

Ajinomoto Group

Eat Well, Live Well.  
**AJINOMOTO**<sup>®</sup>

# Sustainability Data Book 2016

For the Future of People and the Earth —



# Corporate Message

## Eat Well, Live Well.

### Ajinomoto Group Mission (Mission)

Our mission is to contribute to the world's food and wellness, and to better lives for the future

### Ajinomoto Group Vision (Vision)

Our vision is to become the genuine global food company group with specialties guided by our leading edge bioscience and fine chemical technologies

### ASV (Value)

ASV represents our unchanging commitment:  
With our stakeholders and businesses, we help solve society's issues, leading to the creation of economic value

### The Ajinomoto Group Way

- Create New Value
- Pioneer Spirit
- Social Contribution
- Value People

### Ajinomoto Group Principles

#### Ajinomoto Group Sustainability Data Book 2016

##### Editorial Policy

Since 2012, the Ajinomoto Group has been reporting its initiatives to help build a sustainable future for people and the planet through its Sustainability Report.

In 2016, the Ajinomoto Group combined the original Financial Report and Sustainability Report into the Integrated Report 2016. This Sustainability Data Book, a supplementary document of the Integrated Report, is published as a detailed reporting tool on the Group's sustainability activities.

This Sustainability Data Book compiles sustainability features on "Healthy Living" and "Harmony with the Earth," as well as detailed reporting based on the seven core subjects of the ISO 26000 international standard on social responsibility.

##### Organizational scope:

This report covers the activities of the Ajinomoto Group, comprising, unless otherwise noted, Ajinomoto Co., Inc. ("the company") and its 100 group companies (as of March 31, 2016), including consolidated subsidiaries and other group companies subject to reporting under the equity method. Where sufficient information for the entire Ajinomoto Group ("the Group") was unavailable, the limitation in scope is explicitly defined. The scope of environmental reporting is defined at the top of the environmental section.

##### Period covered by this report:

Fiscal 2015 (April 1, 2015–March 31, 2016)

When appropriate, however, exceptions to this general rule are made, as when citing past circumstances and data or using recent examples for illustration purposes.

Issue date: January 2017

Previous issue: January 2016

Website: <http://www.ajinomoto.com/en/activity/>

The Integrated Report 2016 is published on the company website:  
[https://www.ajinomoto.com/en/aboutus/pdf/integrated\\_report.pdf](https://www.ajinomoto.com/en/aboutus/pdf/integrated_report.pdf)



# CONTENTS

- 1 What the Ajinomoto Group Aims for/Editorial Policy
- 2 Contents
- 3 **Materiality**  
With an Aim to Become a  
“Genuine Global Specialty Company”  
  
Our Business Direction  
  
ASV (Ajinomoto Group Creating Shared Value)  
  
Identification of Material Issues  
  
Ajinomoto Group Materiality  
  
Discussion and Cooperation with Stakeholders

- 31 **Fiscal 2015 Activity Report**  
Responsibility for Global Sustainability Issues
- 32 **Organizational Governance**  
Corporate Value  
through Responsible Management
- 41 **Fair Operating Practices**  
Ethical and Honest Practices
- 51 **Human Rights**  
Respect for Human Rights  
throughout Our Business
- 56 **Labor Practices**  
Better Careers, Higher Job Satisfaction  
for All Employees
- 76 **The Environment**  
Our Contribution to Global Sustainability
- 103 **Consumer Issues**  
A Consumer-Driven Approach  
to a More Sustainable World

## 12 Special Feature 1 Healthy Living



- 118 **Community**  
Mutual Growth with Local Communities  
  
Published supplementary documentation
  - Ajinomoto Group Principles & Policies
  - Data version (personnel and labor/environment)
- 133 Ajinomoto Group Global Network
- 135 Global Review
- 140 Guidelines: GRI G4 Sustainability Reporting Guidelines

The Ajinomoto Group’s approach to achieving sustainability



## 21 Special Feature 2 Harmony with the Earth



Published supplementary documentation (PDF)  
 •Ajinomoto Group Principles & Policies  
 •Data version (personnel and labor/environment)  
<http://www.ajinomoto.com/en/activity/>

# With an Aim to Become a “Genuine Global Specialty Company”

The Ajinomoto Group aims to be one of the top ten global food companies by 2020. Through business structure reforms, strategic actions, and a track record of creating value with AminoScience, the Group endeavors to grow its business in all countries and regions where it operates.

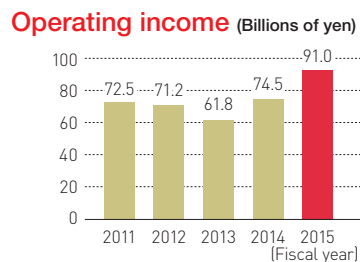
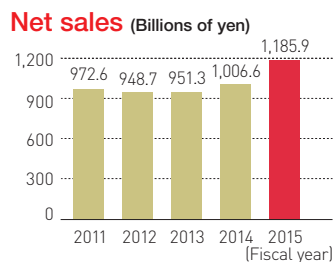
## Global reach of the Ajinomoto Group (As of March 31, 2016)



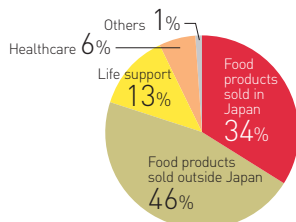
## Global network: 27 countries and regions



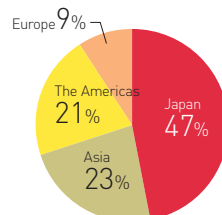
## Consolidated financial highlights (April 1, 2015-March 31, 2016)



### Net sales by business



### Net sales by region



### Included in the following SRI indices

- Dow Jones Sustainability World Index

MEMBER OF

**Dow Jones Sustainability Indices**

In Collaboration with RobecoSAM  
Selected three consecutive years since 2014

- FTSE4Good Global Index



**FTSE4Good**

Selected 13 consecutive years since 2004

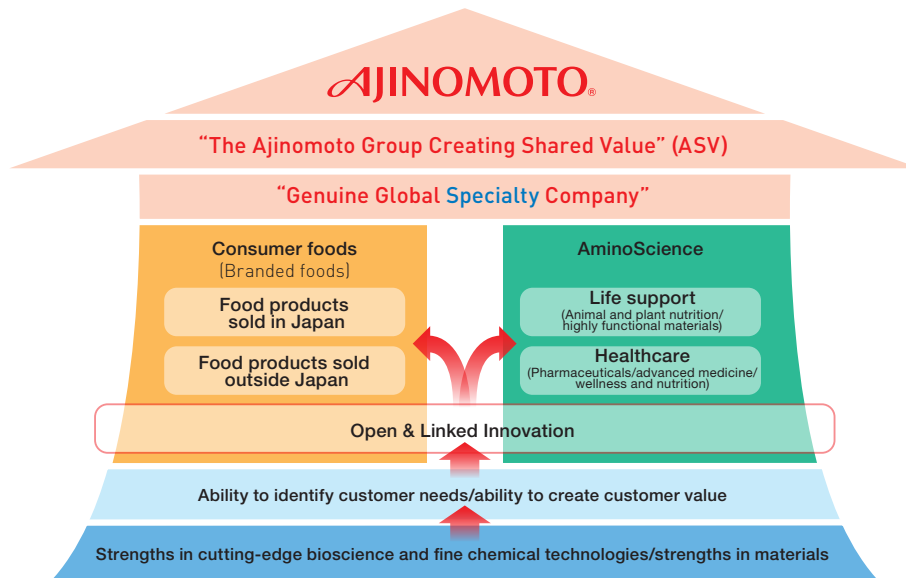
Link [Ajinomoto Group Integrated Report 2016](https://www.ajinomoto.com/en/aboutus/pdf/integrated_report.pdf)  
[https://www.ajinomoto.com/en/aboutus/pdf/integrated\\_report.pdf](https://www.ajinomoto.com/en/aboutus/pdf/integrated_report.pdf)

# Our Business Direction

The Ajinomoto Group aims to become a food company group with specialties driven by cutting-edge bioscience and fine chemical technologies, and supported by its two primary businesses in consumer foods and AminoScience.

At the Ajinomoto Group, the term “specialty” refers to the high added value born from advanced materials and fine chemicals as well as the ability to tailor value to specific needs within a diversifying customer base. The Ajinomoto Group leverages its specialty strengths in both of its main primary businesses:

consumer foods and AminoScience. By continuing to offer the kind of innovations that only the Ajinomoto Group can, the Group seeks to provide significant social and environmental value, which is the goal of the “Ajinomoto Group Creating Shared Value” initiative. The Group recognizes that this is the key to becoming a “Genuine Global Specialty Company,” delivering on the Ajinomoto Group Philosophy, and becoming an indispensable partner to customers and the broader society.



## Business overview and specialties in each business domain

### Consumer Foods

**Japan Food**

Use cutting-edge technologies to generate new value in many areas including techniques for deliciousness, simplifying food preparation and eliminating over/undernutrition to help resolve issues for each consumer

- Adaptability of basic products to market changes
- New product development/new market creation with functional extensions

**International Food**

Offer products that will be each country's No.1 in deliciousness and create new value with our cutting-edge technologies and thorough adaptation to each locale

- Local customization of global products/development of original local food products
- Expansion into adjacent domains through partnership, alliance, etc.

### AminoScience

**Life Support**  
(Animal and plant nutrition/Highly functional materials)

Offer abundant food resources and continuously create new functional materials and services that contribute to people's lives

<b>Animal and Plant Nutrition</b> <small>Expansion of feed nutrition domain</small> <small>Advanced use of amino acids for agriculture/fisheries</small>	<b>Lifestyle-Related Materials</b> <small>Expansion of application range for epoxy resin film</small> <small>Promotion of functional cosmetic ingredients</small>	<b>New Biomaterials</b> <small>Bio formulations of petroleum-based materials, etc.</small>
--	---	---

**Healthcare**  
(Pharmaceuticals/Advanced Medicine/Wellness and Nutrition)

Contribute to human health with advanced medicine spanning pre- to post-disease stages by combining the Group's internal value chain with external resources, centered on cutting-edge biotechnologies

<b>Pharmaceuticals</b> <small>Pharmaceutical business centered on the field of digestive disorders</small> <small>Pharmaceutical CDMO<sup>1</sup> (Small-molecule drugs to biopharmaceuticals)</small>	<b>Advanced Medicine</b> <small>Diagnostics (AminoIndex<sup>®</sup>)</small> <small>Participation in regenerative medicine</small>	<b>Wellness/Nutrition</b> <small>From infants to seniors</small> <small>Athletes — Pre- to post-disease</small>
--	--	---

<sup>1</sup> CDMO: Contract Development and Manufacturing Organization

# ASV (Ajinomoto Group Creating Shared Value)



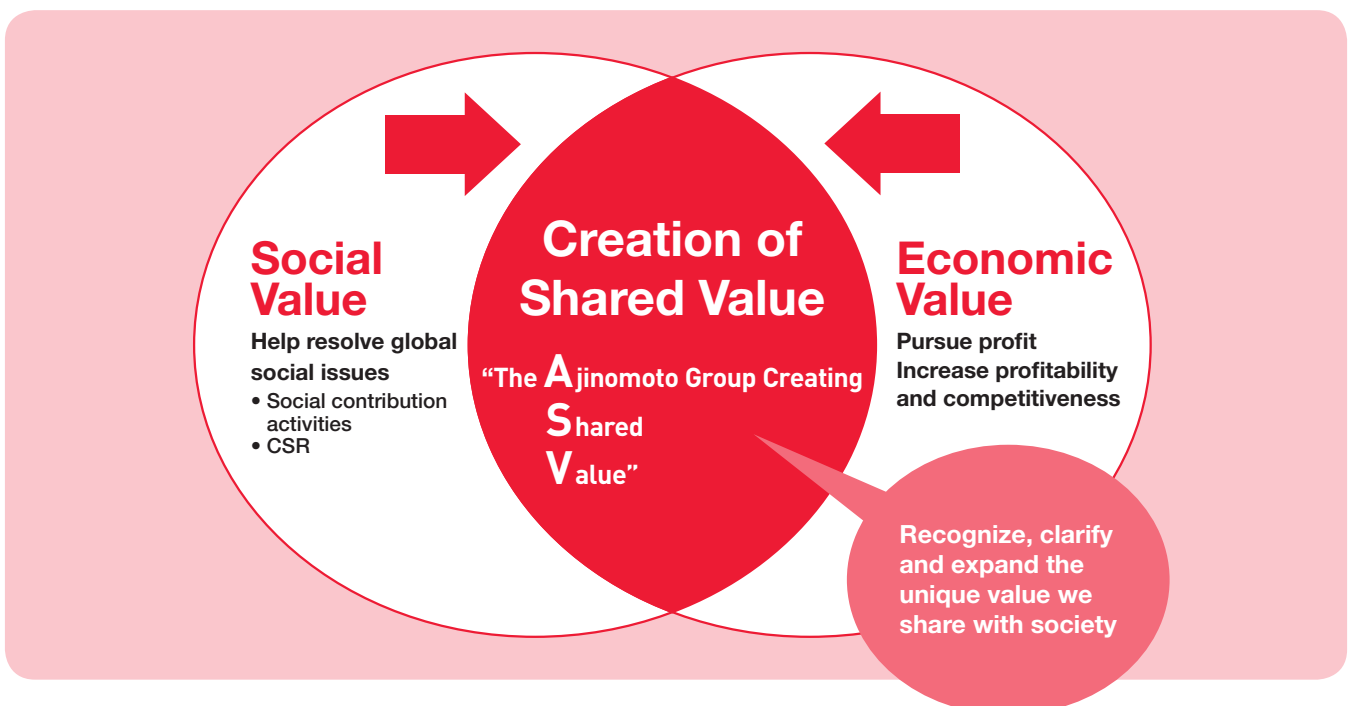
The Ajinomoto Group sprang from a desire to improve human nutrition and health using umami. In 1908, Dr. Kikunae Ikeda identified glutamic acid, an amino acid found in *kombu* kelp broth (*dashi*). He named this taste “umami” and patented a method of manufacturing umami seasoning. Entrepreneur Saburosuke Suzuki II later marketed the umami seasoning *AJI-NO-MOTO*®. The Ajinomoto Group has since continued their work by addressing global social issues across the value chain through a wide-ranging business portfolio focused on food and AminoScience.

The world today faces various challenges of varying proportions. Among those, the Ajinomoto Group has identified global sustainability, food resources, and healthy living as the three issues that the 21st-century human society is facing and that it

has a responsibility to address through its business. In the FY2014–2016 Medium-Term Management Plan, the Group sets out actions to help resolve these issues with the unique business specialties focused on food and amino acids, and at the same time, to accelerate its business growth.

All business activities should add both economic and social value. Going forward, the Ajinomoto Group believes all operations must seek to create and optimize “shared value,” or economic and social value combined. We call this Ajinomoto Group Creating Shared Value (ASV), and consider it to be the very core of operational activities. The Ajinomoto Group believes actively pursuing ASV will help in the quest to become a “Genuine Global Specialty Company.”

## Evolution of ASV: Integrated Targets and Information Sharing



# Identification of Material Issues

The Ajinomoto Group collects opinions from external experts in a variety of forms to help clarify the importance and priority of individual operations when creating value through business.

We ask those experts to evaluate recent social trends and Ajinomoto Group activities. Opinions are shared internally at the business planning level to ensure the Group proactively pursues activities that fulfill social expectations.



# Ajinomoto Group Materiality

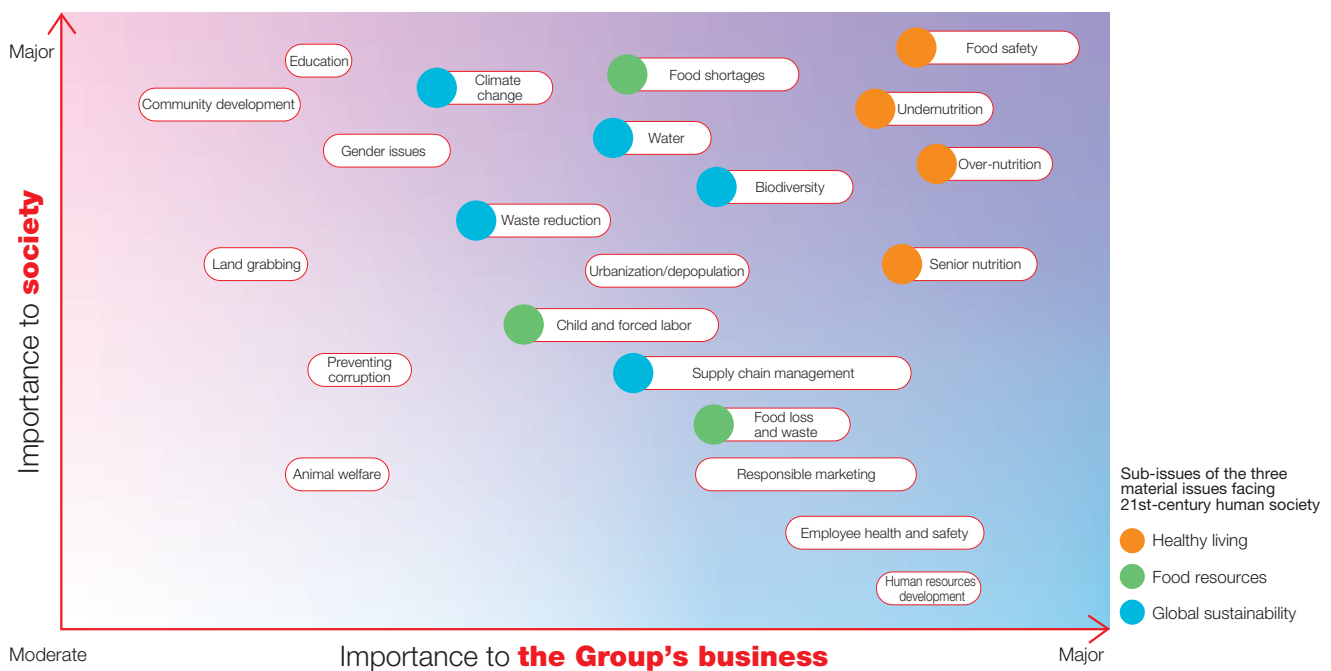
## Resolution of 21st-century human society issues

Following a series of internal and external discussions, the Ajinomoto Group clarified its position on resolving issues facing 21st-century human society at the time of its centennial anniversary in 2009, declaring its intention to contribute through business to three material issues: global sustainability, food resources, and healthy living.

While committing to coexist and develop with society, each department within the Group was tasked with laying out plans to address these issues using the Group's unique technological and product development prowess and value-chain influence.

Following multiple discussions, the Group is rethinking the relationship between its business and social issues by selecting and organizing materiality items. In 2015, the Group designed the following materiality matrix, subject to likely revision as new social issues emerge.

## Materiality matrix of the Ajinomoto Group



## Contribution to Sustainable Development Goals (SDGs)

In September 2015, the United Nations' Sustainable Development Summit suggested an action plan for people, planet and prosperity, involving 17 Sustainable Development Goals (SDGs) and 169 targets. The SDGs call for global action, and urge private companies to play a proactive role.

The Ajinomoto Group has consistently debated the relationship between business and global issues, starting with efforts to help resolve issues facing 21st-century human society. In light of the SDGs, the Group decided to review the issues and its own approach, and began surveying and discussing with external experts to help clarify how to frame business activities vis-à-vis SDGs.

The Group will continue to gather internal and external opinions on SDGs and incorporate those views into future medium-term management plans, materiality and broader Ajinomoto Group corporate strategy.





# SDGs and Ajinomoto Group Business

The SDGs clearly specify the need to improve the nutrition of people in various countries and regions. The Ajinomoto Group believes it can help resolve this problem through business.

## SDGs closely linked to Ajinomoto business

### Healthy living



**Goal 2: Zero Hunger**  
End hunger, achieve food security and improved nutrition and promote sustainable agriculture



**Goal 3: Good Health and Well-being**  
Ensure healthy lives and promote well-being for all at all ages

## Major relevant activities



Nutrition Improvement Projects in Ghana and Malawi



Vietnam School Meal Project

### Food resources and global sustainability



**Goal 12: Responsible Consumption and Production**  
Ensure sustainable consumption and production patterns



**Goal 13: Climate Action**  
Take urgent action to combat climate change and its impacts



**Goal 14: Life below Water**  
Conserve and sustainably use the oceans, seas and marine resources



**Goal 15: Life on Land**  
Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss



Contributing to sustainable farming through bio-cycles



Green living starts at the dinner table



Participating in skipjack tuna tagging surveys



The "Forest of Blendy" project protects forests and water resources

### Fundamental business activities



**Goal 5: Gender Equality**  
Achieve gender equality and empower all women and girls



**Goal 8: Decent Work and Economic Growth**  
Promote inclusive and sustainable economic growth, employment and decent work for all



**Goal 17: Partnerships for the Goals**  
Revitalize the global partnership for sustainable development



Hiring female sales reps for the Ghana Nutrition Improvement Project



Promoting female participation in the workplace

# Discussion and Cooperation with Stakeholders

## Survey for experts on SDGs

The Ajinomoto Group conducted a survey of experts to seek external views on how the Group should frame its business activities vis-à-vis SDGs.

The survey asked experts, of the 17 goals, which items the Ajinomoto Group should focus on helping to solve, what contribution it should make, and if there were any materiality items that should be revised in light of the SDGs. The opinions have been shared internally to further future debate.

### Overview of questionnaire survey

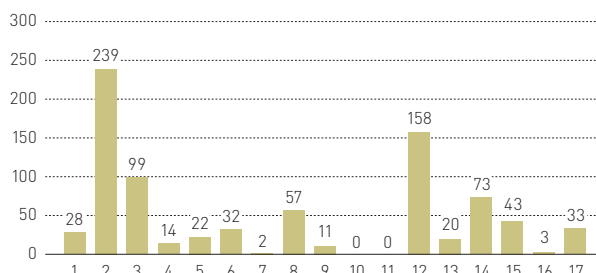
**Survey period:** August 2016

**Survey participants:** 56 external experts

(Experts familiar with Ajinomoto Group activities, having participated in previous internal workshops and dialogues or cooperated on external activities)

### Major survey findings

Which of the 17 SDGs the Ajinomoto Group should help achieve



- Of the 17 SDGs, list the top five goals in order of priority (multiple answers allowed)
- Points allocated in survey compilation: 1st = 5 points, 2nd = 4 points, 3rd = 3 points, 4th = 2 points, 5th = 1 point



Respondents demanded particular contribution to Goal 2 (Zero Hunger), Goal 3 (Good Health and Well-being), and Goal 12 (Responsible Consumption and Production)

## Feedback from external stakeholders



**Alan AtKisson**  
President & CEO,  
AtKisson Inc.

While the 17 SDGs alone are unlikely to directly impact voluntary commitments or legal obligations from companies, they are already having a considerable indirect impact on companies committed to sustainability. Major sustainability-related actors have started aligning their operations and new joint actions to high-priority SDGs goals. Japanese companies are slightly behind in this regard, but momentum to integrate SDGs is building.

The Ajinomoto Group is already involved in a broad spectrum of activities and we are starting to see reports on various SDGs related activities. However, I feel some of the activities are fairly vague in terms of concrete target setting, development and reporting. If the Group can engage SDGs in a more strategic fashion, then it could attract global attention as a leader in the field, and raise its sustainability activities to a higher level.



**Riichiro Oda**  
President & CEO,  
Change Agent Inc.

I would suggest the Ajinomoto Group refer to the Access to Nutrition Index and pursue the following policies as concrete representation of the Ajinomoto Group Philosophy: 1) Incorporate nutritional activities at a business strategy level in response to the spread of more serious lifestyle diseases worldwide, 2) Establish a clear profiling system to measure the impact of individual seasoning and soup products on a person's daily dietary intake, conduct composite reviews to reduce sugar, salt and fat content and boost micronutrients, clearly define, develop and retail healthy products, and clearly comprehend the extent of target fulfillment, 3) Establish a clear policy to improve access to healthy manufactured products both in terms of price and logistics, 4) Employ global standards on nutritional labeling that surpass national legal obligations, 5) Establish a responsible marketing policy for adults and children and monitor compliance, 6) Identify fresh opportunities to strengthen and improve nutrition in nutritionally poor areas, and develop appropriate commercial production and retail activities.



**Yasushi Hibi**

Conservation International Vice President and Country Director, Japan, Deputy Chairperson, Japan Committee for IUCN

The Ajinomoto Group’s sustainability strategy is based on a firm, material analysis-driven framework befitting a global company, from a top-management commitment through supply-chain activities, main business activities, and environmental response. The company is clearly aware of the fundamental importance to its business, especially of natural resources such as biodiversity, etc.

However, there is room for improvement on the Group’s proactive contribution to social change, both in ambitious back-casting, and effective progress monitoring. Going forward, the Ajinomoto Group should help form an entire sustainable supply chain, not just at the procurement end, by actively supporting supplier capacity development and helping create international rules and norms. It is also important to clearly position the Group’s social responsibility and ASV within an SDGs framework.



**Yukiko Furuya**

President, Consumer Conference for Sustainability

Developing sustainable consumer behavior patterns is vital to achieving SDGs. Given the lack of clarity on exactly what constitutes sustainable consumer behavior, it is vital that sustainability-conscious consumers, consumer groups, companies, and governments work together to determine ideal consumption patterns and concrete sustainable consumption promotional activities.

Companies in particular should first focus on sustainable production, and then disclose information on issues and measures taken to consumers to help achieve concrete sustainable consumption together. Companies can also respond to customer queries with educational information about sustainable consumption.

I would like to think companies and consumers could work together on sustainable production and consumption to help achieve Goal 12 (Responsible Consumption and Production) and, by extension, some of the other goals as well.



**Hideki Wakabayashi**

Director, Amnesty International Japan

The essence of the SDGs is to achieve human rights for all. By pursuing SDGs activities with human rights due diligence as a basis, the private sector can play a more dynamic role in achieving SDGs and developing a sustainable society. Of the 17 SDGs, Goal 1 (No Poverty) and Goal 2 (Zero Hunger) clearly relate to the “right to live,” while Goal 3 (Good Health and Well-being) and Goal 6 (Clean Water and Sanitation) represent the “right to good health.” The Ajinomoto Group’s drive to contribute through food will surely help achieve these goals.

There is no doubt that the SDGs represent business opportunity and reduce corporate risk. More importantly however, companies have an obligation to uphold human rights and, in that context, pursuing SDGs activities can be viewed as a way to ensure coherency and continuity as a long-term business operation.



**Elaine Cohen**

Founder & CEO, Beyond Business Ltd.

The Ajinomoto Group ASV concept is based on the Group’s earnest drive to create economic value by first creating social value in three primary areas: healthy living, food resources and global sustainability. However, the line between traditional growth based on production and market expansion and growth based on creating fresh social value is unclear.

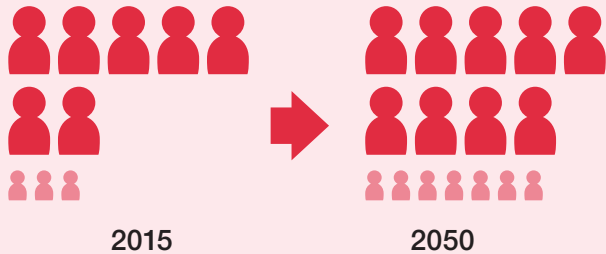
In addition, the Group’s strategic goal to become a “Genuine Global Specialty Company” does not relate directly to the social value created through the Ajinomoto Group’s shared value strategy. The Group has key performance indicators (KPI) for environmental issues, but not social issues. ASV may be the main growth strategy and KPI may reflect an integrated approach, but the absence of social value targets and measurement appears to have been overlooked.

# Stakeholder engagement

Stakeholder group	Key engagement opportunities	Results
<b>Customers/ Consumers</b>	<ul style="list-style-type: none"> <li>• Customer call centers (five food companies in Japan, certain overseas subsidiaries)</li> <li>• “Ajinomoto Park” recipe &amp; community website</li> <li>• Miscellaneous events</li> <li>• Plant tours</li> </ul>	<ul style="list-style-type: none"> <li>• Used customer input to improve products and services Made efforts to improve customer call center satisfaction (→ Consumer Issues p. 7-10)</li> <li>• Increased the Ajinomoto Group’s recognition and understanding, and participants’ awareness, of sustainability efforts (→ Consumer Issues p. 11-14)</li> <li>• Hosted plant tours at three Ajinomoto Co., Inc. business sites in Japan for around 55,000 people (fiscal 2015)</li> </ul>
<b>Shareholders/ Investors</b>	<ul style="list-style-type: none"> <li>• Annual general meeting of shareholders</li> <li>• Analysts’ meetings on financial results</li> <li>• Individual dialogues with institutional investors worldwide</li> <li>• Briefings for institutional investors on ESG (environment, society, governance) efforts</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthened corporate governance system (→ Organizational Governance p. 1-2)</li> <li>• Updated Corporate Governance Report (End June 2016)</li> <li>• Ajinomoto Group Integrated Report 2016 (End July 2016)</li> <li>• 2nd Environment, Social and Governance (ESG) Meeting for analysts and institutional investors “Briefing on Various ESG-related Initiatives - Umami and MSG” (March 2016)</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>• Communication in day-to-day business</li> <li>• Ajinomoto Group Basic Purchasing Policy and Ajinomoto Co., Inc. Supplier CSR Guidelines briefings</li> <li>• Food defense explanatory meetings and audits</li> <li>• SAQs (self-assessment tool for suppliers)</li> </ul>	<ul style="list-style-type: none"> <li>• Suppliers gained awareness of the CSR issues they need to address (→ Fair Operating Practices p. 2)</li> <li>• Conveyed the Group’s thinking and plans for more sustainable procurement of each key raw material (→ Fair Operating Practices p. 3-7)</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Ajinomoto Group Way sessions</li> <li>• ASV (Ajinomoto Group Creating Shared Value) sessions</li> <li>• By-rank/division training</li> <li>• Ajinomoto Group Principles (AGP) questionnaires</li> <li>• AGP worksite discussions</li> <li>• Whistleblower hotline</li> <li>• Harassment advisory service</li> </ul>	<ul style="list-style-type: none"> <li>• Approximately 22,000 group employees worldwide have attended Ajinomoto Group Way sessions as of year-end fiscal 2015</li> <li>• All Ajinomoto Co., Inc. employees and 2,000 Japan group company employees attended the ASV session by the end of 2015 (→ Labor Practices p. 3)</li> <li>• AGP awareness: 30 worksite meetings on AGP, Standards of Business Conduct attended by 298 participants (→ Organizational Governance p. 6)</li> <li>• Number of hotline reports: 56 reports to Japan group companies in 2015 (→ Organizational Governance p. 6)</li> </ul>
<b>Local communities</b>	<ul style="list-style-type: none"> <li>• Plant dialogue with neighborhood residents</li> <li>• Participation in and sponsorship of community events</li> <li>• Scholarships and other foundation-based activities (in four countries)</li> <li>• Recovery assistance for communities affected by natural disasters</li> <li>• Smile Earth! community environment program</li> </ul>	<ul style="list-style-type: none"> <li>• Launched an environmental monitor system (Kawasaki Administration &amp; Coordination Office, Ajinomoto Co., Inc.), held meetings with neighbourhood associations and joined local events</li> <li>• Supported the Red Apron Project since 2011, providing nutritional guidance and facilitating communication through cooking classes for those affected by the Great East Japan Earthquake (2,085 events for approximately 32,000 participants by August 2016)</li> </ul>
<b>NPOs/NGOs and external experts</b>	<ul style="list-style-type: none"> <li>• Ajinomoto Group Sustainability Forum</li> <li>• Dialogue on the Group’s sustainability and CSR activities</li> <li>• AIN program for supporting NPOs/NGOs working in the food and nutrition field</li> </ul>	<ul style="list-style-type: none"> <li>• 6th Ajinomoto Group Sustainability Forum (→ Consumer Issues p. 14)</li> <li>• Discussed internally how to incorporate various opinions received through dialogue into sustainability and CSR plans (→ Materiality p. 7-8)</li> <li>• AIN program results (1999 through 2016, include ongoing): 79 projects in 14 countries, approximately 140,000 beneficiaries, representing a 310-million-yen grant (→ Community p. 3-5)</li> </ul>

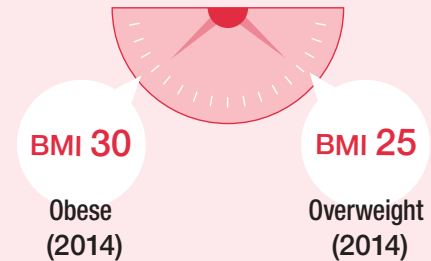
# Healthy Living

## Global population



2015 **7.3 billion**<sup>1</sup> → 2050 **9.7 billion**<sup>1</sup>

## Overnourished population



**0.6 billion**<sup>4</sup> Obese (2014)  
**1.9 billion**<sup>4</sup> Overweight (2014)  
 (Roughly doubled since 1980)

### Global challenges

## Undernourished population



Hunger/chronic undernourishment (2015) **0.8 billion**<sup>2</sup>  
 Micronutrient deficiency (2013) **2.0 billion**<sup>3</sup>

## Population aged 65 and over



2015 **0.6 billion**<sup>1</sup> → 2050 **1.5 billion**<sup>1</sup>

<sup>1</sup> UN (2015) <sup>2</sup> FAO (2015) <sup>3</sup> FAO (2013) <sup>4</sup> WHO (2015)

## Stakeholder expectations on healthy living

(Excerpts from a survey of experts)

Promote the nutritional, healthy development of the poor, disadvantaged, and socially vulnerable in developing countries (particularly children under 5, girls, and pregnant and nursing women) through nutritious, inexpensive, and shelf-stable food products deployed on a global scale



Address the nutritional challenges of seniors through research and development of functional food products, especially those that utilize amino acids



Develop schemes for eradicating poverty by addressing food issues through your unique position as a food manufacturer



Since both undernutrition and overnutrition are health risk factors, develop products that help protect the health of people who use them



## Ajinomoto Group Mission

### Our mandate to address global issues through food and nutrition

Eating is a necessary human activity. Good eating nourishes a vital body and mind.

The Ajinomoto Group's aim to become one of the top ten global food companies is not merely about growing sales. It also reflects our desire to pioneer the future of food in partnership with our stakeholders and in harmony with the people and communities everywhere we do business.

We want to deliver flavorful, nutritionally balanced meals to every person we serve worldwide. This mission, with us since our founding, is what drives us forward.



## Ajinomoto Group Approach

### ■ Satisfaction of diverse nutritional needs with the unique specialties of foods and amino acids

Providing essential nutrition in a manner appropriate for every life stage is a critical endeavor. Children require adequate nutrition to grow up healthy, while many elderly, faced with a decline in physical functioning, have difficulty absorbing the necessary nutrients from food alone.

Nutritional requirements and effective ways of obtaining nutrition also vary according to the unique conditions people face—a hard-training athlete, a sick patient, or someone on the verge of lifestyle disease.

For more than a century, the Ajinomoto Group has put its knowledge of food and amino acids—primary specialty of its business—to use in proposing solutions to these diverse nutritional needs.



### ■ Collaborations to tackle complex nutritional challenges

Food and nutritional issues exist on various levels: some can be addressed by the consumer, but others require cross-industry partnership, or invention by national and local governments or NGOs and NPOs. As a food manufacturer, the Ajinomoto Group is uniquely positioned to serve as a hub connecting, and extending solutions to, various stakeholders concerned with food and nutrition. What is impossible for one company acting alone can be accomplished through collaboration.

The Ajinomoto Group believes that a commitment to continued dialogue, knowledge sharing, and the application of its growing expertise to new products and initiatives is the right approach for surmounting the toughest of nutritional challenges.



# The Health Value Umami Presented to the World



## Provision of flavorful, nutritionally balanced food

### ■ A long history of advancing food and nutrition science

In 1908, Dr. Kikunae Ikeda identified the primary taste component of *kombu* kelp broth (*dashi*): glutamic acid, an amino acid. Naming this taste “umami,” he developed a method to manufacture the umami seasoning monosodium glutamate (MSG). In 1909, Saburosuke Suzuki II, a founder of Ajinomoto Co., Inc., commercialized the umami seasoning *AJI-NO-MOTO*®. His aspiration was to make foods nutritionally rich and great taste with umami and promote human health—a philosophy that lives on today in Ajinomoto Group products sold in more than 130 countries and regions worldwide.

“Eat Well, Live Well.” is a founding core principle of the Ajinomoto Group. Our focus on scientific research has not only shed light on all of the components of “deliciousness”—taste, aroma, flavor, texture—but also produced world-leading seasoning technologies based on the ability to assemble these components freely with novel ingredients and formulation techniques.

Simultaneously, the Ajinomoto Group has also respected the fact that ingredients, customs, and other aspects of dietary culture vary widely across the world. The Group fully acknowledges the versatility of food in relation to family composition, life stage, and lifestyle. Offering foods for every time, place, and occasion based on a holistic view of eating is our mission as a leading food company.



Left: Dr. Kikunae Ikeda, umami discoverer  
Right: Saburosuke Suzuki II, the Ajinomoto Group founder



Glutamic acid, and an *AJI-NO-MOTO*® bottle sold around 1910

### ■ Improvement of global nutrition by leveraging the potential of “Washoku”

For a company like Ajinomoto Co., Inc., a Japanese food manufacturer whose founding history is closely tied to *dashi*, or broth, Japanese cuisine “washoku” culture has special meaning.

In December 2013, “Washoku, traditional dietary cultures of the Japanese” was inscribed on UNESCO’s Representative List of the Intangible Cultural Heritage of Humanity. Earning “washoku” this special status is its use of fresh, seasonal ingredients, and its ability to bring out natural flavors with *dashi* and fermented foods such as miso. Balanced portions (*ichijū sansai*) and low levels of animal fats, made possible by umami, have also contributed to Japanese food’s global reputation as a nutritionally balanced and healthy way to eat.

Although diets are diversifying and habits surrounding food are changing among the Japanese, this high interest has increased the number of Japanese restaurants and sparked a “washoku” boom overseas. Not a few visitors to Japan come anticipating the epicurean delights that await them.

The Ajinomoto Group sees “washoku” culture, which arose from the unique landscape and lifestyles of the Japanese, as containing a wealth of insights and new possibilities for the future of food. By actively spreading knowledge about Japanese food and umami, the Group hopes to deepen the discussion of food and contribute to more nourishing dietary lifestyles worldwide.



# Serving up the possibilities of “washoku” and umami

International Congress of Dietetics, Spain 2016

Even as nutritional issues attract growing international attention, the ability to address them is strongly influenced by local societal conditions and government policies. This makes international exchange and communication between dieticians, who specialize in nutrition, even more critical.

The International Congress of Dietetics (ICD), held every four years by the International Confederation of Dietetic Associations, gathers the world’s top dietitians to discuss solutions to nutritional issues. The Ajinomoto Group has participated in the event since 2008, broadcasting its umami-based approach to food and nutrition through booth displays, seminars, and other activities.

At the 17th ICD held in September 2016 in Granada, Spain, Ajinomoto Co., Inc. co-hosted a roundtable event where two nutrition scholars presented evidence for the reputed life-lengthening properties of Mediterranean and Japanese cuisine. Their talks underscored the health-supporting role that olive oil plays in Mediterranean diet and umami and amino acids play in Japanese. Dietitians from around the world also deepened their understanding of umami by actually sampling dishes prepared and explained by a Japanese chef residing in Spain.

The roundtable raised the profile of umami to a hot topic at the ICD, prompting extensive coverage in non-Japanese nutrition websites and in the Spanish media.



Prof. Yasuhiro Kido, Kyoto Prefectural University

Alfredo Martinez President (FY2017-2021) International Union of Nutritional Sciences (IUNS)



Chef Hideki Matsuhisa, owner of restaurant Koy Shunka



Top: Chefs at the Granada Convention Center  
Bottom: Sampling of umami-rich foods made from local ingredients



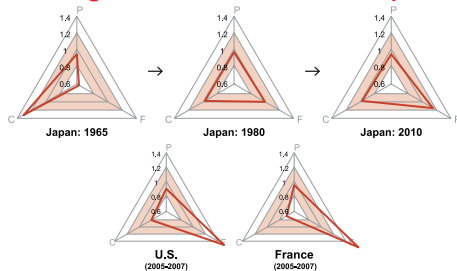
Source: “WASHOKU,” Japan’s Ministry of Agriculture, Forestry and Fisheries



In the Mediterranean food pyramid, the most scientifically verified of nutrition guides, healthy eating is built on proper amounts of exercise and enjoyment (good company, wine, etc.)

Source: “NAOS Pyramid,” Spanish Agency for Consumer Affairs, Food Safety and Nutrition (AECOSAN)  
[http://www.aecosan.mssi.gob.es/en/AECOSAN/web/nutricion/subseccion/piramide\\_NAOS.htm](http://www.aecosan.mssi.gob.es/en/AECOSAN/web/nutricion/subseccion/piramide_NAOS.htm)

## Changes of PFC balance in Japan



Source: “Washoku Guidebook,” Japan’s Ministry of Agriculture, Forestry and Fisheries

The speakers explained how Japanese food has changed over time, and offers a better nutritional (PFC) balance than Western food, which tends to be fat-centric. Attendees also enjoyed learning how the bento, one form of “washoku” culture, presents advantages in nutritional management: the box size and internal partitions allow greater control of total energy and nutritional balance.

## Nutritional balance and calories in a bento



At a 3:1:2 proportion of staple food, main dish, and two sides

600-ml bento meal = **Approx. 600kcal**

## VOICE Passionate about sharing the experience of umami with the world

A genuine understanding of umami must be gained through experience, not knowledge alone. The same is true for dieticians, the nutrition experts. That’s why at the ICD we emphasized the importance of experiencing umami in professionally prepared food, not simply by hearing the evidence.

The crowded roundtable venue was a palpable sign of the high level of interest in umami. Merging umami-rich Japanese food with Mediterranean could result in even healthier meal guidance. We’re excited to continue spreading the potential of umami around the world.

Japan is scheduled to host the International Congress of Nutrition in 2021. The Ajinomoto Group looks forward to sharing Japan’s scientific knowledge of “washoku” and umami with the world’s leading nutrition specialists.



Science Group members of the Global Communications Department, Ajinomoto Co., Inc.



# Dashi and Seasonings Expertise Leveraged for Regional Nutritional Issues



## Reduction of salt intake using umami in cooperation with authorities

Japanese salt consumption is relatively high by world standards. Traditional recipes in northeast Japan are especially high in salt, resulting in a higher-than average salt consumption. Excessive salt intake can lead to high blood pressure and other lifestyle disease. Ajinomoto Co., Inc. is lending its knowledge of dashi broth to help individual municipalities with their recent drive to reduce salt intake.

Aomori Prefecture has the lowest average life expectancy in the country, so it is focusing on extending healthy lifespans. In April 2014, Ajinomoto Co., Inc.'s Tohoku Branch provided the Aomori prefectural government with low-salt menus using umami-rich broth (dashi). The authorities then launched Use Dashi! Stay Healthy! Reduce Salt Campaign in fiscal 2014 to encourage healthy eating and local production for local consumption. The Tohoku Branch has continued to support this

campaign by holding study sessions for local supermarkets and planning promotional events.

Iwate Prefecture has the highest rates of deaths from stroke. High blood pressure is the key cause of strokes. To help control this, in July 2015, the prefectural government started holding a “Low/proper salt day in Iwate” on the 28th of every month. The Tohoku Branch has supported the initiative together with the authorities, media and retailers, holding seminars on how to reduce salt intake using dashi, and working with retailers to advertise low-salt local menus using seasonal ingredients such as *imonoko* soup in stores or flyers. The Tohoku Branch also uses the prefecture’s mascot character at store events to raise public awareness, which are often reported in the local media.

Ajinomoto Co., Inc. intends to apply this experience to help tailor individual campaigns for other regions.



## Improvement of vegetable intake in cooperation with educational institutions

The recommended daily vegetable intake for Japanese people is 350 grams but the national average sits at 288 grams, with Aichi Prefecture recording the lowest reading of 241 grams. The Ajinomoto Co., Inc.'s Nagoya Branch launched its committed Love Vege® initiative in fiscal 2015 to boost daily vegetable intake in the Tokai area, and encourage people to prepare more delicious vegetables.

Under the initiative, Ajinomoto Co., Inc. works with local authorities, retailers, distributors, the restaurant industry, universities, the media, and other Ajinomoto Group companies to create an appealing cycle of activities to expand vegetable intake in the Tokai area.

The Nagoya Branch joined forces with Sugiyama Jogakuen University to host a recipe competition for students studying nutritional management, and published the winning recipes on the company’s dedicated website. The Nagoya Branch also offers Love Vege® menus on open campus days to appeal to a broader range of society, and distributes the menu book created in collaboration with the students at vegetable stands to promote the Love Vege® initiative directly to consumers.

Going forward, the Ajinomoto Group wants to help promote healthy living and higher vegetable consumption across the region by extending the Love Vege® initiative to include vegetable producers and restaurants.

### Love Vege® project



# Competitiveness of Japanese Athletes Increased through Diet and Amino Acids



## Personal support for achieving top condition

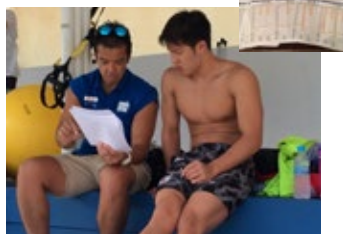
### ■ Diet and nutritional support for athletes: Victory Project®

Getting a proper diet, adequate rest, and the right nutritional support for maintaining and strengthening muscles are important when playing sports. It's even more so for top athletes who push their bodies to the limit to compete on the world stage. A large body of research has shown that amino acid levels in the body gradually decline when playing sports. This makes sense, given that amino acids are the building blocks of proteins which make up muscle. To enhance their competitiveness, it is vital that athletes supplement a proper diet with amino acids.

Ajinomoto Co., Inc. has conducted the Victory Project® since 2003 in partnership with the Japanese Olympic Committee (JOC), a foundation dedicated to elevating Japan's athletic competitiveness. Using knowledge about food and amino acids cultivated since its founding, the company helps top athletes win in the world by supporting their daily nutrition and conditioning with amino acids.



*amino Vital*® and seasoning products brought from Japan in large quantity



Athlete and Victory Project® staff member check on their daily regimen at a practice field

### ■ One-on-one support at practice, training camp, and competition

When the athletes train and compete outside Japan, they do so even amidst various changes in time zone, dietary habit, and environment. Victory Project® staff accompany athletes on these overseas competitions to provide support through diet from the time of maintaining their conditioning before the games. To maintain the athletes' condition, they bring large quantities of amino acid granule products such as *amino Vital*® and seasoning products such as *HON-DASHI* and *Nabe Cube* from Japan.

They also supply *Kachimeshi*® in overseas countries, a diet and nutrition program tailored to each athlete to win in the world (or contract sports organization). At competitions where cafeterias are provided, the athletes bring the products and adjust the taste of the menus to obtain the nutrition necessary to keep themselves in good condition. Ajinomoto Co., Inc. will continue to provide support for strengthening teams through diet and amino acids so athletes can compete in top condition.



Wheelchair basketball players and their Victory Project® staff members



*Kachimeshi*® offered in overseas countries

## TOPICS Toward the "Tokyo 2020 Games"

On March 28, 2016, Ajinomoto Co., Inc. signed an agreement with the Tokyo Organising Committee of the Olympic and Paralympic Games to serve as a Tokyo 2020 Official Partner (Cooking Condiments, Dehydrated Soup, Amino Acid Based Granules and Prepared Frozen Foods). In the Rio 2016 Olympic and Paralympic Games where the company experienced the Games for the first time after becoming the Tokyo 2020 and JOC/JPC Official Partner, the company comprehensively supported the Japan Olympic and Paralympic Teams members to maintain their conditioning by providing 300,000 Amino Acid Based Granules products including *amino Vital*® Rio

2016 Japanese national teams Special (not for general sale) so that they can achieve peak performance.

In addition, Ajinomoto

Co., Inc. is hoping to contribute to the success of the "Tokyo 2020 Games" by proactively providing support to Japan Olympic and Paralympic Teams and the Tokyo 2020 Organising Committee.



TOKYO 2020

AJINOMOTO®



TOKYO 2020 PARALYMPIC GAMES

Tokyo 2020 Official Partner  
(Cooking Condiments, Dehydrated Soup, Amino Acid Based Granules and Prepared Frozen Foods)

\*Ajinomoto Co., Inc. is an Official Partner of JOC/JPC. (Cooking Condiments, Dehydrated Soup, Amino Acid Based Granules and Prepared Frozen Foods)



Press conference on March 28, 2016



Products in the contract category



Ajinomoto booth set up at the Rio



Victory Project® members of Ajinomoto Co., Inc.

# Proteins and Amino Acids to Extend Healthy Lifespans



## The developed country in focus: Best nutrition for Japan's elderly people

### ■ Amino acids leveraged to improve quality of life for the elderly

The number of people aged 65 or over in Japan had risen to 33 million and the population aging rate had reached 26.0% according to the Cabinet Office's 2015 Annual Report on the Aging Society. Japan's population aging rate topped the world table in 2005, and is expected to rise to 40% by 2060. In today's unprecedented super-aged society, it is imperative to build the social structures for elderly people to enjoy dignified, independent and fulfilling lives.

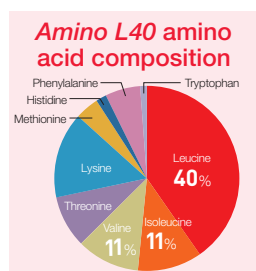
To improve quality of life for the elderly, the Ajinomoto Group believes it is important to extend healthy lifespans through quality meals and nutrition. To help achieve that, the Group has been focusing on the health value of amino acids, and suggesting how to use proteins and amino acids for a healthier life via a range of joint activities with local communities and dieticians. Those include distributing accurate and useful information and offering easy-to-prepare seasonings and foodstuffs that contain all the necessary nutrients.

In March 2016, the Ajinomoto Co., Inc.'s Tokyo Branch hosted a food and health seminar for dieticians, educators and other food and nutrition experts to discuss nutritional strategies for a super-aged society. Front-line specialists and educators gave valuable speeches, and the Ajinomoto Group, as the main host, illustrated its willingness to cooperate more deeply with food specialists to help address the health and nutrition issues facing Japan.

The Ajinomoto Group works actively in a range of areas to



Food and health seminar



educate people on the health value of amino acids and promote their broader use, including publishing information on the company website, helping authorities arrange public seminars, and deepening links with various external stakeholders and related institutions.

### ■ Effective use of amino acids to maintain and improve muscle strength

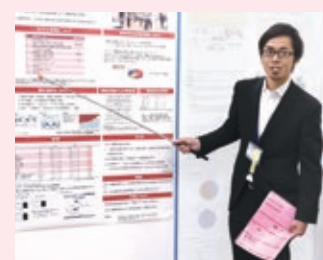
Our bodies undergo various changes as we age but one change that can significantly impact our health is decreased muscle strength. Reduction of muscle mass and power with aging (sarcopenia) can lead to locomotive syndrome and increased risk of becoming bedridden and requiring care. In that sense, it is important that elderly people proactively protect muscle strength. Appropriate levels of exercise, along with protein intake, namely meals, are essential for building muscle.

It is not just that elderly people's ability to create muscle protein weakens with age, but also their narrower diet makes it difficult to consume the necessary amount of protein. To supply a need for proteins, the Ajinomoto Group suggests using amino acids that can be rapidly and easily absorbed by the body. Our bodies cannot produce essential amino acids such as leucine that are a vital component of muscle protein. They basically have to be obtained from food, but if it's difficult, foods with nutrient function supplements are also useful sources.

*Amino L40*, developed by Ajinomoto Co., Inc. following extensive research into amino acids, a proprietary blend of nine essential amino acids containing 40% leucine. One of *Amino L40*'s key benefits is that can help synthesize muscle protein in smaller amounts than protein found in food. This could be utilized as an efficient nutritional measure for preventing sarcopenia, one of the causes of locomotive syndrome. The efficacy of high-leucine essential amino acid blends in intervention trials for the elderly was also mentioned in the government's Dietary Reference Intakes for Japanese (2015), published by the Japanese Ministry of Health, Labour and Welfare.

## Amino acids helping prevent locomotive syndrome

The town of Nanbu in Tottori Prefecture holds "Mobility Exercise Lessons" to help prevent locomotive syndrome by encouraging residents to improve their health and physical fitness through both exercise and nutrition. Ajinomoto Co., Inc. has supported the initiative by providing the *Amino L40* nutritional supplement. In the Japanese Society of Public Health Report 2015, a Nanbu town representative spoke of the success of their "Mobility Exercise Lessons" with their combination of exercise and *Amino L40* nutritional supplement, in improving participants' health and mobility.



Shingo Ita from NPO SuponetNanbu

# Toward the Resolution of Maternal and Child Undernutrition: The Ghana Nutrition Improvement Project



## Public-private partnership for maximum social impact

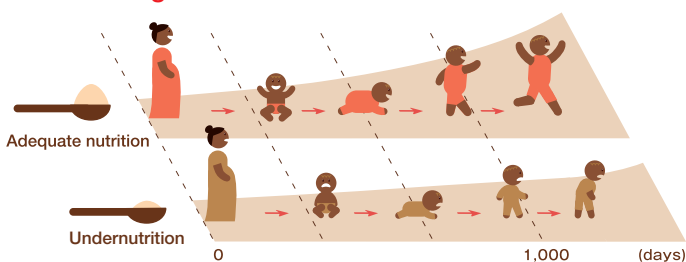
Nearly two billion people worldwide suffer from undernutrition. In developing countries, some 3.1 million children die each year before reaching the age of five. Undernutrition is the suspected cause of approximately one-third of all infant mortality cases globally. For those who survive, undernutrition during the first 1,000 days—from gestation until the child’s second birthday—can have an irreversible impact on the child’s future, stunting growth and impairing intellectual development.

To address these problems, in 2009 the Ajinomoto Group launched the Ghana Nutrition Improvement Project. Its aim is to improve child nutrition during weaning through the development, production, and sales of *KOKO Plus*, a supplement containing amino acids that fortify traditional complementary food.

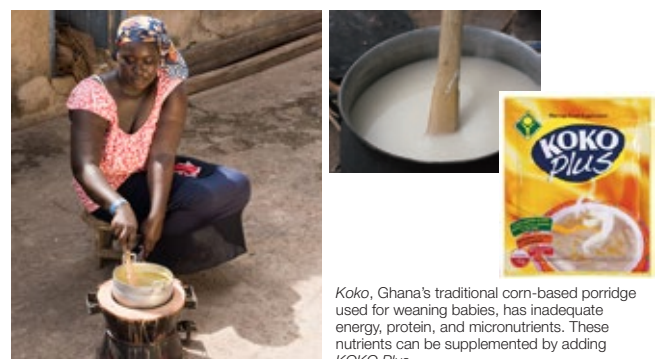
The project has progressed in three phases: Phase 1 from 2009 to 2011 included market research, product development, and partnership building. Phase 2 saw the start of production and study of the product’s nutritional efficacy and distribution models. Phase 3, which began in fiscal 2016, scaled up production and sales.

Another feature of this project is its social business goals. To overcome the unique challenges of launching a social venture in a developing country, the Ajinomoto Group has partnered with government agencies, academia, international NGOs, and other private companies in hopes of achieving synergies that result in a more effective, efficient, and sustainable business model.

### Nutrition in the first 1,000 days determines a child’s growth



In Ghana, about 30% of children aged two years display stunting, mainly from undernutrition during weaning from age six months and beyond.



*Koko*, Ghana’s traditional corn-based porridge used for weaning babies, has inadequate energy, protein, and micronutrients. These nutrients can be supplemented by adding *KOKO Plus*.

## Study results shed light on project's future

The results of two studies conducted in Phase 2 offer important insights into the project's future.

### ■ Nutritional efficacy study

This study compared the growth and nutritional state (e.g., anemic symptoms) of some 300 children allocated to three groups, each administered *KOKO Plus*, micronutrients only, or nothing, and all provided with nutritional education. The results of an analysis in a model assuming that all study subjects receive 100% of their supplements showed *KOKO Plus* to be the most effective in preventing stunting and anemia.

### ■ Distribution model pilot studies

In this one-year study, two distribution methods were tested in different regions of the country. In the rural north of Ghana, sales were conducted through a network of local female sales staff in partnership with CARE International. In the Eastern Region located in the south, sales and demand creation activities were conducted through retail channels in partnership with Exp Social Marketing (ESM), a social marketing company based in South Africa. The results showed effective changes in behavior toward children in the north, and the effectiveness of health centers and local radio as tools for educating consumers and creating demand in the south.

Going forward, the project will look to build a more sustainable business model, with the possibility of establishing new partnerships and improving maternal nutrition as well. It also plans to apply experiences in Ghana to other developing countries.

## VOICE In-person communication: Key to better consumer understanding of product

Our sales area for *KOKO Plus* has gradually expanded since fiscal 2016. In September we set up a sales base in Kumasi, one of the major commercial centers in Ghana.

This is an area that, until now, had never heard of *KOKO Plus*. However, when our sales staff work hard to explain its



purpose and benefits to shopkeepers and consumers, they understand and purchase the product in an act of trust.

Still, unlike ordinary food products and seasonings which provide instant payback in terms of flavor or convenience, the benefits of *KOKO Plus* are recognized only with the long-term usage, making it a challenge convincing consumers to continue purchasing and using it.

To overcome this challenge, we're working in small but steady ways to cultivate *KOKO Plus* fans, with support from public institutions. I work everyday with sales staff believing that this word-of-mouth approach is the key to our success.



Takashi Uesugi  
R&D Planning Department, Ajinomoto Co., Inc.  
(assigned in Ghana)

## RUTF development project to benefit malnourished Malawi children

Some 16 million children under the age of five worldwide are said to suffer from severe acute malnutrition. Many of these children facing mortality risks live in Asian and African developing countries. Since hospital-based treatment is difficult in poor countries, the use of Ready-to-Use Therapeutic Foods (RUTF) together with breast milk have been spreading as a form of the treatment.

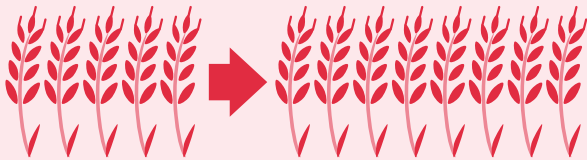
Against this background, Ajinomoto Co., Inc. is developing a new RUTF in Malawi in collaboration with Valid Nutrition, an Ireland-based non-profit. The company succeeded in developing an innovative RUTF formulation with the supplementation of amino acids to locally available grains in Africa, which tend to have poor protein nutritional values. Since October 2015 the company has been studying the product's nutritional efficacy. It is also considering converting the project into a self-sustaining social business.



Samples of RUTF and a child having RUTF

# Harmony with the Earth

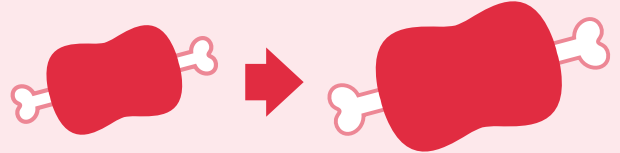
## Food production



Food production needed by 2050 compared to 2005 through 2007

**+60%<sup>1</sup>**

## Meat consumption



Meat consumption in developing countries in 2050 compared to 2005 through 2007

**+50%<sup>1</sup>**

Global challenges

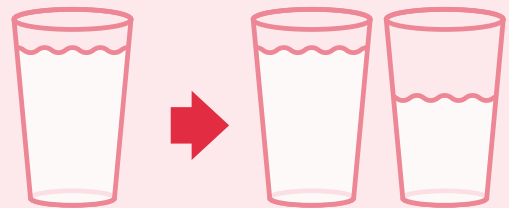
## Global warming



Global average surface temperature by year 2100

Up to **+4.8°C<sup>2</sup>**

## Water



Global water demand by 2050 compared to 2000

**+55%<sup>3</sup>**

<sup>1</sup> FAO (2012) <sup>2</sup> IPCC (2013) <sup>3</sup> OECD (2012)

## Stakeholder expectations on harmony with the Earth (Excerpts from a survey of experts)

Fishery resources in the waters around Japan and elsewhere are in a critical state. As their end product manufacturer, it is the Group's obligation to immediately address this issue to sustainably use these resources



With the projected population increase and climate change, providing sustainable food production and consumption is very important for business. This will require support all the way up to the agricultural producers. Crop issues and factors that need addressing should be identified and given attention in order of priority

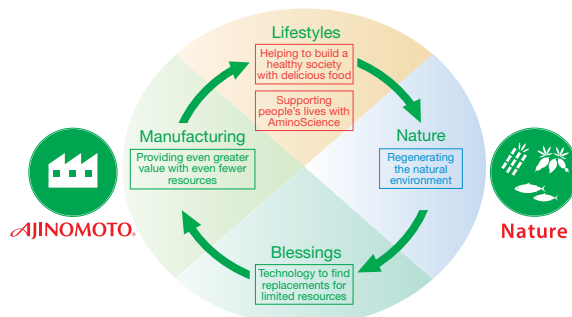


Food waste is an issue that should be addressed with a set target, particularly in Japan. As an industrial leader, the Group can implement initiatives in partnership with the government sector, distributors, consumers, NPOs, and others



## Leading for sustainable production and consumption

Demand for human consumption has already exceeded the Earth's production capacity. And as the global population continues to grow, the intelligent use, restoration and enhancement of natural capital are necessary. To ensure our daily lives and economic activities as well as healthy global environment, sustainable production and consumption must be further pursued. The Ajinomoto Group is strengthening cooperation and collaboration to confront this issue together with various stakeholders, including suppliers, businesses and industries, communities, governments, NPOs and NGOs, research institutes and experts. The Group is pursuing efforts not only for its own growth and the growth of the entire supply chain, but also for global sustainability.



## Ajinomoto Group Approach



### ■ Shared values and goals with the larger society

In all activities, from the procurement stage of raw materials at the most upstream part of the supply chain to development and production, logistics, and communication with consumers, the Ajinomoto Group has to act with consideration for the future of the planet and society to achieve sustainable production and consumption in its business activities.

For procurement in particular, much of the natural capital exists in developing countries. An approach that enables change in the social framework may sometimes be necessary, rooted in an understanding of the social and environmental issues facing the region.

Thus, the Ajinomoto Group believes in gaining consensus and taking action together with various stakeholders by clearly stating why the Group is focused on sustainability through its Supplier CSR Guidelines and other means.

### ■ Promotion of sustainable initiatives with outside cooperation

Although the environmental impact of development and production can be reduced within the company, the Group's efforts alone are not enough to pursue sustainability over the whole society.

The Ajinomoto Group is taking part in various initiatives, industry organizations, and councils to generate greater impacts. By being an active member in these forums, the Group is engaging with society, passing on its expertise and learning from society as well.

Global environmental issues cannot be solved overnight. To make the journey itself sustainable, the Group will continue putting its efforts in both company initiatives and social collaboration.



# Bio-Cycles for Sustainable Agriculture



Production from the region's bounties that returns the fruits to the region

## Ajinomoto Group's unique bio-cycle

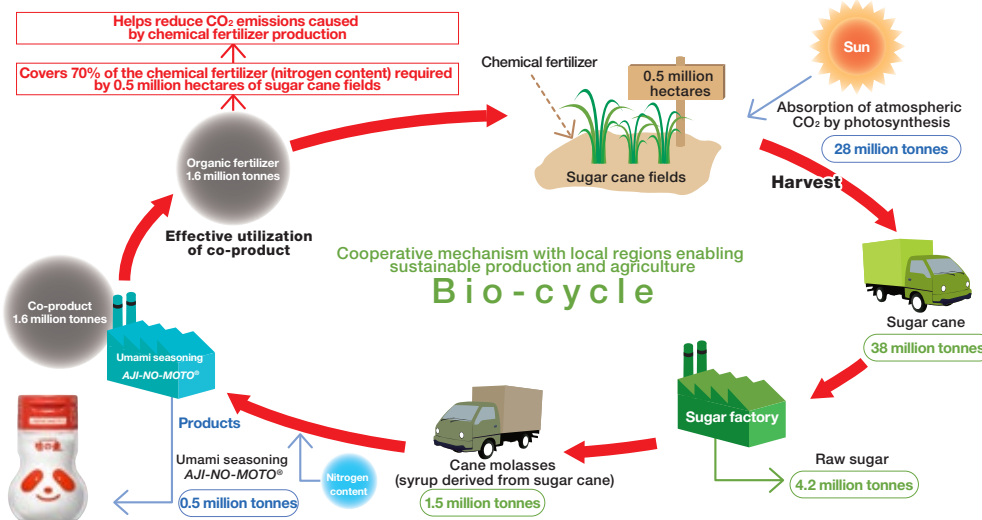
Securing stable food resources has become a global issue with the anticipated rise in world population. One of the ways the Ajinomoto Group is addressing this issue is by sustainable agriculture.

The Ajinomoto Group produces amino acids at 18 plants across nine countries worldwide. Since its establishment, the Group has produced these amino acids through a fermentation process using crops that are readily available in each region, such as sugar cane, cassava, corn, and sugar beet, as raw materials. In the process, amino acids are extracted from a fermentation liquor, leaving behind nutritionally rich by-products (co-products) that are then almost completely used locally as fertilizer for agricultural crops and as feed for livestock, including farmed fish.

The Ajinomoto Group has been employing such regional

resource recycling processes (bio-cycles) in amino acid production worldwide for more than 40 years. Manufacturing amino acids without using the fermentation process would lead to the depletion of resources. The sustainability of the Group's business depends on the continued pursuit of a resource-efficient manufacturing process.

Although co-products by itself can be used as nutrient-rich organic fertilizer, research is also being conducted on further improving their effectiveness and turning them into higher value-added agricultural materials with nutritionally balanced amino acids and minerals essential to plants. Through this research, the Group is helping add value and improve the productivity and quality of agricultural crops. Going forward, the Group will continue creating bio-cycle models that are beneficial to all three parties: local farmers, food processing industries, and the Ajinomoto Group.



**If fermentation were not used to make amino acids...**

Assuming an annual production of 0.5 million tonnes of AJI-NO-MOTO®,

- 833 annual harvests<sup>1</sup>**  
If all were made from kombu kelp, 833 annual harvests of kelp in Japan, equivalent to 25 million tonnes in dry weight would be required.
- 200 million tonnes<sup>2</sup>**  
If all were made from tomatoes, 1.6 annual harvests of tomatoes worldwide, equivalent to 200 million tonnes would be required.

The chart assumes worldwide annual production of approximately 0.5 million tonnes of the umami seasoning AJI-NO-MOTO® by the Ajinomoto Group using only sugar cane. The values for sugar cane grown and sugar production are commonly used global figures, and the values for resources used for producing AJI-NO-MOTO® and values for co-products are based on actual statistics from the Ajinomoto Group.



Important agricultural raw materials in amino acid production: sugar cane, corn, and cassava

Using a co-product to cultivate rice



# Bridge between community and plant to close the bio-cycle loop

FD Green (Thailand) Co., Ltd.

Ajinomoto Co., (Thailand) Ltd. has been providing co-products as organic fertilizers to farmers near the plant for more than 40 years. Its agricultural subsidiary, FD Green (Thailand) Co., Ltd. (FDG), is handling the overall sales of co-products since 2001.

Leveraging its accumulated expertise, FDG is also actively guiding farmers on raising value-added crops and quality control in recent years. FDG then purchases these crops for use in Ajinomoto Group products and new value-added local products, thereby creating a new cycle. The Group's relationship with farmers developed over many years helped to inexpensively and steadily procure raw materials of stable quality, as it brings profits to local farmers and food processing industries in a positive cycle.

Going forward, the Ajinomoto Group aims to develop a framework for compliance with the Supplier CSR Guidelines to



Kazuyuki Nakamura, Director, FD Green (Thailand) Co., Ltd. (second from right)

further strengthen this relationship. Through the sales of co-products and raw material procurement, FDG will continue acting as the bridge connecting the Ajinomoto Group and the farmers.



## ■ Coffee beans for *Birdy*® canned coffee

FDG has been supplying the solid fertilizer *AmiMate*® to farmers. Currently, the company closely supervises farmers from growing to sorting and storing coffee beans, and other quality control methods. As a result, FDG directly purchases around 30% of coffee beans used in *Birdy*®. The Group plans to expand this scheme in keeping with the business growth of *Birdy*®, which will help ensure the steady supply and quality of raw materials as well as increase the income of farmers.

### Coffee bio-cycle



## ■ Cabbage for frozen gyoza

FDG has started a new initiative on the bio-cycle of cabbage used for the frozen gyoza manufactured by Ajinomoto Frozen Foods (Thailand) Co., Ltd. Aside from supplying the liquid fertilizer *ROOTMATE*®, a root stimulator, FDG guides and controls the use of pesticides and recommends high-yield, pest-resistant species to farmers. The harvested cabbage is sorted and processed at the FDG processing plant in compliance with acceptable standards set by Ajinomoto Frozen Foods (Thailand) Co., Ltd. before delivery.

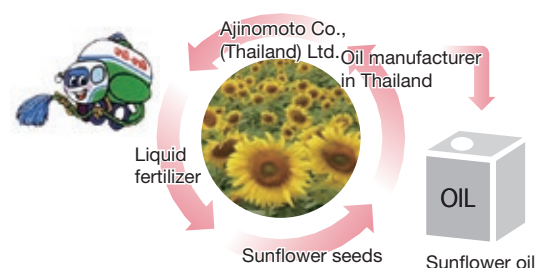
### Cabbage bio-cycle



## ■ High-oleic sunflower oil

After raising two crops of corn per year, rural farmers in Thailand grow sunflowers or other plants to deter the negative effects of monocropping. However, past yields were low because the sunflowers were not fertilized. In partnership with an oil manufacturer in Thailand, FDG is supplying farmers with the liquid fertilizer *Ami-Ami*® and high-oleic sunflower seeds with farming guidance. Sunflower oil is expressed from the harvested seeds at an oil manufacturer in Thailand, and is now used as an ingredient in Japanese sweets.

### Sunflower bio-cycle



## Amino acid manufacturing with resource-saving fermentation technologies

### Resource-saving fermentation technologies: Making the most of resources

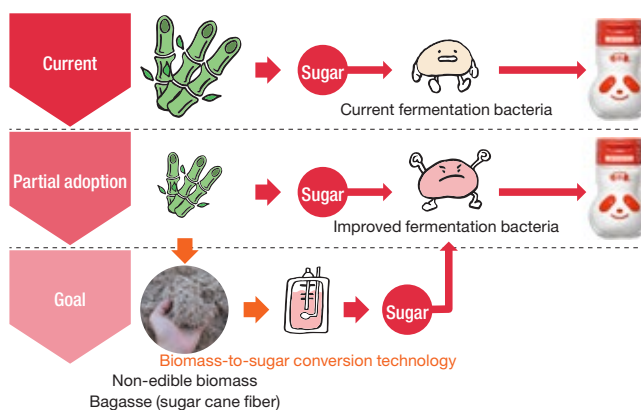
Demand for the crops used in amino acid production is rising as they are important food resources and are also used as biofuels and industrial materials. As a global amino acid producer, the Ajinomoto Group has a social responsibility to continue developing low-impact production methods.

Leveraging its advanced proprietary biotechnologies, the Ajinomoto Group has been actively working over the years to develop “resource-saving fermentation technologies,” such as efficient fermentation technologies using less raw materials and manufacturing methods that use raw materials without competing with food resources.

Examples of resource-saving fermentation technologies include those that (1) reduce main raw material (sugar) use by enhancing bacterial productivity; (2) reduce auxiliary materials (other than sugar) use and water discharged; (3) employ a boiler to combust rice husks, wood chips, and other unused local

biomass; and (4) use non-edible biomass such as sugar cane fiber (bagasse), corn stalks and husks, as raw materials.

The use of non-edible biomass (4) in particular is advancing in various areas worldwide. In anticipation of the rising importance of the technology, the Group is also conducting R&D on converting biomass into sugar for use in amino acid fermentation.



### New bio-cycle from renewable energy

Setting a target of at least 15% renewable energy use, the Ajinomoto Group is implementing the “energy bio-cycle” worldwide using non-edible parts of raw materials for fermentation and unused local biomass.

The Laranjal Paulista Plant of Ajinomoto Brazil has used sugar cane fiber (bagasse) resulting from in-house raw material production as fuel for a biomass boiler, recycling the leftover ashes as a co-product to form a new bio-cycle. The Bien Hoa Factory of Ajinomoto Vietnam Co., Ltd. also uses wood chips and rice husk pellets, while the Kamphaeng Phet and Ayutthaya Factories in Thailand use unused local rice husks as fuel.

### Feed-use tryptophan production utilizing resource-saving fermentation technologies

The Ajinomoto Animal Nutrition Group, Inc. (AANG), which manufactures feed-use amino acids, has been promoting the use of the latest resource-saving fermentation technology for production. Brazil, North America, and France have already adopted the technology.

The establishment of production facilities is especially urgent as the demand for feed-use tryptophan is expected to expand. To build production capacity, AANG established a new resource-saving fermentation technology that will increase production as it lowers manufacturing costs and environmental impact. Production increase began in May 2016 in France, while North America will start production in May 2017.



Ayutthaya Factory, Ajinomoto Co., (Thailand) Ltd.



Bien Hoa Factory, Ajinomoto Vietnam Co., Ltd.

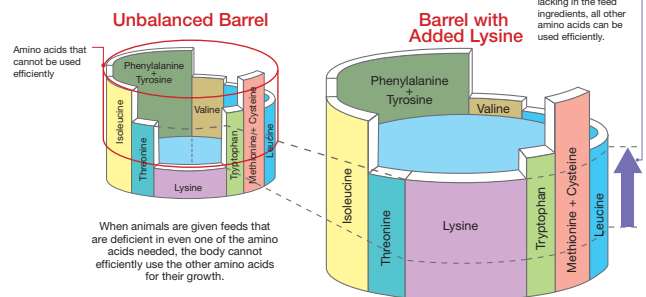
# Amino Acids for Livestock Growth and Lower Environmental Impact



## Improvement in the amino acid balance of feeds for fast growth

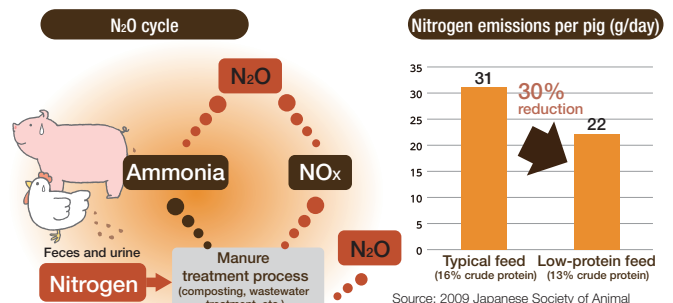
As a source of good quality animal protein, the demand for meat is expected to rise even more in proportion to human population and economic growth. This makes the efficient production of high quality meat a key issue for the animal industry. The Ajinomoto Group offers a promising solution in the form of feed-use amino acids.

Livestock is generally fed with natural feedstuffs such as corn, wheat, soybean meal, and so forth. However, feeds formulated only with these feedstuffs contain an unbalanced composition of amino acids, which leads to inefficient protein use in the body of the animal and discharge of excess amino acids. Adequate supplementation of necessary amino acids to the feed allows proteins in the natural feedstuffs to be utilized more efficiently, consequently helping the animals to grow faster.



## Lower environmental impact from livestock manure

The excess amino acids in the body are discharged as nitrogen compounds, which impact the soil and water quality. Furthermore, a part of the nitrogen that is oxidized and reduced in the soil or air is released into the atmosphere as nitrous oxide (N<sub>2</sub>O), which has approximately 300 times the warming potential of CO<sub>2</sub>. Low-protein feeds fortified with feed-use amino acids help lower nitrogen emissions by 30% compared to typical feeds. Assuming that the annual sales of lysine by the Ajinomoto Group worldwide is 350,000 tonnes, then this amounts to at least 4 million tonnes of CO<sub>2</sub> reduction. Adequate supplementation of amino acids to the feed provides a good balance which helps reduce environmental impact.



Reference → **The Environment P15**  
Promotion of feed-use amino acids cooperating with partners

### Feedback from society

## 12th LCA Society of Japan Awards: METI Industrial Science and Technology Policy and Environment Bureau Director-General's Award

The Ajinomoto Group has actively developed identifying methods using life cycle assessment (LCA) so that it can objectively evaluate environmental impacts. The Group received the METI Industrial Science and Technology Policy and Environment Bureau Director-General's Award, the highest award in the 12th LCA Society of Japan Awards<sup>1</sup>, in recognition of its contribution to global food and environmental issues through the R&D, production, and sales of feed-use amino acids and its leadership in promoting LCA in the food industry.



<sup>1</sup> Awards for the promotion and establishment of life cycle assessment, awarded to corporations, organizations, researchers, and others striving to reduce environmental impact from the standpoint of a product's life cycle.

# Procurement of Sustainable Palm Oil



Ajinomoto Co., Inc. took part in the first RSPO symposium in Japan, RSPO Japan Day 2016, held in September 2016 as vice chair of the executive committee.

## Efforts to solve palm oil procurement issues together with society

### ■ RSPO, a multi-sector cooperation

The future of palm oil use rests on changing the ways industries use palm oil into a sustainable form. To this end, the NPO Roundtable on Sustainable Palm Oil (RSPO) was established in 2004 by seven concerned organizations, including WWF. The RSPO aims to set and implement the global standards for sustainable palm oil. It is uniquely composed of seven different stakeholders: oil palm growers, oil refining and trading industry, consumer product manufacturers, environmental and nature conservation NGOs, social development NGOs, bankers and investors, and retailers.

### ■ A head start on initiatives in Japan

Japan's palm oil consumption is not significantly large compared to the rest of the world, ranking in at 18th worldwide. However, it is evident that any future increase in global palm oil demand will affect procurement. Although initiatives from household goods manufacturers and others are increasing, the food sector is lagging behind in Japan.

Ajinomoto Co., Inc. joined RSPO in August 2012. For palm oil-based ingredients, the Group is working to reach its group-wide target of switching to sustainable palm oil-derived products by 2020.

In Japan, Ajinomoto Co., Inc., AJINOMOTO GENERAL FOODS, INC., and Ajinomoto Frozen Foods Co., Inc. are implementing a roadmap (procurement plan) for transitioning to certified and other sustainable palm oil by 2018. Overseas, however, the situation varies in each country or region, and there are places where certified palm oil cannot be obtained. Drawing up a clear roadmap that covers the entire Group worldwide is not possible at this time, although the Group is actively introducing RSPO-certified palm oil wherever possible, helping create the social framework in each area, and working toward drawing a roadmap at the earliest opportunity.

Working together with organizations such as RSPO makes it possible to create society-wide frameworks across industries that is not possible for the Group alone. The Ajinomoto Group will continue taking the lead and showing by example to further promote sustainable palm oil use.

**Reference** → Fair Operating Practices P6  
Sustainable palm oil

### Various issues associated with palm oil production

1. Logging in tropical and peat swamp forests
2. Forest fire
3. Biodiversity loss
4. Climate change
5. Land disputes with indigenous people, etc.
6. Soil erosion, contamination, etc.
7. Labor and safety problems

### RSPO's eight principles in growing oil palm

1. Commitment to transparency
2. Compliance with applicable laws and regulations
3. Commitment to long-term economic and financial viability
4. Use of appropriate best practices for growers and oil millers
5. Environmental responsibility and conservation of natural resources and biodiversity
6. Responsible consideration of employees, and of individuals and communities affected by growers and oil mills
7. Responsible development of new plantings
8. Commitment to continuous improvement in key areas of activity

Excerpt from Sustainable Palm Oil Procurement and the RSPO (WWF)

# Initiatives to Increase Sustainability of Fisheries Resources



## Survey on skipjack stock for international resource management

### Scientific research on mysterious skipjack ecology

Skipjack tuna have long been part of the Japanese diet and are used by Ajinomoto Co., Inc. in one of its major products, *HON-DASHI*, although their habits and migration routes are still relatively unknown.

WCPFC's<sup>1</sup> scientific committee has assessed that the skipjack stocks are essentially in the “not overfished nor overfishing” zone in western and central Pacific waters, the center of skipjack fisheries. However, skipjack catches have been falling significantly since the late 2000s in the waters around Japan, although the causes and countermeasures cannot be determined due to lack of scientific findings.

This does not directly present an immediate danger to the company's business, since the skipjack used as *HON-DASHI* ingredient are from western and central Pacific tropical waters. However, as a Japanese food company group using natural fishery resources, the Group strongly feels the need for discussions based on scientific research to make skipjack fishery sustainable for Japan and the world. This would require collaboration between corporations and diverse stakeholders involved in marine resources, including governments and the fishery industry.

Ajinomoto Co., Inc. has been conducting basic research on skipjack ecology since 2009, through the Joint Tagging Survey of Skipjack together with the National Research Institute of Far Seas Fisheries (NRIFSF) of Japan's Fisheries Research Agency.

<sup>1</sup> Commission for the Conservation and Management of Highly Migratory Fish Stocks in the Western and Central Pacific Ocean. An international organization conducting skipjack stock management in the western and central Pacific Ocean.

### International cooperation through innovation of survey techniques

Conventional surveys using identification dart tags and archival electronic tags were carried out to record the time, temperature, depth, light intensity, etc. of migratory routes. The cooperation of many fishing operators in recovering tagged skipjack was vital to

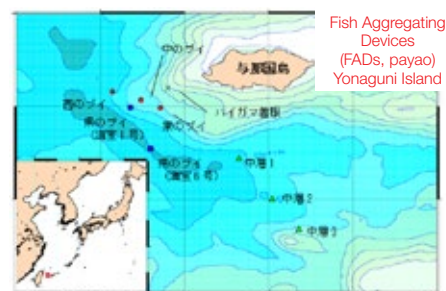
the collection of data from these tags, which laid the groundwork for studying migration routes over wide areas.

The latest pinger tags were introduced in fiscal 2015. Once the receiver is installed in a fish reef or other location, data can be collected from skipjacks within a 500-meter radius without catching them, since the tags transmit swimming depths and so forth using ultrasonic waves. The detailed data on individual behavioral patterns will potentially yield new findings for understanding skipjack ecology.

Fishery resource management involves the interests of every country and complex international negotiations. Moving forward, the Group needs to focus on international cooperation as well, along with continuing surveys in Japan. Currently, the Group has launched a cooperative tagging survey with fishing authorities and researchers in Taiwan. There are also plans to partner with neighboring countries such as Indonesia and the Philippines in the future.

The Ajinomoto Group will continue with endeavors to build international consensus based on scientific knowledge, which is foreseen to significantly spur the growth of both the Group and the Asia-Pacific region.

### Installing receivers off the coast of Yonaguni Island



The survey has adopted the latest pingers (ultrasonic tags) since 2015 in cooperation with the Department of Ocean Sciences, Tokyo University of Marine

Science and Technology. A data receiving network is created with the installation of ultrasonic signal receivers in five fish aggregating devices (FADs, payao) in the waters off Yonaguni Island.

Findings showed that there are differences in length of stay of fish at the FADs, with some immediately leaving while others staying for several months. Knowing skipjack movements in detail at specific locations can greatly help local fishers make fishing operations sustainable by considering efficiency and resource conservation.

Reference → The Environment P9-10

Initiatives for sustainable skipjack fisheries and resource use

# Creation of Society-Wide Cycles in Harmony with the Earth

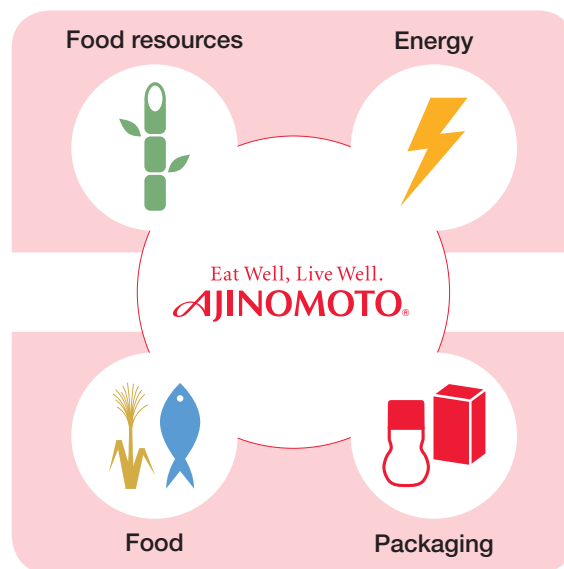


## Efforts to be a circulation hub for the whole society

A new proposition called the circular economy is currently spreading across Europe. This concept encompasses reduction of waste and disposal, recycling, sharing, and more, along with environmental conservation as a strategy for economic growth.

The Ajinomoto Group has been continuously engaged in various initiatives that make full use of energy and food resources without waste, such as bio-cycles. Through these initiatives, the Group takes pride in enriching local agriculture and economic activities in areas where it produces the ingredients required for its business growth.

However, the Group recognizes that there is still room for improvement to make consumer's lifestyles more environmentally friendly. Although forming a complete cycle is difficult given the constraints, such as the legal system and organization, the Ajinomoto Group aims to be a hub for creating "circulation" for the whole society, in collaboration with every consumer.



## Product initiatives

**Adoption of the world's first plastic bottles made of 100% recycled, heat-resistant PET resin (AJINOMOTO GENERAL FOODS, INC.)**

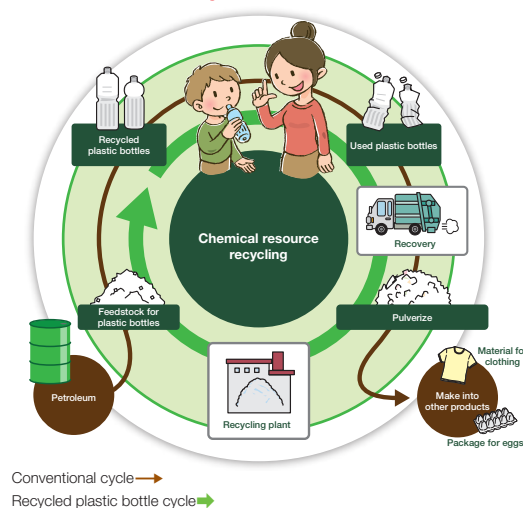
Over the years, AJINOMOTO GENERAL FOODS, INC. and its group companies have been promoting packaging 3R that can "reduce waste, be reused, and promote waste sorting" on the customer side.

In 2012, the technology for bottled coffee that recycles old plastic bottles into new ones was introduced. However, recycled PET resin usage rate was merely 50% because only non-heat-resistant recycled PET resin was available at the time.

The recycling technology to make heat-resistant plastic bottles again from chemically decomposed used plastic bottles was jointly developed with Toyo Seikan Group and introduced to all main bottled coffee products in spring 2016. Among drink manufacturers worldwide, only AGF has implemented the use of plastic bottles made of 100% recycled heat-resistant PET resin.

This innovative technology reduces petroleum use for raw material equivalent to roughly 2,000 tonnes annually.

## Difference of plastic bottle cycles between conventional and recycled one



Reference → The Environment P20

Development of Environmentally Friendly Packaging



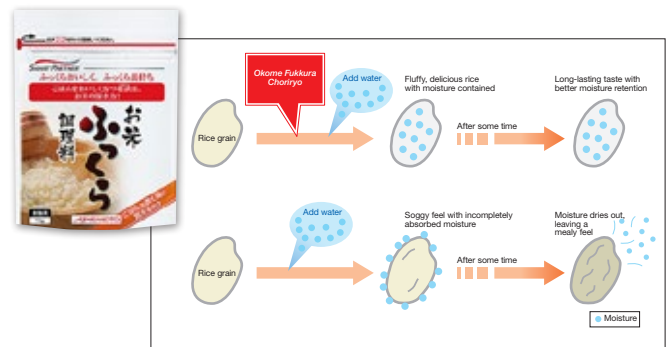
**METI Minister's Award, 42nd Awards for Resources Recirculation Technologies and Systems (by Japan Environmental Management Association for Industry)**

**Reduction of food loss from food service and home meal replacement industries (Ajinomoto Co., Inc.)**

Food loss (food discarded as waste) from the food service industry and retail stores is turning into a major concern as eating out and home meal replacements (or meals prepared outside the home and purchased for home consumption) become more commonplace. The Ajinomoto Group is helping reduce food loss through its products using proprietary technology.

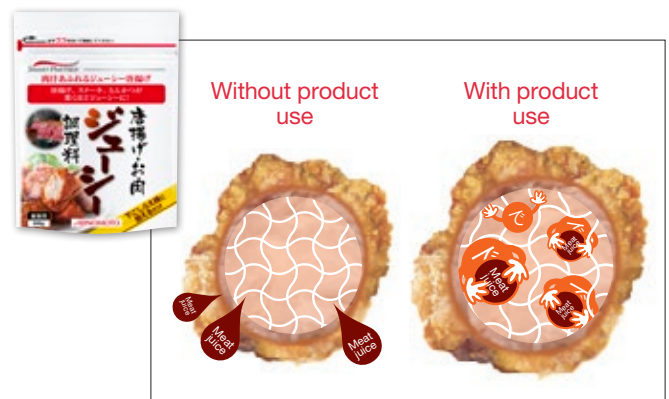
**Okome Fukkura Choriryo**

Using Ajinomoto Co., Inc.'s enzyme technology, the moisture retention of rice is improved just by adding during the cooking stage, resulting in cooked rice with perfect softness. It helps curb the decline in rice quality mainly for the ready-made meal business since it retains the texture of freshly cooked rice for a long period of time.



**Kara-Age/Oniku Juicy Choriryo**

Using Ajinomoto Co., Inc.'s proprietary formula, the yield increases by about 10% for thick chunky meat dishes such as deep-fried chicken. Widely used by customers in food service and home meal replacement, it provides meat dishes with the desired juiciness and texture, retains flavor even after cooling, and increases yield through the interaction of ingredients such as modified starch, calcium lactate, and sodium carbonate.



**Green living together with consumers**

Ajinomoto Co., Inc. proposes environmental practices in various forms as an eco-friendly food lifestyle that begins at the dining table, which can be practiced in everyday dishes and meals. In the 1st Eco-Friendly Eating KIDs Summit held in August 2015, middle and high-school students who had already practiced Eco-Friendly Eating showed how they started and discussed ways to keep engaged in the lifestyle.

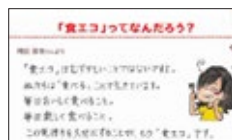
Furthermore, Ajinomoto Co., Inc. and Kao Corporation launched the Society for Sustainable Food and Life Styles in 2011 to promote eco-lifestyles in society without being confined to one company alone. In fiscal 2015, they jointly developed a hands-on education program with Kawasaki City. The Summer Challenge program was held over four days in July-August 2016 for 21 Kawasaki City fifth graders and their parents, to provide each one an opportunity to consider environmentally friendly lifestyles.



Children try their hands at "Eco-Uma" cooking



A completion certificate was awarded to children for four days of immersive study



Children reflect on what they learned while exploring the connection between the global environment and their lifestyles

**Reference** → **Consumer Issues P12-13**

Sustainable Lifestyles, Starting with the Dining Table



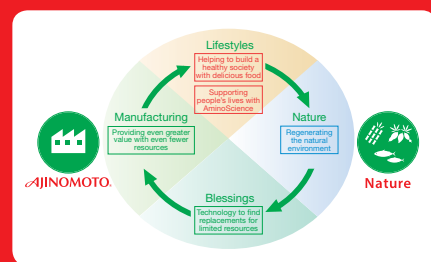
## Fiscal 2015 Activity Report

# Responsibility for Global Sustainability Issues

The Ajinomoto Group recognizes that it has a corporate social responsibility to help build a more sustainable world. The Ajinomoto Group Philosophy guides the Group's efforts to help solve three material issues facing 21st-century human society: global sustainability, food resources, and healthy living.

The business activities of the Ajinomoto Group naturally involve solving various challenges confronting customers, business partners, communities, the global community, and the ecosystems without which none of these could exist. Meeting these social expectations is a vital element of the Group's corporate responsibility.

Across all of its business activities, the Ajinomoto Group is determined to contribute solutions to various social challenges, doing its part in building a sustainable future for people and the planet.



Since fiscal 2011, the Ajinomoto Group has been utilizing the ISO 26000 guidance standard on social responsibility as a tool for assessing its sustainability initiatives and identifying further issues to address.



Three material issues facing 21st-century human society

Seven core subjects of ISO 26000



# Organizational Governance

Corporate Value through Responsible Management

## INDEX

### P1 Corporate Governance

- Corporate governance structure
- Risk management system

### P4 Compliance Framework

- Ajinomoto Group Principles (AGP)
- Compliance education to employees
- Compliance activities of the Business Conduct Committee
- Thorough information security

### P8 CSR Management

## Related company policies

- Ajinomoto Group Principles (AGP) Principles & Policies P2  
<http://www.ajinomoto.com/en/aboutus/vision/group/>
- Ajinomoto Group Security Policy Principles & Policies P17  
<http://www.ajinomoto.com/en/aboutus/vision/securitypolicy/index.html>

## Fiscal 2015 activity highlights

### • Introduced Global Governance Policy

The Ajinomoto Group introduced a Global Governance Policy (GGP) across all group companies in April 2016 to strengthen its corporate governance.

→P2

### • Created Global Policy Matrix

The Group created a global policy matrix to strengthen its global governance.

→P3

### • Held regular compliance training and AGP worksite meetings

Ajinomoto Co., Inc. held regular training sessions and worksite meetings on the Ajinomoto Group Principles (AGP) to raise compliance awareness, and provide employees an opportunity to discuss any compliance-related issues in the workplace.



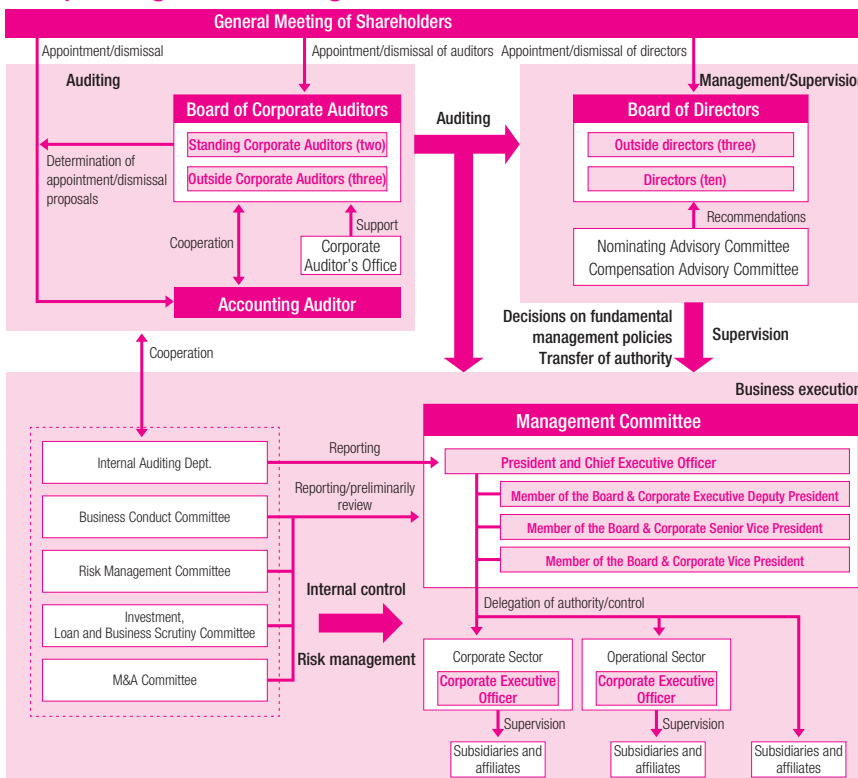
→P5-6

# Corporate Governance

Ajinomoto Co., Inc. has passed down the spirit of improving people's nutrition through umami seasonings since its founding. The company is committed to helping resolve the issues faced by 21st-century human society, most notably global sustainability, food resources, and healthy living. Through the enhancement and strengthening of corporate governance, the company will progress toward becoming a "Genuine Global Specialty Company" that builds positive relationships with its stakeholders, achieves sustainable corporate growth, and continually increases its corporate value.

## Corporate governance structure

### Corporate governance organization



Web [→](#)

Corporate Governance Report  
[http://www.ajinomoto.com/en/ir/pdf/Governance\\_E.pdf](http://www.ajinomoto.com/en/ir/pdf/Governance_E.pdf)

Ajinomoto Group Integrated Report 2016  
[https://www.ajinomoto.com/en/aboutus/pdf/integrated\\_report.pdf](https://www.ajinomoto.com/en/aboutus/pdf/integrated_report.pdf)



### Management, audits, and supervision

As the highest decision-making body of Ajinomoto Co., Inc., the Board of Directors decides matters stipulated in laws or the Articles of Association and other important matters, and also supervises the execution of duties by directors and executive officers. The number of directors, which is currently 13 (three outside directors), is kept below 15 per the provisions of the Articles of Association.

The Board of Directors selects candidates for director and executive officer positions based on recommendations from the Nominating Advisory Committee, which comprises four directors (three outside), and decides compensation for directors and executive officers based on recommendations from the Compensation Advisory Committee, which comprises five directors (three outside).

The Corporate Auditors conduct audits involving five corporate auditors (three outside). The Board of Corporate Auditors screens proposals for the Board of Directors in advance and also shares and discusses the status and results of activities of each corporate auditor. The Internal Auditing Dept., following Internal Auditing Regulations and audit plans, carries out operational audits of business management organizations and management and operational audits of affiliated companies.

### Two-check board of auditors system

Ajinomoto Co., Inc. adopted a two-check board of corporate auditors system to ensure appropriate execution of business operations. The Board of Directors makes decisions on important business matters and supervises the duties of directors and executive officers, while the Board of Corporate Auditors audits the execution of director duties.

## ■ Execution of duties

Ajinomoto Co., Inc. adopts the executive officer system, in which decision-making and execution are structurally divided between directors and executive officers, respectively.

As Chief Executive Officer, the company President implements resolutions passed by the Board of Directors and is in charge of all business operations. Other standing directors, excluding the Chairman of the Board and directors with supervising responsibilities, also serve concurrently as executive officers. Executive officers divide up operational duties as authorized by the Board.

The Management Committee comprises directors who serve concurrently as Senior Corporate Executive Officers. It deliberates on basic company management policies and makes important decisions concerning business execution.

Business management organizations, which are separated into the Corporate Sector and Operational Sector and each business management organization, carry out operations for which they are respectively delegated under the direction and supervision of the executive officer in charge. Directors who serve concurrently as Senior Corporate Executive Officer are in charge of all operations of their organization as lead representative to the Management Committee.

### TOPICS

#### Introduction of Global Governance Policy

As part of its FY2014-2016 Medium-Term Management Plan goal to become a “Genuine Global Specialty Company,” the Ajinomoto Group is working hard to ensure strong corporate governance that befits a world-class company.

The Group further strengthened corporate governance by introducing a Global Governance Policy (GGP) in April 2016 that covers all group companies. The GGP clearly defines the roles of business management organizations: Corporate Sector as “governing HQ” which serves as the overall driver of governance policy, while Operational Sector as “delegated fronts” which are given operational responsibilities by the “governing HQ.” The GGP is designed to encourage local flexibility and efficiency, and fuel impressive international growth.

#### Global Governance Policy



## Risk management system

### ■ Role of the Risk Management Committee



## Risk Management Committee

The Ajinomoto Group established the Risk Management Committee in 2002 to raise corporate values through improving its capacity to respond to accidents and incidents. The Group is essentially taking proactive measures to prevent risks based on the Ajinomoto Group Risk Management Basic Policy: “By promoting strategic risk management, we make the Ajinomoto Group resilient to risks, and increase the Group’s value.”

Each organization appoints a person responsible for risk management (organizational head) and persons in charge of risk management who follow their own PDCA cycle for managing risks. Aggregating and analyzing these bottom-up risks gives a clear overview of risk trends across the Ajinomoto Group. In fiscal 2015, the Group identified three key risk areas: 1) Product, manufacturing, and distribution risk involving quality problems caused by intentional tampering with products, 2) The legal risk of staying compliant with national laws, and 3) Information management risk resulting from leaks of trade secrets.

In the face of dynamically and rapidly changing macro business conditions such as global politics, economics, and social issues, Ajinomoto Co., Inc. also supplements this bottom-up approach with significant thematic group-wide risks, which require cross-organizational management, including 1) Geopolitical macro environmental risk, 2) Global competitive risk, 3) Global climate change risk, 4) Reputation risk, and 5) ICT and technological innovation risk.

Strengthening global crisis management has also become a significant issue in the wake of recent global events. The Risk Management Committee shares risk-related information across the Group by issuing written risk warnings, and, if necessary, issuing notices regulating business trips, etc. to ensure the safety of group employees.

### TOPICS

#### Global Policy Matrix

In order to strengthen its global governance, the Ajinomoto Group created a global policy matrix and put into place important policies and procedures (P&P), which are managed under the GGP.

Business Code of Conduct	Legal Affairs	Fiscal, Trade & Purchasing	General Affairs	Accounting & Treasury	HR & Others
Compliance with Antitrust and Other Laws Prevention of Bribes and Other Improper Payments	Prevention of Insider Trading regulations Trade Secret Management standards Group Intellectual Property Exploitation Policy Corporate Brand Logotype regulations	Global Tax Policy and Procedure Basic Purchasing Policy	Risk Management Business Continuity	Accounting Policy Financing Policy Foreign Exchange Risk Management Policy Basic Policy on Fund Procurement	Information Management regulations Environment regulations Quality Assurance regulations Disaster Prevention and Occupational Health and Safety Philosophy Internal Audit regulations Investment Profitability Assessment Criteria

#### Global Tax Policy

The Ajinomoto Group commits to comply with tax laws and conducts its business activities in accordance with tax guidelines published by international organizations such as the OECD. In order to maximize shareholder value, the Group works to minimize tax risk. Also, with the aim of maximizing its consolidated free cash flow, the Group has established the Global Tax Policy. Furthermore, the Group does not use contrived or abnormal tax structures that are intended for tax avoidance. In accordance with the spirit of local and international laws, the Group does not make use of so-called “tax havens” or any other means to avoid being taxed.

- Compliance with Tax Law
- Minimization of Tax Risk
- Maximization of Consolidated Free Cash Flow
- Part of Business Activities
- Accountability to Shareholders

#### Ajinomoto Group Bribery Prevention Policy

In fiscal 2013, the Ajinomoto Group began considering ways to control the major risk to its global business from any violation of legislation prohibiting bribery of foreign public officials. The Group always prohibits bribery of any form through the AGP. However, in July 2016, the Group took a stronger stance on bribery by issuing a separate Ajinomoto Group Bribery Prevention Policy.

Reference → Principles & Policies P13

Ajinomoto Global Tax Policy

Reference → Principles & Policies P15

Ajinomoto Group Bribery Prevention Policy

# Compliance Framework

The Ajinomoto Group requires all executive officers and managerial staff, and all employees, including temporarily employed staff such as contract and part-time employees, not only to comply with the law but also with the Ajinomoto Group Principles (AGP). With the aim of becoming a “Genuine Global Specialty Company,” the Group will work to further consolidate the compliance framework.

## Ajinomoto Group Principles (AGP)

The Ajinomoto Group Principles (AGP) declare the conduct that all managers and employees across the Ajinomoto Group should understand and practice every day, and also represent the Group’s sincere commitments made to all stakeholders. Uniform AGP were introduced across the Group in fiscal 2014 to strengthen global governance. The AGP is published online in 21 languages, including the original Japanese and English-language versions, to serve regions/countries in which the Ajinomoto Group operates.

The Business Conduct Committee and individual group companies will continue to conduct various activities to help all managers and employees understand and embrace the AGP.

### AGP positioning

The Ajinomoto Group Creating Shared Value (ASV) underpins the customer-value creation that supports corporate growth, and enables the Group to implement its vision. Therefore, the AGP, which previously incorporated the Ajinomoto Group Philosophy, Ajinomoto Group Way, and Ajinomoto Group Standards of Business Conduct, were redefined as the code of conduct for all managers and employees.

The Ajinomoto Group has reorganized its corporate philosophy by redefining the Group’s Mission, Vision, and Value as a basis for global operations, and incorporating them along with the Way and AGP under one new “Our Philosophy” framework. The Way and AGP are functioning in unison under the new framework as important supports for the Mission, Vision, and Value.

Reference → Principles & Policies P2  
Ajinomoto Group Principles (AGP)

### What the Ajinomoto Group Aims for



### AGP Overview

1. Provision of Safe, High-Quality Products and Services
  - 1.1 Developing and delivering safe, high-quality products and services
  - 1.2 Assuring product quality
  - 1.3 Providing information and communication appropriately
  - 1.4 Advertising and marketing
2. Contribution to the Global Environment and Sustainability
  - 2.1 Ensuring that our business activities contribute to environment
  - 2.2 Communicating with society about the environment
3. Fair and transparent transactions
  - 3.1 Complying with antitrust and related laws
  - 3.2 Ensuring fair purchasing transactions
  - 3.3 Fulfilling social responsibilities in purchasing practices
  - 3.4 Practicing appropriate socialization and courtesies
  - 3.5 Prohibiting bribery and corruption
  - 3.6 Avoiding any involvement with organized criminal elements
  - 3.7 Managing imports and exports
4. Approach to Human Rights
  - 4.1 Respecting human rights
  - 4.2 Upholding basic principles and rights related to labor
5. Human Resources Training and Ensuring Safety
  - 5.1 Providing equal employment opportunities and fair human resource policies
  - 5.2 Ensuring the development of the Ajinomoto Group as well as personal growth
  - 5.3 Prohibiting discrimination and harassment
  - 5.4 Creating safe and comfortable work environments

6. Working with Local Communities
  - 6.1 Ensuring that our business activities contribute to society
  - 6.2 Respecting local cultures
  - 6.3 Cooperating with NGOs and NPOs
  - 6.4 Donations, sponsorship activities and foundation administration
7. Responsibilities to Shareholders, Investors and Other Stakeholders
  - 7.1 Properly disclosing information
  - 7.2 Ensuring the reliability of financial reporting
  - 7.3 Prohibiting insider trading
8. Protection and Management of Corporate Assets and Information
  - 8.1 Managing corporate assets
  - 8.2 Managing information
  - 8.3 Protecting intellectual property rights
9. Clear Separation of Business and Personal Affairs
  - 9.1 Avoiding conflict of interest
  - 9.2 Business relationships belong to the company
  - 9.3 Personal advocacy and political activity



\*Published in 21 languages for online publication  
In alphabetical order: Arabic, Bengali, Chinese (simplified), Chinese (traditional), English, Filipino, Flemish Dutch, French, German, Indonesian, Japanese, Khmer, Korean, Malay, Polish, Portuguese, Russian, Spanish, Thai, Turkish, Vietnamese.

## Compliance education to employees

The Ajinomoto Group is improving its education and training to ensure that employees are thoroughly aware of the Ajinomoto Group Principles (AGP).



Startup screen to promote awareness of the AGP

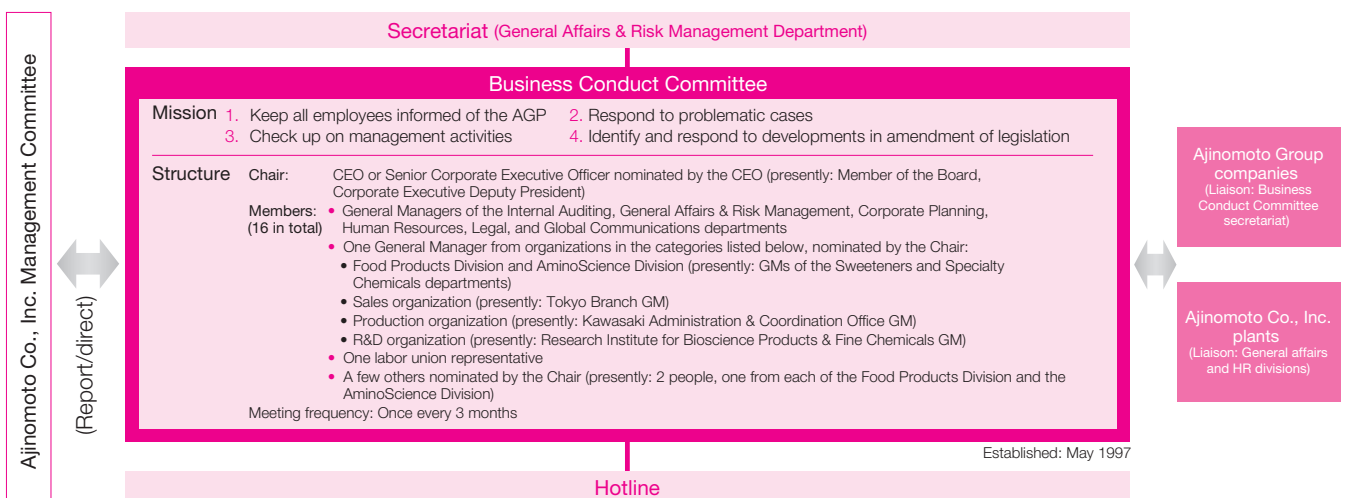


Poster raising awareness of the AGP

## Compliance activities of the Business Conduct Committee

In May 1997, Ajinomoto Co., Inc. established the Business Conduct Committee, tasking it with ensuring that all personnel are well informed of the standards of business conduct and verifying that business activities are compliant with the standards. Major group companies in and outside Japan have also set up their own business conduct committees to address their unique issues and boost awareness of the standards.

### Role of the Business Conduct Committee



## Whistleblower hotline and harassment advisory service

Ajinomoto Co., Inc. and its main group companies in Japan have established a “hotline,” which serves as the centerpiece of the whistleblowing system. The hotline enables anyone, including support workers from third-party companies, to make reports or seek advice by telephone, e-mail, facsimile, letter, or other communication methods. The Hotline Operation Rules clearly state that the privacy of personnel using the hotline is guaranteed and that users will not be subject to any form of adverse treatment as a result of their reports. Ajinomoto Co., Inc. uses the intranet and posters to make employees fully aware that there are no adverse consequences for using the hotline. In fiscal 2015, 56 reports were submitted to group companies in Japan. Twenty-eight reports were submitted to the Ajinomoto Co., Inc. Head Office, the same number as in fiscal 2014.

Ajinomoto Co., Inc. and some of its group companies have also assigned in-house staff to a harassment advisory service to complement the dedicated service it has outside the company. The company makes employees fully aware of these options through the intranet and by distributing cards that show how to use them.

## Worksite meetings on the AGP

Since 1998 members of the Business Conduct Committee have been visiting worksites at Ajinomoto Co., Inc. to talk with employees about the standards of business conduct and hear directly about issues concerning compliance in the workplace. In fiscal 2015, 30 AGP worksite meetings were held, with 298 participants. Any themes raised at these meetings warranting company-wide implementation are then debated by the Business Conduct Committee and incorporated into specific activities. Employees can check the content of these meetings on the intranet.

Similar worksite interviews are also held at group companies in Japan.



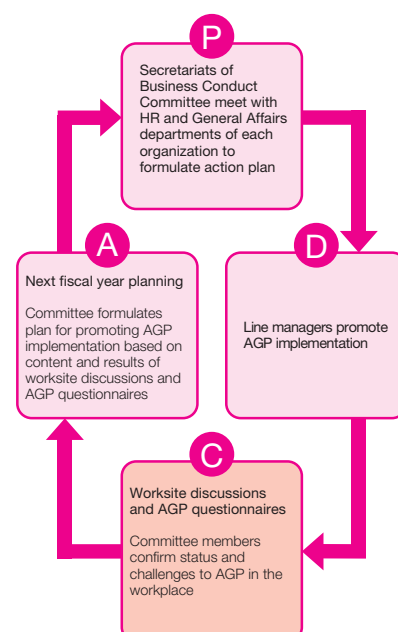
AGP worksite meeting held at the Shikoku Branch

## Questionnaire on awareness of the AGP

Every year in November, Ajinomoto Co., Inc. and its group companies in Japan conduct an anonymous questionnaire on the Ajinomoto Group Principles (AGP) to monitor understanding and implementation of the AGP and check for compliance issues. The results of the questionnaires are reported to the Business Conduct Committee and made available to all employees on the intranet.

Fiscal 2015 AGP awareness: Ajinomoto Group Philosophy: 92%, Ajinomoto Group Way: 92%, Ajinomoto Group Standards of Business Conduct: 83%.

## Role of worksite discussions and questionnaires in promoting AGP implementation



## Thorough information security

In order to properly handle information, the Ajinomoto Group manages Plan-Do-Check-Act (PDCA) cycles of information security that establish rules, notify them, check handling conditions, and lead to business improvements.

### Information security inspections

Ajinomoto Co., Inc. conducts information security inspections periodically at all worksites each year. The inspections mainly focus on the basics of proper information handling, including management of IT equipment, confidential information, and personal information. In September 2015, the company conducted a comprehensive inspection of external cloud service use and its management status in addition to regular security inspections.

### Establishment of new guidelines

The Ajinomoto Group formulated the Information Security Policy and the Information Management Regulations as the Group's security rules in April 2004. Responding to the rapid changes in technology use in recent years, in July 2014 the Group established Guidelines for External Cloud Use and Smart Device Guidelines and communicated them to Ajinomoto Group companies worldwide. In addition, in September 2015, Ajinomoto Co., Inc. completed a revision of the Information Management Regulations to fortify management of technical and other highly confidential information, and communicated the revisions to Ajinomoto Group companies worldwide.

Reference → Principles & Policies P17  
Ajinomoto Group Security Policy

### Information security training

The Ajinomoto Group conducts security training seminars for new recruits and managers. The Information Management Guidebook (revised, electronic version), published in May 2016, is introduced to all Ajinomoto Co., Inc. employees as part of their information security training.



#### Fiscal 2015 activities

1. Group training for line managers in operational and sales divisions  
Three times: Jul. 17, Nov. 6, 2015, Jan. 15, 2016 (220 participants)
2. Group training for line managers in production and R&D divisions  
Three times: May 15, Sep. 11, 2015, Mar. 11, 2016 (190 participants)
3. Group training for new hires  
Apr. 8, 2015 (55 participants)

### Response to new risks

The Ajinomoto Group has begun addressing the emerging risks expected to accompany advances in information technology. As a response to information leaks resulting from viruses transmitted through targeted email attacks, a risk covered by various news outlets of late, the Group is educating internal users, blocking access to fraudulent websites that trigger virus transmission, and operating systems that detect the hijacking of computers by an outside attacker. These are in addition to existing strategies such as strengthening virus protection for company computers and servers and increasing detection of online hacking.

Reference → Consumer Issues P8  
Rigorous management of personal information



# CSR Management

The Ajinomoto Group believes achieving the Group Mission is the base of our corporate social responsibility. The Group is striving to realize the new group philosophy, with a focus on the Ajinomoto Group Creating Shared Value (ASV).

## ■ Mechanisms for valuing expert opinion

The Ajinomoto Group values external opinion for advancing its CSR objectives. From 2005 to 2010, the Group gathered comprehensive feedback on CSR strategy from outside experts and used the information to narrow down specific activity themes to the three material issues facing 21st-century human society (global sustainability, food resources, healthy living) and contribute to society through business as strategic CSR. Since 2011, the Group has deepened its understanding of these issues by holding theme-specific dialogues, including with experts from outside Japan to incorporate a more global perspective. The Group also conducted surveys and hearings with world-wide experts to help pursue the SDGs adopted at the UN Sustainable Development Summit in September 2015, and reviewed its own materiality and individual activities.

As a mechanism for periodically gathering opinions from outside experts, the Group established the Ajinomoto International Cooperation Network for Nutrition and Health (AIN) as a committee of outside experts in 1999, the Group's 90th anniversary. Members are international organizations, development aid institutions, NGOs, university professors, and other experts on international cooperation and nutrition issues. They provide advice for selecting NGO and NPO programs to support, on initiatives for nutrition issues, and on social contribution activities in general.

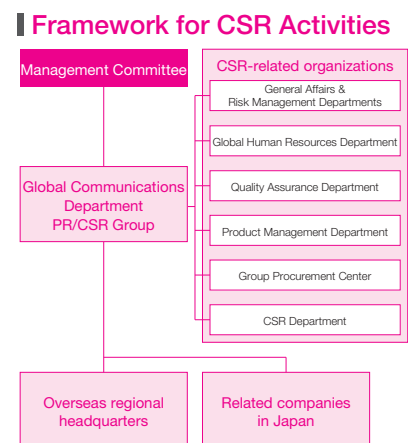
## ■ Advancement of CSR as one Group

The Ajinomoto Group has sought to address social and environmental issues through business as strategic CSR since 2008. In the FY2014–2016 Medium-Term Management Plan, the Group took this work to the next level with Ajinomoto Group Creating Shared Value (ASV), which specifies social and environmental contribution objectives for each business division. In the FY2017-2019 Medium-Term Management Plan, the Group sets non-financial, numerical targets as preparation for shifting to a PDCA cycle.

Before ASV, the Group had already implemented ISO 9001 and ISO 14001 management systems as well as the Ajinomoto Group Standards of Business Conduct to ensure business optimization and contribution to sustainability. To confirm whether its steps were achieving the current requirements of the global community, the Group reexamined its initiatives against the ISO 26000 guidance on corporate social responsibility in fiscal 2012, which highlighted some new opportunities for improvement. When forming its next medium-term management plan, the Group will strengthen existing management systems by clarifying activities to reflect requests for disclosure of non-financial information from organizations such as the Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB).

The CSR Department was established in 2005 as the unit tasked with supporting these efforts and promoting group-wide CSR activities. It integrates CSR objectives into the various business functions in collaboration with the General Affairs & Risk Management Department, which oversees CSR overall, as well as the Global Human Resources, Quality Assurance & External Scientific Affairs, Production Management departments, and the Group Procurement Center.

In April 2016, Ajinomoto Co., Inc. set up the Global Communications Department to raise corporate value by strengthening global governance and disclosing non-financial information. It also transferred CSR management and communication functions to the PR/CSR Group. The PR/CSR Group holds regular liaison meetings with CSR staff from main group companies in Japan to ensure more united CSR efforts. The PR/CSR Group also liaises with CSR staff at overseas regional headquarters to coordinate initiatives when appropriate. The CSR Department applies its expertise to social activities such as the existing AIN program and reconstruction aid for areas affected by the March 2011 earthquake and tsunami in Northeast Japan.



# Fair Operating Practices

## Ethical and Honest Practices

### INDEX

#### P1 Responsible Procurement

- Ajinomoto Group procurement policy
- Initiatives for sustainable procurement of critical raw materials
- Zero net deforestation
- Sustainable paper
- Sustainable palm oil
- Sustainable skipjack fisheries and resource use
- Sustainable procurement of coffee beans

#### P7 Fair Competition

##### Prevention of Corruption

#### P9 Protection and Proper Use of Intellectual Property

### Related company policies

- **Ajinomoto Group Principles (AGP)**  
Principles & Policies P2  
<http://www.ajinomoto.com/en/aboutus/vision/group/>
- **Ajinomoto Group Basic Purchasing Policy**  
Principles & Policies P18  
<http://www.ajinomoto.com/en/aboutus/vision/purchase/>
- **Ajinomoto Co., Inc. Supplier CSR Guidelines**  
Principles & Policies P20  
[https://www.ajinomoto.com/en/aboutus/vision/purchase/pdf/supplier\\_csr\\_guidelines\\_en.pdf](https://www.ajinomoto.com/en/aboutus/vision/purchase/pdf/supplier_csr_guidelines_en.pdf)
- **Ajinomoto Group Guidelines for Procurement of Environmentally Responsible Paper**  
Principles & Policies P27  
<http://www.ajinomoto.com/en/activity/environment/eco-friendly/index.html>
- **Ajinomoto Group Biodiversity Policy and Action Agenda**  
Principles & Policies P37  
<http://www.ajinomoto.com/en/activity/environment/biodiversity-agenda/>

## Fiscal 2015 activity highlights

- Promoted sustainable palm oil efforts



→ P6

- Various stakeholder partnerships



→ P5-7

# Responsible Procurement

The Ajinomoto Group has suppliers in practically every corner of the globe. The Group seeks to take responsibility for environmental and social performance on issues such as human rights and labor safety across raw material-producing regions and the supply chain. This is the key to securing sustainable, stable procurement now and in the future. The Ajinomoto Group is committed to working closely with supply chain stakeholders to ensure that its procurement is socially responsible.

## Ajinomoto Group procurement policy

### ■ Ajinomoto Group Basic Purchasing Policy

The Ajinomoto Group Basic Purchasing Policy was established in fiscal 2006. The policy stipulates that, in order to ensure fair, open, transparent and simple purchasing and to secure the trust of customers and stakeholders, the Ajinomoto Group shall perform its purchasing operations rationally, in compliance with laws and regulations, and fulfill its agreements in cooperation with suppliers and other business partners.

Aside from compliance, purchasing ethics and purchasing principles, the Ajinomoto Group Basic Purchasing Policy stipulates the practice of CSR in cooperation with its suppliers and other business partners.

Reference → Principles & Policies P18-26

Ajinomoto Group Basic Purchasing Policy  
Ajinomoto Co., Inc. Supplier CSR Guidelines

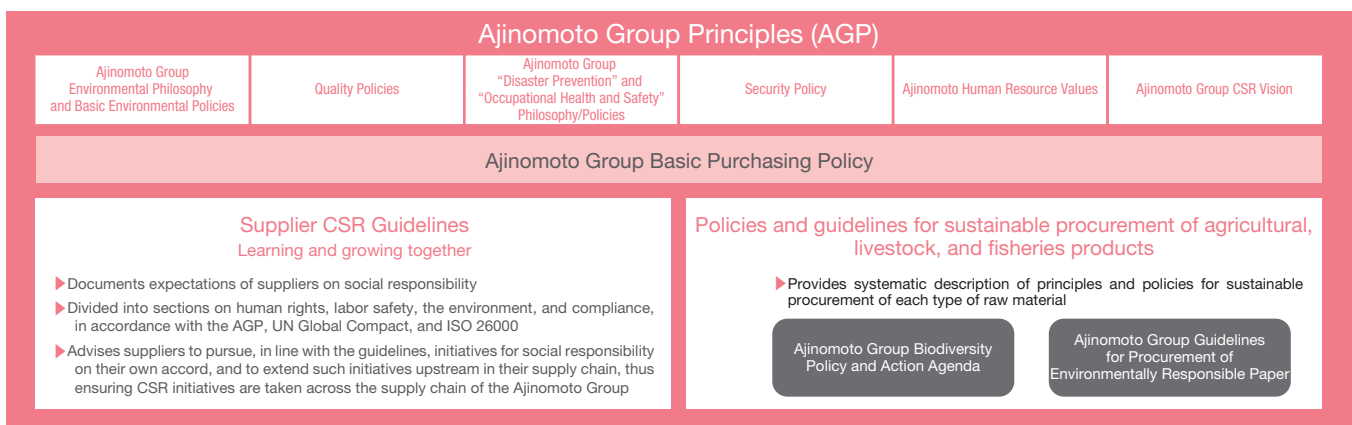
### ■ Guidelines for responsible procurement

The Ajinomoto Group has set the Ajinomoto Group Basic Purchasing Policy as the basic policy for purchasing under the Ajinomoto Group Principles (AGP). The Ajinomoto Group Basic Purchasing Policy expresses the practice of CSR in purchasing and requests suppliers and other business partners to promote CSR. Specific guidelines are given in the Supplier CSR Guidelines and the policies and guidelines for sustainable procurement of agricultural, livestock, and fisheries products.

The Ajinomoto Group Basic Purchasing Policy, the core purchasing policy under the Ajinomoto Group Principles (AGP), upholds CSR as an integral part of purchasing transactions and calls on suppliers and other business partners to make their own social responsibility efforts. Specific requirements for this purpose are provided in the Supplier CSR Guidelines and various policies and guidelines for sustainable procurement of agricultural, livestock, and fisheries products.

Through continued development of these policies and guidelines, the Group will seek to ensure more effective implementation of socially responsible procurement across the supply chain.

### ■ Guidelines for responsible procurement



## ■ Clarification of CSR expectations to suppliers and other business partners

### 1. Initiatives at Ajinomoto Co., Inc.

Ajinomoto Co., Inc. formulated Supplier CSR Guidelines in fiscal 2013, detailing its expectations for suppliers to carry out socially responsible procurement under the Ajinomoto Group Basic Purchasing Policy. These guidelines encourage suppliers to institute improvements on their own, and they promote a common set of values and objectives for social responsibility between the company and its suppliers. These actions will build trust with communities by fostering collaboration on CSR as the company and its suppliers learn and grow together.

Ajinomoto Co., Inc. has informed all suppliers of the guidelines and called for their cooperation through information sessions and documents. The company also developed a self-assessment questionnaire (SAQ) for suppliers to assess their performance on socially responsible procurement. Since fiscal 2013 it has periodically asked a group of direct suppliers to answer the SAQ and also provided feedback on their responses.

In February 2015, the company held a supplier information session (around 400 participants from 230 suppliers) on food defense, or measures to prevent intentional tampering with food products, to similarly request supplier self-assessment and their cooperation in food defense audits. The self-assessments included questions related to social responsibility, fostering an ethical workplace culture, and food defense management in manufacturing. In June 2015, the company began auditing suppliers to promote continuous improvement of both tangible and intangible measures.

In April through June 2016 the company conducted another supplier survey to promote mutual understanding by confirming whether the company and its suppliers were achieving adequate two-way communication in accordance with company standards, and by incorporating supplier requests into future policies and actions.

### 2. Initiatives at Ajinomoto Group companies

In Ajinomoto Frozen Foods Co., Inc. and AJINOMOTO GENERAL FOODS, INC., the main group companies in Japan, documents that clarify expectations for socially responsible procurement to suppliers and other business partners were produced to inform and call for their cooperation.

Now the company is expanding the Supplier CSR Guidelines initiatives to encompass group companies in and outside Japan, so that they can assess their suppliers.



Ajinomoto Co., Inc. Supplier CSR Guidelines  
[https://www.ajinomoto.com/en/aboutus/vision/purchase/pdf/supplier\\_csr\\_guidelines\\_en.pdf](https://www.ajinomoto.com/en/aboutus/vision/purchase/pdf/supplier_csr_guidelines_en.pdf)



Information session with suppliers

## ■ Formulation of policies and guidelines for sustainable procurement of agricultural, livestock, and fisheries products

Committed to sustainable practices that benefit local communities and economies, the Ajinomoto Group is systematically preparing policies and guidelines for the sustainable procurement of agricultural, livestock, and fisheries products.

In fiscal 2015, some of the policies in the Ajinomoto Group Guidelines for Procurement of Environmentally Responsible Paper were given further details to increase its effectiveness in procuring environment-friendly paper.

The Ajinomoto Group has already formulated the above Ajinomoto Group Guidelines for Procurement of Environmentally Responsible Paper and Ajinomoto Group Biodiversity Policy and Action Agenda. Moving forward, it will work as necessary on specific procurement policies and action plans for critical raw materials to practice sustainable procurement.

Reference → **Human Rights P2-3**  
 Considerations to human rights in business activities

Reference → **Principles & Policies P27**  
 Ajinomoto Group Guidelines for Procurement of Environmentally Responsible Paper

Reference → **Principles & Policies P37**  
 Ajinomoto Group Biodiversity Policy and Action Agenda

## Initiatives for sustainable procurement of critical raw materials

### Principles for sustainable procurement

The biological resources for raw materials and the ecosystems that nurture them are natural capital<sup>1</sup>, a capital for business enterprises. Uses that damage or reduce the capital of business activities will inhibit the continuation and growth of the business. The Group holds the following principles to ensure sustainable raw material procurement.

1. Business process improvement	2. Recovery and strengthening of natural capital	3. Cooperation and collaboration in social system creation	4. Individual adaptive approach
Business processes for procurement and use that reduce natural capital will be improved "so that the impact of raw material procurement and use is kept within limits of ecological cycles and ability to recover." <sup>2</sup>	In addition to keeping natural capital from decreasing, the recovery and strengthening of natural capital will be actively pursued, thereby creating environmental and social value through business activities.	Get actively involved in creating a sustainable social system. Expand procurement activities into the creation of social systems for production, supply and value chains that recover and strengthen sustainable natural capital. Cooperate and collaborate with various stakeholders and engage with the most upstream of the supply chain.	Adopt effective approaches according to the environmental and social issues of the supply chain for each resource or raw material. Monitor actual conditions and address adaptively.

<sup>1</sup> Referred to "The value creation process" in the International Integrated Reporting Framework  
<sup>2</sup> Referred to Target 4 (business and biodiversity) of the Aichi Biodiversity Targets in the Convention on Biological Diversity. Expanding the viewpoint of business from the usual "environment-friendly," or lessening impact compared to the present or the past, to "doing right for the planet," or acting in light of the goal of global sustainability

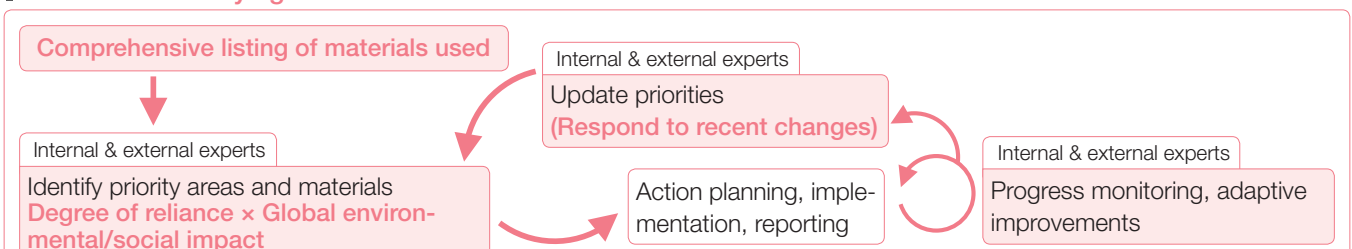
### Identification of raw materials for key initiatives

The Ajinomoto Group has identified areas of priority for practicing sustainable procurement of important raw materials. This process began with a comprehensive listing of the various raw materials used in Group business activities. Analysis by internal divisions and outside experts then identified agriculture, forest ecosystems, and fisheries as priorities, given the degree of Group reliance on the resources in these areas and their relevance to global environmental and social sustainability. Among agricultural resources, there are the sugar-based crops, the raw material for amino acid fermentation, and coffee beans for the coffee business. In forest resources, there are paper for office-use and the packaging for processed food products targeting consumers, and palm oil, which is a functional ingredient in processed foods and specialty chemical production. And in marine resources, these include skipjack, the major ingredient in the Japanese seasoning *HON-DASHI* and in dried bonito shavings, and shrimp, the defining ingredient of frozen food and other products.

The Group updates these priorities in line with business and global trends and no major change in the priorities identified has been made in the last year. The Group is intensifying activities related to forest resources (palm oil, paper) in response to the urgency of achieving zero net deforestation\* to combat deforestation's significant involvement in climate change, biodiversity loss, and human rights issues. The Group has also reorganized initiatives to address rising challenges to the sustainability of skipjack fisheries in waters around Japan.

\*As a corporate board member of The Consumer Goods Forum, Ajinomoto Co., Inc. endorsed a resolution to achieve zero net deforestation in relation to palm oil and paper procurement.

### Process of identifying critical raw materials



## Zero net deforestation

Deforestation is directly implicated in habitat destruction and biodiversity loss, producing an estimated 20% of global greenhouse gas emissions. Stopping deforestation is therefore critical to global environmental and social sustainability. While the causes of deforestation are complex, soy and oil palm cultivation, logging for paper and timber, and cattle ranching are all considered major contributors.

The Ajinomoto Group is taking steps to ensure that the procurement and use of paper and palm oil for its business activities do not add to this deforestation burden.

Deforestation occurs when forests are cleared to make way for pulp and oil palm plantations. As a consumer goods manufacturer, the Ajinomoto Group requires—and will continue to require for continued business development—materials derived from these biological resources, and is situated downstream on the supply chain that produces them. For these reasons, the Group is advancing the following initiatives to achieve responsible procurement of these critical raw materials and ensure sustainable business growth.

The first priority in this endeavor is to confirm and guarantee that raw materials currently procured by the Group are not causing environmental or social problems such as deforestation or human rights violations. Developing the ability to trace raw materials to the top of the supply chain is critical for this purpose so that immediate and appropriate action can be taken with supply chain stakeholders.

Paper, palm oil, and other raw materials also need to be procured reliably and in an environmentally and socially ethical manner as procurement volumes grow with business. Sustainable procurement and use of resources must be a social norm, as it helps to ensure that the Ajinomoto Group’s procurement is also sustainable. To that end, the Group is actively engaged in building social mechanisms for promoting sustainable production and supply and value chains, and has committed to leading collaborative efforts with various stakeholders toward achieving Goal 12 of the SDGs: ensure sustainable production and consumption patterns.

The most effective, efficient, and objectively convincing way to make progress in these areas is to actively utilize, and help spread, widely recognized and trusted certification standards and other mechanisms\* related to sustainability. The Ajinomoto Group thus actively adopts and supports the most credible standards.

This does not necessarily mean only purchasing certified materials, however. The Group strives to purchase certified materials whenever possible and practical, but limited supplies of certified materials and other circumstances often make responsible procurement difficult—and ensuring responsible procurement through purchasing alone impossible. Concrete action is thus needed to guarantee that the alternatives effectively pose no environmental or social harm, using standards and mechanisms that contribute to sustainable production and consumption.

\*FSC (paper) and RSPO (palm oil) certifications, for example.

### Action policies for sustainable paper and palm oil procurement

#### Aspiration

As a global corporation that strives to be socially responsible, the Ajinomoto Group supports zero net deforestation and actively promotes sustainable procurement and use of paper and palm oil on a global Group level.

#### Policies

- Pursue sustainable procurement for all paper and palm oil used by group companies
- Target: Achieve sustainable procurement by 2020
- Contribute to the sound growth of social mechanisms that support sustainable paper and palm oil

## Sustainable paper

### Internal efforts

In accordance with the Guidelines for Procurement of Environmentally Responsible Paper, the Ajinomoto Group makes efforts appropriate for each country and region to acquire sustainable sources for all office paper and container and packaging paper it uses worldwide. The Group Procurement Center manages most paper procurement in Japan.

In Japan, the Ajinomoto Group maintains policy compliance for office paper through its indirect materials purchasing system. Notably, in fiscal 2014 the Group conferred with supply chain partners and took appropriate steps in Japan to make sure it is not complicit in forest ecosystem conservation and local community problems posed, as identified by NGOs and others, by paper from certain manufacturers. The Group is continuing these measures as it monitors progress by the manufacturers toward resolving the issues.

In fiscal 2015 the Ajinomoto Group in Japan also stepped up efforts to utilize FSC-certified paper in containers and packaging. While this poses greater challenges in terms of paper performance than similar efforts for office paper, some initial progress was achieved through partnership with supply chain partners in fiscal 2016. Further progress will be made according to a detailed action plan extending to the year 2020.

### Specific policies of the Ajinomoto Group Guidelines for Procurement of Environmentally Responsible Paper

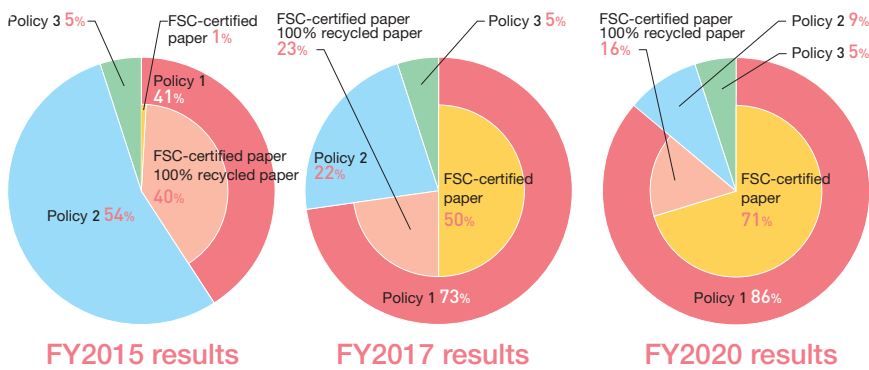
Policy 1
Preferentially procure FSC-certified paper and 100% recycled paper
Policy 2
Procure paper considered environmentally responsible by the Ajinomoto Group
Policy 3
Do not procure paper products without assurance that appropriate procedures have been followed with regard to logging of timber raw material, in keeping with forest regulations governing the area where timber is sourced

\*Policy 2 example: Paper derived from FSC Controlled Wood

### Reference → The Environment P20

Using FSC® certified packaging materials for gift set boxes

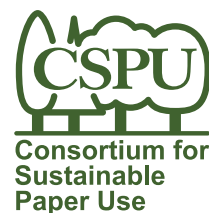
### Container and packaging paper: Past results and future targets



### Stakeholder partnerships

Awareness of sustainable paper procurement and use is low in Japanese industry and society at large. Ajinomoto Co., Inc. is calling on various entities to make responsible paper the norm nationwide, as it advances such activities in its own offices. Part of this effort includes continued participation in the Consortium for Sustainable Paper Use (CSPU).

In July 2016, the CSPU held a symposium to promote sustainable paper use through supply chain partnerships. There are a number of recent examples of companies collaborating with suppliers on providing or obtaining more environmentally and socially conscious paper products. To accelerate this trend, the symposium presented the activities of the CSPU as well as those of suppliers and industry groups, and also held discussions with participants on solutions to expanding sustainable paper use.



### Web →

The Expanding Consortium for Sustainable Paper Use (WWF) (Japanese)  
[http://www.wwf.or.jp/corp/2014/06/post\\_20.html](http://www.wwf.or.jp/corp/2014/06/post_20.html)

## Sustainable palm oil

### Internal efforts

Ajinomoto Group initiatives on sustainable palm oil are still in the early stages overall. The Group's food product and specialty chemicals businesses use palm oil-derived ingredients of various specifications and the ease of procuring certified versions of these ingredients varies widely. Palm kernel oil-derived materials, which are particularly difficult to procure in certified form, account for roughly 35%. Much of the palm oil comes from places like Thailand and South America which lack the supply chain infrastructure for providing certified oil. Consequently, roughly 80% of palm oil-derived materials used by the Group in 2016 had no or an inadequate certification schemes. MB and B&C-certified palm oil accounted for only 3% of palm oil use in 2015, and was limited to certain operations in Japan.

With this in mind, in fiscal 2016 members of the Ajinomoto Group in Japan (Ajinomoto Co., Inc.; AJINOMOTO GENERAL FOODS, INC.; Ajinomoto Frozen Foods Co., Inc.) implemented an action plan with targets to the year 2018 and also continued to develop plans for overseas operations. For example, the food products business of Ajinomoto Co., Inc., which is seeing earlier progress, is expected to reach a 56% adoption rate for MB-certified oil by year-end 2016.

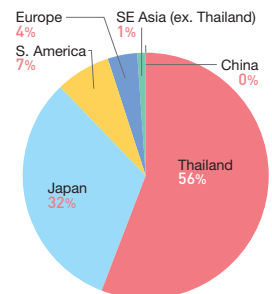
### Ajinomoto Group goals

Japan
Shift to MB and B&C-certified palm oil by 2018
<ul style="list-style-type: none"> <li>Budget for phase-in</li> <li>Strive to build MB supply system for materials lacking it (food-grade kernel oil)</li> </ul>
Overseas
Working with stakeholders (experts, NGOs, suppliers, etc.), devise a range of measures (e.g., ensure traceability, support smallholders, raise social awareness) to address challenges specific to each material type and producing region, aiming to set 2020 targets (on certified oil adoption rate) for each country/region
<ul style="list-style-type: none"> <li>Report progress through the RSPO ACOP</li> </ul>

### Palm oil (including kernel oil) used by the Ajinomoto Group

(Tonnes/year in 2015)

Japan	Processed foods	8,300
	Specialty chemicals	2,700
Overseas	Processed foods	24,200
<b>Group total</b>		<b>35,200</b>



Reference → Special Feature 2 P7  
Procurement of Sustainable Palm Oil

Web →  
Annual Communications of Progress (ACOP) to the RSPO  
<http://www.rspo.org/file/acop2015/submissions/ajinomoto%20co.,%20inc.-ACOP2015.pdf>

\*Report detailing the Ajinomoto Group's plans and progress



Products containing certified palm oil (September 2016, Ajinomoto Co., Inc. and AJINOMOTO GENERAL FOODS, INC.)

### Stakeholder partnerships

The level of awareness of sustainable procurement and use of certified palm oil is extremely low in Japan. Companies wanting to procure certified palm oil face numerous obstacles, including difficulties in actual procurement and in gaining the understanding of customers and consumers. Since the Japanese market occupies only a small share of the global palm oil market, getting the latest information on sustainable palm oil is difficult. Since joining the Roundtable on Sustainable Palm Oil (RSPO) in August 2012, Ajinomoto Co., Inc. has been partnering with other businesses and Japanese stakeholders to address this issue.

At Japan Day, hosted by The Consumer Goods Forum (CGF) in April 2016, the company advocated for sustainable palm oil on behalf of food companies in a special session during the event, and helped organize a subsequent CGF workshop. It also served as vice chair of the executive committee for RSPO Japan Day 2016, held in September.

Ajinomoto Co., Inc. will further contribute to promoting sustainable palm oil across Japanese industry.



Speaking at RSPO Japan Day 2016



## Sustainable skipjack fisheries and resource use

The skipjack catch in the tropical Western and Central Pacific has risen sharply in recent years, prompting concerns over the sustainability of skipjack resources. Managing international fisheries based on sound resources management rules is thus critical to their long-term use. Since 2009, Ajinomoto Co., Inc. has conducted a joint skipjack tagging survey with a national research institute, sharing the findings with international fisheries management organizations through a government agency.

The company is also actively sharing skipjack ecology insights gained from the tagging survey with Japanese fisheries stakeholders. Given the marked decline in skipjack catches in waters around Japan since the latter half of the 2000s, the goal is to contribute to the sustainable development of the skipjack fishing industry and fishing communities in Japan, which play an important role in Japan's dietary culture.

Reference → **Special Feature 2 P8**

Initiatives to Increase Sustainability of Fisheries Resources

Reference → **The Environment P9-10**

Initiatives for sustainable skipjack fisheries and resource use



## Sustainable procurement of coffee beans

Coffee beans are grown in regions that are rich in biodiversity and are largely supplied by small coffee farmers.

In January 2013, AJINOMOTO GENERAL FOODS, INC. and its group companies participated in a meeting of the Common Code for the Coffee Community (4C Association),<sup>1</sup> an international non-profit that encourages sustainable coffee production and distribution. AJINOMOTO GENERAL FOODS, INC. and its group companies also support Rainforest Alliance<sup>2</sup> certification, a scheme that helps to improve environmental conditions at farms and better the lives of farmers and farm workers. The companies strive to procure coffee beans produced at farms that adhere to 4C Association and Sustainable Agriculture Network standards.

<sup>1</sup> Sets standards to support coffee growers in taking the critical first step to implementing sustainable practices in coffee production and processing.

<sup>2</sup> Works to protect forests, rivers, wildlife habitats, workers and their families, and the rights and welfare of cooperatives, through certification of coffee farms.

Link →

AJINOMOTO GENERAL FOODS, INC. "Relationship with suppliers" (Japanese)  
<http://www.agf.co.jp/csr/trust/index.html>



### TOPICS

#### Encouraging consumers to "shop the green frog" through Rainforest Alliance Consortium activities

In September 2015, AJINOMOTO GENERAL FOODS, INC. launched the Rainforest Alliance Consortium with other companies that sell Rainforest Alliance Certified products (Kirin Co., Ltd.; Meiyu Co., Ltd.; Unifrutti Japan Corp.; Unilever Japan Holdings K.K.; Lawson, Inc.). Consortium members seek to increase consumer options for supporting sustainability by raising awareness of the certification logo and the value of certified products.

---

# Fair Competition

The Ajinomoto Group Principles (AGP) ensure fair and transparent business transactions and require employees to fully understand and comply with laws and regulations concerning competition in all countries in which the Group operates. Based on the AGP, the Ajinomoto Group has developed corporate guidelines for compliance with antitrust law in Japan. Outside of Japan, the Ajinomoto Group has implemented corporate guidelines for compliance with United States antitrust law and European competition law, which apply to some 20 group companies. Ajinomoto Co., Inc. also implements Supplier CSR Guidelines prohibiting behavior that disturbs equitable, transparent, and unfettered competition.

---

## ■ Employee awareness raising

The Ajinomoto Group implements regular employee training on antitrust law at its group companies. In fiscal 2014, an antitrust law training was conducted for the sales staff of Ajinomoto Co., Inc. and legal affairs staff of the main group companies in Japan.

Moving forward, the Group will continue holding antitrust law trainings to further enhance the awareness of its employees.

Reference → Principles & Policies P2  
Ajinomoto Group Principles (AGP)

---

# Prevention of Corruption

Bribery and corruption not only destroy trust in a company, but can also be a factor hindering the development of a region by causing human rights violations, poverty, and environmental destruction. The Ajinomoto Group strives to prevent bribery and corruption by implementing the AGP.

---

## ■ Ajinomoto Group Bribery Prevention Policy

In fiscal 2013, the Ajinomoto Group began considering ways to control the major risk to its global business from any violation of legislation prohibiting bribery of foreign public officials. The Group always prohibits bribery of any form through the AGP. However, in July 2016, the Group took a stronger stance on bribery by issuing a separate Ajinomoto Group Bribery Prevention Policy.

Reference → Organizational Governance P3  
Global Policy Matrix

Reference → Principles & Policies P2  
Ajinomoto Group Principles (AGP)

Reference → Principles & Policies P15  
Ajinomoto Group Bribery Prevention Policy

---

# Protection and Proper Use of Intellectual Property

The Ajinomoto Group recognizes that intellectual property is an important asset. Along with ensuring its proper use, the Group takes special care not to infringe upon the intellectual property rights of others. Ajinomoto Co., Inc. actively encourages invention. The company has established a rewards program for inventions in compliance with the patent law and also pays monetary reward to employee inventors as an incentive.

---

## ■ Trademark education

The Ajinomoto Group regularly conducts trademark seminars at group companies in Japan and overseas to give employees basic knowledge on trademarks and the rules for displaying trademarks such as *AJI-NO-MOTO*®. They serve both to enhance employee appreciation of trademarks and to prevent the *AJI-NO-MOTO*® trademark from being used as a generic term. A total of 102 employees from Ajinomoto Co., Inc. and group companies in Japan attended the seminar in fiscal 2015.

## ■ Rewards program for inventions

Ajinomoto Co., Inc. and its group companies strive to contribute to human health globally by continually creating unique value that benefits customers. The company is working to protect and effectively utilize intellectual property rights, including original technologies, content, and brands, in order to strengthen its technological expertise.

The company pays monetary reward for patent applications when employee inventions are transferred to the company, and for patent registrations when inventions are registered. It also pays performance-based monetary reward when inventions are implemented by the company. Most group companies that produce inventions have implemented similar programs.

## ■ Initiatives to protect trade secrets

Ajinomoto Co., Inc. established a committee with the aim of protecting trade secrets from leaks. The committee surveys the actual state of information management, particularly for technological information, and discusses improvement plans. An assessment by an external organization also drew out the issues for Ajinomoto Co., Inc., which will be used to set up an organizational and human management base, and build a physical technological model to prevent trade secret leaks.

Going forward, the committee will expand its scope to include the protection of business and sales information, and extend the initiative to group companies as well.

# Human Rights

Respect for Human Rights throughout Our Business

## INDEX

### P1 Identification of Human Rights Issues and Awareness Raising

- Continuing dialogue on human rights issues
- Identification of human rights risks
- Formulation of human rights policy
- Considerations to human rights in business activities

### P4 Human Rights Initiatives at Workplaces

- Human rights in employment
- Human rights awareness training of employees

## Related company policies

- **Ajinomoto Group Principles (AGP)**  
Principles & Policies P2  
<http://www.ajinomoto.com/en/aboutus/vision/group/>
- **Ajinomoto Co., Inc. Supplier CSR Guidelines**  
Principles & Policies P20  
[https://www.ajinomoto.com/en/aboutus/vision/purchase/pdf/supplier\\_csr\\_guidelines\\_en.pdf](https://www.ajinomoto.com/en/aboutus/vision/purchase/pdf/supplier_csr_guidelines_en.pdf)

## Fiscal 2015 activity highlights

- Stakeholder engagement program in Bangkok, Thailand



→P1

- Improved nutrition in Ghana and Malawi (examples of defending children's rights)



→P3

# Identification of Human Rights Issues and Awareness Raising

The Ajinomoto Group is clarifying policies in line with the human rights section of the Ajinomoto Group Principles (AGP). The Group is implementing the principle of “values people” as articulated in the Ajinomoto Group Mission and Ajinomoto Group Way, and undertaking initiatives on a range of human rights topics that society expects global corporations to address.

## Continuing dialogue on human rights issues

A lecture and discussion was held in April 2016 on the subject of global human rights, featuring Miwa Yamada of the Institute of Developing Economies (under the Japan External Trade Organization). She spoke about the latest trends relating to business and human rights, as well as human rights topics in Asia. The discussion after the lecture covered specific examples of human rights risks in Asia and the status of responses to those risks.



Dialogue session in April 2016

## Stakeholder engagement program in Bangkok, Thailand

In June 2016, Ajinomoto Co., Inc. participated in a stakeholder engagement program in Thailand, jointly organized by the Caux Round Table and Marimo5 (Japanese company in Thailand). A variety of stakeholders—including government, NGOs, Thai and Japanese companies—gathered to talk about labor and human rights, with a special focus on Thailand. One theme raised was that migrant workers from Myanmar, Cambodia, and Laos play an important role, accounting for 10% of the Thai economy, but that they and their families face labor and human rights-related issues. The company also recognized that the health and safety of workers are critical issues in Thailand. It is hoped that attention to these issues of employee health and safety will lead to opportunities not only to address risk but also to improve nutrition, through actions such as better in-house education and company cafeterias, etc.



Stakeholder engagement program in Thailand in June 2016

## Identification of human rights risks

In advancing a due diligence process for human rights, the Ajinomoto Group first conducted a basic survey to identify risks comprehensively. General risk categories in each country/region were first identified, followed by risks specific to the food industry. More than 100 cases of human rights risks that have surfaced in the value chains of other companies, primarily global companies, were then compiled, bringing clarity to the key human right risks the Group potentially faces.

The Group plans to use this survey to identify specific global human rights issues and analyze the key issues with HR and General Affairs managers in each country.

### Human rights risks closely associated with the food industry

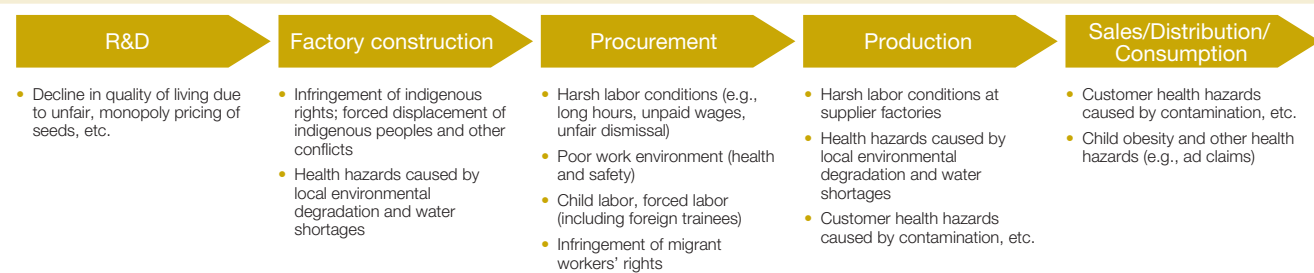
#### Labor

- Child labor
- Poor labor management (overwork, unpaid wages, and inadequate health and safety practices)
- Human trafficking

#### Water

- Adverse impacts on the health of surrounding residents, caused by factors such as increased water stress due to the impacts of climate change, population growth, and the like

### Potential human rights risks by value chain segment



## Formulation of human rights policy

Ajinomoto Co., Inc. has been respecting human rights in all of its divisions in accordance with the Ajinomoto Group Principles (AGP). Today, the company is taking steps to deepen the understanding of staff in each division about the wide range of human rights issues that global corporations are expected to address. It is also actively assessing the current state of the Group's human rights initiatives. One method it uses is surveys; every division was surveyed between April and May 2012 based on ISO 26000. The results confirmed that there are currently no serious problems.

The Group recently revised the AGP to supplement content on the global human rights issues that corporations are now expected to address. In August 2014, the Group established a new section on human rights, clarifying the policy on addressing human rights in the Ajinomoto Group.

Furthermore, the Group also included human rights in the scope of its responsibility for the value chain, upgrading its efforts to address human rights as a global corporation. In the value chain, the Group urges and works with suppliers to address issues. For consumers, the Group recognizes that its business has a significant impact on human life and health and the natural environment and ecosystems. Efforts are made to deliver very safe products, and to carry out advertising and marketing activities responsibly, using fair and honest language, especially toward children.

Going forward, the Group will advance global human rights efforts among employees based on the AGP, while integrating their practice into daily activities.

Reference → Principles & Policies P2  
Ajinomoto Group Principles (AGP)



Ajinomoto Group Principles (AGP)  
<http://www.ajinomoto.com/en/aboutus/vision/group/>

## Considerations to human rights in business activities

The Ajinomoto Group works hard to respect human rights across the value chain. The Group carries out quality, environmental and various other assessments when constructing a new plant or office, and when launching a new product or business. By evaluating the impact on people and the local community, the Ajinomoto Group is working to advance its human rights initiatives.

The Ajinomoto Group Basic Purchasing Policy clarifies that the Group confirms anything it directly purchases has no connection to the infringement of human rights, including child labor and illegal employment, across the value chain. Accordingly, the Group requires its raw material suppliers to cooperate in the effort to protect human rights. In fiscal 2013 Ajinomoto Co., Inc. issued and commenced operation of the Supplier CSR Guidelines, which explicitly state this requirement. Going forward, the guidelines will be sequentially introduced at Ajinomoto Group companies in Japan and overseas.

Further, the revised AGP clearly states expectations regarding human rights, labor, the environment, prevention of corruption and the other topics that are listed in the Ajinomoto Group Basic Purchasing Policy.

Reference → Fair Operating Practices P1-2  
Ajinomoto Group Procurement Policy

Reference → Principles & Policies P20  
Ajinomoto Co., Inc. Supplier CSR Guidelines

### Supplier CSR Guidelines (excerpt)

#### 2. Respect for Human Rights with Due Consideration Given to Occupational Health and Safety

Suppliers are requested to respect the human rights of all employees based on a genuine understanding of the international community, to treat employees with dignity, and to provide a safe and comfortable work environment.

##### 2-1. Prohibiting Forced Labor

All forms of forced labor and the imposition of activities against an individual's will are strictly prohibited.

##### 2-2. Prohibiting Child Labor

It is vitally important to understand the destructive nature of child labor and to strictly prohibit the employment of children below the legal age.

##### 2-3. Prohibiting Discrimination

Steps shall be taken to respect the statutory and regulatory requirements as well as cultures of each country and region. Discrimination in connection with employment opportunities, recruitment, promotion, and compensation with respect to any and all persons on the basis of race, ethnicity, nationality, religion, principles, origin, gender, age, and disability is prohibited.

##### 2-4. Prohibiting Inhumane Treatment and Harassment

Every effort must be made to respect the human rights of employees and to eliminate sexual as well as power harassment, including all forms of mistreatment, punishment, psychological coercion, and verbal abuse from the workplace.

##### 2-5. Appropriate Salaries and Wages

Steps shall be taken to pay appropriate wages and

salaries to employees in accordance with all related laws and regulations, including the minimum wage, overtime, and statutory benefits.

##### 2-6. Appropriate Management of Working Hours

Steps shall be taken to ensure that employees' working hours do not exceed those limits prescribed under relevant laws and regulations, and that non-working days and holidays are managed in an appropriate manner.

##### 2-7. Employees' Right to Organize

The right of employees to organize as a method for facilitating discussions between management and labor with respect to such issues as working conditions and wage levels shall be respected.

TOPICS

**Food defense audits also review labor conditions and human rights, propose improvements**

Ajinomoto Frozen Foods Co., Inc. has audited its supplier regularly not only on quality but also on labor conditions and human rights, and has enhanced risk management particularly in the shrimp aquaculture industry. Since 2008, the company has also continued with audits focused on food defense<sup>1</sup> for all of its suppliers, with countries including Japan ranked by priority and China as the top priority. The food defense audits include a review of labor conditions and human rights at raw material suppliers.

A food defense audit typically focuses on the physical aspects of food security to prevent “food terrorism,” such as intentional tampering with a hazardous substance. However, Ajinomoto Frozen Foods Co., Inc. also audits human aspects of security, including whether workers have a safe working environment, whether there is sufficient communication with managers, and whether the human rights of workers are respected. Based on the concept that “Enabling workers to do their jobs with enthusiasm determines quality,” Ajinomoto Frozen Foods Co., Inc. will continue to audit labor conditions and human rights and to propose improvements, as part of its food defense audits.



<sup>1</sup> Measures to prevent intentional tampering with products. Monitoring is carried out at every stage from raw material procurement to product sales, in order to prevent anyone from adding poisons or other substances to food products.

TOPICS

**Improving nutrition in Ghana and Malawi: Examples of defending children’s rights**

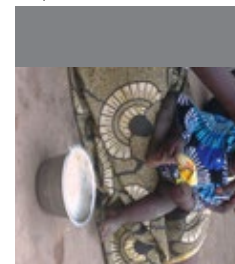
Nutrition deficits in developing countries infringe on the right of every child to life, healthy development and a bright future. Adequate nutrition, which is required by growing children, ought to be guaranteed by the government, as a child’s right to receive essential services. Where government services are lacking, international organizations, bilateral aid organizations and NGOs step in, but they often cannot accomplish all that is needed.

The Ajinomoto Group saw an opportunity to help by making affordable healthy products for children in need of better nutrition, particularly the poorest. In doing so, the Group aimed not only to supplement underdeveloped government services, but also to explore a promising new business opportunity. In Ghana, the Group developed the *KOKO Plus* supplement to boost the nutrition of children during the weaning period from 6 to 24 months of age, when nutritional deficiencies have the worst impact. Collaborating with various partners from the other sectors, the Group has been working to develop a successful business model for supplying *KOKO Plus* to the most vulnerable children. In Malawi, applying this concept of nutritional improvement, the Group is also developing ready-to-use therapeutic foods for severely malnourished children.

Generally, child labor in the value chain is presumed to be a major issue concerning human rights for global companies. But the Ajinomoto Group has gone further, seeking to defend children’s rights in a positive way.



A child in Malawi with a nutritional therapeutic food sample



A child in Ghana being fed KOKO Plus

TOPICS

**AJINOMOTO BAKERY CO., LTD. promotes employment for persons with disabilities**  
**Awarded the Shizuoka Prefecture Governor’s Award**

AJINOMOTO BAKERY CO., LTD. develops and sells frozen bread and bakery products, and is also a proactive employer of persons with disabilities. To structure a system to accept these people, the management department in charge of hiring cooperated with the production department where employees with disabilities work. Through this system, the ratio of employees with disabilities increased from 1.7% in 2010 to 3.76% in 2016.

These efforts were recognized when the company received the Shizuoka Prefecture Governor’s Award on September 16, 2016.



Receiving award: Futoshi Miyamoto (right), President of AJINOMOTO BAKERY CO., LTD.

# Human Rights Initiatives at Workplaces

The Ajinomoto Group welcomes people of all nationalities to become its employees, recognizing that diversity supports the future of the Group. All employees are provided with fair opportunities to develop and exercise their abilities. The Ajinomoto Group strives to respect human rights, as stated in the Ajinomoto Group Way, while also working to protect and promote human rights in the workplace based on the Ajinomoto Group Principles (AGP).

## Human rights in employment

### ■ Reemployment system for retirees

Ajinomoto Co., Inc. has been providing a reemployment system for all staff and managers at the mandatory retirement age of 60 since April 2006. In fiscal 2015, approximately 52% of retiring employees made use of the system. The company also established a system, which went into operation in April 2014, to foster career autonomy and help diversify career options for managers.

Each group company in Japan has updated its own reemployment system accompanying the enforcement of Japan's revised Act on Stabilization of Employment of Elderly Persons in April 2013. They all provide career support after the mandatory retirement age.

Reference → **Principles & Policies P2**  
Ajinomoto Group Principles (AGP)

Reference → **Labor Practices P16**  
Personnel and Labor-Related Data

Web →  
Human resources development (Japanese)  
<http://www.ajinomoto.com/jp/recruit/fresh/education.html>

### ■ Employment of more persons with disabilities

In fiscal 2015, the employment rate for persons with disabilities at Ajinomoto Co., Inc. was 1.95%, approximately the same as in the previous year. For Ajinomoto Group companies in Japan<sup>1</sup>, the rate was 2.12%, an improvement of 0.2% year-on-year, as a result of identifying new tasks to create workplaces where persons with intellectual and other disabilities are able to work productively.

Ajinomoto Co., Inc. has employed mainly recent graduates and experienced persons with physical disabilities, and April hired one more person. Moreover, the company plans to start a new company in April 2017, focusing on work for persons with intellectual disabilities, and to create a rewarding workplace where persons with disabilities are able to feel that they are contributing to society and the Ajinomoto Group.

The Ajinomoto Group will further advance its efforts by continuing to employ persons with disabilities at the new company, and will actively seek to expand opportunities.

<sup>1</sup> The 29 major group companies in Japan that have 50 or more employees and are legally required to employ at least one person with a disability.

## Human rights awareness training of employees

Each group company worldwide promotes understanding of the AGP, which prohibit any form of discrimination or harassment. Human rights awareness training is provided to group employees around the world.

Ajinomoto Group Way Sessions are held for employees to reaffirm the principle of "Value People" through their work. In total, approximately 22,000 employees group-wide had participated in the sessions by the end of fiscal 2015.

Ajinomoto Co., Inc. is also committed to preventing workplace harassment. It regularly surveys all employees and then compiles opinions and specific cases into a workplace harassment casebook for all employees. To promote awareness, the company solicits ideas for human rights awareness slogans from group employees and their families in Japan ahead of Human Rights Week in December. In fiscal 2015, 2,842 people entered a total of 4,059 slogans. The Ajinomoto Group will keep working to foster human rights awareness among all employees.

Reference → **Labor Practices P3**  
"Ajinomoto Group Way Sessions and ASV Sessions"

Reference → **Principles & Policies P2**  
Ajinomoto Group Principles (AGP)

Slogan chosen for honorable mention by  
Industrial Federation for  
Human Rights, Tokyo

**"It's alright to be different.  
It's great to be yourself."**

Family of Shunsuke Saito, Kanto Plant, Gaban Co., Ltd.



# Labor Practices

Better Careers, Higher Job Satisfaction for All Employees

## INDEX

### P1 A Fulfilling Place to Work

- Career fulfillment

### P2 Diversity

- Global HR system for optimizing personnel assignment
- Empowerment of female employees at Ajinomoto Co., Inc.

### P5 Work Style Innovation

### P7 Self-Directed Career Development

### P8 Employee Health Management

### P10 Employee Safety

- Promotion of a medium-term plan for occupational health and safety
- Occupational health and safety management
- Occupational health and safety education
- Hands-on safety training
- External evaluation of occupational health and safety activities
- Preparation for natural disasters to protect human life

### P16 Personnel and Labor-Related Data

## Related company policies

- Ajinomoto Group “Disaster Prevention and Occupational Health and Safety” Philosophy  
Principles & Policies P31
- Ajinomoto Group “Disaster Prevention and Occupational Health and Safety” Policies  
Principles & Policies P31
- Ajinomoto Group Disaster Management Basic Policies  
Principles & Policies P32

### 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 (41 in Japan, 52 overseas) as of March 31 2016.

## Definitions of terms

<b>Employees:</b>	Directly employed management, non-management and contract staff
<b>Temporary staff:</b>	Directly employed contract and temporary staff, including part-time employees
<b>Executive:</b>	Directors, auditors, advisors, executive officers or a higher position (excluding part-timers)
<b>Management:</b>	Employees in the position of section manager, a position equivalent to section manager, or a position higher than section manager (excluding executives)

## Fiscal 2015 activity highlights

- A fulfilling place to work



→P1

- Global HR system for optimizing personnel assignment



→P2

# A Fulfilling Place to Work

The Ajinomoto Group aims to be a place where people can build fulfilling careers, allowing both employees and the business to grow together. This shared growth is what we believe will drive progress in meeting the goals of Ajinomoto Group Creating Shared Value (ASV) and becoming a “Genuine Global Specialty Company.”

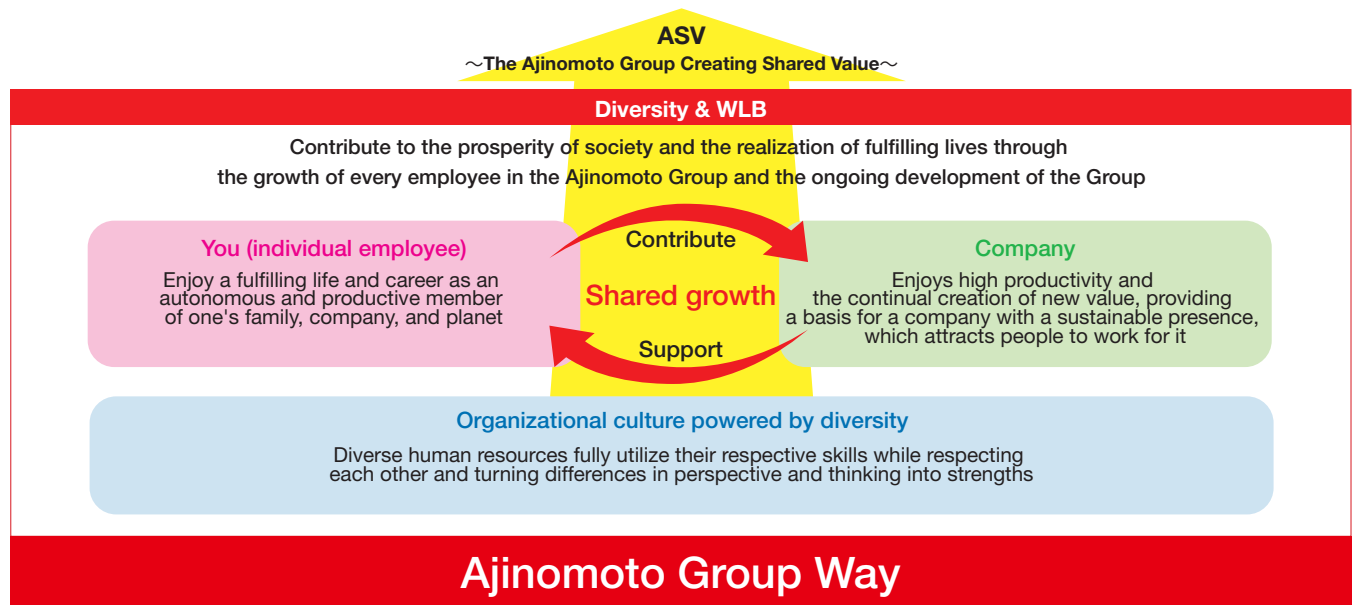
## Career fulfillment

As the set of values common to all members of the Ajinomoto Group, the Ajinomoto Group Way is the foundation of shared growth. It guides our work of fostering an organizational culture that promotes mutual respect and makes the most of the diverse skills of employees of different identities and backgrounds. This appreciation of unique skills and values supports a fruitful life and rewarding career that also drives company growth.

### Career fulfillment in the Ajinomoto Group

#### Eat Well, Live Well.

Our mission is to contribute to the world's food and wellness, and to better lives for the future.



### Workplace policies at Ajinomoto Co., Inc.

Ajinomoto Co., Inc. implemented four key policies for promoting fulfillment in the workplace: work style innovation, self-directed career development, health management, and diversity.



# Diversity

The Ajinomoto Group is working to cultivate a diverse, vibrant workforce for becoming a “Genuine Global Specialty Company,” an objective stated in the FY2014–2016 Medium-Term Management Plan.

Our focus is on strategic training and promotions that, while supporting professional success across various nationalities, genders, skills and values, also result in profit-generating efficiency and a deeper pool of world-class talent.



## Global HR system for optimizing personnel assignment

The Ajinomoto Group's global human resources management system is a common platform used by group companies to develop and promote diverse leadership and optimize personnel assignment. This system is composed of talent management and position management to clarify key talents and positions.

In fiscal 2016 and beyond, the Ajinomoto Group will accelerate development of the next generation of managers by applying this system. These include appointing local corporate officers outside Japan (from 42% in fiscal 2015 to 50% in fiscal 2016) and promoting more women to management positions (16% to 20%)—both essential for functioning as a global specialty company.



Fiscal 2016 global HR managers meeting

### Global HR management system

Position management (right job)		
Clarifies roles in the organization and defines requirements for each position to execute business strategy. Determines responsibilities of each position and competence needed to accomplish them.		
Administrative systems	Ranking system	Ranking system based on job grades
	Evaluation system	Behavior and performance evaluations based on the Ajinomoto Group Way
	Compensation system	Sets group compensation policies 1. Compensation programs required to comply with local laws and regulations 2. Compensation tied to responsibilities and performance 3. Compensation set competitively based on local market
Talent management (right person)		
Assigns and promotes the right person to the right job to develop talent. Enables early promotion of high potential talent.		
Administrative systems	HR committees	HR committees organized on local and regional levels
	HR portfolio	Organized by two factors: performance evaluations and leadership competence
	Succession planning	Identified for key positions on local and regional levels
	Development planning	Individualized plans developed for key talent

### Various systems for global HR development

The Ajinomoto Group provides training programs to support every employee in her or his professional growth. In addition to training for shared values such as the Ajinomoto Group Way and ASV Sessions, the Group also provides cross-regional, division-specific training, rank-based, elective programs, and leadership programs for managers.



## Ajinomoto Group Way and ASV Sessions: Translating the Group's shared values into practice

The Ajinomoto Group has been holding sessions since fiscal 2011 to promote deeper understanding of the Ajinomoto Group Way.<sup>1</sup> As of year-end fiscal 2015, all group employees have taken the sessions. ASV Sessions were begun in fiscal 2015 to translate these shared values into practice. Participants learn about ASV<sup>2</sup> while also personalizing the Group's mission to address social issues through business, and reflecting the inherent value of their work and of being part of the Group. All employees of Ajinomoto Co., Inc. and some 2,000 employees of affiliated companies in Japan have taken the ASV Sessions by the end of fiscal 2015. The Group aims to have all of the roughly 30,000 group employees worldwide take the sessions by year-end fiscal 2017.

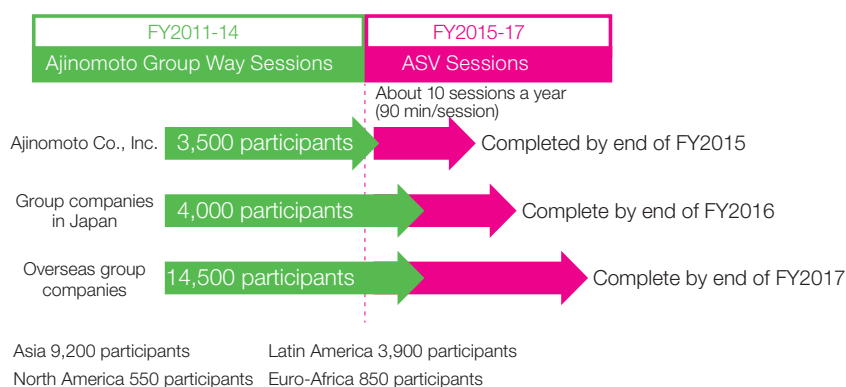
<sup>1</sup> The Ajinomoto Group's basic approach to work, outlined as common values shared throughout the Group: create new value, pioneering spirit, social contribution, and value people  
<sup>2</sup> Efforts linked to the creation of economic value and growth by contributing to the resolution of social issues through the businesses which the Ajinomoto Group has been conducting since its establishment to create value together with society and local communities



ASV Session at Ajinomoto Co., Inc.

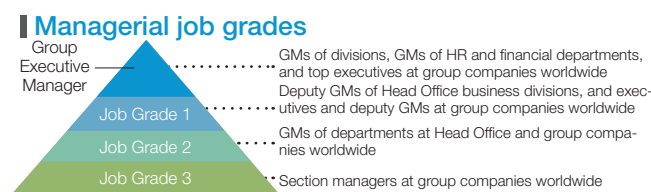


ASV Session at Ajinomoto Heartland, Inc.



## Global leadership training

In addition to country and site-specific training programs, the Ajinomoto Group also provides group-standardized leadership training for future leaders. This training for developing global managers is not based on age or rank but on job grade, preparing each employee for the next step in their career.



## Major training programs for developing leaders

Training	Participants	Frequency and duration	Number of participants	Content
Executive Coaching	Officers, Group Executive Managers	13 sessions a year (1 hour/session)	Approx. 5 people	Individual coaching and assessment for top management
Ajinomoto Global & Group Leader Seminar (GGLS)	Job Grade 1	<ul style="list-style-type: none"> <li>Module 1: 3 days (7 hours/day)</li> <li>Interim report: 1 time (2 hours)</li> <li>Module 2: 2 days (7 hours/day)</li> </ul>	Approx. 25 people	Action learning about global issues faced by the Group, presentations to the HR Committee
Ajinomoto Global Future Leader Seminar (AGFLS)	Job Grade 2	5 days (7 hours/day)	Approx. 30 people	Lectures by top management, lectures on cross-cultural communication, planning of strategic scenarios using internal case studies
Ajinomoto Group Leader Seminar (AGLS)	Job Grade 2	5 days (7 hours/day)	Approx. 25 people	Self-assessment, review of the leader's role in an organization, planning of individual objectives as a leader (for managers in Japan only)
Ajinomoto Regional Leader Seminar (ARLS)	Job Grade 3	<ul style="list-style-type: none"> <li>North America Division: 5 days (7 hours/day)</li> <li>Europe &amp; Africa Division: 5 days (7 hours/day)</li> </ul>	Approx. 20 people	Self-assessment, training sessions on coaching and cross-cultural communication (held for each regional division)
Ajinomoto Global Future Leader Seminar Junior (AGFLS—Jr.)	Junior administrative	<ul style="list-style-type: none"> <li>Step 1: 3 days (7 hours/day)</li> <li>Step 2: 5 days (7 hours/day)</li> <li>Step 3: 2 days (7 hours/day)</li> <li>Group coaching: 3 sessions (2 hours/session)</li> <li>Step 4: 1 days (7 hours/day)</li> </ul>	Approx. 25 people	Training that challenges participants to deeply reflect on the kind of leadership that will move the Ajinomoto Group forward, while studying managerial literacy and cultivating a global worldview

## Empowerment of female employees at Ajinomoto Co., Inc.

Ajinomoto Co., Inc. aims to be the most female friendly company in Japan. The company is implementing various initiatives to provide career-building opportunity and develop their career within the Group. In fiscal 2015, it established the Ajinomoto Women's Council as an organization tasked with accelerating women's advancement in the workplace.

### Management proposal

The Ajinomoto Women's Council submitted a proposal to executive members identifying the challenges confronting working women and ideas for solutions. Based on frank feedback and relevant facts, the proposal presents a vision of diverse career paths for women, encapsulated by the key phrases "right careers," "sustained employment," and "dynamic workplaces." Various HR programs are being revised and expanded based on the proposal.

#### Proposal outline

**For women:**  
A company that incentivizes sustained employment

**For the company:**  
Spirited, ambitious female employees

#### The most female friendly company in Japan!

- **Sustained employment**  
Through progressive HR programs and systems, minimize resignations of women who want to continue working
- **Right careers**  
Rewarding careers with real responsibilities that hone skills
- **Dynamic workplaces**  
Flat, inclusive, and open workplaces!



Careers section of the Ajinomoto Co., Inc. website



#### No. of female managers

FY2015 **106** → FY2020 **160 (+50%)**

Pursue 2020 target through personal motivation building and various incentives for continuing work

### A-WIN<sup>1</sup> activities

To foster a culture of diversity inclusive to women, the Ajinomoto Co., Inc. provides networking opportunities designed to promote mutual learning, respect, and stimulation.

Activities in fiscal 2015 included roundtables and seminars for parents with children starting elementary school, seeking a compatible work style, or reflecting their careers. In fiscal 2016, these A-WIN activities will be intensified in a bottom-up manner through the Ajinomoto Women's Council.

<sup>1</sup> A-WIN is a network of young working women seeking to change employee awareness through various social activities.



Participants in the work-life balance seminar for new working parents

#### Examples of A-WIN events

##### Work-life balance seminar for new working parents

**Participants** Female employees on or returning from child-care leave and their partners  
**People** 13 couples (26 people)  
**Purpose** Support work-life balance by alleviating concerns about returning to work ("Will I be able to work and raise a child at the same time?" (mother), "I want to support her but I don't know how," (father)) and emphasizing the importance of teamwork in housework and childrearing.



##### Roundtable for parents with children starting elementary school

**Participants** Employees (female and male) with children starting elementary school and experienced working parents  
**People** 35 people (8 men)  
**Purpose** 1. Hear stories from experienced parents  
2. Support networking between parents with children in the same grade  
**Program** Discuss various topics related to the first year of elementary school while hearing the experiences of older working parents



##### Career roundtable for sales staff

**Participants** Female sales employees  
**Purpose** Support future career development by presenting stories about work and life experiences from former sales employees now working in other divisions  
**Program** Panel discussion, Q&A, informal socializing



##### Website additions

Ajinomoto Co., Inc. created a new Diversity & WLB webpage and also added to its recruiting page examples of new mothers returning to work.

# Work Style Innovation

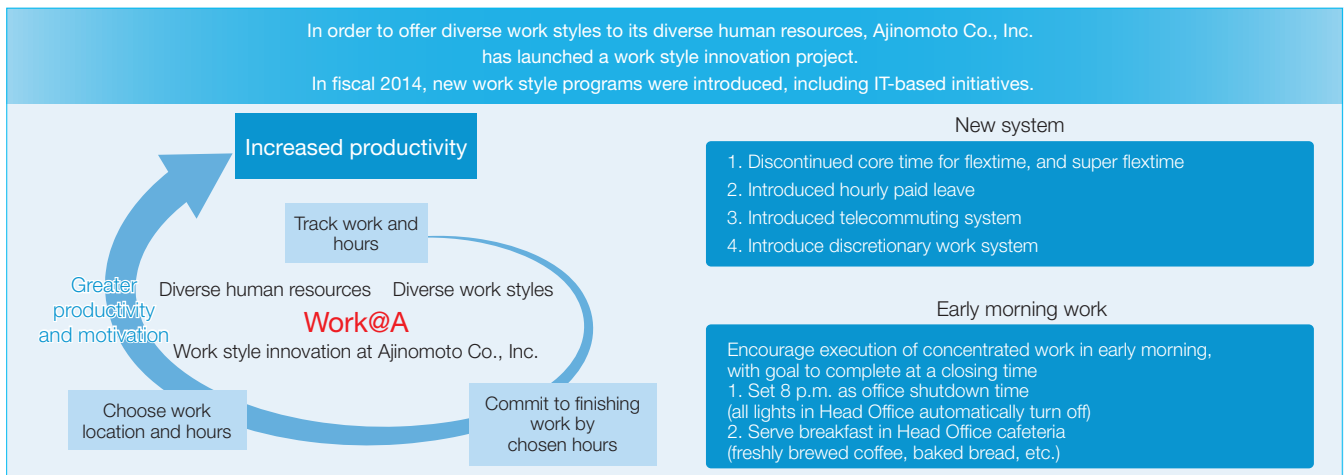
Realizing a healthy balance between work and personal life of each employee is important for diverse talents to fully perform their abilities towards creating new value. Through the Work-Life Balance Improvement Project launched by company and employees in 2008, Ajinomoto Co., Inc. has taken concrete steps to promote understanding among employees and rethink how and where work is done. The bottom up workplace reformation had begun since fiscal 2012, followed by the launch of WORK@A in fiscal 2014 to boost productivity through telecommunicating and other IT-powered programs. With diversity efforts newly included to the project renewed as “Diversity & Work-Life Balance” in fiscal 2015, Ajinomoto will accelerate the efforts to promote “productive time management.”



## Work@A: Work style innovation at Ajinomoto Co., Inc.

Ajinomoto Co., Inc. is introducing new work arrangement systems intended to raise productivity and boost motivation by having employees track their work and hours, commit to a set finish time, and choose their work hours and location.

### Work@A: Work style innovation at Ajinomoto Co., Inc.



## New work arrangements introduced

### 1. Super flextime

Flextime schedule without core time\*, enabling more productive work execution and improved WLB

\*Required working hours, such as 10 a.m. to 3 p.m.

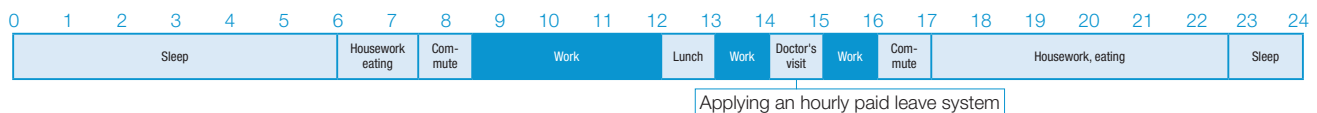
Ex. 1: Employee goes to the office in the afternoon to attend a teleconference with an overseas subsidiary that evening.



### 2. Hourly paid leave system

This system allows employees to take paid leave in one-hour units

Ex. 2: Employee goes to a doctor's appointment in between work hours.



### 3. Telecommuting system

This system allows employees to work at home for up to two days per week for specific work tasks approved by the company

## Systems offered by Ajinomoto Co., Inc. related to work-life balance

Systems or initiative	Details
Parenting Leave system	This system 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.
Part-Time Parenting and Work system	This system allows employees to take leave up to 2 hours and 30 minutes per day until the child enters the 4th grade of elementary school.
Childcare Leave system	Employees with children who have not yet entered junior high school can take up to 10 days of childcare leave per fiscal year per child.
Family Care Leave system	This system 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.
Part-Time Family Care and Work system	This system 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.
Accumulated Paid Leave system	A maximum of 40 days of accumulated paid leave can be taken to care for or visit in the hospital family members within 2nd-degree of kinship who are suffering from a non-work-related illness or injury, or who need care due to temporary school closure.
Telecommuting system	Employees can telecommute in an adequately prepared home office environment for up to four days per month (introduced in October 2014)
Hourly paid leave system	This system allows employees to take paid leave of up to 16 hours in hourly units per year (introduced in May 2014)
Rejuvenation Leave system	This 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.
Volunteer Leave system	This system allows employees to take volunteer leave of up to 8 days per fiscal year by employees qualified for volunteer work by an NPO, social welfare foundation, or other organization.
Re-employment system	Employee may 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.

Reference → P16  
Personnel and Labor-Related Data

### TOPICS

## New targets to shorten work hours

Ajinomoto Co., Inc. should aim to reach a seven-hour workday, the global standard, to become a “Genuine Global Specialty Company” with thriving diverse human resources. At group companies in Japan, however, working overtime is common, a fact associated with low male involvement in housework and childrearing. A transition should be made to a work culture that assumes leaving the office on time. In fiscal 2016, Ajinomoto Co., Inc. will change its management of working hours on a zero-basis, targeting a 20-minute reduction in the number of daily hours worked by fiscal 2017, and another 15-minute reduction by fiscal 2020.

### Zero-based work style reform

● Conventional Japanese work style (present)



● Zero-based work style reform (FY2016 onward)



● Shorter required work hours by 20 min. (April 2017 onward)



● Roadmap (Ajinomoto Co., Inc.)

	FY2014 (results)	FY2015 (results)	20 min. shorter	FY2017 (target)	15 min. shorter	FY2020 (target)
Minimum daily work hours	7 hr. 35 min.	7 hr. 35 min.	→	7 hr. 15 min.	→	7 hr.
Average annual work hours	1,974 hr.	1,947 hr.	→	1,850 hr.	→	< 1,800 hr.

Latest report (Apr.–Aug. 2016)  
Total work hours down 25 hr. YOY

Ajinomoto Co., Inc. → Ajinomoto Group → Society

# Self-Directed Career Development

The Ajinomoto Group believes in supporting employees to develop and pursue their own vision of a fulfilling career. To that end, Ajinomoto Co., Inc. offers a range of career support programs to facilitate professional growth in addition to training.

## HR initiatives to support the development of all employees

The Ajinomoto Group conducts cross-regional, division-specific training and various other training programs in each country and site.

Ajinomoto Co., Inc. has implemented and is promoting training programs so that employees can build the careers they dream of. Programs are designed for each stage of employee growth, and fall into grade-specific programs (new employee training, follow-up training, new manager training, etc.), elective programs (critical thinking course, e-learning/ correspondence courses, management school), and global programs (internal training for developing leaders, external programs).



### HR development programs at Ajinomoto Co., Inc.

#### Grade-specific programs

Learning the standard abilities needed for each role/year

- ▶ Training for managers
- ▶ Training for non-managers

On-the-job training, site/division-specific training, promotions/transfers, evaluation sheet writing way and interviews, and career support programs

Awareness

#### Elective programs

Further improvement of core abilities and business skills

- ▶ Group training: Online training
- ▶ Correspondence education, e-learning programs, and career support programs

On-the-job training, site/division-specific training, promotions/transfers, evaluation sheet writing way and interviews, and career support programs

Enhancement

#### Division-specific training examples

- Compliance and legal training (Organizational Governance, p. 5)
- Occupational health and safety education (p. 13)
- Environmental education (The Environment, p. 26)
- Quality assurance training (Consumer Issues, p. 4)
- Sales training
- Marketing training
- Intellectual property and trademark training (Fair Operating Practices, p. 9)

#### Global programs

Faithfully following the Ajinomoto Group Way, having a broader perspective, and exerting skills

- ▶ Development program for global leaders
- ▶ Development program for regional leaders
- ▶ External programs

On-the-job training, site/division-specific training, and promotions/transfers

Further advancement

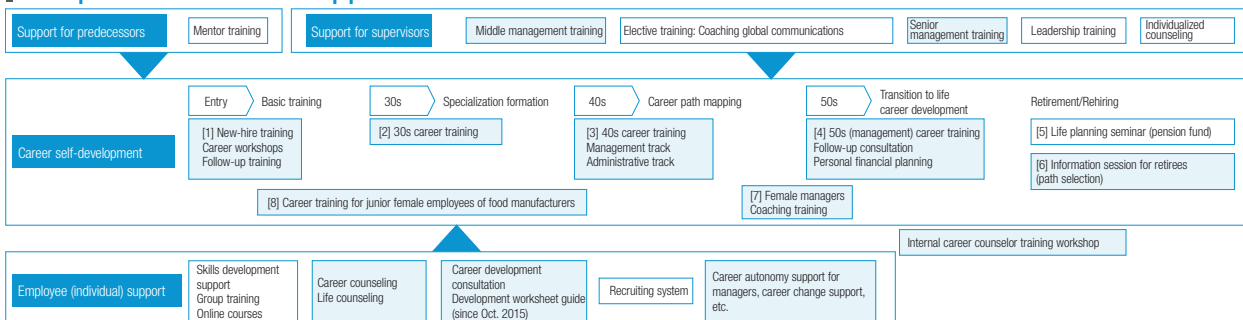
## Career training at every stage

With personal values and work style preferences diversifying, employees should take more control in navigating their career path. Ajinomoto Co., Inc. is working to support employees in recognizing their unique strengths, values, and other qualities, developing their own vision and goals, and taking voluntary action to grow and achieve them. Focusing on meaningful work and autonomous growth, the company is providing more opportunities for employees to explore career development in and outside of the Group. Since fiscal 2015, its comprehensive career training program has offered these opportunities at key life stages. The program also includes training for new hires and coaching for newly appointed female managers.



Career design handbook distributed to all employees

### Comprehensive career support structure





### ■ Enhancement of career counseling

Ajinomoto Co., Inc.'s career counseling team members strive to be trusted career counselors by obtaining qualifications in counseling, financial planning, and other fields. In the upper-middle career training for managers in their 50s, for example, they also provide opportunities to consult with an outside career counselor. Personnel in the company's HR division, at each business site, and the general affairs departments of affiliated companies also receive training to increase their career counseling capacity.



Career counseling team in Ajinomoto Co., Inc.'s Human Resources Department

### ■ More support for career autonomy

In April 2016, Ajinomoto Co., Inc. expanded the eligible age range for using the career autonomy program it launched in 2014 to increase career options for managers. It also introduced an assessment service to the reemployment system to help senior employees find meaningful work after mandatory retirement.

These comprehensive efforts to support employees' career development earned Ajinomoto Co., Inc. the Grand Prize at the Fifth Japan HR Challenge Awards.<sup>1</sup>

<sup>1</sup> Awards commend companies that have taken outstanding new initiatives in the field of human resources.



A career training session for employees in their 50s



### Grand Prize in the 5th Japan HR Challenge Awards

Awarded for initiatives that promote career autonomy in an ageless, global society, with the goal of harnessing self-driven, diverse human resources for becoming a "Genuine Global Specialty Company."



The Japan HR Challenge Awards, sponsored by Toyo Keizai Inc. and other companies, recognize businesses that have actively taken outstanding new initiatives in the field of human resources.



## Employee Health Management

Ajinomoto Co., Inc. clearly states that wellness of its employees that allows them to exert their full skills is one of the most important resources for the business and society.

### ■ Self-care with a growing support system

Every company in the Ajinomoto Group is taking steps to help all of its employees maintain their physical and mental health.

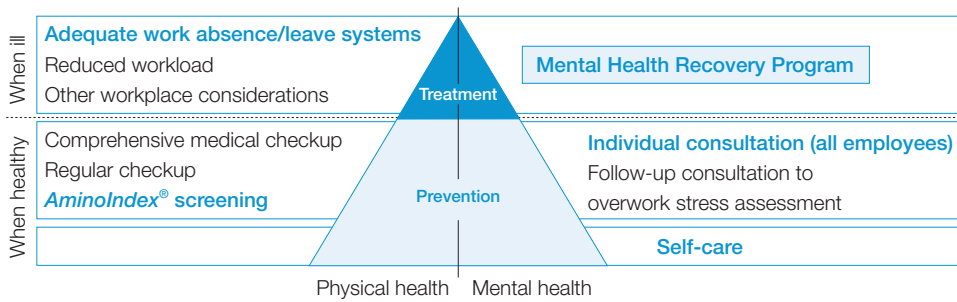
Ajinomoto Co., Inc. is promoting employee health initiatives with a focus on the importance of good self-care. Since new employees, mid-career employees, and managers face different health issues, occupational health physicians offer training for each kind of employee. New managers and mid-career employees not only learn about health management, but also about specific ways to identify signs of health problems among subordinates and colleagues.

This self-care is supported at Ajinomoto Co., Inc. by a team of nine occupational physicians and 12 healthcare staff members, and at group companies in Japan by the Wellness Promotion Center of Ajinomoto Co., Inc.



Health promotion system at Ajinomoto Co., Inc.

9 occupational health physicians, 12 healthcare staff members



### ■ Individual consultations as preventive care

Ajinomoto Co., Inc. requires all employees in Japan to attend an individual consultation with a medical expert at least once a year. Medical experts provide appropriate health guidance based not only on checkup results but also on signs of physical or mental disorder that are difficult to detect via diagnostic testing. To prevent health disorder caused by work overload, the company strives to reduce overtime work while also providing direct medical guidance to employees who work more than a predetermined number of hours, based on standards that are safer than regulatory requirements. Employees on assignments outside Japan also have the results of their annual health checkups monitored by medical staff in Japan and receive follow-up guidance as well as health-related advice pertaining to immediate family members living with them.

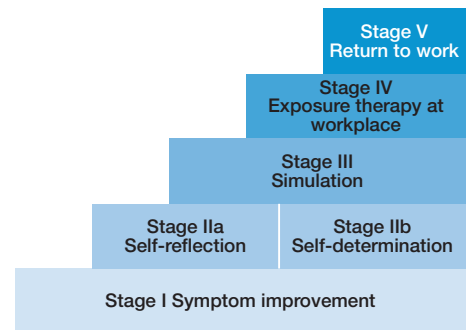
### ■ Mental Health Recovery Program for lasting recovery

Ajinomoto Co., Inc. has introduced its own Mental Health Recovery Program to help employees with mental health challenges not only to heal but also to develop strong coping skills. This is pursued through an ample period of assisted self-reflection regarding one's personality and values, along with repeated simulations to train the mind for a return to the workplace. Targeting a relapse rate of less than half the societal average, the program actively strives to provide the conditions that will allow employees to function happily in their jobs, without the need for more leave.

### ■ Utilization of Ajinomoto products and services

Ajinomoto Co., Inc. has introduced *AminoIndex*®, an Ajinomoto service shown effective in early detection of malignant cancer, as a test option in employees' regular health checkups. Some 90% of eligible employees have opted for the service, resulting in one case of early cancer detection and treatment.

### ■ Conceptual stages in Mental Health Recovery Program



# Employee Safety

The Ajinomoto Group believes that disaster prevention and occupational health and safety are among its most important responsibilities based on “Disaster Prevention and Occupational Health and Safety” Philosophy and Policies. Accordingly, the Group takes great care to ensure that employees can work securely in all of its workplaces.

## Promotion of a medium-term plan for occupational health and safety

Each day, about 30,000 employees of the Ajinomoto Group are hard at work all around the world. Every moment of every day poses the risk of occupational accidents, traffic accidents, health hazards, and natural disasters.

Based on the Ajinomoto Group “Disaster Prevention and Occupational Health and Safety” Philosophy and Policies, the Group is working on health and safety education and the identification, evaluation, mitigation, and elimination of these risks. The goal is to reduce the number of occupational accidents to zero so all employees and others working at Group sites can work safely and in good health. To ensure a thorough execution of the health and safety philosophy, efforts are being made in line with the 2014-2016 Ajinomoto Group Occupational Accident Prevention Plan.

Reference → [Principles & Policies P31](#)

Ajinomoto Group “Disaster Prevention and Occupational Health and Safety” Philosophy  
Ajinomoto Group “Disaster Prevention and Occupational Health and Safety” Policies

### Key targets of the 2014-2016 plan

Eliminate serious caught/trapped-in accidents involving machinery	<ul style="list-style-type: none"> <li>Identify the cause of caught/trapped-in accident risks involving machinery and implement the measures to reduce risks</li> <li>Implement comprehensive inspection of relevant equipment, implement safety measures for necessary equipment, thoroughly implement and continue hands-on safety training, etc.</li> <li>Continue operating Safety Management Program (SMP) at overseas packaging sites</li> </ul>
Eliminate serious fall injuries	<ul style="list-style-type: none"> <li>Implement safety measures to eliminate causes of fall accidents (leaks and spills of water, oil, powder, ice, raw materials, etc.)</li> <li>Thoroughly implement 2S (“Seiri” = tidy up, “Seiton” = put in order) activities</li> <li>Reduce human factors (e.g., implement activities to counteract motor faculty decline among middle-aged and senior employees)</li> </ul>
Eliminate serious traffic accidents	<ul style="list-style-type: none"> <li>Ascertain local road and traffic conditions and devise and implement appropriate preventive measures (reinforce use of seatbelts, helmets for motorcycle riders, etc.; ensure proper inspection and maintenance of vehicles; provide education and guidance using driving data management systems, etc., in sales fleet vehicles in Japan)</li> </ul>

### Review of fiscal 2015 results

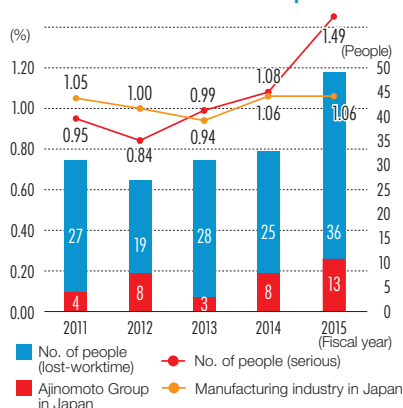
- The number of accident victims across the Ajinomoto Group increased from a year prior due to a significant rise in accidents in Japan that offset reductions overseas.
- The number of occupational accident victims in the Ajinomoto Group in Japan increased the most of any year since the first statistics collected. Victims of serious falls, lost-worktime accidents, and lost-worktime injuries involving excessive back strain all increased. One accident was fatal and involved an employee getting caught in a material transport elevator.
- The number of lost-worktime accident victims and frequency of such accidents declined at overseas locations of the Ajinomoto Group.

1 While performing work to transport raw materials using the elevator, the employee was caught between the descending elevator cage and the elevator shaft when leaning in to remove materials that had gotten wedged. After the accident, the Ajinomoto Group conducted a comprehensive safety inspection of all elevators across the organization and reviewed safety measures for all facilities found inadequate.

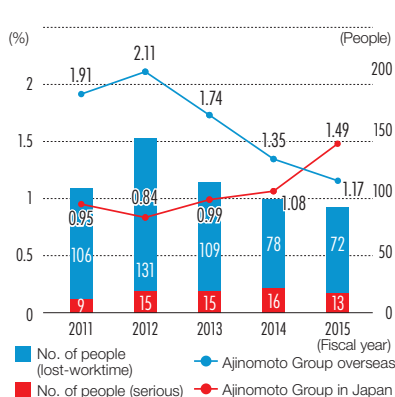
Note: Ajinomoto Group definitions of occupational accidents

- Lost-worktime accident: An accident causing a work-related injury that results in at least one absent day from the day after the injury
- Non-lost-worktime accident: An accident causing a work-related injury that does not result in absent time
- Serious accident: A work-related fatal accident; lost-worktime accident involving hospitalization and resulting in at least four absent days; or accident causing sequelae, such as the severing of a finger

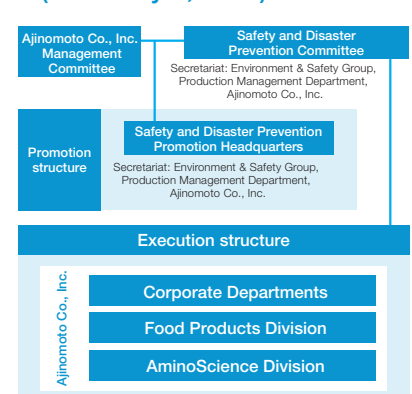
### Frequency of serious and lost-worktime accidents and number of accident victims: Japan



### Frequency of serious and lost-worktime accidents and number of accident victims: Overseas



### Occupational health and safety management structure (as of July 1, 2016)



## ■ Serious and lost-worktime caught/trapped-in accidents involving machinery

In fiscal 2015 the Ajinomoto Group worked to eliminate serious caught/trapped-in accidents, following a rise in such accidents in fiscal 2014. The Group conducted comprehensive inspections of machinery and places that pose a hazard when cleaning equipment, removing clogs and debris, and performing other ancillary production work. It also published safety guidelines focused on safety measures for equipment such as the installation of safety covers. The number of caught/trapped-in accident victims declined as a result.

### ■ Number of caught/trapped-in accident victims

People, serious accidents in ( )

	FY2011	FY2012	FY2013	FY2014	FY2015
Japan	4 (0)	5 (1)	5 (1)	7 (4)	4 (1)
Overseas <sup>1</sup>	1	5	3	3 (2)	2 (2)

<sup>1</sup> Overseas figures include only serious accidents up to fiscal 2013, and both serious and lost-worktime accidents from fiscal 2014 onward.

## ■ Serious and lost-worktime fall injuries

In fiscal 2015, the number of fall injuries, as well as serious falls involving bone fracture, increased across the Ajinomoto Group in Japan. The group implemented various measures to reduce these injuries. In addition to continuing the fall-prevention seminar, which seeks to counteract motor faculty decline among middle-aged and senior employees through self-assessments and fall-prevention exercises (recommended by the Ajinomoto Health Insurance Union), Group companies also designated storage locations for dolly's and other equipment, bolstered preventive measures (e.g., anti-slip tape along corridors), and reinforced cleanliness and orderliness practices. Consequently, some companies saw a decline in the number of accidents in the second half of the year. Still, as falls are the most common workplace accident in the Ajinomoto Group, investment in infrastructural safety measures will be intensified in addition to ongoing behavioral and physical training efforts.

### ■ Number of fall injuries

People, serious accidents in ( )

	FY2011	FY2012	FY2013	FY2014	FY2015
Japan	27 (3)	18 (2)	16 (0)	14 (2)	25 (5)
Overseas <sup>2</sup>	1	1	1	13 (3)	13

<sup>2</sup> Overseas figures include only serious accidents up to fiscal 2013, and both serious and lost-worktime accidents from fiscal 2014 onward.

## ■ Serious traffic accidents

The number of traffic accidents in Japan declined considerably in fiscal 2015 from a year prior. Sales branches in particular worked to prevent accidents that cause bodily injury to other persons by intensifying efforts to: 1) Raise driver awareness and motivation, 2) Upgrade equipment (install devices in vehicles), and 3) Strengthen management capacity. They also continued to provide guidance to drivers using individualized data (driving data management system and results of driving aptitude test) and to implement periodic awareness-raising measures. A safety management staff visited worksites periodically to confirm that the PDCA cycle is functioning properly, verify progress and provide educational and technical assistance.

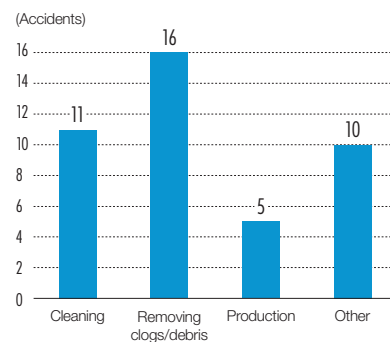
### ■ Number of traffic accidents

Accidents

	FY2013	FY2014	FY2015
Bodily injury accidents (Japan) <sup>3</sup>	21	21	9

<sup>3</sup> Number of traffic accidents causing bodily injury to other persons for Group companies in Japan only

### ■ Number of caught/trapped-in accidents by work type (FY2012–2015)



\*This graph includes the accidents in the chart on the left as well as close calls in Japan.



Fall prevention exercises at the Kyushu Plant, Ajinomoto Co., Inc.



Instructing sales staff on traffic accident prevention

## Occupational health and safety management

During the various activities performed at work every day, employees are always exposed to the risk that a moment of inattention could lead to a serious accident. The Ajinomoto Group has established an occupational health and safety system headed by its Management Committee. Comprehensive measures are being carried out based on a group-wide plan to prevent accidents and disasters, including equipment inspections, audits, as well as education and assessment. The Occupational Health and Safety Assessment Series (OHSAS) is used for each safety management system, and PDCA cycles are also applied.

### ■ Safety assessments

The Ajinomoto Group conducts safety assessments to prevent occupational accidents. They are mainly conducted at the start of new product manufacturing, when stepping up production, changing manufacturing processes, developing new substances, and constructing or demolishing buildings, structures, and equipment. In addition to confirmation based on legal requirements or lessons learned from previous accidents, the Group carries out onsite inspections at new plants. The actual deployment of workers in the traffic line and related factors are investigated to ensure that safe operations can begin. It also conducts risk assessments at each production site, identifying accident hazards in daily operations, evaluating the seriousness of potential accidents, and taking the needed prevention measures.

### ■ Safety audits and checks

The Ajinomoto Group conducts internal audits at its companies and sites based on an occupational health and safety management system. The aim is to prevent accidents and violations of laws and regulations. In the event of a major accident at a group site, Ajinomoto Co., Inc. conducts on-site emergency safety checks, in order to investigate the causes of the accident, determine remediation measures, and prevent reoccurrence. In fiscal 2011, the Group revised the criteria of accident seriousness so that status checks are conducted for less serious accidents which could develop into more serious ones in the future. In addition, Ajinomoto Co., Inc. sites in Japan conduct reciprocal safety audits utilizing their respective strengths (expertise). The audits provide opportunities to the safety staff who

perform them to increase their knowledge and learn about good safety practices.

### ■ Equipment inspection for safe and stable production

Plant equipment must always be in a condition that ensures safe and stable production, and this requires preventive maintenance and inspections.

Across the Ajinomoto Group, employees conduct careful daily maintenance of the equipment they use. In addition, while many production plants operate 24 hours a day throughout the year, production is periodically shut down completely to allow employees and specialists to inspect equipment for maintenance. As non-routine work, maintenance is potentially hazardous. Proper risk assessment and hazard prediction is conducted before starting maintenance work or restarting a process to ensure work safety.

### ■ Safety inspections at new plants

Safety inspections are conducted at plants built in new locations, and at plants that have joined the Ajinomoto Group through merger or acquisition. Since new plants have many new employees and build organizations from scratch, safety training and follow-up are conducted, in cooperation with related organizations. The aim is to establish zero-accident plants with management that complies with the policies and occupational accident prevention plans established by the Group.

### ■ Efforts to prevent occupational accidents

The Ajinomoto Group implements safety enhancement measures for all companies and worksites (designated worksites) considered high-risk (e.g., due to a recurrence of accidents or injuries) from a safety and accident prevention standpoint by the General Manager of the Safety and Disaster Prevention Promotion Headquarters. Designated worksites identify issues and prepare and implement an occupational accident prevention plan. A support team organized by the Headquarters Secretariat from relevant divisions periodically visits the site to confirm the proper functioning of a PDCA cycle, verify progress, and provide educational and technical assistance.

## TOPICS

### Prevention of occupational accidents at overseas subsidiaries

After a series of occupational accidents, Amoy Food Ltd. has issued a leadership commitment and taken various actions on a workplace level to improve safety. These include workplace patrols, establishing a new safety and environment department, implementing small group activities (introducing a zero-accidents award program), holding hands-on safety training, and rigorously applying 5S practices. The company has also

received management and technical support from Japan. PT Ajinomoto Indonesia, meanwhile, is implementing its own educational programs, presentation and poster contests, and small group activities. The result has been renewed initiative on health and safety, with the aim of eliminating accidents.

## Occupational health and safety education

Routine, job-specific education and training is necessary to ensure safety for every employee. The Ajinomoto Group has a number of ongoing programs, including health and safety seminars and classes on new legal requirements for managers, as well as a management skills development seminar for manufacturing supervisors. Group companies also provide safety education suited to their particular operations, including hands-on training for each facility, and safety education for new employees using workplace-specific safety videos.



### Education at all group companies provided by Ajinomoto Co., Inc. in fiscal 2015

People, cumulative in ( )

Participants	Name of training	Details	Number of trainees
Japan	Training for new internal auditors for OHSAS <sup>1</sup>	Basic education for checking PDCA cycles for the occupational health and safety management system and making recommendations for improvement (one two-day course)	24 (621)
	Fall-prevention seminar	Training leaders to introduce and promote fall-prevention measures directly in workplaces (one full-day course)	16 (143)
	Occupational health and safety seminar for top management	Seminar for top managers at group companies in Japan to acquire the necessary health and safety knowledge (e.g., responsibility to consider safety) and to learn how to promote health and safety in a company (one full-day course)	47 (317)
	Management skills development seminar (begun in FY2016)	Workplace managers of group companies in Japan learn to understand the role and benefits of health and safety activities and improve their skills in fostering a workplace culture that prioritizes health and safety (one full-day course)	27 (27)
	Chemicals management training (begun in FY2016)	Managers of operations involving chemical substances at group companies in Japan review the basic information on chemicals management (regulatory changes, risk assessment, safety data sheets (SDS), GHS labeling) and improve their management skills regarding safe chemicals handling (one full-day course)	34 (34)
Overseas	Safety School (China)	Annual safety training for managers at group companies in China. In fiscal 2015, participants talked in groups about ways to prevent recurrence of occupational accidents, and then reaffirmed the necessities of raising awareness of safety-first philosophy and discussing root causes at an occupational safety committee for communications to provide guidance appropriately.	—

<sup>1</sup> OHSAS is an international standard for occupational health and safety management systems.

## Hands-on safety training

Ajinomoto Group worksites conduct a range of hands-on safety training programs. AGF Kanto, Inc. and AGF Suzuka, Inc. permanently installed four custom-made devices in a “safety experience classroom” that replicates the experience of getting caught in machinery.



Employees experience getting caught in a chain in a hands-on safety training session (AGF Kanto, Inc.)



Responding to an out-of-control compressed air hose (Ajinomoto Packaging Inc.)



Simulating a fall from height (Ajinomoto Packaging Inc.)



Comparing casual shoes with work shoes when getting running over by a dolly (Knorr Foods Co., Ltd.)



Simulating getting caught in a conveyor roller (Ajinomoto Frozen Foods Co., Inc.)



Simulating a caught-in accident in a rolling machine (Ajinomoto Frozen Foods Co., Inc.)

## External evaluation of occupational health and safety activities

The Ajinomoto Group has received a lot of awards for the health and safety activities that its employees carry out on a daily basis. The Group continues to ensure that accident prevention measures are taken at each site to reduce occupational accidents. These efforts will be expanded to include the activities of individual employees. By also working on accident and disaster elimination at group companies, these efforts will contribute to local communities.

### Main awards received for disaster prevention and occupational health and safety activities in Japan (chronologically in fiscal 2015)

Recipient	Details	Awarding institution
Yoshikazu Endo, Kawasaki Administration & Coordination Office, Ajinomoto Co., Inc.	Green Cross Award	Japan Industrial Safety and Health Association (JISHA)
Gunma Plant, Ajinomoto Fine-Techno Co., Inc.	Progress Award for Recording Zero Accidents (Type 2)	Japan Industrial Safety and Health Association (JISHA)
Kenji Hanagata, Process Support Division, Ajinomoto Packaging Inc.	Award for Excellence in the 51st Kawasaki Occupational Accident Prevention Slogan Contest	Kawasaki City
Process Support Division, Ajinomoto Packaging Inc.	Award for Excellence in the Zero Accidents category of the 51st Kawasaki Commercial Vehicle Accident Prevention Slogan Contest	Kanagawa Trucking, Taxi, and Bus Associations
AGF Suzuka, Inc.	Outstanding Member Award	Suzuka fire prevention association
AGF Kanto, Inc.	Refrigeration Safety Outstanding Workplace Award	Refrigeration equipment safety association of Gunma prefecture
Knorr Foods Co., Ltd.	Occupational Health Outstanding Workplace Award	Association of labor standard administrative organizations of north Kawasaki
Knorr Foods Co., Ltd.	Award for Service in Occupational Accident Prevention	Kawasaki association for occupational accident research
Keisuke Kawamura, Hokkaido Knorr Foods Co., Ltd.	Association President's Award for Outstanding Driving Safety Manager in Kitami Area	Kitami association of driving safety managers
Hokkaido Knorr Foods Co., Ltd.	Association President's Award for Outstanding Driving Safety Management Workplace	Kitami association of driving safety managers

## Preparation for natural disasters to protect human life

With top priority on protecting human lives, the Ajinomoto Group plans natural disaster preparation measures and conducts the necessary training and awareness-raising activities. This is based on the Ajinomoto Group "Disaster Prevention and Occupational Health and Safety" Philosophy and Policies, as well as the Ajinomoto Group Disaster Management Basic Policies that are prescribed by its enterprise continuity plan (ECP).

Reference → **Organizational Governance P2-3**  
Risk management system

Reference → **Principles & Policies P31**

Ajinomoto Group "Disaster Prevention and Occupational Health and Safety" Philosophy and Policies  
Ajinomoto Group Disaster Management Basic Policies

### Update of disaster preparedness

The Ajinomoto Group routinely collects information on natural disaster forecasting and damage prediction. It confirms the safety of buildings and production facilities and takes any steps needed, while also revising training.

The Ajinomoto Group has been strengthening its disaster preparedness in Japan, including the seismic testing and reinforcement of business facilities, based on earthquake and flood damage predictions from national and local governments. Placing top priority on protecting human lives, the Group has significantly revised preparedness measures set by group companies and facilities, and has also created a new capital investment plan.

To strengthen disaster preparedness group-wide, secondary emergency response headquarters are set up at different sites in the event of a major natural disaster, and drills are being carried out. To prepare for the highly anticipated Nankai Trough earthquake, the disaster response network was strengthened by adding the functionality of the Kyushu Branch and Kyushu Plant (Saga prefecture), which has its own power generators and order center, in case the Osaka headquarters is rendered inoperable.

In addition, based on plans that take account of these projected earthquake and tsunami damages, the Group is also considering broadening or adapting its enterprise continuity plans (ECP) to include other risk factors at group companies and business sites, such as other natural disasters (e.g., storms, floods, volcanic eruptions), pandemics, and fine particulate matter.

## ■ Enhanced lines of communication for initial disaster response

Ajinomoto Co., Inc. introduced a system for inquiring about employees' safety in 2006 and keeps it up to date. Other group companies are also introducing similar systems, and system operation trainings are carried out periodically.

When an earthquake strikes, communication networks and other lifelines can be cut. Consequently, Ajinomoto Co., Inc. has set up an emergency communication system that uses satellite phones. These phones have now been deployed at each site and the homes of executive officers who reside in Japan.

Emergency communication drills are also carried out periodically, based on a scenario in which a disaster occurs in the evening or on a holiday. Moreover, in fiscal 2014 the Group began operating a disaster information sharing system, a tool for rapidly collecting and confirming the disaster status of group companies and worksites, enabling more reliable communication in the wake of a disaster.



Launched promptly following a disaster, the emergency response headquarters gathers information on site conditions across the Group

## ■ Disaster drills

The Ajinomoto Group carries out disaster drills tailored to each region and business area. In addition to drills at individual sites, the Ajinomoto Group in Japan carries out group-wide disaster drills every September. The Group's emergency response headquarters gathers information on employee safety and site damage conditions from each group company and site, and gives instructions as needed.



Disaster response headquarters

### Kawasaki Administration & Coordination Office



Emergency rescue drill

### Tokai Plant



Fire fighting drill

### Kyushu Plant



Training for ammonia leak scenario

### PT Ajinomoto Indonesia



Drills to prepare for leaks and fires at worksites that handle flammable solvents



## TOPICS

### Lecture events and other awareness raising efforts

Given the recent string of disasters in Japan—earthquakes, volcanic, eruptions, floods—in Japan, the Ajinomoto Group makes various efforts to raise awareness and reduce disaster risk in addition to routine preparedness training. These include special scenario-specific trainings, such as the eruption of Mt. Fuji, and lecture events for employees working in risk and production management.

On September 29, 2015, group company leaders were invited to a lecture by Kenji Saito, who founded the Ofunato Tsunami Museum to preserve the history of the 2011 tsunami. Part of a series of annual lectures on disaster preparedness hosted by Ajinomoto Co., Inc. from fiscal 2008, Saito's talk informed listeners about thinking beyond the worst-case scenario, ways to prepare for risk, the importance of training, that humans behave unpredictably in times of crisis, and the lifestyles of disaster survivors.



# Personnel and Labor-Related Data

## Number of Ajinomoto Group employees

(persons)

	FY2015			FY2014			FY2013		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
<b>Ajinomoto Group total</b>	<b>44,500</b>	-	-	<b>41,235</b>	-	-	<b>39,491</b>	-	-
<b>Employees</b>	<b>33,295</b>	-	-	<b>31,312</b>	-	-	<b>27,579</b>	-	-
Management	4,803	-	-	4,520	-	-	4,067	-	-
Non-management	28,419	-	-	26,728	-	-	23,446	-	-
Contract staff	73	-	-	64	-	-	66	-	-
<b>Temporary staff</b>	<b>11,205</b>	-	-	<b>9,923</b>	-	-	<b>11,912</b>	-	-
<b>Japan</b>	<b>16,986</b>	-	-	<b>16,042</b>	-	-	<b>17,824</b>	-	-
<b>Employees</b>	<b>10,425</b>	<b>8,042</b>	<b>2,383</b>	<b>9,388</b>	<b>7,155</b>	<b>2,233</b>	<b>9,469</b>	<b>7,217</b>	<b>2,252</b>
Management	2,692	2,527	165	2,440	2,302	138	2,390	2,263	127
Non-management	7,660	5,467	2,193	6,884	4,810	2,074	7,013	4,910	2,103
Contract staff	73	48	25	64	43	21	66	44	22
<b>Temporary staff</b>	<b>6,561</b>	-	-	<b>6,654</b>	-	-	<b>8,355</b>	-	-
<b>Ajinomoto Co., Inc.</b>	<b>3,912</b>	<b>2,633</b>	<b>1,279</b>	<b>3,940</b>	<b>2,633</b>	<b>1,307</b>	<b>3,854</b>	<b>2,594</b>	<b>1,260</b>
<b>Employees</b>	<b>3,477</b>	<b>2,473</b>	<b>1,004</b>	<b>3,484</b>	<b>2,478</b>	<b>1,006</b>	<b>3,398</b>	<b>2,433</b>	<b>965</b>
Management	1,090	1,004	86	1,076	995	81	1,018	942	76
Non-management	2,314	1,421	893	2,344	1,440	904	2,314	1,447	867
Contract staff	73	47	26	64	43	21	66	44	22
<b>Temporary staff</b>	<b>435</b>	<b>160</b>	<b>275</b>	<b>456</b>	<b>155</b>	<b>301</b>	<b>456</b>	<b>161</b>	<b>295</b>
<b>Group companies in Japan</b>	<b>13,074</b>	-	-	<b>12,102</b>	-	-	<b>13,970</b>	-	-
<b>Employees</b>	<b>6,948</b>	<b>5,569</b>	<b>1,379</b>	<b>5,904</b>	<b>4,677</b>	<b>1,227</b>	<b>6,071</b>	<b>4,784</b>	<b>1,287</b>
Management	1,602	1,523	79	1,364	1,307	57	1,372	1,321	51
Non-management	5,346	4,046	1,300	4,540	3,370	1,170	4,699	3,463	1,236
<b>Temporary staff</b>	<b>6,126</b>	-	-	<b>6,198</b>	-	-	<b>7,899</b>	-	-
<b>Overseas</b>	<b>27,514</b>	-	-	<b>25,193</b>	-	-	<b>21,667</b>	-	-
<b>Employees</b>	<b>22,870</b>	-	-	<b>21,924</b>	-	-	<b>18,110</b>	<b>12,810</b>	<b>5,300</b>
Management	2,111	-	-	2,080	-	-	1,677	1,196	481
Non-management	20,759	-	-	19,844	-	-	16,433	11,614	4,819
<b>Temporary staff</b>	<b>4,644</b>	-	-	<b>3,269</b>	-	-	<b>3,557</b>	-	-
<b>Asia</b>	<b>17,489</b>	-	-	<b>15,319</b>	-	-	-	-	-
<b>Employees</b>	<b>13,292</b>	<b>9,274</b>	<b>4,018</b>	<b>12,667</b>	<b>8,882</b>	<b>3,785</b>	<b>11,005</b>	-	-
Management	1,106	764	342	1,051	744	307	952	645	307
Non-management	12,186	8,510	3,676	11,616	8,138	3,478	10,053	-	-
<b>Temporary staff</b>	<b>4,197</b>	-	-	<b>2,652</b>	-	-	-	-	-
<b>Europe and Africa</b>	<b>2,897</b>	-	-	<b>2,589</b>	-	-	-	-	-
<b>Employees</b>	<b>2,468</b>	<b>1,961</b>	<b>507</b>	<b>2,499</b>	<b>1,982</b>	<b>517</b>	<b>2,450</b>	-	-
Management	298	215	83	301	227	74	304	230	74
Non-management	2,170	1,746	424	2,198	1,755	443	2,146	-	-
<b>Temporary staff</b>	<b>429</b>	-	-	<b>90</b>	-	-	-	-	-
<b>The Americas</b>	<b>7,128</b>	-	-	<b>7,285</b>	-	-	-	-	-
<b>Employees</b>	<b>7,110</b>	-	-	<b>6,758</b>	-	-	<b>4,655</b>	-	-
Management	707	-	-	728	-	-	421	321	100
Non-management	6,403	-	-	6,030	-	-	4,234	-	-
<b>Temporary staff</b>	<b>18</b>	-	-	<b>527</b>	-	-	-	-	-

\* Actual fiscal 2013 numbers for overseas indicate total employees only.

## Local executives

(persons)

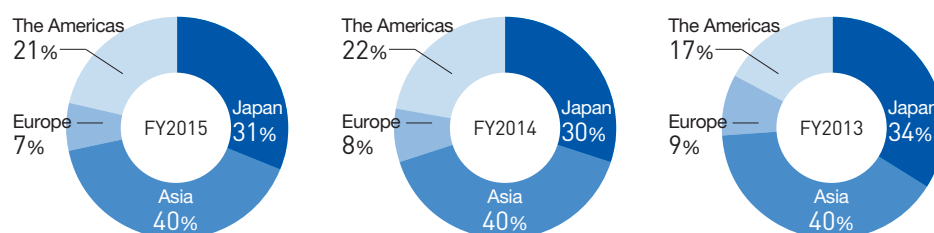
	FY2015	FY2014	FY2013
<b>Overseas: Total executives</b>	<b>187</b>	<b>193</b>	<b>196</b>
Local executives	78	78	80
Local executive ratio	41.7%	40.4%	40.8%

Ajinomoto Group employee ratio

Numbers in parentheses indicate male and female percentages.

	FY2015			FY2014			FY2013		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
<b>Ajinomoto Group total</b>	<b>100%</b>	-	-	<b>100%</b>	-	-	<b>100%</b>	-	-
<b>Employees</b>	<b>75%</b>	-	-	<b>76%</b>	-	-	<b>70%</b>	-	-
Management	11%	-	-	11%	-	-	10%	-	-
Non-management	64%	-	-	65%	-	-	59%	-	-
<b>Contract staff</b>	<b>0%</b>	-	-	<b>0%</b>	-	-	<b>0%</b>	-	-
<b>Temporary staff</b>	<b>25%</b>	-	-	<b>24%</b>	-	-	-	-	-
<b>Japan</b>	<b>100%</b>	-	-	<b>100%</b>	-	-	<b>100%</b>	-	-
<b>Employees</b>	<b>61%</b>	<b>(77%)</b>	<b>(23%)</b>	<b>59%</b>	<b>(76%)</b>	<b>(24%)</b>	<b>53%</b>	<b>(76%)</b>	<b>(24%)</b>
Management	16%	(94%)	(6%)	15%	(94%)	(6%)	13%	(95%)	(5%)
Non-management	45%	(71%)	(29%)	43%	(70%)	(30%)	39%	(70%)	(30%)
Contract staff	0%	(66%)	(34%)	0%	(67%)	(33%)	0%	(67%)	(33%)
<b>Temporary staff</b>	<b>39%</b>	-	-	<b>41%</b>	-	-	<b>47%</b>	-	-
<b>Ajinomoto Co., Inc.</b>	<b>100%</b>	<b>(67%)</b>	<b>(33%)</b>	<b>100%</b>	<b>(67%)</b>	<b>(33%)</b>	<b>100%</b>	<b>(67%)</b>	<b>(33%)</b>
<b>Employees</b>	<b>89%</b>	<b>(71%)</b>	<b>(29%)</b>	<b>88%</b>	<b>(71%)</b>	<b>(29%)</b>	<b>88%</b>	<b>(72%)</b>	<b>(28%)</b>
Management	28%	(92%)	(8%)	27%	(92%)	(8%)	26%	(93%)	(7%)
Non-management	59%	(61%)	(39%)	59%	(61%)	(39%)	60%	(63%)	(37%)
Contract staff	2%	(64%)	(36%)	2%	(67%)	(33%)	2%	(67%)	(33%)
<b>Temporary staff</b>	<b>11%</b>	<b>(37%)</b>	<b>(63%)</b>	<b>12%</b>	<b>(34%)</b>	<b>(66%)</b>	<b>12%</b>	<b>(35%)</b>	<b>(65%)</b>
<b>Group companies in Japan</b>	<b>100%</b>	-	-	<b>100%</b>	-	-	<b>100%</b>	-	-
<b>Employees</b>	<b>53%</b>	<b>(80%)</b>	<b>(20%)</b>	<b>49%</b>	<b>(79%)</b>	<b>(21%)</b>	<b>43%</b>	<b>(79%)</b>	<b>(21%)</b>
Management	12%	(95%)	(5%)	11%	(96%)	(4%)	10%	(96%)	(4%)
Non-management	41%	(76%)	(24%)	38%	(74%)	(26%)	34%	(74%)	(26%)
<b>Temporary staff</b>	<b>47%</b>	-	-	<b>51%</b>	-	-	<b>57%</b>	-	-
<b>Overseas</b>	<b>100%</b>	-	-	<b>100%</b>	-	-	<b>100%</b>	-	-
<b>Employees</b>	<b>83%</b>	-	-	<b>87%</b>	-	-	<b>84%</b>	-	-
Management	8%	-	-	8%	-	-	8%	-	-
Non-management	75%	-	-	79%	-	-	76%	-	-
<b>Temporary staff</b>	<b>17%</b>	-	-	<b>13%</b>	-	-	<b>16%</b>	-	-
<b>Asia</b>	<b>100%</b>	-	-	<b>100%</b>	-	-	-	-	-
<b>Employees</b>	<b>76%</b>	<b>(70%)</b>	<b>(30%)</b>	<b>83%</b>	<b>(70%)</b>	<b>(30%)</b>	-	-	-
Management	6%	(69%)	(31%)	7%	(71%)	(29%)	-	(68%)	(32%)
Non-management	70%	(70%)	(30%)	76%	(70%)	(30%)	-	-	-
<b>Temporary staff</b>	<b>24%</b>	-	-	<b>17%</b>	-	-	-	-	-
<b>Europe and Africa</b>	<b>100%</b>	-	-	<b>100%</b>	-	-	-	-	-
<b>Employees</b>	<b>85%</b>	<b>(79%)</b>	<b>(21%)</b>	<b>97%</b>	<b>(79%)</b>	<b>(21%)</b>	-	-	-
Management	10%	(72%)	(28%)	12%	(75%)	(25%)	-	(76%)	(24%)
Non-management	75%	(80%)	(20%)	85%	(80%)	(20%)	-	-	-
<b>Temporary staff</b>	<b>15%</b>	-	-	<b>3%</b>	-	-	-	-	-
<b>The Americas</b>	<b>100%</b>	-	-	<b>100%</b>	-	-	-	-	-
<b>Employees</b>	<b>100%</b>	-	-	<b>93%</b>	-	-	-	-	-
Management	10%	-	-	10%	-	-	-	-	-
Non-management	90%	-	-	83%	-	-	-	-	-
<b>Temporary staff</b>	<b>0%</b>	-	-	<b>7%</b>	-	-	-	-	-

Group employees by region



## Number of new hires, retention rate

(persons)

	FY2015			FY2014			FY2013		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
<b>Number of new hires: Total (new graduates + mid-career)</b>	<b>5,365</b>	-	-	<b>4,739</b>	-	-	<b>7,588</b>	-	-
<b>Japan</b>	<b>376</b>	-	-	<b>360</b>	-	-	<b>300</b>	-	-
Ajinomoto Co., Inc.	66	45	21	112	67	45	91	61	30
New graduates	55	35	20	78	47	31	69	47	22
Mid-career	11	10	1	34	20	14	22	14	8
Management	3	3	0	7	5	2	1	1	0
Non-management	8	7	1	27	15	12	21	13	8
Group companies in Japan	310	-	-	248	-	-	209	-	-
<b>Overseas</b>	<b>4,989</b>	-	-	<b>4,379</b>	-	-	<b>7,288</b>	-	-
Asia	4,061	-	-	3,225	-	-	-	-	-
Europe and Africa	184	-	-	221	-	-	-	-	-
The Americas	744	-	-	933	-	-	-	-	-
Reference: Retention rate (3 years) for new graduates									
Ajinomoto Co., Inc.	97.8%	96.4%	100.0%	97.3%	95.7%	100.0%	97.4%	100.0%	93.5%

## Number of retirees, turnover, re-employment

(persons)

	FY2015			FY2014			FY2013		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
<b>Total number of retirees</b>	<b>5,469</b>	-	-	<b>4,611</b>	-	-	<b>4,538</b>	-	-
<b>Japan</b>	<b>416</b>	-	-	<b>335</b>	-	-	<b>316</b>	-	-
Retired	161	-	-	116	-	-	115	-	-
Resigned for personal reasons	255	-	-	219	-	-	201	-	-
Ajinomoto Co., Inc.	83	58	25	81	56	25	67	35	32
Retired	44	33	11	33	27	6	29	17	12
Resigned for personal reasons	39	25	14	48	29	19	38	18	20
Group companies in Japan	333	-	-	254	-	-	249	-	-
Retired	117	-	-	83	-	-	86	-	-
Resigned for personal reasons	216	-	-	171	-	-	163	-	-
<b>Overseas</b>	<b>5,053</b>	-	-	<b>4,276</b>	-	-	<b>4,222</b>	-	-
Resigned for personal reasons, etc.									
<b>Turnover<sup>1</sup></b>									
Ajinomoto Co., Inc.	1.1%	1.0%	1.4%	1.4%	1.2%	1.9%	1.1%	0.7%	2.0%
<b>Re-employed after retirement<sup>2</sup></b>									
<b>Japan</b>	<b>157</b>	-	-	<b>168</b>	-	-	<b>106</b>	-	-
Ajinomoto Co., Inc.	23	-	-	23	-	-	20	-	-
Under re-employment program	0	0	0	4	0	4	2	0	2
Seniors (after retirement)	23	-	-	19	-	-	18	-	-
Group companies in Japan <sup>3</sup>	134	-	-	145	-	-	86	-	-
Reference: Number of employees registered in re-employment program <sup>4</sup> (Ajinomoto Co., Inc.)									
Employees registered	50	2	48	50	1	49	55	1	54
Newly registered	11	1	10	8	0	8	15	0	15

<sup>1</sup> Only includes employees resign for personal reasons, Ajinomoto Co., Inc. only<sup>2</sup> Japan only<sup>3</sup> Total numbers<sup>4</sup> For registration conditions, see "Labor Practices" p. 6.

## Number of personnel with disabilities (Japan only)

	FY2015	FY2014	FY2013
<b>Employees (persons)</b>			
Ajinomoto Co., Inc.	90	90	85
Group companies in Japan	238	206	194
<b>Percent of workforce rate</b>			
Ajinomoto Co., Inc.	1.95%	1.93%	1.82%
Group companies in Japan	2.12%	1.91%	1.85%

<sup>1</sup> For Group companies in Japan, numbers refer to 29 companies with 50 or more regular workers, among the 41 consolidated subsidiaries in Japan.

**Employee statistics**

	FY2015			FY2014			FY2013		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
<b>Average age</b>									
Japan	-	-	-	-	-	-	-	-	-
Ajinomoto Co., Inc.	42.6	43.4	40.4	42.2	42.9	39.9	41.7	42.4	39.4
Group companies in Japan	41.7	-	-	-	-	-	-	-	-
Overseas	36.2	-	-	35.7	-	-	34.2	-	-
<b>Average years of employment</b>									
Japan	-	-	-	-	-	-	-	-	-
Ajinomoto Co., Inc.	19.1	19.8	17.3	18.7	19.3	16.7	18.3	18.9	16.5
Group companies in Japan	13.9	-	-	-	-	-	-	-	-
Overseas	8.8	-	-	8.7	-	-	7.9	-	-
<b>Average annual salary<sup>1</sup> (thousand yen)</b>									
Ajinomoto Co., Inc.	9,512	-	-	9,231	-	-	9,096	-	-

<sup>1</sup> Average for employees (excluding contract staff)

**Working hours and employee usage of work-life balance (parenting) and related programs (Ajinomoto Co., Inc. only)**

	FY2015			FY2014			FY2013		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
<b>Working hours</b>									
Total actual working hours	1,947	-	-	1,996	-	-	1,986	-	-
Average non-statutory working hours	166	-	-	161	-	-	159	-	-
Average paid leave days	16.7	-	-	15.7	-	-	15.4	-	-
Paid leave utilization rate	85.6%	-	-	80.5%	-	-	79%	-	-
<b>Work-life balance (WLB) – Parenting leave program</b>									
<b>Number of users</b>									
Parenting Leave	123	10	113	119	7	112	107	4	103
Part-Time Parenting and Work	164	1	163	181	2	179	149	0	149
<b>Usage ratio</b>									
Parenting Leave	-	6.6%	100%	-	4.6%	100%	-	3.5%	100%
Part-Time Parenting and Work	-	-	-	-	-	-	-	-	-
Average parenting leave usage days	-	14	262	-	22	251	-	21	366
Reinstatement rate	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<b>Work-life balance (WLB) – Related programs</b>									
<b>Number of users</b>									
Childcare Leave	38	3	35	53	3	50	44	3	41
Family Care Leave	1	0	1	1	0	1	0	0	0
Part-Time Family Care and Work	1	0	1	1	0	1	1	0	1
Accumulated Paid Leave	83	27	56	84	27	57	63	24	39
Telecommuting <sup>2</sup>	133	69	64	77	37	40	-	-	-
Rejuvenation Leave	181	-	-	213	-	-	238	-	-
Volunteer Leave	57	-	-	48	-	-	38	-	-

<sup>2</sup> Introduced in October 2014

**Education and training (Ajinomoto Co., Inc. only)**

	FY2015	FY2014	FY2013
Annual expenditures for education and training (million yen)	470	463	425

**Health and safety (Ajinomoto Co., Inc. only)**

	FY2015	FY2014	FY2013
Employees taking mental health leave (persons)	43	29	44

# The Environment

## Our Contribution to Global Sustainability

### INDEX

#### P1 Ajinomoto Group Medium-Term Environmental Plan

#### P2 Ajinomoto Group Zero Emissions Plan (AGZEP) and Fiscal 2015 Results

- AGZEP for 2014–2016
- Conservation of Water Resources: Fiscal 2015 performance overview
- 3Rs of Waste: Fiscal 2015 performance overview
- Reduction of Greenhouse Gas Emissions: Fiscal 2015 performance overview
- Shift to clean energy: Improving the renewable energy use ratio
- Management of fluorocarbons

#### P6 Fiscal 2015 Input and Output Balance

#### P7 Conservation of Ecosystems and Biodiversity

- Biodiversity approach and policies
- Initiatives for fisheries resources
- Initiatives for forest ecosystem resources, sustainable land use, local ecosystems

#### P12 Development of Technologies and Products That Contribute to Global Sustainability

- Assessment of environmental impacts across product life cycles
- Performance of water footprint
- Development of wastewater treatment technologies to reduce environmental impact

#### P16 Development of Environmentally Friendly Packaging

- Efforts to meet customer needs
- Organizations to improve containers and packaging

- Cooperation with outside organizations
- Containers and Packaging 3R Promotion Plan and environmental awareness initiatives
- Development of environmentally friendly packaging
- Promotion of products with original labeling for environmental packaging

#### P22 Initiatives in Logistics

- Initiatives as a consignor
- Modal shift by Ajinomoto Co., Inc.
- Relay Liner®: Better work environment for drivers and transport efficiency

#### P24 Environmental Management

- Group-wide environmental management
- Group-wide environmental management activities

#### P26 Environmental Education and Awareness Raising

- Specialized education and training
- Education and awareness-raising activities

### Related company policies

- Ajinomoto Group Environmental Philosophy and Basic Environmental Policies

Principles & Policies P33

<http://www.ajinomoto.com/en/activity/environment/e-philosophy/index.html>

- Ajinomoto Group Biodiversity Policy

Principles & Policies P37

<http://www.ajinomoto.com/en/activity/environment/biodiversity-agenda/>

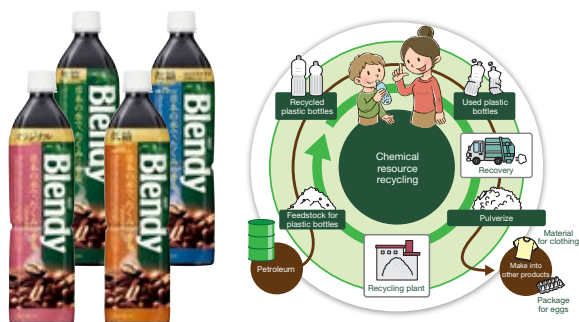
### Scope of the environmental report

This section of the report covers the environmental initiatives of the 107 companies subject to the Ajinomoto Group Environmental Management as defined in the company's Environmental Regulations (fully subject to the regulations as of March 2016). These companies include Ajinomoto Co., Inc. and other group companies. Performance statistics are for the 102 major business sites (three added and nine eliminated) following site reorganization as well as plant dissolution and new construction, which substantially represent the environmental performance of the entire Ajinomoto Group<sup>1</sup> under the consolidated financial accounting system.

<sup>1</sup> The Ajinomoto Group refers to Ajinomoto Co., Inc. and its consolidated subsidiaries and group companies subject to financial reporting under the equity method.

## Fiscal 2015 activity highlights

- Introduced the World's first plastic bottles made of 100% recycled, heat-resistant PET resin for all major AGF bottled coffee products



→ P20

- Six companies cooperated on a food manufacturers' logistics platform, F-LINE



→ P23

# Ajinomoto Group Medium-Term Environmental Plan

The Ajinomoto Group Medium-Term Environmental Plan is re-established every three years, and forms the basis for the Group's environmental initiatives. Activities are currently underway based on the plan for fiscal 2014-2016.

## What the Ajinomoto Group Aims for

The Ajinomoto Group contributes to issues facing human society—global sustainability and food resources—and helps create healthy lives through its business.

## 2014–2016 Ajinomoto Group Medium-Term Environmental Plan

Main objective	Priority points	FY2015 results	Reference
<b>Business to nature: Partnership with the earth</b>			
Minimal emissions from business activities; promotion of the AGZEP	<ul style="list-style-type: none"> <li>Implementation of a road map developed by each business site</li> </ul>	<ul style="list-style-type: none"> <li>FY2015 AGZEP results                             <ul style="list-style-type: none"> <li>At 18%, surpassed medium-term target for renewable energy use ratio. Contributing factors included upgrades and stable operation of biomass boilers outside Japan.</li> </ul> </li> </ul>	P2-6
Conservation of biodiversity and sustainable use of ecosystem services	<ul style="list-style-type: none"> <li>Development of action plans for key raw materials that reflect careful, step-by-step assessment of the specific characteristics</li> <li>Development of action plans for local ecosystems that reflect careful, step-by-step assessment of the actual conditions</li> </ul>	<ul style="list-style-type: none"> <li>Palm oil: Acquired SCCS certification for 70% of palm-oil materials used by Ajinomoto Co., Inc.</li> </ul>	Fair Operating Practices P6
		<ul style="list-style-type: none"> <li>Joint Tagging Survey of Skipjack: Demonstrated survey methods using new tags. Started cooperation on tag recovery with Taiwan.</li> <li>Paper (in Japan): Continued working with Consortium for Sustainable Paper Use to develop new frameworks.</li> <li>AJINOMOTO GENERAL FOODS, INC.: Expanded the "Forest of <i>Blendy</i>" activities to protect forests and water resources.</li> </ul>	P9-10  Fair Operating Practices P5 P8
<b>Business to society: Partnership with society—contribution to environmental issues</b>			
Contribution to the environment through business activities, products, and services	<ul style="list-style-type: none"> <li>Efficient utilization of agricultural, forestry, and fishery raw materials</li> <li>Development of products and technologies that can replace agricultural, forestry, and fishery raw materials</li> </ul>	<ul style="list-style-type: none"> <li>Progress with AJINOMOTO GENERAL FOODS, INC. <i>Blendy</i>® activities:                             <ol style="list-style-type: none"> <li>Reduced packaging for stick coffee mixes.</li> <li>Employed biomass PET film partly using sugarcane-derived ingredients for printing materials.</li> <li>Improved logistics by downsizing transport containers.</li> </ol> </li> </ul>	P18-20
Enhanced communication and collaboration with society	<ul style="list-style-type: none"> <li>Enhanced communication with society on the Group's environmental initiatives in each business site</li> </ul>	(External Awards) <ul style="list-style-type: none"> <li>Prime Minister Industry Award 2015, Environmental Quality Conservation Category (for Kamphaeng Phet Factory of Ajinomoto Co., (Thailand) Ltd.)</li> <li>FY2014 Director-General Award (Maritime Bureau, Ministry of Land, Infrastructure, Transport and Tourism) for Excellent Business Operator in Eco-Ship Modal Shift; 2015 Logistics Rationalization Award (All-Japan Convention for Logistics Improvement Case Studies)</li> <li>Director-General Award (Food Industry Affairs Bureau, Ministry of Agriculture, Forestry and Fisheries) and Jury Committee Chair's Award, 3rd Food Industry "Mottaina" Grand Prize (for reduced packaging materials by downsizing stick coffee products and improved transport efficiency, and collaboration with consumers for labeling "Hotta-suru Eco" mark, AJINOMOTO GENERAL FOODS, INC.)</li> <li>Transport and Packaging Category Award, Japan Packaging Contest 2015 (for direct marketing packaging material, Direct Marketing Department, Ajinomoto Co., Inc.)</li> <li>Award of Excellence for Sustainability Reports from Global Environmental Forum President, 19th Environmental Communication Awards (for Sustainability Report 2015)</li> </ul>	P15, 20
		(Ratings, assessments) <ul style="list-style-type: none"> <li>Dow Jones Sustainability Index 2015 and 2016 (environment, human resources, labor conditions, CSR, IR, etc.): Third consecutive time selected for World Index in FAO food products sector.</li> <li>CDP2015 (climate change): Environmental performance assessment rank rose from C (2014) to B (in five-tiered ranking system from A to E).</li> <li>CDP2015 (water): B rank (ranking began in 2015)</li> </ul>	Materiality P1
	<ul style="list-style-type: none"> <li>Implementation of public evaluation for the Group's initiatives</li> </ul>	<ul style="list-style-type: none"> <li>Created opportunities for direct dialogue with employees, consumers, children.</li> <li>Five group companies staged a joint exhibit at Eco-Products Exhibition 2015.</li> <li>Held 6th Ajinomoto Group Sustainability Forum, "Life, Food, and Amino Acids: What We Can Do in Daily Life" (September).</li> </ul>	Consumer Issues P11-14
<b>Sound management</b>			
Stronger compliance with laws and regulations	<ul style="list-style-type: none"> <li>Secured sources of information on legal amendments, both inside and outside the company</li> <li>Reliably operate mechanisms to incorporate new information on legal amendments into management standards and procedures</li> </ul>	<ul style="list-style-type: none"> <li>Regulatory violations: None</li> <li>Enhanced legal training curriculum (increased from four to six sessions/year, including legislation on control of chemical substances).</li> </ul>	P24-26
Improvement in effectiveness of environmental management system (EMS)	<ul style="list-style-type: none"> <li>Improvement of competence in applying the PDCA cycle in EMS to business activities</li> </ul>	<ul style="list-style-type: none"> <li>Environmental incidents (3 cases)</li> </ul>	P25
		<ul style="list-style-type: none"> <li>Internal auditors' training for group companies in Japan, on ISO 14001: 2015 standards, offered since January 2016</li> </ul>	P26
		<ul style="list-style-type: none"> <li>Group environmental audits: Reviewed categories for environmental audits. Based on new categories, conducted on-site audits for 1 company, document audits for 8 companies. No major EMS notifications resulted.</li> </ul>	P25

# Ajinomoto Group Zero Emissions Plan (AGZEP) and Fiscal 2015 Results

With the aim of minimizing environmental impact arising from its various business operations, the entire Group is now implementing the AGZEP for 2014–2016. While checking progress via an annual performance review, the Group also revises the scope and targets whenever the plan is updated in order to further reduce impact.

## AGZEP for 2014–2016

The 2014–2016 Ajinomoto Group Medium-Term Environmental Plan sets the targets shown below. Each business site has already established a new roadmap and, based on it, launched activities to achieve the Ajinomoto Group's 2016 targets.



### Conservation of Water Resources

Water use and discharge:

**-70%**

Discharged water per unit of production for the Ajinomoto Group in fiscal 2016 (compared to fiscal 2005)

- Targets were set to reduce high nitrogen concentrations and BOD components in wastewater from the production of amino acid fermentation-related products.
- For precious water resources, a target was set to reduce water use and discharge per unit of production at least 70% from fiscal 2005 levels, considering the operational risks that can arise not only from the amount of water used but also discharged.
- Business sites that use groundwater are studying issues related to local water sources and considering necessary actions.



### Reduction of Greenhouse Gas Emissions

CO<sub>2</sub> emissions:

**-35%**

CO<sub>2</sub> emissions per unit of production for the Ajinomoto Group in fiscal 2016 (compared to fiscal 2005)

- Continuing from the 2011–2013 plan, a target was set to reduce greenhouse gas emissions per unit of production at least 35% from fiscal 2005 levels for the entire Ajinomoto Group worldwide, with a focus on CO<sub>2</sub> from fossil fuels.
- For production sites in Japan, a reduction target of 1% per year was set based on Japan's Energy Saving Act. This amounts to an 11% reduction in total CO<sub>2</sub> emissions in fiscal 2016 from fiscal 2005, bringing emissions down to 496 kilotonnes or less.
- **Newly added target**  
A new target was set to increase the renewable energy use ratio (to at least 15% for the Group). The Group will utilize local biomass energy at business sites outside Japan, and strive to minimize energy use at all business sites worldwide.



### 3Rs of Waste

Resource recovery ratio:

**99% or more**

Resource recovery ratio for the Ajinomoto Group in fiscal 2016

- **Revised target from previous plan**  
The indicators for waste volume reduction were reassessed and the target changed to “Zero waste caused by trouble” so that we can provide customers with good products that do not lead to waste.
- This will be implemented in all business segments through various efforts, including maintaining stable production, improving processes (saving resources, efficiency improvements), establishing and executing business plans to minimize waste of raw materials and packaging, and maintaining appropriate procurement and management of raw materials (in cooperation with suppliers).

<sup>1</sup> Including products, materials in process, and raw materials used in manufacture

## Ajinomoto Group Zero Emissions Plan (AGZEP) and Fiscal 2015 Results

### Key targets and results of the AGZEP for 2014–2016

	Item	Scope	Targets to be achieved	Results			Target (reference)
				FY 2013	FY 2014	FY 2015	Vision for FY2020
Water resources	Biochemical Oxygen Demand, Total Nitrogen	All production sites of the Group	BOD ≤ 10 ppm, TN ≤ 5 ppm	Target achieved at 23 out of 36 sites	Target achieved at 27 out of 34 sites	Target achieved at 24 out of 32 sites	BOD ≤ 10 ppm, TN ≤ 5 ppm
	Water use per unit of production	All production sites of the Group	Reduce by at least 70% (compared to fiscal 2005)	71% reduction	73% reduction	75% reduction	Reduce by at least 70% (compared to fiscal 2005)
	Discharged water per unit of production	All production sites of the Group	Reduce by at least 70% (compared to fiscal 2005)	71% reduction	75% reduction	79% reduction	Reduce by at least 70% (compared to fiscal 2005)
CO <sub>2</sub> emissions	CO <sub>2</sub> emissions per unit of production	Entire Group (production sites + non-production sites)	Reduce by at least 35% (compared to fiscal 2005)	26% reduction	28% reduction	33% reduction	TBD
	CO <sub>2</sub> emissions	All production sites in Japan	≤ 496 kt <sup>1</sup> (reduce by 11% compared to fiscal 2005)	348 kt	351 kt	407 kt	≤ 474 kt (reduce by 15% compared to fiscal 2005) *1% reduction per year <sup>2</sup>
	Renewable energy use ratio	Entire Group (production sites + non-production sites)	≥ 15%	10%	15%	18%	TBD
3Rs of waste	Resource recovery ratio (waste + co-products)	Entire Group (production sites + non-production sites)	≥ 99%	99.2%	99.4%	99.6%	≥ 99%
	Volume of waste (based on actual reports)	Entire Group (production sites + non-production sites)	Zero waste caused by trouble	—	1.248 kt	1.785 kt	TBD

<sup>1</sup> Base year (2005): 558 kt

<sup>2</sup> Results for Ajinomoto Windsor, Inc. not included.

### Environmental award system for excellent business sites

The Ajinomoto Group is united in its efforts to minimize environmental impacts in all business areas. In order to provide additional incentive for such activities, business sites that have made the greatest contribution to achievement of the AGZEP were honored as “excellent business sites.”

“Excellent business sites” meet criteria such as establishing a roadmap and steadily promoting it, as well as achieving numerical targets. In fiscal 2015, four sites were honored in the production category, two in the office category, and one in the logistics category. The Ajinomoto Co., Inc. Osaka Branch and the North Carolina Plant of Ajinomoto North America Inc. received the title for the first time. The Logistics Planning Department of Ajinomoto Co., Inc. was first recipient in the logistics category.



Plant Manager Koshi Kitsutaka (left) presents award to Power Section Manager Kevin Adams (right), North Carolina Plant, Ajinomoto North America Inc.



Award presentation ceremony at North Carolina Plant



Members of Osaka Branch, Ajinomoto Co., Inc.



Hitoshi Horio, General Manager of Logistics Planning Department, Ajinomoto Co., Inc., and Yoshimasa Hagiwara

### List of sites awarded

	Business site	Main activities earning recognition
Production category	North Carolina Plant, Ajinomoto North America Inc.	Water consumption reduced by water-saving processes and on-site recirculation system. CO <sub>2</sub> emissions reduced by LED lighting, stable operation of facilities
	Laranjal Paulista Plant, Ajinomoto do Brasil Ind. e Com. de Alimentos Ltda.	Continued to meet targets with stable operation of wastewater treatment equipment, biomass boilers
	Bien Hoa Factory, Ajinomoto Vietnam Co., Ltd.	Stopped using river water for cooling, switched onsite power generation to continuous power system, achieved stable operation of biomass boilers
	Kawasaki Plant, Ajinomoto Co., Inc.	Continued to meet targets with efforts for energy saving and for reducing river water consumption
Office category	Osaka Branch, Ajinomoto Co., Inc.	Reduced CO <sub>2</sub> emissions by actively promoting smart energy measures (including switch to energy-efficient air conditioners, LED lighting)
	Tohoku Branch, Ajinomoto Co., Inc.	Promoted electricity saving in offices, reduced CO <sub>2</sub> emissions from vehicles by promoting use of public transportation in winter (safety also considered)
Logistics category	Logistics Planning Department, Ajinomoto Co., Inc.	Reduced product returns in sales and business divisions, reduced disposal of unused products, through improvements in balancing supply-demand management, continued proper recovering methods



## Conservation of Water Resources: Fiscal 2015 performance overview

In fiscal 2015 the Ajinomoto Group made progress from the previous year by reducing water use and discharge by about 140 million tonnes each, and water use per unit of production by about 75%, all compared to the base year of fiscal 2005 (target: at least 70% reduction).

Further reductions in water use were made from the previous year through the use of water from cooling towers for indirect cooling applications, and through recirculating water on-site. Accordingly, discharged water also declined.

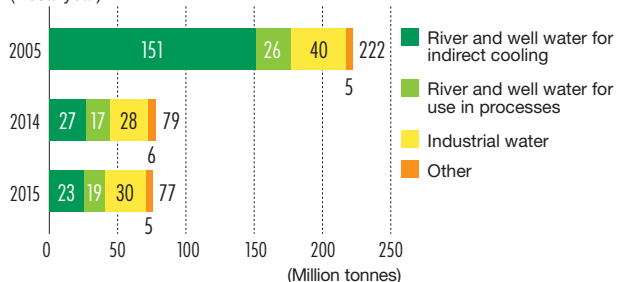
### Water use

(Million tonnes)

	Base year		Results				
	FY2005	Ratio (%)	FY2013	FY2014	FY2015	Ratio (%)	Difference
<b>Water use</b>	222	100%	82	79	77	100%	-145
Japan	83	38%	34	30	32	41%	-52
Asia/Africa	82	37%	22	23	21	28%	-60
Europe	29	13%	13	11	11	15%	-18
North America	3	2%	5	5	5	7%	2
South America	18	8%	7	7	6	8%	-12
China	6	3%	1	1	1	2%	-5
<b>Water used per unit of production (per tonne of product)</b>	123	—	36	34	30	—	—
Reduction ratio of water use per unit of production	—	—	71%	73%	75%	—	—
<b>Reference value: Production volume (10 kilotonnes)</b>	180	—	226	235	253	—	—

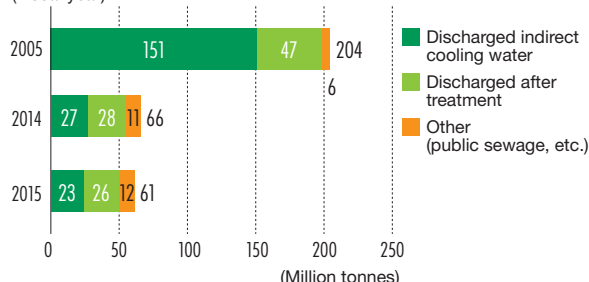
### Water use

(Fiscal year)



### Discharged water

(Fiscal year)

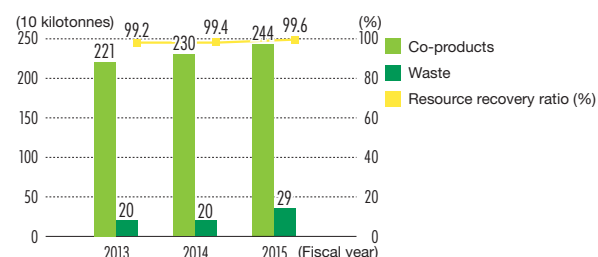


## 3Rs of Waste: Fiscal 2015 performance overview

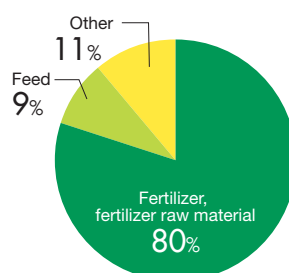
The Ajinomoto Group is working to minimize waste to ensure optimal use of all resources. The Group is also committed to effectively utilizing waste and co-products, with the aim of recovering 99% of it as resources. In amino acid production, the Group utilizes co-products as resources and seeks to improve production efficiency by introducing new technologies. In food production, it is also making a range of efforts, such as improving the precision of sales forecasts and conducting fine-tuned procurement, to minimize wasted raw materials and the amount of packaging materials used.

In fiscal 2015 waste volume increased along with production volume compared to the previous year. Nonetheless, a recycling ratio above 99% was maintained, mainly by promoting the utilization of co-products.

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



### Applications of recovered co-products



## Reduction of Greenhouse Gas Emissions: Fiscal 2015 performance overview

Progress was made in fiscal 2015 in reducing CO<sub>2</sub> emissions per unit of production from the previous year. Thanks to the installation of biomass boilers at business sites outside Japan, per-unit emissions reduced by 33% compared to the base year. To meet the fiscal 2016 targets going forward, the Group will continuously work to ensure stable supplies of low-impact energy sources and to maintain stable operation of biomass boilers. In fermentation-related divisions, which account for 70% of the Group's CO<sub>2</sub> emissions, it will promote the development and introduction of process improvements for better yields and productivity.

### Total CO<sub>2</sub> emissions and CO<sub>2</sub> emissions per unit of production

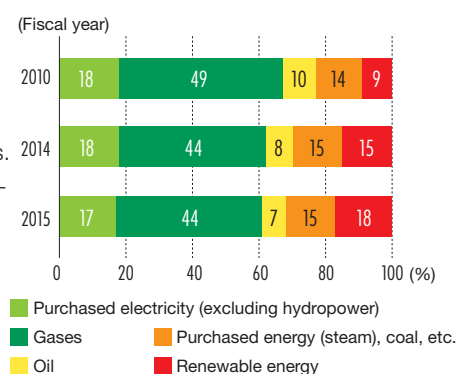
(10 kilotonnes)

	Base year		Results				
	FY2005	Ratio (%)	FY2013	FY2014	FY2015	Ratio (%)	Difference
<b>Total CO<sub>2</sub> emissions</b>	236	100%	220	221	223	100%	-12
Japan	58	25%	39	40	45	20%	-13
Asia/Africa	87	37%	93	97	104	47%	17
Europe	33	14%	23	22	17	8%	-16
North America	23	10%	35	36	35	16%	12
South America	20	9%	19	18	14	6%	-7
China	14	6%	10	9	8	4%	-6
<b>CO<sub>2</sub> emissions per unit of production (per tonne of product)</b>	1.31	—	0.97	0.94	0.88	—	—
Reduction rate of CO <sub>2</sub> emissions per unit of production	—	—	26%	28%	33%	—	—
<b>Reference value: Production volume (10 kilotonnes)</b>	180	—	226	235	253	—	—

## Shift to clean energy: Improving the renewable energy use ratio

Energy input increased along with increased production in fiscal 2015, but energy use per tonne of product decreased. Further analysis shows that the medium-term target for the renewable energy use ratio continues to be met at 18% (3% increase over the previous year). This was made possible by the stable operation of a biomass boiler at factories in Thailand and Vietnam, and the increase in the number of biomass boilers in Brazil. Going forward, all sites worldwide will work to minimize energy use by ensuring stable production and promoting the development and introduction of resource and energy-saving processes. They will also aim to increase the renewable energy use ratio by continuing with the installation of biomass boilers, among other efforts.

### Energy use at the Ajinomoto Group (thermal equivalent)



### Input of energy

	FY2013	FY2014	FY2015
<b>Input of energy (TJ)<sup>1</sup></b>	35,342	36,356	37,362
<b>Energy input per unit of production (per tonne of product)</b>	15.6	15.5	14.8

<sup>1</sup> TJ: terajoule, T (tera) = 10<sup>12</sup>

## Management of fluorocarbons

The Ajinomoto Group uses fluorocarbons as refrigerants for chiller. The AGZEP for 2014–2016 included goals for discontinuing the use of CFCs<sup>2</sup> and replacing chiller that uses HCFCs<sup>3</sup> and HFCs<sup>4</sup> with models that use natural refrigerants. At present, the Group uses no CFCs in Japan, and sites outside Japan that still use CFCs aim to discontinue all use by the end of fiscal 2016, in accordance with local laws and regulations. All seven plants in Japan, including those of affiliates of Ajinomoto Frozen Foods Co., Inc., converted to natural refrigerants in 18 units by the end of fiscal 2015, and plan to switch the remaining 11 units over to non-fluorocarbon equipment by the end of fiscal 2020. The Ajinomoto Group is leading the industry by introducing new technology that combines the use of two refrigerants (ammonia and CO<sub>2</sub>).

<sup>2</sup> Chlorofluorocarbons, or "specified fluorocarbons." Manufacture of CFCs, which are ozone-depleting substances, was banned in developed countries in 1996 under the Montreal Protocol.

<sup>3</sup> Hydrochlorofluorocarbons, or "designated fluorocarbons." Manufacture of HCFCs, which are ozone-depleting substances, will be phased out in developed countries by 2020 and in developing countries by 2030 under the Montreal Protocol.

<sup>4</sup> Hydrofluorocarbons. HFCs do not destroy the ozone layer and are known as CFC alternatives. Due to their global warming potential, which is thousands of times higher than CO<sub>2</sub>, reduction of HFC emissions is included in the Kyoto Protocol targets.

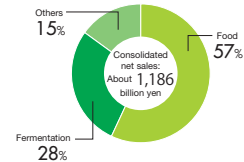
# Fiscal 2015 Input and Output Balance

The Ajinomoto Group is working to minimize its impact on the environment, based on its Medium-Term Environmental Plan and Ajinomoto Group Zero Emissions Plan (AGZEP). The Group always pursues the most efficient use of the resources needed for its business activities, including raw materials, energy, and water.

## Input and output balance

- Scope of reporting:** Including Ajinomoto Co., Inc. and its consolidated subsidiaries, 102 key business sites in the Group's environmental management. This number declined by six sites (nine eliminated, three added), from fiscal 2014 due to the consolidation of business sites and other reasons.
- Reporting period:** April 1, 2015, to March 31, 2016
- Reported data:** Estimated values are included. The sum of all values in a graph may not equal the total due to rounding.

### Consolidated net sales (reference)

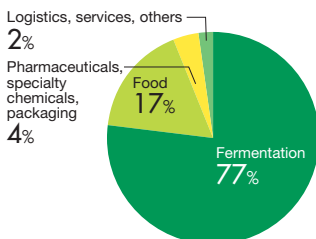


Note:  
The Ajinomoto Group's business segments are categorized according to the characteristics of the environmental impact incurred by the various manufacturing methods, excluding cooperative ventures, such as edible oils and coffee products. These categories are different from the business segments based on consolidated financial accounting. Their scope of reporting is different from the scope applied to the input and output balance.

## Input and output balance for the Ajinomoto Group

### Input: Energy, water, raw material

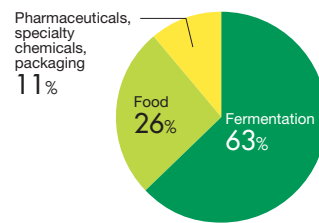
Input of energy  
**37,362 TJ<sup>1</sup>**



Purchased electricity	2.17 million MWh (7,829 TJ)
Purchased steam	900 kt (2,435 TJ)
Gas	388 million m <sup>3</sup> (16,374 TJ)
Oil	65 million L (2,624 TJ)
Coal	100,628 t (2,989 TJ)
Biomass	5,111 TJ

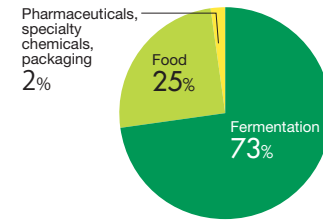
<sup>1</sup> TJ: terajoule, T (tera) = 10<sup>12</sup>

Water consumption  
**76,912 kt**



River water	25,272 kt
Industrial water	29,574 kt
Well water	16,972 kt
Tap water, municipal water	5,090 kt
Others (rainwater, etc.)	4,000 t

Raw material consumption  
**3,997 kt**

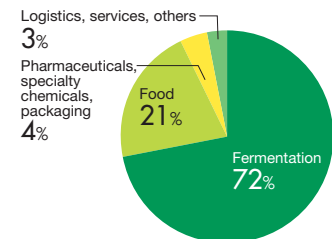


<b>Raw material</b>	
Main raw material	1,677 kt
Sub raw material	2,320 kt
Acids/alkalis	581 kt
Other	1,739 kt

<b>Packaging material</b>	
Plastic	41 kt
Paper, cardboard	108 kt
Other	53 kt

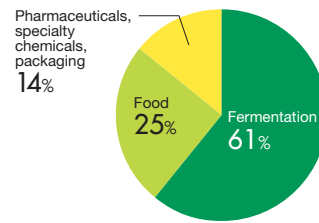
### Output: Emissions, discharged water, waste

CO<sub>2</sub> emissions  
**2,234 kt**



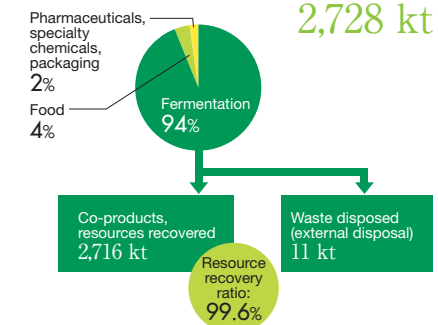
<b>CO<sub>2</sub></b>	
Combustion	938 kt
Purchased energy	1,268 kt
Vehicle fuel	29 kt
NO <sub>x</sub>	1,999 t
SO <sub>x</sub>	1,461 t
Soot and dust	2,445 t
CFCs, HCFCs, HFCs	4 t

Discharged water  
**60,873 kt**

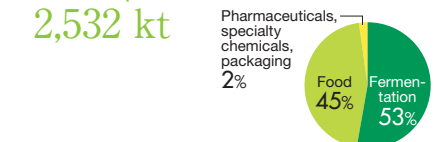


<b>Discharged to</b>	
Public waterways (indirect cooling water, etc.)	23,284 kt
Public waterways (discharged after treatment, etc.)	26,059 kt
Public sewerage	10,171 kt
Water for irrigation use	1,359 kt
BOD	185 t
Nitrogen	365 t

Co-products, waste emissions  
**2,728 kt**



Volume of production  
**2,532 kt**



# Conservation of Ecosystems and Biodiversity

The Ajinomoto Group is cooperating with external stakeholders in community-based efforts to conserve biodiversity, across the global supply chain and value chain.

## Biodiversity approach and policies

The Ajinomoto Group adopted a biodiversity policy and action agenda in January 2012 as part of its efforts to promote an effective business model for the sustainable use of biological resources. One of the priority items in the 2014–2016 Ajinomoto Group Medium-Term Environmental Plan is to develop action plans based on step-by-step assessment of the characteristics of key raw materials and local ecosystems.

Many stakeholders are involved in the issues of biological resources and ecosystems. Taking a medium-to-long-term and comprehensive perspective, the Group works with external stakeholders to address priority issues directly related to its business activities, and to raise awareness in society and industry about the issues.

Reference → [Principles & Policies P37](#)

Ajinomoto Group Biodiversity Policy and Action Agenda

## Initiatives for fisheries resources

For the sustainable procurement of raw materials, the Ajinomoto Group is focusing on initiatives relating to the skipjack tuna, an important fisheries resource in terms of both ecosystems and the Group's business activities. Since fiscal 2009, the Joint Tagging Survey of Skipjack off the Pacific Coast of Japan has been going on as a research project conducted with the National Research Institute of Far Seas Fisheries (NRIFSF) in Japan. Findings from the survey have been used in discussions by international fisheries management organizations.

Reference → [Special Feature 2 P8](#)

Initiatives to Increase Sustainability of Fisheries Resources

Reference → [P9-10](#)

Initiatives for sustainable skipjack fisheries and resource use

## Initiatives for forest ecosystem resources, sustainable land use, local ecosystems

Ajinomoto Co., Inc. became a member of the Roundtable on Sustainable Palm Oil (RSPO) in August 2012 and has a target to fully switch to sustainable palm oil by 2018 for palm oil raw materials it uses. For the RSPO Japan Day 2016 in September, Ajinomoto Co., Inc. served as vice chair of the executive committee, representing industry.

In March 2015, the Ajinomoto Group revised its Group Guidelines for Procurement of Environmentally Responsible Paper to list paper made from FSC Controlled Wood. This is expected to facilitate the use of environmentally and socially responsible paper, especially for product containers and packaging. Since November 2013, Ajinomoto Co., Inc. has also participated in the Consortium for Sustainable Paper Use (CSPU).

Reference → [Principles & Policies P27](#)

Ajinomoto Group Guidelines for Procurement of Environmentally Responsible Paper

### ■ Sustainable land use and local ecosystems

Ajinomoto Co., Inc. is also a member of the Japan Business Initiative for Biodiversity (JBIB). Working with other member companies, the company is making use of land at its business locations to ensure that business growth is balanced with local communities and ecosystems. Having established the Ajinomoto Bird Sanctuary in Yokkaichi, the company's Tokai Plant works tirelessly to maintain a successful coexistence between the plant and local ecosystems.

## “Forest of *Blendy* Suzuka and Gunma”: Protecting forests and the water

(AJINOMOTO GENERAL FOODS, INC., AGF Suzuka, Inc., AGF Kanto, Inc.)

Recognizing that water from the forests is precious and wishing to continue using that water in its products, the AGF Group is engaged in forest conservation to grow healthy forests and ensure there is clean and good quality water available. These activities care for the forests that are the source of water used in *Blendy* bottled coffee and other products.



### “Forest of *Blendy* Suzuka”

#### New efforts to grow luscious green forests



The “Forest of *Blendy* Suzuka” has entered its third year with activities of caring for an area of forest in the headwaters of the Suzuka River, near Kameyama City in Mie Prefecture. The activities began in September 2014 as part of the prefectural government’s corporate forestation project, and the aim is to grow a healthy forest to secure good water for major manufacturing processes of AGF Suzuka, Inc. By September 2016, a total of 980 Ajinomoto Group employees and collaborators had conducted the activities 14 times.

Activities include maintenance work such as thinning the forest and clearing undergrowth, and also the completion of paths through the forest. With additional work such as the preparation of areas for flowers and the installation of benches, the area has been transformed into a welcoming forest for visitors.

In June 2016, a “Forest of *Blendy* Suzuka” exhibit space was opened in the Suzuka Magouta Kaikan building located in the Kameyama City, which serves as a base for forest activities. This autumn, there are plans to expand activities for local children, including environmental education at “Forest of *Blendy*,” making use of this exhibit.



Opening ceremony for the “Forest of *Blendy* Suzuka” exhibit  
From left: Mr. Takiguchi, Chair of Morinokaze (NPO); Mr. Ono, Director of Mie Prefectural Museum; Mr. Yamauchi, Chair of Sakashita Town Building Council (Kameyama City); Mr. Ishigaki, Deputy Governor of Mie Prefecture; Mr. Yokoyama, CEO of AGF; Mr. Sakurai, Mayor of Kameyama City; Mr. Matayoshi, comedian “Peace”; AGF official mascot “Beantakun” (June 18, 2016)

Web

“Forest of *Blendy*” (Japanese)  
<http://www.agf.co.jp/csr/special/>

### “Forest of *Blendy* Gunma”

#### Young cedar trees grow into luscious forest



In May 2015, AGF Kanto, Inc. began forest maintenance activities in the “Forest of *Blendy* Gunma” when it joined Gunma Prefecture’s corporate forestation project to care for forest near Maebashi City, in the watershed of the Arato River (headwaters of the Tone River). This forest is a source of water for another major plant, AGF Kanto, Inc.

In this area, deer often eat new buds and foliage on saplings and damage the tree bark. During the first year, a net was installed to keep deer away. Now in the second year, the cedar saplings are thriving thanks to the protective nets.

Activities were organized for the seventh time in September 2016, with a total of 470 Ajinomoto Group employees and collaborators having participated, expanding the area of activities such as clearing vegetation around the fencing and saplings, and planting new areas with deciduous trees.



8th forest maintenance event at the “Forest of *Blendy* Gunma”



Weed and vine removal along protective fence

## Initiatives for sustainable skipjack fisheries and resource use

Ajinomoto Co., Inc. began its initiatives for the sustainable use of skipjack resources in 2006, and has been continuing since 2009 a Joint Tagging Survey of Skipjack off the Pacific Coast of Japan, a research project conducted with the National Research Institute of Far Seas Fisheries (NRIFSF).

The project has had numerous achievements over the ten years, and it is now being revised to respond more effectively to current challenges facing skipjack fisheries and resource conservation.



### Establishment of international rules for sustainable fisheries

Ajinomoto Co., Inc. started its initiatives for sustainable skipjack fisheries and resource use in response to the recent rapid increase of skipjack catches in the western and central Pacific region (particularly in tropical seas).

For sustainable use in the future, the company decided to support international efforts to create rules for sound resource management of fisheries. To increase scientific knowledge on the migratory patterns of skipjack in coastal waters around Japan, Ajinomoto Co., Inc. has conducted the joint tagging survey since 2009, and through the government, contributed the findings to discussions among international fisheries management organizations.

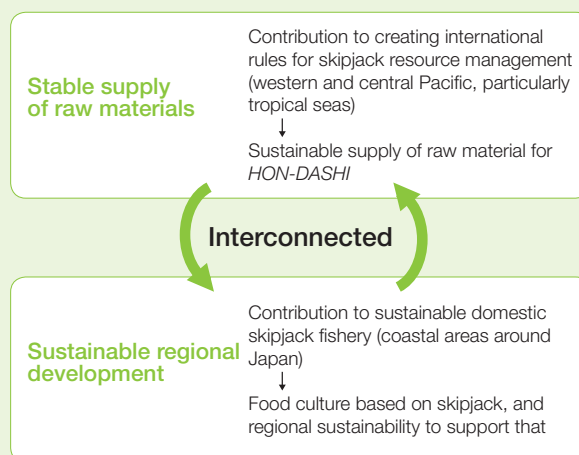
Meanwhile, skipjack catches have fallen significantly in the past ten years in waters around Japan, resulting in difficult times for the domestic skipjack fisheries. Against this backdrop, the company has also been actively sharing the knowledge of skipjack ecology gained from studies with domestic stakeholders, aiming to contribute to sustainable regional development and the domestic skipjack fishery industry which supports Japan's food culture.

### Resource assessments and fishery industry concerns

International discussions by the Western and Central Pacific Fisheries Commission (WCPFC) about resource management have been ongoing, and gaps have arisen between Japan and other countries in the understanding of skipjack resources in the western and central Pacific region.

The international fishing industry operating in tropical waters play a major role in skipjack fishing in the western and central Pacific, where annual catches of 1.8 to 2.0 million tonnes are maintained. However, resource assessments claim that the skipjack stocks are essentially in the "not overfished nor overfishing" zone, and countries operating deep-sea fisheries and island states are making no attempts to reduce skipjack catches in tropical waters.

### Objectives of activities



Skipjack catches have been in significant decline for offshore pole-and-line fishery and coastal troll fishery in waters around Japan. Stakeholders in Japan are concerned that large catches—especially in tropical waters—are negatively affecting skipjack resources in waters around Japan.

More time is needed to build international consensus. It is believed that skipjack resources in tropical waters are unlikely to decline to the extent that will cause problems for resource use in tropical waters, but the difficult conditions for the skipjack fishery in waters around Japan may continue. Thus, it may be difficult to resolve the concerns of Japanese fisheries stakeholders.

### Comparison of stakeholder perspectives

	Japan	Other countries
Region of concern	Waters around Japan	Tropical waters (no interest in waters around Japan)
Fishing methods (gear)	Pole and line, troll	Large purse seine
Fish catch status	Significant decline in catches since about 2005	Rapid increase in catches after 1980s. In recent years, 1.8 to 2.0 million tonnes annually
Results of WCPFC resource assessment	Overall, "not overfished nor overfishing"	
Comments on assessment	Declining catches in waters around Japan are not reflected	No problem with methodology
Resource assessment process	Estimate for entire WCP region using model calculations based on fishery industry statistical data (managed by experts associated with island states)	
Comments on assessment	Process is not appropriate, needs improvement (Taiwan and China partly agree)	No need to change
Concerns about skipjack resources	"Large-scale fishing in tropical waters may be negatively affecting skipjack resources in waters around Japan" (Cannot prove)	"No immediate concern. Japan's concerns are only speculation. There is no evidence in statistical data" (Not interested)
Fisheries management	Need to consider coastal fisheries of Japan, etc.	Appropriate to maintain status quo, while limiting further increases in catches

**Purpose and interpretation of skipjack ecological studies by Ajinomoto Co., Inc.**

- 1 To improve the WCPFC's assessment process, it is necessary to use not only statistical methods focusing on fishery industry data, but also to gather biological and ecological information about skipjack.
- 2 It is important to clarify the relationship between skipjack resources in tropical and sub-tropical to temperate waters around Japan. The waters along the Kuroshio current, where the company conducts research activities, are important for connecting tropical and subtropical areas.
- 3 The key region for skipjack migration toward Japan includes coastal and offshore regions that connect Indonesia, the Philippines, Taiwan and Japan, so it is important that these countries understand the issues discussed at WCPFC. They also happen to be key countries where Ajinomoto does business.
- 4 In addition to fishing activities in tropical waters, issues in coastal and offshore waters around Japan (including climate change, shortage of fisheries workers, lack of profitability) are predicted to see more instability and uncertainty, so it is important to improve the fisheries here and make them more efficient, economical, and sustainable. Particularly the waters around Japan's southwest islands are vulnerable to impacts of those factors, detailed information about skipjack ecology in this area can contribute directly to efforts to improve the situation.

**Joint Skipjack Tagging Survey  
Recent activities and survey findings**

**1 Tagging with archival electronic tags**

The large-scale tag-and-release survey that started in 2012 in Japan's southwest islands has continued using archival electronic tags, which provide information in astounding detail about skipjack biology, including their vertical movements, migration, and feeding behavior.

Skipjack individuals recovered in 2016 include some that were released in the spring of 2015, and analysis of the data is currently under way. Wintering data is likely to be obtained, providing new knowledge about skipjack migration in waters near Japan.

**2 Collaboration with Taiwan**

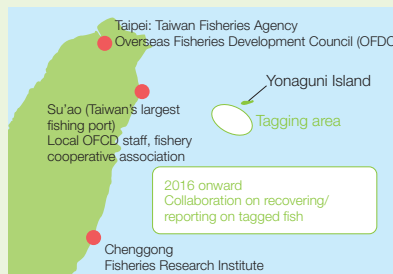
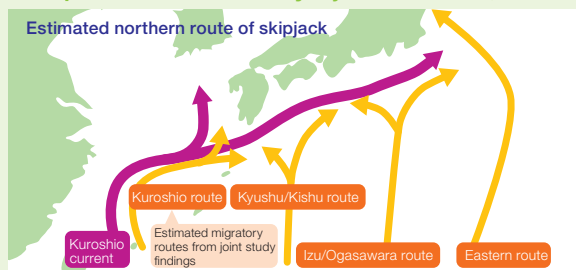
Skipjack tuna take a northward route passing through Taiwanese waters on their way to Japanese waters, so this is an important region to understand migratory behavior. Past data showed that tagged fish released offshore from Yonaguni Island migrated through Taiwanese waters.

In January 2016, Taiwan Fisheries Agency, research institutes, and fishermen began to cooperate in recovering and reporting of tagged fish. Since then, reports on tagged fish recoveries have been received from Taiwan.

**3 Advanced tags provide detailed understanding of ecological behavior**

Since 2015, Ajinomoto Co., Inc. has used the latest type of "pingers" (ultrasonic markers that transmit data such as swimming depth) for research in cooperation with the Tokyo University of Marine Science and Technology. In 2016, researchers developed shipboard receivers to install on three fishing vessels based at Yonaguni Island. Information from tagged fish is received onboard and instantly transmitted to researchers via mobile network. In September 2016 this system was successfully tested with wild fish in the open seas. Skipjack ecological behavior could be better understood with a network of receivers along migratory routes in waters around Japan. Such a network would be useful as shared infrastructure for conservation of fisheries resources and for efficient fishing operations. The company is working to gain cooperation from many stakeholders to create such a network.

**Purpose of activities by Ajinomoto Co., Inc.**



Posters explain the program to fishermen in Taiwan



Pinger ultrasonic tag and receiver

Reference → Special Feature 2 P8

Initiatives to Increase Sustainability of Fisheries Resources

TOPICS

## Ajinomoto Bird Sanctuary in Yokkaichi (Tokai Plant, Ajinomoto Co., Inc.)

### Respecting local ecosystems, providing a home for rare wildlife

Corporate land that is used for offices and manufacturing is part of the local natural environment. Green spaces on corporate land can play an important role in local ecosystems.

The Tokai Plant of Ajinomoto Co., Inc. is situated in a large industrial complex in Yokkaichi City, Mie Prefecture. The site includes a 5,000-square-meter freshwater pond surrounded by trees. In 2002, the company expanded the area into a 1.27-hectare biodiversity conservation area called the Ajinomoto Bird Sanctuary in Yokkaichi.

The sanctuary is currently home to six species of heron including the intermediate egret, which is designated as an endangered species by Japan and Mie Prefecture. Other rare species include the northern goshawk and common kingfisher, the latter being a species only found in clean water habitats. The sanctuary also serves as a stopping point for migrating birds.

### Ajinomoto Bird Sanctuary ecosystem potential and challenges

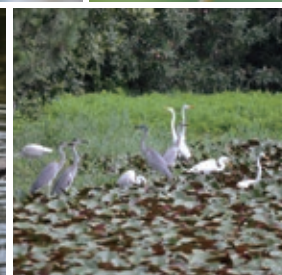
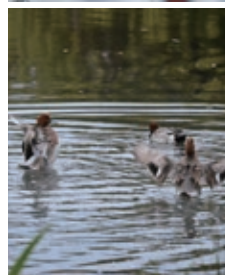
With the Yokkaichi City port two kilometers east, the steep hills of the Nanbu Kyuryo Park three kilometers west, and rivers to the north and south, the Ajinomoto Bird Sanctuary is linked to various environments, and is the ideal spot for building a network of ecosystems in the Yokkaichi region.

In fiscal 2012 and 2013, wildlife experts conducted a fact-finding assessment of business locations and surrounding areas. The assessment confirmed that the sanctuary was home to 22 families and 38 species of bird, 61 families and 120 species of insect, two families and species of fish, 15 families and 19 species of benthic organisms, and a colony of rare intermediate egret. However, the assessment also identified issues of overcrowding in the heron and common cormorant breeding seasons, excessive bird droppings, invasive water lilies and red swamp crayfish in the pond. The assessment showed the need for ongoing work to maintain and improve the Ajinomoto Bird Sanctuary in Yokkaichi as a healthy ecosystem and an important biodiversity conservation area for the Hokusei region.

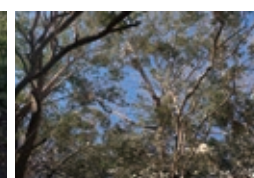
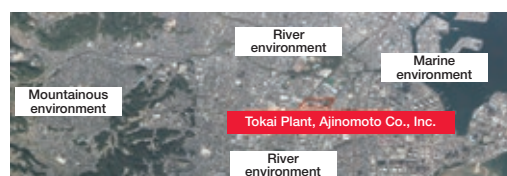
### Improving ecosystem networks in the Yokkaichi Region

Ajinomoto Co., Inc. drained the pond in March 2014 to examine the bottom and decide how best to purge the invasive lilies. The company also selectively thinned the surrounding trees, and consulted academics and flora and fauna experts to form a long-term comprehensive maintenance plan through 2020. To maintain the natural beauty of the Yokkaichi forest, the plan involves creating zones of water surfaces and trees, controlling invasive species, and designating some trees exclusively for heron colonies. Work began in March 2015 to prevent the proliferation of invasive species in the pond. The sanctuary also serves as an interface between people and living things through joint projects with the Mie Prefectural Museum, regional research facilities, schools, and local people. The museum held an exhibition to introduce these efforts at the Bird Sanctuary in October and November 2014.

The road ahead is long but the company is determined to help preserve and uphold the region's bountiful environmental assets.



Common kingfisher (top left), rare dragonfly (top right), ducks (bottom left), and herons (bottom right)



Before improvements: Invasive water lilies in pond (left). Dense tree growth

After seeing significant growth of invasive water lilies, the pond was drained in March 2014 for the first time in 20 years for maintenance and inspection. More than 90 people from the Ajinomoto Group and the local community helped with the work under the guidance of experts from the Mie Prefectural Museum.



Japan Business Initiative for Biodiversity (JBIB)  
<http://www.jbib.org/en/>

Ajinomoto Co., Inc. is a member of the Japan Business Initiative for Biodiversity (JBIB) and part of a working group on sustainable land use that works and provides support for improving regional ecosystem networks.



# Development of Technologies and Products That Contribute to Global Sustainability

The Ajinomoto Group is pursuing research and technology development to enhance the environmental value of its products and business activities. In addition to considering environmental impact throughout product life cycles, the Group is using its knowledge to create new businesses that contribute to global sustainability.

## Assessment of environmental impacts across product life cycles

A key to good environmental management is to assess the environmental impacts of business activities. The Ajinomoto Group is actively developing methodologies to visualize these impacts for objective assessments.

To correctly assess environmental impacts, it is necessary to consider lifecycle impacts broadly, from production of raw materials, to distribution of products, consumption in households, and then disposal. For that, the Group has been developing methodologies on lifecycle assessments (LCA) over ten years.

The most popular LCA method is to quantify CO<sub>2</sub> equivalent emissions obtained by converting GHG emissions from the entire product life cycle, a vital tool for the successful creation of a low-carbon society.

The Group has also introduced LC-CO<sub>2</sub> assessment as one of the standards for assessing the environmental performance of its product containers and packaging.

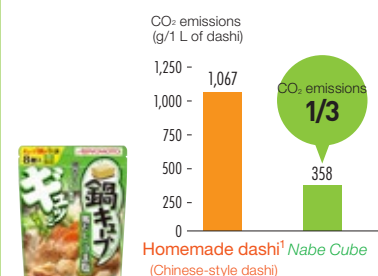
## Performance of carbon footprints

The Ajinomoto Group has been assessing carbon footprints (CFP) over ten years. By May 2012, the Group's CFP quantification standards and values for nine amino acid-based products, including feed-use lysine, have been certified under the Carbon Footprint Program of the Japan Environmental Management Association for Industry. The Group created its own CFP quantification system for household products based on the ISO/TS 14067 standard for carbon footprint, issued by the International Standards Organization in May 2013. Initially the system covered seven seasoning products in fiscal 2013, including *HON-DASHI* and *Nabe Cube*, but was extended in fiscal 2014 to cover individual stick coffee mixes, frozen items, and most of the Group's major household products. In fiscal 2015, to assess global environmental impacts, calculations were done for representative flavorings in several countries, including *Masako*<sup>®</sup> in Indonesia and *Aji-ngon*<sup>®</sup> in Vietnam.

### Example of visualization: *Nabe Cube*

The amount of CO<sub>2</sub> emitted was quantified for the entire product life cycle, from manufacturing of ingredients, transportation, and cooking to what is disposed after using the dashi (broth). The CFP of this product are about one-third when compared to cooking with typical homemade Chinese-style dashi.

### CO<sub>2</sub> emissions from making one liter of dashi



<sup>1</sup> Based on standard proportion of ingredients for method of preparation shown in Standard Tables of Food Composition in Japan, Fifth Revised and Enlarged Edition, 2005 (Ministry of Education, Culture, Sports, Science and Technology)

## LC-CO<sub>2</sub> emissions for products of Ajinomoto Co., Inc.

Product	Production plant	CFP values <sup>2</sup> (per kg of product <sup>3</sup> )	CFP values per serving <sup>4</sup>
(1) <i>HON-DASHI</i>	Kawasaki Plant, Ajinomoto Co., Inc.	14.08kg-CO <sub>2</sub> e	-
(2) <i>Ajinomoto KK Consommé</i> (Granules)	Kawasaki Plant, Knorr Foods Co., Ltd.	6.87kg-CO <sub>2</sub> e	-
(3) <i>Knorr® Cup Soup Tsubu Tappuri Corn Cream</i>	Kawasaki Plant, Knorr Foods Co., Ltd.	7.08kg-CO <sub>2</sub> e	-
(4) <i>Ajinomoto KK Sihrogayu 250 g</i>	Kawasaki Plant, Knorr Foods Co., Ltd.	0.81kg-CO <sub>2</sub> e	-
(5) <i>Cook Do® Hoikoro</i>	Kawasaki Plant, Ajinomoto Co., Inc.	2.95kg-CO <sub>2</sub> e	1.21 kg-CO <sub>2</sub> e per serving (approx. 700 g)
(6) <i>Cook Do® Kyo-no Oozara Butabara Daikon</i>	Tokai Plant, Knorr Foods Co., Ltd.	2.31kg-CO <sub>2</sub> e	2.90 kg-CO <sub>2</sub> e per serving (approx. 1 kg)
(7) <i>Nabe Cube Toridashi Umashio</i>	Kunneppu Plant, Hokkaido Knorr Foods Co., Ltd.	8.54kg-CO <sub>2</sub> e	-
(8) <i>AGF Blendy Stick Café au Lait</i> (coffee mixes)	AGF Suzuka, Inc.	4.85kg-CO <sub>2</sub> e	-
(9) <i>Lemon and Basil Fried Chicken</i> (frozen foods)	Kyushu Plant, Ajinomoto Frozen Foods Co., Inc.	5.84kg-CO <sub>2</sub> e	-
(10) <i>Masako</i> <sup>®</sup>	Mojokerto Factory, PT Ajinomoto Indonesia	2.48kg-CO <sub>2</sub> e	-
(11) <i>Aji-ngon</i> <sup>®</sup>	Long Thanh Factory, Ajinomoto Vietnam Co., Ltd.	2.74kg-CO <sub>2</sub> e	-

<sup>2</sup> 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. This calculation system and the results for (1) to (9) are backed by a third-party assurance statement from the international certification organization Lloyd's Register Quality Assurance Limited, based on the ISO/TS 14067 standard.

<sup>3</sup> The standard defined functional unit is per 1kg of each product.

<sup>4</sup> CFP values of ingredients including radishes and meat are included in this CFP value.

## Life cycle climate change impact assessment (Scope 3 calculation)

Objective evaluation of environmental impacts through the entire value chain for all business activities (Scope 3) is important to achieve better environmental management. Scope 3 includes not only the impacts of products, but also energy consumption from headquarters, research centers, and other back-office sections as well as commuting and business travel of employees.

In fiscal 2015, the Ajinomoto Group quantified its Scope 3 business activities in Japan based on a method used by a Ministry of the Environment working group on accounting for greenhouse gas emissions across the supply chain. The Group plans to expand Scope 3 calculations to include all group companies worldwide.

## Performance of water footprint

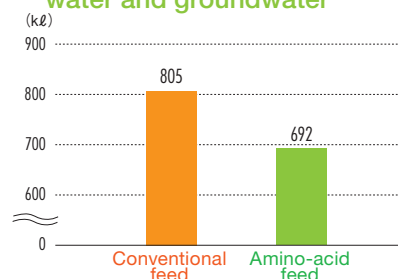
Since fiscal 2014, the Ajinomoto Group has researched methods for quantifying water footprints based on the recently published ISO 14046 standards. The evaluation model used a conventional mixed animal feed from Europe, in which people have strong interest in the present state of the water environment. The model feed was then compared with low-crude-protein feed including amino acids.

The Group used regional characterization factors<sup>1</sup> in its water footprint quantifications. The system weights specific regional water resources by country according to the richness of resources in locations where raw materials are manufactured.

In fiscal 2015, accuracy was further increased, for the entire life cycle. Besides raw materials and production, quantifications now include distribution, packaging waste, and water used to treat animal manure during feeding.

The water footprint quantifications reveal that amino-acid animal feed uses 14% less water than a conventional mixed feed made with soy or oat meal in France, which has constraints on water resources. The system also shows that feeds enriched with amino acids can reduce water footprints by 100 kiloliters per tonne of feed, the equivalent of 500 baths.

### Water footprints for river water and groundwater



<sup>1</sup> Average global precipitation is set at 1. Water-rich areas are assigned a factor less than 1 (i.e., when one liter of water is used, it is evaluated as using less than one liter due to abundant water supply). Water-poor areas are assigned a factor greater than 1 based on the opposite assumption.

## Development of wastewater treatment technologies to reduce environmental impact

The Ajinomoto Group Zero Emissions Plan has established target values for pollutant load in wastewater (10 ppm or less for BOD and 5 ppm or less for TN) which are stricter than regulations around the world. To achieve these challenging targets, the Group is improving performance in wastewater treatment by modifying existing treatment facilities and developing more efficient processes.

The Bien Hoa Factory of Ajinomoto Vietnam Co., Ltd. began amino acid fermentation production in 1997, and right from the beginning installed a nitrification and denitrification system which is able to reliably process high nitrogen concentrations that would have been difficult to remove completely with existing technology.

Because Vietnam has many environmentally-conscious consumers, the company had for some time been showing this wastewater treatment equipment in factory tours, but in March 2015, installed a “Waterfall Monument” next to the equipment so that people can easily see the wastewater. Visitors can now see clearly how effectively the water is being cleaned. Consumers are being informed about this advanced wastewater treatment technology via television commercials and product packaging.



Top: Wastewater treatment equipment at Bien Hoa Factory  
Bottom: Waterfall monument installed beside wastewater treatment equipment



TV commercials and product packaging introduce wastewater treatment technology at the Bien Hoa Factory

TOPICS

A richer harvest with value-added fertilizer

The Ajinomoto Group turns nutrient-rich co-products into fertilizers and feeds. These co-products are originally generated in the fermentation process during the manufacturing of amino acids and nucleic acids and then formulated with added value. The Group develops them specifically for local agricultural conditions and crops.

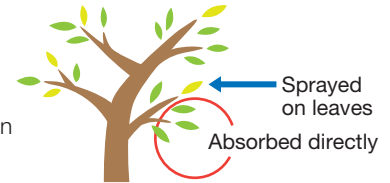


Foliar fertilizer to harness the power of amino acids

For more than 30 years the Ajinomoto Group has been advancing efforts to effectively use the nutritionally rich co-products of amino acid fermentation as organic-type fertilizer. Also progressing during this time has been the development of high value-added fertilizer made by fortifying these co-products with balanced amino acids, such as phosphoric acid and potassium. Continued testing and research is revealing amino acid and nucleic acid-enriched fertilizers to have an enhancing effect on root and plant growth and yields. First released in Brazil in 1989, AJIFOL® foliar fertilizer is now produced in seven countries worldwide. Comments have come in from numerous customers who are excited about the benefits of supplying nutrition in small amounts through the leaves. These include higher yields, stronger disease resistance, and sweeter fruit (higher Brix value).

Foliar application

Micro-nutrients are efficiently absorbed in small amounts.



Minimizes fertilizer loss

AJIFOL® manufactured in seven countries



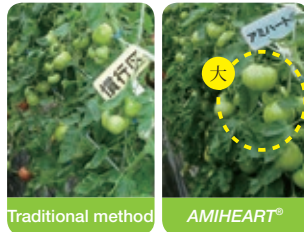
Products in Japan

AMIHEART®

Liquid fertilizer containing amino acids and ample quantities of monomolecular nucleic acids; readily absorbed and fast acting



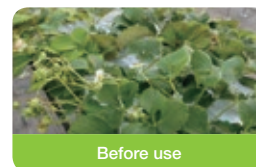
Results for tomato cultivation



Also, Turf Vital® Pro, a product customized for lawn use, was launched in 2015.

AJIFOL® AminoGuard®

Foliar fertilizer containing an optimum formulation of concentrated amino acids and minerals; typically used in strawberry and tomato cultivation



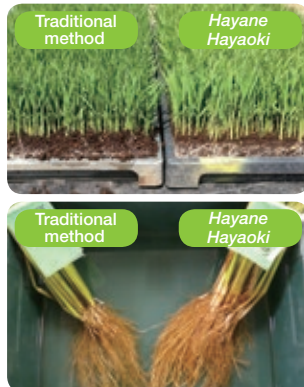
High-bench strawberry cultivation. AJIFOL® was used here on strawberries that displayed inhibited growth from root damage, with poor leaf color, blossoming and growth. Plant vigor returned with foliar supplementation of amino acids.

Hayane Hayaoki

Liquid fertilizer containing nucleic acids and amino acids, with an optimal formulation of nitrogen, phosphate, and potassium for plant nurseries



Results for paddy-field rice cultivation



GLUHEART Plus

Foliar fertilizer containing glutamic acid, which improves plant growth in low sunlight or cold temperatures. Sales of GLUHEART Plus launched in July 2016 with ingredients that boost efficacy compared to the original GLUHEART.



Potato growing trials show 11% increase in yield using new GLUHEART Plus compared to original GLUHEART.

TOPICS

Promotion of feed-use amino acids cooperating with partners



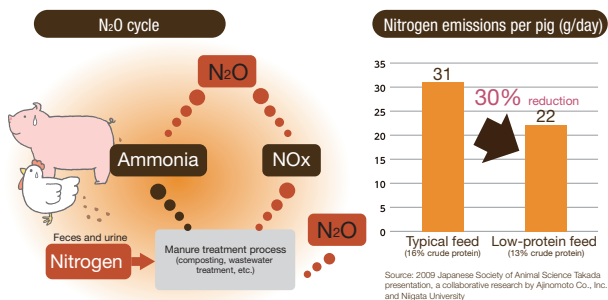
It is well recognized that an adequate use of feed-use amino acids can substantially reduce nitrogen excretion from animals and save natural protein resources, thereby contributing to soil and water quality preservation, reductions in greenhouse gas emissions, and efficient use of limited arable land. Ajinomoto Animal Nutrition Group, Inc., as a leading amino acids manufacturer, is taking initiative in promoting these benefits through the development of environment-friendly new products and collaboration with international and local organizations.

Reduction of environmental impact using feed-use amino acids

Animal proteins consist of 20 different amino acids, several of which are not synthesized in sufficient quantities in the body. These amino acids must be supplemented through feed. Feeds that have a poor amino acid balance prevent the body from effectively using amino acids, so that they are excreted as nitrogen compounds, which impact soil and water quality.

Additionally, a part of the nitrogen that is oxidized and reduced in the soil or air is released into the atmosphere as nitrous oxide (N<sub>2</sub>O), which has approximately 300 times the warming potential of CO<sub>2</sub>. The addition of feed-use amino acids helps livestock to better use the nutrition content of feeds, which helps to reduce the impact on the global environment. Poultry meat raised with an intensive use of feed-use amino acids and under conditions of reduced environmental impact is used as a raw material for frozen foods produced by Ajinomoto Frozen Foods Co., Inc. This is one of Ajinomoto's endeavors to contribute to global environmental conservation across the supply chain.

N<sub>2</sub>O cycle



Promotion of the benefits of feed-use amino acids worldwide

In August 2012, the Specialty Feed Ingredients Sustainability (SFIS) consortium was established, representing feed industry associations in Europe, the Americas, and Japan, as well as leading manufacturers of specialty feed ingredients from around the world. Through its involvement in the SFIS consortium, Ajinomoto Animal Nutrition Group, Inc. is showing how amino acids in feed can help reduce environmental impacts.

In November 2015, the SFIS consortium announced product category rules for evaluation of the environmental impacts from livestock production (greenhouse gas emissions, eutrophication and acidification of rivers, etc.), specifically to assess lower protein levels in feed due to feed-use amino acids and effects of adding phytase.<sup>1</sup> It is hoped that these standards will facilitate the use of specialty feed ingredients as a way to reduce the environmental impacts of livestock production.

<sup>1</sup> Phytase is an enzyme that catalyzes the hydrolysis of phytic acid and releases phosphoric acid.

Communication of the environmental benefits of feed-use amino acids in Japan

To popularize environmentally friendly livestock farming, livestock farmers will have to be informed about how greenhouse gas emissions can be reduced with feed-use amino acids. The farmers who use feed-use amino acids will also have to benefit in some way from the emission reductions they achieve. The Ajinomoto Group is engaged in various initiatives to help livestock producers understand these benefits.

■ Visualization of carbon footprint

The Ajinomoto Group is using carbon footprint to quantify CO<sub>2</sub> emissions in the life cycle of feed-use amino acids.

Identifying CO<sub>2</sub> emissions in the life cycle of feed-use amino acids

- March 2011 Certified as a project under the domestic credit system of the Ministry of Economy, Trade and Industry (Japan)
- September 2011 CFP values certified for feed-use lysine under the CFP Pilot Project of the Ministry of Economy, Trade and Industry (Japan)



■ Contributions to emissions offset credit scheme

Ajinomoto Co., Inc. was a contributor to the development and adoption of an emissions offset credit scheme in Japan, with a methodology to reduce N<sub>2</sub>O emissions from pig and broiler manure treatment by utilizing low-protein feed under the J-Credit Scheme.<sup>2</sup> This provides an incentive for livestock producers to use feed-use amino acids to reduce environmental impact and could develop into a global framework with major implications and benefits.

<sup>2</sup> Created in fiscal 2013, the J-Credit Scheme integrated the Domestic Credit Scheme and Offset Credit (J-VER) Scheme. Under J-Credit, the Japanese government certifies and gives credits for CO<sub>2</sub> emissions reduced by means such as switching to energy-efficient devices, using sustainably energy, and absorbing CO<sub>2</sub> through proper forest management.

■ Low CO<sub>2</sub> Kawasaki Brand: Certification and award

Ajinomoto Co., Inc. feed-use lysine was certified in January 2015 under the Low CO<sub>2</sub> Kawasaki Brand certification program<sup>3</sup> for contributing to a reduction of global greenhouse gas emissions. It was also awarded the grand prize in February 2016 in the Low CO<sub>2</sub> Kawasaki Brand 2015 Awards, in the products and technologies category.



Award ceremony at Kawasaki International Eco-Tech Fair, February 2016.

The company will continue environmental efforts in collaboration with the Kawasaki City program, and further contribute to the environment through amino acids for use in animal feed.

<sup>3</sup> A certification program that aims to prevent global warming, raise awareness, and boost skills in Kawasaki City as a whole, by evaluating and promoting products, technologies and services originating in Kawasaki that can contribute to a reduction in CO<sub>2</sub> emissions through the entire lifecycle. The program began in 2009 and has already issued 61 certifications.

# Development of Environmentally Friendly Packaging

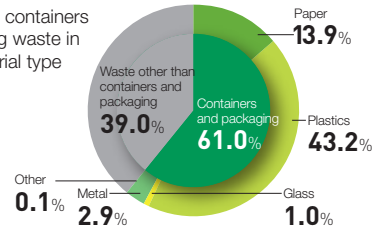
The Ajinomoto Group has worked to develop containers and packaging that minimize environmental impact while fully maintaining the quality of the food inside. Consumers today want to select products that are as environmentally friendly as possible, and the Group is determined to support this trend.

## DATA

### Household trash, and containers and packaging

Japan disposed of 44.32 million tonnes of trash in 2014. Household trash accounts for approximately 65% or 28.74 million tonnes, of which a high 61% by volume is containers and packaging.

• Breakdown of containers and packaging waste in trash by material type



Source: Survey on Containers and Packaging Waste by the Ministry of the Environment (fiscal 2014)

\*The sum of values may not match the total shown due to rounding.

## Efforts to meet customer needs

Containers and packaging serve an important role in maintaining the quality of the food they hold until opened, yet they account for approximately 61% of Japan's household waste by volume (fiscal 2014 results). In a survey on daily dietary habits and environmental awareness conducted by Ajinomoto Co., Inc., more than 80% of consumers said that they "try to reduce trash," "separate trash properly," and "buy refillable products as much as possible."

To address social issues around food, resource depletion, and energy, the Ajinomoto Group strives not only to reduce consumption of packaging materials and CO<sub>2</sub> emissions, but also to create innovative container and packaging technology. The Group's innovations span many fields: reducing food loss with technologies that maintain product freshness and extend best-before dates and technologies that prevent food residue in packaging, introducing biomass plastics to replace petroleum-derived raw materials, developing ways to use inedible raw materials, and designing packaging for greater efficiency in logistics and delivery.

### Survey on environmental consciousness of customers

- I try to reduce trash in my daily life **78%**
- I take care to separate trash properly **95%**
- I try to buy refillable seasoning products **83%**
- I think that there is a lot of waste in food packaging and trays for perishables **83%**

Source: Ajinomoto Co., Inc. Ajinomoto Monitoring Consumer Survey 2015  
Sample: 2,064 homemakers from households across Japan composed of two or more people aged 20-70

## Organizations to improve containers and packaging

The products of the Ajinomoto Group require many different kinds of containers and packaging. To encourage each group company to make its containers and packaging more environmentally friendly, the Group holds events like the Ajinomoto Group Food Conference and the Packaging Designers' Liaison Meeting. The Group will continue to leverage its comprehensive strengths to make further improvements toward environmentally friendly, easy-to-understand packaging design.



Packaging Designers' Liaison Meeting

## Cooperation with outside organizations

The Ajinomoto Group implements 3R activities by engaging with stakeholders through consumer dialogues and sharing examples of new packaging technologies with the public, and by participating in recycling councils and governmental organizations to improve containers and packaging laws and systems. For example, in Containers and Packaging Diet Declaration in Nine Municipalities in fiscal 2015, the Group showed how resource was saved by eliminating inner box for *Marudori Gara Soup* 110-gram packet, which reduced packaging use by 40 tonnes and cut CO<sub>2</sub> emissions by around 280 tonnes.

### Examples

- Eco-Products Exhibition
- Containers and Packaging Diet Declaration in Nine Municipalities
- Presentation of 3R best practices to recycling councils (Paper Packaging Recycling Council, Plastic Packaging Recycling Council)

## Containers and Packaging 3R Promotion Plan and environmental awareness initiatives

Each company in the Ajinomoto Group has its own systems, targets and plans to implement environmental considerations.

In the 2011–2015 Containers and Packaging 3R Promotion Plan, Ajinomoto Co., Inc. has established overall reduction targets, specific goals on packaging that can be refilled, packaging that is easy to separate, and packaging materials that are environmentally superior. In fiscal 2015, the final year of the plan, compared to the base year of fiscal 2010, plastic consumption per product weight<sup>1</sup> was down 2.8% while paper consumption per product weight was 7.8% higher. While progress in reducing paper consumption was achieved for many products, the reasons for the increase are; increase in unit package weight due to decrease in the volume of contents based on changes in consumption behavior, and products for which 3R activities were inappropriate in view of the suitability of facilities or product shelf life.

Ajinomoto Co., Inc. always conducts an environmental assessment of containers and packaging before a new retail product is released. The assessment is based on the company's own Eco-Index for Containers and Packaging. Each product is checked from four perspectives: (1) reduction in weight of packaging materials; (2) selection of materials; (3) recyclability; and (4) labeling (customer appeal). Evaluation items are revised when needed. In the assessment, the company also calculates the LC-CO<sub>2</sub> of packaging,<sup>2</sup> which it uses as supporting data to identify and provide information on the product's environmental performance.

As shown in the chart below, the "3R management system" combines packaging weight data per product approved in the assessment with sales data per product, which enables the company to: (1) calculate recycling fees, and (2) track the progress of the 3R promotion plan, leading to the reliable management of container and packaging use.

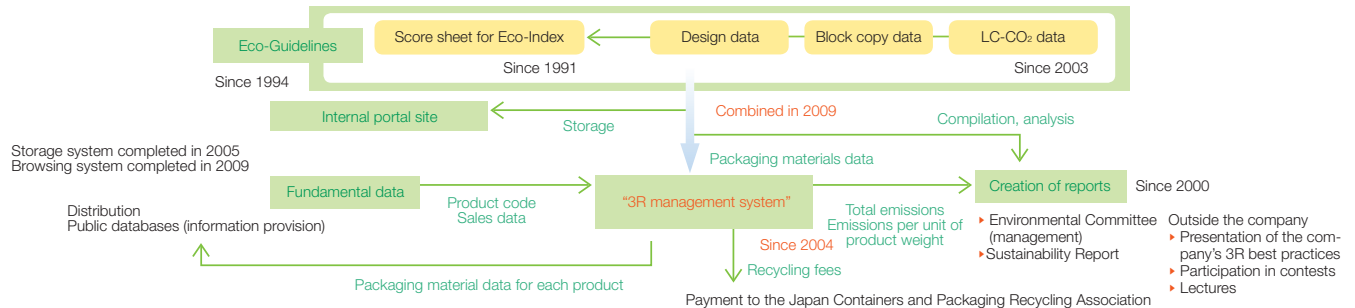
### Results of the Containers and Packaging 3R Promotion Plan in fiscal 2015

		Targets	Fiscal 2015 results
Reduction target (compared to 2010)	Plastic consumption (per unit of product weight)	Reduce by 2.0%	Reduced by 2.8%
	Paper consumption (per unit of product weight)	Reduce by 2.5%	Increased by 7.8%

**Introduction of new materials and technologies**  
**Ajinomoto Co., Inc. Nabe Cube**  
 Used an industry-first packaging that absorbs CO<sub>2</sub> when incinerated

<sup>1</sup> This value is calculated by dividing the gram weight of containers and packaging for each material by the kilogram product weight.  
<sup>2</sup> CO<sub>2</sub> emissions from the manufacture of a container or package through its disposal and recycling

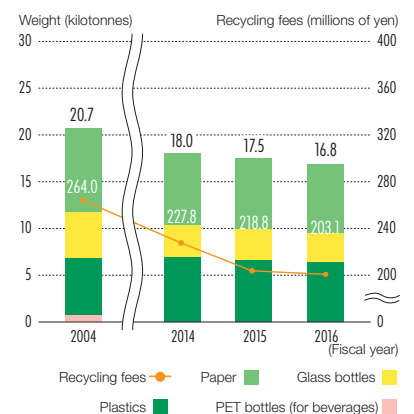
### Container and packaging environmental assessment since 1991 (computerized in 2005)



### Eco-Index for Containers and Packaging (Household edition)

Purpose	Evaluation item		
Reduction of environmental impact	Efficient use of resources	Reduction in weight of packaging materials	Weight of disposed packaging materials
			Weight reduction
			Degree of over-packing
			Appropriate space ratio (for boxed products)
Combating global warming	Selection of materials	Transport efficiency	
		Reduction in LC-CO <sub>2</sub> emissions	
		Use of materials derived from plants	
Contribution to a recycling-oriented society	Promotion of recycling	Recyclability	Use of environmentally friendly materials
			Utilization ratio of recycled materials
			Eco-labeling
			Adaptability to separated-waste collection
External promotion	Labeling	Labeling	Adaptability to recycling systems
			Reduction in volume for recycling and disposal
			Availability of environmental labeling (Availability of environmentally conscious labeling)

### Recycling fees and weight of containers and packaging by material type for products



## Development of environmentally friendly packaging

The Ajinomoto Group is working to introduce new technologies and use less packaging for everything from glass bottles, plastic film, pouches, and trays, to paper boxes and transport containers (cardboard) for products that use various forms of packaging.

### Highlights of packaging development

#### Case 1 An industry first CO<sub>2</sub> absorbing packaging Nabe Cube standing pouch

In fall 2016, Ajinomoto Co., Inc. introduced a packaging for *Nabe Cube* that absorbs CO<sub>2</sub> emitted during incineration.

Previously, the emphasis was on developing environmental packaging designs before product use, such as thinner, lighter, smaller containers and packaging, biomass plastics use, and improved loading efficiency. However, such measures have approached their limits in preserving packaging functionality, and new technologies were urgently needed. For this reason, the company has shifted the focus on packaging after product use and disposal and developed technologies to reduce environmental impact.

#### Mechanism and effect

By adding CO<sub>2</sub> absorbent to the adhesive used in *Nabe Cube* standing pouch, the pouch can partially absorb CO<sub>2</sub> emitted during incineration. The mechanism to reduce CO<sub>2</sub> involves two reactions: carbonization and adsorption. Materials that cause these reactions are enclosed in nanosized capsules for effective dispersal over the adhesive and to enhance their CO<sub>2</sub> reduction effect.

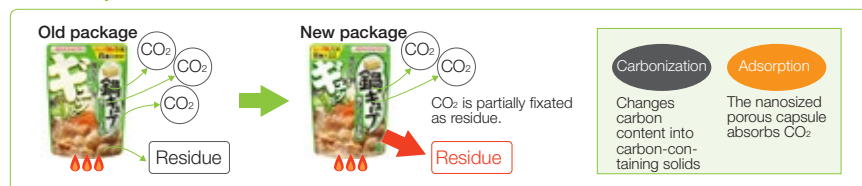
This is expected to reduce approximately 44 tonnes of CO<sub>2</sub> emissions annually during pouch incineration (equivalent to 25% cut compared to previous pouch).

\*All values are calculated based on sales for fiscal 2014.



Customers are provided information on eco-friendly products by labeling with the "Aji-na Eco" mark.

### Concept



#### Outside collaboration

Five leading manufacturers from various industries: Acteive Corporation, Sato Green Engineering Co., Ltd., Toyo-Morton, Ltd., Dai Nippon Printing Co., Ltd., and Ajinomoto Co., Inc. launched a consortium to develop the industry-first CO<sub>2</sub> absorbing packaging for food products.

Rather than adding CO<sub>2</sub> absorbent to the resin, CO<sub>2</sub> absorbing function to the adhesive was chosen because its impact on switching production facilities is lower and it has a larger potential for worldwide expansion.

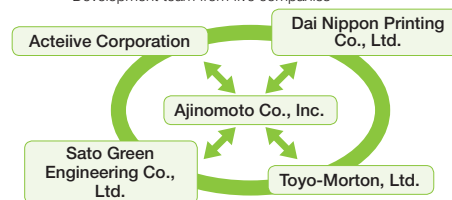
#### From developers

Although there were many development challenges, the greatest one was the odor of the pouch. At the start, we thought that this could be solved by removing the odor-causing substance. However, it turned out during evaluation that the offensive smell arose over time. We had to drastically change the structure of the CO<sub>2</sub> absorbent using trial and error. Since odor is one of the most important control items for food product packaging, we obviously made sure that it does not affect the package contents and exhaustively studied ways to improve smell so as not to cause discomfort to customers during package opening.

Going forward, we would like to expand its use to a wide range of products, in collaboration with packaging design staff in Ajinomoto Group companies.



Development team from five companies



### Case 2 New material-efficient packaging for Nabe Cube enables 3-way display

In August 2015, Ajinomoto Co., Inc. eliminated the inner box of *Nabe Cube* and introduced a transport container that can be opened with a single action and displayed in multiple ways.

To save resources on the inner box and make work simpler for store displays, an especially thick cardboard, called Delta Flute, was used for the transport container that provides strength while allowing for easy opening.

These alterations are expected to reduce 153 tonnes of packaging material and approximately 2.6 tonnes of CO<sub>2</sub> emissions annually (equivalent to 25% cut compared to previous packaging).

\*All values are calculated based on sales for fiscal 2014.

#### Main improvements

- 1 way: Added a window at the front of transport container, similar to previous inner box.
- 2 way: Added a large window opening at the front of transport container so that the product can be taken from shelves other than the top when displayed in large stacks. Changing the packaging material from the coated paper board used in the previous inner box into cardboard increased strength and enabled multiple stacking even with large front openings.
- 3 way: By opening at the center, the transport container can also be used as a tray for displaying the product as is.

#### From developers

The challenge was providing both strength to the transport container, so that the cardboard perforations do not rip during distribution and while loaded onto pallets during warehouse storage, as well as ease of opening for people doing store displays. I used an especially thick cardboard and searched for the right perforation pitch and shape.



A member of the Packaging Group (FAD-P), Product Development Center, Institute of Food Sciences & Technologies, Ajinomoto Co., Inc.

### Case 3 Downsizing all PAL SWEET® products

Ajinomoto Co., Inc. renewed *PAL SWEET*® in July 2016 and totally improved its packaging materials based on past packaging improvements in other products.

These improvements are expected to cut 31 tonnes of packaging material and 49 tonnes of CO<sub>2</sub> emissions annually.

\*All values are calculated based on sales for fiscal 2014.

#### Main improvements

- Thinner sticks <for all stick products> → About 15% reduction in packaging weight
- Change in shape and smaller dimensions of individual packages  
Paper box containing 20 sticks for home use: Change in shape → About 17% reduction in packaging weight  
Pack containing 120 sticks for restaurant and industrial use: 15 mm smaller width → About 7% reduction in packaging weight
- Change in transport container dimensions  
Pack containing 120 sticks for restaurant and industrial use: 35 mm smaller inner width, 65 mm smaller inner height  
→ Number of stacks in pallet 40 ⇆ 63 c/s (about 1.6 times), about 39% reduction in packaging weight  
120 g packet for home use: 8 mm smaller inner height and eliminated inner box  
→ Number of stacks in pallet 36 ⇆ 48 c/s (about 1.3 times), about 28% reduction in packaging weight
- Eliminated inner box <pack containing 60 sticks for home use, 120 g packet>  
-Reduced packaging material use by 25 tonnes annually by eliminating inner box, directly placing individual packages in the cardboard transport container, and strapping 4 transport containers together with bands.  
-This leads to shorter work time at stores, from opening cardboard containers until arranging individual packages on the shelf, and reduces waste. The new band used for bundling is made of thin, soft material, which helped reduce jamming of products in the cardboard container.

#### From developers

With the improvement of several products at the same time, we incorporated a wide variety of packaging improvements, from small alterations to big changes. It was very difficult to provide the usual strength to transport containers with the elimination of inner boxes. We accomplished this by adding special processing and other schemes.



Previous packaging



Improved packaging



Members of the Packaging Group (FAD-P)



## Development of Environmentally Friendly Packaging

### Case 4 Introducing the world's first plastic bottles made of 100% recycled, heat-resistant PET resin for all major AGF bottled coffee products

Plastic bottles using 100% recycled, heat-resistant PET resin were introduced to all major bottled coffee products in spring 2016. Only AGF has implemented such an initiative among drink manufacturers worldwide.

In spring 2012, AGF introduced plastic bottles that partially use recycled PET resin, adopting a recycling technology that recirculates old plastic bottles into new ones. However, although 500 ml bottles achieved 100% recycled resin use, 900 ml bottles merely had a 50% usage rate due to a difference in filling method. Filled at high temperatures, 900 ml bottles has been used along with heat-resistant petroleum-based resin since only non-heat-resistant recycled PET resin was available at the time.

Using an innovative technology solely owned by Toyo Seikan Group, plastic bottle chemical recycle<sup>1</sup>, AGF jointly developed a heat-resistant recycled PET resin with Toyo Seikan Co., Ltd. and PET Refine Technology, Co., Ltd., and introduced it to all bottled coffee products. This new technology reduces petroleum use for raw materials equivalent to roughly 2,000 tonnes a year.

<sup>1</sup> Used plastic bottles are chemically decomposed and returned into raw material state for reuse as PET resin. This enables recycling into plastic bottles with the same quality as new ones made from petroleum-derived raw materials. This technology is based on the unique PRT technique (IS method) by PET Refine Technology, Co., Ltd., a Toyo Seikan Group company, which is approved for use in food containers by the Food Safety Commission of Japan.

#### From developers

AGF bottled coffee have been using plastic bottles containing 50% recycled PET resin (non-heat-resistant, chemical recycle product). Continuous efforts with Toyo Seikan Group to make bottles using 100% recycled PET resin resulted in the development of a heat-resistant recycled PET resin.

By using this resin, we were able to find necessary manufacturing conditions to meet the standards, and succeeded in making 100% recycled PET resin plastic bottles for all major AGF bottled coffee products in December 2015.

At first, the bottle's compressive strength was not as high as expected and was unable to meet company standards for strength during pallet loading. We were able to satisfy the standards by making the plastic bottle's waist thicker, where stress is concentrated, to increase the compressive strength.

Awarded

**METI Minister's Award, 42nd Awards for Resources Recirculation Technologies and Systems (by Japan Environmental Management Association for Industry)**

### Case 5 Using FSC® certified packaging materials for gift set boxes

AGF began using FSC® certified<sup>2</sup> packaging materials for gift set boxes (body, lid, and partition) starting from the 2016 year-end gift season. About 40% of products now have the certification mark. AGF is aiming for 100% adoption of FSC® certified paper for gift boxes by March 2018.

In addition, to let consumers know that these products use paper produced from responsibly managed forests, AGF Gift and Ajinomoto Gift labeled the boxes with their own respective ecomarks, "Hotto-suru Eco" and "Aji-na Eco."

<sup>2</sup> Forest certification system given by the Forest Stewardship Council® to cardboard, paper, and other forest products made from responsibly managed forest resources. FSC®N002418



Ajinomoto Japanese, Western and Chinese Seasonings Gift Set A-30C

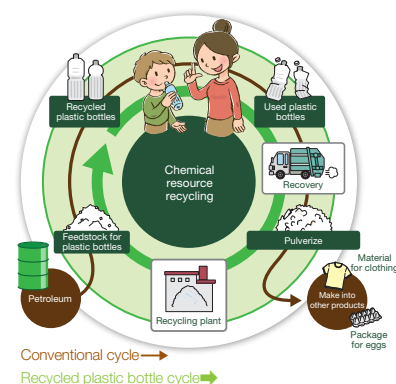


AGF Blendy Stick Cafe Au Lait Collection BST-30C



AGF Blendy bottled coffee 900 ml series

### Difference of plastic bottle cycles between conventional and recycled one



Members of Packaging Development Department, AJINOMOTO GENERAL FOODS, INC.



Labeled on the inner side of the box body



AGF Gift set box



Ajinomoto Gift set box

Promotion of products with original labeling for environmental packaging



Modern product packages are already small and thin, so it is often difficult for customers to notice changes made in package weight, thickness, and size and materials used. However, when the enormous sales volume of products is taken into account, the sum of these small efforts can result in significant environmental benefits.

Consumers want to purchase environmentally friendly products and to know whether a product is eco-friendly at a glance, so the Ajinomoto Group and AJINOMOTO GENERAL FOODS, INC. began labeling products with their original "Aji-na Eco" and "Hotto-suru Eco" marks in 2010 and 2015 respectively.



 <p><b>What is "Aji-na Eco" mark?</b> "Aji-na Eco" is a term describing the smart and ecological products or information provided by the Ajinomoto Group, and the logo mark evokes the image of our green planet, the pleasure of eating, and a global environment made even better through food.</p> <p><b>Number of "Aji-na Eco" mark products</b> <b>180</b></p> <p>As of October, 2016 (Ajinomoto Co., Inc., Ajinomoto Frozen Foods Co., Inc., AJINOMOTO GENERAL FOODS, INC.)</p>	 <p><b>What is "Hotto-suru Eco" mark?</b> "Hotto-suru Eco" indicates AJINOMOTO GENERAL FOODS, INC. products with environmental features. The logo mark evokes the comfort felt when drinking one's favorite beverage, colored in an earth green. The "Hotto-suru Eco" label was introduced in spring 2015.</p> <p><b>Number of "Hotto-suru Eco" mark products</b> <b>129</b></p> <p>As of October, 2016 (AJINOMOTO GENERAL FOODS, INC.)</p>
--	--

<p><b>Plant-based plastic</b> The packaging material of these products contains plant-based plastic. Using raw materials derived from plants helps reduce fossil fuel use and CO<sub>2</sub> emissions.</p> <p>Products with a cap or tray made of more than 25% plant-derived plastic, replacing conventional fossil fuel-derived materials</p>   	<p>Products with PET film on the packaging surface made of more than 20% plant-derived plastic</p>
<p><b>Recycled plastic</b> The packaging material of these products contains recycled plastic. Using recycled plastic helps reduce fossil fuel use and CO<sub>2</sub> emissions.</p> <p>*Roasted and ground coffee products with PET film on the package's outer surface made of more than 80% recycled resin *Bottled coffee products with a PET resin bottle made of 100% recycled resin</p> 	<p><b>CO<sub>2</sub> absorbing packaging</b> These products use materials that absorb CO<sub>2</sub> emitted during packaging incineration.</p> 
<p><b>Recycled paper</b> These products actively use recycled paper containing more than 80% recycled pulp to make careful use of resources.</p> 	<p><b>Refillable</b> Reusing glass containers for a long time and refilling the contents from packets can reduce overall environmental impact.</p>  
<p><b>Sustainable timber</b> The packaging material of these products contains paper certified by the FSC<sup>1</sup>, indicating that it was produced from responsibly managed forests.</p> <p><sup>1</sup> Forest Stewardship Council® FSC®N002418</p>  	<p><b>Ecological thinning</b> These products use packaging material that contains pulp<sup>2</sup> from ecological forest thinning. The container packaging has been certified by the Forest Thinning Mark Certification Committee.<sup>3</sup></p> <p><sup>2</sup> More than 10% pulp from forest thinning <sup>3</sup> Committee of the National Federation of Forest Owners' Coop Associations</p> 
<p><b>Reduced packaging</b> These marks are displayed on products that use less packaging material than conventional products.</p>  	<p><b>No tray</b> These frozen food products are packaged in a large bag without a tray inside. It reduces the amount of waste, thereby lowering CO<sub>2</sub> emissions by about 20% to 50%.</p> 

<p><b>Easy separation</b> The packaging materials of these products are designed for easy recycling and disposal.</p> <p>After use, cap can be separated easily.</p>  <p>はずせるキャップでエコ</p> <p>Glass bottle labels can be peeled off easily.</p>  <p>捨てやすくてエコ</p>	<p><b>Web</b> →</p> <p>"Aji-na Eco" mark (Japanese) <a href="http://www.ajinomoto.com/jp/activity/environment/eco/life.html">http://www.ajinomoto.com/jp/activity/environment/eco/life.html</a></p> <p>"Hotto-suru Eco" mark (Japanese) <a href="http://www.agf.co.jp/csr/eco/">http://www.agf.co.jp/csr/eco/</a></p>
--	---

# Initiatives in Logistics

Logistics in the food industry faces many challenges, including a shortage of truck drivers, rising distribution costs, and environmental issues such as the need to reduce CO<sub>2</sub> emissions. The Ajinomoto Group is reducing its environmental impacts, from raw material procurement to product delivery.

To reduce transport-related CO<sub>2</sub> emissions, the Group is taking proactive measures, including boosting efficiency of delivery systems and pursuing modal shift and eco-driving.

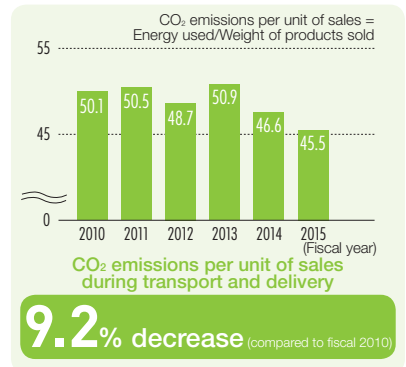
## Initiatives as a consignor

Japan's revised Act on the Rational Use of Energy obliged specified consignors to reduce CO<sub>2</sub> emissions from transport and delivery by at least 5% on a per-unit basis within five years of fiscal 2006. This applied to Ajinomoto Co., Inc. and Ajinomoto Frozen Foods Co., Inc.

In fiscal 2015, CO<sub>2</sub> emissions per unit of sales from transport and delivery declined 2.4% year on year, to 9.2% less than in fiscal 2010. This achievement was due to improved efficiency in distribution and the following actions the company took to manage risk. Learning from the Great East Japan Earthquake, the company set up two primary distribution centers—one in the northern Kanto region and one in the Kansai region—instead of relying on just one site in Kawasaki, as before. It adjusted its nationwide distribution network to accommodate these changes.

Going forward, the Ajinomoto Group expects to continue to meet the legal requirement of a 1% annual reduction.

## CO<sub>2</sub> emissions per unit of sales

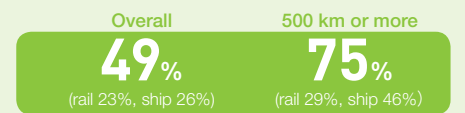


## Modal shift by Ajinomoto Co., Inc.

Modal shift<sup>1</sup> efforts in the Ajinomoto Group began in 1995, spearheaded by Ajinomoto Co., Inc.'s Logistics Planning Department and AJINOMOTO LOGISTICS CORPORATION. The Super Green Logistics Plan of Ajinomoto Co., Inc. is currently being implemented to simultaneously strengthen transport capacity and make distribution environmentally responsible. Distribution is being overhauled to address the chronic shortage of long-distance truck drivers and the drop in transport efficiency caused by the shift to the Dual Mother Distribution Center system.

Until 2012, only rail transport was used for distances of 500 km or more, but the use of ship transport is now being increased. Ships are now used to transport products from Kanto to Hokkaido, Kansai to Kyushu, and Kawasaki to Kansai. Meanwhile, rail transport has been enhanced by utilizing large and efficient 31-foot containers. In fiscal 2015, the modal shift percentage of Ajinomoto Co., Inc. was 75%. Efforts to increase this percentage are ongoing, with a target of reaching 87% by the end of fiscal 2016.

## Modal shift percentage of Ajinomoto Co., Inc. FY2015 results (food products category)

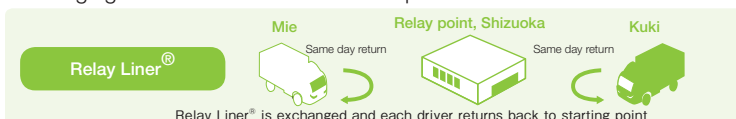


Cargo ferry used in ship transport

<sup>1</sup> Changing to modes of transport with lower environmental impact, including rail and ship transport. Railway container and ship transport produce one-eighth and one-fifth of the CO<sub>2</sub> emissions of trucking, respectively.

## Relay Liner®: Better work environment for drivers and transport efficiency

The Ajinomoto Group is addressing the improvement of work conditions for long-distance truck drivers. Main issues include irregular work arrangements, the need to sleep in the truck, and long working hours. In August 2015, AJINOMOTO LOGISTICS CORPORATION started using the Relay Liner®, which allows drivers from the Mie and Kuki Distribution Centers same-day return by exchanging entire loaded trailers at a midpoint Shizuoka.



Specialty-designed trailer Relay Liner® Loads 1.5 times the pallets of a regular truck (16 pallets increased to 24)

TOPICS

### Collaborating to create “F-LINE”<sup>1</sup> food company distribution platform

Six Japanese food manufacturers (Ajinomoto Co., Inc., Kagome Co., Ltd., The Nisshin Oillio Group, Ltd., Nisshin Foods Inc., House Foods Group Inc., Mizkan Co., Ltd.) reached an agreement in February 2015 to establish the “F-LINE” food company distribution platform. To achieve sustainable logistics, six companies have discussed (1) collaborative shipping among the six companies, (2) redesigning their main routes for medium and long-distance transport, and (3) standardizing logistics systems.

<sup>1</sup> Food Logistics Intelligent Network

#### ■ Six companies’ collaborative shipping and standardized logistics systems

In April 2016, the six companies started joint shipping (for non-refrigerated products) in Hokkaido. To improve transport efficiency, they combined four shipping centers into two to share their storage and delivery trucks. The platform called “F-LINE” has decreased CO<sub>2</sub> emissions by about 16% (during the period May to July 2016).

Also, the companies are linking up their systems and centralizing logistics information for joint shipping to standardize and boost efficiency of their logistics functions, including inventory control and delivery trucks allocation. This reduces the number of deliveries than before when multiple companies were delivering products individually as well as the amount of receiving work on the receiving side, leading to greater overall efficiency across the supply chain.

#### ■ Cooperation on backhauling to reduce CO<sub>2</sub> emissions

In March 2016, Ajinomoto Co., Inc. and Mizkan Co., Ltd. launched joint use of rail for two-way medium and long-distance transport between the Kanto and Kansai regions. Previously, both companies used rail and truck to transport product inventories carrying loads only in one direction. Ajinomoto now sends its products on the outward shipment, and Mizkan uses the return container to transport its products. Both companies have reduced trash, and increased the total modal shift percentage on this route from 10% to 40%, reducing CO<sub>2</sub> emissions by about 20% (March to July 2016). Two 31-foot containers (one is owned by AJINOMOTO LOGISTICS CORPORATION) are reused for one return trip each day.



AJINOMOTO LOGISTICS CORPORATION's Sapporo Distribution Center in Hokkaido

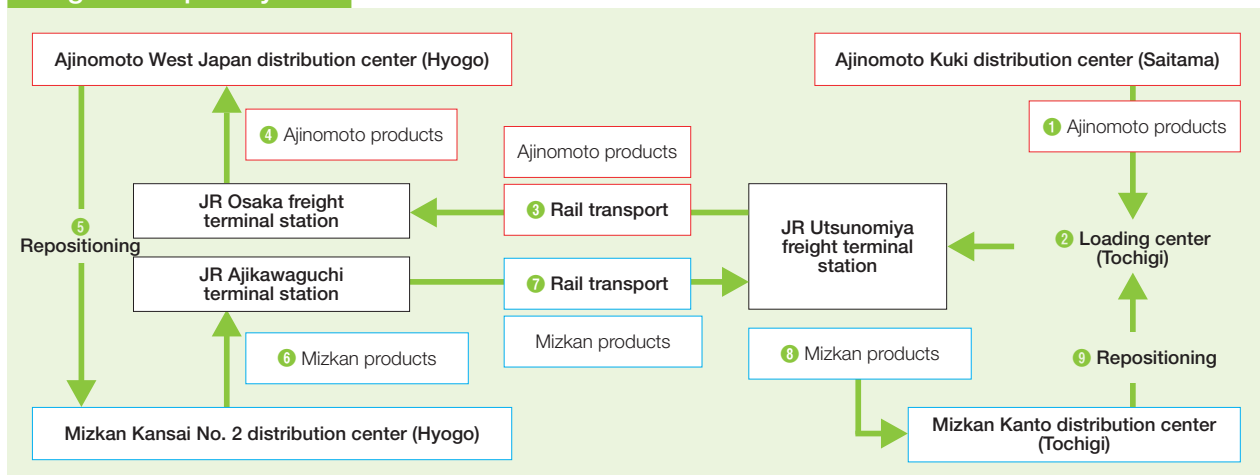


Standardized shipping documents for “F-LINE.” AGF is gradually introducing same system in Hokkaido



Rail Liner® 31-foot container for rail shipments Integrated folding wing design speeds up loading by allowing open access for full length

### Freight transport system



# Environmental Management

The Ajinomoto Group has been using an environmental management system (EMS) that conforms with the ISO 14001 standard at each Group site, including overseas locations. In fiscal 2015, the Group complied with national and local regulations, and no major environmental problems arose near factories. The Group will continue with these efforts while following the new ISO 14001 standard, revised in 2015 for the first time in 11 years, which shifted its focus from simply reducing harmful environmental impacts to managing environmental risks and opportunities, contributing to environmental improvements, and emphasizing corporate competitiveness. One of the major changes is the inclusion of the “life cycle approach,” which moves beyond the previous site-specific emphasis on factories and premises to consider entire business processes instead.

## Group-wide environmental management

The Ajinomoto Group has established an environmental management structure headed by the Management Committee to ensure that measures are implemented all across the Group. This structure forms the basis for a range of environmental management activities, such as the formulation of plans (three-year medium-term plan and annual plan), implementation of assessments and audits, and collection of data.

The Group revised the Ajinomoto Group Environmental Philosophy and Basic Policies in April 2011 as a statement of its determination to promote business activities and products that contribute to the environment and to stay in dialogue with society.

### Fiscal 2016 performance

#### Environmental management

ISO 14001 certification had been acquired at

**118** sites, or **84%** of all target sites

(As of June 2016)

## Group-wide environmental management activities

After consolidation of group companies and some plant construction in fiscal 2015, the Ajinomoto Group had a total of 140 sites subject to environmental management (as of June 2016), of which 118 have acquired ISO 14001 certification. Sites not yet certified are working steadily toward certification.

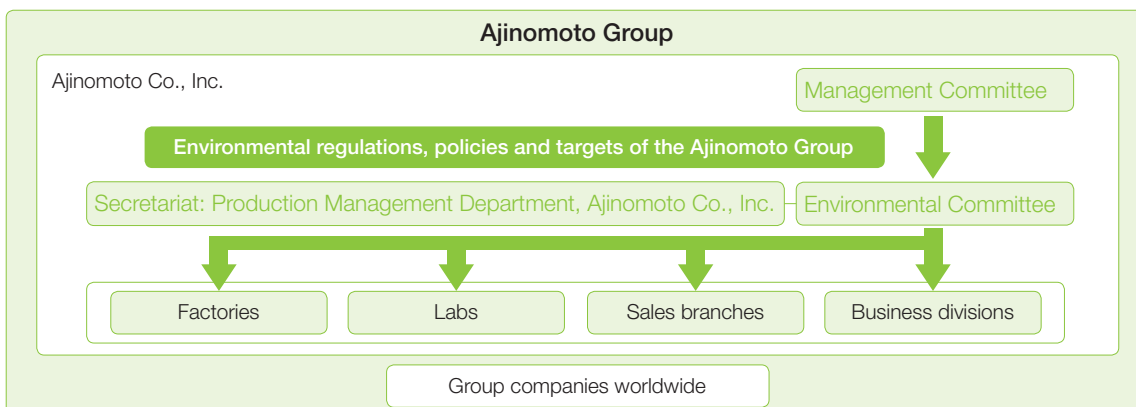
In promoting group-wide environmental management, it is important to have a way to quantitatively identify environmental impact. Group companies are now using a new system called ACSES<sup>1</sup> to collect environmental data, and instead of collecting data twice a year, can now report results monthly, aligned with actual operations of the organization. The data is used to manage the progress of Group environmental achievements and the Ajinomoto Group Zero Emissions Plan, as well as for external information disclosure, such as to CDP.

<sup>1</sup> Ajinomoto Group Communication System for Environment and Safety



Mojokerto Factory, PT Ajinomoto Indonesia workers in charge of “Ajinomoto Group Zero Emissions” activities

## Ajinomoto Group’s EMS organization



## ■ Environmental assessments

When the Ajinomoto Group launches new products and businesses, or changes the use of conventional raw materials in production processes, it assesses the environmental impact of business plans before they are conducted and takes necessary measures to minimize future risks. Environmental assessments are performed by departments responsible for the proposed plans, and their results are reviewed by the Production Management Department before final approval by management. In April 2010, the authority to conduct environmental assessments for launching new or renewed food products was partially delegated to some business sites in the ASEAN region to reflect local environmental circumstances more appropriately.

With regard to business performance evaluation, environmental items are included in the Ajinomoto Group's business performance evaluation for each business unit. These items, weighted at 5% of the total evaluation, are assessed based on achievement of environmental targets. This arrangement demonstrates the priority the Group gives the environment.

## ■ Environmental audits

The Ajinomoto Group values environmental auditing, which equates to the Check function in the Plan, Do, Check, Act (PDCA) cycle, and it has created a multi-tiered internal and external auditing structure. In addition to external audits for compliance with ISO 14001 standards, internal auditors conduct regular environmental audits every 6 to 12 months based on the standards. These audits check the progress in achieving targets and plans in each department and help ensure continuous improvement in environmental management. Moreover, Group environmental audits are conducted for sites with significant environmental impact, aiming to ensure that environmental management is integrated with business activities. In Japan, internal environmental auditors attend lectures from outside instructors to increase their expertise, and this helps to strengthen the overall environmental management system. Starting in fiscal 2016, lectures for internal auditors have been held based on the 2015 version of ISO 14001 to bolster the training for the new standards across the Group.

## ■ Disaster prevention systems and response to environmental accidents

The Ajinomoto Group promotes open communication with neighborhood residents. The Kawasaki Administration & Coordination Office of Ajinomoto Co., Inc. has launched an environmental monitor system in which community residents immediately call the plant when they sense anything unusual, such as a strange odor. The Kyushu Office of Ajinomoto Co., Inc. holds periodic meetings with the neighborhood association to seek opinions. In addition, plants outside Japan, such as those belonging to Ajinomoto Co., (Thailand) Ltd., Ajinomoto Vietnam Co., Ltd., and S.A. Ajinomoto OmniChem N.V., conduct plant tours for community residents.

The Group has built a system for quickly addressing any legal violations or accidents related to the environment. No regulatory violations occurred in fiscal 2015. A number of environmental accidents did occur, including a fuel leak from an AJINOMOTO LOGISTICS CORPORATION truck, a load being scattered on road due to a truck accident, and a CFC gas leak from a refrigerator at Knorr Foods Co., Ltd. However, none of these incidents had a serious environmental impact. The Group investigates the causes of problems and works to prevent recurrence.

### ■ Environmental assessment items

Seven types of typical pollution	Air pollution, water pollution, noise, offensive odor, soil contamination, vibration, ground subsidence
Trash disposal	Proper trash disposal, responsibilities of trash generator, etc.
Global environmental issues	Global warming, biodiversity conservation, acid rain, etc.
Management of hazardous substances	Substances subject to PRTR, asbestos, new chemical substances, etc.
Creation of a recycling-oriented society	3Rs, resource and energy conservation, control of trash generation, etc.
Effects of buildings	Right to sunlight, radio wave disturbance, etc.
Purchase and sale of real estate	Soil contamination, accountability, guarantee against defects, etc.
New science and technology	Chemical and microbial contamination, etc.
Corporate social responsibility	Action guidelines, information disclosure, communication with the community, etc.
Product development	Eco-design, raw material procurement, logistics, life cycle assessment, etc.



Environmental monitor meeting at Kawasaki Administration & Coordination Office of Ajinomoto Co., Inc.

# Environmental Education and Awareness Raising

Ensuring that every employee has a strong environmental awareness is the starting point of all environmental protection efforts at the Ajinomoto Group. The Group provides its employees around the world with various opportunities for systematic environmental education and fosters better awareness to encourage them to take specific action in their respective workplaces.

## Specialized education and training

Environmentally responsible businesses activities require employees to constantly improve their expertise and skills. The Ajinomoto Group provides ongoing education to environmental managers in each organization, as well as environmental assessment training for members of each division and research department developing new businesses and products. The Group has held 111 training lectures for internal environmental auditors to the end of March 2016, attended by a total of more than 2,750 participants. Training for internal auditors on the 2015 edition of the ISO 14001 standard also began in January 2016.

With environmental concern evolving from a focus on pollution control to broader protection of the global environment, the frequency of legislation and revision of environmental regulations is on the increase. The Ajinomoto Group stays up-to-date with these changes and takes the steps needed to stay compliant. To aid this effort, the Group started environmental law seminars for EMS staff in Japan in fiscal 2011, providing practical knowledge of laws particularly relevant to the Group's business. In fiscal 2015, the seminars delivered information on amendments to Japan's Trash Disposal Law and their practical application, and on recent legislative developments. The Group is also enhancing its practical education on compliance on chemical substance management by offering regular seminars to the employees concerned.



Group work at an internal environmental auditor lecture



Environmental law training session on trash disposal

## Education and awareness-raising activities

The Ajinomoto Group educates employees and raises their awareness of environment issues, as they are the key to ensuring its diverse businesses help to build a more sustainable world. Human resources, general affairs, risk management and other departments collaborate in providing ongoing education tailored to each employee grade to ensure everyone understands the Group's environmental initiatives.

In compliance trainings organized by Business Conduct Committees for managers of domestic group companies, the environment has been a theme since fiscal 2012. The trainings help management-level personnel understand their roles and Ajinomoto Group policies to fulfill corporate social responsibilities in the face of increasingly diverse environmental issues. Ajinomoto Co., Inc. also offers environmental education for each personnel level, including new employees and new managers.

Every year since fiscal 2007, the Group has run a campaign to foster social and environmental awareness as part of its Smile Earth! activities. In fiscal 2015, a campaign to reduce food loss was rolled out worldwide.

### Structure of environmental education

	Group companies in Japan	Ajinomoto Co., Inc.
Specialized education	<ul style="list-style-type: none"> <li>• Training for environmental managers/staff</li> <li>• Lectures for internal environmental auditors</li> </ul>	<ul style="list-style-type: none"> <li>• Environmental assessment seminars</li> </ul>
General education	<ul style="list-style-type: none"> <li>• Compliance training</li> </ul>	<ul style="list-style-type: none"> <li>• Training for new managers</li> <li>• Training for new hires</li> <li>• Training for mid-career hires</li> <li>• Training for staff to be posted overseas</li> </ul>

Group-wide awareness-raising activities  
 • Smile Earth! environmental awareness campaign



Materials for compliance trainings



Fiscal 2015 poster

Web →

Ajinomoto Group Smile Earth!  
<http://www.ajinomoto.com/en/activity/csr/smileearth/>

# Consumer Issues

A Consumer-Driven Approach to a More Sustainable World

## INDEX

### P1 Efforts to Ensure Reliable Quality

- Quality assurance system of the Ajinomoto Group
- Initiatives in fiscal 2015 and beyond

### P7 Communication with Customers

- Listening to and learning from customers
- Rigorous management of personal information

### P11 Sustainable Lifestyles, Starting with the Dining Table

- Promotion of green living starting with the dining table through products, recipes and advertising
- Ajinomoto “Eco-Friendly Eating KIDS” Prize awarded to tomorrow’s leaders
- Promotion of environmental food lifestyles at home
- Partnership with Kawasaki City and Kao Corporation on sustainability education
- Communication with consumers at the Eco-Products 2015 exhibition
- Forums for envisioning an ideal future

## Related company policies

### • Ajinomoto Group Quality Policies

Principles & Policies P40

<http://www.ajinomoto.com/en/activity/quality/>

### • Customer Satisfaction Promotion Policy, Customer Satisfaction Code of Conduct

Principles & Policies P41

<http://www.ajinomoto.com/en/activity/quality/communicating/>

### • Privacy Policy

Principles & Policies P42

<http://www.ajinomoto.com/en/privacy/>

## Fiscal 2015 activity highlights

- Products improved based on customer input



→ P9-10

- Partnership with Kawasaki City and Kao Corporation on sustainability education



→ P13



# Efforts to Ensure Reliable Quality

It is only natural that food product companies are held responsible for the safety and quality of their products. The Ajinomoto Group applies its own quality assurance system, the Ajinomoto System of Quality Assurance (ASQUA), to all of its products and services. This ensures strict quality assurance from raw material procurement to product sales.

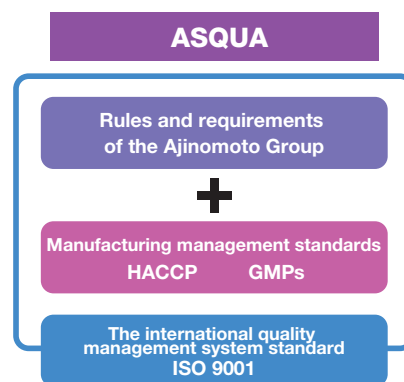
## Quality assurance system of the Ajinomoto Group

### ■ Ajinomoto System of Quality Assurance (ASQUA)

Established in 1997, ASQUA is the Ajinomoto Group's own quality assurance system. Its core content is based on ISO 9001, the international quality management system standard, and supplemented by manufacturing management standards such as Hazard Analysis and Critical Control Points (HACCP)<sup>1</sup>, and Good Manufacturing Practices (GMPs).<sup>2</sup> The system is also administered under the Ajinomoto Group's Quality Policies, Ajinomoto Quality Assurance Regulations, Regulation for Quality Assurance, Quality Standards, and other rules and requirements established by the Group or each internal organization. With ASQUA, the Group carries out thorough quality assurance activities worldwide, from the procurement of raw materials to the sale of products, always pursuing even higher quality manufacturing. Customer requests and expectations are also promptly utilized to improve products, services, and business operations.

<sup>1</sup> Management standards for manufacturing foods in a safe and sanitary manner.  
<sup>2</sup> Standards relating to manufacturing management.

### ■ ASQUA framework



### ■ Ajinomoto Group's Quality Standards

The Ajinomoto Group has established its own standards, "ASQUA," to ensure that products maintain the level of quality expected of the Ajinomoto Group brand. In fiscal 2015, the Ajinomoto Quality Assurance Regulations, Regulations for Quality Assurance, and other ASQUA standards were revised in response to internal and external changes following the revision of ISO 9001. Thirteen of the 28 quality standards composing ASQUA were revised in addition to the creation or revision of four Guidelines for Pharmaceutical Products and Active Pharmaceutical Ingredients, providing the basis for stricter quality management.

#### Ajinomoto Group's Quality Standards (examples from among the 28 standards)

Standard for Quality Assessment	of Food Packaging Materials	Responding to Quality Emergencies
Standard for Educational Training on Quality	Standard for Food GMP	Standard for Food Defense <sup>3</sup>
Standard for Halal <sup>3</sup> Control	GMP Standard for Pharmaceutical Drug Products	Standard for Traceability
Standard for Kosher <sup>4</sup> Control	Standard for HACCP	Standard for Handling of "Voice of Customer"
Standard for Product Labeling	Standard for Quality Control of Subcontracted and Procured Products	Standards for Effective Use of "Voice of Customer"
Standard for Quality Control of Raw Ingredients	Standard for Responding to Complaints	Standard for Management of Warehouses
Standard for Safety and Sanitation	Standard for Determination of	

### ■ ASQUA components

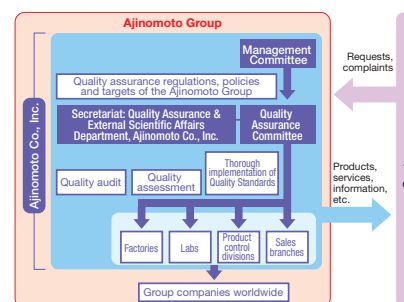


- <sup>3</sup> Food permissible to eat under Islamic dietary restrictions.
- <sup>4</sup> Foods permissible to eat under Jewish dietary restrictions.
- <sup>5</sup> Measures to prevent deliberate tampering with products. Monitoring is carried out at every stage from raw material procurement to product sales, in order to prevent anyone from adding poisons or other substances to food products.

### ■ Organizational framework for ASQUA implementation

The Quality Assurance Committee attended by senior management is the highest organ for quality assurance in the Ajinomoto Group. The Committee considers customer feedback to draft its basic policies and plans, and after approval by the Management Committee, promotes their group-wide implementation. The status is reviewed by the Committee every six months. This framework ensures that everyone, from top management to frontline employees, maintains a strong awareness of product quality and a total commitment to providing safe products that are worthy of consumer trust.

### ■ ASQUA implementation structure



## Initiatives in fiscal 2015 and beyond

The 2014–2016 Ajinomoto Group Medium-Term Plan for Quality Assurance, continuing from previous years, sets out three guidelines: “Keep faith with customers,” “Fulfill customers’ expectations,” and “Aim for adequate management.” Based on these, new objectives were set, including: “Strengthen the food safety system,” “Prevent health damage,” and “Utilize the voice of the customer to offer products with new value and appeal.” Fiscal 2015 was a year of advancing on a global level initiatives begun in the first year of the plan.

### ■ Structural Enhancement to Guarantee Food Safety

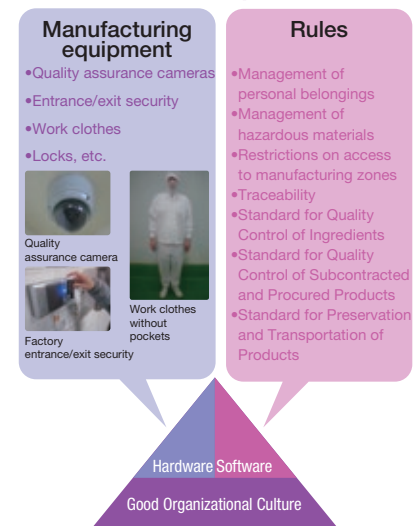
In December 2013, a frozen food product produced by another company in Japan was found to be contaminated with pesticide. Following this incident, the Ajinomoto Group established the Project for Structural Enhancement to Guarantee Food Safety in March 2014, aiming to deliver even more reliable products to customers. The project is made up of one subcommittee which investigates the organizational culture and another which investigates raw material procurement, production, preservation, and transportation.

The project is advancing various organizational enhancement measures to minimize risk across the Group’s worldwide supply chain. As shown in the diagram on the right, these include fostering a good organizational culture, based on trusting relationships with employees, and revising and strengthening both hardware elements such as manufacturing equipment and software elements such as quality standards and guidelines.

In fiscal 2015, the Ajinomoto Group made organizational improvements for food safety with regard to raw materials procurement, contract manufacturing, storage, and transportation at all planned manufacturing locations in Japan and at more than 90% of locations overseas. These activities were based on the Guidelines Aimed at Fostering a Good Organizational Culture set in fiscal 2014.

Further steps will be taken to increase food safety globally in fiscal 2016.

### ■ Diagram of food safety assurance concept



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

Delivering safe products is one of the most important responsibilities of doing business. The Ajinomoto Group makes continual efforts to reduce quality-related claims and incidents in all processes, from product design and procurement through production and sales.

In recent years, the Group has tightened management of raw materials suppliers and production facilities in response to increasing issues. Every quality claim and incident is carefully investigated to identify the cause and prevent recurrence. This information is then shared within the Group to prevent similar issues on a global level.

In fiscal 2015, the Ajinomoto Group issued three voluntary product recalls (one each: AJINOMOTO GENERAL FOODS, INC.; Ajinomoto Co., (Thailand) Ltd.; Ajinomoto Windsor, Inc.). To prevent similar incidents going forward, the Group will step up the aforementioned initiatives and management strategies.

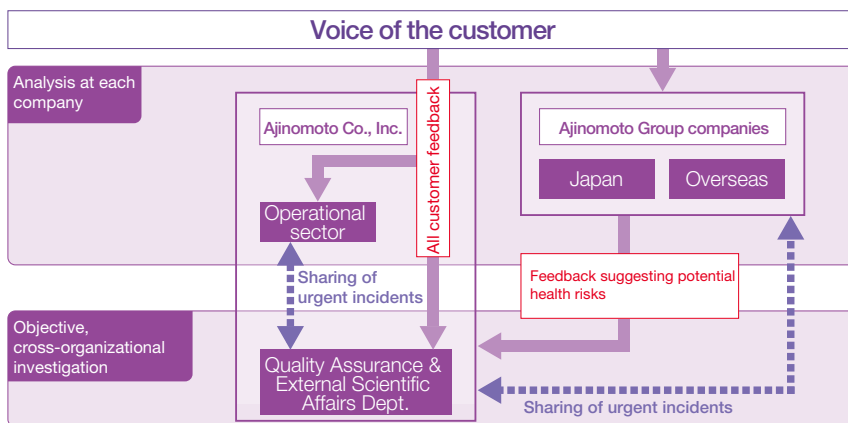
## ■ Enhanced monitoring of customer feedback to prevent health damage

In July 2013, a cosmetics manufacturer in Japan was responsible for health damage caused by a skin brightening product. To prevent any similar incidents, the Ajinomoto Group is strengthening its customer feedback monitoring system to ensure that the voice of the customer is never overlooked, with the aim of preventing serious problems such as health damage and regulatory violations.

Each group company regularly investigates all voices of customers it collects. Now, in addition to the above, the Quality Assurance & External Scientific Affairs Dept. of Ajinomoto Co., Inc. also rapidly confirms and analyzes in a cross-organizational manner the voice of any customer dealing with an actual or potential health damage. For incidents deemed emergent, Ajinomoto Co., Inc. has established a system for rapidly sharing customer feedback with the relevant departments in Japan.

This system was extended to group companies in Japan in fiscal 2014, and to subsidiaries in Thailand, Brazil, Vietnam, and Indonesia in fiscal 2015. In fiscal 2016, the Group will continue to introduce and refine this system at overseas subsidiaries.

### ■ Customer feedback monitoring system for preventing health damage



## ■ Rigorous supplier audits and quality control

The Ajinomoto Group applies the quality control standards and quality requirements of ASQUA also to the management of its manufacturing subcontractors and raw materials suppliers. In addition to regular assessments and quality audits, the Group also works with suppliers to reduce quality risks, improve quality levels, and achieve other objectives based on the Supplier Partnership Program (SPP).

In fiscal 2015, in addition to routine quality audits at suppliers of Ajinomoto Group companies in Japan, food defense audits<sup>1</sup> were also conducted to strengthen supplier management. For overseas suppliers, the Ajinomoto Group has established a Global Supplier Management (GSM)<sup>2</sup> system for carrying out mutually cooperative quality audits. These GSM audits were utilized in fiscal 2015 for continued management of overseas suppliers.

In fiscal 2016, the Group will further strengthen partnerships with suppliers through SPP while actively conducting GSM audits overseas to ensure provision of safe products to customers.

<sup>1</sup> Audits specifically intended to prevent intentional contamination of food products

<sup>2</sup> The Ajinomoto Group's unique system of mutually cooperative quality audits at its group companies outside Japan for strengthening quality management at raw material suppliers.



### ■ Quality audits of raw material suppliers in fiscal 2015

Department conducting the audit	Audited items	Number of audits
Group Procurement Center, Ajinomoto Co., Inc.	Raw materials	85*
	Packaging materials	25
Ajinomoto Frozen Foods Co., Inc.	Raw materials	193
AJINOMOTO GENERAL FOODS, INC.	Raw materials	31
	Subcontractors' products	4
		25

\*41 food items and 44 bioscience products

### ■ Third-party certification

In addition to third-party ISO 9001 certification, the Ajinomoto Group is also working to obtain Food Safety System Certification (FSSC) 22000<sup>1</sup> at manufacturing sites around the world in response to customer requests.

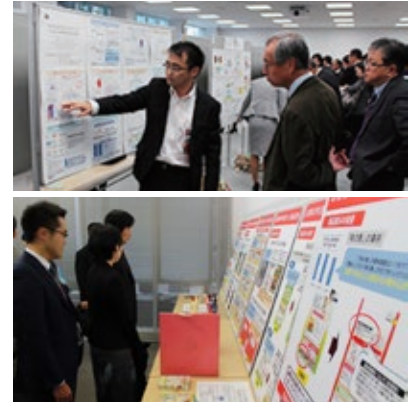
In fiscal 2015, organizations and subsidiaries that had already obtained ISO 9001, FSSC 22000, and other certifications maintained their status. Meanwhile, PT Lautan Ajinomoto Fine Ingredients, a joint venture founded in 2013, is developing its quality assurance system to obtain ISO 9001 certification in fiscal 2016.

The Ajinomoto Group is also working to comply with various religious standards in production so that Muslims, Jews, and other people of faith worldwide can enjoy food with peace of mind. By obtaining Halal, Kosher, and other certifications, group companies are incorporating into their quality assurance activities methods of delivering the great taste that comes with a respect and understanding of religious dietary needs.

In fiscal 2015, the Kawasaki Plant and Kyushu Plant of Ajinomoto Co., Inc.; Ajinomoto do Brasil Ind. e Com. de Alimentos Ltda.; and Shanghai Ajinomoto Amino Acid Co., Ltd. all obtained new Halal or Kosher certification for certain products.

The Ajinomoto Group will continue efforts to obtain GFSI certification in response to customer requests and to comply with religious standards, in addition to obtaining and maintaining ISO 9001 certification.

<sup>1</sup> A standard enacted by the Global Food Safety Initiative (GFSI) by merging the ISO 22000, the international standard for food safety management systems, and PAS 220, a food safety certification program for food manufacturers.



Ajinomoto Management and Technical Conference on Quality  
 Top: Poster presentation  
 Bottom: Newly created customer satisfaction corner (for sharing improvements based on customer feedback)

### ■ Human resources development to raise quality assurance levels

The Ajinomoto Group strives to upgrade its human resources development programs to further improve quality. Each year, the Group reviews its quality training, and creates programs that meet the needs of each organization and company. The programs are then implemented according to a plan.

In Japan in fiscal 2015, Ajinomoto Co., Inc.'s Quality Assurance & External Scientific Affairs Dept. held ISO 9001 internal auditor training as well as seminars on food labeling and regulatory matters. At the 36th Management and Technical Conference on Quality, the largest conference in the Ajinomoto Group, some 430 employees in Japan shared their quality assurance expertise.

Overseas, 133 employees participated in ASQUA School<sup>2</sup> sessions held in China, North America, Vietnam, Peru, and Brazil. In addition, nine employees from North America, Germany, Brazil, Thailand, the Philippines, Vietnam, Indonesia, and Hong Kong participated in the 15th Quality Management System (QMS) training course, where they spent two weeks studying a range of topics related to quality assurance and exchanged ideas for future initiatives.

Group companies worldwide also organized their own training to meet specific needs. In Japan, for example, Ajinomoto Frozen Foods Co., Inc. held trainings on food defense, misrepresentation and the new Food Labeling Act, while AJINOMOTO GENERAL FOODS, INC. held an integrated ISO course (quality, food safety, and the environment).

Overseas, Ajinomoto Co., (Thailand) Ltd. held training on food safety, HACCP, and GMP; Shanghai Ajinomoto Seasoning Co., Ltd. on food defense and regulatory issues; and West African Seasoning Co., Ltd. on GMP.

In fiscal 2016, the Group will plan and implement quality-training programs to develop skilled quality assurance personnel who can play an active international role.

<sup>2</sup> Practical quality assurance training focused on the Ajinomoto System of Quality Assurance (ASQUA).

### ■ Quality assurance education provided by Ajinomoto Co., Inc.: Sampling of fiscal 2015 programs

#### For group employees

- Ajinomoto Management and Technical Conference on Quality
- QMS Training Course (overseas only)
- ASQUA School (overseas only)
- Top management study session on quality
- Customer satisfaction training program
- ISO 9001 internal auditor education
- Quality audit seminar
- Study session on food product labeling
- Briefing on trends in government initiatives on food product labeling, etc.

#### For company employees

- Training for Japanese staff posted overseas
- New employee training
- Compliance training
- Quality assessment study session
- Basic course for understanding ASQUA, etc.



QMS Training Course

## Quality-related information sharing

The Ajinomoto Group shares helpful information on its packaging, websites, and other places so customers can purchase and use its products with greater peace of mind.

### 1. Sharing quality information on product packages

The packages of retail products marketed by Ajinomoto Co., Inc.; Ajinomoto Frozen Foods Co., Inc.; and AJINOMOTO GENERAL FOODS, INC. indicate not only all legally required information but also the following kinds of quality-related information (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)
- Packaging materials
- Customer service contact

### 2. Providing quality information on websites

Ajinomoto Co., Inc.; Ajinomoto Frozen Foods Co., Inc.; and AJINOMOTO GENERAL FOODS, INC.'s quality assurance websites provide information on management activities intended to assure the quality and safety of products across the range of processes from raw materials procurement through manufacturing and sales.

Ajinomoto Co., (Thailand) Ltd. and Ajinomoto do Brasil Ind. e Com. de Alimentos Ltda. both strive to tailor information to their own customers, everything from product information and recipes, to FAQs and cooking classes offered by group companies. In fiscal 2015, the Ajinomoto Group launched a new section on its global website detailing the Group's quality assurance activities (in Japanese, English, and Thai) to better inform global customers on quality. In response to customer requests, new languages and additional content will be added to the site in fiscal 2016.



Ajinomoto Co., Inc.'s product information website (Japanese)  
<http://www.ajinomoto.co.jp/products/>



Ajinomoto Co., Inc.'s quality assurance website (Japanese)  
<http://quality.ajinomoto.co.jp>



Ajinomoto Co., Inc.'s Customer Service Center website (Japanese)  
<http://okyakusama.ajinomoto.co.jp/>



Ajinomoto Group corporate website  
 Ajinomoto Group Quality Assurance  
<http://www.ajinomoto.com/en/activity/quality/>



Ajinomoto Frozen Foods Co., Inc.'s product information website on quality assurance (Japanese)  
<https://www.ffa.ajinomoto.com/quality>



AJINOMOTO GENERAL FOODS INC.'s website on safety and quality assurance (Japanese)  
<http://www.agf.co.jp/csr/product/vcaction.html>



Ajinomoto Co., (Thailand) Ltd.'s product information website  
[http://www.ajinomoto.co.th/en\\_home.php](http://www.ajinomoto.co.th/en_home.php)



Ajinomoto do Brasil Ind. e Com. de Alimentos Ltda.'s product information website (Portuguese)  
<http://www.ajinomoto.com.br/>

## ■ The policies and initiatives of the Ajinomoto Group available on the website

### Use of food additives

Food additives not only enhance dietary lifestyles by improving taste, aroma, and nutritional content, but also have other important roles, such as improving the shelf life of food. They are subject to stringent testing under the supervision of governments to confirm their safety. The Ajinomoto Group selects appropriate food additives for use in product development and production based on the latest research findings on safety and other relevant issues. The Group is also committed to clear and accurate labeling of food additives on its product packaging, in accordance with standards stipulated in relevant laws.

In recent years, the number of processed foods companies label as “Additive XX-free” or “No XX” on the market has increased. As a manufacturer of food products, the Ajinomoto Group views labeling methods that give consumers doubts about food additives recognized as safe based on government standards and scientific research as potentially misleading.

### Allergens

In order to protect people with certain allergies, Japan’s Consumer Affairs Agency requires food products in Japan to display information on whether they contain seven common allergens: wheat, milk, peanuts, eggs, buckwheat, shrimp and crab. It also recommends disclosure of 20 other allergens. The Ajinomoto Group in Japan not only labels the seven allergens required by law, but also lists 20 other allergens when contained in any of its retail products for general consumers. The Ajinomoto Group is also focused on strengthening its allergen control system by incorporating official analytical methods and contamination<sup>1</sup> controls.

<sup>1</sup> Microbial amounts of allergen substances mixing with food products during the manufacturing process despite the fact that these substances are not used as ingredients in the product.

### Pesticide residue

Pesticides are used for the cultivation of healthy vegetables to prevent pests and diseases and control growth of plants. Pesticide usage standards define the quantity, timing, method, and maximum number of applications. When these usage standards are followed, crops will not contain pesticides exceeding the maximum residue level. Still, depending on the usage method, in rare cases some pesticide may remain on harvested crops.

In order to ensure the safety of the vegetables it uses as raw materials, the Ajinomoto Group implements careful management of cultivated fields, including pesticide management. The Group also strives to use raw materials from Group-managed farms<sup>2</sup> and designated farms<sup>3</sup> as primary raw materials for certain products.

<sup>2</sup> Under the supervision of employees from the Ajinomoto Group, farms operated according to uniform standards for every process from crop cultivation through pesticide management.

<sup>3</sup> Farms that meet the Ajinomoto Group’s rigorous standards on pesticide management systems and are subject to regular Group inspections.

### Use of GMOs

Genetically modified organism (GMO) technology is expected to play an important role in the mitigation of environmental problems and food shortages. For instance, crops genetically modified for insect resistance may not need as much pesticide. At this time, it is also important to thoroughly confirm the safety of GMO foods. In Japan, stringent safety assessment of GMOs is conducted by the Food Safety Commission of the Cabinet Office and the Ministry of Health, Labour, and Welfare. Labeling standards have been established in order to provide necessary information to consumers, and the Ajinomoto Group faithfully complies with them.

### Traceability

The Ajinomoto Group has created a traceability system for the history of raw materials and products. In each stage of production, processing, and distribution, information is recorded and stored concerning raw material and/or product suppliers, delivery destination, and product manufacturing so that the movement of all raw materials and products can be traced. The Group also carries out proper supplier management, which is essential for obtaining accurate raw material information.

This dependable traceability system helps the rapid handling of customer inquiries and any incidents that may arise, allowing consumers to purchase products with confidence.

### Radioactive contamination

In Japan today, the safety of manufactured foods regarding radioactive contamination is being confirmed through continuous monitoring for radiation by government agencies, as well as through practices that prevent the distribution of food products that exceed regulatory limits. Going one step further, the Group uses measurement equipment and reputable analytical techniques to check, if necessary, for radioactive materials, especially in raw materials.

# Communication with Customers

The Ajinomoto Group strives to put the customer first by providing excellent service and innovative, high-quality products that are always safe. The Ajinomoto System of Quality Assurance (ASQUA) clearly defines channels for communicating with customers, and a customer service team established at each group company listens directly to customer opinions and requests. These teams share customer feedback, and employees focus on incorporating this feedback into business activities, products and services.

As part of these product quality management and customer satisfaction efforts, Ajinomoto Co., Inc. and Ajinomoto Frozen Foods Co., Inc. also developed the Customer Satisfaction Promotion Policy and Customer Satisfaction Code of Conduct based on the ISO 10002<sup>1</sup> standard for handling complaints. The Group is committed to delivering products and services that more than satisfy all customers.

<sup>1</sup> International guidelines for a complaint management system which set requirements for an organization to respond appropriately and promptly to customer complaints and improve customer satisfaction.

## Listening to and learning from customers

The Ajinomoto Group constantly seeks to improve customer satisfaction and has established customer service teams at five food product companies in Japan (Ajinomoto Co., Inc.; Ajinomoto Frozen Foods Co., Inc.; AJINOMOTO GENERAL FOODS, INC.; J-OIL MILLS, Inc.; and YAMAKI Co., Ltd.). The Group is now expanding this scheme to group companies outside of Japan, tailoring it to their product lines and local needs.

The Customer Service Center of Ajinomoto Co., Inc. strives to respond precisely, promptly and politely to inquiries and to provide information that delivers superior customer satisfaction and ensures consumers can use products with peace of mind. The center also records and analyzes the “voice of the customer” (VOC) daily and shares it with business divisions and product development departments to spur development of better products and services. Ajinomoto Co., Inc. understands how important every communication opportunity is. The company works constantly to improve customer relations and raise satisfaction, not only when providing products and services, but across all of its other business activities.

Group companies in Japan and overseas are carrying out initiatives in accordance with the ASQUA standards for the handling and effective use of VOC established in April 2014. In fiscal 2015, the five group companies in Japan held monthly study sessions to share updates and improve customer services, while three companies (Ajinomoto Co., Inc.; Ajinomoto Frozen Foods Co., Inc.; and AJINOMOTO GENERAL FOODS, INC.) jointly held a workshop and other programs to incorporate VOC into business practice.

Overseas, Ajinomoto do Brasil Ind. e Com. de Alimentos Ltda. has begun an initiative using VOC to improve quality, while Ajinomoto Co., (Thailand) Ltd. has started developing a system to efficiently relay customer inquiries internally. Ajinomoto Vietnam Co., Ltd. and PT Ajinomoto Indonesia have begun sharing information on ways to improve quality using VOC.

The entire Ajinomoto Group will continue to take extra steps to improve customer service quality and use VOC to deliver better products and services.



Customer Service Center, Ajinomoto Co., Inc.

### Major group companies outside of Japan with customer call centers

- Ajinomoto do Brasil Indústria e Comércio de Alimentos Ltda.
- Ajinomoto Co., (Thailand) Ltd.
- PT Ajinomoto Indonesia
- Ajinomoto Vietnam Co., Ltd., etc.

**Note:** Group companies that do not have a dedicated customer call center handle customer service inquiries by directly phone and online.

## Main fiscal 2015 initiatives of the Customer Service Center of Ajinomoto Co., Inc.

Main initiative	Details
Employee education program for improved customer service quality	Provided ongoing education to enhance listening and communication skills, among other training programs
Improvements for sharing the voice of the customer (VOC)	<ul style="list-style-type: none"> <li>• Promptly shared VOC through internal meetings and the intranet to improve products and services</li> <li>• Disclosed product improvements on the website</li> <li>• Conducted product evaluations from customer perspective at product development stage</li> </ul>
Improving responses to customer feedback	Promoted improvement of responses to customer feedback across the company
In-house training on customer satisfaction	<ul style="list-style-type: none"> <li>• Experiential workshop on customer perception, workshop on VOC analysis and use, etc. (approx. 80 employees participated in seven training sessions)</li> <li>• Claim response training for branch offices (320 employees across 15 branches, regional branches, and sales offices nationwide)</li> </ul>

## Efforts to improve customer satisfaction of product investigations

Since fiscal 2008 Ajinomoto Co., Inc. and Ajinomoto Frozen Foods Co., Inc. have regularly conducted a questionnaire survey to confirm customers' satisfaction of reports on the results of investigations into the cause of product defects noted by customers. They have also striven to improve the survey report. Points of customer doubt and concern were added to the report, and the three relevant divisions (manufacturing, business, and Customer Service Center) worked together to explain these results more clearly. These activities were shared at Ajinomoto Management and Technical Conference on Quality in fiscal 2015 to advance similar initiatives across the group.

As a result, more than 80% of customers (82% and 81% in first and second halves of the year) replied in the fiscal 2015 questionnaire that they are satisfied with the results.

## Japanese food industry-first Web Accessibility Policy

Ajinomoto Co., Inc. is working to improve and ensure the accessibility of its website so seniors, people with disabilities, and others can use it to the same benefit.

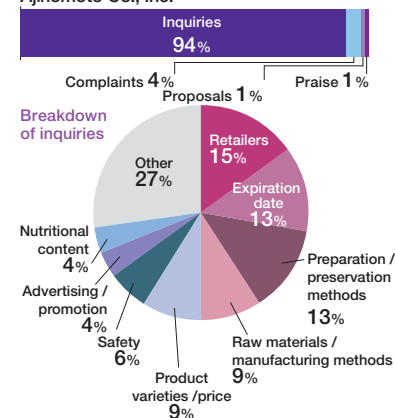
Web accessibility refers to the usability of a website, a quality which lies in the ability of all users, especially those with certain disabilities or impairment, to have unimpeded access to information. This means, for example, adding interpretive text to video or sound features, or making all elements on a page selectable by keyboard.

In the Japanese food industry, Ajinomoto Co., Inc. first published a Web Accessibility Policy in March 2016. The policy is designed to bring the company's product information website (<http://www.ajinomoto.co.jp>) into compliance with grades A and AA of JIS X 8341-3:2010, the Japanese standard on Web accessibility. In fiscal 2016 and beyond, Ajinomoto Co., Inc. will raise awareness internally and implement the policy across a growing portion of its website.

## VOC breakdown in fiscal 2015

VOC contacts received by Ajinomoto Co., Inc.: 38,100 (102% of the total in fiscal 2014)  
 VOC contacts received by five of the Ajinomoto Group's food product companies in Japan: 73,100 (102% of the total in fiscal 2014)

### Breakdown of VOC contacts received by Ajinomoto Co., Inc.



### Web

Japanese Industrial Standard on Web accessibility (Japanese)  
<http://waic.jp/docs/jis2010/understanding/>



Product information webpage designed for universal access

## Rigorous management of personal information

In order to securely manage personal information including customer data, the Ajinomoto Group clearly defines rules and procedures to ensure that group companies concerned follow them, as part of organizational business management.

At Ajinomoto Co., Inc., the Personal Information Management Guidelines in the Information Management Regulations specify rules and procedures for securely handling personal information. These guidelines are based on the ISO 27001 standard for information security management systems.

Ajinomoto Co., Inc.'s information handling rules are covered in grade- and job-specific security training, such as programs for new hires, managers, and sales staff. When operations are outsourced, the contractor's business and system conditions are assessed to ensure the same high level of information security. To ensure security, personal information is centrally managed in a company-wide database.

Reference → Organizational Governance P7  
 Thorough information security



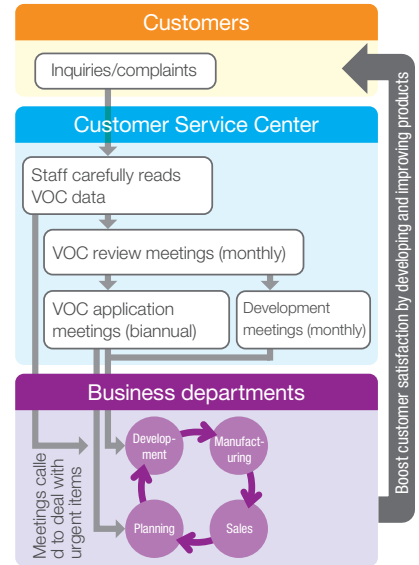
## ■ Identification of areas for improvements through customer feedback

The Ajinomoto Group shares the “voice of the customer” (VOC) internally in a timely manner and uses VOC to improve its products and services.

Ajinomoto Co., Inc. values customer comments and enters them into a database on the day they are received. Problems deemed urgent are reported immediately to the relevant departments, which investigate the causes and take measures to prevent reoccurrence. What was done is also reported back to customers. Entries are posted the following day on the internal VOC portal to share the information. In addition, the Customer Service Center holds monthly VOC review meetings to address customer opinions and requests. In order to identify problems that need to be resolved, VOC data is carefully analyzed in several ways, including reproducing the problem with actual product samples. This method enables evaluation of the product from the customer's perspective and unobstructed understanding of customer opinions and requests.

Monthly development meetings and biannual VOC application meetings with business divisions are held to share information on the tracking of product inquiries and shifting customer opinion, requests and suggestions. This information is then incorporated into the process of developing and improving products and services.

## ■ Framework for incorporating the voice of the customer into product manufacturing



### TOPICS

## Products improved based on customer input

### ■ AJI-NO-MOTO® umami seasoning

Just like salt and sugar, the umami seasoning *AJI-NO-MOTO®* does not degrade under long-term storage at room temperature, and for this reason no “best by” date is set in Japan. Although an explanation to this effect is indicated on the package, the Ajinomoto Group still receives more than 700 customer inquiries per year concerning the expiration of both opened and unopened product. These inquiries were analyzed, revealing that 1) the explanation concerning shelf life was not conspicuously placed, and 2) customers, after reading the explanation, still wanted information to determine whether they could use their *AJI-NO-MOTO®*. Based on these results, 1) the explanation was moved from the bottom of the package to a more conspicuous location at the top, near the opening, and 2) a description was added stating that the product was still usable if it was white and free flowing, enabling customers to judge the quality of their seasoning over time.



Umami seasoning AJI-NO-MOTO®



TOPICS

**MAXIM® instant coffee (AJINOMOTO GENERAL FOODS, INC.)**

Some customers shared feedback saying that the taste of MAXIM® instant coffee had changed. Although all such products meet standards for quality, these customers had developed a sensitive palate for their go-to product and were picking up on slight variations in flavor.

The results of an inspection conducted in response to these inquiries found that small temperature differences in the coffee powder drying process were affecting the product's flavor. To correct this, the method of monitoring drying temperature was changed from point-measurement to area-measurement. The ability to detect small differences in temperature has enabled stricter management of temperature uniformity, making it possible to minimize variations in the product's flavor. This has resulted in a roughly 25% yearly reduction in customer complaints related to flavor.



MAXIM® instant coffee, a product of AJINOMOTO GENERAL FOODS, INC.

**Phu Si Soy Sauce (Ajinomoto Vietnam Co., Ltd.)**

Some customers using Phu Si Soy Sauce expressed dissatisfaction with the product's cap, saying that sauce ran down the side when pouring, or the lid automatically closed upon opening.

In response to this feedback, the cap was redesigned: 1) The opening (nozzle) was reshaped to stabilize flow when pouring and reduce residue after pouring, and 2) The lid's hinge was modified to prevent it from springing back into a closing position.



**Takumi-Aji® (Ajinomoto Co., (Thailand) Ltd.)**

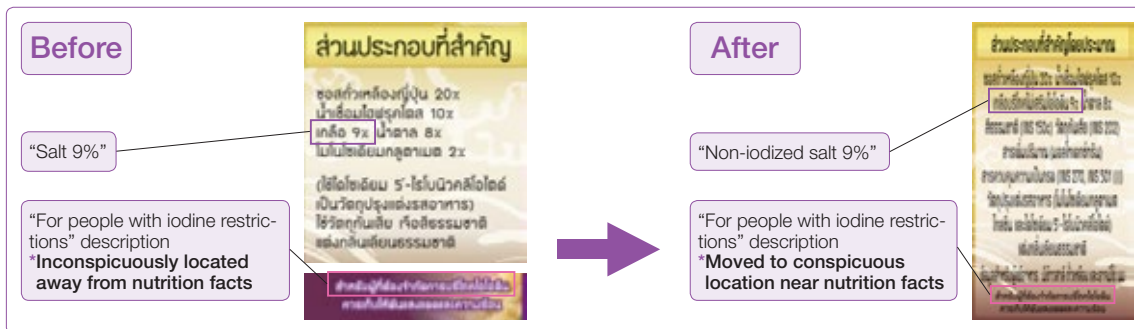
Takumi-Aji® sauces, which do not use iodized salt as a raw ingredient, included the description "for people with iodine restrictions" on its package in compliance with MoPH367, Thailand's food labeling law. However, customers with dietary iodine restrictions continued to inquire whether the products contained iodine.

To better inform these customers, the "salt" description on the nutrition facts label was changed to "non-iodized salt," while the "for people with iodine restrictions" description was moved closer to the nutrition facts. These improvements enable customers with iodine restrictions to enjoy these products with greater peace of mind.

Note: In countries with low levels of dietary iodine such as Thailand, iodine is added to dietary salt to prevent iodine deficiency. At the same time, some people have restrictions on their iodine intake. Iodine is not an approved food additive in Japan.



Takumi-Aji®



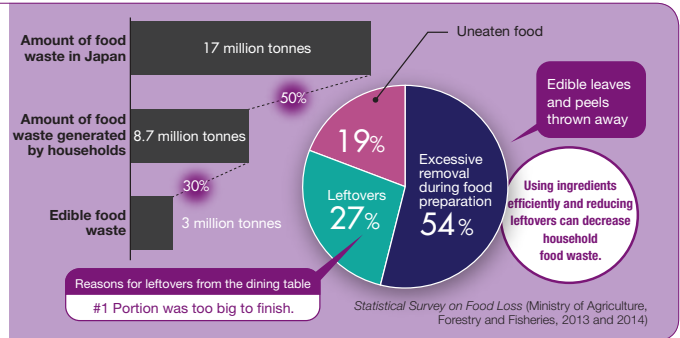
# Sustainable Lifestyles, Starting with the Dining Table

As a food manufacturer, the Ajinomoto Group not only has the responsibility to deliver delicious and healthy foods; it also has the opportunity to help people embrace more eco-friendly lifestyles. Serving for a truly healthy ‘dining table,’ good both for families and for the earth—that is what the Ajinomoto Group aims for. The Group will continue to develop eco-friendly products and propose recipes and tips to encourage environmentally responsible living—starting right at the dining table.

## DATA

### Food losses in Japan

Japan generates about 17 million tonnes of food waste each year. Food waste from households accounts for about 8.7 million tonnes. Of this, about 3 million tonnes are said to be edible— leftovers, edible parts of ingredients excessively removed during preparation and cooking, food simply thrown away. To minimize these food losses in households, it is important to help individuals respect the value of food and enjoy meals enough to finish them.



## Promotion of green living starting with the dining table through products, recipes and advertising

### Raising awareness through unique labeling (“Aji-na Eco” and “Hotto-suru Eco” marks)

Product packages are thrown away by consumers after purchase, and the Ajinomoto Group is taking steps to make this packaging more environmentally friendly. To help consumers to instantly recognize and select eco-friendly products whenever possible, the Group introduced its unique “Aji-na Eco” mark in autumn 2010 and the “Hotto-suru Eco” mark for products of AJINOMOTO GENERAL FOODS, INC. in spring 2015.



Reference → The Environment P21

Promotion of products with original labeling for environmental packaging

### “Eco-Uma Recipe”<sup>1</sup> tips

Everyday cooking is actually a chance to start eco-living at home today. This is why Ajinomoto Co., Inc. has launched activities to spread environmentally friendly, delicious and smart “Eco-Uma”<sup>1</sup> ideas and recipes for everyday cooking.



- 1 Use food without any waste!
- 2 Choose seasonal foods!
- 3 With finesse, but simple!

Tasty means ecological



<sup>1</sup> The Japanese terms for “Aji-na Eco” mark, “Eco-Uma” and “Eco-Uma Recipe” are registered trademarks of Ajinomoto Co., Inc.

### Helpful advertising

The Ajinomoto Group’s helpful advertising offers tips on green living that starts with the dining table.



“EDO Period, ECO ideas”  
Sharing green ideas from the food culture of Japan’s pre-modern Edo period (video clips also available)



Web →

“Eco-Uma Recipe” (Japanese)  
<http://www.ajinomoto.com/jp/activity/environment/eco/ecouma/>  
Environmental advertisements (Japanese)  
<http://www.ajinomoto.com/jp/activity/environment/eco/environmentalad.html>

## Ajinomoto “Eco-Friendly Eating KIDS” Prize awarded to tomorrow’s leaders

Since 2010, Ajinomoto Co., Inc. has awarded the Ajinomoto “Eco-Friendly Eating KIDS” Prize to youngsters whose entry in the “Green Lane” environmental diary contest<sup>1</sup> features fun, outstanding environmental activities relating to food.

In the sixth contest, held in fiscal 2015, the prize was awarded to ten youngsters for their environmental activities. Ajinomoto Co., Inc. will continue to support the contest as a way to encourage children, the leaders of tomorrow, to practice environmentally friendly food lifestyles at home.

<sup>1</sup> As part of the contest conducted by Green Cross Japan, approximately 100,000 elementary school students receive guidebooks on ways to address environmental problems and 12-week journals for keeping environmental diaries.



At the fiscal 2015 award ceremony

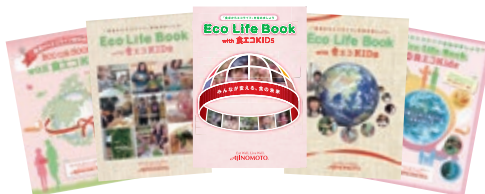
## Promotion of environmental food lifestyles at home

In fiscal 2013, Ajinomoto Co., Inc. began visiting elementary and middle schools and events in Japan to provide environmental classes. After a hands-on lesson about dashi broth and umami using *HON-DASHI* and *AJI-NO-MOTO*® as teaching aids, the students were introduced to the company’s products and environmental initiatives. Using a specially prepared textbook, *ECO Life Book with Eco-Friendly Eating KIDS*, the students enjoyed learning how to try environmentally friendly food lifestyles at home.

The textbook is distributed at Eco-Products exhibitions and other events. It has also been distributed since fiscal 2013 to Green Lane-participating schools that request it, including 8,000 copies in fiscal 2015.

In March 2016, the Eco-Friendly Eating KIDS website, which presents suggestions for eco-friendly lifestyles, past award recipients, and related information, was redesigned.

*ECO Life Book with Eco-Friendly Eating KIDS*, now in its fifth edition, introduces excerpts from the diaries of Ajinomoto Eco-Friendly Eating KIDS Prize winners as tips for elementary school students starting eco-friendly food lifestyles.



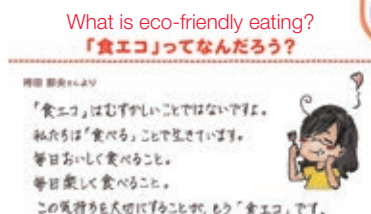
The Eco-Friendly Eating KIDS website, redesigned in March 2016

Web

Eco-Friendly Eating KIDS initiatives (Japanese)  
<http://www.ajinomoto.com/jp/activity/environment/eco/>

## Eco-Friendly Eating KIDS Summit

In August 2015, six award-winning middle and high-school students were invited along with their families to the Kawasaki Plant of Ajinomoto Co., Inc. for the Eco-Friendly Eating KIDS Summit. The students toured the manufacturing facilities and also exchanged ideas on how to encourage more elementary students to start their own Eco-Friendly Eating projects.



Top: Group photo at the summit, Bottom: Workshop scene

Partnership with Kawasaki City and Kao Corporation on sustainability education

Ajinomoto Co., Inc., in partnership with cosmetics manufacturer Kao Corporation and environmental consulting firm E-Square Inc., launched in 2011 the Society for Sustainable Food and Life Styles, an organization tasked with equipping consumers to make environmentally responsible choices in their daily food and living habits through research, awareness raising, and educational programs.

In fiscal 2015, the Society created a new hands-on education program for children in partnership with Kawasaki City, where both Kao and Ajinomoto have manufacturing plants and which promotes itself as an environmentally progressive city good for the environment and business. The program aims to motivate children to reassess their daily habits with their families and communities through considering their lifestyles and environmental issues. For four days in July and August 2016, the program was held under the title “Summer Challenge: Exploring the Earth’s Future through Food and Daily Living.”

The four-day event included plant tours, cooking classes, and a soap experiment, in addition to a workshop where participants reflected global resource recycling after learning about the history of pollution and environmental efforts in their hometown of Kawasaki. Participants were also asked to write in a daily environmental journal to prompt at-home discussion and action on the things they learned.

Comments from children who participated in the month-long program revealed the enjoyment of discovering and practicing eco-friendly solutions in everyday life. One parent commented, “We now talk about these issues more and are working on them together.”



Web <http://begoodcafe.com/news/challenge2016>  
 Summer Challenge activity report (Japanese)  
<http://begoodcafe.com/news/challenge2016>



Children impressed by the process of hand-sorting waste (Ukishima Waste Treatment Center, Kawasaki City)



A factory presentation on corrugated boxes and other packaging solutions (Kawasaki Plant, Kao Corporation)



Children learn how laundry detergent removes stains in an experiment (Kawasaki Plant, Kao Corporation)



Learning about bonito flake shaving methods and production at the HON-DASHI plant (Kawasaki Plant, Ajinomoto Co., Inc.)



Touring the wastewater treatment facility after learning how treatment works (Kawasaki Plant, Ajinomoto Co., Inc.)



Children try “Eco-Uma” cooking (Kawasaki Plant, Ajinomoto Co., Inc.)



A lecture on the links between lifestyle habits and the global environment (Kawasaki Eco Gurashi Mirai-kan museum)



Children reflect on what they learned while exploring the connection between the global environment and their lifestyles (Kawasaki City Industrial Promotion Hall)



A completion certificate was awarded to children for four days of immersive study (Kawasaki City Industrial Promotion Hall)

## Communication with consumers at the Eco-Products 2015 exhibition

The Eco-Products exhibition is the largest environmental expo in Japan. In 2015, the exhibition was held at Tokyo Big Sight on December 10–12, attracting more than 170,000 visitors over three days.

Five companies of the Ajinomoto Group set up a joint booth introducing the Group's eco-products. The booth also promoted ideas for creating an eco-friendly lifestyle that begins at the dining table. This was a valuable opportunity for employees to talk directly with exhibition visitors and listen to a wide spectrum of consumer opinions.



Some 160 group employees helped with the exhibition booth.

## Forums for envisioning an ideal future

No one entity can build a sustainable future on its own. The Ajinomoto Group recognizes the need to work with all of society to achieve this goal. The Group values opportunities to discuss community members' visions for the future from a variety of perspectives. It is these opportunities that help the Ajinomoto Group discover what it can do to build a healthier future.

As part of this focus, the Ajinomoto Group Sustainability Forum has been held in cooperation with a number of organizations to help create a sustainable future.

### Themes of past forums

1st	Mar. 2012	"For the Healthy Future of Life in All Its Diversity"
2nd	Dec. 2012	"Food and Life Create the Future of the Earth—Let's Make Sustainable Lifestyles Together"
3rd	Mar. 2013	"Food and Science for Sustainability"
4th	Jun. 2014	"Promoting Ecological Agriculture in Kyushu—Biomass Link in Saga"
5th	Nov. 2014	"Japanese Nutrition Will Change the World!"
6th	Sep. 2015	"Life, Food, and Amino Acids: What We Can Do in Daily Life"



At the 5th Ajinomoto Group Sustainability Forum

Web

Ajinomoto Group Sustainability Forum  
<https://www.ajinomoto.com/en/activity/forum/>

## TOPICS

### The Sixth Ajinomoto Group Sustainability Forum Life, food, and amino acids: What we can do in daily life

The Sixth Ajinomoto Group Sustainability Forum was held in September 2015.

At the forum, the Ajinomoto Group and consumers discussed what can be done to improve food sustainability in daily life, in light of significant changes in the global environment and society. The forum was attended by Lord John Krebs, first Chairman of the British Food Standards Agency and former Principal of Jesus College, University of Oxford; Professor Shinichi Takemura of Kyoto University of Art and Design; and Ms. Hisa Anan, former Secretary General of the Consumer Affairs Agency and Chairman of the Association to Create a Society with Consumer Citizenship (ASCON).

For the roughly 200 participants, the forum was a valuable opportunity to gain a new awareness about the impact of daily eating habits traditionally thought to be beneficial for food sustainability. There were a lot of feedback and comments. Regarding the keynote speech by Lord Krebs: "We need a right understanding of food, one that isn't swayed by image." "I want to make eating at home fun, not overburdened by information. Healthy food is healthy for the planet too." On Professor Takemura's talk: "Japanese food is the global food of the future. I want to teach it to children and enjoy cooking together." And on Ms. Anan's talk: "I'd like to acquire the ability to read the meaning behind product labels and make the right choices."

Lord Krebs also assumed the position of Ajinomoto Co., Inc. adviser in September 2015. On September 9th, he joined Ajinomoto Group managers in a dialogue on the future of food in a changing global environment and society. It was a valuable opportunity to discuss how the Group can contribute to and engage with society in terms of food and nutrition going forward.



# Community

Growing with the People of Each Community

## INDEX

### P1 Resolution of Food and Nutritional Issues Worldwide

- Vietnam School Meal Project
- Vietnam Nutrition System Establishment Project
- AIN program: Nutritional improvement in developing countries
- AIN program case reports

### P6 Activities of the Ajinomoto Group's Foundations

- Japan
- Brazil
- Peru
- Thailand

### P8 Support for Areas Struck by Natural Disaster

- Ajinomoto Group's emergency assistance
- Ajinomoto Group's initiatives for Great East Japan Earthquake reconstruction
- Ajinomoto Group's Red Apron Project to support Tohoku
- Revitalization of industries through marketing, sales and CSR collaboration

## Fiscal 2015 activity highlights

- AIN program: Nutritional improvement in developing countries



Photo credit: Alliance of Friends for Medical-care in East Timor (AFMET)

→P3

- Ajinomoto Group's Red Apron Project to support Tohoku



→P10

# Resolution of Food and Nutritional Issues Worldwide

The Ajinomoto Group is working to solve issues in the field of food and nutrition in communities and implement a variety of initiatives around the world.

## Vietnam School Meal Project

Since fiscal 2012, Ajinomoto Vietnam Co., Ltd. has been promoting the School Meal Project in Vietnam as part of efforts to leverage leading Japanese expertise particularly in child nutrition policies concerning school meals.

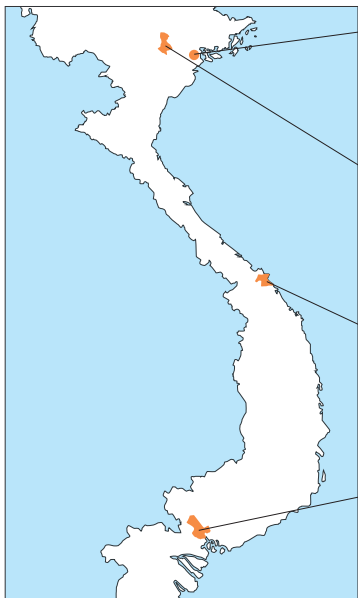
Many regions in Vietnam are still unable to provide school lunches. Even urban elementary schools providing school meals have difficulties developing nutritious lunch menus. This stems from the lack of adequate knowledge regarding nutrition among school lunch staff and the lack of a comprehensive national policy for dietitians. There is also inadequate awareness of the importance of the daily diet even among teachers and parents.

Ajinomoto Vietnam Co., Ltd. launched a medium-term project in partnership with Vietnam's Ministry of Education and Training, Ministry of Health, its affiliate the National Institute of Nutrition (NIN), and local governments, believing that the Japanese school meal system could be applied to address these issues.

In the first year, fiscal 2012, ideas were exchanged with school principals, school lunch staff, health personnel, and parents in the cities of Ho Chi Minh and Da Nang to develop and introduce pilot school lunch menus that are delicious and nutritionally balanced. In fiscal 2013, menu books that reflect these two regions' distinctive food culture were developed to standardize menus, and nutrition-related educational materials were provided for children to use during a daily, pre-lunch food education period. From fiscal 2014, these initiatives are being expanded to northern Vietnam, while development of a software system for designing nutritionally balanced menus has also been underway.

In fiscal 2015, with the formal decision by Vietnam's Ministry of Education and Training to deploy this project nationwide, Ajinomoto Vietnam Co., Ltd. began distributing its nutrition software system to some provinces in October 2016, and will continue conducting outreach programs to make nutritionally balanced school lunches available across Vietnam.

### Initiatives at major cities hosting the project in fiscal 2015



<b>Hai Phong</b>
<ul style="list-style-type: none"> <li>Held project meetings with school principals, vice principals and city councils in 14 districts to finalize menus</li> <li>Distributed menu books to schools under the project</li> </ul>
<b>Hanoi</b>
<ul style="list-style-type: none"> <li>Held project meetings to gather feedback from the two local governments of the pilot schools and stakeholders</li> <li>Distributed trial menu books to schools under the project</li> </ul>
<b>Da Nang</b>
<ul style="list-style-type: none"> <li>Held cooking seminar for lunch staff who cannot properly prepare the project menus</li> </ul>
<b>Ho Chi Minh</b>
<ul style="list-style-type: none"> <li>Increased the school lunch budget in several schools to improve the project menu adoption rate</li> </ul>

### Key steps of the project

1. Standardize elementary school lunch menus in major cities
2. Develop kitchen models to improve school cooking facilities
3. Develop and distribute nationwide menu-design software with nutrients calculation function



Smiling school children having lunch at an elementary school in Ho Chi Minh. Schools with more than 1,000 children are common. Consistently providing warm, tasty school meals that are nutritious and hygienic is not a simple matter



Nutrition lessons are held for three minutes before lunch. For example, the reasons why carrots are good for the body are taught before a delicious carrot dish is served to encourage children to beg for the same food at home



Meeting held with Da Nang school authorities to promote adoption of the lunch menu



Menu books are created for each region. Photo shows the Da Nang edition



## Vietnam Nutrition System Establishment Project

The Ajinomoto Group has launched the Vietnam Nutrition System Establishment Project (VINEP) in 2011 in an effort to expand nutrition-related programs and education in Vietnam. The project emerged from joint research conducted by the National Institute of Nutrition (NIN) and the Institute for Innovation of Ajinomoto Co., Inc. in 2009.

Until now, there has been no education system for training dietitians in Vietnam or even a certification system for dietitians. In August 2012, Ajinomoto Co., Inc. and Ajinomoto Vietnam Co., Ltd. signed an agreement with Hanoi Medical University and NIN to train dietitians as part of VINEP. The Nutrition and Dietetics Laboratory was established at the Hanoi Medical University in October that year with funding from the Ajinomoto Group. In November, Vietnam's Ministry of Education and Training approved the country's first four-year nutrition bachelor course for dietitian at Hanoi Medical University. There were 47 students in the inaugural class in September 2013, and then 36 and 63 students for the next consecutive years. Ajinomoto Vietnam Co., Ltd. granted full-year scholarships to 10 students each in 2013 and 2014 and to 14 students in 2015 with the top scores in the entrance exam for the program. Ajinomoto Co., Inc. and Ajinomoto Vietnam Co., Ltd. have been assisting the development of the undergraduate program curriculum and course materials for a professional program, as well as conducting lectures on nutrition physiology at the professional program.<sup>1</sup>

Ajinomoto Co., Inc. also invited five students in 2014 and seven students in 2015 from Nutrition Bachelor Course of Hanoi Medical University, along with three instructors each in 2014 and 2015, for a two-week nutrition science training in Japan under a JICA collaborative project.<sup>2</sup> It provided an opportunity to deepen their understanding of Japan's nutritional system and the Ajinomoto Group's research in the field of amino acids and nutrients, as well as to think of future activities and initiatives related to nutrition in Vietnam.

The most important task going forward is the creation of a system enabling program graduates to become active members of society as dietitians. First, a regulation specifying the status of dietitians (job code) was passed in October 2015 and put into effect in November by the Vietnamese government through the Group's efforts. This laid the foundation for dietitians to serve as public officials. The second step is to create the necessary working standards in preparation for when these students become dietitians after graduation. To achieve this, the Group conducted trainings in Japan<sup>3</sup> in 2015 for eight nutrition-related officials from Vietnam, as well as trainings and workshops in the three major cities (Hanoi, Hue and Ho Chi Minh) in Vietnam, using the International Promotion of Japan's Healthcare Technologies and Services<sup>4</sup> under the Ministry of Health, Labor and Welfare. In the Vietnam training, workshops were held for many nutrition-related personnel to explain the educational system for training dietitians, provide the latest information regarding the job code, and present Japan's nutritional system.<sup>5</sup>

These initiatives are expected to improve the nutritional environment at hospitals and schools, among others, since the educational and legal systems are established to foster expert dietitians who will be involved in their nutritional management. In the future, the Group aims to establish various systems to help make working as a dietitian easier, through expanding the dietitian training system and job code across Vietnam and creating nutrition standards, guidelines, licensing system, etc., that serve as specific occupational guiding principles for nutritionists.



VINEP nameplate hanging at NIN



Scholarships awarded to third batch students by Ajinomoto Vietnam Co., Ltd.



Nutrition physiology lecture at Hanoi Medical University



Nutrition science symposium at Hanoi Medical University (fiscal 2015)



Trainees and nutrition-related government officials from Vietnam visiting the Institute for Innovation



Workshop held at the Vietnam training

<sup>1</sup> In cooperation with the Japan Dietetic Association (JDA), Jumonji University, and the Kanagawa University of Human Services (KUHS)

<sup>2</sup> Operated by the Japan International Cooperation Agency, this project promotes private-sector technology to facilitate social and economic development in developing countries.

<sup>3</sup> In cooperation with JDA, KUHS, Kyoto Prefectural University (KPU), Kyoto University Hospital, Doshisha Women's College of Liberal Arts, and Kyoto Women's University, among others

<sup>4</sup> This program is funded by "The International Promotion of Japan's Healthcare Technologies and Service in 2015" conducted by the National Center for Global Health and Medicine.

<sup>5</sup> In cooperation with NIN, JDA, KPU, Bach Mai Hospital, Hue University of Medicine and Pharmacy, Ho Chi Minh City Medicine and Pharmacy University, and Ho Chi Minh City Nutrition Center

## AIN program: Nutritional improvement in developing countries

As a group of companies that contributes to human health globally, the Ajinomoto Group considers the improvement of nutrition in developing countries an important mission.

From 1999 until 2016, the AIN program has supported 79 projects in 14 countries, led by local people and rooted to the native environment and their food culture. The number of beneficiaries has reached 140,000 people, with a total of 310 million yen in assistance (As of August 31, 2016).

The Ajinomoto Group provides financial assistance and advice for improving nutrition to NGOs and NPOs around the world and to governmental and educational institutions. Every year, proposals that aim to improve food and nutrition are solicited by the program; the projects are selected based on investigations by experts and onsite inspections by employees of the Ajinomoto Group.

Improving nutrition is explicitly given as an important issue in the UN Sustainable Development Goals (SDGs), which were adopted as the 2030 goals by the UN General Assembly in September 2015. Through food and nutrition in its initiatives, the AIN program also contributes to increasing women and minority empowerment and education. With the SDGs, the AIN program will further evolve as an international cooperation initiative for creating a healthy society through nutritional improvements.

### Sustainable Development Goals (SDGs)

Goal 2: End hunger, achieve food security and **improved nutrition**, and promote sustainable agriculture



The AIN program is also linked to many of the other goals (such as goals 3, 4, 5, 6 and 17).

### Improved meals from AIN supported projects



Lima, Peru: Dish fortified with iron by adding a finely diced ingredient made with solidified animal blood to prevent anemia



Cusco, Peru: A high-protein, low-calorie salad using tarwi (beans from the Lupinus species), a local ingredient passed on from the Inca Empire, and yuyucha (freshwater algae)



Bangladesh: Beta-carotene rich vegetable cut into pieces and added for vitamin and mineral supplementation in making baby food



Myanmar: Menu rich in vegetables and protein. Reduces salt by further improving the umami flavor

Projects supported in fiscal 2015 and 2016 (as of August 31, 2016)

FY implemented	Period (in years)	Country	Project name	Implementing organization
2013	3	Cambodia	Project for improving children's nutrition condition, achieving self-support of foodstuff and expanding preschool education by providing lunch at nursery (Kandal Province)	Caring for Young Refugees
2013	3	Vietnam	Integrated Management of Acute Malnutrition in Ethnic Minority Areas (Quang Ngai Province)	Plan Japan
2013	3	Bangladesh	Development of School Meal Project with local people's participation in collaboration of 2 districts in Bangladesh (Jessore District, Panchagarh District)	Japan Bangladesh Cultural Exchange Association (JBCEA)
2014	2	Peru	Promoting healthy living for low-income families in Cusco (Cusco City)	Adventist Development and Relief Agency (ADRA) Japan
2014	3	Malaysia	Improvement of the women's lives in fishing community through food processing (Penang State)	PARC Interpeople's Cooperation
2014	3	Cambodia	Improvements in nutrition and health by canteen and nutritious training for the ultra poor (Siem Reap Province)	International NGO Kamonohashi Project
2014	3	Vietnam	Project to support educational activities for mothers to improve the quality of complementary food in rural areas (Hau Giang Province, Thai Nguyen Province)	International Life Sciences Institute Japan
2014	3	Bangladesh	Nutrition initiative: Nobo Koli (Fulbaria)	World Vision Japan
2014	2	Myanmar	Project of food processing for better nutrition (Pa'O ethnic group, Southern Shan State)	Terra People ACT Kanagawa/TPAK
2015	3	East Timor	Comprehensive program on nutrition and food for young mothers to improve the health situation of their malnourished children (Iliomar Subdistrict, Lautem District)	Alliance of Friends for Medical-care in East Timor
2015	3	Cambodia	Nutrition improvement for families and community development by empowering mothers in the poor areas (Phnom Penh City)	Japan Lay Missionary Movement
2015	2	China	New Efficient Food for Desert — Development & Extension of Mascovy Duck (Alashan, Inner Mongolia)	OISCA Japan
2016	3	India	Nutrition improvement project of poor village through school lunch (Sujata Village, Gaya District, Bihar State)	Team Peace Challenger
2016	3	Bangladesh	Child Nutrition Improvement Project in Salt Affected Area in Bangladesh (Bagerhat District, Khulna Division)	Alliance Forum Foundation
2016	3	Bangladesh	Adolescent nutrition and lifelong health promotion project (Jessore District)	Asia Arsenic Network
2016	3	Myanmar	Nutrition improvement for children under five years old by promoting vegetable gardening and small-scale livestock farming (Ayeeyarwady Region)	CWS Japan

AIN program case reports

Bangladesh

Collaborative development of school meal with local people

Organization: Japan Bangladesh Cultural Exchange Association (JBCEA)  
 Project site: Sharsha, Jessore District  
 Assistance period: 2013-2015

Purpose	Building a sustainable model for the school meal project through community participation
Major accomplishments	Launched a school meal model that uses nutritionally balanced meals with soybeans and can be independently operated by local people
Success factor	Came up with a self-supporting operation together with the local people, and formed an executive committee composed of local people
Number of beneficiaries	Around 2,000
Main activities	<ul style="list-style-type: none"> <li>Building a model for the school meal project that is independently operated by local people, and providing well-balanced lunch meals to school children</li> <li>Organizing and guiding the school meal executive committee</li> <li>Workshop to raise awareness in potential committee members</li> <li>Creating a school vegetable garden and growing food for the school meal by children and teachers</li> </ul>
In the future	Developing a school meal operations manual in preparation for promoting the school meal project model



Children enjoying school lunch containing soybeans



Food staff, who received training in hygiene, cooking soy kituri (rice mix)



Children washing hands on a hand pump beside the kitchen before lunch

Myanmar

**Project of food processing for better nutrition in Myanmar**

Organization: Terra People ACT Kanagawa/TPAK  
 Project site: Hti Ham Swe Village, Sengu Village, and surrounding area, Taunggyi Township, Southern Shan State  
 Assistance period: 2014-2015

<b>Purpose</b>	Acquisition of food processing technology by villagers that will lead to better nutrition using preserved foods from the harvest during winter and off season. Improving income and enabling a steady lifestyle by creating a market for processed goods
<b>Major accomplishments</b>	With the construction of a food processing center, a venue was provided for learning food processing technology and marketing through trainings (domestic and overseas), while clearly assessing local health issues, which paved the way for the production and sales of processed foods
<b>Success factor</b>	By placing villagers at the center of activities and establishing a village committee, an autonomous organization that can sustainably improve nutrition in the area was created
<b>Number of beneficiaries</b>	Around 1,000
<b>Main activities</b>	<ul style="list-style-type: none"> <li>• Establishment of a processed food development committee, conducting surveys of health issues, constructing the AIN food processing center</li> <li>• Conducting trainings domestically and in Thailand, and holding training report presentations</li> <li>• Creation of trial products, marketing research, market development, and sales</li> </ul>
<b>In the future</b>	To develop new menus for improving nutrition that will lead to better health and increased income in minority areas, and promote the program from the model village to other villages and regions



Practical training in dried banana processing by wood-fired oven



Food processing center completed with support



Processed foods such as dried fruits and fried vegetables

Peru

**Promoting healthy living for low-income families in Cusco**

Organization: Adventist Development and Relief Agency (ADRA) Japan  
 Project site: Cusco City, Cusco  
 Assistance period: 2014-2015

<b>Purpose</b>	Promoting healthy nutritional intake among beneficiaries
<b>Major accomplishments</b>	Aside from the reduction of the ratio of overweight or obese from 79.5% to 77.5%, the ratio of persons with 88 cm waistlines or more, which is a risk indicator for lifestyle diseases, greatly decreased from 66% to 41%, and 42% of participants were able to reduce their weight by 3 kg or more
<b>Success factor</b>	To help participants continue with their efforts, mothers participating in the seminar, including their families and neighbors, were made to understand the importance of lifestyle improvements, and were encouraged to conduct the activities in groups
<b>Number of beneficiaries</b>	150 women from low-income families and their families
<b>Main activities</b>	<ul style="list-style-type: none"> <li>• Healthy meal preparation through educational sessions, personal visits and group workshops, and guidance on a reasonable daily exercise</li> <li>• Monitoring to check BMI, waist measurements, and implementation of exercise and healthy meal preparation</li> </ul>
<b>In the future</b>	There was active engagement among beneficiaries, with the exchange of healthy recipes, formation of exercise groups, etc., which shows potential for independent development and expansion of such activities in the future



Exercising at the final general meeting



Dietary education workshop



Waist measurement

# Activities of the Ajinomoto Group's Foundations

The Ajinomoto Group has established foundations in four countries that award scholarships and engage in food and nutrition activities tailored to meet the specific needs of each country and region.

## Japan

### Ajinomoto Foundation for Dietary Culture (Established in Japan in 1989)

#### Main activities

- Operates the Dietary Culture Library and open exhibits (color woodblock prints, etc.)  
The library is digitizing its collection of cookbooks, etc. from classical documents and other materials on dietary culture since the Meiji era (mid-19th century), in collaboration with the National Institute of Japanese Literature. Scheduled for public opening from fiscal 2017.
- Holds public symposiums and public lectures  
Held a symposium on the theme of communal dining, in commemoration of the 100th issue of *vesta*, a quarterly magazine on food culture. The ties between people through food were examined from various angles, and the future possibilities in society were explored (October 24, 2015).
- Plans and runs food culture forums (interdisciplinary panel discussions on food culture)  
With the annual theme "from gathering to cultivating," the path that led to the transformation from a gathering economy to an agrarian economy was traced, and the future issues and direction were discussed (Held three times in June and September 2015, and March 2016).
- Publishes and distributes *vesta*, a quarterly magazine on food culture, and other materials
- Information dissemination through the Internet

Web

Ajinomoto Foundation for Dietary Culture  
<http://www.syokubunka.or.jp/> (Japanese)



Food Culture Forum

### Ajinomoto Scholarship Foundation

(Established in Japan in 2005; forerunner Suzuki Scholarship Foundation established in 1957)

#### Main activities

- Grants scholarships to students from five ASEAN countries (Indonesia, Malaysia, the Philippines, Thailand, and Vietnam) for a total of three years of study in a master's course (majoring in one of the sciences, including one year as a research student) at the University of Tokyo.
- Provides student loans for Japanese students taking science programs in upper division classes at the undergraduate level or in graduate school.

Web

Ajinomoto Scholarship Foundation  
<http://www.aji-syogakukai.or.jp/> (Japanese)



Together with ASEAN and other international scholarship students at the Ajinomoto National Training Center

## Brazil

### INSTITUTO AJINOMOTO (Established in Brazil in 1999)

#### Main activities

- Supports a sports organization for children with disabilities
- Implements activities to contribute to the local community (donates school supplies to elementary schools, etc.)



Supporting the sports organization

## Peru

### Fundación Ajinomoto para el Desarrollo de la Comunidad

(Established in Peru in 2003)

#### Main activities

- Supports project to prevent anemia and malnutrition
- Trains schoolchildren to become role models and active promoters of healthy food habits at their schools
- Holds health and nutrition workshops and lectures (72 events in fiscal 2015, with 2,685 participants in total)
- Provides economic support (scholarships) for students majoring in dietetics
- Sponsors the "Ajinomoto Foundation Prize" (a contest to promote bibliographic research among university students)



Nutrition assessment at a local school

## Thailand

### Ajinomoto Foundation (Established in Thailand in 1976)

#### Main activities

- Administers support for a building educational facilities at a camp for university student volunteers
- Provides support (scholarships) for students majoring in science, technology and engineering
- Promotes employee volunteer projects (providing lunch to children of low-income households)
- Provides support to people in the colder regions of north and northeast Thailand (provided 2,500 coats and 5,000 blankets to students in 2 provinces)



Volunteer employee project



Assisting in cold areas in the north and northeast of Thailand

## TOPICS

### Better Nutrition, Stronger Nation Project

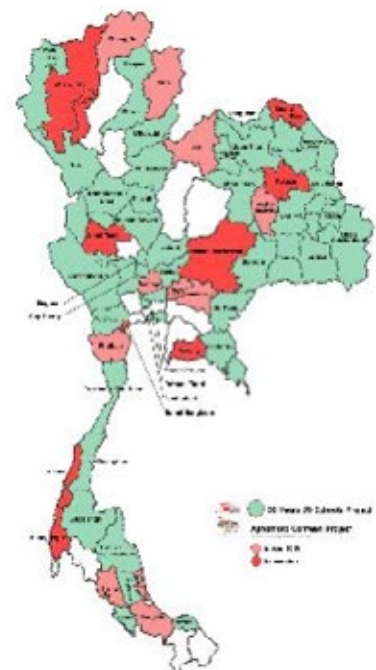
In 2010, the Ajinomoto Foundation in Thailand launched a project to build canteens at 50 schools in five years to mark the 50th anniversary of Ajinomoto Co., (Thailand) Ltd. The project completed 50 school canteens in 43 provinces by 2014 serving more than 10,000 students. In 2015, the project was extended for five years through a basic agreement reached with Thailand's Ministry of Education to support the construction of 50 more school canteens by the end of fiscal 2019. Ten new canteens serving more than 2,500 students in 10 provinces were completed in fiscal 2015. In addition, nutritional education will be provided to elementary school teachers and lunch staff in these new school canteens in fiscal 2016.

#### Results (as of June 2016)

60 school canteens completed in 53 provinces serving more than 12,500 students



Signing of basic agreement



# Support for Areas Struck by Natural Disaster

Natural disasters are a tragic part of life in every part of the world, and local communities damaged in disasters need help with reconstruction. The Ajinomoto Group uses the expertise gained through its food and healthcare businesses to provide support for each area's particular needs.

## Ajinomoto Group's emergency assistance

### Disasters in Japan (activities until end of July 2016)

Event	Recipient	Aid amount	Relief goods	Quantity
Kanto and Tohoku torrential rains of September 2015	(for disaster victims) NPO in disaster relief RESCUE STOCK YARD	-	Ajinomoto KK Okayu (shirogayu)	13,608 packs
		-	amino VITAL <sup>®</sup> Jelly Multi-energy	5,000 packs
		-	AQUASOLITA <sup>®</sup> 500 ml	24,000 bottles
	(for relief supporters) Japan Ground Self-Defense Force, Tokyo Fire Department, police	-	amino VITAL <sup>®</sup> Gold amino VITAL <sup>®</sup> Perfect Energy	10,350 packs 10,350 packs
2016 Kumamoto earthquakes	Japan Platform	20 million yen	-	-
	2016 Kumamoto Earthquake Disaster Donation, Japanese Red Cross Society	4 million yen	-	-
	Ministry of Agriculture, Forestry and Fisheries	-	Ajinomoto KK Okayu (shirogayu, ume)	54,000 packs
		-	amino VITAL <sup>®</sup> Jelly Multi-energy	30,240 packs
		-	AQUASOLITA <sup>®</sup> 500 ml	12,000 bottles
	Kumamoto City Hall	-	Ajinomoto KK Okayu (shirogayu, ume, tamago)	4,860 packs
		-	amino VITAL <sup>®</sup> Jelly Multi-energy	6,000 packs
		-	Blendy <sup>®</sup> bottled coffee low-sugar 900 ml	12,000 bottles
Japan Ground Self-Defense Force, Kumamoto Fire Department, Kumamoto Prefectural Police	-	amino VITAL <sup>®</sup> Jelly Multi-energy	15,000 packs	

### Disasters outside Japan (activities until end of July 2016)

Event	Recipient	Aid amount	
Nepal Earthquake		-	1 million yen
Floods in South Indian state of Tamil Nadu (state capital Chennai)	Recovery relief aid to schools in neighboring areas	492,067 Indian rupees	Both aids are provided through Japan Platform.
	Reconstruction fund, Tamil Nadu state governor	147,566 Indian rupees	

## TOPICS

### AJINOMOTO GENERAL FOODS, INC. provides coffee to shelters and other areas

From May to July 2016, AJINOMOTO GENERAL FOODS, INC. provided around 3,000 cups of coffee, among others, to nine evacuation and community centers.

Notably, the Blue Express\* visited the Mifune Sports Center on July 3 (Sunday) with 250 evacuees and the Mashiki Town Sports Gymnasium on July 9 (Saturday) with 880 evacuees, and provided coffee and Japanese sweets to the evacuees.

The heartwarming coffee was well received, with 540 and 590 cups served in the towns of Mifune and Mashiki respectively.

\*A touring van used in a campaign to promote coffee culture in the Kyushu area



Blue Express

## Ajinomoto Group's initiatives for Great East Japan Earthquake reconstruction

### ■ Japan: Ajinomoto Co., Inc., Ajinomoto Frozen Foods Co., Inc., and AJINOMOTO GENERAL FOODS, INC.

The Ajinomoto Group donates a portion of the proceeds from certain products to aid reconstruction in areas that were affected by the Great East Japan Earthquake.

食卓からニッポンを元気に



#### “Joy of Food” project

Ajinomoto Co., Inc. have been implementing the “Joy of Food” project since fiscal 2011, which gives customers the opportunity to support reconstruction in Tohoku by purchasing food products.

Web

“Joy of Food” Project  
<http://www.ajinomoto.co.jp/tbtr/> (Japanese)

☀️ 東北に元気を!  
 明日を耕すプロジェクト

#### Go Tohoku! Cultivate for Tomorrow Project

Since fiscal 2011, Ajinomoto Frozen Foods Co., Inc. has been conducting a project that donates one yen from the sale of each package of frozen Gyoza Chinese dumplings (four varieties) to organizations assisting agricultural revitalization in the Tohoku region.

Web

Go Tohoku! Cultivate for Tomorrow Project  
<https://corporate.ffa.ajinomoto.com/atp/> (Japanese)



#### AGF Blendy Utsuwa no Kizuna Project

AJINOMOTO GENERAL FOODS, INC. donated a portion of the proceeds from sales of Blendy® instant coffee to assist the pottery industry in Tohoku with needed repairs. Since its launch in 2012, the focus of the project has shifted in 2014 from repairs into efforts aimed at reviving the pottery industry in Tohoku.

Web

Blendy Utsuwa no Kizuna Project  
<http://www.agf.jp/tohoku/> (Japanese)

### ■ France: Ajinomoto Europe S.A.S.

#### Rice ball workshop to forge ties between Paris and the areas affected by the Tohoku earthquake

Ajinomoto Europe S.A.S. has been supporting the hardest-hit areas through food since 2011. This year, to forge ties between Paris and the areas affected by the earthquake, a rice ball workshop was held for visiting families at the Jardin d'Acclimatation, which was created to present the world's trees and animals during the world's fair.

Of the roughly 60 people who participated with their families on the day of the workshop, many participants have never seen Japanese rice before and children did not know anything about Japan. During the demonstration, most were amazed at how easily the balls of rice could be formed. Both the young and old had fun helping each other make rice balls, while also learning of the plight of children in Tohoku. Starting with regular rice balls, they were soon shaping them into popular characters after a little practice, until finally packing them into bento boxes to take home. They also left heartfelt and encouraging messages from France to the children in the disaster areas. The workshop was attended by Mr. Endo, the head of the association of people from Fukushima Prefecture, who acted as coach and teacher for rice ball making.





## Ajinomoto Group's Red Apron Project to support Tohoku

いっしょに作って、いっしょに食べよう!

味の素グループ 東北応援

### ふれあいの 赤いエプロン プロジェクト

Since October 2011, the Red Apron Project is Ajinomoto Group's ongoing initiative to support reconstruction after the Great East Japan Earthquake. Cooking classes held at temporary housing assembly halls and other activities are conducted in the three prefectures of Iwate, Miyagi and Fukushima, in collaboration with local governments, social welfare councils, diet improvement promotion councils, NPOs, universities, and temporary housing community councils.

### Project beginnings

In July 2011, Ajinomoto Co., Inc. appointed a dedicated project supervisor to work in the disaster-stricken areas. The region's food and nutrition issues were brought out by interviews with officials from local governments, social welfare councils, universities, and NPOs, among others. One issue was the emerging health problems caused by unbalanced diets, which was partially due to people tending to cook less in the temporary housing's small kitchens. In the new communities formed by the temporary housing, social interactions between residents were also weak, and many of the elderly tended to feel isolated and withdraw from others.

The Ajinomoto Group devised a plan to help with the local resident's nutritional problems, as well as help build new communities, by "cooking together and eating together" well-balanced meals.

Mobile cooking classes started in October 2011 organized by the local governments, social welfare councils, diet improvement promotion councils, NPOs, universities, and temporary housing community councils, with the Group providing expertise such as nutritious recipes, the mobile kitchen, and other equipment.

### Partner-led collaborative activities

#### 1. Make cooking groups participatory

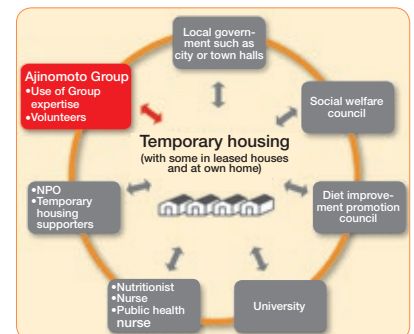
One aim of this project is to connect participants through cooking to help rebuild communities. The experience of cooking together is just as important as eating together in deepening relationships. And for the Tohoku region where salt intake is high, low salt menus are provided to aid in maintaining health.

#### 2. Make collaborative partners the organizers of the cooking class

This strategy was taken so that by providing the gathering place and guiding people, the people helping with the community's social problems, such as local governments, NPOs, social welfare councils, diet improvement promotion councils, and temporary housing community councils, form stronger bonds with the local people. In contrast, with a single corporate organizer, the initiative may turn into a one-off event that is difficult to sustain. These people helping with the community's social problems are designated as "collaborative partners."

#### 3. Make collaborative partners decide on the theme of the cooking class

The themes of the cooking classes in the project vary according to each area's challenges. If social withdrawal of men is a serious issue, for example, then a cooking class for men is held. The collaborative partners decide on such themes, since they know more than anybody else the issues facing each area and can carry out the activities in consultation with the community.



Relationship with collaborative partners



## Project achievements

### 1. Human connections

Through this project, the Ajinomoto Group was able to meet the people in social welfare councils and diet improvement promotion councils. These people have been working closely with the community on social and nutritional issues since before the earthquake. By meeting them through the project, the Group has learned about the social issues in each community and what the Group can do to help with these issues.

One of the lessons learned is that corporate contribution to society does not necessarily have to be money or goods. Rather, corporations need to consider the social issues at the community level from such people's perspective, before suggesting solutions that leverage the core business and expertise of the company.

For Ajinomoto Group, this translates to food and nutrition, which led to the proposal of a mobile cooking class—the heart of this project.

### 2. Learning opportunity for employees

For Group employees donating their time as volunteers, supporting the affected areas through food and nutrition is a source of renewed pride as a member of the Ajinomoto Group.

Many of those who volunteered said that they experienced first-hand how food is the basis of life. Researchers, finance department staff and other employees who usually do not have the chance to interact with consumers also said, "Hearing words of gratitude from the people in affected areas made me think about my own purpose as a member of a food company."

The project is a great opportunity for employees to experience Ajinomoto Group's mission to "contribute to the world's food and wellness, and to better lives for the future."

### 3. Sharing expertise by publishing book

The project published a book titled "Fukko-Gohan (food during the reconstruction period)" in May 2016 through SHOGAKUKAN Inc. The book conveys the restorative "power of food" in this period of recovery from the disaster, through the voices of people in Tohoku who worked together with the Group as collaborative partners.

## Outlook for the future

The Ajinomoto group has declared its intention to continue the project until the temporary housings are gone and the path to recovery is clear.

Now that reconstruction is slowly moving forward, people in Tohoku are moving from temporary housing to public housing for disaster-affected people. Again, issues regarding relationships between people in the new communities are starting to emerge.

Once more, the project is proposing to face this issue by "cooking together and eating together" through mobile cooking classes.

### Scope of activities

Total participants

**32,010**

Events conducted

**2,085**

Places conducted

**47 municipalities in 3 prefectures**

Partners in the local community

Together with around **300 people**

Employees donating their own time

**1,951**

As of August 31, 2016



Website for the book "Fukko-Gohan" (on the SHOGAKUKAN website)  
<https://shogakukan.co.jp/books/09388485> (Japanese)

## TOPICS

### Report on reconstruction support initiatives and activities co-creating value with each area

In July 21, 2016, Takaaki Nishii, the CEO of Ajinomoto Co., Inc., visited the prefectural offices of Fukushima, Miyagi, and Iwate to report on Ajinomoto Group's activities supporting Tohoku. He also informed them of the donation to prefectural libraries of the book "Fukko-Gohan (food during the reconstruction period)" edited by Ajinomoto Group's Red Apron Project, which showcases the power of food.

At Fukushima Prefecture, the CEO Nishii said, "I just participated in the health and nutrition seminar (cooking class) of the Red Apron Project at Koori Town in Fukushima Prefecture. The class became lively as soon as the cooking starts, and by the time everyone ate, the participants were talking freely to each other. The strength of food to make bonds always makes me wonder." This was the fifth time he had participated in this initiative. Governor Masao Uchibori of Fukushima showed his appreciation by saying, "There is nothing better than food to revive the spirit. Cooking and dining together is one of life's basic happiness."

In Miyagi Prefecture, the CEO Nishii reported on activities supporting the recovery of fisheries in collaboration with communities on "Miyagi fishery products day" promoted by the Miyagi Prefectural Government. In Iwate Prefecture, he reported on initiatives such as reducing salt intake on "Low/proper salt day in Iwate" together with the communities.

From the Red Apron Project to the business activities conducted by local Ajinomoto branches, the heads of local governments have deepened understanding and strengthened further cooperation for Group initiatives that promote ASV and co-create value together with society and communities.



Donating the book "Fukko-Gohan" to public libraries in Iwate, Miyagi and Fukushima

## Revitalization of industries through marketing, sales and CSR collaboration

As a result of steady efforts on a daily basis by the Red Apron Project, the Ajinomoto Group has earned the trust of its local partners including the government. This trust is transforming into the development of a new business model "solving local issues through core business" in partnership with government.

For example, under the common goal of helping the recovery of Miyagi Prefecture fishing industries with the Miyagi Prefectural Government, the Group had success in the collaborative sales promotion of Miyagi seafood products and Ajinomoto products in retail stores (supporting "local consumption of local production" within Miyagi Prefecture), and in offering menus using Miyagi seafood and Ajinomoto products in office lunches (supporting "outside consumption of local production" in Kawasaki City, Kanagawa Prefecture).

The Group will continue to explore ways of collaborating and to support Tohoku reconstruction through the revitalization of its industries using the Group's core business.

# Beginning with Red Apron Project, Ajinomoto Co., Inc. is helping revitalize Miyagi Prefecture's fishing industry

Supporting "local consumption of local production"!



Consumer Foods & Seasonings Dept.  
"Joy of Food" project

### Donating a portion of sales

One yen from the sales of every box of HON-DASHI (3 varieties) shipped from March to May 2015 was donated to the activities of the Association of Producer Fish Markets in Miyagi Prefecture for a total of 9 million yen.



Tohoku Branch  
Comfort Food initiative

### Collaboration with local supermarkets

Efforts promoting sales of fishery products in partnership with the Miyagi Prefectural Government. The initiative has so far extended to seven companies, promoting silver salmon, Japanese flying squid, etc. around supermarkets in Miyagi Prefecture.



Red Apron Project

### Developing seafood recipes

Nutritious recipes using ingredients under the theme of "Miyagi fishery products day" was presented in the Health and Nutrition Seminar held in Miyagi Prefecture.



The Association of Producer Fish Markets in Miyagi Prefecture are engaged in activities geared toward stimulating "local consumption of local production" of fishery products from Miyagi Prefecture, by showing local consumers the rich local marine resources and making them recognize the charm of local areas.



Yummy Miyagi fish!



Producer and consumer fish markets in Miyagi Prefecture from the Miyagi Prefecture official website



### The Association of Producer Fish Markets in Miyagi Prefecture

Producer fish markets are situated in ports where fishery products are unloaded from the ship. The fishery products procured here are then sent to consumer fish markets, exemplified by Tsukiji market. The association was established in 1974 with the aim of coordinating mutual collaboration, providing stable supply and demand of fishery products, and working for the healthy growth of fish markets.

Supporting “outside” consumption of local production! **“Miyagi fishery products day” at the Kawasaki Office cafeteria!**

Since May 2016, menus using Miyagi seafood products are offered every month on “Miyagi fishery products day” at the cafeteria in Ajinomoto Co., Inc.’s Kawasaki Administration & Coordination Office. This initiative is carried out by the Commercial Sales Division (3rd Group for Restaurants, Tokyo Branch) of Ajinomoto Co., Inc. Since the office lunch operations are being conducted by a client of the company’s commercial products, Ajinomoto Co., Inc. and its client joined together to support the recovery of Miyagi Prefecture’s fishing industry by offering menus using Miyagi seafood and company products.



**“Miyagi fishery products day”**

“Miyagi fishery products day” was established by Miyagi Prefecture to promote the delicious fresh and processed fishery products caught in the prefecture. The prefecture aims to expand the consumption of Miyagi seafood products for the post-disaster recovery effort.

**Collaboration with local seaside women in Ishinomaki District, Japan Fisheries Cooperative in Miyagi Prefecture**

The power of local seaside women from women’s groups in fishery cooperatives, who are active leaders in revitalizing the community around the fishing industry, is indispensable to its recovery. In a trial collaboration with local seaside women, the “Red Apron Project,” together with Miyagi Prefecture, sponsored a Health and Nutrition Seminar organized by the women’s group of Ishinomaki district branch of Japan Fisheries Cooperative in Miyagi Prefecture in September 2015.



Striving not just to revitalize the local fishing industry, but to bring the “fish culture” to future generations through food education!

Making Gyoza dumplings with skipjacks.



**Conducting the Health and Nutrition Seminar using seasonal seafood ingredients**

Around 20 local residents participated in the nutrition lecture and cooking, using skipjacks in season to go along with “fishery products day.”

**Outreach program to prevent locomotive syndrome**

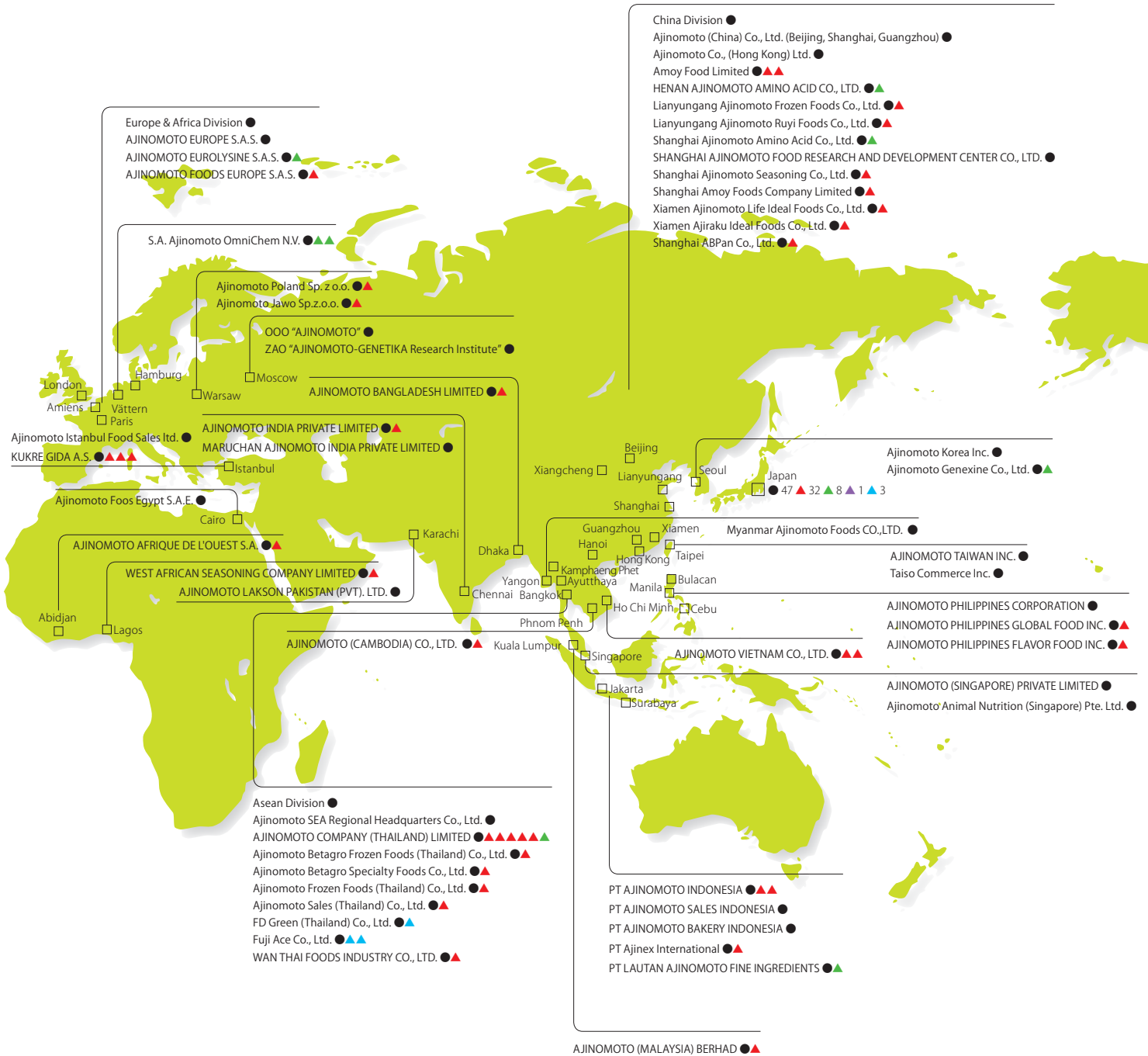
To emphasize the importance of eating fish, information on preventing locomotive syndrome was also shared together with the fish menu at the Health and Nutrition Seminar.

- Exercise and protein in the diet is important to prevent locomotive syndrome! Tuna, Pacific saury, Japanese horse mackerel, mushrooms, and others, are rich in Vitamin D, which aids in the absorption of protein.



# Global Network (As of November 1, 2016)

The Ajinomoto Group is globally expanding in a wide range of business fields, including foods, amino acids, and pharmaceuticals, with operation spanning 28 countries and regions.



**Global network: 28 countries and regions**  
 (including 115 manufacturing and packaging plants in 22 countries and regions)  
 (Japan: 42; Other Countries: 73)

- Subsidiaries, affiliates and offices of the Parent Company
- ▲ Foods Plants (84)
- ▲ Amino Acids and Specialty Chemicals Plants (23)
- ▲ Pharmaceuticals Plants (1)
- ▲ Other Plants (7)

Divisions are regional headquarters.

※1 Plants include packaging plants.  
 ※2 Not all plants are displayed on the map.



- North America Division ●
- Ajinomoto North America, Inc. ●▲▲
  - Ajinomoto Heartland, Inc. ●▲
  - Ajinomoto Althea, Inc. ●▲
  - Ajinomoto Windsor, Inc. ●●▲▲▲▲▲▲▲▲
  - Ajinomoto Toyo Frozen Noodles, Inc. ●▲
  - Ajinomoto Fine-Techno USA Corporation ●

- 【Tokyo】
- Tokyo Branch
  - National Account Sales Dept.
  - Ajinomoto Animal Nutrition Group, Inc.
  - AJINOMOTO BAKERY CO., LTD.
  - Ajinomoto Communications Co., Inc.
  - Ajinomoto Engineering Corporation
  - Ajinomoto Frozen Foods Co., Inc.
  - Ajinomoto General Foods, Inc.
  - AJINOMOTO HEALTHY SUPPLY CO., INC.
  - AJINOMOTO LOGISTICS CORPORATION
  - Ajinomoto Trading, Inc.
  - Ajinomoto Treasury Management, Inc.
  - JINO Co., Inc.
  - J-OIL MILLS, INC.
  - Kawaken Fine Chemicals Co., Ltd.

- Portland
  - Ontario
  - Cupertino
  - San Diego
  - Eddyville
  - Chicago
  - Fort Lee
  - Raleigh
  - Mexico City
  - Ajinomoto de México, S. de R.L. de C.V. ●
  - AJINOMOTO DEL PERÚ S.A. ●▲
  - Sazonadores del Pacífico C. Ltda. ●▲
  - Guayaquil
  - Lima
  - São Paulo
- Latin America Division ●
- AJINOMOTO DO BRASIL INDÚSTRIA E COMÉRCIO DE ALIMENTOS LTDA ●▲▲▲▲
  - AJINOMOTO ANIMAL NUTRITION DO BRASIL INDÚSTRIA E COMÉRCIO LTDA. ●▲

# Japan

- Head Office
- Branch Offices
- Regional Branch Offices & Other Sales Facilities
- Administration, Coordination Office & Plants
- Group Companies

- 【Kawasaki】
- Kawasaki Administration & Coordination Office
  - Ajinomoto Fine-Techno Co., Inc.
  - Ajinomoto Packaging Inc.
  - Knorr Foods Co., Ltd.

# Global Review

The *Ajinomoto Group Sustainability Data Book 2016* has been reviewed by representatives of important stakeholder groups in the Americas, Europe, and Asia. The Ajinomoto Group will use their input to help shape its future sustainability initiatives.

## Perspective from Europe

### Outside-in

One of the buzz-words of the current sustainability conversation is "outside-in". This means considering what the world needs and how we, as corporations, governments and individuals respond to those needs. This is in contrast to the "inside-out" thinking that has tended to dominate the sustainability approach of corporations over the years. Inside-out means focusing first on what you provide or manufacture as a corporation and then looking to do it better from a social and environmental standpoint – reduce emissions, increase community contributions, improve labor practices etc. Incremental improvements in direct impacts always represent progress but they may not align with global imperatives in an optimum way.

The current global outside-in priorities are reflected in the UN's 2030 Agenda – the Sustainable Development Goals. According to the multitude of experts who developed the Goals, these are what the world needs over the next 15 years or so. Corporations are already starting to consider how their businesses align with these Goals and what more they can do to support this ambitious agenda. This will undoubtedly be the focus of the next phase in sustainability thinking – alongside the creation of partnerships within sectors, across sectors and between different market players to develop appropriate infrastructures and synergies to leverage all available resources.

One of the things Ajinomoto has always done well is the alignment of its corporate sustainability agenda with what the world needs – an early adopter of the outside-in approach. From the Company's mission – to contribute to the world's food and wellness – to the focus on three core and material areas: healthy living, food resources and global sustainability. In fact, the most important issues aside from food safety on the Ajinomoto Materiality Matrix relate to nutritional challenges in the world, and food availability. This is a very positive application of sustainability principles. Ajinomoto is thinking outside-in and driving its business forward in a way that makes a positive contribution to our shared global goals and future.

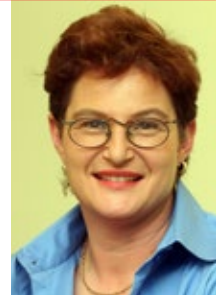
In this 2016 report, Ajinomoto presents its impacts in conjunction with 9 of the 17 goals, providing examples of practice from Ajinomoto's contribution and, in the body of the report, further perspectives on how Ajinomoto can enhance its contribution. This is a great start. In future, I look to Ajinomoto to accelerate relevant practice to advance the Goals beyond current practice and limitations.

### Strategy

Ajinomoto's core approach is based on the principle of ASV – Ajinomoto Shared Value. This is a worthy aspiration that Ajinomoto has presented consistently year after year. While intuitively it may be clear that ASV should be both good for business and good for society, it remains unclear to me how Ajinomoto defines this in detail and how it measures success. How is ASV different from generating growth and profit in a regular business environment? What is unique about the way ASV influences Ajinomoto's product, marketing and

## Elaine Cohen

Elaine Cohen is a CSR Consultant and Sustainability Reporting Expert, Author, Blogger and Speaker. For more info about Elaine, see: [www.b-yond.biz](http://www.b-yond.biz)



distribution decisions? How is social value measured? While I am not necessarily a fan of exaggerated calculations and endless extrapolation of figures to measure social value, I believe that Ajinomoto could move out of the comfort zone to define objectives, targets and at least some elementary outcome measures for ASV, given this is the prism through which Ajinomoto defines its sustainability efforts.

Similarly, I continue to find the lack of clear, longer term targets a little worrisome. As a long-term business with a forward-looking view of its role in society, I believe that establishing targets in all areas of Ajinomoto's sustainability initiatives would inspire greater confidence in the Company's intention and commitment to continuous improvement and enhanced contribution. Working in three-year planning periods may be a necessary management plan, but I would expect a company of Ajinomoto's standing to be bolder and make 2020 (or 2025!) commitments across the board. Five environmental targets for 2020 (three relating to water and one each for emissions and waste) leave us wondering about Ajinomoto's objectives in the next fiscal year and thereafter in every other area. Aspects relating to malnutrition, overnutrition, undernutrition, food safety and more are defined as material topics in Ajinomoto's Matrix. What does Ajinomoto expect to achieve here? How will success be measured? It should be more than producing and marketing more products. Without clear targets, the report fails to deliver its full potential of building trust and credibility.

### Refresh

Ajinomoto's Sustainability Report has the same look and feel as it has for the past several years. Not only this, several texts are reprinted from last year, including at least one entire page, if not more. While there is some content in sustainability reports that is necessary to restate, much of it is not and a reference to online policies or positions will suffice. Similarly, much of the report content is general and could refer to any year. Limiting content to relevant updates from the reporting year would both clarify the scope and extent of Ajinomoto's performance and make the report significantly shorter – a benefit for both Ajinomoto and for its stakeholders. Perhaps it is time for a refresh of how Ajinomoto tells its story – there is indeed such a good story to tell.



## Perspective from the Americas

It is an honor to review the Ajinomoto Group's 2016 Sustainability Report and to comment on progress made last year. It is rewarding to see that the company has adopted some of my suggestions from previous years.

In 2016, the Ajinomoto Group made significant progress on several fronts:

**Sustainable Development Goals (SDGs):** The SDGs provides a useful template for addressing a wide range of complex challenges, giving greater coherence and focus to the report. The Goals serve as a kind of compass for the company in considering how it can create social value around ending hunger, promoting health, climate action, and other goals.

**Integrated Reporting:** In 2016, Ajinomoto issued its first integrated report, joining a group of pioneering companies seeking to link social, environmental, and financial performance.

**Global Governance Policy:** In the past year, the Group has introduced a Global Governance Policy. This is expected to enhance flexibility and allow for greater delegation of authority.

As part of its Medium-Term Management Plan, the Ajinomoto Group has committed itself to becoming a **genuine global food specialty company**. This ambitious goal has important ramifications for the Group as it addresses sustainability and social value creation. What does it mean to become a global company?

### Leadership and Partnerships

Becoming a global company involves a commitment to leadership and partnerships. The report demonstrates many ways in which Ajinomoto is playing a larger role in Japan to promote sustainability and responsible consumption, health, and well-being. To quote the report:

*"What is impossible for one company acting alone can be accomplished through collaboration."* In the coming years, Ajinomoto should increase its leadership on the global stage, continuing to promote partnerships in sustainability. The company would benefit from a larger role in UN networks, industry groups, and stakeholder alliances to promote sustainability and human rights. Becoming part of the Roundtable on Sustainable Palm Oil, the Forest Stewardship Council, and the Rainforest Alliance is a good start, but represents only a beginning. Japanese companies are not well represented in international stakeholder alliances and UN networks. Ajinomoto would benefit from making a commitment to the UN Women's Empowerment Principles and the Children's Rights and Business Principles, as the company is already addressing many issues around women and children. Ajinomoto should join initiatives which relate to its supply chain such as Bonsucro, for promoting sustainable sugar cane.

This shift is starting to take place within Ajinomoto, as evidenced by the way the company is expanding its tagging of fish stocks as a cooperative venture with authorities in Taiwan to include co-operation with other countries, such as Indonesia and the Philippines in the future.

### Global Standards of Best Practice

The company is making progress by expanding its Supplier CSR Guidelines to encompass Group companies in and outside of Japan, so that they can assess their suppliers.

One of the challenges for global companies is to address multiple standards in different countries, often with stringent standards in developed countries and weak or non-existent standards in emerging markets. In the future, Ajinomoto should consider

## Deborah Leipziger

Author, *The Corporate Responsibility Code Book*

Corporate Advisor in Corporate Responsibility and Sustainability Senior Fellow, Social Innovation, Lewis Institute, Babson College



promoting common standards, for example common systems for nutritional labels.

### Partnerships for Assisting Suppliers in Adapting to a Changing Climate

Global companies should work with their suppliers to adapt to climate change. Droughts, floods, and changes in the temperature and sea levels are already impacting crops. How is the company helping its supply chain to adapt? This issue is already becoming material in the coffee sector.

### Leadership on Global Challenges

How is the company addressing one of the major global challenges: growing migration? Reference is made to migrants in Thailand, as migrant workers from Myanmar, Cambodia, and Laos enter the labor force. How is migration impacting Ajinomoto's operations? Will the company make a commitment to hire refugees and migrants? How can the company assist the growing number of refugees around the world facing hunger?

This next section addresses key areas of progress and remaining challenges:

### Human Rights

Progress has been made in identifying risks, conducting due diligence, and understanding how human rights impact the food industry. The company has identified risks in all phases of the value chain, including: child labor, human trafficking, poor labor management (overtime), and water.

The entire report would benefit from the inclusion of more concrete targets, but this is especially true for the human rights section. Setting concrete targets increases the potential for accountability. For example, Ajinomoto sets a target for sourcing certified palm oil by 2018. These targets are helpful and should be expanded and included in a separate section on targets, with external verification of results.

### Diversity and Inclusion

It is impressive to see Ajinomoto aim to become the most female-friendly company in Japan. The creation of the Ajinomoto Women's Council is a step towards a more inclusive workplace. While there is some incremental progress, the overall number of female managers remains very small.

A positive trend is the inclusion of data on local hiring of overseas executives. This is a significant indicator to report on as the company's management becomes more diverse.

### Health and Safety

The company shows leadership by openly addressing the issue of mental health in its report and by offering several types of leave to address employee stress.

It is troubling to see an increase in the number of accidents across the Ajinomoto Group. This increase is due to a significant rise in accidents in Japan that offset reductions overseas.

---

### **Environment**

It is encouraging to see the company's improvement recognized by leading environmental organizations. In its 2016 report, Ajinomoto states that its grade with the CDP 2015 Climate Change rose from a C to a B (with A being the highest and the E lowest). In water, the company received a B rank (ranking began in 2015). I would like to see Ajinomoto join other food companies in showing leadership in the area of climate change and becoming part of CDP's A List.

### **Incentives**

In order to promote cultural change, many companies are developing incentives and bonuses to financially reward employees who meet sustainability goals. Such incentives are important signals from management that the culture of the company is changing. This type of incentive and reward system would be beneficial within Ajinomoto and should be reflected in its reporting.

### **Additional Issues for Consideration**

In future years, the company should consider addressing the following topics in its report: animal welfare and GMO labeling outside of Japan. These issues are of growing importance to US and European markets. It is also time for the company to explore the possibility of issuing country sustainability reports in its "five stars": Thailand, Brazil, Indonesia, Vietnam, and the Philippines.

### **Conclusion**

Ajinomoto has published a comprehensive sustainability report which shows leadership and commitment. In the past three years, the company has gone from anecdotal reporting to creating policies and management systems to create a more sustainable company. The company is investing in training on social and environmental issues and this promises to further embed sustainability into the company in more profound ways.

## Perspective from Asia

This review evaluates the sustainability initiatives undertaken by Ajinomoto Group (hereafter referred to as “the Group”) from an Asian perspective.

### Overall Impressions

First of all, congratulations on the initiative for publishing Integrated Report 2016 and Sustainability Data Book 2016 (hereafter referred to as “the Book”) as a supplementary document to the Integrated Report. This initiative clearly conveys the message regarding the seriousness of the Group on sustainability.

Overall, the Book is more reader friendly than previous years. The new attempt started with a clear and powerful group corporate message with the diagram depicting the Principles, Group Way, Ajinomoto Group Creating Shared Value (ASV), Group Vision and Group Mission projects an overall image of the philosophy and management of the Group. Pages are marked for both the overall data book and the particular topic depicted then. On top of that, the Book which is divided into two main parts based on international standards, i.e. Special Features based on Sustainable Development Goals (SDGs) and the Data Book based on ISO26000. It shows the determination of the group as a global company, progressing toward becoming a “Genuine Global Specialty Company” and one of the top ten global food companies by 2020.

On the other hand, apart from environmental initiatives, other aspects are still more of descriptive articulation than showing target setting and achievements in figures or impact measured. Therefore, it is more of a “Descriptive Book” than a “Data Book” as the name suggested. The reviewer understands through the Materiality section that the group is taking actions towards target setting in other fields as well. Looking forward to the subsequent years.

### Summary of the positive sustainability initiatives undertaken by Ajinomoto Group:

**SDGs:** It is highly regarded that the Group linked SDGs with materiality to its business in various countries and regions. Moreover, as the reviewer is also one of those appointed to answer the survey on SDGs, so much more feeling the seriousness of the Group in linking SDGs and the materiality to its business. The group too shows its continuous effort in explicitly articulate will continue to gather internal and external opinion on SDGs for its future plans.

**Stakeholder Engagement:** The chart (p.11) showing key engagement opportunities and their results to the respective stakeholder group is highly regarded. It shows the Group is not ignoring any category of its stakeholders but taking positive initiatives to engage them. Furthermore, stakeholder engagement program in Thailand is clearly an encouraging initiative for having face to face stakeholder engagement in Asian country other than Japan. The theme raised on migrant workers would have touched the hearts of many Asians, either their home country is as a migrant worker importing country, such as Thailand, Malaysia, Singapore or as an exporting country, e.g. Indonesia, Myanmar, Bangladesh, Nepal etc.

**Reducing food lose from the food service industry and retail stores:** In Asian countries, eating out is very common. Highlighting this point in the Book might contribute in reminding Asian readers to pay more attention to food loss.

**Risk Management:** Risk Management Committee since as early as 2002 and in fiscal 2015, the Group identified three key risk areas including the legal risk of staying compliant with national laws. This risk area identified is important and relevant to many Asian countries. The same rationale applies to Ajinomoto Group Bribery Prevention Policy too.

## Dr. Wong Lai Yong

Dr. Wong Lai Yong, a seasoned CSR consultant, leverages her in-depth knowledge in multinational business operations, hands-on expertise in global and social issues, and fluency in five languages to advise corporations and educational institutions on effective CSR operations across Asia. Dr. Wong also founded her own social enterprise First Penguin that runs innovative educational programs to promote socially responsible capacity development. She is active in local and cross-Asian community development initiatives, including Universiti Sains Malaysia’s Industry-Community Engagement Advisor and CSR advisor for Advertising Nagata Co., Ltd. Dr. Wong holds a Ph.D in Business Administration from Yokohama National University and a MBA from Keio University. She was selected by Cabinet Office (Japan) as one of the “Shining Women in Asia Pacific Region” in 2016.



**Employment of Persons with Disabilities:** This initiative would inspire Asian readers. This is because in many Asian countries, employment of persons with disabilities is not a legal requirement to corporations yet. Therefore, it is more commonly regarded as a job of NGOs, and as a result, yet widely recognized and practiced in corporations.

**Flexible Systems Offered Related to Work-Life Balance:** It is an encouraging initiative as some Asian countries are becoming more affluent, especially younger generations are emphasizing on work-life balance instead of placing work or career advancement as their priority in life.

**Employee Safety:** It is highly regarded that occupational health and safety management, education, as well as preparation for natural disasters are articulated in details. This would impress many Asian readers as most Asian countries are starting to place more emphasis in this area.

**Vietnam Plant Water Treatment:** Indeed an encouraging case study for Asian readers. It clearly shows that environmental initiatives of the Group are not only implemented in Japan but also there is advance initiative applied in its Asia operation other than Japan.

**Development of Environmentally Friendly Packaging:** The articulation and photos of its eco friendly innovative packaging would interest its Asian readers.

**Communication with Customers:** It is highly regarded that comments from customers in Vietnam and Thailand and how the comments were responded in product kaizen were introduced. It projects to the customers that every consumer counts to the Group.

**Community:** AIN Programs implemented in various parts of the world, including many Asian countries such as Bangladesh, Myanmar, Cambodia etc. gives a sense of closeness of the Group to its Asian readers. On top of that, the reviewer is surprised that the Ajinomoto Foundation of Thailand was established as early as 1976, more than 40 years ago. This projects a positive image that the Group exhibits long term commitment to the local community. Moreover, the Foundation’s school canteen building project is closely intact with the core business of the group further enhancing its positive image.

### Improvement Recommendations

**Feedback from External Stakeholders on SDGs (P.9):** It is recommended to add in on what point (time period) and on which report (if any) was this feedback based on.

**Macro Data of Special Features:** Although macro data projected in both Special Features is relevant, the target set by the Group to

---

response to it and impact achieved to date seems not clearly articulated. For example, “Toward the Resolution of Maternal and Child Undernutrition: The Ghana Nutrition Improvement Project” – “Public-private partnership for maximum social impact” (p.19), what has been achieved (in figure) since Phase 3 has begun in 2016. Moreover, what is the upcoming plan after Phase 3 is not documented.

**Risk Management Committee:** It is recommended to add a Crisis Response to the three existing key risks areas in view that natural disaster is more prevalent than before.

**Employment of Persons with Disabilities:** This might have been practiced in other Group companies other than Japan. If not, leveraging the Group’s experience in Japan, it would be a welcoming initiative in Asian countries.

**Empowerment of Female Employees:** While the initiatives, including increasing female managers (middle management) by 50% in 5 years time by 2020 is encouraging, concrete plans to prepare female employees to top management is welcomed. This is because in Asian countries, many Governments are promoting policies for female to top management because even though women in workforce is common, the figure of women in top management is still not satisfactory.

**Usage of Terminology:** In the perspectives of Asian readers, Japan is one of the countries in Asia. Therefore, to answer to this common understanding, it is suggested for example in P.72-74, employees in “Asia” be stated as “Asia other than Japan” as in the chart, Japan is already being categorized as a separate category.

**Quality-related information sharing:** It is recommended to add websites of the overseas group companies on top of Brazil and Thailand. This is because these the websites of these two countries were introduced in the Group’s Sustainability Report 2015 too.

**Community:** Vietnam School Meal Project is a remarkable project of the Group to contribute to the local community. Although there is elaboration on the process and region that this project has been carried out, it would be even more impressive if the number of schools and students from each area benefited from the project, as well as the articulation of the future plans. This applies to other parts of this Book as overall, figures and future plans and targets are welcomed.

**Disclosure of non-positive information:** Asian readers would welcome disclosure of non-positive information and how the Group takes measures to overcome the issues, if any.

# Guidelines: GRI G4 Sustainability Reporting Guidelines

<b>MA:</b> Materiality	<b>OG:</b> Organizational Governance	<b>IR:</b> Integrated Report 2016
<b>F1:</b> Special Feature 1	<b>OP:</b> Fair Operating Practices	<b>PP:</b> Ajinomoto Group Principles & Policies
<b>F2:</b> Special Feature 2	<b>HR:</b> Human Rights	
	<b>LP:</b> Labor Practices	
	<b>EN:</b> The Environment	
	<b>CI:</b> Consumer Issues	
	<b>CO:</b> Community	

## General Standard Disclosures

Indicators		Self-assessment	Related pages in Sustainability Data Book 2016	Other disclosures
<b>Strategy and Analysis</b>				
G4-1	Statement from the most senior decisionmaker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.			<b>IR</b> p.12-17 <b>Message from the President</b> <a href="http://www.ajinomoto.com/en/activity/csr/message/">http://www.ajinomoto.com/en/activity/csr/message/</a>
G4-2	Description of key impacts, risks, and opportunities.	●	<b>MA</b> p.5-6 <b>F1</b> p.1 <b>F2</b> p.1	<b>IR</b> p.20-21, 24-35
<b>Organizational Profile</b>				
G4-3	Name of the organization.	●	Back cover	<b>IR</b> p.68
G4-4	Primary brands, products, and services.	●	<b>MA</b> p.2	<b>IR</b> p.6-7, 20, 24-31, 48-52, 59-65
G4-5	Location of organization's headquarters.	●	Back cover <b>F2</b> p.6	<b>IR</b> p.68
G4-6	Number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	●	<b>MA</b> p.1	<b>IR</b> p.7, 27
G4-7	Nature of ownership and legal form.	●	Editorial Policy	<b>IR</b> p.68
G4-8	Markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	●	<b>MA</b> p.1-2	<b>IR</b> p.22-34, 48-52, 59-65
G4-9	Scale of the organization, including · Total number of employees · Total number of operations · Net sales(for private sector organizations) or net revenues(for public sector organizations) · Total capitalization broken down in terms of debt and equity (for private sector organizations) · Quantity of products or services provided	●	<b>MA</b> p.1	<b>IR</b> p.7, 68
G4-10	· Total number of employees by employment contact and gender. · Total number of permanent employees by employment type and gender. · Total workforce by employees and supervised workers and by gender · Total workforce by region and gender · Whether a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors. · Any significant variations in employment numbers (such as seasonal variations in employment in the tourism or agricultural industries)	●	Data version (personnel and labor)	
G4-11	Percentage of total employees covered by collective bargaining agreements.			
G4-12	Organization's supply chain	△	<b>OP</b> p.3-7 <b>HR</b> p.P1	
G4-13	Any significant changes during the reporting period regarding the organization's size structure, ownership, or its supply chain, including: · Changes in the location of, or changes in, operations, including facility openings, closings, and expansions · Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations) · Changes in the location of suppliers, the structure of the supply chain, or in relationships with suppliers, including selection and termination"	△	<b>EN</b> Cover	
G4-14	Whether and how the precautionary approach or principle is addressed by the organization.	●	<b>OP</b> p.3-7 <b>EN</b> p.7-11	<b>PP</b> p.27-31
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives of which the organization subscribes or which it endorses	△	<b>MA</b> p.5-6 <b>CO</b> p.3	
G4-16	List membership of associations (such as industry associations) and natural or international advocacy organization in which the organization; · Holds a position on the governance body · Participates in projects or committees · Provides substantive funding beyond routine membership dues · Views membership as strategic	△	<b>F1</b> p.4 <b>F2</b> p.7 <b>OP</b> p.4-7 <b>EN</b> p.7-11	
<b>Identified Material Aspects and Boundaries</b>				
G4-17	a. List all entities included in the organization's consolidated financial statements or equivalent documents b. Whether any entity included in the organization's consolidated financial statements or equivalent documents is no covered by the report	●	Editorial Policy	<b>IR</b> p.66-67
G4-18	a. Process for defining the report content and the Aspects Boundaries. b. How the organization has implemented the Reporting Principles for Defining Report Content.	●	<b>MA</b> p.4-5	<b>IR</b> p.21
G4-19	List all the material Aspects identified in the process for defining report content	●	<b>MA</b> p.5-6	<b>IR</b> p.21
G4-20	For each material Aspect, report the Aspect Boundary within the organizations	●	<b>MA</b> p.5-6	
G4-21	For each material Aspect, report the Aspect Boundary outside the organization	●	<b>MA</b> p.5-6	
G4-22	Effect of any restatements of information provided in previous reports, and the reasons for such restatements.			
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries			
<b>Stakeholder Engagement</b>				
G4-24	Basis for identification and selection of stakeholders with whom to engage.	●	<b>MA</b> p.9	
G4-25	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.			
G4-26	Organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder groups, and an indication of whether any of the engagements was undertaken specifically as part of the report preparation process	●	<b>MA</b> p.7-9	
G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns	●	<b>MA</b> p.7-9	

Report Profile				
G4-28	Reporting period (such as fiscal or calendar year) for information provided.	●	Editorial Policy	IR p.1
G4-29	Date of most recent previous report (if any)	●	Editorial Policy	IR p.1
G4-30	Reporting cycle (such as annual, biennial).	●	Editorial Policy	IR p.1
G4-31	Contact point for questions regarding the report or its contents	●	Back cover	<b>Report Download</b> <a href="http://www.ajinomoto.com/en/activity/csr/report/">http://www.ajinomoto.com/en/activity/csr/report/</a>
G4-32	a. 'In accordance' option the organization has chosen b. GRI Content Index for the chosen option c. Reference to the External Assurance Report, if the report has been externally assured.			
G4-33	a. Organization's policy and current practice with regard to seeking external assurance for the report. b. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided. c. Relation ship between the organization and the assurance provides d. Whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report.	●	MA p.7-9	
Governance				
G4-34	Governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	●	OG p.1-5 LP p.10 EN p.24 CI p.1	IR p.35-41 <b>Corporate Governance Polices</b> <a href="http://www.ajinomoto.com/en/ir/pdf/Governance_E.pdf">http://www.ajinomoto.com/en/ir/pdf/Governance_E.pdf</a>
G4-35	Process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.			
G4-36	Whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body	●	OG p.1-5 LP p.10 EN p.24 CI p.1	
G4-37	Processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body.	●	OG p.1-2	
G4-38	Composition of the highest governance body and its committees	△		<b>Corporate Governance Polices</b> <a href="http://www.ajinomoto.com/en/ir/pdf/Governance_E.pdf">http://www.ajinomoto.com/en/ir/pdf/Governance_E.pdf</a>
G4-39	Whether the Chair of the highest governance body is also an executive officer (and, if so, his or her function within the organization's management and the reasons for this arrangement).	●	OG p.1	IR p.37-39
G4-40	Nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members	△		<b>Corporate Governance Polices</b> <a href="http://www.ajinomoto.com/en/ir/pdf/Governance_E.pdf">http://www.ajinomoto.com/en/ir/pdf/Governance_E.pdf</a>
G4-41	Processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders			IR p.68
G4-42	The highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value of mission statements, strategies, policies, and goals related to economic, environmental and social impacts			
G4-43	Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics			
G4-44	a. Processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics. Whether such evaluation is independent or not, and its frequency. Whether such evaluation is a self-assessment. b. Actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics, including, as a minimum, changes in membership and organizational practice			
G4-45	a. The highest governance body's role in the identification and management of economic, environmental and social impacts, risk, and opportunities. Include the highest governance body's role in the implementation of due diligence processes. b. Whether stake holder consultation is used to support the highest governance body's identification and management of economic, environmental and social impacts, risks, and opportunities.			
G4-46	The highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics.	●	OG p.2-3	IR p.39
G4-47	Frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities			
G4-48	The highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered.			
G4-49	Process for communicating critical concerns to the highest governance body.	●	OG p.1	IR p.39
G4-50	Nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them.			
G4-51	a. Remuneration policies for the highest governance body and senior executives b. How performance criteria in the remuneration policy relate to the highest governance body's and senior executives' economic, environmental and social objectives.	△		<b>Corporate Governance Polices</b> <a href="http://www.ajinomoto.com/en/ir/pdf/Governance_E.pdf">http://www.ajinomoto.com/en/ir/pdf/Governance_E.pdf</a>
G4-52	Process for determining remuneration. Whether remuneration consultants are involved in determining remuneration and whether they are independent of management. Any other relationships which the remuneration consultants have with the organization.	●		<b>Corporate Governance Polices</b> <a href="http://www.ajinomoto.com/en/ir/pdf/Governance_E.pdf">http://www.ajinomoto.com/en/ir/pdf/Governance_E.pdf</a>
G4-53	How stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable.			
G4-54	Ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.			
G4-55	Ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country			
Ethics and Integrity				
G4-56	Organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	●	Editorial Policy MA p.3 OG p.4 OP p.1 HR p.2 LP p.3	IR p.10
G4-57	Internal and External mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines.	●	OG p.6	
G4-58	Internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.	●	OG p.6	

Specific Standard Disclosures

Indicators		Self-assessment	Related pages in Sustainability Data Book 2016	Other disclosures
<b>Disclosures on Management Approach (DMA)</b>				
G4-DMA	a. Why the Aspect is material. The impacts that make this Aspect material. b. How the organization manages the material Aspect or its impacts. c. The evaluation of the management approach including: · The mechanisms for evaluating the effectiveness of the management approach · The results of the evaluation of the management approach · Any related adjustments to the management approach"			
<b>Economic</b>				
Economic Performance				
DMA				
G4-EC1	Direct economic value generated and distributed			
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	△	F1 p.1 F2 p.1, 7 OG p.3 OP p.3 HR p.1 EN p.9-10, 13, 15	
G4-EC3	Coverage of the organization's defined benefit plan obligations			
G4-EC4	Financial assistance receive from government			
Market Presence				
DMA				
G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation			
G4-EC6	Proportion of senior management hired from the local community at significant locations of operation	△	Data version (personnel and labor)	
Indirect Economic Impacts				
DMA				
G4-EC7	Development and impact of infrastructure investments and services supported	●	CO p.1-2, 7	
G4-EC8	Significant indirect economic impacts, including the extent of impacts	△	F1 p.7-9 F2 p.3-5, 9-10 OP p.3-7 EN p.15, 22-23	
Procurement Practices				
DMA				
G4-EC9	Proportion of spending on local suppliers at significant locations of operation	●	OP p.1-2 HR p.1	
<b>Environmental</b>				
Materials				
DMA				
G4-EN1	Materials used by weight or volume	●	F2 p.2-3, 5 EN p.1-4, 24-25	PP p.18, 27-31
G4-EN2	Percentage of materials used that are recycled input materials	△	EN p.2-4, 6, 17	
Energy				
DMA				
G4-EN3	Energy consumption within the organization	●	F2 p.5 EN p.1-3, 5	PP p.27-31
G4-EN4	Energy consumption outside of the organization	●	EN p.1-3, 5-6	
G4-EN5	Energy intensity	●	EN p.6	
G4-EN6	Reduction of energy consumption	●	EN p.5	
G4-EN7	Reduction in energy requirements of products and services	●	EN p.12-13	
Water				
DMA				
G4-EN8	Total water withdrawal by source	●	EN p.2-4, 13	PP p.27-31
G4-EN9	Water sources significantly affected by withdrawal of water	●	EN p.4, 6	
G4-EN10	Percentage and total volume of water recycled and reused	△	EN p.2, 13	
G4-EN10	Percentage and total volume of water recycled and reused	△	EN p.13	
Biodiversity				
DMA				
G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	●	EN p.7	PP p.18-24, 27-31
G4-EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	●	F2 p.7-8 EN p.8-11	
G4-EN13	Habitats protected or restored	●	F2 p.8 EN p.8-11	
G4-EN14	Total number of IUCN red list species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	●	F2 p.8 EN p.9-11	
Emissions				
DMA				
G4-EN15	Direct greenhouse gas(GHG) emissions (SCOPE1)	●	F2 p.6 EN p.2-3, 5	PP p.27-31
G4-EN16	Energy indirect greenhouse gas(GHG) emissions(SCOPE2)	●	EN p.2-3, 5-6	
G4-EN17	Other indirect greenhouse gas(GHG) emissions(SCOPE3)	●	EN p.2-3, 6	
G4-EN18	Greenhouse gas(GHG) emissions intensity	●	EN p.12-13, 15, 22-23	
G4-EN19	Reduction of greenhouse gas (GHG) emissions	●	EN p.2-3, 5	
G4-EN20	Emissions of Ozone-depleting substances(ODS)	●	EN p.2-3, 5	
G4-EN21	NOx,SOx,and other significant air emissions	●	EN p.5	
G4-EN21	NOx,SOx,and other significant air emissions	●	EN p.6	
Effluents and Waste				
DMA				
G4-EN22	Total water discharge by quality and destination	●	EN p.2-4	PP p.27-31
G4-EN23	Total weight of waste by type and disposal method	●	EN p.2-4, 6	
G4-EN24	Total number and volume of significant spills	●	EN p.2-4, 6	
G4-EN25	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel convention annex I, II, III and VIII, and percentage of transported wasted shipped internationally	●	EN p.25	
G4-EN26	Identity, size, protected status and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff	△	EN p.13	
Products and Services				
DMA				
G4-EN27	Extent of impact mitigation of environmental impacts of products and services	●	EN p.1, 12-13, 16-17	PP p.27-31
G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category	●	F2 p.6 EN p.1, 12-13, 15, 18-20	

<b>Compliance</b>				
DMA		●	OG p.4-5 EN p.1, 24-25	PP p.27-31
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	●	EN p.25	
<b>Transport</b>				
DMA		●	EN p.22-23	PP p.27-31
G4-EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce	●	EN p.22-23	
<b>Overall</b>				
DMA		●	MA p.4-5 F2 p.1-2 EN p.1-3	PP p.27-31
G4-EN31	Total environmental protection expenditures and investments by type	●	Data version (environment)	
<b>Supplier Environmental Assessment</b>				
DMA		●	OP p.1-3	PP p.16-22
G4-EN32	Percentage of new suppliers that were screened using environmental criteria			
G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken	●	OP p.3-7	
<b>Environmental Grievance Mechanisms</b>				
DMA		●	EN p.24-25	
G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	●	EN p.25	
<b>Social</b>				
<b>SUB: Labor practices and decent work</b>				
<b>Employment</b>				
DMA				PP p.6-7
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	●	Data version (personnel and labor)	
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation			
G4-LA3	Return to work and retention rates after parental leave, by gender	●	Data version (personnel and labor)	
<b>Labor/Management Relations</b>				
DMA				
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements			
<b>Occupational Health and Safety</b>				
DMA		●	LP p.10, 12, 14	PP p.6-7, 26
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs			
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number or work-related fatalities, by region and by gender	●	LP p.11	
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation			
G4-LA8	Health and safety topics covered in formal agreements with trade unions	△	LP p.11	
<b>Training and Education</b>				
DMA		●	LP p.1, 3, 7	PP p.6-7
G4-LA9	Average hours of training per year per employee by gender, and by employee category			
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	●	LP p.3, 7	
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category			
<b>Diversity and Equal Opportunity</b>				
DMA		●	LP p.1-2	PP p.6-7
G4-LA12	Composition of Governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	△		<b>Corporate Governance Polices</b> <a href="http://www.ajinomoto.com/en/ir/pdf/Governance_E.pdf">http://www.ajinomoto.com/en/ir/pdf/Governance_E.pdf</a>
<b>Equal Remuneration for Women and Men</b>				
DMA		△	LP p.2, 4	
G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation			
<b>Supplier Assessment for Labor Practices</b>				
DMA		●	LP p.1-2 HR p.2	
G4-LA14	Percentage of new suppliers that were screened using labor practices criteria			
G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	△	OP p.5-7	
<b>Labor Practices Grievance Mechanisms</b>				
DMA		●	OG p.6	
G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms			
<b>SUB: Human rights</b>				
<b>Investment</b>				
DMA		△	OP p.1-2 HR p.1-2	PP p.6
G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	△	OP p.1-2 HR p.1-3	
G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	●	HR p.1-2, 4	
<b>Non-discrimination</b>				
DMA		●	OP p.1-2 HR p.1-2	PP p.6-7
G4-HR3	Total number of incidents of discrimination and corrective actions taken			
<b>Freedom of Association and Collective Bargaining</b>				
DMA				
G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights			
<b>Child Labor</b>				
DMA		●	HR p.1-3	PP p.6, 18-22
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor			



<b>Forced or Compulsory Labor</b>				
DMA		●	HR p.1-3	PP p.6, 18-22
G4-HR6	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor			
<b>Security Practices</b>				
DMA				
G4-HR7	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations			
<b>Indigenous Rights</b>				
DMA		●	HR p.1-3	PP p.6, 18-22
G4-HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken			
<b>Assessment</b>				
DMA				
G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments	△	HR p.1	
<b>Supplier Human Rights Assessment</b>				
DMA		●	OP p.1-2 HR p.1-3	PP p.6, 18-22
G4-HR10	Percentage of new suppliers that were screened using human rights criteria			
G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken	△	HR p.1, 3	
<b>Human Rights Grievance Mechanisms</b>				
DMA		△	OG p.6	
G4-HR12	Number of Grievances about human rights impacts filed, addressed and resolved through formal grievance mechanisms			
<b>SUB:Society</b>				
<b>Local Communities</b>				
DMA		●	CO p.1-14	
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	●	F1 p.8-9	
G4-SO2	Operations with significant actual and potential negative impacts on local communities			
<b>Anti-corruption</b>				
DMA		●	OG p.3 OP p.1, 8	PP p.4-5, P13-14
G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified			
G4-SO4	Communication and training on anti-corruption policies and procedures	●	OG p.3, 5 OP p.8	PP p.4-5, P13-14
G4-SO5	Confirmed incidents of corruption and actions taken			
<b>Public Policy</b>				
DMA				
G4-SO6	Total value of political contributions by country and recipient/beneficiary			
<b>Anti-competitive behavior</b>				
DMA		●	OP p.8	PP p.5
G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes			
<b>Compliance</b>				
DMA		●	OG p.4-6	PP p.11-12
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations			
<b>Supplier Assessment for Impacts on Society</b>				
DMA		●	OP p.1-2	PP p.16-22
G4-SO9	Percentage of new suppliers that were screened using criteria for impact on society			
G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken	●	HR p.1	PP p.18-22
<b>Grievance Mechanisms for Impacts on Society</b>				
DMA				
G4-SO11	Number of grievances about impacts on society on society filed, addressed, and resolved through formal grievance mechanisms			
<b>SUB:Product Responsibility</b>				
<b>Customer Health and Safety</b>				
DMA		●	CI p.1-4, 7-9	PP p.2-3, 27
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	●	CI p.1-3	
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	●	CI p.3	
<b>Product and Service Labeling</b>				
DMA		●	CI p.1-6	PP p.2-3, 32
G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements	●	EN p.21 CI p.5-6, 9-10	
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and services information and labeling, by type of outcomes	●	CI p.9-10	
G4-PR5	Results of surveys measuring customer satisfaction	△	CI p.7-9	
<b>Marketing Communications</b>				
DMA		●	CI p.7-9	
G4-PR6	Sale of banned or disputed products			
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes			
<b>Customer Privacy</b>				
DMA		●	CI p.8	PP p.34
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data			
<b>Compliance</b>				
DMA		●	OG p.4-5 CI p.1	
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services			

- Valine
- Leucine
- Isoleucine
- Alanine
- Arginine
- Glutamine
- Lysine
- Aspartic acid
- Glutamate
- Proline
- Cysteine
- Threonine
- Methionine
- Histidine
- Phenylalanine
- Tyrosine
- Tryptophan
- Asparagine
- Glycine
- Serine

Inquiries:

Global Communications Dept., Ajinomoto Co., Inc.

Address:

15-1, Kyobashi 1-chome, Chuo-ku, Tokyo 104-8315, Japan

Tel: +81-3-5250-8165

Fax: +81-3-5250-8314

E-mail: [csr\\_info@ajinomoto.com](mailto:csr_info@ajinomoto.com)

URL: <http://www.ajinomoto.com/en/activity/>

Unauthorized copying or reproduction of  
this document is prohibited.

© Ajinomoto Co., Inc. 2016

