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FOR IMMEDIATE RELEASE

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JT launches new Group-wide Environment Plan 2030

Japan Tobacco Inc. (JT) (TSE:2914) launches its latest JT Group Environment Plan with the aim to achieve its new targets by 2030. The plan is a key component of the Group's commitment to conduct its business in a sustainable manner and will supersede the current Environment Plan 2020ⁱ.

Our focus areas and key targets:

- Energy and Emissions:
 - Doubling the proportion of renewable electricity that we use to 25% by 2030 and 100% by 2050.
 - Reducing Greenhouse Gas (GHG) emissions from our own operationsⁱⁱ and emissions associated with our purchased goods and servicesⁱⁱⁱ by 32% and 23%, respectively.
- Natural Resources:
 - Reducing water withdrawal associated with our tobacco business by 15%.
 - Replacing all wood from natural forests used in the tobacco curing process of our directly contracted growers with renewable fuel sources.
- Waste:
 - Reducing waste associated with our tobacco business by 20%.

"We are looking forward to meeting this new plan's objectives, which reflect changes in our business, societal expectations, and growing scientific understanding of the environment," said Chigusa Ogawa, Senior Vice President, Sustainability Management. "Our new targets go beyond our current plan, and address a broader range of issues that affect not only our operations, but also key elements of our value chain. We are particularly proud that our science-based GHG emission reduction target has recently been approved by the Science Based Targets initiative (SBTi)^{iv}. We will track performance and progress toward our objectives and targets and we will revisit the plan periodically to ensure that it remains relevant to our business and stakeholders".

The JT Group launched its first Group Environment Plan in 2014 with the aim to strengthen its approach towards reducing its environmental impact. In 2017, the initial target to reduce GHG emissions by 20% was already achieved and exceeded – three years ahead of schedule, and we are currently on track to achieve the other goals and commitments outlined in the Plan.

ⁱ For the details, please see https://www.jt.com/sustainability/people_planet_society/planet/enviroment/

ⁱⁱ Refers to both Scope 1, direct GHG emissions from corporate activities, and Scope 2, indirect GHG emissions from consumption of purchased electricity, heat or steam.

ⁱⁱⁱ Refers to Scope 3 Category1, other indirect emissions, including from the manufacture of products bought from other companies.

^{iv} For the details, please see our press release https://www.jt.com/media/news/2019/pdf/20190227_E01.pdf

Further details can be found in the JT Group Sustainability Report FY2018 which has been issued this month.

Reference Information

OUR OBJECTIVES AND TARGETS FOR 2030*

ENERGY AND EMISSIONS

Energy

Transition our operations to net zero carbon energy supply.

TARGETS

We will double the proportion of renewable electricity that we use to 25% by 2030 and 100% by 2050.

Emissions

Reduce our greenhouse gas emissions to support the Paris Agreement on global climate change with the aim to achieve net zero carbon emissions from our operations.

TARGETS

We will reduce greenhouse gas emissions from our own operations by 32%.

We will reduce emissions associated with our purchased goods and services by 23%. This will be achieved through a 40% reduction from our direct leaf supply chain and reductions in our non-tobacco materials, such as packaging.

WASTE

Waste

Further reduce the environmental impacts of waste associated with our processes and products.

TARGETS

We will reduce waste associated with our tobacco business by 20%.

By 2020, we will have targets and action plans relating to the appropriate use and responsible disposal of materials, including plastics, used in our products and packaging.

NATURAL RESOURCES

Water

Support global water stewardship by reducing our water withdrawal and by encouraging water risk management in our supply chain.

TARGETS

We will reduce water withdrawal associated with our tobacco business by 15%.

To better understand water risk and use in our supply chain, by 2022, we will implement a water risk management process in our manufacturing supply chain.

Forestry

Ensure a sustainable wood supply for our product supply chains and further contribute to forest conservation and rehabilitation.

TARGETS

To further focus our efforts on sustainable forest management, by 2020, we will have assessed the drivers for deforestation and forest degradation in communities where we source tobacco and developed action plans for improved wood resource use, forest conservation and forest rehabilitation.

We will replace all wood from natural forests used in the tobacco curing process of our directly contracted growers with renewable fuel sources.

* Baseline year for all targets is 2015. Target year is 2030 unless stated otherwise. The overall plan is to be reviewed every 5 years.

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Japan Tobacco Inc. is a leading international tobacco company with operations in more than 130 countries. With over 63,000 employees, it manufactures and sells some of the world's best-known brands including Winston, Camel, MEVIUS and LD. The JT Group is committed to investing in Reduced-Risk Products (RRP) and currently markets its tobacco vapor products under the Ploom brand and various e-cigarette products under the Logic brand. The Group is also present in the pharmaceutical and processed food businesses. For more information, visit <https://www.jt.com/>.

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