




## 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 512 community programs that contribute to the development of inclusive and sustainable societies across 66 countries. Our offices around the world carry out programs aligned with our JT Group community investment policy and the following 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).

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 349 million U.S. dollars in our communities, and employees have volunteered 137,882 hours on company time.

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

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

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

## Hours volunteered by JT Group employees

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

\*Data only available for international tobacco business.

## Measurement and evaluation

Our work in the community 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 efforts, we use the Business for Societal Impact (B4SI)\* Framework provided by Corporate Citizenship. In 2020, we invested 50 million U.S. dollars (17% charitable donations and 83% 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 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 2020



TOTAL

**50 million**

U.S. dollars

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43,912,445 in cash

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4,479,308 in management costs

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690,548 in employee  
volunteer hours

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432,834 in kind

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**2,650,974**

BENEFICIARIES



**551**

ORGANIZATIONS  
SUPPORTED



**19,199**

HOURS VOLUNTEERED  
ON COMPANY TIME

(a total of 7,888 employees volunteered)



**4,889**


HOURS VOLUNTEERED  
ON EMPLOYEES' OWN TIME

(a total of 3,589 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 2020, we supported 290 programs related to reducing inequalities and 127 arts and culture programs, covering 76% of the countries where we operate. 11 countries reported impact data according to the [Business for Societal Impact \(B4SI\)\\*](#)  Framework for programs related to 'reducing inequalities'



# 290


**PROGRAMS RELATED TO  
REDUCING INEQUALITIES  
SUPPORTED IN 2020**


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## 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.

The project began in 2016 and kept running throughout the COVID-19 pandemic. Workshops continued via Zoom, helping participants, carers, and OrchLab Partner organizations to stay connected during this challenging time. We look forward to expanding this important initiative in the future.

## OrchLab Phase 1



## Improving community resilience

Our Company has built expertise in disaster management over the years, due to the environmentally vulnerable geolocation of Japan. In 2020, we supported 53 programs in total in 26 countries where we have business presence, benefitting 153,613 people worldwide.

In Japan, we support charities that respond to disasters and help rebuild communities to be more resilient in future. In 2020, the JT Group supported 17 programs. We have also disaster risk resilience guidelines for our employees in place.

## 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.

JT has 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 2020, we supported 34 environmental programs in 22 countries where we have a business presence.

Measuring the impact of our actions is important for us to continuously improve our programs. In 2020, one country reported impact data according to the Business for Societal Impact (B4SI)\* methodology for programs related to 'environmental protection'.

In Japan, we are actively supporting the sustainable maintenance of nine forests. Employees have the opportunity to volunteer in the forests. Read more about our JT Forest program and volunteering opportunities.

## 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. 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 we launched a new program in Ethiopia in early 2020.

## The 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 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 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 including local municipalities, offers increased funding, and accepts applications two times a year, once in June and once in December.

In 2020, we donated over 44 million yen to 26 organizations including the Fukushima Central Television Co., Ltd. and the Sapporo Rainbow Pride.

## 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 2020, with 11,477 employees worldwide spending 24,088 hours of their time supporting community programs. Where necessary, we adapted our approach to keep employees and local communities safe.

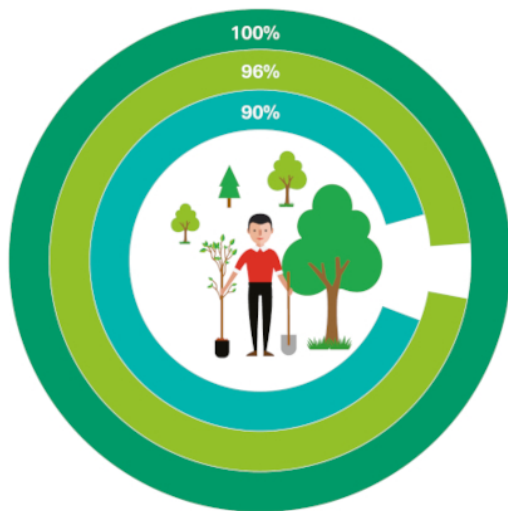
Our many volunteering opportunities also support our HR initiative to build employees' engagement and skills. In 2020, we conducted surveys for employees who participated in Company volunteering activities related to "reducing inequalities" (one of the three focus areas of our community investment program). A total of 473 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 to protect the environment

In Japan, we also offer volunteering opportunities related to protecting the environment. We are actively supporting the sustainable maintenance of nine forests in Japan. By offering JT employees volunteering opportunities in the forests, we are helping to preserve this precious natural habitat and spread awareness about conservation at the same time. In 2020, 201\* 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.

\*Due to COVID-19 we reduced the capacity of our events to one fifth compared to previous years.

## FEEDBACK FROM EMPLOYEES VOLUNTEERING AT JT FOREST (%)



Reported an increase in job satisfaction through volunteering

Would like to change their behavior and move towards a more sustainable use of natural resources

Reported that volunteering helped them to gain skills that are useful in their daily work

## Feedback from employees:

- 100% reported an increase in job satisfaction through volunteering
- 96% would like to change their behavior and move towards a more sustainable use of natural resources
- 90% reported that volunteering helped them to gain skills that are useful in their daily work

## Case study

# Protecting nature in Yunomae's forests



How do you help rebuild a town during a pandemic? This was the challenge facing our team in Japan, following record rainfall and a devastating landslide in the city of Yunomae in Kumamoto prefecture in July 2020.

Yunomae is one of the focus areas of our JT Forest replantation program, and we have been maintaining and conserving its forests since 2009. Our work helps to preserve this important natural habitat and protect the local forestry industry.

When disaster strikes, we usually provide both physical assistance and financial support – but volunteering was not possible in 2020 due to COVID-19 restrictions. Instead, we set up an employee match-funding program to support the local community in a safe way. Every time an employee made a donation, JT donated the same amount.

We raised a total of 2,040,000 Yen (including employee donations and matching donations from the Company), which will go towards reconstructing the roads in and around Yunomae's precious forests.

# Our response to COVID-19

The Coronavirus pandemic has required a new approach to community investment. Our communities needed specific support, so we had to think beyond our set practices and find new ways to respond to their needs. The JT Group is working to prevent the spread of infections across Japan and other countries where we operate and is providing daily supplies and financial support in response to requests from endangered local communities.

In addition to these "emergency support" activities, we are also working on solving problems caused by the prolonged impact of the spread of the new coronavirus infection and supporting activities for "Build Back Better" from COVID-19.

In our international tobacco business, we focused on providing financial assistance to Coronavirus-related initiatives in a number of countries. We have been involved in a wide range of projects, such as increasing COVID-19 testing capacity, delivering food and drinking water to vulnerable people, and providing assistance to the elderly and people with disabilities. We will continue to offer support for as long as necessary.

In our Japanese operations, we worked on emergency support such as prevention of infection spread, support for daily necessities and financial support in response to requests from local communities. We are also engaged in support activities for vulnerable people, essential workers, local industries, and cultural and artistic activities toward "Build Back Better". As part of these efforts, we have been providing financial support to an emergency relief initiative to protect frontline healthcare workers. Organized by our partner ARROWS, the initiative is known as 'Infection prevention measures for the future.

Throughout 2020, ARROWS distributed masks to medical institutions that were lacking medical supplies and provided support for hospitals where clusters occurred. In future, ARROWS will continue to focus on infection prevention measures for medical institutions, shelters, and rescue workers, as well as infectious disease control training.

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## Case study

# Counting steps and donating meals during the pandemic

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

In light of COVID-19, working from home became the norm for employees in 2020, and use of the cafeteria decreased. However, we found a new way to keep the program running, while encouraging employees to keep fit at the same time. Throughout October, the Company donated one meal for every 8,000 steps taken per person per day. A total of 1,995 employees stepped up to the challenge. Between them, these employees reached the 8000-step target more than 25,580 times in October. Thanks to this great achievement, we were able to donate 511,600 Yen to TFT.

## Feedback from employees on the 'Table for Two program':

- 44% reported that volunteering improved their job-related competencies such as communications, teamwork or leadership skills.
- 41% reported that volunteering changed their personal impact such as self-confidence, job satisfaction and pride in the company.
- 51% reported that volunteering changed in their behavior such as increased volunteering or being more vocal advocate of the company.