



Processed food

Overview

In the processed food business, we seek to provide safe and delicious food for consumers, in the hope that they will choose our products for their loved ones. We aim to satisfy our consumers by offering food products that meet the needs of their daily lives.

Our processed food business is dedicated to delivering safe, high-quality food products to consumers. We are also mindful of the environmental impacts of our products and operations, and we make continuous improvements to these wherever possible.

Our processed food business value chain*



* This diagram represents the value chain of products for frozen and ambient foods. We do not deal directly with raw material producers – such as growers – who provide raw materials to the trading firms or to the contracted factories that supply us.

Processed food business sustainability strategy

Throughout 2019, we held numerous discussions on sustainability and set out three focus areas. One of the focus areas that we selected was 'products and services'. We aim to continuously deliver products with commitment to quality and technology, in line with consumer needs. We will place emphasis on 'people'. We will strive to ensure workplace safety and invest in our people. Our third focus area is the 'supply chain'. We will continue to deliver safe products to our consumers by working on reducing social and environmental impacts, to ensure that our supply chain is sustainable over the mid- to long-term. In total, there are eight targets set for the focus areas in the processed food business.

These will provide a solid basis for measuring and benchmarking our sustainability performance, and support the sustainability of the JT Group. We will be updating our progress regularly, as we strive to contribute and fulfill our commitments that we have made to our stakeholders and to ourselves.



Processed food business sustainability strategy - Focus areas, aspirations and targets

Read more about the [JT Group sustainability strategy](#).

Read more about our Group-wide initiatives in the [Investing in people](#) and [Environment](#) sections.

Our business operation and sustainability

We have a rigorous quality and process control system based on the four priorities of

food safety, food defense, food quality, and food communication.

[Read more >](#)



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Our business operation and sustainability

Food safety ▾

Food defense ▾

Food quality ▾

Food communication ▾

Environment ▾

Food safety standards



Our processed food business has 32 factories, including the one scheduled to operate from 2020, which produce a variety of food products, from frozen foods to seasonings, and bakery products. 23 of these factories are located in Japan, and nine are located in China, Indonesia, Thailand, and the U.S. Our products are sold primarily in the Japanese market.

We make sure that all of our factories* are certified to the global food safety standard FSSC 22000. FSSC 22000 is recognized by the Global Food Safety Initiative (GFSI), the food industry's global body for promoting food safety management.

All the factories contracted to manufacture frozen food products on our behalf have been certified to the food safety standard ISO 22000 or FSSC 22000, as an assurance of food safety.

We also work with multiple independent advisors, who have helped to develop our approach to food safety since 2008. In 2019, these advisors visited our factories, sharing useful advice and giving presentations to our employees on industry topics such as food safety, consumer consciousness, and/or the laws and regulations relating to the Food Sanitation Act. These events provided employees

with a greater awareness of new developments and important topics in the field of quality control.

There were two product recalls of our food products in 2019. We are working hard to enhance food safety and product quality assurance to eliminate the likelihood of recurrence.

* One of our factories which will start its operations during 2020 is on track for the certification.

Food defense practices

Food defense is about protecting our manufacturing processes and products from intentional contamination. We apply robust food defense guidelines across the supply chain, both in our own factories and our contracted factories, which are referred to during our annual audits.

Recent initiatives to strengthen our defense mechanisms against deliberate contamination include increasing our use of factory cameras and enhancing the way we manage chemical substances. These measures also help to detect and prevent any incidences of intentional contamination.



Enhancing food quality

Food quality control is an essential element of our daily operations. Along with quality improvement efforts on factory floors, we ensure that all of our employees receive training through customized e-learning materials.

We also listen to our consumers' suggestions for improving product quality, and swiftly share these with our factories and operations.

Our internal Quality Improvement Committee enables us to effectively respond to our consumers' recommendations. The Committee is made up of representatives from different divisions, including

Product Development, Manufacturing, Distribution, Sales, Quality Control, and our Consumer Call Center.

Our consumer complaints management system is compliant with ISO 10002, the international standard for customer satisfaction and complaints handling. To enhance the quality of our correspondence with consumers, we introduced a voice transcription system at our Consumer Call Center. This system transcribes and records correspondence with our consumers on behalf of our operators, enabling the operators to focus on providing excellent customer service.

Further food communication




We are always willing to provide details about our food products. We respond to consumers' requests for information and disclose the precise factory where food products were made, or the country of origin of the main ingredients.

Furthermore, in order to ensure food safety, we have introduced a system that records information about our products at every stage of the process, from the raw materials and production to processing, distribution, and sales. This means we can retrace our product to any point, if necessary.

We also have toll-free numbers on our product labels which consumers can call for extra information. In 2019, we improved the customer inquiry form on our corporate website to make it more relevant for our consumers.

We invite consumers to our Uonuma Mizunosato frozen udon (noodles) and packed cooked rice factory, where we explain our food safety approach by showing them our manufacturing process.

Reducing our environmental impacts

As part of our efforts to reduce environmental impacts within our operations, one of the companies within the JT Group, Thai Foods International, built [a biomass co-generation system for its Thai factory](#)  , where it manufactures seasonings.

The system, which will operate during 2020, uses rice husks as an alternative fuel source. The factory previously used electricity supplied by a local company; now the new system is expected to significantly reduce purchased electricity usage and the resultant Scope 2 GHG emissions (Indirect greenhouse gas emissions from consumption of purchased electricity, heat, or steam.) by 7,000 tons per year.

This project, which has been adopted by the Joint Crediting Mechanism of the Ministry of Environment in Japan, not only helps us to reduce energy costs but also contributes to GHG reduction in Thailand.

We developed a compact tray for some of our packed cooked rice that uses approximately 10% less plastic compared to conventional trays while holding the same amount of rice.

Read more about our [Group-wide initiatives and programs](#).