



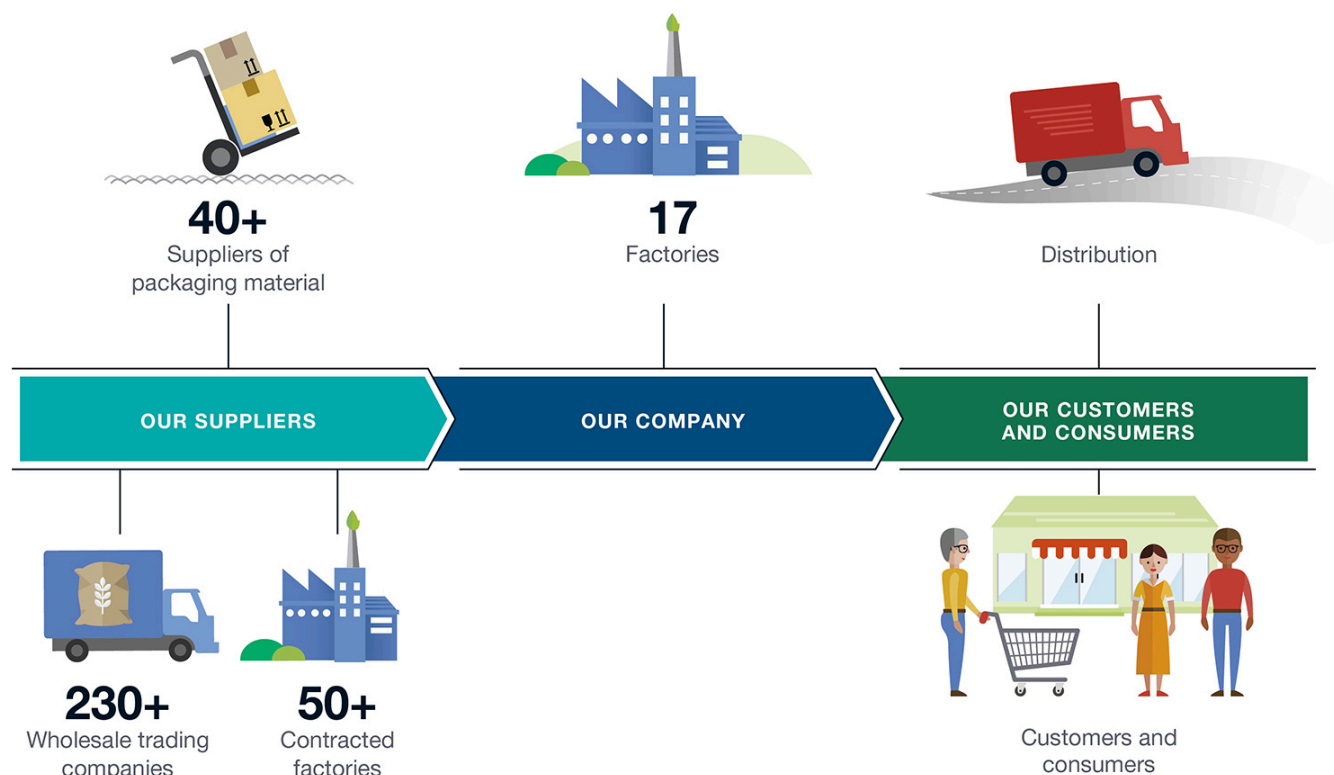
# Processed food business

## Overview

We want everything we make to be delicious in every way - but that is not all. We set out to fill meals with joy and make the dining table a fun, lively place to be. Together with our fellow food lovers, will stay focused on our customers' daily lives and address the wide array of issues in the evolving, diversifying world of food and continue to inspire fulfilling moments that enrich life through food.

We are 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

The JT Group Materiality sets out five priority material issues. Based on the JT Group Materiality, we have set the JT Group Sustainability Targets with specific goals and initiatives. The following are our primary initiatives in the processed food business.

Materiality		Target items	Targets
Value creation that exceeds consumer expectations		Food inclusion	We will be aware of the diversifying values and interests of our consumers. Most of all so that our consumers can enjoy delicious food, we will not only exclude certain raw materials, but also develop and provide high-value-added products, such as allergy-friendly products, products that do not use ingredients derived from animals, or products that are health-conscious and satisfy other preferences.
		Emissions reduction	We will promote energy-saving initiatives and introduce renewable energy to contribute to the Group's emissions reduction targets and to improve impact on environment. *Scope1&2: 47% reduction, Scope3 Category1: 28% reduction, both against a 2019 base line year, by 2030
Living with the planet		Promoting the use of eco-friendly packaging materials	We will reduce packaging weight and utilize renewable plant-based resources to reduce environmental impact of its products.
		Waste reduction and recycling	We will pursue waste reduction to contribute to a circular society and will aim to recycle 95% of all waste from its Japanese domestic sites (excluding waste heat recovery).
		Protecting water	We will pursue efficient water use and wastewater quality management to preserve water stewardship as a member of the local community.
		Diversity, equity and inclusion	We will promote organizational building for our diverse human resources to thrive and take active roles. In this context, we will work to empower women, with a view to contributing to the JT Group's target for women in leadership.
Investing in people and provide motivation		Health and safety	We will aim for injury rates to or below 0.63 by 2030, with a view to achieving Zero workplace injuries.
		Sustainable supply chain	Through the JT Group Supplier Code of Conduct and supplier questionnaires, we will work jointly with, share its values and communicate closely with its suppliers to realize a sustainable supply chain.
Responsible supply chain management		Safe, secure and high-quality products	We will promote food safety management in compliance with global food safety standards to develop the highest level of food safety. While working on enforcing food safety and quality assurance, we will also enhance the way it communicates with consumers to provide them with safe, secure and high-quality products.
Good governance			

## Sustainability strategy of processed food business

Four strategic focus areas	Aspirational goals	Targets	Progress	SDGs
Products and services	We will continue to provide high-quality, technology-driven products in response to our customer's needs, to satisfaction and trust.	<b>Improving Consumers' Quality of Life</b> We will develop and provide high-value-added products with a focus on "health," "convenience," and "diversity," in response to diverse consumer needs.	We stay close to ever-diversifying customer values and interests and develop and offer high-value-added products. One of the initiatives is the Beyond Free line of products introduced in 2023. This line offers authentic flavors without using specific ingredients or components. We offered staple menus such as rice or noodles as well as side dishes and desserts to color the dining table.	
		<b>Enhance Job Satisfaction</b> We will further improve job satisfaction by promoting talent development in a secure and motivating workplace.	We provide tier-based trainings tailored to the employee's growth issues. For example, growth support specific to each employee's growth stage, or human resource development for next-generation leaders involving multifaceted perspective.	
People	We will ensure workplace safety for our employees, while continuously investing in people who can contribute to enhancing corporate value.	<b>Zero Injuries</b> In line with our vision of zero workplace injuries, we will reduce injury rates by 25% by 2025 and 50% by 2030. (Baseline year: 2018)	Recordable injury rate <sup>*1</sup> decreased 4.75% from 0.90 in 2018 to 0.86 in 2023. We will continue to improve the safety awareness of our employees, while we aim to reduce the number of occupational accidents. We will do so by providing detailed responses that take into account the circumstances on-site. 	 
		<b>Community Investment<sup>*2</sup></b> Between 2015 and 2030 we will invest US\$600 million to help make communities inclusive and resilient, with our employees contributing 300,000 volunteering hours.	Since 2015, we invested USD 500 million in our communities and employees volunteered 218,070 hours on company time. 	    
Supply chain	We will reduce social and environmental impacts and continue to deliver safe products to consumers.	<b>Establishing Corporate Brand as Safe and Trustable Food Company</b> We will promote food safety management in compliance with global food safety standards to develop food safety. We will also enhance the way we communicate with customers so that they retain trust in our food quality.	We continued to reinforce our quality assurance system through concerted effort among Group firms, including mutual inspections and training as well as regular inspections of both our own factories and those of our outsourcers. Through internal training, we build employee awareness and nurture corporate culture in support of food safety. We continuously review the FAQ page of our website so that customers can find answer to their questions efficiently.	
		<b>Promoting Use of Eco-friendly Packaging Materials</b> We will promote the use of renewable plant-based resources and reduce our use of non-renewable resources, to reduce the environmental impact of our products.	We adjusted specs for packaging, made trays thinner or completely removed them to reduce the volume of packaging materials used and waste generated. We implemented an initiative to reduce the volume of plastics we use by making plant-use plastic bags thinner or replacing them with bags made of recycled materials.	  
		<b>Waste</b> We will reduce the amount of waste per unit of production volume associated with our Japanese domestic offices by an average of 1% per year.	In 2023, we reduced the volume of waste generated per unit of production volume associated with our Japanese domestic sites by 4.8% from 2022.	

<sup>\*1</sup> Recordable injury rate = Recordable injuries/200,000 hours worked.  
<sup>\*2</sup> Target for Community Investment is a Group-wide targets.



## Our business operation and sustainability

In the processed food business, we are working to develop and provide high-value-added products so that everyone can freely enjoy what they want to eat, while staying close to the diversifying values and interests of our customers. As part of this effort, TableMark Co., Ltd. is working to provide authentic and delicious free-from food in the "BEYOND FREE" category, where specific raw materials and ingredients are excluded.



Brand New 植物由来。 Brand New おいしい。



[Read more about our initiative here >](#)

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Processed food

Our business  
operation and  
sustainability

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## Our business operation and sustainability

Food  
safety



Food  
defense



Food  
quality



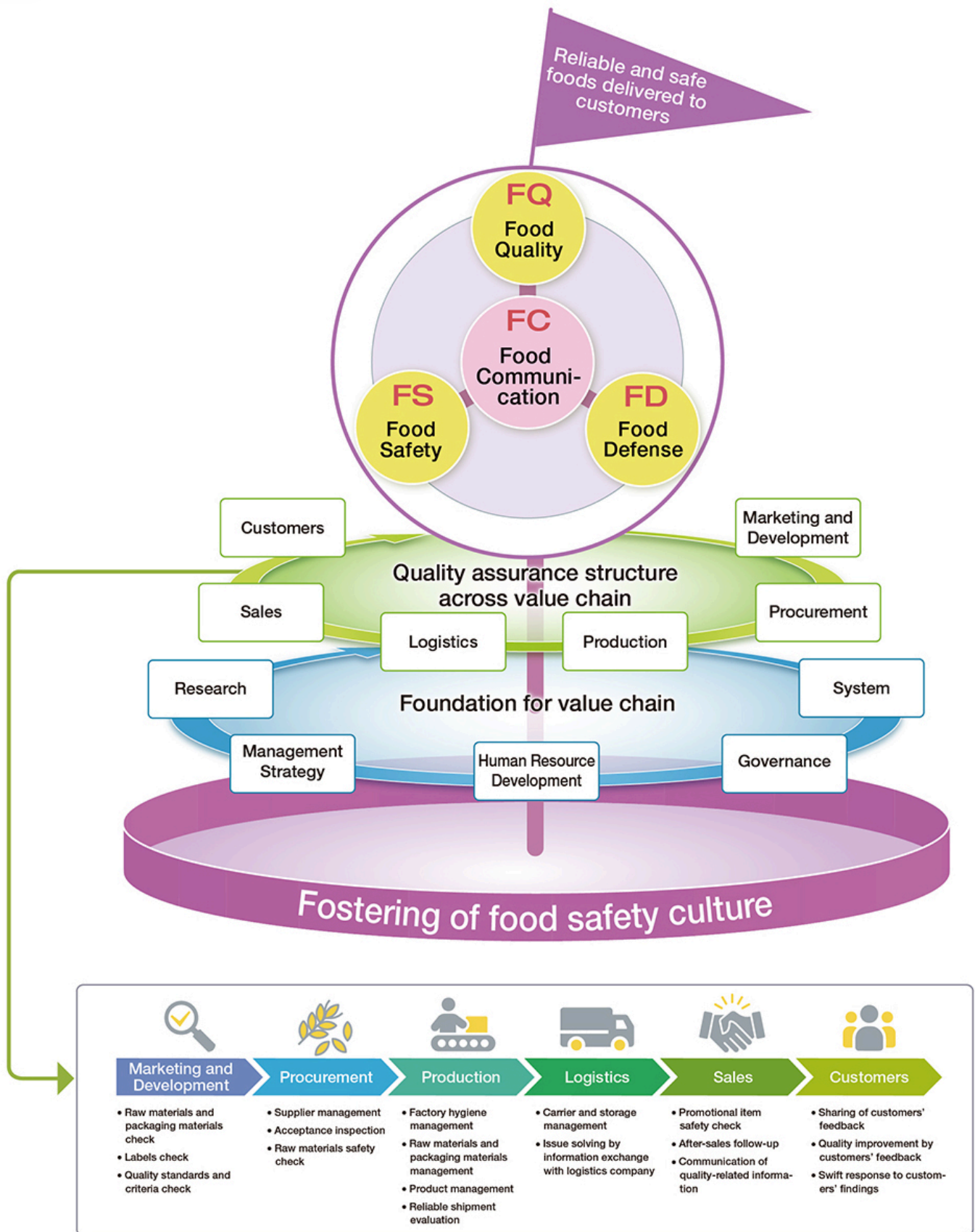
Food  
communication



Environment



To realize our business Purpose, “Bringing Joy to Meals and Fun to the Table,” and deliver safe, high-quality products to customers, we have a rigorous quality and process control system based on four priorities: food safety, food defense, food quality, and food communication. This kind of effort is not the exclusive purview of the production and quality-assurance divisions. We foster a corporate culture that encourages all employees to be aware of the importance of food safety and promote it through the groupwide quality-assurance system across our entire value chain, from product development to delivery to the customer.



## Food safety standards



Our processed food business has 24 factories, which produce a variety of food products, from frozen and ambient foods and seasonings. 16 of these factories are located in Japan, and 8 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 our products are requested to meet food safety standards such as ISO 22000 or FSSC 22000, as an assurance that an adequate food safety management system is in place.

We also work with multiple independent advisors, who have helped to develop our approach to food safety since 2008. We have two advisers to give us useful recommendations and suggestions about food safety and encourage a greater employee awareness about quality control through lectures on food safety and consumer consciousness about it.

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.

There was one product recalls of our food products in 2023. We are working hard to enhance food safety and product quality assurance to eliminate the likelihood of recurrence.

\* One of our factories, which started its operations in 2020, is on track to receive this 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. We also carry out annual audits to check how well these guidelines are being implemented.

We are continuously strengthening our food defense mechanisms. We are working on further utilization of factory cameras and enhancement of our drug management system both in our own factories and our contracted factories.



## 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 expert committee enables us to effectively respond to our consumers' recommendations. The Committee includes not only members of the Quality Control division, but also representatives from many other divisions, such as Product Development, Manufacturing, Distribution, and Marketing and Sales.

Our consumer complaints management system is based on ISO 10002, the international standard for customer satisfaction and complaints handling. To enhance the quality of our correspondence with consumers, in 2016, 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




Transparency is at the heart of our business, and 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.

We have toll-free numbers on our product labels which consumers can call for extra information. In addition, in order to respond to customer feedback more quickly, TableMark Co., Ltd. is improving the inquiry form on its website year by year.

To develop products from the customer viewpoint, in 2020 we built a system to facilitate the communication of customer opinions to all employees via our internal network. We will continue workplace reforms to help each employee easily hear customer feedback.

## Reducing our environmental impacts

### Reduction of Greenhouse Gas Emissions

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 started its operations in 2020, uses rice husks as an alternative fuel source. This system is expected to significantly reduce purchased electricity usage and the resultant Scope 2 greenhouse gas (GHG) emissions by 6,300 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.

In February 2024 the Kanaya factory of Group firm Fuji Foods Corp. (Shimada City, Shizuoka Prefecture) started operating its solar-energy system as part of an Onsite

Power Purchase Agreement (PPA). With this the firm projects a reduction of greenhouse gas emissions from the factory by about 13% from pre-installation levels.



## Eco-friendly packaging initiatives

### Removing the inner film



We have removed the inner film from the packaging of our "Okonomiyaki" range of Japanese savory pancakes. Through this initiative, we have reduced the amount of plastic raw materials we use annually by approximately 31 tons. This change also reduced our CO2 emissions by approximately 145 tons.

Before



After



### Biomass plastic as a raw material for the packaging



A by-product of rice milling is crushed rice: rice that is broken during the milling process and can no longer be used for manufacturing. In a first for the industry, we are now using the domestic carbon-neutral biomass plastic RiceResin<sup>®</sup>\*, which contains 10% crushed rice generated by our Group, as a raw material for the packaging of some of our cooked rice products. In addition to using RiceResin<sup>®</sup>, we have reduced the amount of petroleum-based plastic in our packaging by around 4.2% compared to conventional products. We have done this by making the exterior film even thinner.

\* RiceResin<sup>®</sup> is a registered trademark of Rice Resin inc. Old rice that is not edible and crushed rice generated during rice milling are upcycled into plastic using new technology.

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