



JT Group Sustainability Report FY2016 *Highlights Include Action on Climate Change and Significant Achievements in the Fight Against Child Labor*

Geneva, May 26, 2017 – The JT Group today released its 2016 Sustainability Report¹, which notably highlights the key contribution of JTI, its international tobacco business, in achieving the Group's sustainability objectives.

The report is compiled in accordance with the 'Core' Level of the GRI G4 Sustainability Reporting Guidelines², showing the JT Group's commitment to being transparent in its sustainability performance.

In addition JTI:

- Brought 9,742 more children into schools in tobacco growing countries where the company directly purchases tobacco
- Deployed over 300 community investment programs in more than 60 countries
- Was recognized Global Top Employer³ for the third consecutive year

"Over the past year, we have made significant progress in delivering on our commitments to promoting sustainability both for the wider society and for the whole Group", says Maarten Bevers, JTI's Corporate Social Responsibility Vice President. "We set ourselves high standards and we are honored that our work is being recognized in various areas. Our long-term approach and determination to uphold rigorous business practices – from our support to tobacco growing communities to the work environment we offer our employees – is reflected in this report."

Last year alone, JTI helped 9,742 more children gain access to education. This is part of the company's commitment to building sustainable economies in tobacco growing communities where we directly and indirectly purchase tobacco, through dedicated programs improving their economic, social and environmental conditions. The challenges tackled range from the elimination of child labor to respecting workers' rights, maintaining adequate health and safety conditions, and providing access to water and sanitation as well as reforestation solutions.

Over 300 community investment initiatives were deployed in more than 60 countries. JTI's programs vary from the support to women in creating micro-enterprises in South Sudan to providing access to art for disabled adults in Italy. Many of the company's programs involve the active participation of employees. In the United Kingdom, JTI continues to be one of only 34 holders of the CommunityMark⁴ for excellence in community investment.

JTI was also awarded Global Top Employer for the third consecutive year, a testimony of the company's consistent high-quality work environment and commitment to providing exceptional development opportunities to employees worldwide.

For the first time in 2016, the JT Group was recognized as one of the world's best climate change reporters by being included on the CDP's Climate A List. It was also selected as a member of the Dow Jones Sustainability Asia/Pacific Index⁵ for the third consecutive year.

"As a global business, we have a responsibility to operate and manage our resources sustainably. We do this with the aim to deliver value to the JT Group's wide range of stakeholders – consumers, shareholders, employees and the wider society, including the communities in which we operate." concludes Maarten Bevers.

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JTI (Japan Tobacco International) is a leading international tobacco company with operations in more than 120 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, LD and Natural American Spirit. 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 more than 26,500 people and was awarded Global Top Employer for three consecutive years. Its core revenue in the fiscal year ended December 31, 2016, was USD 10.5 billion. JTI is a member of the Japan Tobacco Group of Companies. For more information, visit www.jti.com.

¹ JT Group: www.jt.com/csr/report/index.html - JTI: <http://www.jti.com/sustainability/repo/>

² www.globalreporting.org

³ Top Employers Institute, <https://www.top-employers.com/en/>

⁴ Business in the Community, <http://www.bitc.org.uk/>

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