

**Eat
Well,
Live
Well.**



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Editorial policy

This Sustainability Data Book provides additional information to our Integrated Report, organized according to the materiality items of the Ajinomoto Group (“the Group”). We hope this report enhances the understanding of all of our stakeholders, including shareholders and investors, related to our approach to sustainable growth.

Ajinomoto Group Sustainability Data Book 2021 has been prepared in accordance with the GRI Standards: Core option.

Organizational scope

This report covers the activities of the Group, comprising, unless otherwise noted, Ajinomoto Co., Inc. (“the Company”) and its consolidated subsidiaries and equity-method affiliates (as of March 31, 2021). When comprehensive Group information is not available, the data parameters are explicitly defined.

Period covered by this report

Fiscal 2020 (April 1, 2020 to March 31, 2021)
Past circumstances, data, and recent cases outside of this time period are presented when appropriate.



Ajinomoto Group Integrated Report 2021

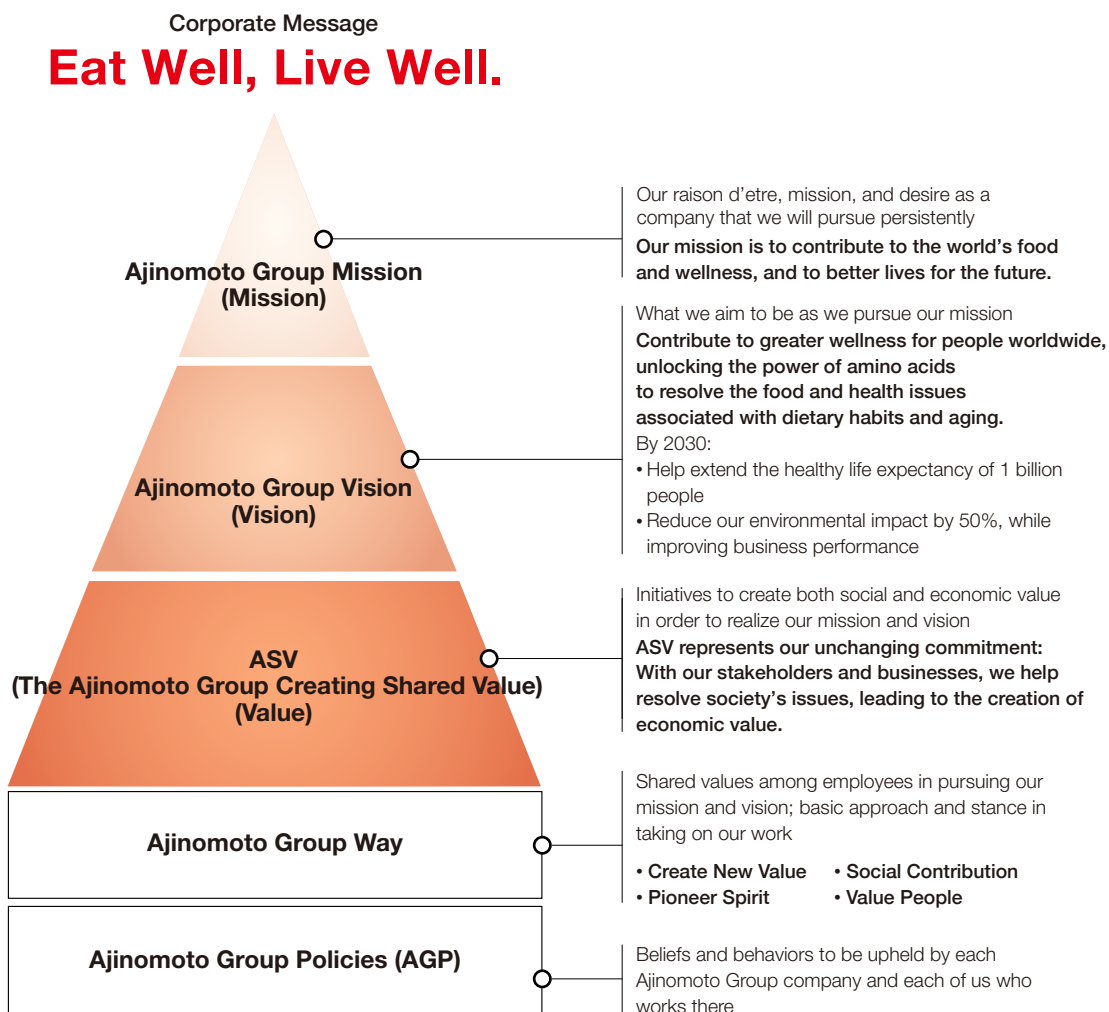
<https://www.ajinomoto.co.jp/company/en/ir/library/annual.html>

More detailed information is available on our corporate website.
<https://www.ajinomoto.com/sustainability/>

Our Philosophy

Since our founding, the Ajinomoto Group has engaged consistently in initiatives to resolve social issues through our businesses. These initiatives have contributed to the Group’s growth by improving economic value through the creation of shared value with society and with local communities. We call these initiatives ASV (The Ajinomoto Group Creating Shared Value). ASV serves as the core of Our Philosophy, the Group’s approach to achieving the mission and vision adopted under this philosophy.

Toward realizing our Vision, we aim to both extend the healthy life expectancy of one billion people and reduce our environmental impact by 50% by 2030. The basic policy of our 2020-2025 Medium-Term Management Plan (“20-25 MTP”) calls for focusing all of our management resources on resolving food and health issues.



Approach to Sustainability

Ajinomoto Group ESG and sustainability

GRI102-11

Approach to sustainability toward the 2030 outcomes

The Ajinomoto Group has put forth being a solution-providing group of companies for food and health issues as our vision for 2030. To achieve this, we need to both help extend healthy life expectancy of one billion people and reduce our environmental impact by 50%.

The business of the Ajinomoto Group is supported by sound food systems^[1] based on stable food resources and the vibrant natural environment. However, we are also aware that our business activities have an impact on the environment.

Today, when we are reaching the planetary boundaries, it is essential that we put in place efforts to regenerate the environment. We believe that we can only implement initiatives aimed at extending healthy life expectancy in a sustainable manner by reducing our environmental impact through measures such as responding to climate change, ensuring sustainability of food resources, and the conservation of biodiversity.

Through our business activities, we provide products and services that are tasty, nutritionally balanced, and of benefit for people's dietary habits, and that further promote a reduced environmental impact caused by greenhouse gases, plastic waste, and food loss and waste. Also, through our resource recycling-based amino acid fermentation process (a bio-cycle), we are contributing to sustainable food systems that are more resilient and to regeneration of the global environment.

Furthermore, we will maximize our strength in amino acids, and transform food systems through innovation and building ecosystems.

[1] The series of activities related to food production, processing, transport, and consumption.

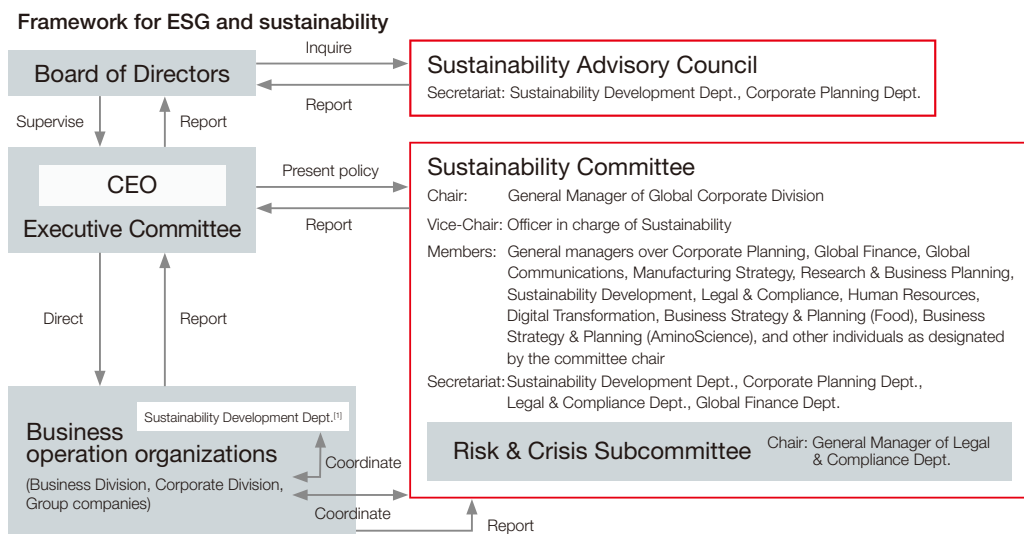
Framework for ESG and sustainability

With respect to ESG and sustainability management, the Ajinomoto Group has built a management system modeled on ISO 9001, ISO 14001, and other standards, based on the Ajinomoto Group Policies (AGP) and relevant internal rules. We continue with operations as we ensure optimal processes.

In April 2021, we established the Sustainability Advisory Council as a subordinate body of the Board of Directors, and we established the Sustainability Committee as a subordinate body of the Executive Committee. In this way, we strengthened our system for setting important policies to pursue the enhancement of corporate value on a continuing basis from the perspective of sustainability. The Sustainability Committee identifies risks and opportunities that have a Group-wide impact based on materiality items approved by the Board of Directors upon the Sustainability Advisory Council's report and strategic direction provided by the Board of Directors, and reflects these factors in business strategy, and also reports to the Executive Committee and the Board of Directors. The Sustainability Committee and the Sustainability Development Dept. formulate the Group's sustainability strategy and roadmaps of related topics that include nutrition, the environment and society, follow up on recommendations to incorporate sustainability into business plans, compile internal information related to ESG, and report to the Executive Committee and the Board of Directors.

- > Integrated Report 2021 P21-23
- > Integrated Report 2021 P89
- > Framework for ESG and sustainability

Approach to Sustainability



[1] Formulate policies and strategies / make proposals to business plans from the perspective of sustainability / follow up on measures together with the Sustainability Committee

> Overview of the Sustainability Advisory Council

Overview of the Sustainability Advisory Council

Roles

Report to the Board of Directors after conducting investigations on the following in response to consultations from the Board.

- 1) Materiality from a long-term perspective (through the year 2050) to be reflected in the material items and strategy of Phase 2 of the Medium-Term Management Plan (fiscal 2023-2025)
- 2) Materiality from a multi-stakeholder perspective and policies for responding to environmental changes (risks and opportunities) associated with materiality
- 3) Appropriate involvement in the creation of topics and social rules expected and required of companies in the year 2030 and beyond
- 4) Goals for the year 2030 and beyond related to the creation of social value, including reducing environmental impact and extending healthy life expectancy

Structure

The council consists of outside experts from various disciplines, including academia, emerging economy perspectives, millennial and Gen Z perspectives, and ESG/impact investors, as well as outside directors and internal officers of the Company, including the president & CEO.

Roles of the Sustainability Committee

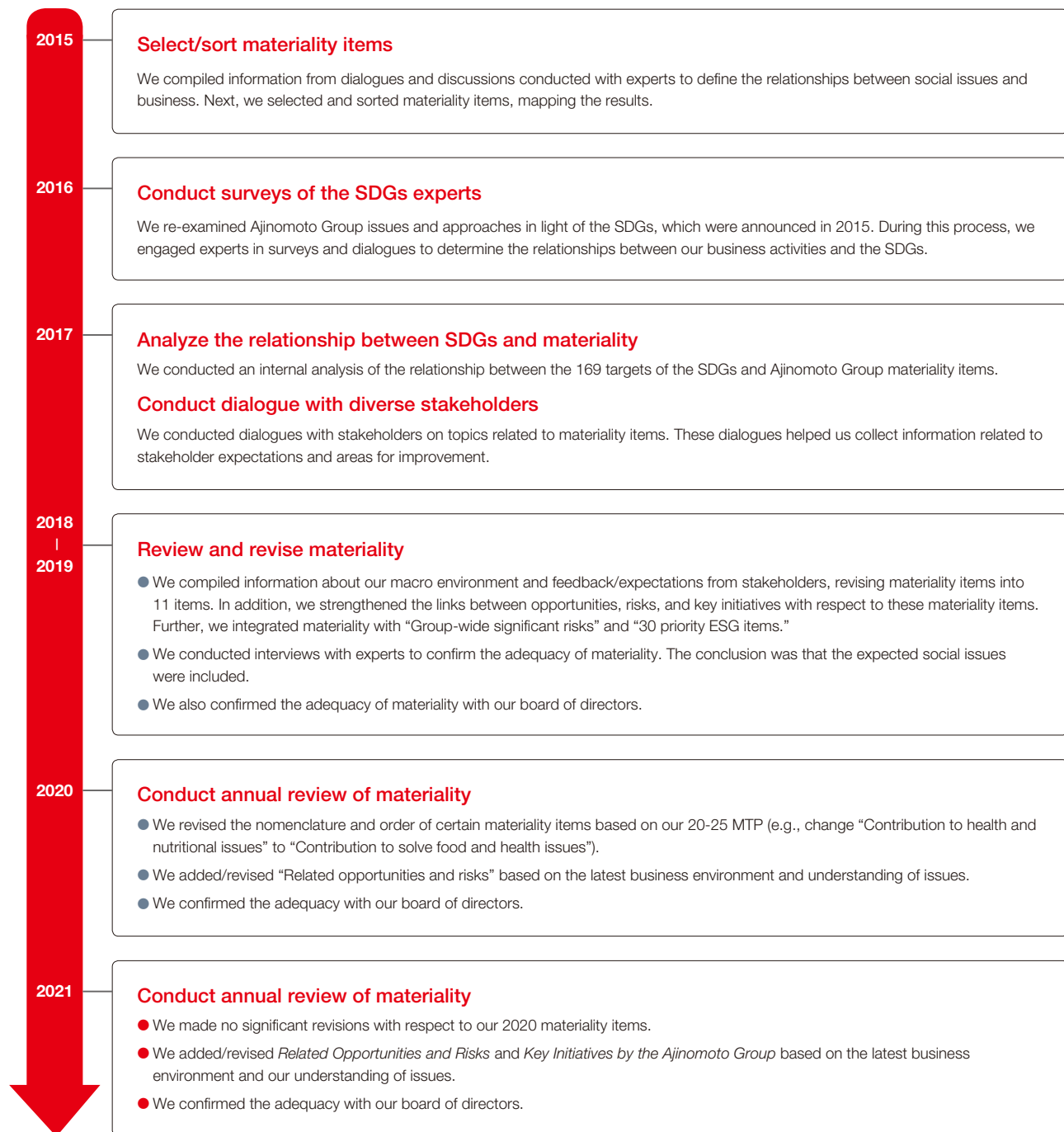
The Sustainability Committee carries out the matters discussed below and reports to the Executive Committee and the Board of Directors, the contents of which are based on materiality items approved by the Board of Directors (based on reports from the Sustainability Advisory Council) and the strategic direction indicated by the Board. Matters 3) to 5) below are handled by the Risk & Crisis Subcommittee, established as a subcommittee under the Sustainability Committee.

- 1) Risks and opportunities that have a Group-wide impact based on materiality items, and reflect them in business strategy
- 2) Pursuit sustainability-related initiatives
- 3) Develop and promote risk management processes that contribute to stronger internal controls
- 4) Manage and operate crisis-related tasks (safety and security)
- 5) Respond to risks that have a Group-wide impact (task force, etc.)

Materiality

How we identify material issues

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



Future plans

- In response to an inquiry from our board of directors, the Sustainability Advisory Council will consider the identification of materiality items from a long-term perspective.
- The board of directors will decide new materiality items during fiscal 2021, based on reports from the Sustainability Advisory Council.

Materiality

Ajinomoto Group materiality

The Ajinomoto Group conducts an annual review of materiality items, revising content based on the latest social conditions and the feedback and expectations of our stakeholders. After a careful examination of content during fiscal 2021, we did not make any major changes to materiality items. We aim to create value by identifying opportunities and risks within our materiality and developing corresponding initiatives.

Macro environment surrounding the Ajinomoto Group

Growing world population^[1]

2019 2050
7.7 billion ▶ 9.7 billion
 Food production needed by 2050 compared to 2012 **+50%**^[2]
 · Rising demand for food, water, and energy

Global population aging

Population over 65^[3]
 2020 2050
0.73 billion ▶ 1.5 billion
 · Rising needs for extending healthy life expectancy
 · Rising demand for healthcare

Climate change

Global average temperature by 2100^[4] **+4.8°C**
 · Accelerated decarbonization
 · Physical damage from natural disasters
 · Unstable materials sourcing
 · Breakdown in supply chain

Transition to the new normal in the wake of the COVID-19 pandemic

- Changes in consumer behavior (in-home consumption, reluctance to go out, increased delivery, etc.)
- Increased awareness of hygiene and health management
- Increased awareness of stable supply of goods (trend toward local production for local consumption, etc.)
- Social fragmentation (polarization of rich and poor, increase in the number of the poor and unemployed, etc.)
- Increase in occasion of eating alone
- Promotion of the green recovery

Accelerated use of digital technology

- Emergence of new business opportunities and competition
- Changes in the way information, products, and services are provided (e.g., e-commerce)
- Increasing opportunities for direct communication with consumers
- Increase in the influence of Generation Z

[1] United Nations (UN), 2019

[2] Food and Agriculture Organization of the UN, 2017

[3] UN, 2020

[4] Intergovernmental Panel on Climate Change, 2013

Materiality items	Specific examples
Contribution to solve food and health issues	<ul style="list-style-type: none"> · Undernutrition and overnutrition (customer welfare) · Nutrition for infants, young women, and seniors · Well-being · Regenerative medicine · Preventive medicine
Rapid response to consumer lifestyle changes	<ul style="list-style-type: none"> · Fair marketing and advertising · Product access and affordability · Response to diversification of values (smart cooking, joy of eating) · Eating alone, eating personalized meals
Assurance of product safety	<ul style="list-style-type: none"> · Product quality and safety · Fair disclosure and labeling · New technology application · Religious standards
Diverse talent	<ul style="list-style-type: none"> · Employee engagement / decent work · Diversity and inclusion · Employee health, safety, and well-being · Labor relations · Fair labor practices · Compensation and benefits · Recruitment, development and retention
Climate change adaptation and mitigation	<ul style="list-style-type: none"> · Reduction of greenhouse gas emissions (Scope 1, 2, and 3) · Energy management · Fuel management · Air quality
Contribution to a circular economy	<ul style="list-style-type: none"> · Waste reduction and 3Rs (Reduce, Reuse, Recycle) · Product packaging · Waste and hazardous materials management · Reduction of environmental impact from containers and packaging · Lifecycle impact of products and services
Reduction of food loss and waste	<ul style="list-style-type: none"> · Efficient use of materials · Consumer edification (sustainable consumption, etc.) · Waste reduction in the distribution process
Sustainable materials sourcing	<ul style="list-style-type: none"> · Biodiversity impacts · Deforestation control · Elimination of child labor and forced labor · Supply chain management · Sustainable land use · Animal welfare · Animal and plant nutrition
Conservation of water resources	<ul style="list-style-type: none"> · Water and wastewater management · Agriculture and livestock water use
Strong corporate governance	<ul style="list-style-type: none"> · Compliance · Accident and safety management · Competitive behavior · Intellectual property protection · Political activities and contributions · Business ethics and transparency of payments · IT management · Response to natural disasters and diseases · Systemic risk management · Data security and customer privacy · Regulatory capture and political influence · Environment, social impacts on assets and operations · Succession planning · Management transparency · Human rights and community relations
Preparation for intense global competition	<ul style="list-style-type: none"> · Business selection and focusing · Early creation of innovation · Open innovation · Enhancement of basic infrastructure

Materiality

Materiality items	Related opportunities and risks (○ Opportunity ● Risk)
Contribution to solve food and health issues	<ul style="list-style-type: none"> ○ Revised lifestyle habits, including diet and exercise, due to increasing seriousness and diversity of health issues ○ Brand trust ○ Stronger laws and rules related to health and nutrition (sugar tax, nutrition labeling) ○ Involvement of food and nutrition in predictive prevention ○ Development of regenerative medicine technology, antibody drugs, and oligonucleotide therapeutics ● Rising competition in the health and nutrition field
Rapid response to consumer lifestyle changes	<ul style="list-style-type: none"> ○ Enhancing corporate reputation by offering the joy of eating together ○ New value creation using digital technology ● Loss of growth opportunities due to delayed response to consumer lifestyle changes or diversifying values
Assurance of product safety	<ul style="list-style-type: none"> ○ Brand trust gained by increasing customer satisfaction ○ Trust gained through fair disclosure to stakeholders ● Impact on business of growing negative rumors regarding umami and MSG ● Lower customer confidence due to product quality complaints or incidents
Diverse talent	<ul style="list-style-type: none"> ○ Company growth by improving employee engagement ○ Creation of an innovative environment ● Rising costs due to intense competition for human resources
Climate change adaptation and mitigation	<ul style="list-style-type: none"> ○ Cost competitiveness ensured through renewable energy and reduced carbon tax burden ○ Collaboration with outside organizations on decarbonization ● Failure to procure raw materials due to climate change ● Damaged corporate value due to delayed response to climate change
Contribution to a circular economy	<ul style="list-style-type: none"> ○ Gaining market share through the development of environmentally friendly materials ● Damaged corporate value due to delays in waste reduction or recycling efforts
Reduction of food loss and waste	<ul style="list-style-type: none"> ○ Cost reduction through efforts to improve yield in the manufacturing process, reduce product returns and waste ● Damage to corporate value due to delays in addressing food loss and waste
Sustainable materials sourcing	<ul style="list-style-type: none"> ● Failure to procure raw materials, product returns due to quality issues in the supply chain ● Failure to procure raw materials and damage to corporate value due to delays in addressing social and environmental issues in the supply chain ● Failure to procure raw materials due to food resource depletion
Conservation of water resources	<ul style="list-style-type: none"> ○ Stable procurement of raw materials and stable supply of products by reducing water risk ● Production stagnation due to droughts, floods or water quality deterioration ● Damage to corporate value due to delays in addressing water resource conservation
Strong corporate governance	<ul style="list-style-type: none"> ○ Appropriate risk-taking ● Business continuity risk or other unexpected losses due to failures in corporate governance or internal controls ● Lack of appropriate information disclosure resulting in a loss of investor confidence ● Decreased competitiveness due to vulnerabilities in IT management structure ● Delay or suspension of operations due to a combination of natural disasters, diseases, and pandemics (COVID-19, avian influenza, etc.) ● Disruptions to organizational operations and decline in business profitability due to changes in macroeconomic conditions ● Impact of intellectual property risks on business ● Impact of sudden foreign exchange and interest rate fluctuations on business ● Higher tax burden due to changes in tax and tax effect
Preparation for intense global competition	<ul style="list-style-type: none"> ○ Business foundation reform through digital disruption ○ Value creation from external collaboration ○ Specialty creation through technological innovation ○ Establishment of competitive advantage by forecasting future changes ● Opportunity loss and loss of competitive ability due to neglect of IT investment ● Emergence of multiple competitors due to an inability to erect strong barriers to entry

Materiality

Materiality items	Key initiatives by the Ajinomoto Group	Related SDGs	
Contribution to solve food and health issues	<ul style="list-style-type: none"> Offering tasty food and amino acid products as well as menus that nourish health and well-being “Delicious salt reduction” (umami) Promoting protein intake “Delicious sugar and fat reduction” Workforce nutrition improvement Use of nutrient profiling systems for product development 	<ul style="list-style-type: none"> Customized proposals of products and services that are useful for improving nutrition (personalized nutrition) Contributing to preventive medicine through “AminoIndex technology” Cell culture medium for regenerative medicine Contract development and manufacturing of biopharmaceuticals 	
Rapid response to consumer lifestyle changes	<ul style="list-style-type: none"> Creating strong communities and social bonds through food Advanced marketing efforts by leveraging big data and consumer data Building strategies to deal with smaller markets 	<ul style="list-style-type: none"> Properly delivering products, services, and information to customers Expanding products and services to meet the need for convenience, such as smart cooking 	
Assurance of product safety	<ul style="list-style-type: none"> Providing proper information via product packaging and online Reflecting customer feedback on developing and improving products and services 	<ul style="list-style-type: none"> Enhancing communication to share the benefits of umami and MSG Thorough quality assurance and human resource training based on the Ajinomoto System of Quality Assurance (ASQUA) 	
Diverse talent	<ul style="list-style-type: none"> Enhancing employee ASV engagement (ASV as one’s own initiative) Promoting PDCA cycle using engagement surveys Organizational culture reform to promote diversity and inclusion 	<ul style="list-style-type: none"> Training and promotion of female employees Promoting health management Human rights awareness training Fostering a corporate culture of innovation 	
Climate change adaptation and mitigation	<ul style="list-style-type: none"> Long-term effort to turning the overall product lifecycle carbon neutral Initiatives to reduce energy use during production and transportation Shifting to renewable energy Use of internal carbon-pricing 	<ul style="list-style-type: none"> Disclosing information in line with the Task Force on Climate-related Financial Disclosures (TCFD) (scenario analysis, etc.) Lowering environmental impact by feed-use amino acids (reduction of soil and water pollution) 	
Contribution to a circular economy	<ul style="list-style-type: none"> Supplying highly biodegradable amino acid-based detergent Promoting the 3Rs of containers and packaging (reduction of plastic waste, etc.) Eco-friendly packaging materials (mono-materials, biodegradable plastics, plant-derived materials) and certified paper Promoting use of environmentally friendly product labels Appeals on packaging labels to reduce plastic waste 		
Reduction of food loss and waste	<ul style="list-style-type: none"> Using raw materials in manufacturing process without waste Upgrading, optimizing supply chain management using digital technology Reducing product returns and waste by extending product best-before dates, etc. Reducing food loss and waste during product use by consumers Proposing eco-friendly lifestyles for enjoying food without leftovers 		
Sustainable materials sourcing	<ul style="list-style-type: none"> Promoting awareness and understanding of procurement policies and guidelines among suppliers Establishing a CSR audit system for suppliers and contract manufacturers Management of fair operating practices (traceability, etc.) Establishing a PDCA cycle related to human rights due diligence 	<ul style="list-style-type: none"> Identifying important raw materials and engaging in responsible procurement (paper, palm oil, skipjack, etc.) Ensuring fair competition and providing thorough employee training Contributing to sustainable agriculture by using co-products 	
Conservation of water resources	<ul style="list-style-type: none"> Maintaining forests for water sources Developing wastewater treatment technology 		
Strong corporate governance	<ul style="list-style-type: none"> Raising awareness of the Ajinomoto Group Policies among all Group employees Establishing whistleblower hotline Strengthening corporate governance system Stronger business continuity management (BCM) Occupational safety and health management 	<ul style="list-style-type: none"> Selecting Group-wide significant risks and considering appropriate responses Strengthening cybersecurity countermeasures by ensuring information security regulations Managing intellectual property risk Engagement in dialogue with various stakeholders 	
Preparation for intense global competition	<ul style="list-style-type: none"> Stronger collaboration between food and AminoScience divisions Evolving supply chain management (digitization, establish ecosystem, etc.) Promoting digital transformation Establishing solutions-oriented R&D structure 	<ul style="list-style-type: none"> Executing global strategy in consumer food businesses (seasonings, quick nourishment, frozen foods) Competitive intelligence (medium- to long-term initiatives) Promoting open & linked innovation Reviewing global production system, logistics system, and employment system 	

Our Supply Chain

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Ajinomoto Group supply chain

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



Raw materials procurement

Social issues and concerns

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

Risks

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

Group initiatives

- Procure environmentally friendly raw materials
- Contribute to sustainable agriculture by using co-products^[1]; reduce raw material losses
- Strengthen supply chain CSR audits and collaborate to resolve issues
- Thorough quality assurance based on the Ajinomoto System of Quality Assurance (ASQUA)

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

Production

Social issues and concerns

- Transition to a decarbonized society (response to climate change)
- Product quality and safety • Food loss and waste • Water resources
- Occupational safety and health • Respect for workers' rights

Risks

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

Group initiatives

- Reduce greenhouse gas emissions by shifting to renewable energy sources
- Reduce food loss and waste at production sites
- Engage in recycling through water treatment
- Strengthen supply chain CSR audits and collaborate to resolve issues
- Occupational safety and health management
- Thorough quality assurance based on ASQUA

Our Supply Chain

Distribution

Social issues and concerns

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

Risks

- Environmental impact and cost increase due to delay in decarbonization
- Logistics delays due to labor shortages • Occupational accidents
- Potential human rights violation risks

Group initiatives

- Promote modal shifts • Increase the ratio of renewable energy use
- Collaborate with other companies to reduce energy consumption during transportation
- Thorough quality assurance based on ASQUA

Sales

Social issues and concerns

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

Risks

- Legal risks, including antitrust law violations, competition laws, and food safety and labeling laws
- Loss of trust due to inappropriate advertising and marketing
- Loss of trust due to insufficient consideration of personal information protection and privacy
- Occupational accidents • Potential human rights violation risks

Group initiatives

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

Consumers

Social issues and concerns

- Transition to a decarbonized society (response to climate change)
- Product quality and safety • Waste (plastics) • Food loss and waste • Information overload

Risks

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

Group initiatives

- Reflect customer feedback on developing and improving products and services
- Provide appropriate information on packaging and via the internet
- Use environmentally friendly packaging materials
- Thorough quality assurance based on ASQUA

Dialogue and Collaboration with Stakeholders

Stakeholder engagement

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The Ajinomoto Group engages in ongoing dialogue with all of our stakeholders across a diverse range of forums. We reflect the opinions obtained through these dialogues in our corporate activities, leading to value creation toward solving food and health issues. We also leverage these opinions in our actions to achieve sustainability in society and the global environment.

Purpose of engagement

The Ajinomoto Group interacts with diverse stakeholders in the course of conducting our business. We also make use of many different kinds of capital from society and the global environment. To fulfill our responsibility for the sustainability of society and the global environment, not only must we pursue our own profit, but we must also share created value with all stakeholders. Here, we must understand and analyze the concerns of each stakeholder and their expectations of the Group. We must take this knowledge and apply it to our business activities. For this reason, we consider it important and essential for Group management to engage with each stakeholder in two-way communication.

Engagement

The Ajinomoto Group is especially proactive in engagement with the following stakeholders, with whom we are likely to have a mutual impact in the course of doing business.

The departments and facilities most closely linked to each stakeholder is responsible for sharing information and engaging in dialogues, serving as an interface and responsible party in communications. The results of this engagement are shared with senior management as needed. In response, we implement improvement measures and disclose information through our websites, our Sustainability Data Book, and other channels.

Customers and consumers

The Ajinomoto Group aims to contribute to health and well-being of every person on the planet by delivering our products and services. We identify the diverse preferences and needs of consumers, and then provide value that meets these preferences and needs.

We recognize that the main expectations and concerns of customers and consumers with respect to the Group are the safety and security of our products, as well as resolutions to food and health issues.

Based on this recognition, we established a customer call center for product inquiries. We also offer a variety of experiences and information regarding food, including factory tours and websites. Market research and other methods aid our search for the types of products and services our customers demand. We give our sincere attention to customer opinions and inquiries. Further, we analyze this feedback, and then discuss and explore issues along with methods for improvement with the relevant business unit. As an example, we received a message that our granulated seasonings tend to stick to the mouth of their container bottles under humid conditions. In response, we improved the container for our *Chuka Aji* product and other granulated seasonings. This satisfied our customers, who informed us that the seasoning no longer sticks, even when using over a steaming pot.

We also propose solutions to consumer food and health issues. These proposals include salt reduction and the *Love Vege* program, which encourages vegetable intake, operated in collaboration with local governments, distributors, academia, and media. We share information and exchange opinions with consumers through events and lectures. These are valuable opportunities for mutual understanding and product development. During the spread of COVID-19, we disseminated

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> Making Nutrition a Priority During the Pandemic

> Ajinomoto Group Initiatives in the With-COVID-19 Era (Japanese only)

Dialogue and Collaboration with Stakeholders

> IR

> Ajinomoto Group Policies

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information and took action to support the maintenance of health and well-being in this era of the new normal.

Shareholders and investors

Our shareholders and investors have high expectations regarding the management and the businesses of the Ajinomoto Group. We strive to enhance corporate value sustainably. Through our efforts, we endeavor to enhance shareholder return in a stable and consistent way.

We recognize that the main expectations and concerns of shareholders and investors are constructive dialogue and stronger governance.

We hold events to deepen an understanding of our Group. These events include general meetings of shareholders, financial results briefings, IR Days and business briefings for institutional investors and analysts, dialogues with institutional investors, company briefings for individual investors, and more. Further, we strive to disclose information in a timely and appropriate manner.

We strive to offer immediate responses to opinions and questions received at events and during direct dialogues. We also provide content on our website to deepen an understanding of the Group, including videos of briefings and Q&A sessions. The opinions we receive provide valuable information to improve our management and IR activities. For example, our IR Days and business briefings provide opportunities to deepen an understanding of Group strengths. These activities and other events lead to enhanced dialogue with shareholders and investors.

Business partners

The Ajinomoto Group seeks mutual growth with business partners and conducts fair and transparent transactions in compliance with laws, regulations, and other rules.

We recognize that the main expectations and concerns of our business partners with respect to the Group are the pursuit of initiatives toward sustainable supply chains and fair business practices.

Our daily procurement and sales activities are based on the Group Shared Policy on Procurement and Group Shared Policy for Suppliers. We conduct procurement policy briefings and food defense briefings and audits to share our expectations with business partners, with which they graciously understand and cooperate.

Through dialogues with customers (retailers) in Japan, we shared changes in dietary habits and awareness of the COVID-19 pandemic. We developed in-store offerings of immunity-boosting products and local meals from around Japan that create a sense of travel for homebound individuals. We also made several proposals to help our customers (restaurants) respond to the harsh environment surrounding the food service industry due to the spread of the COVID-19, which we have learned through sales activities. These proposals reflect our expertise in seasoning products allowing clients to reduce food loss and waste, control costs, prevent food poisoning, and offer take-out menu items that taste fresh for a longer period of time.

Employees

For the Ajinomoto Group to contribute to society through our businesses and to grow as a company, we must have the active participation of every employee.

We recognize that the main expectations and concerns of employees with respect to the Group are human resource development / career development, diversity and inclusion, improved employee engagement, compensation and benefits, and occupational safety and health.

In addition to providing various skills development and training opportunities that support employee growth and encourage diversity and inclusion, we strive to promote an understanding of management through dialogues with the CEO and general managers of business or corporate divisions, AGP worksite meetings, and social media platform to connect employees globally.

In our engagement survey for fiscal 2019, employees showed an extremely high level of understanding regarding ASV and Group-wide goals. However, results highlighted the issue of an insufficient connection of this understanding to their organization's goals and their own work. In other words, an insufficient connection with ASV as one's own initiative. Under our 20-25

Dialogue and Collaboration with Stakeholders

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MTP, we operate in a management cycle that increases ASV engagement, holding personal goal presentations and sponsoring the ASV Awards to accelerate ASV as one's own initiative. As a result of these measures, the ASV engagement score improved in the fiscal 2020 survey.

Through dialogues between management and employees, we are also deepening a mutual understanding about the work environment, including occupational safety and health, as well as compensation and benefits.

Hotlines and harassment consulting services are available to accept reports and consultation, and we take appropriate action in response.

We are striving to improve employee engagement through these measures.

Local communities

The Ajinomoto Group, which has business locations around the world, works to maintain communication and build relationships with local communities.

We recognize that the main expectations and concerns of local communities with respect to the Group are community safety, environmental conservation, and sustainable development.

The Group engages in business and provides products and services that vary from region to region. The needs of residents living within a region are also diverse. For this reason, we emphasize communication rooted in each local area. For example, the Group has been expanding into Southeast Asia since the 1960s. Since the beginning, we have established a supply system for products and services adapted to the market conditions of each region. We work closely with national and local governments to understand the health and nutrition issues that exist in the region, taking steps to resolve these issues. Our contributions to the region include proposals at retail stores in Japan on ways to increase consumption of local specialty vegetables, a school lunch project in Vietnam, and nutrition seminars for midwives in Indonesia. We also engage proactively in dialogue with consumers residing near our factories, and we sponsor events in our local communities. In the event of a natural disaster, we provide recovery assistance for the communities affected.

After the spread of COVID-19, we provided support to households, restaurants, medical institutions, and other facilities.

Furthermore, we support needs-based activities through foundations established in three countries.

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Outside experts, NPOs, NGOs, and business associations

To deepen our understanding of social issues, we hold dialogues and discussions with outside experts who have proven track records in each field, NPOs, NGOs, and business associations. We incorporate the results of these interactions in specific actions.

We recognize that the main expectations and concerns of outside experts, NPOs, NGOs, industry groups, etc., with respect to the Ajinomoto Group are sincere dialogue and collaborative activities.

Since February 2020, we have held eight Roundtables on Better Animal Welfare. Based on insights gained from outside experts, we revised our Group Shared Policy on Animal Welfare and our Commitment to Minimizing Animal Testing. We also hold dialogues with NPOs and NGOs such as GAIN^[1]. NPOs and NGOs have expressed the expectation that the Group strengthens efforts to address the double burden of malnutrition. In response to this feedback, we take concrete action for nutritional improvement through local collaborative ecosystems and other methods.

We participate in activities to resolve social issues through international organizations and industry-government-academia collaboration. Partners include the SUN^[2] Business Network, the Japan Platform for Migrant Workers towards Responsible and Inclusive Society, and the IP Open Access Declaration Against COVID-19.

[1] Global Alliance for Improved Nutrition: A nutrition improvement NGO established in 2002 under the leadership of the United Nations

[2] Scaling Up Nutrition. A worldwide framework involving governments, people, the United Nations, aid organizations, business and academia working to resolve nutrition issues in developing countries.

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Dialogue and Collaboration with Stakeholders

In addition, we participate in dialogues at The Consumer Goods Forum (CGF), where Takaaki Nishii, Director, Representative Executive Officer, and President & CEO has served as board member since 2015. These dialogues address sustainability and include nearly 400 consumer goods manufacturers and global retailers from around the world. This has led to our efforts in health and wellness in Japan, for example, the launch of activities in April 2021 to raise awareness of salt reduction for citizens of Chiba City in collaboration with Aeon Co., Ltd., the Chiba City government, and others.

We conduct our AIN program on an ongoing basis, supporting NPOs and NGOs working in the food and nutrition field through foundation initiatives.

Dialogue and Collaboration with Stakeholders

Expectations and recommendations from external stakeholders

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

The Ajinomoto Group's visionary commitment to driving systemic change in society through innovation, awareness and consumer behavior is evident in the Group's 2020-2025 Medium-Term Management Plan to advance food value, AminoScience and ESG leadership. The Group's plans could be enhanced by:

(1) Clear, credible outcome methodology - The Group aspires to help extend the healthy life expectancy of one billion people by 2030. Defining how the Group will achieve and measure this is a critical aspect of demonstrating progress against the Group's vision and strategy. I eagerly await a clear methodology with milestones for achievement through 2030.

(2) Expanded partnerships in healthcare - The intersection between nutrition and healthcare is undeniable –The Group could forge meaningful partnerships with leading global healthcare, lifestyle and technology companies to drive ground-breaking innovation at the intersection of AminoScience, health, and well-being in ways that support SDG 3: Good Health and Well-Being targets.

(3) Bolder critical ESG targets - Climate change (which also is closely linked to health impacts), circularity, food value chain efficiencies, and equity/inclusion are core issues that demand the Group's leadership as a prominent Japanese and global corporation. A plan to achieve net zero emissions, full circularity by design (beyond recycling), and full gender parity at all levels of the organization with a ten-year timeframe would not only benefit society and the planet, they would elevate the Group's ESG commitment to leading edge and would help the Group become a more resilient and successful business.



Elaine Cohen
Founder and CEO
Beyond Business Ltd.

During 2020, the Ajinomoto Group demonstrated a welcome evolution of its approach to shared value with a clear commitment to managing for the medium to long term. The refocused vision strongly places the company's impacts upon, and contribution to, pressing issues relating to global health and wellbeing, climate change, and the UN Sustainable Development Goals (SDGs) at the heart of strategy.

This is to be applauded at a time when the COVID-19 pandemic has had such a significant impact on the health and wellbeing of the planet's people and highlighted the vulnerability of business as usual. Strengthening the role for the company to respond to global challenges of health, wellbeing and nutrition through innovation and technology is a major step towards driving not only a more resilient company, but a more resilient world.

Other positive developments are the company's adoption of the TCFD guidelines and the use of TCFD scenarios to identify the company's risks from global climate change, together with setting and receiving approval of their decarbonisation ambitions by the Science Based Targets (SBT) Initiative^[1].

This strategic shift towards tackling global problems such as adequate nutrition, reducing global emissions through innovation and an overall move towards managing for the longer term, show that the Ajinomoto Group is orientating itself to play a positive role in the sustainability challenges of the future.

[1] SBTi: An initiative established by UNGC, CDP, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF). This organization encourages companies to set goals based on scientific evidence, striving to limit the temperature increase to 1.5 °C relative to time of the Industrial Revolution.



Joss Tantram
FRSA FICRS
Partner, Terrafiniti

Dialogue and Collaboration with Stakeholders

While the 2020 year focused on coping with the COVID-19 pandemic, the introduction of the 2020-2025 Medium-Term Management Plan (“20-25 MTP”) and the enhancements to the sustainability promotion framework, were key governance developments that will help the Ajinomoto Group to continuously increase corporate value from the perspective of sustainability. Additionally, I was pleased to see continued positive developments in several social and environmental areas including protections for migrant workers, animal welfare and climate change.

In the 20-25 MTP, I see a clear convergence around overarching societal outcomes of helping a billion people enhance healthier life and reducing the Group’s environmental footprint by 50% while maintaining focus around the material ESG topics through Phase 1 (fiscal 2020-2022): Structural Reform and Phase 2 (fiscal 2023-2025): Regrowth. The 20-25 MTP clearly outlines the Group’s plans to streamline the various segments of the business in order to improve profitability. I was pleased to see the articulation of the two specific strategic themes around improving health outcomes globally - “delicious salt reduction” and “protein intake optimization” - and look forward to seeing progress towards the quantitative targets for these areas in future Integrated Reports and Sustainability Data Books. The people-related investments in employee engagement, diversity and inclusion, and new ways of working, including making ASV relevant to all employees, are other important governance-related developments. Further, the appointment of the Sustainability Advisory Council, charged with examining and informing the Board about risks and opportunities relating to material ESG topics with a long-term view (up to 2050), is a very positive development to the sustainability promotion framework.

During the reporting year, the Group initiated programs that enhance their focus on contributing to healthy living for humankind. In support of the “Group Shared Policy on Human Rights,” the Group has made measures to protect the human rights of migrant workers in their operations and supply chain through participation in the “Japan Platform for Migrant Workers toward Responsible and Inclusive Society” (created in November 2020) and started operating the ASSC Workers Voice (AWV), a multi-language hotline which allows migrant workers in Japan to voice their concerns about the workplace and their work. I look forward to hearing about the success of this important program and future developments to extend the AWV hotline to suppliers and contract manufacturers.

Building on the “Group Shared Policy on Better Mutual Relationships with Animals”, originally launched in 2018, the Group hosted a series of round table discussions in the reporting year with external experts, as well as carried out engagements with stakeholders to inform how the Group can realize better relationships with animals. The learnings from these discussions and working groups clearly informed the revised “Group Shared Policy on Animal Welfare” that launched this year. To gain a more global outlook this topic, expanding the pool of external experts to encompass viewpoints beyond Japan is recommended.

Ambitious climate-related developments for the Group include the SBT, as well as a commitment to RE100^[1], and endorsement of TCFD. As the global economy emerges from the pandemic the urgency around transitioning to a net-zero GHG emissions economy will likely be front and center. The recovery will also focus on a shift towards circular economy for which the Group is well positioned.

[1] RE100: An international initiative pursuing the goal of procuring and using 100% renewable energy in business operations. Member companies are asked to publicly announce their goals for 100% renewable energy use in their business activities by the year 2050.



**Celine Solsken
Ruben-Salama**

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

Dialogue and Collaboration with Stakeholders

It is to the Ajinomoto Group's credit that the company has positioned itself at the leading edge of innovation receptivity, come to stakeholder interests up and down the line of the 17 UN Sustainable Development Goals. The reason this sequencing will be advantageous is that what initially seemed a short-term 2020 business continuity hiccup has quietly morphed into a historic strategic challenge. A company whose footing is less solid than the Group's will not have a pleasant decade.

The Ajinomoto Group has kept its overall business functions well in order. Therefore, the company can unhesitatingly devote its attention full-time to the now urgent question of process adjustment to accommodate changing workforce needs and product demands in the unpredictable conditions surrounding the COVID era. Stakeholder communication internally and externally, supported by performance metrics, is the priority of the moment. Soon to come will be the follow-on challenge of embedding continuous adaptability into the corporate culture: The appearance of a static "new normal" appears unlikely in the near future.



Alex Mavro

Senior Advisor to the
Sasin Sustainability &
Entrepreneurship Center,
Chulalongkorn University
(Thailand)

The world is pivoting rapidly toward decarbonization, and at the same time, conditions are worsening in the areas of marine plastic pollution, water, and ecosystems. More young people and investors are calling into question the meaning of a company's existence in these respects. The issues of a shrinking and aging population, as well as attrition in rural areas, have yet to subside in Japan, and society is taking a harsher look at how companies will deal with the COVID-19 pandemic.

One of the strengths of the Ajinomoto Group is that it has a mechanism in place to respond rapidly at a management level to the emergence of these various risks. As a result, the company has been able to take the lead in tackling new issues such as marine plastic pollution and animal welfare.

In the future, it will be important to make swift and steady advancement and improvements in these newly launched initiatives, and to further generate initiatives that are unique to the Group. The concepts and initiatives behind ASV have become instilled in the Group, so now I am asking the Group to make efforts in communicating and establishing cooperative relationships externally. My hope is that this will become a driving force not only for this industry, but also for all industries, for Japanese society, and for the world at large.



Junko Edahiro

President of Miraisozobu
(dba For Future Company)
Representative Director,
e's Inc.
Professor, Graduate School
of Leadership and Innovation,
Shizenkan University
President, Institute for Studies
in Happiness, Economy and
Society

Despite rising ESG investment worldwide, the gravity of the crises standing between businesses and sustainability is greater than ever. These crises include COVID-19, the climate crisis, wealth inequality, human rights issues, and more. While the Ajinomoto Group and other corporate entities are making progress in their efforts, these efforts are still not enough to overcome these challenges. Companies must offer a new vision and new capabilities to accomplish their sustainability initiatives. For example, companies must not only set greater medium- to long-term targets for CO₂ emission reductions and other metrics in the interest of carbon neutrality, but they must also achieve reductions as soon as possible. Even if one company implements these advanced initiatives, we will be unable to escape this global crisis so long as many more companies fail to follow suit. Businesses in the food industry have a particularly deep connection to sustainability. As a corporate entity representing Japan's food industry, the Ajinomoto Group is expected to play a role in not only in implementing model initiatives for the industry, but also in transforming the industry as a whole.



Hidemi Tomita

Managing Director, Lloyd's
Register Japan K.K.

Dialogue and Collaboration with Stakeholders

Today, environmental and social issues affect corporate management both directly and indirectly. ESG is not performed separately from economic actions as a corporate social responsibility. ESG is an economic activity itself.

In 1909, the Ajinomoto Group began its work to address social issues under the founding aspiration to improve the nutrition of the Japanese people. Today, the Group is poised to transform from a traditional food manufacturer to a foodtech company that aims to resolve global food and health issues. Ajinomoto Group management strives to be an early game changer, setting ambitious and bold quantitative targets to help extend the healthy life expectancy of one billion people and to reduce its environmental impact by 50%. Group management reviews materiality on an annual basis, seeking to respond to ever-changing social issues in a continuous and dynamic fashion. Whatever the era, the Group seeks to address the social issues of the times, viewing such as business opportunities. This is the sustainability and the ESG that investors demand.

What I expect next from the Ajinomoto Group is the financial quantification of social value and non-financial capital. The social value that the Group achieves will be reflected in future economic value (cash flows). It is my hope that the Group applies clear financial criteria to sustainability and work to bring visibility to invisible issues and achievements.



Naomi Yamazaki
Representative Director,
ESG Network of
Shareholders & Companies

The Ajinomoto Group is a Japanese company that began to expand globally early on, and has built a strong presence in Japan and overseas. The Group has been proactive in addressing the issue of nutrition, even before sustainability became a movement in Japan. At the same time, the advantages of the Group have yet to be noticed by international investors.

There is a rapidly growing sense of crisis around the world regarding food, agriculture, and fisheries. This is said to be one area of the SDGs where business reform is required particularly. While global companies involved in the food industry take the lead in acting and communicating information, the name of "Ajinomoto Group" is not on thought leader lists. One reason for this may be that the Group is not participating in international dialogue and rule-making. This could lead to a situation in which future industry rules are established in their absence, leaving the Group in a position as a follower and at risk of losing business opportunities. As a company that represents Japan, the Group must take action to collaborate with global organizations including the UN system.

The largest challenge to be addressed would be globalizing the organizational management. Would you promote internationally-diversified employees to the corporation leadership? Such talent management will be highly likely to determine the future growth of the Group.



Kenji Fuma
CEO, Neural Inc.

Activity Report by Materiality Items

In this report, we provide a report on our fiscal 2020 activities by materiality items.

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Contribution to solve food and health issues

Since our founding, the Ajinomoto Group has aspired to fulfill the ambition of our founder to help people live healthier with nutritional, delicious foods that utilize umami, and we have been spreading this message across the world. The issues and needs related to food and nutrition in modern society are becoming more diverse and more complex. The Group aims to maximize our impact on nutrition through our businesses. To achieve this aim, we encourage people to eat a nutritionally balanced diet by sharing our expertise of amino acids. In this way, we contribute to the better health and dietary habits of people all over the world.

Specific examples

- Undernutrition and overnutrition (customer welfare)
- Nutrition for infants, young women, and seniors
- Well-being
- Regenerative medicine
- Preventive medicine

Related opportunities and risks (○ Opportunity ● Risk)

- Revised lifestyle habits, including diet and exercise, due to increasing seriousness and diversity of health issues
- Brand trust
- Stronger laws and rules related to health and nutrition (sugar tax, nutrition labeling)
- Involvement of food and nutrition in predictive prevention
- Development of regenerative medicine technology, antibody drugs, and oligonucleotide therapeutics
- Rising competition in the health and nutrition field

Key initiatives by the Ajinomoto Group

- Offering tasty food and amino acid products as well as menus that nourish health and well-being
- “Delicious salt reduction” (umami)
- Promoting protein intake
- “Delicious sugar and fat reduction”
- Workforce nutrition improvement
- Use of nutrient profiling systems for product development
- Customized proposals of products and services that are useful for improving nutrition (personalized nutrition)
- Contributing to preventive medicine through “AminoIndex technology”
- Cell culture medium for regenerative medicine
- Contract development and manufacturing of biopharmaceuticals

Related SDGs



KPIs of our nutrition commitment

	FY20	FY25 (Target)	FY30 (Target)
Percentage of products with high nutritional value ^[1]	31%	–	60%
Provision of products from among those with high nutritional value that are beneficial to “delicious salt reduction” and “protein intake”	280 million people annually	–	400 million people annually
Availability of products utilizing the physiological and nutritional functions of amino acids	(Base year)	–	2 times
Nutrition education for employees (Persons)	460	Cumulatively 100,000	–

[1] Products that meet the standards the Ajinomoto Group set based on global standards for nutrients used in major nutrient profiling systems

Contribution to Solve Food and Health Issues

Quantifying salt reduction using umami

Performance

GRI203-DMA

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The Ajinomoto Group seeks to help extend the healthy life expectancy of one billion people by 2030. To this end, we are focusing on the excess intake of sodium as a health issue and setting our sights on achieving a “delicious salt reduction” using the flavoring function of umami. However, we had not quantitatively clarified the salt reduction effect achievable using umami.

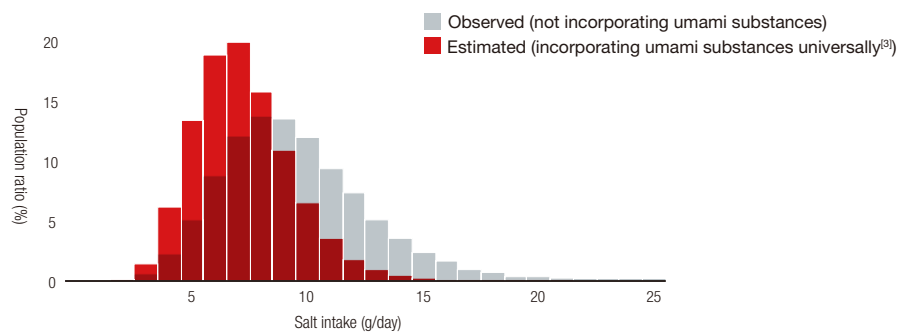
From August 2020, taking into account efforts^[1] by the World Health Organization (WHO), we are working with academia to verify umami’s effectiveness in salt reduction. As a first step, we set the rate of salt reduction achievable using umami for each food item normally consumed by Japanese people without compromising deliciousness, and from the average intake rate of the population we analyzed the effect of salt reduction at the country level. Results showed that the average salt intake per Japanese person can be reduced between 12% and 21% (1.3 g to 2.2 g/day) when incorporating umami into Japanese dietary patterns. Results of this study were published in the July 2021 preprint server for the medical journal. In the future, we plan to expand the scope of this analysis to cover the G20 countries.

Using the results of this project, we will move forward with joint research with academia using data from Japan’s National Nutrition Survey to estimate reduced DALYs^[2] by reducing salt. This will let us visualize the impact of salt reduction using umami, and communicate and promote this information to people involved in public health and nutrition as a scientific basis for extending healthy life expectancy.

[1] The WHO Global Action Plan for the Prevention and Control of Noncommunicable Diseases (NCDs) calls for reducing salt intake by 30% (over 2011 levels) by 2025.

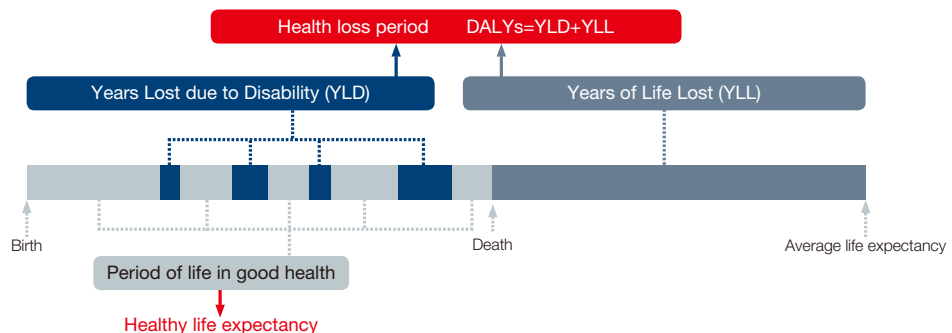
[2] DALY is the number of years of life a person might be expected to lose when adjusted for a disease or health condition and the severity of the disability. DALY is the sum of Years of Life Lost (YLLs) and Years Lost due to Disability (YLDs). Developed in the early 1990s by Harvard University Professor Christopher Murray, the DALY metric quantifies the overall burden of disease and health conditions. DALY is used by the WHO and the World Bank as an overall health outcome indicator that provides a different perspective than standard life expectancy, and is increasingly being used around the world as a complementary indicator to healthy life expectancy.

Estimated results of salt intake with use of umami



[3] In which 100% of foods containing sodium are replaced by reduced-salt foods using umami.

Relationship between healthy life expectancy and DALYs



Contribution to Solve Food and Health Issues

Approach

- > Enhancing Life with Amino Acids
- > Examples of the Functions and Technological Applications of Amino Acids (Japanese Only)

Amino acid functions and technical applications

The Ajinomoto Group business began in 1909 with the launch of umami seasoning *AJI-NO-MOTO*[®]. Dr. Kikunae Ikeda, a chemist, discovered a taste derived from traditional Japanese *kombu dashi* (kelp stock) that had yet to be recognized in the world. He succeeded in extracting the amino acid glutamate from the *kombu dashi* in 1908. Dr. Ikeda called this taste umami, inventing a method to produce umami seasonings made from glutamate that impart everyday umami and delicious tastes. Our founder, Saburosuke Suzuki II, received a request for commercialization from him and launched the seasoning as *AJI-NO-MOTO*[®] in 1909.

Since that time, we have worked diligently to evaluate and unlock the power of amino acids to discover how they can be used in different ways to improve society.

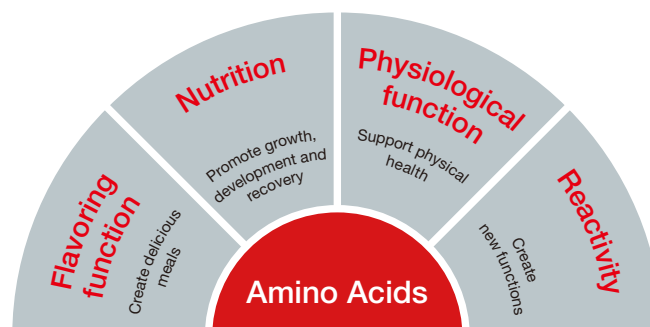
Approaches that utilize the functions of amino acids

About 20% of the human body is made of proteins. These proteins are made up of 20 different types of amino acids. Amino acids form nearly 100,000 kinds of proteins through various combinations.

Some amino acids are made in the body; however, there are nine amino acids, called essential amino acids, that can only be obtained through foods. Because amino acids provide important functions in maintaining life, humans must ingest a sufficient amount of amino acids in balance with other nutrients through daily diet.

Amino acids provide four functions: flavoring function, nutritional function, physiological function, and reactivity. The Ajinomoto Group uses the functions of amino acids and technologies (including design, exploration, production, and evaluation) to create a variety of innovations. We grow our businesses in foods and seasonings, as well as in healthcare and electronic materials, by combining functions of amino acids.

The four benefits of amino acids



Contribution to Solve Food and Health Issues

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Performance

GRI203-2

■ Innovations utilizing the functions of amino acids

The Ajinomoto Group takes advantage of the functions of amino acids to provide solutions to a variety of social issues, including health, well-being, and sustainable foods for the future. We focus on solving nutritional issues through the use of amino acids, bringing innovations to the world with advanced technologies. Our highest priorities focus on offering “delicious salt reduction” and optimizing protein intake. In addition, we develop amino acid-based personal care ingredients that are safe and gentle on the skin and the environment by utilizing the functions of amino acids. We sell these products to cosmetics and toiletries manufacturers in Japan and overseas.

■ Proposing health and nutritional value based on scientific evidence

The Ajinomoto Group leverages our world-class expertise on amino acids to develop and sell products that support comfortable lifestyles. We also offer amino acid compounds and product design solutions for BtoB customers.

In May 2021, we launched *No-katsu Seven Amino* in Japan. This food with functional claims leverages the effects of the seven essential amino acids^[1] to maintain attention^[2] and retain cognitive flexibility, two cognitive functions that decline with age. This product also supports positive feelings^[3]. As Japan enters an era of a super-aging society, declining cognitive function in citizens will become a major social issue. The need for cognitive function support supplements based on scientific evidence is expected to increase.

In BtoBtoC business, by adding various amino acid functions to food, we help consumers easily ingest these compounds to experience the health and nutritional value of amino acids. We call this series of BtoBtoC initiatives our downstream strategy, which we pursue in Japan and overseas. Based on this strategy, we offer to our BtoB customers Amino Acid Prime Mix, a line of optimally formulated amino acid ingredients for food and beverage products.

[1] Leucine, phenylalanine, lysine (as hydrochloride), isoleucine, histidine (as hydrochloride), valine, tryptophan

[2] Ability to pay attention to more than one thing, ability to focus attention quickly on important things

[3] Bright and pleasant mood, motivated, active, etc.

Contribution to Solve Food and Health Issues

Amino Acid Prime Mix ingredients

Essential amino acid mix with 40% leucine

Function Maintains and improves muscle mass and strength

● Nine essential amino acids

Signal to stimulate muscle protein synthesis

Of the nine amino acids, leucine works as a signal to stimulate muscle synthesis. This 40% leucine formulation supports efficient integration of essential amino acids in the body for enhanced muscle mass and strength.

Cystine and theanine^[1] mix

Function Enhances immunity

Glutathione

M: Macrophage
NK: NK cell
B: B cell

Cystine and theanine support the production of glutathione^[2], an antioxidant. Glutathione boosts one's ability to fight pathogens by helping to activate the innate and acquired immune systems.

Arginine and glutamate mix

Function Improves gastric motility and appetite

Arginine

Glutamic acid

Expands the stomach to temporarily hold food

Activates the stomach, sending food to the small intestine

Small intestine

Small intestine

*Hypothesized mechanism

*Hypothesized mechanism

Arginine and glutamate work to alleviate stomach discomfort from food and drink by promoting gastric motility.

Histidine and vitamin B6 mix

Function Alleviates fatigue, improves work efficiency

Histidine

Histidine

Histidine

Histidine

Histamine

Oral consumption

Digestion absorption

In brain

In blood

Transfer to blood

Histidine is used to make histamine, levels of which decline in the brain as a result of stress and sleep deprivation. Histidine alleviates fatigue and improves efficiency in tasks requiring simple memory and decision-making. Vitamin B6 aids histidine action.

[1] An amino acid found in tea leaves. A derivative of glutamic acid, theanine, when consumed, is broken down into glutamic acid and ethylamine in the body.

[2] An important antioxidant for many living organisms, glutathione is formed by joining three amino acids, glutamic acid, cysteine, and glycine, in that order. The amino acid cystine alone increases glutathione levels, but adding the glutamic acid derivative theanine increases glutathione levels even more significantly.

Contribution to Solve Food and Health Issues

Approach

> Decade of Action on Nutrition

> Integrated Report 2021 P35-36

> Nutrition and Health

Addressing nutritional issues

Approach to nutrition

Health problems such as lifestyle-related diseases, undernutrition and overnutrition caused by aging, diet and lifestyle are increasing globally^[1]. A Double Burden of Malnutrition (combination mixture of the problems of undernutrition and overnutrition) is possible not only in a single country or region, but also in an individual. Improving the nutritional balance in our daily diets is important for solving problems such as the insufficient intake of proteins and vegetables or an excess intake of sugar, saturated fat, and salt.

In the 20-25 MTP, the Ajinomoto Group clearly states our intentions to improve the quality of life (QOL) of people around the world. We also stated our aspirations to assist people in maintaining delicious and well-balanced diets by addressing nutritional issues through our core activities of contributing towards solving food and health issues. As a global food company involved intimately in daily eating habits, we pursue initiatives based on a policy of Nutrition Without Compromise, meaning no compromise in terms of taste, access to nutritious foods, and local way of life. Aimed at extending the healthy life expectancy of one billion people by 2030, in 2021, we formulated a commitment outlining paths and KPIs to improve people's nutrition. Moving forward, we will continue to promote activities for improving nutrition while closely monitoring the progress of this commitment.

[1] UN: Decade of Action on Nutrition

Nutrition Commitment

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

■ Support practice of “delicious salt reduction” using umami

- We will leverage our current reach to 700 million consumers to raise general awareness of salt reduction using umami, and support more people to achieve salt reduction without compromising taste.

■ Provide nutritious products to contribute to people's wellness

- By fiscal 2030, 60% of our products will have high nutritional value while maintaining good taste. We will use the Ajinomoto Group Nutrient Profiling System (ANPS) to guide product development and reformulation.
- Among the nutritious products, we will provide products that promote “delicious salt reduction” and “protein intake optimization” to 400 million people a year by fiscal 2030.
- By utilizing the physiological and nutritional functions of amino acids, by fiscal 2030, we will double the availability of such products that contribute to health, compared to fiscal 2020.

■ Support consciousness/behavior change of consumers by providing information that supports health and nutrition improvement

- We will provide consumers with information to help them improve their health and nutrition, as well as easy recipes and menus both on product packaging and on our website that support delicious and well-balanced meals and healthy lifestyles.

■ Improve nutrition literacy of Group employees

- We will help our employees improve and maintain their health by providing healthy meals in the workplace, nutrition education, health checkups and maternity leave.
- By fiscal 2025, we will provide nutrition education to sum total of 100,000 employees.

Contribution to Solve Food and Health Issues

■ The three pillars of our approach to Nutrition Without Compromise

• Without compromising taste

The Ajinomoto Group continues to develop and sell healthier products (reduced salt, etc.), and we do so without compromising on the taste consumers enjoy. By providing seasonings such as umami seasoning (MSG), we help consumers cook delicious and healthier meals while contributing to reduced salt in our customer's products.



Umami seasoning AJI-NO-MOTO®

• Without compromising access ~delivering nutrition to all people~

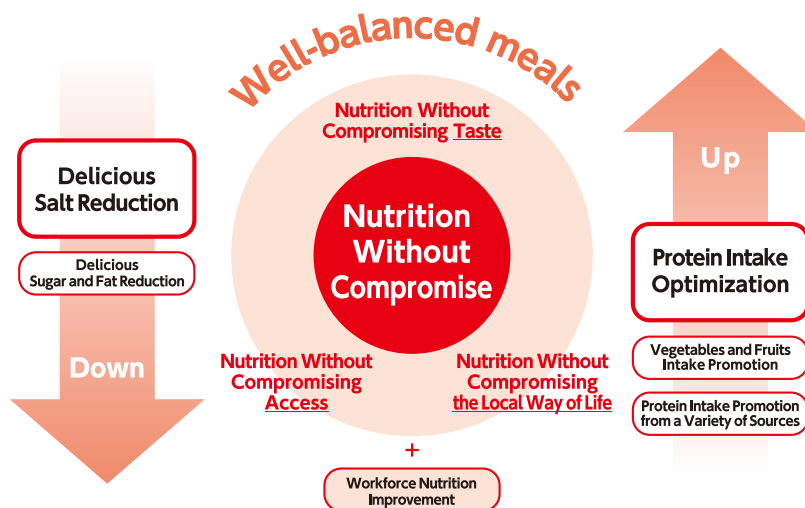
While many people in the world have various means to access nutrition (or nourishment), we recognize that some people have limited choices in terms of the products they can access due to availability, affordability, or convenience. We believe that we are in a distinct position to make nutritious meals more accessible for all through innovations that utilize the unlocking power of amino acids, products and ingredients as well as through our efforts on distribution, price, and convenience.

• Without compromising the local way of life

The Ajinomoto Group is a global company, but we operate in local markets where there are established approaches to culture, traditions, and enjoying food. When expanding our businesses globally, we adapt our operating models to respect the local customs, food preferences, resources, ingredients, and stakeholders. Further, as communities and economies develop and change, our emphasis on personalization becomes even more relevant.

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

Ajinomoto Group approach to nutrition



Refer to P27 to 35 for details of initiatives to make the above approaches a reality.

Contribution to Solve Food and Health Issues

Framework

- > Group Shared Policy on Nutrition
- > P3

Performance

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Performance

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> P21

Framework for nutrition management

We are enhancing our nutrition-focused initiatives based on the Group Shared Policy on Nutrition and the related Ajinomoto Group Nutrition Strategy Guideline. Under the Executive Officer in charge of sustainability, the Sustainability Development Dept. formulates policies and strategies related to nutrition, follows up on the activities of business departments, compiles information, and reports to the Executive Committee and the Board of Directors.

Use of nutritional profiling systems for product development

The Ajinomoto Group has set a goal for fiscal 2030 of increasing to 60% of our products that offer high nutritional value^[1] while maintaining good taste. In fiscal 2020, our performance was 31%. We became the first Japanese company to start use of nutrient profiling system as a base for visualizing health ratings of products and making continuous improvements. As of March 2021, approximately 500 products from nine of our group companies in seven countries, including Japan, are evaluated using our own nutrient profiling system ANPS.

The ANPS-P (for Product) conforms to the score calculation method applied by the Health Star Rating System, a nutrient profiling system used in Australia and New Zealand. In this system, the nutritional value of a product is rated based on the quantity of nutrients they include for which excess intake is to be avoided (calories, added sugars^[2], sodium, saturated fats^[3]) and that are recommended but often lacking (proteins, vegetables, fruits, nuts, beans, fiber).

Aiming at providing integrated support for nutritionally balanced meals, we are also developing a nutrient profiling system for meals made with the Group's products. We plan to apply the system to products that require additional ingredients other than water (such as seasonings, soups, and some packaged food products), while also using the system to create recipes displayed on product packaging.

[1] Products that meet the standards we set based on global standards for nutrient profiling systems.

[2] Total of five types of sugars contained in products (sucrose, glucose, fructose, lactose, and maltose).

[3] A fatty acid contained mainly in animal fat.

Initiatives to achieve our approach to nutrition

■ “Delicious salt reduction”

Risks due to excess salt intake are becoming more serious worldwide. Despite WHO initiatives^[4] warning against such risks, improvements have yet to be seen. The Ajinomoto Group encourages sodium reduction through our unique technologies (e.g., providing deliciousness using umami, improved taste using materials such as umami seasonings and MSG along with formulation technology, improved material properties by using enzyme technologies, etc.). In addition to providing products with reduced sodium, we are also actively creating low-sodium content and menus available via websites and social media.

Further, through collaboration with academia and governments, we share our expertise regarding methods to reduce salt while maintaining deliciousness, and conduct activities to clarify the efficacy of salt reduction using umami and MSG. We plan to widely publicize our findings and create a regional ecosystem to accelerate social implementation of “delicious salt reduction.”

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

Contribution to Solve Food and Health Issues

Main products

Japan				Asia	
					
Salt	Flavor seasonings	Soups	Frozen foods	Flavor seasonings	
North America		South America		EMEA ^[1]	
					
Frozen foods		Flavor seasonings		Soups	
					
					
				Flavor seasonings	
				Soups	

[1] Europe, the Middle East and Africa

Smart Salt initiatives

Japanese food is known around the world for being healthy, but the fact remains that it contains a lot of salt. More than 80% of Japanese consume more than the recommended amount of salt per day^[2]. In Japan's Ministry of Health, Labor and Welfare's Dietary Reference Intakes for Japanese (2020 edition), the standards for daily per-person consumption of salt were lowered by 0.5 g to no more than 7.5 g for males and 6.5 g for females.

A survey^[3] conducted by Ajinomoto Co., Inc. revealed that only 5.2% of Japanese adhered to these standards. In order to solve concerns that many consumers may have about reductions in salt (lack of deliciousness, difficult, etc.), in July 2020 we launched the Smart Salt Project that promotes the use of umami and *dashi* (broth) to achieve "delicious salt reduction." In this project, we provide suggestions about "delicious salt reduction" using umami and other flavor seasonings through videos on our owned media and recipes on dedicated websites, and plan new initiatives towards salt reductions through collaboration with other companies.



We have similar activities underway overseas as well, and in fiscal 2020-2021, in addition to introducing eight brands of 22 reduced-salt products in five countries, we will also promote low-sodium diet in each Group companies' owned media by providing low-sodium recipes and holding cooking classes.

[2] Estimate by Japan's Ministry of Health, Labor and Welfare's National Health and Nutrition Survey calculated from salt consumption amongst 20-year olds and up (2019)

[3] Ajinomoto Co., Inc. Smart Salt ~2020 Survey on Reducing Salt~

Constructing an ecosystem to solve food and health issues that vary between regions

The Ajinomoto Group is working in conjunction with local governments, distributors, media, and dietetic associations to solve issues with diet and health that vary between regions, such as excess intake of salt and insufficient intake of vegetables. In reducing salt intake, since 2014 the Group has been partnering with local government and retailers in Iwate Prefecture, which at that time had the stigma of highest salt intake per capita of any prefecture in Japan. We conducted in-store promotions of reduced-sodium menus using local ingredients and our reduced-salt seasonings, and seminars aimed at dietitians on the subject of sodium reduction using umami seasoning. Through this program we contributed to lower the salt intake in Iwate Prefecture^[4]. In other prefectures as well, we are actively participating in health promotion projects centered on salt reduction promoted by each local government to deepen regional cooperation.

[4] In Iwate Prefecture, per-person daily salt consumption was 12.9 g for males and 11.1 g for females (both worst in Japan), but this had improved to 10.7 g (ranked 21st in Japan) and 9.3 g (ranked 18th in Japan), respectively.

> Integrated Report
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> Smart Salt Project
(Japanese only)

Contribution to Solve Food and Health Issues

Ecosystem for salt reduction in Iwate Prefecture



Performance

GRI203-2

Protein intake optimization

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

Main products

Japan



Seasonings for meat



Menu-specific seasonings



Soups



Frozen foods



Amino acid supplements

Asia



Menu-specific seasonings

North America



Medical foods



Amino acid supplements



Frozen foods

South America



Flavor seasonings



Amino acid supplements

EMEA



Medical foods



Frozen foods

> *Tabesapo* to eat well to prevent malnutrition (Japanese only)

Dealing with nutritional issues in the elderly (Japan, Europe)

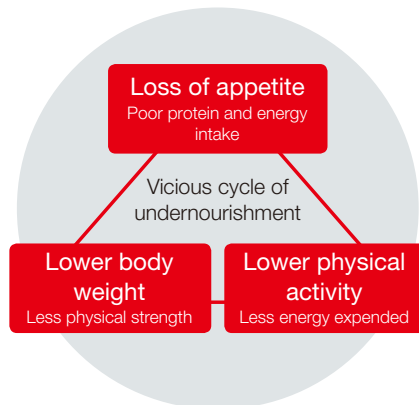
Elderly people may not be able to eat adequately due to declining physical functions and loss of appetite as they age. Less food intake causes body weight to decrease and muscular and physical strength to deteriorate, which may then lead to lower physical activity, less appetite, and a vicious cycle of undernourishment.

To prevent this, Ajinomoto Co., Inc. leverages its protein and amino acid nutrition expertise and strives to publicly disseminate nutritional knowledge to people with health problems. In addition, we

Contribution to Solve Food and Health Issues

continue to partner with specialists, providing information for immediate use to healthcare providers, registered dietitians and pharmacists as guidance tools, and conducting training to foster deeper understanding. Our website for restaurant-use products now features a page entitled *Tabesapo* to eat well and prevent malnutrition. This webpage provides suggestions on tasty and easy-to-eat meals designed to maintain good health and reflect the physical changes unique to elderly people. We aim to support their nutritional intake by introducing techniques that make eating easier, as well as menu suggestions that utilize our products and cooking methods for each ingredient.

Vicious cycle of undernourishment



Three keys to prevent undernourishment



In December 2020, we acquired Irish supplement company Nualtra Limited through our consolidated subsidiary Ajinomoto Cambrooke, Inc. Nualtra Limited has developed oral nutritional supplements (ONS), a type of high-energy, high-protein medical food targeting elderly people with dietary restrictions due to illness or who are suffering from aging-related nutritional deficiencies, and markets these in the UK and Ireland. By applying the accumulated knowledge of *Deliciousness Technologies*® and the physiological functions of amino acids to Nualtra Limited’s ONS business, we will solve issues with existing ONS products that include consumer dissatisfaction with taste, variety, and price, thus improving users’ QOL.

■ Simple and delicious traditional tempeh menu (Indonesia)

With an increase in health-awareness given the spread of COVID-19, tempeh, a traditional Indonesian food made from fermented soybeans has become an important source of protein especially for people with lower incomes who have seen their household income drop.

In January 2021, PT AJINOMOTO INDONESIA released a new variety for its menu-specific seasoning *Sajiku*® which enables affordable and tasty preparation of frequently prepared tofu and tempeh goreng (deep-fried tofu and tempeh). Through this product, we are conveying a message of “keeping in touche with delicious nutritious meals” to Indonesian households.

■ Delicious sugar and fat reduction

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

Main products

Japan	Asia	South America
 Powdered beverages	 Sweeteners	 Powdered juice
 Seasonings	 Canned coffee	

Performance

GRI203-2

Contribution to Solve Food and Health Issues

Performance

GRI203-2

■ Sugar reduction

The Ajinomoto Group has utilized its amino acid production technologies in the use of two amino acid sweeteners, aspartame and advantame, which are roughly 200 and between 20,000 to 40,000 times sweeter than sugar, respectively. The selective use of high-intensity sweeteners can meet consumer sugar-reduction needs without sacrificing the taste of sweetness, and we provide these sweetness applications to businesses across the food and beverage industry. We also market products developed to support sugar reduction and appropriate sugar intake. These products include *Pal Sweet*®, a smooth-tasting low-calorie sweetener with zero sugar, *PAL SWEET DIET*®, for BtoB sales that enhances the taste of food with natural sweetness, and *Refresco FIT*, a powdered juice that uses aspartame and is sold in Brazil.

In fiscal 2020, the Group launched two varieties of *Birdy*® canned coffee in Thailand. These products have 50% less sugar than the conventional product. In order to maintain the taste quality while reducing the sugar content, we selected and applied appropriate technologies inside and outside the company, thereby achieving both sugar reduction and deliciousness. We also launched a sugarless product, and by creating new options in the new low- and no-sugar segment of Thailand's coffee market are giving more choice to consumers. In the United States, we have released a stevia sweetener *AJISWEET*™ RA for BtoB customers.

■ Fat reduction

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

■ Vegetables and fruits intake promotion

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

Main products

Japan		
		
Menu-specific seasonings	Consommé soup stocks	Soups
Asia	North America	EMEA
 		
Flavor seasonings	Frozen foods (fried noodles with vegetables)	Frozen foods (gyoza with vegetables)

Contribution to Solve Food and Health Issues

> *Love Vege*
Enjoy delicious
vegetables
(Japanese only)

Performance

GRI203-2

> [Press release](#)

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

In Japan, we are promoting the *Love Vege* project as a way to support the recommendation by the Ministry of Health, Labor and Welfare to consume at least 350 g of vegetables per day. This was started in order to improve the situation in Aichi Prefecture, which had the lowest consumption of vegetables per person in the country. In cooperation with industry, government, and academia, we are carrying out recipe contests by students studying nutrition, launching collaborative promotion products with cut vegetable producers, and making recipe proposals with supermarkets in their stores. In fiscal 2020, in collaboration with industry, government, private and academia, we have spread out activities to encourage the younger generation through website and social media to appreciate and enjoy eating vegetables and to eat more of them in 37 prefectures. In recognition of these initiatives to resolve regional food and health issues, including *Love Vege*, Ajinomoto Co., Inc. received the Consumer Affairs Agency Commissioner's Award (Special Category) for "Coexistence with Community" in the 2020 Consumer-Oriented Business Excellence Awards held by the Consumer Affairs Agency. We will further expand our *Love Vege* activities and work towards solving nutritional issues in communities.

■ Protein intake promotion from a variety of sources

To pass on a rich global environment to the next generation, the Ajinomoto Group is undertaking initiatives to boost the intake of sustainable and diverse proteins. Plant-derived proteins in general often have a poor amino acid balance and a lower nutritional value than animal-derived proteins. We believe that fortifying the deficient amino acids can increase nutritional value in plant-based proteins and contribute to improved protein intake. In addition to developing our own products, we also provide BtoB customers with solutions that improve the taste, flavor, and texture of plant-derived meat alternatives, and collaborate with startups in developing plant-based meats.

Ajinomoto Co., Inc. has acquired exclusive sales rights in Japan for high-protein^[1], high-nutritional-value Mankai plant (*wolffia*) owned by Hinoman Ltd. of Israel. This is a vegetable with a better balance of amino acids and it also offers excellent nutritional value, including vitamins, minerals, unsaturated fatty acids such as omega-3 fatty acids, and dietary fiber. Since this plant can be cultivated using small amounts of water, light, and nutrients, it can be produced efficiently in only a short period of time with low levels of environmental impact.

In July 2021, we released the *Mankai*® vegetable drink made with the Mankai plant.

[1] Approximately 45% of the nutritional components of Mankai (dry powder) are proteins.

Main products

Japan	EMEA
 <p>Bean soup</p>	 <p>Powdered drink using Mankai plant</p>
	 <p>Bean soup</p>

■ Proposals for bean and vegetable nutrition intake (Japan)

In Japan there is an increase in consumers, in particular amongst females in their 50s and 60s, who are actively trying to increase their protein and dietary fiber intake by eating beans and vegetables (from Ajinomoto Co., Inc. survey). However, as children become more independent, there are fewer opportunities to sit around the dinner table as a family. This leads to less variety in menus, and a disrupted nutritional balance.

In August 2020, Ajinomoto Co., Inc. released *Knorr*® *Potage with Beans and Vegetables* as a menu item that fulfills the role of a side dish and soup. This can be easily added to a meal simply by heating in a microwave while in the pouch. The ingredients provide protein and dietary fiber, helping consumers enjoy a healthy diet.

Contribution to Solve Food and Health Issues

Performance

GRI203-2

GRI403-5

GRI403-6

Workforce nutrition improvement

The Ajinomoto Group believes that employee health is one of our most important foundations. We are focused on improving workforce nutrition as well as employee nutrition literacy. From fiscal 2020, we have started initiatives to increase nutrition literacy amongst employees. We are creating materials on the basics of nutrition, and holding study sessions. By fiscal 2025, we aim to have provided education in nutrition to sum total of 100,000 employees.

Initiatives to improve nutritional literacy

FY2020	<ul style="list-style-type: none"> Created nutrition literacy educational content by cross-departmental project members Held study sessions for the Company's 460 employees working at domestic sales departments
FY2021	<ul style="list-style-type: none"> Hold e-learning "Nutrition Basics" for the Company's employees Expand to 30 Group companies within Japan and overseas Create advanced content and new content focusing on priority initiatives
- FY2025	<ul style="list-style-type: none"> Archive educational materials

Initiatives to improve nutrition in Group company workplaces

Ajinomoto Health & Nutrition North America, Inc. has an established wellness program focused around five pillars: Nutrition and Fitness, Emotional, Financial, Community, and Work-Life Balance. The company is implementing a higher focus around nutrition education and opportunities to its employees such as seminars, education materials, providing fresh fruit and other healthy foods in workplaces, and promoting healthier lifestyles for employees.

AJINOMOTO DO BRASIL INDÚSTRIA E COMÉRCIO DE ALIMENTOS LTDA. also provides a range of programs to support employee health. As well as providing nutritionally balanced menus in the company cafeteria, and holding workplace seminars on stretching, exercise, and nutrition, and cooking classes, the company has put in place a health support plan in partnership with a health insurance company that provides daily consultations by phone or app. Further, the company motivates employees with a commendation system for physical and mental health as well as healthy dietary habits.

At Ajinomoto Co., Inc., our initiatives include providing a nutritionally balanced menu in the employee cafeteria and having nursing rooms at our worksites.

Alliance for employee nutritional education

Ajinomoto Co., Inc. is carrying out a dialog with the Workforce Nutrition Alliance (WNA), which was launched by the Consumer Goods Forum (CGF), an international industry group for consumer goods, and the Global Alliance for Improved Nutrition (GAIN), an international NGO working to improve nutrition. WNA aims to have more than three million employees, including those at participating organizations and supply chains, to have access to and knowledge of healthy and safe meals and nutrition by 2025, and is focusing its activities on the four pillars of healthy food at work, nutrition education, nutrition health checks, and breast-feeding support. Looking forward, the Company plans to reflect these four pillars in our employee nutrition education.

Contribution to Solve Food and Health Issues

Performance

GRI203-2

Well-balanced meals

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

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

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

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

In fiscal 2021, the company is conducting intervention study on the effect of MPPT program to improve children’s nutrition with the Institute of Human Nutrition and Food, College of Human Ecology, University of the Philippines Los Baños (UPLB-IHNF) and the local government of Cainta, Rizal. We aim to acquire evidence and to expand the MPPT program to other communities.



Addressing maternal and child nutrition (Vietnam)

In Vietnam, there is limited knowledge for nutritional needs of pregnant women, lactating women and young children, and there are nutritional issues for the mothers and children. In December 2020, AJINOMOTO VIETNAM CO., LTD. launched the Mothers & Children Project with the Ministry of Health of Vietnam. As a part of the project, the company developed software that contains more than 1,300 menus developed based on the nutritional standards of the National Institute of Nutrition. We provided the software through factory tours, nationwide medical facilities and Women Association. It is also equipped with functions such as a dietary habit check tool. We will also conduct online training and continue to support the improvement of maternal and child nutrition in Vietnam.

Addressing nutritional issues in childhood and adolescence through school meals (Vietnam, Indonesia)

In Vietnam, many children suffer from stunted growth and low body weight, especially in rural areas. At the same time, a growing number of children in urban areas are overweight and obese. To resolve these issues, AJINOMOTO VIETNAM CO., LTD. launched the School Meal Project in 2012 to apply ideas learned from Japan’s school lunch system. Working with central government ministries, including the Ministry of Education and Training, and the Ministry of Health, the company has been carrying out a range of activities to deploy well-balanced school meals nationwide. The project has developed and provided school-meal menu books and food and nutrition education materials, and is developing and implementing menu-making software. As of March 2021, school lunch project activities have expanded across 62 municipalities and 4,262 elementary schools.

Contribution to Solve Food and Health Issues

Performance

GRI203-2

In Indonesia, the high percentage of children with low body weight, stunted growth and anemia is a serious social problem. PT AJINOMOTO INDONESIA implemented a school meal project in partnership with the Department of Nutrition at Bogor Agricultural University beginning in fiscal 2018. The ten-month program provides nutritionally balanced school lunches and teaches diet and nutrition to teenage students, and has led to lifestyle changes, and improvements anemic conditions of the students. In fiscal 2020, the company created a guidance book to promote the voluntary introduction of this program with the aim of expanding the number of schools that implement the program. We will continue and expand the program after 2021 through new collaboration with the Ministry of Religion.

■ Addressing nutritional issues in infants and toddlers (Ghana)

The Ajinomoto Group helps eliminate malnutrition in weaning-aged children in the Republic of Ghana through donations to the Ajinomoto Foundation's Ghana Nutrition Improvement Project.

Other initiatives (micronutrients)

The Ajinomoto Group is focused on optimizing the quality and quantity of nutrients in individual products and menus to improve nutrition. To accomplish this goal, we must supply the necessary nutrients.

In May 2020, we launched the nutritional supplement *Multivitamin & Minerals* in Japan. This product contains 12 vitamins and nine minerals essential for maintaining daily health, and is designed to supplement nutrients that individuals tend to lack due to an unbalanced lifestyle and diet. In July that year, we launched our *Blueberry & Lutein* food with functional claims. By containing bilberry-sourced anthocyanin which helps relieve eye strain, blended with lutein that improves contrast sensitivity, the product helps with keeping the eye moist, and improve its ability to focus.

Main products

<p>Japan</p>  <p>Creaming powder (vitamins and calcium)</p>  <p>Supplements (lutein, etc.)</p>	<p>Asia</p>  <p>Supplements (vitamins and minerals)</p>  <p>Pancake mix (calcium and zinc)</p>
<p>North America</p>  <p>Medical foods (for patients with amino acid metabolism disorders, etc.)</p>	<p>South America</p>  <p>Powdered beverages (iron, calcium, vitamins)</p>

Performance

GRI102-12

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Initiatives to resolve nutritional issues

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

Contribution to Solve Food and Health Issues

> UN Food Systems Summit

■ Towards the UN Food Systems Summit 2021

The UN Food Systems Summit (FSS) was held in September 2021. This is an international summit held by the United Nations based around the idea that a shift to sustainable food systems is essential to achieve SDGs. CEO Consultation (C-FSS), a preparatory meeting at which top management from companies in various industries advise the UN on methods of production, procurement, evaluation, and consumption of food around the world as well as issues facing and ideal circumstances for food systems, has been held a total of five times since 2020, with 40 to 50 companies participating. The Ajinomoto Group is the only Japanese company to have participated from the first of these meetings, during which, Takaaki Nishii, the President & CEO of Ajinomoto Co., Inc. has communicated the message that we aim to realize our approach to nutrition based on a policy of Nutrition Without Compromise. In July 2021, we also participated in the pre-summit and Nishii expressed a determination to achieve zero hunger and introduced our initiatives to improve nutrition.



> Tokyo N4G Summit

■ Collaboration with stakeholders ahead of the Tokyo N4G Summit 2021

The Tokyo Nutrition for Growth (N4G) Summit is scheduled for December 2021. The N4G summit was first held in 2013 following the London Olympics, and has since been held in Rio de Janeiro and now it will take place in Tokyo. Here, diverse stakeholders review the current situation and issues regarding improving nutrition around the world, and discuss international initiatives towards resolving these issues. The Ajinomoto Group was the only Japanese company to participate in the first summit meeting, and based on this experience, will demonstrate our commitment on improving nutrition at the upcoming summit meeting.



We also participate in the Nutrition Japan Public Private Platform (NJPPP), a platform for promoting businesses that improve nutrition through tie-ups between Japanese companies and academia, among other players. Together with NJPPP members, we plan to demonstrate the approaches to improving nutrition that are uniquely Japanese at the Tokyo N4G Summit. Additionally, together with other NJPPP members, we will actively make recommendations in response to the commitment set to be made by the Japanese government at the meeting.

> Building better food systems for nutrition and health

Our sponsorship of nutrition improvement activities and support for academic meetings is also ongoing. Supporting Springer Nature, a world leader in scientific book publishing, we are planning academic events and providing support for scientific discussions for the Tokyo N4G Summit. In addition, we support the American Society for Nutrition, the Association for Chemoreception Sciences, and the Japanese Society of Nutrition and Dietetics and contribute to the development of young researchers. We also provide support for activities of academia related to deliciousness and nutrition.

> Nature Outlook sustainable nutrition

■ Presenting at CGF-Japan Day

In May 2021, ahead of the major global conferences on nutrition the Consumer Goods Forum-Japan Day 2021 was held to learn about global perspectives and carry out more in-depth discussions into Japan's perspectives and contributions. In the Japanese Contributions to Nutrition Improvements session, President and CEO of Ajinomoto Co., Inc., Takaaki Nishii, took the podium to explain the Group's strategy on nutrition, using Japan's *Kachimeshi*[®], and *AminoIndex*[®] and personal care, Vietnam's school meal project, and the United States' Umami Project as case examples. In the panel discussions, he outlined the Group's unique initiatives to promote our nutritional literacy improvement initiatives to all employees.

■ Presenting at 2nd Global Summit on Enhanced Nutrition

In March 2021, a summit was held to point out the importance of public-private collaboration to develop, produce, and promote micronutrient-fortified foods, as well as opportunities for fresh initiatives as we approach FSS and the Tokyo N4G Summit. Chika Morishima, Executive Officer of Ajinomoto Co., Inc., participated in the summit, and introduced the Ajinomoto Group's contribution to solving global nutrition issues by unlocking the power of amino acids, as well as examples of our initiatives in working with public institutions to resolve nutrition issues.

Contribution to Solve Food and Health Issues

Addressing health issues

Performance

GRI203-2

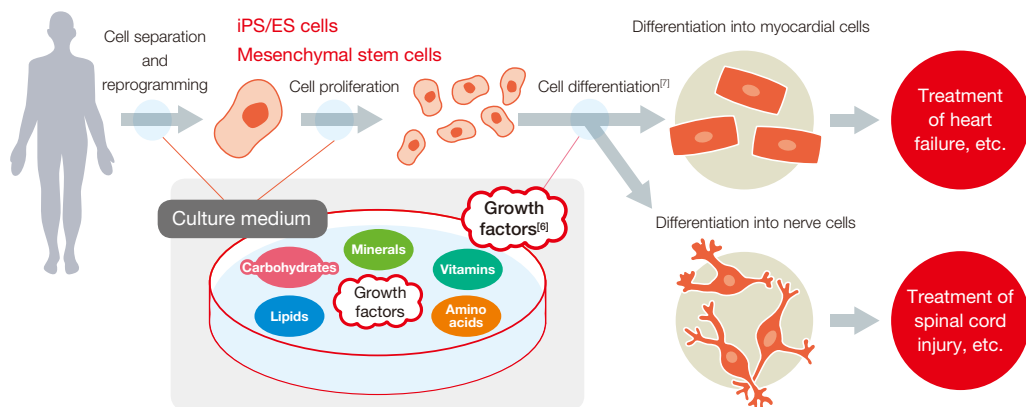
Making regenerative medicine^[1] a realityCommercial cell culture media^[2] for regenerative medicine

Today, scientists around the world are researching regenerative medicine as a radical treatment for solving problems in organ transplantation. The Ajinomoto Group supplies pharmaceutical-grade amino acids, which are a key ingredient in cell culture media. In 2014, the Group developed *StemFit® AK03*, an iPS^[3]/ES^[4] cell culture medium free of animal-derived ingredients, and launched this product in 2016 as *StemFit® AK03N*. In 2019, we began selling a culture medium for mesenchymal stem cells^[5] and hepatocyte differentiation and purification.

In February 2020, Ajinomoto Kohjin Bio Co., Ltd., a joint venture established in 2018 with Kohjin Bio Co., Ltd., completed construction of a plant to produce clinical media for regenerative medicine. The company completed validation (confirming equipment operates as designed) and quality inspection, and in August it launched production of subcontracted products, beginning with cell culture medium products for regenerative medicines ordered by the Ajinomoto Group.

We expect demand for cell culture mediums for regenerative medicine to grow in the future. We will enhance our presence in the field of regenerative medicine in Japan by utilizing our high-quality amino acids, expertise in amino acids, fermentation technology, formulation technology, and other advantages. We will also aim to expand our business in cell culture mediums for regenerative medicine in North America and other regions overseas.

Role of cell culture medium in regenerative medicine



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

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

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

[4] Embryonic stem cells created using inner cell mass from human blastocysts. These cells exhibit the ability to differentiate into various human tissues and organs.

[5] Cells with the capacity to differentiate into osteoblasts, fat cells, muscle cells, chondrocytes, and other cells categorized as mesenchymal stem cells. These cells are expected to be used in the rebuilding of bones, blood vessels, myocardia, and other regenerative medicine applications.

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

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

Contribution to Solve Food and Health Issues

Performance

GRI203-2

“AminoIndex technology”

AminoIndex[®]*Risk Screening (AIRS*[®]*)* is a unique Ajinomoto Group service that can assess the risk of the three major diseases (cancer, stroke, heart disease) and other conditions from a single blood test. *AIRS*[®] assesses risk based on the balance of amino acid concentrations in blood.

In October 2020, we added items assessing potential current cognitive decline to our *AminoIndex*[®]*LifeStyle Diseases (AILS*[®]*)*, launching this as a new service. In Japan, the number of patients with dementia is increasing in conjunction with aging demographics. One major health issue is the risk of diseases such as mild cognitive impairment^[1], which could be a precursor to dementia. Those with diminished cognitive function present significantly lower levels of amino acid concentrations for lysine, threonine, valine, leucine, histidine, glutamate, and asparagine compared with healthy persons. Therefore, our *AILS* (risk of diminished cognitive function) assesses fluctuations in amino acids such as these, clearly determining the potential for current cognitive decline.

We will continue to contribute to comfortable lifestyles for consumers by utilizing “AminoIndex technology” to expand services that will lead to the early detection and prevention of various illnesses as well as to provide integrated solutions services for food and health issues.

[1] A grey zone between normal function and dementia that has limited impact on daily life and cannot be diagnosed as dementia. It is estimated that between 10% and 15% of people with mild cognitive impairment develop dementia each year.

Performance

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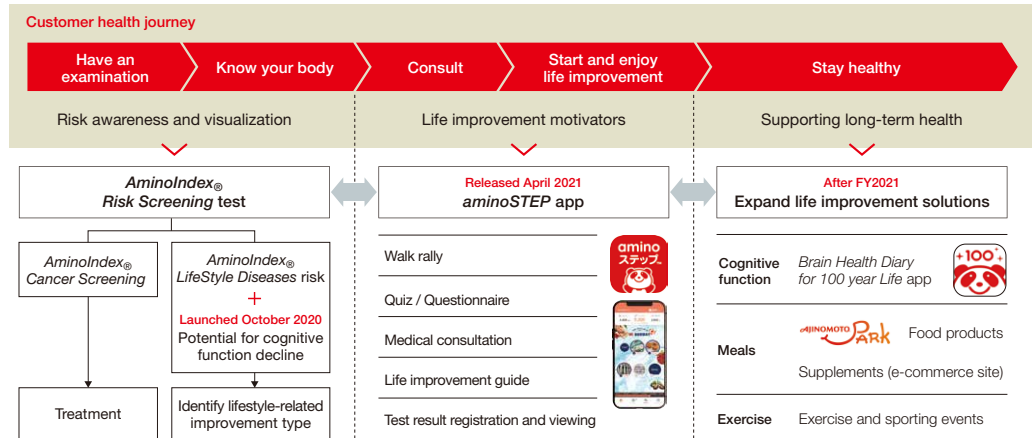
Smartphone app for enhancing lifestyle improvement solutions

In April 2021, we launched services for *aminoSTEP*, a smartphone app that provides information supporting lifestyle improvements for *AminoIndex*[®]*Risk Screening (AIRS*[®]*)* screening recipients and general users in Japan. This app, jointly developed with Mediplat Inc., is designed to improve satisfaction levels for *AIRS*[®] screening recipients through stronger post-screening support. The app also serves to help users understand their bodily health before the onset of illness, to change their behavior, and to improve their lifestyles. In addition to saving *AIRS*[®] test results and providing advice accordingly on lifestyle improvements, the app allows users to earn “amino mile” points through walking (based on step count). The app also offers fun health maintenance activities such as healthcare quizzes. Users have direct access to health consultations with doctors via the app chat function.

In April 2021, we released *Brain Health Diary for 100 year Life*, a smartphone app targeting general users aged 45 to 64. This app supports the upkeep of cognitive function through lifestyle-related improvements. We developed the app by using findings from collaborative research on cognitive function with the National Center for Geriatrics and Gerontology. By using this app, a user can record nutrients and quantities of meals from pictures taken with the user’s smartphone, as well as recording exercise and sleep times with minimal user difficulty. The app uses this data to provide a Cognitive Function Maintenance Score (out of 100) based on research into cognitive function maintenance. Users receive daily advice for improvement of diet, exercise, and sleep. We believe the *Brain Health Diary for 100 year Life* can be a long-term partner in maintaining cognitive function.

Contribution to Solve Food and Health Issues

Personalized nutrition ecosystem



Industry-academia collaborations for healthier lives

In April 2020, Hirosaki University and Ajinomoto Co., Inc., established the Digital Nutrition and Health Sciences Course, a joint research course^[1] on extending the healthy life expectancy under the Hirosaki University Graduate School of Medicine. Through this joint research course, we will develop solutions that will lead to the prevention of issues for the elderly and lifestyle-related diseases, contributing to improved health and nutrition.

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

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Contribution to Solve Food and Health Issues

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TOPIC

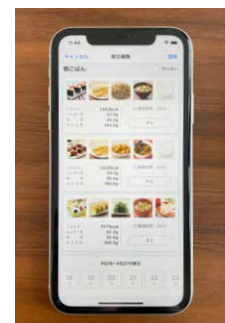
Initiatives to expand *Kachimeshi*® from top athletes to general consumers

Since 2003, Ajinomoto Co., Inc. has been leveraging the power of amino acids in our *Victory Project*®, an effort to support conditioning for Japanese national athletes and candidates to become more competitive internationally and to win more medals. We established the *Kachimeshi*® nutritional program by food and amino acids, utilizing the knowledge we have gained over many years of support, backed by sports nutrition science. Through this program, we support conditioning for top athletes competing on the world stage.

We have condensed this knowledge into *Kachimeshi*®, working to spread the program among general consumers in Japan. This program not only provides products and services leveraging the functions of amino acids, but also supports healthy living and conditioning by disseminating health and nutrition information as well as by offering easy-to-prepare, delicious meal plans arranged by theme. We are also active in local *Kachimeshi*® initiatives, using locally produced ingredients in collaboration with municipal governments and developing nutritionally balanced meal options suited to local dietary habits.

In fiscal 2021, we are strengthening cooperation with R-bies, INC.^[1] to launch new measures for *Kachimeshi*® for general consumers. In collaboration with R-bies and municipal governments across Japan, we plan to hold walking events and disseminate information about *Kachimeshi*® via local media. We will also conduct events and fairs at mass retailer stores, sponsor seminars, and hold other events related to *Kachimeshi*®. Our goal is to establish cooperation with a total of 13 municipal governments by deepening our efforts.

We are also working to use *Kachimeshi*® to better respond to needs for personalized meals. In March 2021, we launched a beta test release of our *Kachimeshi*® AI for middle school and high school athletes, as well as for the guardians who prepare their meals. Many middle school and high school athletes and their guardians have difficulty finding a practical method that suits their situation, even if they are highly mindful of physical fitness. *Kachimeshi*® AI offers a unique smartphone app, providing supervision by a registered dietitian in our *Victory Project*®. The app also provides specific meal options optimized to the unique situation of the athlete, backed by sports nutrition science. The system calculates the necessary nutrients required for each user and uses information from our *Ajinomoto Park* recipe database to present a day's meals meeting the various attributes of each middle or high school athlete. These attributes include age, height, body composition (weight / body fat percentage), and targets related to specific sports and body weight (maintaining current condition, losing weight, gaining weight). Learning from user feedback, the AI suggests menu options and meal quantities more suited to each individual. We will utilize the data collected from this test release to further evolve the app and make suggestions more suitable to each individual's lifestyle, aiming to contribute to the creation of a healthy body.



Kachimeshi® AI app screen

Based on the Japanese model, we have expanded *Kachimeshi* into six countries overseas, supporting the conditioning of athletes in each target country. In four of these countries (Thailand, Indonesia, the Philippines, and Singapore), we have also introduced our ASEAN *Victory Project* to provide nutritional and dietary support to athletes and sports teams.

[1] R-bies publishes the magazine *Runners* and organizes marathons and walking events.

Rapid response to consumer lifestyle changes

The Ajinomoto Group pursues balance between nutrition and deliciousness, striving to offer foods that nourish both body and mind. We support a diverse range of lifestyles, creating spare time by providing smart cooking, which lets anyone cook easily and encourages people to enjoy cooking, even if they are busy. With our products, we also encourage consumers to experience the fun and joy of eating together. Further, through products with high health value, e-commerce, and other channels, we will provide personal food products and food product experiences that offer both nutrition and peace of mind. We will continue to respond to changing global lifestyle preferences, delivering more solutions that include the clean label movement (clear ingredient labeling, products that use simple raw ingredients), vegan-friendly foods, and more.

Specific examples

- Fair marketing and advertising
- Product access and affordability
- Response to diversification of values (smart cooking, joy of eating)
- Eating alone, eating personalized meals

Related opportunities and risks (Opportunity Risk)

- Enhancing corporate reputation by offering the joy of eating together
- New value creation using digital technology
- Loss of growth opportunities due to delayed response to consumer lifestyle changes or diversifying values

Key initiatives by the Ajinomoto Group

- Creating strong communities and social bonds through food
- Advanced marketing efforts by leveraging big data and consumer data
- Building strategies to deal with smaller markets
- Properly delivering products, services, and information to customers
- Expanding products and services to meet the need for convenience, such as smart cooking

Related SDGs



Rapid Response to Consumer Lifestyle Changes

Responding to diversifying values

Approach

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

Dietary habits are changing as lifestyles diversify. We see more people eating alone and more people eating individualized meals, even when dining with family. The busy-ness of life is leaving people with less time to prepare and eat meals.

Meals are not only for nourishment, but also valuable opportunities for communications. Consumers demands related to food and lifestyles are diversifying. People want more satisfaction through cooking joyfully and well, as well as the joy of connecting with family and others through food.

The Ajinomoto Group offers a variety of values in response to these lifestyle changes and diversifying needs. For example, we continue to expand our product lineup to meet a diverse set of needs. This includes microwaveable frozen gyoza for those who want a meal that needs less time to cook, mayonnaise meeting discerning tastes for freshness, and other products adapting to changing work styles and growing opportunities to cook at home. We also create opportunities to enjoy cooking and food, suggesting different menus for various occasions.



Frozen gyoza (Japan, U.S.)

Easily prepared in the microwave, these potstickers offer a savory grilled texture and a juiciness bringing you back for more.



Pure Select® Mayonnaise (Keep-fresh Bottle) (Japan)

With the growing number of small households, diversifying dietary habits, and with calls from consumers for mayonnaise that keeps its deliciousness over a longer period of time, we have adopted a new double-structure bottle for the first time in our mayonnaise products. This special bottle helps keep freshness and flavor for longer after it has been opened.



Bistro Do® Menu-specific seasoning (Japan)

This seasoning incorporates a carefully selected blend of ingredients hard to get in the average household, making it easy to prepare authentic Western-style dishes at home. It provides more meal options for consumers with growing opportunities to cook at home, and offers them the value of a more fun dinner table with the lavish meals it enables.



Work Design Coffee (Japan)

This coffee takes on the various psychological difficulties people face amid diversifying work styles from the spread of COVID-19, like relaxing, and mentally overcoming difficult moments. By reading two-dimensional bar code on the packaging, our automatic background music service will play a track selected based on the kind of coffee, where the customer works, and what kind of job they have.



Food Fun! Discovery Community (Japan)

The Food Fun! Discovery Community website is a space for consumers to learn more ways to enjoy food, and already has more than 20,000 registered users. The website features an active community of consumers who engage in interactive dialogue.

Rapid Response to Consumer Lifestyle Changes

Adapting to lifestyle changes caused by the spread of COVID-19

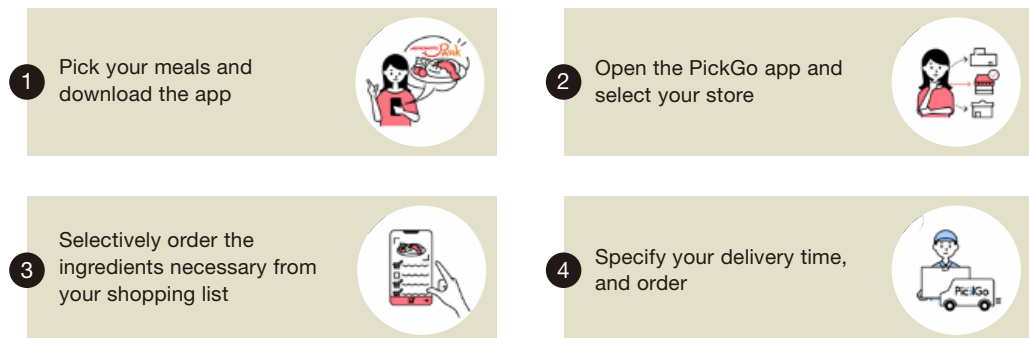
■ First food manufacturer to launch meal delivery services partnering with shopping agents (Japan)

In Japan, the spread of COVID-19 has led to an increase in demand for online shopping, such as for groceries. In addition, with growing opportunities to cook at home, more and more people are experiencing services providing meal kits, combinations of recipes and ingredients that reduce the user's burden from planning the meal to preparing the food. Our **AJINOMOTO PARK** recipe website has seen an exploding number of page accesses, indicating that consumers are becoming more interested in food.

To address these changes, Ajinomoto Co., Inc. launched its *FleMeal* meal kit delivery service in December 2020. This service is in partnership with CBcloud Co., Ltd.'s PickGo, a platform handling processes from shopping to delivery.

It delivers ingredients for three original, nutritionally-balanced recipes (currently 30) from **AJINOMOTO PARK**, bringing it to customers' doors in as little as 30 minutes. Going forward, we will consider expanding these services, including introducing a mechanism for personalizing meal options according to individual tastes and health conditions.

How to order meal kits



■ Released the *A la table*® app, enabling people to connect through food (Japan)

With the spread of COVID-19, more and more consumers are trying out cooking for the first time, and more are enjoying homemade meals with their families. Food offers more than just functional benefits like nutrition and convenience; it should have emotional value, like connection and empathy, and with people staying indoors, there are growing needs for connections, especially online.

In June 2020, to address these changes happening for consumers, we launched a beta version of our *A la table*® app, designed to connect people through food. App users can post their own dishes and "like" dishes prepared by others. The app also provides new information daily about food, and users can post about their cooking troubles and concerns and ask for advice from other users.

We also supporting community-building by using AI to make individually tailored proposals based on consumer interests and insight analysis, offering them new experiences where they can share their cooking spaces and time.

Rapid Response to Consumer Lifestyle Changes

Approach

GRI203-2

> Group Shared
Policy on Product
Accessibility

■ Established a mail delivery system for supplements (Japan)

The spread of COVID-19 has led to a rapid expansion in online shopping, further leading to greatly increasing courier transactions. This has caused a shortage of delivery staff and the social problem of worsening labor environments. There have also been issues where packages have not been delivered at the customer-specified times. Yet still, there have also been concerns that close contact when receiving deliveries could lead to infection risks.

To resolve these issues, the Ajinomoto Group reviewed the packaging and packaging lines for supplement products, altering these so that all products fit in thin packaging deliverable in post boxes. Customers have responded favorably to this change, saying they can now get their orders without being home. Further, we expect that this will reduce the share of courier services to all deliveries from 70% to 30%, and reduce redeliveries; this will lead to less CO₂ emissions from deliveries.

Improving product accessibility

The Ajinomoto Group expands our business through our own mail order and external e-commerce site, helping consumers purchase products anytime, anywhere. We have established a system to analyze the awareness and behavior of consumers through digital data. We provide products that meet the trends of users on e-commerce websites in Japan and overseas.

At the same time, we have established our own distribution networks that include farms and village areas in developing and emerging countries with weak distribution mechanisms. In this way and more, we provide products not only through supermarkets, but also in grocery stalls within markets. We have adopted a cash-based direct sales model for staff to sell physical goods (products), depending on the conditions in each country or region. By communicating directly with shopkeepers and consumers, we exchange a wealth of information and deepen our understanding of consumer needs. In turn, this allows us to offer products more rooted in the local community.

We also establish reasonable prices and convenient product formats tailored to the lifestyle conditions in each country or region. For example, we offer a minimum standard size of umami seasoning *AJI-NO-MOTO*[®] of 10g (20 naira = 5 yen) in Nigeria and 11g in the Philippines (3 peso = 7 yen)^[1].

The Ajinomoto Group strives to improve product availability and accessibility by utilizing digital data and collecting information through direct communications.

[1] The exchange rate as of end of June 2021 was used to convert product prices into Japanese yen.



Product sold in
Nigeria

Product sold in the
Philippines

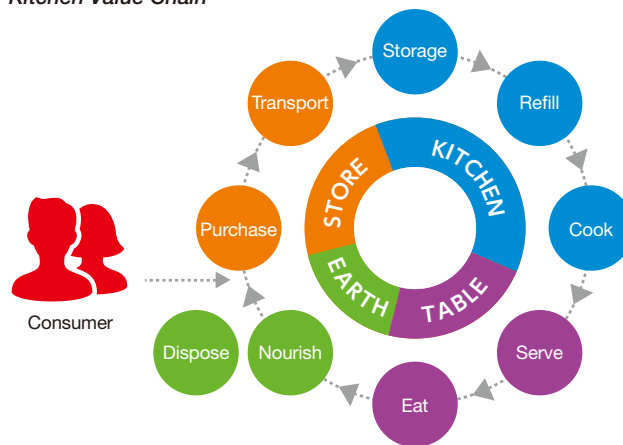
Rapid Response to Consumer Lifestyle Changes

Developing solutions to improve value

The Ajinomoto Group interfaces with consumers in various touch points between product receipt and disposal, including stores, kitchens, and the dining table. We call this series of connection points the *Kitchen Value Chain*[®]. To ensure that consumers are satisfied at each point, we develop products with a focus on such qualities as deliciousness, ease of preparation, and the usefulness and eco-friendliness of packaging materials, as evaluated from the standpoints of kansei engineering, ergonomics, and human psychology.

To develop products that consumers feel delicious, we must understand what deliciousness means from their perspective. The perception of deliciousness depends not only on the country, region, age, gender, and food experience of the individual, but also on the eating environment. Focusing on our own unique ingredients, the Ajinomoto Group refines *Deliciousness Technologies*[®], that integrate aroma, taste, and texture. In this way, we pursue science- and digital-based solutions to diversified needs without compromising on delicious taste.

Kitchen Value Chain[®]



Rapid Response to Consumer Lifestyle Changes

Appropriate communications and information sharing

Approach

GRI417-DMA

> Group Shared Policy on Marketing Communications

> Group Shared Policy on Package Description

> Product package labeling (Japanese only)

> Making Nutrition a Priority During the Pandemic

> Ajinomoto Group Initiatives in the With-COVID-19 Era (Japanese only)

Performance

GRI417-3

Responsible communications with consumers

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

Given these differences, we have stated our commitment to practicing responsible marketing communications in our Group Shared Policy on Marketing Communications. This policy acknowledges that extra caution is needed in marketing communications designed for children. We pledge to act responsibly, refraining from exploiting the inexperience or imagination of children or using language that can mislead children.

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

Group companies in Japan publish social media guidelines on their respective websites, disclosing the rules with which employees must comply when engaging in social media. Packaging on food-related products display both legally required information and voluntary information unique to the Ajinomoto Group, including lists of allergens and details of ingredients that may be unfamiliar to customers.

TOPIC

Communications with consumers during the COVID-19 pandemic

With the spread of COVID-19, needs have risen for information on health and eating habits. In this environment of the new normal, the Ajinomoto Group seeks to propose information and food that are helpful to customer lifestyles, becoming involved more closely in their daily lives. On our website, we provide explanations about functions of amino acids, advice on maintaining a health immune response, and more information helpful for daily health. In addition, we have published a summary of Ajinomoto Group initiatives toward infection control.

Incidents of non-compliance

During fiscal 2020, the Ajinomoto Group was not subject to any public announcements made by the Japan Consumer Affairs Agency related to violations of the Act against Unjustifiable Premiums and Misleading Representations.

Assurance of product safety

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

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

Specific examples

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

Related opportunities and risks (○ Opportunity ● Risk)

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

Key initiatives by the Ajinomoto Group

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

Related SDGs



Assurance of Product Safety

Approach

GRI416-DMA
GRI417-DMA

> Group Shared Policy on Quality

> Group Shared Policy on Food Safety

Quality management

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

Ajinomoto System of Quality Assurance (ASQUA)

The Ajinomoto Group has our own quality assurance system, ASQUA. As of March 2021, 101 Group companies have implemented ASQUA.

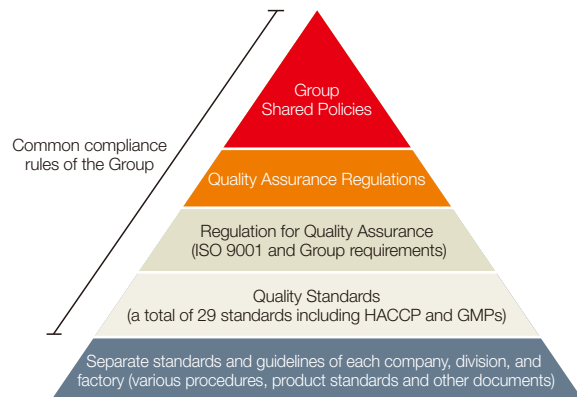
The core of ASQUA is based on ISO 9001, the international quality management system standard. We supplement this standard with other manufacturing management standards such as the Hazard Analysis and Critical Control Points (HACCP)^[1], Good Manufacturing Practices (GMPs)^[2], and the Group's own rules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

Quality standards ranging from development and raw materials procurement to sales and customer communications. We review these standards constantly in light of internal and external trends. In fiscal 2020, in accordance with changes to laws and regulations, we revised the Standard for Quality Audit and the Standard for Safety and Sanitation of Food Packaging Materials.

ASQUA framework



ASQUA components



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

[2] Standards relating to manufacturing management

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

Assurance of Product Safety

Quality standards

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

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

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

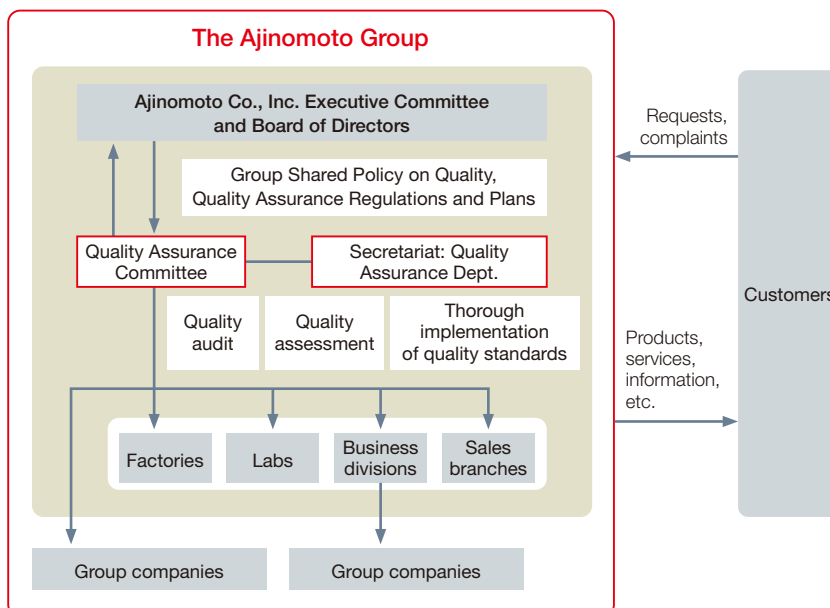
[3] Kosher means fitting or appropriate in Hebrew, or foods that followers of the Jewish faith are permitted to eat.

Promotion framework for quality assurance

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

Framework

GRI416-DMA
GRI417-DMA



Assurance of Product Safety

■ Obtaining and maintaining third-party certifications

The Ajinomoto Group encourages Group companies to acquire and maintain ISO 9001 certification. As of March 2021, 57 of 78 eligible Group companies have acquired ISO 9001 certification. For the eligible companies not yet certified (many of which are newly acquired or established companies), the Group works to build quality assurance systems for certification. In response to customer requests or other cases, the Group acquires certification of other standards such as FSSC 22000 approved by the Global Food Safety Initiative (GFSI).

Ajinomoto Group medium-term plan for quality assurance

The Group focused on the following quality assurance topics during fiscal 2020-2022. Refer to related sections for details related to each initiative conducted during fiscal 2020.

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

Develop human resources to improve quality assurance levels

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

■ Main programs in fiscal 2020

■ Japan

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

■ Overseas

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

Performance

GRI416-DMA
GRI417-DMA

Assurance of Product Safety

Framework

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

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

Framework / Performance

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

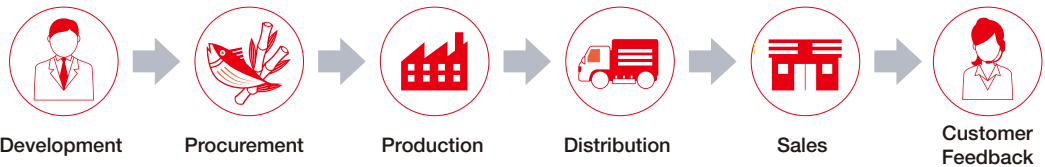
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Framework / Performance

GRI414-2
GRI416-DMA
GRI416-1

Quality assurance across the supply chain

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



Development

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

Raw materials procurement

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

We work with our suppliers to improve quality and reduce quality risks through measures that include regular appraisals, quality audits, information sessions, and surveys. We make continuous quality improvements through close cooperation with suppliers. After conducting an audit, we began transactions with two new suppliers during fiscal 2020.

Supplier audits in fiscal 2020

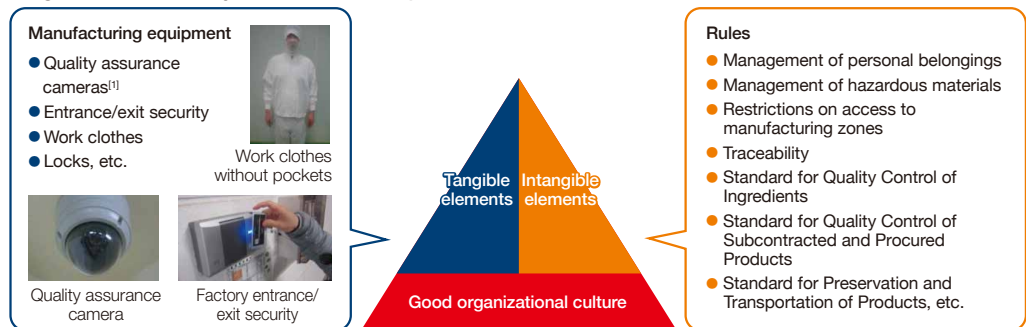
Audited organization	Audited items	Number of audits
Ajinomoto Co., Inc.	Raw materials	148
	Packaging materials	44
Ajinomoto Frozen Foods Co., Inc.	Raw materials	158

Production

Structural enhancements for food safety

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

Diagram of food safety assurance concept



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

Assurance of Product Safety

GRI416-2

GRI417-2

Framework

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GRI417-1

> Product package labeling (Japanese only)

> Quality Assurance

■ Measures to prevent manipulation of quality-related data

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

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

■ Initiatives to reduce quality-related claims and incidents

During fiscal 2020, the Ajinomoto Group issued four collections from distributors due to foreign matter contamination and solidification, etc.

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

Number of recalls and distribution collections by the Ajinomoto Group

Fiscal year	2016	2017	2018	2019	2020
Number	6	4	4	3	4

■ Distribution

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

■ Sales

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

■ Product packages

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

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

■ Websites

Our global website publishes information on group quality assurance activities in English, Spanish, Portuguese, and Arabic. Group companies operate websites and social media channels through which we provide product information, recipes, product FAQs, and other information tailored to customers in each country/region. Ajinomoto Co., Inc., Ajinomoto Frozen Foods Co., Inc., Ajinomoto AGF, Inc., and AJINOMOTO CO., (THAILAND) LTD. each publish easily understood information regarding quality assurance systems and quality assurance initiatives on their respective websites. The chatbots^[1] adopted in fiscal 2019 by Ajinomoto Co., Inc. were also introduced at Ajinomoto Frozen Foods Co., Inc. and Ajinomoto AGF, Inc. in fiscal 2020.

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

Assurance of Product Safety

Framework

GRI416-DMA

GRI417-DMA

GRI417-1

> Quality Assurance

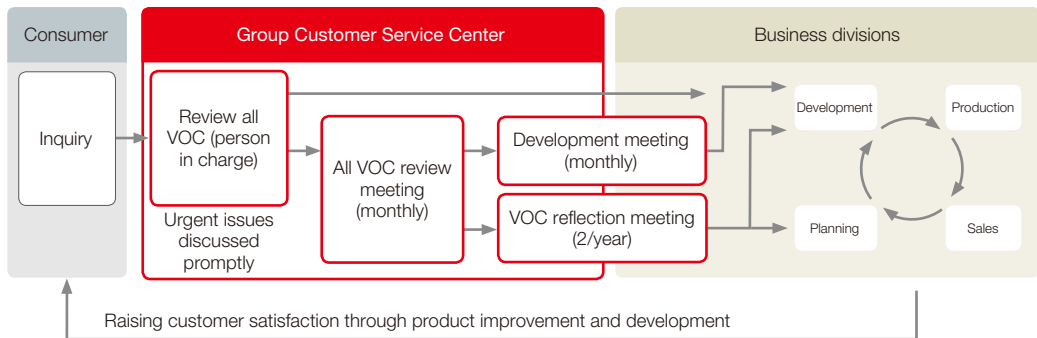
Performance

Customer feedback

Initiatives to reflect customer feedback

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

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



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

TOPIC

Improvements based on the VOC during fiscal 2020

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

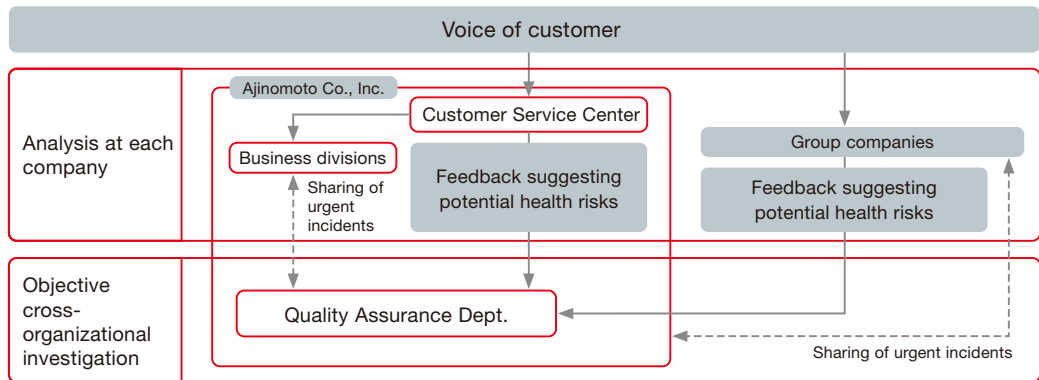


Enhanced monitoring of customer feedback

Any customer feedback is analyzed by a group company, and any such feedback that concerns a serious issue that could lead to health risks or a violation of law is also checked and analyzed promptly, objectively, and in a cross-organizational manner by Ajinomoto Co., Inc. The system ensures that any case deemed to be urgent is shared with relevant departments immediately. In fiscal 2020, the system was extended to Turkey, Poland, and France in addition to Group companies in Japan, Thailand, Brazil, Indonesia, Vietnam, the Philippines, Peru, the United States, Malaysia, Taiwan, and South Korea.

Assurance of Product Safety

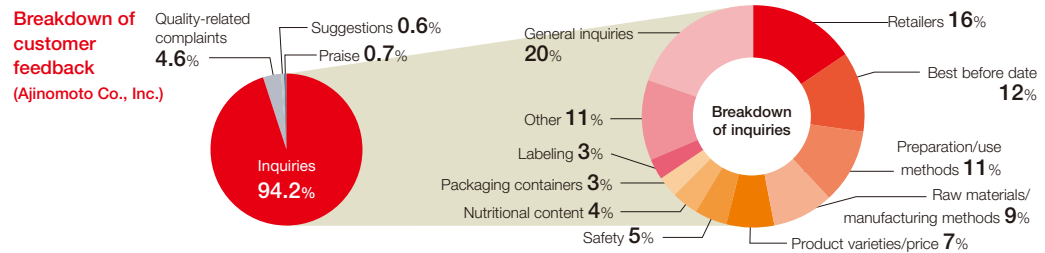
Customer feedback monitoring system for preventing health damage



Performance

Breakdown of VOC in fiscal 2020

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



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

Efforts to improve customer satisfaction

The three food product Group companies in Japan regularly conduct surveys to confirm and improve customer satisfaction regarding the quality of response to customer quality-related claims. The investigation, business, and customer service departments work to share specific feedback to improve customer satisfaction. Surveys conducted during fiscal 2020 by Ajinomoto Co., Inc. indicated that 96% of customers were satisfied with the response to issues they raised, 79% were satisfied with the investigation reports, and 88% intend to continue to use the company's products.

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

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

Assurance of Product Safety

Disseminating information on MSG safety and benefits

Approach

GRI417-DMA

> P21

> Know MSG

Performance

GRI417-DMA

> Food & Wellness
Future Forum 2020

Activities to promote a correct understanding of MSG

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

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

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

Communication activities across the world

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

Forums for consumers in Japan

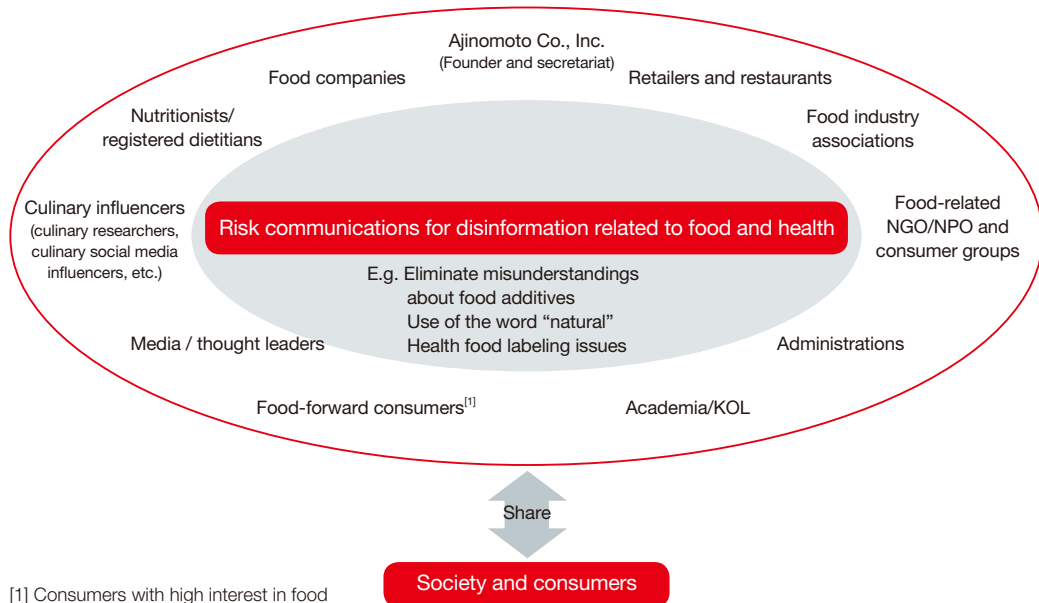
Ajinomoto Co., Inc. held three media conferences in April, July, and November of 2019 to discuss food labeling issues, MSG safety and the reputation of MSG, and risk communications for today. At the third conference we announced to establish a new opportunity for risk communications that goes beyond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

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

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

Assurance of Product Safety

Proposed risk communication framework of the Ajinomoto Group



Disseminating information for nutritionists and registered dietitians in Japan

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

Lectures for students in Singapore

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

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

Producing and distributing original videos in Thailand

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

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

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

Assurance of Product Safety

> Know MSG

Umami and MSG promotions in the United States

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

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

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

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

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



Survey results in the United States

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

(Per Ajinomoto Co., Inc. survey)

Diverse talent

The Ajinomoto Group believes that employee engagement, along with market capitalization and corporate brand value (customer value), is an important element in enhancing corporate value.

We intend to accelerate ASV as one's own initiative among employees, investing more in fostering human resources who feel highly engaged in their work and take an active role in contributing to the realization of our vision. In this way, we will transform into a highly productive, issue-solving organization with an ever-growing capacity to offer proposals, to execute our business, and to foster innovation. The Group will search for greater diversity and inclusion in human resources to accelerate innovation. We will also leverage digital technologies to create work styles that improve our ability to respond to environmental changes.

Specific examples

- Employee engagement / decent work
- Diversity and inclusion
- Employee health, safety, and well-being
- Labor relations
- Fair labor practices
- Compensation and benefits
- Recruitment, development and retention

Related opportunities and risks (○ Opportunity ● Risk)

- Company growth by improving employee engagement
- Creation of an innovative environment
- Rising costs due to intense competition for human resources

Key initiatives by the Ajinomoto Group

- Enhancing employee ASV engagement (ASV as one's own initiative)
- Promoting PDCA cycle using engagement surveys
- Organizational culture reform to promote diversity and inclusion
- Training and promotion of female employees
- Promoting health management
- Human rights awareness training
- Fostering a corporate culture of innovation

Related SDGs



Employee engagement score^[1] (ASV as one's own initiative)

FY2019	FY2020	FY2022 (target)	FY2025 (target)	FY2030 (target)
55%	64%	70%	80%	85%+

[1] The percentage of employees who talk about how they implement ASV through their own work with their family and friends is measured using the engagement survey for the Group employees.

Diverse Talent

Human resources and organizational management

Approach

> Integrated Report 2021 P57-59

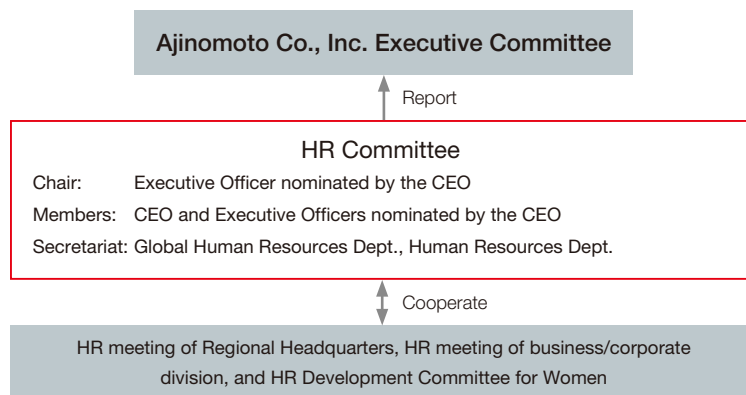
The Ajinomoto Group is increasing our investment in human resources and strengthening skills development to achieve our vision of becoming a solution-providing group of companies for food and health issues. At the same time, we aim to increase the number of employees who feel they are contributing to our vision (ASV as one's own initiative) as they will serve as a key driver propelling the organization forward. To achieve this, we are setting organizational and personal goals to solve issues together with our customers and standardizing the plan-do-check-action (PDCA) cycle of management.

Management cycle that increases ASV engagement



Human resource management framework

The HR Committee established under the Executive Committee promotes fostering talent to lead group companies, regions, and global operations at every level to support the sound growth of the Ajinomoto Group. When deemed necessary by the chair of the HR Committee, the committee reports the status of its activities, committee meeting deliberation, and results to the Executive Committee.



Framework

GRI401-DMA
GRI404-DMA

> P119

The Ajinomoto Group established a hotline as an anonymous internal reporting system that enables officers and employees, including part-time and temporary workers, to make reports or seek advice by phone, e-mail, fax, letter, or other means.

Diverse Talent

Global human resources management system

We have adopted a global human resources management system based on a common foundation to foster and assign diverse human resources around the world, ensuring we put the right person in the right position. We are using this system to accelerate our development of next-generation management and highly specialized personnel. The system consists of a mechanism to visualize key posts and key personnel (position management, talent management) as shown below.

Position management (right position)	
Identify the duties required for the organization to execute our business strategy. Determine the requirements for each job and the people necessary to perform said duties.	
Job level	Grade system based on job level
Evaluation system	Behavior and performance evaluations based on the Ajinomoto Group Way
Remuneration	Establish global remuneration policies 1. The remuneration program must comply with the laws and regulations of each country and region 2. Remuneration reflecting duties and performance 3. Competitive remuneration levels based on country, regional market wages
Talent management (right person)	
To discover and develop human resources, we strive to appoint and assign the right person in the right position in light of the duties and personnel requirements above. Ensure the rapid promotion of key talents.	
HR Committee	Establish HR meetings at Regional Headquarters and business/corporate divisions
Talent portfolio	Dual axis of performance evaluation and next-generation leadership requirements Next-generation leadership requirements determined based on the future ideal of the Ajinomoto Group
Succession plan	Determines key positions by Regional Headquarters, Group companies and divisions
Development plan	Plans for key talent

In July 2021, we implemented a new global human resources information system that will visualize human resources and organizational information, in the interest of evolution and greater efficiency of our global human resources management system for Ajinomoto Co., Inc. By bringing more visibility to the organization, position, and other information for all employees, we support the self-directed career development of each individual. In addition, utilizing this system in areas such as the HR Committee and staff reassignments will help us in our aim to discover and develop human resources further, putting the right person in the right position. Going forward, we will deploy the system to other group companies.

Develop skills to better resolve issues

The Ajinomoto Group develops skills in each employee to better resolve issues. In this way, we create innovation toward resolving food and health issues. In particular, we are focused on improving employee literacy in nutrition, the environment, and digital, of which we started training on nutrition and digital in fiscal 2020 at Ajinomoto Co., Inc. Total of 460 employees participated in the nutritional literacy training and the number of certified business DX employees are as described in the table next page. We also provide participatory training to encourage employees to make ASV as one's own initiative, and we sponsor our A-STARTERS program for fostering in-house entrepreneurship and commercializing business ideas. Of the 133 teams applied for A-STARTERS, four teams were selected in our business plan contest after document reviews, interview screenings, and training. We will further develop the business ideas during fiscal 2021.

In fiscal 2020, Ajinomoto Co., Inc. spent 123,000 yen per person on training, averaging 13 hours of training per employee.

Performance

GRI404-1

GRI404-2

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Diverse Talent

Performance

Performance

GRI404-2

> Integrated Report
2021 P57-59

Certified business DX employees of Ajinomoto Co., Inc.

	FY2020	Percentage of employees
Beginner	743	23%
Intermediate	51	2%
Advanced	9	0.3%
Total (Cumulative ^[1])	803	25%

[1] Includes employees taking multiple courses

Promoting work-style innovation

The Ajinomoto Group uses digital technology to eliminate waste and improve time productivity for raising customer value. We pursue individual productivity improvements across our entire organization.

In fiscal 2020, we promoted creation of an environment in which diverse human resources can be highly productive and work flexibly by initiatives such as abolishing restrictions on days worked at home or at satellite offices (employees were previously required to work at the company at least one day a week), using Microsoft Teams, an information and communications tool, digitizing personal seals and contract documents, etc., even amid the new normal created by the COVID-19 pandemic.

The average total work hours of Ajinomoto Co., Inc. employees were 1,878 in fiscal 2020.

Employee engagement

The Ajinomoto Group redefined our philosophy regarding corporate value in February 2020.

Improving employee engagement in creating customer value leads to the creation of economic value. By sharing this economic value with employees, we generate a cycle of rising engagement, which we see as corporate value.

We have included employee engagement scores (ASV as one's own initiative) as a priority KPI in our 2020-2025 Medium-Term Management Plan ("20-25 MTP"). As we advance in developing the skills of our individual employees, we use the OE^[2] method in our management cycle to accelerate ASV as one's own initiative in each employee.

In fiscal 2020, we held a total of 53 CEO-employee dialogues and 75 dialogues with three General Managers of business and corporate divisions in a combination of online and in-person formats. These dialogues were part of our communications about our 20-25 MTP. Personal goal presentations were also made across all organizations. As employees talk about goals in their own words, they reconfirm how their own work fits into the organization and who their work benefits (who their customers are). This also improves employee commitment to our corporate goals.

We have been encouraging employees to post their best practices to "My ASV Story" on our internal social media network, as well as commending particularly excellent examples of initiatives that embody ASV at the ASV Awards. In this manner, we are accelerating the ASV engagement of employees.

[2] Abbreviation of Operational excellence. Continuous improvement and reform activities based on the philosophy and methods of thoroughly refining all operations to solve problems and to add value from the customer's point of view while individuals and teams grow in a synchronized manner in order to create a competitive advantage.

Diverse Talent

Performance

Initiatives to increase ASV engagement

Initiatives	FY2020 Performance
1. Management plans dialogue with the CEO	Total of 53 dialogues held across all Ajinomoto Co., Inc. organizations
2. Dialogue with General Managers of each division	Total of 75 dialogues held across Ajinomoto Co., Inc. and major group companies in Japan
3. Set organization/individual goals	Completed as planned.
4. Personal goal presentation	Held at all organizations at Ajinomoto Co., Inc.
5. Share best practices	Total of 359 ASV-related posts by employees
6. Entrepreneur incubator program, A-STARTERS	Total of 133 teams applied, 4 teams selected
7. ASV Awards	Awarded 7 initiatives at the Fifth ASV Awards
8. Monitoring via engagement survey	ASV engagement score 64% (FY2019 55%)
9. Address issues in next-year plans	Completed as planned.

Promoting ASV as one's own initiative based on engagement surveys

To date, the Ajinomoto Group has quantitatively measured employee engagement through an engagement survey. This survey helps us understand and take action to improve issues, leveraging the PDCA cycle. While this survey had previously been conducted once every two years, the survey has been changed to an annual program as of fiscal 2020.

In fiscal 2020, the Employee Engagement Score (ASV as one's own initiative), a priority KPI in our 20-25 MTP, improved by nine points to 64%. The favorable score for Sustainable Engagement^[1] also improved by four points to 86%.

[1] A question category correlated highly with corporate sustainable growth. Questions measure workplace productivity and the vibrancy of our organizational culture, in addition to employee desire to contribute to goals and the intensity of employee connection to the company.

Employee engagement score

FY2019	FY2020	FY2022 (Target)	FY2025 (Target)	FY2030 (Target)
55%	64%	70%	80%	85%+

Fair labor practices

The Ajinomoto Group believes that employee growth leads to company growth and a contribution to society. To link employee growth with company growth, we offer workplace environments, human resource management systems, and educational programs that support self-directed career development.

Compensation and benefits

The Ajinomoto Group strives to improve terms of employment, including remuneration, on a global basis and in the context of individual company growth.

Approach

GRI405-2

Diverse Talent

Framework

GRI102-41
GRI402-DMA
GRI403-4

> P114

Approach

GRI403-DMA
GRI403-3
GRI403-6

> White Paper on Health (Japanese only)

> P33

Compensation by job title, gender (Ajinomoto Co., Inc. only; as of April 2020)

Job title	Avg. compensation, women (A)	Avg. compensation, men (B)	Ratio (A/B)
Executive (Base salary only)	¥21,360,000	¥21,360,000	1
Management (Base salary only)	¥7,480,678	¥7,792,667	0.959
Management (Base salary+ bonuses and other cash incentives)	¥12,990,850	¥13,686,539	0.949
Non-management	¥7,082,346	¥8,438,790	0.839

Labor-management relations

All non-management employees of Ajinomoto Co., Inc. are members of the labor union (63.6% of all employees). Labor agreements require the company to notify employees and their representatives before making any major changes that impact employees (minimum prior notice requirements are confidential and therefore not disclosed).

Labor agreements also stipulate various requirements concerning safety and health, education and training, and medical checkups. Both management and employees work together to improve workplace safety and health standards. Under Japanese law, each workplace must convene a monthly safety and health committee meeting. The committee consists of roughly half managers and half non-managers. The purpose of this meeting is to identify causes and solutions related to occupational accidents and to share information on the status of employees on sick leave, changes in relevant laws, and more.

Health and productivity management

The Ajinomoto Group believes that employee health and well-being are fundamental to improving employee engagement, and simultaneous growth of employees and the company. We strive to create workplaces that both support and improve employee health and well-being. We are emphasizing health management more than ever before, given the spread of COVID-19 that began in 2020.

The Group vision for health and productivity management consists of two parts: company support for improving employee health and well-being and individual self-care based on high awareness and knowledge. These two parts work in tandem to maintain well-being and foster a health-minded culture.

Diverse Talent

Vision for health and productivity management



Performance

In the fiscal 2020 Engagement Survey, group employees' favorable score for Health Management^[1] was 81%.

[1] The percentage of group employees who responded that the company provides an environment and engages in measures to maintain and promote health in consideration of employee mental and physical health

Employee score for Health Management

FY2019	FY2020
79%	81%

Framework

GRI403-DMA
GRI403-3
GRI403-6

Health promotion framework

The Ajinomoto Co., Inc. health policies are centered on the concept of self-care, which advocates health as a personal responsibility. This self-care is supported by a partnership between the Company's Wellness Promotion Center, which has nine occupational physicians and 13 health staff members, the HR departments, and the Ajinomoto Health Insurance Society.

Performance

GRI403-DMA
GRI403-3
GRI403-6

Health and productivity initiatives

■ Standardization of health management systems and methods (Japan)

We are establishing standard health management systems and methods for the Ajinomoto Group to minimize disparities in maintaining and promoting health among group companies. In this way we strive for our employees to achieve health naturally by working in the Ajinomoto Group.

■ Individual health consultations

Ajinomoto Co., Inc. provides support necessary for every employee through individual health consultations. Every employee working in Japan is interviewed by an occupational physician or medical staff at the Wellness Promotion Center at least once per year. Based on medical examination and stress assessment results, employees receive health guidance that is respectful of their individual values and lifestyles, while also ensuring any latent physical or mental health problems are addressed. Guidance and advice services are also available for employees who work long hours or who are stationed overseas.

Diverse Talent

Performance

> Public Awards and Feedback

■ Health status visualization

A visual representation of health status is vital to implement employee self-care. Employees use the health advice app *Calomama Plus* to map exercise, diet, sleep, and emotions on four axes. In addition, we created the *MyHealth* personal health management website for employees to monitor medical checkup results, work data, and lifestyle data. In fiscal 2020, we launched the *My Health* Challenge Medical Checkup Game. This program adds an element of entertainment to regular medical checkups, providing individual employees with opportunities to use those checkups to visualize the results of their health improvement efforts, and assessing their degree of year-on-year health improvement under a points system. We plan to continue this program moving forward as a contributing factor to self-care.

■ Mental Health Recovery Program

Ajinomoto Co., Inc. operates an original Mental Health Recovery Program. While taking temporary health leave and after returning to work, employees on this program receive ongoing support to assess their personal values and sources of fulfillment, learning to enjoy work by dealing with stress. As part of this program, employees set goals based on the state (stage) of their symptoms.

■ Inclusion in the 2021 Health & Productivity Stock Selection

Ajinomoto Co., Inc. was included in the 2021 Health & Productivity Stock Selection. This selection was made by the Japanese Ministry of Economy, Trade and Industry (METI) and Tokyo Stock Exchange in recognition for our efforts to strategically promote employee health and productivity from a management perspective. This year marked the fifth consecutive time we have been selected for this honor. We were also included in the White 500, selected and certified from among all public companies in Japan in recognition of our initiatives to improve employee health management through Certified Health & Productivity Management Organizations Recognition Program.



Diverse Talent

Diversity and inclusion

Approach

GRI405-DMA
GRI406-DMA

> Integrated Report
2021 P60

> Public Awards and
Feedback (2020
Semi-Nadeshiko
Brand, 2020
PRIDE Index Gold
Rank)

Framework

GRI405-DMA

Performance

GRI202-2
GRI405-1

Promoting diversity and inclusion for corporate culture transformation

The Ajinomoto Group believes that promoting diversity and inclusion (D&I) is an important part of management strategy for creating innovation based on a foundation of diverse talents. To gather diverse talents, we value diversity in gender, age, nationality, and individual professional experiences. We are committed to do our best in encouraging diversity and inclusion.

The challenge that lies before Ajinomoto Co., Inc. is to increase the number of female leaders, an issue facing Japan as a whole, and accelerate reform in the company's corporate culture, raising the ratio of female directors and line managers (organization heads or general managers) to 30% by fiscal 2030.

D&I promotion framework

Ajinomoto Co., Inc. established the HR Development Committee for Women, a subcommittee of the HR Committee, chaired by the executive officer in charge of diversity and HR, to provide concrete support for formulating plans and developing careers for women. The activities of the committee are periodically reported to the Executive Committee and the board of directors. In addition, the Company is a core member of the 30% Club^[1] Japan, implementing cooperative measures between companies.

Further, the Company established a D&I Promotion Team within the HR Dept. and appointed contacts at each major division and Group company to conduct D&I promotion planning and operations of cross-organizational activities.

- Creating an organizational culture: Plan and hold unconscious bias training and D&I lunch seminars throughout the company, and prepare for active internal and external communications.
- Diverse human resources: Create LGBT support systems and policies, and comfortable work environments for persons with disabilities (e.g., provide professional life counselors for persons with disabilities throughout Japan; create guidebooks for persons with disabilities and departments in which such individuals work)
- Establish an environment linking careers: Dokodemo Career (e.g., systems enabling continuation of current work if they transfer for the benefit of their partner's career), Work-Life Balance (WLB) leave (leave for partner's transfer), and on-premises daycare centers

[1] A global campaign established by corporate leaders, etc., in the UK in 2010 to increase the percentage of women in key decision-making organizations of companies, including among corporate boards of directors

D&I promotion performance

In fiscal 2020, the Ajinomoto Co., Inc. launched AjiPanna Academy as a measure to support female human resources development, which provides opportunities and helps employees think independently about their careers. This academy offers career workshops attended with superiors and a half-year business skills training (college) program for women in non-management positions. We also offer mentoring programs by organizational heads and officers for female managers. The support for multifaceted growth through these programs has led to a growth mindset amongst female human resources, and a willingness of supervisors, organizational heads, and officers to develop female human resources.

Fiscal 2020 participation in various programs was as follows.

Diverse Talent

- Career workshops: Attended by 89 female employees in non-management positions at Ajinomoto Co., Inc. and their superiors, with a total of 174 participants. (Female employee satisfaction: 99%, superior satisfaction: 93%)
- College programs: Attended by 25 female employee from Ajinomoto Co., Inc. and other Group companies. (Satisfaction with curriculum overall: 100%)
- Mentor program participants: Participation by 33 female managers from Ajinomoto Co., Inc. (Satisfaction: 100%)

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

	End of June, 2020	End of June, 2021	FY2030 Target
Percentage of female directors	22%	27%	30%

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

	FY2019	FY2020	FY2030 Target
Percentage of female line managers	9%	11%	30%

Percentage of locally hired overseas executives

	FY2019	FY2020
Total number of overseas executives	177	163
Number of locally hired overseas executives	73	63
Ratio of locally hired overseas executives	41%	39%

Percentage of female managers (Group total)

	FY2019	FY2020
Percentage of female managers	24%	26%

Human rights awareness and education for employees

The Ajinomoto Group conducts human rights awareness and education activities within each Group company to encourage employee understanding of the Ajinomoto Group Policies (AGP) which prohibits any form of discrimination or harassment. In so doing, we nurture individuals who have a strong sense of human rights.

In Japan, we hold worksite meetings on the AGP annually to help employees, including part-time and temporary workers, identify and resolve issues in the workplace. The AGP questionnaire includes topics focused on discrimination and harassment to aid in identifying and preventing harassment.

■ Main programs in fiscal 2020

- Training for new hires: Attended by 100% of 47 eligible employees.
- Training by job title: Attended by 93% of 284 eligible employees.
- Training for harassment and LGBT consultation desk personnel: Attended by 100% of 23 eligible personnel.
- Training for disabilities consultation desk personnel: Attended by 100% of 12 eligible personnel.
- Anti-harassment e-learning for Japanese Group employees (addressing law revisions): Attended by 79% of approximately 9,340 eligible employees.
- D&I Lunch Seminars (including some domestic Group companies): Seminars held during lunch periods that aim to have participants move from merely knowing about D&I, to experiencing, thinking, and acting on this. This was held three times with the themes of LGBT, disabilities, and nursing care, with approximately 600 participants.

Performance

GRI406-DMA
GRI412-2

Environmental management

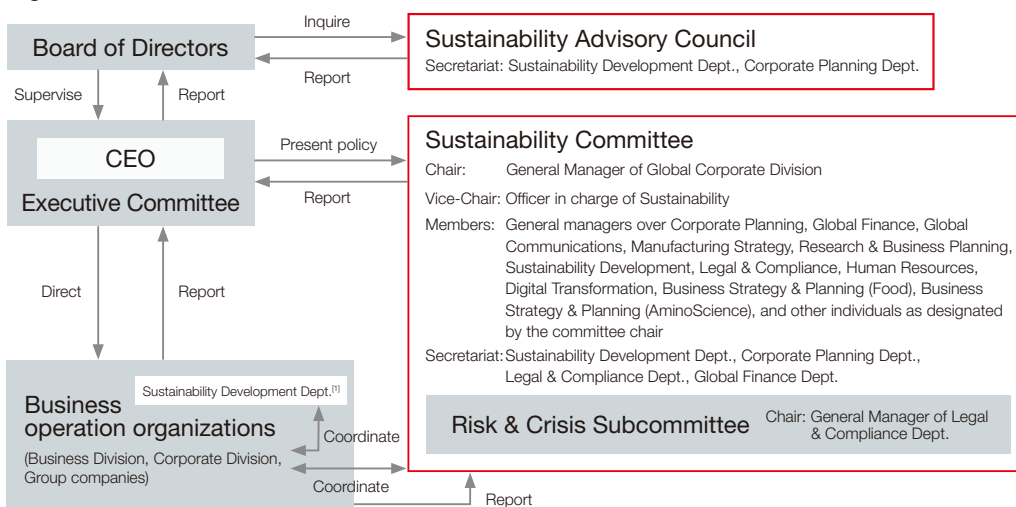
Framework

- GRI301-DMA
- GRI302-DMA
- GRI303-DMA
- GRI303-2
- GRI304-DMA
- GRI305-DMA
- GRI306-DMA
- GRI307-DMA

> Group Shared Policy on Environment

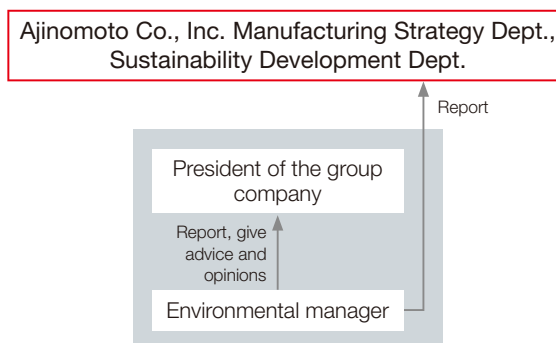
Environmental management framework

The Ajinomoto Group has established the Sustainability Advisory Council as a subordinate body of the Board of Directors, and the Sustainability Committee as a subordinate body of the Executive Committee. These promote sustainability management, and include deliberations on policies and measures related to environmental activities. Each Group company will appoint one environmental manager from among manager class employees. Environmental managers formulate their company's own plans based on the Group Shared Policy on Environment, which includes matters related to water resource conservation and biodiversity, and the decisions made by the Sustainability Committee, and disseminate the plan throughout the company. Then, they report to the presidents of Group companies and give advice and opinions regarding the performance status of environmental activities and improvement issues, etc., and also contact and report to Ajinomoto Co., Inc. Manufacturing Strategy Dept., Sustainability Development Dept. and other related organizations.



[1] Formulate policies and strategies / make proposals to business plans from the perspective of sustainability / follow up on measures together with the Sustainability Committee

Management framework at group companies



Status of ISO 14001 certification

As of March 2021, the Ajinomoto Group has acquired ISO 14001 certification at 66 of subject 106 eligible factories. Even those companies not yet certified are conducting management based on the ISO 14001 approach. As of fiscal 2020, we have changed how we calculate ISO 14001 certified sites in line with the method for calculating EMS certification ratios under the Dow Jones Sustainability Index survey.

Environmental Management

Environmental assessments

When the Ajinomoto Group launches new products and businesses, or when we change the use of existing raw materials or production processes, we assess the potential environmental impact of our business plans. We then take any necessary measures to minimize future risks. Environmental assessments at Group companies are performed by relevant departments in accordance with internal rules. The results of these assessments are reviewed from a Group-level perspective by the environmental management departments.

Environmental assessment items

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

Environmental audits

The Ajinomoto Group receives external audits for compliance with ISO 14001. In addition, locations experiencing issues are audited by the Ajinomoto Co., Inc. Manufacturing Strategy Dept. based on the Environmental Audit Outline. There were no sites subject to environmental audits in fiscal 2020.

Response to environmental laws and accidents

The Ajinomoto Group has established measures to quickly address any legal violations or accidents related to the environment. During fiscal 2020, there was one violation of the Cartagena Act in Japan. We made appropriate corrective actions in response to administrative guidance. There were three accidents impacting the environment outside our worksites in Japan (two noise complaints, one fluorocarbon leak), and five accidents overseas (two odor complaints, one ammonia leak, two fluorocarbon leaks). We reported these immediately to authorities and investigated their causes, taking necessary measures. We have established measures to quickly address any violations of environmental laws or accidents related to the environment.

Performance

GRI307-1

Environmental Management

Performance

GRI102-12
GRI302-DMA
GRI305-DMA
> Group Shared Policy on Environment
> P76

GRI301-DMA
GRI304-DMA
> Group Shared Policy on Environment

Environmental education

Specialized education

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

■ Main programs in fiscal 2020 (Japan)

- One-day training course for internal environmental auditors: Twice, 48 participants
- Training on environmental law

Japanese environmental law training (Seminar on trends in revisions to laws): Once, 54 participants

Training on waste treatment laws: Once, 14 participants

Training on the Act on the Evaluation of Chemical Substances and Regulation of Their Manufacture, etc.: Once, 68 participants

General education

In Japan, the Ajinomoto Co., Inc. Manufacturing Strategy Dept. collaborates with human resources, general affairs, risk management, and other departments to provide ongoing education tailored to each employee grade. This system ensures all employees understand Group environmental management.

■ Main programs in fiscal 2020 (Japan)

- Training for technology-related staff before posting overseas

Initiatives related to TCFD, SBT, and RE100

Demand is rising in society for companies to establish specific goals and strategies related to climate changes, as well as climate-change related governance structures, financial backing for accomplishing policies, and related information disclosures. The Ajinomoto Group has endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). We are currently preparing to disclose information under TCFD guidelines. In April 2020, our greenhouse gas emission reduction targets were approved by SBTi, and in August 2020, we announced our participation in RE100, which aims for using electricity from 100% renewable energy.

Biodiversity approach

The Ajinomoto Group expresses our approach to ecosystems and biodiversity in our Group Shared Policy on Environment. We are active in contributing to conservation of the natural environment, including ecosystems and biodiversity.

Environmental Management

GRI102-56
GRI301-1
GRI302-1
GRI302-2
GRI302-3
GRI302-4
GRI302-5
GRI303-3

> Environmental Data Assurance Statement
> Environmental Data For produce carbon footprint value
> Environmental Data Composition of consumed energy
> CDP Climate Change

Material balance

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

In fiscal 2020, the total of Scope 1 and 2 emissions decreased by 63,090 CO₂ tons from the previous fiscal year, down 14% compared to the base year of fiscal 2018. This was due to decreased production volume in some factories caused partially by the spread of COVID-19.

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

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

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

INPUT

	FY2017	FY2018	FY2019	FY2020
Main raw material (kt)	1,715	1,548	1,439	1,282
Sub raw material (kt)	2,674	2,901	2,378	2,069
Acids/alkalis (kt)	582	501	486	482
Other (kt)	2,092	2,400	1,892	1,588
Packaging material (kt)	263	276	241	240
Plastic ^[2] (kt)	65	69	62	66
Paper, cardboard (kt)	168	177	154	148
Other ^[2] (kt)	30	31	25	26
Fuel (TJ)	29,321	28,680	25,230	24,494
Oil (TJ)	2,449	2,141	1,802	1,653
Coal (TJ)	3,503	4,703	2,314	3,157
Biomass (TJ)	7,778	7,330	7,129	6,875
Natural gas (TJ)	15,591	14,506	13,985	12,809
Purchased electricity (TJ)	8,177	7,834	7,588	7,200
Purchased steam, etc. (TJ)	2,091	1,954	1,801	1,800
Water (1,000 kl) ^[3]	74,844	69,892	66,926	64,406
Surface water (1,000 kl)	24,433	20,672	19,630	17,004
Municipal water (1,000 kl)	7,007	6,375	6,210	5,316
Municipal water (Industrial) (1,000 kl)	27,030	27,766	26,717	29,041
Ground water (1,000 kl)	16,371	15,076	14,366	13,041
Other (rainwater, etc.) (1,000 kl)	4	3	3	4
Transportation distance (km)	2,751	2,756	2,804	2,872
Use (soups, frozen foods, coffee) (t)	584,805	556,549	596,264	603,420

[2] Figure of fiscal 2017 and fiscal 2018 have been reclassified due to redefinition.

[3] Unit for fiscal 2017 was kt.

Environmental Management

GRI305-1
GRI305-2
GRI305-3
GRI305-4
GRI305-5
GRI306-3
GRI306-4
GRI306-5

OUTPUT

(t-CO₂e)

	FY2017 ^[1]	FY2018	FY2019	FY2020
Scope 3 category 1: Raw materials	8,151,004	8,115,946	7,784,783	7,614,734
Scope 1	1,244,676	1,196,969	1,013,315	1,008,811
Scope 3 category 3: Production	406,443	381,765	625,142	630,823
Scope 2	Market-based method 1,072,248 Location-based method 1,092,482	Market-based method 1,015,723 Location-based method 1,026,764	Market-based method 960,375 Location-based method 978,066	Market-based method 901,789 Location-based method 910,791
Scope 3 category 4: Transport	1,298,840	1,274,589	1,256,044	1,210,741
Scope 3 category 11: Use	1,308,597	1,294,392	1,353,234	1,355,477
Scope 3 category 12: Disposal	443,755	443,333	431,048	425,003
Scope 3 category 2: Capital goods	249,316	249,944	255,910	262,711
Scope 3 category 5: Waste generated in operations	81,931	140,678	85,666	85,714
Scope 3 category 6: Business travel	4,255	4,479	4,486	4,226
Scope 3 category 7: Employee commuting	15,398	16,206	16,231	15,292
Scope 3 category 8: Upstream leased assets	Included in category 1	Included in category 1	Included in category 1	Included in category 1
Scope 3 category 9: Downstream transportation and distribution	4,518	3,780	3,503	3,183
Scope 3 category 10: Processing of sold products	8,126	8,161	5,517	179,801
Scope 3 category 13: Downstream leased assets	0	0	0	0
Scope 3 category 14: Franchises	0	0	0	0
Scope 3 category 15: Investments	0	0	0	0
Scope 3 total	11,972,183	11,933,273	11,821,564	11,787,705
Scope 1, 2 and 3 total	14,289,107	14,145,965	13,795,254	13,698,305

[1] Unit for fiscal 2017 was t-CO₂.

Data calculation

Scope of reporting: All 146 business sites covered by ISO 14064-1 (100%)

Reporting period: April 1, 2020 to March 31, 2021

The Ajinomoto Group refers to ISO 14064-1 and uses the latest CO₂e emission factor to calculate the CO₂e emissions in the above material balance table. These CO₂e emissions are independently verified in accordance with ISO 14064-3 requirements by Lloyd's Register Quality Assurance Limited.

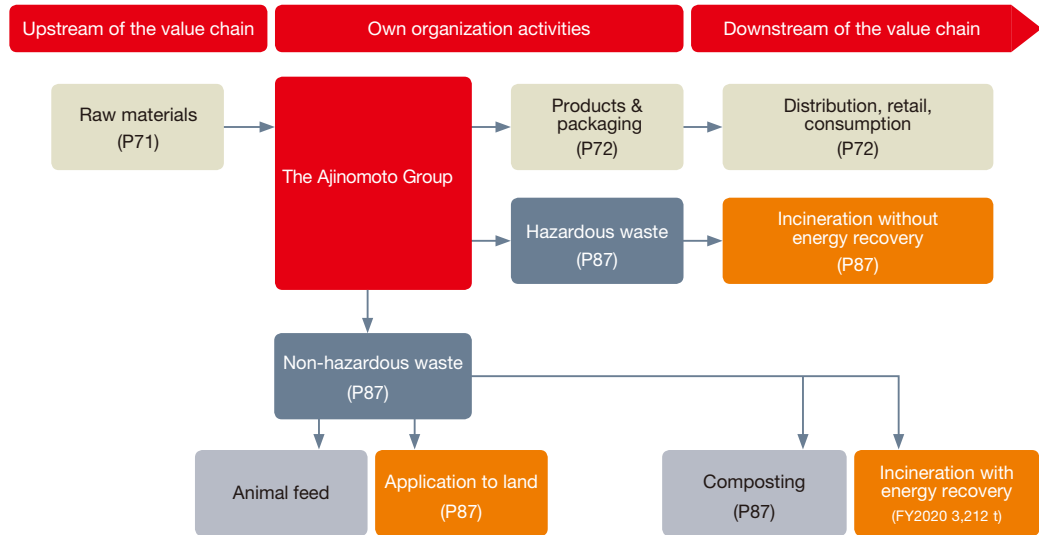
Environmental Management

GRI301-DMA
GRI306-3
GRI306-4
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The Ajinomoto Group tracks the input of raw materials and output of waste products through the value chain as follows.

Flow of inputs and outputs through the value chain



Climate change adaptation and mitigation

Climate change is not only an urgent global issue, but also an issue that has a major impact on Ajinomoto Group businesses. The risks involved with the advancement of climate change include the inability to procure raw materials. At the corporate management level, we see climate change as both a risk and an opportunity as we study measures in response. Aiming to reduce our environmental footprint throughout the lifecycle of our products, we promote energy conservation, using energy from renewable energy sources, and participation in international initiatives, aiming to solve issues as we work closely with entities both internal and external.

Specific examples

- Greenhouse gas emissions (Scope 1, 2, and 3)
- Energy management
- Fuel management
- Air quality

Related opportunities and risks (○ Opportunity ● Risk)

- Cost competitiveness ensured through renewable energy and reduced carbon tax burden
- Collaboration with outside organizations on decarbonization
- Failure to procure raw materials due to climate change
- Damaged corporate value due to delayed response to climate change

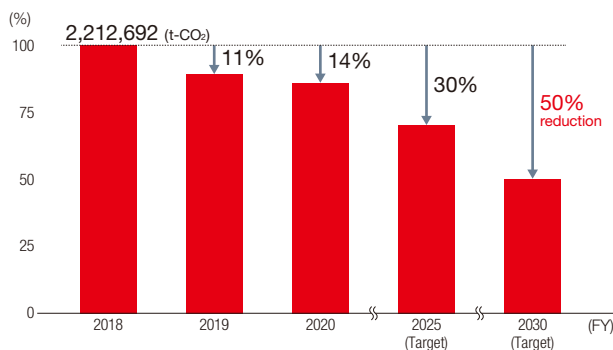
Key initiatives by the Ajinomoto Group

- Long-term effort to turning the overall product lifecycle carbon neutral
- Initiatives to reduce energy use during production and transportation
- Shifting to renewable energy
- Use of internal carbon-pricing
- Disclosing information in line with the Task Force on Climate-related Financial Disclosures (TCFD) (scenario analysis, etc.)
- Lowering environmental impact by feed-use amino acids (reduction of soil and water pollution)

Related SDGs



Greenhouse gas emission reduction rate (vs. FY2018)



Climate Change Adaptation and Mitigation

Response to climate change risks

Approach

GRI102-11
GRI201-2

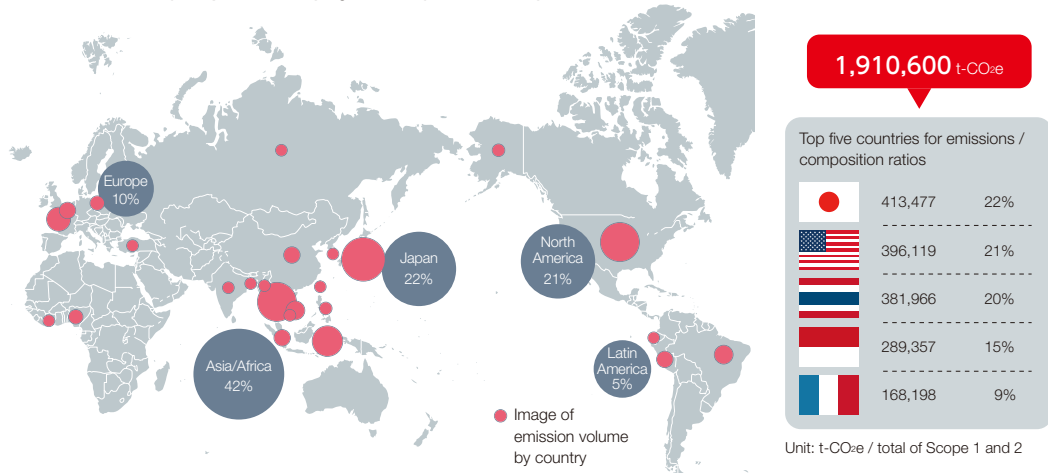
> Integrated Report 2021 P33-34

> CDP Climate Change

The Ajinomoto Group uses the bounty of nature such as agricultural products. We understand that responding to climate change is an urgent issue in conducting business in a sustainable manner.

Ajinomoto Group greenhouse gas (GHG) emissions for fiscal 2020 were a total of 1.91 million tons of CO₂, comprising Scope 1 and 2, with 87% of the total coming from the top five countries including Japan, the United States, and Thailand. Furthermore, the total GHG emissions over the entire product life cycle, which includes Scope 3 emissions came to approximately 13.7 million tons of CO₂, with these Scope 3 emissions comprising more than 85% of the total.

CO₂ emissions (Scope 1 and 2) by area^[1] (Fiscal 2020)



[1] Turkey is included in Asia/Africa.

For fiscal 2030, we have set a target of a 50% reduction in Scope 1 and 2 GHG emissions over fiscal 2018 levels (we obtained SBT approval in April 2020). As measures to meet this goal, we are promoting energy-saving activities, a switch to fuels with low GHG emissions, the use of renewables such as biomass and solar power, and the introduction of lower energy-consumption processes. For Scope 3 emissions, we have set a fiscal 2030 target of a 24% reduction over fiscal 2018 levels. Of these, raw materials are causing approximately 60% of total GHG emissions over the whole product life cycle, therefore we are encouraging raw materials suppliers to reduce their GHG emissions, and are considering the introduction of new technologies such as on-site ammonia production.

At the same time, we will evaluate the risks and opportunities of climate change on our business, and actively disclose relevant information based on the four perspectives of governance, strategy, risk management, and metrics and targets.

Climate Change Adaptation and Mitigation

Governance

In the Ajinomoto Group, we honestly comply with the Ajinomoto Group Policy (AGP) that shows the ideal way of thinking and action that the Group companies and their officers and employees should comply with, continue to develop and properly operate our internal control system, strengthen our system that considers sustainability as an active risk-taking system, and continuously enhance our corporate value.

The board of directors has established the Sustainability Advisory Council, and establishes a system to recommend the Group's approach to sustainability and ESG from a multiple-stakeholder perspective. It determines materiality items related to sustainability that serve as guidelines for ASV management, including items related to climate change.

The Executive Committee has established the Sustainability Committee and selects and extracts risks and opportunities at the companywide management level, including those related to climate change, and assesses the degree of impact, formulates measures, and manages their progress.

Strategy

Products in the Ajinomoto Group's business domains range from food such as seasonings, frozen foods and coffee to healthcare. Further, our operations span the globe. Climate change may impact Group operations in many ways. Major natural disasters may become diminished our business activities, affecting our ability to procure raw materials and fuel. Disasters may also alter the consumption of our products.

We review production over the short, medium, and long terms, considering the physical risks of climate change (droughts, floods, rising sea levels, changes in yield of our main raw materials, etc.) and transition risks (introduction of carbon tax, rising energy prices, tight supply and demand and price increases of our main raw materials due to competition with other food sources and biofuels, etc.).

Since fiscal 2018, we have included a scenario analysis of the impacts of climate change on our business. We also established a framework for a more quantitative assessment of risk based on the TCFD recommendations. As a result of scenario analyses, we are reviewing counterstrategies related to physical and transition risks, such as switching to energy sources with low GHG emissions.

Risk management

In light of politics, economics, social conditions, climate change, and other circumstances surrounding the Group, the Sustainability Committee determines the overall level of risks reflecting the impact on our business and likelihood of occurrence. The committee then identifies the significant risks Group-wide and considers strategies in response.

Climate-related risks are regarded as part of significant risks Group-wide. We evaluate the impact of physical risks and transition risks, such as legal risks and market risks, based on published reports and expert advice. The committee's review and recommendations are reported to the Executive Committee and the Board of Directors at least once a year.

Climate Change Adaptation and Mitigation

Performance

GRI201-2
GRI305-4
GRI305-5

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Metrics and targets

In our 20-25 MTP, the Ajinomoto Group aims to reduce GHG emissions by 50% by fiscal 2030 (compared with fiscal 2018).

Total Scope 1 and 2 GHG emissions for fiscal 2020 were down 63,090 tons of CO₂ over the previous fiscal year, 14% down on the base year of fiscal 2018. This was well above the target for fiscal 2020. The main reason for this was a drop in production volumes at many of our plants due in part to the spread of COVID-19. On the other hand, Scope 3 emissions were down 33,859 tons of CO₂ over the previous fiscal year, a 1% drop over the base year of fiscal 2018; however, this failed to meet targets.

In fiscal 2021, we plan to formulate and implement a detailed plan for cutting GHG emissions by half. Additionally, we plan to formulate measures with which to promote decarbonization by using internal carbon pricing^[1], and promote a plan in collaboration with Scope 3 raw materials suppliers.

[1] A system in which companies set their own internal carbon price, promoting low-carbon investment and countermeasures.

This system is used as an incentive to promote energy conservation, to identify revenue opportunities and risks, and as a guide in investment decision-making.

GHG emission reduction rate

	FY2020		FY2021	FY2030
	Target	Result	Target	Target
Scope 1 and 2: GHG emission reduction rate (vs. FY2018)	9% decrease	14% decrease	14%+ decrease	50% decrease
Scope 3: GHG emission reduction rate (vs. FY2018)	4% decrease	1% decrease	6% decrease	24% decrease

GHG emissions calculated from IEA^[2] CO₂ emissions factors

(t-CO₂e)

	FY2016	FY2017	FY2018	FY2019	FY2020
Scope 1 emissions	1,270,429	1,244,676	1,196,969	1,013,315	1,008,811
Scope 2 emissions (Market-based method)	1,121,770	1,072,248	1,015,723	960,375	901,789
Scope 1 and 2 total emissions	2,392,199	2,316,924	2,212,692	1,973,690	1,910,600
Scope 3 emissions	—	11,972,183	11,933,273	11,821,564	11,787,705

[2] International Energy Agency

GHG emissions per volume unit calculated from IEA CO₂ emissions factors

	FY2016	FY2017	FY2018	FY2019	FY2020
Scope 1 and 2 emissions per volume unit (intensity per ton of product)	0.90	0.86	0.84	0.79	0.79
Reference value: Production volume (1,000 t)	2,657	2,684	2,627	2,512	2,423
Scope 1 and 2 emissions per volume unit (intensity per million yen sales)	—	—	1.99	1.79	1.78
Consolidated sales (million yen)	—	—	1,114,308	1,100,039	1,071,453

Climate Change Adaptation and Mitigation

GRI305-6
GRI305-7

Performance

GRI201-2

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2021 P34

NOx and other atmospheric emissions

(tons)

	FY2018	FY2019	FY2020
Nitrogen oxide (NOx)	9,421	5,224	6,637
Sulfur oxide (SOx)	10,701	6,779	7,016
Particulates	1,827	884	1,310
CFCs	11	g ^[1]	7

[1] The figure has been revised because CFC, HCFC, and HFC have been redefined to exclude non-fluorocarbons such as natural refrigerants.

Summary of scenario analysis conducted

In fiscal 2019, the Ajinomoto Group has conducted a scenario analysis of the potential impact of climate change in fiscal 2050 under the assumption that the average temperature will rise by 2°C for all production sites by 2100 modeled using our mainstay umami seasoning *AJI-NO-MOTO*[®]. In fiscal 2020, we expanded this analysis to cover other mainstay products such as foods and specialty chemicals and analyzed the impacts in fiscal 2030 in the events that the average temperature rises by 2°C and 4°C, respectively, by 2100.

As a result, we estimated there to be an impact of approximately 20 billion yen by fiscal 2030, and 30 billion yen by fiscal 2040 from increased risk of higher energy unit prices and higher carbon tax payments^[2] due to the advancement of low-carbon societies. When considering procurement of raw materials in fiscal 2030, we expect yields of sugarcane, tapioca, etc. to remain stable. However, increased water stress in production areas, more widespread pests and diseases, and more infectious diseases in livestock may result in more instability in the procurement of corn, pork, and dairy products, etc., or an increase in unit prices. Additionally, more severe and frequent wind and water damage are expected to have an impact on raw material production volumes and distribution. For fishery resources, we predicted that quantities of skipjack tuna would remain stable, however procuring the extract could be problematic.

Our market is expected to shrink as a result of Japan's population that is declining and aging, and global warming is expected to lead to weaker demand for warm meals and drinks. However, this also presents us with opportunities, such as an increase in ethical consumption because of the increasing sense of urgency about climate change and the increase in the use of certified raw materials and demands for traceability together with the spread of the concept of a circular economy. We expect to see increased demand for Ajinomoto Group products which have long been involved in these initiatives. An increase in health-consciousness means we also expect to see an increase in sales of products in fields we have been focusing on, such as low-calorie, low-salt, and protein-enhanced products, and products that promote vegetables intake.

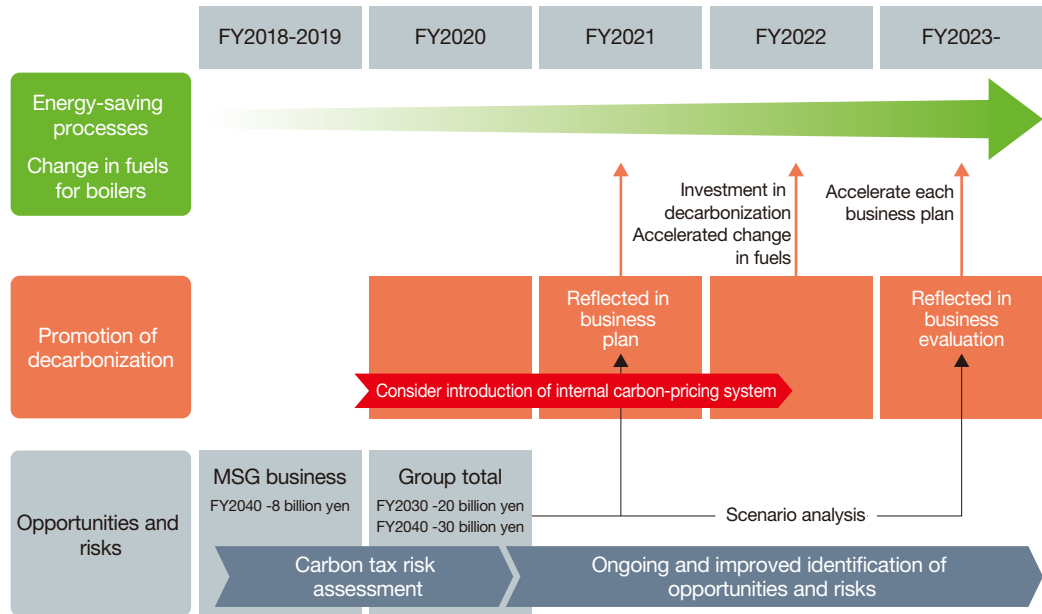
Given the results of our scenario analyses, we will bolster our decarbonization measures through the introduction of internal carbon-pricing systems so that we can avoid or mitigate the financial risks from carbon taxes, and we will promote measures such as alternative fuels and use of renewable energy. For raw materials procurement, we are strengthening our supply stabilization survey and management system that extends upstream throughout the supply chain. We are also promoting diversification of procurement partners, identification of alternative raw materials and reductions in food loss and waste by ensuring that these raw materials are fully utilized. In the market, we will develop products to seize upon these opportunities while still taking these risks into consideration.

In fiscal 2021, we plan to conduct scenario analysis on the impacts in fiscal 2050 using the same assumptions as fiscal 2020.

[2] Calculation based on IEA data (energy unit price increase between 2040 and 2050 of 60% for heavy oil and 30% for gas; carbon taxes in 2040 of US\$140/t-CO₂ in advanced economies and US\$125/t-CO₂ in developing economies).

Climate Change Adaptation and Mitigation

Accelerating GHG emission reduction through internal carbon-pricing system

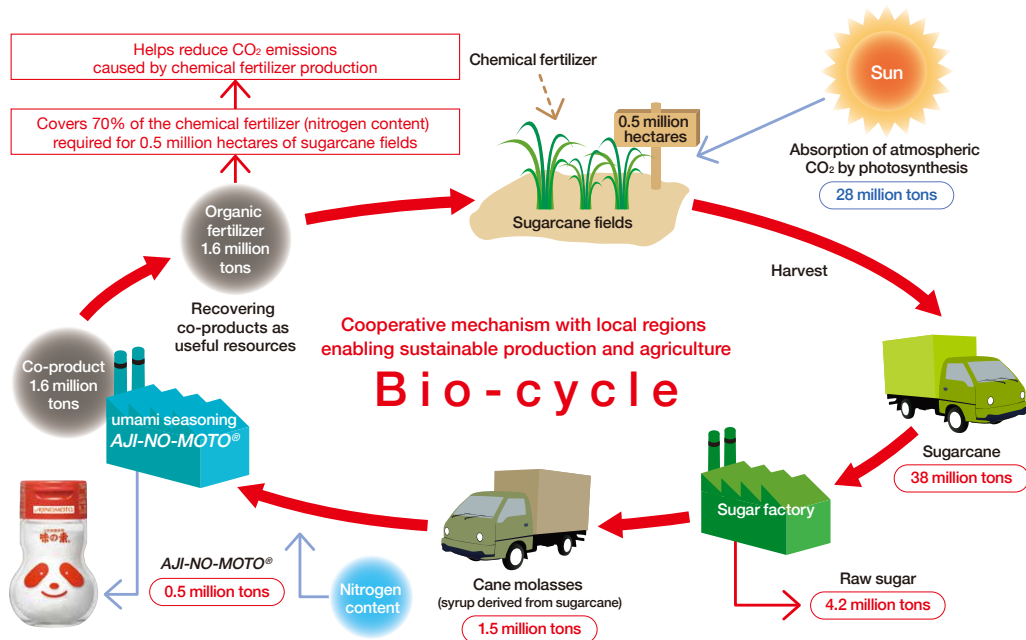


Climate Change Adaptation and Mitigation

Reduction of greenhouse gas emissions in the value chain

Bio-cycles contribute to reductions in greenhouse gas emissions

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



* The chart assumes worldwide annual Group production of approximately 0.5 million tons of the umami seasoning AJI-NO-MOTO® using only sugarcane. The figures for sugarcane grown and sugar production are commonly used global figures. The figures related to resources used for producing AJI-NO-MOTO® are based on actual statistics from the Group.

Reducing environmental impact through on-site ammonia production

Currently, ammonia is produced worldwide using the Haber-Bosch process, and this generally uses natural gas as its raw material. This production method requires high-temperature and high-pressure reaction conditions, meaning that production is only possible in large plants. It also requires special equipment to transport the final product to where there is demand, and the transportation process itself has a significant environmental impact in terms of CO₂ emissions. The Ajinomoto Group procures ammonia externally as a raw material in the fermentation processes for amino acids, and to solve these problems, we are working toward practical implementation of on-site production to produce the necessary amount of ammonia where it is needed. In 2017, Ajinomoto Co., Inc., in partnership with Professor Hideo Hosono of the Tokyo Institute of Technology and others, established Tsubame BHB Co., Ltd., and we are working towards the commercialization of the world's first on-site production ammonia synthesis system using electrified catalyst discovered and developed by Professor Hosono. Electrified catalysts allow to synthesize ammonia even under

Approach

GRI302-1

Performance

GRI302-1

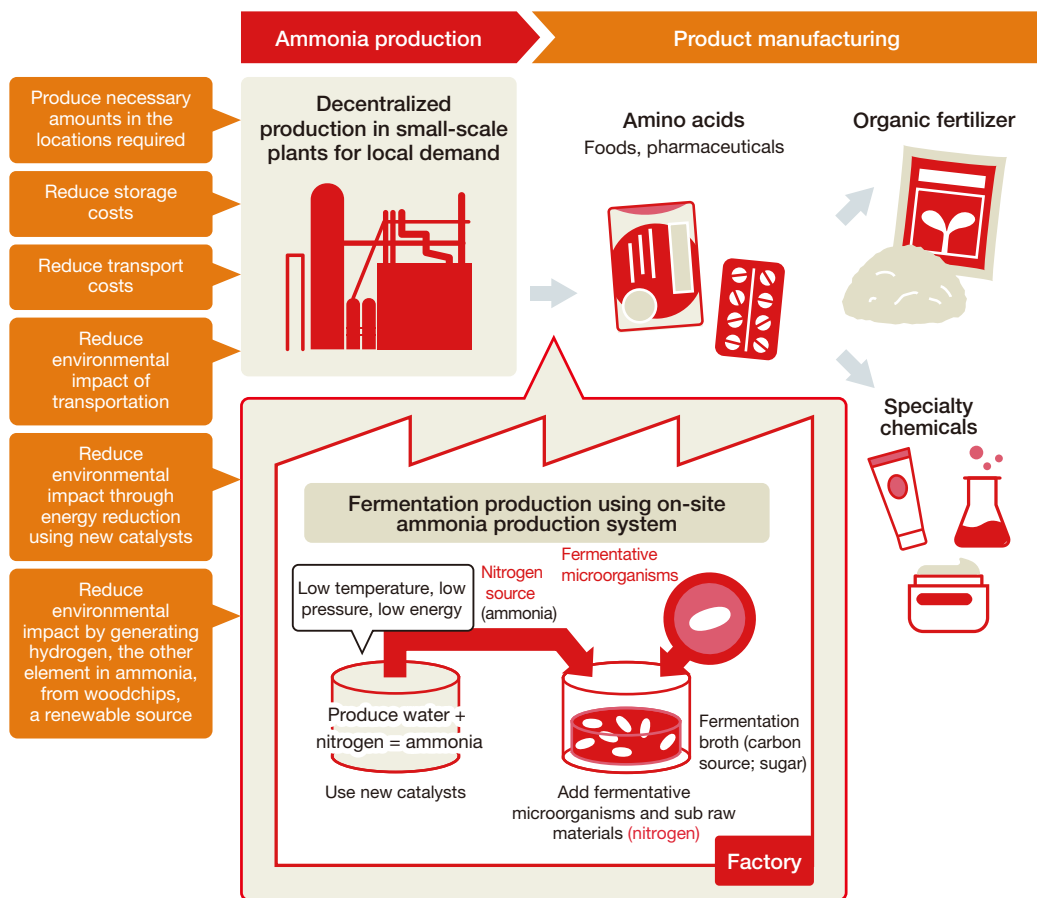
> Integrated Report 2021 P63-64

Climate Change Adaptation and Mitigation

low-temperature and low-pressure conditions, which enables production in small-scale plants, something considered difficult to accomplish under the Haber-Bosch process. The small-scale plants can be located in the area of consumption, which will reduce costs and the environmental impact of transportation.

In October 2019, we completed a pilot production facility at the Company's Kawasaki Plant, launching operations capable of production of several tens of tons per year. We are moving forward with studies with the aim of commercializing this around 2022. We are also developing a green hydrogen production technology to use local renewable materials (wood chips) to produce hydrogen, the raw material of ammonia. By combination of this technology and Tsubame BHB Co., Ltd.'s ammonia synthesis technology, we estimate that the CO₂ emissions generated in the production of ammonia will be cut to one-eighth.

On-site ammonia production system



Participation in RE100

In August 2020, the Ajinomoto Group announced its participation in RE100, an international environmental initiative comprising companies aiming to achieve 100% renewable energy for electricity. Companies participating in RE100 are from diverse fields such as information technology through to automobile manufacturing. Member companies are asked to publicly announce their goals to use 100% renewable energy sources such as solar power, wind power, hydroelectric power, biomass, and geothermal power in their business activities by the year 2050.

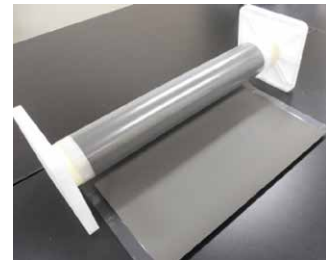
Climate Change Adaptation and Mitigation

Performance

> Integrated Report 2021 P59

Contribution to CO₂ reductions through new magnetic materials

As we enter the data society, we are seeing a rapid increase in demand for semiconductors used in PCs, servers, 5G base stations, and similar, and consequently societal demands for reduced CO₂ emissions by making these semiconductors more energy efficient. The electronic materials business is one of the core businesses of the Ajinomoto Group, in which we focus on providing interlayer insulating materials for semiconductor packages. We are leveraging our long-cultivated technical expertise and knowledge and involving stakeholders in the supply chain, and have developed new magnetic materials that enable power savings in ever-faster semiconductors. The innovative semiconductor package substrate attained through use of this magnetic material will contribute greatly to reduce electricity consumption and associated CO₂ emissions. The magnetic performance of this material also enables reductions in size of the semiconductor power supply functions, which corresponds to an approximately 1 cm² (10%) reduction in size for a package substrate for PCs. This also enables incorporation of a large number of these power supply functions into the semiconductor package substrate at a low cost, which helps with lower component counts thus achieving power savings, and contribute significantly towards the maintenance of a sustainable global environment.



Newly developed magnetic materials (Top) Paste type (Bottom) Film type

Performance

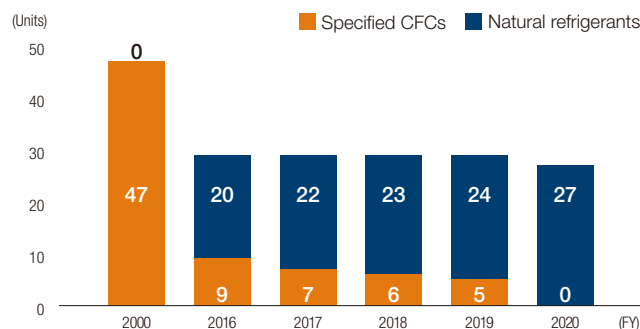
GRI302-1

Management of fluorocarbons

The Ajinomoto Group aims to eliminate all HFCs by fiscal 2030 at factories with equipment that use fluorocarbons. Our intent is to switch to natural refrigerants or refrigerants with low Global Warming Potential (GWP) of less than 150 when installing new or upgrading existing equipment.

In 2001, when Japanese frozen food factories were not required to discontinue their use of equipment using specific CFCs, we started with an initiative to phase out the usage of freezers using these, and as of the end of March 2021, we have eliminated the use of those freezers. This was the first such achievement in this industry, which is still only approximately 20% free of CFCs. Looking forward, we will work towards the full elimination of CFC substitutes by fiscal 2030 and continue to decrease use of fluorocarbons in factories overseas.

Switching to fluorocarbon-free freezers in Japan



Climate Change Adaptation and Mitigation

Performance

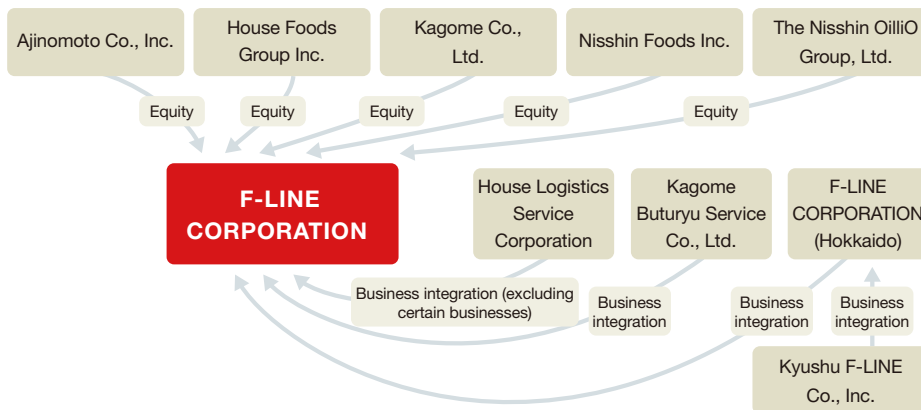
Initiatives in transportation

The Ajinomoto Group is working to establish a sustainable logistics system. The F-LINE Project launched in 2015 by six food manufacturers^[1] operates joint transport in Hokkaido and Kyushu, as well as a joint mainline trunk transport in Hokkaido, in a spirit of compete on products, but distribute in cooperation. Furthermore, a joint logistics company F-LINE CORPORATION, established by five food manufacturers^[2] including Ajinomoto Co., Inc., aims to provide efficient logistics throughout Japan by initiatives such as joint logistics.

[1] House Foods Group Inc., Kagome Co., Ltd., Nisshin Foods Inc., The Nisshin Oillio Group, Ltd., Mizkan Co., Ltd., and Ajinomoto Co., Inc.

[2] Five companies listed in above [1] excluding Mizkan Co., Ltd.

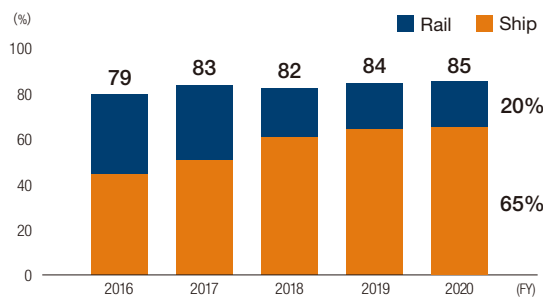
Launch of F-LINE CORPORATION, a joint-equity logistics company



Modal shift percentage

The Ajinomoto Group has pursued a modal shift^[3] since 1995 in an effort to enhance transport capacity and make logistics more environmentally friendly. During fiscal 2020, Ajinomoto Co., Inc. achieved an overall 85% long-distance transport modal shift by using ships for transport.

Modal shift percentage of Ajinomoto Co., Inc. 500km or more



[3] Selecting rail or ship transport methods to generate a smaller environmental impact. Compared to trucking, railway container and ship transport result in CO₂ emissions at one-eleventh and one-sixth of the volume, respectively.

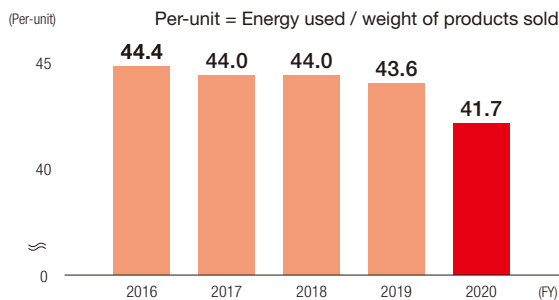
Climate Change Adaptation and Mitigation

GRI302-3

Per-unit energy use in logistics

Ajinomoto Co., Inc., Ajinomoto Frozen Foods Co., Inc., and Ajinomoto AGF, Inc. are considered specified consignors under the Energy Conservation Act. Each company is legally obligated to make efforts in reducing per-unit energy use (crude oil equivalent) within their cargo logistics by at least 1% per year on average over five years, reporting results to the Japanese government. The total usage by these three companies reduced by an average of 1.6% over the five years to fiscal 2020, by restructuring logistic network and improving modal shift ratio.

Per-unit energy use in logistics^[1]



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

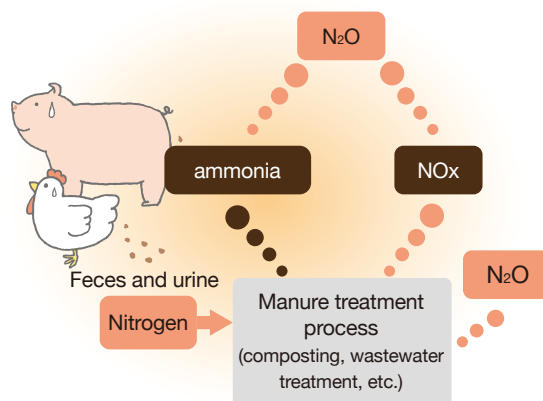
Performance

> P105

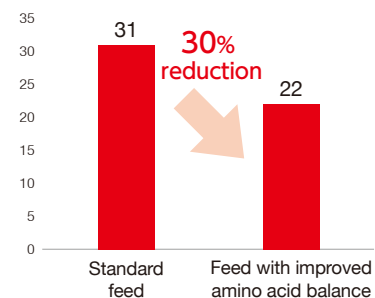
Reducing livestock nitrogen emissions with feed-use amino acids

Feeds with poor amino acid balance lead to an oversupply of unnecessary amino acids. This oversupply is not utilized by the animals and excreted in large quantities as nitrogen compounds. During the waste treatment process, nitrogen compounds turn into nitrous oxide (N₂O), which increases environment impact at approximately 300 times the global warming potential of CO₂. Feed-use amino acids improve balance of feeds, reducing excretion and reduce excreted nitrogen compounds by approximately 30%. Amino acids thus help reduce the life-cycle CO₂ (LC-CO₂) emissions of feed while also helping diminish odor caused by ammonia derived from nitrogen compounds. Other benefits include reduced soil, surface water, and groundwater pollution.

N₂O cycle



Nitrogen emissions per pig (g/day)



Source: Takada et al., Japanese Society of Animal Science (2009)

Contribution to a circular economy

Products and services of the Ajinomoto Group are created using a variety of resources. We have a duty to use the earth's limited resources efficiently, and contribute to the creation of a sustainable recycling-oriented society.

We will continue to engage in the 3Rs (reduce, reuse, recycle) for waste as well as to actively working to find solutions to the problems of ocean plastic waste, a growing concern in recent years.

Specific examples

- Waste reduction and 3Rs (Reduce, Reuse, Recycle)
- Product packaging
- Waste and hazardous materials management
- Reduction of environmental impact from containers and packaging
- Lifecycle impact of products and services

Related opportunities and risks (○ Opportunity ● Risk)

- Gaining market share through the development of environmentally friendly materials
- Damaged corporate value due to delays in waste reduction or recycling efforts

Key initiatives by the Ajinomoto Group

- Supplying highly biodegradable amino acid-based detergent
- Promoting the 3Rs of containers and packaging (reduction of plastic waste, etc.)
- Eco-friendly packaging (mono-materials, biodegradable plastics, plant-derived materials) and certified paper
- Promoting use of environmentally friendly product labels
- Appeals on packaging labels to reduce plastic waste

Related SDGs



Plastic waste

FY2030 target: **Achieve “Zero”**

Contribution to a Circular Economy

Reduction of waste across product lifecycles

Performance

GRI306-1
GRI306-2

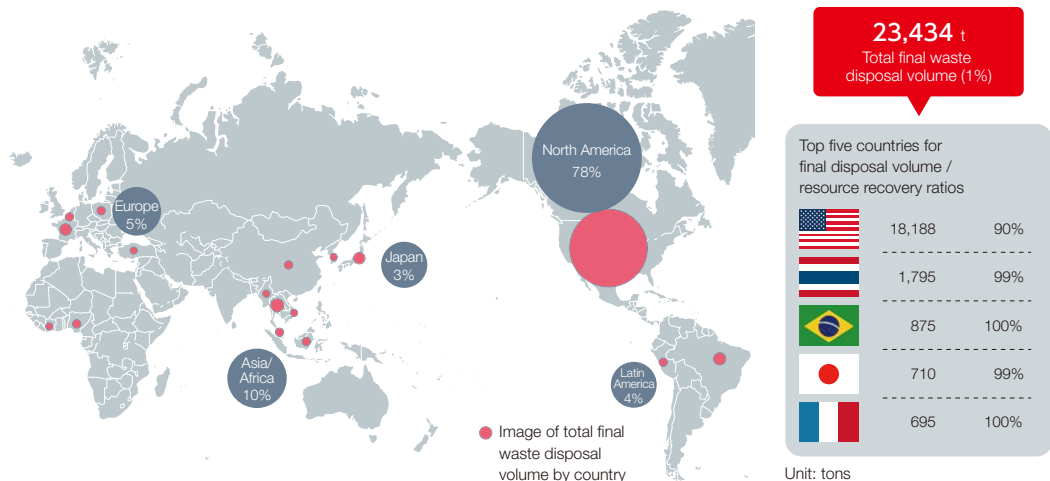
> P68

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

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

Our final waste disposal (emissions) distribution volume for the Group in fiscal 2020 was as shown below. As a whole, generation of waste decreased to approximately 1,870 kilo tons (81.8%) compared to the previous year, partially due to reduced production (96.4% of previous year) as a result of the spread of COVID-19. Through our resource conservation efforts, we maintained final waste disposal of around 1% (23,434 tons) of waste generated. The United States, Thailand, Brazil, Japan, and France accounted for about 95% of total final waste.

Total final waste disposal volumes by area^[1] (Fiscal 2020)



[1] Turkey is included in Asia/Africa.

Contribution to a Circular Economy

GRI301-3
GRI306-3
GRI306-4
GRI306-5

Approach

GRI301-DMA

GRI307-DMA

Volume of waste and by-products and resource recovery ratio

(tons)

	FY2016	FY2017	FY2018	FY2019	FY2020
Hazardous waste (waste acid, waste alkali, waste oil, cinder):					
Generated	59,217	59,162	69,991	83,834	81,216
Recycled	58,890	58,862	68,422	83,429	80,892
Incinerated	54	24	40	60	38
Landfills	274	276	1,529	345	286
Non-hazardous waste:					
By-products					
Generated	2,337,284	2,395,249	2,194,566	2,021,002	1,615,808
Composted	2,335,451	2,394,976	2,194,470	2,020,885	1,615,713
Incinerated	0	0	0	0	0
Landfills	1,832	273	96	117	95
Other					
Generated	178,861	178,989	174,651	181,246	173,310
Recycled	163,414	161,455	153,388	156,432	150,295
Incinerated	3,021	2,066	2,821	2,121	1,784
Landfills	12,426	15,467	18,442	22,693	21,231
Total generated	2,575,361	2,633,400	2,439,208	2,286,082	1,870,334
Total recycled	2,557,755	2,615,293	2,416,280	2,260,745	1,846,900
Total waste	17,606	18,107	22,928	25,337	23,434
Resource recovery ratio	99.3%	99.3%	99.1%	98.9%	98.7%

Container and packaging design for the environment

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

Environmental assessments of containers and packaging

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

Contribution to a Circular Economy

Table 1: Environmental assessment checklist

	Objective	Checklist Item
Compliance	Waste 3Rs	Compliance with environmental laws and regulations
	Food loss and waste reduction	Prevention of product degradation and damage
	Risk	Prevention of usage of potentially hazardous materials
Compatibility with Group environmental targets	Waste 3Rs	Use of packaging materials compatible with the 3Rs
	Sustainable procurement	Use of sustainable packaging material(s)
	Food loss and waste reduction	Use of packaging materials that reduce food loss and waste
	GHG emissions reduction	Improved loading efficiency in transport
	Foster consumer awareness of green living	Display of environmental labels

Table 2: Eco-Index for containers and packaging

Objective	Assessment item (example)	Assessment standard (example)	Points
Waste 3Rs	Plastic container/packaging weight reduction	At least 450 kg reduced per year	2
	Space per packaging volume	<15%	1
	Compatibility with recycling systems	Easily recyclable materials used in all areas	1
GHG emissions reduction	LC-CO ₂ emissions reduction	Reduction compared to previous product version	1
	Transport efficiency	Loading efficiency ≥80%	1
Sustainable procurement	Use of eco-friendly materials	Use of forest-certified paper	1
Consumer awareness of green living	Environmental labeling	Display of the <i>Aji-na Eco</i> mark	1
Food loss and waste reduction	Food loss and waste reduction	Extension of shelf life	1
		Adoption of single-serve packaging	1

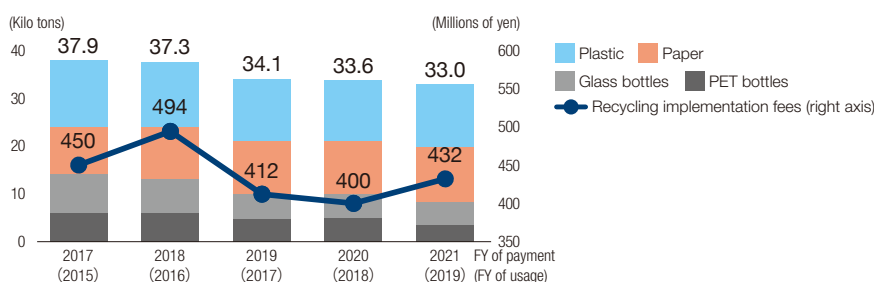
Performance

GRI301-3

The recycling of containers and packaging waste in Japan

Under the Containers and Packaging Recycling Act in Japan, the recycling of containers and packaging waste from households is consigned to the Japan Containers and Packaging Recycling Association. In fiscal 2019, Ajinomoto Co., Inc., Ajinomoto Frozen Foods Co., Inc., and Ajinomoto AGF, Inc. used a combined 33.0 kilo tons of containers and packaging subject recycling requirements, down to 98% compared with the previous fiscal year. Based on this usage, recycling implementation fee payments for fiscal 2021 amounted to 432.3 million yen, 108% compared with the previous fiscal year. Although the usage volume of paper and plastics usages increased, at 102% and 104% of previous fiscal year levels, respectively, usage of PET bottle decreased, and overall usage decreased. However, per-unit recycling contract costs increased, leading to higher payment amounts in fiscal 2021.

Amount of used household product containers and packaging and recycling implementation fees



Contribution to a Circular Economy

Approach

GRI306-1
GRI306-2

> Integrated Report
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Reducing plastic waste

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

Goals for fiscal 2030

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

Under our plan to achieve zero plastic waste, we intend to complete reductions by fiscal 2025 through progress in technology development for conversion to mono-material packaging. We intend to complete our conversion to recyclable materials by fiscal 2030. After confirming barrier property requirements for each product, we will implement new technologies for packaging materials that use aluminum foil currently, starting from those with a relatively low required barrier.

Roadmap to achieving zero plastic waste

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

★: Established technology

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

Stage 2: Recycle (mono-materials)

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

Confirm necessary barrier properties

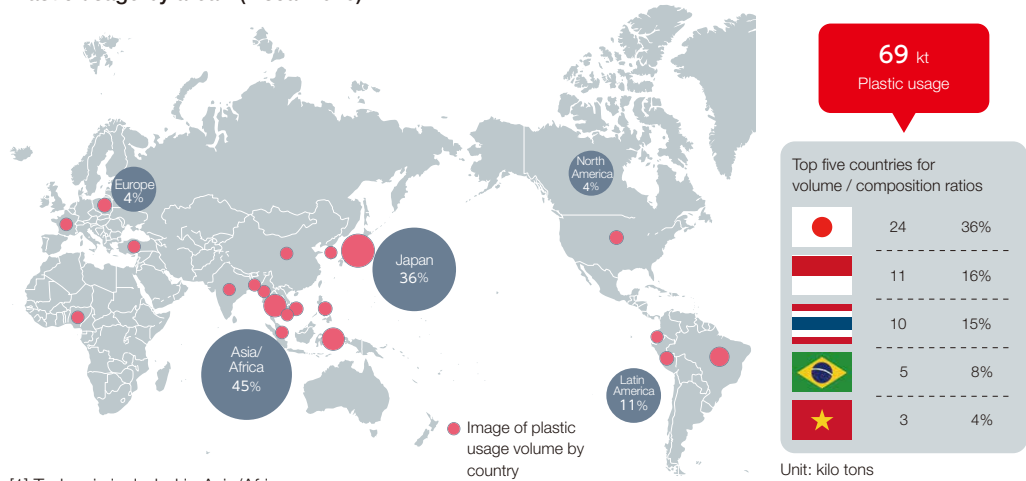
Lateral deployment

Contribution to a Circular Economy

Performance

The distribution of plastic usage volumes for the Group in fiscal 2020 was as follows.

Plastic usage by area^[1] (Fiscal 2020)



[1] Turkey is included in Asia/Africa.

The total amount of plastic used by the Group was 69 kilo tons, down one ton year on year (estimated), with the five top countries Japan, Indonesia, Thailand, Brazil and Vietnam making up 79% of the total. Of these 69 kilo tons, more than 90% were used in product packaging materials. In addition, we are already making progress toward converting approximately 30 kilotons of this volume to mono-materials or paper. In fiscal 2020, we began developing technology for conversion to mono-material packaging and reuse efforts for the remaining approximately 40 kilotons. Further, we are pursuing the goal of contributing to recycling systems in various nations. Here, we conducted surveys for the top 17 countries comprising approximately 90% of Group-wide plastic use regarding the state of recycling efforts, among other topics.

Going forward, we will explore possible topics further for technology development and possible contributions to building mechanisms in various countries.

Cases of environmentally friendly container and packaging design

Ajinomoto Co., Inc.

- As of January 2021, we reduced packaging thickness for the Japanese flavor seasoning *HON-DASHI*® 8 g packet, simultaneously switching to paper labels. As a result, the amount of plastic used has been reduced by 40 tons per year.

Ajinomoto AGF, Inc.

- In August 2020, we made adjustments to all of the mainstay *Blendy*® brand beverage products. In addition to reformulating the content of our small packs (7-stick and 10-stick packs), we changed the stick packaging material specifications. These efforts reduced the amount of plastic used by approximately 25 tons per year (equivalent to reducing approximately 350 tons of CO₂ emission derived from packaging materials).

Performance

Contribution to a Circular Economy

Performance

GRI102-12

> Participation in Initiatives

> Press release (Japanese only)

Cooperation with outside organizations

The Ajinomoto Group conducts activities to encourage consumer awareness of the 3Rs through collaboration with packaging recycling organizations and government-related groups in Japan. As part of our efforts to reduce plastic waste, we participate as a founding member in CLOMA^[1], a platform for accelerating innovation by strengthening cross-industry cooperation across a wide range of stakeholders. We are active in secretary and sub-committee chair (promotion subcommittee) positions. In addition, we became a corporate partner for Loop, a container collection and reuse enterprise developed by TerraCycle, a U.S.-based startup operating globally in the recycling industry. In August 2021, we started selling seasonings and coffee in exclusive package through Loop for 5,000 households in the Kanto area.

[1] The Japan Clean Ocean Material Alliance



Seasonings and coffee for Loop

Reducing environmental impact through the supply of highly biodegradable amino acid-based materials

Expanding the supply of amino acid-based surfactants

Ajinomoto Co., Inc. has provided amino acid-based personal care ingredients to more than 5,000 companies in 55 countries since the company launched the world's first amino acid-based surfactant, made from glutamic acid, in 1972.

Amino acid-based surfactants reduce environmental impact due to high biodegradability. These surfactants are also mild on the skin. Growing concern about the global environment in recent years has resulted in a rapidly expanding market for amino acid-based surfactants. We have been expanding our supply system to meet the global demand.

The Group is constructing a new plant for glutamic acid-derived *Amisoft*® (liquid) in Brazil with aim to launch during fiscal 2021. With the completion of the new plant, we will transfer a portion of production equipment for *Amisoft*® (liquid), which is produced in Japan, to production of the glycine-derived *Amillite*® (liquid). We plan to increase the production capacity of *Amisoft*® (liquid) by approximately 60%, and approximately 30% for *Amillite*® as a whole.

Developing alternative to plastic microbead for cosmetic products

In recent years, various countries and regions have introduced regulations to ban or reduce the use of polymer plastics that have a substantial adverse impact on the environment. These regulations either prohibit use or requiring usage reductions. For example, tighter regulations have been imposed on rinse-off personal care products using plastic microbeads. The trend now is to replace these materials with alternatives. However, due in part to the technical difficulty of developing alternatives to plastic microbeads used in skin care and make-up products that retain their feel and user experience, regulations on their use have not yet been enacted in a number of major countries including Japan.

Under these circumstances, Ajinomoto Co., Inc. succeeded to develop alternative to plastic microbeads that have the same feel and functionality by applying functions of *Amihope*® LL, an amino acid-based personal care ingredient with excellent lubrication properties. The alternative we developed uses only naturally derived raw materials, and is therefore highly biodegradable and offers less impact on the environment. We plan to launch this product in the first half of fiscal 2022.

Performance

GRI303-1

> Press release

Contribution to a Circular Economy

Performance

GRI417-1

> *Aji-na Eco* mark
(Japanese only)

Ajinomoto Group eco-labels

Since 2010, the Ajinomoto Group has labeled products with our original *Aji-na Eco* and *Hotto-suru Eco* marks. We have adopted these marks to respond to consumer needs for environmentally friendly products, as well as to let consumers know accurately which products are environmentally friendly. We also strive to effectively communicate changes made to product packages that are difficult for consumers to notice. These changes include package weight, thickness, size, and materials used.



Number of *Aji-na Eco* mark products

223

As of March 2021

What is *Aji-na Eco*?

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



Number of *Hotto-suru Eco* mark products

310

As of February 2021

What is *Hotto-suru Eco*?

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



Number of *Aji-pen Eco* mark products

8

As of March 2021

What is *Aji-pen Eco*?

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

Reduction of food loss and waste

Global food loss and waste has risen to nearly 1.3 billion tons annually^[1]. This figure represents one-third of all the food produced for consumption in the world. This food loss and waste occurs throughout the supply chain, from the farm to the dinner table. Food resources are limited. At the same time, the global population is growing and demand for food is expected to rise as well. In this context, reduction of food loss and waste is a critical issue.

The Ajinomoto Group aims to reduce food loss and waste through the product lifecycle, from the acceptance of raw materials to customer use and disposal. We will accomplish this effort by working closely with our suppliers and consumers.

[1] Source: Global Food Losses and Food Waste, 2011; Food Agricultural Organization

Specific examples

- Efficient use of materials
- Consumer edification (sustainable consumption, etc.)
- Waste reduction in the distribution process

Related opportunities and risks (○ Opportunity ● Risk)

- Cost reduction through efforts to improve yield in the manufacturing process, reduce product returns and waste
- Damage to corporate value due to delays in addressing food loss and waste

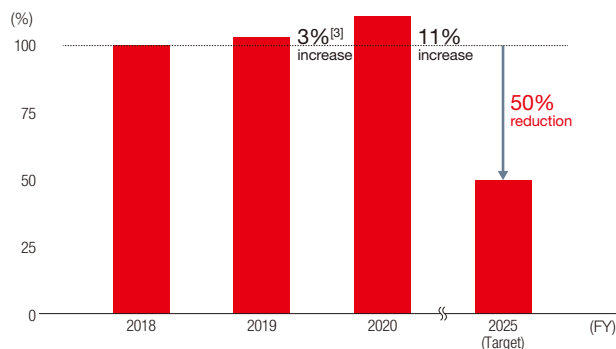
Key initiatives by the Ajinomoto Group

- Using raw materials in manufacturing process without waste
- Upgrading, optimizing supply chain management using digital technology
- Reducing product returns and waste by extending product best-before dates, etc.
- Reducing food loss and waste during product use by consumers
- Proposing eco-friendly lifestyles for enjoying food without leftovers

Related SDGs



Food loss and waste reduction rate per production volume unit^[2] (vs. FY2018)



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

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

Reduction of Food Loss and Waste

Contribution to reducing food loss and waste

Performance

GRI306-2

> Integrated Report 2021 P33-35
> P68

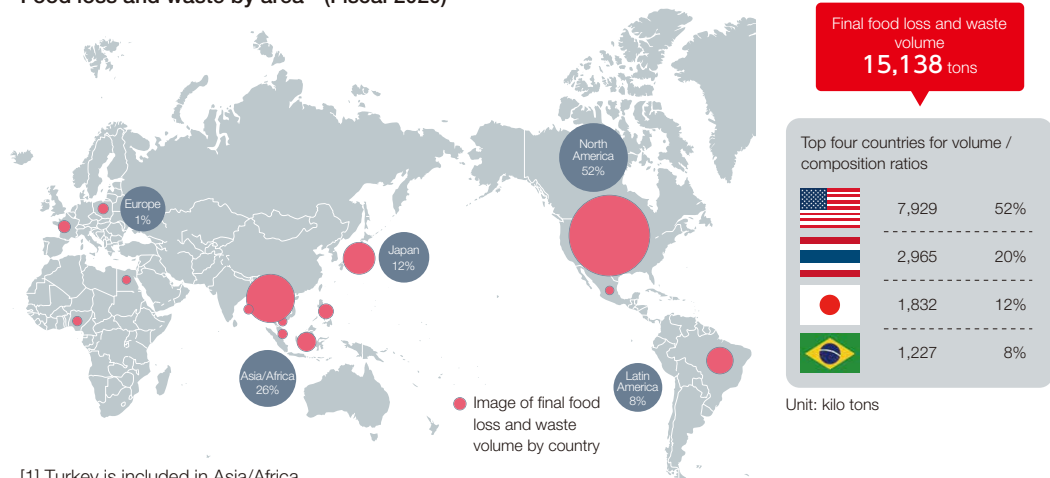
Food loss and waste: definition and scope

The Ajinomoto Group defines food loss and waste as food (edible portions) that is treated or disposed of in waste water treatment, landfill, or incineration. This definition excludes food ultimately used for feed or fertilizer. The major food loss and waste categories generated by the Group are as follows:

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

The Group produced 15,138 tons of food waste in fiscal 2020, and ratio by area is shown below.

Food loss and waste by area^[1] (Fiscal 2020)



Food loss and waste reduction targets

Performance

GRI307-DMA

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

The food loss and waste per production volume unit in fiscal 2020 increased by 11% compared with fiscal 2018, well below the target. Main reasons for this were disposal losses in frozen food businesses from the launch of new products, and from starting up new lines. While these losses from production process are unavoidable to some extent, we will work to minimize future losses and effectively utilize any that occur by turning them into feed or fertilizer. Furthermore, given that the final products and raw materials have a high water content, frozen foods tend to be counted as having high disposal weights.

Reduction of Food Loss and Waste

GRI306-3

Food loss and waste reduction rate per production volume unit

	FY2020 Target	FY2020 Result	FY2021 Target	FY2025 Target
Food loss and waste reduction rate from the acceptance of raw materials to delivery to customers (vs. Fiscal 2018)	20% decrease	11% increase	27% decrease	50% decrease

Volumes of food loss and waste

		FY2018	FY2019	FY2020
Production volume (1,000 t)		2,577 ^[1]	2,535 ^[1]	2,423
Food Loss and Waste	Total volume (t)	14,475	14,708	15,138
	Per production volume unit (per ton of product) (kg/t)	5.62	5.80	6.25
	vs. Fiscal 2018 (%)	—	103% ^[2]	111%

[1] We used data different from production volume set forth in P77 and P110 for convenience of aggregation.

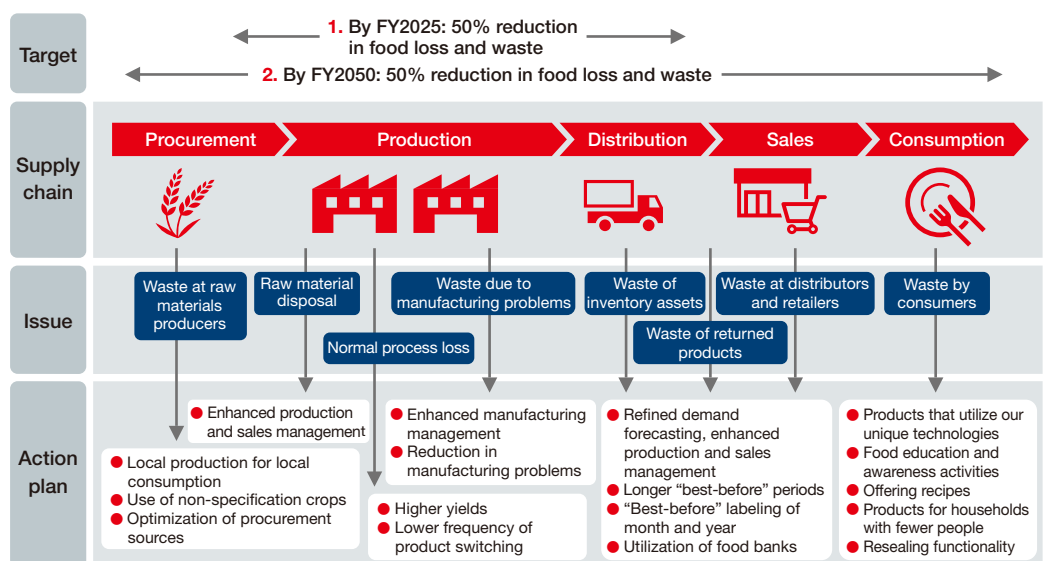
[2] Corrections have been made as a result of a review of totals.

GRI306-2

Food loss and waste reductions in the supply chain

The Ajinomoto Group has been promoting a range of measures to reduce issues with food loss and waste in each process of the supply chain, from raw material procurement through to consumption by customers. The problem in production is raw material losses. Therefore, we are promoting measures such as enhanced production and sales management, reducing manufacturing problems, improving yields, and reducing the frequency of product switching. Issues in logistics and sales include disposal of inventory and returned products, and disposal at distributors and retailers. Our efforts include improved demand forecasting, enhanced sales management, longer “best-before” periods, “best-before” labeling of month and year, and utilizing food banks. To respond to the issue of waste by consumers, we are offering products that utilize our unique technologies and providing recipes with less food loss and waste.

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



Reduction of Food Loss and Waste

Performance

Unique technology to address food loss and waste

Food loss and waste from the food service industry and retail stores are now a major concern as dining out and home meal replacement (food purchased for home consumption) become more commonplace. Using enzyme technology and proprietary formulas, Ajinomoto Co., Inc. offers the food service and home meal replacement industries in Japan a number of products to help reduce food loss and waste at our customers. These products include *Okome Fukkura Choriryo* (retains the texture of freshly cooked rice for an extend period of time), *Kara-Age/Oniku Juicy Choriryo* (retains the flavor of deepfried chicken and other meat dishes even after cooling), *Koku no Chikara*® (retains the flavor of meat dishes, even after an extended period of time), and *Knorr® Beef Kaoritatsu Demiglace Sauce* (use in only the amount necessary; adjust to desired flavor intensity and thickness).



Okome Fukkura Choriryo



Kara-Age/Oniku Juicy Choriryo



Koku no Chikara®



Knorr® Beef Kaoritatsu Demiglace Sauce

Performance

Green living together with consumers

In Japan, food loss and waste from households amounts to 2.76 million tons annually, representing half of all food loss and waste in the country (Ministry of Agriculture, Forestry and Fisheries estimate for fiscal 2018). The Ajinomoto Group strives to reduce household food loss and waste by encouraging eco-friendly eating in daily dining and food preparation. Eco-friendly eating consists of choosing environmentally friendly products and enjoying food without wasting ingredients.

■ Providing recipes

Since 2009, we have promoted *Eco-Uma Recipes*® (eco-friendly and delicious recipes) through websites and events, encouraging consumers to create delicious everyday meals without waste. In addition, the community site *Food Fun! Discovery Community* launched in 2019 features a user-generated topic calling for recipes for reducing food loss and waste, and this has featured lots of input from users. In February 2021, the online food information site **AJINOMOTO PARK** held an online cooking event called “Transform overlooked ingredients — Salvage Cooking!” This event invited popular chefs who introduced ways to use leftover vegetables, meat, fish, and seasonings.

■ Eco-mark labels

To help consumers quickly recognize and select eco-friendly products whenever possible, we put unique eco marks (*Aji-na Eco*, *Hotto-suru Eco*, *Aji-pen*® *ECO* marks) on our product packages.

> *Eco-Uma Recipes*® (Japanese only)

> *Food Fun! Discovery Community* (Japanese only)

> P92



Cooking event

Sustainable materials sourcing

The Ajinomoto Group uses the bounty of nature to offer products and services to our customers. This bounty includes products from agricultural, livestock, fisheries, and other sources located around the world. We recognize that our business activities affect the global environment and vice-versa. Sustainable procurement of agricultural, livestock, and fisheries resources, therefore, is an extremely important issue for our businesses. We must also consider other social issues in our supply chain, including the environment, human rights, and occupational safety. We are committed to working closely with our suppliers in initiatives throughout our entire supply chain.

Specific examples

- Biodiversity impacts
- Deforestation control
- Elimination of child and forced labor
- Supply chain management
- Sustainable land use
- Animal welfare
- Animal and plant nutrition

Related opportunities and risks (○ Opportunity ● Risk)

- Failure to procure raw materials, product returns due to quality issues in the supply chain
- Failure to procure raw materials and damage to corporate value due to delays in addressing social and environmental issues in the supply chain
- Failure to procure raw materials due to food resource depletion

Key initiatives by the Ajinomoto Group

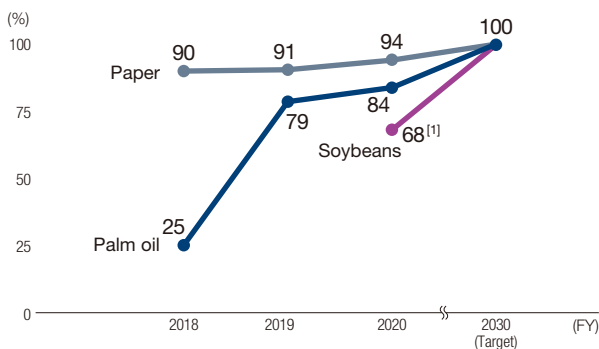
- Promoting awareness and understanding of procurement policies and guidelines among suppliers
- Establishing a CSR audit system for suppliers and contract manufacturers
- Management of fair operating practices (traceability, etc.)
- Establishing a PDCA cycle related to human rights due diligence
- Identifying important raw materials and engaging in responsible procurement (paper, palm oil, skipjack, etc.)
- Ensuring fair competition and providing thorough employee training
- Contributing to sustainable agriculture by using co-products

Related SDGs



Sustainable procurement ratio

- Paper, palm oil, soybeans



- FY2030 target of coffee beans and beef: 100%

[1] Procured for businesses in Japan

Sustainable Materials Sourcing

Initiatives related to key raw materials

Approach

GRI201-2
GRI204-DMA
GRI301-DMA
GRI414-DMA

> Ajinomoto Group Palm Oil Procurement Guidelines

> Ajinomoto Group Paper Procurement Guidelines

> Participation in RSPO

> Participation in CSPU

> CDP Forests

Identification of key raw materials

The Ajinomoto Group identifies key raw materials that are derived from agriculture, forestry, and fishery sources requiring more focused action. The identification process involves determining all the raw materials used in business operations, which are then analyzed by internal divisions and external experts including NGOs. We base our assessment on an overall perspective that includes several factors such as dependency on the materials used, availability of alternative materials, and relevance to global environmental sustainability. We conduct an annual review of key raw materials to incorporate changes in business, global environment, and other factors.

Recognizing that deforestation has a substantial impact on climate change, biodiversity, and human rights issues, we seek to procure certified raw materials, ensuring partnerships with various initiatives and establishing our own traceability systems, as well as implement audits based on the Ajinomoto Group Palm Oil Procurement Guidelines and Paper Procurement Guidelines. The Group added beef and soybeans to our list of key raw materials in fiscal 2019. These raw materials have been listed as causes of deforestation by the CDP and the Consumer Goods Forum (CGF), an international industry group for consumer goods. We plan to conduct the same type of surveys for these key materials as we do for palm oil and paper.

Ajinomoto Group key raw materials

	Key raw materials	Major countries and regions of procurement
Agriculture and forestry resources	Palm oil, an ingredient in packaged food products and specialty chemicals	Indonesia, the Philippines, Vietnam, Malaysia, Thailand, West Africa, Colombia, Brazil, Peru, Papua New Guinea
	Paper, used as office paper and in containers and packaging for packaged food products	China, Indonesia, Cambodia, the Philippines, Vietnam, Malaysia, Thailand, Bangladesh, EU, Turkey, West Africa, the United States, Canada, Mexico, Argentina, Uruguay, Colombia, Paraguay, Brazil, Peru, Bolivia, Australia, New Zealand, Papua New Guinea
	Sugar crops, used in fermentation process of amino acids	Each country where our factories are located
	Coffee beans	Indonesia, Vietnam, West Africa, Mexico, Colombia, Brazil, Papua New Guinea
	Beef, an ingredient in frozen foods, etc.	Japan, China, Thailand, India, EU, Turkey, the United States, Canada, Mexico, Argentina, Uruguay, Brazil, Australia, New Zealand
	Soybeans, an ingredient in packaged food products, etc.	Japan, China, South Korea, Indonesia, Cambodia, Thailand, India, EU, Turkey, the United States, Canada, Mexico, Argentina, Brazil, Australia, New Zealand
Fishery resources	Skipjack, an ingredient in <i>HON-DASHI</i> ® and in bonito flakes	Japan
	Shrimp, an ingredient in frozen foods, etc.	Thailand

Sustainable Materials Sourcing

Performance

GRI102-12

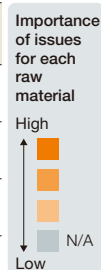
> Participation in Initiatives

Initiatives related to raw materials

In order to procure raw materials sustainably, it is necessary to reduce risks from various perspectives such as climate change, human rights, and biodiversity. To that end, the Ajinomoto Group collaborates with external organizations such as international initiatives and certification organizations. In addition, we are striving to clarify the status of procurement of the identified key raw materials and to prioritize the procurement of certified materials. Going forward, we will promote procurement of certified materials as well as establishment of traceability.

Initiatives related to raw materials

	Palm oil	Paper	Sugar crops	Coffee beans	Beef	Soybeans	Fishery resources	Ajinomoto Group Policies	
Scenario Analysis (impact of global warming)	High	High	High	High	High	High	High		
GHG emissions reduction	High	High	High	High	High	High	High	Environment	Procurement, supplier transactions
Food loss and waste reduction	High	N/A	High	High	High	High	High		
Plastic waste reduction	High	N/A	High	High	High	High	High		
Human rights	High	High	High	High	High	High	High	Human rights	Procurement, supplier transactions
Protection of natural environment Biodiversity	High	High	High	High	High	High	High	Environment	Procurement, supplier transactions
Animal welfare	N/A	N/A	N/A	N/A	N/A	N/A	High	Animal welfare	
Stable procurement Quality, price, impact on business	High	High	High	High	High	High	High		
Individual guidelines	○	○				○			



- [1] Supplier Ethical Data Exchange. A global membership organization that provides data on labor standards, business ethics, etc. within the global supply chains.
- [2] Roundtable on Sustainable Palm Oil. An international organization of multiple stakeholders developing and operating a certification scheme for sustainable palm oil.
- [3] Forest Stewardship Council®.
- [4] Common Code for the Coffee Community. An independent, stakeholder-driven, internationally recognized sustainability standard for the entire coffee sector, aiming at anchoring sustainability in coffee supply chains.
- [5] U.S. Soybeans Export Council.

Sustainable procurement of palm oil

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

We had set a fiscal 2020 target of 100% sustainable procurement of palm oil, however we achieved a figure of 84% for this period due to difficulty in procurement of certified oil for some areas/products. The rate of RSPO-certified palm oil procurement was 28%. We aim to achieve 100% sustainable procurement by fiscal 2030. As of fiscal 2021, we plan to start implementing measures for palm oil without certification/traceability, and further expand initiatives toward achieving this goal.

Performance

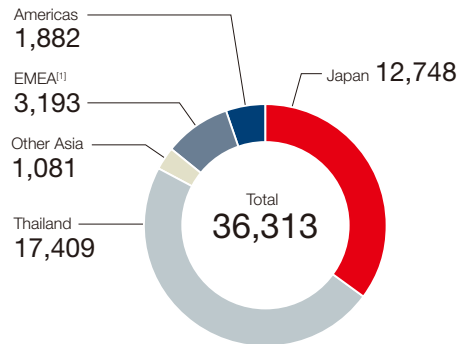
Sustainable Materials Sourcing

Performance

GRI301-2

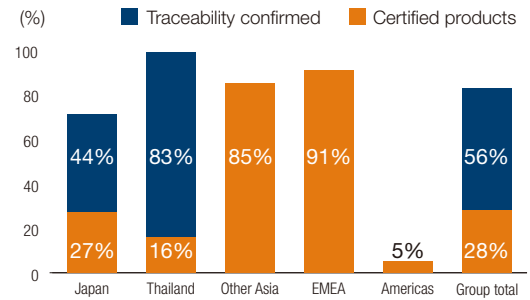
GRI301-3

Fiscal 2020 palm oil procurement (tons)



[1] Europe, the Middle East and Africa

Fiscal 2020 sustainable palm oil procurement ratio

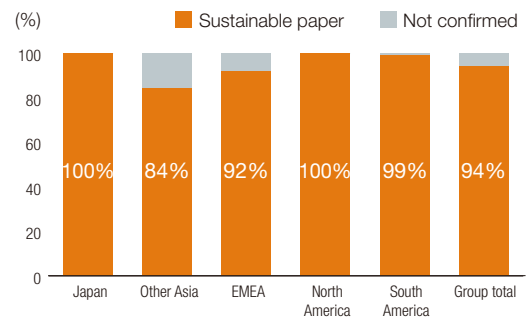
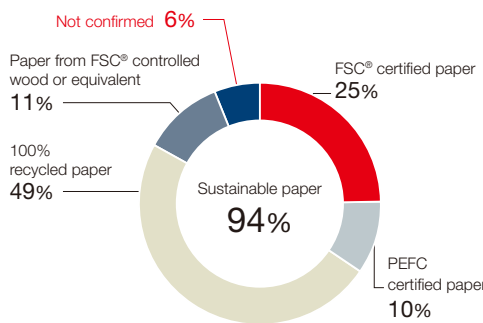


Sustainable procurement of paper

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

We had set a fiscal 2020 target of 100% sustainable procurement of paper, however we achieved a figure of 94% sustainable paper usage for use in packaging for this period because certified/recycled paper are not widely used in some areas. We aim to achieve 100% sustainable procurement by fiscal 2030.

FY2020 Sustainable paper procurement ratio



Sustainable procurement of beef

The Ajinomoto Group aims to procure 100% sustainable beef by fiscal 2030. We are currently considering specific initiatives such as ensuring traceability. In fiscal 2020, we started risk assessments.

Sustainable procurement of soybeans

The Ajinomoto Group aims to procure 100% sustainable soybeans by fiscal 2030. We are currently considering specific initiatives such as ensuring traceability. In fiscal 2020, we started risk assessments, and our fiscal 2020 use of soybeans and soy oil in Japan that are in line with the United States Soybean Sustainable Assurance Protocol was 68%.

Sustainable Materials Sourcing

Performance

> WCPFC

■ Sustainable procurement of fishery resources

The Ajinomoto Group uses skipjack as an ingredient in *HON-DASHI*®, our popular flavor seasoning product in Japan. We are committed to conserving resources and sustainable procurement. Therefore, we have conducted the joint skipjack tagging survey with the National Research Institute of Far Seas Fisheries (NRIFSF) in Japan since 2009. The results of this survey have shown that skipjack catches in the waters near Japan have fallen. However, skipjack levels near the equator appear to be stable. It is these equatorial skipjack that we use for the bonito flakes that serve as the raw material for *HON-DASHI*®. A paper published in 2019 that summarized the data and results of past tagging surveys is included in the National Tuna Fisheries Report of Japan to the Western and Central Pacific Fisheries Commission (WCPFC) in 2020.

With regard to the sustainable procurement of shrimp, in fiscal 2018, we conducted human rights surveys at shrimp farms and processing plants in Thailand where we procure shrimp for use as an ingredient in frozen foods. We aim to achieve sustainable procurement of shrimp by building a supply chain management system that includes measures such as a complaint response mechanism.

Approach

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■ Sustainable procurement of coffee beans

Coffee beans are grown in areas of the world rich in biodiversity, often by small farms.

The Ajinomoto Group has endeavored to procure coffee beans produced at farms that adhere to standards set by the 4C certification system. This system aims to improve environmental conditions at coffee farms and better the lives of farm workers, while encouraging sustainable production and distribution. In fiscal 2020, 49% of all the coffee beans procured by Ajinomoto AGF, Inc. were from farms that adhere to the 4C standards. Starting with the first 4C certification logo in Asia on the packaging for stick coffee released in August 2020, a total of 43 products, including campaign products, were launched during that year, promoting ethical consumption related to the sustainable procurement of coffee beans. The Group has been continuing with tests in different coffee-producing regions with the goal of using high value-added fertilizers made from by-products (co-products) of fermentation processing of amino acids. Our hope is that, eventually, this coffee will be part of a Group circular economy. In particular in Indonesia, Brazil, and Vietnam, we are expanding support to farms with *AJIFOL*® co-product fertilizer, and have started putting together a system for improving product value and communicating value to consumers.

■ Indonesia

We have provided support to farmers producing Robusta coffee beans in the form of high value-added fertilizer in the Pagar Alam area of Sumatra. We also started providing this support in the Surabaya area of Java, and the Sidikalang area of Sumatra beginning in fiscal 2020.

■ Vietnam

In addition to the test we have been conducting using our high value-added fertilizer, in fiscal 2019, we installed irrigation facilities in the Krong Nang district of Vietnam and expanded the areas.

■ Brazil

In fiscal 2020, as well as supporting farms by providing high value-added fertilizer we also worked to bring to market coffee beans from supported farms including BAU farms and the Kopelkam Agricultural Cooperative.

Sustainable Materials Sourcing

Framework

GRI204-DMA
GRI308-DMA
GRI407-DMA
GRI414-DMA

> P9

Performance

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GRI407-DMA
GRI414-1

> Group Shared Policy for Suppliers

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Supply chain management

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

Supply chain initiatives

The Ajinomoto Group states our expectations to suppliers related to sustainability in the Group Shared Policy for Suppliers, and asks our suppliers for their understanding and cooperation to ensure social and environmental sustainability in the supply chain. In fiscal 2018, the Group joined Sedex.

In fiscal 2020, we voiced our support for the Tokyo Declaration 2020 on Responsible Acceptance of Foreign Workers formulated by the Global Alliance for Sustainable Supply Chain (ASSC) regarding the recruitment of foreign workers with intern training program or special skills visa status, and we have requested that our suppliers create an environment in which foreign workers can be active in their work. Using Sedex as a base, we aim to set up a supply chain management system with common standards within the Ajinomoto Group by fiscal 2025.

Supplier hotlines

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

In fiscal 2020, we introduced a *Workers' Voice* system for monitoring the opinions of migrant workers at three Group companies in Japan. This will use multilingual support provided by NPOs to receive reports of day-to-day problems, and can be used as a hotline for labor and human rights-related consultations that can be sent to the Group. Moving forward, we intend to expand this system to cover the whole supply chain and utilize it in the early detection of issues with labor and human rights.

Sustainable Materials Sourcing

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

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

> [Thailand Supply Chain Human Rights Due Diligence Report](#)

Human rights due diligence

Based upon the Group Shared Policy on Human Rights, the Ajinomoto Group conducted human rights impact assessments throughout the entire business in 2014 and 2018, and are carrying out due diligence starting in industries and regions with comparatively high risks. Furthermore, we are keeping a keen eye on global trends including the 2021 enactment of the EU's Environmental and Human Rights Due Diligence Legislation, and will take measures as necessary.

In fiscal 2020, we participated in an advisory capacity in putting together the Japan Platform for Migrant Workers toward Responsible and Inclusive Society (JP-MIRAI) created by the Japan International Cooperation Agency (JICA) together with other stakeholders including companies, lawyers, and NGOs. This aims to resolve issues faced by foreign workers undergoing technical training and those with special skills. Using this platform, we will strengthen involvement with suppliers and their supervisory and dispatch organizations, with the aim of reducing human rights risks. We also conducted a desktop preliminary human rights impact assessment with respect to supply chains for sugarcane and coffee beans sourced in Brazil. The on-site survey has been postponed due to spread of COVID-19, and will be conducted remotely in fiscal 2021.

Sustainable Materials Sourcing

Animal welfare

Approach

GRI204-DMA
GRI301-DMA

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

Performance

Creating policies and holding dialogues with society

The Ajinomoto Group deals with animals throughout our businesses and product development. Animal-derived ingredients such as meat, eggs, and extracts are essential for the food products we produce. In the Group Shared Policy on Better Mutual Relationships with Animals established in 2018, the Group defines our approach to procurement in keeping with the concept of animal welfare, and shares this policy with all primary suppliers in Japan when we start working with them. Additionally, so that we can keep informed of domestic and international trends surrounding animal welfare and respond flexibly to social trends and demands, we have set up a roundtable comprising experts in these fields, and have been holding dialogues since February 2020. We have also established a working group of Ajinomoto Group personnel directly involved in the livestock industry, and are exchanging opinions with stakeholders on how we should have better mutual relations with animals.

Through this process, the Group policy above was renamed in 2021 as the “Group Shared Policy on Animal Welfare.” This was updated with more specific content, and shared with all primary suppliers within Japan. Based upon this revised Group policy, looking forward we will aim to build a better symbiotic relationship with all animals in our supply chain.

Roundtables on better animal welfare

The Ajinomoto Group has been promoting dialogue with stakeholders since February 2020, having established a roundtable comprising external experts. Under this roundtable, in October 2020 we established a working group comprising personnel directly involved in the livestock industry to discuss with stakeholders how we should incorporate perspectives of animal welfare into our business operations, and to collaborate with the roundtable. A total of eight roundtables and five working groups were held, with the project ending in March 2021. An overview of this is as follows.

External members (in alphabetical order):

Junko Edahiro (Professor, Graduate School of Leadership and Innovation, Shizenkan University)
Arisa Kishigami (ESG & Sustainability Specialist)
Shigeru Kyuwa (Professor, The University of Tokyo)
Kenichi Takeda (Associate Professor, Shinshu University)

- First roundtable (February 5, 2020):
The session began with an overview of the Group and explanations of how our business relates with animals, as well as our approach and initiatives in this area to date. Meeting then shifted to an exchange of views on the key themes to be addressed.
- Second roundtable (April 8, 2020):
A panel of external members presented the latest information related to animal welfare and raised issues in the Group’s relationships with animals from an expert point of view. The experts and our representatives engaged in an open exchange of opinions.
- Third roundtable (May 13, 2020):
We reported on actions of the procurement department related to animal welfare, as well as on the launch of the Animal Welfare Working Group.
- Fourth roundtable (July 10, 2020):
We had lectures from external members on “Animal Welfare in Sustainability Issues with a Livestock and Food Industries Focus” and “Laws, Regulations, Guidelines, and Standard Values for Livestock Animal Welfare (Countries, Regions, Breeds, etc.)” Through exchanging opinions, we broadened our understanding of the scope of our initiatives.

Sustainable Materials Sourcing

- Fifth roundtable (September 28, 2020):
From the survey report on animal welfare, participants learned about the actual situation regarding laws and regulations as well as consumer awareness in each country. They also exchanged opinions regarding details of planned initiatives by the working group to be established.
- Sixth roundtable (January 8, 2021):
We reported on details of the activities of the working group regarding dialogue, etc. conducted with stakeholders involved in livestock production. Participants exchanged opinions regarding revisions to the Group Shared Policy on Better Mutual Relationships with Animals.
- Seventh, eighth roundtables (February 16, March 2, 2021):
We confirmed various aspects of the draft revision of the policy above, and included proposals from the working group. Confirmation of the draft amendment incorporating received opinions continued after the date of the roundtable. At the final eighth roundtable, we exchanged opinions regarding future initiatives.

Performance

GRI204-DMA
GRI301-DMA

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Livestock traceability survey

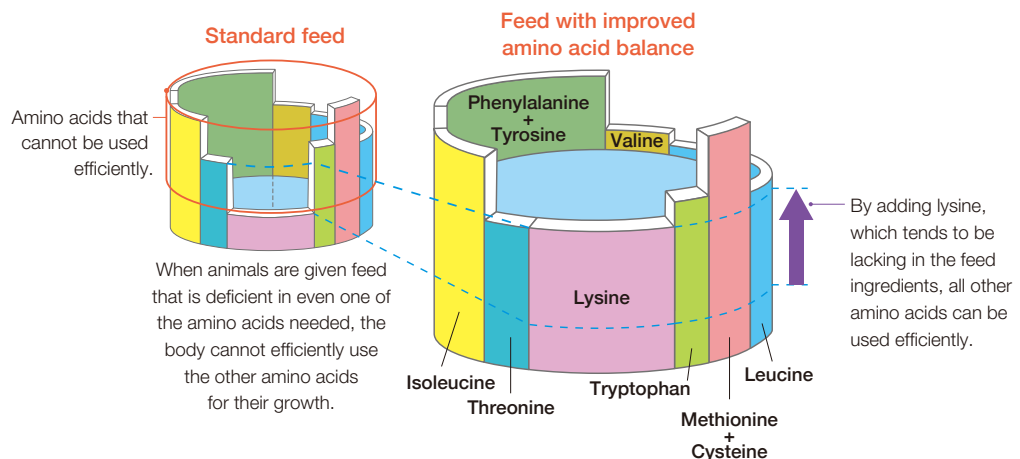
The risk assessment of Ajinomoto Co., Inc.'s domestic suppliers of meat and meat extract for fiscal 2020 found a combined traceability to original farming sites of just 10% on a numerical basis for fully traceable and conditionally traceable suppliers. One of the reasons for this result was that livestock breeding management guidelines have not been fully embraced in Japan, with widely varying degrees of awareness among suppliers. We plan to continue our work in spreading awareness of these guidelines as we as to conduct a similar survey at our Group companies.

Overseas, the Group tracks the status of legal developments regarding animal welfare in each country and region. We are sharing our policies and issues on the subject with them.

Feed-use amino acids as a solution to animal nutrition issues

Animal bodies are made up of approximately 20 types of amino acids. Several of these amino acids cannot be synthesized internally in sufficient quantities. These amino acids, called essential amino acids, can be supplemented through animal feed.

Adding feed-use amino acids can improve the essential amino acid profile of feeds that consist mainly of wheat and/or corn and thus are poorly balanced. The improved amino acid balance not only increases feed efficiency and promotes growth, but also reduces environmental impact by reducing excreted nitrogen.



Sustainable Materials Sourcing

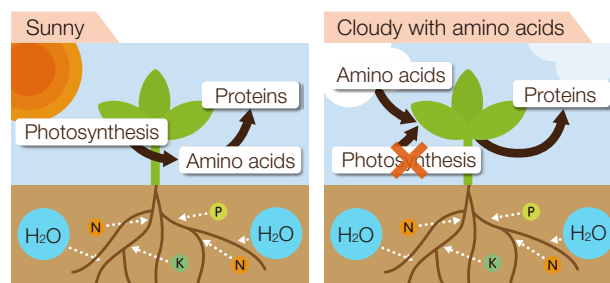
Contribution to sustainable agriculture

Approach

GRI203-2

High value-added fertilizers made with co-products

Plants synthesize amino acids from absorbed nitrogen and sugars gained through photosynthesis, then use amino acids to synthesize proteins necessary for growth. Even under poor photosynthesis conditions caused by cloudy weather or low temperatures, plant growth can be stimulated by supplying amino acids as fertilizer. For more than 40 years, the Ajinomoto Group has effectively utilized the nutrient-rich co-products of amino acid production as organic fertilizer. By fortifying these co-products with suitable amounts of phosphoric acid and potassium, for example, we have developed fertilizers with higher added value. Continued experiments and research have made it clear that these amino acid-enriched fertilizers enhance root development, plant growth, and harvest yields.

**High value-added fertilizers used around the world**

■ Japan

Ajinomoto Co., Inc. produces high-quality fertilizers, making effective use of co-product biomass generated during the amino acid fermentation process. Cell drying technology using heat from compost significantly reduces the amount of CO₂ emitted during the course of drying co-products. This fertilizer not only reduces environmental impact, but also increases the amino acid content and sugar content of crops, while stabilizing quality. We are expanding sales channels for this superior product and contributing to a revitalization of agriculture.

■ Vietnam

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

■ China

China is the number one grain producer in the world. However, according to FAO, it has an annual production loss of over 50% due to unsuitable temperature for grain production. The Ajinomoto Group company Agro2Agri, S.L. (Spain), which sells agricultural materials, sells foliar spray *FERTIGRAIN FOLIAR* in China. The product improves tolerance to stress such as high/low temperature and hot wind, and contributes to grain yield improvement.

Performance

GRI203-2

> P80

Sustainable Materials Sourcing

GRI203-2

■ Thailand

In Thailand, a major cause of PM2.5 particulates is the burning of sugar cane leaves after harvest in order to prevent unplanned fires from lightning strikes. However, spraying the co-product *AMI-AMI* (liquid fertilizer) on the fields acts not only as a fertilizer, but also promotes the composting of leaves and is helpful in preventing burn-offs.

■ Brazil

AJINOMOTO DO BRASIL INDÚSTRIA E COMÉRCIO DE ALIMENTOS LTDA. (ABR) mainly sells co-products such as *AJIFOL*® to coffee and fruit plantations in Brazil. More recently, we have seen a movement among plantations toward sustainable management, making a full-scale transition from chemical fertilizers to fertilizers from ABR. In fiscal 2020, we conducted tests on the high value-added fertilizers *Amino Proline* and *Amino Arginine*. Results showed improved productivity of tomatoes and apples when compared to ordinary fertilizers.

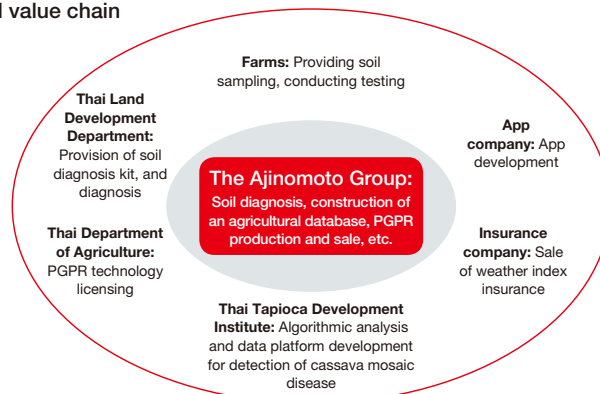
TOPIC

Project supporting the autonomy of Thai farmers

In Thailand, where the Ajinomoto Group has its main production site, 40% of the population is involved in agriculture, but agriculture's contribution to GDP is only 7% to 8%. The low added value and productivity in this field is of concern. Soil degradation because of repeated, and a lack of knowledge about cultivation, unplanned crop changeovers are put forth as causes for this. Given that agricultural produce makes up most of the Group's raw materials, in June 2020 we set up a project to support farmer autonomy to contribute to the sustainability of Thailand's food resources. In this project, we first conducted free soil diagnoses for cassava (tapioca starch) in collaboration with the Land Development Department, Ministry of Agriculture, Thailand and an app company. This visualizes what soil nutrients are lacking, and as of June 2021 these diagnoses have been carried out on 349 farms. Tapioca starch is the main raw material for *AJI-NO-MOTO*®, and approximately 15% of Thailand's total tapioca crop is used by us. We expect that improvements to the soil and to irrigation will dramatically increase crop yields.

In addition, we obtained a transfer of plant growth promoting rhizosphere microorganisms (PGPR) production technology from the Thai Department of Agriculture, and we started to confirm the effectiveness of this prototype PGPR on around 200 cassava farms. These efforts include the development and distribution of mosaic disease-free cassava, technology development of imaging diagnosis of cassava mosaic diseases in cooperation with the Thai Tapioca Development Institute and other organizations, and signing of an agreement with an insurance company and other companies to set up weather index insurance for cassava farmers. We are working from a range of perspectives to connect Thai cassava farmers to the value chain.

Thai agricultural value chain



Conservation of water resources

As the global population rises, so does the expected demand for water. Another issue is the ubiquitous presence of fresh water around the world. The depletion of water resources not only impacts water used for production, but also the procurement of raw materials. Drought, flooding, or poor water quality could also result in production delays.

The Ajinomoto Group is committed to further reduction in water use and wastewater emissions in our ongoing production processes, maintaining forests for water resources and engaging in other actions to create an environment that allows for sustainable water usage.

Specific examples

· Water and wastewater management

· Agriculture and livestock water use

Related opportunities and risks (○ Opportunity ● Risk)

○ Stable procurement of raw materials and stable supply of products by reducing water risk

● Damage to corporate value due to delays in addressing water resource conservation

● Production stagnation due to droughts, floods or water quality deterioration

Key initiatives by the Ajinomoto Group

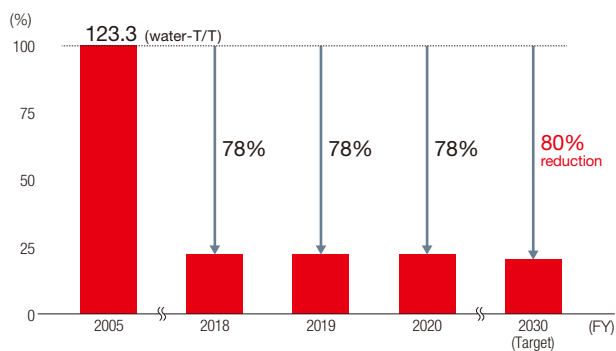
· Maintaining forests for water sources

· Developing wastewater treatment technology

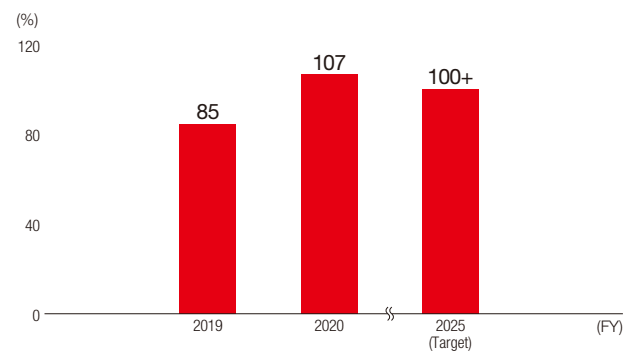
Related SDGs



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



Recharge rate of drinking water into forest



Conservation of Water Resources

Conservation of water resources in production processes

Performance

- GRI303-3
- GRI303-4
- GRI303-5
- GRI307-DMA

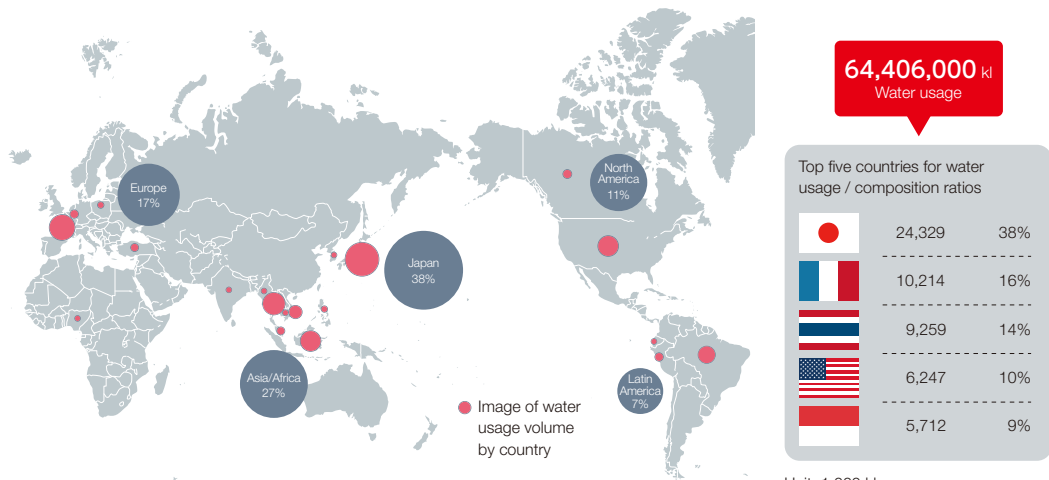
- > P68
- > Environmental Data
- > CDP Water Security

The Ajinomoto Group used 64,406,000 kiloliters of water in fiscal 2020, with the top five countries including Japan, France, and Thailand making up 87% of the total. The ratio of water consumed in locations with high water stress^[1] was less than 1%. The Group aims to reduce water consumption per production volume unit (intensity) by 80% by fiscal 2030 (compared with fiscal 2005). During fiscal 2020, we reduced water usage by 157,457,000 kiloliters compared to our base year, achieving our yearly goal of 78% reduction in water usage per production volume unit (intensity). Substances of concern in wastewater are BOD and nitrogen. Total emissions for BOD in fiscal 2020 were 284 tons and 538 tons for nitrogen. We will continue in fiscal 2021 to implement water-saving measures and improve production processes in every facility.

We encourage our suppliers to disclose water impacts in our supply chains through the CDP supply chain program.

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

Water usage volumes by area^[2] (Fiscal 2020)



[2] Turkey is included in Asia/Africa.

Reduction rate of water consumption per production volume unit

	FY2020		FY2021	FY2030
	Target	Result	Target	Target
Reduction rate of water consumption per production volume unit (vs. FY2005)	78%	78%	78%	80%

Conservation of Water Resources

Water use/intensity

(1,000 kl)

	FY2005 (Base Year)	FY2016	FY2017	FY2018	FY2019	FY2020
Total water withdrawal ^[1]	221,863	74,041	74,844	69,892	66,926	64,406
Fresh surface water	180,363	23,559	24,433	20,672	19,630	17,004
Brackish surface water/seawater	0	0	0	0	0	0
Fresh groundwater, renewable	0	0	0	0	0	0
Fresh groundwater, non-renewable	—	15,859	16,371	15,076	14,366	13,041
Processed water	0	0	0	0	0	0
Municipal water (including industrial water)	41,500	34,623	34,041	34,144	32,930	34,361
Water consumption per production volume unit (intensity per ton of product)	123	28	28	27	27	27
Reduction rate (vs. FY2005)	—	77%	77%	78%	78%	78%
Ref.: Production volume (1,000 t)	1,800	2,657	2,684	2,627	2,512	2,423
Total water discharge	201,300	59,701	60,464	55,800	52,342	51,564
Fresh surface water (processed by the Group) ^[2]	47,000	25,872	28,341	27,498	24,297	24,088
Brackish surface water, seawater	0	0	0	0	0	0
Groundwater	0	0	0	0	0	0
Third-party destinations ^[2]	10,300	11,456	11,299	11,273	11,291	11,139
Total water recycled or reused	144,000	22,373	20,824	17,029	16,754	16,338
Proportion of water recycled or reused	65%	30%	28%	24%	25%	25%
Total water consumption	20,563	14,340	14,380	14,092	14,584	12,842
BOD (tons)	550	269	294	312	283	284
Nitrogen (tons)	3,200	445	394	501	506	583

[1] We disclose water withdrawal based on measurements or invoiced volumes according to the applicable national or local laws. We may also disclose water withdrawal based on a volume conversion from pump power use or pipe water speed. We disclose water discharge volume and quality based on values collated from measurements based on applicable national or local laws.
[2] Data of fiscal 2005, 2016-2019 are recalculated due to change of definition.

Forest conservation near water sources

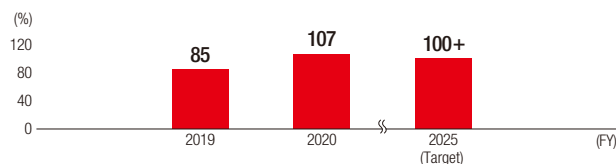
The Ajinomoto Group aims to increase our water forest recharge rate to 100% or more by fiscal 2025. In fiscal 2020, we achieved 107% of our target of 107%.

AGF Suzuka, Inc. and AGF Kanto, Inc., production bases for Ajinomoto AGF, Inc., use water from the Suzuka River and Arato River (a tributary of the Tone River), respectively. These water sources come from the *Forest of Blendy*® of the Suzuka Mountains and the southern foothills of Mount Akagi. While expanding the contracted areas, we have been carrying out conservation activities with the aim of recharging more than 100% of the water used in bottled coffee.

Given the spread of COVID-19 during fiscal 2020, these efforts were limited to small groups of volunteers from both production bases. We have produced a video that shows customers the extent to which the forest has grown since these activities started five years ago, and are actively promoting this both within and outside the company.

In the future, we will use ongoing conservation activities to improve functions for other than replenishing the water source, including soil conservation and erosion prevention, and we will aim to use the forest as a site at which we can carry out sustainable education.

Recharge rate of drinking water into forest



Performance

GRI303-1

> Protecting forests and nurturing water-forest expansion activities (Japanese only)

Strong corporate governance

The Ajinomoto Group continues our efforts toward building a practicable corporate governance structure that balances “supervising appropriate execution to reflect stakeholders’ opinions” with “flexible decision-making and execution.” In addition, we maintain the Ajinomoto Group Policy, which defines the attitudes and behaviors expected of each Group company, officer, and employee. We continue to improve our internal control systems and the appropriate operations thereof, while engaging in more meaningful dialogue and collaborations with our stakeholders, which serve as the foundation of ASV. The Group will continue striving for stronger, more comprehensive corporate governance on a global basis to ensure an environment in which we can demonstrate even greater levels of competitiveness. Our ongoing reforms to organizational operations will enhance the effectiveness of our management plan and we will improve our ability to solve issues through collaboration.

Specific examples

- Compliance
- Accident and safety management
- Competitive behavior
- Intellectual property protection
- Political activities and contributions
- Business ethics and transparency of payments
- IT management
- Response to natural disasters and diseases
- Systemic risk management
- Data security and customer privacy
- Regulatory capture and political influence
- Environment, social impacts on assets and operations
- Succession planning
- Management transparency
- Human rights and community relations

Related opportunities and risks (○ Opportunity ● Risk)

- Appropriate risk-taking
- Business continuity risk or other unexpected losses due to failures in corporate governance or internal controls
- Lack of appropriate information disclosure resulting in a loss of investor confidence
- Decreased competitiveness due to vulnerabilities in IT management structure
- Delay or suspension of operations due to a combination of natural disasters, diseases, and pandemics (COVID-19, avian influenza, etc.)
- Disruptions to organizational operations and decline in business profitability due to changes in macroeconomic conditions
- Impact of intellectual property risks on business
- Impact of sudden foreign exchange and interest rate fluctuations on business
- Higher tax burden due to changes in tax and tax effect

Key initiatives by the Ajinomoto Group

- Raising awareness of the Ajinomoto Group Policies among all Group employees
- Establishing whistleblower hotline
- Strengthening corporate governance system
- Stronger business continuity management (BCM)
- Occupational safety and health management
- Selecting Group-wide significant risks and considering appropriate responses
- Strengthening cybersecurity countermeasures by ensuring information security regulations
- Managing intellectual property risk
- Engagement in dialogue with various stakeholders

Related SDGs



Strong Corporate Governance

Risk management

Framework

GRI102-11

GRI102-29

> [Ajinomoto Group materiality](#)

> [Integrated Report 2021 P89](#)

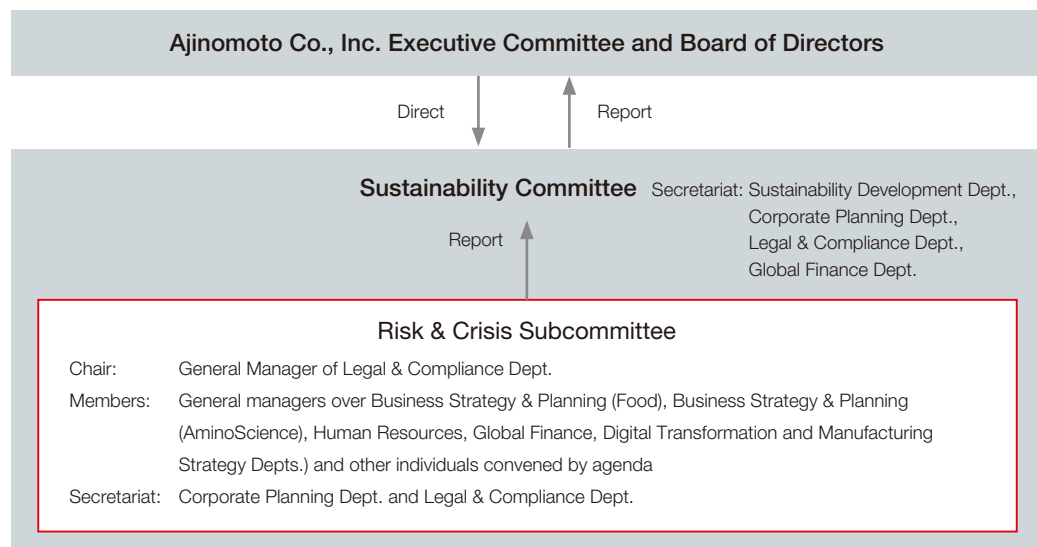
> [P4](#)

Risk management framework

The Ajinomoto Group conducts an annual review of the materiality items which have a substantial impact on our ability to create value through ASV. Here, we identify the risks and opportunities associated with each materiality item.

In April 2021, we established the Sustainability Committee as a subordinate organization to the Executive Committee. This committee takes over the ESG and sustainability-related functions formerly handled by the Management Risk Committee, Business Conduct Committee, and Environmental Committee. The Sustainability Committee plans and manages the progress of actions taken with regard to risks and opportunities related to companywide management issues based on materiality. In principle, the committee meets at least four times each year, and the content and results of deliberations are reported to the Executive Committee and to the Board of Directors.

The Risk & Crisis Subcommittee, which we established as a subordinate organization to the Sustainability Committee, is responsible for developing and promoting risk management processes that contribute to stronger internal controls, management and operation of crisis-related tasks (safety and security), and responding to risks that have a Group-wide impact. The Risk & Crisis Subcommittee provides reports to the Sustainability Committee as necessary.



Strong Corporate Governance

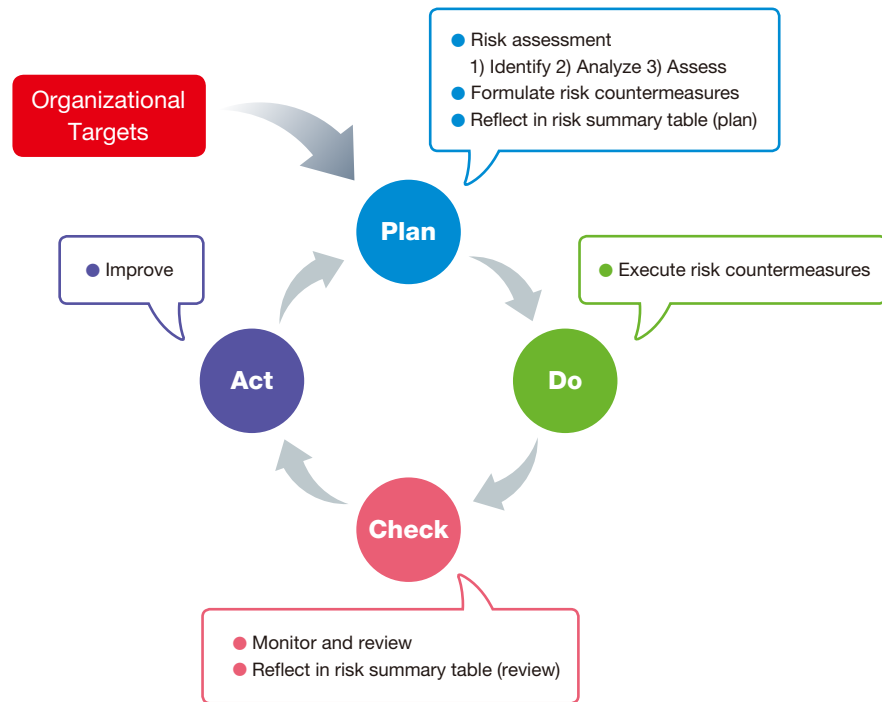
Framework

GRI102-11

> Group Shared Policy on Risk Management

Risk management processes

The Group encourages independent risk management within each organizational unit in compliance with Group Shared Policy on Risk Management. Each organization sets organizational goals every year and prepares a risk summary table. These risk summary tables organize processes from planning to review based on each organization's risk assessment. We use these tables to verify whether risk management is implemented in a reliable fashion. The rate of risk summary table collection in fiscal 2020 was 100% at Ajinomoto Co., Inc. and 91% for Group companies. These results show how well autonomous risk management is entrenched at each organization.



Strong Corporate Governance

Occupational safety and health

Framework

GRI403-DMA

GRI403-1

GRI403-4

> Group Shared Policy on Occupational Safety and Health

Performance

GRI403-DMA

GRI403-1

Occupational safety and health management system

The Occupational Safety and Health Committee, an organization under the Executive Committee, determines important policies, develops plans, and conducts reviews of activities related to occupational safety and health. Subject matters decided and deliberated by the committee shall be reported to the Executive Committee. To foster an understanding of the Group Shared Policy on Occupational Safety and Health, we created the Occupational Safety and Health Management Guide and Standards and encourage Group companies to spread awareness of and use these guidelines.

In addition, we established the Safety & Disaster Prevention Promotion Headquarters to drive and support measures related to occupational accidents and disaster prevention. If an accident, disaster, or other emergency has occurred or may occur, that threatens Group occupational safety and health, this headquarters assesses the situation, makes recommendations, and provides guidance. The headquarters also reports to company executives and related departments.



ISO 45001 adoption

The Ajinomoto Group aims to obtain ISO 45001 certification at all production and R&D sites by the end of March 2023. We are also transitioning sites that have obtained OHSAS^[1] and other certifications to ISO 45001.

[1] Occupational Health and Safety Assessment Series (OHSAS): An international standard for occupational safety and health management.

Strong Corporate Governance

Performance

GRI403-DMA
GRI403-1
GRI403-2
GRI403-3
GRI403-4
GRI403-7

Safety and health assessments, audits, and inspections

The Ajinomoto Group generally conducts the Occupational Safety and Health Assessments at the start of new product manufacturing. This is one means to prevent occupational accidents. In addition, we conduct internal audits based on the occupational safety and health management system at each company and business site to prevent accidents, disasters or violations of the law.

Measures	Description	FY2020 performance
Occupational Safety and Health Assessments	Generally conducted at the start of new product manufacturing, when expanding production capacity or changing manufacturing processes, developing new substances, and during the planning stages of constructing or demolishing buildings, structures and equipment.	52 assessments
Occupational Safety and Health Audits and Inspections	Internal audits are implemented for each company and business site. In the event of a serious accident or disaster within the Group, Ajinomoto Co., Inc. conducts an onsite emergency Occupation Safety and Health Audit to investigate causes, determine corrective measures, and prevent recurrence. Certain sites in Japan contract with third-party consultants or institutions to perform Occupational Safety and Health Inspection.	While certain factories were scheduled for post-construction safety audits, the situation during the COVID-19 pandemic prevented the audits from taking place.
Equipment inspections for safe and stable production	Regular maintenance and legal inspections are conducted at factories. For factories that operate 24 hours a day, we suspend all production periodically to allow employees and specialists time to conduct legally mandated inspections.	Conducted at each business site
Occupational accident prevention at designated worksites	Any sites considered a high risk by the chief of the Safety & Disaster Prevention Promotion Headquarters (frequent occupational accidents or disasters, inadequate management, etc.) are so designated as Special Safety Management Requested Site and given guidance for safety improvement.	No designated worksites during FY2020

Occupational safety and health activities

Fiscal 2020 key targets and performance

Key targets	Action plans
Prevent caught-in, trapped and cut accidents by machines in operation	<ul style="list-style-type: none"> Establish systems to ensure Group policies, management guides, rules and standards, and other rules and guides are thoroughly understood at companies newly incorporated into the Group Establish systems to conduct safety audits at newly established factories Identify worksites with difficulties to pursue both safety and efficiency at each office and factory Consolidate safety measures within the Group and share information said measures (lateral expansion)
Prevent falls and lower back pain	<ul style="list-style-type: none"> Implement 2S consistently in the surrounding area (secure aisles, do not place or leave objects in aisles or vicinity, do not leave leaks or spills) Ensure safety in the surrounding area (conduct maintenance for steps and unevenness on paths or floors, secure aisles and work spaces) Ensure implementation of stretching exercises, etc., before work; raise awareness through posters, etc.
Prevent accidents during indirect routine work ^[1]	<ul style="list-style-type: none"> Review work methods to eliminate risks Reassess risks for individual indirect routine works Maintain and review of SOPs for priority tasks

[1] Work that supports production indirectly e.g., loading, unloading, transportation, equipment cleaning, cleaning, and normal maintenance.

Performance

GRI403-DMA
GRI403-2
GRI403-3
GRI403-4
GRI403-7

Strong Corporate Governance

GRI403-9

GRI403-10

> Personnel and Labor-Related Data

Performance

Major accidents and incidents

	FY2016	FY2017	FY2018	FY2019	FY2020
Number of serious accidents	16	23	16	21	23
Number of serious commuting accidents	9	19	13	10	8
Number of fatal accidents	0	0	0	1	1
Number of caught-in-machinery accidents ^[1] (persons)	5 (1)	10 (8)	8 (3)	6 (2)	6 (2)
Number of fall accidents ^[1] (persons)	30 (3)	23 (4)	32 (4)	22 (4)	29 (2)
Number of lower back pain accidents ^[1] (persons)	16 (4) ^[2]	23 (12) ^[2]	16 (7) ^[2]	12 (1)	8 (1)

[1] Numbers in parentheses represent serious accidents.

[2] Corrections have been made as a result of review of totals.

The number of serious accidents during fiscal 2020 were 23, an increase of two compared to fiscal 2019. Although the number of serious accidents in sales and indirect workplaces decreased, we saw an increase in the number of accidents in the production areas of our factories. In particular, a significant number of accidents occurred at food production sites.

Among the main serious accidents, six were involved in caught-in accidents, which was the same number as in fiscal 2019. As the number of accidents at companies incorporated into the Group after 2017 has been on the rise, we requested more conscientious implementation of our Guidelines for Catch-in Accident Prevention by Rotating Machines. During fiscal 2021, we plan to hold Caught-in Accidents Prevention Seminar, targeting leaders engaged in production operations at our food factories.

Regarding falling accidents, the number of victims of serious accidents decreased, but the number of victims of lost time injuries increased by seven. We noted an improvement in non-manufacturing sites, but the situation worsened among manufacturing sites. These factors include problems with daily arrangements, neatness, cleanliness and cleaning, and unsafe conditions in the surrounding area. We also understand that difficulties in securing staff due to COVID-19 and our inability to conduct training played a role in this increase. Throughout fiscal 2021, we will continue efforts to ensure complete organization and tidiness, as well as security, in areas surrounding our workers. At the same time, we will improve educational materials for inexperienced workers to learn individually or in small groups. We also plan to hold a Falling Prevention Seminar for management-level employees, which was canceled in fiscal 2020 due to COVID-19.

Regarding lower back pain accidents, the number of victims decreased. We will continue our efforts to prevent accidents by adding animated content to further enhance our educational tools.

With the goal of eliminating serious accidents in fiscal 2022, during fiscal 2021, we will focus on implementing safety audits at sites with frequent accidents, thorough risk assessments, and information dissemination to raise awareness. Through these efforts, we aim to eliminate caught-in, trapped, and cut accidents, fall accidents, and traffic accidents. In addition, we will implement various measures based on the analysis of accidents during indirect routine work and non-routine work. We also plan to use videos to publicize our Occupational Safety and Health Management Guide and Standards, strengthening management through the PDCA cycle.

Response to safety and health laws and accidents

In fiscal 2020, we were cited for three cases of legal violations (recommendations for correction). In each case, in addition to submitting an improvement report to the authority, we reviewed our work procedure manuals and educated our workforce to prevent recurrence.

Ajinomoto Co., Inc. Tokai Plant	Failure to measure oxygen concentration, lack of ventilation, and lack of appointed work supervisor prior to the commencement of work in a work area involving a risk of oxygen deficiency (serious near-misses)
Ajinomoto Frozen Foods Co., Inc. Kyushu Plant	Failure to stop agitator blade operation during the process of scraping out leftover residue from a mixer outlet (serious accidents)
Ajinomoto Frozen Foods Co., Inc. Osaka Plant	Failure to stop machine operation when conducting repairs or inspections (serious accidents)

Strong Corporate Governance

Performance

GRI403-5

Employee occupational safety and health education

The Ajinomoto Group conducts occupational safety and health education tailored to employee job descriptions and tasks. In fiscal 2020, we only conducted online courses for ISO 45001 internal auditor training due to the spread of COVID-19.

We created and published a skills map that defines the skills and knowledge required of occupational safety and health staffs at each Group company's site.

Major training programs

Persons, cumulative persons in parentheses

Program name	Program details	Recipients	Number of trainees
ISO 45001 training for internal auditor development	Knowledge and skills training for ISO 45001 internal auditors (two-day course / twice annually and one-day course / once annually); introduced in FY2018	Leadership positions	51 (105)

Disaster preparedness

The Ajinomoto Group routinely collects information related to natural disaster forecasts and damage projections. On an ongoing basis, we confirm the safety of our buildings and production facilities, taking appropriate steps and revising training drills as necessary. Each Group company and site implement evacuation and fire-fighting drills. We continue to revise and update organizational structures, communications systems, and manuals.

We also partner with local governments to provide safety for local residents. Several sites are working with governments to determine how to offer safety and food to local residents in the event of a disaster.

Performance

Strong Corporate Governance

Compliance

Framework

GRI205-DMA
GRI205-2
GRI206-DMA
GRI307-DMA
GRI419-DMA

> Ajinomoto Group Policies (AGP)

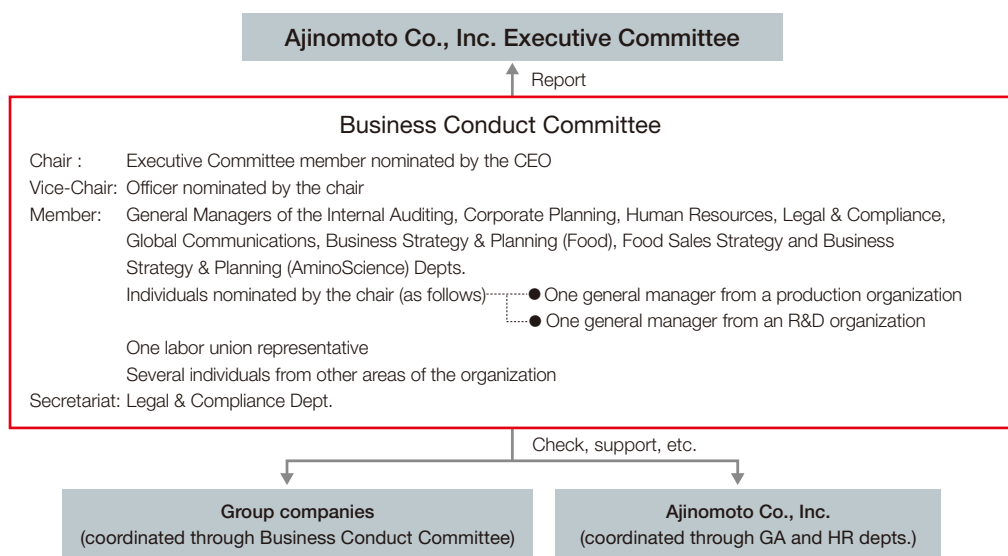
Performance

GRI205-2

Compliance framework

The Ajinomoto Group cultivates an open culture and maintains a crisis-resistant corporate structure by building an awareness of compliance and organization-wide commitment to the Ajinomoto Group Policies (AGP). In so doing, we create a stronger management foundation and enhance corporate value.

Ajinomoto Co., Inc. established the Business Conduct Committee, which meets once every three months to monitor compliance with AGP and whether the company conducts corporate activities in line with AGP. Major group companies also have their own business conduct committees that engage in raising awareness of AGP and addressing issues unique to each country, region, and company.



Raising awareness of compliance

Compliance education for employees

The following activities were part of our fiscal 2020 efforts to raise awareness and understanding of AGP and our internal whistle-blowing system.

- Compliance training
 - E-learning: Held 12 times for all Ajinomoto Group employees in Japan; 8,300 attendees
 - Group training: Held once, conducted remotely case method to 40 sales and marketing staff
- Awareness-raising posters (produced in 12 languages)
- Compliance promotion message (flashed on-screen every time an employee starts their PCs)

Worksite AGP meetings

Members of the Business Conduct Committee at Ajinomoto Co., Inc. hold worksite AGP meetings, soliciting direct feedback from employees about issues concerning compliance in the workplace. During fiscal 2020, 33 meetings were held (24 for full-time employees; 9 for part-time and temporary employees), attended by 473 individuals. Summaries of AGP worksite meeting discussions are provided to organizational heads, each worksite, and posted on the corporate intranet to share with all employees. Any compliance issues raised that warrant corporate-level attention are discussed within the Business Conduct Committee. Decisions within the committee are then incorporated into AGP communication policies and compliance promotion activities.

Strong Corporate Governance

Performance

GRI205-2
GRI406-1
GRI419-DMA

> Group Shared Policy on Whistle-Blowing

> Personnel and Labor-Related Data

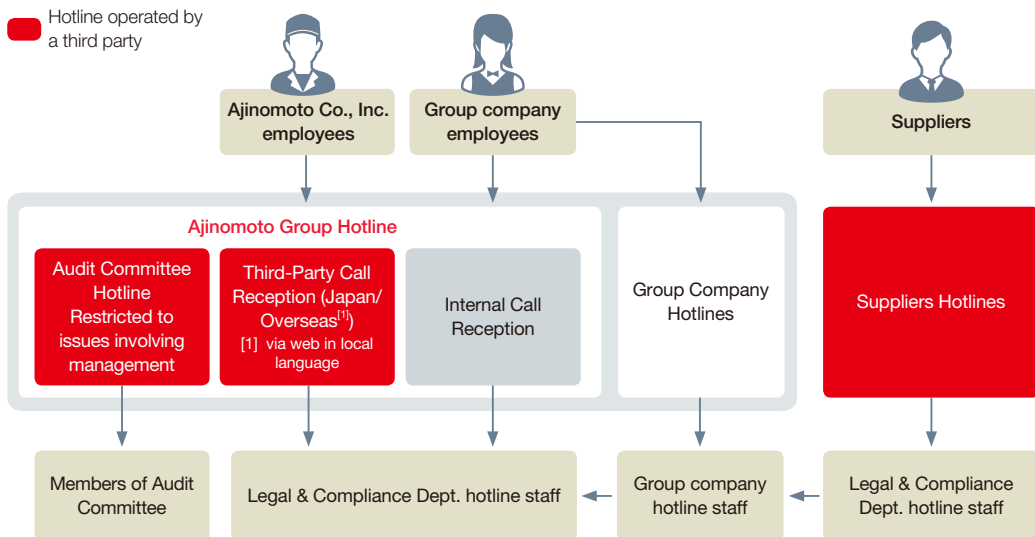
AGP awareness survey

Each November, Ajinomoto Co., Inc. and Group companies in Japan ask all employees to respond to an AGP awareness questionnaire. The goal of this survey is to monitor awareness and understanding of AGP and identify any potential compliance issues. A total of 12,071 employees responded to the fiscal 2020 survey. We coordinated with individual worksites to resolve any compliance issues that emerged.

Bolstering our internal reporting hotline (whistle-blowing)

The Ajinomoto Group established a hotline as an anonymous internal reporting system that enables officers and employees, including part-time and temporary workers, to make reports or seek advice by phone, e-mail, fax, letter, or other means. In fiscal 2020, we used AGP meetings primarily to communicate our approach to and framework, and ease of use of our whistleblower system. As a result, the number of hotline reports increased significantly year on year.

Internal reporting (whistle-blowing) channels



Number of hotline reports^[2]

	Human rights, harassment	Hiring, working conditions	Quality, environment	Fraud	Social manners, ethics	Proper job performance	Other	Total
FY2018	47	21	1	1	6	20	2	98
FY2019	45	19	1	4	10	8	6	93
FY2020	50	36	3	3	29	45	4	170

[2] Multiple issues reported in some cases.

Strong Corporate Governance

Approach

GRI205-DMA
GRI205-2
GRI206-DMA
GRI419-DMA

> Group Shared Policy on Bribery Prevention

Performance

GRI205-2

Approach

GRI204-DMA
GRI205-DMA
GRI205-2
GRI206-DMA
GRI419-DMA

> Group Shared Policy on Procurement

> Group Shared Policy for Suppliers

Performance

GRI205-2

Preventing corruption

Basic policy

AGP requires employees to maintain sound and healthy relationships with politicians, government officials, and the like in Japan and overseas. AGP also states that giving favors to such public officials in the form of gifts, entertainment, money, or other bribery in any manner is prohibited. The Group Shared Policy on Bribery Prevention includes the following rules, which require officers and employees of group companies to comply with this policy and the related bribery prohibition laws of each country and region.

- Maintain accounting books and records for all company transactions in reasonable detail
- Confirm the appropriate treatment of expenses related to public officials, etc.
- Monitor compliance and conduct under this policy via audits

Education for employees

In Japan, the Ajinomoto Group holds regular training for officers and employees involved in line management of Group companies. This training covers proper relationships with public officials, including public officials in foreign countries. In addition, the Group conducts bribery prevention training courses for officers and managers of overseas Group companies. In fiscal 2020, we conducted online training related to bribery (including commercial bribery) in China for 143 participants.

Transparent and fair business practices

Basic policy

AGP requires that officers and employees fully understand and comply with laws and regulations concerning competition in all countries and regions in which we operate. In this way, the Ajinomoto Group strive to ensure fair and transparent business transactions. We have also established Guidelines for Antitrust Laws (Japan), Guidelines for Antitrust Laws in the United States, and Guidelines for Competition Laws in Europe. We ask that our business partners understand the purposes behind the Group Shared Policy on Procurement, the Group Shared Policy for Suppliers, and other related guidelines. We also ask business partners to refrain from behavior that hinders fair, transparent and open competition.

Education for employees

In Japan, the Ajinomoto Group holds regular training for officers and employees involved in group company line management covering antitrust law. In addition, the Group conducts antitrust law training for officers and managers of overseas group companies. In fiscal 2020, we conducted e-learning on antitrust laws for all the employees of the group companies in Japan and for managers of overseas group companies. 4,289 employees in Japan and 936 managers of overseas group companies took the course (Due to system failures and other reasons, we extended the course until the end of June, 2021, and the number of participants reached 5,134 and 1,029, respectively.) We also conducted online training in China with 143 participants.

These trainings highlight the prohibition on cartels, which have an especially large impact on fair competition.

Strong Corporate Governance

Framework

- GRI205-DMA
- GRI205-2
- GRI206-DMA
- GRI207-DMA
- GRI207-1
- GRI207-2
- GRI419-DMA

> Group Shared Policy on Global Tax

Performance

GRI207-4

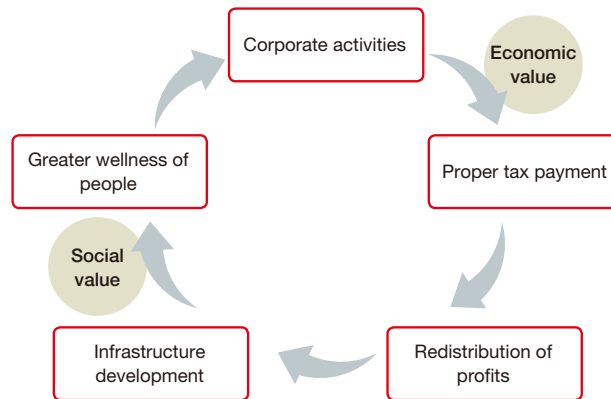
Appropriate competitive behavior

Framework for global tax strategy

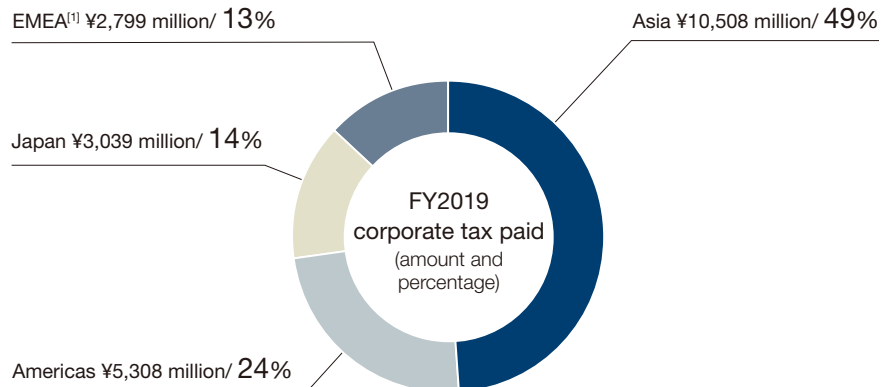
The Ajinomoto Group established the Group Shared Policy on Global Tax as a part of our global tax management program. This shared policy encourages Group companies to conduct business in compliance with the tax laws of their respective countries, and it is part of our efforts to minimize tax risks across the Group. To ensure operations match this policy, we identify appropriate tax practices by collecting self-assessment checklists from Group companies and meeting regularly with each company.

With respect to global tax management, in addition to measures for proper payment of taxes, we have been taking actions continuously to stabilize the Group's effective tax rate by limiting additional taxes caused by missed or delayed payments, or by leveraging the benefits of each country's tax system during M&A and organizational restructuring to the greatest extent possible.

The amount of taxes paid by the Group was 18.7 billion yen in fiscal 2017, 16.4 billion yen in fiscal 2018, and 23.6 billion yen in fiscal 2019. By paying taxes properly, we return profits to help develop all countries and regions where we operate business, to build sustainable social infrastructure as provided for in the SDGs, and to create better lives for the people in these countries and regions. By returning a portion of the profits (economic value) created through our businesses to local communities through tax payments, we uphold a part of the economic cycle leading to the generation of social value. Excessive tax-shielding and the sole pursuit of economic value can lead to a perception in society that a company does not pay taxes properly and does not create social value. We are mindful of this balance and of this symbiotic cycle in all our Group initiatives.



Corporate tax paid by region



[1]Europe, the Middle East and Africa

Strong Corporate Governance

Proper use and management of intellectual property

Approach

> Group Shared Policy on Intellectual Property

Basic policy for intellectual property

The Ajinomoto Group established the Group Shared Policy on Intellectual Property, which pursues the following initiatives to establish competitive advantage, generate profit, and grow globally.

1. Acquire intellectual properties strategically and efficiently, including the expertise behind the technologies that form the core of our businesses
2. Incorporate external technologies and engage in cooperation, including open innovation
3. Use and exercise rights to the Group's proprietary technologies through licensing, litigation, and other means
4. Protect products and enhance brand value through trademarks and other means
5. Minimize the risk of infringement by respecting third-party IP rights and conducting thorough assessments
6. Provide survey and analytical data to the Group's business and R&D departments
7. Cultivate human resources capable of IP-related tasks and utilize both internal and external networks

The Ajinomoto Group takes a firm stance toward companies that infringe on our IP rights and we protect these rights through warnings and filing infringement lawsuits, among other actions. The information systems department and IP department plan and execute defensive measures to protect trade secrets. In collaboration with the internal auditing department, these departments carry out overall internal control related to trade secret management and protection for the Group.

Framework

Intellectual property management framework

Ajinomoto Co., Inc. supervises IP (patents, designs, trademarks, etc.) for the entire Ajinomoto Group in line with Instructions Regarding Licensing and Administration of Intellectual Property. Affiliate company Intellectual Property Expert Co., Ltd. provides central services related to surveys and IP rights management. We also have resident staff in the United States, specialized staff in Russia, and key persons designated at Group companies in Southeast Asia and South America, and we work with patent law firms. The three bases in Japan, the United States, and Russia cooperate to secure strong patent rights, particularly in biotechnology.

Performance

> Press release

Intellectual property initiatives

■ Participation as a founding company in the IP Open Access Declaration Against COVID-19

In April 2020, Ajinomoto Co., Inc. answered the call of the Kyoto University Center for Genomic Medicine, Graduate School of Medicine to become a founding member of the IP Open Access Declaration Against COVID-19. Under this declaration, participants open their IP for a certain period of time to facilitate activities in diagnosis, testing, treatment, hygiene management, etc., toward ending the spread of COVID-19.

The period covered by the declaration extends until the day that WHO declares the end of the spread of COVID-19. By declaring to request no compensation or consideration for qualifying activities, the program supports the activities of companies and organizations working to end the spread of COVID-19 by eliminating the time and effort required to investigate issues related to IP or conduct patent searches.

Strong Corporate Governance

Performance

Education for employees

The Ajinomoto Group conducts ongoing trademark seminars to provide Group employees basic knowledge on trademarks and the rules for displaying trademarks such as *AJI-NO-MOTO*[®]. These seminars serve to enhance employee appreciation of trademarks and prevent the *AJI-NO-MOTO*[®] trademark from being used as a generic term. We also hold regular seminars to educate Group employees on other IP-related issues.

Strong Corporate Governance

Cybersecurity and personal information management

Approach

GRI418-DMA

> Group Shared Policy on Information Security

Framework

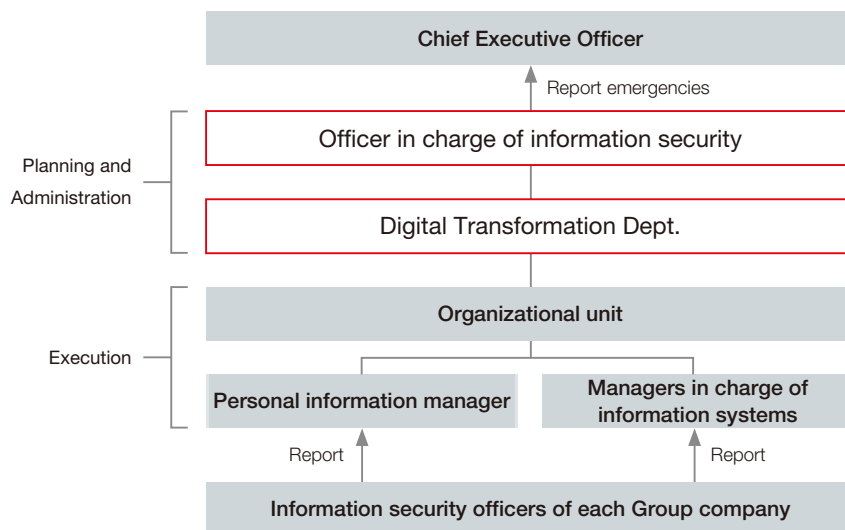
GRI418-DMA

Basic policy for cybersecurity

The Ajinomoto Group exercises great care in handling customer information and confidential corporate information. We formulated the Group Shared Policy on Information Security and related group-wide regulations, standards, and guidelines.

Information security management framework

Each organization within Ajinomoto Co., Inc. and Group companies have established frameworks to respond to information security incidents or emergencies appropriately, providing reports that reach up through the organization to the CEO.



Rigorous management of personal information

To manage customer data and other personal information securely, the Ajinomoto Group defines clear rules and informs relevant individuals of said rules. In this way, we practice organizational business management.

Ajinomoto Co., Inc. has established Personal Information Management Guidelines as a subset of the Information Security Regulations. These guidelines specify rules and procedures for handling personal information securely. In addition, these guidelines are based on the ISO 27001 standard for information security management systems.

Before outsourcing operations, we perform an assessment of the relevant contractor's processes and systems to ensure information security is at the same level as our own internal systems. We have built a system to manage the personal information of customers more strictly when collecting personal information for campaigns, consumer surveys, etc. These rules require the selection of a personal information manager who reports to an organizational manager. These rules also clarify the persons responsible for or in charge of the collection, storage, and deletion of personal information, as well as who is allowed to access or use the collected data.

Strong Corporate Governance

Performance

GRI418-1

Information security initiatives

■ Noteworthy information security training during fiscal 2020

- Information security test for new hires at Ajinomoto Co., Inc.: 47 participants
 - Comprehension test related to information handling guidelines conducted via e-learning for all employees of Ajinomoto Co., Inc.: 3,321 participants (taken by 92.9% of workforce)
- In addition, Ajinomoto Co., Inc. conducted targeted mail attack training for officers and employees.

■ Ongoing initiatives to prevent the leakage of confidential information

In Japan, the Ajinomoto Group introduced a system to detect fraudulent behavior on standard-use PCs automatically in major Group companies and we have been managing this system on a consistent basis.

In addition, we engage an external entity to perform annual security diagnostics for Group company websites worldwide as another ongoing measure against cyber vulnerabilities.

■ Information security inspections

Ajinomoto Co., Inc. conducts annual information security inspections at all work sites. These inspections focus on the basic elements of proper information handling, including the management of IT equipment, confidential information, and personal information. We also conduct annual reviews concerning the use and management of external cloud services.

In fiscal 2020, the Group experienced no substantiated complaints received concerning breaches of customer privacy and identified leaks, thefts, or losses of customer data.

Strong Corporate Governance

Approach

GRI201-1

GRI413-DMA

> Group Shared Policy on Local Community Enhancement

> How We Are Responding to COVID-19

Relationships with local communities

Contribution to community development

The Ajinomoto Group works to resolve social issues in local communities through our businesses. At the same time, we engage and collaborate with society, offering appropriate donations and support activities as we contribute to community development.

This commitment is clearly defined in the text of our Group Shared Policy on Local Community Enhancement.

Support for medical institutions and healthcare workers providing COVID-19 care

The Ajinomoto Group supports medical institutions and healthcare workers. Our major initiatives in this area are as follows.

- Ajinomoto Co., Inc. provides lunch boxes through donations to the All Japan Food Association. We also donate products (e.g., miso soup, beverages, supplements) to healthcare workers through the food support platform *WeSupport*.
- AJINOMOTO DO BRASIL INDÚSTRIA E COMÉRCIO DE ALIMENTOS LTDA. refurbished a portion of its production lines, utilizing unique technologies to manufacture high-quality rubbing alcohol products. As a result, we provided around 24 tons of alcohol products to about 90 facilities, mainly hospitals and nursing facilities, as well as to employees and their families.
- AJINOMOTO CO., (THAILAND) LTD. donated cash and products to the five major hospitals in Bangkok.
- PT AJINOMOTO INDONESIA donated products to healthcare workers and volunteers in cooperation with the National Zakat Board (BAZNAS).

Supporting restaurants affected by the spread of COVID-19

The spread of COVID-19 has had a major impact on entire food service industry. The Ajinomoto Group provides support to restaurants that have been affected in various regions.

- Ajinomoto Co., Inc. is engaged in the regional restaurant support crowdfunding program, *Mirai Meshi*, in collaboration with READYFOR Co., Ltd., which operates one of the largest crowdfunding services in Japan, and the Japan Chamber of Commerce and Industry. Through this program, we have provided a total of six million yen in support to restaurants in affected areas.
- AJINOMOTO DO BRASIL INDÚSTRIA E COMÉRCIO DE ALIMENTOS LTDA. established a free digital platform for small, primarily family-owned restaurants that have faced economic difficulties due to lockdowns. This platform offers benefits that include online training to improve management skills, recipe and menu ideas, and consulting from the company's chef and other specialists. This platform provides content helpful in combating the challenges faced during the pandemic, supporting a smooth reopening of business.
- In support of Asian restaurants in the United States, Ajinomoto Health & Nutrition North America, Inc. and Ajinomoto Co., Inc. made a joint donation to the Asian American Legal Defense and Education Fund (AALDEF), a non-profit organization that supports Asian Americans.

Strong Corporate Governance

Performance

Foundation activities

The Ajinomoto Group supports needs-based activities in food and nutrition through foundations established in three countries.

Country	Foundation	URL
Japan	The Ajinomoto Foundation	http://www.theajinomotofoundation.org
	Ajinomoto Foundation for Dietary Culture	https://www.syokubunka.or.jp
	Ajinomoto Scholarship Foundation	https://ajischolarship.com
Thailand	Ajinomoto Foundation	https://ajinomotofoundation.or.th (English and Thai only)
Brazil	Instituto Ajinomoto	https://www.ajinomoto.com.br/instituto-ajinomoto/ (Portuguese only)

Performance

Emergency support for regions affected by natural disaster

The Ajinomoto Group provides support tailored to the needs of disaster areas, mainly in food and health.

Event	Recipient	Financial aid/ donations	Relief supplies	Quantity
Heavy Rain of July 2020	Japanese Red Cross Society	6 million yen	—	—
	Japan Platform	4 million yen	—	—
	Kumamoto City Council of Social Welfare	—	AQUASOLITA® oral rehydration solution 500 ml	1,200 bottles
			AQUASOLITA® jelly	3,000 packs

Preparation for intense global competition

The ability to adapt to changes in the macro environment is critical to achieving sustainable growth. Given this perspective, the Ajinomoto Group strives to transform its business model and operations with digital transformation (DX) as a focal point. We are also reforming the mechanisms behind our innovation, accelerating growth by backcasting from the future we wish to achieve, creating new growth models while collaborating actively with entities outside the Group. Through these initiatives, we will quickly and accurately grasp external conditions and continue to fulfill the expectations of society, even ten years from now.

Specific examples

- Business selection and focusing
- Early creation of innovation
- Open innovation
- Enhancement of basic infrastructure

Related opportunities and risks (○ Opportunity ● Risk)

- Business foundation reform through digital disruption
- Value creation from external collaboration
- Specialty creation through technological innovation
- Establishment of competitive advantage by forecasting future changes
- Opportunity loss and loss of competitive ability due to neglect of IT investment
- Emergence of multiple competitors due to an inability to erect strong barriers to entry

Key initiatives by the Ajinomoto Group

- Stronger collaboration between food and AminoScience divisions
- Evolving supply chain management (digitization, establish ecosystem, etc.)
- Promoting digital transformation
- Establishing solutions-oriented R&D structure
- Executing global strategy in consumer food businesses (seasonings, quick nourishment, frozen foods)
- Competitive intelligence (medium- to long-term initiatives)
- Promoting open & linked innovation
- Reviewing global production system, logistics system, and employment system

Related SDGs



Preparation for Intense Global Competition

Promoting digital transformation

Approach

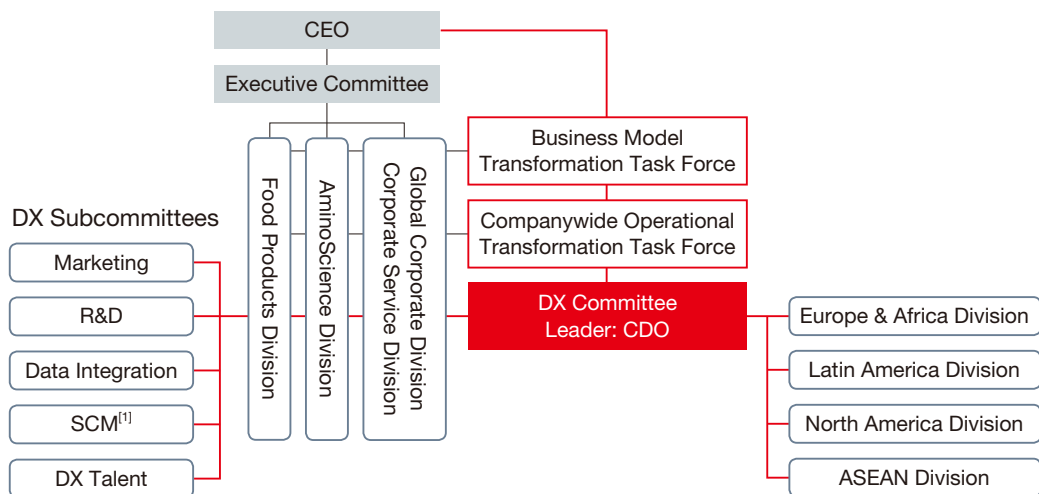
- > Integrated Report 2021 P47-52
- > Digital Transformation at the Ajinomoto Group (Japanese only)

Framework

In order for us to sustainably generate value as a company as market segmentation accelerates with changing customer lifestyles and diversifying values, we must strengthen data-driven marketing, raise the development speed of our products and services, and further increase our growth rates and efficiency. In our 20-25 MTP, we are putting great effort in advancing innovation creation and operational efficiency through DX.

DX promotion framework

In July 2020, the Ajinomoto Group launched the Business Model Transformation Task Force and the Companywide Operational Transformation Task Force, both under direct control of the CEO, strengthening its DX promotion framework. Alongside these task forces, the Chief Digital Officer (CDO)-led DX Committee supports the corporate and business divisions. We also established the DX subcommittees underneath the DX Committee, to operate with flexibility to enable collaboration with internal and external organizations. The DX Committee holds joint promotion meetings twice a year with the four regional divisions, sharing the latest information and best practices about DX promotion. Each regional division also has its own framework for promoting DX and actively exchanges information between each other and with functional divisions within Group companies.



[1] Supply Chain Management

Cultivating talent for promoting DX

In fiscal 2020, the Ajinomoto Group launched education curricula for business DX talents, system developers, and data scientists and established certification systems for each of these, working to improve digital literacy among employees. Our goal is to certify 100 business DX talents, 20 system developers, and 50 data scientists by fiscal 2022, and by using digital to evolve our operations, we aim to lead social transformation. Launching the educational programs at Ajinomoto Co., Inc. in fiscal 2020, we are currently working to build curricula and systems for Group companies in Japan and overseas.

Performance

- > P60

Preparation for Intense Global Competition

Approach

Steps for promoting DX in the Ajinomoto Group

In order to promote DX through Group-shared goals and steps, the Ajinomoto Group is integrating DX over four stages each with a specific overarching objective.

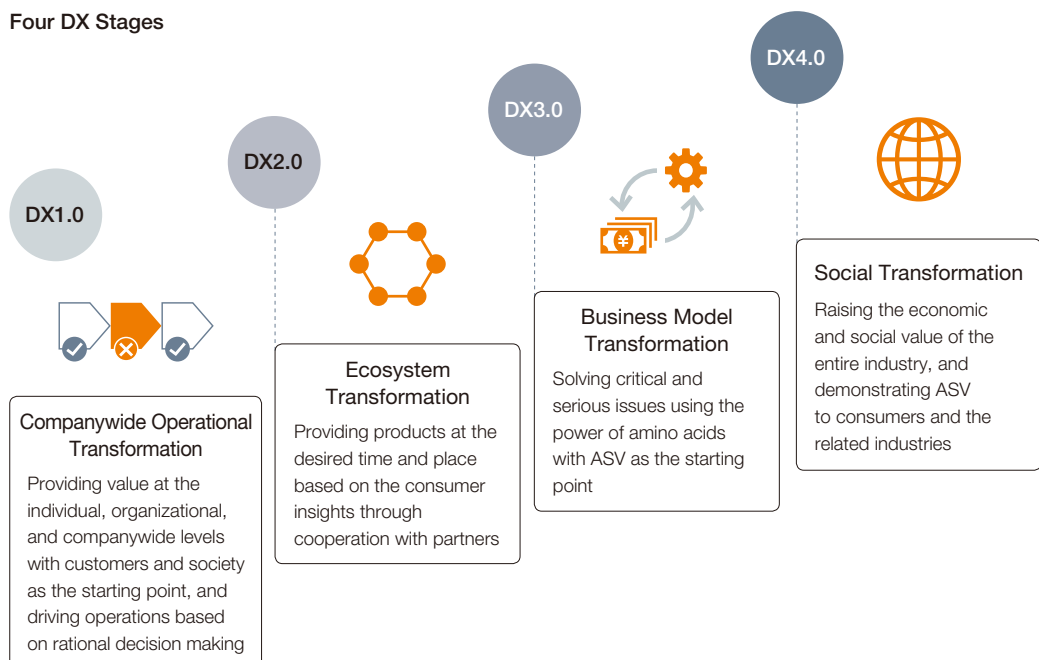
DX1.0 is a state in which we carry out optimal operations from an overall standpoint with the aim of providing value to customers and society on the individual, organizational, and corporate level. We implemented Operational Excellence, a management system for transforming companywide operations from a perspective of total optimization. This data- and fact-based management follows five requirements: rationality, logic, succession, superiority, and integration aiming for state in which these five continuously coexist at a high level.

DX2.0 refers to transformation toward a system of value co-creation (ecosystem) capable of continuously increasing value provided to customers while leveraging smart partnerships with external partners. To achieve this, we are making use of digital tools and implementing various ways to optimize the ecosystem, including joint ventures and outsourcing corporate services as well as spinning off operations as service companies. In addition, we will work with stakeholders to remake ecosystems in our businesses to promote social change.

DX3.0 refers to generating new businesses that fulfill customer needs in critical (hard to replace) and serious (life threatening / legally compliant) areas, and to transform existing businesses into more critical and serious ones. We are working to advance challenging transformation projects that will generate a new business model with revenue in the ten billion yen range by leveraging the characteristics of digital technologies. While transforming our business model, we will also form a wide-ranging network for resolving food and health issues with other companies and organizations, collaborating with a variety of players and enhancing our ability to effectively solve social issues.

DX4.0 broadly refers to the digital transformation of society. The Group's goals are to contribute to the achievement of the SDGs as a good partner to society, and to show leadership in creating mechanisms to maximize the effects of resolving food and health issues.

Four DX Stages



Preparation for Intense Global Competition

Open innovation

Approach

> Innovation

Performance

> Ajinomoto Group Accelerator (Japanese only)

Creating value through open innovation

The Ajinomoto Group is actively promoting open innovation, emphasizing the creation of unprecedented new value through collaboration with domestic and overseas companies and research institutes.

Measures to foster innovation and future outlook

■ Integrated accelerator program

In March 2020, the Ajinomoto Group launched an integrated accelerator program with the aim of fostering a corporate culture for innovation creation and developing the infrastructure needed in-house. This initiative is one project for the Business Model Transformation Task Force.

The integrated accelerator program consists of the following two programs.

■ Ajinomoto Group Accelerator, a venture company partnership program

This program supports venture companies working in its designated topic domains such as *food and health* and *living with the society and the earth*. Ajinomoto Group management resources are provided to venture companies, who in turn bring in novel ideas and the capability to execute them, leading to increased momentum for new business development Group-wide. Catalysts for bridging the Group's management resources to venture companies during the program will be selected within the company, and through support and collaboration, we will develop entrepreneurial human resources. When the program finds a promising venture company, we will make a small investment, and business partnership is encouraged on an ongoing basis even after the program.

In fiscal 2020, 148 companies applied to the program. Applicants came from a variety of growth stages, from seed to early, with broad range of business plans. These included alternative meats, cloud kitchens, insect foods, food loss and waste and the SDGs, personalization and delivery of foods. After the document and interview selection, in our business plan contest in December 2020, we selected six to participate in the program. During the five months of this program, participants were offered support like mentoring and use of management resources, which results were presented in May 2021.

■ A-STARTERS, an internal entrepreneur program

This program holds open recruitment and selection of employees who want to launch new businesses, promoting commercialization of business ideas. The program allows employees to work for the company to promote their entrepreneurial ideas even if they do not possess enough knowledge or experience in commercialization. Employees who pass a screening process are provided support toward commercialization, such as training, education, and mentoring. Even after the program, promising business ideas are given outlets for commercialization, including spin-outs. In fiscal 2020, 133 teams applied to the program. Four projects selected in our December 2020 business contest are to be considered for commercialization in fiscal 2021. We will also continue to promote the creation of new business ideas in fiscal 2021.

Preparation for Intense Global Competition

Picture of the Future (PoF) Project

The PoF Project was launched in May 2020 in order to explore the value creation possible by the Ajinomoto Group, driven by social issues and consumer needs in 2030, and formulate the business themes and processes needed for this. This is one of the most important initiatives under the Business Model Transformation Task Force.

In fiscal 2020, in order to become a solution-providing group of companies for food and health issues, we held a two-day Future Creation Camp (FCC) to extract ideas forming a draft of our PoF, promote understanding of corporate transformation, and practice diversity and inclusion.

A total of 40 employees participated in FCC. Through the two-day discussion, participants extracted present issues and their desired future state, as well as awarenesses and thoughts (*MIRAI VALUES*) based on their own personal experiences, and created new business ideas.

These *MIRAI VALUES* explored at the FCC are to be combined with the *MIRAI VALUES* explored separately in BtoB domains like healthcare, compiled in a companywide PoF and used to explore the realization and commercialization of new business ideas. Then, in collaboration with the New Business Hub^[1], we will superimpose new business ideas that are underway throughout the Group and paint a comprehensive picture of the situation. Through these activities, we will create an environment where we can have a unified overview of the state of new business development throughout the Group, which we will use to refine Group-wide strategies and to search for new knowledge through the fusion of ideas.

[1] A casual information sharing platform for visualizing new business development themes that are underway companywide and promoting mutual cooperation

Corporate venture capital (CVC) initiatives

The Ajinomoto Group is engaged in CVC for exploring innovation, creating and enhancing ecosystems, and driving corporate culture transformation to create a new business model with its aim to become a solution-providing group of companies for food and health issues. The CVC Group established under the Research & Business Planning Dept. of Ajinomoto Co., Inc. in December 2020 will invest in startups and venture capital funds in the four fields of health and well-being, sustainable society and the Earth, the culture of food and dining innovation, and the evolution of cooking.

The first CVC project was an investment in May 2021 into SAKA NO TOCHU Co., Ltd., an e-commerce startup for agricultural goods. Furthermore, we plan to invest (indirect investment) in venture capital funds with the purpose of collecting information and acquiring networks. One example of this indirect investment was in November 2020, before the CVC arm was established. We invested in two funds created by venture capital companies: one formed by U.S.-based AgFunder Inc., and one formed by Japan-based Nippon Venture Capital Co., Ltd.

Global review

The Ajinomoto Group's Integrated Report 2021 and Sustainability Data Book 2021 have been reviewed by representatives of important stakeholder groups in Europe, the Americas, and Asia. The Group will use their input to help shape its future sustainability initiatives as a "solution-providing group of companies for food and health issues."

Perspective from Europe

Transformation AND continuity

In the Ajinomoto Group's 2021 Integrated Report, the President and CEO, Mr. Takaaki Nishii, presents a frank overview of his thoughts about creating a culture of AND rather than OR. This is not new. The Triple Bottom Line (TBL) concept, first created more than 25 years ago, reflects leadership in both advancing business AND improving environmental and social impacts. TBL is an AND, not an OR concept. Today, there are ample statistics to demonstrate that companies that adopt sustainable practices deliver higher shareholder value over time than those that do not. And yet, many companies are still lagging, stuck at the level of trade-offs when it comes to sustainability, imagining conflict between responsible and sustainable practices on the one hand, and profitable growth on the other. Any approach that embraces the possibilities of achieving multiple objectives simultaneously is a strong basis to drive sustainable AND profitable business growth; the articulation of this by the Group's leader as his expectation of the Group's future path is clear. The future of humanity will not be one-dimensional; companies will need to multi-task, efficiently and effectively across several priorities.

The Ajinomoto Group's new vision is about contributing to greater wellness, an objective that in itself requires a high level of AND thinking. First, it serves as the basis of transforming the company in many ways – culture, digital, innovation etc. – AND maintaining the continuity of the Group's leadership in food and nutrition and sustainable business. Health and wellness are impacted by so many factors – nutrition, lifestyle, food habits and of course the physical environment – all of which must be addressed in parallel as part of a whole ecosystem. Similarly, AND is the basis for integrated reporting. Integrated reporting is often said to be the outflow of integrated thinking, which by definition must be grounded in an AND philosophy. The Group's 2021 Integrated Report does an exceptional job of merging both financial and sustainability themes to deliver a whole picture of the Group's activities, results and impacts.



Elaine Cohen
Founder and CEO
Beyond Business Ltd.

Strong investment in robust governance

A noticeable feature of the Ajinomoto Group's progress this year is the strong emphasis on robust governance for ESG matters. The strengthening of the Board of Directors to include three Board Committees and the elevation of external Directors are positive moves that will surely help the Group's top governing body be better informed, more efficient, and more balanced in its decision-making. Additionally, the creation of the Sustainability Advisory Council (SAC) to advise and support the Board of Directors in ESG matters is an important step, demonstrating the willingness of the Board to engage, listen and learn. While this SAC is populated by impressive nine experts with deep experience in ESG, I wonder if this body might not be enriched by more global representation, given the Group's global business reach and material topic related to "preparation for intense global competition."

A clear and focused vision

There is great simplicity in the two outcomes that the Ajinomoto Group seeks by 2030: (1) Help extend the healthy life expectancy of one billion people and (2) Reduce our environmental impact by 50%. Simple as they sound, execution is far from simple. The first encompasses everything from the way products are designed, made, packaged, and brought to market, and the vast range of research, innovation and product development needed to connect specific food products to healthy lifestyles. The incredible depth of the Group's commitment can be seen throughout the company's reporting, in particular, the leveraging of big data, nutritional profiling, the new health ecosystem approach with the *AminoIndex*® *Risk Screening* (AIRS®) test, and functional foods under development, truly connecting nutrition to disease risk and improving health through nutrition. These kinds of initiatives leverage the unique capabilities of the Group and provide examples that inspire confidence in the Group's ability advance health. With about 2.5 billion people suffering from malnutrition

Global review

and overnutrition, and many more who suffer from a range of diseases caused or exacerbated by preventable nutrition-related issues, impacting one billion lives is huge. It will be critical for the Group's long-term credibility to define precisely how it intends to measure the success of this objective – simply reaching more consumers who buy the Group's products is not enough. We need to understand the explicit connection between product consumption and increased healthy life expectancy. Early stage research by the Group connecting umami to salt intake reduction and increased healthy life expectancy is good progress.

On the environmental side, the Ajinomoto Group's pathway to reducing impact focuses on climate change, waste reduction and food loss minimization. While the key elements of these plans are clearly laid out, I'd like to see a clearer articulation of how delivery of this goal will be measured. Is it a 50% reduction in each of these three areas, or is it a cumulative reduction of these three elements combined? Nonetheless, the Group describes its many initiatives underway, including an innovative focus on ammonia as a low-carbon fuel. The Group's climate objectives are science based targets for Scope 1, 2 and 3 to be achieved by 2030 – a timeframe that is near-term enough to reflect the urgency of the need. Scope 3 data is thoroughly reported – a practice most companies are still struggling with.

Forward looking and planning

I can't help but remain impressed with the quality of reporting that the Ajinomoto Group achieves year after year. Detailed, precise, comprehensive, aligned with leading standards, and inclusive of illustrative examples of practice are credible features of the Group's reporting. Additionally, the Group achieves noticeable improvement each year in the quality of its execution and of its reporting. This 2021 reporting suite is noticeably forward looking. In each strategic area, detailed plans to achieve targets are disclosed, reinforcing confidence that the Group has its finger on the pulse for the future while delivering in the present.

The Ajinomoto Group offers its stakeholders a comprehensive overview of its sustainability performance. The 2021 Integrated Report in combination with the Sustainability Data Book shows a strong commitment to managing environmental, social and governance (ESG) aspects. The Group's global website is a rich additional source of sustainability information.

Strengthened sustainability governance

In my work with international companies and non-profit organisations I put a lot of emphasis on top management commitment to the sustainability strategy and the governance of integrated operational processes. The quality of the sustainability dialogue in the boardroom, senior involvement in stakeholder engagement, dealing with dilemmas and short-term pressures while staying focused on long-term value creation is, I believe, vital for addressing ESG challenges effectively and for contributing positively to the Sustainable Development Goals.

In 2021 the Ajinomoto Group has enhanced its sustainability governance by establishing the Sustainability Advisory Council under the Board of Directors and the Sustainability Committee under the Executive Committee. I applaud this decision as it underpins the Group's drive to continuously improve its sustainability performance. The new governance structure is likely to support the systematic execution of the Group's long-term agenda. The involvement of outside experts will inspire well-informed dialogues on trends and challenges that will shape the ways in which the Group creates long-term value for all its stakeholders.



Wouter Scheepens
Managing Partner
Steward Redqueen

Global review

■ Transparent reporting on material subjects

Operating at intersection of the food and biotechnology sector, the Ajinomoto Group can be potentially exposed to a variety of ESG risks and opportunities. Through its sustainability communication the Group provides clear and comprehensive disclosure across many material topics, including management of environmental impacts, responsible sourcing of sensitive raw materials, nutrition, product quality and safety and workforce management. In line with international best practice, the Group regularly reviews the list of materiality items to include the latest sustainability trends and expectations of its stakeholders. In 2021 the Group has announced that it will also assess materiality items from the long-term perspective (up to year 2050) to further improve long- and medium-term strategy and business planning. The Group has also mapped disclosed information to relevant GRI and SASB indicators and provides easy-to-use reference tables on its website to facilitate effective access to the vast amount of information.

■ Continuous improvements in key environmental and social areas

It is encouraging to see that the Group is actively engaging with external stakeholders and seeks to continuously improve its sustainability performance within key environmental and social areas. Notably, strong climate change performance, including science-based carbon reduction targets covering Scope 1, 2 and 3 emissions, has led to the inclusion of the Ajinomoto Group in the CDP A List that features companies with high level of disclosure and exemplary climate-related initiatives. The Group is also committed to report in line with the TCFD framework and provides details on the scenario analysis conducted, including potential impacts of physical and transitional climate risks. Given the potential impact of physical climate risks in the food sector, it is recommended that the Group continues to provide transparency on actions taken to ensure climate resilience across its business operations and within supply chain.

Food companies have an important role to play in shaping consumers dietary habits by increasing access to products with improved nutritional value and reduced fat, sodium, and sugar content. The Ajinomoto Group has been committed to promote nutritionally balanced diets and has set quantitative targets to increase its range of products with 'high nutritional value.'

Throughout 2020-2021, the Ajinomoto Group has also taken steps to strengthen its approach to animal welfare by holding several roundtables with external experts. This has led to the revision of the Group Shared Policy on Animal Welfare and Commitment to Minimizing Animal Testing, which shows that the Group recognizes the growing importance of the ethical consumption trend among its customers.

■ Going forward

The Ajinomoto Group's sustainability reporting is both impressive and overwhelming. I assume it will become ever more challenging for the Group to communicate progress on its sustainability strategy and its wide range of actions and initiatives in a way that readers can consume effectively.

ESG experts and sustainability investors will appreciate detailed information that is available, but will they have and take the time to really read and digest it? As they research many more companies, they will appreciate for example a table that includes a quick overview of the prioritised material ESG issues, related targets and KPIs and the actual performance over several years.

Stakeholders that are not experts in the field of sustainability may have difficulties capturing the core of topics that are of most interest to them. They may appreciate a 'concise reflection,' tailored to address their specific relationship with the company; for example as consumer, NGO, potential employee, etc.

Personally, I appreciate that companies share dilemmas and challenges they face on their sustainability journey of continuous improvement. Becoming more sustainable implies having to deal with 'trade-offs' such as between short-term and long-term perspectives and balancing environmental and social aspects, as well as their financial implications. Regardless of a strong commitment, not everything will always play out as planned. A Dutch sustainability champion among multinationals goes as far as including a section 'What still went wrong' in its intergrated report. Reporting near-misses and incidents is considered a part of its learning process and its commitment to do better next time. For stakeholders such statement provides additional comfort that the company is sincere in its drive to be a sustainability leader that intends to contribute positively to all, including society as a whole. This is just an example and not necessarily the best way for the Ajinomoto Group to report. However, I hope that the Group will further expand on its sustainability leadership and will be successful in its outcomes of helping extend the healthy life expectancy of one billion people and reducing its environmental impact by 50%, while improving business performance by 2030.

Global review

Perspective from the Americas

■ Developments in the reporting year

The Ajinomoto Group's sustainable vision for the creation of both social and economic value is really coming together. Grounded in the Group's 100-year core competency in AminoScience, and applying a policy of "Nutrition Without Compromise," the vision feels authentic. What follows from this vision are specific, time-bound medium-term and long-term strategies through 2025, 2030, and 2050 respectively that are aligned with the SDGs and a low-carbon future.

As a reaction to the global pandemic, the Group improved upon stakeholder engagement initiatives, embracing a spirit of unity - (AND) culture in the reporting year. Engaging with stakeholders through validation of material topics, the formation of the Sustainability Advisory Council, building innovation collaboration eco-systems, as well as considering a broader set of stakeholders - such as animals and migrant workers - are a few examples of this culture in action.

The appointment of the Sustainability Advisory Council was a major development towards a long-term focus. I was pleased to see that the group includes three female members, including the Chair of the Board. In terms of competencies, the group is strong in terms of health, nutrition, finance, and consumer products, but seems somewhat lacking in expertise on environmental issues such as climate, water, forests, and bio-diversity.

Internally, a multi-year series of digital transformations were launched to prepare for intense global competition. Issuance of an SDG Bond to finance sustainability-related projects such as biomass co-generation, onsite ammonia production, and the strategic acquisition Nualtra, is further evidence that the Ajinomoto Group is taking the steps to invest in realizing the sustainable future they seek. These initiatives set the foundation for the Group successfully practice Stakeholder Capitalism.

■ Integrated Report: Strategy integration

In the Integrated Report, the Ajinomoto Group makes great strides in conveying its long-term, integrated strategy. However, more work is needed to clearly articulate positive and negative outcomes of the Group's activities in terms of the <IR> Six Capitals. By reordering the information to start with the discussion on the 'Macro environment surrounding the Ajinomoto Group' and then get more specific about the Group's 2030 Outcomes, and the medium-term plan would provide readers with more context to better understanding the overall 'Vision and Strategy' though.

While I would have liked to see 'Review of Fiscal 2020 Financial Results by Segment' more towards the beginning of the report, I liked that 'Growth Strategies' and 'Core Businesses and Solutions for Social Issues' followed the format of reporting by core business unit. In the Integrated Report, I was very pleased to see new metrics attributing approximate CO₂, plastic usage, and food loss and waste disposal percentage/footprint to each business unit. This evidences that environmental issues are taken into consideration in the risk and opportunity assessments. However, elaboration of these environmental risks and opportunities would strengthen the discussion of 'Growth Strategies for the Core Business,' particularly as they relate to the Frozen Foods and Health Care.

Generally speaking, there is some work to do to integrate sustainability components into the financial accounting. While the medium-term management plan incorporates material topics the financial plan does not quite seem to keep pace. Sustainability-related references from the 'Our Vision and Strategy' section do not yet fully carry over to the sections on 'Financial Capital Strategy.' One wonders: How does Rapid Response to Consumer Lifestyle Changes relate to enhancing ROIC in terms of increased profitability through organic sales growth? What effect does Climate Change Adaptation and Mitigation have on objectives to improve operational efficiency? Do efforts for Conservation of Water Resources reduce tax cost, optimize working capital, and invest effectively for the long-term? Does Contribution to a Circular Economy effect efforts to improve capital efficiency through working capital optimization and effective long-term investment?

As stakeholder expectations around climate related-risk disclosures mount, stakeholders will expect closer adherence to the TCFD framework. I look forward to seeing how the Group uses this framework to link climate issues to financial statements.



**Celine Solsken
Ruben-Salama**

Principal, FOR THE LONG-
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Global review

Sustainability Data Book: Data and activity reports

As always, the Ajinomoto Group presents a wealth of impressive sustainability data points and information around a very comprehensive set of programs. Much of the data is third party assured. Presenting the Environmental, Personnel and Labor-Related data in Excel format shows a dedication to transparency which is admirable. An additional SASB metrics workbook would be helpful as well. As the Group's Climate-related Scenario Analysis develops, I would expect to see metrics around climate-related risks and opportunities disclosed in a similar format.

The Group discloses more than half of the recommended SASB disclosures for its primary industry and is transparent about which disclosures are omitted. There is an opportunity to improve on SASB disclosures by harmonizing reported metrics with SASB recommended metrics. Reporting standardized metrics will become increasingly important as SASB reporting becomes more prevalent and expected by stakeholder.

For the Data Book itself, the balance between words and numbers feels lopsided. Currently, many metrics are interspersed with qualitative content throughout the 'Activity Reports,' making it difficult to get an overview of the trends easily. I'd like to see the 'Data Book' evolve into more of a pure play numbers book, and the 'Activity Reports' for each material item move into the disclosures on 'Materiality.' What is currently presented in the Data Book as the table of contents for the 'Activity Report by Materiality Items' would benefit greatly from the addition of columns for key metrics along with a traffic light-style status against targets for each material topic.

Throughout the 'Activity Reports' qualitative information could be streamlined. However, the scorecard-style overviews at the beginning of each material topic's 'Activity Report' are excellent for giving readers a quick overview of Ajinomoto's impacts, opportunities, risk and initiatives. While quantitative metrics and/or performance against targets are presented for most material topics in conjunction with the scorecard, this information should be further developed. Key metrics for the material topics 'Rapid Response to Consumer Lifestyle Changes' 'Assurance of Product Safety' 'Strong Corporate Governance,' and 'Preparation for Intense Global Competition' seem to be missing. For the latter two in particular, there is a real opportunity to connect these material topics with financial KPIs.

Perspective from Asia

Global climate change, COVID-19 Pandemic have been reshaping all walks of life. From individuals to businesses and governments, we all share various responsibilities to make our global village a better place to live in. It is very encouraging to see not just many accomplishments of the Ajinomoto Group as a reputable global corporate citizen has made amidst the current challenging time but also its commitments to sustainable development under its Vision for 2030 stated in their 2021 Integrated Report and the Sustainability Data Book.

The Ajinomoto Group's dedicated efforts in sustainability to resolve social and environmental issues significantly impacts people's lives around the globe is highly appreciated. The Group has not been satisfied by putting issues on the agenda only but has been committed to pragmatic progress and embedded the determination into its corporate structure at the global level with an aim to realizing the two outcomes toward 2030 – to help extend the healthy life expectancy of one billion people and reduce its environmental impact by 50%.

Its 2020-2025 Medium-Term Management Plan ("MTP") has set out a clear framework and roadmap towards its Vision 2030 is a good echo of the United Nation Sustainability Development Goals (UNSDGs). The establishments of the Sustainability Advisory Council and Sustainability Committee have demonstrated that the management is willing to formulate strategic direction towards its Vision and identify risks and opportunities on the way together with both external and internal stakeholders. Its inclusion of the young generation as key stakeholder is a forward-looking commitment and a good model. On this ground, I look forward to the expansion of the Sustainability Advisory Council and Sustainability Committee to include an even wider range of stakeholders, especially buyer and consumer groups, not just at the global level but also at the regional and local levels who are the final beneficiary of the achievement of sustainability, as well as global business partners and initiatives, who are also walking the same path together with the Ajinomoto Group so as to enrich the diversified stakeholder dialogues, knowledge exchange, experience sharing and most importantly, avoid duplication of resources, to formulate a resilient plan towards year 2030.

In addition to corporate framework, there are also positive developments in the materiality items outlined by the Ajinomoto Group in echo of the UNSDGs reflecting its action to seek sustainable materials sourcing, ensure partnerships



Joyce Chau

Director APAC
amfori

Global review

with various initiatives and establish its own traceability systems as well as audits. Its key raw materials, as revealed in its Sustainability Data Book 2021, are sourced from all around the world especially countries in the Asia Pacific region including China and ASEAN member states. As Asia has been becoming the key sourcing region as well as evolving diverse buyer market for the rest of the world, the roles of all stakeholders in Asia will grow significantly, including policymakers, practitioners and professional organizations, especially in areas such sustainable sourcing, responsible production and sustainable development, through the alignment of national policies and environmental performance and human rights due diligence and ESG reporting standards, etc., that can benefit all.

It is delighting to see the Ajinomoto Group has been actively participating in supply chain initiatives and stating expectations to suppliers, with its strong presence in global market, the Group is naturally expected to step further to lead to advocate at the regulatory level for sustainable policies in Asia region where it is headquartered to foster a more transparent and responsible supply chain. Take an example of the protection of migrant workers, given its large number as major workforce for multiple industries in Asia especially across the ASEAN member states, the Group has demonstrated a good example in this field by participating in an advisory capacity in putting together the Japan Platform for Migrant Workers towards Responsible and Inclusive Society created by the Japan International Cooperation Agency with an aim to resolving the issues faced by migrant workers in Japan. In this regard, we can foresee the potential of the Group in contributing to streamline and align sustainability standards through more engagement with regional governmental regulatory forum in ASEAN or global initiatives. amfori will be delighted to work together with the Group and other stakeholders on aligning global standards and to jointly explore best practices to excel the social performance of all.

Environmental issues have been well addressed by the Ajinomoto Group during the reporting year as it spares no efforts in adapting and mitigating the impact brought by climate change, with an aim to reducing greenhouse gas emissions by 50% by fiscal 2030 compared with fiscal 2018. We look forward to more joint collaborations of the Group with Asia's regional stakeholders to establish a mechanism for carbon emission trading to combat climate change and reduce greenhouse gas emissions cost-effectively in the coming years. It is encouraging to see that the Group has invested a lot in managing the environmental performance in multiple disciplines including raw materials, packaging, circular economy, etc.

Moving forward, through the Ajinomoto Group's unified actions with multi-stakeholders as championed by its leadership, amfori very much look forward to seeing more joint solutions that can continue to embed the UN Guiding Principles for Business and Human Rights and UNSDGs to be developed for addressing sustainability challenges of the Group and its supply chain partners especially those many Small Medium Size Enterprises (SMEs) facing in Asia.

Ajinomoto Group Sustainability Data Book 2021

Eat Well, Live Well.



Cover Story

Umami seasoning *AJI-NO-MOTO*[®] is available worldwide. The bowl image on the cover of this report comes from the well-known package design of *AJI-NO-MOTO*[®] marketed in Southeast Asia and South America.

* The bowl image is based on the Japanese bowls commonly used for the staple foods of rice and soups.

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Ajinomoto Group Sustainability Data Book 2021

Appendix 1 : Environmental Data

- Reduction of greenhouse gas emissions
- Conservation of water resources
- 3Rs of waste
- Third-party assurance

Scope of the Environmental Data

The environmental data of this section covers Ajinomoto Co., Inc. and other Group companies subject to the Ajinomoto Group Environmental Management as defined in the company's Environmental Regulations as of March 31, 2021. Performance statistics are for the 146 (Expanded the target business sites from those with CO₂ emissions to all business sites.), which substantially represent the environmental performance of the entire Ajinomoto Group under the consolidated financial accounting system.

Environmental Data

Reduction of greenhouse gas emissions

Greenhouse gas emissions calculated from IEA^[1] CO₂ emissions factors

(t-CO₂e)

By region	FY2016	FY2017	FY2018	FY2019	FY2020
Scope 1 emissions	1,270,429	1,244,676	1,196,969	1,013,315	1,008,811
Japan	345,958	361,142	327,345	302,700	293,358
Asia/Africa	550,319	519,025	526,405	376,020	389,741
Europe	48,589	46,282	39,021	41,463	37,902
North America	204,301	228,284	219,337	212,796	221,691
South America	99,319	66,896	67,231	65,408	53,877
China	21,943	23,047	17,629	14,926	12,242
Scope 2 emissions (market-based method)	1,121,770	1,072,248	1,015,723	960,375	901,789
Japan	143,670	136,505	141,952	118,337	120,119
Asia/Africa	415,967	441,259	427,389	414,365	380,604
Europe	210,988	182,140	184,253	171,196	158,749
North America	235,069	213,247	193,766	194,490	179,067
South America	62,139	60,420	40,308	38,306	32,692
China	53,937	38,677	28,056	23,681	30,558
Scope 1 and 2 total emissions	2,392,199	2,316,924	2,212,692	1,973,690	1,910,600
Japan	489,628	497,647	469,297	421,038	413,477
Asia/Africa	966,286	960,284	953,794	790,386	770,346
Europe	259,577	228,422	223,275	212,659	196,651
North America	439,370	441,531	413,103	407,286	400,758
South America	161,458	127,316	107,538	103,714	86,569
China	75,880	61,724	45,686	38,608	42,799

[1] International Energy Agency

(t-CO₂e)

By business activity/division ^[2]	FY2016	FY2017	FY2018	FY2019	FY2020	
Scope 1 emissions	1,270,429	1,244,676	1,196,969	1,013,315	1,008,811	
Business activities	Production	-	-	1,149,384	976,078	970,831
	Transportation	-	-	25,976	16,060	17,633
	Others (office, sales, R&D, etc.)	-	-	21,609	21,177	20,348
Business division	Food products	333,215	344,819	347,927	338,518	436,813
	AminoScience	937,214	899,857	849,041	674,797	571,998
Scope 2 emissions (market-based method)	1,121,769	1,072,248	1,015,723	960,375	901,789	
Business activities	Production	-	-	1,010,908	955,202	897,639
	Transportation	-	-	9	2	2
	Others (office, sales, R&D, etc.)	-	-	4,806	5,172	4,148
Business division	Food products	311,526	323,576	379,571	356,388	384,066
	AminoScience	810,243	748,672	636,152	603,988	517,722

[2] Figures of business activities of fiscal 2018 and fiscal 2019 were revised due to incorrect classification.

Greenhouse gas emissions per volume unit calculated from IEA CO₂ emissions factors

	FY2016	FY2017	FY2018	FY2019	FY2020
Scope 1 and 2 emissions per volume unit (intensity per ton of product)	0.90	0.86	0.84	0.79	0.79
Reference value: Production volume (1,000 t)	2,657	2,684	2,627	2,512	2,423
Scope 1 and 2 emissions per volume unit (intensity per million yen sales)	-	-	1.99	1.79	1.78
Consolidated sales (million yen)	-	-	1,114,308	1,100,039	1,071,453

Environmental Data

Ajinomoto Group products carbon footprint

Product	Production plant	CFP values ^[1] (per kg of product)	CFP values per serving ^[2]
(1) HON-DASHI®	Kawasaki Plant, Ajinomoto Food Manufacturing Co., Ltd.	14.08 kg-CO ₂ e	-
(2) Ajinomoto ㄱㄱ Consommé (Granules)	Takatsu Plant, Ajinomoto Food Manufacturing Co., Ltd.	6.87 kg-CO ₂ e	-
(3) Knorr® Cup Soup Tsubu Tappuri Corn Cream	Takatsu Plant, Ajinomoto Food Manufacturing Co., Ltd.	7.08 kg-CO ₂ e	-
(4) Ajinomoto ㄱㄱ Shirogayu 250 g	Takatsu Plant, Ajinomoto Food Manufacturing Co., Ltd.	0.81 kg-CO ₂ e	-
(5) Cook Do® Hoikoro	Kawasaki Plant, Ajinomoto Food Manufacturing Co., Ltd.	2.95 kg-CO ₂ e	1.21 kg-CO ₂ e per serving (approx. 700 g)
(6) Cook Do® Kyo-no Oozara Butabara Daikon	Shizuoka Plant, Ajinomoto Food Manufacturing Co., Ltd.	2.31 kg-CO ₂ e	2.90 kg-CO ₂ e per serving (approx. 1 kg)
(7) Nabe Cube Toridashi Umashio	Kunneppu Plant, Ajinomoto Food Manufacturing Hokkaido Co., Ltd.	8.54 kg-CO ₂ e	-
(8) Blendy® Stick Café au Lait (coffee mixes)	AGF Suzuka, Inc.	4.85 kg-CO ₂ e	-
(9) Lemon and Basil Fried Chicken (frozen foods)	Kyushu Plant, Ajinomoto Frozen Foods Co., Inc.	5.84 kg-CO ₂ e	-
(10) Yamaki Mentsuyu (400 ml and 500 ml)	Daini Plant and Minakami Plant, YAMAKI Co., Ltd.	2.02 kg-CO ₂ e	-
(11) Masako® Ayam (11 g)	Mojokerto Factory, PT AJINOMOTO INDONESIA	2.49 kg-CO ₂ e	-
(12) Aji-ngon® Pork flavor seasoning (400 g)	Long Thanh Factory, AJINOMOTO VIETNAM CO., LTD.	2.68 kg-CO ₂ e	-
(13) Ros Dee® Pork (75 g)	Nong Khae Factory, AJINOMOTO CO., (THAILAND) LTD.	3.15 kg-CO ₂ e	-

[1] Carbon footprint (CFP) values in the report are calculated in accordance with PCR No. PA-CG-02 from the Japan Environmental Management Association for Industry. The calculation system and the results are backed by a third-party assurance statement from Lloyd's Register Quality Assurance Limited, based on the ISO/TS 14067 standard.

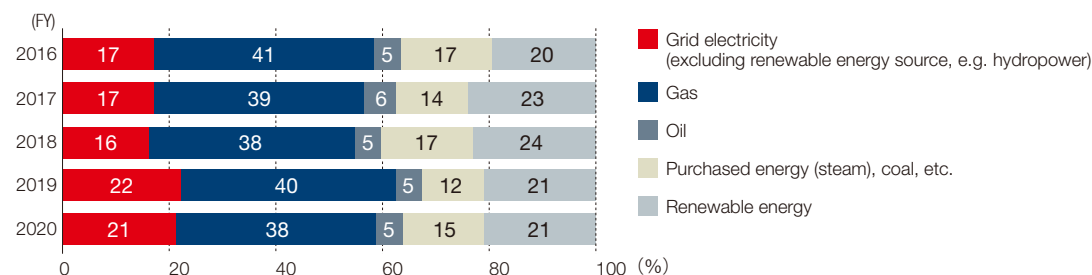
[2] CFP values of ingredients including vegetables and meat are included.

Energy input

	FY2016	FY2017	FY2018	FY2019	FY2020
Energy input (TJ) ^[3]	39,105	39,589	38,468	34,619	33,494
Energy input intensity of production (per kilo tons of product)	14.7	14.8	14.6	13.8	13.8

[3] TJ: terajoule, T (tera) = 10¹². The joule conversion factors officially published in 2005 have been used.

Composition of consumed energy (thermal equivalent)



Environmental Data

NOx and other atmospheric emissions

(tons)

	FY2018	FY2019	FY2020
Nitrogen oxide (NOx)	9,421	5,224	6,637
Sulfur oxide (SOx)	10,701	6,779	7,016
Particulates	1,827	884	1,310
CFCs	11	9 ^[1]	7

[1] The figure has been revised because CFC, HCFC, and HFC have been redefined to exclude non-fluorocarbons such as natural refrigerants.

Conservation of water resources

Water use/intensity

(1,000 kl)

	FY2005 (Base Year)	FY2016	FY2017	FY2018	FY2019	FY2020
Total water withdrawal ^[2]	221,863	74,041	74,844	69,892	66,926	64,406
Fresh surface water	180,363	23,559	24,433	20,672	19,630	17,004
Brackish surface water/ seawater	0	0	0	0	0	0
Fresh groundwater, renewable	0	0	0	0	0	0
Fresh groundwater, non-renewable	-	15,859	16,371	15,076	14,366	13,041
Produced water	0	0	0	0	0	0
Municipal water (including industrial water)	41,500	34,623	34,041	34,144	32,930	34,361
Water consumption per production volume unit (intensity per ton of product)	123	28	28	27	27	27
Reduction rate (vs. FY2005)	-	77%	77%	78%	78%	78%
Ref.: Total amount of production (1,000 t)	1,800	2,657	2,684	2,627	2,512	2,423
Total water discharge	201,300	59,701	60,464	55,800	52,342	51,564
Fresh surface water (processed by the Group) ^[3]	47,000	25,872	28,341	27,498	24,297	24,088
Brackish surface water/ seawater	0	0	0	0	0	0
Groundwater	0	0	0	0	0	0
Third-party destinations ^[3]	10,300	11,456	11,299	11,273	11,291	11,139
Total water recycled or reused	144,000	22,373	20,824	17,029	16,754	16,338
Proportion of water recycled or reused	65%	30%	28%	24%	25%	25%
Total water consumption	20,563	14,340	14,380	14,092	14,584	12,842
BOD (tons)	550	269	294	312	283	284
Nitrogen (tons)	3,200	445	394	501	506	583

[2] We disclose water withdrawal based on measurements or invoiced volumes according to the applicable national or local laws. We may also disclose water withdrawal based on a volume conversion from pump power use or pipe water speed. We disclose water discharge volume and quality based on values collated from measurements based on applicable national or local laws.

[3] Data of fiscal 2005, 2016-2019 are recalculated due to change of definition.

Environmental Data


3Rs of waste

Volume of waste and by-products and resource recovery ratio

(tons)

	FY2016	FY2017	FY2018	FY2019	FY2020
Hazardous waste (waste acid, waste alkali, waste oil, cinder)					
Generated	59,217	59,162	69,991	83,834	81,216
Recycled	58,890	58,862	68,422	83,429	80,892
Incinerated	54	24	40	60	38
Landfills	274	276	1,529	345	286
Non-hazardous waste					
By-products					
Generated	2,337,284	2,395,249	2,194,566	2,021,002	1,615,808
Composted	2,335,451	2,394,976	2,194,470	2,020,885	1,615,713
Incinerated	0	0	0	0	0
Landfills	1,832	273	96	117	95
Other					
Generated	178,861	178,989	174,651	181,246	173,310
Recycled	163,414	161,455	153,388	156,432	150,295
Incinerated	3,021	2,066	2,821	2,121	1,784
Landfills	12,426	15,467	18,442	22,693	21,231
Total generated	2,575,361	2,633,400	2,439,208	2,286,082	1,870,334
Total recycled	2,557,755	2,615,293	2,416,280	2,260,745	1,846,900
Total waste	17,606	18,107	22,928	25,337	23,434
Resource recovery ratio	99.3%	99.3%	99.1%	98.9%	98.7%

Third-party assurance



LR Independent Assurance Statement

Relating to Ajinomoto Co., Inc.'s Environmental and Social Data within Ajinomoto Group Sustainability Data Book 2021 for the fiscal year 2020

This Assurance Statement has been prepared for AJINOMOTO Co., Inc. in accordance with our contract but is intended for the readers of this report.

Terms of engagement
Lloyd's Register Quality Assurance (LR) was commissioned by AJINOMOTO Co., Inc. ("the Company") to provide independent assurance on its Environmental and Social data within Ajinomoto Group Sustainability Data Book 2021 ("the report") for the fiscal year 2020 (from 1 April 2020 to 31 March 2021), against the assurance criteria below to a limited level of assurance and at the materiality of the professional judgement of the verifier using ISAE 3000 and ISO 14064-3 for GHG emissions data.

Our assurance engagement covered the Company's operations and activities in Japan and overseas and specifically the following requirements:

- Verifying conformance with the Company's reporting methodologies for the selected dataset;
- Evaluating the accuracy and reliability of data for the selected environmental and social indicators listed below:¹
 - Scope 1 GHG emissions² (tonnes CO₂e)
 - Scope 2 GHG emissions, market-based and location-based² (tonnes CO₂e)
 - Scope 3 GHG emissions associated with Categories 1 to 15 (tonnes CO₂e)
 - Lost Time Injury Frequency Rate (LTIFR)³
 - Occupational Illness Frequency Rate (OIFR)³

Our assurance engagement excluded the data and information of the Company's suppliers, contractors and any third-parties mentioned in the report.

LR's responsibility is only to the Company. LR disclaims any liability or responsibility to others as explained in the end footnote. The Company's responsibility is for collecting, aggregating, analysing and presenting all the data and information within the report and for maintaining effective internal controls over the systems from which the report is derived. Ultimately, the report has been approved by, and remains the responsibility of the Company.

LR's Opinion
Based on LR's approach nothing has come to our attention that would cause us to believe that the Company has not, in all material respects:


- Met the requirements above
- Disclosed accurate and reliable environmental and social data

The opinion expressed is formed on the basis of a limited level of assurance and at the materiality of the professional judgement of the verifier.

Note: The extent of evidence-gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically checking source data at sites. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

¹ GHG quantification is subject to inherent uncertainty.
² Scope 1 and Scope 2 GHG emissions cover only energy-oriented CO₂ at Manufacture sites.
³ Including office work only sites.

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LR's approach
LR's assurance engagements are carried out in accordance with ISAE3000 and ISO14064-3 for GHG emissions. The following tasks were undertaken as part of the evidence gathering process for this assurance engagement:

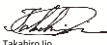
- Auditing the Company's data management systems to confirm that there were no significant errors, omissions or mis-statements in the report. We did this by reviewing the effectiveness of data handling procedures, instructions and systems, including those for internal verification.
- Interviewing with key people responsible for compiling the data and drafting the report.
- Sampling datasets and tracing activity data back to aggregated levels;
- Verifying the historical GHG emissions, Lost Time Injury Frequency Rate (LTIFR) and Occupational Illness Frequency Rate (OIFR) data and associated records for the fiscal year 2020; and
- By implementing a "No Visitor" Policy due to the global infection spread of COVID-19, conducting the remote verification to Shizuoka Factory of Ajinomoto Food Manufacturing Co., Ltd. and Osaka Factory of AJINOMOTO FROZEN FOOD Co., Inc. for confirming the effectiveness of its data management system via emails, telephone, and Skype for Business. The data for the all sites was reviewed at the head office of AJINOMOTO Co., Inc..

Observations
The company is expected to continue its efforts for implementing quality assurance and quality control (QA/QC) systems in data and information management. At that time, this is particular to ensure effective internal verification processes at both the corporate and member company levels.

LR's standards, competence and independence
LR implements and maintains a comprehensive management system that meets accreditation requirements for ISO 14065 Greenhouse gases – Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition and ISO/IEC 17021-1 Conformity assessment – Requirements for bodies providing audit and certification of management systems – Part 1: Requirements that are at least as demanding as the requirements of the International Standard on Quality Control 1 and comply with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants.

LR ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

The verification and certification assessments are the only work undertaken by LR for the Company and as such do not compromise our independence or impartiality.

Signed: 
Takahiro Ito
LR Lead Verifier
On behalf of Lloyd's Register Quality Assurance Limited
10th Floor, Queen's Tower A, 2-3-1 Minatomirai, Nishi-ku, Yokohama, JAPAN

Dated: 13 June 2021

LR reference: YKA4005113

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Ajinomoto Group Sustainability Data Book 2021

Appendix 2 : Personnel and Labor-Related Data

- Directors statistics
- Employee statistics
- Work-life balance-related programs
- Frequency of serious accidents and accidents with absence
- Number of hotline (whistleblowing) reports
- Third-party assurance

Scope of the personnel and labor-related data

The personnel and labor-related data of this section covers Ajinomoto Co., Inc. and its consolidated subsidiaries (28 in Japan, 88 overseas) as of March 31, 2021.

Definitions of terms

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

Personnel and Labor-Related Data

Director statistics

Number of directors (Ajinomoto Co., Inc.)

(persons)

	as of June 30, 2019			as of June 30, 2020			as of June 30, 2021		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Ajinomoto Co., Inc.	9	7	2	9	7	2	11	8	3
Ratio	100%	78%	22%	100%	78%	22%	100%	73%	27%

Directors by age (Ajinomoto Co., Inc.)

(persons)

	as of June 30, 2019				as of June 30, 2020				as of June 30, 2021			
	Total	age <30	age 30- <50	age 50-	Total	age <30	age 30- <50	age 50-	Total	age <30	age 30- <50	age 50-
Ajinomoto Co., Inc.	9	0	0	9	9	0	0	9	11	0	0	11
Ratio	100%	0%	0%	100%	100%	0%	0%	100%	100%	0%	0%	100%

Employee statistics

Number of Ajinomoto Group employees

(persons)

	FY2018			FY2019			FY2020		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Ajinomoto Group total	44,199	-	-	41,533	-	-	42,542	-	-
Employees	34,504	24,467	10,037	32,509	22,894	9,615	33,461	23,536	9,924
Management	4,911	3,804	1,107	4,839	3,674	1,165	4,977	3,685	1,292
Non-management	29,521	20,607	8,914	27,580	19,151	8,429	28,397	19,784	8,614
Contract staff	72	56	16	90	69	21	86	67	19
Temporary staff	9,695	-	-	9,024	-	-	9,081	-	-
Japan	14,991	-	-	13,196	-	-	12,636	-	-
Employees	9,219	6,913	2,306	7,945	5,781	2,164	7,709	5,570	2,140
Management	2,203	2,024	179	2,037	1,840	197	1,952	1,746	206
Non-management	6,944	4,833	2,111	5,818	3,872	1,946	5,671	3,757	1,914
Contract staff	72	56	16	90	69	21	86	67	19
Temporary staff	5,772	-	-	5,251	-	-	4,927	-	-
Asia	17,305	-	-	16,251	-	-	17,130	-	-
Employees	13,819	9,730	4,089	12,873	9,195	3,678	13,765	9,825	3,940
Management	1,597	1,008	589	1,607	1,016	591	1,789	1,121	668
Non-management	12,222	8,722	3,500	11,266	8,179	3,087	11,976	8,704	3,272
Temporary staff	3,486	-	-	3,378	-	-	3,365	-	-
EMEA ^[1]	3,972	-	-	3,951	-	-	3,974	-	-
Employees	3,557	2,458	1,099	3,584	2,478	1,106	3,600	2,476	1,124
Management	420	290	130	465	317	148	497	329	168
Non-management	3,137	2,168	969	3,119	2,161	958	3,102	2,147	955
Temporary staff	415	-	-	367	-	-	374	-	-
The Americas	7,931	-	-	8,135	-	-	8,802	-	-
Employees	7,909	5,366	2,543	8,107	5,440	2,667	8,387	5,666	2,721
Management	691	482	209	730	501	229	738	490	249
Non-management	7,218	4,884	2,334	7,377	4,939	2,438	7,648	5,176	2,472
Temporary staff	22	-	-	28	-	-	415	-	-
Ref.: Ajinomoto Co., Inc.	3,928	2,638	1,290	3,607	2,437	1,170	3,404	2,286	1,118
Employees	3,494	2,444	1,050	3,401	2,327	1,074	3,184	2,177	1,007
Management	1,098	994	104	1,105	989	116	989	876	113
Non-management	2,324	1,394	930	2,206	1,269	937	2,109	1,234	875
Contract staff	72	56	16	90	69	21	86	67	19
Temporary staff	434	194	240	206	110	96	220	109	111

[1] Europe, the Middle East and Africa

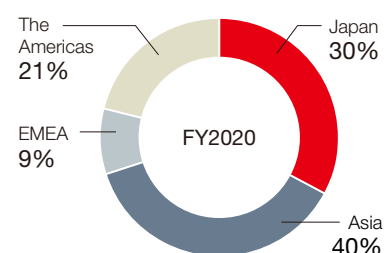
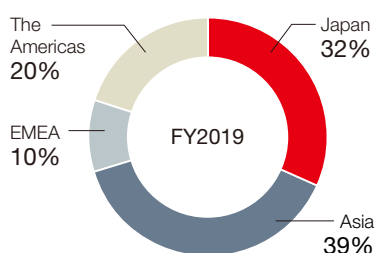
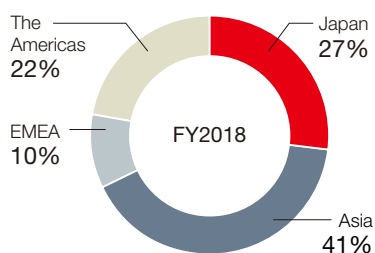
Personnel and Labor-Related Data

Ajinomoto Group employee ratio

Numbers in parentheses indicate male and female percentages.

	FY2018			FY2019			FY2020		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Ajinomoto Group total	100%	-	-	100%	-	-	100%	-	-
Employees	78%	(71%)	(29%)	78%	(70%)	(30%)	79%	(70%)	(30%)
Management	11%	(77%)	(23%)	12%	(76%)	(24%)	12%	(74%)	(26%)
Non-management	67%	(70%)	(30%)	66%	(69%)	(31%)	67%	(70%)	(30%)
Contract staff	0%	(78%)	(22%)	0%	(77%)	(23%)	0%	(78%)	(22%)
Temporary staff	22%	-	-	22%	-	-	21%	-	-
Japan	100%	-	-	100%	-	-	100%	-	-
Employees	61%	(75%)	(25%)	60%	(73%)	(27%)	61%	(72%)	(28%)
Management	15%	(92%)	(8%)	15%	(90%)	(10%)	15%	(89%)	(11%)
Non-management	46%	(70%)	(30%)	44%	(67%)	(33%)	45%	(66%)	(34%)
Contract staff	0%	(78%)	(22%)	1%	(77%)	(23%)	1%	(78%)	(22%)
Temporary staff	39%	-	-	40%	-	-	39%	-	-
Asia	100%	-	-	100%	-	-	100%	-	-
Employees	80%	(70%)	(30%)	79%	(71%)	(29%)	80%	(71%)	(29%)
Management	9%	(63%)	(37%)	10%	(63%)	(37%)	10%	(63%)	(37%)
Non-management	71%	(71%)	(29%)	69%	(73%)	(27%)	70%	(73%)	(27%)
Temporary staff	20%	-	-	21%	-	-	20%	-	-
EMEA	100%	-	-	100%	-	-	100%	-	-
Employees	90%	(69%)	(31%)	91%	(69%)	(31%)	91%	(69%)	(31%)
Management	11%	(69%)	(31%)	12%	(68%)	(32%)	13%	(66%)	(34%)
Non-management	79%	(69%)	(31%)	79%	(69%)	(31%)	78%	(69%)	(31%)
Temporary staff	10%	-	-	9%	-	-	9%	-	-
The Americas	100%	-	-	100%	-	-	100%	-	-
Employees	100%	(68%)	(32%)	100%	(67%)	(33%)	95%	(68%)	(32%)
Management	9%	(70%)	(30%)	9%	(69%)	(31%)	8%	(66%)	(34%)
Non-management	91%	(68%)	(32%)	91%	(67%)	(33%)	87%	(68%)	(32%)
Temporary staff	0%	-	-	0%	-	-	5%	-	-
Ref.: Ajinomoto Co., Inc.	100%	(67%)	(33%)	100%	(68%)	(32%)	100%	(67%)	(33%)
Employees	89%	(70%)	(30%)	94%	(68%)	(32%)	94%	(68%)	(32%)
Management	28%	(91%)	(9%)	31%	(90%)	(10%)	29%	(89%)	(11%)
Non-management	59%	(60%)	(40%)	61%	(58%)	(42%)	62%	(59%)	(41%)
Contract staff	2%	(78%)	(22%)	2%	(77%)	(23%)	3%	(78%)	(22%)
Temporary staff	11%	(45%)	(55%)	6%	(53%)	(47%)	6%	(50%)	(50%)

Group employees by region



Personnel and Labor-Related Data

Ratio of locally hired overseas executives

(persons)

	FY2018	FY2019	FY2020
Total overseas executives	178	177	163
Local executives	73	73	63
Local executive ratio	41%	41%	39%

Number of new hires, retention rate

(persons)

	FY2018			FY2019			FY2020		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Total number of new hires (new graduates + mid-career)	7,303	-	-	4,349	-	-	3,999	-	-
Japan	387	-	-	303	-	-	208	-	-
Asia	4,183	-	-	1,314	-	-	835	-	-
EMEA	2,261	-	-	344	-	-	334	-	-
The Americas	472	-	-	2,388	-	-	2,622	-	-
Ref.: Ajinomoto Co., Inc.	124	71	53	99	57	42	73	50	23
New graduates	87	49	38	88	49	39	47	29	18
Mid-career	37	22	15	11	8	3	26	21	5
Management	4	4	0	0	0	0	4	4	0
Non-management	33	18	15	11	8	3	22	17	5
Ratio of mid-career recruitment	-	-	-	-	-	-	35.6%	42.0%	21.7%

Retention rate (3 years) for new graduates

Ajinomoto Co., Inc.	92.4%	91.5%	93.8%	94.5%	100.0%	85.0%	85.9%	90.5%	77.3%
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Diversity of new hires (Ajinomoto Co., Inc.)

(persons)

	FY2018			FY2019			FY2020		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Total	-	-	-	-	-	-	26	21	5
Non-management	age <30	-	-	-	-	-	4	3	1
	age 30-39	-	-	-	-	-	18	14	4
	age 40-49	-	-	-	-	-	0	0	0
	age 50-59	-	-	-	-	-	0	0	0
	age 60-	-	-	-	-	-	0	0	0
Management (junior)	age <30	-	-	-	-	-	0	0	0
	age 30-39	-	-	-	-	-	1	1	0
	age 40-49	-	-	-	-	-	0	0	0
	age 50-59	-	-	-	-	-	0	0	0
	age 60-	-	-	-	-	-	0	0	0
Management (middle)	age <30	-	-	-	-	-	0	0	0
	age 30-39	-	-	-	-	-	0	0	0
	age 40-49	-	-	-	-	-	2	2	0
	age 50-59	-	-	-	-	-	1	1	0
	age 60-	-	-	-	-	-	0	0	0
Management (senior)	age <30	-	-	-	-	-	0	0	0
	age 30-39	-	-	-	-	-	0	0	0
	age 40-49	-	-	-	-	-	0	0	0
	age 50-59	-	-	-	-	-	0	0	0
	age 60-	-	-	-	-	-	0	0	0

Personnel and Labor-Related Data

Number of retirees, turnover, reemployment

(persons)

	FY2018			FY2019			FY2020		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Total number of retirees	7,330	-	-	4,535	-	-	4,113	-	-
Japan	361	-	-	322	-	-	410	308	102
Retired	138	-	-	144	-	-	109	86	23
Resigned for personal reasons	223	-	-	178	-	-	301	222	79
Overseas (Resigned for personal reasons, etc.)	6,969	-	-	4,213	-	-	3,703	-	-
Ref.: Ajinomoto Co., Inc.	116	86	30	135	100	35	237	195	42
Retired	51	46	5	69	55	14	52	40	12
Resigned for personal reasons	65	40	25	66	45	21	185 ^[1]	155	30
Turnover ^[2]									
Ajinomoto Co., Inc.	1.6%	1.3%	2.3%	1.6%	1.5%	1.9%	4.8%	5.6%	2.7%
Reemployed after retirement									
Japan	111	-	-	127	-	-	85	69	16
Ref.: Ajinomoto Co., Inc.	28	-	-	36	-	-	29	24	5
Under reemployment program	7	0	7	0	0	0	0	0	0
Seniors (after retirement)	21	-	-	36	-	-	29	24	5
Ref.: Number of employees registered in reemployment program (Ajinomoto Co., Inc.)									
Employees registered	46	4	42	44	4	40	45	5	40
Newly registered	17	1	16	5	0	5	6	1	5

[1] Including 144 retirees applied for special career program.

[2] Only includes employees resign for personal reasons.

Number of personnel with disabilities (Japan only)

(persons)

	As of June 1, 2019	As of June 1, 2020	As of June 1, 2021
Employees	300.5	293.5	280.0
Ajinomoto Co., Inc.	91.0	86.0	85.0
Group companies ^[3]	209.5	207.5	195.0
Percentage of workforce rate	2.23%	2.22%	2.26%
Ajinomoto Co., Inc.	2.06%	1.98%	2.01%
Group companies ^[3]	2.31%	2.34%	2.39%

[3] Numbers refer to 17 consolidated subsidiaries with 45.5 or more regular workers, and a special-purpose subsidiary Ajinomoto Mirai Co., Ltd.

Age, years of employment, salary

	FY2018			FY2019			FY2020		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Average age									
Ajinomoto Co., Inc.	43.6	44.4	41.5	43.9	44.7	41.7	44.1	44.8	42.2
Group companies in Japan	42	-	-	41.4	-	-	40.4	-	-
Overseas Group companies	33.5	-	-	37	-	-	36.5	-	-
Average years of employment									
Ajinomoto Co., Inc.	19.9	20.6	18.1	19.9	20.9	17.4	20.2	20.9	18.4
Group companies in Japan	12.8	-	-	14.1	-	-	13.5	-	-
Overseas Group companies	7.6	-	-	9.4	-	-	9.2	-	-
Average annual salary ^[4] (thousand yen)									
Ajinomoto Co., Inc.	9,823	-	-	9,557	-	-	9,971	-	-

[4] Average for employees (excluding contract staff)

Personnel and Labor-Related Data

Number of employees (without contract staff) by age (Ajinomoto Co., Inc. only)

(persons)

	FY2018			FY2019			FY2020		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Total	-	-	-	-	-	-	3,184	2,177	1,007
age <30	-	-	-	-	-	-	383	217	166
age 30-39	-	-	-	-	-	-	773	504	269
age 40-49	-	-	-	-	-	-	1,190	852	338
age 50-59	-	-	-	-	-	-	753	533	220
age 60-	-	-	-	-	-	-	85	71	14

Employees age ratio (without contract staff) (Ajinomoto Co., Inc. only)

	FY2018			FY2019			FY2020		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Total	-	-	-	-	-	-	100%	68%	32%
age <30	-	-	-	-	-	-	12%	7%	5%
age 30-39	-	-	-	-	-	-	24%	16%	8%
age 40-49	-	-	-	-	-	-	37%	27%	11%
age 50-59	-	-	-	-	-	-	24%	17%	7%
age 60-	-	-	-	-	-	-	3%	2%	0%

Number of new managers promoted (Ajinomoto Co., Inc. only)

(persons)

	FY2018			FY2019			FY2020		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Number of new managers	-	-	-	-	-	-	78	63	15
Ratio	-	-	-	-	-	-	100%	81%	19%

Working hours (Ajinomoto Co., Inc. only)

	FY2018	FY2019	FY2020
Average annual working hours	1,820	1,812	1,878
Average paid leave days	16.3	16.9	14.8
Paid leave utilization rate	84.3%	86.7%	75.1%

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

	FY2018	FY2019	FY2020
Annual expenditures for education and training (million yen)	513	462	393
Annual average time of training and education per employee (hours)	13	13	13

Labor union membership ratio (Ajinomoto Co., Inc. only)

	FY2018	FY2019	FY2020
Labor union membership ratio	61.6%	61.7%	63.0%

Personnel and Labor-Related Data

Work-life balance (WLB) -related programs (Ajinomoto Co., Inc. only)

Program		Details
Anywhere office		Allows employees to work at home or at a satellite office.
Super flextime		Flextime system without setting core time, or a time zone in which working is required, aimed at supporting efficient fulfillment of work duties and improving WLB.
Hourly paid leave system		Allows employees to take paid leave of up to 40 hours per year in hourly units.
Child care leave system		Allows employees with children who have not yet entered junior high school to take up to 10 days of childcare leave per fiscal year per child.
Nursing care leave system		Allows employees to take leaves for 10 days per eligible family member (20 days if there are 2 or more eligible family members)
Volunteer leave system		Allows employees to take volunteer leave of up to 8 days per fiscal year in case he or she is qualified for volunteer work by an NPO, social welfare foundation, or other organization.
WLB leave system		Allows employees to take 3 consecutive days of leave separate from ordinary paid leave (once per year).
Refreshment leave system		Allows employees to take rejuvenation leave of 9, 16, 30, and 16 days one time in the age ranges of 25–32, 33–40, 41–48, and 49–56, respectively.
WLB short working hours system	Short time work for childcare	Allows employees to take leave up to 2 hours and 30 minutes per day until the child enters the 4th grade of elementary school.
	Short time work for nursing care	Allows employees to take leave up to 2 hours and 30 minutes per day to provide care for certain family members until such care is no longer needed.
Area application system		Allows employees to request to work in a specific area due to childcare, family care, or other applicable reasons (global employees: no transfer, regional employees: transfer to area different from that when hired).
WLB temporary retirement system	Temporary retirement for child care	Allows employees to take leave until the last day of April following the child's 1st birthday. A total of 15 days paid leave is provided.
	Temporary retirement for nursing care	Allows employees to take leave up to 1 year to care for a spouse, parents, or family within the 2nd-degree of kinship whom the employee supports.
	Temporary retirement for infertility treatment	Allows employees to take leave once in principle, up to 1 year, to receive advanced reproductive therapy.
	Temporary retirement for accompanying spouse on job transfer	Allows employees to take leave once, for a period between 1 and 3 years, to accompany their spouse on a job transfer that requires the spouse to change residence.
Re-employment system		Allows employees to register for re-employment in the event that retirement was unavoidable due to child-birth and newborn care, family and child care, or relocation because of marriage or spouse's job transfer.

Employee usage of WLB-related programs (Ajinomoto Co., Inc. only)

	FY2018			FY2019			FY2020		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Parenting leave program									
Number of users									
Parenting leave	122	23	99	151	40	111	135	28	107
Number of employees newly obtained the right to take childcare leave	174	124	50	154	104	50	132	81	51
Part-time parenting and work	154	0	154	145	1	144	141	1	140
Childcare leave	18	1	17	13	1	12	7	2	5
Usage ratio									
Parenting leave	-	18.5%	100.0%	-	38.5%	100.0%	-	34.5%	100.0%
Average parenting leave usage days	-	27	365	-	16	365	-	12	372
Reinstatement rate	100.0%	100.0%	100.0%	99.3%	100.0%	99.0%	100.0%	100.0%	100.0%
Retention rate	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Other WLB-related programs									
Number of users									
Nursing care leave	12	1	11	7	2	5	6	3	3
Nursing care temporary retirement	3	1	2	2	0	2	1	0	1
Part-time family care and work	-	-	-	-	-	-	0	0	0
Accumulated paid leave	79	22	57	68	29	39	55	22	33
Volunteer leave	36	-	-	42	-	-	1	-	-
Rejuvenation leave	160	-	-	105	-	-	101	-	-

Personnel and Labor-Related Data

Frequency of serious accidents and accidents with absence

Frequency of serious accidents and accidents with absence, and number of accident victims^[1]

	FY2016	FY2017	FY2018	FY2019	FY2020
No. of people (with absence)	119	110	134	118	146
No. of people (serious)	16	23	16	22	23
Lost-time injury frequency rate	1.37	1.39	1.49	1.46	1.90
Lost-workday rate	0.054	0.021	0.018	0.005	0.117
Occupational illness frequency rate	-	-	-	0	0

[1] Data from Ajinomoto Foods North America, Inc. and Ajinomoto Istanbul Food Industry and Trade Ltd. Co. were added in fiscal 2017.

Major accident and incidents^[2]

	FY2016	FY2017	FY2018	FY2019	FY2020
Number of caught-in-machinery accidents (Persons, serious accidents in parentheses)					
Japan	2 (1)	1 (1)	1 (0)	1 (0)	1 (1)
Overseas	3 (0)	9 (7)	7 (3)	5 (2)	5 (1)
Total	5 (1)	10 (8)	8 (3)	6 (2)	6 (2)
Number of fall accidents (Persons, serious accidents in parentheses)					
Japan	24 (2)	14 (3)	19 (4)	12 (1)	13 (1)
Overseas	6 (1)	9 (1)	13 (0)	10 (3)	16 (1)
Total	30 (3)	23 (4)	32 (4)	22 (4)	29 (2)
Number of lower back pain accidents (Persons, serious accidents in parentheses)					
Japan	8 (3) ^[3]	6 (4) ^[3]	9 (4) ^[3]	3 (1)	8 (1)
Overseas	8 (1) ^[3]	17 (8) ^[3]	7 (3) ^[3]	9 (0)	0 (0)
Total	16 (4) ^[3]	23 (12) ^[3]	16 (7) ^[3]	12 (1)	8 (1)
Number of serious accidents (excluding commuting accidents) (caught-in-machinery and fall accidents in parentheses)					
Japan	8 (3)	6 (4)	9 (4)	6 (1)	8 (2)
Overseas	8 (1)	17 (8)	7 (3)	15 (5)	15 (2)
Total	16 (4)	23 (12)	16 (7)	21 (6)	23 (4)
Number of serious commuting accidents					
Japan	4	3	3	3	0
Overseas	5	16	10	7	8
Total	9	19	13	10	8
Number of fatal accidents					
Japan	0	0	0	0	0
Overseas	0	0	0	1	1
Total	0	0	0	1	1

[2] Data from Ajinomoto Foods North America, Inc. and Ajinomoto Istanbul Food Industry and Trade Ltd. Co. were added in fiscal 2017.

[3] Corrections have been made as a result of review of totals.


Number of hotline (whistleblowing) reports^[4]

	FY2016	FY2017	FY2018	FY2019	FY2020
Human rights, harassment	33	28	47	45	50
Hiring, working condition	14	14	21	19	36
Quality, environment	1	1	1	1	3
Irregularity	2	2	1	4	3
Social manners, ethics	8	10	6	10	29
Proper job performance	6	13	20	8	45
Other	5	3	2	6	4
Total number of hotline reports	69	71	98	93	170

[4] Multiple issues reported in some cases.

Personnel and Labor-Related Data

Third-party assurance



LR Independent Assurance Statement

Relating to Ajinomoto Co., Inc.'s Environmental and Social Data within Ajinomoto Group Sustainability Data Book 2021 for the fiscal year 2020

This Assurance Statement has been prepared for AJINOMOTO Co., Inc. in accordance with our contract but is intended for the readers of this report.

Terms of engagement
Lloyd's Register Quality Assurance (LR) was commissioned by AJINOMOTO Co., Inc. ("the Company") to provide independent assurance on its Environmental and Social data within Ajinomoto Group Sustainability Data Book 2021 ("the report") for the fiscal year 2020 (from 1 April 2020 to 31 March 2021), against the assurance criteria below to a limited level of assurance and at the materiality of the professional judgement of the verifier using ISAE 3000 and ISO 14064-3 for GHG emissions data.

Our assurance engagement covered the Company's operations and activities in Japan and overseas and specifically the following requirements:

- Verifying conformance with the Company's reporting methodologies for the selected dataset;
- Evaluating the accuracy and reliability of data for the selected environmental and social indicators listed below:¹
 - Scope 1 GHG emissions² (tonnes CO₂e)
 - Scope 2 GHG emissions, market-based and location-based² (tonnes CO₂e)
 - Scope 3 GHG emissions associated with Categories 1 to 15 (tonnes CO₂e)
 - Lost Time Injury Frequency Rate (LTIFR)³
 - Occupational Illness Frequency Rate (OIFR)³

Our assurance engagement excluded the data and information of the Company's suppliers, contractors and any third-parties mentioned in the report.

LR's responsibility is only to the Company. LR disclaims any liability or responsibility to others as explained in the end footnote. The Company's responsibility is for collecting, aggregating, analysing and presenting all the data and information within the report and for maintaining effective internal controls over the systems from which the report is derived. Ultimately, the report has been approved by, and remains the responsibility of the Company.

LR's Opinion
Based on LR's approach nothing has come to our attention that would cause us to believe that the Company has not, in all material respects:


- Met the requirements above
- Disclosed accurate and reliable environmental and social data

The opinion expressed is formed on the basis of a limited level of assurance and at the materiality of the professional judgement of the verifier.

Note: The extent of evidence-gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically checking source data at sites. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

¹ GHG quantification is subject to inherent uncertainty.
² Scope 1 and Scope 2 GHG emissions cover only energy-oriented CO₂ at Manufacture sites.
³ Including office work only sites.

Page 1 of 2



LR's approach

LR's assurance engagements are carried out in accordance with ISAE3000 and ISO14064-3 for GHG emissions. The following tasks though were undertaken as part of the evidence gathering process for this assurance engagement:

- Auditing the Company's data management systems to confirm that there were no significant errors, omissions or mis-statements in the report. We did this by reviewing the effectiveness of data handling procedures, instructions and systems, including those for internal verification.
- Interviewing with key people responsible for compiling the data and drafting the report.
- Sampling datasets and tracing activity data back to aggregated levels;
- Verifying the historical GHG emissions, Lost Time Injury Frequency Rate (LTIFR) and Occupational Illness Frequency Rate (OIFR) data and associated records for the fiscal year 2020; and
- By implementing a "No Visitor" Policy due to the global infection spread of COVID-19, conducting the remote verification to Shizuoka Factory of Ajinomoto Food Manufacturing Co., Ltd. and Osaka Factory of AJINOMOTO FROZEN FOOD Co., Inc. for confirming the effectiveness of its data management system via emails, telephone, and Skype for Business. The data for the all sites was reviewed at the head office of AJINOMOTO Co., Inc.


Observations
The company is expected to continue its efforts for implementing quality assurance and quality control (QA/QC) systems in data and information management. At that time, this is particular to ensure effective internal verification processes at both the corporate and member company levels.

LR's standards, competence and independence
LR implements and maintains a comprehensive management system that meets accreditation requirements for ISO 14065 Greenhouse gases - Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition and ISO/IEC 17021-1 Conformity assessment - Requirements for bodies providing audit and certification of management systems - Part1: Requirements that are at least as demanding as the requirements of the International Standard on Quality Control 1 and comply with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants.

LR ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

The verification and certification assessments are the only work undertaken by LR for the Company and as such do not compromise our independence or impartiality.

Signed Dated: 13 June 2021



Takahiro Iio
LR Lead Verifier
On behalf of Lloyd's Register Quality Assurance Limited
10th Floor, Queen's Tower A, 2-3-1 Minatomirai, Nishi-ku, Yokohama, JAPAN

LR reference: YKA4005113

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