



Ajinomoto Group

# Sustainability Report 2023



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## Editorial policy

GRI2-2, GRI2-3

Beginning this year, we changed the name of this publication from *Sustainability Data Book* to *Sustainability Report*. The Sustainability Report is a report that describes the Ajinomoto Group's approach to sustainability and initiatives from the perspectives of health and nutrition, environment (E), society (S), and governance (G), along with numerical data. We hope this report, in combination with our *ASV Report* (integrated report), enhances the understanding of our stakeholders, including shareholders and investors, related to our approach to sustainable value creation.

This report conforms to GRI standards.

## Organizational scope

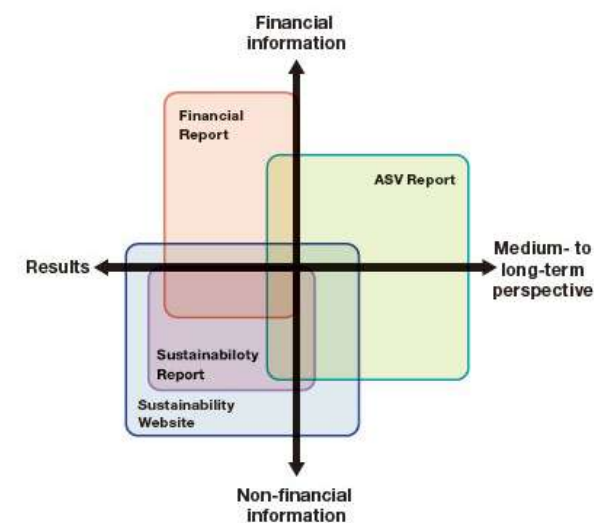
This report covers the activities of the Group, comprising, unless otherwise noted, Ajinomoto Co., Inc. ("the Company") and its consolidated subsidiaries and equity-method affiliates (as of March 31, 2023). When comprehensive Group information is not available, the data parameters are explicitly defined.

## Period covered by this report

Fiscal 2022 (April 1, 2022 to March 31, 2023)

Past circumstances, data, and recent cases outside of this time period are presented when appropriate.

## [ Related material system ]



More detailed information is available on our corporate website.

<https://www.ajinomoto.com/sustainability/>

# Dear stakeholders

GRI2-22



Taro Fujie

President &amp; Chief Executive Officer

From a starting point in research into amino acids, the Ajinomoto Group's growth has been driven by "AminoScience"\*. Our story began in 1908, when Dr. Kikunae Ikeda, who wanted to improve the nutrition of the Japanese people, discovered umami, and company founder Saburosuke Suzuki commercialized it as the product AJI-NO-MOTO® in 1909. Even now, over a century later, the founding aspiration of "Eat well, Live well." is being carried forward in the form of Ajinomoto Group Creating Shared Value (ASV), an initiative aimed at co-creating both social value and economic value while helping to resolve social issues.

In the rapidly changing and unpredictable business environment of today, the our Purpose in which we are grounded is becoming all the more important. Looking beyond our past purpose of "unlocking the power of amino acids to resolve food and health issues," we have now

evolved the Ajinomoto Group's purpose to contribute to the well-being of all human beings, our society and our planet with "AminoScience". This Purpose is by no means limited to the beliefs of our management, but rather reflects the spontaneous aspirations of the Ajinomoto Group employees around the world and our determination to meet the expectations of our many and diverse stakeholders, including the Sustainability Advisory Council. In line with the evolution of our Purpose, we have also evolved "Our Philosophy."

> [Our Philosophy](#)

In April 2021, we established the Sustainability Advisory Council to pursue long-term sustainability issues and sustainable value creation, and has been engaged in dialogue with various stakeholders to realize our vision and

increase long-term corporate value. Then, we established important issues that the Ajinomoto Group should address from a long-term perspective. Going forward, we will engage in dialogue with stakeholders, all the while taking measures and making disclosures regarding specific initiatives, KPIs, etc. as part of our management strategy. By 2030, we will achieve two outcomes, "help extend the healthy life expectancy of one billion people," and "reduce our environmental impact by 50%", by addressing both health and nutrition issues and contributing to the environment through the food system.

Our corporate slogan, "Eat Well, Live Well." is an expression of the Ajinomoto Group's determination not only to deliver even better taste to people around the world, but also to contribute to solving the food, medical, environmental problems facing human beings, and realization of Smart Society via scientific efforts to promote health through daily meals and via "AminoScience." To achieve "Eat Well, Live Well." by going beyond resolving food and health issues and contributing to the well-being of all human beings, our society and our planet with "AminoScience", we will continue to hone our initiatives, driven by the diverse stakeholders who share the purpose and heartfelt passion of each of our employees. Through dialogue, we will push ahead to achieve ASV and will strive to dramatically and continuously enhance our corporate value.

\* A collective term for the various materials, functions, technologies, and services derived from research and implementation processes with a rigorous focus on the function of amino acids. It also refers to the Ajinomoto Group's unique scientific approach to connect these to resolving social issues and contributing to well-being.

# Contributing to the well-being with “AminoScience”

GRI2-22



*Chika Morishima*

Chika Morishima

Executive Officer & Vice President, In charge of Sustainability and Communications

The Ajinomoto Group’s fundamental management policy is the management through ASV (Ajinomoto Group Creating Shared Value). ASV is our commitment to co-creating social value and economic value through our businesses. It means that we are incorporating sustainability into our management foundation. In other words, sustainability is not a topic that a business should take into consideration, but rather something to integrate into the very underpinnings of management and business.

In February 2023, we revised the Ajinomoto Group’s important issues (Materiality). The revised Materiality reflects the capabilities, key perspectives, and values necessary for the Group to sustainably create value from a long-term and multi-stakeholder perspective, looking ahead to the year 2050.

Also in February 2023, the Group has advanced our

Purpose to ‘contributing to the well-being of all human beings, our society and our planet with “AminoScience.” Our Purpose and Materiality are connected closely. And the initiatives tied to Materiality are truly ASV initiatives to achieve our Purpose.

To achieve this Purpose, we pursue efforts toward two outcomes to meet by the year 2030: (1) help extend the healthy life expectancy of 1 billion people and (2) reduce our environmental impact by 50%. We see initiatives for healthy nutrition toward extending healthy life expectancies and initiatives toward reducing our environmental impact as linked intrinsically by the food system. By working on both together, we contribute to building a sustainable and sound food system.

Our unique approach to improving nutrition is *Nutrition Without Compromise*, aiming to help reduce salt intake,

intake various proteins, and offer nutritionally balanced meals. We also participate actively in government projects and engage with international organizations to link the strengths of Japanese nutrition improvement initiatives, which considers nutrition through menu options and comprehensive meal plans, to solutions for global nutrition issues.

In terms of environmental impact reduction, we seek to achieve net zero GHG emissions by the year 2050. In addition, we established task forces under the Sustainability Committee consisting of members from business departments, overseas affiliates, and factories. These task forces work to eliminate plastic waste, reduce food loss and waste, procure sustainable ingredients, reduce water usage, and conserve biodiversity.

As each of these sustainability initiatives affect others, we must take a holistic approach. And we hope to contribute to the well-being of all humans, our society and our planet by leveraging the Ajinomoto Group strengths in “AminoScience” and engaging in unique the Group initiatives.

As an example, amino acid fermentation is a core technology of the Group. For more than 40 years, the Group has effectively utilized essentially 100% of the nutrient-rich co-products of amino acid production as fertilizers. We continue to strengthen the development of our biostimulant business by expanding co-products applications. In our Customized Feed Solution business that utilizes amino acids, we have evolved our efforts to reduce dairy farm GHG (methane) emissions. Today, we conduct more impactful initiatives than ever. These contributions are truly unique Ajinomoto Group inputs into the food system. We will continue to make the most of the Group strengths in “Amino Science” to reduce our environmental impact and make a more positive contribution to the environment.

# Ajinomoto Group Vision

## Our Philosophy

Approach

GRI2-23

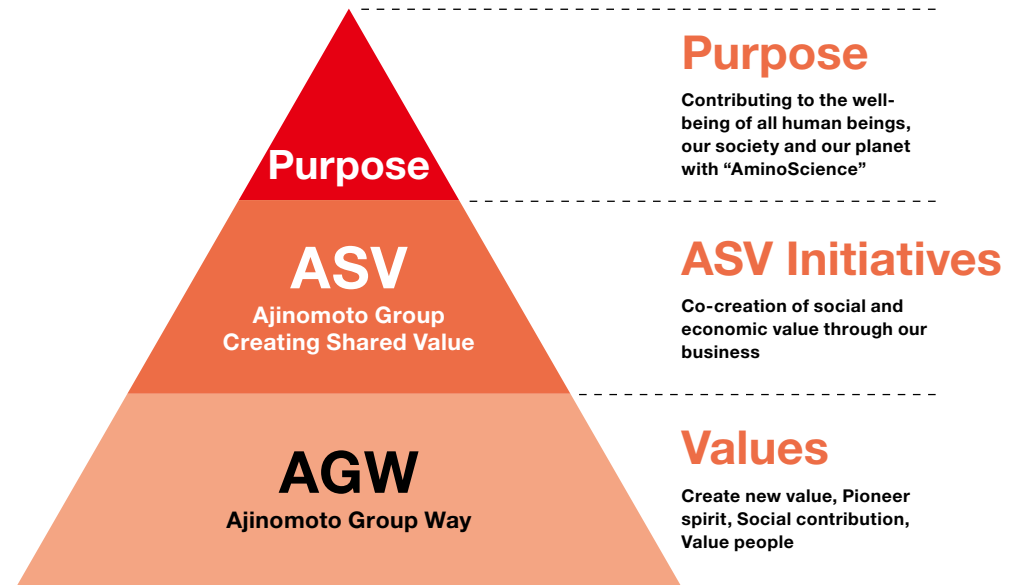
Since our founding, the Ajinomoto Group has engaged consistently in initiatives to solve social issues through our businesses. These initiatives create economic value, solve social issues, and lead to growth.

We call these initiatives ASV (The Ajinomoto Group Creating Shared Value), and they serve as the core of how we will achieve our purpose.

In February 2023, The Ajinomoto Group has advanced our Purpose from “Unlocking the power of amino acids to resolve the food and health issues” to “Contributing to the well-being of all human beings, our society and our planet with ‘AminoScience’.” This new Purpose reflects our desire to leverage the unique Ajinomoto Group strengths in “AminoScience”, not only to solve food and health issues, but also to contribute to well-being. As its Purpose evolves, we have revised Our Philosophy to be more concise and clear.

> [Our Philosophy](#)

## Corporate Slogan Eat Well, Live Well.



## Ajinomoto Group Vision

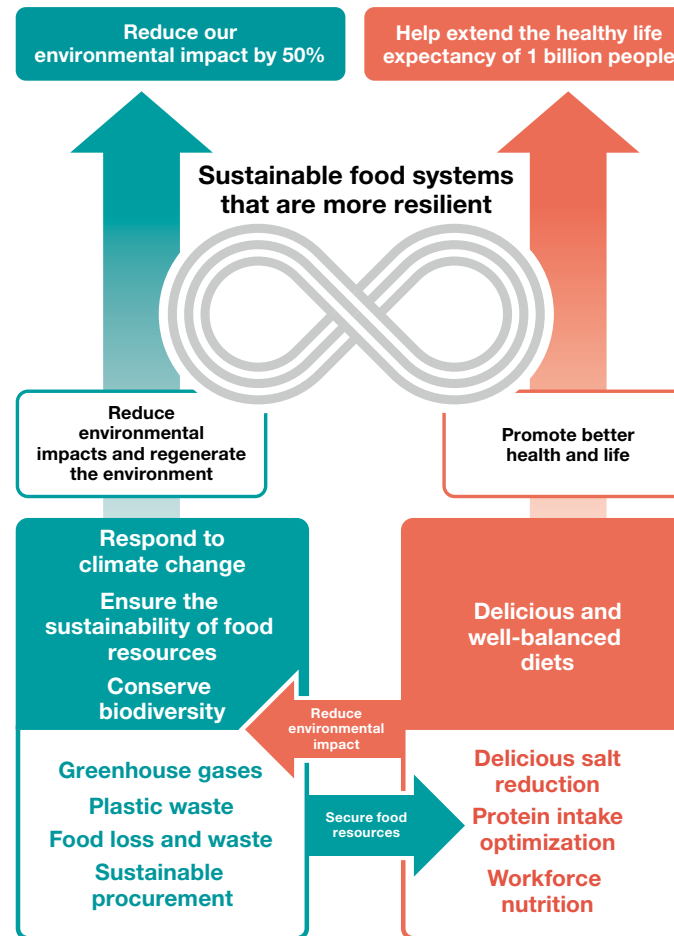
### Vision for 2030 of the Ajinomoto Group

#### Approach to sustainability toward 2030 outcomes

Our goal as the Ajinomoto Group is contributing the well-being of all human beings, our society, and our planet with “AminoScience”. To this end, we believe it is necessary to achieve two outcomes by 2030, namely, to help extend the healthy life expectancy of 1 billion people and to reduce our environmental impact by 50%.

The business of the Ajinomoto Group is supported by sound food systems<sup>(1)</sup>, or in other words, stable access to food resources and a verdant natural environment supporting these resources. At the same time, our business operations also have a major impact on the environment. Today, as the planet’s environment is reaching a tipping point, our ability to take action to regenerate the environment is an urgent issue for the continuity of the Group’s business operations. By addressing climate change, ensuring the sustainability of food resources, and conserving biodiversity to reduce our environmental impacts, we can sustainably execute initiatives for healthier, better living aimed at extending healthy life expectancy. Through our business activities, we provide products and services that are tasty, nutritionally balanced, and of benefit for people’s dietary habits, and that further promote a reduced environmental impact caused by greenhouse gases, plastic waste, and food loss and waste. Also, through our resource recycling-based amino acid fermentation process (a bio-cycle), we contribute to sustainable food systems that are more resilient and to regeneration of the global environment. Furthermore, we will maximally leverage our strength in “AminoScience”, and transform food systems through innovation and building ecosystems.

- > Medium-Term ASV Initiatives (Management Policy)
- > Sustainability Approach and Structure



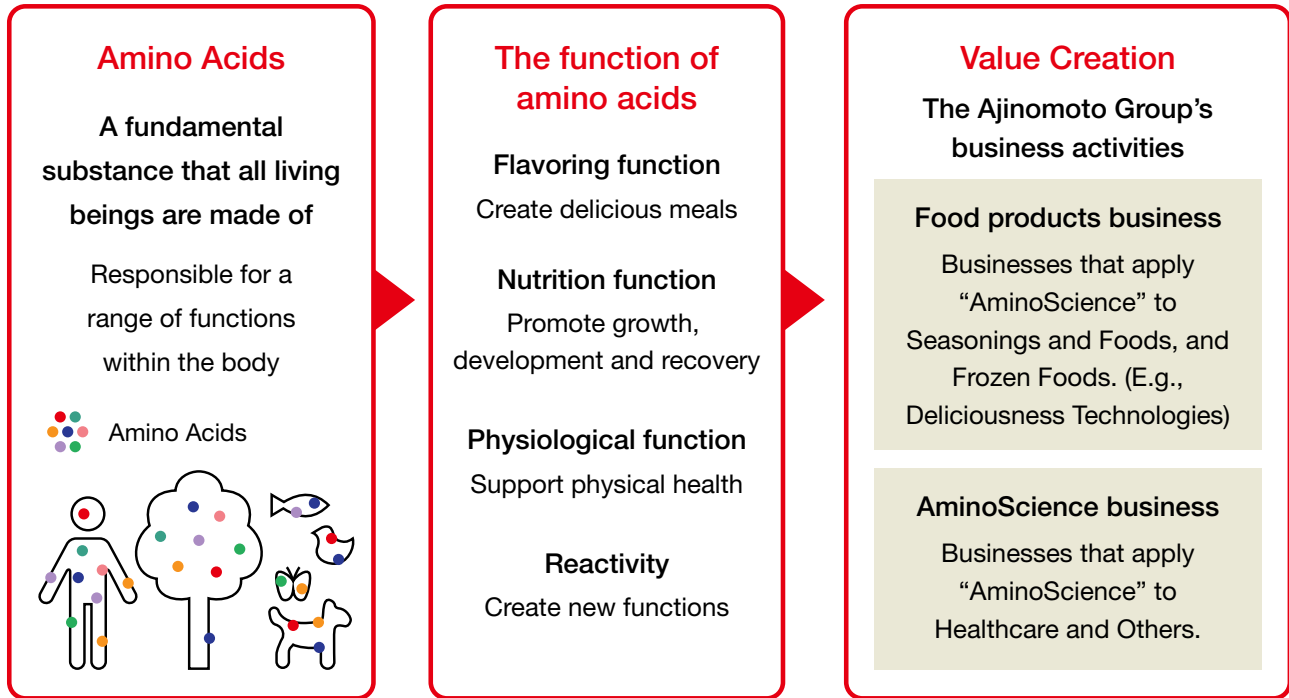
## Ajinomoto Group Vision

### “AminoScience”

#### Approach

“AminoScience” is a collective term for the various materials, functions, technologies, and services derived from research and implementation processes with a rigorous focus on unlocking the power of amino acids. It also refers to the Ajinomoto Group’s unique scientific approach to connect these to resolving social issues and contributing to well-being. “AminoScience” is one of the sources of the Ajinomoto Group’s competitive advantage not easily imitated by other companies.

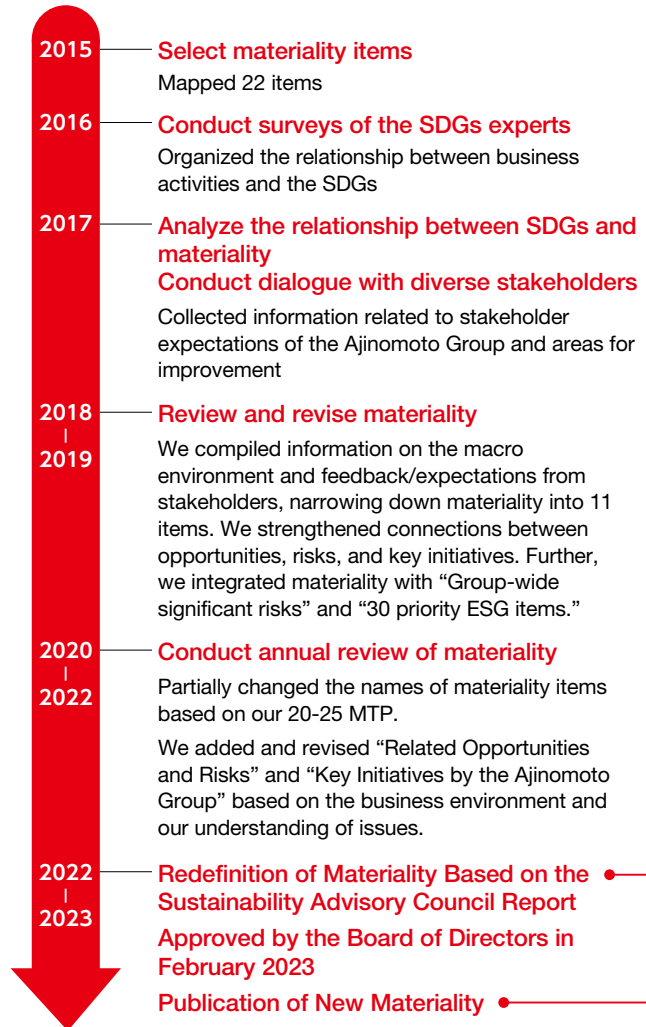
- > Amino Acids
- > ASV Report 2023 P006



# Identification process of important issues (Materiality) for the Ajinomoto Group

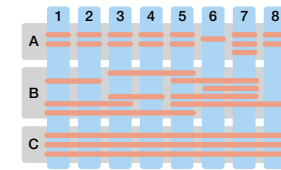
GR13-1

The Ajinomoto Group identifies its important issues (Materiality) that have a substantial impact on our ability to create value in the short, medium, and long term through ASV management, taking into account changes in the macro environment for 2050. Once we identify opportunities and risks from materiality, we clarify their importance and priority, and then reflect these matters in our business activities.



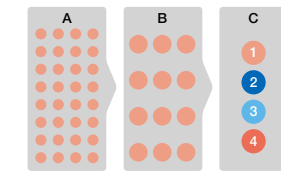
We gave input to the Sustainability Advisory Council on how the executive side of business views 2030 and beyond. The Council then discussed and provided feedback to the Board of Directors, which then reviewed and approved the redefinition in February 2023. Members of the Council included outside experts representing various fields and outside specialists with outstanding knowledge and perspective in important fields.

**STEP 1 Identifying issues and opportunities**



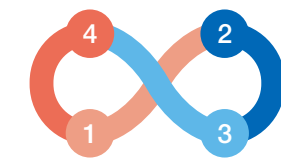
These members of the Sustainability Advisory Council in the first quarter identified 28 key issues and opportunities on behalf of their respective positions.

**STEP 2 Classifying issues and opportunities**



Members then further classified these issues and opportunities into four domains, after grouping them into 12 higher-order requirements.

**STEP 3 Organizing connections**



The Ajinomoto Group organized the connections between each of these issues and opportunities as our process to achieve sustainable transformation and innovation. This unique way of organizing the issues goes beyond organizing to show countermeasures from a long-term perspective.

[More details on the following page.](#)

> Sustainability Advisory Council First Phase: Report to the board of directors



# Materiality Relation Chart

Important issues (Materiality) for the Ajinomoto Group are essential to the Group’s ability to continue co-creating social value and economic value over the long term.

The following is our Materiality Relation Chart, which organizes important issues and their relation to increase corporate value from a long-term perspective.

This chart shows how we approach sustainable growth by connecting the power and potential of “AminoScience” (Scientific Possibilities) with the power of stories (Story of Wellbeing) that contribute to the wellbeing of people, society, and our Planet and creating a cycle. We will (1) hone our co-creation capabilities, (2) take the seikatsusha perspective (3) achieve wellbeing, and (4) return co-created shared value through our business activities.

The loop that connects these elements symbolizes infinity. By continuing to connect and rotate elements (1) through (4) on this loop, we will continue to co-create social and economic value in a sustainable manner.

**Hone ① co-creation capabilities, take the ② seikatsusha\* perspective while achieving ③ well-being and, through our business activities return co-created ④ shared value .**

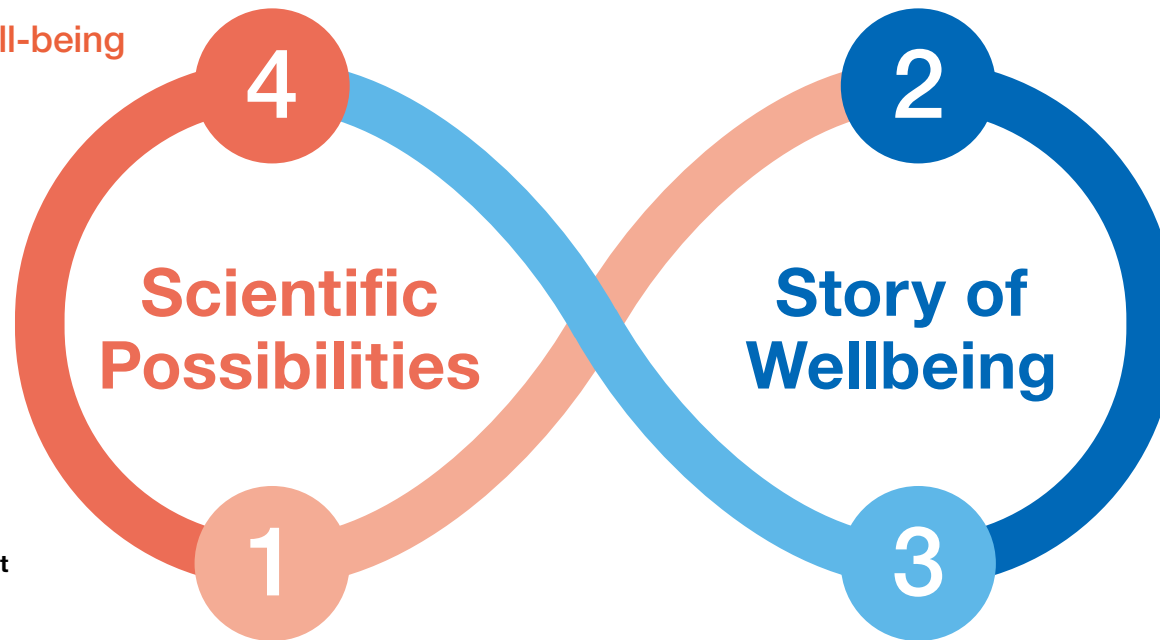
## “AminoScience” for Well-being

### 4. Shared value (ASV)

- 4.1 Living well
- 4.2 Co-wellbeing
- 4.3 Value creating solutions

### 1. Co-creation

- 1.1 Transformative innovation capability
- 1.2 Transparent & objective
- 1.3 Constructive engagement for co-creation



### 2. Seikatsusha\* perspective

- Holistic & inclusive perspective 2.1
- Local community perspective 2.2
- Future generation perspective 2.3

### 3. Wellbeing

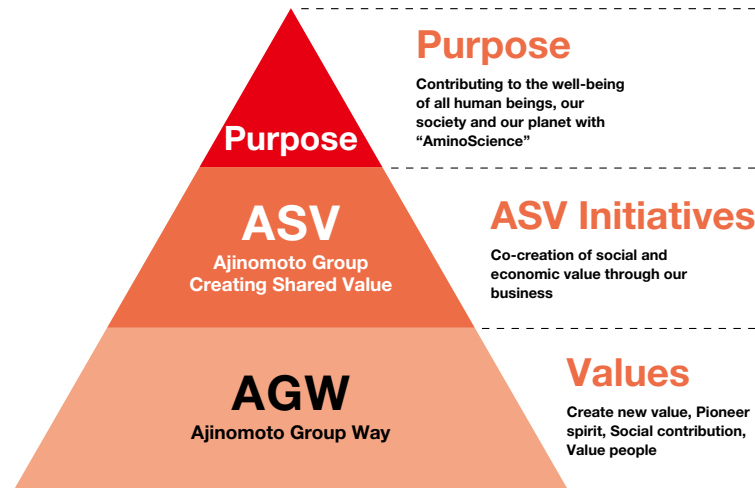
- Human wellbeing 3.1
- Community wellbeing 3.2
- Planetary wellbeing 3.3

\* “Seikatsusha” is a unique Japanese concept that, unlike partial concept of “consumer” used in business and “citizen” used in political science, seeks to define people holistically. A seikatsusha is a person with agency who defines their own life priorities based on their own (shared) interpretation of their communities’ values and long-term interests. A seikatsusha is the ultimate and most fundamental stakeholder representing humans living together in society.

# Important issues (Materiality) for the Ajinomoto Group GRI3-2

Important issues (Materiality) for the Ajinomoto Group are formulated through a process that reflects the thoughts of management and employees, as well as the expectations of various stakeholders. Materiality is closely intertwined with our business strategy and deeply connected to our purpose and initiatives in the field. We organized and formulated initiatives, goals and KPIs, as well as risks and opportunities relating to materiality to achieve its purpose. Going forward, we will implement and work on ASV management within the Ajinomoto Group.

## Corporate Slogan Eat Well, Live Well.



### "AminoScience" for Well-being

#### 4. Shared value (ASV)

- 4.1 Living well
- 4.2 Co-wellbeing
- 4.3 Value creating solutions

#### 1. Co-creation

- 1.1 Transformative innovation capability
- 1.2 Transparent & objective
- 1.3 Constructive engagement for co-creation

#### 2. Seikatsusha\* perspective

- Holistic & inclusive perspective **2.1**
- Local community perspective **2.2**
- Future generation perspective **2.3**

#### 3. Wellbeing

- Human wellbeing **3.1**
- Community wellbeing **3.2**
- Planetary wellbeing **3.3**



Fourteen Key Risks and Opportunities

Key Initiatives

Initiatives and KPIs to achieve our purpose on important issues (Materiality) for the Ajinomoto Group and the risks and opportunities based on them.

## Materiality

## Important Issues (Materiality) for the Ajinomoto Group (The 12 Requirements of Materiality and Their Explanations)

Important Issues (The 12 Requirements of Materiality)	Explanation
1.1 Transformative innovation capability	Promote the advancement & application of the "AminoScience" (including Bio Science) to enable innovations to promote food system quality, resilience & sustainability.
1.2 Transparent & objective	Promote governance structures essential for creating & promoting social & environmental issue solutions & assume an active role in the setting of standards to evaluate & measure social & economic value creation.
1.3 Constructive engagement for co-creation	Holistically promote the long-term development of local communities by serving as an honest platformer that enables the efficient use of local assets & resources embedded within platforms of global knowledge.
2.1 Holistic & inclusive perspective	Create a seikatsusha perspective oriented R&D capability that empowers individuals to realize their own subjective wellbeing.
2.2 Local community perspective	Create & promote food products & production that enables local rights, promotes interests based upon understanding & respect for culture & values.
2.3 Future generations perspective	Understand the challenges posed for life stages within future demographics & promote awareness of & enable lifestyles of long-term health through nutrition-based solutions.
3.1 Human wellbeing	Promote & support human wellbeing as a right through business activity both short & long term.
3.2 Community wellbeing	Promote & support the wellbeing of individuals by contributing to the attainment of fulfillment & reward in both life & work.
3.3 Planetary wellbeing	Promote the availability, access & utilization of food in a manner which ensures sustainability on a global scale.
4.1 Living well	Empower current & future generations to express, co-create & realize healthy lifestyles in a manner free of trade-offs & compromise.
4.2 Co-wellbeing	Create & promote sustainable business models based on value chains wherein value is created & shared in manner which promotes wellbeing among people regardless of differences in regional location, resources & capabilities.
4.3 Value creating solutions	Leverage core capabilities as a business to create scalable & collaborative solutions that promote regenerative food systems & societies.

## Materiality

## Risks and Opportunities Relating to Important Issues (Materiality) for the Ajinomoto Group

Major risks and opportunities (○ Opportunity ● Risk)		Related materiality requirements
No.1	"AminoScience" ○ Opportunities for business growth by leveraging the Ajinomoto Group's strength in "AminoScience," opportunities to contribute with "AminoScience" anticipating the evolution of modalities in markets ● Risk of failing to keep pace with the evolution of modalities in markets with "AminoScience" alone	1.1
No.2	Brand ● Risk of negative information about MSG and sweeteners spreading, leading to damage to the corporate brand ○ Opportunities for business growth by leveraging strong, locally-rooted brand power	1.2
No.3	Human resources ● Risk of inability to secure human resources needed for innovation and business activities due to imbalance between human resource supply and demand ○ Opportunities for human resources who resonate with our purpose to scale co-creation value through proactive investment in human resources focused on diversity and taking on challenges.	1.1 2.1 3.1 3.2 4.3
No.4	Collection and quantification of on-financial data ○ Opportunities for facilitating participation in the creation and deployment of effective standards through technological innovation enabling the collection of nonfinancial data that previously could not be measured or analyzed and contributing to the development of quantification methods allowing for opportunity assessment ● Risk of missing business opportunities due to delays in addressing increasing social value assessment/measurement levels (social demands)	1.2
No.5	Rise of the SDGs-native generation, spread of social media, and future orientation ● Risk of being cast aside by young people leading to curtailed business growth and risk of deliciousness no longer being an important element of food ○ Opportunities to facilitate the creation of an ecosystem for realizing regenerative food systems with increased momentum for co-creation of sustainable solutions with other companies and institutions that exist in food systems	2.3 3.3 4.3
No.6	Climate change, resource depletion ● Risk of difficulty in procuring raw materials, providing food to seikatsusha (consumers), and continuing business, risk of difficulty in realizing regenerative food systems due to the environmental impact of climate change and animal resource depletion issues (the protein crisis, etc.) making it impossible to ensure global sustainability	1.3 3.1 3.3 4.1 4.3
No.7	Technological innovation (food, agriculture, environment, digital sector) ○ Opportunities to expand the range of solutions for realizing regenerative food systems, opportunities to promote the spread of technologies that contribute to healthy lifestyles, such as agricultural produce with high nutritional value, opportunities to facilitate the formation of a broad value chain through the shift to digital technologies and the introduction of AI technologies ● Risk of curtailed business growth or loss of business opportunities due to delays in addressing technological advances related to food (e.g., automated cooking, cultured meat, etc.)	1.2 2.3 3.2 3.3 4.1 4.2 4.3
No.8	Sustainability consumption/habits ● Risk of inability to absorb investments/costs due to failure of converting sustainability-related initiatives into economic value as a result of conventionalization of sustainability consumption/habits, and risk of delay in acceptance by consumers and societies in some regions due to the respective advance of sustainability and green technologies that are constantly evolving	1.1 2.1 2.2 3.1 3.2 3.3 4.3
No.9	Population growth, capital inflows to developing countries ○ Opportunities for increased demand for health and nutrition-based solutions due to global population growth and increased capital inflows from public institutions to developing countries, opportunities for significant expansion of the healthcare market, opportunities to encourage co-creation of solutions, including in emerging countries	2.3 4.1 4.2 4.3
No.10	Laws and regulations ● Risk of difficulty in continuing business due to development of regulations and inability to choose renewable energy options in some regions ○ Opportunities for business created by appropriate compliance with laws and regulations related to improving food system resilience	1.1 1.3 3.1 3.3 4.2
No.11	Governance ● Risk of discontinuing business due to non-compliance, inadequate quality and safety controls which could lead to poor basic risk management ○ Opportunities that arise from the accumulation of trust from stakeholders through the continuation of safety, quality, and environmental management activities that are unique to our company.	1.2 2.2 3.1
No.12	Pandemics, political conflicts ● Risk of difficulty in promoting innovation and conducting business activities due to supply shortages resulting from pandemics, the invasion of Ukraine, etc., risk of stagnation in the penetration and development of Group-wide and business strategies due to restrictions on information sharing across countries resulting from political conflicts, trade wars, etc.	1.1 1.3 2.2 3.1 3.2 4.1 4.2 4.3
No.13	Terrorism/coups d'etat ● Risk of local executives and expatriates being detained and risk of being unable to continue business activities in particular countries due to terrorism/coups d'etat	1.1 1.3 2.2 4.2
No.14	IT Security, Intellectual Property ● Risk of leak or loss of strategic or confidential information, etc. due to inadequate knowledge management or rapid technological innovation, and risk of security vulnerabilities due to becoming a target of cybercrime ○ Opportunities for further competitive advantage and boosting business growth by strengthening intellectual property strategy, including building an intellectual property portfolio from a global perspective	1.1 1.2

Materiality

Key Initiatives and KPIs Related to Important Issues (Materiality) for the Ajinomoto Group

Materiality	Initiatives	Expected Level of Achievement (Goals and KPIs <sup>[1]</sup> )	Risks and Opportunities	
Human wellbeing (3-1)	2-3 Future generation perspective 4-1 Living well	<p>&lt; Goals &gt;</p> <ul style="list-style-type: none"> <li>• Provide solutions for B2B customers</li> <li>• Collaborate with local stakeholders to solve food and health issues</li> <li>• Promote Ajinomoto Group Nutrition Profiling System (ANPS) that quantifies the nutrition value</li> </ul> <p>&lt; Ongoing &gt;</p> <ul style="list-style-type: none"> <li>• Increase the percentage of products that have improved their nutritional value 56% (2022) ▶ 60% (2030)</li> <li>• Increase the number of people reached with products that promote "delicious salt reduction" and "protein intake optimization" 340 million per year (2022) ▶ 400 million per year (2030)</li> <li>• Increase the availability of products that utilize the physiological and nutritional functions of amino acids 1.1 times compared to 2020 (2022) ▶ 2 times compared to 2020 (2030)</li> </ul>	No.1 No.4 No.5 No.8 No.9 No.10	
	4-3 Value creation solution 1-1 Transformative innovation capability 1-3 Constructive engagement for co-creation	<p>② Contribute to creating healthcare solutions that address individual needs through advanced medicine</p> <p>③ Create an environment that supports people in making healthy food choices, for humans and the planet, that don't compromise on taste</p>	<p>&lt; Goals &gt;</p> <ul style="list-style-type: none"> <li>• Deliver solutions in the healthcare sector (from medicinal amino acids to advanced bio-pharma, and cell therapy business)</li> </ul> <p>&lt; Goals &gt;</p> <ul style="list-style-type: none"> <li>• Provide foods and ingredients made with materials and production methods with low environmental impact (cultured meat, plant-based foods, etc.)</li> </ul>	No.1
	2-1 Holistic & inclusive perspective 4-1 Living well	④ By encouraging the joy of cooking and eating together, contribute to individuals' emotional enrichment and subjective well-being	<p>&lt; Goals &gt;</p> <ul style="list-style-type: none"> <li>• Quantify how much cooking and eating together contribute to well-being (study the relationship) and promote products that have high contribution to well-being</li> </ul>	No.4 No.5
		⑤ Contribute to consumers' self-actualization through our products and services that cater to each individual	<p>&lt; Goals &gt;</p> <ul style="list-style-type: none"> <li>• Develop a highly personalized experience for consumers through a deep understanding of their needs and behaviors</li> </ul>	No.8

[1] Certain qualitative goals are included under Goals and KPIs based on characteristics of their respective initiatives. KPIs for Challenges are under deliberation. KPIs have been established for goals labeled in progress.

Materiality

Materiality	Initiatives	Expected Level of Achievement (Goals and KPIs <sup>[1]</sup> )	Risks and Opportunities
<b>Community wellbeing (3-2)</b> 2-2 Local community perspective 1-3 Constructive engagement for co-creation 1-2 Transparent & objective	⑥ Promote DE&I initiatives that serve as role models for local communities and improve employee well-being by investing in human resources, encouraging challenges and creating innovation. To be a workplace where all employee endeavor for purpose which one works	< Goals > • Promote ASV Award to celebrate employees that embrace challenge • Promote A-STARTERS (a new business incubator project) • Improve labor productivity and working hours • Engagement score to measure human resources, career development (Ajinomoto Co., Ltd. only) • Promote Smart Factory  < Ongoing > • Increase diversity at the leadership level 20% (2025) ▶ 30% (2030) • Increase ratio of women in management 35% (2025) ▶ 40% (2030) • Increase ASV realization process engagement score 80% (2025) ▶ 85% (2030) • Increase health and wellbeing engagement score 85% (2025) ▶ 90% (2030) • Increase career recruitment ratio to promote diversity (Ajinomoto Co., Ltd. only) 20% (2025) ▶ 30% (2030)	No.3
	⑦ Promote human rights initiatives throughout the value chain (Implementation of human rights impact assessments in line with international standards) Foster shared purpose with multi-stakeholders	< Goals > • Quantify supplier engagement  < Ongoing > • Conduct human rights and environmental due diligence	No.5 No.8
	⑧ Support a sustainable and accessible information and communications technology (ICT) society	< Goals > • Increase the ratio of advanced material shipments that makes it possible for our customers to create faster and more reliable devices • Co-create a sustainable business model that contributes to human well-being by continuous innovation	No.1 No.7

[1] Certain qualitative goals are included under Goals and KPIs based on characteristics of their respective initiatives. KPIs for Challenges are under deliberation. KPIs have been established for goals labeled in progress.

Materiality

Materiality	Initiatives	Expected Level of Achievement (Goals and KPIs <sup>[1]</sup> )	Risks and Opportunities
Planetary wellbeing (3-3)	4-2 Co-wellbeing 1-3 Constructive engagement for co-creation	⑨ Challenge to Net Zero  < Goals > • Promote biodiversity • Collaborate with local stakeholders to solve environmental problems (food loss, plastic waste, etc.)  < Ongoing > • Reduce GHG emissions (vs. 2018) 2030: 50% reduction in scope 1 and 2, 24% reduction in scope 3 2050: Net zero, 100% renewable energy • Eliminate plastic waste 2030: Zero plastic waste • Reduce food loss (vs. 2018) 2025: 50% reduction (from raw material sourcing to delivery at customer) 2050: 50% reduction (full product life cycle) • Reduce water consumption (vs. 2005) 2030: 80% reduction in water consumption • Increase sustainable procurement of raw materials 2030: 100% sustainable procurement of key raw materials Animal welfare improvement	No.5 No.6 No.10
	4-3 Value creation solutions 1-1 Transformative innovation capability 1-3 Constructive engagement for co-creation	⑩ Contribute to the transformation of a resilient food system that supports 10 billion people <sup>[2]</sup>	< Goals > • Promote practical implementation of on-site ammonia production • Contribute to the creation a society with a circular resource system by expanding the biocycle • Provide agricultural materials that contribute to sustainable agriculture • Provide products using cattle raised by more sustainable methods utilizing amino acids

[1] Certain qualitative goals are included under Goals and KPIs based on characteristics of their respective initiatives. KPIs for Challenges are under deliberation. KPIs have been established for goals labeled in progress.  
 [2] Projected world population in 2050

Materiality

Materiality	Initiatives	Expected Level of Achievement (Goals and KPIs <sup>[1]</sup> )	Risks and Opportunities
Initiatives that support "Purpose" Realization	1-2 Transparent & objective 1-3 Constructive engagement for co-creation	< Goals > <ul style="list-style-type: none"> <li>• Build systems such as quality assurance, regulatory, safety, and intellectual property to strengthen resilience</li> <li>• Promote measures that encourage continuous compliance awareness</li> <li>• Ensure proper assessments, audits, and inspections related to health and safety of employees</li> <li>• Establish an innovation strategy team</li> </ul> < Ongoing > <ul style="list-style-type: none"> <li>• Identify management risks and consider countermeasures (annually)</li> <li>• Projections, opportunity identification, and portfolio strategy (as appropriate)</li> </ul>	No.3 No.6 No.7 No.8 No.11 No.12 No.13 No.14
	⑪ Strengthen resilience to changes in the business environment	< Goals > <ul style="list-style-type: none"> <li>• Implement measures to improve literacy in environment, digital transformation and human rights among employees and stakeholders</li> </ul> < Ongoing > <ul style="list-style-type: none"> <li>• Increase the number of touchpoints with employees receiving nutrition education 56,000 (2022) ▶ 100,000 (2025)</li> </ul>	No.2 No.3 No.5 No.6 No.8 No.10 No.11
⑫ Improve employee literacy			

[1] Certain qualitative goals are included under Goals and KPIs based on characteristics of their respective initiatives. KPIs for Challenges are under deliberation. KPIs have been established for goals labeled in progress.



Framework for ESG and Sustainability

# Framework for ESG and sustainability

Framework

GRI2-9, GRI2-12, GRI2-13  
GRI2-17, GRI2-18, GRI2-24

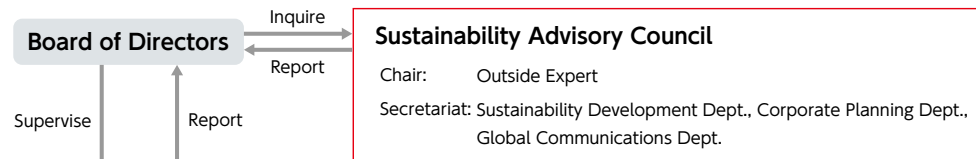
The Ajinomoto Group complies with the Ajinomoto Group Policies (AGP), which outlines the concepts and actions to be observed by each Group company, officers, and employees. We continue to improve internal control systems and control operations. At the same time, we strengthen

systems, treating sustainability as an active risk and striving to enhance corporate value.

We are strengthening our sustainability promotion system in order to continuously increase our corporate value from the perspective of sustainability. This system is outlined below.

## Framework for ESG and sustainability

[Supervision]



[Execution]



The Board of Directors has established the Sustainability Advisory Council, and establishes a system to recommend the Group's approach to sustainability and ESG. It determines materiality items related to sustainability that serve as guidelines for ASV management and supervises the execution of initiatives related to sustainability.

The Executive Committee has established the Sustainability Committee as a subordinate body and selects and extracts risks and opportunities based on materiality, and assesses the degree of impact, formulates measures, and manages their progress. In fiscal 2022, the Executive Committee received two reports from the Sustainability Committee.

Beginning April 2023, the Second Term Sustainability Advisory Council will continue its work to enhance the Ajinomoto Group's corporate value from the viewpoint of sustainability. The Second Term Sustainability Advisory Council consists of four external experts, primarily investors and financial market specialists, and is chaired by an external expert. After receiving consultation from the Board of Directors, the council will investigate the implementation of materiality, disclosure and dialogue on its progress, and building relationships with stakeholders through these activities, in the interest of stronger monitoring of the Board of Directors, and issue a report in response to the Board of Directors. The Second Term Sustainability Advisory Council will meet at least once a year and report the results of deliberations to the Board of Directors.

## Framework for ESG and Sustainability

In order to promote the Medium-Term ASV Initiatives, the Sustainability Committee formulates sustainability measures, proposes them to the Executive Committee, and manages progress in accordance with materiality. In addition, the Sustainability companywide formulates risk countermeasures for companywide management issues and manages their progress. It also formulates the entire Ajinomoto Group's sustainability strategy, promotes action themes (nutrition, environment, and society) based on this strategy, makes proposals and provides support for business plans from a sustainability viewpoint, and compiles internal information on ESG.

The Management Risk Committee, established in parallel with the Sustainability Committee as a subordinate body to the Executive Committee, identifies risks that call for initiative by management, assesses their impact on the Ajinomoto Group, and formulates countermeasures. If it is determined that identified risks can be more effectively handled by the Sustainability Committee, the Management Risk Committee will delegate this to and otherwise work closely with the Sustainability Committee.

- > [Sustainability Approach and Structure](#)
- > [Sustainability Advisory Council](#)

Dialogue and Collaboration with Stakeholders

# Stakeholder engagement

GRI2-29

To fulfill our responsibility for the sustainability of society and the global environment, not only must we pursue our own profit, but we must also share created value with all stakeholders. Here, we must understand and analyze the concerns of each stakeholder and their expectations of the Group. We must take this knowledge and apply it to our business activities. The Ajinomoto Group engages in ongoing dialogue with our stakeholders across a diverse range of forums, incorporating stakeholder feedback into our corporate activities.

Principal stakeholders	Customers and consumers	Shareholders and investors	Business partners	Employees	Local communities	Outside experts, NPOs, NGOs, and business associations
Concerns/ expectations of stakeholders	<ul style="list-style-type: none"> <li>● Product safety and security</li> <li>● Resolving the food and health issues</li> </ul>	<ul style="list-style-type: none"> <li>● Fair and highly transparent management</li> <li>● Sustainable business growth</li> <li>● Constructive dialogue and stronger governance</li> <li>● Timely and appropriate disclosures</li> </ul>	<ul style="list-style-type: none"> <li>● Promotion of initiatives toward a sustainable supply chain</li> <li>● Fair business practices</li> </ul>	<ul style="list-style-type: none"> <li>● Human resource development</li> <li>● Career development</li> <li>● Diversity, equity, and inclusion</li> <li>● Improved employee engagement</li> <li>● Compensation and employee benefits</li> <li>● Occupational safety and health</li> <li>● Responsible employment of foreign technical interns and foreign workers with specified skills</li> </ul>	<ul style="list-style-type: none"> <li>● Local safety and environmental conservation</li> <li>● Sustainable development of communities</li> </ul>	<ul style="list-style-type: none"> <li>● Honest dialogue and linked activities</li> </ul>
Engagement channel	<ul style="list-style-type: none"> <li>● Customer service center</li> <li>● Website</li> <li>● Factory tour</li> <li>● Information sharing and/ or discussions with consumers during events and presentations</li> <li>● Market research</li> </ul>	<ul style="list-style-type: none"> <li>● General meeting of shareholders</li> <li>● Financial results briefings, IR Day, and business briefings</li> <li>● Dialogue with institutional investors</li> <li>● Company briefings for individual investors</li> </ul>	<ul style="list-style-type: none"> <li>● Procurement policy briefings, supplier audits</li> <li>● Dialogue with business partners (raw materials and packaging materials suppliers, distribution, logistics), policy briefings to distributors</li> </ul>	<ul style="list-style-type: none"> <li>● Various skills development and training</li> <li>● Dialogue with the CEO and General Managers of business or corporate divisions</li> <li>● Individual Target Presentation</li> <li>● ASV Awards</li> <li>● Social media platform to connect employees globally</li> <li>● Ajinomoto Group Policies (AGP) workplace reviews</li> <li>● Hotlines (whistleblower reporting system)</li> <li>● Harassment hotline</li> <li>● Dialogue with foreign technical interns and foreign workers with specified skills</li> </ul>	<ul style="list-style-type: none"> <li>● Dialogue with residents living near our plants</li> <li>● Participation in and sponsorship of community events</li> <li>● Activities to support the recovery of communities impacted by natural disasters</li> <li>● Support through foundations (Japan, Vietnam, Ghana)</li> </ul>	<ul style="list-style-type: none"> <li>● Dialogue with outside experts, NPOs, NGOs, business associations, and government agencies</li> <li>● Dialogue with consumer goods manufacturers and global retailers at the Consumer Goods Forum (CGF)</li> </ul>
Results and impacts	<ul style="list-style-type: none"> <li>● Product improvements reflecting the voice of customers</li> <li>● Proposals to resolve issues facing consumers in terms of food and health (salt reduction, promotion of vegetable consumption, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>● Publication of video of presentations on our website including Q&amp;A sessions</li> <li>● Reflection of the voice of investors in management and improvements to IR activities (explanation of the Group's strengths through IR Day and business briefings, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>● Sharing of changes in dietary habits and mindset in Japan following COVID-19</li> <li>● Proposals for menu options at retail stores and restaurants linked to solving food and health issues (salt reduction, increased vegetable consumption, etc.); proposals, etc., for operational improvements</li> <li>● Promotion of environmentally conscious packaging materials through dialogue with suppliers</li> <li>● Understand the state of human rights via human rights assessments</li> </ul>	<ul style="list-style-type: none"> <li>● Promotion of mutual understanding of work environment, such as occupational safety and health, salary and employee benefits, through dialogue between management and employees</li> <li>● Workplace improvements through hotline consultations and other available programs</li> <li>● Understand the state of foreign technical interns and foreign workers with specified skills</li> </ul>	<ul style="list-style-type: none"> <li>● Initiatives for identifying and resolving health and nutrition issues in communities (salt reduction seminars in partnership with local governments, events and menu suggestions encouraging more vegetable and breakfast consumption, school lunch project in Vietnam, nutrition seminars for midwives in Indonesia, etc.)</li> <li>● Food aid through donations to Ukraine</li> <li>● Materials support and donations for earthquake victims in Türkiye</li> </ul>	<ul style="list-style-type: none"> <li>● Revisions to Group Shared Policies, guidelines, and approaches</li> <li>● Promotion of efforts to improve the logistics efficiency and work environment of processed food distribution in Japan in collaboration with business associations involved in manufacturing, sales, and distribution along with the relevant government</li> <li>● Participation in the Workforce Nutrition Alliance and advancing improvements in workplace nutrition</li> </ul>

# Expectations and recommendations from external stakeholders

To continue responding to varying sustainability requirements in different parts of the world, the Ajinomoto Group collected opinions from local experts on the Group's overall approach to sustainability and specific initiatives regarding human rights, the environment and other issues.



**Elaine Cohen**  
Founder and CEO  
Beyond Business Ltd.

The Ajinomoto Group has applied innovation and creativity to its new materiality framework, and it is clear that much effort has been invested in determining what is most important for Ajinomoto and its contribution to society.

I'd like to see more about how this high-level framework translates into the management of actual impacts on economy, society and the environment as well as how sustainability issues affect Ajinomoto's long-term growth.

In the global sustainability landscape, where the concept of double materiality has gained significant traction, I seek a direct correlation between the materiality framework and quantifiable social, environmental and business impacts, beyond visionary statements of intent, as well as the process applied to generate the material topics.

I hope that these matters will be clarified in the Group's future disclosures and that the new framework will translate into meaningful, measurable and manageable material focus. The appointment of a second Sustainability Advisory Council as a resource for the Board of Directors is a welcome development.

It is critical that Directors are educated on sustainability matters so that they can appropriately oversee strategy, risk and opportunity.

However, as a global company with multiple impact areas, I wonder if there is an opportunity to broaden the composition of the Council to be more globally relevant and include members who have specific expertise in sustainability topics such as human rights, labor relations, supply chain, climate change and broader social impacts.



**Celine Solsken**  
**Ruben-Salama**  
Principal, FOR THE LONG-TERM, LLC  
Lecturer and Faculty Advisor, M.S. Sustainability Management Program, Columbia University (NY)

The new Materiality construct articulates the Ajinomoto Group's long-term, shared value creation model elegantly. However, in its current state, this new framework feels a bit esoteric, and the KPIs/metrics listed in the 'Framework Table of Materiality' are vague. For the next reporting cycle, I expect to see quantitative KPIs for each of these new material topics integrated into the Management Strategy.

It will be interesting to see how the Group translates its established sustainability reporting frameworks to align with the new material topics. Since they are no longer part of the Sustainability Advisory Council's goals, I also expect to see clear articulation of the goals for the year 2030 and beyond related to the creation of social value, including reducing environmental impact and extending healthy life expectancy in the upcoming reports. Having completed the updated Materiality assessment

from a long-term and multi-stakeholder perspective, the Sustainability Advisory Council has entered its Second Phase, with a paired down set of external experts and roles. While the current group is balanced in terms of gender diversity, some ethnic diversity is recommended for a global company.

Regarding changes to the website, I was pleased to see the enhanced Human Rights page, a thorough assessment of salient issues by country and raw material and continued talks to enhance traceability. While the new 'Along with Society' pages are engaging, I was unclear to me how these pages relate to or differ from the 'Stories' pages, and was sorry to see this simple, chronological index of newsworthy developments of the 'Sustainability News' page abandoned. As the updates to the sustainability pages of the website continue to develop, better understanding the current audience for these pages could help streamline the user experience and improve communications to be more effective.

## Dialogue and Collaboration with Stakeholders



**DR. FOONG  
SWEI YEOK**

Mangrove ecologist,  
Universiti Sains Malaysia  
Honorary Auditor, Malaysian  
Nature Society, Penang  
Branch

As a forward-thinking leader in global integrated industry, the Ajinomoto Group did an excellent job in keeping pace with the evolving environment sustainability requirements.

Impactful insights were clearly outlined in ASV 2022 with near-term targets set to be achieved by FY2025 and FY2030. Long term corporate targets (FY 2050) are also well aligned with the global energy outlook. All these targets are crucial in meeting stricter GHG protocol standards for corporate, and prepare the Group in future business compliances.

As more and more jurisdictions seeking mandate on disclosure of climate related information and emissions reduction, it is viable to adopt a holistic approach in tackling sustainability challenges.

I appreciate the Group's respond to the increasing consumers' demand for sustainable packaging material and hence the zero plastic waste targeted for FY2030.

Aims to use mono-material and thinner packaging material in support of plastic recycling are well suited in countries that have mature social implementation of plastic collection, sorting and recycling. However, in societies with low waste management and recycling rate, switching to biodegradable plastic could accelerate oil-based plastic reduction. There is no one-size-fits-all solution to realise plastic sustainability. While the Group continues with its effort to complete plastic reduction by FY2025, my suggestion is to focus emphasis on sourcing for eco-friendly alternative packaging that are price-competitive (as of this writing, seaweed-based plastic alternative was in the stage of commercial ready). I would like to recommend a separate data reporting on plastic waste from the other general "non-hazardous waste" such as sludge, animal and plant residue etc., to allow for more reliable assessment and therefore lead to solution in achieving plastic circularity for the Group.

To sustain sustainability in the ever-changing business landscape is getting more arduous. I have great confidence in the Group to continue thrive and lead in this environment.



**Luke Wilde**

Chief Executive Officer  
(CEO)  
twentyfifty

It is clear that a significant amount of work and thought that has been put into developing the Ajinomoto Group's ambitious sustainability strategy.

The approach to human rights is clearly aligned to Human Rights Due Diligence best practices set out by the UN and OECD, and the Group is able to demonstrate that they are engaging with rightsholders in its value chains through the human rights impact assessments that they have carried out in recent years; it would be good to further increase transparency by enhancing the information provided on the actions being taken to address human rights impacts and how they are evolving their action as a result.

There are some ambitious goals set with the sustainability strategy with clear links to people and human rights and these linkages could be made more explicit in the future. Looking ahead, what does the Group need to prepare for? In my opinion, increasing transparency and demonstrating impact will become even more important.

Legislation in Europe and elsewhere is driving ever increasing expectations on businesses to report on their human rights impacts and the actions they are taking to address them which in turns leads to increasing stakeholder expectations for information. In the near future, it won't be enough to describe a programme, it is going to be imperative to explain what impact it is having. Other key areas to note, is the increasing focus within the retail sector on the link between procurement practices and human rights/sustainability and commitments to living wages and incomes.

## Dialogue and Collaboration with Stakeholders

**Vasu Srivibha**

Chief Impact Officer  
Sasin School of Management  
Chulalongkorn University  
(Thailand)

Envisioned by the President and CEO, Taro Fujie, Ajinomoto Group demonstrates a strong commitment to promoting sustainability and believes it will benefit both society and the company's business growth.

The company did marvelous job in elaborating how sustainability strategy translates into operational excellence in creating shared value.

To ensure sustainability is embedded in their efforts, it is commendable that the Group established the Sustainability Advisory Council, which engages with stakeholders from various fields to discuss the company's contribution to sustainability and future vision.

In my perspective, the opportunities to enhance sustainability performance and potential positive societal impact for the Group include.

**- Furthering the Nourishment of Humanity.**

The company could entail considering the long-term viability of food production ecosystem, minimizing environmental impact, and ensuring the responsible use of natural resources to meet current and "the future of food".

**- Fostering Diversity and Inclusion.**

Creating a diverse and inclusive workplace ensures that employees feel valued, respected, and empowered to fully participate and contribute. It involves fostering a culture that promotes equal opportunities, fairness, and equity for everyone. I would expect to see new developments and initiatives in this area.

**- Scaling Positive Impact on Local Markets.**

It is important for the Group to engage in meaningful dialogue with the local stakeholders, understand their needs and priorities, and tailor their initiatives accordingly. By aligning their practices and initiatives with local markets, the company can create a positive impact, foster strong relationships, and contribute to the overall well-being and development of local communities where the company and its subsidiaries are operated.

I expect the Group to adapt the language of "impact" more in its narration of sustainability strategy. The notion of impact would ensure the company acknowledges the challenges ahead while enhancing trust from communities. It is not only a moral imperative but also a strategic advantage that can lead to long-term success and competitiveness in the industry.

**Hidemi Tomita**

Managing Director  
LRQA Sustainability Co., Ltd.

**Expecting More Aggressive Initiatives as the Industry Leader**

I believe that the Ajinomoto Group is making steady progress in ESG initiatives, integrating these measures into management. However, it is undeniable that the company lacks somewhat in terms of meeting expectations as a leading sustainability company. As a company involved in the food industry, the Group has yet to take on the progressive challenge of TCFD and TNFD frameworks. It is regrettable that the group has not made progress in activities that anticipate the rapidly growing demands of society, such as supply chain initiatives for human rights.

The Group has been a leader in sustainability through many progressive initiatives. I would like to see the group take an aggressive stance, being an industry leadership on a global basis. The new materiality is certainly an ambitious framework and make sense as a value creation story. But there are certain aspects that do not appear to meet requirements from the perspective of external stakeholders. I am sure the group will clarify these matters in future detailed disclosures, but at this point it is difficult to understand the actual activities, their relationship to KPIs, and their connection to outcomes in 2030. I would prefer to see a clearer explanation in these areas.

## Dialogue and Collaboration with Stakeholders



**Kenji Fuma**  
CEO, Neural Inc.

### Expectations as an International Leader in Nutrition Issues

In light of the protracted problems in Ukraine and other issues, the importance of nutrition issues and food security is increasing worldwide. These are major social issues that intertwine with population growth, climate change, and numerous other issues. Society as a whole is faced with the need to create conditions for adequate nutrition. Companies dealing in food products are being asked how they identify and respond to the risks and opportunities associated with nutrition issues. As a leading company in the Japanese food industry, the Ajinomoto Group

also bears great expectations and a responsibility for the initiatives we put in motion to solve nutrition issues. Expectations in Japan are growing as awareness spreads about the “AminoScience” approach we have cultivated and how this technology will lead to solutions. On the other hand, the Group is still not recognized widely for our global initiatives on nutrition issues, and we lack presence in the international community. I believe institutional investors feel the same way. Considering the high reputation that the company has earned in Japan in the field of environmental sustainability, combined with the high ratio overseas sales, particularly in Asia, the company could be more proactive in participating in and driving international initiatives as an industry leader.



**Shunsuke Managi**  
Professor of Urban Systems Engineering, Graduate School of Engineering, Kyushu University  
Faculty Fellow, Research Institute of Economy, Trade and Industry (RIETI)

### Contributing to Natural Capital Throughout the Supply Chain

The supply chain is one of the most important topics in the food industry. As a leader in the Japanese food industry, the Ajinomoto Group must go beyond conducting human rights impact assessments, taking the lead in building a supply chain that values human rights. The resulting contribution to well-being of our society as a whole, including downstream in the supply chain to the producers of raw materials, will lead to the Group becoming the “essence of happiness” to which it aspires. In terms of environmental initiatives, it appears that the Group has not succeeded so far as to address natural capital. As a food company, the Group must be willing to take a responsible approach to sustainable land use, even taking responsibility for the inhabitants’ ability to continue living on said land in the future. Nutritional contributions, such as salt reduction, also

reduce environmental impact. I believe that the Group has the potential to make a significant contribution through nutritional balance for individuals and through its global supply chain. In the future, I expect the company to be a leader in making rules to improve human rights, the environment, and natural capital. I expect the Group to demonstrate leadership in broadening and deepening cooperation throughout the supply chain, including contributions to the regions that produce raw materials.

# FY2022 Activity Report

The FY2022 Activity Report outlines our initiatives to achieve the two outcomes defined in the Medium-Term ASV Initiatives 2030 Roadmap, as well our efforts to strengthen the business foundations supporting these initiatives.

**Contributing to the well-being of all human beings,  
our society and our planet with “AminoScience.”**

## Outcomes of the Ajinomoto Group in the Year 2030

**Help Extend the Healthy Life  
Expectancy of 1 Billion People**

▶ P027

**Reduce Our Environmental Impact  
by 50%**

▶ P044

## Strengthening Business Foundations

**Social**

▶ P087

**Governance**

▶ P119

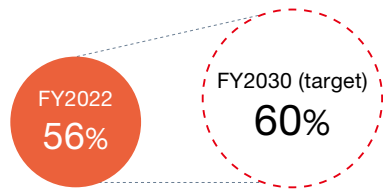


# Key initiatives and progress

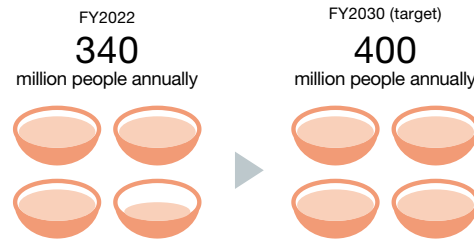
## Nutrition Commitment

By 2030, we will help extend the healthy life expectancy of one billion people by increasing the current reach to 700 million consumers and providing products and information that support consumers in enjoying nutritious and delicious food with Nutrition Without Compromise as basic policy on our approach to nutrition.

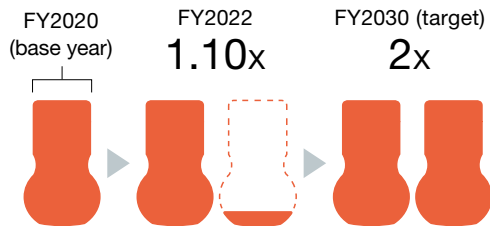
Percentage of products with improved nutritional value<sup>[1]</sup>



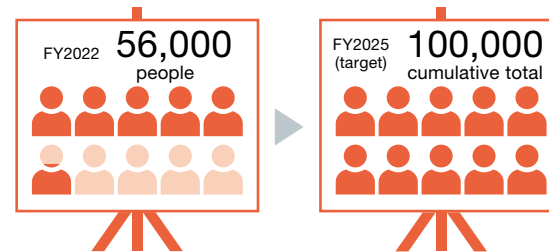
Provision of products with improved nutritional value in "delicious salt reduction" and "protein intake optimization"



Availability of products utilizing the physiological and nutritional functions of amino acids



Nutrition education for employees



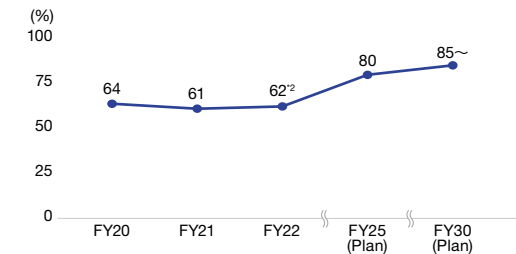
[1] Products with improved nutritional value means the products that meet our criteria and contribute to the intake of improved nutrition from an international public health perspective.

> P029

## Employee engagement score (ASV as one's own initiative)

- The Ajinomoto Group works to deepen understanding of our ASV Indicators, foster empathy for purpose, and enhance a corporate culture that encourages challenge.
- We changed our measurement method for our fiscal 2023 score from a single question of ASV as one's own initiative to the category average value of the items in "ASV Realization Process" questions. Doing so will enable us to better grasp the actual state of affairs from future scores.

Employee engagement score

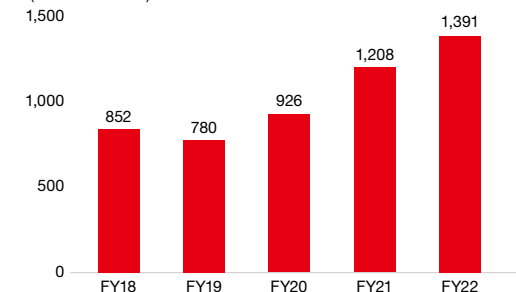


> P112

## Corporate brand value

- We connect technological assets and customer assets with human resources to co-create innovation.
- The corporate brand value is evaluated using the *Best Japan Brands* published by Interbrand, and judged as achieved or unachieved.

(Millions of USD)

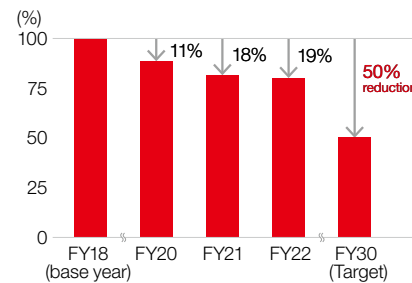


### Responding to climate change

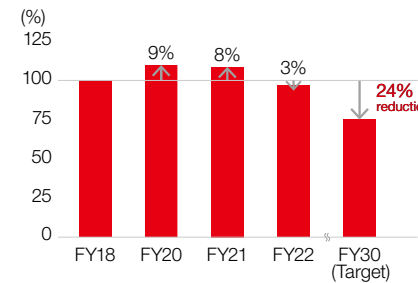
- We set a target to reduce greenhouse gas emissions in fiscal 2030 by 50% for Scope 1 and 2 and 24% for Scope 3 in comparison with fiscal 2018 levels. We also aim to achieve net zero emissions by FY2050.
- For water consumption, we have set an 80% reduction target by 2025 in comparison with fiscal 2005 levels.

> P052  
> P083

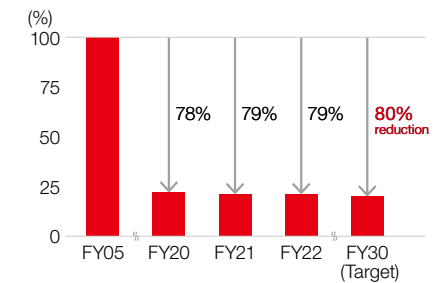
GHG emission reduction rate (Scope 1 and 2 vs. FY2018)<sup>[1]</sup>



Reduction rate of GHG emission intensity per ton of Scope 3 production (excluding Category 11) (vs. FY2018)<sup>[1]</sup>



Reduction rate of water consumption per production volume unit (vs. FY2005)



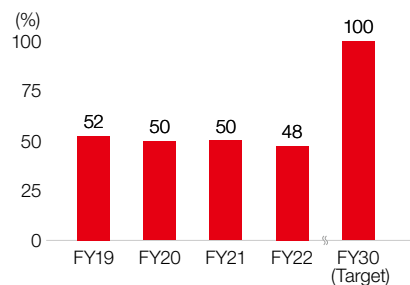
[1] Performance against SBTi targets

### Realization of a circular society

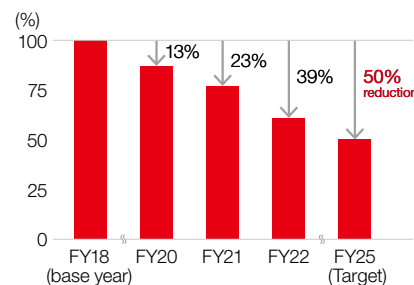
- The Ajinomoto Group aims for zero plastic waste by fiscal 2030.
- We set a goal to half food loss that occurs from acceptance of raw materials to delivery to customers by fiscal 2025, compared to fiscal 2018 levels.
- We will reduce waste, such as garbage, by optimizing raw material usage and maintaining a resource recovery ratio of 99% or higher.

> P063  
> P074

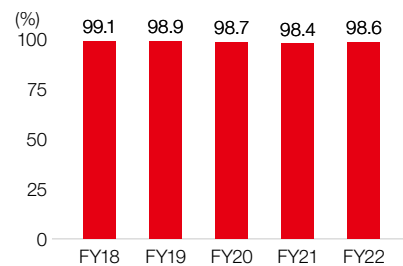
Percentage of recyclable plastic<sup>[2]</sup>



Food loss reduction rate (amount generated vs. production volume per unit production)<sup>[3]</sup> (vs. FY2018)



Resource recovery ratio



[2] Plastics recyclable through technology. Recyclable ratios after 2020 are updated only for major domestic divisions after our total volume survey conducted in 2019.

[3] From the acceptance of raw materials to delivery to customers

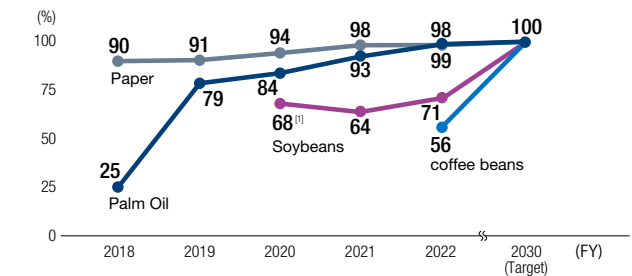
### Achieving sustainable procurement

- We aim for a 100% sustainable procurement ratio of key raw materials by fiscal 2030.

> P079

Sustainable procurement ratio

● Paper, Palm Oil, Soybeans, coffee beans



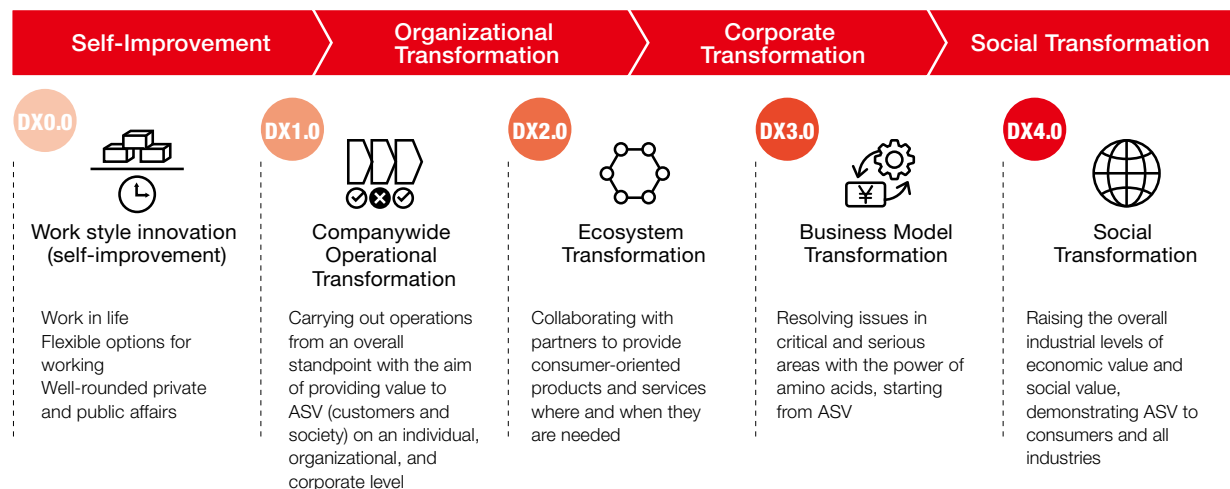
## Digital transformation (DX) to support our transformation to achieve its purpose and sustainability initiatives

The Ajinomoto Group views digital transformation (DX) in the broadest sense to mean the digital transformation of society. Society is undergoing rapid changes due to the advancement and diffusion of digital technology. We evolve our ASV management, which co-creates social value and economic value through our business, amid such changes, based on our purpose of contributing to the well-being of all human beings, our society, and our planet with "AminoScience." We also promote DX as a means to accelerate our transformation to achieve this purpose. DX also plays an important role in promoting sustainability initiatives.

## DX ⇒ dX Corporate transformation with digital Digital TRANSFORMATION

### Transformation stages and initiatives in DX promotion

The Ajinomoto Group adopted the DX(n.0) Model in our promotion of DX. This model established stages based on the layers of DX1.0: Company-Wide Operational Transformation, DX2.0: Ecosystem Transformation, DX3.0: Business Model Transformation, and DX4.0: Social Transformation. We will link each layer and evolve our corporate culture. In addition, we will promote DX with a customer-oriented mindset, total optimization, and the participation of all employees, to become a leader in social transformation in the food and health fields.



In our Smart Salt project, we developed delicious low-sodium recipes that reduce salt content without sacrificing flavor, implemented digital communication through owned media tailored to consumers' high interest in reduced salt products, and applied our accumulated expertise in Japan to overseas Group companies. Demand for low-sodium products and the number of people choosing low-sodium products increased as a result of these efforts, and we believe this brings us one step closer to DX4.0 (social change).

Digital technology is also utilized in evaluating the risk of declining cognitive functions through the analysis of blood amino acids in theAminoIndex<sup>®</sup>, as well as in our method (droplet screening technology) that enables the rapid selection of strains that produce a variety of substances, such as proteins, from more than several hundred thousand candidate strains.

> P032  
 > P042  
 > Ajinomoto Co., Ltd. and the Tokyo Institute of Technology collaborated to develop a screening method for microorganisms in highly efficient protein production. (Japanese only)

### Ajinomoto Group DX evaluation

The Ajinomoto Group was selected as a Digital Transformation Stock<sup>[1]</sup>2023 (DX Stock) for the second year in a row in recognition of our ongoing bold efforts to go beyond introducing exceptional information systems and utilizing data to additionally reform our business model and management based on digital technology.

[1] The Ministry of Economy, Trade and Industry, the Tokyo Stock Exchange, and the Information-technology Promotion Agency select companies listed on the Tokyo Stock Exchange that have exceptional achievements in establishing internal mechanisms to advance DX and enhance corporate value using digital technology.

> ASV Report 2023 (Integrated Report) P115



## Help Extend the Healthy Life Expectancy of 1 Billion People

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### Resolving Nutritional Issues

Quantifying salt reduction using umami ————— P028

Addressing nutritional issues ————— P029

Disseminating information on  
MSG safety and benefits ————— P039

### Solving Health Issues

Addressing health issues ————— P041

## Resolving Nutritional Issues

# Quantifying salt reduction using umami

## Performance

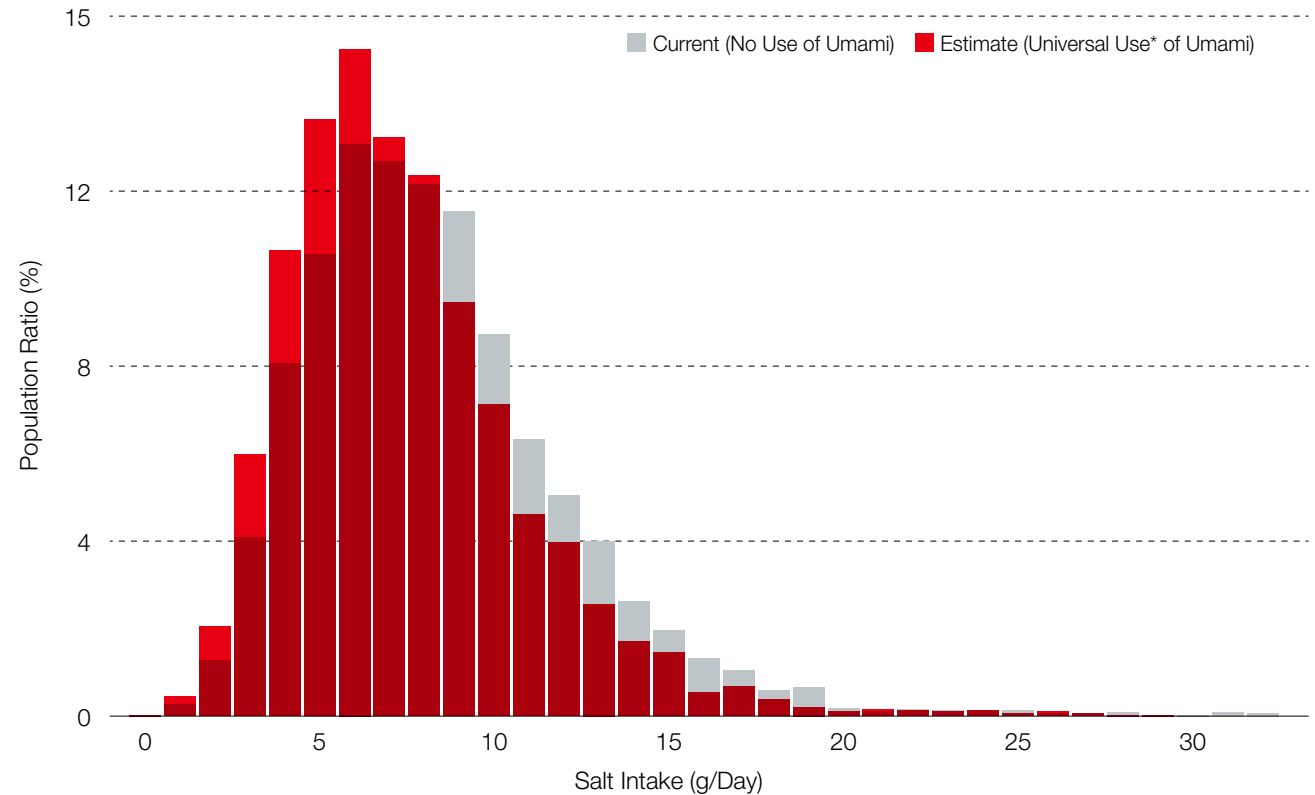
GRI3-3

The Ajinomoto Group seeks to extend healthier lives by 2030. One of the most important efforts to achieve this goal is to solve the problem of excessive salt intake. The Ajinomoto Group proposes initiatives for delicious salt reduction, which uses *umami* to both enhance flavor and reduce salt. However, we still struggle to quantify exactly how effective this initiative will be at the national level.

In 2020, the Ajinomoto Group began collaborating with academic institutions on the U20 Healthy Umami Research Project. This project is a study to estimate the extent to which umami can reduce salt intake at the national level. Previous studies have estimated that adding umami to the diet can reduce salt intake by between 12% and 21.1% (1.3 grams to 2.2 grams) per day in Japan, and by between 7.3% and 13.5% (0.6 grams to 1.1 grams) in the United States. In fiscal 2022, researchers confirmed that salt reduction using umami is effective in the UK. Specifically, the study found a potential reduction in salt intake of between 9.1% and 18.6% (0.5 grams to 0.9 grams) per day for the British population. To date, estimates on the effect of salt reduction through umami have been conducted at the national level across the differing cultures of Japan, the United States, and the United Kingdom.

Based on the results of these studies, we plan to conduct educational activities to spread the value of delicious salt reduction in other countries and conduct similar studies.

Estimate of Salt Intake in the United Kingdom After Using Umami



\*Indicates replacing 90% of salt containing foods with foods using umami to reduce salt content  
Nakamura H, et al. Reducing salt intake with umami: A secondary analysis of data in the UK National Diet and Nutrition Survey. Food SciNutr 2023; 11(2): 872-82.

# Addressing nutritional issues

## Approach to nutrition

### Approach

GRI3-3, GRI203-2

Health problems such as lifestyle-related diseases, undernutrition and overnutrition caused by aging, diet and lifestyle are increasing globally\*. A Double Burden of Malnutrition (combination mixture of the problems of undernutrition and overnutrition) is possible not only in a single country or region, but also in an individual. Improving the nutritional balance in our daily diets is important for solving problems such as the insufficient intake of proteins and vegetables or an excess intake of sugar, saturated fat, and salt.

As a global food company involved intimately in daily dietary habits, we are enhancing our nutrition-focused initiatives based on the Group Shared Policy on Nutrition and the related Ajinomoto Group Nutrition Strategy Guideline. These initiatives are based on the principle of "Nutrition Without Compromise."

Aimed at extending the healthy life expectancy of one billion people by 2030, in 2021, we formulated a commitment outlining paths and KPIs to improve people's nutrition. This commitment was announced and registered at the Tokyo Nutrition for Growth Summit 2021, held in December. The Summit requires that any commitments meet its SMART criteria (Specific, Measurable, Achievable, Relevant, and Time-Bound). We are pleased to announce that Global Nutrition Report, an organization that verifies the performance of all commitments, has rated our nutrition commitments with a SMARTness of "High."

\* UN: Decade of Action on Nutrition

- > Global Nutrition Report
- > UN Decade of Action on Nutrition
- > ASV Report 2023 (Integrated Report) P080-081
- > Nutrition without Compromise
- > Group Shared Policy on Nutrition
- > P024

## Nutrition Commitment

By 2030, we will help extend the healthy life expectancy of one billion people by increasing the current reach to 700 million consumers and providing products and information that support consumers in enjoying nutritious and delicious food with Nutrition Without Compromise as basic policy on our approach to nutrition.

- Support practice of "delicious salt reduction" using umami
  - We will leverage our current reach to 700 million consumers to raise general awareness of salt reduction using umami, and support more people to achieve salt reduction without compromising taste.
- Provide nutritious products to contribute to people's wellness
  - By fiscal 2030, 60% of our products will have improved nutritional value while maintaining good taste. We will use the Ajinomoto Group Nutrient Profiling System (ANPS) to guide product development and reformulation.
  - Among the nutritious products, we will provide products that promote "delicious salt reduction" and "protein intake optimization" to 400 million people a year by fiscal 2030.
  - By utilizing the physiological and nutritional functions of amino acids, by fiscal 2030, we will double the availability of such products that contribute to health, compared to fiscal 2020.
- Support consciousness/ behavior change of consumers by providing information that supports health and nutrition improvement
  - We will provide consumers with information to help them improve their health and nutrition, as well as easy recipes and menus both on product packaging and on our website that support delicious and well-balanced meals and healthy lifestyles.
- Improve nutrition literacy of Group employees
  - We will help our employees improve and maintain their health by providing healthy meals in the workplace, nutrition education, health checkups, and maternity leave.
  - By fiscal 2025, we will provide nutrition education to sum total of 100,000 employees.

## Resolving Nutritional Issues

■ The three pillars of our approach to nutrition

- Without compromising taste

The Ajinomoto Group continues to develop and sell healthy products (salt reduction, etc.), and we do so without compromising on taste. By providing seasonings such as umami seasoning (MSG), we contribute to delicious and healthy meals.

- Without compromising access ~delivering nutrition to all people~

Through innovation initiatives unlocking the power of amino acids and distribution, we will help make nutritious meals more accessible than ever before in terms of availability,

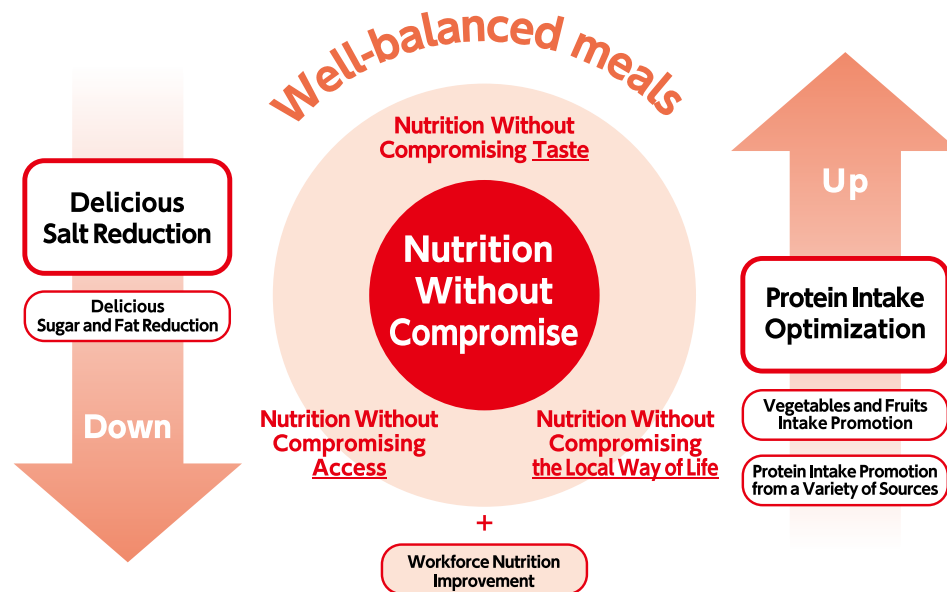
affordability, and convenience.

- Without compromising the local way of life

When expanding our businesses globally, we adapt our operating models to respect national and local customs, food preferences, resources, ingredients, and stakeholders. While communities and economies grow and shift, our emphasis on personalization becomes even more relevant.

When nutritious foods taste good, are convenient and easily accessible, and respect local customs and flavors, we are able to promote the long-term intake of well-balanced meals by consumers.

### Ajinomoto Group approach to nutrition



Refer to P031 to P038 for details of initiatives to make the above approaches a reality.

## Roadmap to one billion people

Framework / Performance

GRI3-3

The Ajinomoto Group pursues initiatives for nutrition improvement to help extend the healthy life expectancy of 1 billion people by 2030. In fiscal 2022, we created touchpoints for deliciousness and health with 880 million people. Going forward, we will continue to contribute to extending the healthy life expectancy of one billion people by promoting delicious salt reduction through umami and providing products and information that are useful for health.

> P031

## Framework for nutrition management

Framework

GRI3-3

Under the supervision of the Executive Officer in charge of sustainability, the Sustainability Committee and the Sustainability Development Dept. follow up on nutrition-related policies, strategies, and business unit activities. The committee and department collect information which is reported to the Executive Committee and the Board of Directors. In addition, the Sustainability Advisory Council second phase will evaluate the status and progress of the Company's efforts to address the risks and opportunities (including nutrition) identified as materialities.

> Group Shared Policy on Nutrition  
> P016

## Resolving Nutritional Issues

## Use of nutrient profiling systems

Performance

GRI3-3, GRI203-2

In response to the growing worldwide interest in improving nutrition, global food companies have developed and introduced nutrient profiling systems (NPS), a scientifically based method to evaluate the amount of nutrients in a product and express nutritional quality in an easy-to-understand manner. The Ajinomoto Group began operating the Ajinomoto Group Nutrient Profiling System for Products (ANPS-Product) in 2020, and as of March 2023, the system has been introduced in 16 group companies in 13 countries, evaluating the nutritional value of over 800 products.

However, the Ajinomoto Group recognizes the limits and issues to ANPS-Product and other NPS<sup>[1]</sup> used globally to assess seasonings and other products that are normally not eaten on their own as a self-standing food item. We launched ANPS-Dish<sup>[2]</sup> in December 2021 as the world's first nutrient profiling system to take Japan's food culture and health issues into consideration, making it possible to assess the nutritional value of dishes prepared with seasoning products. In addition, as a satellite event of the Prince Mahidol Award Conference (PMAC) 2023 in Bangkok, Thailand, we jointly held the "Healthy Eating and Nutritional Profiling in Asia" symposium with the Institute of Nutrition at Mahidol University and Nature Research Custom Media. At this event, we discussed with the distinguished panelists the importance of and issues related to developing nutrition profiling systems for nutritional issues and eating patterns in Asia.

By introducing and utilizing ANPS-Product and ANPS-Dish, we will promote the development of products, dishes, and recipes with improved nutritional value. These include seasonings with reduced salt content while maintaining the same delicious taste, and dishes and recipes that provide strong protein and vegetable content while reducing saturated fats. As we advance our partnerships with those

in academia, we are also exploring the utilization of these to provide support to consumers so that they can eat nutritionally well-balanced meals. In addition, we plan to develop ANPS-Dish in accordance with the food culture of each country, and expand globally to ASEAN, Latin America, and other regions.

[1] This refers to the Health Star Rating utilized in Australia and New Zealand and the Nutri-Score utilized in parts of Europe.

[2] In the Ajinomoto Group Sustainability Data Book 2022, this was listed as "ANPS-M" (for Menu), but its name has been changed to ANPS-Dish.

> ASV Report 2023 (Integrated Report) P081

## Initiatives to achieve our approach to nutrition

Performance

GRI3-3

## Nutrition commitment quantitative KPIs

GRI2-4

	FY2020 (Results)	FY2021 (Results)	FY2022 (Results)	FY2025 (Target)	FY2030 (Target)
Percentage of products with improved nutritional value <sup>[3]</sup>	40%	50%	56%	—	60%
Provision of products from among those with high nutritional value that are beneficial to "delicious salt reduction" and "protein intake"	280 million people annually	320 million people annually	340 million people annually	—	400 million people annually
Availability of products utilizing the physiological and nutritional functions of amino acids	(Base year)	1.07 times <sup>[4]</sup>	1.10 times	—	2 times
Nutrition education for employees	Cumulatively 460	Cumulatively 26,000	Cumulatively 56,000	Cumulatively 100,000	—

[3] Products with improved nutritional value means the products that meet our criteria and contribute to the intake of improved nutrition from an international public health perspective.

[4] Correction has been made as a result of a review of totals.

> P006  
> P028  
> P029  
> P033-034  
> P035-036

## "Delicious salt reduction"

GRI203-2

Risks due to excess salt intake are becoming more serious worldwide. Despite initiatives against such risks amid WHO initiatives<sup>[5]</sup> warning about them, improvements have yet to be seen. In fiscal 2022, the Ajinomoto Group worked to promote salt reduction through our unique technologies (e.g., improved taste using materials such as MSG and other umami seasonings along with formulation technology,

improve texture, etc., by using enzyme technologies, etc.) in Japan in cooperation with 12 municipalities and overseas in 10 countries. In addition, in the U20 Healthy Umami Research Project, which conducts scientific verification and dissemination of the usefulness and public health value of umami, we are collaborating with academia in an attempt to quantify the efficacy of salt reduction using umami. Results in the U.K., U.S., and Japan have been published in research papers.



## Resolving Nutritional Issues

Satellite event for PMAC 2023 was held in January 2023. By collaborating with a local subsidiary (Ajinomoto Co., (Thailand) Ltd.), we held discussions with various stakeholders in public nutrition and nutrition administration on how umami can be one of the solutions for salt reduction, leading to solutions for both global and local issues. Furthermore, we are seeing steady expansion in delicious salt reduction utilizing umami, including the WHO's listing in March 2023 of MSG as a viable alternative in a review for developing guidelines for salt reduction alternatives. We aim to spread this practice among as many consumers as possible through social media-based influencer messaging about delicious reduced-salt recipes and other information.

[5] The Global Action Plan for the Prevention and Control of Noncommunicable Diseases (NCDs) states a goal to reduce sodium intake by 30% (over 2011 levels) by 2025, and in May 2021, also announced benchmarks for sodium content in each food category.

- > The battle to reduce salt and save lives
- > Review of contextual factors to inform the development of the WHO guideline on the use of low-sodium salt substitutes
- > LOW SALT CLUB: Eat Deliciously! (Japanese only)
- > P024

### Smart Salt initiatives

Japanese food is known around the world for being healthy, but the fact remains that it contains a lot of salt. More than 80% of Japanese consume more than the recommended amount of salt per day (estimate from the National Health and Nutrition Survey (2019), Ministry of Health, Labour and Welfare, based on dietary salt intake of people aged 20 years and older). In Japan's Ministry of Health, Labour and Welfare's Dietary Reference Intakes for Japanese (2020 edition), the standards for daily per-person consumption of salt were lowered by 0.5g to no more than 7.5g for males and 6.5g for females.

A survey\* conducted by Ajinomoto Co., Inc. revealed that only 5.2% of Japanese adhered to these standards. In July 2020, we launched the Smart Salt® Project that promotes the use of umami and dashi (broth) to practice

“delicious salt reduction” for people of all ages. The goal is not only to solve issues faced by many consumers about salt reduction (lack of deliciousness, difficulty, etc.), but to make salt reduction the norm. For senior citizens, as well as for pregnant and nursing mothers and younger generations who find it difficult to incorporate salt reductions in their lives, we provide suggestions about delicious salt reduction using umami and other flavor seasonings. This information includes videos and recipes on our owned media. We also are carrying out new initiatives toward salt reduction through collaboration with governments, universities, and other companies.

Overseas, we have conducted global salt reduction surveys in 11 countries and found that, as in Japan, dissatisfaction has emerged about issues such as reduced-salt dishes are not delicious and that recipes are limited. We are developing activities globally to promote delicious salt reduction while utilizing the knowledge from the Smart Salt® Project in Japan. From fiscal 2020 onward, in addition to introducing 20 brands of 47 reduced-salt products in seven countries (as of March 2023), we also promote low-sodium diets in each Group company's owned media by providing low-sodium recipes and holding cooking classes.



\* Estimate by Japan's Ministry of Health, Labour and Welfare's National Health and Nutrition Survey calculated from salt consumption amongst 20-year olds and up (2019)

- > Products that help delicious salt reduction (Japanese only)
- > Smart Salt Recipe Site | Ajinomoto Park (Japanese only)

### Salt Reduction Initiatives (Brazil)

In Brazil, high sodium intake, hypertension, and cardiovascular disease are among the biggest public health problems. At AJINOMOTO DO BRASIL INDÚSTRIA E COMÉRCIO DE ALIMENTOS LTDA., we educate people about efforts to reduce salt and sodium in response to excessive salt intake, and suggesting how consumers can improve their dietary habits. Specifically, we are developing recipes and content to educate consumers and customers, reviewing the composition of current food products and launching new products with reduced sodium, and providing food ingredient solutions that can achieve sodium reduction for food companies. As a result, more than 4,000 tons of salt have been successfully reduced from products and recipes.

### Overseas Cases



A wrapped bus advertisement (Malaysia)



Invited a local authority on food science to speak at our seminar on MSG safety and ability to reduce salt (Nigeria)

## Resolving Nutritional Issues

### ■ Initiatives in local ecosystems for delicious salt reduction and Smart Salt® (Japan)

We are working with local governments, dietetic associations, distributors, and media in Japan on salt reduction initiatives in accordance with the different food cultures and customs of each region. Since 2021, we have been developing low-sodium recipes using seasonal ingredients in support of Ibaraki Prefecture's Ibaraki Low-Salt Day, a day designated for reducing salt, and introducing these at supermarkets in Ibaraki Prefecture.

In addition, in collaboration with Yamagata Prefecture's Less Salt, More Veggies Project, we have worked with local academics to jointly develop a nutritionally balanced re-imagining of imoni (stew using taro root), a soul food dish in Yamagata, utilizing our salt reduction technologies. In Hokkaido, we also conduct a Smart Salt® recipe contest at a university for training dietitians, and created and distributed leaflets in supermarket storefronts to raise awareness and encourage salt reduction while maintaining respect for local food culture.

We have raised awareness in a variety of ways about delicious salt reduction, including promoting local Smart Salt® gourmet dishes in cooperation newspapers and TV stations nationwide from September to December 2022, and deploying collaborative products with local governments and distributors. In recognition of these efforts for salt reduction in the interest of helping to mitigate Japan's nutritional challenges, we were awarded for excellence in consumer-oriented management for 2022 by the Commissioner of the Consumer Affairs Agency.



Advertising Smart Salt® local gourmet recipes

### ■ Protein intake optimization

GRI203-2

Insufficient dietary protein and lack of access to high-quality protein are issues of modern society. According to the WHO, about 20% of elderly people worldwide do not have sufficient intake of essential nutrients such as protein. This is a major issue facing the elderly. Such undernourishment is recognized as an issue. The Ajinomoto Group strives to improve protein intake by providing seasonings which enhance the flavor of protein-rich meals as well as amino acids to supplement low-quality protein sources. We are also working to provide information such as recipes and menus through websites and social media (including proposals for hospitals and nursing care facilities).

Recently, in the interest of sustainability and reducing environmental impact, it has become increasingly important to intake protein from a variety of sources, not just from animals but plants as well. However, it is generally known that plant-derived proteins have poorer digestibility and absorption rates than those derived from animals, making it more important to consider how well these are digested and absorbed.

In 2013, the Food and Agriculture Organization of the United Nations (FAO) proposed a new indicator, the Digestible Indispensable Amino Acid Score (DIAAS), which can more accurately assess the nutritional value of protein

by taking into account the digestibility and absorption rates of essential amino acids in food. Under these circumstances, the Ajinomoto Group is focusing not only on the quantity of protein but also on quality, evaluating digestibility. We are also engaged in research to improve DIAAS levels through the utilization of amino acids and food processing technologies. Going forward, we will develop our products and provide services to contribute to people around the world at higher levels, encouraging the consumption of needed nutrients from a variety of food sources and fostering healthy and nutritious dietary habits in consideration of global environment.

> Protein Intake Optimization

## Resolving Nutritional Issues

■ Dealing with nutritional issues in the elderly (Japan)  
Elderly people may not be able to eat adequately due to declining physical functions and loss of appetite as they age. Less food intake causes muscular and physical strength to deteriorate, which may then lead to lower physical activity, less appetite, and a vicious cycle of undernourishment. To prevent this, Ajinomoto Group leverages its protein and amino acid nutrition expertise and strives to publicly disseminate nutritional knowledge to people with health problems. In addition, we are strengthening collaboration with healthcare providers, registered dietitians, and other specialists by providing information for immediate use

to them as guidance tools, and conducting training to foster deeper understanding. Our website for restaurant-use products now features a page entitled *Tabesapo* to eat well and prevent malnutrition. This webpage provides suggestions on tasty and easy-to-eat meals designed to reflect changes unique to elderly people. We aim to support their nutritional intake by introducing techniques that make eating easier, as well as menu suggestions that utilize our products and cooking methods for each ingredient.

> [Eating Well and Preventing Malnutrition: \*Tabesapo\* \(Japanese only\)](#)

■ Medical foods<sup>[1]</sup> for fulfilling special nutritional needs (North America, Europe)

Ajinomoto Cambrooke, Inc., which became part of the Ajinomoto Group in 2017, manufactures and sells medical foods designed for daily nutritional intake for patients with disease-related special nutritional needs. Ajinomoto Cambrooke offers its products in about 20 countries worldwide, mainly in North America and Europe. Its products leverage the Ajinomoto Group's strength, "AminoScience", to help improve patients' QOL<sup>[2]</sup> by balancing medical nutritional requirements and delicious taste. These include products for amino acid metabolism disorders that combine special proteins with amino acids, as well as products for protein allergies that use amino acids as a protein source. Nualtra Limited, which we acquired in 2020, has developed oral nutritional supplements (ONS), a small-volume, high-calorie, high-protein medical food for patients who are unable to obtain adequate nutrition from their regular diet due to illness or for the elderly who are nutritionally deficient due to aging. The company has developed and markets these in the UK and Ireland.

[1] Defined by the FDA as "a food which is formulated to be consumed or administered enterally under the supervision of a physician and which is intended for the specific dietary management of a disease or condition for which distinctive nutritional requirements, based on recognized scientific principles, are established by medical evaluation."

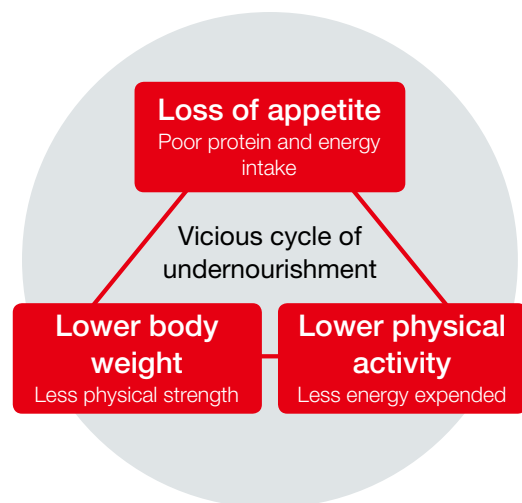
[2] Quality of Life

### Delicious sugar and fat reduction

GRI203-2

Issues such as excess intake of sugar and fat are gaining attention in the global debate on health. The Ajinomoto Group is focusing on developing alternative sweeteners and kokumi, and improving the taste of our products and those of our business customers with enhanced ingredients and formulation technologies.

#### Vicious cycle of undernourishment



#### Three keys to prevent undernourishment



## Resolving Nutritional Issues

### ■ Sugar reduction

The Ajinomoto Group has utilized its amino acid production technologies in the use of two amino acid sweeteners, aspartame and advantame, which are roughly 200 and between 20,000 to 40,000 times sweeter than sugar, respectively. The selective use of high-intensity sweeteners can meet consumer sugar-reduction needs without sacrificing the taste of sweetness, and we provide these sweetness applications to businesses across the food and beverage industry. We also sell reduced-sugar products for the BtoC market under the PAL SWEET® brand in Japan and overseas.

### ■ Fat reduction

The Ajinomoto Group has identified a substance that imparts a rich taste and deep flavor to cooking. We call the function of this substance *kokumi*. We are increasingly finding that kokumi serves to compensate for the sensation of fat in foods. Utilizing this function, the Group developed and markets *Pure Select® Koku Uma®* mayonnaise. This product has the same rich taste as regular mayonnaise (due to a proprietary manufacturing method) and 65% fewer calories (compared to the Group's regular mayonnaise). We have also developed and marketed a low-fat Marim® creaming powder with 50% less fat.

## ■ Vegetables and fruits intake promotion

GRI203-2

By providing seasonings and frozen food products, the Ajinomoto Group promotes the intake of vegetables and fruits, which are sources of nutrient intake such as vitamins and minerals. For example, our product packages display recipes that encourage consumers to consume more vegetables and fruits.

### ■ Vegetable intake promotion *Love Vege* project (Japan)

In Japan, we are promoting the *Love Vege* project as a way to support the recommendation by the Ministry of Health,

Labour and Welfare to consume at least 350 g of vegetables per day. This was started in order to improve the situation in Aichi Prefecture, which had the lowest consumption of vegetables per person in the country. In this project, we are launching PR products in collaboration with cut vegetable producers and proposing recipes developed in cooperation with producers at vegetable sections of supermarkets.

The initiative has expanded nationwide, and in fiscal 2022, 28 ecosystems were created and deployed in collaboration with players in industry, government, and academia. We also hold events utilizing vegetable consumption measurement devices at stores and use our website and social media accounts to foster interest, fondness, and natural eating habits for vegetables among children and young adults.

We will further expand our *Love Vege* activities and work towards resolving nutritional issues in communities.



Vegetable consumption measurement event



> A local approach to improving nutrition in Japan targets vegetable consumption

## ■ Workforce nutrition improvement

GRI203-2, GRI403-5, GRI403-6

The Ajinomoto Group believes that employee health is one of our most important foundations. We are focused on improving employee nutrition in the workplace and nutrition literacy.

### ■ Workforce nutrition alliance

In March 2022, the Ajinomoto Group became the first Japanese company to join the Workforce Nutrition Alliance (WNA). This organization was launched by the Consumer Goods Forum (CGF), an international consumer goods trade association, and the Global Alliance for Improved Nutrition (GAIN), an international nutrition improvement NGO, to promote workforce nutrition improvement. The subsequent publication of the WNA CASE STUDY BOOKLET gave us the opportunity to disseminate our message from the CEO and specific initiatives to promote improved nutrition in the Group's workplaces. The 14 companies<sup>[1]</sup> registered when we joined the alliance, based on self-assessment guidelines providing Group assessment criteria, each conduct self-assessments with regard to four important points (Health food at work, Nutrition education, Nutrition-focused health checks, and Breastfeeding support), carry out PDCA cycles, and partner with Ajinomoto Co., Inc. to promote workforce nutrition improvement. In fiscal 2023, we will continue our activities with three new companies<sup>[1]</sup>.

Ajinomoto Co., Inc. will support work to improve workforce nutrition by suggesting countermeasures for shared issues identified from group company self-assessment results and engagement surveys in the category of health and well-being), as well as providing each company with examples of internal initiatives, tools developed by the WNA, and examples of initiatives by WNA members.

[1] The 14 corporations at the time of joining the WNA were Ajinomoto Co., Inc., Ajinomoto AGF, Inc., Ajinomoto Food Manufacturing Co., Ltd., Ajinomoto Fine-Techno Co., Inc., Ajinomoto Frozen Foods, Co., Inc., Ajinomoto Co., (Thailand) Ltd., Ajinomoto Sales (Thailand) Co., Ltd.,

## Resolving Nutritional Issues

PT AJINOMOTO INDONESIA, PT AJINOMOTO SALES INDONESIA, Ajinomoto Vietnam Co., Ltd., Ajinomoto Health & Nutrition North America, Inc., Ajinomoto Foods North America, Inc., AJINOMOTO DO BRASIL INDÚSTRIA E COMÉRCIO DE ALIMENTOS LTDA., and S.A. Ajinomoto OmniChem N.V. The three companies for which activities began in fiscal 2023 are AJINOMOTO DEL PERÚ S.A., Ajinomoto Poland Sp. z o.o., and Agro2Agri, S.L., resulting in a total of 17 companies and approximately 70% of the Group's total workforce.

### > WNA CASE STUDY BOOKLET

#### ■ Initiatives to improve nutritional literacy (nutrition education)

In fiscal 2020, we started our nutrition literacy program, and in fiscal 2021, we expanded our e-learning nutrition education, etc., to the entire Group, educating a cumulative total of 56,000 employees through fiscal 2022. Engagement survey results show that more than 70% of employees are taking action to improve their own nutrition. By fiscal 2025, we will provide nutrition education to a total of 100,000 employees, while expanding educational content and measures for behavioral change.

#### Main initiatives in fiscal 2022

- Conducted nutrition education mainly on “Delicious salt reduction” and “Protein intake optimization and amino acids” at all Group companies.
- Shared best practices from two Group companies in Japan (AGF Kanto, Inc., AJINOMOTO TRADING, INC.) and four Group companies (Ajinomoto Co., (Thailand) Ltd., PT AJINOMOTO INDONESIA, Ajinomoto Vietnam Co., Ltd., AJINOMOTO DO BRASIL INDÚSTRIA E COMÉRCIO DE ALIMENTOS LTDA.) with the entire Group
- Engagement survey results show that more than 70% of employees are changing behavior toward improving their own nutrition

#### ■ Delicious sugar and fat reduction

GRI203-2

Since our founding, the Ajinomoto Group has contributed to the well-being of people by utilizing the function of amino acids to promote well-balanced meals that are full of flavor but also offer nutritional value.

We promote well-balanced meals with the precondition that they match the dietary habits and food preferences of each country and region. We also value a comprehensive approach to health, such as providing nutrition that meets the diverse lifestyle and the diverse value required for food, and providing nutritious meals at schools and hospitals.

#### ■ Support to address the double burden of malnutrition (Philippines)

The Philippines faces challenges of both under- and over-nutrition, resulting in underweight and obesity. These challenges are likely due in part to a nutritional imbalance characterized by overconsumption of carbohydrates and lack of vegetables in the diet. In response to these challenges, the Philippine government, in collaboration with the WHO and other parties, developed the Pinggang Pinoy® dietary guide to help consumers develop healthy dietary habits. Since fiscal 2018, AJINOMOTO PHILIPPINES CORPORATION has been implementing *Mag-Pinggang Pinoy® Tayo!* (MPPT) program with government agencies to help promote and implement Pinggang Pinoy®. Since then, the company has provided solution using its products and services to make consumption of safe and balanced food, delicious and enjoyable to thousands of Filipino households.

In 2022, as an evolutionary effort, we partnered with the University of the Philippines Los Baños Institute for Human Nutrition and Food Research (UPLB-IHNF) and the Municipality of Cainta in the province of Rizal to conduct a study to establish evidence on the effectiveness of the MPPT program. The study's program included: 1. Basic education for health workers approaching the target housewives; 2. Nutrition education for the target housewives; and 3. 120 days of lunch for 270 underweight 3-5 year old children. Through this study, after 120 days of providing lunches, all 270 eligible children from 3 to 5 years old gained an average of about 1 kg in weight.

The study results were also presented at the 68th

convention of the Nutritionists-Dietitians Association of the Philippines in February 2023. Going forward, we will use the MPPT module to also work with other government agencies such as the National Nutrition Council (NNC) and the Department of Health (DOH). Through these efforts, we aim to jointly create an ecosystem that encourages lifestyle changes to expand the practice of eating well-balanced meals.



#### ■ Addressing maternal and child nutrition (Vietnam)

In Vietnam, knowledge regarding nutritional needs of pregnant women, lactating women, and young children is limited, and mothers and children experience nutritional issues. In December 2020, AJINOMOTO VIETNAM CO., LTD. launched the Mothers & Children Project with the Ministry of Health of Vietnam, rolling the project out nationwide. As a part of the project, the company developed project software that provides nutritionally balanced menus, containing more than 1,300 dishes for mothers and more than 700 dishes for children. The nutritionally balanced menus were developed based on the nutritional standards of the National Institute of Nutrition– Ministry of Health. We deployed the project software through a nationwide medical and healthcare network, the Vietnam Women's Union, online and offline communications activities, and the media, and provided training to health officials and mothers. The software is also equipped with functions that include a dietary habit checking tool and a quick health monitoring tool. Looking ahead, we will continue to support the improvement of maternal and child nutrition in Vietnam.

## Resolving Nutritional Issues

### ■ Addressing nutritional issues in childhood and adolescence through school meals

Many children in Vietnam suffer from stunted growth or low body weight, especially in rural areas. At the same time, a growing number of children in urban areas are overweight or obese. To resolve these issues, AJINOMOTO VIETNAM CO., LTD. launched the School Meal Project in 2012 to apply ideas learned from Japan's school lunch system. Working with central government ministries, including the Ministry of Education and Training and the Ministry of Health, the company has engaged in a range of activities to deploy the project nationwide. The project has grown and provides nutritionally balanced menu development software, food nutrition education materials, and model kitchens for primary boarding schools. As of March 2023, School Meal Project activities have expanded across 62 provinces/cities and 4,262 primary boarding schools.

In Indonesia, the high percentage of children with low body weight, stunted growth, or anemia is a serious social problem. PT AJINOMOTO INDONESIA (PTA) has implemented a School Lunch Program (SLP) in partnership with the Department of Nutrition at Bogor Agricultural University since fiscal 2018. The ten-month program provides nutritionally balanced school lunches and teaches diet and nutrition to teenage students. The program has led to lifestyle changes and improvements in anemia among students. In fiscal 2020, PTA created a guide book to promote the voluntary adoption of this program, aiming to expand the number of schools using the program. The program also received the support of the Ministry Of Religion of the Republic of Indonesia (MOR), given that SLP has proven to be successful in contributing to nutrition and health improvements among the Islamic boarding schools over which MOR has authority. Through PTA's own efforts and collaboration with Bogor Agricultural University, SLP was introduced in 6 boarding schools in fiscal 2021 and in 12 boarding schools in fiscal 2022, improving knowledge

and practices at each school regarding nutrition and healthy lifestyles. In December 2022, SLP affiliates were invited by the Asian Development Bank to the 6th Special Session of the Asia-Africa 20 in Tokyo, where SLP was shared as an initiative to improve the physical and mental development of the next generation in Indonesia.

### Initiatives to resolve nutritional issues

#### Performance

GRI3-3, GRI203-2

The Ajinomoto Group aims to deepen our understanding of global nutritional issues through participation in international conferences and dialogue with leaders around the world. We also help resolve nutritional issues through global collaboration and by actively sharing our knowledge and expertise.

#### ■ Initiatives at CGF Japan CHL

Ajinomoto Co., Inc. is a member of the Collaboration for Healthier Lives (CHL), a coalition of CGF, an international trade association for consumer goods. With Ajinomoto Co., Inc. as co-chair of CGF Japan CHL, Ajinomoto Co., Inc. is leading social implementation efforts around the themes of salt reduction and healthy aging. In our efforts to reduce salt intake, we have concluded an agreement with Chiba City and are working together to spread awareness about salt reduction (through the development of low-sodium recipes, in-store events, etc.). Our initiatives for healthy aging help deepen knowledge in consumers about frailty, helping them improve their own and their family members' dietary habits, especially through optimized protein intake.

#### ■ Ministry of Health, Labour and Welfare's Strategic Initiative for a Healthy and Sustainable Food Environment

In 2021, the Ministry of Health, Labour and Welfare (MHLW) held a study group on promoting the creation of a naturally

healthy and sustainable food environment. This group was tasked with identifying nutrition issues that Japan needs to address and discussing how to solve them in the public and private sectors. Results from the group's studies were included in the Japanese government's commitment at the Tokyo Nutrition for Growth Summit 2021. Here, creating a food environment refers to the interrelated development of both access to food (ingredients, food preparation, and meals) and access to information so that people can enjoy healthier diets. As a business operator, the Ajinomoto Group has been actively promoting this initiative. We will continue to contribute to the development and social implementation of the Japanese version of nutrient profiling models by leveraging our knowledge of delicious salt reduction and ANPS-Dish accumulated over the years and participating in this initiative that started in 2022 and the industry-academia collaborative project by the National Institute of Health and Nutrition that started the year after that. By doing so, we will continue to contribute to the realization of the Ministry of Health, Labour and Welfare's goal of a healthy and sustainable food environment not only in Japan but around the world.

## TOPIC

## Nutritional Support for the Japanese National Blind Soccer® Team

Since 2003, Ajinomoto Co., Inc. has leveraged the function of amino acids in our *Victory Project*®, an effort to support conditioning for top athletes. We established the *Kachimeshi*® nutritional program utilizing the knowledge we have gained over approximately 20 years of activities, backed by sports nutrition science. Through this program, comprised of food and amino acids, we provide the nutrients necessary for the bodies and conditioning people want to achieve in tasty and easy-to-consume foods and supplements through “Amino Science”. We have provided support to Japanese Paralympic athletes since the Rio 2016 Paralympics. In April 2016, we signed a partnership agreement with the Japan Blind Football Association, as well as a sponsorship agreement with the Japanese national Blind Soccer team to provide products and nutritional support activities. In 2021, we provided on-site support at the Tokyo 2020 Paralympics athletes village, contributing to physical conditioning through the use of amino acids. Currently, we provide conditioning support for training and major international competitions in preparation for the Paris 2024 Paralympic Games.

We made a proposal to the Japanese men’s national Blind Soccer team to build a nutritional supplementation program, explaining the usefulness of aminoVITAL®. We also provided recommended intake timing in an amino acid utilization study session to keep the team in peak condition throughout the season. In on-site visits to practices, we learned that athletes consume much more energy than we imagined. We also discovered a nutritional issue that could have led to fatigue in certain players. Based on our findings, we endeavored instill in players and staff the best nutritional supplementation methods for the Japanese national team to compete with the rest of the world.

Ryo Kawamura, the captain of the men’s national blind soccer team, said, “Our next tour will be in Kochi, India, where the heat is expected to exceed 30 degrees, even in November. Those conditions will be a heavy burden on our physical fitness. We’re going to use aminoVITAL® to enhance our conditioning and win.”

The Ajinomoto Group aims to improve diversity and create an inclusive society. As part of these efforts, we are working to improve the competitiveness of players on the Japanese national Blind Soccer team. We will continue to utilize the knowledge gained through *Kachimeshi*®, and our support for top Olympic and Paralympic athletes to solve health issues. At the same time, we will also use these experiences to build societies that respect for diverse human resources and pursue DE&I initiatives.



Blind Soccer (©JBFA)



Kawamura (right), Captain of the Japanese Men’s National Blind Soccer Team, and Members of the Victory Project. (©JBFA)



aminoVITAL®

# Disseminating information on MSG safety and benefits

## Activities to promote a correct understanding of MSG

### Approach

The Ajinomoto Group was the first company in the world to commercialize glutamic acid as a seasoning. Glutamic acid (a type of amino acid) is an ingredient in *umami*, and we are the leading company today in publicizing the usefulness of umami globally. MSG improves flavor, reduces salt intake, 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.

> P028  
> Know MSG

### TOPIC

#### Guideline on Non-use Labeling of Food Additives

After a year of deliberations in Japan by the expert-led Study Group on Guideline on Non-use Labeling of Food Additives, in March 2022, the Consumer Affairs Agency formulated the Guideline on Non-use Labeling of Food Additives. The guideline is to be used by food-related business operators for self-assessments to determine whether labeling falls under prohibited items (i.e., misidentification of quality or contents) stipulated in the Food Labeling Standards. Ten categories have been defined related to non-use labeling that require careful consideration so as to avoid misleading consumers. Examples of labeling highly likely to fall under prohibited practice are also provided in the guidelines.

(Examples)

Classification: Labeling using terms not specified in food labeling standards (synthetic, artificial, chemical, natural, etc.)  
 ➡ “No chemical seasoning added” and “No artificial sweetener used” are considered highly likely to fall under prohibited terms.

Classification: Labeling on foods using ingredients with the same or similar functions ➡ “No additives used as seasonings (amino acids, etc.)” for foods using yeast extract is considered highly likely to fall under the prohibited items.

A transitional period of about two years (until the end of March 2024) has been set aside to review labeling based on the guidelines. Even now, however, labeling such as *no chemical seasonings used* remain in use. We intend to publicize and raise awareness of the guidelines in cooperation with the Japan Food Additives Association and the Umami Manufacturers Association of Japan.



## Resolving Nutritional Issues

## Umami and MSG promotions in the United States

The Ajinomoto Group strives to ensure that reliable information regarding the effect of umami on salt reduction and the safety of MSG reaches consumers through direct and indirect channels.

Interest is growing in salt reduction, including the U.S. Food and Drug Administration's October 2021 guidelines for businesses to voluntarily reduce sodium in foods. Amid this trend, in March 2023, the WHO included MSG as a low-sodium salt substitute in the review conducted for the development of salt reduction guidelines.

With this tailwind, we continue to provide information to registered dietitians on the usefulness of MSG for salt reduction.

At the same time, communications to consumers through our Know MSG campaign<sup>[1]</sup>, offered via social media and specialized websites, has encouraged an understanding of MSG among Gen Z and Millennials, who have a high interest level in food. Our efforts have been leading to a shift in attitudes.

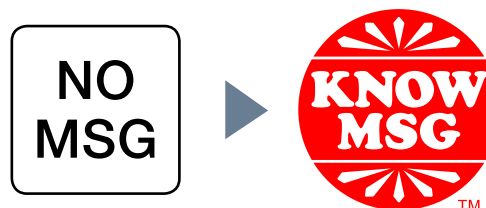
We are seeing more stories using MSG increasingly as a topic in plays and documentaries, while the media is covering the change in attitude toward MSG more widely. Through these and other means, we will continue to support delicious, nutritionally balanced meals, creating an environment more accepting and more confident in using MSG.

\* A consumer campaign started in December 2020. Through a tie-up campaign with an Asian-inspired food company located in the United States, we posted a video on 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 began sales of seasonings rich in umami and featuring the Know MSG logo on packaging.

### Survey results in the United States

Segment	KPI	FY2022 Result	FY2023 Target
General consumers	Don't care if foods are made with MSG	53%	55%
	MSG-positive or MSG-neutral	47%	48%

(Per Ajinomoto Co., Inc. survey)



> Know MSG

### Other communication activities

- Japan: Ajinomoto Co., Inc. launched a website for professionals involved in food and health to provide science-based knowledge of food and amino acids. The website includes information on the use of umami seasonings to reduce salt intake in delicious ways and to increase the amount of food consumed by the elderly who are cutting back on their salt intake. On the other hand, for consumers, we started a club activity called the Low Salt Club~Salt Reduction With Umami Club in on July 25, 2022 (July 25 is Umami Seasoning Day). Activities include inviting culinary influencers to communicate with Gen Z and spread the message that salt reduction is necessary, even from a young age, and that delicious salt reduction can be achieved using umami seasonings.
- Singapore: In February 2023, the Ajinomoto Group held a tenth-consecutive year of lectures about Japanese cuisine and umami for 80 students at the National University of Singapore. This year's event was held on-site, and in addition to an explanation of Japanese food and how to reduce salt intake using umami and MSG, participants tasted *dashi* and experienced delicious salt reduction with MSG. Feedback after the lecture confirmed that the experience led to a deeper understanding of umami and MSG.

# Addressing health issues

## Making regenerative medicine<sup>[1]</sup> a reality

Performance

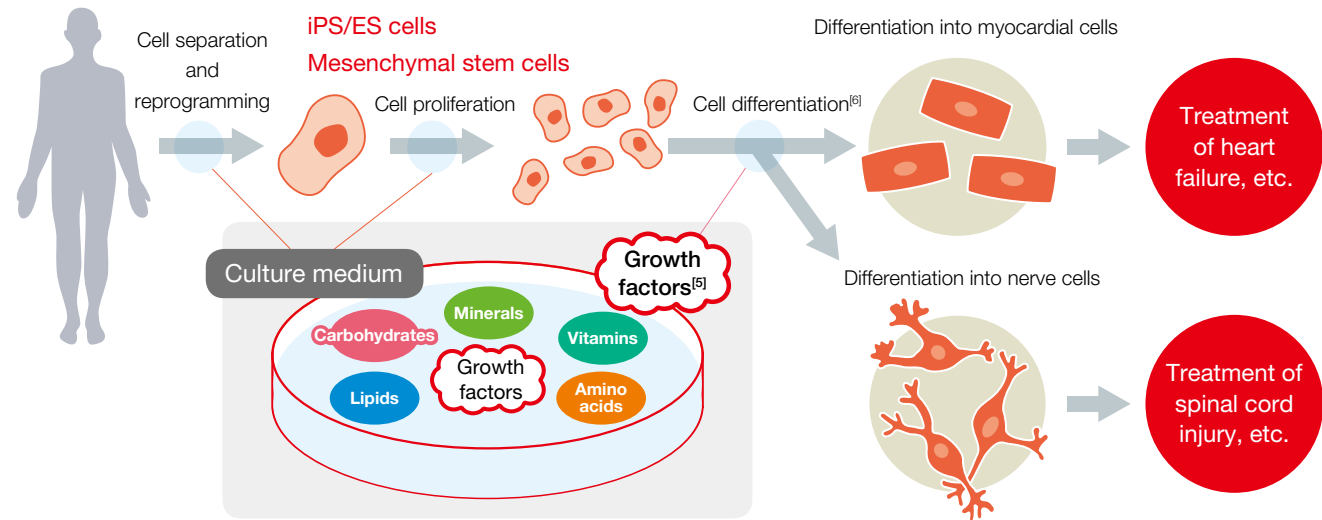
GRI203-2

### Commercial cell culture media<sup>[2]</sup> for regenerative medicine

Today, scientists around the world are researching regenerative medicine as a radical treatment for solving problems in organ transplantation. The Ajinomoto Group supplies pharmaceutical-grade amino acids, which are a key ingredient in cell culture media. In 2014, the Group developed, an iPS<sup>[3]</sup>/ES<sup>[4]</sup> cell culture medium free of animal-derived ingredients, and launching related products beginning in 2016. At present, several academic institutions and pharmaceutical companies are conducting or preparing to conduct clinical trials for regenerative therapies using our StemFit<sup>®</sup> media. For example, the first successful transplant using Heartseed Inc.'s HS-001, an iPS cell-based cardiac regenerative medicine (phase I/II study), announced in February 2023, used our StemFit<sup>®</sup> media.

We will enhance our presence in the field of regenerative medicine in Japan by utilizing our high- quality amino acids, expertise in amino acids, fermentation technology, formulation technology, and other advantages. We will also aim to expand our business in cell culture medium for regenerative medicine in North America and other regions overseas, contributing to innovative treatments as quickly as possible.

### Role of cell culture medium in regenerative medicine



[1] Medical treatment of dysfunctional, non-functional or defective tissues. Artificially reproduced functional cells or tissues are transplanted to regenerate tissue and replicate function.

[2] A nutrient solution that contains a balanced mixture of amino acids, carbohydrates, lipids, vitamins, minerals and growth factors required for cell growth.

[3] Induced pluripotent stem cells generated from human body cells by adding several types of factors. These stem cells exhibit pluripotency (ability to differentiate into various tissues and organs) and an almost limitless capacity for proliferation.

[4] Embryonic stem cells created using inner cell mass from human blastocysts.

These cells exhibit the ability to differentiate into various human tissues and organs.

[5] Proteins that promote the proliferation and differentiation of specific cells in human and animal bodies.

[6] The conversion of iPS/ES cells into cells of different tissues and organs that make up the body.

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## Solving Health Issues

AminoIndex<sup>®</sup> Risk Screening

Performance

GRI203-2

AminoIndex<sup>®</sup> Risk Screening (AIRS<sup>®</sup>) is a unique Ajinomoto Group service that can assess the risk of three major diseases (cancer, stroke, and myocardial infarction), diabetes, and cognitive decline with a single blood collection based on the balance of plasma amino acid levels. This service is an option for physical examinations or as part of workplace health checkups, and provides an opportunity to detect and prevent diseases caused by lifestyle-related factors. To date, more than 500,000 individuals have received AminoIndex.

AIRS<sup>®</sup> has been adopted as a disease prevention service available to policyholders of the cancer and critical illness prevention insurance offered by Taiyo Life Insurance Co., Ltd. beginning June 2021, making it easier for subscribers to continue receiving medical examinations.

We are contributing to healthy and comfortable lifestyles for customers by utilizing AminoIndex technology<sup>®</sup> to expand services that will lead to the early detection and prevention of various diseases as well as to provide integrated solutions services for food and health issues.

## Smartphone app for enhancing lifestyle improvement solutions



Performance

GRI203-2

In April 2021, Ajinomoto Co., Inc. launched aminoSTEP<sup>®</sup>, a smartphone app that provides information contributing to lifestyle improvements for AminoIndex<sup>®</sup> Risk Screening (AIRS<sup>®</sup>) examinees and general users in Japan.

As of the beginning of July, 2023, the number of users exceeded 100,000 individuals. The aminoSTEP<sup>®</sup> app has been well received for its fun walking function and easy meal logging function. Approximately 20,000 users take advantage of these functions every day to maintain and improve their health.

We also offer *Brain Health Diary for 100 year Life*<sup>®</sup>, a smartphone app targeting general users aged 45 to 64. This app supports the maintenance of cognitive function through lifestyle improvements. The app visualizes lifestyle factors such as diet, exercise, and sleep from the perspective of cognitive function. Using our proprietary algorithm based on images of food taken via smartphone, linked with data of exercise and sleep time recorded by smartphone, the app offers advice and recipes suited to the user. In January 2023, a joint study with the National Center for Geriatrics and Gerontology revealed that the cognitive function maintenance score used by the *Brain Health Diary for 100 year Life*<sup>®</sup> app serves as an indicator of future cognitive decline.

## Industry-academia collaborations for healthier lives

Performance

In April 2020, Hirosaki University and Ajinomoto Co., Inc., established the Digital Nutrition and Health Sciences Course, a joint research course<sup>[1]</sup> on extending the healthy life expectancy under the Hirosaki University Graduate School of Medicine. In the joint research course, we analyze large-scale health checkup data to clarify the relationship between diet and physical and mental health, leading to proposals of optimal diets. Through industry-government-academia collaboration, we are building a new ecosystem of food and health to solve health issues.

In February 2022, the Niigata University Brain Research Institute, 18 medical institutions and facilities, and Ajinomoto Co., Inc. conducted joint research to develop a new blood biomarker for mild cognitive impairment (MCI). Mild cognitive impairment is known as a high-risk indicator for progression to dementia. The newly developed blood biomarker will enable the detection of MCI in its early stages, allowing lifestyle modification and other preventive measures to be taken. In the future, we aim to develop biomarkers that can predict the transition from MCI to dementia.

[1] A research organization founded by the university and funded by private companies and other organizations. In addition to providing researchers, facilities, and equipment, the university hosts researchers from funding corporations and other organizations. In this way, the university and companies providing funding operate the research organization on an equal footing.

## Solving Health Issues

## Providing solutions to the pharmaceuticals industry

Performance

GRI203-2

The Bio-Pharma Services Dept. provides manufacturing and development services for pharmaceuticals and its intermediates to pharmaceutical companies.

This business takes advantage of synergies between services leveraging innovative proprietary technologies and the capabilities of each of our global manufacturing sites, contributing to our pharmaceutical company clients and, by extension, the health of patients.

Producing large quantities of high-quality oligonucleotide medicines and delivering the medicines to patients in numbers has been a challenge in the field of nucleic acid therapeutics.

Our proprietary AJIPHASE<sup>®</sup> technology solves this problem, and we contribute to the improved quality of life for patients through the production of commercial oligonucleotide drugs together with partner pharmaceutical companies.

Antibody-drug conjugates (ADC) have been attracting attention in recent years as oncology drugs. We use our proprietary AJICAP<sup>®</sup> technology to provide development services for partner pharmaceutical companies in this field.

ADC is a generic term for drugs that exert anticancer effects selectively on targeted cancer cells by conjugating an antibody to anticancer drugs. AJICAP<sup>®</sup> technology is a breakthrough technology fostering the easy creation of ADC having high drug efficacy and safety. Our technology has already contributed to the development of high-performance ADC through technology licensing to multiple pharmaceutical companies.

We continue to contribute to the health of patients by providing innovative technologies and services to our partners in the pharmaceuticals industry.

\*<https://www.ajinomoto.co.jp/company/en/ir/business/healthcare.html>

> Healthcare and others  
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# Reduce Our Environmental Impact by 50%



**Environmental Management** ————— P045

**Disclosures Based on the TCFD Recommendations**

Response to climate change risks ————— P049

Reduction of greenhouse gas emissions  
in the value chain ————— P055

**Contribution to a Circular Economy**

Reduction of waste across product lifecycles ————— P062

Contribution to sustainable agriculture ————— P070

**Reduction of Food Loss and Waste**

Contribution to reducing food loss and waste ————— P073

**Biodiversity**

Consideration of natural capital risks and opportunities — P077

**Sustainable Materials Sourcing**

Initiatives related to priority raw materials ————— P079

**Conservation of Water Resources**

Conservation of water resources in production processes — P083

# Environmental management

## Environmental management framework

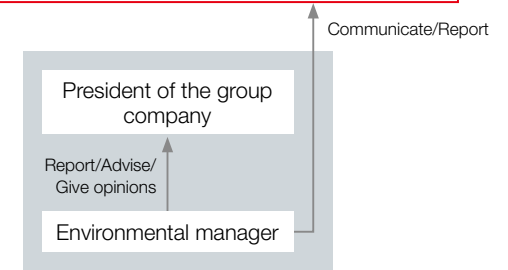
Framework GRI2-24, GRI3-3

The Ajinomoto Group has established the Sustainability Advisory Council as a subordinate body of the Board of Directors, and the Sustainability Committee as a subordinate body of the Executive Committee. These promote sustainability management, and include deliberations on policies and measures related to environmental activities. Each Group company will appoint one environmental manager from among manager class

employees. Environmental managers formulate their company's own plans based on the Group Shared Policy on Environment and biodiversity, and the decisions made by the Sustainability Committee, and disseminate the plan throughout the company. Then, they report to the presidents of Group companies and give advice and recommendations regarding the performance status of environmental activities and improvement issues, etc., and also contact and report to Ajinomoto Co., Inc. Manufacturing Strategy Dept., Sustainability Development Dept. and other related organizations.

## Management framework at group companies

Ajinomoto Co., Inc. Manufacturing Strategy Dept., Sustainability Development Dept.



## Framework for ESG and sustainability

[Supervision]



[Execution]



## Status of ISO 14001 certification

As of March 2023, the Ajinomoto Group has acquired ISO 14001 certification at 69 of subject 100 eligible factories. Even those companies not yet certified are conducting management based on the ISO 14001 approach.

[1] The council is made up of outside experts from various disciplines, such as academia, emerging country perspectives, millennial and Gen Z perspectives, ESG/impact investors, as well as outside directors, and internal officers of the Company, including the president & CEO.

[2] Works together with the Sustainability Committee to formulate policies and strategies, offers recommendations for business plans from a sustainability perspective, and conducts reviews of policies and implemented measures.

## Environmental Management

### Environmental assessments

When the Ajinomoto Group launches new products and businesses, or when we change the use of existing raw materials or production processes, we assess the potential environmental impact of our business plans. We then take any necessary measures to minimize future risks.

Environmental assessments at Group companies are performed by relevant departments in accordance with internal rules. The results of these assessments are reviewed from a Group-level perspective by the environmental management departments.

#### Environmental assessment items

1. Legal compliance	—
2. Seven types of typical pollution	Air pollution, water pollution, soil contamination, noise, vibration, land subsidence, and odor
3. Global environmental issues	GHG emissions, energy savings, renewable energy use, fluorocarbons, distribution efficiency, etc.
4. Food loss and waste reduction	Extension of “best-before” periods, month-year labeling, etc.
5. Sustainable procurement	Biodiversity conservation, certified ingredients, certified paper, bioplastics, etc.
6. Water resources	Water use and wastewater reduction
7. Waste disposal	Proper waste disposal, waste generator responsibilities, etc.
8. Creation of a recycling-oriented society	3Rs, excess packaging, effective use of by-products, waste generation reduction, etc.
9. Management of hazardous substances	New chemical substances, PCBs, asbestos, etc.
10. Impact of buildings and structures	Right to sunlight, radio wave disturbance, etc.
11. Consumer awareness of green living	Environmental labeling

### Environmental audits

The Ajinomoto Group receives external audits for compliance with ISO 14001. In addition, locations experiencing issues are audited by the Ajinomoto Co., Inc. Manufacturing Strategy Dept. based on the Environmental Audit Outline. There were no sites subject to environmental audits in fiscal 2022.

### Response to environmental laws and accidents

#### Performance

GRI2-27, GRI307-1

We established measures to quickly address any legal violations or accidents related to the environment. In fiscal 2022, there were three legal violations, and we made appropriate corrective actions in response to administrative guidance. Two incidents affecting the environment outside work sites occurred in Japan (two noise complaints) and one incident occurred overseas (ammonia leak). We reported the incidents to the government promptly as required, and we investigated the causes, taking necessary measures. We have established measures to quickly address any

violations of environmental laws or accidents related to the environment.

#### Amount of fines paid

(Thousands of yen)

Fiscal year	2018	2019	2020	2021	2022
Amount of fines paid	0	0	0	0	1,130 <sup>[1]</sup>

[1] One fine was assessed overseas during FY2021 for exceeding effluent standards; however, the validity of this fine is currently pending in court.

### Environmental education

#### Performance

The Ajinomoto Group conducts environmental education for employees to acquire the expertise and skills for environmentally responsible business operations. In Japan, we provide ongoing education to the environmental officers, managers, and staff in each organization as well as environmental assessment training for staff in business and research departments responsible for developing new businesses and products. We also conduct environmental law seminars for relevant staff to stay up-to-date with the frequent revisions in environmental regulations and to ensure compliance.

#### ■ Main programs in fiscal 2022 (Japan)

- Environmental law training (Seminar on trends in revisions to laws)
- Training on waste treatment laws

In addition to the above, we conducted training with technology-related staff before postings overseas, ensuring they understand environmental management. We also carried out education at each employee grade.

## Environmental Management

## Material balance

The Ajinomoto Group aggregates carbon footprint results for products and administrative office data, calculating the overall environmental impact of our business activities as Scope 1, 2, and 3<sup>[1]</sup> data.

Total Scope 1 and 2 GHG emissions for fiscal 2022 were essentially level with the previous year. While power purchases increased due to the unstable gas supply in Indonesia, we reduced emissions through the purchase of non-fossil certificates at the Tokai Plant and direct contracts with renewable energy power plants in Peru.

[1] |Scope 1: Direct greenhouse gas emissions from sources that are owned or controlled by the organization (burning fuel, industrial processes, vehicle use, etc.)

Scope 2: Indirect emissions from the generation of purchased electricity, heat, or steam consumed by the company

Scope 3: Other indirect emissions (product use, disposal and transport, employee commuting and business travel, investment, etc.)

## INPUT

GRI2-4, GRI301-1, GRI302-1, GRI302-2, GRI302-4, GRI303-3

	FY2019	FY2020	FY2021	FY2022
Main raw material (kt)	1,439	1,282	1,137	1,217
Sub raw material (kt)	2,378	2,069	2,006	2,011
Acids/alkalis (kt)	486	482	421	464
Other (kt)	1,892	1,588	1,585	1,547
Packaging material(kt)	250 <sup>[2]</sup>	244	259	251
Plastic(kt)	71 <sup>[2]</sup>	70	71 <sup>[2]</sup>	69
Paper, cardboard (kt)	154	148	165	157
Other (kt)	25	26	24	25
Fuel (TJ)	25,230	24,494	24,557	24,952
Oil (TJ)	1,802	1,653	1,556	1,722
Coal (TJ)	2,314	3,157	3,593	3,334
Biomass (TJ)	7,129	6,875	7,132	7,989
Natural gas (TJ)	13,985	12,809	12,277	11,906
Purchased electricity (derived from fossil fuels) (TJ)	7,588	7,200	4,440	4,381
Purchased electricity (derived from renewable energy) (TJ)	38	60 <sup>[2]</sup>	2,174	2,249
Purchased steam, etc. (TJ)	1,801	1,800	563	542
Water (1,000 kl)	66,926	64,406	59,979	60,039
Surface water (1,000 kl)	19,630	17,004	17,259	17,890
Municipal water (1,000 kl)	6,210	5,316	5,152	5,099
Municipal water (Industrial) (1,000 kl)	26,717	29,041	23,794	23,677
Ground water (1,000 kl)	14,366	13,041	13,769	13,369
Other (rainwater, etc.) (1,000 kl)	3	4	4	4
Transportation distance (km)	2,804	2,872	2,886	3,974
Use (soups, frozen foods, coffee) (t)	596,264	603,420	583,737	521,302

[2] Correction has been made as a result of a review of totals.

- > Environmental Data: Third-party assurance
- > Environmental Data: Ajinomoto Group products carbon footprint
- > Environmental Data: Composition of consumed energy
- > CDP Climate Change



## Environmental Management

## OUTPUT

GRI302-1, GRI302-2, GRI305-1, GRI305-2, GRI305-3

(t-CO<sub>2</sub>e)

	FY2019	FY2020	FY2021	FY2022
Scope 3 Category 1: Raw materials	7,784,783	7,614,734	6,960,412	6,610,392
Scope 1:	1,013,315	1,008,811	1,005,363	973,780
Scope 3 Category 3: Production	625,142	630,823	583,499	604,719
Scope 2:	Market-based method 960,375 Location-based method 978,066	Market-based method 901,789 Location-based method 910,791	Market-based method 606,594 Location-based method 622,059	Market-based method 611,7222 Location-based method 620,751
Scope 3 Category 4: Transport	1,256,044	1,210,741	1,121,673	1,037,133
Scope 3 Category 11: Use	1,353,234	1,355,477	1,396,947	1,386,049
Scope 3 Category 12: Disposal	431,048	425,003	409,500	405,337
Scope 3 Category 2: Capital goods	255,910	262,711	232,674	219,172
Scope 3 Category 5: Waste generated in operations	85,666	85,714	92,884	97,854
Scope 3 Category 6: Business travel	4,486	4,226	4,350	4,446
Scope 3 Category 7: Employee commuting	16,231	15,292	15,740	16,087
Scope 3 Category 8: Upstream leased assets	Included in category 1	Included in category 1	Included in category 1	Included in category 1
Scope 3 Category 9: Downstream transportation and distribution	3,503	3,183	3,448	2,535
Scope 3 Category 10: Processing of sold products	5,517	179,801	126,716	108,585
Scope 3 Category 13: Downstream leased assets	0	0	0	0
Scope 3 Category 14: Franchises	0	0	0	0
Scope 3 Category 15: Investments	0	0	0	0
Scope 3 total	11,821,564	11,787,705	10,947,844	10,492,309
Scope 1, 2 and 3 total	13,795,254	13,698,305	12,599,801	12,077,801

Data calculation

Scope of reporting: All 142 business sites covered by ISO 14064-1 (100%)

Reporting period: April 1, 2022 to March 31, 2023

The Ajinomoto Group refers to ISO 14064-1 and uses the latest CO<sub>2</sub>e emission factor to calculate the CO<sub>2</sub>e emissions in the above material balance table.These CO<sub>2</sub>e emissions are independently verified in accordance with ISO 14064-3 requirements by LRQA Limited.

# Response to climate change risks

## Approach

The Ajinomoto Group uses the bounty of nature such as agricultural products. We understand that responding to climate change is an urgent issue in conducting business in a sustainable manner. Therefore, the Group considers measures to address this climate change in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), and discloses related information.

## Disclosures Based on the TCFD Recommendations

GRI3-3, GRI201-2, GRI305-5

## Governance

The Ajinomoto Group Policies (AGP) show the ideal way of thinking and actions with which Group companies, officers, and employees should comply. The Ajinomoto Group is committed to complying honestly with this policy, and we will continue to develop and operate our internal control system properly. We also strengthen our system that considers sustainability as an active risk-taking system, and continuously enhance our corporate value.

The Board of Directors has established the Sustainability Advisory Council, and establishes a system to recommend the Group's approach to sustainability and ESG. It determines the important issues (materiality) related to sustainability that serve as guidelines for ASV management and supervises the execution of initiatives related to sustainability.

The Executive Committee has established the Sustainability Committee as its subordinate body and selects and extracts risks and opportunities based on materiality,

and assesses the degree of impact, formulates measures, and manages their progress. In fiscal 2022, the Executive Committee received two reports from the Sustainability Committee.

- > Group Shared Policy on Environment
- > Financial Report
- > ASV Report 2023 (Integrated Report) P076-077
- > CDP Climate Change

## Strategy

The Ajinomoto Group has a wide range of product areas in the food business, from seasonings and foods to frozen foods, and is also expanding its business into fields such as healthcare. Climate change affects the Group's business in many ways, including delays to business due to large-scale natural disasters, impact on procuring raw materials such as agricultural produce and fuels, and changes in product consumption.

### (1) Scenario analysis assumptions

Based on the scenarios that the average global temperature will rise from post-industrial revolution levels by 1.5°C or 4°C

by 2100<sup>[1]</sup>, in fiscal 2022, we conducted a scenario analysis on the impact of climate change between 2030 and 2050 for global umami seasonings and mainstay domestic and overseas products.

Among the effects of climate change impacting production over the short, medium, and long term, drought, floods, rising sea levels, and changing yields of raw materials were analyzed as physical risks, while the introduction of carbon taxes and tightening of other laws and regulations, rising energy prices, and changes in consumer preferences were analyzed as transition risks.

Opportunities show the scenario analysis risks and opportunities when the average temperature difference between the 1.5°C and 4°C scenarios as of 2030 is considered to be about 0.2°C with no significant difference in physical risk, and when the average temperature difference as of 2050 is expected to be about 1°C with differences in physical risks.

The following is a summary of the changes in the assumptions used in our scenario analysis to date.

[1] Scenarios referenced are SSP1-1.9 (1.5°C scenario) and SSP5-8.5 (4°C scenario) by the UN Intergovernmental Panel on Climate Change (IPCC) and scenarios by the International Energy Agency (IEA).

	FY2020	FY2021	FY2022	FY2023 (Plan)
Business	Umami seasonings (global), mainstay products in Japan	Umami seasonings (global), mainstay products in Japan	Umami seasonings (global), mainstay products in Japan and overseas	Umami seasonings (global), mainstay products and other packaged products in Japan and overseas
Time of occurrence	2030	2030/2050	2030/2050	2030/2050
Scenario	2°C/4°C	2°C/4°C	1.5°C/4°C	1.5°C/4°C
Sales basis coverage	24%	24%	55%	67%

> ASV Report 2023 (Integrated Report) P077

## Disclosures Based on the TCFD Recommendations

## (2) Scenario analysis: Risks

1.5°C Scenario (2050): When certain policy measures are taken to reduce GHG emissions and the use of fossil fuels decreases						
Risk	Average temperature increase	Increased severity and frequency of floods and droughts	Mandates and regulations on products	Changes in consumer preferences	Items to the right are for the Group as a whole	Carbon pricing mechanisms
Risk/Risk categories	Transition risks	Physical risks	Transition risks	Transition risks		Transition risks
Business impact	Increased raw material (e.g., coffee beans) procurement costs due to carbon taxes, etc.	Measures to ensure consistent supply taken since our founding	Cost increases due to tightening of laws and regulations regarding raw materials used (Assumption: Laws and regulations on the traceability of raw materials and recycling)	Reduced demand due to rising temperatures (Assumption: Miso soup, other soups, hot coffees, shift from heating element to microwave cooking)		Increased costs of fuels used due to introduction of carbon taxes, tax increases and emissions trading
Potential financial impact	0.2 billion yen/year	Insignificant	—	—		2030: 13 billion yen/year <sup>[1]</sup> 2050: 30 billion yen/year <sup>[1]</sup>
Countermeasures	<ul style="list-style-type: none"> <li>Support for raw material production areas</li> <li>Considering raw materials made by different production methods</li> </ul>	<ul style="list-style-type: none"> <li>More diversified areas of procurement</li> <li>R&amp;D on alternative raw materials</li> </ul>	<ul style="list-style-type: none"> <li>Construction of a comprehensive upstream/downstream cooperation system in the supply chain</li> </ul>	<ul style="list-style-type: none"> <li>Communication to create better eating habits through ASV PR activities (nutritional value)</li> <li>Marketing toward chilled soup and iced coffee</li> <li>Exploration/proposal of microwave cooking options</li> </ul>		<ul style="list-style-type: none"> <li>Visualization of financial impact with internal carbon pricing</li> <li>Fossil fuel phase-out</li> <li>Use of renewable energies</li> <li>Development of eco-friendly manufacturing methods</li> </ul>
4°C scenario (2050): In the event that no policy measures are taken to reduce GHG emissions						
Risk	Average temperature increase		Increased severity and frequency of floods and droughts	Changes in consumer preferences	Increasing fuel costs	
Risk categories	Physical risks		Physical risks	Transition risks	Transition risks	
Business impact	Increased costs from decline in productivity of agricultural, livestock, and fishery products (Assumption 1: Worsening aquaculture environment, Assumption 2: Decrease in livestock growth rate, Assumption 3: Decrease in milk yields from dairy cows, Assumption 4: Infectious disease epidemics in livestock, Assumption 5: Poor growth of agricultural produce and pest epidemics)		Increased raw material procurement costs, decreased sales due to shutdown of operations and delivery delays (Assumption 1: Flooding in Thailand, Assumption 2: Drought in Thailand, Assumption 3: Flooding from localized torrential rains in Japan)	Reduced demand due to rising temperatures (Assumption: Miso soup, other soups, hot coffees, shift from heating element to microwave cooking)	Rising prices of fossil fuels and electricity	
Potential financial impact	4.5 billion yen/year		0.1 billion yen/year	—	2.5 billion yen/year	
Countermeasures	<ul style="list-style-type: none"> <li>More diversified areas of procurement</li> <li>Stronger cooperation with suppliers/farmers</li> <li>Development of recipes with reduced extracts</li> <li>R&amp;D on alternative raw materials</li> <li>Introduction of high temperature-tolerant varieties</li> <li>Reflection in sales price</li> </ul>		<ul style="list-style-type: none"> <li>More diversified areas of procurement</li> <li>R&amp;D on alternative raw materials</li> <li>Continuation and improvement of water saving production</li> <li>Improvement of supply and logistics systems</li> </ul>	<ul style="list-style-type: none"> <li>Communication to create better eating habits through ASV PR activities (nutritional value)</li> <li>Improvement of communication about easy meals using heating elements</li> <li>Marketing toward chilled soup and iced coffee</li> <li>Exploration/proposal of microwave cooking options</li> </ul>	<ul style="list-style-type: none"> <li>Fossil fuel phase-out</li> <li>Use of renewable energies</li> <li>Development of ecofriendly manufacturing methods</li> </ul>	

[1] Calculated by multiplying the Group's FY2018 standard GHG emissions (approved by the Science Based Targets initiative (SBTi)) by the International Energy Agency's (IEA) 1.5°C scenario carbon tax and emissions trading forecasts for 2030 of \$15/t-CO<sub>2</sub> for emerging countries, \$90/t-CO<sub>2</sub> for Brazil and China, and \$130/t-CO<sub>2</sub> for developed countries, and for 2050 carbon tax and emissions trading forecasts, \$55/t-CO<sub>2</sub> for emerging countries, \$200/t-CO<sub>2</sub> for Brazil and China, and \$250/t-CO<sub>2</sub> for developed countries. The 4°C scenario is the outcome of the current situation with no additional or higher carbon taxes or emissions trading expected.

## Disclosures Based on the TCFD Recommendations

## (3) Scenario analysis: Opportunities

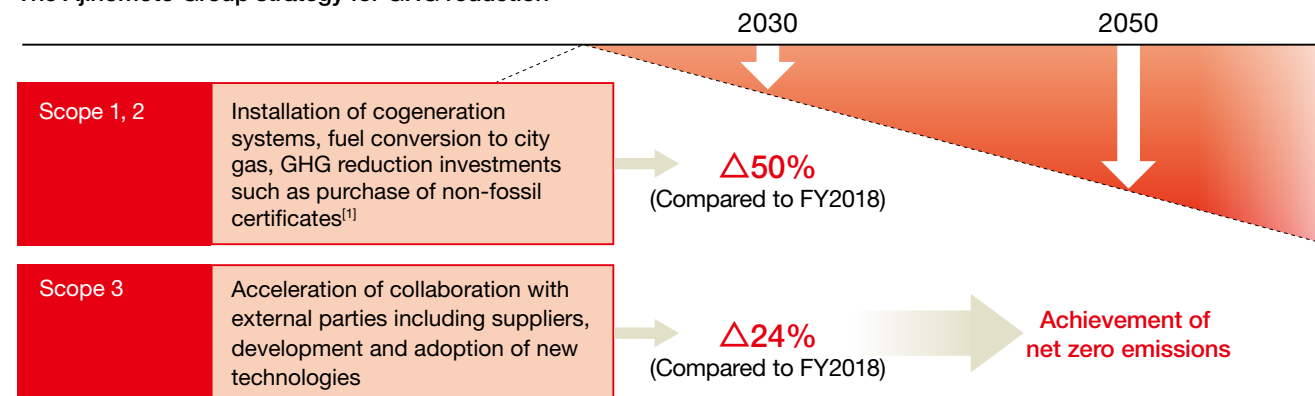
1.5°C scenario (2050): When certain policy measures are taken to reduce GHG emissions and the use of fossil fuels decreases		
Opportunities	Low emission products and services	Changes in consumer preferences
Opportunity categories	Products and services	Products and services
Business impact	Increased sales from products with low environmental impact due to rise in popularity of ethical-mindedness	<ul style="list-style-type: none"> <li>Expanding needs due to health consciousness = Increase in sales</li> <li>Expanding needs for beverages due to rising temperatures = Increase in sales</li> </ul>
Countermeasures	<ul style="list-style-type: none"> <li>Development of eco-friendly manufacturing methods and products</li> <li>Initiatives to obtain favorable ESG rating</li> <li>Strengthen evidence to prove low environmental impact</li> <li>Measures to shift customer preferences toward medium- and large-quantity products</li> </ul>	<ul style="list-style-type: none"> <li>Product development that improves nutritional value</li> <li>Communication to create better eating habits by highlighting nutritional value</li> <li>Development of eco-friendly manufacturing methods and products</li> </ul>
4°C scenario (2050): In the event that no policy measures are taken to reduce GHG emissions		
Opportunities	Low Emission Products and Services	Changes in consumer preferences
Opportunity categories	Products and services	Products and services
Business impact	Increased sales from products with low environmental impact due to rise in popularity of ethical-mindedness	<ul style="list-style-type: none"> <li>Expanding needs due to health consciousness = Increase in sales</li> <li>Expanding needs for beverages due to rising temperatures = Increase in sales</li> </ul>
Countermeasures	<ul style="list-style-type: none"> <li>Development of eco-friendly manufacturing methods and products</li> <li>Strengthening evidence to prove low environmental impact</li> <li>Measures to shift customer preferences toward medium- and large-quantity products</li> </ul>	<ul style="list-style-type: none"> <li>Product development that improves nutritional value</li> <li>Communication to create better eating habits by highlighting nutritional value</li> <li>Development of eco-friendly manufacturing methods and products</li> </ul>

## (4) Reflecting scenario analysis results in strategy

## (i) Reflection in our business strategy

Based on the impact of the scenario analysis on our business, we plan to invest in fossil fuel phase-out and the use of renewable energies, as well as eco-friendly manufacturing methods to further reduce our GHG emissions in the future. We will also work on formulating new business strategies to achieve ASV, where sustainability initiatives lead to greater added value for our products. Moreover, in our scenario analyses from fiscal 2023 onwards, we will expand the ranges of products and risks for analysis and improve our risk/opportunity analysis.

## The Ajinomoto Group strategy for GHG reduction



[1] We are considering further investments to reduce GHG emissions, and will disclose the details as soon as they are determined.

## Disclosures Based on the TCFD Recommendations

### (ii) Reflection on financing strategy

Sustainable finance forms the basis for our acquiring the necessary funds for our various initiatives. Following the October 2021 issuance of our sustainability bonds (SDG bonds) and the committed credit line established in January 2022 through the Positive Impact Finance scheme, we concluded a committed credit line agreement through our Sustainability-Linked Loans in December 2022. Most recently, we also issued sustainability-linked bonds in June 2023.

Through this financing, we will further accelerate our efforts to realize one of our two outcomes by 2030, namely, to reduce our environmental impact by 50%, as well as to realize a sustainable society.

> Sustainable Finance

### Risk management

The Management Risk Committee identifies risks that call for initiatives by management, assesses their impact on the Ajinomoto Group, and formulates countermeasures. The Sustainability Committee plans risk countermeasures for company-wide management issue based on materiality and manages the progress of said measures. Both committees work closely together to ensure that no risk is left out. The Management Risk Committee comprehensively grasps all risks and reports to the Board of Directors.

We implement risk management process at each domestic and overseas work site to identify risks and formulate countermeasures, taking individual business strategies and local political, economic, and social conditions into account. The Management Risk Committee improves this process and compiles the risks identified by each work site and addresses those that management should take the initiative to address. Each business and corporation formulates a business continuity plan (BCP) for emergencies overseen by the Management Risk Committee,

who organizes to constantly ensure plan effectiveness.

The Sustainability Committee formulates and implements Group-wide response strategies for risks analyzed and assessed based on Materiality, which they regularly monitor and manage.

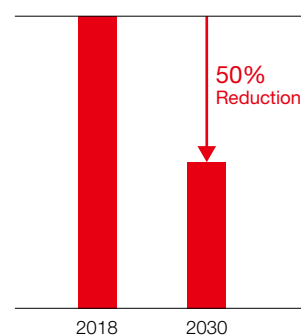
### Metrics and targets GRI305-1, GRI305-2, GRI305-3, GRI305-4

The Ajinomoto Group submitted a commitment letter declaring our compliance with new GHG emission reduction targets, including net-zero emissions under the Science Based Targets (SBT) initiative. With this declaration, we review targets and strategies in line with the net zero standards to further accelerate our efforts towards the GHG emission reduction target of limiting temperature increase to 1.5°C, certified by the SBT initiative.

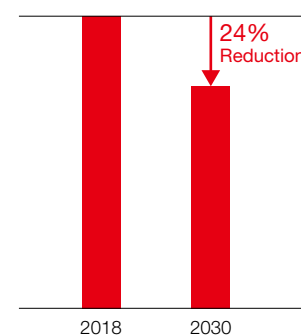
We set a target (total volume target) of 50% reduction in total Scope 1 and Scope 2 GHG emissions by fiscal 2030 in comparison with fiscal 2018.

We also plan to revise our fiscal 2030 24% reduction target (intensity target) for GHG emissions per ton of Scope 3 production (GHG emissions intensity) in comparison with fiscal 2018 levels.

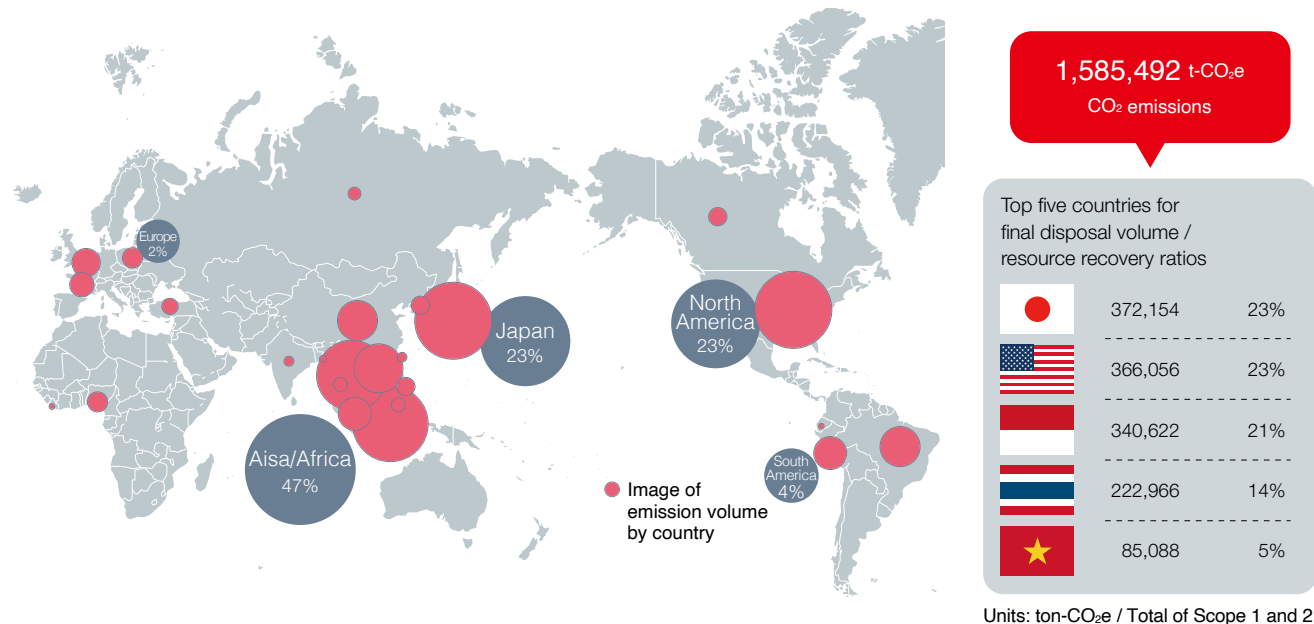
#### Scope 1 and 2 Total Emissions Target



#### Scope 3 Emissions Target per Ton of Production



## Disclosures Based on the TCFD Recommendations

CO<sub>2</sub> emissions (Scope 1 and 2) by area<sup>[1]</sup> (Fiscal 2022)

[1] Turkey is included in Asia/Africa.

Scope 1 and 2 emissions declined by approximately 26,000t-CO<sub>2</sub>e from the previous fiscal year. During this time, in-house power generation decreased due to the unstable city gas supply, and the amount of purchased power increased at some business sites. Regardless of this, emissions slightly declined through direct contracts with renewable energy power plants in Peru and the procurement of renewable energy certificates at Ajinomoto Co., Inc. Tokai Plant to counter these fall backs. Japan, the United States, Indonesia, Thailand, and Vietnam accounted for 87% of total. In fiscal 2018, base emissions were 1,962,000 tons of CO<sub>2</sub>e, calculated by subtracting Scope 1 and 2 GHG emissions from companies that would become outside of the Group's scope on or after fiscal 2019 in accordance with SBTi standards. By comparison, emissions in fiscal 2022 were 1,585,000 tons of CO<sub>2</sub>e, down 19% and exceeding

our target for the year. The Company is on track to achieve approximately 80% of our 2030 GHG emissions target (50% reduction from 2018 levels) based on our current plan, however we will consider further reduction activities to achieve even greater emissions reductions.

Scope 3 GHG emissions per volume unit of production decreased approximately 4% from the previous year and approximately 3% from the base year of fiscal 2018. This was due to the transfer of the production and sales of Ajinomoto AGF Blendy<sup>®</sup> bottled coffee to Suntory Beverage & Foods Ltd. In fiscal 2023, we will attempt to collaborate with a Scope 3 raw material suppliers. We will also accelerate our efforts to reduce GHG emissions by collaborating with external parties and suppliers going forward.

- Efforts to Achieve Targets

As measures to meet our Scope1 and Scope 2 targets, we are promoting energy-saving activities, a switch to fuels with low GHG emissions, the use of renewables such as biomass and solar power, and the introduction of lower energy-consumption processes (such as considering the conversion from fossil fuels to biomass fuels and procuring renewable energy certificates for China, Ajinomoto Co., Inc. Tokai Plant, etc.). For Scope 3 emissions, raw materials are causing approximately 60% of total GHG emissions over the whole product life cycle, therefore we are encouraging raw materials suppliers to reduce their GHGs, and are considering the introduction of new technologies such as on-site ammonia production.

## Disclosures Based on the TCFD Recommendations

GHG emissions calculated from IEA<sup>[1]</sup> CO<sub>2</sub> emissions factors(t-CO<sub>2</sub>e)

	FY2018	FY2019	FY2020	FY2021	FY2022
Scope 1 emissions	1,196,969	1,013,315	1,008,811	1,005,363	973,780
Scope 2 emissions (Market-based method)	1,015,723	960,375	901,789	606,594	611,712
Scope 1 and 2 total emissions	2,212,692	1,973,690	1,910,600	1,611,957	1,585,492
Scope 3 emissions	11,933,270 <sup>[2]</sup>	11,821,564	11,787,705	10,947,844	10,492,309
Scope 1, 2, and 3 total emissions	14,145,962	13,795,254	13,698,305	12,559,801	12,077,801

[1] International Energy Agency

[2] Because former data only in FY2018 was calculated by Location based method, it was unified to be Market based method data.

GHG emissions per volume unit calculated from IEA<sup>[3]</sup> CO<sub>2</sub> emissions factors

GRI2-4

	FY2018	FY2019	FY2020	FY2021	FY2022
Scope 1 and 2 emissions per volume unit (intensity per ton of production)	0.84	0.79	0.79	0.68	0.67
Scope 3 emissions per volume unit (intensity per ton of production) <sup>[4]</sup>	4.54	4.71	4.87	4.64	4.46
Reference value: Production volume (1,000 t) <sup>[5]</sup>	2,627	2,512	2,423	2,360	2,350
Scope 1 and 2 emissions per volume unit (intensity per million yen of sales)	1.99	1.79	1.78	1.40	1.17
Scope 3 emissions per volume unit (intensity per million yen of sales)	10.71	10.75	11.00	9.53	7.72
Consolidated sales (million yen)	1,114,308	1,100,039	1,071,453	1,149,370	1,359,115

[3] International Energy Agency

[4] The results scope 3 emissions per volume unit were revised because the coverage of organizations for calculation were different.

[5] We used data different from production volume set forth in other environmental data for convenience of aggregation.

## Scope 1 and 2 emissions and Scope 3 (excluding Category 11) intensity retroactively adjusted for companies that became outside of the Ajinomoto Co., Inc. Group's scope on or after fiscal 2019 in accordance with SBTi standards

GRI2-4

	FY2018	FY2019	FY2020	FY2021	FY2022
Scope 1 and 2 total emissions (market-based method)	1,961,516 t-CO <sub>2</sub> e	1,779,380 t-CO <sub>2</sub> e	1,752,812 t-CO <sub>2</sub> e	1,611,957 t-CO <sub>2</sub> e	1,585,492 t-CO <sub>2</sub> e
Scope 3 emissions (excluding Category 11)	9,876,834 t-CO <sub>2</sub> e	9,858,584 t-CO <sub>2</sub> e	9,951,981 t-CO <sub>2</sub> e	9,550,897 t-CO <sub>2</sub> e	9,106,260 t-CO <sub>2</sub> e
Scope 3 emissions per volume unit (excluding Category 11) <sup>[6]</sup>	4.01	4.12	4.26	4.05	3.87

[6] Per production volume unit was revised to line with the SBTi standard.

## SBTi targets and progress

	FY2022		FY2025	FY2030
	Target	Result	Target	Target
Scope 1 and 2 GHG emission reduction rate (vs. FY2018)	At least 18% decrease	19% decrease	30% decrease	50% decrease
Scope 3 (excluding Category 11) GHG emissions per volume unit reduction rate (vs. FY2018)	8% decrease	3% decrease	14% decrease	24% decrease

# Reduction of greenhouse gas emissions in the value chain

## Internal carbon-pricing

We are bolstering our decarbonization measures through the utilization of internal carbon-pricing systems so that we can avoid or mitigate the financial risks from carbon taxes and emissions trading, and we are promoting measures such as alternative fuels and use of renewable energy.

## GHG reduction initiatives in the BRIDGE project, with a unified global team across the value chain in the MSG and nucleic acid businesses

GRI302-4, GRI305-5

GHGs emitted during MSG and nucleic acid production account for more than 40% of the Group's GHG emissions. To tackle this and address climate change risk, we launched BRIDGE, a project with a unified global team that cuts across the value chain and engages our subsidiaries outside Japan. This project has taken on the challenge of significantly reducing GHG emissions by establishing a mechanism for sustainable innovation creation. Our R&D and production departments have built world-class resource-saving fermentation technologies and accelerated the introduction of this technology through collaboration with our overseas technology and production departments. We have also taken firm action on energy-saving activities based on knowledge sharing between each factory. As a result, GHG emissions during MSG and nucleic acid production were significantly reduced.

Scope 1+2: -132 kt<sup>[1]</sup>

Scope 3: -336 kt<sup>[1]</sup>

[1] FY2021 result vs. FY2018

## Reducing environmental impact through on-site ammonia production

Performance

GRI305-5

Currently, ammonia is produced worldwide using the Haber-Bosch process, and this generally uses natural gas as its raw material. This production method is carried out in large plants under high-temperature and high-pressure reaction conditions. It requires special equipment to transport the final product to where there is demand, and on transport, there is significant environmental impact in terms of CO<sub>2</sub> emissions, etc. The Ajinomoto Group procures ammonia externally as a raw material in the fermentation processes for amino acids, and to solve these problems, we are working toward practical implementation of on-site production to produce the necessary amount of ammonia where it is needed. In 2017, Ajinomoto Co., Inc., in partnership with Professor Hideo Hosono of the Tokyo Institute of Technology and others, established Tsubame BHB Co., Ltd., and we are working towards the commercialization of the world's first on-site production ammonia synthesis system using new catalysts discovered and developed by Professor Hosono. New catalysts allow to synthesize ammonia even under low-temperature and low-pressure conditions, which enables production in small-scale plants, something considered difficult to accomplish under the Haber-Bosch process. The small-scale plants can be located in the area of consumption, which will reduce costs and the environmental impact of transportation.

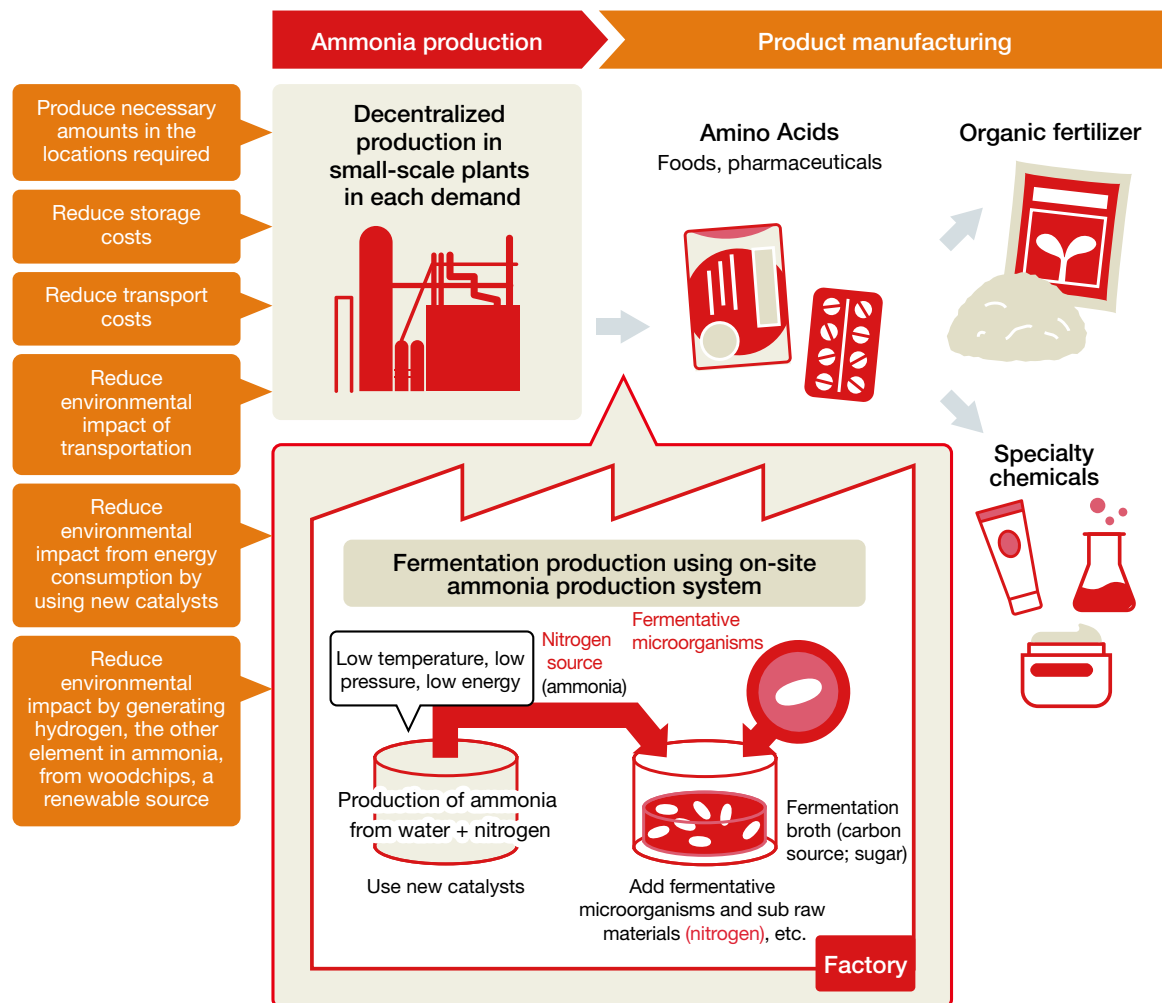
In October 2019, Tsubame BHB Co., Ltd. completed a bench facility at our Kawasaki Plant, launching operations capable of production of several tens of tons per year. We are moving forward with technical studies with the aim of commercializing this system. At Ajinomoto Co.,

Inc., we are also developing green hydrogen production technology for using local renewable materials (wood chips, etc.) to produce hydrogen, a raw material of ammonia. By combining this technology and Tsubame BHB's ammonia synthesis technology, we expect that we will gain a curbing effect on CO<sub>2</sub> emissions generated in the in-house production of ammonia.



## Disclosures Based on the TCFD Recommendations

## On-site ammonia production system



## Shifting to renewable energy

GRI302-4

In August 2020, the Ajinomoto Group announced its participation in RE100, an international environmental initiative comprising companies aiming to achieve 100% renewable energy for electricity. Companies participating in RE100 are from diverse fields such as information technology through to automobile manufacturing. Member companies are asked to publicly announce their goals to use 100% renewable energy sources such as solar power, wind power, hydroelectric power, biomass, and geothermal power in their business activities by the year 2050. In FY2022, our plant in Peru signed a direct contract with a renewable energy power plant, and the Tokai Plant in Japan switched to purchasing 100% non-fossil fuel certificates for power, in efforts to shift to renewable energy.

## Management of fluorocarbons, NOx, etc.

GRI305-7

The Ajinomoto Group aims to eliminate all Hydrofluorocarbons (HFCs) by fiscal 2030 at factories with equipment that use fluorocarbons. Our intent is to switch to natural refrigerants or refrigerants with low Global Warming Potential (GWP) of less than 150 when installing new or upgrading existing equipment. In 2001, when Japanese frozen food factories were not yet required to discontinue their use of equipment using specified Chlorofluorocarbons (CFCs), we started with an initiative to phase out the usage of freezers using these chemicals, and as of the end of March 2021, we have eliminated the use of those freezers in Ajinomoto Frozen Foods Co., Inc. We are continuing efforts at our plants to fully eliminate CFC substitutes by fiscal 2030, and will work to decrease use of fluorocarbons across the entire Ajinomoto Group.

## Disclosures Based on the TCFD Recommendations

## NOx and other atmospheric emissions

(t-CO<sub>2</sub>e)

	FY2018	FY2019	FY2020	FY2021	FY2022
Nitrogen oxide (NOx)	9,421	5,224	6,637	5,673	4,730
Sulfur oxide (SOx)	10,701	6,779	7,016	7,676	5,311
Particulates	1,827	884	1,310	871	3,492
CFCs <sup>[1]</sup>	11	9	7	5	4

[1] Figures for fiscal 2019 and beyond exclude natural refrigerants and other non-fluorocarbons due to the redefinition of CFCs, HCFCs, and HFCs.

### Initiatives and results of Ajinomoto Frozen Foods Co., Inc.

Ajinomoto Frozen Foods Co., Inc. efforts over the past 20 years to eliminate the use of specified CFCs in large freezers at all seven of its plants in Japan and to reduce CO<sub>2</sub> emissions by 2030, which were completed by the end of fiscal 2020, received the Minister of the Environment Award in the 25th Ozone Layer Protection and Global Warming Prevention Awards<sup>[2]</sup> sponsored by the Nikkan Kogyo Shimbun newspaper and supported by the Ministry of Economy, Trade and Industry and the Ministry of the Environment. These efforts also were awarded the Gold Award at the 2nd sotokoto SDGs Award 2022<sup>[3]</sup>, sponsored by sotokoto planet.

[2] Awards recognizing outstanding achievements in technologies, products, activities, and research related to the prevention of ozone layer depletion and the suppression of global warming.

[3] An award that aims to create a world of well-being while broadly supporting SDG activities for a better society and future.

### Initiatives in transportation

GRI305-5

The Ajinomoto Group is working to establish a sustainable logistics system. In Japan, the F-LINE Project launched in 2015 by six food manufacturers<sup>[4]</sup> operates joint transport in Hokkaido and Kyushu, as well as a joint mainline trunk transport in Hokkaido, in a spirit of competing on products, but distribute in cooperation. In April 2019, we also established a joint logistics company, F-LINE CORPORATION, as an effort between five food manufacturers<sup>[5]</sup>, including Ajinomoto Co., Inc. Furthermore, activities in Phase 2 of the F-LINE Project were launched in the spring of 2022 to get ahead of the "2024 problem" in Japan, a logistics crisis set to emerge in 2024. In this second phase, four teams have been formed to discuss solutions to the various issues they handle. The three issue-facing teams are for front-end processes (medium- and long-distance transportation), core processes (delivery and distribution centers), and back-end processes (production, distribution, and sales logistics streamlining), respectively, and the fourth team is for promoting standardization and efficiency across all processes. Through activities in this project, we aim to strengthen cooperation among participating companies and streamline logistics in order to overcome the impending 2024 problem of Japan.

[4] House Foods Group Inc., Kagome Co., Ltd., Nisshin Seifun Welna Inc., Nisshin Oillio Group, Ltd., Mizkan Co., Ltd., and Ajinomoto Co., Inc.

[5] Five companies listed in above [4] excluding Mizkan Co., Ltd.

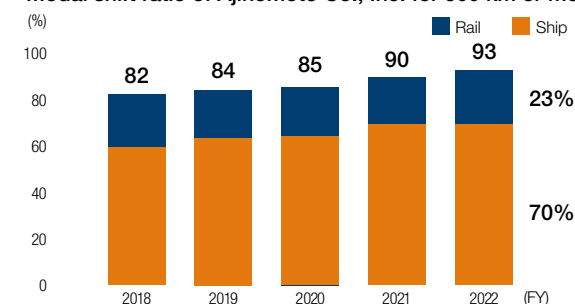
### Modal shift ratio

GRI305-5

Even before calls to address the 2024 problem in Japan logistics, the Ajinomoto Group had been maintaining efforts to simultaneously enhance transportation capacity and environmental friendliness. We have been particularly focused on modal shift<sup>[6]</sup>, actions launched in 1995 to shift from trucks to railways and ships as means of transportation. During fiscal 2022, Ajinomoto Co., Inc. achieved an overall 93% long-distance transport modal shift by using ships for transport. As a result of these efforts, in June 2022, F-LINE CORPORATION, jointly with the Company, received the Low Carbon Logistics Promotion Award at the 23rd Logistics Environment Awards sponsored by the Japan Association for Logistics and Transport, and in May 2023, the Maritime Modal Shift Grand Prize at the Maritime Bureau Director-General's Awards for 2022 held by the Ministry of Land, Infrastructure, Transport and Tourism.

[6] Compared to commercial freight vehicles (trucks), railway container and ship transport results in CO<sub>2</sub> emissions of one-tenth and one-fifth, respectively.

#### Modal shift ratio of Ajinomoto Co., Inc. for 500 km or more



## Disclosures Based on the TCFD Recommendations

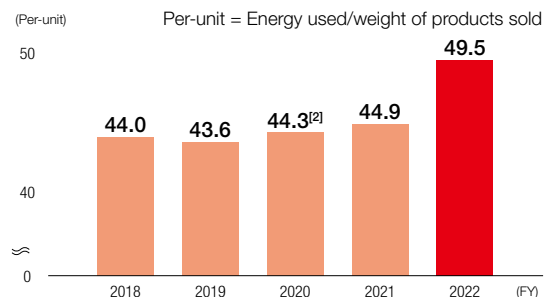
## Per-unit energy use in logistics

GRI302-3, GRI302-4

Ajinomoto Co., Inc., Ajinomoto Frozen Foods Co., Inc., and Ajinomoto AGF, Inc. are considered specified consignors under the Energy Conservation Act. Each company is legally obligated to make efforts in reducing per-unit energy use (crude oil equivalent) within their cargo logistics by at least 1% per year on average over five years, reporting results to the Japanese government. Although we are reviewing our logistics network and conducting modal shifts to reduce per-unit energy use, the per-unit energy use of the three companies combined in fiscal 2022 increased by 4.6% compared with the previous fiscal year. This increase was due to Ajinomoto AGF, Inc. transferring the sales of liquid coffee to another company in fiscal 2022, resulting in a large decrease in shipment weight. Dry products, which are lighter and bulkier, accounted for a larger proportion of the weight of sales. As a result, the decrease in energy use and carbon dioxide emissions was less in proportion to the decrease in shipment weight.

Per-unit energy use in logistics<sup>[1]</sup>

GRI2-4



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

[2] Correction has been made as a result of a review of totals.

## Modal shift at Ajinomoto's Brazilian subsidiary

In Brazil, trucks are often used for cargo transportation, which poses challenges not only from an environmental perspective, but also in terms of traffic accident risk, cargo theft risk, high transportation costs, and large fluctuations in fuel prices due to oil price fluctuations and unstable exchange rates. AJINOMOTO DO BRASIL INDÚSTRIA E COMÉRCIO DE ALIMENTOS LTDA. (ABR) has switched a portion of its truck transportation to rail and ship transportation in order to balance the lives, safety, and health of its drivers and their families with reducing environmental impact in its food division, which accounts for about 50% of its sales. It was also able to reduce GHG emissions by 16% and the risk of accidents and death by 4% by reviewing delivery providers.

Contribution to CO<sub>2</sub> reductions through new magnetic materials

GRI302-4, GRI305-5

As we enter the data society, we are seeing a rapid increase in demand and acceleration of processing for semiconductors used in PCs, servers, 5G base stations, and similar, and consequently societal demands for reduced CO<sub>2</sub> emissions by making these semiconductors more energy efficient. The electronic materials business is one of the core businesses of the Ajinomoto Group, in which we focus on providing interlayer insulating materials for semiconductor packages. We are leveraging our long-cultivated technical expertise and knowledge and involving stakeholders in the supply chain, and have developed new magnetic materials that enable power savings in ever-faster semiconductors. The innovative semiconductor package substrate attained through use of this magnetic material will contribute greatly to reduce electricity consumption and associated CO<sub>2</sub> emissions. The magnetic performance of this material also

enables reductions in the size of the semiconductor power supply functions, which reduces the size of components to less than one-fifth that of conventional components. This also enables incorporation of a large number of these power supply functions into the semiconductor package substrate at a low cost, which helps with lower component counts thus achieving power savings, and contribute significantly towards the maintenance of a sustainable global environment. This magnetic material is beginning to be used in semiconductor package substrates for servers, AI, and other applications, and is being evaluated for introduction by our customers.



Newly developed magnetic materials (Left) Paste type (Right) Film type

> ASV Report 2023 (Integrated Report) P052-055

## Disclosures Based on the TCFD Recommendations

## Reducing GHGs emitted by livestock and achieving a sustainable dairy industry by utilizing amino acids for animal nutrition

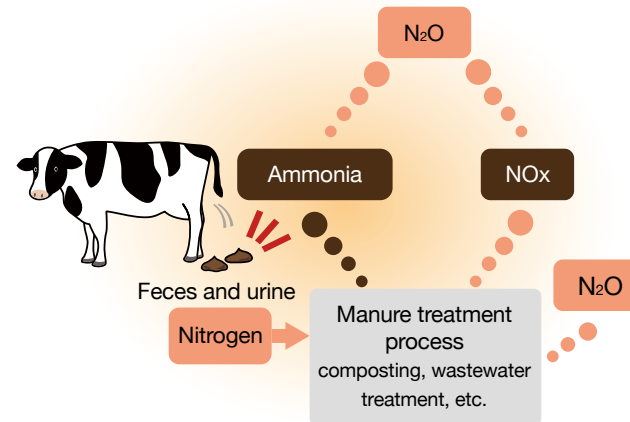
### Performance

Animal bodies are made up of approximately 20 types of amino acids. Several of these amino acids cannot be synthesized internally in sufficient quantities. These amino acids, called essential amino acids, can be supplemented through animal feed. Adding amino acids for animal nutrition can improve the essential amino acid profile of feeds that consist mainly of wheat and/or corn and thus are poorly balanced.

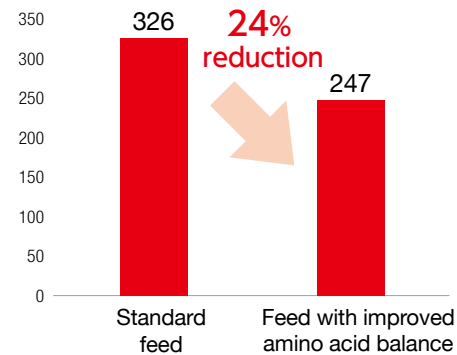
Feeds with poor amino acid balance result in an oversupply of unnecessary amino acids, which is not utilized within the animals and excreted in large quantities as nitrogen compounds. In the process of manure management, nitrogen compounds turn into nitrous oxide ( $N_2O$ ), which has environment impact of approximately 300 times the greenhouse gas effect of  $CO_2$ .

When the amino acid balance in feed is adjusted using amino acids for animal nutrition, the amount of nitrogen compounds in the manure can be reduced by 20% to 30%. This can also reduce life-cycle  $CO_2$  (LC-  $CO_2$ ). Utilizing amino acids for animal nutrition contribute to sustainable livestock production that is friendly to the global environment.

### $N_2O$ cycle



### Nitrogen emissions per dairy cow (g/day)



Source: Higuchi et al., 17th AAAP ANIMAL SCIENCE CONGRESS, 2016

## Disclosures Based on the TCFD Recommendations

## Japan's first J-Credit Scheme project using amino acids in dairy farming

In March 2023, Ajinomoto Co., Inc. and the Meiji Group launched a collaboration for building a business model utilizing the J-Credit Scheme<sup>[1]</sup> that simultaneously reduces GHG emissions and creates economic value in dairy farming and the dairy industry. This is the first J-Credit Scheme project in Japan (according to our research) that utilizes amino acids in dairy farming.

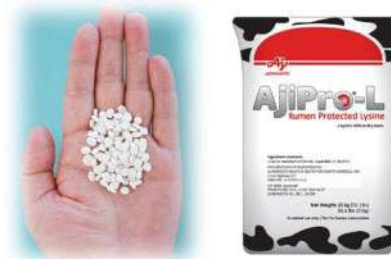
Under this business model, we will reduce GHG emissions by using our AjiPro<sup>®</sup>-L amino acid lysine formulation for dairy cows. Soybean meal, which is generally used as feed, is high in protein but is costly and contains a great deal of extra amino acids. In contrast, our formulation can be used to supplement and balance deficient amino acids while reducing use of feed such as soybean meal. As a result, feed costs can be reduced while maintaining milk production, and at the same time, excess nitrogen from manure can be reduced, thereby reducing emissions of N<sub>2</sub>O, which is a GHG. We will convert the reduced GHG emissions into credits through the J-Credit Scheme.

The Meiji Group will purchase the credits that we acquire, and the proceeds from the purchased credits will be paid to dairy farmers, providing a new source of income for them in the future. The credits purchased by the Meiji Group can then be used to offset the Meiji Group's GHG emissions, thereby contributing to GHG reduction throughout the dairy industry.

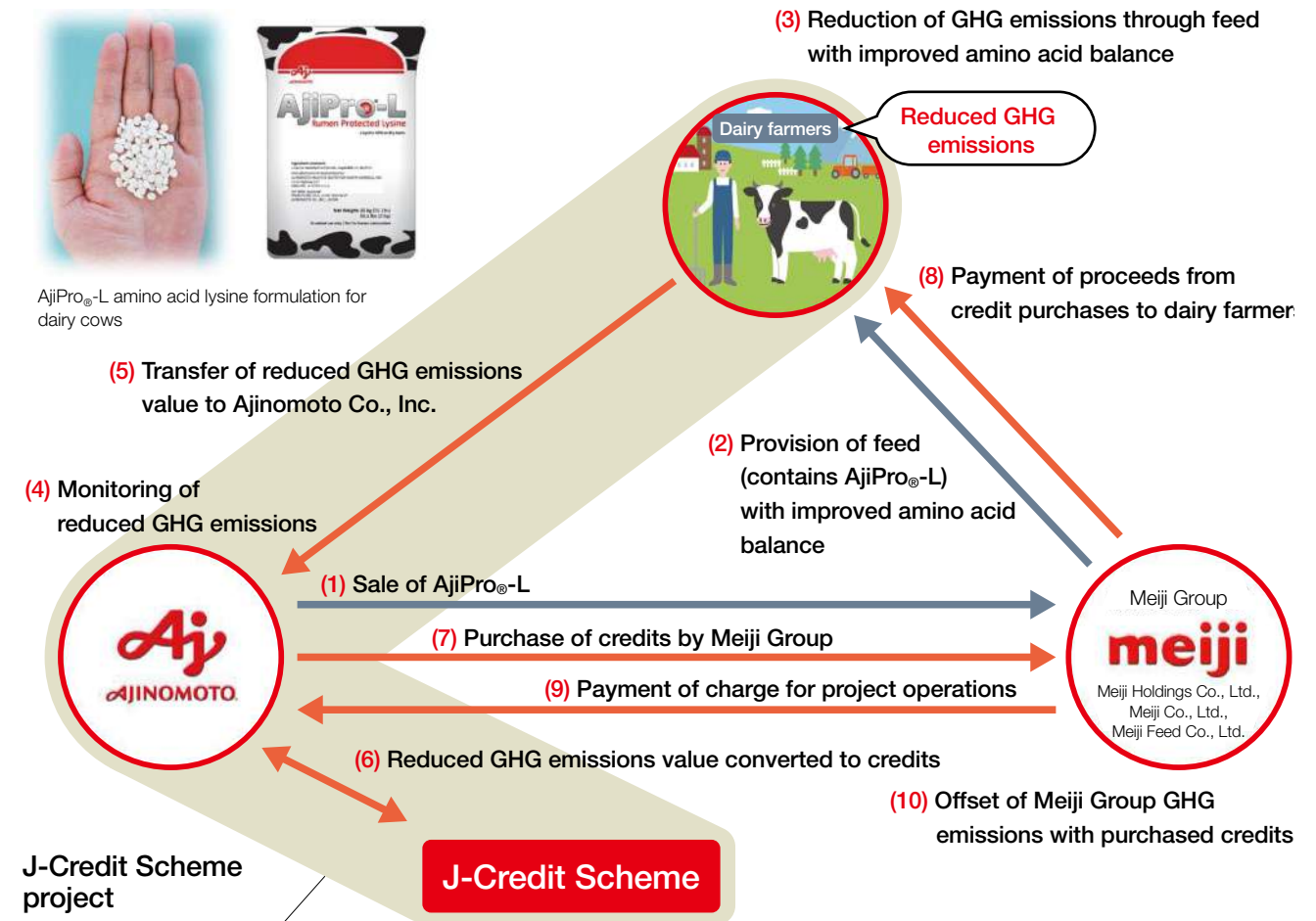
In the future, we plan to expand this initiative by soliciting participation from more dairy farmers, as well as to introduce new GHG reduction measures without increasing the cost burden on dairy farmers, such as using the cost savings from the use of AjiPro<sup>®</sup>-L to pay for additives that reduce methane (CH<sub>4</sub>) emitted from cow belching, with the aim of achieving even greater GHG reductions. In addition, we will consider expanding these activities beyond dairy

cows to also cover beef cattle, as well as moving into territories outside Japan.

[1] A scheme in which the Japanese government certifies the amount of CO<sub>2</sub> and other GHG emissions reductions and removals as tradeable credits.



AjiPro<sup>®</sup>-L amino acid lysine formulation for dairy cows



## Disclosures Based on the TCFD Recommendations

**Creating new value through "with Earth" food**

In order to achieve carbon neutrality (negativity) in the future and to meet the demand for protein from the growing population, it is important to wisely incorporate plant-based foods and other environmentally friendly ingredients and foods into our daily diet. We will utilize the Ajinomoto Group's unique strength, "AminoScience" to efficiently produce large quantities of environmentally friendly ingredients and deliver them to consumers as "with Earth" foods that are tastier and healthier.

With respect to plant-based foods, which have plant-derived proteins, our solution to the traditional concern that these foods lack deliciousness, texture, and nutritional value is Plant Answer®, which utilizes our proprietary enzyme technology and provides *umami* and *kokumi* (richness) flavors based on our Deliciousness Technologies and Nutritional Design Technology. We have invested in DAIZ Inc., a company developing an alternative protein using germinated soybeans to provide sustainable meat. We also provided development support to Japanese start-up TWO Inc., and in July 2023, began offering 2Protein, a plant-based protein supplement containing the ideal balance of essential amino acids needed to support body building through exercise.

With regard to cultivated meat, in March 2022, we invested in Israeli company SuperMeat the Essence of Meat Ltd., which develops and produces cultivated meat. Through this new investment, we are jointly developing cultivated meat technology.

With regard to microbial protein using CO<sub>2</sub> as a nutrient source, we have entered into a strategic alliance with Solar Foods, a Finnish food tech company, to develop products using Solein®, a protein developed by Solar Foods. Market feasibility studies are scheduled to begin in 2024. The Ajinomoto Group will continue to develop new technologies and materials based on "AminoScience" and collaborate

with startup companies to provide more delicious and healthy "with Earth" food, and to advance food standards for the future.

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## Great Taste, Green Future.

### "with Earth" Food Initiative

Contribution to a Circular Economy

# Reduction of waste across product lifecycles

Performance

GRI306-1, GRI306-2, GRI306-3, GRI306-4, GRI306-5

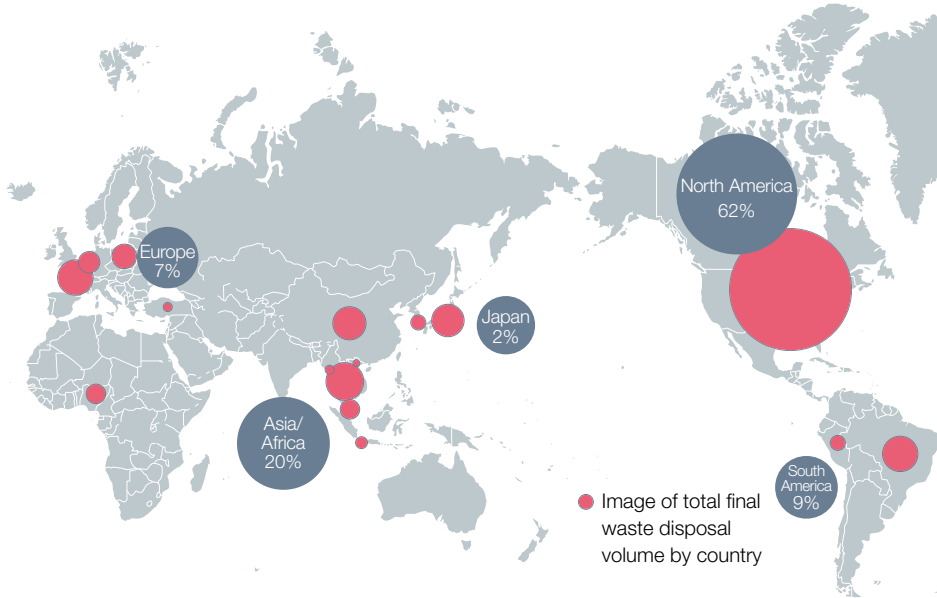
The Ajinomoto Group strives to minimize the waste of limited resources, implementing initiatives to reduce waste. We are committed to the effective use of any waste that is produced, aiming to recover 99% or more of any waste arising from our business activities.

We seek to improve amino acid production efficiency by recovering by-products as resources and introducing new technologies. We are also engaged in a range of efforts in food production, including improving the precision of sales forecasts and conducting fine-tuned procurement. In this way, we minimize wasted raw materials and the amount of packaging materials used.

Our final waste disposal (emissions) distribution volume for the Group in fiscal 2022 was as shown to the right. Waste generated by the Ajinomoto Group amounted to approximately 1,784 thousand tons (99.7% of previous year), which was roughly in line with production volume (99.8% of the previous year). Final waste disposal amounted to approximately 25.4 thousand tons, or about 1.4% of the amount generated, indicating progress in resource recovery. Disposal in United States, Thailand, Brazil, France, and China accounted for about 91% of total final waste.

> P045

Total final waste disposal volume by area<sup>[1]</sup> (FY2022)



[1] Turkey is included in Asia/Africa

**25,415 t**  
Total final waste disposal volume (1.4%)

Top five countries for final disposal volume/resource recovery ratios

	15,797	92.9%
	3,410	98.2%
	2,170	99.5%
	975	98.9%
	779	67.0%

Unit: tons

We recovered 98.6% of waste as resources in fiscal 2022, compared to a resource recovery target of 99%. Our recovery ratio in fiscal 2022 increased slightly compared with the previous fiscal year due to the reuse of sludge as a soil conditioner and increased efficiency in the sludge drying

process. Although our adoption of biomass cogeneration increased the amount of cinders generated at some sites, there was no impact on the recovery ratios we converted all cinders to resources.

## Contribution to a Circular Economy

## Volume of waste and by-products and resource recovery ratio

(tons)

	FY2018	FY2019	FY2020	FY2021	FY2022
<b>Hazardous waste (waste acids, waste alkali, waste oil, cinder)</b>					
Generated	69,991	83,834	81,216	83,770	106,161
Recycled	68,422	83,429	80,892	83,399	105,997
Incinerated	40	60	38	24	12
Landfills	1,529	345	286	347	152
<b>Non-hazardous waste: By-products (sludge, bacteria, waste filter aids, etc.)<sup>[1]</sup></b>					
Generated	2,194,566	2,021,002	1,615,808	1,546,599	1,470,197
Composted	2,194,470	2,020,885	1,615,713	1,543,988	1,470,110
Incinerated	0	0	0	0	0
Landfills	96	117	95	2,611	87
<b>Non-hazardous waste: Other (sludge, animal and plant residue, plastic waste, etc.)<sup>[2]</sup></b>					
Generated	174,651	181,246	173,310	195,832	208,120
Recycled	153,388	156,432	150,295	169,243	182,956
Incinerated	2,821	2,121	1,784	2,318	3,969
Landfills	18,442	22,693	21,231	24,271	21,195
<b>Total generated</b>	<b>2,439,208</b>	<b>2,286,082</b>	<b>1,870,334</b>	<b>1,826,201</b>	<b>1,784,478</b>
<b>Total recycled</b>	<b>2,416,280</b>	<b>2,260,745</b>	<b>1,846,900</b>	<b>1,796,630</b>	<b>1,759,063</b>
<b>Total waste</b>	<b>22,928</b>	<b>25,337</b>	<b>23,434</b>	<b>29,571</b>	<b>25,415</b>
<b>Resource recovery ratio</b>	<b>99.1%</b>	<b>98.9%</b>	<b>98.7%</b>	<b>98.4%</b>	<b>98.6%</b>

[1] Sludge, bacteria, humus carbon, waste activated carbon, gypsum sludge, salts, fermentation final concentrate, waste filter aids, etc.

[2] Sludge, animal and plant residues, plastic wastes, glass and ceramic wastes, metal scraps, paper wastes, wood wastes, rubber scraps, waste construction materials, office wastes, etc.

## Reducing plastic waste

GRI3-3, GRI306-1, GRI306-2

In recent years, the problem of marine plastics has become a pressing global issue. The Ajinomoto Group set a goal to reduce plastic waste to zero by fiscal 2030. This means that we intend to eliminate all plastics released to the environment that are not used effectively. Through our Group-wide project launched in March 2020, we are working strategically toward the following goals.

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## Goals for fiscal 2030

- Choose to use plastics in the minimum quantity and purpose required for safety and quality (reduce)
- Switch to using only plastic packaging made of mono-material or recyclable products (recycle)
- Support and contribute to measures for social implementation of collection, sorting, and recycling in countries and regions where our products are manufactured and sold

Under our plan to achieve zero plastic waste, while promoting the technological development of mono-materialization, we will also promote reduction. This reduction will be completed by fiscal 2025, and our conversion to recyclable materials will also be completed by fiscal 2030. After confirming barrier property requirements for each product, we will implement new technologies for packaging materials that use aluminum foil currently, starting from those with a relatively low required barrier.



## Contribution to a Circular Economy

## Roadmap to achieving zero plastic waste

## Stage 1: Reduce (e.g., thinner packaging, switching to paper)

★: Established technology

Area	Details	FY2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Japan	Elimination/reduction of secondary packaging			From adoption to completion								
Japan	Thinner packaging	★	From adoption to completion									
Overseas	Switching to paper		★	From adoption to completion								

## Stage 2: Recycle (mono-materials)

Area	Details	FY2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Japan	Non-barrier items	★	From adoption to completion									
Japan	Barrier items (moderate properties)			★	From adoption to completion							
Japan	Barrier items (high properties)						★	From adoption to completion				
Overseas	Barrier items (high properties)						★	From adoption to completion				

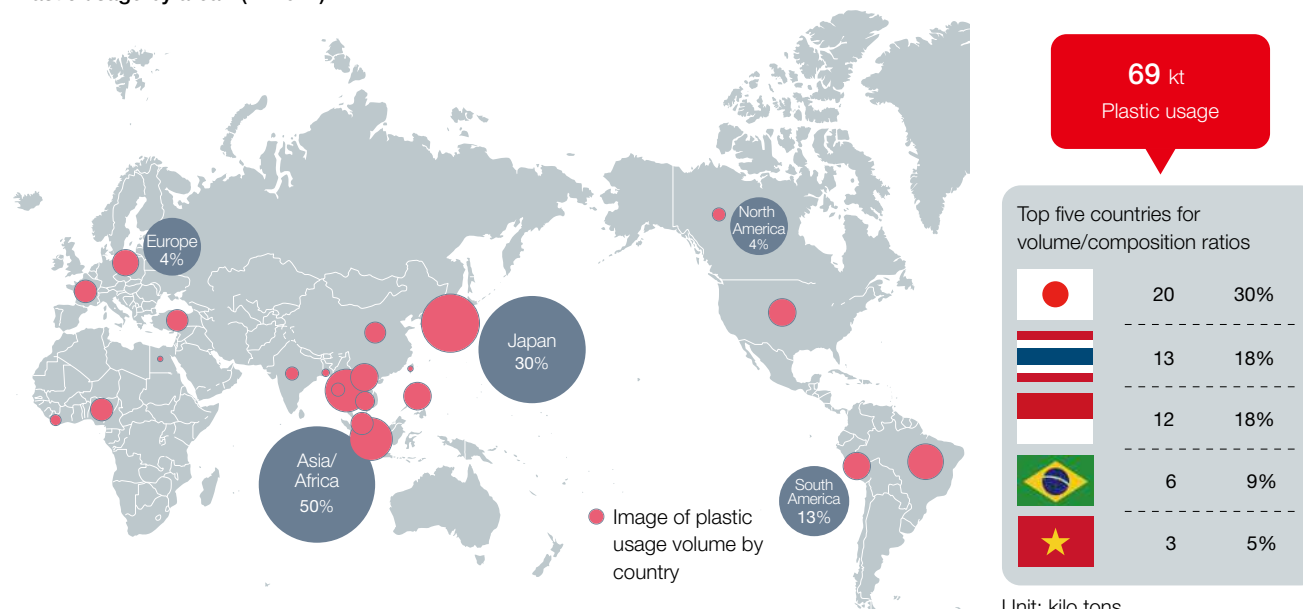
Confirm necessary barrier properties

Lateral deployment

## Contribution to a Circular Economy

## Performance

The distribution of plastic usage volumes for the Group in fiscal 2022 was as follows.

Plastic usage by area<sup>[1]</sup> (FY2022)

[1] Turkey is included in Asia/Africa.

## Ajinomoto Group total plastic usage volumes

GRI2-4

	FY2019	FY2020	FY2021	FY2022
Plastic usage (Of which, product packaging materials <sup>[2]</sup> )	71 kilo tons <sup>[2]</sup> (94%)	70 kilo tons (94%)	71 kilo tons <sup>[2]</sup> (93%)	69 kilo tons (93%)

[2] Correction has been made as a result of a review of totals.

The total amount of plastic used by the entire Group was 69 kilo tons, a decrease year on year. Japan, Thailand, Indonesia, Brazil, and Vietnam accounted for 80% of total use. Of these 69 kilo tons, more than 90% were used in product packaging materials. In addition, we have already converted approximately 33,000 tons<sup>[3]</sup> to mono-materials and other easily recyclable packaging materials. Excluding increases and decreases in sales, we made progress in fiscal 2022 in reducing plastic usage by approximately 800 tons per year. These gains were mainly due to efforts to reduce plastic usage by making products thinner. We also converted approximately 900 tons per year of packaging materials to more easily recyclable designs such as mono-materials. In addition, waste collection efforts have begun in Indonesia and other countries. Going forward, we will explore possible topics further for technology development and possible contributions to building mechanisms for collection and recycling in various countries.

[3] We revised our definition of recyclable packaging materials.

## Contribution to a Circular Economy

**Example of plastic usage reduction (Indonesia)**

In Indonesia, the increase in plastic waste due to population growth and economic growth has become a serious social issue. Estimates say that Indonesia's discharge of plastic waste into the ocean is second only to that of China, and is a significant source of ocean pollution. Given this situation, the Indonesian government requires its manufacturing, food and beverage, and retail industries to reduce collective waste emissions by 30% by the year 2029. Japanese companies in the country are also becoming more active in conducting environmental measures.

PT Ajinomoto Indonesia is reducing plastic waste by changing certain packaging materials to paper and by adding a larger variety of sachet sizes than before.

For example, the company used to use polypropylene as a packaging material for AJI-NO-MOTO® (120 grams) as a packaging material for products of approximately the same capacity. By changing the front of the package bag to paper, the company reduced plastic usage by 30%. The product package received *eco-label certification* from a certification organization under the Ministry of Environment and Forestry of Indonesia. The Indonesian version of the Guinness Book of World Records, MURI, registered this package as the first eco-friendly packaging for umami seasonings in Indonesia.

In addition, PT Ajinomoto Indonesia reduced plastic usage in Masako® by 630 tons per year by reducing the packaging header area and inner bag.



New Paper Packaging for AJI-NO-MOTO®

**Container and packaging design for the environment**

## Approach

GRI306-1, GRI306-2

The Ajinomoto Group engages in environmentally friendly container and packaging design in accordance with ISO 18600 series and JIS Z 0130. We pursue the 3Rs by minimizing the amount of packaging material to the extent such does not interfere with original function considering how to easily separate and sort our packaging by material for recycling. We select and develop optimal containers and packaging, engaging in environmentally friendly design tailored to the different characteristics and shapes of our products. Containers and packaging include everything from plastic, pouches to trays, bottles, glass bottles, PET bottles, paper boxes, and exterior packaging (cardboard boxes). The Group also strives to reduce the amount of food loss and waste generated by extending "best-before" dates through the use of containers and packaging that better maintain product freshness. Our efforts here include adopting single-serve packaging that leaves no food waste.

## Contribution to a Circular Economy

## Environmental assessments of containers and packaging

GRI3-3, GRI306-1, GRI306-2

Before releasing new or revised products, the Ajinomoto Group conducts an environmental assessment based on a

checklist. We use this assessment to confirm compliance with product-specific regulations and compatibility with Group environmental targets (Table 1). In addition, Ajinomoto Co., Inc. assesses the details of product revisions using a points-based Eco-Index for Containers and Packaging (Table 2).

Table 1: Environmental assessment checklist

Objective		Checklist Item
Compliance	Waste 3Rs	Compliance with environmental laws and regulations
	Food loss and waste reduction	Prevention of product degradation and damage
	Risk	Prevention of usage of packaging materials with environmental issues
Compatibility with Group environmental targets	Waste 3Rs	Use of packaging materials compatible with the 3Rs
	Sustainable procurement	Use of sustainable packaging material(s)
	Food loss and waste reduction	Use of packaging materials that reduce food loss and waste
	GHG emissions reduction	Reduction of environmental impact in the supply chain
	Fostering consumer awareness of green living	Display of environmental labels

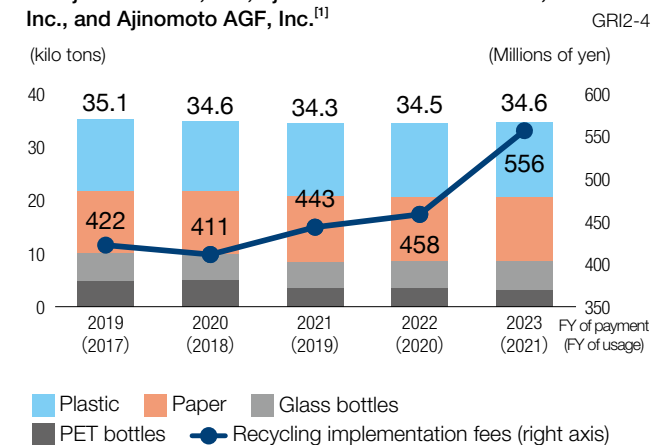
Table 2: Eco-Index for containers and packaging

Environmental plan item	Assessment item (example)	Assessment standard (example)
Transition to zero plastic waste	Plastic container/packaging weight reduction	At least 450 kg reduced per year
	Space per packaging volume	No more than 15%
	Compatibility with recycling systems	Easily recyclable materials used in all areas
GHG emissions reduction	LC-CO <sub>2</sub> emissions reduction	Transport efficiency
	Reduction compared to previous product version	At least 80% loading efficiency
Sustainable procurement	Use of eco-friendly materials	Use of forest-certified paper
Realization of a recycling-oriented society	Environmental labeling	Display of the Aji-na Eco mark
Food loss and waste reduction	Food loss and waste reduction	Extension of shelf life
		Adoption of single-serve packaging

## The recycling of containers and packaging waste in Japan

Under the Containers and Packaging Recycling Act in Japan, the recycling of containers and packaging waste from households is consigned to the Japan Containers and Packaging Recycling Association. In fiscal 2021, Ajinomoto Co., Inc., Ajinomoto Frozen Foods Co., Inc., and Ajinomoto AGF, Inc. used a combined 34.6 kilo tons of containers and packaging subject to recycling requirements, essentially level with the previous fiscal year. Based on this usage, recycling implementation fee payments for fiscal 2023 amounted to 556 million yen, 122% compared with the previous fiscal year. Although the usage volume of glass bottles and plastics increased, at 108% and 102% of previous fiscal year levels, respectively, usage of PET bottles decreased 89%, and overall usage was level year on year. Per-unit recycling contract costs also increased, leading to higher payment amounts in fiscal 2023.

Use of containers and packaging and recycling implementation fee payments for household products for Ajinomoto Co., Inc., Ajinomoto Frozen Foods Co., Inc., and Ajinomoto AGF, Inc.<sup>[1]</sup>



[1] Correction has been made as a result of a review of totals.

## Contribution to a Circular Economy

### Cooperation with outside organizations

The Ajinomoto Group works with Japanese container and packaging recycling groups and government-related organizations to implement social recycling of plastic resources.

As part of our efforts to reduce plastic waste, we participate as a founding member company of CLOMA<sup>[1]</sup>, a platform for accelerating innovation by strengthening cross-industry cooperation across a wide range of stakeholders and industries. We are active in secretary and chair positions in the Promotion Subcommittee and other bodies, and we take part in activities that include proof-of-concept tests for large-scale waste collection methods.

CLOMA established the *Design for the Future Task Force*, which works actively to envision an ideal future in the year 2050 and to achieve the organization's goals, which include increasing the materials recovery ratios.

[1] Japan Clean Ocean Material Alliance

> Participation in Initiatives

### Reducing environmental impact through the supply of highly biodegradable amino acid-based cosmetics ingredients

#### Expanding the amino acid-based cosmetics ingredients business

Ajinomoto Co., Inc. has provided amino acid-based personal care ingredients to more than 5,000 companies in 55 countries since the company launched the world's first amino acid-based surfactant, made from glutamic acid, in 1972. Amino acid-based surfactants reduce environmental impact due to high biodegradability. These surfactants are also mild on the skin. Growing concern about the global environment in recent years has resulted in a rapidly expanding market for amino acid-based surfactants. We

have been expanding our supply system to meet the global demand.

For example, in fiscal 2021, the Group constructed a new plant for amino acid-based surfactants Amisoft® in Brazil, and we are increasing production capacity.

#### Launch of sales for alternative to plastic microbeads used in cosmetics products

In recent years, various countries and regions have introduced regulations to ban or reduce the use of polymer plastics that have a substantial adverse impact on the environment, such as marine pollution. These regulations either prohibit use or requiring usage reductions. For example, tighter regulations have been imposed on rinse-off personal care products using plastic microbeads. The trend now is to replace these materials with alternatives. However, developing alternatives to plastic microbeads used in skin care and make-up products has been considered difficult in the areas of retaining their feel and user experience.

Amid these conditions, Ajinomoto Co., Inc. has succeeded in using its unique technologies harnessing amino acid-based personal care ingredients to develop a product replacing conventional microplastic beads. This new product launched in 2022. The alternative we developed uses only naturally derived raw materials, and is therefore highly biodegradable and helps to reduce environmental impact. We have already seen positive feedback from numerous cosmetics manufacturers.

#### Developing alternatives to plastic microbeads for cosmetics products



Video (YouTube)

The cosmetics you use could save the world!?

## Contribution to a Circular Economy

## Ajinomoto Group eco-labels

Performance

GRI417-1

In response to feedback from consumers such as wanting to choose products that are as good for the environment as possible and wanting to know the eco-friendliness of a product at a glance, the Ajinomoto Group has labeled products with our original *Aji-na Eco* and *Hotto-suru Eco* marks since 2010. We strive to provide easy-to-understand explanations of improvements in packaging and details of our environmental initiatives, considering the environment in which customers use our products and throughout the value chain.

> [Aji-na Eco Mark \(Japanese only\)](#)



Number of *Aji-na Eco* mark products  
**205**

As of March 2023

**What is *Aji-na Eco*?**

*Aji-na Eco* is a term describing smart and ecological products. The logo mark expresses the image of the green of the earth, the pleasure of eating, and a global environment made even better through food.



Number of *Hotto-suru Eco* mark products  
**320**

As of March 2023

**What is *Hotto-suru Eco*?**

*Hotto-suru Eco* identifies Ajinomoto AGF, Inc. products that have special environmental features. The logo mark expresses the comfort felt when drinking one's favorite beverage, colored in the green of the earth. The *Hotto-suru Eco* label was introduced in 2015.



Number of *Aji-pen Eco* mark products  
**28**

As of March 2023

**What is *Aji-pen Eco*?**

This mark indicates the eco-friendliness of Ajinomoto Frozen Foods Co., Inc. products. The *Aji-pen Eco* logo mark using the company's penguin mascot in 2020, taking the place of the *Aji-na Eco* logo mark.

# Contribution to sustainable agriculture

## Bio-cycles contribute to reductions in greenhouse gas emissions

### Approach

The Ajinomoto Group produces amino acids through fermentation processes from crops that are easily available in each region. We use as fertilizer and feed nearly 100% of the nutritionally rich by-products (co-products) that remain after extracting amino acids in the fermentation process. We call this type of circular amino acid fermentation processing a bio-cycle, and by introducing this in fermentation facilities around the world, we are working to reduce GHG emissions associated with production of ordinary chemical fertilizer and support sustainable agriculture.

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## Effective Use of By-Products (Coproducts)

### Approach

GRI203-2

Plants synthesize amino acids from absorbed nitrogen and sugars gained through photosynthesis, then use amino acids to synthesize proteins necessary for growth. Even under poor photosynthesis conditions caused by cloudy weather or low temperatures, plant growth can be stimulated by supplying amino acids as fertilizer.

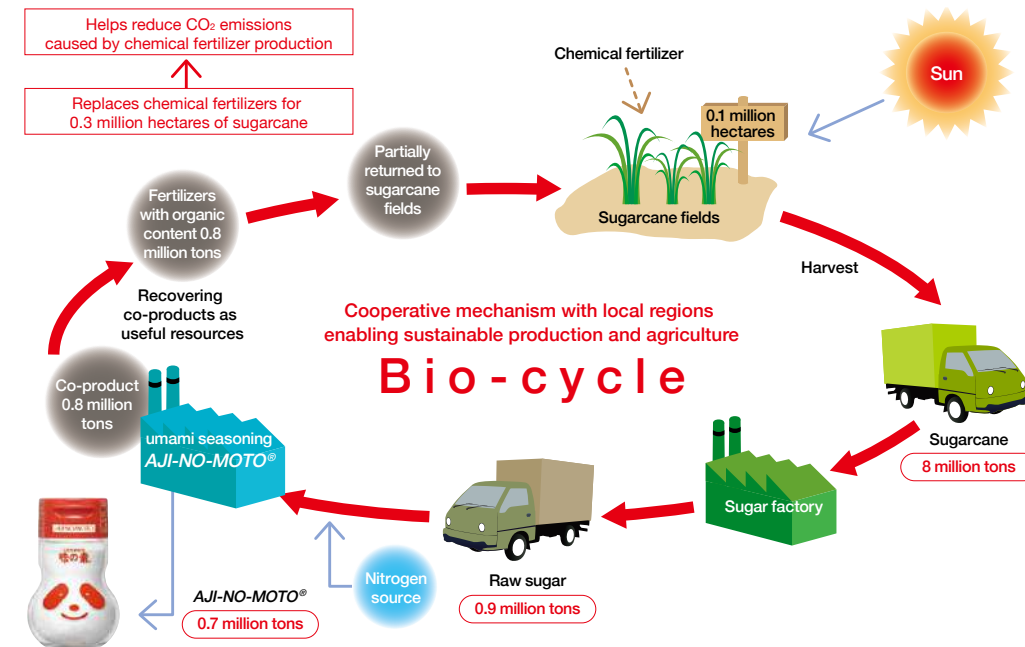
For more than 40 years, the Ajinomoto Group has effectively utilized the nutrient-rich co-products of amino acid production as amino acid fertilizers. Overseas offices in Thailand, Vietnam, Brazil, and other countries sell co-products that are used by local farmers, thereby contributing to improved agricultural productivity.

By fortifying these co-products with suitable amounts

of phosphoric acid and potassium, for example, we have developed fertilizers with higher added value. Continued experiments and research have made it clear that these

amino acid-enriched fertilizers enhance root development, plant growth, and harvest yields.

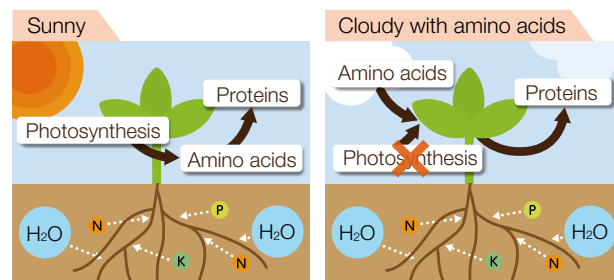
### The Ajinomoto Group Bio-cycles



[1] The chart assumes worldwide annual Group production of approximately 0.7 million tons of the umami seasoning AJI-NO-MOTO® using only sugarcane. The figures for sugarcane grown and sugar production are commonly used global figures. The figures related to resources used for producing AJI-NO-MOTO® are based on actual statistics from the Group. Bio-cycle concept and image were revised considering the changes of production process and raw material procurement situation.

## Contribution to a Circular Economy

By fortifying these co-products with suitable amounts of phosphoric acid and potassium, for example, we have developed fertilizers with higher added value. Continued experiments and research have made it clear that these amino acid-enriched fertilizers enhance root development, plant growth, and harvest yields.



Ajinomoto Group company Agro2Agri, S.L. (Spain) is an agricultural materials manufacturer that sells biostimulant<sup>[1]</sup> products, based mainly on amino acids. The company operates both a B2B business that supplies raw materials to agrochemical and fertilizer manufacturers and a B2C business that sells and services farmer needs. With strengths in advanced product development based on knowledge and expertise in amino acids, the company operates in more than 50 countries around the world, contributing to sustainable agriculture through improved yields and quality of agricultural products.

[1] Agricultural materials that promote plant natural immunity and plant growth by blending natural materials (fermented microorganism-derived ingredients such as amino acids) and natural extracts.

## Ajinomoto Group agriculture initiatives around the world

### Performance

GRI203-2

#### ■ Japan

The Ajinomoto Co., Inc. Kyushu Plant produces high-quality fertilizers, making effective use of co-products derived from the amino acid and nucleic acid manufacturing process. In the past, the plant dried co-products for use as solid fertilizer. However, the amount of fuel oil necessary for drying amounted to 600 kiloliters per year and released 2,000 tons of CO<sub>2</sub> into the atmosphere. Through trial and error, the Ajinomoto Co., Inc. Kyushu Plant worked with AEON Kyushu to find a solution for using co-products as compost. The heat generated during the fermentation of compost is used to dry the compost naturally at between 60°C and 80 °C. This approach not only reduces environmental impact, but also improves the quality of crops by increasing amino acid and sugar content. The vegetables produced using this compost are called *Kyushu Rikisaku Vegetables*®, and the project serves as a means to revitalize local agriculture under a campaign called *Energizing Kyushu Agriculture!*, building a cooperative value chain including agricultural professionals and distributors.

#### ■ Vietnam

Vietnam is one of the world's leading exporters of rice. The Mekong Delta in the south is a center of rice production, where rice cultivation takes place two or three times a year. Continued use of nonorganic fertilizers in this region has degraded soil fertility, resulting in unstable quality and yields, making farmers difficult to make a living through rice cultivation. In 2007, AJINOMOTO VIETNAM CO., LTD. began conducting research using a co-product called AMI-AMI® (liquid fertilizer) in small-scale test farms. Today, this co-product business in Vietnam, which maintains soil fertility while keeping farm production costs down, is essential

among local communities, leading to sustainable agriculture.

#### ■ China

Improving crop yields, soil fertility, and soil conservation are primary goals in China. In fiscal 2022, we improved wheat yields by 15% through the use of grain-specific biostimulants and amino acid fertilizers containing trace elements marketed by AGRITECNO FERTILIZANTES, S.L.(Spain). In addition, we sponsored 45 online trainings and offline meetings for farmers and pesticide traders to improve and conserve soil, one of the key factors in agricultural productivity and sustainability. The meetings provided information on the importance of healthy soil and the excellent function of biostimulants.

#### ■ Thailand

In Thailand, a major cause of PM2.5 particulates is the burning of sugar cane leaves after harvest. However, spraying the co-product AMI-AMI® (liquid fertilizer) on the fields fosters promotes the composting of leaves and is helpful in preventing burn-offs. The Ajinomoto Group also launched a project in fiscal 2020 to support farmer autonomy, contributing to the sustainability of food resources in Thailand. The project works with more than 500 cassava farmers in Kamphaeng Phet Province, where an Ajinomoto Group's factory is located, to improve productivity and incomes. We have seen a more than 20% improvement in productivity and incomes through proper fertilizer management based on soil diagnosis, the use of microbial materials, access to seed stalks uninfected with cassava mosaic disease, and educational programs. The number of participating farmers is increasing year by year, and collaboration with government, universities, and other companies is flourishing. This program is quickly becoming a model for sustainable raw materials procurement.



## Contribution to a Circular Economy

## ■ Brazil

AJINOMOTO DO BRASIL INDÚSTRIA E COMÉRCIO DE ALIMENTOS LTDA. (ABR) sells co-products such as liquid foliar fertilizer and fertilizing material AJIFOL<sup>®</sup> and soil mineral fertilizer AMIORGAN<sup>®</sup> mainly to coffee and fruit plantations. More recently, we have seen a movement among plantations toward sustainable management, making a full-scale transition from chemical fertilizers to co-products from ABR. In fiscal 2022, we launched *Amino Imune*, a new high-value-added liquid foliar fertilizer offering enhanced plant immunity. This product has received high praise from the market and continues to grow in sales.

In addition, we continue to use AJIFOL<sup>®</sup> at coffee plantations that Ajinomoto AGF, Inc. supports in the production region to further improve quality. We undertook three initiatives to this end: (1) Reduce N<sub>2</sub>O<sup>[1]</sup> through the use of AMIORGAN<sup>®</sup>, which applies the function of amino acids to fertilizers; (2) Reduce CO<sub>2</sub>eq in agricultural operations through the use of AMINO Plus<sup>®</sup>, which contains glutamic acid; and (3) Engage in soil carbon sequestration through the use of AMINO Arginine, which contains arginine. As a result of these efforts, we reduced greenhouse gas emissions by 3,400 t-CO<sub>2</sub>e<sup>[2]</sup> in 2020 and 3,800 t-CO<sub>2</sub>e<sup>[2]</sup> in 2021, increased soil carbon sequestration by 1,100 t-CO<sub>2</sub>e<sup>[2]</sup> in 2020 and 1,200 t-CO<sub>2</sub>e<sup>[2]</sup> in 2021. We not only improved productivity and quality for farmers, but also contributed to the preservation of the global environment.

[1] A gas that has a greenhouse effect about 300 times greater than that of CO<sub>2</sub>; N<sub>2</sub>O is an ozone-depleting substance.

[2] vs. FY2021

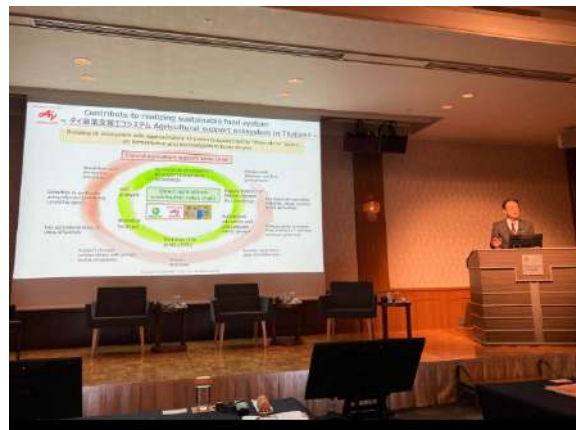
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## TOPIC

### ***Toward Building a Resilient and Sustainable Agrifood System: The Contributions of the Food Industry in the Food Supply Chain***

The G7 Agriculture Ministers' Meeting was held in Miyazaki Prefecture in April 2023. At a subsidiary event, Ajinomoto president and CEO Taro Fujie participated in a session titled, *Toward Building a Resilient and Sustainable Agrifood System: The Contributions of the Food Industry in the Food Supply Chain*. At this seminar, Mr. Fujie presented the Ajinomoto Group efforts to build a sustainable food systems, including a case study of our project supporting cassava farmers in Thailand. In the panel discussion that followed, President Kazuo

Kawamura of Meiji Holdings Co., Ltd., Ms. Julia Harnal, chair of the German Agribusiness Alliance, and Mr. Alvaro Lario, president of the International Fund for Agriculture Development (IFAD), provided their insights into building sustainable agri-food systems. During the G7 Agriculture Ministers' Meeting, President Fujie also participated in dialogues on private-sector sustainable food systems during bilateral meetings with UN agencies.



# Contribution to reducing food loss and waste

## Food loss and waste: definition and scope

### Performance

GRI3-3, GRI306-1, GRI306-2  
GRI306-3, GRI306-4, GRI306-5

The Ajinomoto Group defines food loss and waste as food (edible portions) that is treated or disposed of in waste water treatment, landfill, or incineration. This definition excludes food ultimately redistributed for food use or used for feed or fertilizer.

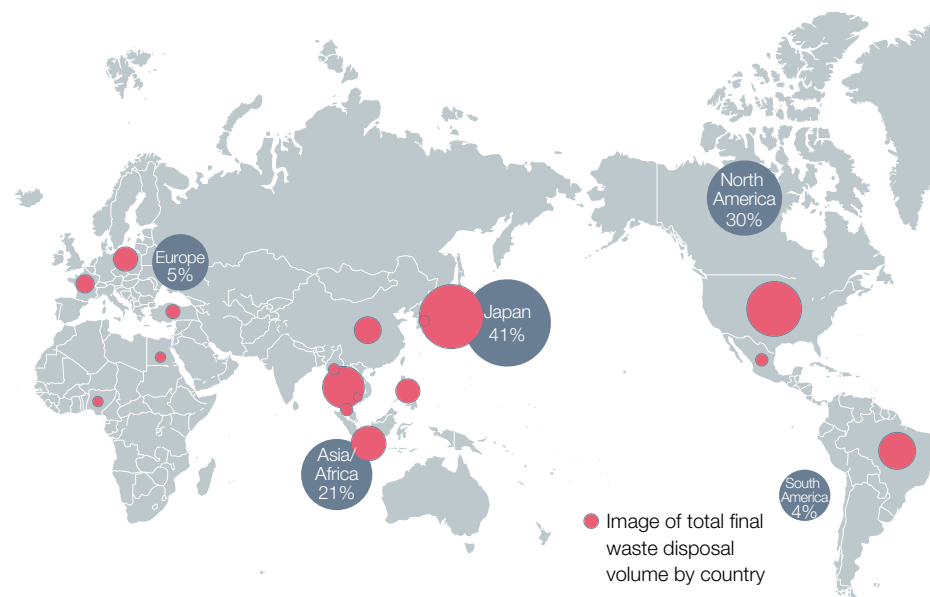
The major food loss and waste categories generated by the Group are as follows:

- Raw materials and materials in process: Disposal due to product revisions, production item changes, expired use-by dates, production incidents, etc.
- Products: Expired sales time limit caused by product revisions or inaccurate demand forecasting, product returns due to erroneous shipment, goods damaged at warehouse or at the time of delivery, disposal of sample items
- Loss due to standard factory operations: Waste generated by standard operations, including line cleaning to switch products and sample inspections

As a result, the Group generated 15,167 tons of food loss and waste in fiscal 2022. Ratio by area is shown at right.

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> P045






Distribution of food loss and waste by area<sup>[1]</sup> (fiscal 2022)



[1] Turkey is included in Asia/Africa.

Final food loss and waste volume  
**15,167 tons**

Top five countries for final disposal volume/resource recovery ratios

	6,212	41%
	4,487	30%
	1,349	9%
	1,083	7%
	508	3%

Unit: tons

## Reduction of Food Loss and Waste

## Food loss and waste reduction targets

## Performance

GRI3-3, GRI306-1, GRI306-2  
GRI306-3, GRI306-4, GRI306-5

The Ajinomoto Group is committed to a long-term vision to halve food loss and waste generated throughout the entire product lifecycle by fiscal 2050 as compared to fiscal 2018. Our first target is to reduce food loss and waste between the acceptance of raw materials and the delivery of products to customers by 50% by fiscal 2025 (compared to fiscal 2018).

The food loss and waste generated in fiscal 2022 decreased 39% compared with the base year of fiscal 2018. This decrease was mainly due to progress in reducing the food loss and waste among businesses that have generated relatively large amounts of food loss and waste in the past, as well as effectively utilizing waste by either redistributing for food use or converting to feed or fertilizer.

We believe that this theme is closely related not only to the importance of utilizing limited food resources, but also to various environmental and social issues.

In addition to the efforts made in our direct business activities (from acceptance of raw materials to delivery to customers), we will work to further reduce losses generated at the production stage of accepted raw materials and in the households of the consumers by collaborating with suppliers and promoting activities to spread awareness among society and consumers with a view to the entire product life cycle.

## Food loss and waste reduction rate per production volume unit

	FY2022 Target	FY2022 Result	FY2023 Target	FY2025 Target
Food loss and waste reduction rate from the acceptance of raw materials to delivery to customers (vs. FY2018)	30% decrease	39% decrease	43% decrease	50% decrease

Volumes of food loss and waste<sup>[1]</sup>

	FY2018 (Base year)	FY2019	FY2020	FY2021	FY2022	
Ref.: Production volume (1,000 t) <sup>[2]</sup>	2,609	2,542	2,423	2,357	2,354	
Food Loss and Waste	Total volume (t)	27,710	25,507	22,267	19,262	15,167
	Per production volume unit (per ton of product) (kg/t)	10.6	10.0	9.2	8.2	6.4
	vs. FY2018 (%)	-	95	87	77	61

[1] Measured with reference to the Food Loss & Waste Accounting and Reporting Standard. (Measurement methods may differ between target organizations.)

[2] We used data different from production volume set forth in other environmental data for convenience of aggregation.

## Reduction of Food Loss and Waste

### Food loss and waste reductions in the supply chain

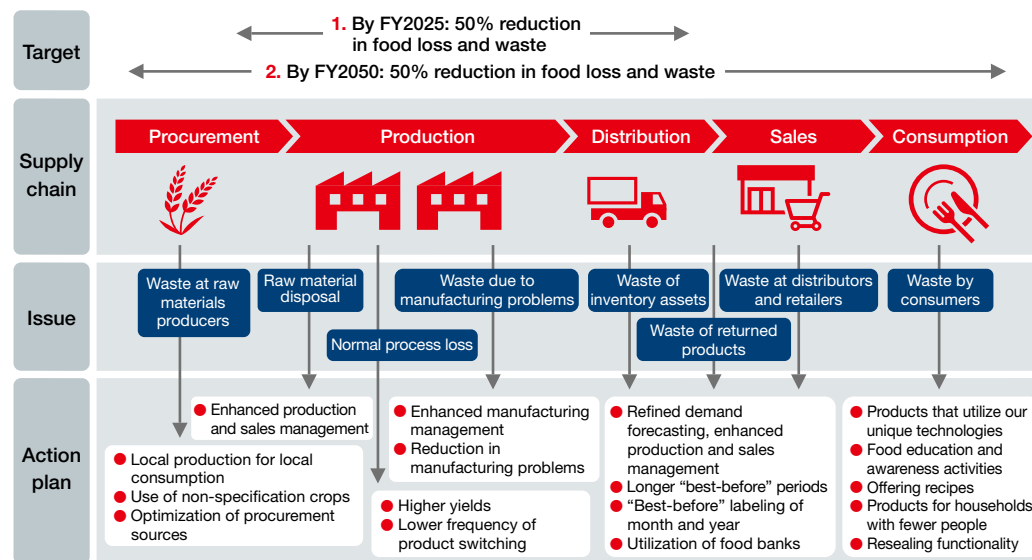
Approach

GRI3-3, GRI306-1, GRI306-2

The Ajinomoto Group has been promoting a range of measures to reduce issues with food loss and waste in each process of the supply chain, from raw material procurement through to consumption by customers. In production, we face the issue of raw material losses. To deal with this, we are promoting measures such as enhanced production and sales management, reducing manufacturing problems,

improving yields, and reducing the frequency of product switching. Issues in logistics and sales include disposal of inventory and returned products, and disposal at distributors and retailers. Our efforts include improved demand forecasting, enhanced sales management, longer “best-before” periods, “best-before” labeling of month and year, and utilizing food banks. To respond to the issue of waste by consumers, we are offering products that utilize our unique technologies and providing recipes with less food loss and waste.

#### Measures to achieve food loss and waste reductions in the supply chain



### The circulation cycle of super sweet corn

Performance

In Japan, we use the entirety of super sweet corn, an ingredient in Knorr® Cup Soup. Leaves and stalks left over from corn harvests are used as fertilizer to nourish fields, eliminating waste. We separate corn delivered to the factory into kernels, husks, and cores. The kernels go into our soup, while the husks and cores do not go to waste, but are rather used to feed cattle. The amount of feed generated is approximately 6,500 tons per year. Corn feed is rich in nutrients not found in grass, and cattle manure also becomes compost. Cattle manure from pastures is returned to the fields in a cycle of corn production.

### Unique technology to address food loss and waste

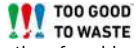
Performance

Enzymes are used in the food industry to manufacture a variety of products. In 1993, Ajinomoto Co. Inc. successfully commercialized Activa®, the world's first food-use preparation based on transglutaminase, an enzyme that binds proteins together. We have been engaged in a range of applied research projects and product developments with the goal of enhancing transglutaminase functionality in response to challenges in various food products. We use this enzyme in the production of a wide variety of food products worldwide, including meat products, dairy products, processed fisheries products, noodles, bread, and plant-based proteins, by improving texture, physical properties, and by enhancing formability. In addition, this enzyme contributes the effective use of food resources by reducing deterioration over time, extending freshness, and reducing food loss among our customers.

## Reduction of Food Loss and Waste

## Recipes and content to reduce food loss and waste

### Performance

In Japan, annual food loss and waste from households amounts to 2.47 million tons (Ministry of Agriculture, Forestry and Fisheries estimate for fiscal 2020), which equals to about half of the total food loss and waste in the country (5.22 million tons). In August 2022, the Ajinomoto Group launched the brand, *TOO GOOD TO WASTE*<sup>TM</sup>, to promote the reduction of household food loss and waste. Ajinomoto Group created a dedicated site to deliver valuable experiences through food within **AJINOMOTO PARK**. The site offers a collection of recipes that reduces food loss and waste— recipes—and tips and ideas for incorporating food loss and waste reduction into daily life in fun ways.

Since 2009, the Ajinomoto Group has published Eco-Uma Recipes<sup>®</sup> (eco-friendly and delicious recipes) through websites and events, encouraging consumers to create delicious everyday meals without waste.

- > Recipes Within the *TOO GOOD TO WASTE*<sup>TM</sup>! Website (Japanese only)
- > Eco-Uma Recipes<sup>®</sup> (Japanese only)
- > *PARK MAGAZINE* (Japanese only)
  - (1) *Tips and Ideas to Reduce Household Food Loss and Waste Series*
  - (2) *Menu Ideas to Use Up Food Ingredients Series*

## Initiatives in Brazil

### Performance

Production, logistics, and marketing departments worked together across the supply chain (upstream and downstream) of Sazón<sup>®</sup>, a powdered seasoning used in Brazilian households. Upstream, we partnered with Comida Invisível, a startup that collects and donates surplus food, to reduce food loss and waste by connecting sources of excess food supplies with areas of shortage. Mid-stream, we reduced food loss and waste in each area through reduce, reuse, and recycle activities conducted by the food division. Downstream, we launched a campaign titled *Xepa com Amor* for consumers to participate in food loss and waste reduction in the home. As a result, our plant in Brazil reduced food loss and waste by 210 tons and reuses 480 tons of food annually. On a consumer basis, Sazón<sup>®</sup> produced a food loss and waste reduction of 4.5 tons.

# Consideration of natural capital risks and opportunities

## Biodiversity approach

### Approach

GRI3-3

The Ajinomoto Group sells products in more than 130 countries and regions. The entirety of our business activities, from the procurement of raw materials to manufacturing and sales, are dependent on the bounty of nature, or in other words, ecosystem services that include agriculture, livestock, and fishery resources, genetic resources, water and soil, and pollinators such as insects. This bounty of nature stems from healthy biodiversity shaped by the diversity of living organisms and related interactions.

However, biodiversity is disappearing at an unprecedented rate, making biodiversity conservation a pressing issue worldwide. The Ajinomoto Group recognizes the importance of reducing our impact on biodiversity and protecting the global environment as we continue to conduct our business. Issues related to biodiversity are also closely related to environmental boundaries, including human rights, and social issues that include climate change, water and soil, waste, and human rights. We strive to solve these issues in ways that create synergies. To conserve biodiversity will require systems that stop and reverse the loss of biodiversity through our business activities. We support and contribute to the achievement of the Kunming-Montreal Biodiversity Framework<sup>[1]</sup> adopted at the 15th meeting of the Conference of the Parties (COP-15) held in 2022.

[1] Global Biodiversity Targets adopted in December 2022 consisting of a vision and global goals for 2050, as well as a mission and global targets for 2030.  
Original document: <https://www.cbd.int/doc/decisions/cop-15/cop-15-dec-04-en.pdf>

> Biodiversity

## Guidelines

In July 2023, the Ajinomoto Group published the Ajinomoto Group Biodiversity Guidelines. These guidelines describe issues related to biodiversity, our approach, action principles, and targets. We believe biodiversity is related intrinsically to environmental and social issues in connection with our sustainable procurement efforts, including issues related to deforestation and other land modification in the production of raw materials, pesticide use and waste, child labor, and slave labor. In addition to existing palm oil and paper procurement guidelines, we restructured our coffee and soybean procurement guidelines in July 2023. The Group requires suppliers to comply with laws and regulations, as well as to consider and endorse the human rights and environment stipulated in the Group Shared Policy Guide lines for Suppliers.

- > Ajinomoto Group Biodiversity Guidelines
- > Ajinomoto Group Paper Procurement Guidelines
- > Ajinomoto Group Palm Oil Procurement Guidelines
- > Ajinomoto Group Soy Procurement Guidelines
- > Ajinomoto Group Coffee Procurement Guidelines
- > Guidelines for Group Shared Policy for Suppliers
- > ASV Report 2023 (Integrated Report) P079

## Examining risks and opportunities in line with the LEAP approach

GRI3-3, GRI303-1, GRI304-2

### The LEAP Approach

We selected three products involving significant procurement costs and volumes as model cases: AJI-NO-MOTO®, coffee, and HONDASHI®, which uses natural ingredients. We conducted risks assessments based on dependencies and impacts in accordance with the Task Force on Nature-Related Financial Disclosures (TNFD) beta framework. The LEAP approach is guidance proposed by TNFD that provides a process for the systematic, science-based assessment of nature-related risks and opportunities within corporations and financial institutions.

> TNFD: LEAP – the risk and opportunity assessment approach

### Business dependence and impact on nature

We assessed the status of dependence on nature throughout the value chain using a variety of publicly available assessment tools. As a result, we determined that the highest dependence was in procurement (production of raw materials), indicating that agricultural production is highly dependent on ecosystems in many aspects. We found that procurement is also highly dependent on factors related to water and pollinators needed for crop cultivation, soil conditioning, flood mitigation functions important for stable cultivation, and climate regulation.

We also determined that within the Ajinomoto Group exists the potential to impact our value chain with respect to nature. This potential stems from how we source diverse agricultural products and operate in areas of high ecological importance, having the strong potential for impacting nature

## Biodiversity

through soil contamination and land modification.

We intend to conduct further in-depth analyses for raw materials identified through the assessment tool as having risks, managing opportunities for impact reduction, and developing response strategies. While we have addressed only three products to date, we plan to expand the scope of our analysis in the future.

### **Ajinomoto Group biodiversity initiatives**

The Ajinomoto Group has established group policies related to the environment and guidelines related to biodiversity and procurement. We endeavor to engage in sustainable procurement and efficient water usage based on these policies and guidelines. We also strive to resolve issues of natural capital and biodiversity, including skipjack tuna ecological surveys and plastic waste reduction. We continue to reduce risks at each stage of the value chain identified in the risk assessment based on the LEAP approach, while also looking for and developing opportunities related to nature.

- > Aiming for sustainable skipjack fishing and resource utilization (skipjack ecological survey) (Japanese only)
- > P063

# Initiatives related to priority raw materials

## Identification of priority raw materials

### Approach

GRI3-3

The Ajinomoto Group identifies Priority raw material derived from agriculture, forestry, and fishery sources which demand more focused action. The identification process involves determining all the raw materials used in business operations, which are then analyzed by internal divisions and external experts, including NGOs. We base our assessment on an overall perspective that includes several factors such as dependency on the materials used, availability of alternative materials, and relevance to global environmental sustainability. Priority raw material are reviewed every year in line with changes in business and global environmental conditions.

In addition to palm oil and paper procurement guidelines, the Ajinomoto Group formulated guidelines for the mainstay raw materials coffee beans and soybeans, which we designated priority raw materials in fiscal 2021. These guidelines provide procurement policies through 2030 for inside and outside the Group. At the same time, we strive to procure certified raw materials, collaborate with various initiatives, establish our own traceability and auditing, and engage in other measures. In the future, we plan to establish policies for sugarcane and beef, as well as other priority raw materials, to pursue sustainable procurement.

- > [Ajinomoto Group Palm Oil Procurement Guidelines](#)
- > [Ajinomoto Group Paper Procurement Guidelines](#)
- > [Participation in Initiatives](#)
- > [CDP Forests](#)
- > [ASV Report 2023 \(Integrated Report\) P079](#)

## Ajinomoto Group priority raw materials

Priority raw materials	Major countries and regions of procurement
Palm oil, an ingredient in packaged food products and specialty chemicals	Indonesia, the Philippines, Vietnam, Malaysia, Thailand, Colombia, Brazil, Peru, Papua New Guinea
Paper, used as office paper and in containers and packaging for packaged food products	China, Indonesia, Cambodia, the Philippines, Vietnam, Malaysia, Thailand, Bangladesh, EU, Türkiye, West Africa, the United States, Canada, Mexico, Argentina, Uruguay, Colombia, Paraguay, Brazil, Peru, Bolivia, Australia, New Zealand, Papua New Guinea
<b>Agriculture and forestry resources</b>	
Sugarcane	Brazil, Thailand, Vietnam, Peru, Indonesia
Coffee beans	Indonesia, Vietnam, East Africa, Mexico, Colombia, Brazil, Papua New Guinea
Beef, an ingredient in frozen foods, etc.	Japan, China, Thailand, India, EU, Türkiye, the United States, Canada, Mexico, Argentina, Uruguay, Brazil, Australia, New Zealand
Soybeans, an ingredient in packaged food products, etc.	Japan, China, South Korea, Indonesia, Cambodia, Thailand, India, EU, Türkiye, the United States, Canada, Mexico, Argentina, Brazil, Australia, New Zealand

## Initiatives related to raw materials

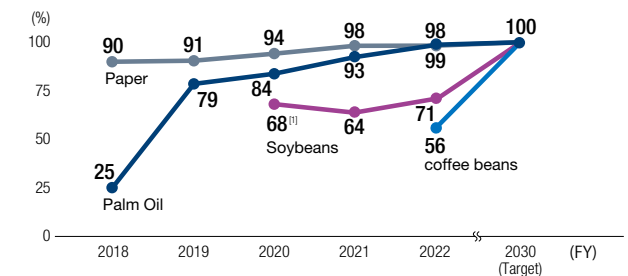
### Performance

To ensure sustainable raw materials procurement, we must reduce risks across a range of categories, including climate change, waste, biodiversity, and human rights. We believe in the importance of recognizing the relationship between each of these initiatives and pursuing efforts toward synergistic effectiveness. We establish individual procurement guidelines for the raw materials identified as priorities, striving to identify procurement status and ensure traceability. We also prioritize initiatives for certified products that meet our procurement policy, believing that this, too, is a way to reduce risk. The Ajinomoto Group also collaborates actively with external organizations, including international initiatives and certification bodies.

### > Participation in Initiatives

## Sustainable procurement ratio

• Paper, Palm Oil, Soybeans, coffee beans



[1] Procurement conversion for businesses in Japan

• **FY2030 target of sugarcane, and beef: 100%**



## Sustainable Materials Sourcing

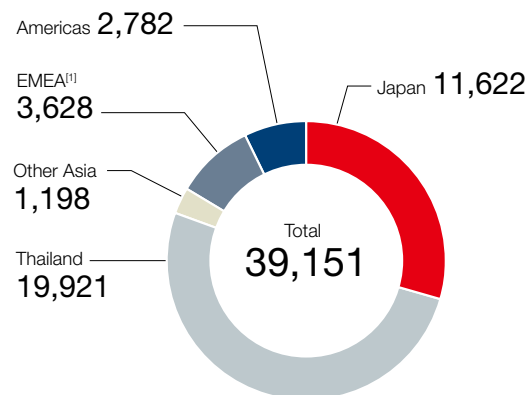
## Sustainable procurement of palm oil

## Performance

The Ajinomoto Group has established Palm Oil Procurement Guidelines which stipulate criteria that must be met by the palm oil we procure. The Ajinomoto Group uses palm oil in a variety of products and applications, from packaged food products such as cup soup, instant noodle, and coffee creamer, to specialty chemicals made in Japan, Southeast Asia, Europe, and South America. Certain products use palm kernel oil, which is harder to procure in certified form. Further, certain regions have limited supplies of certified palm oil. Therefore, the Group defines palm oil certified by RSPO or traceable by the Group to sustainable sources as a sustainable material. In regions where it is difficult to procure RSPO-certified oil, we make every effort to procure palm oil that is confirmed as traceable. In so doing, we ascertain whether production takes place in regions where environmental destruction is a concern. In addition, we can respond quickly if human rights violations or other problems occur.

We had set a fiscal 2020 target of 100% sustainable procurement of palm oil, but were unable to achieve this due to difficulty in procuring certified oil for some areas/products. We have set a new target of 100% by 2030, and continue to work towards this goal. In fiscal 2022, we achieved 99% sustainable procurement owing to progress in ensuring the traceability of palm kernel oil for chemical products and a shift to certified products for Peruvian palm oil. The rate of RSPO-certified palm oil procurement was 37%. From fiscal 2023 onwards, we plan to focus on establishing traceability for palm oil in applications and regions for which certification and traceability have not yet been established, and further expanding initiatives toward achieving this goal.

## Fiscal 2022 palm oil procurement (tons)



[1] Europe, the Middle East and Africa

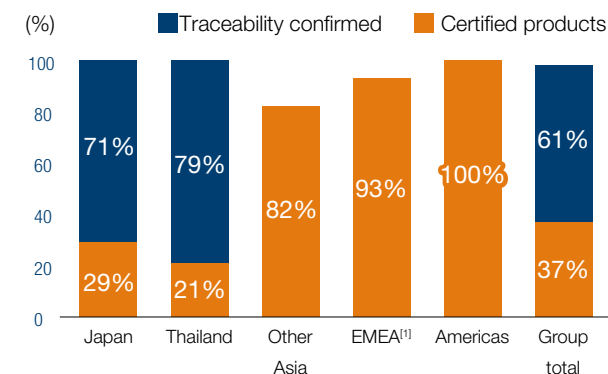
## Sustainable procurement of paper

## Performance

GRI301-2

The Ajinomoto Group has established Paper Procurement Guidelines which stipulate criteria that must be met by the paper we procure. These guidelines define sustainable paper as paper that is not derived from deforestation in areas of high conservation value and paper that is procured from suppliers who use proper production procedures in accordance with local laws and regulations, as well as in line

## Fiscal 2022 sustainable palm oil procurement ratio



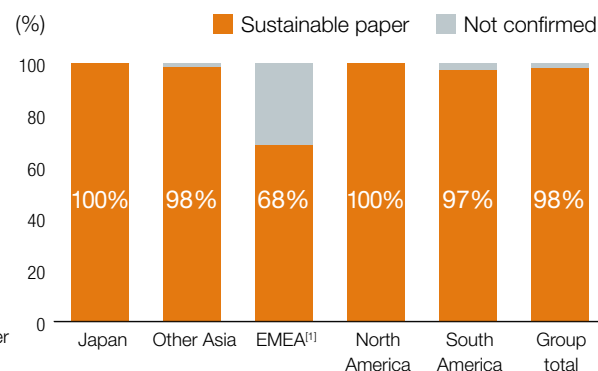
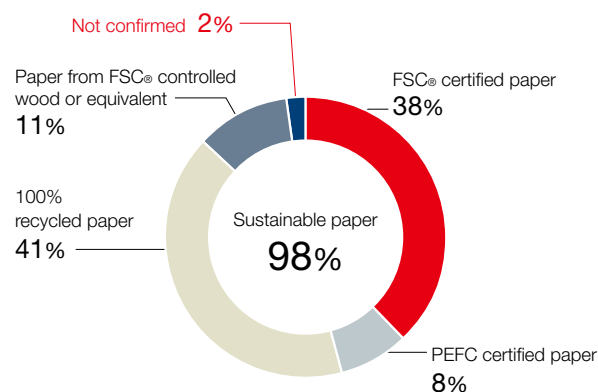
[1] Europe, the Middle East and Africa

with international human rights standards. Sustainable paper includes paper certified by FSC®, as well as recycled paper and paper made from FSC® controlled wood.

We had set a fiscal 2020 target of 100% sustainable procurement of paper, but were unable to achieve this because neither certified nor recycled paper are widely used in some areas. We have set a new target of 100% by 2030, and continue to work towards this goal. In fiscal 2022, we achieved a figure of 98% sustainable paper usage in packaging.

## Sustainable Materials Sourcing

## FY2022 Sustainable paper procurement ratio



[1] Europe, the Middle East and Africa

## Promoting procurement of sustainable sugarcane

## Performance

The Ajinomoto Group uses sugar obtained from various crops such as sugarcane, sugar beet, cassava, and corn as a raw material in the fermentation process. We identify sugarcane in particular as a priority raw material. As part of the risk assessment based on TNFD LEAP approach, in fiscal 2022, we conducted a survey of MSG raw materials to form a preliminary picture of the Ajinomoto Group dependence and impact on sugarcane, as well as the state of related risks and opportunities. In fiscal 2023 and beyond, we will continue to perform risk assessments based on this LEAP approach, developing related guidelines. We also plan to develop activities for sustainable sugarcane procurement in collaboration with producers and suppliers in conjunction with other issues such as Scope 3 climate change.

## Sustainable procurement of coffee beans

## Performance

Coffee beans are grown in areas of the world rich in biodiversity, often by small farms. In procuring coffee beans, we recognize the need for safer, more secure working environments for producers and the importance of working to improve agricultural productivity, in addition to acting with concern for the global environment.

The Ajinomoto Group has endeavored to procure coffee beans produced at farms that adhere to standards set by the 4C certification system. This system aims to improve environmental conditions at coffee farms and better the lives of farm workers, while encouraging sustainable production and distribution. In fiscal 2022, Ajinomoto AGF established coffee procurement guidelines, procurement policies, and KPIs. Ajinomoto AGF procured 56% of its coffee beans in fiscal 2022 from 4C-compliant farms. Starting with the first 4C certification logo in Asia on the packaging for stick coffee released in August 2020, we have promoted ethical consumption related to the sustainable procurement of

coffee beans. As of March, 2023, a total of 43 products now have the 4C certification logo. The Group has been continuing with tests in different coffee-producing regions with the goal of using high value-added fertilizers made from by-products (co-products) of fermentation processing of amino acids. Our hope is that, eventually, this coffee will be part of a Group circular economy. In particular in Indonesia, Brazil, and Vietnam, we are expanding support to farms with *AJIFOL*® co-product fertilizer, and have started putting together a system for improving product value and communicating value to consumers.

## ■ Indonesia

We will expand and continue to support the application of *AJIFOL*® co-product fertilizer in the Pagar Alam, and Sidikaran areas of Sumatra and in the Surabaya area of Java. We have also started surveying the effects (sugar content, ratio of red fruit, size) on the yield and maturity of the harvested crops.

## ■ Vietnam

We will expand and continue to support the application of high value-added fertilizer in the Krong Nang/Ea H'leo districts of Dak Lak province, and the Ham Rong/Dak Doa districts of Gia Lai province. We have also started surveying the effects (sugar content, ratio of red fruit, size) on the yield and maturity of the harvested crops.

## ■ Brazil

We will continue to work to bring to market beans from supported farms, such as BAU farms and the Kopelkam Agricultural Cooperative, by providing *AJIFOL*® co-product fertilizer. We have also started surveying the effects (sugar content, ratio of red fruit, size) on the yield and maturity of the harvested crops.

## Sustainable Materials Sourcing

## Sustainable procurement of beef

## Approach

The Ajinomoto Group aims to procure 100% sustainable beef by fiscal 2030. We are currently considering specific initiatives such as ensuring traceability. We conducted a comprehensive assessment in fiscal 2021, which identified Brazil and Australia as high-risk regions for beef. During fiscal 2023, we plan to create guidelines clarifying the Group's standards and targets. In this way, we expect to work with priority businesses to bring greater visibility to our beef supply chain.

> P079

## Sustainable procurement of soybeans

## Performance

The Ajinomoto Group aims to procure 100% sustainable soybeans by fiscal 2030. We are currently considering specific initiatives such as ensuring traceability. In fiscal 2022, the percentage of soybeans and soy oil used in Japan by the Ajinomoto Group that conformed to the United States Soybean Sustainable Assurance Protocol was 71%. At the same time, the remainder of the soy products included materials from South America, which is considered to be at high risk of deforestation or from countries whose origin was unknown. In fiscal 2023, we plan to initiate dialogue with suppliers and work with businesses to bring greater visibility to our supply chain for businesses that purchase soybeans of an unknown country of origin.

## Sustainable procurement of fishery resources

## Performance

The Ajinomoto Group uses skipjack as an ingredient in *HON-DASHI*<sup>®</sup>, our popular flavor seasoning product in Japan. We are committed to conserving resources and sustainable procurement. Therefore, we have conducted the joint skipjack tagging survey with the Research Institute of Fisheries Resources in Japan since 2009. In fiscal 2020 and fiscal 2021, due to the impact of the COVID-19 pandemic, travel to Taiwan and the remote islands of Okinawa Prefecture, where we had previously conducted skipjack tagging surveys, proved difficult, and we were unable to conduct further tagging surveys. In fiscal 2022, however, we resumed skipjack tagging surveys in the waters around Amami Oshima Island, where previous surveys confirmed skipjack are migrating. In fiscal 2023, we will begin accumulating data on skipjack migration routes in the Nansei Islands and western Kyushu. By these means, we intend to identify the impacts of the winding Kuroshio Current and rising sea water temperature on the distribution of skipjack.

> WCPFC

# Conservation of water resources in production processes

## Performance

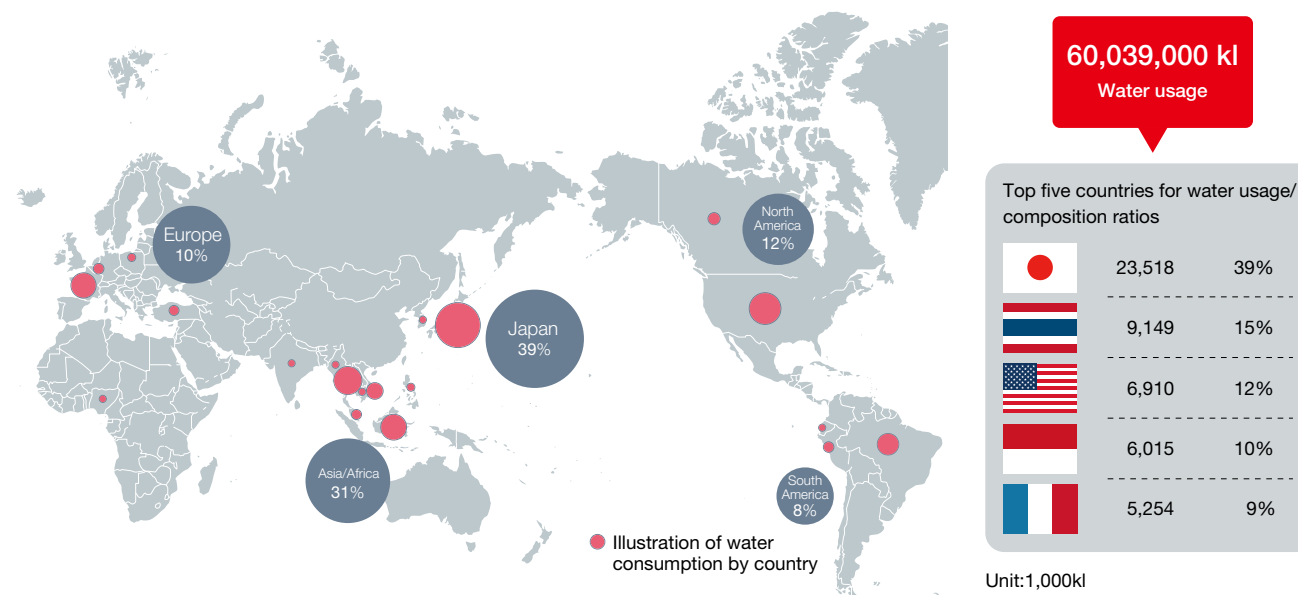
GRI3-3, GRI303-1, GRI303-3  
GRI303-4, GRI303-5

Ajinomoto Group water consumption in fiscal 2022 was 60,039,000 kiloliters, with the top five countries (including Japan, Thailand, and the United States) accounting for approximately 85% of the total. The ratio of water withdrawal in regions with high water stress<sup>[1]</sup> was less than 1%. The Group aims to reduce water consumption per production volume unit (intensity) by 80% by fiscal 2030 (compared with fiscal 2005). This figure achieved our yearly goal in water usage reduction per production volume unit (intensity), at approximately 79%. Typical indicators of suspended substances in wastewater are BOD (biochemical oxygen demand) and total nitrogen. In fiscal 2022, total emissions were 269 tons for BOD and 327 tons for total nitrogen. We will continue in fiscal 2023 to implement water-saving measures and improve production processes in every facility. We encourage our suppliers to disclose water impacts in our supply chains through the CDP supply chain program.

[1] Only Peru is applicable for the Ajinomoto Group.

> P045  
> Environmental Data  
> CDP Water Security

Distribution of water consumption by area (Fiscal 2022)



[1] Turkey is included in Asia/Africa.

Reduction rate of water consumption per production volume unit

	FY2022		FY2023	FY2030
	Target	Result	Target	Target
Reduction rate of water consumption per production volume unit (vs. FY2005)	78%	79%	79%	80%

## Conservation of Water Resources

## Water use/intensity

(1,000 kl)

	FY2005 (Base year)	FY2018	FY2019	FY2020	FY2021	FY2022
Total water withdrawal <sup>[1]</sup>	221,863	69,892	66,926	64,406	59,979	60,039
Fresh surface water	180,363	20,672	19,630	17,004	17,259	17,890
Brackish surface water, seawater	0	0	0	0	0	0
Fresh groundwater, renewable	0	15,076	14,366	13,041	13,769	13,369
Fresh groundwater, non-renewable	—	0	0	0	0	0
Produced water	0	0	0	0	0	0
Municipal water (including industrial water)	41,500	34,144	32,930	34,361	28,950	28,781
Water consumption per production volume unit (intensity per ton of product)	123	27	27	27	25	26
Reduction rate (vs. FY2005)	—	78%	78%	78%	79%	79%
Ref.: Production volume (1,000 t) <sup>[2]</sup>	1,800	2,627	2,512	2,423	2,360	2,354
Total water discharge <sup>[1]</sup>	201,300	55,800	52,342	51,564	48,034	46,353
Fresh surface water (processed by the Group)	47,000	27,498	24,297	24,088	20,490	19,655
Brackish surface water, seawater	0	0	0	0	0	0
Groundwater	0	0	0	0	0	0
Third-party destinations	10,300	11,273	11,291	11,139	11,360	11,245
Total water recycled or reused (Drainage of indirect cooling water into rivers)	144,000	17,029	16,754	16,338	16,184	15,453
Proportion of water recycled or reused	65%	24%	25%	25%	27%	26%
Total water consumption	20,563	14,092	14,584	12,842	11,945	13,685
BOD (tons)	550	312	283	284	263	269
Nitrogen (tons)	3,200	501	506	583	430	327

[1] Water withdrawal is disclosed as the volume measured and invoiced in accordance with the laws of each country and region, or as a converted volume based on pump power use and pipe water speed. Data for quantity and quality of wastewater is aggregated in accordance with the laws of each country and region.

[2] We used data different from production volume set forth in other environmental data for convenience of aggregation.

## Conservation of Water Resources

## Water use/intensity in regions with high water stress (Peru)

(1,000 kl)

	FY2018	FY2019	FY2020	FY2021	FY2022
Total water withdrawal	575	521	481	496	535
Fresh surface water	0	0	0	0	0
Brackish surface water, seawater	0	0	0	0	0
Fresh groundwater, renewable	572	518	480	494	533
Fresh groundwater, non-renewable	0	0	0	0	0
Produced water	0	0	0	0	0
Municipal water (including industrial water)	3	3	1	2	2
Water consumption per production volume unit (intensity per ton of product)	15	13	13	11	11
Reduction rate (vs. FY2005)	10%	22%	23%	37%	32%
Ref.: Production volume (1,000 t)	38	40	37	46	47
Total water discharge	234	220	198	214	213
Fresh surface water (processed by the Group)	215	211	188	207	207
Brackish surface water, seawater	0	0	0	0	0
Groundwater	0	0	0	0	0
Third-party destinations	19	10	10	7	6
Total water recycled or reused	0	0	0	0	0
Proportion of water recycled or reused	0%	0%	0%	0%	0%
Total water consumption	341	301	283	282	322

## Conservation of Water Resources

Performance

GRI303-1

## TOPIC

## PT Ajinomoto Indonesia Initiatives

PT Ajinomoto Indonesia, which markets the flavor seasoning Masako® etc. is committed to the conservation and efficient use of water resources in all production processes. One of these efforts is rainwater harvesting. Indonesia has a tropical rainforest climate with heavy rainfall. The company stores large amounts of rain water in tanks for use in toilets, sprinklers, and other purposes. In addition, the company's plant has

treated wastewater carefully for many years, returning wastewater to the river cleaner than when originally pumped. PT Ajinomoto Indonesia also uses amino acid-based hand soap, which is highly biodegradable, at the head office, branch offices, and plants to reduce the environmental impact of wastewater as much as possible. Through these efforts, PT Ajinomoto Indonesia reduced water consumption by up to 35%.





# Social

## Proposals for Consumers

- Responding to diversifying values ————— P088
- Appropriate communications and information sharing — P091

## Product Safety

- Quality management ————— P092

## Human Rights

- Respecting human rights ————— P097

## Supply Chain Management

- Ajinomoto Group supply chain ————— P104
- Supply chain management ————— P106
- Animal welfare ————— P107

## Human Resources Management

- Human resources and organizational management — P108

## Relationships with Local Communities

- Contribution to community development ————— P118



# Responding to diversifying values

## Responding to diversifying values required for food

### Approach

The Ajinomoto Group offers products tailored to each area in which we do business, understanding and respecting the food culture and values of each country and region, as well as the diversified preferences and needs related to food. We offer well-balanced, nutritious menus using local ingredients and classic dishes. We also suggest ways to make a dining scene better.

Dietary habits are changing as lifestyles diversify. We see more people eating alone and more people eating individualized meals, even when dining with family. The busyness of life is leaving people with less time to prepare and eat meals. Meals are not only for nourishment, but also valuable opportunities for communications. Consumers demands related to food and lifestyles are diversifying. People want more satisfaction through cooking joyfully and well, as well as the joy of connecting with family and others through meals.

The Ajinomoto Group offers a variety of values in response to these changes in lifestyles and the times, as well as to diversifying needs. For example, we continue to expand our product lineup to meet a diverse set of needs. This includes microwaveable frozen gyoza for those who want a meal that needs less time to cook, easy-to-enjoy seasonings offering authentic flavors, and other products responding to changing work styles and growing opportunities to cook at home. We also create opportunities to enjoy cooking and meals, suggesting different menus for various occasions.



**Microwave Gyoza (Japan)**  
Easy to cook in a microwave oven for delicious, fresh taste. For fiscal 2022, we kept the juiciness of the filling and the savory aroma of the baked crust, while making the crust even chewy and tastier.



**Hanetsuki Gyoza (Thailand)**  
Hanetsuki Gyoza is a popular, easily prepared dish in Japan. This type of gyoza is now available in Thailand and Singapore in varieties and flavors to suit the tastes and culture of each country. We now offer the taste, enjoyment, and convenience of Japanese gyoza to consumers in ASEAN.



**Chicken and Vegetable Gyoza (Europe and the Americas)**  
Consumers know gyoza for its nutritional balance of carbohydrates, protein, vitamins, and minerals (from vegetables). The healthy Chicken and Vegetable Gyoza is particularly popular in North America and Europe.



**Drip-Type Drinkable Broth Dashi-Cha® (Japan)**  
Drip-type Drinkable Broth Dashi Cha® (three flavors: dried bonito, tomato, and burdock) offers mindful moments to everyday life. The dashi ingredients have been carefully selected and arranged with our proprietary technology to be enjoyed easily.



**"TERRANO® Veggie Burger" (Brazil)**  
A deep dive into flexitarian and vegetarian insights in Brazil. In Brazil, we offer the plant-based food market a powdered hamburger mix with high nutritional value and no sacrifice in taste under the TERRANO® brand.



**"Knorr®" BRAN BREAD POTAGE (Japan)**  
We developed "Knorr®" BRAN BREAD POTAGE as a new product that satisfies the needs of both authentic taste and dietary fiber. The soup is made with authentic Knorr® ingredients and chef-style quality.



**Knorr® Potage with Beans and Vegetable**  
This is a retort soup made with between seven and nine different types of beans and vegetables, offering the umami and nutritional benefits of the ingredients. Knorr® Potage with Beans and Vegetable provides protein, dietary fiber, and other nutrients derived from the ingredients. In addition to being easy to heat in the microwave and eat, this soup is filling and satisfying—a quick and easy way to add one more dish to a meal.

## Proposals for Consumers

## Rapid response to consumer lifestyle changes

## Performance

**@ajinomotalk, a Space for Value Co-Creation to Connect With Fans**

In March 2023, we unveiled @ajinomotalk, a community website to interact with fans of Ajinomoto Group products. This community allows us to connect closely with customers and co-create value in products and experiences. The site is housed within our AJINOMOTO PARK owned media, where Ajinomoto Group employees and customers can interact with each other under the concept of *Delicious is Fun!*

By connecting with customers directly, we enjoy closer communications and gain a deeper understanding of customers and customer data.

We incorporate the opinions obtained through daily postings, surveys, interviews, experience events, and other interactions into manufacturing and value creation, co-creating a variety of experience values with customers.

**D2C Website GOOD GOOD TABLE, Opened to the Public**

In January 2023, we made a new D2C<sup>[1]</sup> site, GOOD GOOD TABLE, open to the public.

The domestic order-in market for food is growing in size. E-commerce ordering is increasing due to the digitalization of purchasing behavior and the increase in opportunities for eating at home, driven by the spread of work-at-home jobs in recent years<sup>[2]</sup>. In addition, consumers are finding it easier to acquire information online and communicate interactively with companies. More and more, consumers place greater value on choices and experiences that better suit their individual preferences. In response to these developments, we unveiled a website that aims to provide experiential value related to food and facilitate value co-creation with users.

GOOD GOOD TABLE not only provides users with the stories behind the development of products, but also satisfies curiosity about food and provides information on recipes and food pairings that upgrade the traditional dining table. In this way, we support the ongoing enjoyment of new encounters with delicious food. In the future, the website will provide information from the Ajinomoto Group and solicit feedback and ideas from users to enhance interactive communication.

[1] Direct-to-consumer: Business in which a manufacturer sells directly to consumers.

[2] Source: *Food Mail-Order Market Research (2022)*; September 28, 2022; Yano Research Institute Ltd.

> GOOD GOOD TABLE (Japanese only)

**Creating businesses for and learning the values held by Generation Z**

Generation Z, born between 1995 and 2009, now comprises one of the world's largest generations, at approximately 1.3 billion. Generation Z is highly concerned about the global environment, social contribution, sustainability, diversity, and respect for the individual. Ajinomoto Co., Inc. views Generation Z as a flagbearer of promoting the formation and spread of value toward the well-being of people in the coming era. We think freely from the perspective of Generation Z and consumers without being bound by the framework of existing businesses, developing businesses that respond to new values and aiming to create new business models and other businesses as quickly as possible. These new businesses include products in new domains and the use of digital technologies.

- Initiatives to Help Generation Z Cook for Well-Being  
In the second half of FY2022, we began offering the Non-Recipe Cooking Workshop with home chef Yuka Yamaguchi as instructor. This workshop targets university students who are preparing to become independent members of society. Throughout the workshop, we observed changes in student physiologies and cooking frequency, evaluating whether learning basic cooking skills affected their well-being. We plan to evaluate the relationship between the ability to cook for oneself and well-being further to produce content for AJINOMOTO PARK and inspire Generation Z to cook.
- Approaches Reflecting Insights From Generation Z  
To develop businesses utilizing ideas solicited from Generation Z, we developed an industry-university project for Generation Z together with seminar students of Professor Akihiro Nishimoto, Kwansai Gakuin University. We solicited ideas based on Generation Z values and lifestyle perspectives along three categories: ethics, new dietary

## Proposals for Consumers

habits, and mental health. We gained insights with the potential for business development, including information gathering methods unique to Generation Z and out-of-the-box scenarios. The information and insights gained here will be used for future business development.

### • Proof-of-Concept Tests to Convert Unharvested Crops Into Resources

To solve food and health issues, we support initiatives to reduce food loss and create sustainable communities. These initiatives include activities conducted in collaboration with Generation Z. The community in Nakatsu City, Oita Prefecture, faces issues that include an aging population and devastation caused by neglected bamboo forests. In response, the city conducted a proof-of-concept test to transform unharvested agricultural products into resources, working with university students in Oita Prefecture. University students helped harvest and process bamboo shoots from abandoned bamboo groves, which were then sold at supermarkets in the prefecture, leading to a circular economy. We will continue to support these Generation Z university students in their quest to experience the realities of agriculture and communities, helping them gain experiences useful in forming sustainable societies in the future.



> [Press Release \(Japanese only\)](#)  
> [AJINOMOTO PARK \(Japanese only\)](#)

## Improving product accessibility

Approach

GRI203-2

The Ajinomoto Group expands our business through our own mail order and external e-commerce site, helping consumers purchase products anytime, anywhere. We have established a system to analyze the awareness and behavior of consumers through digital data. We provide products that meet the trends of users on e-commerce websites in Japan and overseas. At the same time, we have established our own distribution networks that include rural areas in developing and emerging countries with weak distribution mechanisms. In this way and more, we provide products not only through supermarkets, but also in grocery stalls within markets. We have adopted a cash-based direct sales model for staff to sell physical goods (products), depending on the conditions in each country or region. By communicating directly with shopkeepers and consumers, we exchange a wealth of information and deepen our understanding of consumer needs. In turn, this allows us to offer products more rooted in the local community.

We also establish reasonable prices and convenient product formats tailored to the lifestyle conditions in each country or region. For example, we offer a minimum standard size of umami seasoning AJI-NO-MOTO® of 7.5g (500 rupiah = 5 yen) in Indonesia and 11g in the Philippines (3 pesos = 8 yen)<sup>[1]</sup>. The Group strives to improve product availability and accessibility by utilizing digital data and collecting information through direct communications.

[1] The exchange rate as of end of May 2023 was used to convert product prices into Japanese yen.

> [Group Shared Policy on Product Accessibility](#)

# Appropriate communications and information sharing

## Responsible communications with consumers

### Approach

GRI3-3

The Ajinomoto Group markets products in more than 130 countries and regions. Each region has its own deliciousness and its own customs related to preparing and eating food. Each region also has particular ways of communicating that are considered appropriate. Communicating in accordance with the local culture is crucial to conveying the value of a product or service.

Given these differences, we have stated our commitment to practicing responsible marketing communications in our Group Shared Policy on Marketing Communications.

This policy acknowledges that extra caution is needed in marketing communications designed for children.

We pledge to act responsibly, refraining from exploiting the inexperience or imagination of children or using language that can mislead children.

We updated our policies in April 2020 to clarify that the Ajinomoto Group Policies are based on the ICC Framework for Responsible Food and Beverage Marketing Communications, which are global standards established by the International Chamber of Commerce.

Group companies in Japan publish social media guidelines on their respective websites, disclosing the rules with which employees must comply when engaging in social media.

Packaging on food-related products display both legally required information and voluntary information unique to the Ajinomoto Group, including lists of allergens and details of ingredients that may be unfamiliar to customers.

- > [Group Shared Policy on Marketing Communications](#)
- > [Group Shared Policy on Package Description](#)
- > [Product package labeling \(Japanese only\)](#)

## Incidents of non-compliance

### Performance

During fiscal 2022, the Ajinomoto Group was not subject to any public announcements made by the Japan Consumer Affairs Agency related to violations of the Act against Unjustifiable Premiums and Misleading Representations.

# Quality management

## Ajinomoto System of Quality Assurance (ASQUA)

Approach

GRI3-3

The Ajinomoto Group has our own quality assurance system, ASQUA. As of March 2023, 96 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)<sup>[1]</sup>, Good Manufacturing Practices (GMPs)<sup>[2]</sup>, and the Group's own rules and requirements. Furthermore, ASQUA is composed of Group Shared Policies<sup>[3]</sup>, and associated quality assurance rules, regulations and standards, as well as other rules established by each internal organization.

Quality standards range from development, procurement of raw materials, and sales to customer communications. We review these standards constantly in light of internal and external trends. In fiscal 2022, we revised our Food Safety Management Standards, Food GMP Standards, and Food Additive GMP Standards to respond to updated laws and regulations, as well as to strengthen linkage with global standards.

- > Group Shared Policy on Quality
- > Group Shared Policy on Food Safety
- > Ajinomoto System of Quality Assurance (ASQUA)

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

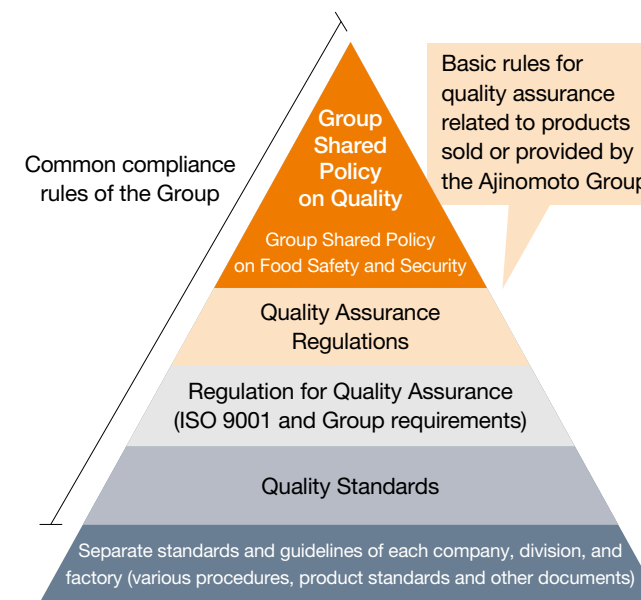
[2] Standards relating to manufacturing management

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

### ASQUA framework



### ASQUA components



## Product Safety

## Promotion framework for quality assurance

Framework

GRI3-3

The Ajinomoto Group established the Quality Assurance Committee under the Executive Committee to deliberate policies and various measures regarding quality assurance. The committee drafts basic policies and plans, and escalates 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.

&gt; Quality Assurance

## Obtaining and maintaining third-party certifications

Framework

The Ajinomoto Group encourages Group companies to acquire and maintain ISO 9001 certification. As of March 2023, 62 of 74 eligible Group companies have acquired ISO 9001 certification. The Group is working to build a certification system for eligible companies not yet certified, many of which are newly acquired or established companies. 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).

## Develop human resources to improve quality assurance levels

Performance

GRI3-3

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. As in fiscal 2021, the spread of COVID-19 meant that most of this training was conducted online or via e-learning in fiscal 2022.

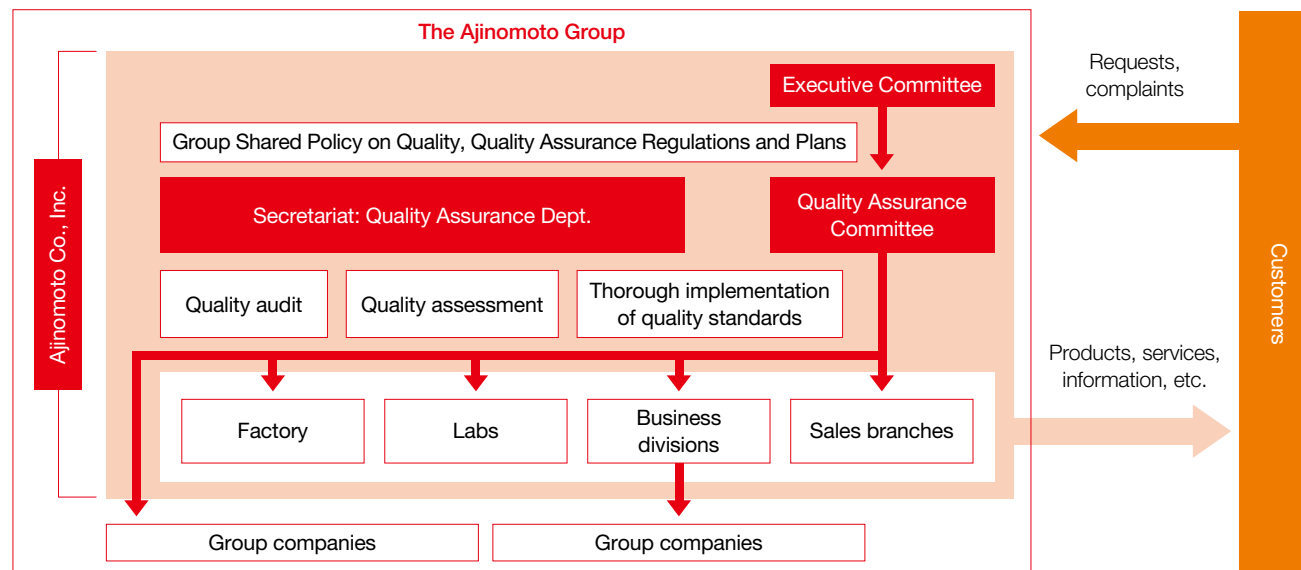
## Main programs in fiscal 2022

## ■ Japan

- Quality training for Group employees
- 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
- New Top Management Quality Training Course for newly appointed organizational heads, domestic Group company heads, and new quality assurance personnel and managers
- ISO 9001 food product business operations training for newly transferred employees

## ■ Overseas

- Sharing of audit case studies
- Explanation of GMP audits
- Global Regulatory Affairs online seminar on Risk Management for Asia, Europe, and US Regulatory Affairs heads



Product Safety

Quality assurance across the supply chain

Framework / Performance

GRI3-3, GRI416-1

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 and Security.

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

Development

To deliver safe, high-quality products, the Ajinomoto Group implements strict quality assessments in each stage 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.

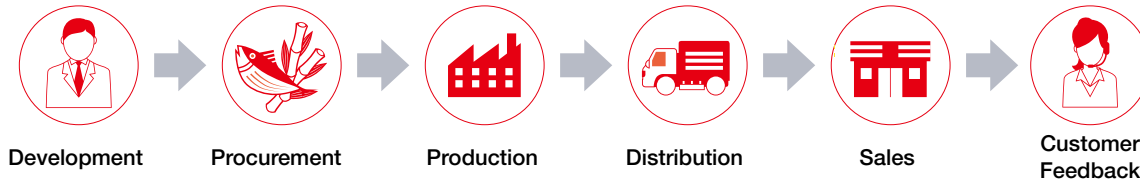
Raw materials procurement

GRI414-1

We select suppliers in accordance with the Standard for Quality Control of Ingredients provided in ASQUA. Raw materials purchased from suppliers are strictly controlled 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.

> P106



Production

GRI414-2

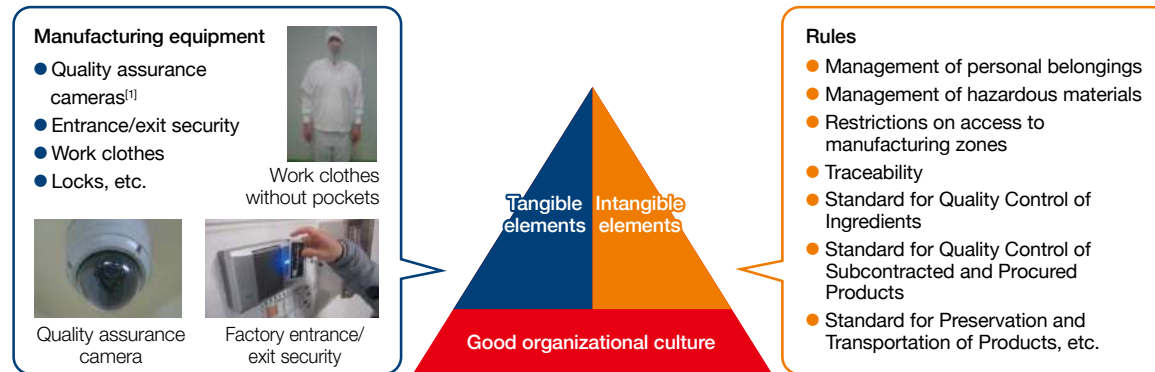
Structural enhancements for food safety

We believe that creating a workplace culture that is open and based on employee trust is the key to strengthening our food safety system. 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.

Measures to prevent manipulation of quality-related data We continue 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.

Diagram of food safety assurance concept



[1] Confirm no problems or operational errors in the plant. Secure customer trust via quality assurance cameras.

## Product Safety

### ■ Initiatives to reduce quality-related claims and incidents

GRI416-2, GRI417-2

We carefully investigate the causes of all quality complaints and problems that occur, one by one, to 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. We have also created a database of major past issues, using this information to evaluate risks.

In fiscal 2022, we issued the recall of *The★® Shumai* due to foreign matter contamination (60,600 bags recalled) and two distribution collections.

#### Number of recalls and distribution collections by the Ajinomoto Group

Fiscal year	2018	2019	2020	2021	2022
Number	4	3	4	5	3

### ■ 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

GRI417-1

We publish 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

> Product package labeling (Japanese only)

### ■ Websites

Our global website publishes information on group quality assurance activities in multiple languages. Group companies operate their own owned media through which they provide information to customers in each country/region.

> Quality Assurance

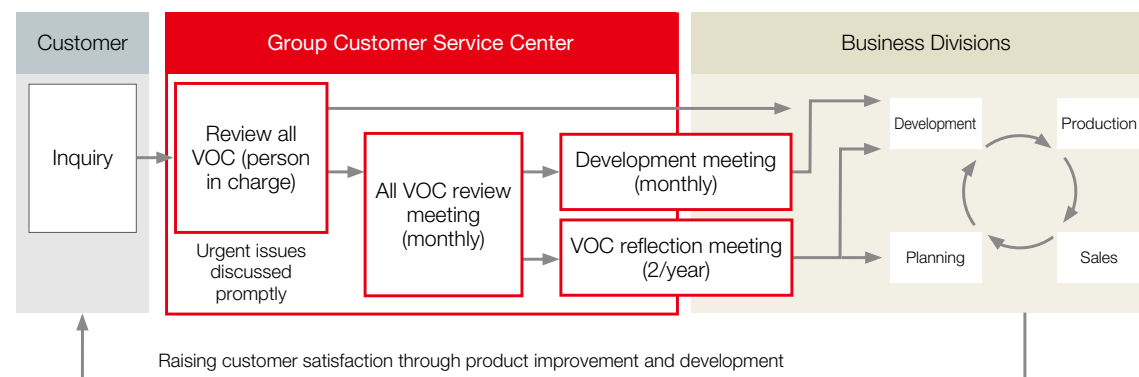
### ■ Customer feedback

#### ■ Initiatives to reflect customer feedback

We reflect the voice of our customers (VOC) in the development and improvement of appealing products and services in accordance with the ASQUA standards. As of March 2023, we operate under these standards in a total of 13 countries.

> Quality Assurance

#### Product development system reflecting VOC at the Group Customer Service Center<sup>[1]</sup>



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



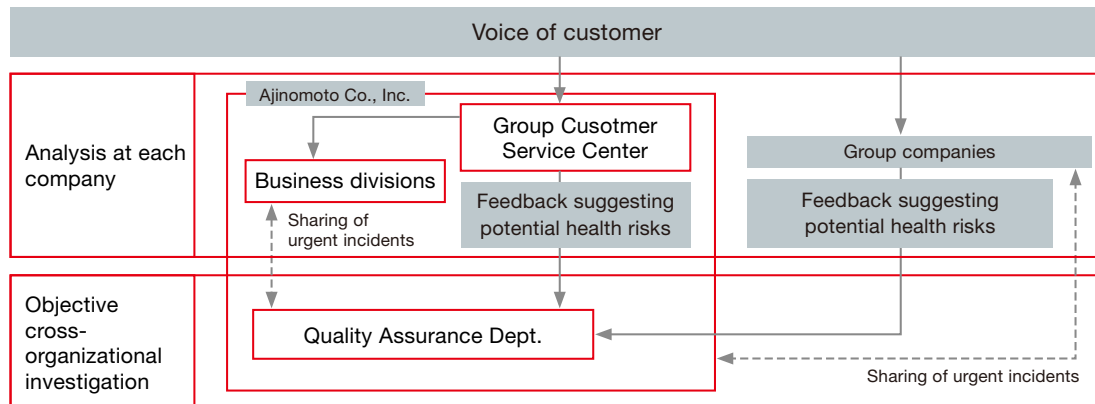
**Product Safety**

■ 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. As of March 2023, we operate under these standards in a total of 16 countries.

**Customer feedback monitoring system for preventing health damage**



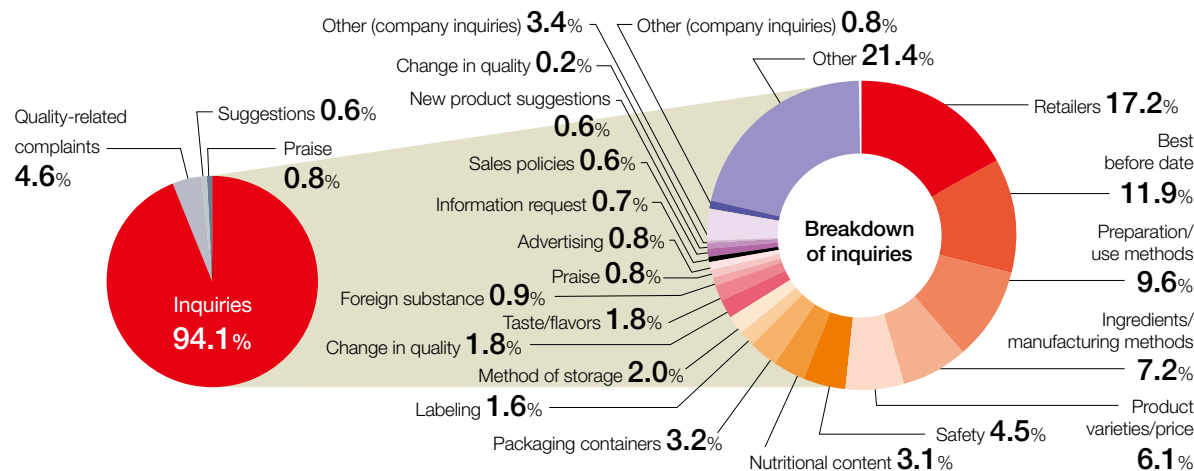
Breakdown of VOC in fiscal 2022

- VOC received by Ajinomoto Co., Inc.: 21,567 (-7.9% vs. fiscal 2021)
  - VOC received by three Ajinomoto Group food product companies<sup>[1]</sup> in Japan: 37,260 (-6.2% vs. fiscal 2021)
- [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 2022 by Ajinomoto Co., Inc. indicated that 96.0% of customers were satisfied with the response to issues they raised, 79.5% were satisfied with the investigation reports, and 90.3% intend to continue to use the company's products.

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



# Respecting human rights

## Approach, Policy, and Structure

### Basic policy

#### Approach

GRI12-23

As we realize sustainable growth through Ajinomoto Group Creating Shared Value (ASV), the Ajinomoto Group engages in the SDGs and other efforts related to the international consensus on environmental, social, and governance (ESG) policies. In doing so, we recognize that all business activities must be premised on respect for human rights. We support international standards for human rights including the Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up, and the United Nations Global Compact. Further, we have established our own Ajinomoto Group Shared Policy on Human Rights. This policy is based on the United Nations Guiding Principles on Business and Human Rights (UNGPs) and ensures that as a corporate group that conducts business globally, all of the Ajinomoto Group companies, and officers and employees respect internationally recognized human rights and comply thoroughly with international human rights obligations and related laws and regulations of the countries where we operate. In addition, we encourage our business partners and other related parties (including upstream suppliers) to support this policy and respect human rights, and work together to promote respect for human rights.

Ajinomoto Group policies are approved by the Board of Directors and the Executive Committee before being signed by the president and CEO.

- > [Human Rights](#)
- > [Group Shared Policy on Human Rights](#)
- > [Ajinomoto Group Policies](#)

### [Excerpt] Ajinomoto Group Priority Human Rights Issues

\* Excerpted from the Ajinomoto Group Shared Policy on Human Rights

#### 1. Elimination of discrimination

The Ajinomoto Group does not engage in discrimination, harassment or any other affronts to the dignity of individuals on grounds of race, ethnicity, national extraction, religion, creed, sex, age, disability, sexual orientation, or other identifying characteristics.

#### 2. Prohibition of child labor and forced labor

The Ajinomoto Group does not accept any form of child labor, forced labor, bonded labor, or human trafficking.

#### 3. Respect for fundamental labor rights

The Ajinomoto Group respects fundamental labor rights including freedom of association, workers' right to organize and collective bargaining rights.

#### 4. Adequate provision of wages and reasonable working hours

The Ajinomoto Group provides all employees with adequate wages and reasonable working hours.

#### 5. Ensuring a safe working environment and promoting health and well-being

The Ajinomoto Group provides a safe, hygienic and comfortable working environment and endeavors

to promote the health and well-being of all workers worldwide.

#### 6. Support for work-life balance

The Ajinomoto Group understands the importance of work-life balance and endeavors to make this possible for workers across the globe.

#### 7. Contribution to building a more diverse and inclusive society

The Ajinomoto Group strives to enhance diversity by respecting the diverse characteristics and perspectives of each individual so that workers all over the world can flourish regardless of factors such as race, nationality or sex. The Group also works to support, empower, and protect the human rights of members of vulnerable, marginalized or under-represented groups, such as people with disabilities, migrant workers, or LGBT people.

#### 8. Safeguarding personal information

The Ajinomoto Group adheres to the Act on the Protection of Personal Information and applicable laws and regulations and we are committed to proper safeguarding of all personal information we handle.

## Human Rights

## Framework

### Framework

GRI2-24, GRI2-25

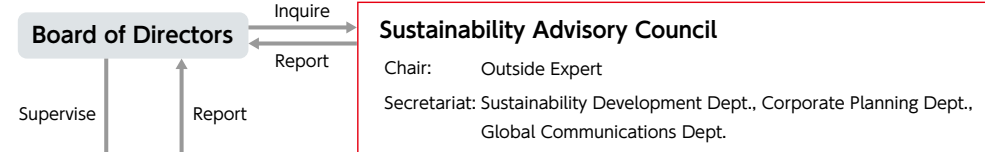
The Ajinomoto Group pursues ESG and sustainability initiatives that include respect for human rights, mainly through the Sustainability Advisory Council, a subordinate body of the Board of Directors, and the Sustainability Committee, a subordinate body of the Executive Committee. The Sustainability Committee and the Sustainability Development Department create roadmaps regarding human rights initiatives, offer proposals, and provide support to incorporate sustainability into business plans. These two bodies report to the Executive Committee and the Board of Directors.

In addition, the Board of Directors, Executive Committee, and the Sustainability Advisory Council hold discussions on human rights topics as appropriate.

> [Human Rights](#)

## Framework for ESG and sustainability

### [Supervision]



### [Execution]



## Human Rights

### Human rights due diligence

GRI2-24, GRI2-25, GRI3-3, GRI403-7  
GRI408-1, GRI409-1, GRI412-1, GRI414-2

#### Ajinomoto Group human rights due diligence

##### Framework / Performance

In accordance with the UNGPs and the Group Shared Policy on Human Rights, the Ajinomoto Group engages in dialogue and consultation third-party experts<sup>[1]</sup> on human rights and other stakeholders. In this way, we ensure respect for human rights for all stakeholders (employees, business partners, local communities, customers, etc.) across the Ajinomoto Group value chain, including production and sales across all businesses, as part of our human rights due diligence process. We conduct periodic (every four years: 2014, 2018, 2022) country-specific human rights risk assessments for raw materials procurement.

[1] The Caux Round Table (CRT), the Global Alliance for Sustainable Supply Chain (ASSC)

#### Basic Concepts

Our approach to establishing a UNGPs-based management system covering the value chain emphasizes the two aspects of comprehensiveness and depth, as described below. We engage in this system while seeking and incorporating external perspectives on an ongoing basis.

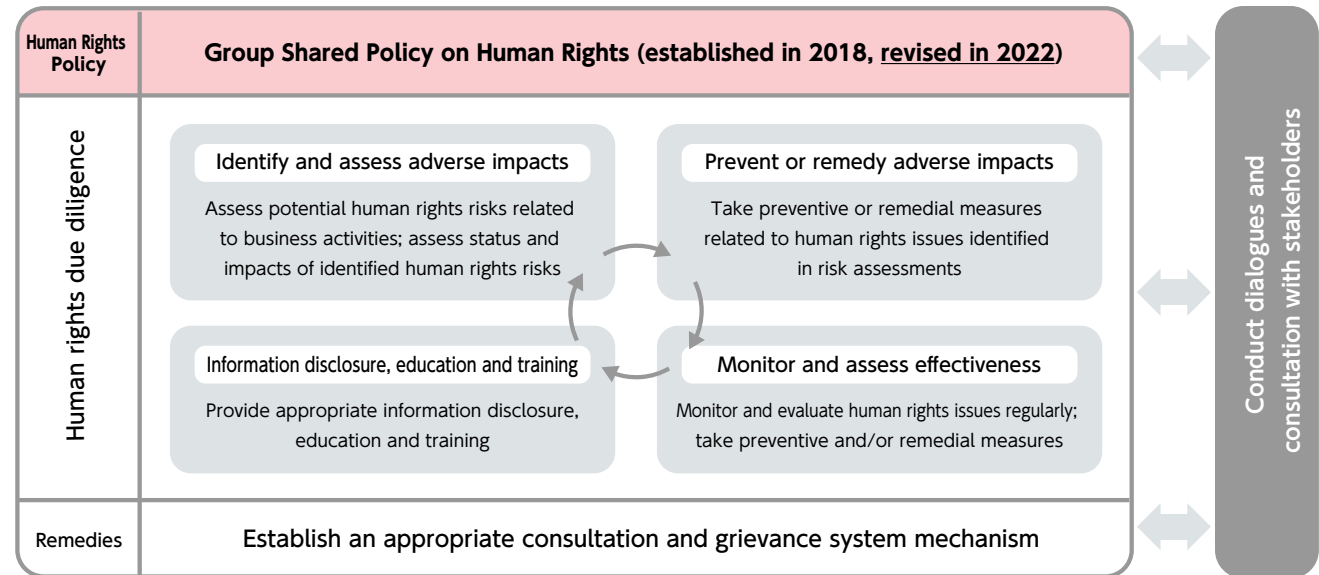
#### Comprehensiveness:

It is essential to strengthen cooperation with suppliers and other business partners. To this end, we are developing our own questionnaires and information systems to create a foundation for information gathering and dialogue.

#### Depth:

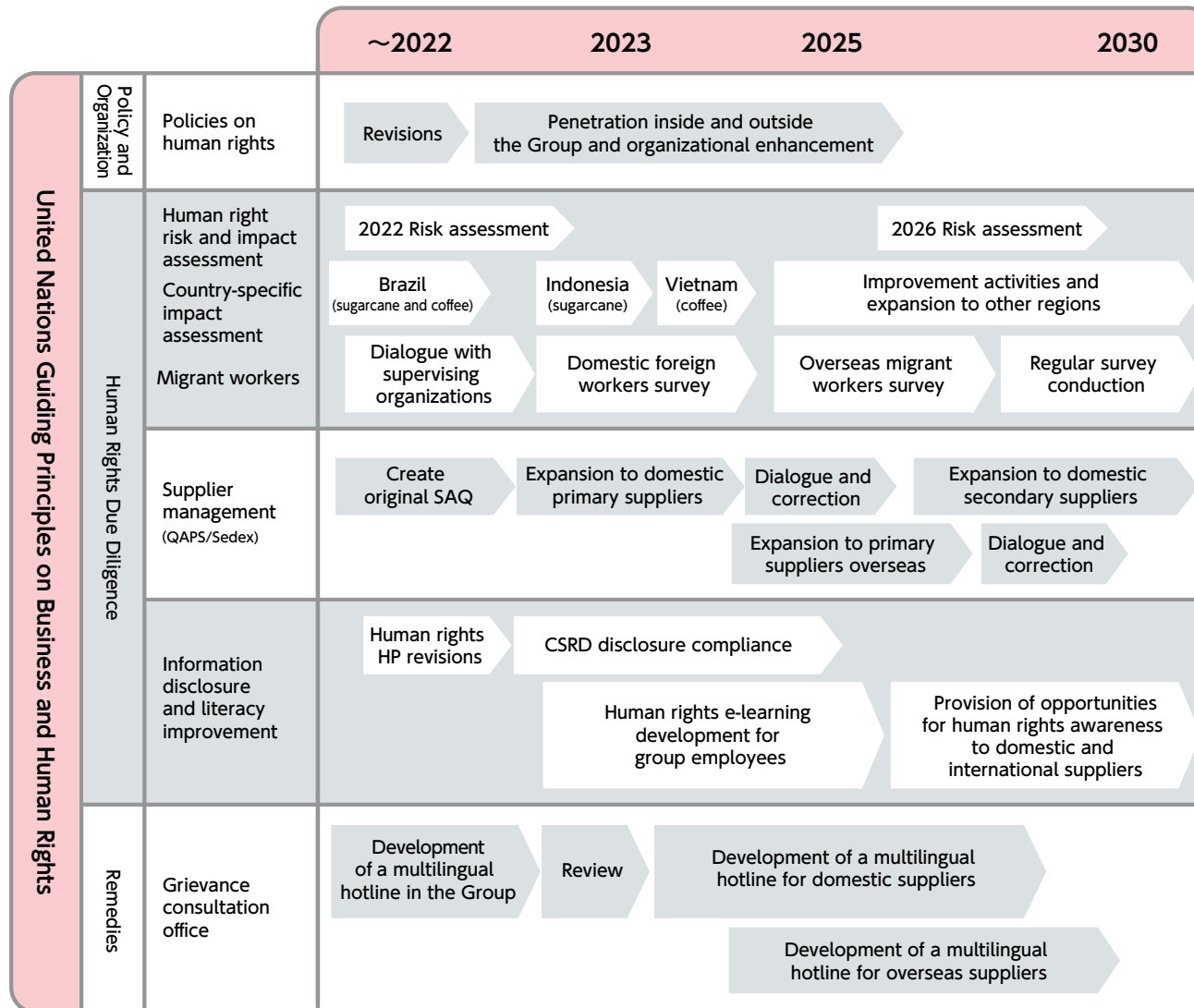
We intend to establish a management structure that enables us to identify human rights issues through direct dialogue with rights holders and to promptly address the issues identified.

#### Ajinomoto Group human rights due diligence process



## Human Rights

## Roadmap to 2030



### Identify and assess adverse impacts

The Ajinomoto Group periodically reviews (every four years) the human rights risk assessments across all businesses for each country involved in raw materials procurement, production, and sales. In countries, regions, and agricultural products where risks have been identified, the Ajinomoto Group conducts on-site visits and engages in direct dialogues with rights-holders. Through this, we assess the impact on and situation of human rights of stakeholders affected by our businesses (employees of business partners, local residents, NPOs, etc.). We consider actions to prevent or mitigate human rights issues identified through these efforts.

#### ■ FY2018 Human Rights Risk Assessment and Human Rights Impact Assessment

##### 1) Human Rights Risk Assessment

Using the Verisk Maplecroft Human Rights Risk Database, we identified and analyzed human rights topics with the advice of an external expert, Caux Round Table Japan (CRT Japan). Having examined high-risk countries and regions where the Ajinomoto Group engages in the food business, we identified Thailand and Brazil as high-risk countries. High-risk issues identified included occupational health and safety, child labor, and forced labor.

##### 2) Human Rights Impact Assessment (Direct Dialogue with Rights-holders)

- Human Rights Impact Assessment in Thailand (2019)  
With a particular attention to the seafood processing and poultry industries, we visited manufacturing plants and aquaculture farms involved in the Ajinomoto Group's value chain. We also engaged in dialogues and interviews with international NGOs and National Human Rights Commission of Thailand, as well as industry associations in the seafood and poultry industries and migrant workers.

## Human Rights

### <Summary of results>

It is clear that the legal system in Thailand is well developed and an effective remedy mechanism is functioning in the poultry industry. We intend to extend these good practices to other businesses and regions where the Ajinomoto Group operates.

> [Human Rights Due Diligence Impact Assessment Report 2019 Thailand](#)

- Human Rights Impact Assessment in Brazil (2021-2022)  
With a particular attention to the sugarcane and coffee bean industries, we conducted dialogues and interviews with manufacturing plants and farmers involved in the Ajinomoto Group's value chain, international NGOs, national human rights institutions, and industry associations. (Conducted online due to COVID-19)

### <Summary of results>

It is clear that the regions where the Ajinomoto Group conducts procurement are highly mechanized and the risk of human rights violations is not high. At the same time, it has been suggested that, although the legal system in Brazil is well-developed, specific remedy mechanisms are inadequate. We will continue to study the establishment of a remedy mechanism in this region.

> [Country human-rights risk impact assessment for supply chains in the sugarcane industry and the coffee industry Survey Report: Brazil](#)

- FY2022 Human Rights Risk Assessment and Human Rights Impact Assessment

#### 1) Human Rights Risk Assessment

As with the first assessment, we used the Verisk Maplecroft Human Rights Risk Database CRT. Having examined high-risk countries and regions where the Ajinomoto Group engages in the food business, we identified Southeast Asia and Brazil as high-risk countries for the food industry. High-risk issues[1] identified included occupational health

and safety, child labor, modern slavery (forced labor), and discrimination. We also identified the following risks based on evaluations of priority raw materials[2] sourced by the Ajinomoto Group. Based on these results, the Ajinomoto Group held discussions with external experts and identified sugarcane in Indonesia and coffee beans in Vietnam as industries and countries with high human rights risks. Human rights impact assessments in these areas are currently in progress.

[1] Risks assessed: child labor, decent wages, appropriate working hours, discrimination, freedom of association, modern slavery, occupational health and safety, and land grabbing

[2] We prioritized the following five raw materials in our human rights risks assessments.

#### 2022 Human Rights Risk Assessment Results (Summary)

Raw Materials Assessed	High Risk Issues	Countries
Coffee	<ul style="list-style-type: none"> <li>• Child labor</li> <li>• Discrimination</li> <li>• Decent wages</li> </ul>	<ol style="list-style-type: none"> <li>1. Brazil</li> <li>2. Vietnam</li> <li>3. Indonesia</li> </ol>
Sugarcane	<ul style="list-style-type: none"> <li>• Child labor</li> <li>• Occupational safety and health</li> <li>• Modern slavery</li> </ul>	<ol style="list-style-type: none"> <li>1. Vietnam</li> <li>2. Brazil</li> <li>3. Indonesia</li> </ol>
Soybeans	<ul style="list-style-type: none"> <li>• Discrimination</li> <li>• Occupational safety and health</li> <li>• Land grabbing</li> </ul>	<ol style="list-style-type: none"> <li>1. Brazil</li> <li>2. China</li> <li>3. Paraguay</li> </ol>
Shrimp	<ul style="list-style-type: none"> <li>• Modern slavery</li> <li>• Discrimination</li> <li>• Decent wages</li> </ul>	<ol style="list-style-type: none"> <li>1. Thailand</li> <li>2. Ecuador</li> <li>3. Vietnam</li> </ol>
Palm Oil	<ul style="list-style-type: none"> <li>• Decent wages</li> <li>• Occupational safety and health</li> <li>• Modern slavery</li> </ul>	<ol style="list-style-type: none"> <li>1. Malaysia</li> <li>2. Peru</li> <li>3. Thailand</li> </ol>

> P079

#### 2) Human Rights Impact Assessments (Direct Dialogue with Rights Holders)

- Human Rights Impact Assessment in Indonesia (Supply Chain of Sugarcane Molasses) (February 2023)  
Third-party human rights experts and Ajinomoto Group sustainability and procurement staff visited local work sites and engaged in direct dialogue with manufacturing plant operators, traders, sugar mills, and farmers involved in the Ajinomoto Group sugar cane molasses supply chain.

### <Summary of results>

Although we did not find any serious human rights issues, we will continue to monitor the situation related to proper work hour management, remedy mechanisms, forced labor, occupational health and safety, and other issues.

> [Result of Human Rights Impact Assessment Sugarcane Molasses in Indonesia](#)

- Human Rights Impact Assessment in Vietnam (Supply Chain of coffee bean) (April 2023)

We went into the local coffee bean industry supply chain and conducted dialogues and interviews with farmers, exporter and local coffee company.

### <Summary of results>

No serious violations of human rights, such as forced labor or child labor, were found within the scope of this time. On the other hand, some points to be improved were found in the method of contracting short-term workers during the coffee harvest season and the occupational health and safety management method of exporter. (Response under consideration)

> [2023 Report on Human Rights Impact Assessment \(Vietnam\) in Human Rights Due Diligence of Ajinomoto Co., Inc.](#)

## Human Rights

## Prevent or Remedy Adverse Impacts, and Monitor and Assess Effectiveness

GRI2-26

### Human Rights in the Value Chain

The Ajinomoto Group Shared Policy for Suppliers provides our expectations for suppliers necessary to fulfill our corporate social responsibility and to contribute to sustainable societies. The intent of this policy is to avoid causing or contributing to adverse impacts on human rights by companies or organizations with whom the Ajinomoto Group has business relationships. We address such impacts should they occur. We also strive to prevent or mitigate adverse human rights impacts linked directly to Ajinomoto Group businesses, products, or services through business relationships, even if we do not contribute to such impacts.

- > [Group Shared Policy for Suppliers](#)
- > [Guidelines for Group Shared Policy for Suppliers](#)

The Ajinomoto Group is committed to monitoring, preventing, and correcting adverse human rights impacts at suppliers and business partners throughout our value chain as we head toward the year 2030. To this end, we began using Sedex<sup>(1)</sup> in 2018, gaining an overall picture of our suppliers. We also introduced our own version of a self-assessment questionnaire in 2019. As part of measures to further strengthen our efforts for suppliers based on the UNGPs, in 2022, we created our own list of questions, Compliance Questionnaire of Guidelines for Ajinomoto Group Shared Policy for Suppliers (QAPS), based on Supplier Guidelines. Using QAPS, we will identify risks related to governance, human rights such as forced labor and child labor, occupational safety and health, etc., on a regular basis for existing suppliers and when contracting with new suppliers. Through this process, we engage in dialogue with suppliers to continuously prevent, remedy, and monitor human rights issues.

organization that provides data on labor standards, business ethics, etc. within the global supply chains.

### Human Rights of Foreign Workers

In 2020, we voiced our support for the Tokyo Declaration 2020 on Responsible Acceptance of Foreign Workers in Japan formulated by the Global Alliance for Sustainable Supply Chain (ASSC) regarding the recruitment of foreign workers under Technical Intern Training Program or those with Specified Skilled Worker visa, and we have requested that our suppliers create an environment in which foreign workers can be active in their work. In fiscal 2021, we participated in the development of the Responsible Employment Guidelines for Migrant Workers as Technical Intern Trainees and Specified Skilled Workers in Japan as a member of the CGF Social Sustainability Working Group.

Based on these guidelines, we visited and held dialogues with supervising organizations and registered support organizations related to the technical intern trainees employed by domestic Ajinomoto Group companies. Through these efforts, we confirm that technical intern trainees and specified skilled workers are appropriately paid and provided support in their work and daily life.

We also regularly visit sites where foreign workers are employed, mainly in domestic Ajinomoto Group companies, to understand and confirm working and housing conditions. We regularly hold direct dialogues with foreign workers and other on-site employees with responsibility for foreign workers to identify and remedy human rights risks.



Dialogue with Foreign Workers

## Information Disclosure, Education, and Training

GRI412-2

In 2019, the Ajinomoto Group conducted e-learning trainings for group officers and employees titled, *What are Human Rights?* and *Business and Human Rights*. Since that time, we have conducted regular e-learning trainings for group officers and employees on business and human rights such as forced labor and child labor, as part of our activities to communicate Ajinomoto Group Policy within the Ajinomoto Group.

### Compliance with Laws and Regulations on Respect for Human Rights in Each Country

The Ajinomoto Group adheres to human rights laws and regulations in each country as we develop our business globally.

## Human Rights

## Dialogue with Stakeholders

The Ajinomoto Group holds regular dialogues with human rights experts and stakeholders, sharing and communicating our initiatives externally as case studies to further our efforts to respect human rights and to obtain expert opinions.

In fiscal 2022, we held the following dialogues to strengthen and communicate Ajinomoto Group human rights initiatives.

- Regular meetings with CRT Japan  
We hold monthly meetings with CRT Japan, which reviews, from the viewpoint of society, the matters that need to be addressed to prevent human rights issues in the Ajinomoto Group, as well as gives us advice as appropriate when any urgent issues arise.
- Information exchange with suppliers at supplier briefings (December)
- Ajinomoto Group initiatives were featured in the *Fiscal 2022 Human Rights Training Video for Companies*, commissioned by the Ministry of Justice (December)
- Ajinomoto Group initiatives were featured in the *Fiscal 2022 CSR (Corporate Social Responsibility) and Human Rights Seminar*, commissioned by the Small and Medium Enterprise Agency, Ministry of Economy, Trade and Industry (Osaka venue)
- Ajinomoto Group initiatives were featured in the *Seminar on Guidelines for Respecting Human Rights in Responsible Supply Chains, Etc.*, commissioned by the Ministry of Economy, Trade and Industry (Sapporo and Fukuoka venues)

## Remedies

### Grievance Mechanism

GRI2-16, GRI2-25, GRI2-26, GRI406-1

The Ajinomoto Group established several consultation and reporting offices within and outside the group to promptly and appropriately address damage resulting from adverse human rights impacts. Each consultation office strictly protects whistleblower's privacy, and related departments work together to appropriately address and resolve the situation.

[> Group Shared Policy on Whistle-blowing](#)

#### Ajinomoto Group Hotline

This is an internal whistle-blowing hotline for Ajinomoto Group employees (regular, part-time, and temporary employees, etc.) and executives. Considering the ease of access for people of many nationalities working at group companies, in 2023 we unified our traditional domestic and global counters, enabling access in 22 languages. The whistleblower can choose between real name and anonymity. Business Conduct Committee of Ajinomoto Co., Inc. is responsible for conducting surveys and responding in cooperation with related organizations.

[> P122](#)  
[> Consultation Form](#)

#### Supplier hotlines

The Ajinomoto Group established the Supplier Hotline in fiscal 2018 as a contact point for reporting from suppliers. The hotline is designed to detect and correct suspected violations of laws and deviations from the Ajinomoto Group Policy (AGP) by Ajinomoto Group executives or employees.

#### Hotline for Foreign Workers

The Ajinomoto Group has been participating in an advisory capacity since the 2020 establishment of the Japan Platform for Migrant Workers toward Responsible and Inclusive Society (JP-MIRAI) created by the Japan International Cooperation Agency (JICA) together with other stakeholders including companies, lawyers, and NGOs. This aims to resolve issues faced by foreign workers undergoing technical training and those with special skills. In fiscal 2022, we participated in the Consultation and Relief Pilot Project for Migrant Workers launched by JP-MIRAI. Moving forward, we intend to expand this system to cover the whole supply chain and utilize it in the early detection of issues with labor and human rights.

[> JP-MIRAI Portal](#)



# Ajinomoto Group supply chain

## Raw materials procurement, Production, Distribution, Sales, Consumers

GRI2-6

The Ajinomoto Group operates its businesses while interacting with various stakeholders engaged in every process of its global supply chain. We have identified social issues, concerns, and risks closely related to each process as described below. We aim to resolve social and environmental issues through steady efforts and responses in collaboration with related parties.

### Raw materials procurement

#### Social issues and concerns

- Transition to a decarbonized society (response to climate change)
- Biodiversity
- Water and soil conservation, pollution prevention
- Raw materials loss
- Labor shortages in agriculture, securing sufficient farmland
- Animal welfare
- Occupational safety and health
- Respect for workers' rights

#### Risks

- Failure to procure raw materials due to food resource and water resource depletion
- Insufficient procurement of raw materials due to delays in addressing animal welfare, land hoarding, and deforestation
- Increased losses during the transportation and storage of raw materials
- Occupational accidents
- Potential human rights violation risks



&gt; P106

#### Group initiatives

- Responsible sourcing of raw materials (conduct human rights and environmental due diligence)
- Contribute to sustainable agriculture by using co-products<sup>[1]</sup>; reduce raw material losses
- Establish traceability and purchase certified products
- Comprehensive quality assurance activities

[1] Nutrient-rich by-products generated during amino acid production

### Production

#### Social issues and concerns

- Transition to a decarbonized society (response to climate change)
- Product quality and safety
- Food loss and waste
- Water and soil conservation, pollution prevention
- Occupational safety and health
- Respect for workers' rights

#### Risks

- Loss of trust due to intentional contamination by mixing in foreign substances
- Environmental impact, cost increases, or production stagnation due to delay in decarbonization
- Production stagnation due to droughts, floods or water quality deterioration
- Occupational accidents
- Potential human rights violation risks

#### Group initiatives

- Reduce greenhouse gas emissions by converting to fuels having lower greenhouse gas emission factors
- Reduce food loss and waste in the production process
- Conserve water resources through less water consumption
- Strengthen social and environmental audits of suppliers, collaborate to resolve issues
- Engage in comprehensive safety and health activities
- Comprehensive quality assurance activities

## Supply Chain Management

### Distribution

#### Social issues and concerns

- Transition to a decarbonized society (response to climate change)
- Labor shortages and aging demographics in the logistics industry
- Increase in logistics volume due to increase in e-commerce
- Occupational safety and health
- Respect for workers' rights

#### Risks

- Environmental impact and cost increase due to delay in decarbonization
- Logistics delays due to labor shortages, increased work hour restrictions
- Occupational accidents
- Potential human rights violation risks

#### Group initiatives

- Promote modal shifts
- Increase the ratio of renewable energy use
- Collaborate with other companies and government agencies to achieve smart logistics (improve operational efficiencies and work environments using digital technologies)
- Comprehensive quality assurance activities

### Sales

#### Social issues and concerns

- Transition to a decarbonized society (response to climate change)
- Fair competition
- Responsible marketing
- Food loss and waste
- Protect customer privacy
- Occupational safety and health
- Respect for workers' rights

#### Risks

- Legal risks, including antitrust law violations, competition

laws, and food safety and labeling laws

- Loss of trust due to inappropriate advertising and marketing
- Loss of trust due to insufficient consideration of personal information protection and privacy
- Occupational accidents
- Potential human rights violation risks

#### Group initiatives

- Education regarding related laws and regulations including antitrust laws, and anti-bribery
- Implement appropriate methods of delivering products, services, and information to customers
- Reduce product returns and product disposals by extending best-before dates, improving supply chain management accuracy, etc.
- Enhance information security
- Comprehensive quality assurance activities and logistics and sales

### Consumers

#### Social issues and concerns

- Environmental issues (climate change, plastic waste, food loss and waste, etc.)
- Product quality and safety
- Health and nutrition issues
- Information overload

#### Risks

- Erroneous use of products and health hazards
- Environmental impact due to increased waste and food loss
- Lack of understanding of correct information on food and health

#### Group initiatives

- Reflect customer feedback on developing and improving products and services
- Provide appropriate information on packaging and via the internet

- Use environmentally friendly packaging materials
- Comprehensive quality assurance activities
- Products and services that are useful for improving nutrition

# Supply chain management

## Framework

GRI3-3

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

> P104

## Supply chain initiatives

### Performance

GRI308-1, GRI414-1

The Ajinomoto Group states our expectations to suppliers related to sustainability in the Group Shared Policy for Suppliers and asks our suppliers for their understanding and cooperation to ensure social and environmental sustainability in the supply chain. In fiscal 2018, the Group joined Sedex<sup>[1]</sup>. In fiscal 2020, we voiced our support for the Tokyo Declaration 2020 on Responsible Acceptance of Foreign Workers formulated by the Global Alliance for Sustainable Supply Chain (ASSC) regarding the recruitment of foreign workers with intern training program or foreign workers with a special skills visa status, and we have requested that our suppliers create an environment in which foreign workers can be active in their work. In fiscal 2021, as a member of the CGF Social Sustainability Working Group, we participated in the formulation of the Responsible Employment Guidelines for Migrant Workers. In fiscal 2022, we revised our Group Shared Policy for Suppliers, and Guidelines for Group Shared Policy for Suppliers to reflect global standards for human rights. We also created a Questionnaire for Ajinomoto Group Shared

Policy for Suppliers (QAPS) to confirm supplier compliance with the requirements of these policies and guidelines and ask domestic suppliers to respond to the questionnaire to identify risks.

After conducting an audit, we began transactions with five new suppliers during fiscal 2022.

[1] Supplier Ethical Data Exchange. A global membership organization that provides data on labor standards, business ethics, etc., within the global supply chains.

> Group Shared Policy for Suppliers  
> Human Rights  
> P099

## Supplier audits in fiscal 2022

Audited organization	Audited items	Number of audits
Ajinomoto Co., Inc.	Raw materials <sup>[2]</sup>	97
	Packaging materials	56
Ajinomoto Frozen Foods Co., Inc.	Raw materials	133

[2] We identify important suppliers as Key Material Suppliers based on supply risk and quality risk. We use audits to mitigate procurement risk by selecting raw materials from two perspectives: (1) Difficulty in procuring said raw materials from other than the current supplier and (2) Whether said raw materials or similar materials have caused quality issues, have been contaminated (foreign substances, residual agricultural chemicals), or have been associated with other complaints in the past three years.

## Supplier hotlines

GRI2-26

The Ajinomoto Group established a supplier hotline in fiscal 2018. The hotline complements the hotline available to Group executives and employees. Reporting from suppliers facilitates the early detection and correction of Ajinomoto Group executive and employee behaviors that potentially violate the law, Ajinomoto Group Policies (AGP), Group Shared Policy for Suppliers or Guidelines for Group Shared Policy for Suppliers.

> P103  
> P122

# Animal welfare

## Creating policies and holding dialogues with society

### Approach

GRI3-3

The Ajinomoto Group deals with animals throughout our businesses and product development. Animal-derived ingredients such as meat, eggs, and extracts are essential for the food products we produce. In the Group Shared Policy on Better Mutual Relationships with Animals established in 2018, the Group defines our approach to procurement in keeping with the concept of animal welfare, and shares this policy with all primary suppliers in Japan when we start working with them. Also, so that we can respond flexibly to social trends and demands, we hold dialogues with experts in the field of animal welfare and exchange opinions with stakeholders regarding livestock. Given these, the Group policy above was renamed in 2021 as the “Group Shared Policy on Animal Welfare.” This was updated with more specific content, and shared with all primary suppliers within Japan. Based upon this revised Group policy, looking forward we will aim to build a better symbiotic relationship with all animals in our supply chain.

- > Group Shared Policy on Animal Welfare
- > Commitment to Minimizing Animal Testing

## Livestock traceability survey

### Performance

GRI3-3

The risk assessment of Ajinomoto Co., Inc.’s domestic suppliers of meat and meat extract for fiscal 2020 found a combined traceability to original farming sites of just 10% on a numerical basis for fully traceable and conditionally traceable suppliers. One of the reasons for this result was that farming management guidelines have not been fully embraced in Japan, with widely varying degrees of awareness among suppliers. We plan to continue our work in spreading awareness of these guidelines as we as to conduct a similar survey at our Group companies. Overseas, the Group tracks the status of legal developments regarding animal welfare in each country and region. We are sharing our policies and issues on the subject with Group companies.

## Switching to cage-free eggs

Ajinomoto Co., Inc. engages in stable, sustainable egg procurement in accordance with the Group Shared Policy on Animal Welfare, working in collaboration with egg industry stakeholders and confirming the safety and security of product quality.

Our goal is to switch all eggs procured for use in Europe to cage-free eggs. In other regions, we intend to address issues based on the situation in each region.

- > The Ajinomoto Group Approach to Egg Procurement

## The five initiatives of the Group Shared Policy on Animal Welfare

The Group Shared Policy on Animal Welfare describes five initiatives. Among these initiatives is the efficient use of materials and technologies for the development of substitutes. Here, we leverage our strengths in Deliciousness Technologies and leading-edge bio-technologies to develop technologies, ingredients, and products that reduce the ratio of animal products used without sacrificing taste, as well as technologies and ingredients that substitute for animal proteins.

- > Group Shared Policy on Animal Welfare
- > Deliciousness Technologies
- > P061

# Human resources and organizational management

## Approach

The Ajinomoto Group is committed to achieving its Purpose of contributing to the well-being of all human beings, our society and our planet with “AminoScience®.” To this end, we will continuously strengthen our human assets (human resource investment<sup>(1)</sup>: Approx. ¥10 billion in fiscal 2022, over ¥100 billion cumulative from fiscal 2023 to fiscal 2030) by co-innovating through greater diversity and taking on challenges, in addition to fostering the purpose and building resonance with the purpose through dialogue. We consider employee engagement an important factor in increasing the Group's corporate value and will work to improve employee engagement scores (target: 80% in 2025 and 85% in 2030). For us, the well-being of our employees is the foundation for strengthening our human assets, and we will work to improve this well-being from a holistic approach, including health promotion and financial asset building.

> ASV Report 2023 (Integrated Report) P062-065



## Global human resources management system

### Framework

GRI3-3, GRI404-2

The Ajinomoto Group has adopted a Global Human Resources Management System based on a common foundation to foster and recruit diverse human resources

around the world, ensuring we put the right person in the right position. We are using this system to accelerate our development of next-generation management and highly specialized personnel. The system consists of a mechanism to visualize key posts and key personnel (position management, talent management) as shown below.

### Position management (right position)

Identify the duties required for the organization to execute our business strategy. Determine the requirements for each job and the people necessary to perform said duties.

Job level	Grade system based on job level
Evaluation system	Set goals based on the Ajinomoto Group Way, etc., and evaluate behavior and performance (feedback twice a year [mid-term and end of term]).
Remuneration	Establish global remuneration policies Remuneration program complies with the laws and regulations of each country and region Remuneration reflecting duties and performance Competitive remuneration levels based on country, regional market wages

### Talent management (right person)

To discover and develop human resources, we strive to appoint and assign the right person in the right position in light of the duties and personnel requirements above. Ensure the rapid promotion of key talent.

HR Committee	Membership from the Executive Committee Creating succession plans for key global positions, and discussing a pool of human resources for next-generation leaders Establish HR committees at our three divisions in Ajinomoto Co., inc. and four regional headquarters and coordinating with the main HR Committee
Succession plan	Determines key positions by Regional Headquarters, Group companies and divisions
Development plan	Plans for key talent

## Human Resource Management

## Human resource career management framework

GRI404-2

To link employee growth with company growth, the Group offers workplace environments, human resource management systems, educational programs, and regular employee reviews in support of self-directed career development.

Ajinomoto Co., Inc. values one-on-one dialogue with each employee to help them achieve their purpose and take on new challenges. In particular, to help employees achieve their own career goals, we have held annual one-hour career interviews and semiannual feedback interviews (about one hour) with supervisors since the 1980s. This one-on-one dialogue has been the foundation of our human resource development. To improve the quality of dialogue, Ajinomoto Co., Inc. plans to conduct coaching training for all managers in FY2023. In July 2021, we established a new human resources career management framework, launching an integrated human resource information system that will serve as the cornerstone of this infrastructure. The 360-degree evaluation for managers was conducted on this system, and data and measures related to human resources, which were scattered across several other systems, have been integrated into one system. This system makes available to all employees the profiles of each individual's expertise, internal and external experience, etc., in addition to routine job title and organizational information for easy searching.

Through a combination of dialogue and this integrated human resource information system, we expect to optimize human resource allocation efficiently based on diverse skills and experience, while encouraging employees to develop careers autonomously and improve engagement.

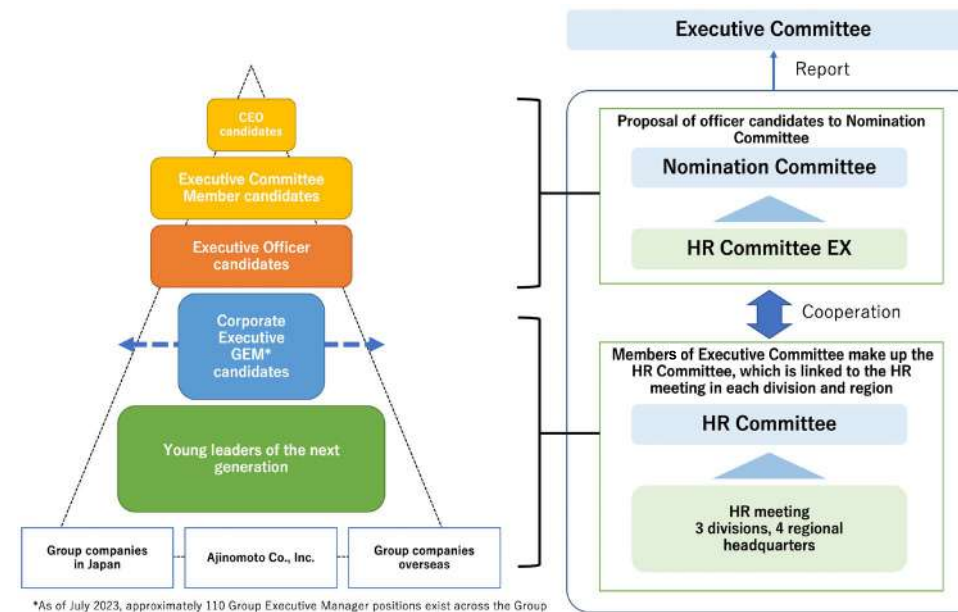
## Human resource management framework

GRI3-3, GRI404-2

We have created a management structure for the various measures related to strengthening human assets and the global human resources management system. Here, we have established the Human Resources Committee EX and Human Resources Committee, which engaged in six discussion sessions in FY2022, and which are subordinate bodies to the Executive Committee, chaired by the CEO, and

comprised of members from the Executive Committee. In particular, in terms of building a human resources pipeline, we are creating succession plans<sup>[1]</sup> for key global positions in conjunction with the Nomination Committee, forming a pool of human resources for next-generation leaders and strengthening strategic development and appointment.

[1]FY2022 results: Successor candidates have been selected for around 75% of approximately 135 key global positions, including Corporate Executive Officers. Over the next few years, we will accelerate the formation of a pipeline of diverse human resources across the Group through further expansion of targeted positions and the creation of succession plans for each major domestic and overseas Group affiliate, among other actions.



## Human Resource Management

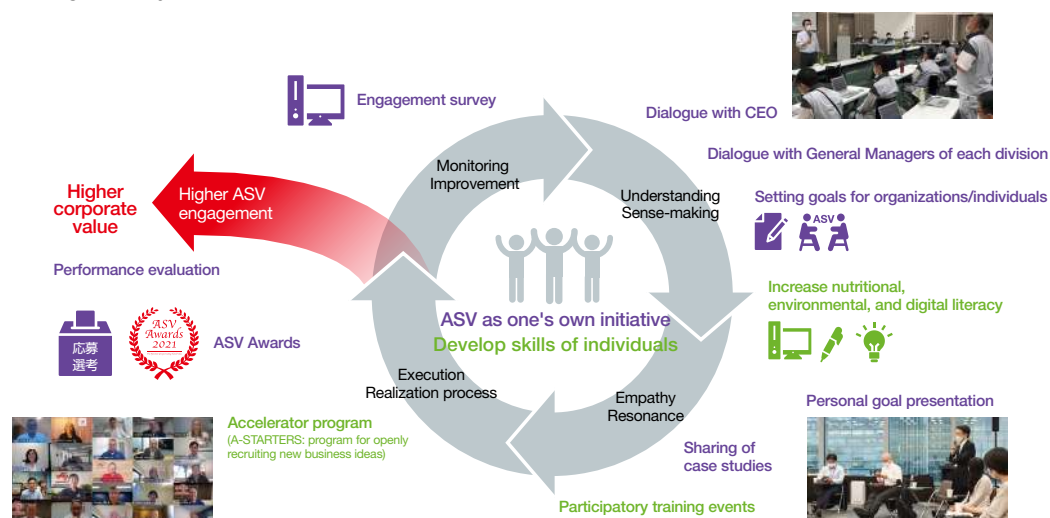
## Initiatives for Fostering Purpose and Building Resonance

The Purpose of the Ajinomoto Group is contributing to the well-being of all human beings, our society, and our planet with “AminoScience.” To achieve this, the Group is taking

systematic action to foster our purpose and build resonance through standardizing, and to improve engagement that emerges as a result of our actions. The following table describes the measures implemented during fiscal 2022.

The Ajinomoto Group is also strengthening its efforts to develop the ability of each employee to solve problems and to gain resonance for his or her purpose. Among other things, we continue to improve nutritional, environmental, and digital literacy. Results for these were as follows.

### Management cycle for ASV results creation



### Initiatives and results toward employee engagement

Initiatives	FY2022 Performance
1. Management plans dialogue with the CEO	Total of 63 dialogues held with group companies in Japan and overseas.
2. Dialogue with General Managers of each division	Total of 67 dialogues held with group companies in Japan and overseas.
3. Organizational and personal goals	Completed as planned.
4. Personal goal presentation	Expanded to 7 companies in Japan and 22 companies overseas (previous year: 21 companies in total)
5. Share best practices	Total of 660 ASV-related posts by employees.
6. ASV Awards	Awarded 7 initiatives at the Seventh ASV Awards. Total of 14,940 employee votes.
7. Monitoring via engagement survey	Employee engagement score 62% (+1 points year on year) * From FY2023, changed to the category average value for the ASV realization process
8. Address issues in next-year plans	Completed as planned.

### Annual average hours of for education and training per employee (Ajinomoto Co., Inc.)

GRI404-1

	FY2020	FY2021	FY2022
Total expenditures for education and training related expenses	222,000	249,000	236,000
Human capital system engagement survey-related costs (thousand yen)	79,000	105,000	58,000
DE&I-related (thousand yen)	16	18	16
Other expenditures for education and training (thousand yen)	126	126	162
Average training hours*	-	40	76

\*Training hours are calculated as total hours per employee for training (Calculated from FY2021). In addition, some training programs led by business and operations-related organizations are not included in the data.

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**Nutritional and Environmental Literacy Training**

The Group has been working to improve sustainability literacy since 2021, promoting environmental education from a sustainability perspective for all Group employees in conjunction with nutrition education. We will promote understanding and resonance among employees regarding the connection between environmental issues around the

world and the Group's businesses, as well as regarding the Group's efforts to address environmental issues. We will link this to treating ASV as one's own initiative and the co-creation of social and economic value through our businesses. Fiscal 2022 participation was as follows.

> P035-036

	FY2020	FY2021	FY2022	FY2025 (Target)
Nutritional literacy training	460	26,145 (aggregate)	56,316 (aggregate)	100,000 (aggregate)
Environmental literacy training	-	2,765	9,549 (aggregate)	-

**Percentage of certified business DX professionals and employees at Ajinomoto Co., Inc. each fiscal year**

Since the practice of DX at Ajinomoto Co., Inc. comes down to each individual employee, we began training DX professionals in fiscal 2020. In particular, our educational

program for business DX professionals offers beginner, intermediate, and advanced levels, and a total of 2,436 employees have obtained certification over the three-year period from 2020 to 2022. We are currently working to build curricula and systems for Group companies in Japan and overseas.

	FY2020		FY2021		FY2022	
	Certified employees	Percentage of employees	Certified employees	Percentage of employees	Certified employees	Percentage of employees
Beginner	743	23%	854	27%	430	14%
Intermediate	51	2%	192	6%	115	4%
Advanced	9	0.3%	16	0.5%	26	0.8%
Total (cumulative <sup>[1]</sup> )	803	25%	1,062	33%	571	18%

[1] Includes employees taking multiple courses



## Human Resource Management

## Generating results through visualizing the ASV realization process

GRI13-3

The Ajinomoto Group quantitatively measure employee ASV engagement through an annual engagement survey. This survey helps us understand and take action to improve issues, leveraging the PDCA cycle. In fiscal 2022, the Employee Engagement Score (ASV as one's own initiative), a priority KPI in our 20-25 MTP, increased one points to 62%.

### Initiatives and results toward employee engagement

	FY2020 Result	FY2021 Result	FY2022 Result	FY2025 Target	FY2030 Target
(Old) ASV as one's own initiative	64%	61%	62%	-	-
(New) ASV realization process	-	-	75%	80%	85%~

### Initiatives for Diversity (Diversity, Equity & Inclusion)

GRI405-1

The Ajinomoto Group has evolved its approach from the concept of diversity and inclusion (D&I) to diversity, equity, and inclusion (DE&I). Equity, a concept similar to fairness, in the Group means that a company provides an environment that fits individual needs and circumstances and ensures that employees receive equal rights and opportunities.

As a result, we aim to be a company where each of our employees works together in mutual respect irrespective of such concepts as gender, age, nationality, disability, and experience. This confluence of diverse individuals from inside and outside the organization creates mutual growth with the organization thanks to harnessing each diverse individual's strength, leading to the continuous creation of innovation for the future. With this, we will make steady progress toward its Purpose as set forth in the 2030 Roadmap. Regarding the status of our diversity, by 2030, we aim to have diversity<sup>[1]</sup> in 30% of our human resources at the leadership level<sup>[2]</sup>. In terms of women, the percentage of female managers by region is relatively low in Japan. Therefore, Ajinomoto

This was partly because of proactive employee participation in the ASV Awards, which recognizes best practices, and expansion of personal goal presentation activities. Going forward, as an alternative to this KPI, we will monitor the "ASV realization process" index, which organizes the process leading to creation of ASV results (the process to generate results from both individual and organizational perspectives) and establishes an index consisting of multiple questions from the Engagement Survey.

Co., Inc. set a target to increase the percentage of female directors and line managers (organization heads and group managers) to 30%, respectively, by the end of fiscal 2030. At the same time, the company is taking measures to strengthen the pipeline of female human resources, as well as to increase the number of career hires who have strong expertise or are knowledgeable about launching new businesses, etc.

[1] Leadership level: Executive officers and division/organization heads, or similar key positions

[2] Diversity focused on gender, nationality, and affiliation

## Human Resource Management

## Percentage of women at the leadership level

	End of June, 2022	End of June, 2023	FY2025 Target	FY2030 Target
Diversity ratio <sup>[3]</sup>	16 %	17 %	25 %	30 %

[3] Percentage of those at the leadership level who have at least one diversity factor

## Career hires as a percentage of annual hires (Ajinomoto Co., Inc.)

	FY2019 Result	FY2020 Result	FY2021 Result	FY2022 Result	2023-2024 Forecast
Share of career hires	25%	32%	31%	33%	50%

## Percentage of locally hired overseas executives (persons)

GRI202-2

	FY2019 Result	FY2020 Result	FY2021 Result	FY2022 Result
Total number of overseas executives	177	163	159	162
Number of locally hired overseas executives	73	63	63	63
Ratio of locally hired overseas executives	41%	39%	40%	39%

## Percentage of female directors (Ajinomoto Co., Inc. only)

	End of June, 2020	End of June, 2021	End of June, 2022	End of June, 2023S	FY2030 Target
Percentage of female directors	22%	27%	36%	27%	30%

## Percentage of female line managers (Ajinomoto Co., Inc. only)

	FY2019 Result	FY2020 Result	FY2021 Result	FY2022 Result	FY2030 Target
Percentage of female line managers	9%	11%	11%	11%	30%

## Percentage of female managers

	FY2019	FY2020	FY2021	FY2022	FY2030 Target
Group total	24%	26%	27%	27%	40%
Japan	10%	11%	11%	12%	-
Asia	37%	37%	38%	38%	-
EMEA	32%	34%	33%	36%	-
Americas	31%	34%	35%	35%	-
Ajinomoto Co., Inc. <sup>[1]</sup>	10% (11%)	11% (12%)	12% (12%)	13% (15%)	30%

[1] Percentage of female managers in junior positions in parentheses

## Human Resource Management

## Diversity, equity, and inclusion promotion framework

### Framework

Ajinomoto Co., Inc. has established a Human Resources Committee chaired by the CEO and human resources meetings at the three divisions in Ajinomoto Co., Inc. and regional headquarters, chaired by the general managers of each of these respective organizations. At this committee and these meetings, members formulate plans to promote diverse human resources from a medium- to long-term perspective, and examine and implement specific support for their career development. In terms of career support for women, the Company is a core member of the 30% Club<sup>[2]</sup> Japan, implementing cooperative measures between companies. The DE&I Promotion Team, established within the HR Dept. along with the director in charge of diversity and HR, plays a central role in the planning and operations of cross-organizational activities in cooperation with contact points of each major division and Group company. This is so that each and every employee can fulfill his or her potential in his or her own way.

- Create an organizational culture: Plan and hold unconscious bias training and DE&I lunch seminars throughout the company, provide DE&I e-learning courses, conduct anti-harassment training, and active internal and external communications.
- Diverse human resources: Create sexual minority support systems and policies (establish a dedicated consultation desk and training for staff in charge at Group companies in Japan), provide comfortable work environments for persons with disabilities (e.g., provide professional life counselors for persons with disabilities at relevant business sites; create guidebooks for persons with disabilities and departments in which such individuals work; mentor program to improve employee engagement

at special-purpose subsidiary Ajinomoto Mirai Co., Ltd.), and encouraging mid-career hiring based on the 2030 Roadmap for employment and job satisfaction of persons with disabilities

- Establish an environment linking careers: Dokodemo Career (e.g., systems enabling continuation of current work if they move for the benefit of their partner's career), Work-Life Balance leave (leave for partner's transfer, leave for infertility treatment), establish on-premises daycare centers and nursing rooms

[1] A global campaign established by corporate leaders, etc., in the UK in 2010 to increase the percentage of women in key decision-making organizations of companies, including among corporate boards of directors

Note that the following initiatives have been newly underway at affiliates in Japan since fiscal 2022.

- Ajinomoto Communications Co., Inc.: Training for managers and general staff on understanding people with disabilities (from FY2021), visits to special needs schools, and support for retention
- Ajinomoto Healthy Supply Co., Inc.: Lectures and discussions by external lecturers to understand and instill DE&I, and introduction of a program to cultivate women leaders

## Diversity, equity, and inclusion promotion performance

### Performance

Ajinomoto Co., Inc. launched AjiPanna Academy in fiscal 2020 as a measure to support female human resources development, which provides opportunities and helps employees think independently about their careers. The support for multifaceted growth through career workshops, business skills training, and mentor programs has contributed to a growth mindset amongst female human resources, and a willingness of supervisors, organizational

heads, and officers to develop female human resources.

Fiscal 2022 participation in various DE&I programs was as follows.

- Career workshops with superiors: Attended by 52 female employees in non-management positions at Ajinomoto Co., Inc. and some Group companies and their superiors, with a total of 98 participants. (Female employee satisfaction: 98%, superior satisfaction: 94%).
- Semi-yearly business skills training for career female employees: Attended by 22 female employees from Ajinomoto Co., Inc. and other Group companies. (Satisfaction with curriculum overall: 95%)
- Mentoring program by organization managers and executives for women in management positions at Ajinomoto Co., Inc.: 23 participants (100% satisfaction rate)
- DE&I Lunch Seminars (including some Group companies in Japan): Held twice on the themes of LGBT, SOGI (sexual orientation and gender identity), and balancing work and nursing care, with approximately 240 participants.
- Used internal PR tools to disseminate messages from four managers of organizations that encourage male employees to utilize the childcare leave system and case studies of seven employees who have utilized the system.
- Training for vocational consultants working with employees who have disabilities: Attended by 100% of 12 eligible employees.
- Awarded as a Nadeshiko Brand in 2022 as a listed company that excels in women's empowerment.
- Awarded the Gold Rating in the PRIDE Index for 2022 for efforts to support sexual minorities in the workplace.

## Initiatives to Accelerate Challenge

We believe that it is essential for mutual growth of both the organization and individual that the Group's diverse human resources maximize their abilities and take on challenges autonomously to achieve our purpose. With this in mind, we

## Human Resource Management

are promoting the following initiatives.

- Self-nomination transfers and participation in cross-divisional projects: From fiscal 2022, Ajinomoto Co., Inc. has begun full-fledged transfers through internal open recruitment. We are promoting the cultivation of a culture where employees feel they can volunteer for assignments while also taking into account business conditions and other factors
- Network-based work style: Based on trust and resonance with our vision and purpose, we are providing opportunities to flexibly collaborate and create value through contributions leveraging each employee's qualifications and expertise. (Examples: Preparation of nutrition literacy education content, support employee's career development as a career advisors, collaborative projects with about 40 industry, government, and academia organizations in Thailand)
- Support for self-directed career development: Dispatching employees to business partners, external research institutions, MBA programs, or professional graduate schools, etc. (e.g., Hitotsubashi University, International University of Japan, Stanford University etc.)
- A-STARTERS (project for creating new businesses): In this project, we hold open recruitment and selection for employees of Ajinomoto Co., Inc. and major Group companies in Japan who want to launch new businesses, promoting commercialization of new business plans. It was launched in 2020, and ideas selected in the project are considered for commercialization. (The total number of applicants for each year is as follows)

### Number of A-STARTERS Applicants

	FY2020	FY2021	FY2022
No. of applicant teams	133	47	51

- Revision of the personnel system for non-management employees: In April 2023, we revised the personnel system for non-management employees with the aim of creating diverse careers that develop each employee's strengths and expertise, and encouraging employees to take on challenges by setting goals that accelerate growth. In addition to promoting steady growth based on the existing job qualification system, the revised personnel system will be able to evaluate the ability of employees to demonstrate their competence as experts in specific fields by adopting some of the concepts of the job grading system (hybrid grading). In addition, we have established a personnel system that enables us to appropriately evaluate human resources who take on challenges with a high degree of specialization and difficulty.

### Initiatives for well-being

#### Approach

GRI403-3, GRI403-6

The Ajinomoto Group believes that the well-being of our employees is the foundation of its human assets. To enhance the job satisfaction of Group employees and to help them and their respective companies grow together, the Group supports the promotion of their mental and physical health, and works to foster well-being in the finance asset and career development.

- Health and productivity management: The Group promotes health management with the Director, Executive Officer & Senior Vice President as the health promotion manager. In 2018, we established the Ajinomoto Group Health Declaration and are working to create a workplace environment that maintains and promotes employee health in line with the circumstances of each corporate entity in each country. We believe that the health of our employees and their families is one of the most important elements of our management foundation, and with that

we aim to foster a state of health well-being, where, while companies support improving the health of employees and their families, employees themselves have a high level of awareness and knowledge of health and practice self-care to maintain their physical and mental health. At Ajinomoto Co., Inc., health policies are centered on the concept of self-care, where employees themselves eat nutritionally well-balanced meals, conduct moderate exercise, and get good sleep. This self-care is supported by a partnership between the Company's Wellness Promotion Center, which has eight occupational physicians and 15 health staff members, the HR departments, and the Ajinomoto Health Insurance Society.

- Interviews with all employees by industrial physicians and medical staff

Ajinomoto Co., Inc. provides support necessary for every employee through individual health consultations. Every employee working in Japan is given a 30-minute interview by industrial physician or medical staff at the Wellness Promotion Center at least once per year. Based on medical checkups and stress assessment results, employees receive individual health guidance that is respectful of each person's values and lifestyles, while also ensuring any latent physical or mental health problems are addressed. Guidance and advice services are also available for employees who work long hours or who are stationed overseas.

- Self-care support measures

Ajinomoto Co., Inc. supports employee self-care through events that award points to employees depending on the degree of improvement in regular medical checkup test values. In addition, as part of the workplace nutrition improvement, the Company's cafeterias in five locations in Japan offer My Health Lunch, low-sodium options based on the concept of eating well and improving health. In addition, employees can check the results of their own

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health checkups, work data, and lifestyle data at any time in chronological order on My Health, a personal health management website.

- **Mental Health Recovery Program**

Ajinomoto Co., Inc. operates an independent Mental Health Recovery Program. Every month while taking temporary health leave and after returning to work, employees on this program receive ongoing support through interviews with industrial physicians and medical staff to assess their personal values and sources of fulfillment, learning to enjoy work by dealing with stress. As part of this program, employees set goals based on the stage of their symptoms.

- **Named a Certified Health & Productivity Management Organization (Large Enterprise, White 500) for the seventh consecutive year**

Ajinomoto Co., Inc. has, for the seventh consecutive year, been recognized by the Ministry of Economy, Trade and Industry as a White 500 organization for 2023, which recognizes the top 500 large enterprises in terms of outstanding health and productivity management. In 2023, Ajinomoto AGF, Inc. was also certified as a White 500 organization for the first time.

- **Ajinomoto Group employee awareness of health management**

In the fiscal 2022 Engagement Survey, group employee favorability score for Health Management<sup>[1]</sup> was 82%.

[1] The percentage of group employees who responded that the company provides an environment and engages in measures to maintain and promote health in consideration of employee mental and physical health

### Employee score for health management

FY2019 Result	FY2020 Result	FY2021 Result	FY2022 Result
79%	81%	83%	82%

- Systems supporting diverse and flexible work styles that lead to job satisfaction
- Introduced the Anywhere Career system allowing employees to link careers with fully remote work without having to stop their careers due to moving for the benefit of their partner's career or nursing care for a partner in Japan or overseas. (2022)
- Introduced the Anywhere Office system allowing telecommuting for employees anywhere, anytime as long as security measures are in place and they are where they can concentrate on their work. Since fiscal 2020 and the COVID-19 pandemic, we have further encouraged hybrid work and eliminated restrictions on the number of telecommuting days.
- Introduced the Super Flex flextime system with no core hours, by-the-hour paid leave, and telecommuting system. (2014)
- Childcare leave system that leads to job satisfaction  
Taking advantage of legal revisions in 2022, we have drastically revised the system and its operation, including

granting 20 days of paid childcare leave, approval for taking childcare leave in installments, and simplification of application procedures, in order to facilitate more flexible use of childcare leave versus the previous male childcare leave system. As a result, in fiscal 2022, 91% of male employees took childcare leave, the average number of days taken was 14.3 days, and about half of employees took 10 days or more. Going forward, we will maintain our aim to foster a culture of mutual support and assistance not only in important life events such as childbirth and childcare, but also in nursing care and others.

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> External Evaluation (2022 Nadeshiko, Pride Index Gold Rank)

- **Remuneration and financial asset building**  
The Ajinomoto Group is striving to improve employee financial well-being, including remuneration, in line with the development of their respective companies throughout the Group.

### Annual compensation by job title, gender (Ajinomoto Co., Inc. only; as of April 2023)<sup>[1]</sup>

GRI2-21, GRI405-2

Job title	Avg. compensation, women (A)	Avg. compensation, men (B)	Ratio (A/B)
Executive (Base salary only)	22,560,000	22,560,000	1
Management (Base salary only)	7,450,556	7,892,759	0.944
Management (Base salary+ bonuses and other cash incentives)	13,533,712	14,454,808	0.936
Non-management	7,319,069	8,620,015	0.849

[1] Under our unified personnel system, men and women are paid the same wages for the same job level.

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Through our Stock Ownership Association (with participation by 20 companies in total, including Ajinomoto Co., Inc. and Group companies in Japan, with 8,500 qualified members), we have taken actions to encourage association membership with the aim of increasing employee awareness of participation in the corporate value improvement cycle from a medium-term perspective and autonomous financial asset building. The membership rate among eligible employees has increased to 71% (as of May 31, 2023). Ajinomoto Co., Inc. also holds regular online financial literacy seminars on topics such as stock ownership plans, corporate pension funds, DC plans, NISA, and inheritance, in order to raise employee financial literacy to help them build financial assets. As a result of providing programs throughout the year in cooperation with outside experts and based on our own systems and policies, a total of approximately 2,800 employees participated in seminars in fiscal 2022. Employees attending the seminar are offered the opportunity to have a free individual consultation with a financial planner if they so desire.

- Human rights awareness and education for employees

GRI412-2

The Ajinomoto Group conducts human rights awareness and education activities within each Group company to encourage employee understanding of the Ajinomoto Group Policies (AGP) which prohibits any form of discrimination or harassment. In so doing, we nurture individuals who have a strong sense of human rights.

In Japan, we hold worksite meetings on the AGP annually to help employees, including part-time and temporary workers, identify and resolve issues in the workplace. The AGP questionnaire includes topics focused on discrimination and harassment to aid in identifying and preventing harassment.

The Ajinomoto Group established a hotline as an anonymous internal reporting system that enables officers

and employees, including part-time and temporary workers, to make reports or seek advice by phone, e-mail, fax, letter, or other means (phone support is available in Japanese and English, while web support is available in 22 languages).

Main programs in fiscal 2022

- Harassment training for new hires: Attended by 100% of 43 eligible employees.
- Training by job title: Attended by 93% of 284 eligible employees.
- Training for harassment and sexual orientation/gender identity consultation desk personnel: Attended by 100% of 54 eligible personnel.

### Labor-management relations

GRI2-30, GRI404-4

All non-management employees of Ajinomoto Co., Inc. are members of the labor union (60% of all employees). Labor agreements require the company to notify employees and their representatives before making any major changes that impact employees (minimum prior notice requirements are confidential and therefore not disclosed).

Labor agreements also stipulate various requirements concerning safety and health, education and training, and medical checkups. Both management and employees work together to improve workplace safety, health standards, and motivation. In addition, with the aim of eliminating work-related accidents, a monthly safety and health committee meeting is held at each workplace, consisting of approximately half managers and half non-managers. The purpose of this meeting is to mutually confirm health and safety activities and working conditions, and to share information on legal revisions.

## Relationships with Local Communities

# Contribution to community development

## Approach

GRI3-3

The Ajinomoto Group works to resolve social issues in local communities through our businesses. At the same time, we engage and collaborate with society, offering appropriate donations and support activities as we contribute to community development. This commitment is clearly defined in the text of our Group Shared Policy on Local Community Enhancement.

> [Group Shared Policy on Local Community Enhancement](#)

## Activities for regional development

## Performance

Major activities conducted by the Ajinomoto Group during fiscal 2022 for regional development were as follows.

- Ajinomoto Co., Inc. aims to achieve carbon neutrality in the industrial district of Kawasaki City, home to our Kawasaki Plant. Kawasaki City, together with other supporting companies, has agreed to participate in this global project and is using the initiative to disseminate information internationally and to collaborate with other industrial clusters, contributing to making the Kawasaki waterfront area and the greater Tokyo metropolitan area carbon neutral.
- Ajinomoto Istanbul Food Industry and Trade Ltd. visited evacuation centers with a food truck to provide hot soup, salad, pita bread, supporting the areas affected by the February 6, 2023 earthquake in Turkey. The Ajinomoto Group donated 10 million yen to the WFP United Nations World Food Programme, while Ajinomoto Istanbul Food Industry and Trade Ltd. donated

approximately 750,000 servings of soup (equivalent to 413,000 Turkish lira) to the Turkish Red Crescent and 13 other organizations.

- AJINOMOTO DO BRASIL INDÚSTRIA E COMÉRCIO DE ALIMENTOS LTDA. continues to support people and communities facing challenges from COVID-19. In fiscal 2022, we supported hospitals and communities through Ajinomoto Institute in Brazil in cities where our plants and headquarters are located. We donated 15,000 baskets of essential food, worth US\$183,000 to support the people of São Paulo, Limeira, Pederneiras, and Valparaiso.
- Ajinomoto Co. (Thailand) Ltd. donated drinking water, instant noodles, and Birdy® canned coffee to support flood victims in various parts of the country in fiscal 2022. In September 2022, Ajinomoto Co. (Thailand) Ltd. donated Yum Yum® Instant Noodles worth 6,000 baht to flood-affected areas in central Thailand. In October 2022, the company donated 4,800 bottles of drinking water and 100 boxes of Yum Yum® Jumbo to the flood-affected areas near our Ayutthaya plant. The company also donated YumYum® Instant Noodles and Birdy® canned coffee to disaster-affected areas in central Thailand.

## Foundation activities

## Performance

The Ajinomoto Group supports needs-based activities in food and nutrition through foundations established in three countries.

Country	Foundation	URL
Japan	The Ajinomoto Foundation	<a href="http://www.theajinomotofoundation.org">http://www.theajinomotofoundation.org</a>
	Ajinomoto Foundation for Dietary Culture	<a href="https://www.syokubunka.or.jp/english/">https://www.syokubunka.or.jp/english/</a>
	Ajinomoto Scholarship Foundation	<a href="https://ajischolarship.com">https://ajischolarship.com</a>
Thailand	Ajinomoto Foundation	<a href="https://ajinomotofoundation.or.th">https://ajinomotofoundation.or.th</a> (English and Thai only)
Brazil	Instituto Ajinomoto	<a href="https://www.ajinomoto.com.br/instituto-ajinomoto/">https://www.ajinomoto.com.br/instituto-ajinomoto/</a> (Portuguese only)



# Governance

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<b>Compliance</b>	<b>P121</b>
<b>Occupational Safety and Health</b>	<b>P125</b>
<b>Information Security and Personal Information Management</b>	<b>P128</b>
<b>Proper Use and Management of Intellectual Property</b>	<b>P130</b>



# Risk management

## Framework

GRI3-3

The Ajinomoto Group complies with the Ajinomoto Group Policies (AGP), which outlines the concepts and actions to be observed by each Group company, officers, and employees. We continue to improve internal control systems and control operations. At the same time, we strengthen systems, treating sustainability as an active risk and striving to enhance corporate value. The board determines important issues (Materiality) related to sustainability that serve as guidelines for ASV management and supervises the execution of initiatives related to sustainability. The Executive Committee selects and extracts risks and opportunities at the Companywide management level, and assesses the degree of impact, formulates measures, and manages progress.

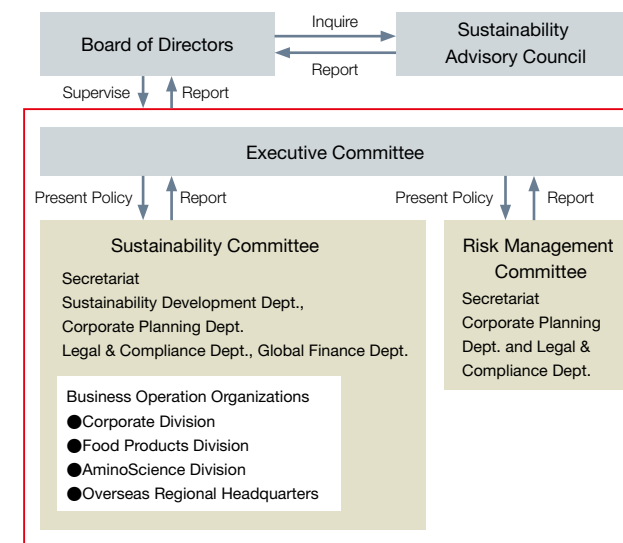
Under the Group Shared Policy on Risk Management, we engage in a risk management process centered on effective communications and an autonomous PDCA cycle. We determine activity guidelines to strengthen our capacity to respond to major risks, and pursue autonomous risk management within every organization.

The Sustainability Advisory Council second phase continues work that began in April 2023 to enhance the Ajinomoto Group corporate value from the viewpoint of sustainability. The Sustainability Advisory Council second phase consists of four external experts, primarily investors and financial market specialists, and is chaired by an external expert. After receiving consultation from the Board of Directors, the council investigates the implementation of materiality, disclosure and dialogue on its progress, and building relationships with stakeholders through these activities, in the interest of stronger monitoring of the Board of Directors, and issue a report in response to the Board

of Directors. The Sustainability Advisory Council second phase meets at least once a year and report the results of its deliberations to the Board of Directors. Organized under the Executive Committee, the Sustainability Committee formulates sustainability measures, proposes said measures to the Executive Committee, and manages progress to promote sustainability management in accordance with materialities. In addition, the Sustainability Committee formulates risk countermeasures for Companywide management issues and manages progress. The committee also formulates the entire Ajinomoto Group's sustainability strategy, promotes action themes (nutrition, environment, and society) based on this strategy, makes proposals and provides support for business plans from a sustainability viewpoint, and compiles internal information on ESG.

The Risk Management Committee, established in parallel with the Sustainability Committee as a subordinate body to the Executive Committee, identifies risks such as pandemics, geopolitical risks, information security risks, etc., that call for initiative by management, assesses the impact of said risks on the Ajinomoto Group, and formulates countermeasures. If it is determined that identified risks can be more effectively handled by the Sustainability Committee, the Risk Management Committee will delegate these matters to and otherwise work closely with the Sustainability Committee.

> ASV Report 2023 (Integrated Report) P089  
> P016



## Risk management processes

### Framework

GRI3-3

Each organization sets organizational goals every year and prepares a risk summary table. These risk summary tables organize processes from planning to review based on each organization's risk assessment. We use these tables to verify whether risk management is implemented in a reliable fashion. The rate of risk summary table (fiscal 2022 review and fiscal 2023 plans) collection was 100% at Ajinomoto Co., Inc. and 96% for the Group companies. These results show how well autonomous risk management is entrenched at each organization.

# Compliance

## Approach

The Ajinomoto Group treats compliance as adhering to laws, regulations, and the Ajinomoto Group Policies (AGP), as well as meeting the social demands that underpin these. Here, we work to build an awareness of compliance and to cultivate an open corporate culture.

## Compliance framework

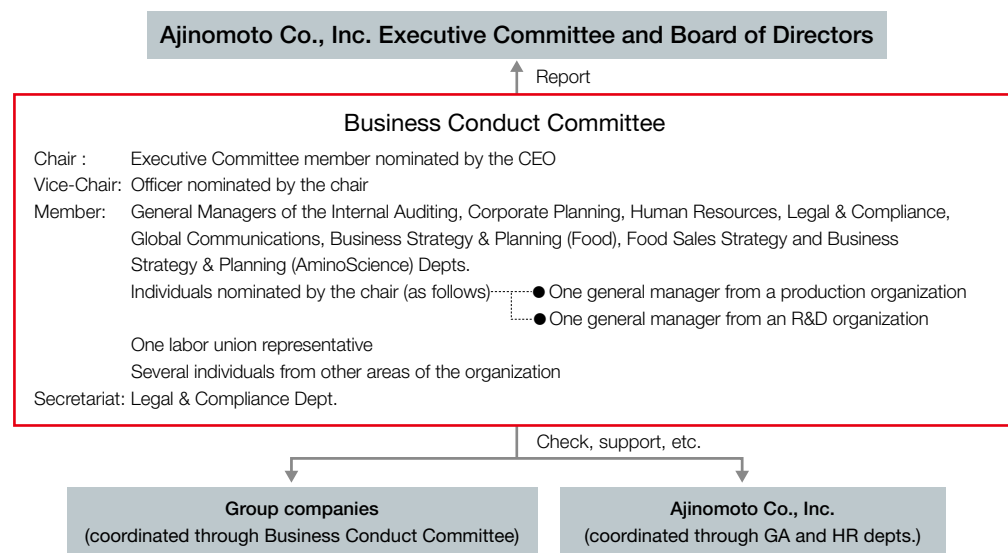
### Framework

GRI3-3, GRI205-2

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[> Ajinomoto Group Policies \(AGP\)](#)



## Raising awareness of compliance

### Performance

GRI2-24, GRI3-3, GRI205-2

### Education for employees

The following activities were part of our fiscal 2022 efforts to raise awareness and understanding of AGP and our internal whistle-blowing system.

- Compliance training  
E-learning for Group employees in Japan to study the entirety of AGP throughout the year (conducted every other year): Available to 8,461 employees in fiscal 2022, 7,153 of whom participated (85%).  
Group training by department for managers of Group companies in Japan, focused on the case method: held remotely for research, production, corporate, and sales and marketing departments.
- Awareness-raising posters (produced in 22 languages)
- Flashing message displayed on screen every time an employee starts their PC

### Worksite AGP meetings

Members of the Business Conduct Committee at Ajinomoto Co., Inc. hold worksite AGP meetings, soliciting direct feedback from employee representatives at each workplace about issues concerning compliance in the workplace. During fiscal 2022, 29 meetings were held (26 for full-time employees; 3 for part-time), attended by 254 individuals. Summaries of AGP worksite meeting discussions are provided to organizational heads, each worksite, and posted on the corporate intranet to share with all employees. Any compliance issues raised that warrant corporate-level attention are discussed at the Business Conduct Committee. Decisions by the committee are then incorporated into AGP communication policies and compliance promotion activities.

## Compliance

## AGP awareness survey

Each year, we ask all Group employees in Japan to respond to an AGP awareness questionnaire. The goal of this survey is to monitor awareness and understanding of AGP and identify any potential compliance issues. Of 13,144 employees, a total of 11,383 (87%) responded to the fiscal 2022 survey. We coordinated with individual worksites to resolve any compliance issues that emerged.

## Bolstering our internal reporting hotline (whistle-blowing)

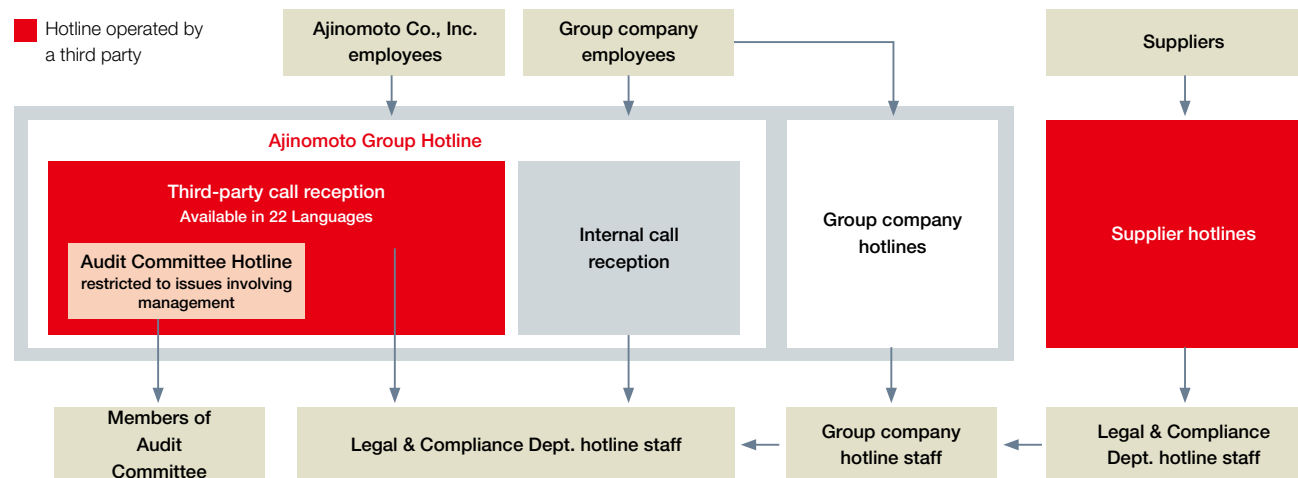
## Performance

GRI2-16, GRI2-24, GRI2-25, GRI2-26  
GRI3-3, GRI205-2, GRI406-1

The Ajinomoto Group established a hotline as part of an internal reporting (whistle-blowing) system. In April 2023, we consolidated the global and domestic desks of the Ajinomoto Group Hotline, managed and operated by the Ajinomoto Co., Inc. Business Conduct Committee. The hotline now accepts reports in 22 languages from anywhere in the world, including reports from employees of various nationalities in Japan. The Audit Committee Hotline is used to report matters involving executives of Group companies. This hotline also now accepts reports in 22 different languages. All domestic group companies have established systems and regulations that comply with the revised Whistleblower Protection Act, which became effective in June 2022. In fiscal 2022, the number of cases reported through the domestic hotline decreased year on year to 93, while the number of cases reported to the group-wide (global) hotline increased 25% to 470. The cases reported are resolved through discussions between hotline staff and the relevant parties.

> [Group Shared Policy on Whistle-blowing](#)  
> [Personnel and Labor-Related Data](#)

## Internal reporting (whistle-blowing) channels



## Number of hotline reports\*

	FY2018	FY2019	FY2020	FY2021			FY2022		
				Japan	Overseas	Total	Japan	Overseas	Total
Human rights, harassment	47	45	50	36	5	41	38	19	57
Employment, working conditions	21	19	36	26	34	60	14	66	80
Quality, environment, safety	1	1	3	7	2	9	6	14	20
Fraud	1	4	3	9	4	13	2	6	8
Social manners, ethics	6	10	29	22	97	119	8	54	62
Proper job performance	20	8	45	19	2	21	16	5	21
Other	2	6	4	8	107	115	9	213	222
Total	98	93	170	127	251	378	93	377	470

\* Figures for overseas subsidiaries have been calculated since FY2021

## Compliance

## Preventing corruption

GRI2-24, GRI3-3, GRI205-2

## Basic policy

## Approach

AGP requires employees to maintain sound and healthy relationships with politicians, government officials, and the like in Japan and overseas. AGP also states that giving favors to such public officials in the form of gifts, entertainment, money, or other bribery in any manner is prohibited. The Group Shared Policy on Bribery Prevention includes the following rules, which require officers and employees of group companies to comply with this policy and the related bribery prohibition laws of each country and region.

- Prohibit facilitation payments to public officials, etc.
- Investigate and evaluate the appropriateness of using a third party for outsourcing or other work involving public officials
- Maintain accounting books and records for all company transactions in reasonable detail
- Confirm the appropriate treatment of expenses related to public officials, etc.
- Monitor compliance and conduct under this policy via audits

> [Group Shared Policy on Bribery Prevention](#)

## Education for employees

## Performance

Major education and training programs conducted during fiscal 2022 were as follows.

- E-learning for Group employees described above in Japan to study the entirety of AGP throughout the year (including bribery issues).

## Transparent and fair business practices

GRI2-24, GRI3-3, GRI205-2

## Basic policy

## Approach

AGP requires that officers and employees fully understand and comply with laws and regulations concerning competition in all countries and regions in which we operate. In this way, the Ajinomoto Group strive to ensure fair and transparent business transactions. We have also established Guidelines for Antitrust Laws (Japan), Guidelines for Antitrust Laws in the United States, and Guidelines for Competition Laws in Europe. We ask that our business partners understand the purposes behind the Group Shared Policy on Procurement, the Group Shared Policy for Suppliers, and other related guidelines. We also ask business partners to refrain from behavior that hinders fair, transparent and open competition.

- > [Group Shared Policy on Procurement](#)
- > [Guidelines for Group Shared Policy for Suppliers](#)

## Appropriate competitive behavior

GRI3-3, GRI207-1, GRI207-2, GRI207-3

## Global tax strategy

## Approach

The Ajinomoto Group established the Group Shared Policy on Global Tax as a part of our global tax management. This shared policy encourages conducting business in compliance with the tax laws of their respective countries as we work to minimize tax risks. As part of these efforts, we take measures to ensure proper tax payments, refusing to engage in tax avoidance through organizations that have no business purpose or actual business conditions, or by utilizing profit transfers to low-tax jurisdictions (so-called tax havens). At the same time, we take actions rigorously to limit additional taxes caused by missed or delayed payments. We also leverage the benefits of each country's tax system to the greatest extent possible during M&A and organizational restructuring, stabilizing the Group's effective tax rate.

Excessive tax-shielding and the sole pursuit of economic value can lead to a perception in society that a company does not pay taxes properly and does not create social value. By returning a portion of the profits created through our businesses to local communities through tax payments, we are mindful of the symbiotic cycle in our Group initiatives, leading to the generation of social value. We will maintain sound and healthy relationships with tax authorities and will not provide unfair advantages.

The Executive Officer in Charge of Finance at Ajinomoto Co., Inc. is responsible for developing and maintaining a governance system of tax compliance and tax risk management for the Ajinomoto Group, and reports the status of governance based on this Group Policy to the Board of Directors.

In April 2023, we revised the Group Shared Policy on Global Tax, posting the revised policy on our website to communicate the Group's tax strategy more clearly.

## Compliance

> [Group Shared Policy on Global Tax](#)

## Consolidated tax payments

(million yen)

FY2017	FY2018	FY2019	FY2020	FY2021
19,379	29,156	21,654	23,909	25,291

\* We post tax payment data by major country separately on our corporate website.

## Performance

> [Tax payment data](#)

# Occupational safety and health

## Occupational safety and health management system

Framework / Performance

GRI3-3, GRI403-1

The Ajinomoto Group Board of Directors oversees the execution of occupational health and safety management through reports from the Executive Committee. The Executive Committee established the Occupational Safety and Health Committee as a subordinate organization to determine important policies, develops plans, and conducts reviews of activities related to occupational safety and health. Subject matters decided and deliberated by the committee shall be reported to the Executive Committee. To foster an understanding of the Group Shared Policy on Occupational Safety and Health, we created the

Occupational Safety and Health Management Guide and Standards and encourage Group companies to spread awareness of and use these guidelines.

In addition, we established the Safety & Disaster Prevention Promotion Headquarters to drive and support measures related to occupational accidents and disaster prevention.

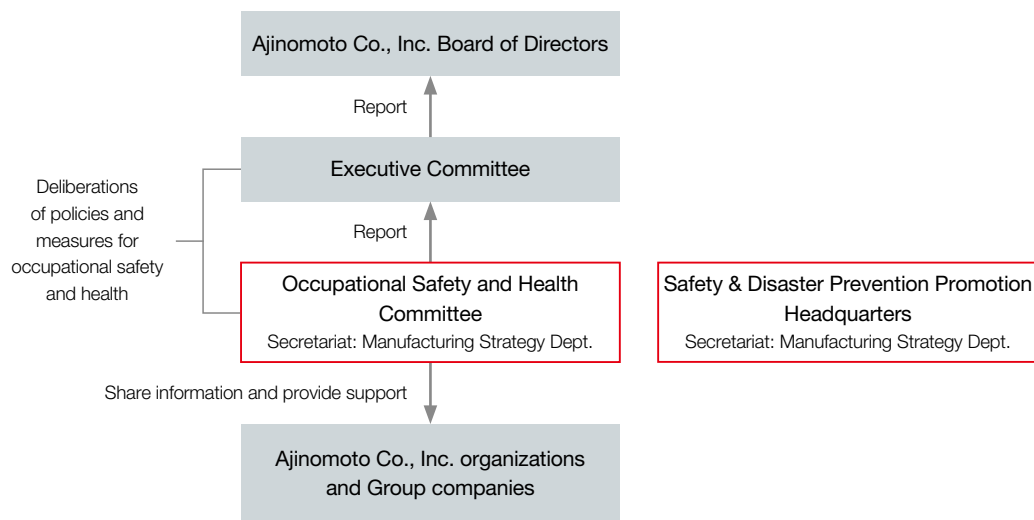
If an accident, disaster, or other emergency has occurred or may occur, that threatens Group occupational safety and health, this headquarters assesses the situation, makes recommendations, and provides guidance. The headquarters also reports to company executives and relevant departments.

> [Group Shared Policy on Occupational Safety and Health](#)

## Status of ISO 45001 certification

The Ajinomoto Group aims to obtain ISO 45001 certification at all production, and is pursuing the establishment of an ISO-compliant management system.

As of March 2023, 66 of the 100 plants in the Ajinomoto Group have obtained ISO 45001 certification. One plant has obtained other third-party certifications. We continue to pursue certifications by fiscal 2025 for those plants that have not yet done so.



## Occupational Safety and Health

## Safety and health assessments, audits, and inspections

GRI3-3, GRI403-2, GRI403-3, GRI403-7

The Ajinomoto Group generally conducts the Occupational Safety and Health Assessments at the start of new product manufacturing. This is one means to prevent occupational accidents. In addition, we conduct internal audits based on the occupational safety and health management system at each company and business site to prevent accidents, disasters or violations of the law.

Measures	Description	FY2022 Result
Occupational safety and health assessments	Generally conducted at the start of new product manufacturing, when expanding production capacity or changing manufacturing processes, developing new substances, and during the planning stages of constructing or demolishing buildings, structures and equipment.	39 assessments
Occupational safety and health audits and inspections	Internal audits are implemented for each company and business site. In the event of a serious accident or disaster within the Group, Ajinomoto Co., Inc. conducts an onsite emergency Occupation Safety and Health Audit to investigate causes, determine corrective measures, and prevent recurrence.	Conducted one occupational safety and health audit and two safety inspections in Japan
Equipment inspections for safe and stable production	Regular maintenance and legal inspections are conducted at factories. For factories that operate 24 hours a day, we suspend all production periodically to allow employees and specialists time to conduct legally mandated inspections.	Conducted at each business site
Occupational accident prevention at designated worksites	Any sites considered a high risk by the chief of the Safety & Disaster Prevention Promotion Headquarters (frequent occupational accidents or disasters, inadequate management, etc.) are designated as Special Safety Management Requested Site and given guidance for safety improvement.	No designated worksites during FY2022

## Occupational safety and health activities

Performance

GRI403-2, GRI403-3, GRI403-4, GRI403-7

## Identify sources of occupational hazards and form action plans

Sources of occupational hazards	Risk assessment	Action plans
Machines in operation	Caught in or trapped between machinery	<ul style="list-style-type: none"> <li>Share cases of serious accidents that have occurred within the Group; issue notices for the prevention of similar accidents</li> <li>Identify worksites with difficulties to pursue both safety and efficiency at each office and factory</li> <li>Consolidate safety measures within the Group and share information said measures (lateral expansion)</li> <li>Request a comprehensive safety measures inspection of operating machinery</li> </ul>
Uneven road/ floor surfaces	Fall accidents	<ul style="list-style-type: none"> <li>Implement sort and set in order consistently in the surrounding area (secure aisles, do not place or leave objects in aisles or vicinity, do not leave leaks or spills)</li> <li>Ensure safety in the surrounding area (conduct maintenance for steps and unevenness on paths or floors, secure aisles and work spaces)</li> <li>Gain wider adoption of Ajinomoto Group Falling over Prevention Exercise Program and ensure pre-work stretching exercises, etc.</li> </ul>

## Major accidents and incidents

GRI2-4, GRI403-9, GRI403-10

		FY2018	FY2019	FY2020	FY2021	FY2022
Number of serious accidents <sup>[1]</sup> (persons, fatal accidents in parentheses)	Japan	9(0)	6(0)	8(0)	3(0)	6(0)
	Overseas	7(0)	15(1)	15(1)	9(0)	10(0)
	Total	16(0)	21(1) <sup>[2]</sup>	23(1)	12(0)	16(0)
Number of falling over accidents (persons, serious accidents in parentheses)	Japan	13(4)	5(1)	6(1)	13(0)	7(3)
	Overseas	14(0)	12(3)	16(1)	11(1)	13(1)
	Total	27(4)	17(4)	22(2)	24(1)	20(4)
Number of caught-in accidents etc. by machines in operations (persons, serious accidents in parentheses)	Japan	1(1)	1(0)	3(3)	0(0)	1(0)
	Overseas	13(3)	6(3)	12(3)	11(7)	11(3)
	Total	14(4)	7(3)	15(6)	11(7)	12(3)

[1] Serious accidents: Fatal accidents, accidents resulting in physical disabilities, or accidents involving hospitalization and resulting in four or more days of lost time (does not include commuting accidents, which are not included in the Ministry of Health, Labour and Welfare survey on occupational accident trends)

[2] Correction has been made as a result of a review of totals.

## Occupational Safety and Health

The number of serious accidents in fiscal 2022 was 16 (12 in the previous year and 23 two years ago), and 135 out of 148 sites achieved the goal of zero serious accidents.

The number of serious accidents caused by operating machinery decreased to three (seven in the previous year), but the number of serious accidents caused by falls increased to four (one in the previous year). Injuries caused by falls are more common and tend to be more serious among older adults aged 55 and over. We will encourage the Ajinomoto Group Falling over Prevention Exercise Program, which incorporate the expert knowledge of physiotherapists to prevent falls.

To achieve the goal of zero serious accidents in fiscal 2023, we will focus on accidents involving non-regular employees, unskilled workers, and older workers, in addition to accidents caused by falls and operating machinery. We intend to implement various measures, including publicizing information on useful examples and reminders, as well as safety audits at workplaces with a history of frequent accidents.

> [Personnel and Labor-Related Data](#)

### Response to safety and health laws and accidents

GRI2-27, GRI419-1

In fiscal 2022, two corrective action recommendations were issued under the Occupational Safety and Health Act and one violation occurred under the Fire Service Act. In each case, in addition to submitting an improvement report to the authority, we took steps necessary to prevent recurrence.

<b>Ajinomoto Food Manufacturing Co., Ltd. Kawasaki Plant (Violation of the Occupational Safety and Health Act)</b>	Failure to stop the machine to perform work such as cleaning (non-time-loss work accident).
<b>Ajinomoto Food Manufacturing Hokkaido Co., Ltd. Production Department 2 (Violation of the Occupational Safety and Health Act)</b>	Failure to discuss the results of periodic medical examinations and measures against long working hours at the safety and health committee meeting.
<b>GeneDesign, Inc. (Violation of the Fire Service Act)</b>	Failure to obtain a change permit for the relocation and installation of additional detectors for the automatic fire alarm system.

### Employee occupational safety and health education

GRI403-5

The Ajinomoto Group conducts occupational safety and health education tailored to employee job descriptions and tasks. Major education and training programs conducted during fiscal 2022 were as follows.

- Health and safety seminar for managers
- Fall prevention seminar
- Seminar on preventing caught-in accidents involving food processing machinery

### Disaster preparedness

#### Performance

The Ajinomoto Group routinely collects information related to natural disaster forecasts and damage projections. On an ongoing basis, we confirm the safety of our buildings and production facilities, taking appropriate steps and revising training drills as necessary. Each Group company and site implement evacuation and fire-fighting drills. We continue to revise and update organizational structures, communications systems, and manuals.

We also partner with local governments to provide safety for local residents. Several sites are working with governments to determine how to offer safety and food to local residents in the event of a disaster.



# Information security and personal information management

## Basic Policy for Information Security

Approach

GRI3-3

The Ajinomoto Group exercises great care in handling customer information and confidential corporate information. We formulated the Group Shared Policy on Information Security and related group-wide regulations, standards, and guidelines.

> [Group Shared Policy on Information Security](#)

## Information security management framework

Framework

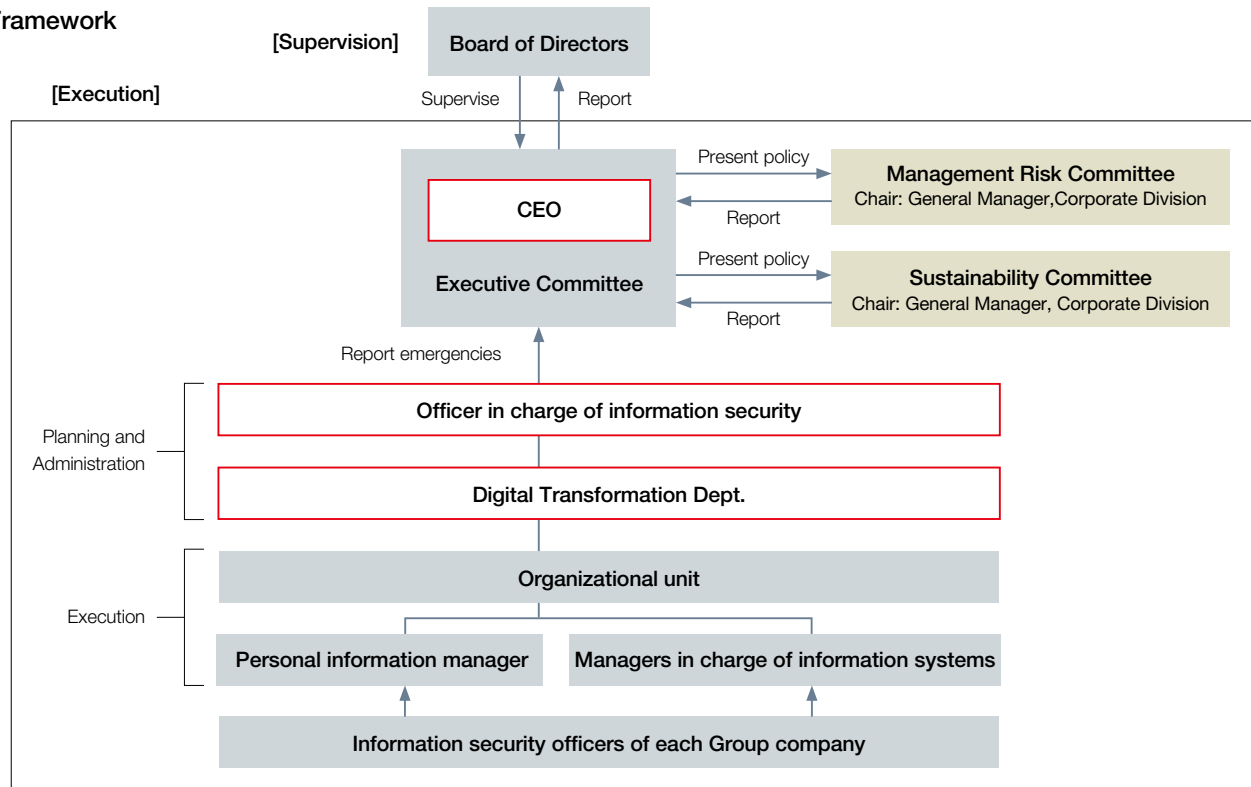
GRI3-3

The Ajinomoto Group regards information security risk as a management risk. Our Board of Directors and the director in charge of information security are involved in the information security strategy development and evaluation process. IT governance is included under corporate governance design, development, policies, and management, one of the seven key management issues discussed by the Board of Directors. In meetings, the Board discusses strategies and measures to strengthen information security.

Further, each organization within Ajinomoto Co., Inc. and Group companies have established frameworks to respond to information security incidents or emergencies appropriately, providing reports that reach up through the organization to the CEO.

> [P120](#)

### Framework



### Rigorous management of personal information

To manage customer data and other personal information securely, the Ajinomoto Group defines clear rules and informs relevant individuals of said rules. In this way, we practice organizational business management. Ajinomoto Co., Inc. has established Personal Information Management Guidelines as a subset of the Information Security Regulations. These guidelines specify rules and procedures for handling personal information securely.

Before outsourcing operations that involve handling personal information, we perform an assessment of the relevant contractor's processes and systems to ensure information security is at the same level as our own internal systems. We have built a system to manage the personal information of customers more strictly when collecting personal information for campaigns, consumer surveys, etc. These rules require the selection of a personal information manager who reports to an organizational manager. These

## Information Security and Personal Information Management

rules also clarify the persons responsible for or in charge of the collection, storage, and deletion of personal information, as well as who is allowed to access or use the collected data.

### Information security initiatives

#### Performance

The threat of cyber-attacks increases every year. This threat requires response measures based on early detection and early recovery. The Ajinomoto Group is implementing a plan to build a Zero Trust Architecture. In fiscal 2022, Ajinomoto Co., Inc. completed the installation of a cloud proxy (cloud authentication system). In addition, we provide ongoing security training for employees.

### Noteworthy information security training during fiscal 2022

- Comprehension test related to information handling guidelines conducted via e-learning for all employees of Ajinomoto Co., Inc.: Attended by 3,369 employees (91%)
- Conducted targeted mail attack training twice during the year for officers and employees of Ajinomoto Co., Inc.

### Ongoing initiatives to prevent the leakage of confidential information

In Japan, the Ajinomoto Group introduced a system to detect fraudulent behavior on standard-use devices automatically in major Group companies and we have been managing this system on a consistent basis.

In addition, we engage an external entity to perform security diagnostics regularly for Group company websites worldwide as another ongoing measure against cyber vulnerabilities.

### Information security inspections

GRI418-1

Ajinomoto Co., Inc. conducts annual information security inspections at all work sites. These inspections focus on the basic elements of proper information handling, including the management of IT equipment, confidential information, and personal information. We also conduct annual reviews concerning the use and management of external cloud services.

In fiscal 2022, the Group experienced no substantiated complaints received concerning breaches of customer privacy, identified leaks, thefts, or losses of customer data.

# Proper use and management of intellectual property

## Basic policy for intellectual property

### Approach

GRI3-3

The Ajinomoto Group established the Group Shared Policy on Intellectual Property, which pursues the following initiatives to establish competitive advantage, generate profit, and grow globally.

1. Acquire intellectual properties strategically and efficiently, including the expertise behind the technologies that form the core of our businesses
2. Incorporate external technologies and engage in cooperation, including open innovation
3. Use and enforce the patents to the Group's proprietary technologies through licensing, litigation, and other means
4. Protect products and enhance brand value through trademarks and other means
5. Minimize the risk of infringement by respecting third-party IP rights and conducting thorough assessments
6. Provide survey and analytical data to the Group's business and R&D departments
7. Cultivate human resources capable of IP-related tasks and utilize both internal and external networks

The Ajinomoto Group takes a firm stance toward companies that infringe on our IP rights and we protect these rights through warnings and filing infringement lawsuits, among other actions. The information systems department and IP department plan and execute defensive measures to protect trade secrets. In collaboration with the internal auditing department, these departments carry out overall internal control related to trade secret management and protection for the Group.

> [Group Shared Policy on Intellectual Property](#)

## Intellectual property management framework

### Framework

GRI3-3

Ajinomoto Co., Inc. supervises IP (patents, designs, trademarks, etc.) for the entire Ajinomoto Group in line with Instructions Regarding Licensing and Administration of Intellectual Property. Affiliate company Intellectual Property Expert Co., Ltd. provides central services related to surveys and IP rights management. We also have resident staff in the United States, specialized staff in Russia, and key persons designated at Group companies in Southeast Asia and South America, and we work with patent law firms. The three bases in Japan, the United States, and Russia cooperate to secure strong patent rights, particularly in biotechnology.

## Education for employees

### Performance

The Ajinomoto Group provides ongoing intellectual property education for Group employees to raise awareness of intellectual property and improve practical skills. Major education and training programs conducted during fiscal 2022 were as follows.

- Group training by job title (training for new hires, second-year employees, third-year employees, newly promoted employees, etc.)
- Practical patent training (overview of fundamentals, methods for acquiring data on patent applications, case studies on IP strategy and analysis, etc.)
- Patent and literature search training (survey and analysis tools, patent searches by technical field, etc.)

- Practical legal and intellectual property training (trademark and design fundamentals, confidentiality agreement fundamentals, etc.)
- Practical IP contract training (joint R&D agreement fundamentals, Group IP utilization policies, etc.)



**Elaine Cohen**

Founder and CEO  
Beyond Business Ltd.

## 2023 COMMENTARY

I was pleased to review Ajinomoto Group's sustainability disclosures once again this year. I have the benefit of several years of closely following the Group's activities and disclosures, and I continue to find the scale and breadth of the

Group's sustainability practices impressive.

In this second year of the tenure of the new President and CEO, Mr. Taro Fujie, I think we are seeing a step change in the positioning of the Group. I like the new strategy comprising four pillars that are both long-term growth and profit generators for the Group and also levers of positive impact for people, society and the planet. I believe this strategy is clearer than ever before in its ambition and evidences a real connection between business growth and social benefit. The new iteration of the corporate purpose that places "AminoScience" at the core reflects the Group's unique legacy and strength; it's good to see this articulated in a way that differentiates the Group and guides its future direction.

### Ambition and Progress

The group has retained two broad sustainability ambitions: help extend the healthy life expectancy of 1 billion people and reduce our environmental impact by 50%. I think the roadmap for the former is somewhat plausible, even if I continue to find the details of how this will be achieved and proven a little vague. As I have noted in previous years, raising awareness of the benefits of umami as a salt replacement seems like a good plan, but will awareness alone help increase life expectancy? Does product purchase

equate to food behavior change? I believe the Group could deliver greater confidence by being more explicit about the correlation between product sales and the contribution to extending life expectancy of behavioral change relating to food habits.

The second goal of "reducing environmental impact by 50%" is less clear, as I also noted last year. I see several environmental targets including Scope 1 & 2 emissions. However, these do not seem to represent the totality of the Group's environmental impact. For example, Scope 3 emissions are more than six times the volume of the total of Scope 1 and 2 emissions, but it is not clear whether these are included as part of this 50% reduction in impact. I believe there is an opportunity – perhaps an obligation – for the Group to spell out the definition of this goal in clearer language and define a roadmap to achieve it.

On a positive note, it is encouraging that the Group shows progress against several sustainability targets. Even if the goal is not quite specific, the direction of travel is positive and the achievements are significant.

### Materiality and Strategy

Alongside the new strategic business focus, this year's disclosure presents a change in the Group's materiality framework. To understand what this new materiality means for Ajinomoto Group and how the list of material topics was developed, I consulted the report of the Group's Sustainability Advisory Council, which is referenced in the Sustainability Report. Even after a couple of readings, I did not discover enough detail about the process to help me understand how the final set of sustainability materiality topics was selected.

The material topics are noted as reflecting risks and opportunities for the Group in relation to value creation and stakeholder expectations. The stakeholders are represented by the Sustainability Advisory Council members. Although

itself a very positive addition to the Group's array of sustainable practices, the Council comprises food science and social finance experts from primarily the Japanese community—hardly representative of a broad range of stakeholders for a global business such as Ajinomoto. As these stakeholders selected and prioritized the material topics, I have to wonder how balanced this list of topics is.

The twelve topics are expressed in language that is impossible to understand without a deep dive into the definitions and sub-definitions of each, and even then, it's still not clear what action is needed and what will be measured to drive business growth and value creation. Further, I sense a disconnect between the new business strategy and materiality, with areas relating to advancing healthcare through medical innovations and promoting smart society through ICT not fully reflected.

### Materiality and Disclosure

As a framework for disclosure, I find the materiality presentation a little puzzling. There appears to be no explicit reference to material impacts—positive and negative—of the Group's business activities, as the material issues are noted as reflecting risks and opportunities in the context of value creation. In this sense, the Group's new materiality framework does not support a Double Materiality approach, which is becoming leading thinking in the sustainability disclosure space globally. My recommendation is to consider the twelve material topics from an impact standpoint as well, and use this insight to create a clearer focus for activities to support progress against each item, with appropriate metrics.

## Information and presentation

As usual, the Group's sustainability disclosure is fascinating and enlightening. The breadth of topics and activities that the Group manages to progress every year is impressive. This leaves no room for doubt that the Group is passionate about shared value and sustainable practice, and assigns significant resources to leading the way across several dimensions of activity.

The Sustainability Report covers many topics and provides depth of disclosure and significant amounts of data. But it is too long, making it very difficult to focus on what really matters. The disclosure should describe key areas of progress and actions in the reporting year; the objective should not be to include everything, but only to include what's significant.

Also, given the restructuring of the materiality framework, I am not able to correlate the material disclosures to the material topics in the GRI Content Index, unlike reporting in prior years where this was very clear. By shortening the report, and improving the materiality alignment, it would be more impactful and enable its users to more easily find relevant information.

The ASV Report (Integrated Report) contains fascinating sections on the four strategic focus areas and several interviews. I wonder how many people actually take the time to read these word-heavy sections. Here again, I feel a focused and compact presentation would be more effective.

In short, I recommend that the Ajinomoto Group significantly reduces the content of the annual Sustainability and ASV Reports by eliminating non-current and non-essential content and by aligning the sustainability content of both reports more effectively to avoid duplication.



**Celine Solsken  
Ruben-Salama**

Principal, FOR THE LONG-TERM, LLC  
Lecturer and Faculty Advisor, M.S. Sustainability Management Program, Columbia University (NY)

## Degree of Information Disclosure

As always, the Ajinomoto Group's annual disclosures through the ASV Report, Sustainability Report, Data Tables, Website, and SASB and GRI Indexes provide an impressive collection of qualitative and quantitative information. This wealth of information can be somewhat overwhelming, requiring a very focused effort to extract the

sustainability related information that investors seek.

Without too much effort however it is clear to see that the Group has managed to decouple economic growth from environmental impacts, reporting double-digit growth in Sales, Profit, and EPS while simultaneously improving environmental outcomes, such as reducing GHG emissions throughout the value chain, increasing its resource recovery ratio (despite increasing waste), and reducing food loss.

While the Ajinomoto Group's story around social and economic value creation is becoming clearer qualitatively, additional work needs to be done around quantifying financial materiality and linking this work with the impressive, year-on-year double digit growth reported. This work may help streamline future reporting to focus on risks and opportunities that meet the threshold for financial materiality only, which should be integrated into the financial reports. The increased focus on pre-financial intangibles is encouraging. However, in the financial report, the combination of intangibles and goodwill together account for barely ten percent of total assets. In the future, I'd like to see a stronger link between the financial, economic, and societal

value created.

I was pleased to see a lot more detail regarding climate-related risks and opportunities in both the ASV and Sustainability Report – including quantification of certain physical and transition risks under 1.5 and 4 degree scenarios, countermeasures, and mapping of societal and economic impact in the ASV Report. However, I would have liked to see a bit more supporting narrative with this table including the timeline and basic methodology for analysis in the ASV report.

To me, the Environmental and Social Data Tables in the Sustainability Report Appendixes – with their multi-year trends and standardized metrics – are the best source to quickly get a read on the company's progress. Additionally, the 'Key initiatives and progress' section of the Sustainability Report provides a handy overview. I would welcome the inclusion of related financial information in both places. Goals presented in the ASV Report 'What the Ajinomoto Group will be in 2030' section are a little misleading and could be perceived as actual progress metrics rather than goals, an issue that could be easily solved with improved labeling.

## Improvements and Issues

Several important improvements were made to this year's disclosures that enhance the authenticity, clarity, and depth of the reporting, as well as strengthen the integrated strategy overall.

For instance, in this year's disclosures, the Group brings the workforce engagement to life through quotes from internal stakeholders about what ASV means to them. This adds a level of authenticity to the discussions around initiatives connecting employees with ASV, and the link between engaged employees and sustainable value creation. Throughout the reports and website this year, I did sense a retrenchment in the representation of diversity that was present previously, with the bulk of the imagery

depicting Asian people. Perhaps this too is actually a more authentic representation for the Group, while the broader diversity previously represented was more aspirational.

In terms of clarity, thematically, the ASV Report has shifted into symmetrical groups of four – four sets of ESG metrics (improving economic value, reducing environmental impact, nutrition commitment, and intangible assets), four growth areas (Healthcare, Food & Wellness, ICT, Green), four sets of important/material areas (Co-creation, “Seikatsusha” perspective, Wellbeing, Shared Value), and four sets of connected HR strategies (Diversity, Challenge, Wellbeing, Purpose). These constructs are helpful to the readers in understanding the complex, multi-dimensional story that the Ajinomoto Group puts forward in their suite of disclosures.

Importantly, the shift in focus around the four growth areas that all are rooted in the Ajinomoto Group’s core competency, “AminoScience”, does elucidate the overall purpose of the Group, as well as the value creation process through integrating long-term sustainability strategy into the core business strategy qualitatively.

In this year’s ASV Report, the Group clearly pins the time horizon for its strategic vision to 2030 – another helpful focal point. While this timeline coincides with the goals and targets of the SDGs, it was interesting to note that explicit connection to the SDGs was less prominent in this year’s ASV and Sustainability Report than in previous years.

Updates to the website are a definite improvement, making it easier to navigate and connect with the wealth of sustainability information provided. The top part of the screen is now being used much more effectively, highlighting case studies of “Along with Society” that exemplify the integrated sustainability work in action! I was also happy to see the “Latest News” section back on the site.

Improvements to the depth of reporting include further elaboration in several important areas. As noted above, climate-related risks were a welcome addition. This year’s

Sustainability Report also included a detailed account of the Group’s Scope 3 GHG emissions, which helps give a more detailed picture of the nature of the Group’s climate impacts through the value chain. The newly introduced guidelines on biodiversity and reviews of three key products following the LEAP approach framework were a welcome beginning to the Group’s adoption of the Taskforce on Nature-related Finance Disclosures (TNFD) recommendations. It will be interesting to see how this body of work develops. Further, the detailed human rights assessment demonstrates the Ajinomoto Group’s commitment to sustainability throughout the value chain and food system.

Two key opportunities for improvement are the SASB and GRI Indexes. While the practice of linking to the information sources in the Indexes represents streamlined reporting in theory, in practice, it is inconvenient for readers to scavenge for the data sought throughout the various reports. I would recommend summarizing the data and information directly in the SASB and GRI Indexes in addition to the external links, to reduce the burden.

### Materiality Assessment Approach

While I find the new Materiality Relation Chart an inspiring and effective articulation of the Ajinomoto Group’s purpose-driven business strategy, I struggle somewhat with the nomenclature.

At first glance, these unique “material topics” bear no relation to the typical sustainability reporting frameworks - GRI, SASB, WEF, etc. However, upon closer inspection, many of the KPIs are metrics from the GRI topic-specific disclosures, and goals are in many cases neatly lined up with the 2030 goals of the SDGs. I worry that less-informed readers may not make the connection and assume that the Group does not follow established reporting standards, especially if consuming this information in the ASV Report only, which does not provide the historical context around

the Group’s materiality assessment journey going back to 2015.

As this framework develops, I expect to see more consistency among the KPIs and goals between the topics and clear links to financial impact on the Group.

### Preparedness for Future Reporting Requirements

As leaders and early adopters of integrated strategy and reporting, the Ajinomoto Group is well positioned overall for the upcoming slew of sustainability reporting regulations that are emerging around the globe. However, the newly created risk management committee will certainly be kept busy refining and quantifying the financial impact of material sustainability topics, as this is the area most lacking in the company’s reporting to date.

This year’s detailed disclosures around the link between executive compensation and sustainability goals and targets at different time-horizons highlight the Ajinomoto Group’s leadership role in this arena. Compared with leading American companies, the Group’s transparency is exemplary and will serve them well in complying with upcoming reporting requirements and regulations.

Relatively complete SASB reporting, as well as disclosures based on the TCFD recommendations, will prove to be a useful foundation for compliance with the new IFRS standards, if/when the Japanese Securities and Exchange Surveillance Commission choose to enforce the implementation of them for companies listed in Japan.

In this year’s reporting, coverage of SASB disclosures increased to nearly 75% compared to nearly 65% in the previous year. The Group currently reports on all ten IFRS Industry-based disclosures according to the SASB Index, although two of the disclosures use units that are different from those specified in SASB/IFRS. The fact that the Group has been using IFRS Standards since 2017 to prepare its

financial report, should aid the process of integrating IFRS disclosures S1 and S2 into the financial reports. However, given the difference in the nature of the two reports currently, as well as the lack of any sustainability-related information in the financial report currently, it will be interesting to see how the Group harmonizes these disclosures.

Should the Ajinomoto Group be subject to the EU's CSRD when it eventually comes into effect, the Group is reasonably well prepared for the CSRD reporting requirements as well. In terms of impact materiality, the Group's previous work guided by the GRI framework will serve them well as material topics and their attendant metrics, targets, policies, risks/opportunities, and initiatives reported by the Group line up well with ESRS disclosures on Climate Change, Pollution, Water, Biodiversity, Circular Economy, Workforce, Workers in the Value Chain, Affected Communities, Consumers and End-Users, as well as Business Conduct. From a financial impact perspective, work remains to quantify the financial impact of most of these topics. Through implementation of the TCFD Recommendations, the financial impact aspect does seem to be covered for climate-related topics (ESRS E1).

I look forward to following the Ajinomoto Group's further development of their sophisticated, integrated strategy and to their continued progress against an ambitious 2030 Vision!



**Luke Wilde**

Chief Executive Officer  
(CEO)  
twentyfifty

I have been working with companies around the world for over twenty years to support them to embed human rights due diligence. And therefore since the review as Dialogue and Collaboration I completed for Sustainability Report 2023, I am delighted to see much more prominence of human rights on both the website and the various reports and data books the Ajinomoto Group produce.

There is clearly a lot of activity in relation to human rights and it is good to see the level of transparency and the fact that the Group is sharing Human Rights Impact Assessment Reports and clear action plans for example. In my last commentary I remarked that there was very little mention of the international Human Rights frameworks such as the UN Guiding Principles and hard to see the overarching human rights strategy with more of a focus ad hoc activities. This strategy has now been clearly updated with a Human Rights Due Diligence Framework and this is now clearly described in relation to these international frameworks.

There are still some areas for improvement, for example there is a long list of activities undertaken but it is not always clear how this links to the overall business strategy and what the final goal is. I would love to see the Group weaving human rights into their wider strategy and embedding it with the wider business and sustainability strategy. At the moment it feels very stand alone.

We are seeing more and more companies committing to livelihoods, living wages and living income as part of their human rights strategies and this often links very well to overall business and responsible sourcing approaches, there is a huge opportunity for the Group here that links to their wider sustainability and corporate strategy.

I am also surprised that the materiality assessment does not include more explicit human rights issues. We are seeing more companies complete double materiality assessments to comply with the EU CSRD legislation, they are becoming more explicit about specific human rights topics such as forced labor and child labor and the impacts surrounding these issues.

What are some of the other opportunities for the Group?

In the Sustainability Report, the human rights elements are largely a repeat of the website and strategy. Going forward it would be good to see some SMART targets and Ajinomoto reporting on progress and impact, much in the way they are doing on some of the health and climate targets.

There are so many places in the strategy where human rights could be incorporated which is a way to increase the Group's overall impact. The strategy on human wellbeing could cover human rights, worker dignity and livelihoods for example as these are all intrinsically linked. Likewise, the sustainable food systems strategy only mentions worker health and very little about responsible sourcing and supply chain human rights yet a solid strategy for respecting human rights should underpin this. Overall there is such a great opportunity to add to the 'joyful life through food' strategy and really make a difference for thousands of workers and farmers in your supply chain.

What are we seeing in Europe ?

We are seeing more and more focus on human rights as companies start to prepare for the recently ratified legislation (German Supply Chain Act, CSRD) and also the up coming EU DDD which is due to be confirmed imminently. The legislation is built upon the foundations of the UN Guiding principles but many companies are now reviewing their human rights strategies again, looking at their risk assessments and their governance structures to ensure they are suitable and robust to meet the legislation.

We are also seeing the beginnings of a move from ad hoc stakeholder engagement to much more mature and strategic stakeholder engagement driven by the requirements of the CSRD. Finally the role of the buyer and purchasing practices is becoming more and more in focus – thanks to organizations such as Better Buying and the Responsible Contracting project, organizations are really understanding what is required to them from a legislation and best practice point of view.

In conclusion it is good to see the progress that the Group has made to make human rights within the business more high profile. I hope in the coming years to see a more embedded human rights strategy.

There are plenty of lessons to learn from those businesses who are now embedding more solid governance structures and formalised risk assessments as well as formalised programmes to embed human rights within their purchasing practices. Whilst a lot of this is being driven by legislation, if this is done well and thoughtfully there is no reason this cannot align with corporate strategies to ensure more resilient supply chains. The overall aim, however, is to ensure that any work on human rights due diligence is designed to ensure that businesses understand their impacts and ultimately drive positive impact for rightsholders up and down the value chain. With the Group's ambitious sustainability strategy I hope to see more evidence of positive impact and change in future.



**Vasu Srivibha**

Chief Impact Officer  
Sasin School of Management  
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to resolving food system and health issues globally. The reports highlight the Group's focus on material issues based on essential underlying thinking – co-creation, seikatsusha, wellbeing, and shared value – that shape the business strategy. I find this is impressive and unique that the Group embraces a Japanese concept to define its approach in business operations and stakeholder engagement.

Throughout the Sustainability Report, complimented by the ASV Report, clear metrics and targets are outlined for each area along with specific initiatives.

A strength of the report is the linkage of sustainability goals, business opportunities, and impact. Efforts to promote protein diversification are effective strategies that align sustainability with commercial aims.

The report balances transparency on challenges alongside achievements. By reading the report, it is difficult to miss the two impactful 2030 goals – extending the healthy life expectancy of 1 billion people and reducing the environmental impact by 50%. These ambitious goals are supported by initiatives that can be featured as industry best practices, e.g. the Smart Salt initiatives to globally promote salt reduction by working and collaborating with multiple, local stakeholders.

On the environmental front, the report highlights

Ajinomoto Group's Sustainability Report 2023, ASV Report, and the Group's sustainability webpage provide a comprehensive overview of the company's sustainability strategies and performance. The reports detail Ajinomoto Group's sustainability framework centered around the unique "AminoScience" technology and outlines the group's commitment

Ajinomoto Group's efforts to contribute to circular economy, reduce food loss, and response to climate change. The report includes a comprehensive Task Force on Climate-related Financial Disclosures (TCFD) recommendations, which are not only informative but demonstrate its commitment to responding to the urgent climate change issue. The challenge is the implementation of the plans and perhaps with more ambitious emissions reduction targets.

In terms of society, the report showcases Ajinomoto Group's initiatives on increasing product safety, respecting human rights, and developing a sustainable supply chain. More information on supply chain audits and engagement data with local suppliers would strengthen disclosure. The Group's Human Rights Roadmap 2030 illustrates advanced and comprehensive plans while aligning with the UN Guiding Principles on Business and Human Rights.

One area the reports excel in is the presentation of the data, especially in the ASV Report. Infographics are used throughout the report to present sustainability related data in an approachable way. Changing the report format to horizontal page in PDF helps a lot in consuming a huge amount of information in the sustainability report.

In summary, Ajinomoto Group's sustainability report provides a detailed, thoughtful review of sustainability issues relevant to the Group and demonstrates a serious commitment to stakeholder-driven sustainability initiatives. With some refinements to data disclosure, it can provide an even more compelling platform and become industry-leading over time.



# Ajinomoto Group Sustainability Report 2023

Eat Well, Live Well.



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# Ajinomoto Group Sustainability Report 2023

## Appendix 1 : Environmental Data

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- Reduction of greenhouse gas emissions
- Conservation of water resources
- 3Rs of waste
- Third-party assurance
- ISO 14001 certificate

### Scope of the Environmental Data

The environmental data of this section covers Ajinomoto Co., Inc. and other Group companies subject to the Ajinomoto Group Environmental Management as defined in the company's Environmental Regulations as of March 31, 2023. Performance statistics are for the 141, which substantially represent the environmental performance of the entire Ajinomoto Group under the consolidated financial accounting system.

## Reduction of greenhouse gas emissions

Greenhouse gas emissions calculated from IEA<sup>[1]</sup> CO<sub>2</sub> emissions factors(t-CO<sub>2</sub>e)

	FY2018	FY2019	FY2020	FY2021	FY2022
Scope 3 Category 1: Raw materials	8,115,946	7,784,783	7,614,734	6,960,412	6,610,392
Scope 1:	1,196,969	1,013,315	1,008,811	1,005,363	973,780
Scope 3 Category 3: Production	381,765	625,142	630,823	583,499	604,719
Scope 2:	Market-based method	Market-based method	Market-based method	Market-based method	Market-based method
	1,015,723	960,375	901,789	606,594	611,712
	Location-based method	Location-based method	Location-based method	Location-based method	Location-based method
	1,026,764	978,066	910,791	622,059	620,751
Scope 3 Category 4: Transport	1,274,589	1,256,044	1,210,741	1,121,673	1,037,133
Scope 3 Category 11: Use	1,294,392	1,353,234	1,355,477	1,396,947	1,386,049
Scope 3 Category 12: Disposal	443,333	431,048	425,003	409,500	405,337
Scope 3 Category 2: Capital goods	249,944	255,910	262,711	232,674	219,172
Scope 3 Category 5: Waste generated in operations	140,678	85,666	85,714	92,884	97,854
Scope 3 Category 6: Business travel	4,479	4,486	4,226	4,350	4,446
Scope 3 Category 7: Employee commuting	16,206	16,231	15,292	15,740	16,087
Scope 3 Category 8: Upstream leased assets	Included in category 1	Included in category 1	Included in category 1	Included in category 1	Included in category 1
Scope 3 Category 9: Downstream transportation and distribution	3,780	3,503	3,183	3,448	2,535
Scope 3 Category 10: Processing of sold products	8,158 <sup>[2]</sup>	5,517	179,801	126,716	108,585
Scope 3 Category 13: Downstream leased assets	0	0	0	0	0
Scope 3 Category 14: Franchises	0	0	0	0	0
Scope 3 Category 15: Investments	0	0	0	0	0
Scope 3 total	11,933,270 <sup>[2]</sup>	11,821,564	11,787,705	10,947,844	10,492,309
Scope 1, 2 and 3 total	14,145,962 <sup>[2]</sup>	13,795,254	13,698,305	12,599,801	12,077,801

(t-CO<sub>2</sub>e)

By region	FY2018	FY2019	FY2020	FY2021	FY2022
Scope 1 emissions	1,196,969	1,013,315	1,008,811	1,005,363	973,780
Japan	327,345	302,700	293,358	288,531	279,268
Asia/Africa	526,405	376,020	389,741	412,339	394,705
Europe	39,021	41,463	37,902	18,721	15,824
North America	219,337	212,796	221,691	206,394	210,282
South America	67,231	65,408	53,877	67,975	63,998
China	17,629	14,926	12,242	11,402	9,704
Scope 2 emissions (market-based method)	1,015,723	960,375	901,789	606,594	611,712
Japan	141,952	118,337	120,119	101,645	92,886
Asia/Africa	427,389	414,365	380,604	276,867	308,580
Europe	184,253	171,196	158,749	20,451	19,161
North America	193,766	194,490	179,067	170,258	159,857
South America	40,308	38,306	32,692	6,753	2,646
China	28,056	23,681	30,558	30,620	28,582
Scope 1 and 2 total emissions	2,212,692	1,973,690	1,910,600	1,611,957	1,585,492
Japan	469,297	421,038	413,477	390,177	372,154
Asia/Africa	953,794	790,386	770,346	689,205	703,286
Europe	223,275	212,659	196,651	39,172	34,985
North America	413,103	407,286	400,758	376,652	370,139
South America	107,538	103,714	86,569	74,729	66,644
China	45,686	38,608	42,799	42,022	38,286

[1] International Energy Agency

[2] Because former data only in FY2018 was calculated by Location based method, it was unified to be Market based method data.

(t-CO<sub>2</sub>e)

By business activity/division		FY2018	FY2019	FY2020	FY2021	FY2022
Scope 1 emissions		1,196,969	1,013,315	1,008,811	1,005,363	973,780
Business activities	Production	1,149,384	976,078	970,831	974,789	932,429
	Transportation	25,976	16,060	17,633	12,524	24,732
	Others (office, sales, R&D, etc.)	21,609	21,177	20,348	18,050	16,620
Business division	Food products	347,927	338,518	436,813	485,193	524,660
	AminoScience	849,041	674,797	571,998	520,170	449,121
Scope 2 emissions (market-based method)		1,015,723	960,375	901,789	606,594	611,712
Business activities	Production	1,010,908	955,202	897,639	604,268	609,377
	Transportation	9	2	2	3	5
	Others (office, sales, R&D, etc.)	4,806	5,172	4,148	2,323	2,330
Business division	Food products	379,571	356,388	384,066	311,163	299,081
	AminoScience	636,152	603,988	517,722	295,431	312,631

 Greenhouse gas emissions per volume unit calculated from IEA<sup>[1]</sup> CO<sub>2</sub> emissions factors

	FY2018	FY2019	FY2020	FY2021	FY2022
Scope 1 and 2 emissions per volume unit (intensity per ton of product)	0.84	0.79	0.79	0.68	0.67
Scope 3 emissions (exclude category 11) per volume unit (intensity per ton of product) <sup>[2]</sup>	4.54	4.71	4.87	4.64	4.46
Reference value: Production volume (1,000 t) <sup>[3]</sup>	2,627	2,512	2,423	2,360	2,350
Scope 1 and 2 emissions per volume unit (intensity per million yen sales)	1.99	1.79	1.78	1.40	1.17
Scope 3 emissions per volume unit (intensity per million yen sales)	10.71	10.75	11.00	9.53	7.72
Consolidated sales (million yen)	1,114,308	1,100,039	1,071,453	1,149,370	1,359,115

[1] International Energy Agency

[2] The results scope 3 emissions per volume unit were revised because the coverage of organizations for calculation were different.

[3] We used data different from production volume set forth for the other environment data.

## Ajinomoto Group products carbon footprint

Product	Production plant	CFP values <sup>[4]</sup> (per kg of product)	CFP values per serving <sup>[5]</sup>
(1) HON-DASHI®	Kawasaki Plant, Ajinomoto Food Manufacturing Co., Ltd.	14.08 kg-CO <sub>2</sub> e	-
(2) Ajinomoto KK <i>Consommé</i> (Granules)	Takatsu Plant, Ajinomoto Food Manufacturing Co., Ltd.	6.87 kg-CO <sub>2</sub> e	-
(3) Knorr® <i>Cup Soup Tsubu Tappuri Corn Cream</i>	Takatsu Plant, Ajinomoto Food Manufacturing Co., Ltd.	7.08 kg-CO <sub>2</sub> e	-
(4) Ajinomoto KK <i>Shirogayu 250 g</i>	Takatsu Plant, Ajinomoto Food Manufacturing Co., Ltd.	0.81 kg-CO <sub>2</sub> e	-
(5) Cook Do® <i>Hoikoro</i>	Kawasaki Plant, Ajinomoto Food Manufacturing Co., Ltd.	2.95 kg-CO <sub>2</sub> e	1.21 kg-CO <sub>2</sub> e per serving (approx. 700 g)
(6) Cook Do® <i>Kyo-no Oozara Butabara Daikon</i>	Shizuoka Plant, Ajinomoto Food Manufacturing Co., Ltd.	2.31 kg-CO <sub>2</sub> e	2.90 kg-CO <sub>2</sub> e per serving (approx. 1 kg)
(7) Nabe Cube <i>Toridashi Umashio</i>	Kunneppu Plant, Ajinomoto Food Manufacturing Hokkaido Co., Ltd.	8.54 kg-CO <sub>2</sub> e	-
(8) Blendy® <i>Stick Café au Lait</i> (coffee mixes)	AGF Suzuka, Inc.	4.85 kg-CO <sub>2</sub> e	-
(9) <i>Lemon and Basil Fried Chicken</i> (frozen foods)	Kyushu Plant, Ajinomoto Frozen Foods Co., Inc.	5.84 kg-CO <sub>2</sub> e	-
(10) <i>Yamaki Mentsuyu</i> (400 ml and 500 ml)	Daini Plant and Minakami Plant, YAMAKI Co., Ltd.	2.02 kg-CO <sub>2</sub> e	-
(11) <i>Masako® Ayam</i> (11 g)	Mojokerto Factory, PT AJINOMOTO INDONESIA	2.49 kg-CO <sub>2</sub> e	-
(12) <i>Aji-ngon® Pork flavor seasoning</i> (400 g)	Long Thanh Factory, AJINOMOTO VIETNAM CO., LTD.	2.68 kg-CO <sub>2</sub> e	-
(13) <i>Ros Dee® Pork</i> (75 g)	Nong Khae Factory, AJINOMOTO CO., (THAILAND) LTD.	3.15 kg-CO <sub>2</sub> e	-

[4] Carbon footprint (CFP) values in the report are calculated in accordance with PCR No. PA-CG-02 from the Japan Environmental Management Association for Industry. The calculation system and the results are backed by a third-party assurance statement from Lloyd's Register Quality Assurance Limited, based on the ISO/TS 14067 standard.

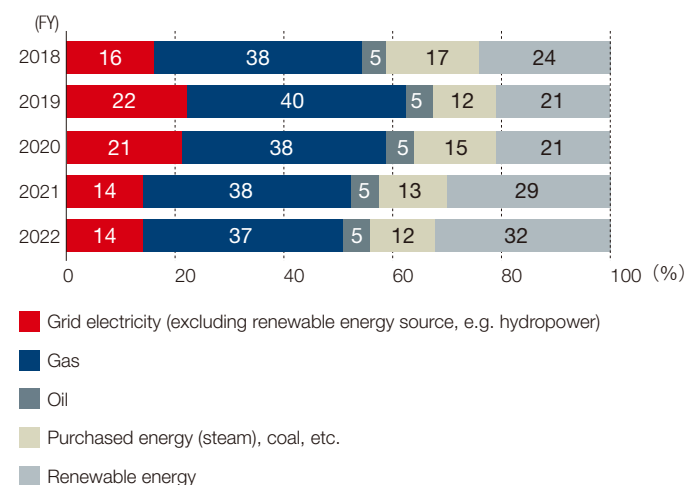
[5] CFP values of ingredients including vegetables and meat are included.

## Energy input

	FY2018	FY2019	FY2020	FY2021	FY2022
Energy input (TJ) <sup>[1]</sup>	38,468	34,619	33,494	31,733	32,125
Energy input intensity of production (per kilo tons of product)	14.6	13.8	13.8	13.4	13.7

[1] TJ: terajoule, T (tera) = 10<sup>12</sup>. The joule conversion factors officially published in 2005 have been used.

## Composition of consumed energy (thermal equivalent)



## NOx and other atmospheric emissions

(tons)

	FY2018	FY2019	FY2020	FY2021	FY2022
Nitrogen oxide (NOx)	9,421	5,224	6,637	5,673	4,730
Sulfur oxide (SOx)	10,701	6,779	7,016	7,676	5,311
Particulates	1,827	884	1,310	871	3,492
CFCs <sup>[2]</sup>	11	9	7	5	4

[2] Figures for fiscal 2019 and beyond exclude natural refrigerants and other non-fluorocarbons due to the redefinition of CFCs, HCFCs, and HFCs.

## Conservation of water resources

## Water use/intensity

(1,000 kl)

	FY2005 (Base Year)	FY2018	FY2019	FY2020	FY2021	FY2022
Total water withdrawal <sup>[3]</sup>	221,863	69,892	66,926	64,406	59,979	60,039
Fresh surface water	180,363	20,672	19,630	17,004	17,259	17,890
Brackish surface water/seawater	0	0	0	0	0	0
Fresh groundwater, renewable	0	15,076	14,366	13,041	13,769	13,369
Fresh groundwater, non-renewable	-	0	0	0	0	0
Produced water	0	0	0	0	0	0
Municipal water (including industrial water)	41,500	34,144	32,930	34,361	28,950	28,781
Water consumption per production volume unit (intensity per ton of product)	123	27	27	27	25	26
Reduction rate (vs. FY2005)	-	78%	78%	78%	79%	79%
Ref. Total amount of production <sup>[4]</sup> (1,000 t)	1,800	2,627	2,512	2,423	2,360	2,354
Total water discharge <sup>[3]</sup>	201,300	55,800	52,342	51,564	48,034	46,353
Fresh surface water (processed by the Group)	47,000	27,498	24,297	24,088	20,490	19,655
Brackish surface water/seawater	0	0	0	0	0	0
Groundwater	0	0	0	0	0	0
Third-party destinations	10,300	11,273	11,291	11,139	11,360	11,245
Total water recycled or reused	144,000	17,029	16,754	16,338	16,184	15,453
Proportion of water recycled or reused	65%	24%	25%	25%	27%	26%
Total water consumption	20,563	14,092	14,584	12,842	11,945	13,685
BOD (tons)	550	312	283	284	263	269
Nitrogen (tons)	3,200	501	506	583	430	327

[3] Water withdrawal is disclosed as the volume measured and invoiced in accordance with the laws of each country and region, or as a converted volume based on pump power use and pipe water speed. Data for quantity and quality of wastewater is aggregated in accordance with the laws of each country and region.

[4] We used data different from production volume set forth for the other environment data.

## 3Rs of waste

## Volume of waste and by-products and resource recovery ratio

(tons)

	FY2018	FY2019	FY2020	FY2021	FY2022
Hazardous waste (waste acid, waste alkali, waste oil, cinder)					
Generated	69,991	83,834	81,216	83,770	106,161
Recycled	68,422	83,429	80,892	83,399	105,997
Incinerated	40	60	38	24	12
Landfills	1,529	345	286	347	152
Non-hazardous waste					
By-products <sup>[1]</sup>					
Generated	2,194,566	2,021,002	1,615,808	1,546,599	1,470,197
Composted	2,194,470	2,020,885	1,615,713	1,543,988	1,470,110
Incinerated	0	0	0	0	0
Landfills	96	117	95	2,611	87
Other <sup>[2]</sup>					
Generated	174,651	181,246	173,310	195,832	208,120
Recycled	153,388	156,432	150,295	169,243	182,956
Incinerated	2,821	2,121	1,784	2,318	3,969
Landfills	18,442	22,693	21,231	24,271	21,195
Total generated	2,439,208	2,286,082	1,870,334	1,826,201	1,784,478
Total recycled	2,416,280	2,260,745	1,846,900	1,796,630	1,759,063
Total waste	22,928	25,337	23,434	29,571	25,415
Resource recovery ratio	99.1%	98.9%	98.7%	98.4%	98.6%

[1] Sludge, Bacteria, Humus carbon, Waste activated carbon, Gypsum sludge, Salts, Fermentation final concentrate, Waste filter aide, etc.

[2] Sludge, Animal and plant residues, Plastic wastes, Glass and ceramic wastes, Metal scraps, Paper wastes, Wood wastes, Rubber scraps, Waste construction materials, Office wastes, etc.

## Volume of packaging material and resource recovery ratio

(ktons)

	FY2019	FY2020	FY2021	FY2022
Wood/Paper fiber	150	150	150	150
Recycled and/or certified material ratio	84%	83%	86%	87%
Metal (e.g. aluminum or steel)	13	13	13	14
Recycled and/or certified material ratio	-	-	-	-
Glass	5.4	6.4	6.6	6.6
Recycled and/or certified material ratio	-	-	-	-
Plastic <sup>[3]</sup>	71	70	71	69
Recyclable plastic ratio <sup>[3]</sup>	52%	50%	50%	48%
Plastic packaging materials	67	66	66	64
Recyclable plastic packaging materials ratio	52%	50%	51%	48%
Compostable plastic packaging materials ratio	0%	0%	0%	0%

[3] Corrections have been made as a result of a review of totals.

Volumes of food loss and waste<sup>[4]</sup>

(tons)

	FY2018	FY2019	FY2020	FY2021	FY2022
Total generated volume	53,226	46,729	48,901	47,377	43,389
Total volume used for alternative purposes	25,515	21,222	26,634	28,115	28,222
Total discarded volume <sup>[5]</sup>	27,710	25,507	22,267	19,262	15,167
Total discarded volume per volume unit (intensity per ton of product)	10.6	10.0	9.2	8.2	6.4
Reference value:					
Production volume <sup>[6]</sup> (1,000t)	2,609	2,542	2,423	2,357	2,354
vs. Fiscal 2018 (%)	-	95%	87%	77%	61%

[4] Measured with reference to the Food Loss & Waste Accounting and Reporting Standard. (Measurement methods may differ between target organizations.)

[5] Refers to the amount of "food loss and waste", which is an indicator of the reduction target. It is calculated by excluding the "total volume used for alternative purposes" from the "total generated volume".

[6] We used data different from production volume set forth for the other environment data.

Third-party assurance



**LRQA Independent Assurance Statement**  
**Relating to Ajinomoto Co., Inc.'s Environmental and Social Data**  
**within Ajinomoto Group Sustainability Data Book 2023 for the fiscal**  
**year 2022**

This Assurance Statement has been prepared for AJINOMOTO Co., Inc. in accordance with our contract but is intended for the readers of this report.

**Terms of engagement**

Lloyd's Register Quality Assurance (LRQA) was commissioned by AJINOMOTO Co., Inc. ("the Company") to provide independent assurance on its Environmental and Social data within Ajinomoto Group Sustainability Data Book 2023 ("the report") for the fiscal year 2022 from 1 April 2022 to 31 March 2023), against the assurance criteria below to a limited level of assurance and at the materiality of the professional judgement of the verifier using ISAE 3000 and ISO 14064-3 for GHG emissions data.

Our assurance engagement covered the Company's operations and activities in Japan and overseas and specifically the following requirements:

- Verifying conformance with the Company's reporting methodologies for the selected dataset;
- Evaluating the accuracy and reliability of data for the selected environmental and social indicators listed below:<sup>1</sup>
  - Scope 1 GHG emissions<sup>2</sup> (tonnes CO<sub>2</sub>e)
  - Scope 2 GHG emissions, market-based and location-based<sup>2</sup> (tonnes CO<sub>2</sub>e)
  - Scope 3 GHG emissions associated with Categories 1 to 15 (tonnes CO<sub>2</sub>e)
  - Lost Time Injury Frequency Rate (LTIFR)<sup>3</sup>
  - Occupational Illness Frequency Rate (OIFR)<sup>3</sup>

Our assurance engagement excluded the data and information of the Company's suppliers, contractors and any third-parties mentioned in the report.

LRQA's responsibility is only to the Company. LRQA disclaims any liability or responsibility to others as explained in the end footnote. The Company's responsibility is for collecting, aggregating, analysing and presenting all the data and information within the report and for maintaining effective internal controls over the systems from which the report is derived. Ultimately, the report has been approved by, and remains the responsibility of the Company.

**LRQA's Opinion**

Based on LRQA's approach nothing has come to our attention that would cause us to believe that the Company has not, in all material LRQA aspects:

- Met the requirements above
- Disclosed accurate and reliable environmental and social data

The opinion expressed is formed on the basis of a limited level of assurance and at the materiality of the professional judgement of the verifier.

**Notes:** The extent of evidence-gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically checking source data at sites. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

<sup>1</sup> GHG quantification is subject to inherent uncertainty.

<sup>2</sup> Scope 1 and Scope 2 GHG emissions cover only energy-oriented CO<sub>2</sub> at Manufacture sites.

<sup>3</sup> Including office work only sites.



**LRQA's approach**

LRQA's assurance engagements are carried out in accordance with ISAE3000 and ISO14064-3 for GHG emissions. The following tasks though were undertaken as part of the evidence gathering process for this assurance engagement:

- Auditing the Company's data management systems to confirm that there were no significant errors, omissions or mis-statements in the report. We did this by reviewing the effectiveness of data handling procedures, instructions and systems, including those for internal verification.
- Interviewing with key people responsible for compiling the data and drafting the report.
- Sampling datasets and tracing activity data back to aggregated levels;
- Verifying the historical GHG emissions, Lost Time Injury Frequency Rate (LTIFR) and Occupational Illness Frequency Rate (OIFR) data and associated records for the fiscal year 2020; and
- Verification for confirming of the effectiveness of its data management system of AGF Kanto Inc. and Ajinomoto Frozen Foods Co., Inc. Shikoku Plant were conducted by emails, telephone, and site visit. The data for the all sites was reviewed at the head office of AJINOMOTO Co., Inc..

**Observations**

The company is expected to continue its efforts for implementing quality assurance and quality control (QA/QC) systems in data and information management. At that time, this is particular to ensure effective internal verification processes at both the corporate and member company levels.

**LRQA's standards, competence and independence**

LRQA implements and maintains a comprehensive management system that meets accreditation requirements for ISO 14065 Greenhouse gases – Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition and ISO/IEC 17021-1 Conformity assessment – Requirements for bodies providing audit and certification of management systems – Part 1: Requirements that are at least as demanding as the requirements of the International Standard on Quality Control 1 and comply with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants.

LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

The verification and certification assessments are the only work undertaken by LRQA for the Company and as such do not compromise our independence or impartiality.

Signed

Dated: 18 June 2023

Takahiro Iio  
 LRQA Lead Verifier  
 On behalf of LRQA Limited  
 10th Floor, Queen's Tower A, 2-3-1 Minatomirai, Nishi-ku, Yokohama, JAPAN

LRQA reference: YKA4005549

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ISO 14001 certificate (examples)



Certificate of Approval  
 Ajinomoto Co., Inc.  
 Kawasaki Administration & Coordination Office, Kawasaki Plant, L Area



Certificate of Registration  
 AJINOMOTO CO., (THAILAND) LTD., Pathum Thani factory



# Ajinomoto Group Sustainability Report 2023

## Appendix 2 : Personnel and Labor-Related Data

- Directors statistics
- Employee statistics
- Work-life balance-related programs
- Frequency of serious accidents and accidents with absence
- Number of hotline (whistleblowing) reports
- Third-party assurance

### Scope of the personnel and labor-related data

The personnel and labor-related data of this section covers Ajinomoto Co., Inc. and its consolidated subsidiaries (28 in Japan, 84 overseas) as of March 31, 2023.

### Definitions of terms

Employees : Directly employed management, non-management and contract staff  
Temporary staff : Directly employed contract and temporary staff, including part-time employees  
Executive : Directors, or executive officers  
Management : Employees in the position of section manager, a position equivalent to section manager, or a position higher than section manager (excluding executives)

## Director statistics

### Number of directors (Ajinomoto Co., Inc.)

(persons)

	as of June 30, 2021			as of June 30, 2022			as of June 30, 2023		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Ajinomoto Co., Inc.	11	8	3	11	7	4	11	8	3
Ratio	100%	73%	27%	100%	64%	36%	100%	73%	27%

### Directors by age (Ajinomoto Co., Inc.)

(persons)

	as of June 30, 2021				as of June 30, 2022				as of June 30, 2023			
	Total	age <30	age 30- <50	age 50-	Total	age <30	age 30- <50	age 50-	Total	age <31	age 30- <51	age 51-
Ajinomoto Co., Inc.	11	0	0	11	11	0	0	11	0	0	0	11
Ratio	100%	0%	0%	100%	100%	0%	0%	100%	0%	0%	0%	100%

## Employee statistics

### Number of Ajinomoto Group employees

(persons)

	FY2020			FY2021			FY2022		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Ajinomoto Group total	42,542	-	-	41,696	-	-	42,431	-	-
Employees	33,461	23,536	9,924	33,910	23,749	10,162	34,615	23,996	10,619
Management	4,977	3,685	1,292	5,014	3,697	1,317	5,254	3,826	1,428
Non-management	28,397	19,784	8,614	28,791	19,972	8,820	29,255	20,095	9,160
Contract staff	86	67	19	105	80	25	106	75	31
Temporary staff	9,081	-	-	7,785	-	-	7,816	-	-
Japan	12,636	-	-	12,534	-	-	12,463	-	-
Employees	7,709	5,570	2,140	7,768	5,585	2,183	7,814	5,585	2,229
Management	1,952	1,746	206	1,989	1,767	222	2,043	1,804	239
Non-management	5,671	3,757	1,914	5,674	3,738	1,936	5,665	3,706	1,959
Contract staff	86	67	19	105	80	25	106	75	31
Temporary staff	4,927	-	-	4,766	-	-	4,649	-	-
Asia	17,130	-	-	16,484	-	-	16,641	-	-
Employees	13,765	9,825	3,940	14,005	10,021	3,984	13,998	10,011	3,987
Management	1,789	1,121	668	1,832	1,145	687	1,916	1,181	735
Non-management	11,976	8,704	3,272	12,173	8,876	3,297	12,082	8,830	3,252
Temporary staff	3,365	-	-	2,479	-	-	2,643	-	-
EMEA <sup>[1]</sup>	3,974	-	-	3,503	-	-	3,561	-	-
Employees	3,600	2,476	1,124	3,368	2,275	1,094	3,420	2,265	1,155
Management	497	329	168	452	302	150	481	309	172
Non-management	3,102	2,147	955	2,916	1,973	944	2,939	1,956	983
Temporary staff	374	-	-	135	-	-	141	-	-
The Americas	8,802	-	-	9,175	-	-	9,766	-	-
Employees	8,387	5,666	2,721	8,769	5,868	2,901	9,383	6,135	3,248
Management	738	490	249	741	483	258	814	532	282
Non-management	7,648	5,176	2,472	8,028	5,385	2,643	8,569	5,603	2,966
Temporary staff	415	-	-	406	-	-	383	-	-
Ref.: Ajinomoto Co., Inc.	3,404	2,286	1,118	3,476	2,334	1,142	3,559	2,377	1,182
Employees	3,184	2,177	1,007	3,252	2,225	1,027	3,335	2,272	1,063
Management	989	876 <sup>[2]</sup>	113 <sup>[2]</sup>	1,041	915	126	1,080	940	140
Non-management	2,109	1,234 <sup>[2]</sup>	875 <sup>[2]</sup>	2,106	1,230	876	2,149	1,257	892
Contract staff	86	67 <sup>[2]</sup>	19 <sup>[2]</sup>	105	80	25	106	75	31
Temporary staff	220	109 <sup>[2]</sup>	111 <sup>[2]</sup>	224	109	115	224	105	119

[1] Europe, the Middle East and Africa

[2] Corrections have been made as a result of review of totals.

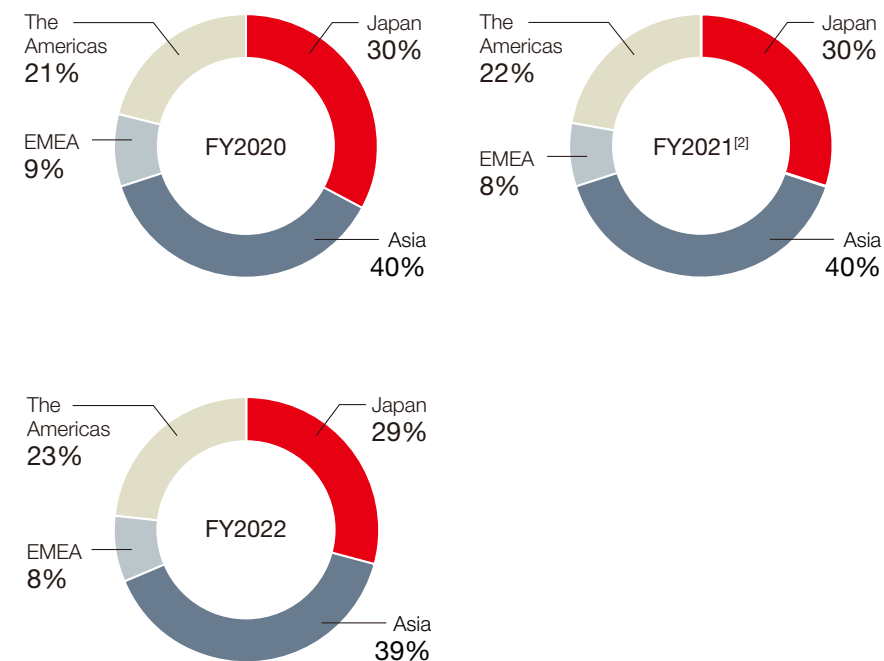
Ajinomoto Group employee ratio

Numbers in parentheses indicate male and female percentages.

	FY2020			FY2021			FY2022		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Ajinomoto Group total	100%	-	-	100%	-	-	100%	-	-
Employees	79%	(70%)	(30%)	81%	(70%)	(30%)	82%	(69%)	(31%)
Management	12%	(74%)	(26%)	12%	(74%)	(26%)	12%	(73%)	(27%)
Non-management	67%	(70%)	(30%)	69%	(69%)	(31%)	69%	(69%)	(31%)
Contract staff	0%	(78%)	(22%)	0%	(76%)	(24%)	0%	(71%)	(29%)
Temporary staff	21%	-	-	19%	-	-	18%	-	-
Japan	100%	-	-	100%	-	-	100%	-	-
Employees	61%	(72%)	(28%)	62%	(72%)	(28%)	63%	(71%)	(29%)
Management	15%	(89%)	(11%)	16%	(89%)	(11%)	16%	(88%)	(12%)
Non-management	45%	(66%)	(34%)	45%	(66%)	(34%)	45%	(65%)	(35%)
Contract staff	1%	(78%)	(22%)	1%	(76%)	(24%)	1%	(71%)	(29%)
Temporary staff	39%	-	-	38%	-	-	37%	-	-
Asia	100%	-	-	100%	-	-	100%	-	-
Employees	80%	(71%)	(29%)	85%	(72%)	(28%)	84%	(72%)	(28%)
Management	10%	(63%)	(37%)	11%	(63%)	(38%)	12%	(62%)	(38%)
Non-management	70%	(73%)	(27%)	74%	(73%)	(27%)	73%	(73%)	(27%)
Temporary staff	20%	-	-	15%	-	-	16%	-	-
EMEA	100%	-	-	100%	-	-	100%	-	-
Employees	91%	(69%)	(31%)	96%	(68%)	(32%)	96%	(66%)	(34%)
Management	13%	(66%)	(34%)	13%	(67%)	(33%)	14%	(64%)	(36%)
Non-management	78%	(69%)	(31%)	83%	(68%)	(32%)	83%	(67%)	(33%)
Temporary staff	9%	-	-	4%	-	-	4%	-	-
The Americas	100%	-	-	100%	-	-	100%	-	-
Employees	95%	(68%)	(32%)	96%	(67%)	(33%)	96%	(65%)	(35%)
Management	8%	(66%)	(34%)	8%	(65%)	(35%)	8%	(65%)	(35%)
Non-management	87%	(68%)	(32%)	87%	(67%)	(33%)	88%	(65%)	(35%)
Temporary staff	5%	-	-	4%	-	-	4%	-	-
Ref.: Ajinomoto Co., Inc.	100%	(67%)	(33%)	100%	(67%) <sup>[1]</sup>	(33%) <sup>[1]</sup>	100%	(67%)	(33%)
Employees	94%	(68%)	(32%)	94%	(68%) <sup>[1]</sup>	(32%) <sup>[1]</sup>	94%	(68%)	(32%)
Management	29%	(89%)	(11%)	30% <sup>[1]</sup>	(88%)	(12%)	30%	(87%)	(13%)
Non-management	62%	(59%)	(41%)	61% <sup>[1]</sup>	(58%) <sup>[1]</sup>	(42%) <sup>[1]</sup>	60%	(58%)	(42%)
Contract staff	3%	(78%)	(22%)	3%	(76%) <sup>[1]</sup>	(24%) <sup>[1]</sup>	3%	(71%)	(29%)
Temporary staff	6%	(50%)	(50%)	6%	(49%)	(51%)	6%	(47%)	(53%)

[1] Corrections have been made as a result of review of totals.

Group employees by region



[2] Corrections have been made as a result of review of totals.

## Ratio of locally hired overseas executives

(persons)

	FY2020	FY2021	FY2022
Total overseas executives	163	159	162
Local executives	63	63	63
Local executive ratio	39%	40%	39%

## Score of Engagement Survey

	Result				Target	
	FY2019	FY2020	FY2021	FY2022	FY2025	FY2030
"ASV as one's own initiative" <sup>[1]</sup>	-	64%	61%	62%	-	-
"ASV Realization Process" <sup>[2]</sup>	-	-	-	75%	80%	85%+
Percentage of employees feeling highly engaged in their work <sup>[3]</sup>	80%	86%	86%	86%		

[1] The percentage of employees who talk about how they implement ASV through their own work with their family, friends, and business partners is measured using the engagement survey for the Group employee.

[2] Visualize the process from understanding and agreeing to ASV to produce results as an organization, and the average percentage of employees in each process is measured using the engagement survey for the Group employees.

[3] The percentage of employees who support the company's goals and targets and who feel a sense of job satisfaction and are working toward the sustainable growth of the company is measured using the engagement survey for the Group employees.

## Expenditures for education &amp; training per employee and education &amp; training hours per employee (Ajinomoto Co., Inc.)

	FY2020	FY2021	FY2022
Total Expenditures for education & training per employee (thousand yen)	222	249	236
Expenditures for HRIS and Engagement survey (thousand yen)	79	105	58
Expenditures for DE&I (thousand yen)	16	18	16
Others (thousand yen)	126	126	162
Education & Training hours <sup>[4]</sup> (hours)	-	40	76

[4] Training hours are calculated as total hours per employee for training (Calculated from FY2021). In addition, some training programs led by business and operations-related organizations are not included in the data.

## Ref.: Expenditures for education &amp; training per employee and education &amp; training hours per employee (Major 14 companies in global)

	FY2020	FY2021	FY2022
Total Expenditures for education & training per employee (thousand yen)	57	63	83
Expenditures for HRIS and Engagement survey (thousand yen)	19	23	20
Expenditures for DE&I (thousand yen)	3	3	3
Others (thousand yen)	35	36	61
Education & Training hours <sup>[5]</sup> (hours)	-	29	27

[5] Education & Training hour is calculated from 2021.

## Number of new hires, retention rate

(persons)

	FY2020			FY2021			FY2022		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Total number of new hires (new graduates + mid-career)	3,999	-	-	5,436	-	-	6,337	-	-
Japan	208	-	-	293	-	-	195	-	-
Asia	835	-	-	1,344	-	-	2,233	-	-
EMEA	334	-	-	417	-	-	494	-	-
The Americas	2,622	-	-	3,382	-	-	3,415	-	-
Ref.: Ajinomoto Co., Inc.	73	50	23	91	55	36	153	102	51
New graduates	47	29	18	59	35	24	90	51	39
Mid-career	26	21	5	32	20	12	59	47	12
Management	4	4	0	5	3	2	8	7	1
Non-management	22	17	5	27	17	10	51	40	11
Ratio of mid-career recruitment	35.6%	42.0%	21.7%	35.2%	36.4%	33.3%	38.6%	46.1%	23.5%
Retention rate (3 years) for new graduates									
Ajinomoto Co., Inc.	85.9%	90.5%	77.3%	100.0%	100.0%	100.0%	93.1%	91.8%	94.7%

## Diversity of new hires (Ajinomoto Co., Inc.)

(persons)

	FY2020			FY2021			FY2022			
	Total	Male	Female	Total	Male	Female	Total	Male	Female	
Total	26	21	5	32	20	12	59	47	12	
Non-management	age <30	4	3	1	4	2	2	9	8	1
	age 30-39	18	14	4	21	15	6	38	32	6
	age 40-49	0	0	0	2	0	2	4	0	4
	age 50-59	0	0	0	0	0	0	0	0	0
	age 60-	0	0	0	0	0	0	0	0	0
Management (junior)	age <30	0	0	0	0	0	0	0	0	0
	age 30-39	1	1	0	0	0	0	2	2	0
	age 40-49	0	0	0	3	1	2	3	2	1
	age 50-59	0	0	0	0	0	0	0	0	0
Management (middle)	age 60-	0	0	0	0	0	0	0	0	0
	age <30	0	0	0	0	0	0	0	0	0
	age 30-39	0	0	0	0	0	0	0	0	0
	age 40-49	2	2	0	2	2	0	3	3	0
	age 50-59	1	1	0	0	0	0	0	0	0
Management (senior)	age 60-	0	0	0	0	0	0	0	0	0
	age <30	0	0	0	0	0	0	0	0	0
	age 30-39	0	0	0	0	0	0	0	0	0
	age 40-49	0	0	0	0	0	0	0	0	0
	age 50-59	0	0	0	0	0	0	0	0	0

## Number of retirees, turnover, reemployment

(persons)

	FY2020			FY2021			FY2022		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Total number of retirees	4,113	-	-	5,029	-	-	6,828	-	-
Japan	410	308	102	221	170	51	220	159	61
Retired	109	86	23	94	81	13	67	49	18
Resigned for personal reasons	301	222	79	127	89	38	153	110	43
Overseas (Resigned for personal reasons, etc.)	3,703	-	-	4,808	-	-	6,608	-	-
Ref.: Ajinomoto Co., Inc.	237	195	42	78	60	18	81	61	20
Retired	52	40	12	20	13	7	17	14	3
Resigned for personal reasons	185 <sup>[1]</sup>	155	30	58	47	11	64	47	17
Turnover <sup>[2]</sup>									
Ajinomoto Co., Inc.	4.8%	5.6%	2.7%	1.5%	1.8%	1.0%	1.9%	2.1%	1.6%
Reemployed after retirement (Japan only)	85 <sup>[3]</sup>	69 <sup>[3]</sup>	16 <sup>[3]</sup>	109	81	28	154	120	34
Ajinomoto Co., Inc.	29 <sup>[3]</sup>	24 <sup>[3]</sup>	5 <sup>[3]</sup>	28	15	13	30	15	15
Under reemployment program	0 <sup>[3]</sup>	0	0 <sup>[3]</sup>	5	0	5	5	0	5
Seniors (after retirement)	29	24	5	23	15	8	25	15	10
Group companies in Japan	-	-	-	81	66	15	124	105	19
Under reemployment program	-	-	-	-	-	-	-	-	-
Seniors (after retirement)	-	-	-	-	-	-	-	-	-
Ref.: Number of employees registered in reemployment program (Ajinomoto Co., Inc.)									
Employees registered	44 <sup>[3]</sup>	3 <sup>[3]</sup>	41 <sup>[3]</sup>	40 <sup>[3]</sup>	3 <sup>[3]</sup>	37 <sup>[3]</sup>	39	3	36
Newly registered	5 <sup>[3]</sup>	0 <sup>[3]</sup>	5	3	0	3	9	1	8

[1] Including 144 retirees applied for special career program.

[2] Only includes employees resign for personal reasons.

[3] Corrections have been made as a result of review of totals.

## Number of personnel with disabilities (Japan only)

(persons)

	As of June 1, 2021	As of June 1, 2022	As of June 1, 2023
Employees	280	275	294
Ajinomoto Co., Inc.	85.0	74.0	78.0
Group companies <sup>[4]</sup>	195	201	216
Percentage of workforce rate	2.26%	2.22%	2.35%
Ajinomoto Co., Inc.	2.01%	1.80%	1.87%
Group companies <sup>[4]</sup>	2.39%	2.42%	2.60%

[4] Numbers refer to 18 consolidated subsidiaries with 45.5 or more regular workers, and a special-purpose subsidiary Ajinomoto Mirai Co., Ltd.

## Personnel and Labor-Related Data

### Age, years of employment, salary

	FY2020			FY2021			FY2022		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Average age									
Ajinomoto Co., Inc.	44.1	44.8	42.2	44.4	45.2	42.5	44.6	45.4	42.7
Group companies in Japan	40.4	-	-	37.3	-	-	41.5	-	-
Overseas Group companies	36.5	-	-	36.4	-	-	38.2	-	-
Average years of employment									
Ajinomoto Co., Inc.	20.2	20.9	18.4	20.2	20.9	18.5	20.3	21.0	18.6
Group companies in Japan	13.5	-	-	10.8	-	-	13.0	-	-
Overseas Group companies	9.2	-	-	9.2	-	-	9.8	-	-
Average annual salary <sup>[1]</sup> (thousand yen)									
Ajinomoto Co., Inc.	9,971	-	-	10,465	-	-	10,475	-	-

[1] Average for employees (excluding contract staff)

### Number of employees (without contract staff) by age (Ajinomoto Co., Inc. only)

(persons)

	FY2020			FY2021			FY2022		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Total	3,184	2,177	1,007	3,252	2,225	1,027	3,335	2,272	1,063
age <30	383	217	166	366	210	156	387	218	169
age 30-39	773	504	269	757	475	282	750	463	287
age 40-49	1,190	852	338	1,201	875	326	1,138	812	326
age 50-59	753	533	220	827	584	243	957	702	255
age 60-	85	71	14	101	81	20	103	77	26

### Employees age ratio (without contract staff) (Ajinomoto Co., Inc. only)

	FY2020			FY2021			FY2022		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Total	100%	68%	32%	100%	68%	32%	100%	68%	32%
age <30	12%	7%	5%	11%	6%	5%	12%	7%	5%
age 30-39	24%	16%	8%	23%	15%	9%	22%	14%	9%
age 40-49	37%	27%	11%	37%	27%	10%	34%	24%	10%
age 50-59	24%	17%	7%	25%	18%	7%	29%	21%	8%
age 60-	3%	2%	0%	3%	2%	1%	3%	2%	1%

### Number of new managers promoted (Ajinomoto Co., Inc. only)

(persons)

	FY2020			FY2021			FY2022		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Number of new managers promoted	78	63	15	70	52	18	82	64	18
Ratio	100%	81%	19%	100%	74%	26%	100%	78%	22%

### Working hours (Ajinomoto Co., Inc. only)

	FY2020	FY2021	FY2022
Average annual working hours	1,878	1,855	1,892
Average paid leave days	14.8	16	15.6
Paid leave utilization rate	75.1%	77.7%	79.6%

### Labor union membership ratio (Ajinomoto Co., Inc. only)

	FY2020	FY2021	FY2022
Labor union membership ratio	63.0%	61.0%	60.4%

**Work-life balance (WLB) -related programs (Ajinomoto Co., Inc. only)**

Program		Details
Anywhere office		Allows employees to work at home or at a satellite office.
Super flextime		Flextime system without setting core time, or a time zone in which working is required, aimed at supporting efficient fulfillment of work duties and improving WLB.
Hourly paid leave system		Allows employees to take paid leave of up to 40 hours per year in hourly units.
Child care leave system		Allows employees with children who have not yet entered junior high school to take up to 10 days of childcare leave per fiscal year per child.
Nursing care leave system		Allows employees to take leaves for 10 days per eligible family member (20 days if there are 2 or more eligible family members)
Volunteer leave system		Allows employees to take volunteer leave of up to 8 days per fiscal year in case he or she is qualified for volunteer work by an NPO, social welfare foundation, or other organization.
WLB leave system		Allows employees to take 3 consecutive days of leave separate from ordinary paid leave (once per year).
Refreshment leave system		Allows employees to take rejuvenation leave of 9, 16, 30, and 16 days one time in the age ranges of 25–32, 33–40, 41–48, and 49–56, respectively.
WLB short working hours system	Short time work for childcare	Allows employees to take leave up to 2 hours and 30 minutes per day until the child enters the 4th grade of elementary school.
	Short time work for nursing care	Allows employees to take leave up to 2 hours and 30 minutes per day to provide care for certain family members until such care is no longer needed.
Anywhere Career		Allows employees to work anywhere based on the premise of full remote work without stopping their career developments due to relocation of their partner or nursing care in Japan or overseas.
Area application system		Allows employees to request to work in a specific area due to childcare, family care, or other applicable reasons (global employees: no transfer, regional employees: transfer to area different from that when hired).
WLB temporary retirement system	Temporary retirement for child care	Allows employees to take leave until the last day of April following the child's 1st birthday. A total of 15 days paid leave is provided.
	Temporary retirement for nursing care	Allows employees to take leave up to 1 year to care for a spouse, parents, or family within the 2nd-degree of kinship whom the employee supports.
	Temporary retirement for infertility treatment	Allows employees to take leave once in principle, up to 1 year, to receive advanced reproductive therapy.
	Temporary retirement for accompanying spouse on job transfer	Allows employees to take leave once, for a period between 1 and 3 years, to accompany their spouse on a job transfer that requires the spouse to change residence.
Re-employment system		Allows employees to register for re-employment in the event that retirement was unavoidable due to childbirth and newborn care, family and child care, or relocation because of marriage or spouse's job transfer.

**Employee usage of WLB-related programs (Ajinomoto Co., Inc. only)**

	FY2020			FY2021			FY2022		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Parenting leave program									
Number of users									
Parenting leave	135	28	107	150	46	104	164	67	97
Number of employees newly obtained the right to take childcare leave	132	81	51	149	100	49	123	74	49
Part-time parenting and work	141	1	140	126	0	126	123	1	122
Childcare leave	7	2	5	4	0	4	5	1	4
Usage ratio									
Parenting leave	-	34.5%	100.0%	-	46.0%	100.0%	-	91.0%	100.0%
Average parenting leave usage days	-	12	372	-	13	364	-	14	361
Reinstatement rate	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		100.0%	99.0%
Retention rate	100.0%	100.0%	100.0%	-	100.0%	100.0%	-	100.0%	99.0%
Other WLB-related programs									
Number of users									
Nursing care leave	6	3	3	5	3	2	4	3	1
Nursing care temporary retirement	1	0	1	2	1	1	1	0	1
Part-time family care and work	0	0	0	0	0	0	1	0	1
Accumulated paid leave	55	22	33	43	19	24	34	8	26
Volunteer leave	1	-	-	23	-	-	1	-	-
Rejuvenation leave	101	-	-	153	-	-	150	-	-

## Frequency of serious accidents and accidents with absence

### Frequency of serious accidents and accidents with absence, and number of accident victims<sup>[1]</sup>

	FY2018	FY2019	FY2020	FY2021	FY2022
No. of people (with absence)	134	118	146	104	93
No. of people (serious)	16	21 <sup>[1]</sup>	23	12	16
Lost-time injury frequency rate	1.49	1.46	1.90	1.28	1.13
Severity rate (Number of lost-workday rate)	0.018	0.005	0.117	0.035	0.035
Occupational illness frequency rate	-	0	0	0	0.01

[1] Corrections have been made as a result of review of totals.

### Major accident and incidents

		FY2018	FY2019	FY2020	FY2021	FY2022
Number of serious accidents <sup>[2]</sup> (Persons, fatal accidents in parentheses)	Japan	9(0)	6(0)	8(0)	3(0)	6(0)
	Overseas	7(0)	15(1)	15(1)	9(0)	10(0)
	Total	16(0)	21(1) <sup>[3]</sup>	23(1)	12(0)	16(0)
Number of falling over accidents (Persons, serious accidents in parentheses)	Japan	13(4)	5(1)	6(1)	13(0)	7(3)
	Overseas	14(0)	12(3)	16(1)	11(1)	13(1)
	Total	27(4)	17(4)	22(2)	24(1)	20(4)
Number of caught-in accidents etc. by machines in operation (Persons, serious accidents in parentheses)	Japan	1(1)	1(0)	3(3)	0(0)	1(0)
	Overseas	13(3)	6(3)	12(3)	11(7)	11(3)
	Total	14(4)	7(3)	15(6)	11(7)	12(3)

[2] Serious accidents: Fatal accidents, Accidents with physical disabilities, or 4 days or more of lost time accidents with hospitalization (Commuting accidents that are excluded from Survey on Industrial Accidents by the Ministry of Health, Labour and Welfare are not counted.)

[3] Corrections have been made as a result of review of totals.

## Number of hotline reports<sup>[4]</sup>

	FY2018	FY2019	FY2020	FY2021			FY2022		
				Japan	Overseas	Total	Japan	Overseas	Total
Human rights, harassment	47	45	50	36	5	41	38	19	57
Hiring, working, conditions	21	19	36	26	34	60	14	66	80
Quality, environment	1	1	3	7	2	9	6	14	20
Fraud	1	4	3	9	4	13	2	6	8
Social manners, ethics	6	10	29	22	97	119	8	54	62
Proper job performance	20	8	45	19	2	21	16	5	21
Other	2	6	4	8	107	115	9	213	222
Total	98	93	170	127	251	378	93	377	470

[4] Figures for overseas subsidiaries have been calculated since FY2021.



Third-party assurance



**LRQA Independent Assurance Statement**  
**Relating to Ajinomoto Co., Inc.'s Environmental and Social Data**  
**within Ajinomoto Group Sustainability Data Book 2023 for the fiscal**  
**year 2022**

This Assurance Statement has been prepared for AJINOMOTO Co., Inc. in accordance with our contract but is intended for the readers of this report.

**Terms of engagement**

Lloyd's Register Quality Assurance (LRQA) was commissioned by AJINOMOTO Co., Inc. ("the Company") to provide independent assurance on its Environmental and Social data within Ajinomoto Group Sustainability Data Book 2023 ("the report") for the fiscal year 2022 from 1 April 2022 to 31 March 2023), against the assurance criteria below to a limited level of assurance and at the materiality of the professional judgement of the verifier using ISAE 3000 and ISO 14064-3 for GHG emissions data.

Our assurance engagement covered the Company's operations and activities in Japan and overseas and specifically the following requirements:

- Verifying conformance with the Company's reporting methodologies for the selected dataset;
- Evaluating the accuracy and reliability of data for the selected environmental and social indicators listed below:<sup>1</sup>
  - Scope 1 GHG emissions<sup>2</sup> (tonnes CO<sub>2</sub>e)
  - Scope 2 GHG emissions, market-based and location-based<sup>2</sup> (tonnes CO<sub>2</sub>e)
  - Scope 3 GHG emissions associated with Categories 1 to 15 (tonnes CO<sub>2</sub>e)
  - Lost Time Injury Frequency Rate (LTIFR)<sup>3</sup>
  - Occupational Illness Frequency Rate (OIFR)<sup>3</sup>

Our assurance engagement excluded the data and information of the Company's suppliers, contractors and any third-parties mentioned in the report.

LRQA's responsibility is only to the Company. LRQA disclaims any liability or responsibility to others as explained in the end footnote. The Company's responsibility is for collecting, aggregating, analysing and presenting all the data and information within the report and for maintaining effective internal controls over the systems from which the report is derived. Ultimately, the report has been approved by, and remains the responsibility of the Company.

**LRQA's Opinion**

Based on LRQA's approach nothing has come to our attention that would cause us to believe that the Company has not, in all material LRQA aspects:

- Met the requirements above
- Disclosed accurate and reliable environmental and social data

The opinion expressed is formed on the basis of a limited level of assurance and at the materiality of the professional judgement of the verifier.

**Notes:** The extent of evidence-gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically checking source data at sites. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

<sup>1</sup> GHG quantification is subject to inherent uncertainty.

<sup>2</sup> Scope 1 and Scope 2 GHG emissions cover only energy-oriented CO<sub>2</sub> at Manufacture sites.

<sup>3</sup> Including office work only sites.



**LRQA's approach**

LRQA's assurance engagements are carried out in accordance with ISAE3000 and ISO14064-3 for GHG emissions. The following tasks though were undertaken as part of the evidence gathering process for this assurance engagement:

- Auditing the Company's data management systems to confirm that there were no significant errors, omissions or mis-statements in the report. We did this by reviewing the effectiveness of data handling procedures, instructions and systems, including those for internal verification.
- Interviewing with key people responsible for compiling the data and drafting the report.
- Sampling datasets and tracing activity data back to aggregated levels;
- Verifying the historical GHG emissions, Lost Time Injury Frequency Rate (LTIFR) and Occupational Illness Frequency Rate (OIFR) data and associated records for the fiscal year 2020; and
- Verification for confirming of the effectiveness of its data management system of AGF Kanto Inc. and Ajinomoto Frozen Foods Co., Inc. Shikoku Plant were conducted by emails, telephone, and site visit. The data for the all sites was reviewed at the head office of AJINOMOTO Co., Inc.

**Observations**

The company is expected to continue its efforts for implementing quality assurance and quality control (QA/QC) systems in data and information management. At that time, this is particular to ensure effective internal verification processes at both the corporate and member company levels.

**LRQA's standards, competence and independence**

LRQA implements and maintains a comprehensive management system that meets accreditation requirements for ISO 14065 Greenhouse gases – Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition and ISO/IEC 17021-1 Conformity assessment – Requirements for bodies providing audit and certification of management systems – Part 1: Requirements that are at least as demanding as the requirements of the International Standard on Quality Control 1 and comply with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants.

LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

The verification and certification assessments are the only work undertaken by LRQA for the Company and as such do not compromise our independence or impartiality.

Signed

Dated: 18 June 2023

Takahiro Iio  
 LRQA Lead Verifier  
 On behalf of LRQA Limited  
 10th Floor, Queen's Tower A, 2-3-1 Minatomirai, Nishi-ku, Yokohama, JAPAN

LRQA reference: YKA4005549

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