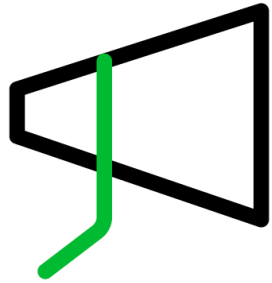


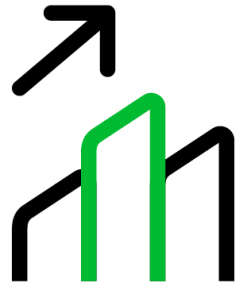
FY2025 sustainability performance overview



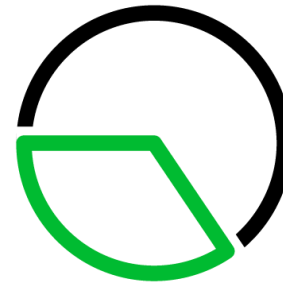
FY2025 sustainability performance overview



1 About our reporting



2 Progress against our targets



3 Year on year metrics



4 Reporting methodologies

About our reporting

Scope

Data and information reported in this document relate to JTI's global tobacco business, including JT Group subsidiaries within the tobacco business.

Reporting period

The performance overview covers the 2025 calendar year.

Reporting methodologies

This document outlines the scope and definitions of JTI's quantitative sustainability targets and explains how progress against these targets is calculated and consolidated.

Further details are provided in the [Reporting Methodologies section](#).

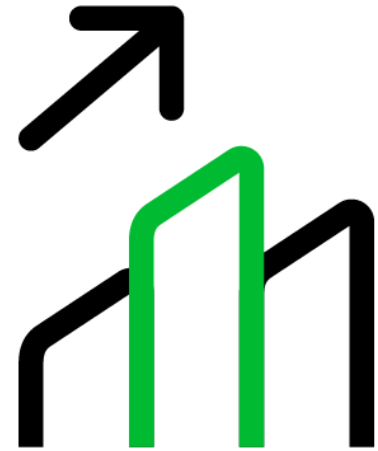
External verification

Selected sustainability performance indicators disclosed in this performance overview are subject to limited assurance by an independent third party, Bureau Veritas.

The scope of assurance is limited to the indicators listed in the assurance report, published on

[Sustainability resource hub | JTI](#)

Progress against targets



Product



Progress against our targets – Product

PRIORITY	Designing for circularity			
IMPACT AREA	Sustainable filter alternatives	Plastic reduction	Battery removability and replaceability	Postconsumer waste reduction
TARGET/ASPIRATION	We are working to develop more sustainable filter alternatives.	Plastic in our packaging mix is only 7% by weight. We aim to further reduce the use of virgin plastic in our packaging.	Take a phased approach in embedding learnings in our circular device development globally, by achieving battery removability & replaceability for 100% of our RRP devices shipped to the EU by 2027.	Engage trade and consumers on responsible disposal of devices through takeback schemes for Ploom, and through antilittering campaigns for consumables.
PROGRESS	JTI has initiated significant investments in new equipment to produce more sustainable filter solutions in its European manufacturing sites. In parallel, extensive consumer testing in several EU markets has shown strong and consistent consumer acceptance.	We are systematically reducing the use of virgin plastic in our packaging by prioritizing non-plastic materials and incorporating recycled content, fully aligned with the requirements of the EU Packaging and Packaging Waste Regulation. We continue to develop innovative packaging solutions and have already implemented several targeted initiatives, which are being progressively deployed across our packaging portfolio.	We are planning to launch devices with battery removability and replaceability feature as of February 2027 in Europe in accordance with the legal requirements set out in the EU Battery Regulation, EU 2023/1542	We are addressing device-related waste for our reduced-risk products by implementing takeback schemes and trade-in programs and assessing if such initiatives encourage responsible disposal by consumers. These initiatives support responsible end-of-life handling and reflect our broader commitment to promoting circularity. In 2025, we introduced trade-in campaigns across eight markets, enabling consumers to return their Ploom devices when upgrading to Ploom Aura.

Progress against our targets – Product

PRIORITY	Designing for circularity		Reducing health impact
IMPACT AREA	Use of recycled materials	Improve recyclability	Reduced risk products (RRP)
TARGET/ASPIRATION	Recycled content will account for 20% of our packaging by 2025. We seek to further increase the use of recycled materials in our packaging.	We will reduce packaging and achieve 85% recyclability by 2025, rising to 100% by 2030.	We will make our RRP products available in an increasing number of countries worldwide.
METRICS	% of recycled content in packaging 17% 2023 17%* 2024 17%* 2025 17% of our packaging is currently made from recycled content. *If measured against the 2022 scope, our results in 2024 and 2025 are equivalent to 20%.	% of recyclable packaging 90% 2023 91% 2024 92% 2025 We are ahead of our target to achieve 85% recyclability by 2025 and are on track to raise that number to 100% by 2030.	# of countries where our RRP products are available 18 2023 28 2024 36 2025 In 2025, RRP products were available in 36 countries and territories.
PROGRESS	This year, we increased the absolute amount of recycled materials in our packaging. We continue to apply recycled materials already in use and are assessing further opportunities to increase recycled content where feasible, informed by availability, technical feasibility, and regulatory developments.		

Progress against our targets – Product

PRIORITY	Reducing health impact		
IMPACT AREA	Youth Access Prevention	Youth Access Prevention	Transparency in reduced risk science
TARGET/ASPIRATION	We will continue to deliver training on YAP to our M&S sales force globally.	We will continue to work with our trading partners to ensure compliance with our YAP pillars.	We will ensure that communications on reduced risk potential are substantiated and that we are transparent about the risks of our products.
METRICS	% of global sales force trained.		# of new publications
PROGRESS	80% 2024 92% 2025 Youth Access Prevention (YAP) is one of our core principles. We regularly train our sales force on the importance of adhering to YAP guidelines and our global responsible marketing policies. Metric reported from 2024	We proactively engage with our trading partners to ensure they operate in line with JTI's global marketing principles and apply all applicable local regulations.	74 2024 66 2025 JTI remains transparent about the risks associated with our products and makes sure communications on reduced risk potential are substantiated. Metric reported from 2024

People



Progress against our targets – People

PRIORITY	Health and safety		Attracting talent & fostering an inclusive employee experience	
IMPACT AREA	Zero workplace injuries		Diversity, equity & inclusion	Talent attraction and retention
TARGET/ASPIRATION	In line with our vision of Zero work-related injuries, we will decrease the recordable injury rate to 0.1 by 2030.		Reach and maintain at least 1/3 of women in managerial positions.	Achieve yearly Global Top Employer certification.
METRICS	Recordable Injury (RI) rate (per 200,000 hours worked) 0,34 2023 0,25 2024 0,21 2025 The RI Rate decreased from 0.25 to 0.21, representing a 16% improvement versus 2024, bringing us closer towards our goal of achieving Zero Harm.	Road related RI rate (per 1 million km driven) 0,11 2023 0,06 2024 0,05 2025 In 2025, our road-related RI Rate fell to 0.05 per million kilometers driven, representing a 55% reduction from 2023.	% of women in managerial positions 26.8% 2024 27.7% 2025 In 2025, women’s representation in managerial positions reached 27.7%. In 2023, we achieved 30% of women in leadership positions, and we broadened this scope through our newly updated commitment to achieve and maintain at least 1/3 of women in management by 2030. Metric reported from 2024	JTI was successfully awarded with title of Global Top Employer for 2025, being certified in 50 countries and 5 regions.

Progress against our targets – People

PRIORITY	Improving grower livelihoods		
IMPACT AREA	Human rights in grower communities	Grievance mechanisms	Living income
TARGET/ ASPIRATION	To uphold human rights across our leaf supply chain and enhance the provenance of our leaf supply, by 2030 we will monitor 100% of farms in our 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.	By 2027, we will provide access to remedy via safe, accessible and effective grievance mechanisms for 100% of growers and farm workers in our direct tobacco leaf supply chain origins.	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.
METRICS	% of farms in our direct tobacco leaf supply chain origins that are monitored on human rights including child labor.	% of growers and farm workers in our direct tobacco leaf supply chain origins that have access to grievance mechanisms.	
PROGRESS	100% 2024 100% 2025 We continue to monitor 100% of our directly contracted growers' farms for potential human rights violations as defined by our Agricultural Labor Practices (ALP) program. Review supporting information in Year on Year metrics section Metric reported from 2024	70% 2023 62% 2024 42% 2025 In 2025, 42% of our contracted growers and farm workers had access to an operational-level grievance mechanism. This reflects the outcome of a comprehensive assessment conducted against the UN Guiding Principles on Business and Human Rights Effectiveness Criteria (Guiding Principle 31), which identified gaps in the effectiveness of existing mechanisms. By 2027, we plan to implement effective grievance mechanism systems in all origins, including all vertically integrated growers.	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. *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.

Planet



Progress against our targets – Planet

PRIORITY	Tackling climate change								
IMPACT AREA	Carbon neutral						Carbon neutral		
TARGET/ASPIRATION	By 2030 we will reduce non-FLAG emissions from our own operations (Scope 1 & 2) by 47% and Scope 3 Category 1 emissions by 28%.						By 2030 we will reduce Scope 3 Category 1 FLAG emissions by 33.3%		
METRICS	Non FLAG scope 1 & 2			Non FLAG Scope 3 Category 1			FLAG Scope 3 Category 1		
PROGRESS	-22% 2023			-34% 2024			-38% 2025		
	Emissions reductions are primarily driven by a substantial increase in renewable electricity consumption, including both on-site renewable electricity generation and the procurement of renewable electricity through power purchase agreements, green tariffs, and certificates. These efforts are complemented by ongoing energy efficiency initiatives and the implementation of the green mobility program. JTI remains on track to achieve its 2030 emissions reduction target, with the 2025 actual performance exceeding the expected reduction trajectory defined in the GHG emissions target glidepath.			In 2025, we reduced our non-FLAG Scope 3 Cat 1 emissions by 5% vs base year. Reduction efforts are mainly attributable to improvements in curing efficiency, expansion of the renewable wood supply program,			In 2025, our FLAG Scope 3 Category 1 emissions increased by 16% vs base year, primarily due to higher land-use change emissions, which are calculated using country-level data. The increase was mainly driven by overall volume growth in sourcing countries with higher land-use change emission factors.		

Progress against our targets – Planet

PRIORITY	Tackling climate change		Conserving nature	
IMPACT AREA	Carbon neutral		Protecting water	
TARGET/ASPIRATION	50% renewable electricity by 2025 and 100% by 2040.		100% of JTI's eligible production facilities* will be certified against the Alliance for Water Stewardship (AWS) standard by 2030.	
METRICS	% of renewable electricity 32%202356%202462%2025 In 2025, the proportion of renewable electricity used by JTI was 62%. We achieved our 2025 renewable electricity target already in 2024 and exceeded it substantially in 2025. A new target for 2030 is currently under development.		% of water withdrawal vs base year -20%2023-23%2024-21%2025 Since 2019, we have reduced water withdrawal by 21% in relation to our own operations. Water withdrawal increased slightly in 2025 (by less than 2%) compared with 2024. However, performance remains around 3% better than the target trajectory.	
PROGRESS	In 2025, we have certified our first out of 42 eligible factories* to AWS.		Read more on Alliance for Water Stewardship standard and certification .	
	% of total factory waste sent to landfill 13%20238%20247%2025 The proportion of factory waste sent to landfill was 7% in 2025.		*Some production facilities are not eligible due to AWS restrictions in certain jurisdictions.	

Progress against our targets – Planet

PRIORITY	Conserving nature		
IMPACT AREA	No deforestation	Zero net deforestation	No conversion
TARGET/ASPIRATION	No deforestation of natural forests in our own operations and supply chains for tobacco leaf, paper and pulp-based materials by 2025 and in our entire supply chain by 2030.	Zero net deforestation of managed natural forests in our entire supply chain by 2030.	No conversion of natural ecosystems in our 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.
METRICS	% of vertically integrated tobacco that originates from areas identified as being at negligible risk of deforestation 94% 2025 % of paper-based materials from global third-party suppliers that originate from areas identified as being at negligible risk of deforestation 80% 2025		
PROGRESS	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 materials originate from areas identified as being at negligible risk of deforestation. Going forward, we will complete our 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. Metric reported from 2025 Building on the foundation of our work toward achieving zero net deforestation of natural forests throughout our entire tobacco business supply chain, 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.		

Progress against our targets – Planet

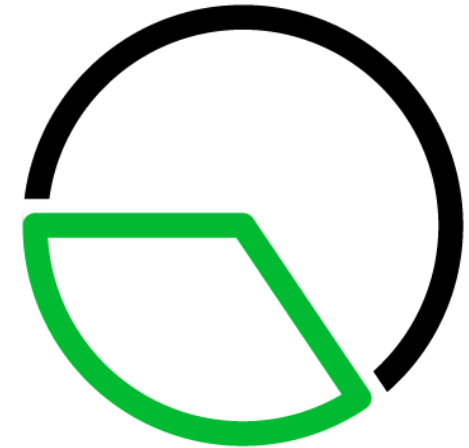
PRIORITY	Conserving nature			
IMPACT AREA	Sustainable Agriculture		Sustainable agriculture	
TARGET/ ASPIRATION	Complete the elimination of Criterion 1 Highly Hazardous Pesticides (HHPs) from our direct tobacco leaf supply chain in the calendar year and eliminate the use of all HHPs by 2040.		100% of our directly contracted growers will have adopted JTI's Good Agricultural Practices (GAP) Protocol by 2030.	
METRICS	% purchase of packed tobacco without Criterion 1 Highly Hazardous Pesticides (HHPs) from our direct tobacco leaf supply chain in the calendar year		% of directly contracted growers adopted JTI's GAP Protocol	
PROGRESS	100% 2024		86% 2024	
	100% 2025		87% 2025	
	We eliminated Criterion 1 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		We have implemented a systematic grower visitation process that supports the full adoption of the GAP Protocol including the wellbeing and welfare of our directly contracted growers.	
	Metric reported from 2024		Metric reported from 2024	

Procurement

Progress against our targets – Procurement

PRIORITY	Sustainable procurement	
IMPACT AREA	Supply chain due diligence	Supplier management
TARGET/ASPIRATION	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 proactively manage ESG risks with all its critical suppliers, to ensure a sustainable business continuity.
PROGRESS	In 2025, we undertook a focused initiative to strengthen the quality and consistency of SCDD reporting. This included revising the KPI questionnaire and issuing an updated SCDD KPI Guidance Document to clarify expectations, strengthen the evidence base for verification, and support continuous improvement in due diligence maturity. The revised framework is intended to provide a more accurate and meaningful assessment of due diligence maturity and to support continuous improvement over time.	In 2025, we achieved our objective to proactively manage ESG risks with all our critical suppliers, to ensure sustainable business continuity. 100% of identified critical suppliers* were fully covered by ESG assessments. Read more about our approach to Responsible procurement. *scope: Tobacco supply chain categories: non-tobacco materials, logistics & warehousing, capital equipment & spare parts; indirect suppliers RRP supply chain: electronic manufacturers and select component suppliers

JTI Year on year metrics



Year on year metrics

This section presents a year-on-year comparison of supporting environmental, social and governance metrics.

The data provide a transparent view of how these indicators have evolved over time, supporting our ongoing monitoring and reporting efforts.

- | | | | |
|----|---|----|--|
| 01 | <u>Carbon footprint</u> | 08 | <u>Renewable energy in JTI</u> |
| 02 | <u>Emissions from our own operations and purchased goods and services</u> | 09 | <u>Other climate related facts and figures</u> |
| 03 | <u>Scope 3 Category 1 emissions FLAG and non- FLAG</u> | 10 | <u>Water withdrawal and discharge</u> |
| 04 | <u>Scope 3 Category 1 Emissions FLAG and non-FLAG YoY progress</u> | 11 | <u>Operational waste</u> |
| 05 | <u>Scope 3 emissions calculation approach</u> | 12 | <u>Reporting concerns mechanism</u> |
| 06 | <u>Out of scope emissions</u> | 13 | <u>Prevention and response actions</u> |
| 07 | <u>GHG intensity metrics</u> | 14 | <u>Extreme breaches in growers' community</u> |

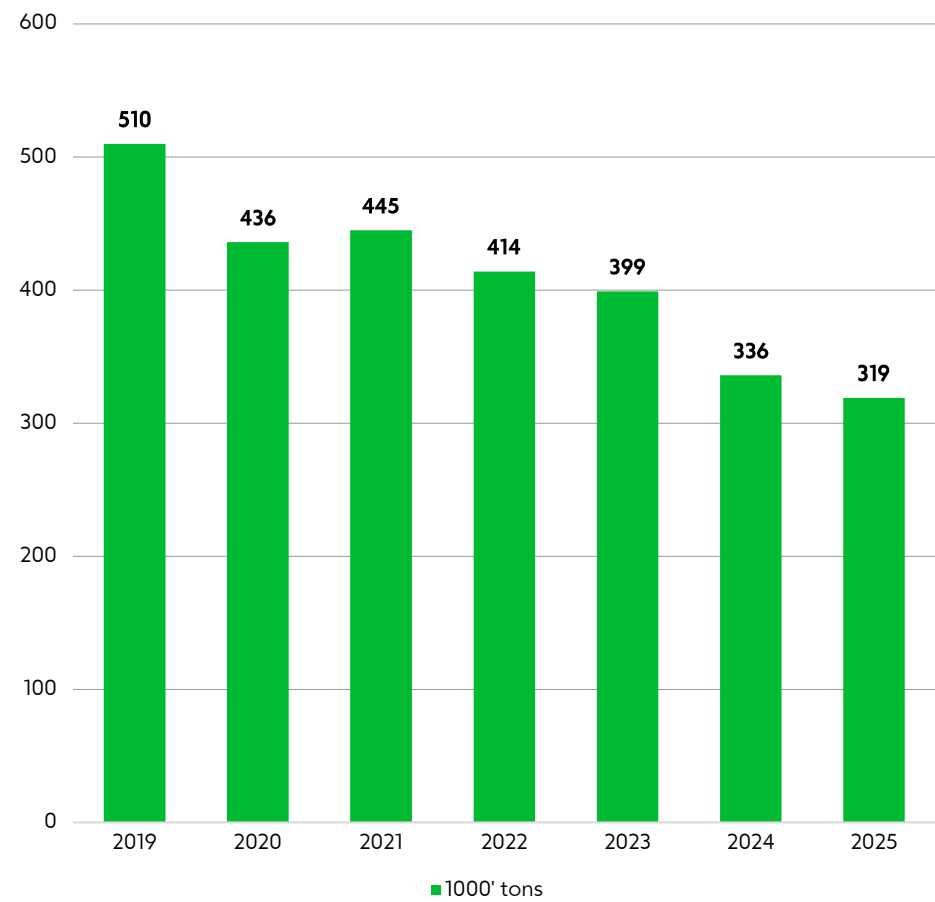
Carbon footprint

This section provides a breakdown of JTI’s greenhouse gas emissions across Scopes 1, 2, and 3, showing how these figures have evolved over the past six years.

Reference	Disclosure	Data points	2020	2021	2022	2023	2024	2025
GHG emissions (1,000 tons CO ₂ e)	Scope 1	CO ₂	231	248	239	245	233	230
		HFCs	14	16	16	15	15	16
		Total (Scope 1)	245	265	255	260	249	246
	Scope 2	Scope 2 (market-based)	191	180	159	139	88	73
		Total (Scope 1 & 2)	436	445	414	399	336	319
	Scope 3	Purchased tobacco and non-tobacco goods and services	4 893	4 422	4 898	4 571	4 538	5 311
		Total purchased tobacco	3 531	3 039	3 721	3 388	3 284	4 056
		Purchased tobacco – Direct leaf supply	1 711	1 661	1 657	1 663	1 745	2 349
		Purchased tobacco – Third party tobacco materials	1 820	1 378	2 064	1 725	1 539	1 707
		Purchased non-tobacco goods and services	1 362	1 382	1 176	1 184	1 254	1 255
		Capital goods	240	209	195	269	184	204
		Fuel-and-energy-related activities (not included in Scope 1 or 2)	117	129	119	114	117	121
		Upstream transportation and distribution	328	348	419	382	357	332
		Waste generated in operations	13	12	10	10	8	7
		Business travel	42	11	35	77	76	82
		Employee commuting	33	29	25	22	23	24
		Upstream leased assets	1	0	1	1	1	1
		Downstream transportation and distribution	164	170	171	176	183	190
		Processing of sold products	2	2	3	2	0	0
		Use of sold products	21	18	25	40	46	70
		End of life treatment of sold products	105	110	92	112	131	132
		Downstream leased assets	0	0	0	0	0	0
		Franchises	5	5	6	9	12	14
		Investments	393	412	423	388	429	537
		Total (Scope 3)	6 355	5 876	6 421	6 172	6 106	7 024

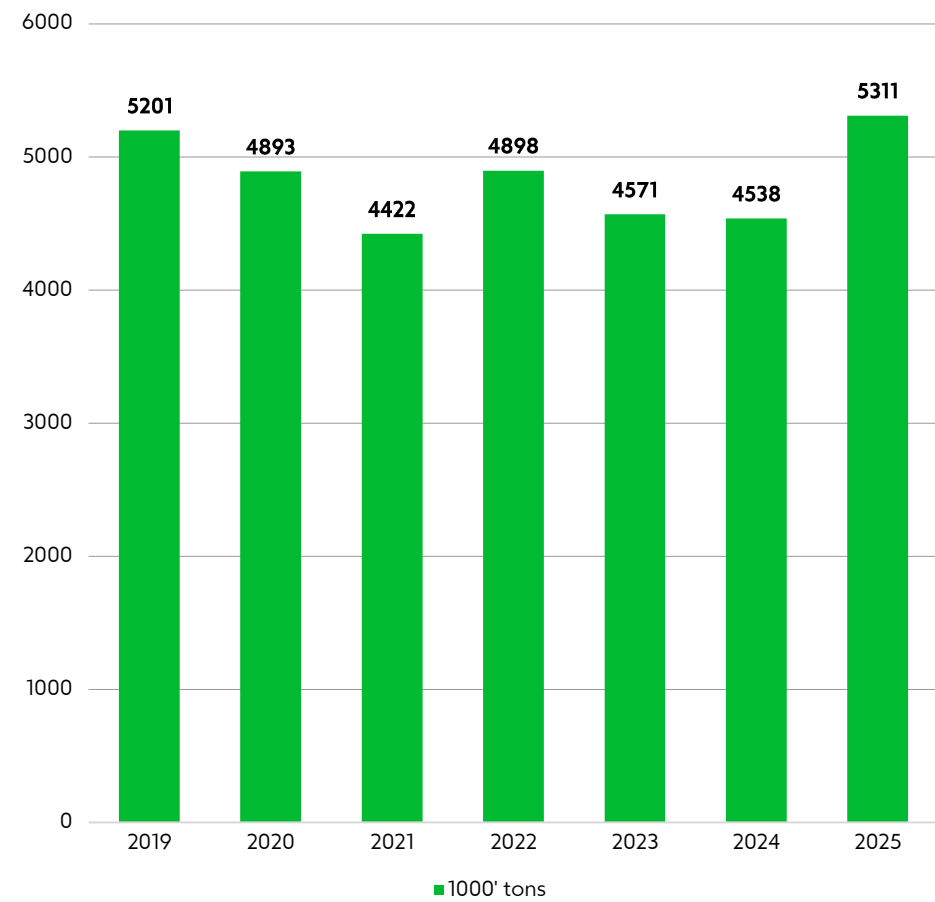
Emissions from our own operations

Scope 1 and 2



Emissions from purchased goods and services

Scope 3 Category 1



Scope 3 Category 1 emissions split by FLAG and non- FLAG

This table shows our FLAG and non-FLAG emissions in Scope 3 Category 1, showing how these figures have evolved over years.

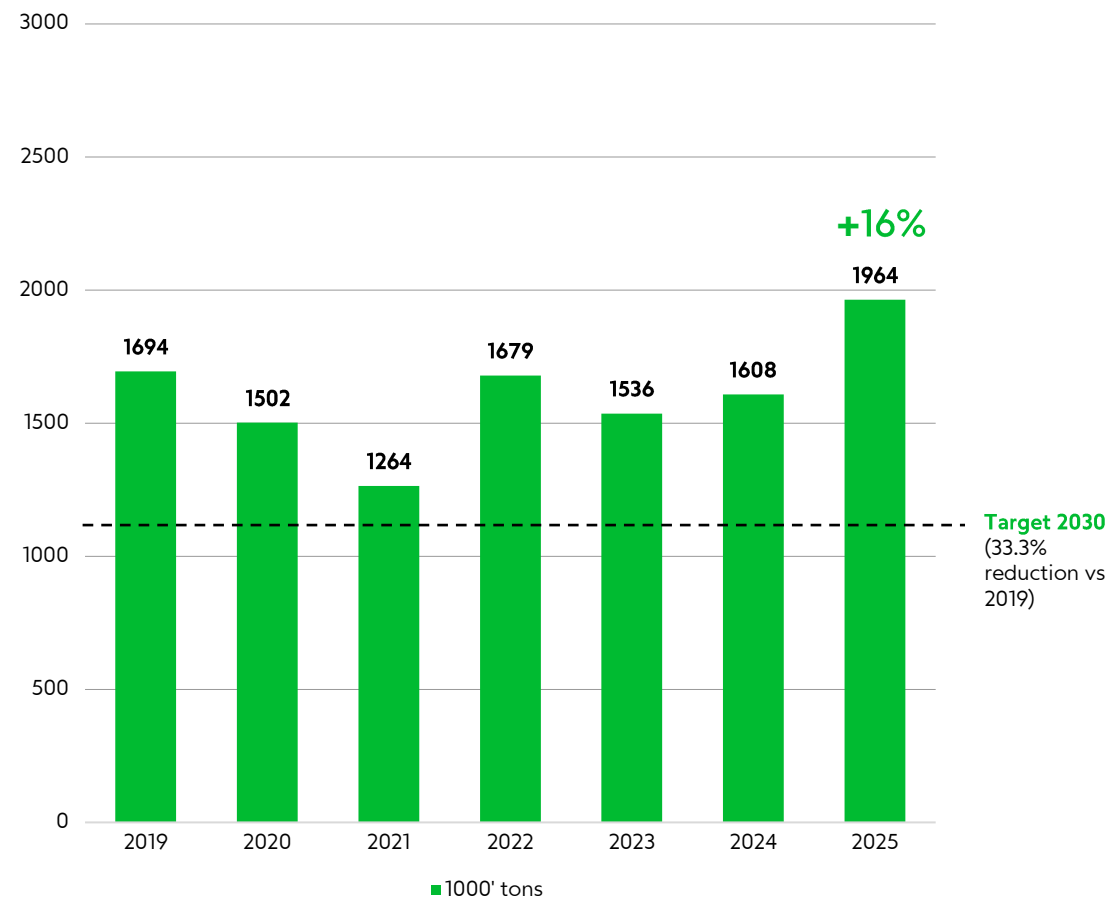
Reference	Metric	2019	2020	2021	2022	2023	2024	2025
GHG emissions (1,000 tons CO ₂ e)	Non-FLAG Scope 3 Cat 1	3 507	3 390	3 159	3 218	3 035	2 930	3 347
	FLAG Scope 3 Cat 1	1 694	1 502	1 264	1 679	1 536	1 608	1 964



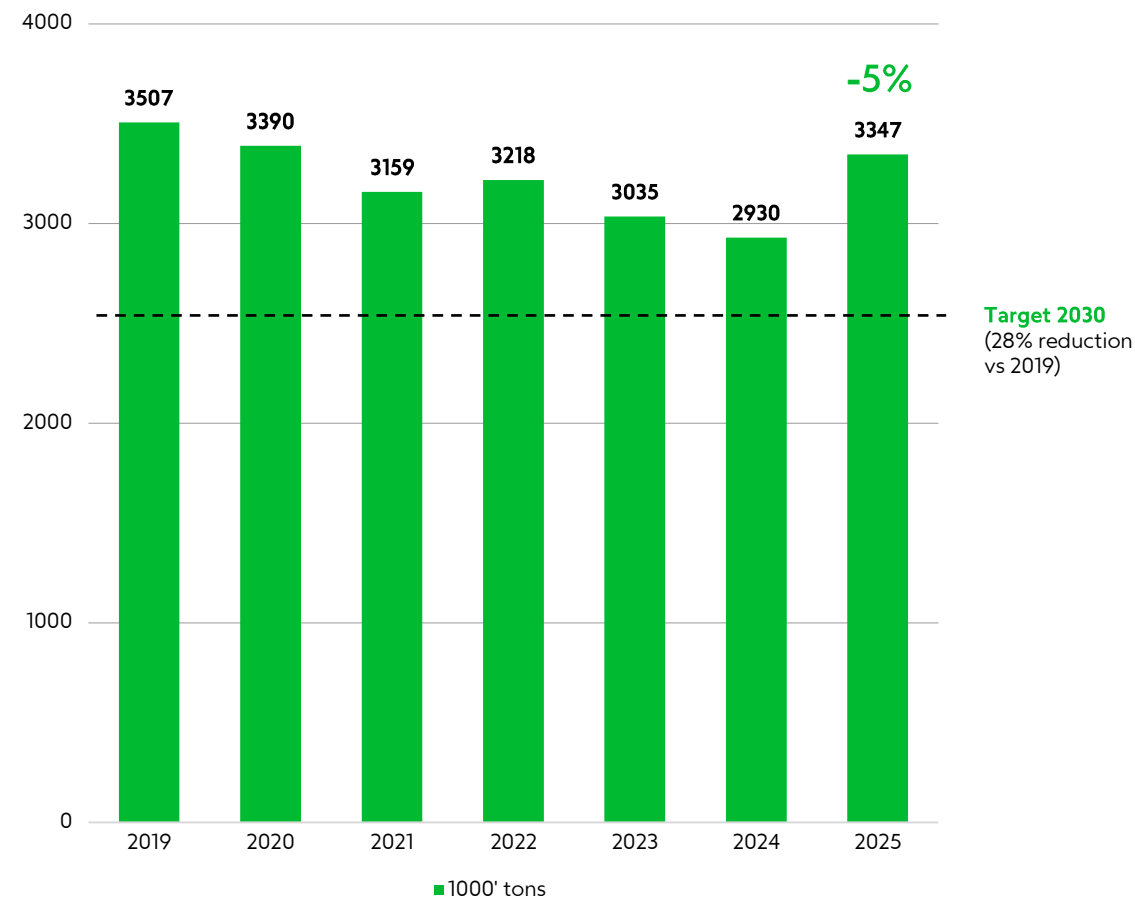
Emissions from purchased tobacco and non-tobacco goods and services split by FLAG and non-FLAG

These charts show progress in our Scope 3 Category 1 FLAG and non-FLAG emissions, as well as the percentage change in the reporting year compared with the 2019 base year.

Scope 3 Category 1 (FLAG) emissions



Scope 3 Category 1 (non-FLAG) emissions



2025 Scope 3 emissions

Calculation approach, methodology and exclusions

Category	Emissions in reporting year (metric tons CO ₂ e)	% of Scope 3 emissions	Emissions calculation methodology	% of emissions calculated using data obtained from suppliers or value chain partners	Comment
Purchased goods and services	5 311 070	76%	Average product method	74%	Supplier specific data were collected from Non-tobacco Materials and leaf suppliers (directly contacted growers and 3d party leaf suppliers) for the formulation of supplier-specific emissions factors. Based on published data. We do not collect data from suppliers or value chain partners related to these categories.
Capital goods	203 602	3%	Spend-based method	0%	
Fuel-and-energy-related activities (not included in Scope 1 or 2)	121 192	2%	Fuel-based method	0%	
Upstream transportation and distribution	332 264	5%	Distance-based method	0%	
Waste generated in operations	6 720	0%	Waste-type-specific method	0%	
Business travel	81 999	1%	Distance-based method	0%	
Employee commuting	23 694	0%	Spend-based method	0%	
Upstream leased assets,	675	0%	Asset-specific method	0%	
Downstream transportation and distribution	189 917	3%	Distance-based method	0%	
Processing of sold products	143	0%	Asset-specific method	0%	
Use of sold products	69 739	1%	Average product method	0%	
End of life treatment of sold products	132 163	2%	Waste-type-specific method	0%	
Downstream leased assets	107	0%	Asset-specific method	0%	
Franchises (licensees)	14 274	0%	Franchise-specific method	0%	
Investments	536 762	8%	Investments	0%	

Out of scope emissions

This section provides a breakdown of JTI’s greenhouse gas out of scope emissions, showing how these figures have evolved over years.

Reference	Metric	2019	2020	2021	2022	2023	2024	2025
Out of scope emissions (1,000 tons CO ₂ e)	Direct emissions from the combustion of biomass	18	12	13	9	14	17	15
	Indirect emissions from the combustion of biomass	0	0	0	0	0	0	00
	Biogenic emissions generated elsewhere in the value chain	484	468	483	489	501	513	536
	Total out of scope emissions	502	480	496	498	515	530	551



GHG intensity metrics

This section provides a breakdown of JTI's greenhouse gas emissions intensity metrics, reported in line with TCFD framework.

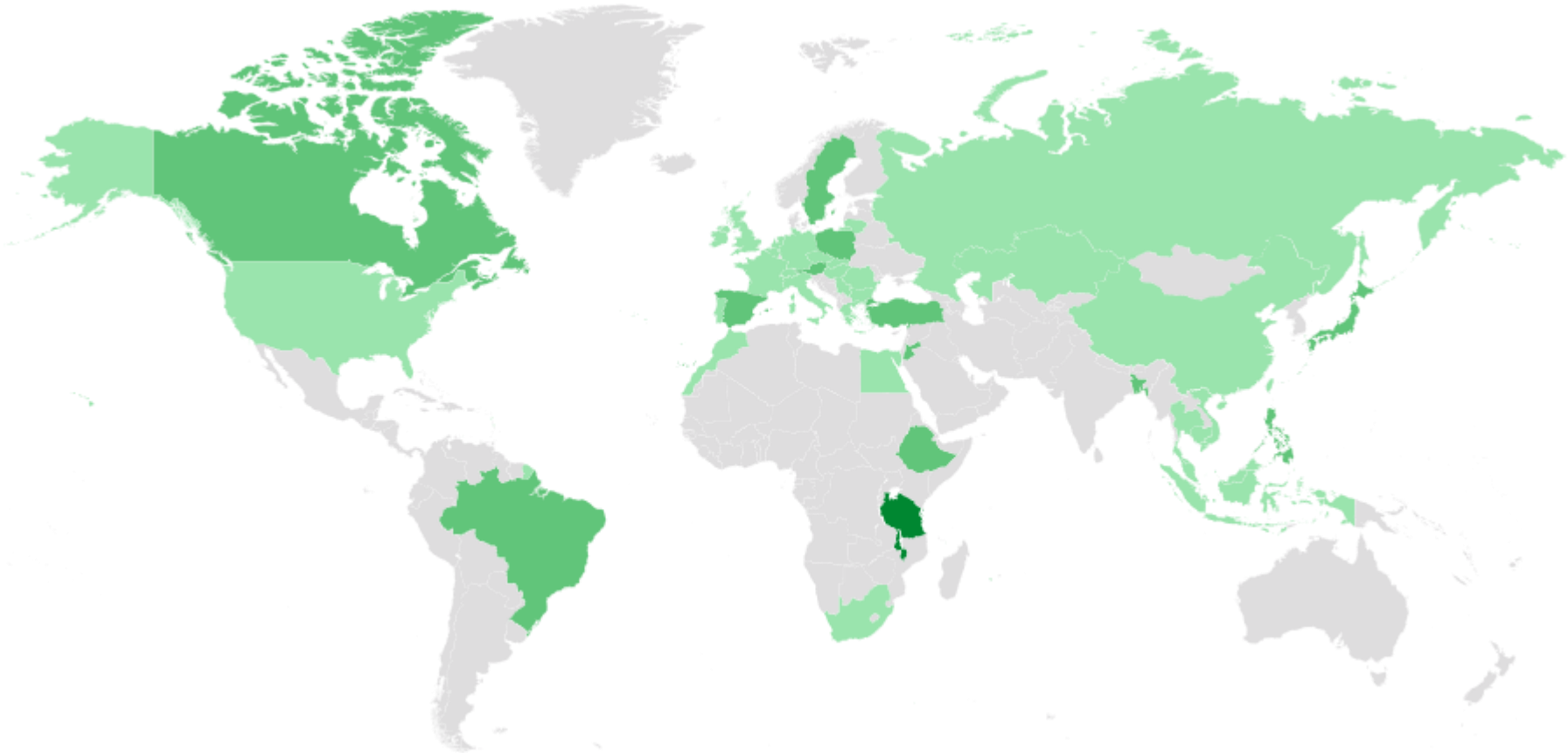
Metric	2019	2020	2021	2022	2023	2024	2025
Scope 1 and 2 emissions (tCO ₂ e) per million cigarettes	0,973	0,858	0,840	0,786	0,739	0,608	0,552
Total emissions per million cigarettes	13,999	13,361	11,937	12,964	12,166	11,651	12,709
Scope 1 and 2 emissions by core revenue (tCO ₂ e) per BN JPY	280	247	222	179	161	121	100
Total emissions by core revenue (tCO ₂ e) per BN JPY	4 031	3 844	3 157	2 952	2 651	2 318	2 306



Renewable energy in JTI

This map illustrates the countries where JTI sources or generates renewable energy as of 2025.

Renewable energy sourcing type	Countries	
Generated	Malawi	Tanzania
Generated and purchased	Austria	Jordan
	Bangladesh	Philippines
	Brazil	Poland
	Canada	Spain
	Ethiopia	Sweden
	Japan	Türkiye
Purchased	Andorra	Lithuania
	Belgium	Malaysia
	Bulgaria	Morocco
	Cambodia	Netherlands
	China	Portugal
	Czech Rep.	Romania
	Egypt	Russia
	France	Serbia
	Germany	Slovakia
	Greece	South Africa
	Hong Kong	Switzerland
	Hungary	Taiwan
	Indonesia	Thailand
	Ireland	UK
	Italy	USA
	Kazakhstan	Vietnam



Other climate related facts and figures



Environment Opportunities Scheme

Through our Environment Opportunities Scheme, our factories have reduced more than **11,000 tCO₂e** per annum.

300+
projects
identified and
invested in

2.2 million
USD in total
savings



Management systems

We align our environmental and energy management with globally recognized standards, ISO 14001 and ISO 50001.

87%
of our factories
certified against
ISO14001

78%
of our factories
certified against
ISO50001



Supplier Engagement

Through **CDP SC** we engage with our suppliers to get information from them how they manage climate and water related risks.

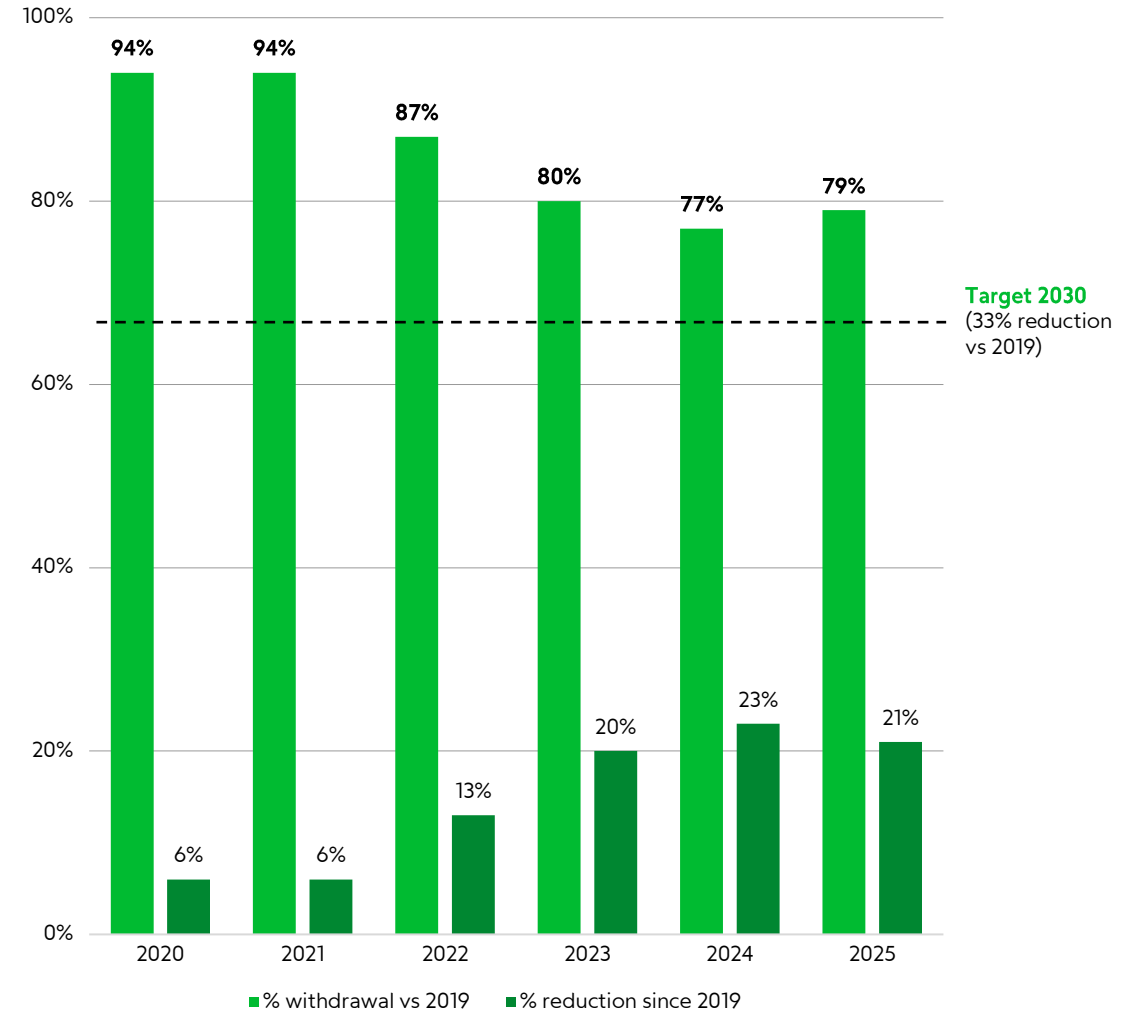
CDP SC
to engage with
our suppliers

100%
response rate
in 2025

Water withdrawal and discharge

The table below presents JTI's annual water withdrawal and discharge volumes by source over the past six years. The chart on the right shows the annual progress toward JTI's 2030 target of reducing water withdrawal by 33% against a baseline year of 2019.

Reference	Disclosure	Data points	2020	2021	2022	2023	2024	2025
Water	Water withdrawal by source (1,000 m³)	Brackish surface water/seawater	0	0	0	0	0	0
		Fresh surface water	0	0	0	0	0	0
		Groundwater	1 679	1 752	1 556	1 390	1 366	1 491
		Municipal supply	1 731	1 672	1 628	1 536	1 468	1 398
		Produced/process water	0	0	0	0	0	0
		Rainwater	31	29	1	0	0	2
		Wastewater from another organization	0	0	0	0	0	0
		Total water withdrawal	3 442	3 453	3 185	2 926	2 835	2 891
	Water discharge by destination (1,000 m³)	Fresh surface water	382	363	361	372	237	211
		Brackish surface water/seawater	6	6	0	16	21	25
		Groundwater	12	12	6	5	6	6
		Municipal supply	1 805	1 828	1 775	1 452	1 520	1 428
		Wastewater for another organization	0	0	0	0	0	0
		Total wastewater discharged	2 205	2 209	2 142	1 845	1 784	1 669



Operational waste

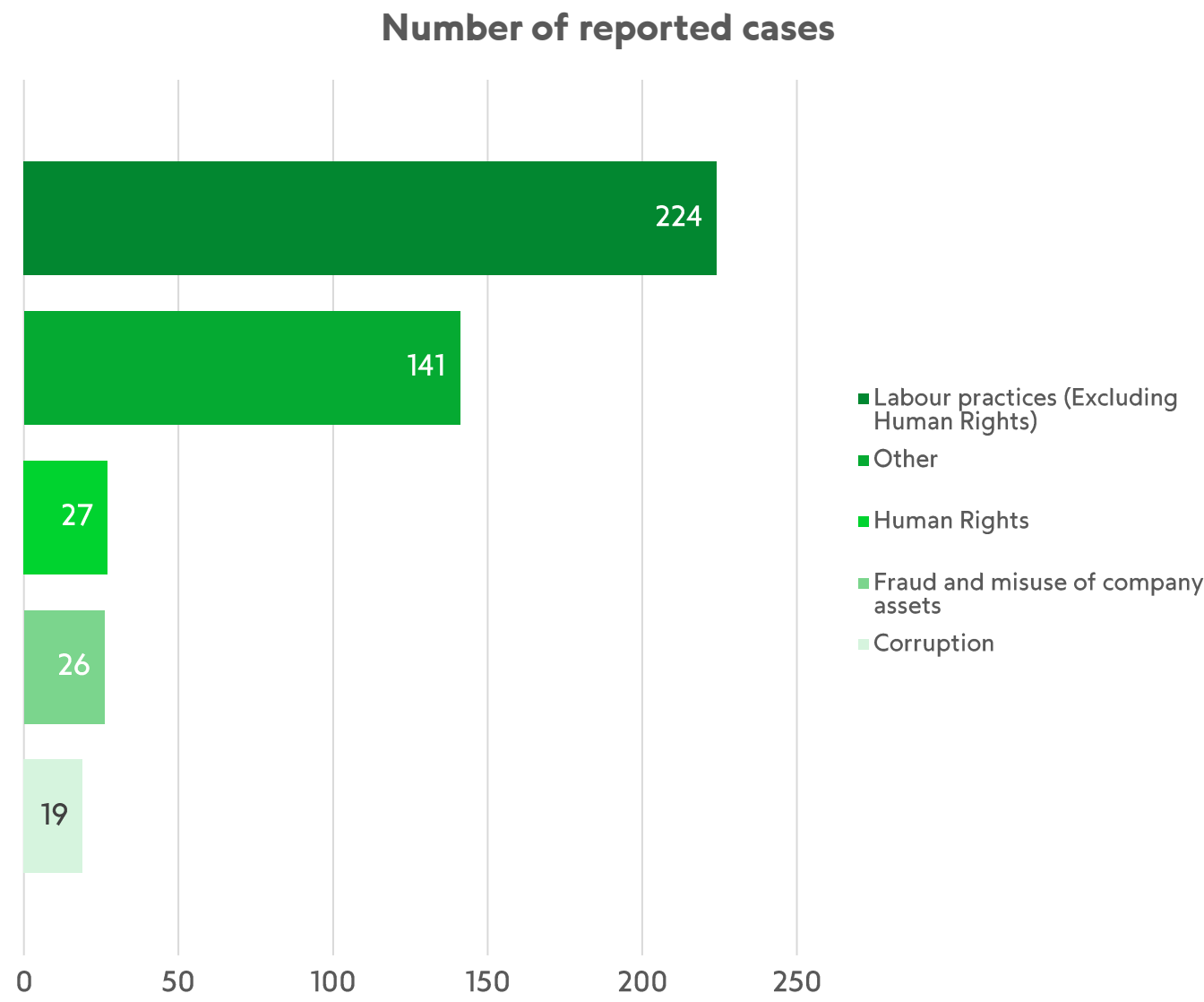
This section summarizes the total waste generated by JTI and how it was managed, including recycling, reuse, incineration, and landfill, over the past five years.

Reference	Disclosure	Data points	2020	2021	2022	2023	2024	2025
Waste	Waste generation (1,000 tons)	Incinerated with heat recovery	10	8	7	9	9	8
		Incinerated without heat recovery	2	1	1	1	0	0
		Landfilled	19	19	14	15	13	10
		Recycled including waste composted	61	63	59	61	65	63
		Total waste generated	92	91	81	86	87	82
	Waste handling (1,000 tons)	Waste recycled	52	53	50	50	54	53
		Waste disposed	21	20	16	16	13	10
		Waste reused	31	33	31	37	40	45

Reporting concerns mechanism

In 2025, we received 437 reports across JTI (Japan region not included) reported in scope of Your Voice procedure. Most of those reports are now closed and in the case of proven violations of our Code of Conduct, we took appropriate action in the form of dismissal, verbal or written warnings, or other corrective measures.

Labour practices (excluding human rights)	224
Other	141
Human rights	27
Fraud and misuse of company assets	26
Corruption	19
Anti-competitive behavior	0



Prevention and response actions

Human Rights in Grower Communities

In our tobacco growing communities, our flagship program [ARISE](#) – Achieving Reduction of Child Labor in Support of Education – has been implemented to tackle child labor since 2012. Initially developed by us, the ILO, and non-profit organization Winrock International, ARISE aims to end child labor in communities where we source tobacco leaves. Today, ARISE continues to drive positive change by implementing robust solutions to prevent and address the root causes of child labor. Through ARISE, we educate children, families, farmers and communities about the need to end child labor.

ARISE is implemented in several of the countries where we have directly contracted growers, including Brazil, Malawi, Tanzania, Zambia and Bangladesh.

Our ARISE KPIs are set on output, outcome and impact level to monitor progress

We provide regular updates on our approach to child rights on our ARISE webpage: [ARISE – Preventing and Helping Eliminate Child Labor |](#)

78,688

Children at-risk withdrawn or prevented from child labor and enrolled in education

872,360

Community members, growers and teachers educated about child labor

31,027

Households benefited from socio-economic empowerment projects and with improved incomes

83

Government policies or plans developed, revised or amended as a result of our engagement

KPIs are reported as cumulative results since program implementation.

Extreme breaches in growers' communities

Our Agronomy Technicians make regular visits to every farm from which we directly source our tobacco. In this role, they support good agricultural practices, monitor compliance with labor and human rights standards, and help improve crop quality and grower livelihoods.

In 2025, we investigated 20 potential extreme breaches that were recorded by our Agronomy Technicians. 3 of the reported cases were found to be either unsubstantiated or incorrectly recorded in the system; 17 were confirmed as an extreme breach and swift corrective action followed.

Extreme Breaches arise where there is a severe risk to life, limb or liberty due to purposeful actions or exploitation by other(s).

Reference	Data points	2024	2025
Human Rights in Growers Communities (Tier II KPIs)	Number of confirmed extreme breaches	7*	17
	Total number of corrective actions implemented	7	17
	Total % of corrective actions implemented	100%	100%

* The methodology was refined in 2025 to report only confirmed extreme breaches. As a result, the 2024 figure was restated from 17 recorded cases to 7 confirmed cases

See our main target “Human rights in grower communities” in [Progress against our targets section](#)

JM Reporting methodologies



Reporting methodologies

The reporting methodologies outline the scope and definition of our quantitative sustainability targets, and describe how we calculate and consolidate progress data against these targets.

01 Product targets

- 01.1 Product materials and packaging
- 01.2 Reduced-risk products
- 01.3 Training on Youth Access Prevention
- 01.4 Transparency in reduced risk science

02 People targets

- 02.1 Zero workplace injuries
- 02.2 Women in managerial positions
- 02.3 Living income
- 02.4 Monitoring human rights in grower communities

- 02.5 Access to grievance mechanisms in direct tobacco leaf supply chain

03 Planet targets

- 03.1 Greenhouse gas emissions
- 03.2 Renewable electricity
- 03.3 Water withdrawal
- 03.4 Waste management
- 03.5 No deforestation – tobacco vertically integrated supply chain
- 03.6 No deforestation – third party tobacco and paper & pulp supply chain
- 03.7 Elimination of Highly Hazardous Pesticides
- 03.8 Adoption of JTI's Good Agricultural Practices

01

Product targets



Product materials and packaging

Definitions

We record and report the weights of total packaging, recyclable materials in packaging, and recycled content in packaging.

- **Recyclable material** – material that can be reprocessed into a product or a secondary (recycled) raw material, excluding energy recovery and the use of the product or secondary raw material as a fuel. It is expressed as a ratio or percentage.
- **Recycled content** – the amount or proportion of recycled material in a material, product, or packaging. It is expressed as a ratio or percentage.

Scope

The packaging data included in the calculations includes primary, secondary, and tertiary packaging from a single product level up to a shipping case. We calculate all packaging in scope that was placed on the market; this does not necessarily include the packaging that is part of the product sold to the customer and disposed of by the end consumer as waste.

Data calculation, consolidation method, and assumptions

We calculate packaging data on the basis of actual weights and composition data as recorded in our systems. Where this information is unavailable, we use extrapolations based on actual data, request information directly from our suppliers (e.g., information on recycled content of materials purchased), or use production data.

For the recyclability assessment of JTI packaging, we apply the JTI Company-Wide Recyclability Criteria For Packaging Materials, which is based on information obtained from packaging and recycling alliances, professional experience, and the knowledge of consultants and of JTI team members.

Reduced-risk products

Definitions

RRP products include Heated tobacco, E-vapor and Oral products.

Product types:

- Heated tobacco products:
 - HTS (heated tobacco sticks): generate an aerosol containing nicotine by heating a tobacco stick.
 - Infused (infused tobacco capsules): is a hybrid system which creates a tobacco-enriched vapor using indirect heating.
- E-Vapor products: heat a nicotine-containing liquid instead of tobacco leaves and come in different formats: open tanks, closed pods and disposables.
- Oral products (nicotine pouches and snus): They are usually in the form of small pouches to be inserted in the mouth between the lip and the gum. If they contain tobacco they are referred as snus; if they don't, as nicotine pouches.

Scope

All countries

Data calculation, consolidation method, and assumptions

Number of countries where RRP products are available: Number of countries where our Heated tobacco, Infused, E-vapor and Oral products were available by December of the reporting year.

Training on Youth Access Prevention

Definitions

Training on Youth Access Prevention (YAP) is an educational structured initiative aimed at enhancing the knowledge of JTI employees in scope to prevent minors from accessing to tobacco or other nicotine-containing products.

Scope

All employees from sales function globally.

Data calculation, consolidation method, and assumptions

KPI: % of global sales force trained.

The percentage of total global sales force who completed the YAP training in the reporting year

Transparency in reduced risk science

Definitions

Publications are defined as articles in scientific journals, conference proceedings, posters, and delivered presentations at scientific conferences.

Scope

All defined publications in a calendar year

Data calculation, consolidation method, and assumptions

KPI : number of publications as per definition

02 People targets



Zero workplace injuries

Definitions

We define "**recordable injury rate**" as the number of recordable injuries per 200,000 hours worked.

We define "**road-related recordable injury**" as any work-related incident involving a company vehicle, either leased, rented, or owned by the Company, that results in death or an injury to an employee, including supervised workers.

We define "**employees**" as all employees who are in an employment relationship with the organization, according to national law or its application, permanent and temporary, full-time and part-time.

We define "**supervised workers**" as individuals who, though not employees of the organization, perform regular work on-site for, or on behalf of, the organization and for whom the organization retains responsibility for the day-to-day safety and supervision at the workplace.

Scope

JTI (including Japan region and subsidiaries) employees and supervised workers.

Excludes:

- Commuting to and from normal place of work.
- Some data from newly acquired businesses has been excluded, as newly acquired businesses need 18 months to integrate the JTI Health and Safety Standards.
- Contractors and members of the public

Data calculation, consolidation method, and assumptions

Recordable Injury rate: The sum of the number of fatalities and lost time injuries, plus restricted work cases and medical treatment cases divided by the total number of hours worked, multiplied by 200,000 working hours.

Road-related recordable injury rate: the number of recordable road-related incidents divided by million kilometers driven within our defined scope.

Number of recordable road-related incidents: the sum of all recordable road-related incidents within our defined scope.

Women in managerial positions

Definitions

“Management” includes all Work Groups 2 employees and up, and all Work Group 3 employees with direct reports; and “JT Management” for Japan.

At JTI, we utilize position mapping for all employees, referring to these as work groups. The only exception is Japan, where we do not use the Work Group model. Instead, all Japanese Employees in Group “JT Management” are assigned to JTI Manager group, and all “JT non-management” to JTI Associate.

JTI ExCom – Work Group 0
JTI VP – Work Group 1
JTI Director – Work Group 2
JTI Manager – Work Group 3
JTI Associate – Work Group 4

Scope

One Tobacco, including all JT group subsidiaries for tobacco business and Japan Region, plus all non-SAP entities.

Employee groups in scope: local employee, globalist/LT (Host), IA JT (Host), STA/Exp (Host), and Internal Temporary Staff.

LT - long term assignment
STA - short term assignment
IA - international assignment
Exp – experience assignment

Data calculation, consolidation method, and assumptions

% of women in managerial position

Living income

Definitions

Living Income is the net income a household needs to earn a decent standard of living. Elements of a decent standard of living include: food, water, housing, education, health care, transport, clothing and other essential needs including provision for unexpected events.

To conduct baseline assessments in each Vertically Integrated origin, we created a bespoke Living Income Calculator (LIC). All the data collected, either from LeafPoint (tobacco actuals e.g., green price, yield, and cost-of-production) or other secondary data on non-tobacco commodity crops, produce consumed at home, net off-farm income etc. is all stored in the LIC. The gathered data is then used to build assumptions representing as closely as possible the financial realities of our contracted growers.

Calculations can then be made by comparing the estimated total net farm income and comparing it to a credible external Living Income benchmark. The LIC is then used to provide in-depth analysis on our growers' situation, including insights for prioritization and decision making.

Scope

All of our 10 Vertically Integrated origins (Bangladesh, Brazil, Ethiopia, Japan, Malawi, Serbia, Tanzania, Turkey, US and Zambia) in which we directly contract growers.

Data calculation, consolidation method, and assumptions

% of direct tobacco leaf supply chain origins with implemented Living Income Calculator

Monitoring human rights in grower communities

Definitions

Human rights monitoring on farms is based on JTI Agronomy Technician's (AT's) visiting contracted growers' farms and observing non-compliance with our Agricultural Labor Practices (ALP) Standard, focusing on the three pillars of: child labor; workers' rights; and workplace health & safety. The ALP Standard sets out the minimum human rights standards we expect to be met and maintained on farms.

In the US, this also involves the GAPC Tobacco Certification Program which requires contracted growers to demonstrate compliance with and adoption of advanced labor practices.

Scope

All growers with a direct contract who complete the sale of their tobacco with JTI are in scope.

Any contracted grower whose contract was terminated during the crop season, or who fail to sell their crop to JTI will be out of scope.

Data calculation, consolidation method, and assumptions

JTI directly contracts approximately 70,000 growers across 10 Vertically Integrated (VI) origins. These growers are contracted to grow a customized tobacco crop for JTI under the stewardship of a JTI AT through a scheduled Visitation Program (VP) for the duration of the crop cycle. VP cycles follow the Crop Year (CY) and are split into specific phases which are defined by the Agronomy department of each VI origin. In each origin, the structure of the VP defines the required number of visits and extension support for each contracted grower. The direct contract that JTI has with individual growers through the VP allows the monitoring of compliance with key standards e.g. ALP. During these farm visits, if non-compliance against any of the three pillars of the ALP Standard is observed then it is recorded.

In the US, we require all JTI contracted growers to apply for and be certified against the GAPC Tobacco Grower Certification Program. Growers who apply for GAPC Tobacco Grower Certification will have a two-year cycle that will consist of an annual self-assessment, annual recordkeeping requirements, and an annual monitoring visit (i.e. audit or site visit), to demonstrate compliance with and adoption of advanced labor practices.

Metric

Percentage [%] of farms in our direct tobacco leaf supply chain origins that are monitored on human rights including child labor.

Access to grievance mechanisms in direct tobacco leaf supply chain

Definitions

An operational-level grievance mechanism is a formal process that enables individuals or groups – such as contracted growers or farm workers – to raise concerns or complaints directly with JTI and to seek remedy or resolution. This allows us to identify and mitigate potential issues before they escalate, whilst fostering better relationships with our tobacco growing communities.

Within JTI an operational-level grievance mechanism is considered implemented in a Vertically Integrated origin when:

- A formal, structured, and operational process exists to receive and address concerns.
- All directly contracted growers and farm workers can raise concerns or complaints directly with the company.
- An internal assessment has been conducted to evaluate the effectiveness of any local mechanisms – where they were already well established – against the Effectiveness Criteria set out in Principle 31 of the UN Guiding Principles on Business and Human Rights (UNGPs). In countries without any mechanism in place, an operational-level grievance mechanism will be designed and implemented to align with the UNGP Effectiveness Criteria.
- Where opportunities are identified to further enhance existing operational-level grievance mechanisms, a robust action plan must be established and being actively pursued.

This approach acknowledges that while some operational-level grievance mechanisms may be at different stages of maturity, the presence of a functioning process combined with active improvement efforts constitutes meaningful progress towards having alignment with Principle 31 the UNGP Effectiveness Criteria.

Scope

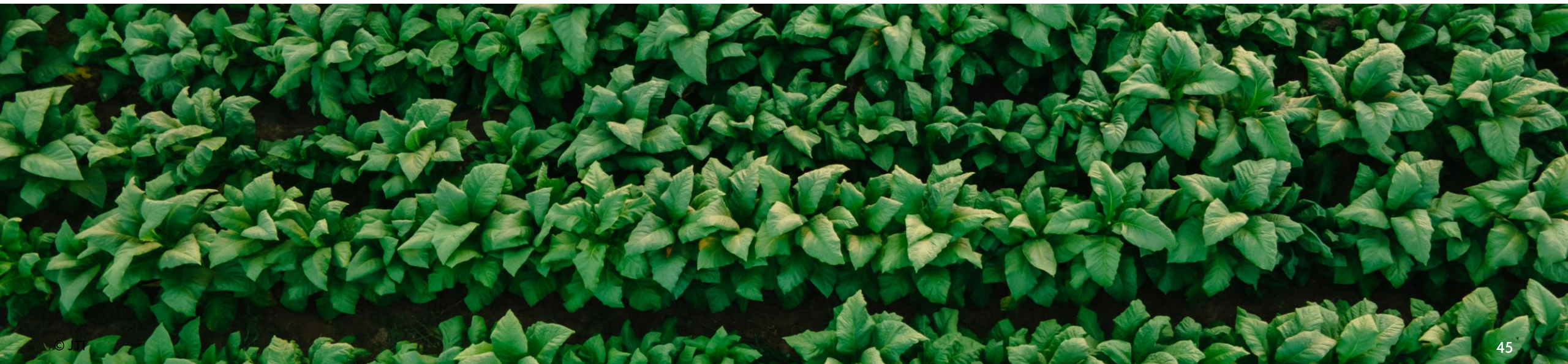
All of our 10 Vertically Integrated origins (Bangladesh, Brazil, Ethiopia, Japan, Malawi, Serbia, Tanzania, Turkey, US and Zambia) in which we directly contract tobacco growers.

Data calculation, consolidation method, and assumptions

% of growers and farm workers in our direct tobacco leaf supply chain origins that have access to grievance mechanism

03

Planet targets



Greenhouse gas emissions

Definitions

We calculate GHG emissions using the World Resources Institute/World Business Council for Sustainable Development Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004 revised edition) and Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard as guidance.

We report GHG emissions across four areas:

- **Scope 1:** direct GHG emissions from corporate activities, such as burning of fossil fuels at factories.
- **Scope 2:** indirect GHG emissions from consumption of purchased electricity, heat, or steam.
- **Scope 3:** other indirect emissions, including from the manufacture of products bought from other companies.
- Out of scopes **biogenic emissions:** GHG emissions that come from biological (living or recently living) sources, such as tobacco.

The reporting unit for GHG emissions is thousands of metric tons CO₂ equivalent.

Scope

We use an **operational control approach** to determine the scope and boundaries of our environmental data reporting, which covers JTI (including Japan region and subsidiaries), as well as some affiliates, and some contract manufacturers that meet specific criteria.

We restate our GHG emissions data, in accordance with our recalculation policy, to take account of significant changes to our business, such as acquisitions, divestments, etc.

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We do this to allow a fair comparison of environmental performance over time. We carry out such a recalculation exercise on an annual basis, which is why data for years prior to 2025 have been restated.

Data calculation, consolidation method, and assumptions

We calculate **Scope 1 and 2** GHG emissions, based on actual energy and fuel consumption at our sites and locations used by of our vehicles, from invoices and meters. Where this information is not available, we use extrapolations based on actual data from a similar site or location to provide estimated energy consumption, which is then used to calculate associated GHG emissions. Production volumes, floor area, or full-time equivalent (FTE) data are the main benchmarks used to calculate intensity metrics used in the extrapolation process.

Refrigerant emissions are reported as part of **Scope 1** emissions from factories and threshing plants by equating the necessary refrigerant replenishment to what would previously have leaked into the atmosphere. Liquid CO₂ usage in production is also captured. Appropriate GWPs (Global Warming Potentials) are applied to leaked volumes of each individual refrigerant type and to liquid CO₂ consumption..

For GHG reporting against the target, we adopt a **market-based approach** and in Japan we use GHG emission conversion factors for each electricity supplier, as published by the Japanese government for the latest available year. In other countries, following the GHG Protocol Market-Based Reporting Guidance, we first account for supplier-specific GHG emission conversion factors, where electricity has been contracted at specific emissions intensities. If supplier-specific tariffs are not applicable, we apply residual grid-mix factors, such as those published by Green-e® and the Association of Issuing Bodies (AIB), where available. Finally, we use GHG emission conversion factors provided by the International Energy Agency (IEA) and the UK Department for Energy Security and Net Zero (DESNZ) as country grid averages to ensure that all our electricity consumption is accounted for within the emissions totals.

We also disclose **location-based GHG emissions** based on International Energy Agency (IEA) and the UK Department for Energy Security and Net Zero (DESNZ) as country grid averages.

Greenhouse gas emissions – continued

Data calculation, consolidation method, and assumptions

To calculate **Scope 3** GHG emissions, emissions factors come from a variety of sources, including emissions factors from third-party databases, suppliers' data and our own life cycle assessments (LCAs).

Emissions factors are reviewed and, where relevant, restated annually to reflect the most accurate representation of emissions attributable to JTI. Electricity factors are updated to reflect actual grid performance for the relevant year(s) as published by the IEA; Green-e®, and the Association of Issuing Bodies (AIB); or the most recent data if data for the current year are not yet available.

We report the split of GHG emissions by **FLAG** (Forest Land and Agriculture) e.g. emissions associated with land use change (LUC) and emissions from land management and **Non-FLAG** emissions, i.e. all other energy/industry related emissions e.g. from burning of fossil fuels.

Renewable electricity

Definitions

Renewable Electricity is electricity that is generated from a renewable source, such as hydropower, solar power, wind power. Renewable electricity can be sourced either through contractual instruments - such as renewable energy tariffs, Power Purchase Agreements (PPAs), or Energy Attribute Certificates (EACs) - or generated directly on site (for example, through solar photovoltaic (PV) systems).

Some countries in which JTI operates may include Renewable Electricity in their electricity grid mix which may, as a result, have a proportionately lower country-specific CO2e Emission Factor. In other countries, electricity consumers may have the ability to purchase so-called Green Electricity, which is typically certified as having low- or zero-carbon emissions.

Some countries have a high percentage of renewables in their national grid mix. However, there is no option for voluntary procurement of zero- or low-carbon electricity ('Green Electricity') tariffs. It is acceptable under the approach adopted by RE100¹ to consider the consumption of the grid electricity in such a country as being from renewable sources. This shall be applied by JTI entities where renewables account for equal to or more than 95% of the national grid mix AND there is no mechanism for proactively sourcing lower carbon tariffs.

As of March 2025 (based on latest RE100 Technical Criteria), this was applicable only for Ethiopia, Paraguay and Uruguay.

Scope

We use an **operational control approach** to determine the scope and boundaries of our environmental data reporting, which covers JTI (including Japan region and subsidiaries), as well as some affiliates, and some contract manufacturers that meet specific criteria.

We restate our renewable electricity data in accordance with our recalculation policy to account for significant changes to our business, such as acquisitions, divestments, etc. This allows a fair comparison of environmental performance over time. We carry out such a recalculation exercise on an annual basis, which is why data for years prior to 2025 have been restated.

Data calculation, consolidation method, and assumptions

Total **actual electricity consumption** at our sites and locations is taken from invoices and meters. Where this information is not available, we use extrapolations based on actual data from a similar site or location to provide estimated electricity consumption.

Production, floor area or FTEs (ranked in descending order of preference) are the benchmarks used to calculate intensity metrics for the extrapolation process.

Purchased renewable electricity data are taken from invoices and Energy Attribute Certificates (EACs).

On-site generated renewable electricity data are taken from meters or from the electricity provider, in the situation where electricity is generated on-site but purchased via a Power Purchase Agreement.

The **percentage of renewable electricity** is the amount of renewable electricity consumed as a proportion of total electricity consumed.

1: RE100 is a global renewable energy initiative bringing together hundreds of large and ambitious businesses committed to 100% renewable electricity. JTI is not permitted to join RE100, but aligns with its approach, as appropriate.

Water withdrawal

Definitions

We record and report **water withdrawal** and **water discharge** at our sites and locations and take into consideration the framework on water reporting set out by CDP. We report total water withdrawal and breakdown by source, and total water discharge and breakdown by destination.

The reporting unit for water withdrawal and water discharge is thousands of cubic meters.

Scope

We use an **operational control approach** to determine the scope and boundaries of our environmental data reporting, which covers JTI (including Japan region and subsidiaries), as well as some affiliates, and some contract manufacturers that meet specific criteria.

We restate our water data, in accordance with our recalculation policy, to take account of significant changes to our business, such as acquisitions, divestments, etc. We do this to allow a fair comparison of environmental performance over time. We carry out such a recalculation exercise on an annual basis, which is why data for years prior to 2025 have been restated.

Data calculation, consolidation method, and assumptions

Water withdrawal data and **water discharge** data are collected at our sites and locations from invoices and/or meters. If a site is unable to report volume of water withdrawal, we use extrapolations based on actual data from a similar site or location to provide estimated data.

Production volumes, floor area, or FTE data are the main benchmarks used to calculate the intensity metrics used in the extrapolation process.

In the absence of water discharge data, it is assumed that water discharge will be equivalent to water withdrawal.

Waste management

Definitions

Waste is an undesirable output associated with business practices, which is subject to recycling, recovery or disposal.

Our sites base their approach to **waste management** on the following hierarchy: reduce, reuse, recycle, and recover. If these methods are not feasible, a site will dispose of its waste (disposal being incineration without energy recovery, or landfilling).

We report the **total waste generated** and the breakdown by handling method, including both non-hazardous and hazardous waste. The reporting unit for waste generation is thousands of metric tons.

We report **total factory waste sent to landfill**. This includes wastes from finished goods and semi-finished goods factories, leaf threshing plants, finished goods warehouses and leaf buying stations and which is sent for landfill or incineration without any environmental benefit, such as energy recovery.

Scope

We use an **operational control approach** to determine the scope and boundaries of our environmental data reporting, which covers JTI (including Japan region and subsidiaries), as well as some affiliates, and some contract manufacturers that meet specific criteria.

We restate our waste data, in accordance with our recalculation policy, to take account of significant changes to our business, such as acquisitions, divestments, etc. We do this to allow a fair comparison of environmental performance over time. We carry out such a recalculation exercise on an annual basis, which is why data for years prior to 2025 have been restated.

Data calculation, consolidation method, and assumptions

Waste data are collected at our sites and locations and reported by handling method. Data are taken primarily from invoices.

If a site is unable to report volume of waste generated, we use extrapolations based on actual data from a similar site or location to provide estimated data.

Production volumes, floor area, or FTE data are the main benchmarks used to calculate intensity metrics that are used in the extrapolation process.

No deforestation – tobacco vertically integrated supply chain

Definitions

The Deforestation and Conversion-Free (DCF) target aims to ensure that primary deforestation-linked commodities sourced by JTI are produced at a negligible risk of deforestation as defined in JTI DCF policy. This process involves mapping contracted growers and verifying that tobacco sourced through JTI's vertically integrated supply chain is produced with negligible risk of deforestation using geospatial analysis. As part of this structured approach, the progress toward meeting DCF requirements is monitored and reported, supporting the company's commitment to responsible sourcing and supply chain transparency.

Negligible risk of deforestation is a risk classification indicating no or low cause for concern that deforestation (per Accountability Framework initiative (AFi) definitions) has occurred in the sourcing area or production unit after the applicable cut-off date, based on credible evidence from geospatial /remote-sensing screening showing no forest cover loss within the mapped production area.

Scope

The target applies to tobacco volumes from all directly contracted growers growing and supplying tobacco to JTI.

Data calculation, consolidation method, and assumptions

Metric: Proportion of vertically integrated tobacco volume that originates from areas identified as being at negligible risk of deforestation.

Progress is measured by the proportion of tobacco sourced via JTI's vertically integrated supply chain that meets Deforestation and Conversion-Free (DCF) criteria post-2020. Evaluation relies on direct production oversight, internal monitoring, traceability, geospatial analysis, and alignment with international standards such as the Accountability Framework Initiative.

The DCF assessment process begins with countries being evaluated using the Maplecroft Deforestation risk index; those rated above "Low" require individual plot-level analysis. Growers' land data from internal systems are supplemented by verified documentation if missing. Coordinates are checked for accuracy and flagged if incorrect. Each grower's production footprint is mapped using buffers; gaps are filled with conservative estimates and average yields. In-house, externally verified methods analyze and aggregate data at the grower and country level to determine total DCF volume and percentage compared to actual purchases.

No deforestation – third party tobacco and paper & pulp supply chain

Definitions

The Deforestation and Conversion-Free (DCF) target aims to ensure that primary deforestation-linked commodities sourced by JTI are produced at a negligible risk of deforestation as defined in JTI DCF policy. This process involves identifying suppliers based on risk and relevance, engaging them to communicate DCF expectations, and verifying their compliance with JTI's criteria. As part of this structured approach, the progress of suppliers toward meeting DCF requirements is monitored and reported, supporting the company's commitment to responsible sourcing and supply chain transparency.

Negligible risk of deforestation: A risk classification indicating no or low cause for concern that deforestation (per Accountability Framework initiative (AFi) definitions) has occurred in the sourcing area or production unit after the applicable cut-off date, based on credible evidence from third-party suppliers, including traceability to sourcing areas, geospatial/remote-sensing monitoring, supplier documentation and controls, and/or independent verification (e.g., certification, audits, or third-party assessments).

Scope

The target covers JTI tobacco and paper & pulp supply chains and is assessed based on the proportion of volumes that are verified as meeting JTI's Deforestation and Conversion-Free criteria, in line with JTI DCF policy and applicable external standards.

Suppliers are prioritized using a risk-based approach, considering factors such as sourcing geography, volumes, deforestation and conversion risk exposure, materiality, and supplier leverage.

- Tobacco third party suppliers: based on defined prioritization criteria.
- Paper & pulp 3rd party global suppliers: based on defined prioritization criteria.
- Paper & pulp 3rd party local suppliers: not in scope for 2025

In 2025 reporting year, we excluded certain volumes (14%), notably on specific origins or factory locations because of operational restrictions, and for paper and pulp-based materials when the amount of paper or pulp is negligible or undetermined.

Data calculation, consolidation method, and assumptions

Metrics:

- Proportion of globally sourced paper and pulp volume assessed as being at negligible risk of deforestation.
- Status of No-Deforestation assessment for Third Party Tobacco volume.
- Status of No-Deforestation assessment for locally sourced paper and pulp volume.

Progress toward DCF targets is measured by the percentage of material volumes confirmed to meet JTI's DCF standards, based on verification aligned with international definitions and JTI policy.

For third-party suppliers, progress relies on a risk-based approach and available evidence, with data extracted from annual BAPs and converted to standard units as needed. Evidence may include external disclosures or documentation, certifications, audits, and traceability, assessed for compliance post-2020 cut-off.

Only volumes with sufficient proof are considered DCF-compliant; those with incomplete or pending verification are excluded. Local paper and pulp suppliers undergo phased implementation and are omitted from quantitative analysis if out of scope.

Elimination of Criterion 1 Highly Hazardous Pesticides (HHPs)

Definitions

Tobacco lots exclusively dedicated to cigarettes and Roll Your Own (RYO) / Make Your Own (MYO) products are evaluated for compliance with the JTI Standard for Crop Protection Agents (CPA) residues. Samples are tested for CPAs, e.g. pesticides. Among the CPAs listed in the CORESTA Guide No. 27 (version 3), twenty-seven were classified as Highly Hazardous Pesticides (HHPs) under Criterion 1 and have been included in the Standard for CPA Residues since January 2022.

Scope

HHPs elimination targets are applicable to tobacco lots exclusively dedicated to cigarettes and RYO/MYO products. HHPs considered are included in the JTI Standard for CPA Residues.

Data calculation, consolidation method, and assumptions

Individual sample analysis results are evaluated against the limits set in the JTI Standard for CPA Residue.

Results not in compliance trigger the disqualification of the related tobacco volume as per the requirements of the Agrochemical residues testing program.

Metric: % purchase of packed tobacco without Criterion 1 HHPs from our direct tobacco leaf supply chain in calendar year 2025

Elimination of all HHPs by 2040

Definitions

The enforcement of the HHPs elimination implies their inclusion and/or identification in the JTI Standard for CPA Residues. It is therefore mandatory that those CPAs are tested by all JTI's contracted laboratories.

To include a CPA in their testing scope, laboratories need to develop and validate testing methods, confirm the proficiency of their testing, and validate the testing performance via various certification stages.

JTI continues working towards the elimination of all HHPs by following CORESTA guidelines and JTI's internal testing requirements. A roadmap has been established to achieve the target of eliminating the use of all HHPs by 2040.

Scope

CPAs in scope are those HHPs listed in CORESTA Guide No.27 from October 2021, which have been identified by JTI as 'to be eliminated'.

Data calculation, consolidation method, and assumptions

Metric: % of Highly Hazardous Pesticides (HHPs) identified as HHPs in the JTI Standard for CPA Residues tested in calendar year 2025

Adoption of JTI's Good Agricultural Practices

Definitions

Implementation and adoption of the Good Agricultural Practices (GAP) is defined as the consistent monitoring through scheduled grower Visitation Programs (VP) defined and implemented by the Origins which are recorded per visit per grower.

Scope

The target applies to all directly contracted growers growing and supplying tobacco to JTI. It is implemented within all JTI Vertically Integrated (VI) origins.

The geographical coverage includes all areas where JTI operates a model of direct contracts with growers.

Data calculation, consolidation method, and assumptions

Metric : % of directly contracted growers who have adopted JTI's GAP Protocol

Data Collection: Key data points include:

Number, frequency and duration of each field visit, Extent of Minimum Agronomics Standards implementation (e.g., observations on MAS criteria met by the grower)

Evaluation of Adoption: Adoption is evaluated annually based on:

- The percentage of growers visited and receiving technical support as per defined VP planning for the specific Origin.
- Evidence of recorded agricultural practices as per MAS criteria observations.
- A grower is deemed to have “adopted” GAP when a predefined minimum threshold of visits is met as stipulated by the Origin at the creation of the new crop year (CY) in the system.

