We will reduce social and environmental impacts and continue to deliver safe products to consumers.	<b>Establishing Corporate Brand as Safe and Trustable Food Company</b> We will promote food safety management in compliance with global food safety standards to develop food safety. We will also enhance the way we communicate with customers so that they retain trust in our food quality.	We have carried out regular inspection in outsourced and our own factories. Also, through internal training programs, we try to raise awareness to improve the quality of our products. In order to communicate with consumers and reflect their voice to our products, we launched a new online tool to share consumer feedback with all employees.	
		<b>Promoting Use of Eco-friendly Packaging Materials</b> We will promote the use of renewable plant-based resources and reduce our use of non-renewable resources, to reduce the environmental impact of our products.	In order to reduce plastic use and carbon emissions, we undertook various initiatives across the frozen and ambient foods, seasonings and bakery businesses, including discontinuing the use of inner film for 4 frozen food products, reducing packaging materials, and replacing drinking straws used in eating space at bakery stores by those made from biomass, which will cut carbon emissions by 23%.	  
		<b>Waste</b> We will reduce the amount of waste associated with our Japanese domestic offices by an average of 1% per year. (Intensity target*3).	In 2021, we reduced the amount of waste per unit of production volume associated with our Japanese domestic sites by 0.71% from 2020.	
		<b>Greenhouse Gas Emissions</b> We will reduce greenhouse gas emissions from our own operations by 28%, between 2015 and 2030.	Since 2015, we have reduced greenhouse gas emissions from our own operations by 22%.	
		<b>Greenhouse Gas emissions from our own operations</b> 2015: -22%, 2021: -22%, 2030: -28%		
		In accordance with the update of the "JT Group Environment Plan 2030" in February 2022, the GHG-related targets were updated as follows, and the progress will be published starting in 2023. We strive to contribute to GHG emissions reduction as stated in the "JT Group Environment Plan 2030". (Scope 1&2: 47% reduction against a 2019 base year; Category 1 of Scope 3: 28% reduction against a 2019 base year)		

\*1 Recordable injury rate = Recordable injuries/200,000 hours worked.  
 \*2 Target for Community investment is a Group-wide target.  
 \*3 Intensity target = Amount of Waste per unit of Production volume