



ISO 26000: Consumer Issues

# Providing consumer information

*The JT Group provides consumers with detailed information about its products, giving them the information necessary to make considered purchase decisions.*

# Being transparent about our products



*The JT Group develops relationships with its consumers, providing information that builds trust.*

Consumers today are faced with great choice. Making a purchasing decision is a complex combination of factors, and the way in which a company communicates regarding its products is an integral part of enabling consumers to make fully informed choices.

The JT Group informs and educates consumers in a transparent, responsible and proactive manner. This includes disclosing ingredients on tobacco products, engaging in dialogue, listening to customers' needs and responding openly to complaints and opinions.

The Group's pharmaceutical business develops, manufactures and markets prescription drugs that are strictly regulated and comply with the highest national and international standards. Additionally, internal systems have also been established to ensure safe, high-quality drugs.

To ensure the integrity of its beverages and processed foods, the JT Group applies rigorous quality processes. From the sourcing of ingredients to the manufacture, packaging and sale of food products, safety controls and standards are observed at every stage. On all products, ingredients are extensively disclosed and traceability information provided.

# Answering the call with an exemplary complaint handling service



**Sylvain Beauchamp**  
Consumer Response Manager



**Marie Poirier**  
Consumer Response Associate



**Suzanne Baron-Lafrenière**  
Consumer Response Associate

*The JT Group has established consumer/customer complaint handling policies that define a standard business process and provide guidelines for addressing product quality-related complaints.*

In Canada, JTI-Macdonald created an exemplary process of consumer communications, which is a Company ‘best practice’ in proactively managing complaints. From its Montreal factory in Quebec, the Consumer Response Team, headed by Sylvain Beauchamp, serves JTI consumers in Canada with a fast, friendly and efficient handling

of complaints. As Beauchamp explains: “We take consumer complaints very seriously. We offer a quick, ‘hassle-free’ service that demonstrates our commitment to satisfying our consumers, whether they have a product issue or any other concern to report.”

JTI-Macdonald offers a 24-hour toll-free phone line, which is presented on cigarette packages. The emphasis is a 24-hour a day, 7-day a week personal response, offered in both English and French.

The first action following an initial conversation is for JTI to issue an Age Verification Form (AVF), which the consumer returns along with the defective product. A five-step sequence of letters then follows, sent directly to each consumer, to ensure they are fully satisfied with JTI’s response to the complaint.

## Consumer Service Contact

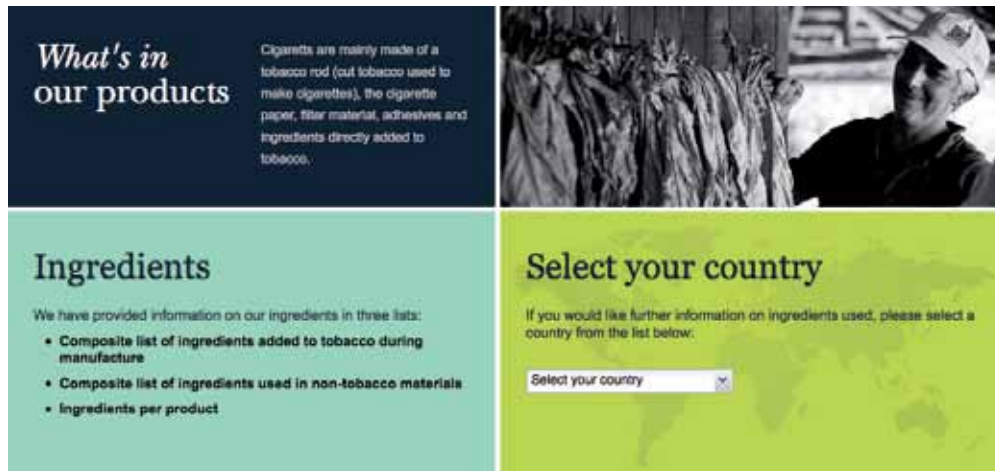
Enhanced levels of communication and accessibility, and the opening of the new call center in June 2010, have generated an increase in contacts over the past couple of years.

	2009	2010	2011	2012
<b>Complaint</b>	1445	1745	2050	1995
<b>Enquiry</b>	774	1186	1627	1755
<b>Feedback</b>	222	541	1396	1481
<b>Total Contacts</b>	2441	3472	5073	5231

As well as responding efficiently, the team also uses consumer complaints to help address any production issues, as Beauchamp explains: “We provide real-time response to our quality control department in the factory, identifying problems that may be systemic within the production process.”

The Consumer Response channel in Canada plans further optimization of services by expanding into online complaints/comments submissions. An enhanced online consumer response portal will be launched in the summer of 2013, allowing the team to respond using every available consumer communication channel.

## Disclosing ingredients information voluntarily



Ingredients website

The JT Group voluntarily provides comprehensive information about the ingredients in its tobacco products. This transparency is in response to consumers' demands to know what ingredients are used in the brands they smoke. On its websites, detailed lists of ingredients can be found, categorized by tobacco product type, brand

and location, with full inventories of key materials and ingredients, as well as quantity levels within the product. The websites include information on cigarette papers, filtration materials, adhesives, inks and flavorings of cigarettes, Roll-Your-Own (RYO) and Make-Your-Own (MYO) products.

## Ensuring only adults gain access to tobacco products

Despite the fact that minors are legally prohibited from smoking in many countries, underage smoking remains a societal problem. It is best addressed collectively with parents, educational institutions, governments and the tobacco industry, each playing a particular role. The JT Group abides by laws and regulations and its own international standards in relation to youth smoking prevention. Additionally, it established programs and operational policies that focus on preventing youths from purchasing tobacco.

### The 'taspo' ID card system

Since 2008, cigarette vending machines in Japan have been required to incorporate adult identification functionality. The 'taspo' ID card system is one such example, an initiative jointly undertaken by the tobacco industry with JT taking a major role, and the vending machine association. ID cards are issued following the submission of official documentation for approval, which must contain the name, date of birth and current address of the applicant. The aim is to prove that smokers who wish to use vending machines are at least 20 years old. A photo is also printed on the ID card to prevent improper use, such as lending the card to other people, notably minors. As of March 31 2013, almost all of the 299,455 tobacco vending machines in Japan were equipped with the 'taspo' ID card reader. To date, over ten million ID cards have been issued.



Japanese cigarette vending machine with the 'taspo' adult identification function

# Providing professional assistance within the pharmaceutical sector



The JT Group's pharmaceutical business endeavors to create world-class innovative drugs. In doing so, it ensures a high degree of discipline, responsibility and ethical practice from those employees who are engaged in dealing with the healthcare industry.

Torii Pharmaceutical Co., Ltd., a subsidiary of JT, manufactures and distributes prescription drugs in Japan. To help the medical profession prescribe drugs safely, the Company has appointed Medical Representatives (MRs) to deliver information to health workers concerning the quality, effectiveness and possible side-effects of prescription drugs.

In addition, MRs collect information on drug performance, which is analyzed, evaluated and conveyed back to the medical community. This enhances the effectiveness of medications through a cycle of continuous information-sharing. MRs help maintain the proper usage and safety of the drugs that are manufactured and marketed.

Torii Pharmaceutical requires newly-appointed MR employees to undergo a six-month introductory training program, designed to provide them with the basic medical and pharmacological knowledge, information on relevant national drug legislation and regulations, MR ethics, and detailed information pertaining to the Company's pharmaceutical products .

Follow-up training sessions are provided on an ongoing basis to further develop their medical and pharmacological knowledge in accordance with advancement in medical science and pharmacology, and changes in relevant national drug legislation and regulations.

# Prioritizing safety control in the beverage and processed food businesses



Food quality control

*The JT Group's food businesses manufacture products that meet the highest standards of quality and safety.*

To ensure that consumers enjoy its products safely, the JT Group has implemented food safety measures and established independent food safety management divisions within each of its beverage and processed food businesses, with four distinct approaches in place:

## Food safety

The JT Group reviews product-specific food safety, and conducts inspections and audits based on detailed risk information. It

ensures the correct operation of food safety management systems, consistent with standards such as ISO 22000.

## Food defense

The Group promotes a Risk Management Integrated Program that adheres to risk management policies and procedures. The program incorporates knowledge via management systems, security in the form of appropriate hardware and standards compliance with factory checks and audits.

## Food quality

Quality management systems are coordinated across the entire supply chain. Consumer satisfaction, and consequently product value, is enhanced by constantly improving products based upon feedback from consumers.

## Food communication

The ISO 10002 complaint management system creates a means for consumers to dialogue with the beverage and processed food businesses, to express issues regarding its products. Other communication methods include providing traceability information and the disclosure of ingredients on its products.

## Promoting cross-functional safety controls

The JT Group promotes cross-functional food product safety controls. For example, TableMark's Tokyo Quality Control Center analyzes raw materials and finished goods for the beverage business.

Additionally, the beverage and processed food businesses benefit from assessments and advice from external food safety experts, incorporating opinions and knowledge into its food safety controls.



## Communicating with consumers

As part of its food communication initiatives, the JT Group's beverage and processed food businesses provide information on products and ingredients in accordance with relevant laws and regulations and information that is above and beyond what is required by law. In addition to the information provided on the JT Group websites, toll-free numbers are provided on product labels to give consumers the opportunity to request additional information. The in-house team responds directly to these inquiries. For example, on the packaging of its frozen food products and website, TableMark discloses the factory where products are manufactured and the origin of the main ingredients. The Company also provides consumers with traceability information on its website for some of its packed cooked rice, which includes specific data on where the rice was grown, the factory of manufacture, production dates and details relating to suppliers.