

Supply chain management

Framework

- GRI102-9
- GRI204-DMA
- GRI308-DMA
- GRI407-DMA
- GRI414-DMA

Performance

- GRI204-DMA
- GRI407-DMA
- GRI414-1

- ▶ Group Shared Policy for Suppliers
- ▶ P40
- ▶ P89

- GRI204-DMA
- GRI408-DMA
- GRI408-1
- GRI409-DMA
- GRI409-1
- GRI411-DMA
- GRI412-DMA
- GRI412-1
- GRI414-2

- ▶ Group Shared Policy on Human Rights
- ▶ 2019 Human Rights Impact Assessments and Due Diligence by Country
- ▶ P58

Ajinomoto Co., Inc. creates procurement policies for the entire Group. Group companies create and implement plans and strategies based on these policies. We hold the Ajinomoto Group Global Procurement Conference to share procurement policies and best practices within the Group. We also use tools that allow persons within the Group to access necessary information, providing timely communications on pertinent topics.

Supply chain initiatives

The Ajinomoto Group states our expectations to suppliers related to sustainability in the Group Shared Policy for Suppliers and asking our suppliers for their understanding and cooperation to ensure human rights compliance and social responsibility in the supply chain. In May 2018, we joined Sedex, a collaborative platform for sharing responsible sourcing data related to supply chains. Using this platform, suppliers and buyers can disclose and view information related to business practices and sustainability.

In fiscal 2019, we surveyed suppliers not yet members of Sedex to confirm whether the supplier intended to join. We also conducted a survey comparable to the Sedex survey (self-assessment questionnaire), receiving a 73% response rate from suppliers.

During fiscal 2020, we plan to use Sedex and self-assessment questionnaires to continue evaluations and communications with suppliers in Japan and overseas.

Supplier hotlines

The Ajinomoto Group established a supplier hotline in June 2018. The hotline complements the hotline available to Group executives and employees. Reporting from suppliers facilitates the early detection and correction of Group executive and employee behaviors that are potentially in violation of the law or the Ajinomoto Group Policies (AGP). Ultimately, the hotline will also be used to detect violations of human rights, environmental laws, or other violations in our supply chain.

Human rights due diligence

The Ajinomoto Group Shared Policy on Human Rights demonstrates our commitment to evaluate the impact of our businesses on human rights and clarify risks related to human rights.

During fiscal 2018, we conducted a human rights impact assessments on our fisheries and chicken industry supply chain in Thailand, which is a comparatively high-risk environment. In fiscal 2019, we conducted a preliminary human rights impact assessment with respect to sugarcane and coffee sourced in Brazil, a region close behind Thailand in terms of risk. In Japan, we conducted follow-up on technical intern training programs for foreign nationals working among suppliers and strengthened ties to organizations that provide workers and oversight groups.

During fiscal 2020, we plan to continue human rights impact assessments in Brazil. We also plan to reduce risks on human rights through initiatives related to the three priority industry principles^[1] on forced or compulsory labor by the CGF, while adopting a system to monitor working environments for foreign workers in our supply chain.

[1] Industry priority principles for eliminating forced labor