
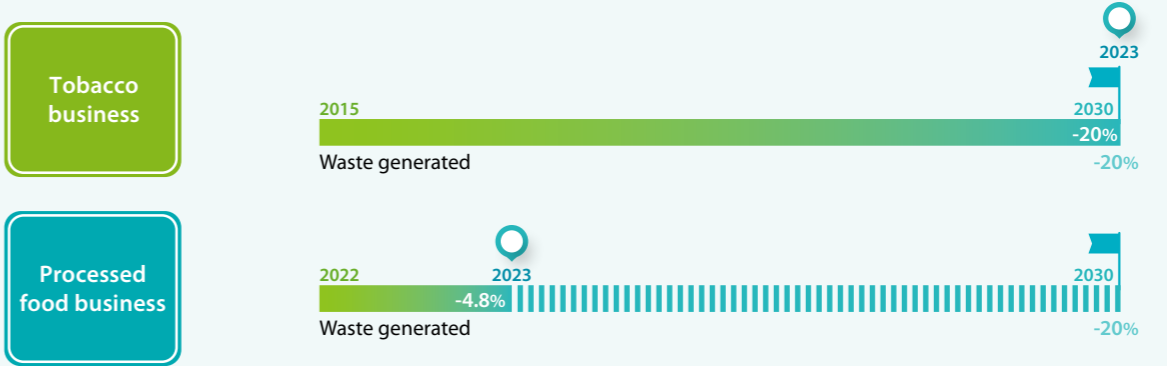



## Results by targets

Target items	Targets	Progress
<b>Emissions reduction</b>	<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 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 by 28% against a 2019 base year</li> <li>- Our tobacco business will be Carbon Neutral for its own operations by 2030 and will achieve Net Zero greenhouse gas emissions across its entire value chain by 2050. In support of this, the tobacco business will reduce emissions from its own operations by 47% and emissions associated with leaf and non-tobacco materials by 28%, against a 2019 base year</li> </ul>	<p>Since 2019, the JT Group has reduced Scope 1 and 2 Greenhouse Gas (GHG) emissions by 21%, while GHG emissions associated with purchased goods and services (Scope 3 Category1) has increased by 3%*.</p> <p>Since 2019, Scope 1 and 2 GHG emissions of our tobacco business has decreased by 19% while GHG emissions associated with our leaf and non-tobacco materials (Scope 3 Category1) has increased by 3%*.</p> <p>* The increase in the tobacco business, the Group's leading GHG emitter, was mainly due to temporary procurement increases from Tanzania and other countries that will require more time to shift to renewable energy sources in the leaf-drying process, as a result of business scale expansion and climatic influences. To shift to renewable energy sources, we have been putting effort into planting in these countries, with projected positive effects in the future. By following through on initiatives like this, we project achieving carbon-neutral operations by 2030 and net-zero emissions by 2050.</p>
<b>Renewable energy</b>	<p>By 2050, the JT Group will transition all of our energy use to 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. In our tobacco business, 50% by 2025 and 100% by 2040</li> </ul>	<p>The portion of renewable electricity used makes up 26% for the Group and 33% for our tobacco business.</p>
<b>Protecting water</b>	<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</li> </ul>	<p>For details about the monitoring of the Group's use of water, please visit <a href="#">JT website</a>.</p> <p>Since 2019, our tobacco business has reduced water withdrawal by 20%.</p>

★ Targets taken from the JT Group Environment Plan 2030 and business-specific medium-term initiative targets.

## Results by targets

Target items	Targets	Progress
<b>Enhancing biodiversity</b> <b>- No deforestation, no conversion</b>	With a view to enhancing biodiversity, the JT Group will contribute further to preserving forestry by pursuing the following in our tobacco business supply chain. (★): - Replace all wood from natural forests used in the tobacco curing process of its directly contracted leaf growers with renewable fuel sources by 2030	We planted trees in Tanzania, Zambia and Brazil, and project shifting fully to renewable energy sources by the 2030 crop year planting season. 
<b>Waste reduction</b>	The JT Group will further reduce the environmental impacts of waste associated with its processes and products. (★)	Since 2015, our tobacco business has reduced the volume of waste generated by 20%. Our processed food business has reduced the volume of waste generated per unit of production volume associated with its Japanese domestic sites by 4.8% since 2022. 
<b>Designing for circularity</b> <b>- Packaging, product and device</b>	The JT Group will reduce our packaging (including plastic) and ensure that the remaining is 88% reusable or recyclable by 2025, rising to 100% by 2030. (★): - Our tobacco business will reduce packaging and achieve 85% recyclability by 2025, rising to 100% by 2030 - 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 - Our processed food business will reduce packaging weight and utilize renewable plant-based resources to reduce environmental impact of its products	In 2023, our effort led to 89% reusable or recyclable packaging for the Group. In 2023, effort by our tobacco business led to 88% reusable or recyclable packaging and 19% recycled content in packaging, up 1% year-on-year. Our processed food business adjusted specs for packaging, made trays thinner or completely removed them to reduce the volume to packaging materials and waste generated. The processed food business also implemented an initiative to reduce the volume of plastics we use by making plant-use plastic bags thinner or replacing them with bags made of recycled materials. 

★ Targets taken from the JT Group Environment Plan 2030 and business-specific medium-term initiative targets.

## Results by targets

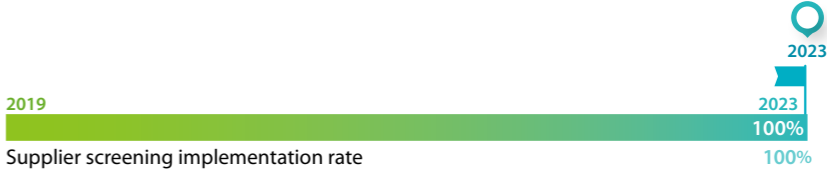
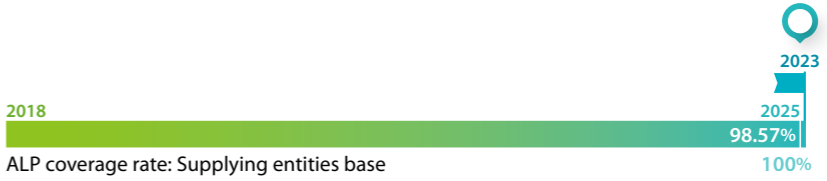



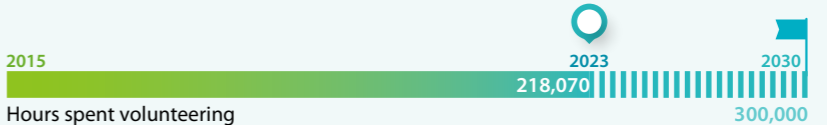
Target items	Targets	Progress
<b>Reduced-Risk Products</b>	Our tobacco business will make its RRP*1 available in an increasing number of countries worldwide.	In 2023, we offered RRP (Reduced-Risk Products), with the potential of risk reduction, social consideration, convenience, and affordability, such as Heated Tobacco Sticks (HTS), infused tobacco products, E-Vapor and oral products in 18 countries. (8 countries in 2022)
<b>Creating first-in-class drugs</b>	In our pharmaceutical business, we will continue our efforts and investments in research and development activities for innovative drugs in specific therapeutic areas.	In June 2023, Shenzhen Salubris Pharmaceuticals Co., Ltd., our license partner, received regulatory approval of enarodustat in China and in July 2023, LEO Pharma A/S, our license partner, has submitted a marketing authorization application for delgocitinib in Europe. In September 2023, we have filed a manufacturing and marketing approval application in Japan for in-licensed JTE-061 (tapinarof). In 2023, we spent 32.2 billion Yen on our research and development activities.
<b>Food inclusion</b>	In our processed food business, we will be aware of the diversifying values and interests of our consumers. Most of all so that our consumers can enjoy delicious food, we will not only exclude certain raw materials, but also develop and provide 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.	We stay close to ever-diversifying customer values and interests and develop and offer high-value-added products. One of the initiatives is the Beyond Free line of products introduced in 2023. This line offers authentic flavors without using specific ingredients or components. We offered staple menus such as rice or noodles as well as side dishes and desserts to color the dining table.
<b>Talent attraction</b>	Our tobacco business will aim at achieving yearly Global Top Employer certification. (★)	Over 10 consecutive years up to 2023, we were certified as a Global Top Employer.
<b>Health and safety</b>	<p>We will prioritize the health and safety of our employees by proactively monitoring physical and mental health with the goal of achieving zero workplace injuries.</p> <ul style="list-style-type: none"> <li>- Our tobacco business will decrease the injury rate to 0.1 by 2030 in line with its vision of Zero workplace injuries</li> <li>- Our processed food business will aim for injury rates to or below 0.63 by 2030, with a view to achieving Zero workplace injuries</li> </ul>	<p>In the tobacco business, recordable injury rate*2 declined 47% from 0.72 in 2015 to 0.34 in 2023.</p> <p>In the processed food business, recordable injury rate decreased 4.75% from 0.90 in 2018 to 0.86 in 2023. We will continue to improve the safety awareness of our employees, while we aim to reduce the number of occupational accidents. We will do so by providing detailed responses that take into account the circumstances on-site.</p>
<b>Development support</b>	We will create an ecosystem in which each JT Group employee can consider their own careers and make career choices. We will also provide learning opportunities tailored for each employee to proactively support their growth and the growth of our organization.	Our processed food business provided tier-based trainings tailored to the employee's growth issues. For example, growth support specific to each employee's growth stage, or human resource development for next-generation leaders involving multifaceted perspective. Please refer to our website for Group-wide initiatives.
<b>Internal and external collaboration</b>	To promote collaborations within the Group across regions and functions, we will provide opportunities for collaborations while also proactively engage in collaborating with external parties to contribute to the development of inclusive and sustainable communities. Between 2015 and 2030, our employees will contribute 300,000 volunteering hours.	<p>Since 2015, the JT Group employees volunteered 218,070 hours on company time. The progress rate against the target is 73%.</p>

★ Targets extracted from the JT Group Environment Plan 2030 and targets extracted from sustainability strategy of each business.

\*1 RRP (Reduced-Risk Products): Products with the potential to reduce the risks associated with smoking.

\*2 Recordable injury rate = Recordable injuries/200,000 hours worked.

## Results by targets

Target items	Targets	Progress								
<b>Supplier screening and supply chain due diligence</b>	Our tobacco business will screen 100% of its key suppliers against environmental, social and governance criteria by 2023. The tobacco business will also implement Agricultural Labor Practices (ALP) program in all leaf-sourcing countries by 2025. (★)	<p>100% of our key suppliers were screened against ESG criteria.</p>  <p>Supplier screening implementation rate</p> <table border="1"> <tr><th>Year</th><th>Value</th></tr> <tr><td>2019</td><td>100%</td></tr> <tr><td>2023</td><td>100%</td></tr> <tr><td>Target (2023)</td><td>100%</td></tr> </table>	Year	Value	2019	100%	2023	100%	Target (2023)	100%
		Year	Value							
		2019	100%							
		2023	100%							
		Target (2023)	100%							
<p>In 2023, 98.57% of our supplying entities reported against ALP. (94% in 2022)</p>  <p>ALP coverage rate: Supplying entities base</p> <table border="1"> <tr><th>Year</th><th>Value</th></tr> <tr><td>2018</td><td>94%</td></tr> <tr><td>2023</td><td>98.57%</td></tr> <tr><td>Target (2025)</td><td>100%</td></tr> </table>	Year	Value	2018	94%	2023	98.57%	Target (2025)	100%		
Year	Value									
2018	94%									
2023	98.57%									
Target (2025)	100%									
<p>100% of our directly contracted growers and 99.99%*<sup>3</sup> of our leaf merchants' growers were covered by ALP. 89.1% of our volumes were covered by ALP, compared to 83% in 2022.</p>  <p>Directly contracted growers</p> <table border="1"> <tr><th>Year</th><th>Value</th></tr> <tr><td>2018</td><td>100%</td></tr> <tr><td>2023</td><td>100%</td></tr> <tr><td>Target (2025)</td><td>100%</td></tr> </table>	Year	Value	2018	100%	2023	100%	Target (2025)	100%		
Year	Value									
2018	100%									
2023	100%									
Target (2025)	100%									
 <p>Leaf merchants' growers</p> <table border="1"> <tr><th>Year</th><th>Value</th></tr> <tr><td>2018</td><td>99.99%</td></tr> <tr><td>2023</td><td>99.99%</td></tr> <tr><td>Target (2025)</td><td>100%</td></tr> </table>	Year	Value	2018	99.99%	2023	99.99%	Target (2025)	100%		
Year	Value									
2018	99.99%									
2023	99.99%									
Target (2025)	100%									
 <p>ALP coverage rate: Volume base</p> <table border="1"> <tr><th>Year</th><th>Value</th></tr> <tr><td>2018</td><td>83%</td></tr> <tr><td>2023</td><td>89.1%</td></tr> <tr><td>Target (2025)</td><td>100%</td></tr> </table>	Year	Value	2018	83%	2023	89.1%	Target (2025)	100%		
Year	Value									
2018	83%									
2023	89.1%									
Target (2025)	100%									
<b>Community investment</b>	Between 2015 and 2030 we will invest US\$600 million to help make communities inclusive and resilient, with our employees contributing 300,000 volunteering hours.	<p>Since 2015, we invested USD 500 million in our communities and employees volunteered 218,070 hours on company time.</p>  <p>Hours spent volunteering</p> <table border="1"> <tr><th>Year</th><th>Value</th></tr> <tr><td>2015</td><td>218,070</td></tr> <tr><td>2023</td><td>218,070</td></tr> <tr><td>Target (2030)</td><td>300,000</td></tr> </table>	Year	Value	2015	218,070	2023	218,070	Target (2030)	300,000
Year	Value									
2015	218,070									
2023	218,070									
Target (2030)	300,000									

★ Targets taken from the JT Group Environment Plan 2030 and business-specific medium-term initiative targets.  
 \*<sup>3</sup> Growers from India and China are excluded.

## Results by targets

Target items	Targets	Progress
<b>Internal control</b>	<p>Our tobacco business will always protect its ability to participate in public policy debate with the aim to achieve balanced regulation that meets societal concern and support business growth. The tobacco business will also engage in dialogue with law enforcement agencies, with the goal to exchange intelligence regarding illegal tobacco products, in order to support the reduction of these products.</p> <p>In our pharmaceutical business, to develop talent and foster employees' ethical awareness and sense of responsibility towards saving patients, we will continue to learn more about patients' needs by engaging in dialogue with medical experts through our internal educational activity "For the Patients Project." We will also conduct, among others, regular training programs for our medical representatives to provide medical professionals with latest, appropriate information on pharmaceutical products.</p> <p>Our processed food business will promote food safety management in compliance with global food safety standards to develop the highest level of food safety. While working on enforcing food safety and quality assurance, the processed food business will also enhance the way it communicates with consumers to provide them with safe, secure and high-quality products.</p>	<p>In 2023, 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.</p> <p>In 2023, our Anti-Illicit Trade team provided 2,143 intelligence reports to law enforcement agencies and advised 2,088 law enforcement officers on counterfeit recognition.</p> <p>In the pharmaceutical business, we provide opportunities for our employees to consider drugs needed on the healthcare front lines from the patient standpoint. Recently, we carried out interviews with health professionals and representatives of healthcare corporations and children's hospices, and also organized dementia experiential sessions using VR internally, led by the 11 employees who took part in our "For the Patients Project" as facilitators. After their initial training, all of our medical representatives take an e-learning course once a month to keep their skills and knowledge up-to-date.</p> <p>Our processed food business continued to reinforce its quality assurance system through concerted effort among the Group firms, including mutual inspections and training as well as regular inspections of both its own factories and those of our outsourcers. Through internal training, our processed food business builds employee awareness and nurture corporate culture in support of food safety. It continuously reviews the FAQ page of the website so that customers can find answer to their questions efficiently.</p>

## Supplementary information: Scope of the results by targets

- This reference material is based on the JT Group Sustainability Targets published in February 2024, and incorporates 2023 results. For results compiled based on the JT Group Environment Plan 2030, which was the primary guideline up to February 2024, and former sustainability targets by each business, please download the files from the [JT website](#).
- The JT Group Sustainability Targets include newly set targets. This reference material compiles information on former KPIs (16 target items out of the current 25).

Relevant materiality



Living with the planet



Value creation that exceeds consumer expectations



Investing in our people and supporting their growth



Responsible supply chain management



Good governance

### Target items covered in the report



Emissions reduction



Renewable energy



Protecting water



Enhancing biodiversity  
– No deforestation, no conversion



Waste reduction



Designing for circularity  
– packaging, product and device



Reduced-Risk Products



Creating first-in-class drugs



Food inclusion



Talent attraction



Health and safety



Development support



Internal and external collaboration



Supplier screening and supply chain due diligence



Community investment



Internal control

※ For the JT Group Sustainability Targets (all 25 target items), please refer to the [JT website](#).