

# JT Group sustainability targets—2024 results



We have set out the JT Group Sustainability Targets comprising of a total of 25 items. The following is a curated summary of the progress and results for 2024. For full results and details, please refer to [“FY2024 results for the JT Group Sustainability Targets”](#). Please see [here](#) about our pharmaceutical business.

Living with the planet

Value creation that exceeds consumer expectations

Investing in our people and supporting their growth

Responsible supply chain management

Good governance

Materiality	Target items	2024 results summary
<div><div></div><div></div></div>	Biodiversity impact assessment	<p>We conducted a biodiversity impact assessment for the tobacco business based on the methodology of the global standard SBTN*. Specifically, we quantified the impacts and dependencies of the tobacco business on biodiversity and conducted a more detailed examination of six countries: Brazil, Malawi, Zambia, Tanzania, Indonesia, and Bangladesh. For the next steps, we plan to develop location-specific action plans and expand the number of countries targeted for detailed assessments in order to understand biodiversity impacts and dependencies throughout the value chain.</p> <p><small>* SBTN (Science Based Targets Network): An international organization comprised mainly of non-profit organizations and economic organizations that develops methodology for scientific targets and activities in the five domains of freshwater, land, ocean, biodiversity, and climate in order to preserve the natural environment and reduce environmental impacts</small></p>
	Emissions reduction	<p>Across the JT Group, we reduced Scope 1 and 2 GHG emissions by 31% (22% in 2023) and Scope 3 GHG emissions from purchased goods and services (Category 1) by 19% (11% in 2023) compared to 2019. In particular, in the tobacco business, we reduced Scope 1 and 2 GHG emissions by 33% (20% in 2023) and Scope 3 Category 1 GHG emissions by 22% (12% in 2023) compared to 2019. In the processed food business, we switched boiler fuel from heavy oil to LNG (Liquefied Natural Gas) and introduced solar power generation at our manufacturing factories.</p> <div><div>JT Group overall</div><div><div>2019</div><div>2024</div><div>2030</div><div>Scope 1 and 2 GHG emissions</div><div>-31%</div><div>-47%</div></div><div><div>2019</div><div>2024</div><div>2030</div><div>Scope 3 Category 1 GHG emissions</div><div>-19%</div><div>-28%</div></div></div>
	Renewable electricity	<p>In the tobacco business, the proportion of renewable electricity used reached 56% (32% in 2023), and we achieved our 2025 target ahead of schedule. Driven by this increase, the JT Group's overall proportion of renewable electricity used reached 43% (26% in 2023).</p> <div><div>JT Group overall</div><div><div>2024</div><div>2030</div><div>2050</div><div>Renewable electricity used</div><div>43%</div><div>50%</div><div>100%</div></div></div>

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	Protecting water	<p>We appropriately monitored the Group's use of water in areas with water scarcity, and achieved a 22% reduction in water withdrawal in the tobacco business compared to 2019 (20% in 2023). In our processed food business, we promoted reuse and efficient use of wastewater through the renewal of wastewater treatment facilities.</p> <p>Regarding water recycling, in addition to appropriate monitoring in the tobacco business, our processed food business continued its efforts to make effective use of water resources, such as through multi-stage utilization within factory premises.</p> <p>With regard to water pollution prevention, the tobacco business is advancing efforts to acquire Alliance for Water Stewardship* certification.</p> <p>* Alliance for Water Stewardship (AWS): A global membership collaboration comprising businesses, NGOs and the public sector. Its members contribute to the sustainability of local water resources. It developed AWS certification for sustainable water use in factories around the world</p> <div> <div>Tobacco business</div> <p>Water withdrawal</p> </div>
	Enhancing biodiversity – No deforestation, no conversion	<p>2024 was positioned as the year for preparing for efforts beyond 2025.</p> <p>Our tobacco business will implement its Deforestation and Conversion Free (DCF) monitoring and verification approach in 2025 and report on progress versus target in the next disclosure cycle.</p>
	Waste reduction	<p>In the tobacco business, the proportion of factory waste sent to landfill was reduced to 8%. We also continued piloting take-back schemes for Ploom devices and promoted anti-littering awareness for consumables through targeted campaigns.</p> <p>In the processed food business, we conducted continuous initiatives centered on activities such as thoroughly sorting waste at manufacturing factories. As a result, the recycling rate for waste at our Japanese offices was 91%.</p> <div> <div>Tobacco business</div> <p>Proportion of factory waste sent to landfill</p> <div> <div>Processed food business</div> <p>Recycling rate for waste at Japanese offices</p> </div> </div>

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	<p><b>Designing for circularity</b> – Packaging, product and device</p>	<p>In 2024, for packaging, including plastics, the JT Group's overall use of reusable or recyclable packaging reached 92% (91% in 2023). In addition, the use of recyclable packaging in the tobacco business has reached 91% (90% in 2023). 17% of packaging in the tobacco business is currently made from recycled content. We continue increasing absolute weight of recycled materials used in our packaging year over year. If measured against the 2022 scope, our result for 2024 would be equivalent to 20% already. We also worked actively to reduce virgin plastic by prioritizing non-plastic and recycled alternatives. We dedicated significant resources to the ongoing research and development of more sustainable filter alternatives. We are making steady progress in our efforts to comply with the recently adopted EU Batteries Regulation. Our plan is to launch devices featuring battery removability and replaceability starting in 2027 in Europe, with the goal of enabling the battery to be removed and replaced by the consumer. In the processed food business, we reduced the volumes of packaging materials and waste generated by eliminating trays from noodles with toppings, reducing the thickness of exterior packaging film for udon, and utilizing recycled cans for packaging used in the manufacturing process. From the viewpoint of using biomass raw materials, we used biomass-based ink for printing packaging for new and renewed products for home use and promoted the use of exterior packaging film made using RiceResin**.</p> <p>* RiceResin® is a registered trademark of Biomass Resin Minamiuonuma Co., Ltd. Old rice that is not edible and crushed rice generated during rice milling are upcycled (improving the value of an object by modifying waste or unnecessary objects) into plastic using new technology</p> <div> <div>JT Group overall</div> <p>Reusable or recyclable packaging</p> </div>
	<p><b>Sustainable agriculture</b></p>	<p>We completed the elimination of Criterion 1 HHPs (Highly Hazardous Pesticides) from our direct tobacco leaf supply chain as planned. We will promote ongoing initiatives with directly contracted growers to eliminate the use of all HHPs. The percentage of directly contracted growers adopting the GAP (Good Agricultural Practices) Protocol reached 86%.</p> <div> <div>Tobacco business</div> <p>Ratio of directly contracted growers adopting GAP Protocol</p> </div>
	<b>Reduced-Risk Products*</b>	<p>The number of markets where RRP is offered for the JT Group expanded from 18 countries in 2023 to 28 countries in 2024. The JT Group offers RRP, with the potential of risk reduction, social consideration, convenience, and affordability, such as heated tobacco, E-Vapor and oral products.</p> <p>* RRP (Reduced-Risk Products): Products with the potential to reduce the risks associated with smoking</p>
	<b>Transparency in Reduced Risk Science</b>	<p>The JT Group ensures transparency regarding the risks associated with tobacco products and that our claims regarding the potential of risk reduction are appropriately supported. Related to this, in 2024, we issued a total of 74 scientific publications through papers, conference presentations, etc.</p>
	<p><b>Youth Access Prevention (YAP)</b></p>	<p>Youth Access Prevention (YAP) is one of our core principles. We regularly trained our sales force on the importance of adhering to YAP guidelines and our global responsible marketing policies. We also proactively engaged with our trading partners to ensure they operate in accordance with our Global Marketing Principles and apply all applicable local regulations.</p>

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	Creating first-in-class drugs	In June 2024, VTAMA® Cream 1% for the treatment of atopic dermatitis and plaque psoriasis received manufacturing and marketing approval in Japan. In addition, in September 2024, LEO Pharma A/S, our license partner for delgocitinib, obtained approval in Europe, and submitted a marketing approval application in the United States for the treatment of adult patients with moderate to severe chronic hand eczema (CHE). In 2024, we spent 33.9 billion yen on our research and development activities.
	Food inclusion	Based on its Business Purpose of "Bringing Joy to Meals and Fun to the Table," the processed food business stays close to ever-diversifying customer values and interests, and develops and offers high-value-added products, aiming for a world where everyone can freely and deliciously enjoy what they want to eat and maintain a healthy lifestyle. As part of our initiatives, we launched the BEYOND FREE* product line in 2023, and introduced its new products and implemented promotional activities, such as participating in events, in 2024. By providing such products and services, we are contributing to a society in which everyone can freely and deliciously enjoy what they want to eat (food inclusion), in line with their diverse values.  * BEYOND FREE: Brand of foods, in which plant ingredients are carefully selected for each menu item to provide a delicious plant-based experience, not only in taste and appearance, but also in aroma and texture
	Diversity, equity & inclusion	In our efforts to empower women, we made steady progress toward 2030 target on women's representation in managerial positions, which reached 24.9% across the entire Group (23.5% in 2023). Women's representation in managerial positions in the tobacco business reached 26.8%. In the processed food business, its efforts to enhance women's representation in managerial positions have been progressing steadily, and we have taken initiatives to expand the pool of candidates (e.g., leadership development training). To empower diverse talent, including women, we have created an environment that promotes flexible workstyles. As a further effort to achieve 2030 target, we have introduced women's representation in managerial positions as a new indicator (KPI) for the compensation of JT's Directors of the Board (who also serve as Executive Officers) and Corporate Senior Vice Presidents starting in 2025. We have also defined and promoted our "approach to employing people with disabilities" with the aim of creating an inclusive environment in which everyone can thrive. In Japan, we have fostered the development of an environment in which foreign talent can thrive, including multilingual measures, and we have made steady progress in LGBTQ+ inclusion initiatives, as JT was included in the Gold PRIDE Index for the ninth consecutive year in 2024.  <div> <div>JT Group overall</div> <div> </div> </div>
	Talent attraction	Overall, the Group has ensured a sufficient talent pool at each stage (approximately 500 participants in the early-stage training program, and approximately 200 candidates whose careers have been monitored/discussed by the senior management team and business leaders). In the tobacco business, we were certified as a Global Top Employer for 11 consecutive years through 2024.
	Attractive working conditions	As a Group-wide initiative, we have promoted the awareness and use of various systems such as Family Leave within the Company to support employees in balancing work and family life. The total ratio of employees who took parental leave* has increased to 98% (95% in 2023), and the rate of male employees in particular has been steadily increasing (96% in 2024, 91% in 2023).  * Of the employees who have become a parent via adoption, surrogacy or birth, the percentage of employees in 2024 who took parental leave, not only statutory leave, but also those who took parental leave further approved by the Company. If there are any employees who have taken parental leave for their child born in previous fiscal years, the rate of employees who took parental leave may exceed 100% in this fiscal year

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	Health and safety	<p>The JT Group's Lost-Time Injury Frequency Rate (LTIFR) and other indicators were level year on year, but the number of work-related fatalities increased (from 3 in 2023 to 6 in 2024). In all cases, we immediately implemented recurrence prevention measures. Looking ahead, we will carefully monitor the status of work accident occurrences in the JT Group, and continuously promote effective measures toward the achievement of zero work accidents. In the tobacco business, the recordable injury rate per 200,000 working hours fell to 0.24 (0.34 in 2023), and in the processed food business it was 0.85* (0.86 in 2023).</p> <p>* Including the headquarters functions of the processed food business from 2024</p> <div> <div>Tobacco business</div> <div>Recordable injury rate per 200,000 working hours</div> <div> </div> </div> <div> <div>Processed food business</div> <div>Recordable injury rate per 200,000 working hours</div> <div> </div> </div>
	Development support	<p>We have continued to use career discussions as an initiative for encouraging self-motivated career development, and in the tobacco business, we have promoted job posting, which globally discloses open positions, and implemented various measures (e-learning, workshops, system introduction, etc.) for practicing "Our Way." Moreover, at JT, we launched career roundtables (58 organizations with a total of 850 participants) and internal internship programs (54 participants).</p>
	Internal and external collaboration	<p>As an initiative to promote internal collaboration and provide opportunities for it, we have planned and held regular events at the JT head office for encouraging communication between employees across businesses, functions and organizations. In external collaboration, we promoted initiatives through cooperation with other companies and participation in business collaboration platforms in order to conceptualize "fulfilling moments" from diverse perspectives at D-LAB. In addition, as a result of actively providing and supporting opportunities to participate in volunteer activities, employees have engaged in 260,512 hours of volunteer activities during their working hours since 2015, which is 87% progress toward the 2030 target (218,070 hours in 2023).</p> <div> <div>JT Group overall</div> <div>Hours spent volunteering</div> <div> </div> </div>
	Supplier screening and supply chain due diligence	<p>The JT Group as a whole screened 99.6% of its key suppliers against ESG criteria. We will continue to follow up with suppliers for whom screening has not been completed.</p> <p>In terms of individual businesses, we have made steady progress in the tobacco business on planning and implementing ESG performance assessments of our critical suppliers. We also worked to improve suppliers' understanding of supply chain due diligence and the accuracy of their reporting.</p> <p>In our processed food business, we interviewed key Tier 1 suppliers in our supply chain to gain a deeper understanding of the status of their human rights initiatives. Furthermore, as part of communicating with suppliers in line with the JT Group Responsible Procurement Policy and the JT Group Human Rights Policy, we conducted a survey and interviews at 95 of our suppliers regarding the status of their ESG initiatives in order to share our values and ascertain the status of each supplier.</p>
	Grower living income	<p>We completed implementing our Living Income Calculator in our direct tobacco leaf supply chain origins.</p>

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		Human rights in grower communities	<p>We conducted human rights monitoring through checking compliance with Agriculture Labor Practices (ALP) and other standards in our direct tobacco leaf supply chain origins. All the recognized breaches have been addressed through corrective action plans. We will continue to address human rights issues among growers by continuing this initiative and combining it with Human Rights Impact Assessments and other means. In addition, the status of the relevant KPIs and prevention and remediation actions are as follows.</p> <p><b>(Relevant KPIs)</b></p> <ul style="list-style-type: none"> <li>• Number of confirmed extreme breaches: 7</li> <li>• Total number of corrective actions implemented: 7</li> <li>• Total ratio of corrective actions implemented: 100%</li> </ul> <p><b>(Status of prevention and remediation actions implemented)</b></p> <ul style="list-style-type: none"> <li>• Number of community members and teachers participating in ARISE* child labor education and awareness activities: 25,932</li> <li>• Number of households with improved incomes as a result of socio-economic empowerment: 1,709</li> <li>• Number of government policies or plans developed, revised or amended as a result of ARISE engagement: 2</li> <li>• Number of identified at-risk children, withdrawn or prevented from child labor and enrolled in education: 9,019</li> </ul> <p>Please see the ARISE program <a href="#">website</a> for details.</p> <p><small>* ARISE (Achieving Reduction of Child Labor in Support of Education): The JT Group's original support program for eliminating child labor in communities of directly contracted growers, developed in cooperation with non-profit organization Winrock International and the International Labour Organization (ILO)</small></p>
		Grievance mechanisms	<p>In 2024 over 60% of our growers and farm workers in direct tobacco leaf supply chain origins had access to grievance mechanisms. By 2027, we plan to implement effective grievance mechanism systems in all origins, including all vertically integrated growers.</p>
		Community investment	<p>Since 2015, local business sites led our initiatives in areas throughout the world where we operate and continuously implemented initiatives to resolve social issues, focusing on the specific areas of reducing inequalities, improving community resilience in disaster-prone areas, and protecting the environment. As a result, the cumulative investment amount by 2024 reached 65.5 billion yen/US\$548 million (US\$500 million in 2023), and we have reached our target investment amount in Japanese yen six years ahead of schedule.</p> <p>Since 2015, our employees have volunteered 260,512 hours on company time, which is 87% progress toward the 2030 goal (218,070 hours in 2023). From 2015 to now, the JT Group has provided support for a total of 5,891 organizations and 26.51 million people all around the world. We will continue to evolve our initiatives to create even greater social impact toward the development of inclusive and sustainable communities.</p>
			<div> <div> <p>2015</p> <p>Investment amount (Billion JPY)</p> <p>2030 2024</p> <p>60.0 65.5</p> </div> </div> <div> <div> <p>2015</p> <p>Hours spent volunteering</p> <p>2024 2030</p> <p>260,512 300,000</p> </div> </div>
		Internal control	<p>In 2024, our tobacco business 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. In 2024, our Anti-Illicit Trade team provided 4,064 intelligence reports to law enforcement agencies globally and delivered AIT awareness sessions, including counterfeit recognition, smuggling trends, methodology, routes, etc. to 3,057 law enforcement officers.</p> <p>In our pharmaceutical business, our internal educational activity “For the Patients Project” was held nine times, with a total of about 200 employees attending. We also conducted monthly training and awareness-raising activities with different themes each time for all our medical representatives.</p> <p>In the processed food business, we continued initiatives to strengthen our quality assurance systems, including overseas, through cooperation between Group companies, such as mutual inspections and knowledge sharing. Through internal training and study sessions regarding quality and safety, we aimed to increase the awareness of food safety among each employee involved in the processed food business, and cultivated a culture of food safety.</p>

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