

# Details of the JT Group Sustainability Targets



Living with the planet



Value creation that exceeds consumer expectations





Investing in our people and supporting their growth



Responsible supply chain management


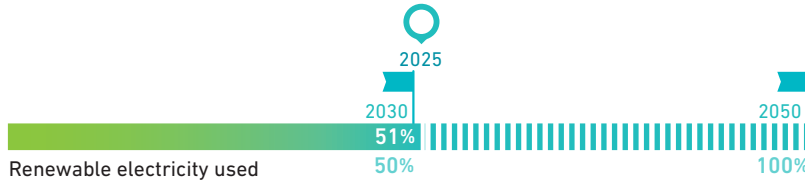



Good governance


Materiality	Target items	Targets (as of 2026)	Progress (through 2025)
	<b>Biodiversity impact assessment</b>	Each of the JT Group businesses will perform assessments to evaluate its impact and dependency on ecosystem, including biodiversity aspects. Impact assessments of our tobacco business will be performed by 2024, and our processed food business by 2025.	<p>In the tobacco business, we deepened our biodiversity impact assessment by expanding its scope and enhancing the impact and dependency analysis using the GIS<sup>1</sup> and SBTN<sup>2</sup> methods. In doing so, we identified important nature-related risks and opportunities and strengthened our biodiversity baseline. In the processed food business, we conducted biodiversity impact assessments of business sites and major ingredient-producing countries based on the SBTN<sup>2</sup> method to map out the relationships between business activities and impacts and dependencies on biodiversity. From this, we gained an extensive understanding of the linked relationships of impacts and dependencies between the manufacturing sites of each of our businesses and biodiversity with respect to the atmosphere, natural resources, soil, and other aspects. In addition, we identified potential risks in our value chain arising from those linked relationships. Looking ahead, we will utilize the results of our biodiversity impact assessments to consider and promote measures to address a wide range of sustainability issues that are mutually related through biodiversity using a more comprehensive approach.</p> <p>1. Geographic Information System (GIS): A method for spatial analysis and visualization of the relationship between business activities and biodiversity (impacts and dependencies) through integration of positional information and environmental and social data                  2. Science Based Targets Network (SBTN): 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 conserve the natural environment and reduce environmental impacts</p>
	 <b>Emissions reduction</b>	<p>In response to growing societal expectations for decarbonization, the JT Group is committed to supporting the global transition to net zero, contributing to a sustainable future for both nature and society. Given our reliance on agricultural raw materials that are susceptible to climate change, this transition is critical to long-term business growth and enhanced resilience. By taking a holistic approach that considers the interconnection between climate and nature, we aim to secure value chain stability, ensure regulatory preparedness, and strengthen stakeholder trust.</p> <p>The JT Group will reduce its emissions and commits to be Carbon Neutral for its own operations by 2030 and achieve Net-Zero Greenhouse Gas (GHG) emissions across its entire value chain by 2050.</p> <ul style="list-style-type: none"> <li>By 2030, we commit to reduce absolute Scope 1 and 2 GHG emissions by 47% in line with a 1.5°C reduction pathway against a 2019 base year</li> <li>By 2030, we commit to reduce absolute Scope 3 GHG emissions associated with purchased goods and services (Category 1) by 28% against a 2019 base year</li> </ul> <p><b>SBTi-validated targets<sup>*1</sup></b></p> <ul style="list-style-type: none"> <li>Reduce absolute non-FLAG<sup>*2</sup> GHG emissions:                             <ul style="list-style-type: none"> <li>Scope 1 and 2 by 47% and Scope 3 Category 1 by 28% by 2030, against a 2019 base year</li> <li>Scope 1, 2 and 3 by 90% by 2050, against a 2019 base year</li> </ul> </li> <li>Reduce absolute FLAG GHG emissions:                             <ul style="list-style-type: none"> <li>Scope 3 Category 1 by 33.3% by 2030 and by 72% by 2050, against a 2019 base year</li> </ul> </li> </ul> <p><sup>*1</sup> SBTi-validated targets: Our targets have been verified and validated by the Science Based Targets initiative (SBTi), an international initiative on climate change  <sup>*2</sup> FLAG: The Forest, Land, and Agriculture sector. FLAG-related GHG emissions include emissions originating from forestry, land-use, agriculture, and other land-based activities. All FLAG emissions in our value chain occur in Scope 3 Category 1</p>	<p>Across the JT Group, we reduced Scope 1 and 2 GHG emissions by 37% compared to 2019 (32% in 2024). On the other hand, Scope 3 (Category 1) GHG emissions were down by 3% (15% in 2024), with the pace of reduction slowing, mainly driven by higher tobacco procurement volumes in 2025, particularly from countries with higher emissions intensity, and by elevated emission factors carried over from 2024, a year marked by significant global crop impacts due to extreme weather conditions. Looking ahead, we will continue to monitor our progress and implement emissions-reducing measures. With respect to Scope 3 (Category 1) emissions, we will take a more sophisticated approach to emissions calculation and future forecasting, strengthen supplier engagement, and promote initiatives to utilize low-emission materials.</p> <p>Please see <a href="#">here</a> for results on SBT-certified targets.</p>


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	Renewable electricity	<p>To support our net-zero commitment and strengthen energy resilience, the JT Group will transition to 100% zero-carbon energy by 2050.</p> <ul style="list-style-type: none"> <li>We will increase the proportion of renewable electricity that we use to 50% by 2030 and 100% by 2050</li> </ul>	<p>The proportion of renewable electricity used by the overall JT Group has increased to 51% (43% in 2024), and we achieved our 2030 target ahead of schedule.</p>  <table border="1"> <caption>Renewable electricity used</caption> <tr><th>Year</th><th>Percentage</th></tr> <tr><td>2030 Target</td><td>50%</td></tr> <tr><td>2025 Actual</td><td>51%</td></tr> <tr><td>2050 Target</td><td>100%</td></tr> </table>	Year	Percentage	2030 Target	50%	2025 Actual	51%	2050 Target	100%
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Protecting water	<p>The JT Group will engage in responsible water management and will pursue the following:</p> <ul style="list-style-type: none"> <li>We will monitor the Group's use of water in areas with water scarcity. Our tobacco business will reduce water withdrawal in its own operations by 33% by 2030 against a 2019 base year. Our processed food business will pursue efficient water use and wastewater quality management to preserve water stewardship as a member of the local community</li> <li>We will monitor water recycling at the Group's production facilities</li> <li>We will prevent water pollution based on the Group's standards, which should be equal to or stricter than local legal requirements</li> <li>Our tobacco business will have 100% of its eligible production facilities certified against the Alliance for Water Stewardship* standard by 2030</li> </ul> <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>	<p>We appropriately monitored the Group's use of water in areas with water scarcity, and achieved a 21% reduction in water withdrawal in the tobacco business compared to 2019 (23% in 2024). The reduction rate has decreased from the previous fiscal year due to factors such as increases in production. However, we are on track to achieve our 2030 target. Furthermore, in our processed food business, we enabled the reuse and efficient use of wastewater through the renewal of wastewater treatment facilities, as well as using it for snow removal at our factory sites to reduce the use of well water. Regarding water recycling, in addition to multi-stage utilization across manufacturing processes in the tobacco business, our processed food business is continuing efforts to make effective use of water resources, such as appropriately monitoring water recycling at each location, and aiming to reduce the amount of well water supplied to cooling tanks in the frozen udon noodles manufacturing line by returning some of the used water to the cooling tanks. With regard to water pollution prevention, we are striving to ensure compliance with laws and regulations by conducting analysis of wastewater and regular maintenance of wastewater treatment facilities in order to preserve local water quality. We have acquired our first Alliance for Water Stewardship certification in the tobacco business at our site in Turkey.</p>  <table border="1"> <caption>Water withdrawal in our tobacco business</caption> <tr><th>Year</th><th>Change (%)</th></tr> <tr><td>2019 Base Year</td><td>0%</td></tr> <tr><td>2025 Actual</td><td>-21%</td></tr> <tr><td>2030 Target</td><td>-33%</td></tr> </table>	Year	Change (%)	2019 Base Year	0%	2025 Actual	-21%	2030 Target	-33%	
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Enhancing biodiversity – No deforestation, no conversion	<p>JT Group depends on healthy ecosystems to source key raw materials such as tobacco leaf, and to secure long-term resilience. Taking nature-positive action creates a powerful dual benefit: it not only drives innovation, value creation, and investor confidence, but also strengthens risk management by enhancing reputation, operational resilience, and long-term sustainability. With a view to enhancing biodiversity, the JT Group will contribute further to preserving forestry by pursuing the following in its tobacco business supply chain:</p> <ul style="list-style-type: none"> <li>No deforestation of natural forests in the operations and supply chains for tobacco leaf, paper and pulp-based materials by 2025 and in our entire supply chain by 2030</li> <li>No conversion of natural ecosystems in the tobacco business's own operations and supply chains for tobacco, paper and pulp-based materials in high conservation value areas by 2025 and all natural lands by 2030</li> <li>Zero net deforestation of managed natural forests in the entire tobacco business supply chain by 2030</li> </ul>	<p>We have been working toward achieving zero deforestation of natural forests throughout our entire tobacco business supply chain. In 2025, we conducted a deforestation risk assessment for our tobacco leaf, paper, and pulp-based material supply chains, confirming that 94% of tobacco leaves procured from directly contracted growers and 80% of globally procured paper and pulp-based material originate from areas at negligible risk of deforestation. Going forward, we will complete a comprehensive risk assessment of third-party procured tobacco leaf and locally procured paper and pulp. Based on the results of that assessment, we will establish action plans to address remaining deforestation. Building on this foundation, we are extending our approach beyond forests, updating geospatial systems to address ecosystem conversion risks and progressively expanding coverage across all natural lands. These efforts support our ambition to eliminate deforestation across our entire supply chain by 2030 and implement zero conversion and zero net deforestation standards where residual impacts remain unavoidable.</p>									


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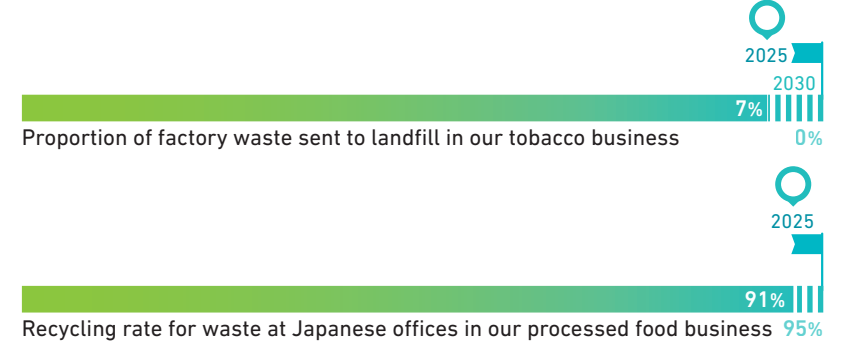
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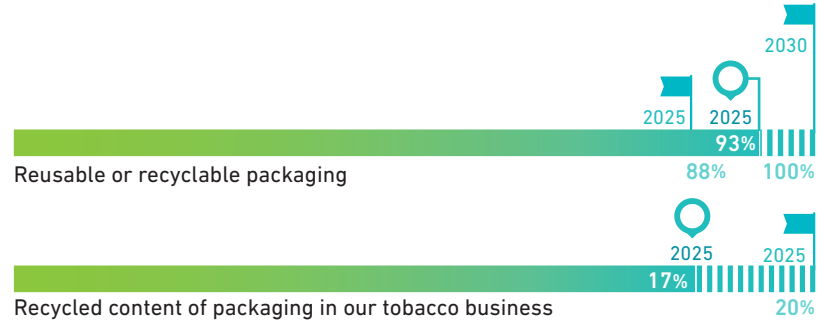

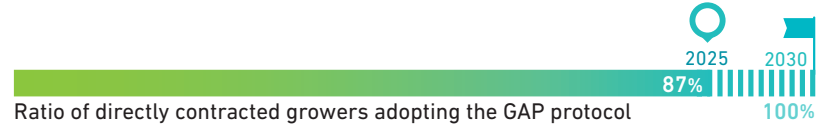
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Materiality		Target items	Targets (as of 2026)	Progress (through 2025)									
		<b>Waste reduction</b>	<p>The JT Group will further reduce the environmental impacts of waste associated with its processes and products.</p> <ul style="list-style-type: none"> <li>Zero factory waste to landfill by 2030 in our tobacco business</li> <li>Our tobacco business will engage trade and consumers on responsible disposal of devices through take-back schemes for Ploom, and through anti-littering campaigns for consumables</li> <li>Our processed food business will pursue waste reduction to contribute to a circular society and will aim to recycle 95% of all waste from its Japanese offices (excluding waste heat recovery)</li> </ul>	<p>In the tobacco business, the proportion of factory waste sent to landfill was reduced to 7% (8% in 2024). We are also addressing device-related waste for our Reduced-Risk Products (RRPs) by implementing takeback schemes and trade-in programs. These initiatives support responsible end-of-life handling and reflect our broader commitment to promoting circularity. In 2025, we operated trade-in campaigns across eight markets, enabling consumers to return their Ploom devices when upgrading to Ploom AURA.</p> <p>In the processed food business, we are conducting ongoing initiatives to increase yields in our manufacturing processes, as well as focusing on activities to convert food waste into animal feed and compost through rigorous separation. As a result, the waste recycling rate at our business sites in Japan has reached 91% (91% in 2024).</p>  <table border="1"> <caption>Waste Reduction Progress</caption> <thead> <tr> <th>Metric</th> <th>2025</th> <th>2030 Target</th> </tr> </thead> <tbody> <tr> <td>Proportion of factory waste sent to landfill in our tobacco business</td> <td>7%</td> <td>0%</td> </tr> <tr> <td>Recycling rate for waste at Japanese offices in our processed food business</td> <td>91%</td> <td>95%</td> </tr> </tbody> </table>	Metric	2025	2030 Target	Proportion of factory waste sent to landfill in our tobacco business	7%	0%	Recycling rate for waste at Japanese offices in our processed food business	91%	95%
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	 <p><b>Designing for circularity – Packaging, product and device</b></p>	<p>The JT Group will reduce its packaging (including plastic) and ensure that the remaining is 88% reusable or recyclable by 2025, rising to 100% by 2030.</p> <ul style="list-style-type: none"> <li>In total, recycled content will account for 20% of our tobacco business packaging by 2025. The tobacco business will seek to further increase the use of recycled materials in its packaging</li> <li>In our tobacco business, plastic in our packaging mix is only 7% by weight. The tobacco business will aim to further reduce the use of virgin plastic in its packaging. We are also working to develop more sustainable filter alternatives</li> <li>Our tobacco business will take a phased approach in embedding learnings in its circular device development globally, by achieving battery removability &amp; replaceability for 100% of its RRP* devices shipped to the EU by 2027</li> <li>Our processed food business will reduce packaging weight and utilize renewable plant-based resources to reduce the environmental impact of its products</li> </ul> <p>* RRP (Reduced-Risk Products): Products with the potential to reduce the risks associated with smoking</p>	<p>In 2025, for packaging, including plastics, the JT Group’s overall use of reusable or recyclable packaging reached 93% (92% in 2024). 17% of packaging in the tobacco business is currently made from recycled content (17% in 2024). If measured against the 2022 scope, our result for 2025 is equivalent to 20%. Although the weight of recycled materials used increased with continued initiatives amid business expansion, it remained level with the previous year due to an increase in the total amount of packaging driven by growth in production volume and changes in the product portfolio, among other factors. We continue working on increasing absolute weight of recycled materials used in our packaging year over year. We are actively working to systematically reduce the use of virgin plastic in our packaging by prioritizing non-plastic and recycled alternatives. We also work to align with the requirements of the EU Packaging and Packaging Waste Regulation. In addition, we are making steady progress in the development of more sustainable filter alternatives. We are progressing towards meeting the EU Batteries Regulation for RRP devices with removable and replaceable batteries. Our current plan is to introduce devices in Europe by 2027 that allow customers to easily remove and replace the batteries, fully complying with the regulation’s legal requirements.</p> <p>In the processed food business, we reduced the volumes of packaging materials used by reducing their thickness, eliminating trays from noodles with toppings, and adopting lighter gauge cardboard. In other efforts, we have used biomass-based ink for printing packaging for new and renewed products, expanded the range of products that use RiceResin®,* and steadily introduced packaging ties made from 100% recycled materials.</p> <p>* RiceResin® is a registered trademark of RiceResin 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> 
	 <p><b>Sustainable agriculture</b></p>	<p>Our tobacco business will complete the elimination of Criterion 1 Highly Hazardous Pesticides (HHPs) from its direct tobacco leaf supply chain in 2024 and eliminate the use of all HHPs by 2040. 100% of our directly contracted growers will have adopted the Good Agricultural Practices (GAP) Protocol of our tobacco business by 2030.</p>	<p>We eliminated Class I Highly Hazardous Pesticides (HHPs) from our direct tobacco leaf supply chain as planned and maintained this status in 2025. We continue to work toward the elimination of remaining identified HHP categories, in line with our ambition to eliminate the use of all HHPs by 2040. Moreover, the percentage of directly contracted tobacco leaf growers adopting the Good Agricultural Practices (GAP) protocol was 87% (86% in 2024).</p> 

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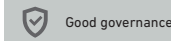
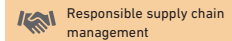
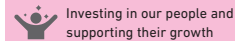
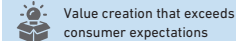
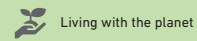
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	<b>Reduced-Risk Products</b>	Our tobacco business will make its RRP available in an increasing number of countries worldwide.	The number of countries where RRP is offered for the JT Group expanded from 28 countries in 2024 to 36 countries and territories in 2025. The JT Group offers RRP, with the potential of risk reduction, convenience, and affordability, such as Heated Tobacco Sticks (HTS), E-Vapor, Modern Oral, Traditional Oral.
	<b>Transparency in Reduced Risk Science</b>	In our tobacco business, we will ensure that communications on reduced risk potential are substantiated and that we are transparent about the risks of our products.	The JT Group ensures transparency regarding the risks associated with tobacco products and checks that its claims regarding the potential for risk reduction are appropriately supported. In 2025, we issued a total of 66 scientific publications in relation to this, mainly through academic papers and conference presentations.
	 <b>Youth Access Prevention (YAP)</b>	In our tobacco business, we will continue to deliver training on YAP to our marketing and sales force. We will also continue to work with our trading partners to ensure compliance with its YAP pillars.	Youth Access Prevention (YAP) is one of our core principles. We provided regular training to our marketing and sales force on the importance of adhering to YAP guidelines and our global responsible marketing policies. We are continuously engaging with our trading partners to ensure they operate in accordance with our Global Marketing Principles and comply with all applicable local regulations.
	<b>Food inclusion</b>	In our processed food business, we aim to help as many people as possible enjoy the experience of “Bringing Joy to Meals and Fun to the Table.” To achieve this, we will stay attentive to the increasingly diverse values and interests of our consumers, and we are committed to developing and offering high-value-added products, such as allergy-friendly products, products that do not use ingredients derived from animals, or products that are health-conscious and satisfy other preferences.	<p>Based on its Business Purpose of “Bringing Joy to Meals and Fun to the Table,” the processed food business stays closely aligned with increasingly diverse customer values and interests. It develops and provides high-value-added products aiming to create a world where everyone can freely enjoy eating what they like and maintain a healthy lifestyle.</p> <p>As part of our initiatives, we started rolling out commercial-use products in 2025 to deliver value to even more people with our BEYOND FREE* product line. Our Fluffy Soy Cream Roll Cake - Plain received a prestigious Grand Prix award in the Japan Food Selection, in which products are evaluated by food analysts, for achieving both an elegant flavor and a fluffy texture without using flour, eggs, or dairy products. By providing such products and services, we are closely reflecting diverse values and contributing to a society in which everyone can freely enjoy eating what they like (food inclusion).</p> <p>* BEYOND FREE: A 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</p>


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	<b>Diversity, equity &amp; inclusion</b>	<p>The JT Group regards diversity in talent as the source of our competitive advantage. Beyond attributes such as gender and nationality, we respect each individual's experience, expertise, and values, and foster an inclusive organizational culture that embraces these differences. By creating an environment where diverse talent can thrive, we aim to strengthen organizational capability and drive sustainable growth.</p> <p>Based on this approach, we will promote initiatives to enhance diversity and promote inclusion. In particular, as part of our efforts to empower women, our Group target for women's representation in managerial positions is to reach 30% by 2030.</p>	<p>In our efforts to empower women, we are making steady progress toward the Group's 2030 target for women's representation in managerial positions, with the ratio steadily increasing from 24.9% in the previous year to 26.4% across the entire Group. Starting in 2025, we 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. The Group is also promoting a range of initiatives to support female talent development, including providing career development opportunities led by executives and organizational heads, and increasing the number of employees sent on external training assignments to receive support for their professional growth. In Japan, based on the policy on the employment of people with disabilities established in 2024, we are working to enhance working environments to support both recruitment and retention. We are also fostering an environment in which foreign talent can thrive, including multilingual measures, carrying out various awareness-raising activities aimed at promoting understanding of DE&amp;I with the aim of creating an inclusive environment in which everyone can thrive. In recognition of our LGBTQ+ support initiatives, JT has been included in the Gold PRIDE Index for 10 consecutive years and obtained Rainbow Certification in 2025.</p> <p><b>Women's representation in managerial positions</b></p> <table border="1"> <tr> <th>Year</th> <th>Representation (%)</th> </tr> <tr> <td>2025</td> <td>26.4%</td> </tr> <tr> <td>2030</td> <td>30%</td> </tr> </table>	Year	Representation (%)	2025	26.4%	2030	30%
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<b>Talent attraction</b>	<p>The JT Group operates multiple businesses globally and recognizes that securing a sufficient talent pool is essential for sustainable growth. Based on this approach, we will work to attract and retain talent at each location or business to build a continuous pipeline of talent to lead and manage our businesses. Our tobacco business will aim at achieving yearly Global Top Employer certification.</p>	<p>Overall, we continue to strengthen our talent pipeline, and in 2025, about 500 people participated as executive and leadership candidates in a program to reliably secure a pool of internal candidates as future Group executives and business leaders. For about 200 of those people, senior management team and business leaders hold accountability for developing their talents, not only monitoring their progress but also discussing their individual potential, medium- and long-term growth challenges and career plan, referring to objective external assessments and their competitiveness in the labor market. In the tobacco business, we have successfully established an excellent company brand by being recognized as a Global Top Employer for the 12th consecutive year by the Top Employer Institute in 2025, while continuing hiring campaigns specific to each country/territory.</p>							
<b>Attractive working conditions</b>	<p>The JT Group will continuously enhance systems that address diverse employee needs and foster psychological safety in the workplace, creating an environment where every employee can maximize their potential. This will lead to improved organizational performance and business sustainability. Based on this approach, the JT Group will strengthen programs that enable employees at various life stages to achieve their desired work-life balance and career goals. In addition, to support work-family balance, we will monitor and improve parental leave utilization rates for both men and women.</p>	<p>As a JT 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 102% (98% in 2024), and the rate of male employees in particular has been steadily increasing (102%, 96% in 2024). In 2025, we launched the Wellness Advance program as a new initiative to support gender-specific health issues (menstrual symptoms, menopausal disorders, declining fertility and gender-specific cancers), and we are expanding that support to include subsidies for egg freezing and so on.</p> <p>* Calculated as the percentage of employees in 2025 who took parental leave—either as statutory leave or the Company's own independently established parental leave—among the employees who had given birth or had a spouse who had given birth. If there are any employees who have taken parental leave for their child born in a previous fiscal year, the ratio of employees who took parental leave may exceed 100% for the fiscal year.</p>							

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	<b>Health and safety</b>	<p>The JT Group recognizes that providing healthy, safe, and supportive working environments, both physically and mentally, is fundamental to enabling all employees to perform at their full potential and to ensuring stable and reliable business operations across the JT Group.</p> <p>Based on this approach, we aim for zero work-related accidents and promote employee health and safety. Under the Board of Directors' oversight, the Group implements a range of measures, including strengthening safety culture and awareness, ensuring appropriate risk controls, and putting effort into health-related support. We track JT Group Monitoring Indicators on Health and Safety to evaluate initiatives and continuously improve our performance.</p>	<p>The number of work-related fatalities for the entire JT Group and the Lost-Time Injury Frequency Rate (LTIFR) and Occupational Illness Frequency Rate (OIFR) for employees decreased year on year, with only the work accident severity rate for employees remaining at around the same level. For serious work-related accidents that involved fatalities, we rigorously conducted analysis of the occurrence conditions and implemented recurrence prevention measures. Looking ahead, we will carefully monitor the status of work-related accident occurrences in the JT Group, and continuously promote effective measures toward the achievement of zero work-related accidents. Furthermore, in the tobacco business, the recordable injury rate per 200,000 working hours fell to 0.21 (0.25 in 2024), while in the processed food business it fell to 0.69 (0.85 in 2024).</p>
	<b>Development support</b>	<p>By continuously improving systems and environments that support employees' autonomous growth, the JT Group encourages individual capability development, strengthens organizational competencies, and contributes to sustainable business growth and value creation.</p> <p>Based on this approach, we will create an ecosystem that enables employees to proactively plan and choose their careers, while providing learning opportunities tailored to individual needs and promoting initiatives that support organizational growth.</p>	<p>The Group works to create opportunities for employees to think about and choose their careers. We offer opportunities to discuss their aspirations and plans as an initiative for encouraging self-motivated career development. In the tobacco business, we continued to promote the use of job posting and implemented various measures (e-learning, internal/external training, etc.) based on a common global framework. Moreover, at JT, we held career roundtables (48 organizations with a total of 1,980 participants) and internal internship programs (37 participants).</p>
	<b>Internal and external collaboration</b>	<p>The JT Group actively promotes collaboration within and outside the organization to bring together diverse perspectives and insights, expanding possibilities for creating new value toward achieving our Purpose.</p> <p>Based on this approach, we will create opportunities for collaboration within the Group and, through partnerships with external stakeholders, aim to foster inclusive and resilient communities. As part of this effort, we target a cumulative total of 300,000 hours of employee volunteer activities between 2015 and 2030.</p>	<p>As an initiative to promote internal and external collaboration, we expanded opportunities for value creation and social engagement, both among employees and with external partners.</p> <p>For internal collaboration, we regularly hold events to encourage networking among employees across business units and organizations, creating opportunities for collaboration.</p> <p>As part of external collaboration, we actively encourage our employees to engage in social participation, where they gain awareness of social issues and work together with others to solve them. We do this by organizing programs and providing the necessary opportunities. Cumulative hours of volunteer activities by employees during working hours reached 296,595 hours (260,512 hours as of 2024), a progress rate of 98.9% toward the target.</p>







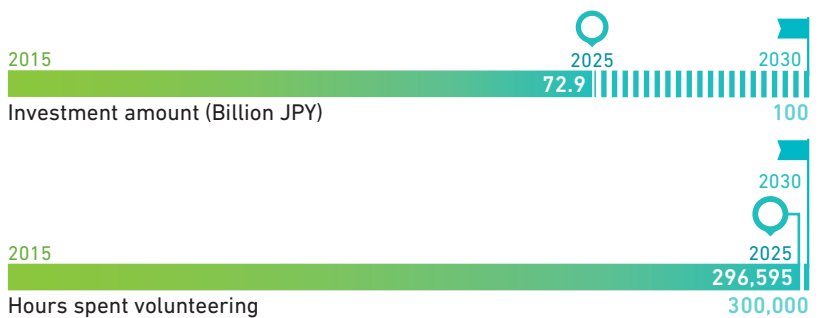


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 Good governance

Materiality	Target items	Targets (as of 2026)	Progress (through 2025)
	<b>Supplier screening and supply chain due diligence</b>	The JT Group will screen all key suppliers against ESG criteria. Furthermore, by 2025, our tobacco business will proactively manage ESG risks with all its critical suppliers, to ensure a sustainable business continuity. By 2028, all tobacco-supplying entities will have ongoing Supply Chain Due Diligence (SCDD) maturity assessments* to enhance their maturity and drive continuous improvement across the supply chain. By 2025, we will complete supply chain due diligence of all key suppliers for our processed food business and will also perform regular due diligence thereafter. * SCDD maturity assessment: Conducted using a set of questions structured around the full SCDD cycle, covering governance, risk identification and prioritization, response and measurement, reporting and communication, and leaf provenance	The JT Group as a whole screened 99.5% (99.6% in 2024) of its key suppliers against ESG criteria. We will continue to follow up with suppliers for whom screening has not been completed. In the tobacco business, we conducted ESG assessments of all critical suppliers. We also undertook focused initiatives to strengthen the quality and consistency of supply chain due diligence reporting. This included revising the questionnaire, and issuing an updated guidance document to clarify expectations for suppliers, strengthen the evidence base for verification, and support continuous improvement in due diligence maturity. In our processed food business, we surveyed suppliers across our supply chain to gain an understanding of the status of their human rights initiatives. In order to gain a deeper understanding, we expanded the scope of these interviews and questionnaires beyond Tier 1 suppliers to include Tier 2 and 3 suppliers in 2025. As a result, we were able to confirm that initiatives have been implemented to a certain level within the distribution channels of our main suppliers.
	<b>Grower living income</b>	In our tobacco business, to enhance grower livelihoods and strengthen long-term supply chain resilience, all our directly contracted growers will be supported through our Living Income Strategic Framework*, leveraging our programs to help narrow or close identified gaps. * Living Income Strategic Framework: A framework that sets out the vision, mission, commitments and strategic direction for supporting tobacco growers in their pursuit of achieving a decent standard of living. While all directly contracted growers fall within its scope, the nature and intensity of support are determined through data-driven assessments, taking into account factors such as country and regional income context, farm structure, and the scale of any identified living income gaps. This ensures that actions are prioritized and tailored, rather than uniformly applied	We achieved full implementation of our Living Income Calculator across all our directly contracted tobacco leaf-growing regions. Moving forward, we are committed to identifying living income gaps each year and using our grower support programs to help narrow or close them.
	<b>Human rights in grower communities</b>	To uphold human rights across our leaf supply chain and enhance the provenance of our leaf supply, by 2030 our tobacco business will monitor 100% of farms in its direct tobacco leaf supply chain origins on human rights (including but not limited to child labor, forced labor, rights of workers and workplace health & safety) and annually disclose findings and key actions taken.	We conducted human rights monitoring by checking the status of compliance with Agricultural Labor Practices (ALP) and other standards in tobacco leaf-growing regions where we have direct contracts. We confirmed breaches that jeopardized workers' lives, health, and liberty, and took corrective actions to address them. 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 preventive and corrective actions are as follows. <b>Relevant KPIs</b> <ul style="list-style-type: none"> <li>Number of confirmed extreme breaches: 17</li> <li>Total number of corrective actions implemented: 17</li> <li>Total ratio of corrective actions implemented: 100%</li> </ul> <b>Status of preventive and corrective actions implemented</b> <ul style="list-style-type: none"> <li>Number of community members and teachers participating in ARISE* child labor education and awareness activities: 80,196</li> <li>Number of households with improved incomes as a result of socio-economic empowerment: 2,320</li> <li>Number of government policies or plans developed, revised or amended as a result of ARISE engagement: 1</li> <li>Number of identified at-risk children withdrawn or prevented from child labor and enrolled in education: 2,844</li> </ul> Please see the <a href="#">ARISE program website</a> for details. * ARISE – Achieving Reduction of Child Labor in Support of Education is a collaborative and long standing approach to tackling the presence of child labor in tobacco-growing communities. ARISE was originally developed in 2011 by JTI together with the International Labour Organization (ILO) and Winrock International, with these partnerships concluding in 2018. Today, ARISE is fully led and implemented by JTI in collaboration with local partners, building on the foundations established in its early years.

### Details of the JT Group Sustainability Targets

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	Targets (as of 2026)	Progress (through 2025)
		<b>Grievance mechanisms</b>	By 2027, our tobacco business will provide access to remedy via safe, accessible and effective grievance mechanisms for 100% of growers and farm workers in its direct tobacco leaf supply chain origins.	In 2025, 42% of our growers and farm workers had access to a grievance mechanism (62% in 2024). This figure is lower than the previous fiscal year, following a comprehensive assessment conducted against the effectiveness requirements indicated by the UN Guiding Principles on Business and Human Rights (UNGPs), in which we identified several gaps in existing mechanisms. In growing regions where gaps were identified, we plan to implement targeted action plans in 2026. For tobacco leaf-growing regions without a mechanism currently in place, consultations with rightsholders are planned for 2026 to determine the most appropriate model, aiming to commence operations of effective grievance mechanisms by the end of 2027.
		<b>Community investment</b>	Between 2015 and 2030, we will invest 100 billion yen to help make communities inclusive and resilient, with our employees contributing 300,000 volunteering hours.	<p>Since 2015, we have been engaging in community investment in countries and regions where we operate, specifically focusing on reducing inequalities, improving community resilience, and protecting the environment. By the end of 2024, cumulative investments had already met our target for 2030 of 60 billion yen, and we therefore decided to increase the target to 100 billion yen. As of 2025, the cumulative investment amount reached 72.9 billion yen (65.5 billion yen as of 2024), a progress rate of 73.0% toward the updated target. In addition, cumulative hours of volunteer activities by employees during working hours reached 296,595 hours (260,512 hours as of 2024), a progress rate of 98.9% toward the target. The JT Group will continue to contribute to the development of inclusive and sustainable communities.</p> 
				

Please note that certain prior-year figures have been subject to retrospective revisions and adjustments.