

Assurance of product safety

Since our founding, the Ajinomoto Group has always placed the customer first, striving for safety and security in our products and services. As a company that creates products our customers ingest physically, quality assurance and appropriate information disclosure are very important matters for us.

We also believe in the importance of listening carefully and responding to customer requests. As we continue this cycle of interaction, we produce products and services that help us build deeper relationships of trust with customers and generate greater satisfaction. Under the leadership of our management, each employee endeavors to provide customers with safe, high quality products and services, contributing to better lives of customers around the world.

Specific examples

- Product quality and safety
- Fair disclosure and labeling
- New technology application
- Religious standards

Related opportunities and risks (○ Opportunity ● Risk)

- Brand trust gained by increasing customer satisfaction
- Trust gained through fair disclosure to stakeholders
- Impact on business of growing negative rumors regarding umami and MSG
- Lower customer confidence due to product quality complaints or incidents

Key initiatives by the Ajinomoto Group

- Providing proper information via product packaging and online
- Reflecting customer feedback on developing and improving products and services
- Enhancing communication to share the benefits of umami and MSG
- Thorough quality assurance and human resource training based on the Ajinomoto System of Quality Assurance (ASQUA)

Related SDGs



Assurance of Product Safety

Approach

GRI416-DMA
GRI417-DMA

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

Quality management

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, the Group listens carefully and responds 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 2021, 101 Group companies have implemented ASQUA.

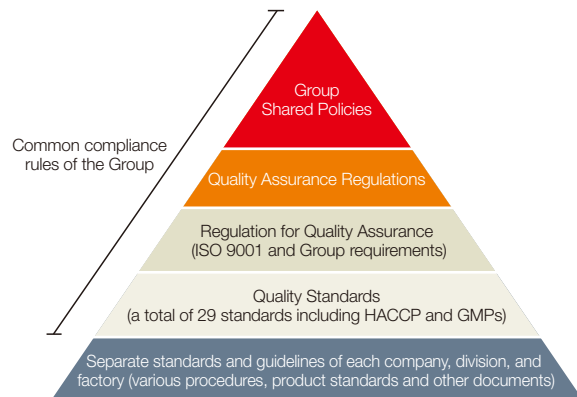
The core of ASQUA is based on ISO 9001, the international quality management system standard. We supplement this standard with other manufacturing management standards such as the Hazard Analysis and Critical Control Points (HACCP)^[1], Good Manufacturing Practices (GMPs)^[2], and the Group's own rules and requirements. Furthermore, 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 2020, in accordance with changes to laws and regulations, we revised the Standard for Quality Audit and the Standard for Safety and Sanitation of Food Packaging Materials.

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" (4) <ul style="list-style-type: none"> •Responding to Complaints •Determination of Responding to Quality Emergencies •Handling of "Voice of Customer" •Effective Reflection of "Voice of Customer" 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.

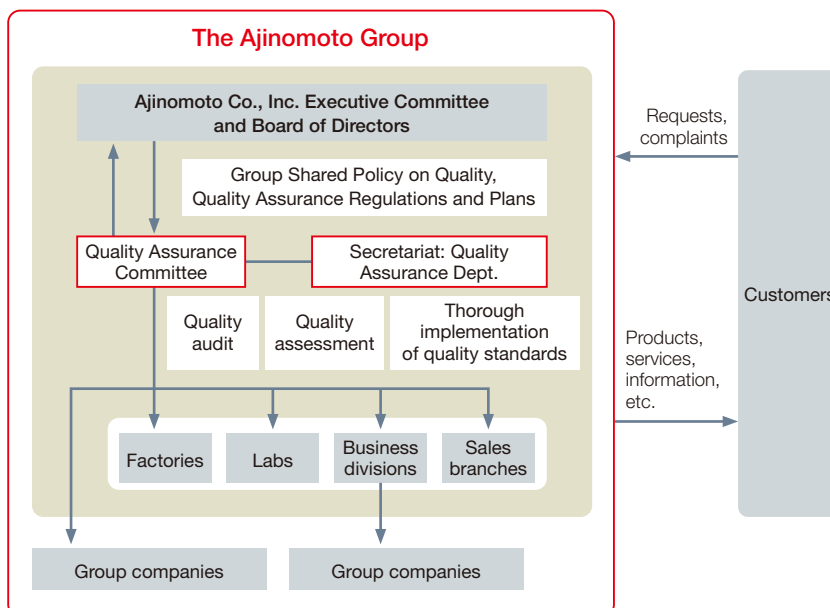
[3] Kosher means fitting or appropriate in Hebrew, or foods that followers of the Jewish faith are permitted to eat.

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. Matters decided and deliberated by this Committee shall be reported to the Executive Committee and the Board of Directors.

Framework

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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 2021, 57 of 78 eligible Group companies have acquired ISO 9001 certification. For the eligible companies not yet certified (many of which are newly acquired or established companies), the Group works 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 2020-2022. Refer to related sections for details related to each initiative conducted during fiscal 2020.

Guidelines	Key targets
Keep faith with customers	Reduce product quality claims and problems, and work harder to prevent issues
Fulfill customer 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

Develop human resources to improve quality assurance levels

The Ajinomoto Group focuses on human resources development to further improve quality assurance levels. Each year, the Group reviews our quality training plan, implementing systematic programs to meet the needs of individual organizations. In fiscal 2020, the spread of COVID-19 meant that most of this training was conducted online or via e-learning.

■ Main programs in fiscal 2020

■ Japan

- Quality training for Group employees (online and e-learning)
- Programs for managers responsible for quality assurance scheduled for posting to overseas offices
- Ajinomoto Management and Technical Conference on Quality for Group company executives and employees: Approx. 400 participants
- New Top Management Quality Training Course for newly appointed organizational heads, Group company heads, new quality assurance staff and management (e-learning)
- ISO 9001 food product business operations training for newly transferred employees (e-learning)

■ Overseas

- QMS Training Course for managers responsible for quality assurance at Group companies (e-learning)
- Global Regulatory Affairs online seminar on Risk Management for Asia, Europe, and US Regulatory Affairs heads

Performance

GRI416-DMA

GRI417-DMA

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Framework

GRI414-DMA
GRI416-DMA
GRI417-DMA
GRI417-1

> Group Shared Policy on Quality
> Group Shared Policy on Food Safety

Framework / Performance

GRI308-1
GRI414-1
GRI416-DMA
GRI416-1

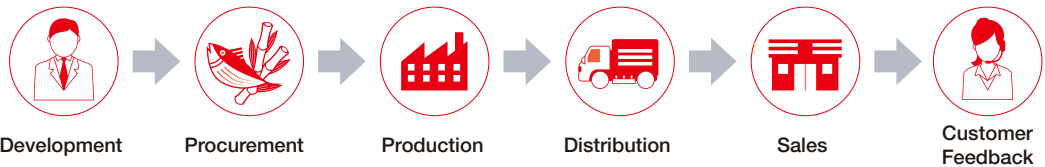
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Framework / Performance

GRI414-2
GRI416-DMA
GRI416-1

Quality assurance across the supply chain

The Ajinomoto Group practices strict quality assurance by applying the 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

Suppliers are selected according to the ASQUA Standard for Quality Control of Ingredients. The Ajinomoto Group controls the quality of raw materials purchased from suppliers strictly through lot-by-lot inspections.

We work 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. After conducting an audit, we began transactions with two new suppliers during fiscal 2020.

Supplier audits in fiscal 2020

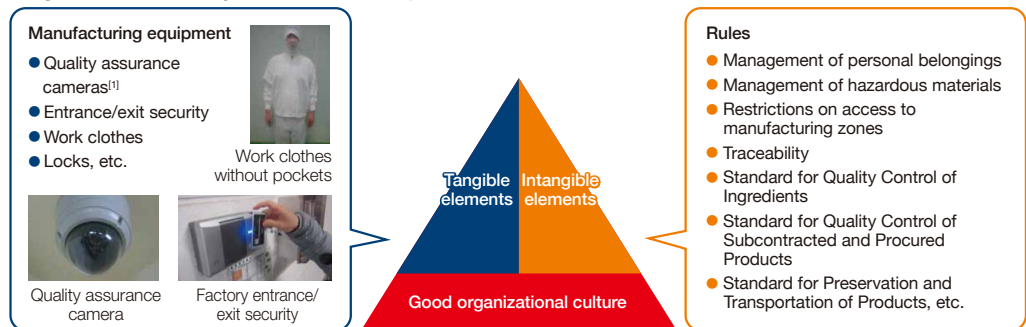
Audited organization	Audited items	Number of audits
Ajinomoto Co., Inc.	Raw materials	148
	Packaging materials	44
Ajinomoto Frozen Foods Co., Inc.	Raw materials	158

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 standard and guidelines. In this way, we minimize the risk of intentional product tampering and strengthen quality assurance across the supply chain.

Diagram of food safety assurance concept



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

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GRI417-2

Framework

GRI416-DMA

Performance

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GRI417-1

> Product package labeling (Japanese only)

> Quality Assurance

■ 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 strengthening management based on these standards.

■ Initiatives to reduce quality-related claims and incidents

During fiscal 2020, the Ajinomoto Group issued four collections from distributors due to foreign matter contamination and solidification, 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	2016	2017	2018	2019	2020
Number	6	4	4	3	4

■ Distribution

The Ajinomoto Group exercises 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 regarding the management of storage, transportation, warehouses (in Japan only), and other operations.

■ Sales

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

■ 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. The chatbots^[1] adopted in fiscal 2019 by Ajinomoto Co., Inc. were also introduced at Ajinomoto Frozen Foods Co., Inc. and Ajinomoto AGF, Inc. in fiscal 2020.

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

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Framework

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> Quality Assurance

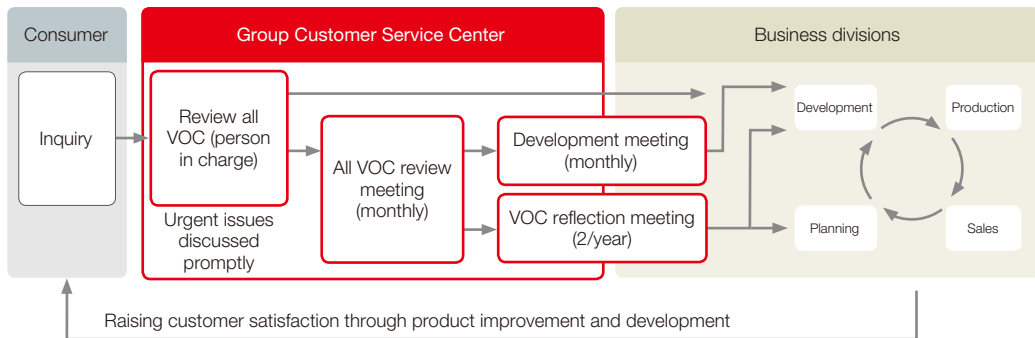
Performance

Customer feedback

Initiatives to reflect customer feedback

The Ajinomoto Group reflects voice of customer (VOC) in the development and improvement of appealing products and services in accordance with the ASQUA standards. In fiscal 2020, Taiwan and South Korea started operating in accordance with the standards, following the group companies in Japan, Thailand, Brazil, Indonesia, Vietnam, the Philippines, Malaysia, and Peru that have already been introduced.

Product development system reflecting VOC at the Group Customer Service Center^[1]



[1] Handling customer service functions for Ajinomoto Co., Inc., Ajinomoto Frozen Foods, Co., Inc. and Ajinomoto AGF, Inc.

TOPIC

Improvements based on the VOC during fiscal 2020

The one-touch caps for *Chuka Aji* granulated seasonings use a sprinkle cap that makes the products easier to add while cooking. However, we received customer feedback mentioning that contents tend to clump and solidify when using these above dishes that give off steam during preparation. We therefore changed the cap materials and design, making it more airtight and preventing adhesion. This satisfied our customers, who informed us that the seasoning no longer sticks, even when using over a steaming pot. This cap is also used in *Marudori Gara Soup* <55g bottle>.

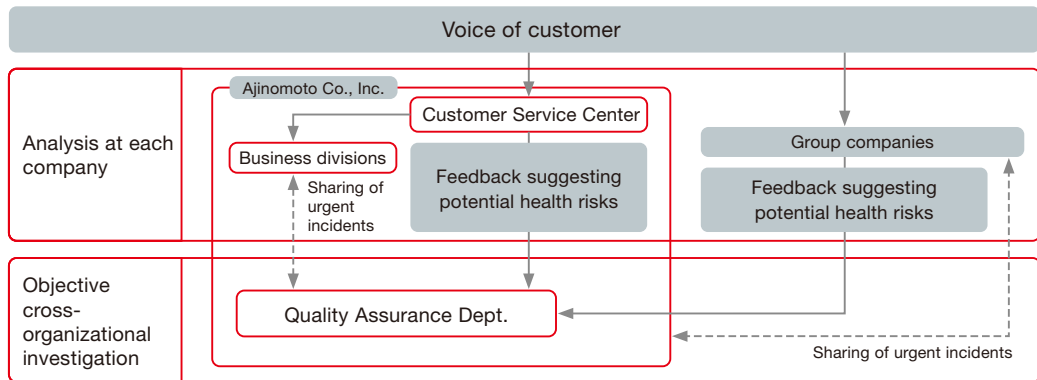


Enhanced monitoring of customer feedback

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 2020, the system was extended to Turkey, Poland, and France in addition to Group companies in Japan, Thailand, Brazil, Indonesia, Vietnam, the Philippines, Peru, the United States, Malaysia, Taiwan, and South Korea.

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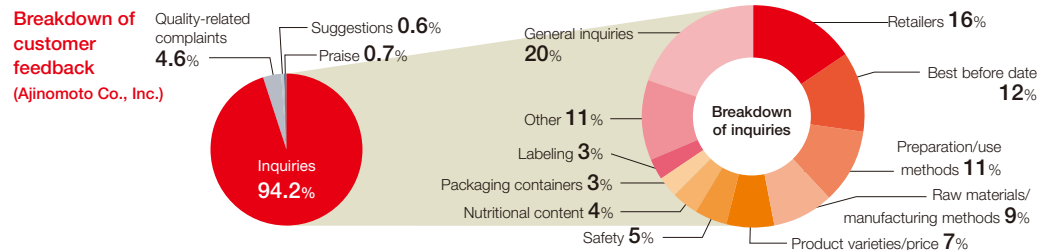
Customer feedback monitoring system for preventing health damage



Performance

Breakdown of VOC in fiscal 2020

- VOC received by Ajinomoto Co., Inc.: 23,539 contacts (91% versus fiscal 2019)
- VOC received by three Ajinomoto Group food product companies^[1] in Japan: 37,471 contacts (88% versus fiscal 2019)



[1] Ajinomoto Co., Inc., Ajinomoto Frozen Foods, Co., Inc. and Ajinomoto AGF Co., 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 claims. The investigation, business, and customer service departments work to share specific feedback to improve customer satisfaction. Surveys conducted during fiscal 2020 by Ajinomoto Co., Inc. indicated that 96% of customers were satisfied with the response to issues they raised, 79% were satisfied with the investigation reports, and 88% intend to continue to use the company's products.

In fiscal 2020, demand for household products increased in accordance with restrictions on going outside. Immediately after a state of emergency was declared in Japan in April 2020, our Customer Service Center responded to customer inquiries by e-mail while working from home. However, in order to assuage customer questions and concerns, and to ensure that they are still comfortable using our products, we pioneered^[2] a telephone answering system. From the middle of the following month we started a phone-based service with employees working from home, thus maintaining our services while still ensuring the safety of our employees.

[2] According to a survey conducted by the Association of Consumer Affairs Professionals (ACAP), only about 50% of companies have started customer service in work-from-home style during the state of emergency announced from April to May 2020, with more than 75% of companies in the food industry still continuing to work in offices.

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Disseminating information on MSG safety and benefits

Approach

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> Know MSG

Performance

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> Food & Wellness
Future Forum 2020

Activities to promote a correct understanding of MSG

The Ajinomoto Group is the world's first company to commercialize an umami substance called glutamic acid (a type of amino acid) as a seasoning. We have promoted the benefits of monosodium glutamate (MSG), the sodium salt of glutamic acid, across the world. MSG offers a variety of value. MSG improves flavor, reduces salt content, shortens cooking time, and reduces the cost of meals at schools and other facilities.

At the same time, MSG has been the subject of nebulous anxieties for many years as a purported chemical harmful to health. Labels such as "additive-free," "chemical-free seasoning," or "No MSG," have led to unsubstantiated rumors and misunderstandings among consumers that continue to this day.

We see a tremendous opportunity today in how consumers around the world communicate online, as well as in the rising global interest related to food safety, food security, and health. We are seizing on this opportunity to leverage various media in actively sharing information to consumers based on facts and scientifically backed evidence. Not only do we resolve misunderstandings about safety, but we also engage in initiatives to spread information about the benefits of MSG to the world, including MSG's role in improving flavor, reducing sodium intake, and improving nutrition for the elderly.

Communication activities across the world

The Ajinomoto Group began actively conducting communication activities by launching the World Umami Forum (WUF) in September 2018 in the United States.

Forums for consumers in Japan

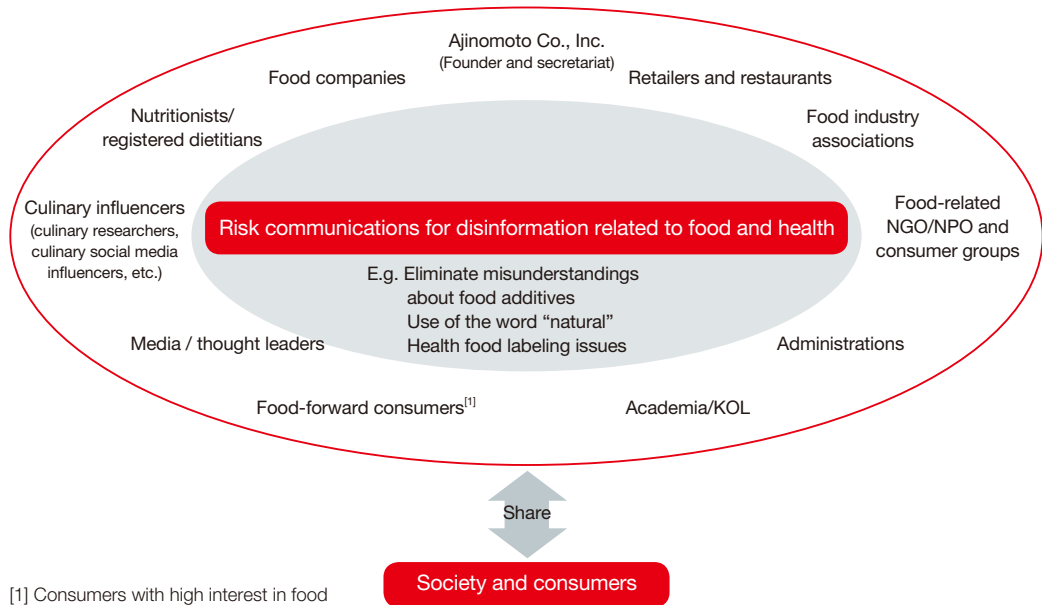
Ajinomoto Co., Inc. held three media conferences in April, July, and November of 2019 to discuss food labeling issues, MSG safety and the reputation of MSG, and risk communications for today. At the third conference we announced to establish a new opportunity for risk communications that goes beyond organizational, market, industry, and personal perspectives. Here, we declared our commitment to work with consumers to share correct information related to food and health, contributing to a healthy, more abundant society.

In August 2020, we held the Food & Wellness Future Forum 2020 online. This was an initiative to respond to consumer questions and create a deeper understanding of the social issues arising from rumors and insufficient information about food. The forum addressed persistent misunderstandings and anxieties about food additives, discussing food additives specifically and concerns about foods that are billed as "additive-free." We invited experts and industry representatives onstage for our panel discussion, engaging in deep talks about the factors behind why consumers prefer "additive-free" and dislike food additives. Discussions also touched on the broader sharing of information about the importance and safety of food additives. Viewer count peaked above 1,300 on the day of the forum, with a total of 2,600 unique visits. Viewers asked questions answered by panelists at the forum, and we have published the answers on our website as well.

We plan to continue to sponsor forums for consumers to hold discussions and dispel the risks of disinformation related to food and health.

Assurance of Product Safety

Proposed risk communication framework of the Ajinomoto Group



Disseminating information for nutritionists and registered dietitians in Japan

Ajinomoto Co., Inc. promotes the understanding of umami seasonings on an ongoing basis. Measures include websites to provide nutritionists, registered dietitians, and culinary influencers with information on reducing salt while retaining the deliciousness of food by using umami seasonings and how to increase the amount of food consumed by elderly people who are limiting their salt intake.

Lectures for students in Singapore

In February 2021, AJINOMOTO (SINGAPORE) PRIVATE LIMITED and Ajinomoto Co., Inc. held online lectures about Japanese cuisine and umami for 114 students at the National University of Singapore.

In addition to presenting information about Japanese cuisine, the lectures also explained the use of umami and MSG to reduce salt intake. Students asked several questions and engaged in lively discussion. Many students expressed a high degree of satisfaction after the lectures, saying that the content helped correct some old misunderstandings about MSG and offered interesting, new knowledge about what products actually have MSG in them.

Producing and distributing original videos in Thailand

In February 2021, AJINOMOTO CO., (THAILAND) LTD. began releasing a series of four original videos titled, The Art & Science of Umami. The aim of the series is to resolve misunderstandings about MSG. The videos feature leading health and nutrition specialists and doctors in Thailand, who break down the science of MSG, present the health benefits of the ingredients and food products that are high in glutamate, and offer food preparation methods to boost umami.

The company is also actively working to disseminate information on umami and MSG over social media and websites.

- > Let's Umami YouTube channel (Thai only)
- > The Art and Science of Umami (Thai only)

Assurance of Product Safety

> Know MSG

Umami and MSG promotions in the United States

The Ajinomoto Group actively disseminates information to nutrition-related specialists and organizations in the United States, striving to deliver trustworthy information to consumers. For registered dietitians, we have been developing reduced-salt, plant-based menu options and conducting sensory evaluations in cooperation with universities, and providing information on the safety of MSG and its effectiveness in reducing salt content via opinion leaders, influencers, webinars, and other channels. In December 2020, there was a revision of the Dietary Guidelines for Americans. The focus on the issue of salt intake has resulted in greater interest and understanding among registered dietitians of MSG's salt reduction benefits.

We are also working to increase touchpoints between general consumers and accurate information about MSG. These efforts include disseminating MSG information through social media and other media channels and conducting our Know MSG campaign^[1]. By doing this, understanding has increased especially among millennials, who have a high interest level in food. Our efforts have been leading to a shift in attitudes.

These shifts have resulted in major restaurant chains and packaged food manufacturers adopting MSG, and the media is paying more attention to this trend. However, we still see media reports on MSG safety concerns and additive-free food (avoiding MSG). We have been working tirelessly to provide the authors of those articles correct MSG safety information. This has resulted in removals of incorrect information and new relationships with those who inform the public.

We will continue to appeal to the safety and salt-reduction benefits of MSG, suggesting MSG as a means toward delicious, nutritionally balanced meals.

[1] A consumer campaign started in December 2020. Through a tie-up campaign with an Asian seasoning company located in the United States, where we promote a video through our Know MSG website and social media, calling upon our audience to know more about the safety and benefits of MSG (including salt reduction). As a part of the campaign, the seasoning company launched a seasoning rich in umami with the Know MSG logo.



Survey results in the United States

Segment	KPI	FY2017	FY2019	FY2020
Registered dietitians	Believe MSG is safe to eat	52%	66%	73%
	Likely to say MSG is safe if asked	32%	47%	52%
	Understand MSG offers umami	50%	67%	70%
Food-forward consumers	Umami awareness	67%	89%	86%
	Believe MSG is safe to eat	65%	70%	77%
	Avoid food with MSG	39%	31%	27%

(Per Ajinomoto Co., Inc. survey)