

MEDIA INFORMATION

For immediate release



JT Group Sustainability Report FY2017

Highlights include milestone achieved in reduction of Greenhouse Gas emissions, solid progress in JTI's Agricultural Labor Practices program, and increase in illegal tobacco seizures

Geneva, May 23, 2018 – The JT Group's 2017 Sustainability Report¹ is now available. It includes some of the key contributions of JTI, its international tobacco business, in meeting the Group's sustainability objectives.

JTI's most significant achievements over the past year include:

- 21,2% reduction in the Group's overall Greenhouse Gas (GHG) emissions. A target² achieved three years in advance, coupled with an increasing proportion of our electricity needs sourced from renewable energies.
- 90% of our directly contracted tobacco farmers are now observed against our Agricultural Labor Practices standards (a 69 percentage point increase versus 2016), enhancing the presence of our social programs where we source our tobacco.
- Record seizures totaling over one billion illegal cigarettes by law enforcement agencies thanks to the information provided by JTI's experts.

"Our commitment to sustainability is stronger than ever," says Suzanne Wise, JTI's Senior Vice President Corporate Development. "We know that to make a positive difference across all areas of our business, we need to maintain high international standards and uphold rigorous business practices. We owe this to our consumers, our shareholders, our employees, the communities we work with, the wider society and our planet," she continued.

As a Group, we have achieved our target of reducing GHG emissions by 20% by 2020 in 2017 – three years in advance – a proof of our long-term commitment to minimize the impact on global warming within our operations. In addition to focusing on energy savings, we've also increased the proportion of electricity from renewable sources up to 32% of our global needs. We are constantly looking at innovative ways to achieve and exceed our environmental targets, and have implemented a number of sustainable initiatives, including a world first with a solar steam project in our Jordan factory³.

¹ [Link to JT Group Sustainability Report 2017 on JT.com](#) ; [Link to JT Group Sustainability Report 2017 on JTI.com](#)

² The 2014 "JT Group Long-Term Environment Plan", to reduce GHG emissions by 20% between 2009 and 2020.

³ A leading light: bringing solar steam to JTI Jordan: <https://www.jti.com/our-views/solar-steam>

In 2017, we achieved the Leadership status in CDP⁴ Climate Change for the second consecutive year – and CDP Water for the first time. The JT Group was also selected as a member of the Dow Jones Sustainability Asia/Pacific Index⁵ for the fourth consecutive year.

Last year, our farming experts observed over 90% of our directly contracted tobacco farmers against our Agricultural Labor Practices (ALP) standards, a 69-percentage point increase compared to 2016. These standards aim to foster good labor practices: Workers' Rights, Workplace Health & Safety, and prevention of Child Labor are the three fundamental elements monitored by our expert technicians when visiting farmers. In addition, 2017 saw 15,095 more children in our tobacco sourcing communities gain access to education through JTI's ARISE⁶ program, as part of our ongoing fight to eliminate child labor.

The annual consumption of illegal tobacco exceeds 10% of all cigarettes sold globally (excluding China). This trade means big business for organized crime gangs, affecting legitimate manufacturers, farmers, taxpayers, and retailers, while damaging businesses' reputation. In their fight against this unlawful value chain, our Anti-Illicit Trade experts have helped law enforcement agencies, by providing them with valuable information, seize over one billion illegal cigarettes or cigarette equivalents, close 20 illegal cigarette factories and uncover thousands of counterfeit e-cigarette products.

"We are pleased with our solid progress and to be recognized for our environmental initiatives. We are determined to strengthen our sustainability targets for the future," concludes Maarten Bevers, JTI's Corporate Sustainability Vice President.

The JT Group Sustainability report is compiled in accordance with the 'Core' Level of the GRI G4 Sustainability Reporting Guidelines⁷, showing the JT Group's commitment to being transparent in its sustainability performance.

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JTI is a leading international tobacco company with operations in more than 130 countries. It is the global owner of both Winston, the number two cigarette brand in the world, and Camel outside the USA and has the largest share in sales for both brands. Other global brands include Mevius and LD. With its internationally recognized brand Logic, JTI is also a major player in the e-cigarette market and has, since 2011, been present in the heated tobacco category with Ploom. Headquartered in Geneva, Switzerland, JTI employs close to 40,000 people and was awarded Global Top Employer for four consecutive years. JTI is a member of the Japan Tobacco Group of Companies. For more information, visit www.jti.com.

⁴ CDP, <https://www.cdp.net/en>

⁵ DJSI ASIA/PACIFIC, <http://www.sustainability-indices.com/>

⁶ ARISE (Achieving Reduction of Child Labor in Support of Education) www.ariseprogram.org

⁷ GRI G4, <https://www.globalreporting.org/information/g4/Pages/default.aspx>