



ISO 26000: Labor Practices

Respecting employee relations

*The JT Group recognizes
that good labor relations
foster collaboration, and puts
employees at the center of its
efforts to succeed and grow.*

Focusing on health, safety and employee satisfaction

The health, safety and well-being of its workforce are of paramount importance to the JT Group. It has established policies and standards beyond its statutory requirements, which safeguard the interests of all employees.

Recognizing the importance of dialogue with staff helps to create an understanding of how the JT Group can be a better employer. To this end, employee surveys are conducted and the result is a two-way communication between the Group and its employees, who cooperate to create rewarding business environments.



The JT Group believes that its core asset is the talent it employs. Respecting and acting on the needs of employees is therefore essential.

Listening to employees helps create a better workplace

Employing a culturally diverse workforce

The JT Group employs individuals encompassing more than 100 nationalities. It believes that employing a workforce of such cultural diversity creates a strong source of competitiveness and is a driving force for sustainable growth. Great efforts are made to harness this power of diversity, motivating and encouraging employees to express their individual perspectives.

As an equal opportunities employer personal growth is nurtured, regardless of an individual's race, nationality, creed, religion, gender or physical ability. The principle of combating discrimination in the workplace is central to the Codes of Conduct and human resources policies.

Developing the skills of its employees helps advance the objectives and growth of the JT Group. It therefore supports employees' efforts to advance by offering a wide range of personal training programs, which helps them determine and capitalize upon their best abilities.



Between 2008 and 2009, the JT Group piloted an Employee Engagement Survey (EES) in 12 countries across its CIS+ region. The aim of the survey was to gather employees' suggestions on how to improve business practices and discover what issues they may have.

The scope of the EES subsequently extended in 2010, and in 2012 the first Group-wide survey took place. The survey covered 72 countries, with 46,729 employees surveyed in 38 languages. The response rate - 93% - is considered by Towers Watson, consultants to the EES, to be above the participation rate of

high performance companies. Data from the EES is now used as a catalyst for hundreds of initiatives, mostly at a local level. It illustrates the fact that, not only is the JT Group committed to listening to and understanding its employees, but it also acts upon the feedback received.

Action plans and initiatives that result from the EES take many different forms, from creating new platforms that enable the business to work smarter to programs that reward employees' exceptional efforts.



“The EES is a global initiative that results in local actions. It makes sense to interpret and act on the information we receive at the country level because of local influences and differing cultures.”

Heinz von Allmen
JTI Vice President Human Resources

Demonstrating ‘continuous improvement’ with Employee Engagement Survey initiatives

Online collaboration: from the survey to the server



'Engage'

In 2012, JTI launched a global internal networking platform called 'Engage', a tool with functionality similar to popular social media networks. The platform evolved from an initial pilot in Ukraine, where employees asked for an online solution that would help them share information, generate ideas and collaborate with colleagues around the globe. This led to the development of 'MyJTI' in Ukraine, a collaborative online tool allowing employees to dialogue across departments, improve decision-making and share best practices.

The decision was made in 2012 to expand the concept to create an internal global networking platform, and Engage was born. Jonathan Duce, Corporate Communications Director, tasked with overseeing the platform's delivery, explains the thinking: "One of JTI's core strengths is its international diversity. This online employee platform will help us to leverage that diversity and nurture a culture of openness and innovation."

Striving for excellence

In the 2010 EES, JTI's MENEAT region identified an opportunity to reward employees for their performance. Accordingly, the 'Striving for Excellence Awards Scheme' was created to recognize and celebrate high-performing employees across the region. More specifically, the scheme looked to reward individuals whose contribution to the business goes above and beyond the normal expectations of their position.

To be eligible for the award, an employee must be nominated by a colleague and recommended by local management. The program, piloted in 2011, was extended in 2012 to cover all employees, including those working in factories across the region. In December 2012, 16 successful candidates were rewarded with a two-day trip to London. This included a sightseeing tour and dinner with the regional management team.



Irfan Cinar
Electricity and Energy Associate, JTI Turkey
Striving for Excellence Award winner

Chris Moat, MENEAT & WWDF Regional Human Resources Vice President, believes that the 'Striving for Excellence Awards Scheme' works on many levels: "As a region, MENEAT is geographically very diverse, and the 'Striving for Excellence' program provides a platform for employees to be recognized not only at a country level, but also by the region. It really incentivizes employees to know that their efforts do not go unnoticed, and that exceptional work will be met with exceptional rewards. The awards are now very much a part of MENEAT's efforts to recognize the contribution of its employees."

"It was an honor to be commended for my work by the Company. I enjoyed visiting London, and one of the highlights was visiting Madame Tussauds waxworks museum where I saw the wax statue of Atatürk, the founder of the Turkish Republic."

Bringing ideas to life



Evgeniya Yaroslavtseva receiving a “Bringing Ideas to Life” award from Martin Braddock, JTI Regional President CIS+.

A number of countries have their own programs for promoting innovation throughout the JT Group. While specific details differ, the essential spirit of such initiatives is the same across all geographies: individuals put forward ideas that contribute to the performance of the Group, with the goal of generating better business results.

One such initiative that evolved from the EES is the ‘Bringing Ideas to Life’ regional awards program in the CIS+ region. Employees expressed a desire to contribute more to the success of the Company, requesting a platform to present new ideas.

In 2012, the ‘Bringing Ideas to Life’ awards generated as many as 1,482 ideas, of which 288 were shortlisted. These were further evaluated and the best ideas were identified, which led to 11 people being invited to JTI’s headquarters in Geneva in January 2013, to be honored for their efforts. Award winner Evgeniya Yaroslavtseva, a recruitment specialist in Moscow, proposed that

new employees receive an introductory letter on their first day, making them feel welcome and informed. Other winning ideas included the creation of a single email address for all human resources enquiries, and the replacement of paper payroll slips with electronic slips.

Guergana Andreeva, CIS+ Regional Human Resources Vice President, points to the benefits that such a program brings to the Company and its staff: “One of JTI’s values is ‘Enterprising’ and this award promotes an enterprising and entrepreneurial spirit throughout all levels of the organization. Encouraging employees to be innovative ultimately benefits the business in terms of performance, and it also encourages the sharing of best practices. Above all, it shows employees how they can really make a difference and that their ideas are always taken seriously.”

Maintaining the health and well-being of employees

The JT Group has in place initiatives aimed at maintaining the health of employees, with the emphasis on preventing medical conditions that arise within the workplace.

Global health and well-being strategy

In 2012, JTI began developing a global health and well-being strategy as part of its Environmental Health and Safety (EHS) commitments.

Prior to the introduction of this strategy, existing programs were run successfully in local entities, according to their specific needs. Presently, a global approach allows the sharing of best practices and ensures consistent initiatives and activities across the entire organization.

The strategy will be monitored, so the business can measure its success. Mike Jackson is JTI's Occupational Hygiene Director and he explains the program's objectives: "Prevention is key to our goals, but rehabilitation support is also essential in the event of sickness."

Four pillars to well-being

Four pillars comprise the employee well-being program. These pillars are: **'Reaction'**, which defines the response to employees who become ill. The second pillar, **'Risk Assessment'** identifies the occupational health risks our workforce face and how these can best be addressed. The third pillar is **'Control & Management'**, once the nature and magnitude of a health issue is understood, control mechanisms can be put in place. Finally, the fourth pillar is **'Well-being'**, which includes initiatives in health education, management and promotion. Not only are occupational factors considered, advice on diet, exercise and stress management are also included.



Mike Jackson, JTI Occupational Hygiene Director

Extending the program beyond staff

In countries where JTI operates and endemic diseases are prevalent, the employee health and well-being program will cover employees as well as employees' family members and their local communities. Jackson provides an example of how this currently works to good effect: "We currently have a successful Action Against Aids program in South Africa and Tanzania, and we are looking to adopt this for other regions across sub-Saharan Africa, particularly where we have agricultural operations. From a business perspective, occupational health programs make sense, because we rely on local workforces. So this is not merely philanthropic; the benefits affect our ability to maintain a healthy supply chain."



Exercise and stretching class with a public health nurse

Promoting healthy lifestyles in Japan

In Japan, JT has instigated various programs that offer employees the opportunity to change their daily habits and routines. Programs include lectures and advice on nutritionally balanced meals, such as providing easy-to-make recipes for healthy meals. On a physical level, exercise and stretching classes are available, as well as instruction on how to maintain posture, through walking with a correct gait.

JT also provides employees with access to physicians and nurses who can be consulted regarding any health concerns.