

In this section

Our tobacco principles > P.47

Tobacco: health risks, transparency, and regulation > P.48

Tobacco: product innovation > P.49

Tobacco: responsible marketing > P.50

Tobacco: tackling illegal trade > P.52

Tobacco: products' environmental impacts > P.54

Pharmaceutical: product responsibility > P.56

Beverage and processed food: product responsibility > P.58

06 Product responsibility and consumer impacts

Across the JT Group, our overarching management principle – the “4S” model – and our Mission and Codes of Conduct require that we meet our consumers’ needs with the highest-quality products at the same time as behaving responsibly while conducting our business. The diverse nature of the JT Group, which includes tobacco, pharmaceutical, beverage and processed food businesses, raises a wide variety of product responsibility issues.

In our tobacco businesses, key product responsibility issues include marketing our products responsibly and combating illegal trade in tobacco. In our pharmaceutical business, an ethical approach to research and development, and responsible marketing and the reliable supply of products are key issues. In our beverage and processed food businesses, our main focus is on food safety and providing transparent product information to consumers.

Our tobacco principles

Our approach to product responsibility in our tobacco business is defined by a set of core principles that reflect the main issues relating to tobacco products and our attitude to smoking:

1.

Openness about the risks of smoking

Smoking is a cause of serious diseases and everyone should be appropriately informed about the health risks of smoking

2.

Transparency about our products

Smokers want to know what it is they are smoking and we provide information about the ingredients we use

3.

Commitment to the development of reduced-risk products

While the health risks of tobacco use cannot be completely eliminated, we are committed to developing reduced-risk products

4.

Youth smoking prevention

Minors should not smoke and should not be able to obtain tobacco products. This belief is central to our Codes of Conduct, marketing practices, and the way we do business

5.

Accommodation between smokers and non-smokers

Many people have concerns about exposure to environmental tobacco smoke. We advocate tailored, practical, effective solutions that separate smokers and non-smokers while accommodating the legitimate interests of both

With sales in more than 120 countries, our international tobacco business has an additional principle, to ensure we are respectful of each country's culture, norms, legislation, and decision-making process.

For more detail on our tobacco principles, please visit www.jti.co.jp (in Japanese) and www.jti.com (in English).

Tobacco - *health risks, transparency, and regulation*

People smoke for pleasure, but there are real risks that come with that pleasure. Smoking is a cause of serious diseases, including lung cancer, coronary heart disease, emphysema, and chronic bronchitis. This conclusion has been drawn from studies that, taken as a whole, show that smokers are at a greater risk of developing these diseases compared to non-smokers, and that stopping smoking reduces this risk over time.

Accordingly, the JT Group believes that tobacco products should be appropriately regulated. We also believe in the freedom of adults to choose whether they want to smoke and that no one should smoke unless he or she understands the risks of doing so. These risks distinguish tobacco from most consumer goods, and they place a real responsibility upon the industry. It is a responsibility for which we expect to be held accountable, together with governments and the rest of society.

A transparent approach

Our principles establish openness about the health risks of smoking and transparency on the ingredients in our products as two core elements of our approach to business. Consumers also demand transparency, and providing detailed information is an integral part of helping them make informed decisions on whether to smoke or not.

Health risks of smoking

The JT Group believes everyone should be appropriately informed about the health risks of smoking. Our Japanese domestic and international tobacco businesses explain our positions on smoking and health through their websites. These positions are based on our programs of scientific monitoring and review, as well as wider engagements with the scientific and regulatory community.

Product transparency

Across our tobacco business, we respond to consumers' demands to know what ingredients are in our cigarettes and other tobacco products by providing information in 54 countries through online ingredients' lists. We provide information by tobacco product type, brand, and location, with full inventories of key materials and ingredients such as cigarette papers, filtration materials, adhesives, inks, and flavorings. We also provide ingredient information when requested by governments while ensuring that our trade secrets are respected and protected. For more information please visit <http://www.jti.co.jp/corporate/enterprise/tobacco/responsibilities/guidelines/additive/brand> (in Japanese) or <http://ingredients.jti.com>.

Regulatory landscape

Due to the risks associated with tobacco products, our position is that appropriate and proportionate regulation of the tobacco sector is both necessary and right.

As an industry, the tobacco sector is facing increased review and regulatory change. Globally, the Conference of the Parties of the World Health Organization (WHO) Framework Convention on Tobacco Control continues to progress guidelines that cover a wide range of product issues for countries to consider in implementing regulation. In 2014, the European Union has introduced further regulation on tobacco products, and in the United States, the Food and Drug Administration (FDA) is establishing regulation for many aspects of tobacco product design, manufacturing, and evaluation.

We monitor and respond to emerging regulatory developments to ensure that we are well positioned for constructive dialogue with regulators on issues affecting the development and compliance of our products.

A scientific approach

We take a scientific approach to understanding our products and their quality, health risks, and their development and compliance with regulation. We apply global standards from bodies such as the International Organization for Standardization (ISO) or from scientific societies such as the industry-supported Cooperation Centre for Scientific Research Relative to Tobacco (CORESTA). Where such standards do not exist, we have our own internal research and testing programs.

Our tobacco ingredients are examined through an extensive range of testing programs to ensure that the ingredients we use do not increase the inherent health risk of tobacco products. We also review emerging science to ensure that all of the standards we apply are updated and adapted to new findings and techniques.

The aim of these activities is to ensure full compliance with existing regulations and to provide appropriate understanding of the health risks associated with tobacco use.

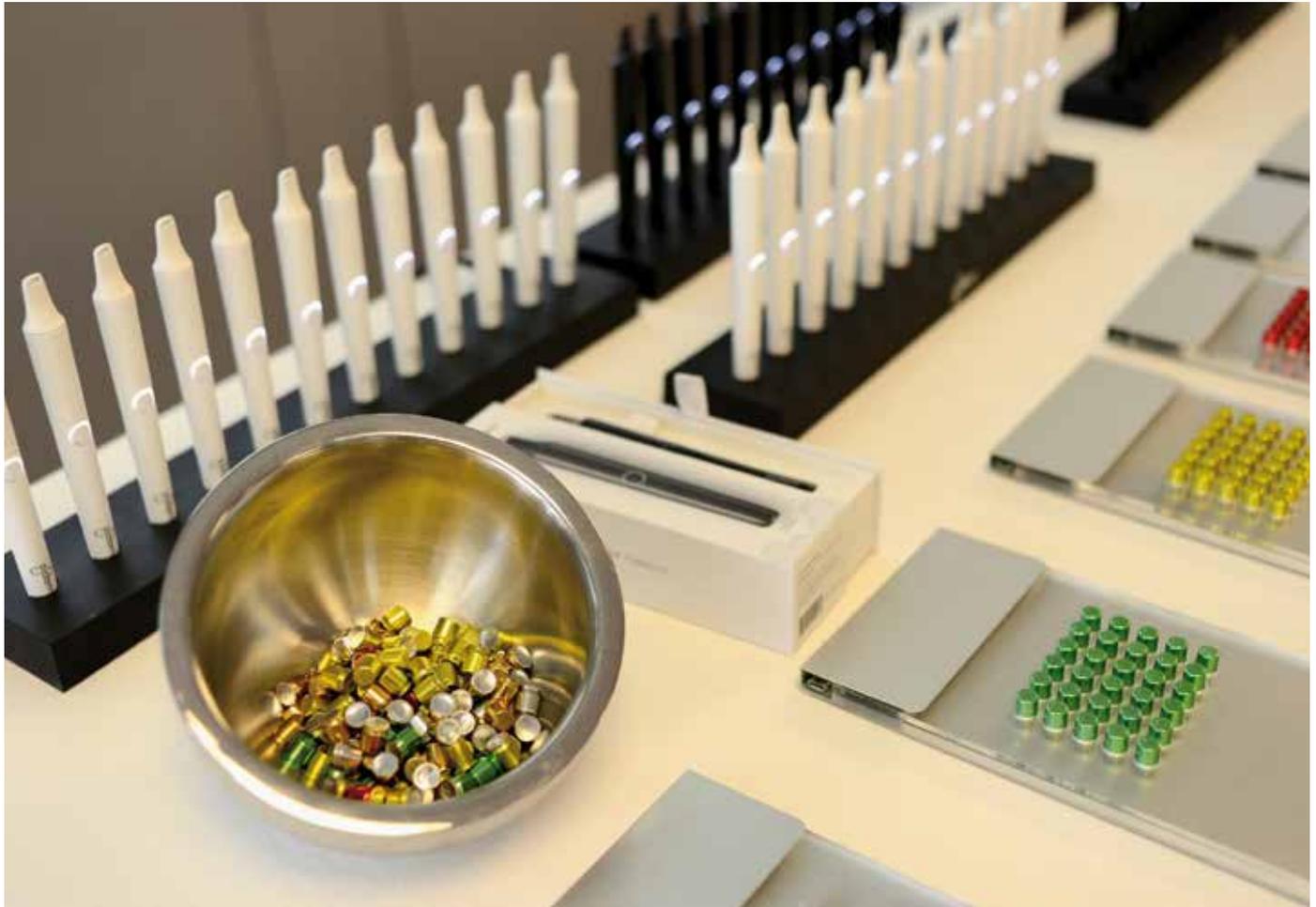
Potentially reduced-risk products

While the health risks of tobacco use cannot be completely eliminated, the JT Group is committed to developing potentially reduced-risk products that are acceptable to adult users of tobacco products. We continue to research products that may reduce health risks, such as oral smokeless tobacco products and those that heat rather than burn tobacco.

At the regulatory level, work is underway to establish a more detailed understanding of the health risk of these products. In the United States, for example, the FDA has provided guidance on how such 'reduced-risk' could be assessed.

Tobacco - *product innovation*

Product innovation is extremely important to the JT Group and supports our growth and profitability. It is critical to remaining competitive and responding to evolving consumer trends in a rapidly changing environment. Product innovation focuses on a broad range of areas, from traditional and emerging products to packaging and manufacturing processes.



Ploom - smokeless tobacco vaporizer

Focusing innovation on consumer needs

The main driving force behind product innovation in traditional products is meeting consumer needs. We use consumer trends and insight to identify opportunities for innovative concepts and technologies that will work in the marketplace. We also consider industry analysis, market data, and the regulatory landscape when defining the focus of our product research and development (R&D).

In 2013, the R&D and EHS teams from our international tobacco business worked together to assess the environmental impact of our product and packaging design. We are conducting a life cycle analysis (LCA) study to compare the carbon emissions and other environmental impacts of using different packaging materials.

Emerging products

We are committed to meeting consumer demand for emerging products. Although the regulatory backdrop for emerging products is not yet established, we are building our expertise in this area and continue to research emerging products, some of which may reduce health risks.

Consumer needs are increasingly diverse, and their interest in emerging products is evolving. We already have a number of commercial products on the market that fit into the emerging product category. These include Ploom, the only smokeless tobacco vaporizer offered by a major tobacco company, and Zero Style, a smokeless tobacco product available in Japan. We have five main approaches regarding emerging and potentially reduced-risk products:

- We will strive to offer satisfaction and pleasure to meet consumers' evolving needs
- We will develop a product portfolio and pipeline focusing on three areas: tobacco vapor; e-vapor, which is non-tobacco based; and other emerging products
- We will continue to pioneer early commercial launches, as with Ploom and Zero Style
- We will continuously engage with regulators in markets where we launch our emerging products
- We will conduct scientific studies for potentially reduced-risk products

Tobacco - *responsible marketing*

Our view is clear: tobacco products carry risks to health. We therefore support the implementation of evidence-based, practical, effective, and proportionate regulation that governs the marketing of tobacco products while preserving our right to communicate with adults who use those products.

We believe that:

- Minors should not smoke and should not be able to obtain tobacco products
- Adult smokers should be appropriately informed about the health risks of smoking before they make the decision to smoke

We are committed to marketing products responsibly. The JT Group markets its tobacco products to adult smokers in order to maintain brand loyalty and to encourage adult smokers of competitor brands to switch to its products.

The JT Group does not market its tobacco products to minors and does not market its products in order to encourage anyone to take up smoking or to discourage anyone from quitting.



Our marketing standards

Today, our Japanese domestic tobacco business complies with an industry self-regulatory marketing standard set by the Tobacco Institute of Japan (TIOJ) as well as local laws and regulations. The TIOJ marketing standard is in line with Article 40 of the Tobacco Business Law as the Guideline Concerning Advertising of Tobacco Products.

With products distributed in more than 120 markets, our international tobacco business applies a single internal Global Marketing Standard (GMS) wherever our products are sold. We comply with all national laws and regulations concerning the advertising and promotion of our products. In addition, we apply this internal standard when applicable laws and regulations are more permissive, silent on the particular issue, or wholly absent.

The standard covers all aspects of marketing, including print, billboards, electronic media, promotional events, brand sponsorship, and health warnings on packaging and on advertising and promotion materials.

Compliance

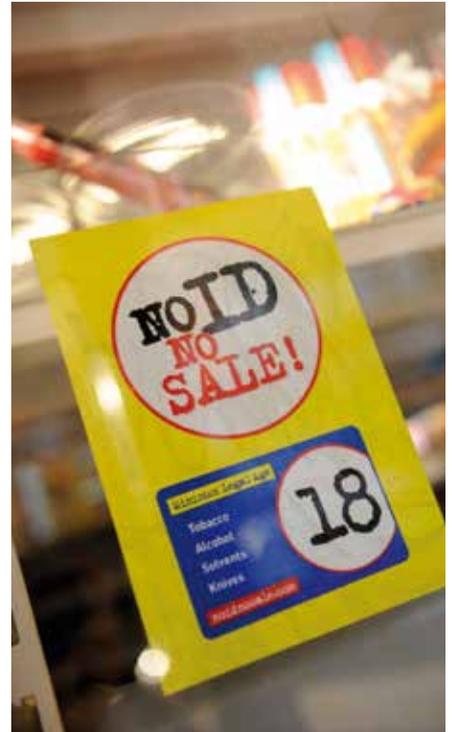
In our international tobacco business, our Code of Conduct requires that all employees and appointed agencies, third-party suppliers, service providers, and distributors fully comply with the GMS.

Compliance reviews are undertaken locally. All marketing programs are reviewed and approved to ensure compliance with regulations, and to ensure that our internal marketing standard is correctly applied in all countries where we operate, including markets where our standard is more restrictive than national laws and regulations.

Preventing youth access to tobacco

The JT Group's position is that minors should not smoke and should not be able to obtain tobacco products. This is central to our Codes of Conduct, our marketing practices, and the way we do business.

We believe that tobacco manufacturers, retailers, regulators, and educators have a common interest in preventing minors from accessing tobacco. Alternative solutions for preventing minors from obtaining tobacco products include fines and licensing restrictions for retailers who sell to minors, 'proof of age' programs, and the criminalization of, or imposing administrative sanctions for, proxy purchasing by adults. We participate with other tobacco companies and retail associations in ongoing programs to prevent minors from obtaining tobacco products.



Retailer training

Working with retailers

In our international tobacco business, we focus our activities on Retail Access Prevention (RAP) programs to prevent youth access to tobacco. In order to ensure a consistent approach to developing effective local programs, employees around the world use our Retail Access Prevention Toolkit to guide their planning process. The Toolkit provides background information, recommendations, and checklists for developing various RAP programs, and includes case studies to share good practice.

Trade seminars are one of the most efficient forms of mobilizing the retail industry. They are typically focused on helping retailers comply with minimum age legislation. The seminars help inform retailers on the problem of youth smoking as well as train them on how to cope with conflict situations that could arise at points of sale when complying with minimum age purchase laws. The seminars for retailers are often accompanied by panel discussions with local and national authorities, law enforcement agencies, consumer protection organizations, and media.

A recent example is a new pilot initiative launched with 4,800 retailers in Northwest England, which seeks to improve independent retailers' compliance with the law on underage sales. The program provides retailers with the tools and training to comply with the law and protect themselves and their businesses. If the pilot proves successful, we will roll the scheme out nationally in 2014 with cross-industry support.

Age restrictions on vending machines

In our Japanese domestic tobacco business, we have worked jointly with the tobacco industry and the Japanese Vending Machine Association (JVMA) to ensure that all tobacco vending machines are equipped with an adult identification system, such as the 'taspo' ID card system. The system ensures that vending machines will only work once a 'taspo' ID card is presented. Adult smokers must apply for an ID card with official documentation proving they are 20 years old or over. A photo is also printed on the ID card to prevent improper use, such as lending the card to other people, notably minors. At the end of March 2014, almost all of the tobacco vending machines in Japan were equipped with the 'taspo' ID card reader and more than 10.4 million ID cards have been issued.

Tobacco - *tackling illegal trade*

The illegal trade in tobacco products is a major concern for legitimate tobacco companies, including the JT Group, and for authorities responsible for regulating tobacco sales.

Illegal trade undermines legitimate tobacco manufacturers, distributors, and retailers. It also deprives governments of excise revenues and funds organized crime. In recent years, the criminal illegal tobacco market has grown while the legitimate tobacco industry has suffered major volume losses.

One of the main drivers of the illegal tobacco trade is a steep increase in taxes on tobacco products, and this often leads to large tax differences between (or within) countries, making tobacco smuggling or counterfeiting attractive to criminals. For more information please visit www.jti.com.



Counterfeit analysis

An evolving challenge

As governments, the tobacco industry, and law enforcement agencies work to shut down options for illegal trade, criminals continually change or develop new approaches to smuggling to remain undetected.

One example that is prevalent in Europe is the recent phenomenon of minor or local brands that are legally produced in one country with the sole intent of being smuggled and sold cheaply in other countries where they are illegal. Because of the legal complexities in stopping this production, this part of the illegal trade has grown significantly within the EU. A main contributing factor to this growth is the large tax differences between EU countries and their bordering states.

Our response

We take a stand against the illegal tobacco trade and our priority is preventing genuine JT Group products from entering illegal distribution channels. In addition, we will not tolerate the copying of the JT Group brands or the violation of our intellectual property rights. A key part of preventing our products entering the illegal trade is making sure we do not oversupply

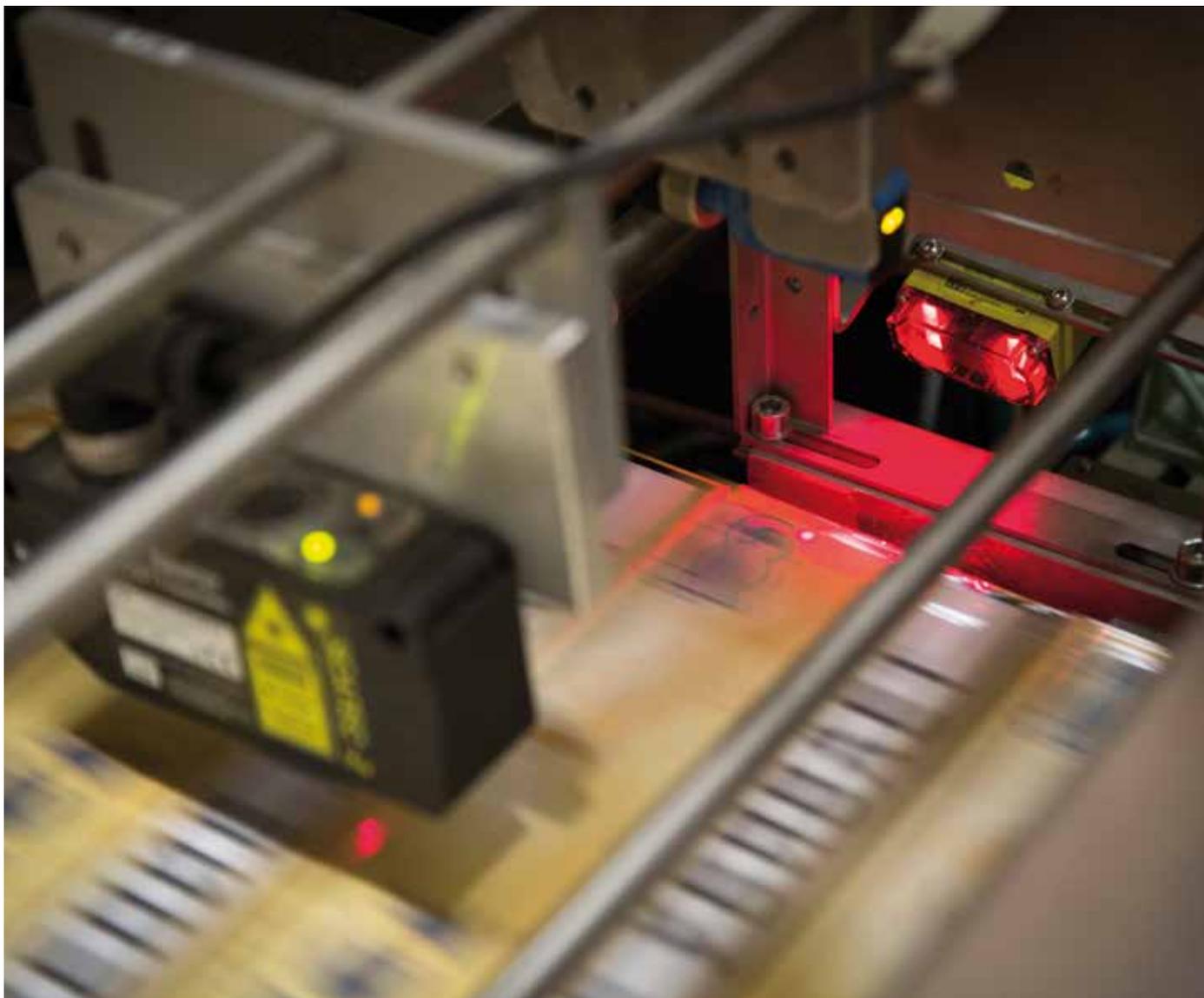
the markets where we operate. As a result, we take steps to ensure that we only supply tobacco products to our markets in quantities that reflect the legitimate consumption in the intended market of retail sale.

Dedicated team

We have an Anti-Illicit Trade (AIT) team dedicated to fighting the illegal tobacco trade, and we work to ensure that counterfeiters and others involved in the illegal trade are prosecuted to the full extent of the law. The team consists of more than 50 employees around the world, and includes former law enforcement officials, customs agents, and intelligence officers.

On average, we commit more than US\$25 million a year to anti-illegal trade activities, including a US\$400 million investment in a 15-year Cooperation Agreement with the EU signed in 2007 to combat the illegal trade of tobacco products in Europe.

The AIT team works both on preventing the illegal trade, trying to stop the flow of illegal tobacco products, as well as reactive activities, such as analyzing trends and data relating to illegal trade. In 2013, information from the AIT team directly led to the seizure of over 736 million illegal cigarettes worldwide.



Codentify technology

Working in partnership

Our prevention activities involve working with and supporting law enforcement agencies as well as engaging with governments and other stakeholders on the causes of the illegal trade and the ways to stop it. Our AIT team provides law enforcement agencies with information on illegal trade and conducts investigations, forensic examinations, and analysis of seizures. We also provide law enforcement officials with training on recognizing counterfeit products and support the training of tobacco sniffer dogs.

We identify illegal tobacco trends by collecting and analyzing the latest illegal tobacco data. This includes studies such as empty pack surveys, which provide a snapshot of a country's or region's exposure to the illegal trade. In 2013, we conducted empty pack surveys in more than 40 countries.

Using technology

The JT Group invests heavily in developing technology to combat the illegal tobacco trade. In many markets, we use the industry's 'Codentify' technology to mark our products with a unique identifying code. This helps to determine where tobacco products may have deviated from their intended distribution

route and into illegal channels. Codentify looks to replace commonly used paper tax stamps, which are easy to counterfeit and have proven to be ineffective in fighting illegal trade.

Secure distribution

With more than 100,000 international shipments of our products each year, we also have a specialist team focused on the security of our shipments and the protection of our employees, factories, distribution centers, and other infrastructure. In this area, we have a single common goal to ensure that the JT Group products reach consumers exclusively through legal trade channels in their intended retail market.

As a result of our illegal trade prevention measures, the presence of our products in seizures of illegal tobacco products continues to decline, and the presence of recently manufactured products in the illegal trade reached an all-time low in 2013.

Tobacco - *products' environmental impacts*

Our products have a number of environmental impacts related to their use and disposal and the two main issues are environmental tobacco smoke (ETS) and litter, which we deal with at a market level.



Smoking lounge in Japan supported by JT

Environmental tobacco smoke

Environmental tobacco smoke (ETS), also known as second-hand smoke, is a mixture of the smoke that comes from the burning end of a cigarette and the exhaled smoke from smokers nearby. Compared to the smoke that a smoker inhales, ETS is aged and highly diluted.

Many people have concerns about exposure to ETS. In poorly ventilated areas, it can cause irritation of the eyes, nose, and throat. ETS may also worsen childhood respiratory tract infections, as well as some childhood respiratory conditions such as asthma. Based on current scientific evidence, we do not believe the claim has been proven that ETS is a cause of diseases such as lung cancer, coronary heart disease, emphysema, and chronic bronchitis.

One of the main concerns over ETS is that it can be a nuisance to non-smokers. This is why we advocate tailored, practical, and effective solutions to separate smokers and non-smokers while accommodating the legitimate interests of both. We encourage all smokers to show consideration for those around them and strongly advise against smoking when children are present.

Practical solutions

We promote practical ways of avoiding ETS that accommodate the legitimate interests of both smokers and non-smokers. These include measures such as separate smoking and non-smoking areas, effective ventilation to control airflow and quality, and designated smoking areas, such as smoking lounges.

Properly ventilated smoking lounges can provide a comfortable environment for smokers and prevent others from being disturbed by ETS. We have worked closely with airport authorities to develop more than 220 smoking facilities in 13 international airports worldwide. One of the most recent opened at Poland's Chopin airport in January 2014.

In Japan, we consult with owners of office buildings, shopping centers, airports, and restaurants to help them create a better environment for smokers and non-smokers to co-exist. We also hold a 'Smokers' Style' competition annually calling for innovative ideas for better smoking spaces.

Litter

Litter from tobacco products, in particular cigarette butts, is an issue that calls for collective responsibility, including from smokers, the tobacco industry, local authorities, NGOs, and businesses. A litter free environment is of benefit to everyone, smokers included. Some of our initiatives to address this issue include anti-litter campaigns and localized programs to raise awareness and offer solutions to help avoid cigarette litter.



Portable ashtrays distributed in Italy



'Pick Up Litter and You Will Love Your City' campaign in action



Long-term commitment in Japan

Our Japanese domestic tobacco business has run a community clean-up campaign called 'Pick Up Litter and You Will Love Your City' since 2004. The campaign aims to raise awareness of the problem of public littering and to encourage people to behave more responsibly by picking up litter from the streets. Now in its tenth year, the campaign operates in collaboration with local governments, companies, and volunteer groups and has held more than 1,580 events, bringing together 3,170 participating organizations. The total number of people involved has reached almost 1.48 million and in total, approximately 740 tons of litter have been collected over the course of the program.

Love your city, love your mountain

In Switzerland, we launched a campaign in 2009 called 'I love my city' to raise awareness among smokers about cigarette butt litter. Through the program, free

portable ashtrays were distributed in several cities. The same campaign was also adapted for Swiss ski resorts under the tag line 'I love my mountain'. So far, over 100,000 personal ashtrays have been distributed.

Promoting responsible consumer behavior in Italy

In Italy, we have been distributing portable ashtrays to smokers since 2008 through a variety of distribution channels and partners, such as la Biennale di Venezia, the Rome Film Festival, Teatro alla Scala Museum, and marine environmental association, Marevivo. By the end of 2013, we had distributed more than four million portable ashtrays.

To support this process, in 2010 we launched 'JTI Clean City Lab', an international design competition open to students of European design schools with the aim of creating a portable ashtray of the future. We run the competition every year with a different design theme, and an exhibition of entries is held during Milan

Design Week. In 2013, university students in Italy, Spain, Switzerland, and the United Kingdom took part in the competition with a theme to design an area where smokers and non-smokers can socialize.

Volunteering for cleaner parks

In October 2013, we ran a volunteer clean-up initiative in Tbilisi, Georgia. Working in one of Tbilisi's central parks, our volunteers collected over 70 bags of waste, including cigarette butt litter. The response to the event from park users was very positive with many thanking volunteers for their efforts. We plan to run similar events twice a year.

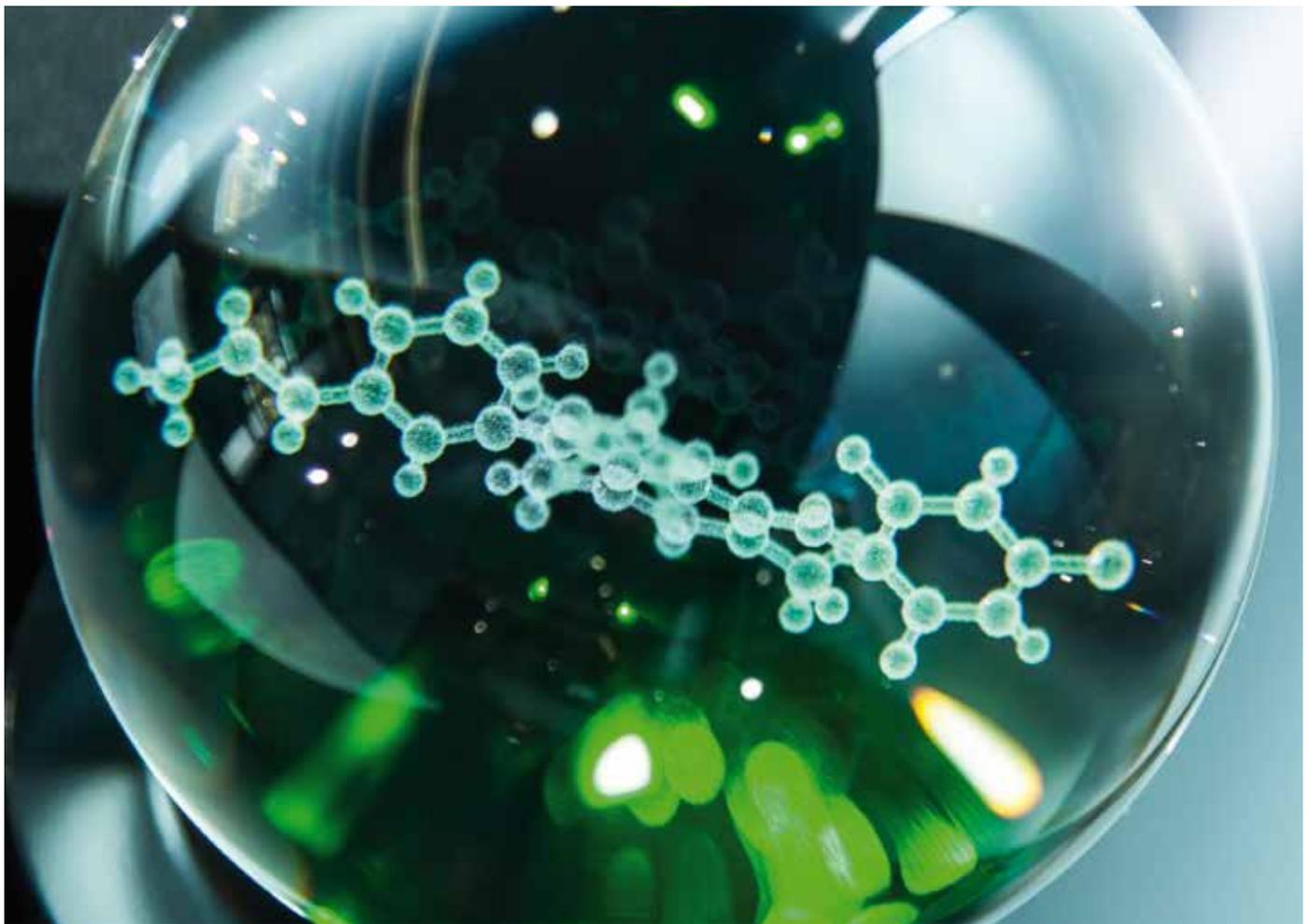
Pharmaceutical - *product responsibility*

The JT Group's pharmaceutical business has a mission to create original and innovative drugs for patients suffering from diseases around the world. In doing so, we aim to alleviate patients' illnesses and to ensure our pharmaceuticals are safe and secure to use.

Responsible research and development

We have a rigorous system of checks in place to ensure new drug development complies with all relevant laws and industry standards. Our research activities are also carried out in an appropriate and ethical manner, including the control of chemical substances, animal testing, and gene analysis.

<i>Metric</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>
Pharmaceutical R&D expenditure ^{2A} (billion Yen)	23.4	24.9	30.7	30.5



3-Dimensional structure of trametinib, MEK inhibitor

Complying with pharmaceutical regulations and standards

New drug development is subject to a range of laws and regulations, including those requiring safety verification of drug ingredients at the pre-clinical stage and safety assurance for drug trials during clinical development. We have systems in place to comply with these laws and regulations and to control safety within drug development and trials through in-house audits to check that our operating procedures are correctly followed. We also gather data to monitor the efficacy and side effects of drugs on the market to help guide future drug developments and drug safety.

Managing chemical substances

We comply with all relevant laws and regulations on the control of designated chemical substances, and our employees are made aware of chemical safety risks and management. Our Central Pharmaceutical Research Institute leads the JT Group's new drug development and is responsible for our chemical substances management system. Torii Pharmaceutical, our pharmaceutical subsidiary, separates chemicals into different categories requiring different levels of management. Each category has specific rules and procedures that respond to the particular characteristics and safety risks of different groups of chemicals.

Ethical considerations in research

In order to examine the ethical and scientific validity of our research projects, we have established an Ethics Review Committee for Clinical Studies, which conforms with the Ethical Guidelines for Clinical Studies in Japan. Our Ethics Review Committee on Human Genome/Gene Analysis also examines our research in accordance with the Ethical Guidelines for Human Genome/Gene Analysis Research issued by the Japanese Government.

Animal testing is an essential part of pharmaceutical research and development for determining the safety and efficacy of drugs. When conducting animal testing, our pharmaceutical business examines the scientific rationale, respects the lives of animals, and always takes animal welfare into consideration. We have established in-house standards for managing animal testing and the breeding of laboratory animals in accordance with the Japanese Law for Humane Treatment and Management of Animals and its relevant guidelines.

Our practices for the proper management of animal testing at our Central Pharmaceutical Research Institute were externally certified by the Japan Health Sciences Foundation. We have also established an animal testing committee, which reviews animal testing and ensures it is conducted in accordance with the 3R concept, which covers:

- Replacement: where possible, opt for test methods that do not use animals
- Reduction: minimize the number of animals used in testing
- Refinement: do not let laboratory animals suffer unnecessary pain

Responsible marketing

Across the pharmaceutical industry, medical representatives (MRs) play a crucial role in the sale and promotion of medical supplies. In Japan, Torii Pharmaceutical markets our products through a team of 485 highly trained MRs. Outside Japan we license our drugs to other pharmaceutical manufacturers and do not have a sales function.

The JT Group is a member of the Japan Pharmaceutical Manufacturers Association (JPMA), an industry association of the pharmaceutical industry in Japan, and we comply with the JPMA's 'Code of Practice'. Launched in 2013, the Code of Practice promotes high ethical and transparency standards for pharmaceutical companies in the promotion of their medical supplies and prescription drugs. Part of the Code is a requirement for JPMA members to establish their own company code of practice in this area.

To comply with this requirement, Torii Pharmaceutical has established its own code, and we hold training sessions and seminars to ensure employees and MRs understand and abide by both Torii Pharmaceutical's as well as the JPMA Code of Practice.

We also adhere to the JPMA's 'Transparency Guideline', which promotes public disclosure and accountability for payments from pharmaceutical companies to healthcare professionals and medical institutions. For more information on the JPMA Transparency Guideline and Code of Practice, please visit www.jpma.or.jp.

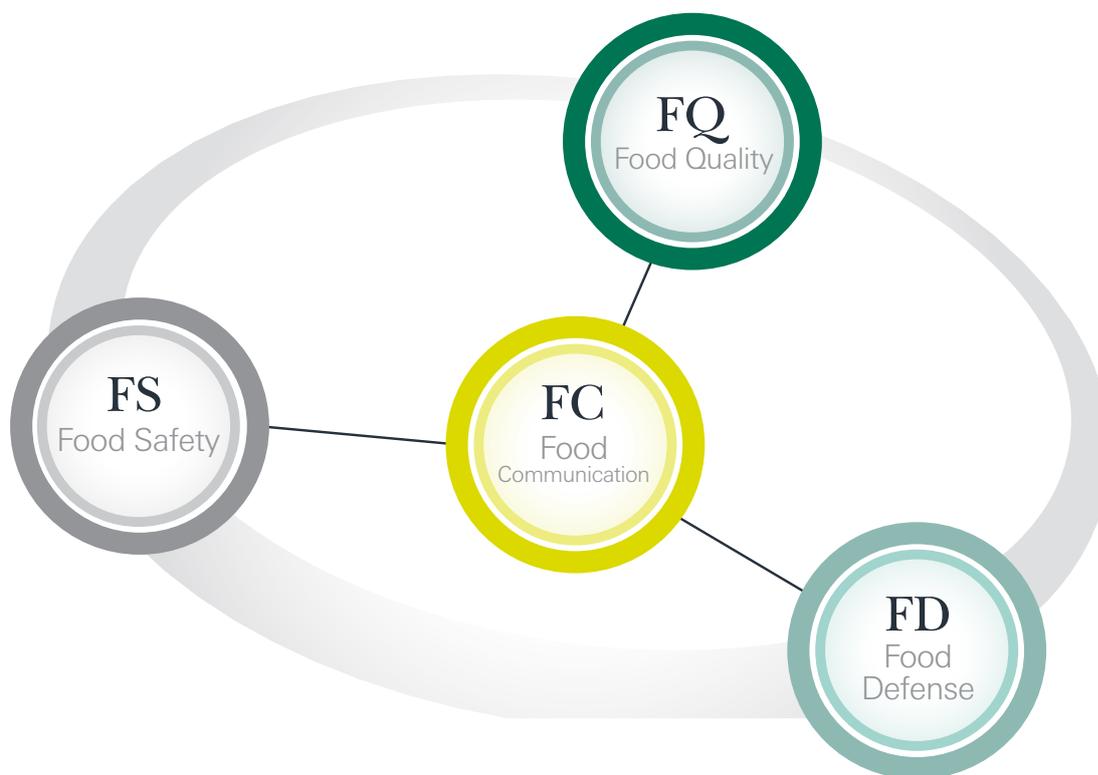


Beverage and processed food - *product responsibility*

In our beverage and processed food businesses, we aim to meet consumers' needs with the highest-quality and best-tasting products. Food safety is one of the JT Group's main priorities, and we will continue to maintain the highest standards for safety control to provide consumers with safe and reliable products.

Delivering safe, high-quality products

To ensure our consumers enjoy high-quality and safe beverage and processed food products we focus on four distinct areas: food safety, food defense, food quality, and food communication. Activities in these areas ensure we have a rigorous quality and process control system to guarantee food safety in every part of our beverage and processed food businesses, from raw materials procurement to manufacturing and distribution.



Food safety

Each of our beverage and processed food businesses has an independent Food Safety division to monitor and control food safety. We analyze product-specific food safety risks and conduct inspections and audits in line with these risks. Across the JT Group, our beverage and processed food businesses hold a food safety meeting every quarter to review food safety initiatives and share best practices.

All of our Group and third-party contract frozen food factories are certified to the ISO 22000 food safety management system.

Factories are subject to regular external certification audits as well as unannounced audits to ensure compliance. Our beverage business does not have any manufacturing operations, and all production is outsourced to third-party manufacturing partners. We encourage our third-party suppliers to certify their factories to the FSSC 22000, a complete certification scheme for food safety systems.

FSSC 22000 certified beverage business partner factories (%)	66.7
ISO 22000 certified frozen food factories (%)	100



Pre-harvest inspection of vegetables

Food defense

Food defense involves protecting our manufacturing processes and products from the risk of intentional or accidental contamination. We have an integrated risk management program in this area and follow established risk management policies, procedures, and audits. TableMark, our processed food subsidiary, has created a food defense guideline that applies to all factories and distribution centers, as well as contract manufacturers. The guideline outlines specific security management measures to enhance our food defense. These include:

- Tight control of facilities, water sources, and toxic substances
- Establishing restricted areas for both employees and visitors
- Restrictions on personal belongings in factories

Working with business partners on food quality and defense

In 2013, our beverage business held a quality assurance and food defense seminar for 23 people from our manufacturing partners. The seminar focused on measures to raise product quality, which is an important issue for our beverage business as all manufacturing of our brands takes place in third-party factories.



TableMark's Uonuma Mizunosato Factory in Japan

Food quality

Quality management is established across the entire beverage and processed food supply chain through certification to ISO 22000 or FSSC 22000. We collect and monitor consumer satisfaction data to assess the quality of our products and implement product improvements on an ongoing basis.

Food communication

We provide a range of information to consumers about our products, including disclosure of ingredients and traceability information. We also give details of food safety control programs on our websites to provide assurance to customers on product safety.

In our processed food business, we disclose the factory where products are manufactured and the origin of the main ingredients. Consumers are also provided with traceability information on our website for some packed cooked-rice products, which includes specific data on where the rice was grown, the factory of manufacture, production dates, and details relating to suppliers.

Customer feedback, both positive and negative, helps us to understand and maintain the quality of our products. Our consumer complaints management system is compliant with ISO 10002, the international standard for customer satisfaction. We also provide toll-free numbers on product labels to give consumers the opportunity to request additional information.