



Our approach to biodiversity

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Our approach to biodiversity conservation is founded on understanding the reciprocal relationship between our business activities and natural ecosystems. Nature intersects with our value chain at multiple points, and we recognize that our direct tobacco leaf supply chain represents both our most significant biodiversity impact and our primary opportunity for conservation.

However, our commitment extends beyond this. We are actively evaluating and managing biodiversity risks and opportunities across our indirect tobacco and non-tobacco materials supply chains to ensure a holistic and responsible approach.

We have developed a Biodiversity and No-Deforestation Ambition Statement which outlines our commitments to minimizing environmental impact in those areas and the strategic steps we will take to achieve this.

To build our strategy to achieve our commitments, we have established an operating committee dedicated to Nature. Through this Committee, subject matter experts collaborate to assess JTI's potential impacts and dependencies on natural ecosystems. Our strategic governance approach strengthens our ability to assess, manage, and mitigate biodiversity impacts, while cascading responsibility for actions to the relevant operational teams.

While we continue to integrate nature's considerations into our core governance structures, we are also taking action to understand where our potential impacts and risks lie. To further develop our understanding of JTI's impacts and dependencies on nature, we're undertaking a comprehensive biodiversity impact assessment evaluating the potential effects of our supply chain, operations, strategy, and policies on local ecosystems, species, and habitats.

This assessment considers key elements such as:

- Monoculture plantations
- Water and fertilizer usage
- Deforestation
- Pollution

The assessment provides a clear understanding of the direct and indirect potential impacts, enabling us to focus on our response and inform our biodiversity strategy.

Building on this and following the guidance of Taskforce on Nature-related Financial Disclosures (TNFD) and the Corporate Sustainability Reporting Directive (CSRD), we are currently undertaking a Biodiversity Risks and Opportunities Assessment to explore potential future threats to biodiversity, such as climate change, land-use pressures, and emerging ecological risks. This forward-looking analysis will help us strengthen our resilience, prioritize action, and align with evolving good practices in nature-related risk management.

Together, these assessments form the foundation of our approach to biodiversity: evidence-based, risk-aware, and aligned with our broader sustainability goals.

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We understand the interlinked relationship between climate and nature, so we consider biodiversity impacts in our emission reduction strategy, where applicable. As part of our Forest, Land and Agriculture (FLAG) emission reduction strategy, we're investigating the use of waste tobacco as biochar feedstock, which will not only reduce our FLAG emissions but also positively contribute to nature through improved soil quality