

Quality management

Approach

GRI416-DMA

GRI417-DMA

- ▶ Group Shared Policy on Quality
- ▶ Group Shared Policy on Food Safety

Since our founding, the Ajinomoto Group has endeavored to put the customer first through our commitment to the safety of products and services. To provide product safety, it is essential to implement comprehensive quality assurance systems and proper disclosure. In addition, we listen carefully and respond to customer needs to deliver products and services that earn the trust of customers and ensure satisfaction.

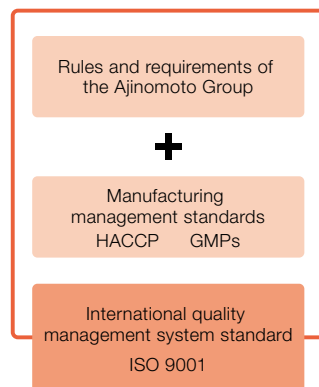
Ajinomoto System of Quality Assurance (ASQUA)

The Ajinomoto Group has our own quality assurance system, ASQUA. As of March 2020, 100 Group companies have implemented.

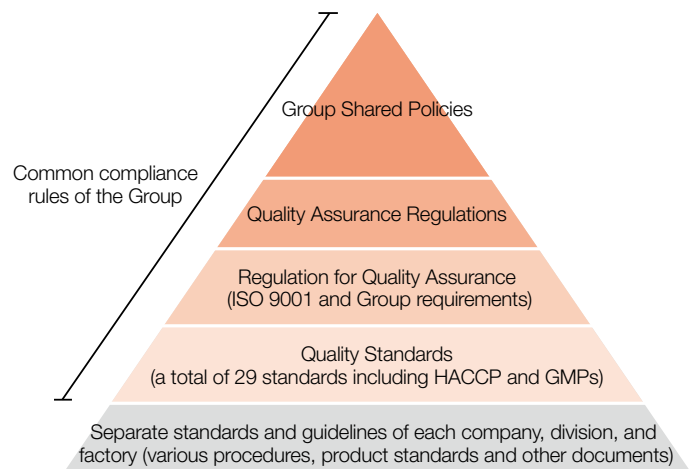
The core of ASQUA is based on ISO 9001, the international quality management system standard. We supplement this standard with other manufacturing management standards such as the Hazard Analysis and Critical Control Points (HACCP)^[1], Good Manufacturing Practices (GMPs)^[2], and the Group's own rules and requirements. ASQUA is composed of Group Shared Policies^[3], and associated quality assurance rules, regulations and standards, as well as other rules established by each internal organization.

Quality standards ranging from development and raw materials procurement to sales and customer communications. We review these standards constantly in light of internal and external trends. In fiscal 2019, we established new Quality Audit Standards, integrating the requirements for quality audits for each standard as described in regulation and standards of ASQUA.

ASQUA framework



ASQUA components



[1] Management standards for manufacturing foods in a safe and sanitary manner

[2] Standards relating to manufacturing management

[3] Group Shared Policy on Quality, Group Shared Policy on Food Safety

Assurance of Product Safety

Quality standards

- | | |
|---|---|
| <ol style="list-style-type: none"> 1. Document Control (1) 2. Educational Training (1) 3. Establish Specifications, Examination (3) <ul style="list-style-type: none"> •Establish Quality Specifications •Establish Packaging Material Specifications •Establish Examination Frequency 4. Quality Assessment (1) 5. Quality Audit (1) 6. Purchasing (2) <ul style="list-style-type: none"> •Quality Control of Ingredients •Quality Control of Subcontracted and Procured Products 7. Manufacturing (10) <ul style="list-style-type: none"> •Food GMP* •GMP for Food Additives* •GMP for Personal Care Ingredients* •GMP for Active Pharmaceutical Ingredients* •GMP for Pharmaceutical Drug Products* •GMP for Feed Use Amino Acids* •HACCP •Food defense[1] •Product Labeling •Safety and Sanitation of Food Packaging Materials | <ol style="list-style-type: none"> 8. Preservation and Transportation (2) <ul style="list-style-type: none"> •Preservation and Transportation of Products •Management of Warehouse 9. Quality Information (2) <ul style="list-style-type: none"> •Quality Information Management •Traceability 10. Handling of "Voice of Customer" (VOC) (4) <ul style="list-style-type: none"> •Responding to Complaints •Determination of Responding to Quality Emergencies •Handling of VOC •Effective Reflection of VOC 11. Accommodating Religious Beliefs (2) <ul style="list-style-type: none"> •Halal[2] Control •Kosher[3] Control |
|---|---|
- *Adapted to suit specific products

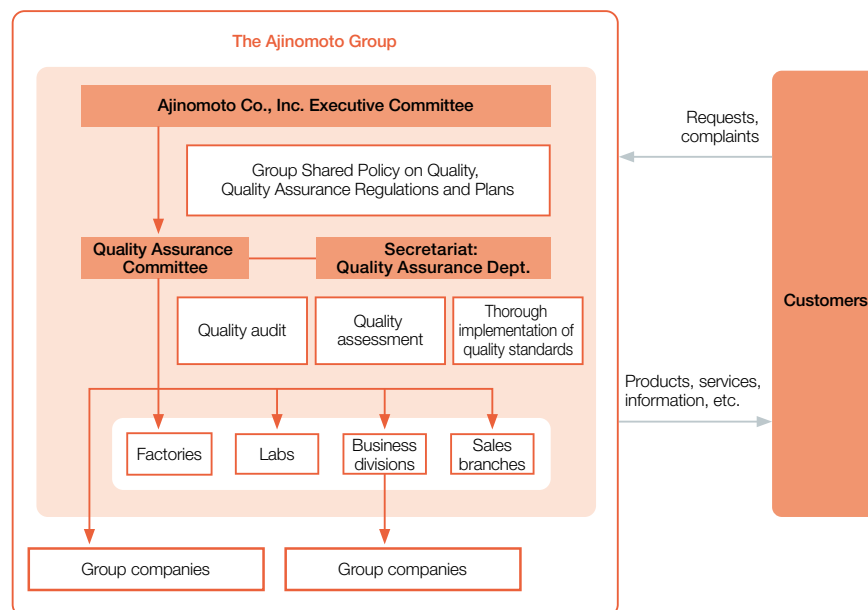
[1] Measures to prevent deliberate tampering with products. Monitoring is carried out at every stage, from raw material procurement to product sales.

[2] Halal means permissible and legitimate in Arabic. The word indicates things and actions that are allowable to use and handle under Islamic law. Halal also refers to foods that followers of Islam are permitted to eat.

[3] Kosher means fitting or appropriate in Hebrew, or foods that followers of the Jewish faith are permitted to eat.

Promotion framework for quality assurance

The Ajinomoto Group established the Quality Assurance Committee under the Executive Committee to deliberate policies and various measures regarding quality assurance. The Quality Assurance Committee drafts basic policies and plans based on customer feedback, and promotes Group-wide implementation once approved by the Executive Committee. The status of these policies is reviewed by the Quality Assurance Committee every six months.



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Obtaining and maintaining third-party certifications

The Ajinomoto Group encourages Group companies to acquire and maintain ISO 9001 certification. As of March 2020, 57 of 77 eligible Group companies have acquired ISO 9001 certification. For the eligible companies not yet certified (many of which are newly acquired or established companies), we work to build quality assurance systems for certification. In response to customer requests or other cases, the Group acquires certification of other standards such as FSSC 22000 approved by the Global Food Safety Initiative (GFSI).

Ajinomoto Group medium-term plan for quality assurance

The Group focused on the following quality assurance topics during fiscal 2017-2019. Refer to related sections for details related to each initiative conducted during fiscal 2019.

We will continue focusing on following themes throughout fiscal 2020-2022 as well.

Guidelines	Key targets
Keep faith with customers	Reduce product quality complaints and problems, and work harder to prevent issues
Fulfill customers' expectations	Secure attractive quality improvements and gain customer trust through interactive communications with customers
Aim for adequate management	Pursue through ASQUA-based quality assurance activities Develop human resources to improve quality assurance levels

Human resources development to raise quality assurance levels

The Ajinomoto Group focuses on human resources development to further improve quality assurance levels. Each year, we review our quality training plan, implementing systematic programs to meet the needs of individual organizations. Continuing with our efforts from the previous fiscal year, we expanded e-learning training programs in fiscal 2019, adopting virtual reality (VR) technology for quality audit training.

Main programs in fiscal 2019

■ Japan

- Quality training programs for Group employees
- Programs for quality assurance supervisors scheduled for posting to overseas offices
- Ajinomoto Management and Technical Conference on Quality for Group company officers and employees: Approx. 350 participants
- Quality study for newly appointed organizational heads, Group company heads, quality assurance supervisors and quality assurance management representatives (e-learning)
- ISO 9001 food product business operations training for newly transferred employees (e-learning)
- Quality audit staff training (using VR technology)

■ Overseas

- ASQUA School North America for quality assurance supervisors and plant QA managers in North America and Europe Regional QMS Meeting for Consumer Foods for quality assurance and quality management staff in Europe
- QMS Training Course for managers responsible for quality assurance at Group companies (e-learning)

Performance

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Assurance of Product Safety

Framework

GRI102-9
 GRI102-10
 GRI414-DMA
 GRI416-DMA
 GRI417-DMA
 GRI417-1

▶ Group Shared Policy on Quality
 ▶ Group Shared Policy on Food Safety

Framework / Performance

GRI102-9
 GRI308-1
 GRI414-1
 GRI416-DMA
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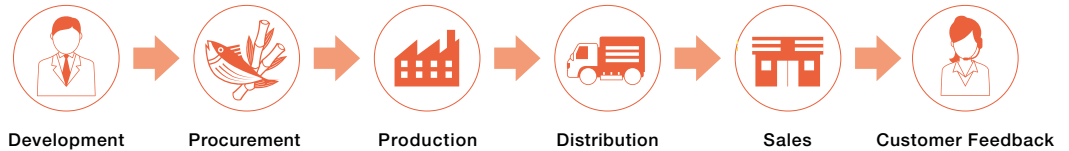
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Framework / Performance

GRI102-9
 GRI414-2
 GRI416-DMA
 GRI416-1
 GRI416-2
 GRI417-2

Quality assurance across the supply chain

The Ajinomoto Group practices strict quality assurance by applying the Ajinomoto System of Quality Assurance (ASQUA) globally at each stage, from product development to customer communication. Our efforts are guided by the Group Shared Policy on Quality and the Group Shared Policy on Food Safety.



Development

To deliver safe, high-quality products, the Ajinomoto Group implements strict quality assessments in each phase of the product development process in accordance with the ASQUA Standard for Quality Assessment. Only products that have passed all assessments reach the end customer.

Raw materials procurement

The Ajinomoto Group selects suppliers according to the ASQUA Standard for Quality Control of Ingredients. We control the quality of raw materials purchased from suppliers strictly through lot-by-lot inspections.

The Group works with our suppliers to improve quality and reduce quality risks through measures that include regular appraisals, quality audits, information sessions, and surveys. We make continuous quality improvements through close cooperation with suppliers. We selected and began transactions with 9 new suppliers during fiscal 2019.

Supplier audits in fiscal 2019

Audited organization	Audited items	Number of audits
Group Procurement Center, Ajinomoto Co., Inc.	Raw materials	126
	Packaging materials	38
Ajinomoto Frozen Foods Co., Inc.	Raw materials	98

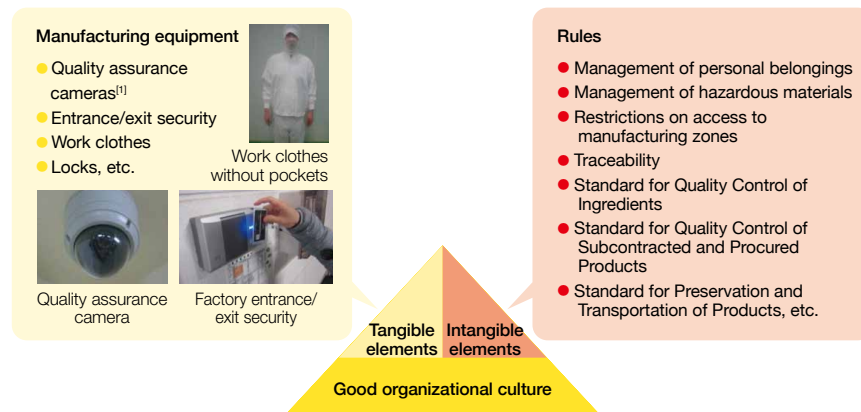
Production

■ Structural enhancements for food safety

The Ajinomoto Group believes that creating a workplace culture that is open and based on employee trust is the key to making more robust food safety systems. We also review and improve tangible elements, such as production facilities, and intangible elements, such as quality standards and guidelines. In this way, we minimize the risk of intentional product tampering and strengthen quality assurance across the supply chain.

Assurance of Product Safety

Diagram of food safety assurance concept



[1] Cameras to monitor for accidents and errors in the factory. Quality assurance cameras help ensure customer confidence.

■ Measures to prevent manipulation of quality-related data

To prevent manipulation of data related to product quality, the Ajinomoto Group continues to improve our workplace culture to foster employee compliance and awareness of quality assurance from the customer's perspective. The validity of data related to development, production, and the functional features of food products is evaluated and judged objectively and fairly in quality assessment meetings and by committees of internal experts. To ensure the proper operation of these systems, we conduct ongoing quality audits and third-party certification audits.

In addition, global standards require systems that store and prevent the manipulation of analysis data on manufactured pharmaceuticals and active pharmaceutical ingredients. We continue to strengthen management based on these standards.

■ Initiatives to reduce quality-related complaints and incidents

During fiscal 2019, we issued three distribution collections due to contamination (plastic pieces, etc.).

We carefully investigate each quality-related complaint and incident to identify the cause and prevent recurrence. Details of any quality-related incident and information on preventative measures are communicated promptly to Group companies in Japan and abroad to prevent recurrences.

Number of recalls and distribution collections by the Ajinomoto Group

Fiscal year	2015	2016	2017	2018	2019
Number	3	6	4	4	3

Distribution

We exercise strict control over product quality, which includes factors such as freshness, temperature, and moisture, during storage and transportation from factories until our products reach the customer. These activities follow ASQUA standards (in Japan only) regarding the management of storage, transportation, warehouses, and other operations.

Sales

The Ajinomoto Group shares helpful information on our product packaging and websites to offer customers greater confidence in their purchases.

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▶ Product package labeling (Japanese only)

▶ Quality Assurance

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▶ Quality Assurance

■ Product packages

The packages of retail products marketed by the major Group companies in Japan indicate not only all legally required information, but also other quality-related information of the following type (except when space is limited, etc.).

- Method of storage (once opened)
- Product usage warnings
- Explanations of raw materials that may be unfamiliar to customers and prompt a large number of inquiries
- Easy-to-identify list of allergens (both mandatory and recommended)
- Easy-to-identify labeling of packaging materials
- Customer service contact

■ Websites

Our global website publishes information on group quality assurance activities in English, Spanish, Portuguese, and Arabic. Group companies operate websites and social media channels through which we provide product information, recipes, product FAQs, and other information tailored to customers in each country/region. Ajinomoto Co., Inc., Ajinomoto Frozen Foods Co., Inc., Ajinomoto AGF, Inc., and AJINOMOTO CO. (THAILAND), LTD. each publish easily understood information regarding quality assurance systems and quality assurance initiatives on their respective websites.

In fiscal 2019, Ajinomoto Co., Inc. adopted AI-based website chatbots^[1], while AJINOMOTO DO BRASIL INDÚSTRIA E COMÉRCIO DE ALIMENTOS LTDA. adopted human chat operators. In these ways, we are creating enhanced, information-rich environments in which customers can access correct product information in a timely manner.

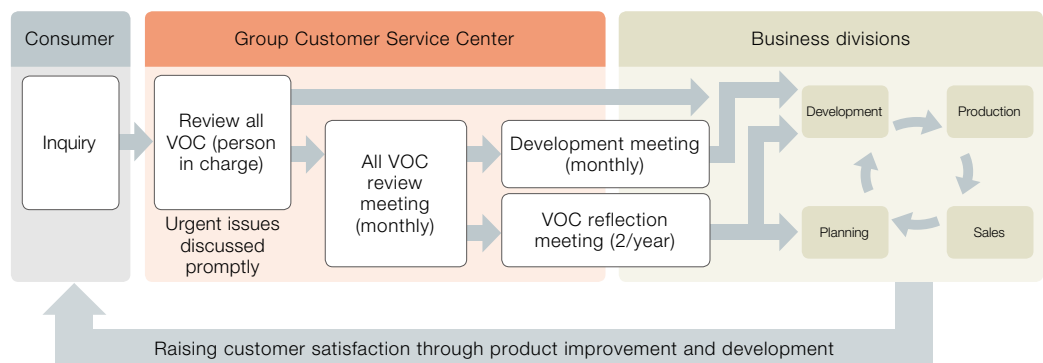
[1] A combination of the words "chat" and "robot." An automated communications tool that incorporates artificial intelligence.

Customer feedback

■ Initiatives to reflect customer feedback

We welcome feedback from customers and use this to develop attractive products and services, as well as make improvements according to the ASQUA standard. In fiscal 2019, the operation based on the same standard, used at the Group companies in Japan as well as Thailand, Brazil, Indonesia, Vietnam, the Philippines, and Peru, was rolled out in Malaysia.

Product development system reflecting Voice of Customer (VOC) at the Group Customer Service Center^[2]



[2] In April 2019, the customer service offices of Ajinomoto Co., Inc., Ajinomoto Frozen Foods, Co., Inc. and Ajinomoto AGF, Inc. were integrated to form the Group Customer Service Center.

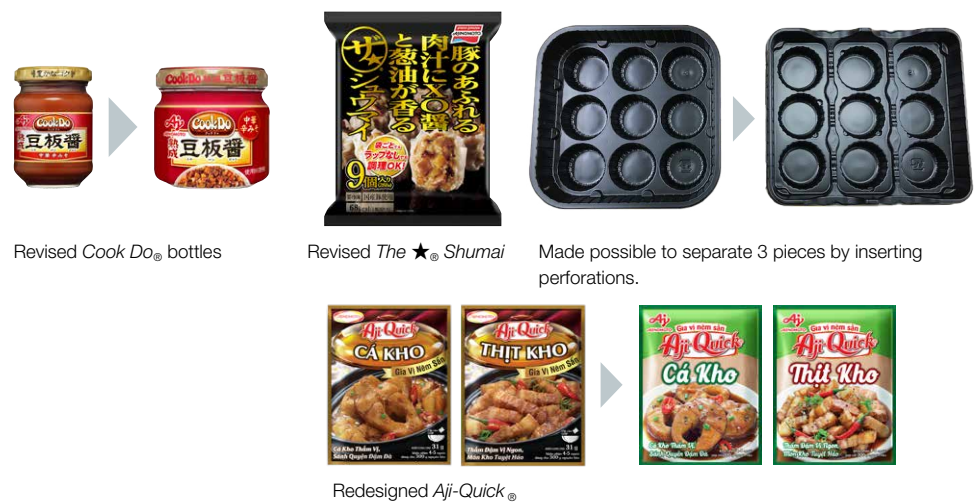
Assurance of Product Safety

Performance

TOPIC

Improvements based on the customer feedback during fiscal 2019

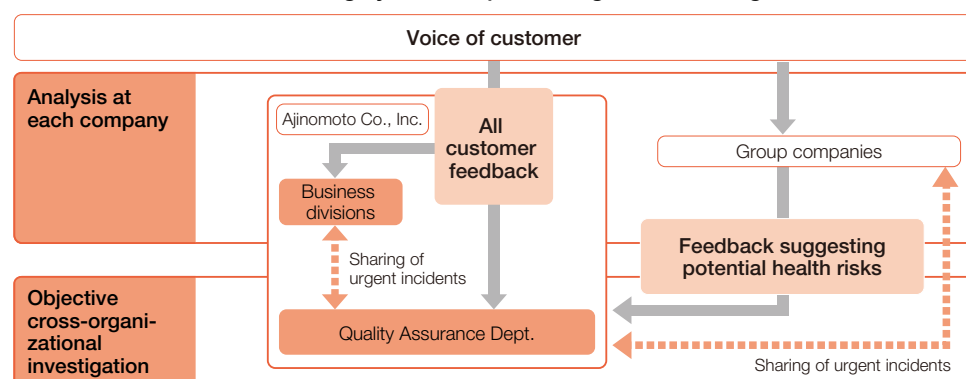
- Ajinomoto Co., Inc. widened the bottle opening for the *Cook Do*® Chinese and Korean bean pastes, in response to customer feedback that it was too narrow to fit measuring spoons. The company also improved the mouth solubility and drinkability of the *aminoVITAL*® PRO and *aminoVITAL*® Active Fine products in response to customer feedback about the difficulty in swallowing the granules.
- Ajinomoto Frozen Foods Co., Inc. created new separable trays for *The ★*® *Shumai* to meet customer requests for making smaller portions at one time.
- AJINOMOTO VIETNAM CO., LTD. revised the package design of four varieties of the *Aji-Quick*® product in response to feedback that the package design was dark and difficult to distinguish its varieties.



■ Enhanced monitoring of customer feedback

Any customer feedback is analyzed by a Group company, and any such feedback that concerns a serious issue that could lead to health risks or a violation of law is also checked and analyzed promptly, objectively, and in a cross-organizational manner by Ajinomoto Co., Inc. The system ensures that any case deemed to be urgent is shared with relevant departments immediately. In fiscal 2019, the system was extended to Taiwan and South Korea in addition to Group companies in Japan, Thailand, Brazil, Indonesia, Vietnam, the Philippines, Peru, the United States, and Malaysia.

Customer feedback monitoring system for preventing health damage



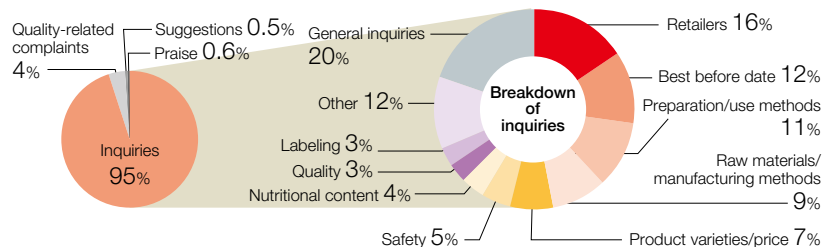
Assurance of Product Safety

Performance

Breakdown of customer feedback in fiscal 2019

- Customer feedback received by Ajinomoto Co., Inc.: Approx. 25,900 contacts (89% versus fiscal 2018)
- Customer feedback received by three Ajinomoto Group food product companies^[1] in Japan: Approx. 42,800 contacts (89% versus fiscal 2018)

Breakdown of customer feedback (Ajinomoto Co., Inc.)



[1] Ajinomoto Co., Inc., Ajinomoto Frozen Foods, Co., Inc. and Ajinomoto AGF, Inc.

■ Efforts to improve customer satisfaction

The three food product Group companies in Japan regularly conduct surveys to confirm and improve customer satisfaction regarding the quality of response to customer quality-related complaints. The investigation, business, and customer service divisions work to share specific feedback to improve customer satisfaction. Surveys conducted during fiscal 2019 by Ajinomoto Co., Inc. indicated that 97% of customers were satisfied with the response to issues they raised, 87% were satisfied with the investigation reports, and 97% intend to continue to use the company's products.