

**Eat
Well,
Live
Well.**



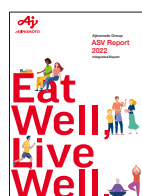
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Editorial policy

This Sustainability Data Book provides additional information to our ASV 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 2022 has been prepared in accordance with the GRI Standards: Core option.



Ajinomoto Group ASV Report 2022

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

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, 2022). When comprehensive Group information is not available, the data parameters are explicitly defined.

Period covered by this report

Fiscal 2021 (April 1, 2021 to March 31, 2022)

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

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

Ajinomoto Group Vision

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> Ajinomoto Group
Policies

Ajinomoto Group Vision

The Ajinomoto Group aims to become a solution-providing group of companies for food and health issues by 2030. To achieve this, we need to realize our outcome both helping extend the healthy life expectancy of one billion people and reducing our environmental impact by 50%.

The basic policy of our 2020-2025 Medium-Term Management Plan ("20-25 MTP") is to concentrate all our management resources on resolving food and health issues.

Purpose

Unlocking the power of amino acids to resolve the food and health issues.

Vision

Contribute to greater wellness for people worldwide, unlocking the power of amino acids to resolve the food and health issue associated with dietary habits and aging.

Outcome

By 2030, help extend the healthy life expectancy of 1 billion people

By 2030, reduce our environmental impact by 50%, while improving business performance

ASV Management

The Ajinomoto Group has grown by pursuing ASV (The Ajinomoto Group Creating Shared Value). ASV represents our unchanging commitment to help resolve social issues and create value through our business. This remains our fundamental management policy.

Conformance to compliance rules and procedures in every country and region, as well as adherence to international rules related to the 21st-century issues of human society will be necessary to promote ASV management. We will comply in good faith with the Ajinomoto Group Policy (AGP), which sets forth the way of thinking and actions that Group companies and their officers and employees should adhere to, and strive to become a solution-providing group of companies for food and health issues by earning trust through actions that comply with the policy.

Ajinomoto Group Vision

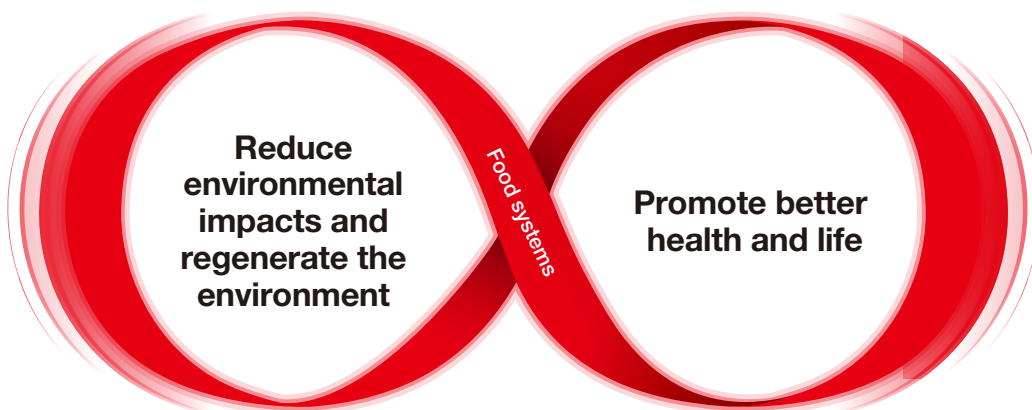
Our approach to achieving our goals for 2030

The business of the Ajinomoto Group is supported by sound food systems^[1] based on stable food resources and the vibrant natural environment. Today, when we are reaching the planetary boundaries, it is essential that we put in place efforts to regenerate the 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 acids 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.

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

Framework for ESG and Sustainability

Framework for ESG and sustainability

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> 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 and the Sustainability Development Dept. formulate the Group's sustainability strategy and roadmaps of related initiatives that include nutrition, the environment and society, following up with recommendations on how to incorporate sustainability into business plans, compile internal information related to ESG, and report to the Executive Committee and the Board of Directors.



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

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

Overview of the Sustainability Advisory Council

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

Since convened on April 1, 2021, the council has held a pre-meeting and three regular meetings.

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> Sustainability
Advisory Council

Framework for ESG and Sustainability

Overview of the Sustainability Committee

The 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 received from the Sustainability Advisory Council), and the strategic direction indicated by the Board. Matters 3) – 5) below are handled by the Risk & Crisis Subcommittee, which has been established as a subcommittee under the Sustainability Committee.

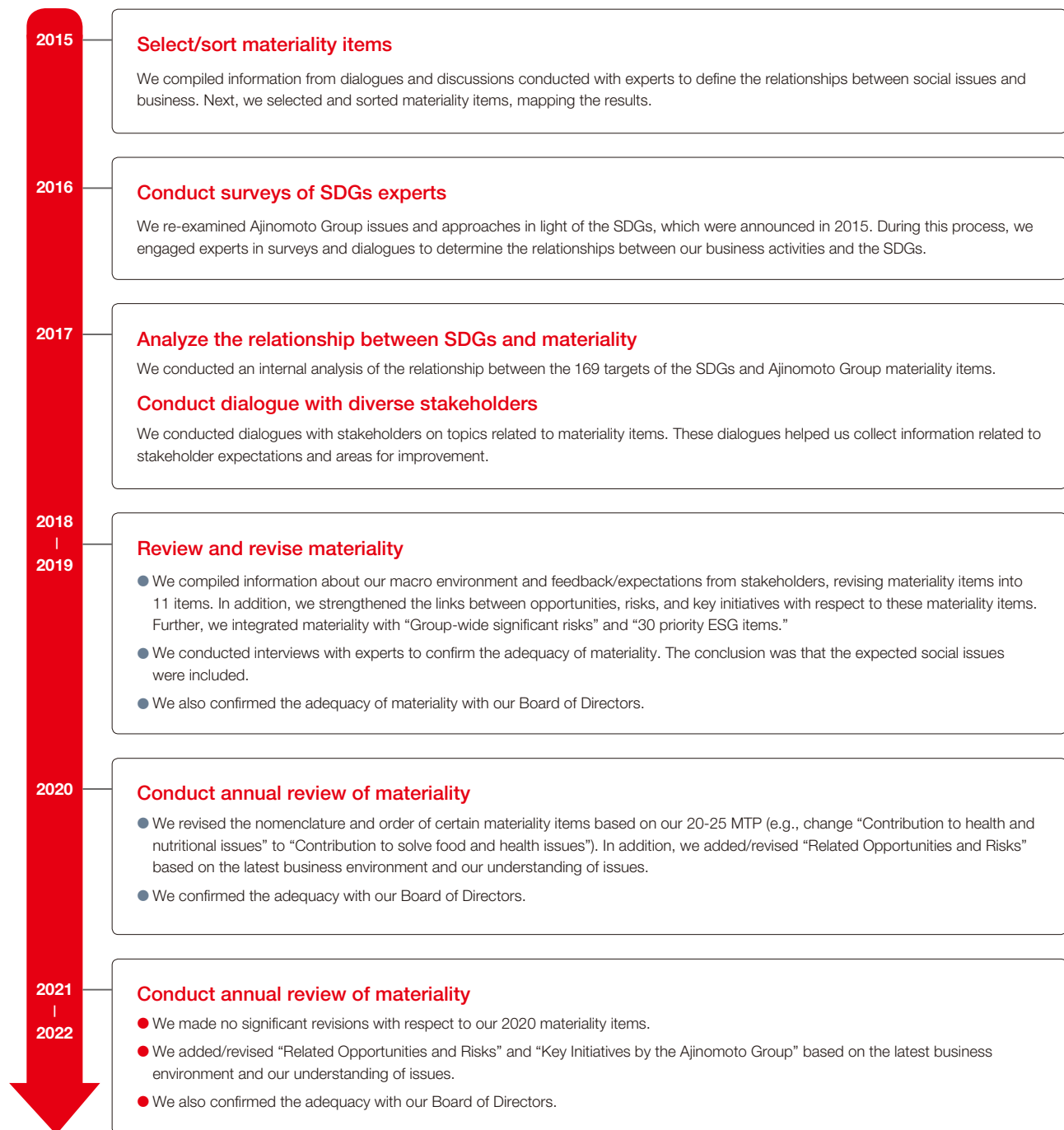
- 1) Risks and opportunities that have a Group-wide impact based on materiality items, and reflect them in business strategy
- 2) Pursuit sustainability-related initiatives
- 3) Develop and promote risk management processes that contribute to stronger internal controls
- 4) Manage and operate crisis-related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

Six meetings were held in fiscal 2021 to formulate and promote systems and strategies to achieve our 2030 goals of extending the healthy life expectancy of one billion people and reducing environmental impact by 50%.

Materiality

How we identify materiality items

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 management, 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

- The Sustainability Advisory Council considered materiality from a long-term perspective, reporting to the Board of Directors. The Board of Directors will identify new materiality items by the end of fiscal 2022.

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 2022, 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]

2022 2050
7.95 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

Major social changes due to the pandemic and the situation in Ukraine

- Changes in consumer behavior (in-home consumption, reluctance to go out, increased delivery, etc.)
- Increased awareness of hygiene and health management
- Growing sense of urgency regarding the stable supplies of goods and energy (resource capture, tendency toward local production for local consumption, etc.)
- Social fragmentation (polarization of rich and poor, increase in geopolitical risks)
- 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., D2C)
- Increasing opportunities for direct communication with consumers
- Increase in the influence of Generation Z

[1] United Nations (UN), 2019, 2022

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

[3] UN, 2020





[4] Intergovernmental Panel on Climate Change, 2021

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 etc. ● 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 ○ Increase in the number of channels for recruiting and promote human resources of diverse backgrounds ● Rising costs due to intense competition for human resources and loss of corporate reputation in the event of a failure to attract diverse human resources
Climate change adaptation and mitigation	<ul style="list-style-type: none"> ○ Initiatives toward net-zero GHG emissions, and cost competitiveness ensured through 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 conscious materials ● Damaged corporate value due to delays in waste reduction or recycling efforts ● Loss of business opportunities due to delays in complying with plastic waste regulations, etc.
Reduction of food loss and waste	<ul style="list-style-type: none"> ○ Cost reduction through efforts to improve yield in the production 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"> ○ Creating business opportunities by developing products in consideration of resource recycling and biodiversity ● Failure to procure raw materials, product recalls 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 ● Supply chain disruptions due to natural disasters, pandemics, or delays in responding to export restrictions in certain regions ● 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 ● 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 Supporting the practice of “delicious salt reduction” Promoting protein intake Supporting the practice of “delicious sugar and fat reduction” Workforce nutrition improvement 	<ul style="list-style-type: none"> Use of nutrient profiling systems for product development 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 Comprehensive quality assurance activities and human resources development 	
Diverse talent	<ul style="list-style-type: none"> Enhancing employee 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 Convert to fuels with lower greenhouse gas emissions emission factors 	<ul style="list-style-type: none"> 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) 	
Contribution to a circular economy	<ul style="list-style-type: none"> Supplying highly biodegradable amino acid-based detergent Reduce plastic usage and convert to mono-material packaging materials Contribute to social implementation of recycling in countries and regions where we do business Appeals on packaging labels to reduce plastic waste 		
Reduction of food loss and waste	<ul style="list-style-type: none"> Reduce losses in the production process Optimize supply-demand/supply/sales balance and extend best-before dates Pursue greater usefulness and efficiency Collaborate with suppliers, retailers, and distributors Develop products useful in reducing waste Engage in activities to reduce loss among consumers 		
Sustainable materials sourcing	<ul style="list-style-type: none"> Visualize issues in the supply chain Conduct human rights impact assessments Pursue animal welfare Establish traceability and purchase certified products 	<ul style="list-style-type: none"> 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"> Optimize production processes 		
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 	<ul style="list-style-type: none"> Establishing solutions-oriented R&D structure 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 its businesses while interacting with various stakeholders engaged in every process of its global supply chain. We have identified social issues, concerns, and risks closely related to each process as described below. We aim to resolve social and environmental issues through steady efforts and responses in collaboration with related parties.



Raw materials procurement

Social issues and concerns

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

Risks

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

Group initiatives

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

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

Production

Social issues and concerns

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

Risks

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

Group initiatives

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

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, increased work hour restrictions
- Occupational accidents • Potential human rights violation risks

Group initiatives

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

Sales

Social issues and concerns

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

Risks

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

Group initiatives

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

Consumers

Social issues and concerns

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

Risks

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

Group initiatives

- Reflect customer feedback on developing and improving products and services
- Provide appropriate information on packaging and via the internet
- Use environmentally conscious packaging materials
- Comprehensive quality assurance activities
- Products and services that are useful for improving nutrition

Dialogue and Collaboration with Stakeholders

Stakeholder engagement

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> IR

The Ajinomoto Group interacts with diverse stakeholders in the course of conducting its 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 are 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 the food and health issues.

Based on this recognition, our customer call center for product inquiries sincerely listens to each opinion and inquiry, we analyze this feedback, and then discuss and explore issues along with methods for improvement with the relevant business department. We also provide a variety of food-related experiences and information through our Group website, factory tours, events, and more. For example, in response to growing interest in ethical consumption among consumers, we offer menu ideas on our website that can reduce food loss and waste.

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 raise topics with strong needs, helping to enhance dialogue with shareholders and investors.

Dialogue and Collaboration with Stakeholders

> Ajinomoto Group
Policies

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 audits to share our expectations with business partners, with which they graciously understand and cooperate.

We are also making improvements to our products, such as adopting environmentally conscious packaging materials, through dialogue with our suppliers.

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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.

We are working to build an organizational culture that supports employee growth and encourages diversity and inclusion, as well as to provide various skills development and training opportunities necessary in building individual employee careers. In addition, we strive to promote an understanding of management and bring employee voices to management through direct dialogues with employees, the CEO, and general managers of business or corporate divisions, as well as AGP worksite meetings and social media platforms connecting employees globally.

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

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For reporting and consultation, we have not only established hotlines and internal and external harassment consulting services, but we have also established consulting services for persons with disabilities and those who identify as LGBT, taking appropriate action while safeguarding privacy. 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 nutritional 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.

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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.

Dialogue and Collaboration with Stakeholders

- > Participation in Initiatives
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Outside experts, NPOs, and 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, business associations, etc., with respect to the Ajinomoto Group are sincere dialogue and collaborative activities.

As for global initiatives, with regard to nutrition, NPOs and NGOs have expressed their expectation that the Group will strengthen efforts to address the double burden of malnutrition. In response to this feedback, we engage with international organizations such as GAIN^[1] and ATNF^[2]. And we take concrete action for nutritional improvement through local collaborative ecosystems and other methods.

As for initiatives in Japan, the sustainability of food distribution faces dangers due to a shortage of drivers and unique business practices. Through dialogue with stakeholders, the Group has identified issues and is working to realize smart distribution by engaging with business associations and collaborating with government agencies, making improvements to operational efficiency such as standardizing exterior packaging size and digitizing, and improving working environments for distribution workers.

[1] Global Alliance for Improved Nutrition

[2] Access to Nutrition Foundation: An organization that compiles the Access to Nutrition Index (ATNI) ranking the nutrition improvement activities of food and beverage companies

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 continues to advance a forward-looking approach to improving its contribution to society. The transparency of the Group's pathways to achieving its strategic goals in each area are clear and well considered, from the overarching aspects of extending healthy life expectancy to the more recent commitment to achieving carbon neutrality by 2050 in line with science-based targets. Continuous improvement is evident, with the Group's pushing the boundaries each year with new ambitions.

Moving forward, the Group should continue to focus on meticulous delivery of these important strategies, including addressing new challenges as they arise. Beyond this, the Group could consider leveraging and amplifying its strong influence to address the interconnected nature of impacts: healthcare and life sciences, climate, lifestyle, waste, water, nutrition, agriculture, technology—they are all connected as part of a holistic whole, and the need for social innovation that addresses interrelated dimensions of sustainable development is now urgent. The Group participates in UN platforms and other public-private partnerships, but I believe there is opportunity for further innovative leadership and engagement in and across sectors through the entire value chain, both upstream and downstream. I'd like to see the Group's spearheading interrelated research and innovation at the industry, national and international levels to help understand multiple impact lifecycles—including unintended negative impacts—and to help deliver new, integrated sustainable solutions for the greater good.



Elaine Cohen
Founder and CEO
Beyond Business Ltd.

With a clearly articulated 2030 integrated strategy, and the 2020-2025 Medium-Term Management Plan (MTP) in place, the work ahead for the Ajinomoto Group is to deliver against their ambitious targets. The Ajinomoto Group's recent activity in the sustainable finance space—the SDG Bond issuance and securing a Positive Impact-linked line of credit—positions them well, while evidencing that a strong commitment to a sustainable future can be beneficial from a financing perspective.

As we move beyond the global pandemic, the race to stabilize the climate, and transition to renewable energy is accelerating. I was pleased to see sophisticated climate-positive plans outlined in the SDG Bond issuance that track well with the Group's best-in-class GHG mitigation programs, and overarching commitment to reduce environmental impact by 50%. Both on-site biomass cogeneration facilities and on-site ammonia production facilities exemplify low-carbon, low-waste, circular thinking. Further investments in these areas are positive developments for the Group, and beyond.

In the next reporting cycle, I look forward to seeing details around the Group's assessment of its own resilience vis-à-vis climate-related physical and transition risks based on the results of the scenario analysis, and how this information is translated into financial statements. Further, I'll be following with interest the Group's efforts to further quantify and express social- and pre-financial value generated through the integrated strategy over time, especially as it relates to contributing to the resolution of food and health issues.



**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

A real contribution to sustainability requires going beyond reporting standards

While ESG management and reporting is becoming a more prominent part of the agenda of the international business community, regulators and standard setters are also stepping up their game. Next to voluntary guidelines and principles issued by (inter-)national organisations, stock exchanges and civil society platforms, formal regulations and directives are increasingly defining ESG.

For example, the European Commission has adopted rather complex regulations in an effort to tackle climate change and other sustainability challenges. These regulations include the Non-Financial Reporting Directive (NFRD) soon to be replaced by the Corporate Sustainability Reporting Directive (CSRD), the Sustainable Finance Disclosure Regulation (SFDR) and the Green Taxonomy. On other continents we see or expect to see similar developments.

Such regulations will clearly contribute to increasing the level playing field and assure that business across the board will do less harm. However, as meeting the rules and regulations requires a considerable effort, I see a risk that the resources of many large companies will mainly be focused on compliance. Yet, the sustainability challenges of our economies and societies require more than compliance. Innovation, product development and for example cross-organisational collaboration will be crucial in designing the solutions that will respect planetary boundaries and contribute to more equality and inclusiveness.

International companies like the Ajinomoto Group will have to strike the right balance between ESG compliance and ESG innovation (expanding the sustainable product portfolio). The world will be served better by improving the sustainability attributes of products, than by ever more comprehensive ESG reports. The Group will thrive because it will sell ever more sustainable and healthy products, more than by writing reports. I wish you well on your journey.



Wouter Scheepens

Partner of Steward Redqueen,
the sustainability and impact
consultancy based in Amsterdam,
The Netherlands

The Ajinomoto Group does not settle for less on the road to pursuing a sustainable future. It has identified materiality items to echo the UN Sustainable Development Goals (UNSDGs) with concrete actions, such as procuring renewable energy and introducing new technologies to achieve carbon neutrality by fiscal 2050 and rolling out the Positive Impact Finance scheme to include sustainable factors as part of the corporate KPIs. I am delighted to see that these targets are on good track and the Group is at the leading edge of building a resilient and sustainable food eco-system.

As the key player in the food industry, the Group can step further to advocate a more transparent and cohesive supply chain network in the region, fostering sustainable and responsible business conduct to address the needs of community at large who are impacted by the COVID-19 pandemic, take the example of the Zero Hunger goal set out in the UNSDGs. The Group can also deepen the commitment in empowering gender diversity in the regional supply chain. As always, at amfori, we look forward to exploring opportunities to join hands with the Group and other stakeholders with a common vision to build a betterment for all.



Joyce Chau

Director APAC
amfori

Dialogue and Collaboration with Stakeholders

In this increasingly uncertain society, there is a heightened sense of trust in and expectations on companies that maintain a firm orientation in the right direction and that advance steadily in that direction. In response to the urgent issue of climate change, the Ajinomoto Group has pledged its commitment to the SBT Initiative with the goal of achieving zero greenhouse gas emissions by fiscal 2050. Attention is growing and focusing on how to increase effectiveness and achieve this goal.

The Group was also one of the first among its Japanese corporate peers to start taking action on animal welfare, and has established policies and approaches alongside its stakeholders. As more and more companies take action in this area, my hope is that the Group will take an even greater leadership role.

ASV efforts have evolved over the years, and the work of employees in all departments is making the Group an organization that considers the dual aspects of environmental and social value and economic value. The results of this organizational culture change will no doubt be increasingly evident.

In the future, my expectation is that the Group will take a leading role in initiatives to address agriculture, which emits about one-third of greenhouse gases, as well as biodiversity and water issues.



Junko Edahiro

Founder and President, e's Inc.
Professor, Department of
Leadership and Innovation,
Graduate School of Leadership
and Innovation, Shizenkan
University
President, Institute for Studies in
Happiness, Economy and Society

In recent years, actions taken to address sustainability have entered a new phase, with the rise not only of COVID-19, the climate crisis, and the biodiversity crisis, but also of human rights issues and related geopolitical risks. In this context, many companies are being forced to restructure their business models and supply chains. The food industry, in particular, is one of the most susceptible industries to this impact. The Ajinomoto Group has also been implementing various sustainability-related initiatives over the years, building up a strong track record. Here, though the Group has been steadily generating a level of results with respect to individual issues, but the overarching direction that the Group should aim for (e.g., KPIs) has been somewhat inconsistent over the past several years, and I have the impression that their progress here is not being properly reported. My expectation for the Group is that, under a new management structure, they will redefine the right direction for them in this new era of sustainability and rebuild strategies based on that direction. By doing this, I hope they will become a leading Japanese food company presenting a corporate vision for this new era, not only in terms of business scale but also as a company that represents Japan.



Hidemi Tomita

Managing Director
LRQA Sustainability Co., Ltd.

The Ajinomoto Group is a company that has taken the lead in the food industry in addressing ESG issues. My impression is that it strikes a good balance in this area. Many companies are working to effectively use local crops and conduct initiatives regarding technology. However, the Group is also contributing to health and firmly taking environmental measures alongside this. In particular, its approach to health through salt reduction and nutritional balance has inspired discussions in society, including quantitatively, based on scientific backing that it leads to an increase in healthy life expectancy. Further progress is expected here going forward. What concerns me is that the Group only mentions crops and water as its natural capital. Biodiversity, which is receiving increasing attention next to climate change, is also part of natural capital. Therefore, as a company in the food industry, an area of high impact, the Group will need to consider how to treat this concept. In substance, activities contributing to health do not themselves harm the environment, and in fact constitutes promoting a nature-positive approach to the expansion of nature. For example, if the Group can develop products in a way that does not damage ecosystems in its research and development, and if that also contributes to health, this would be an area where the Group can make a significant contribution. I look forward to its future efforts.



Shunsuke Managi

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

Activity Report by Materiality Items

In this report, we provide a report on our fiscal 2021 activities by materiality items.

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Key initiatives and progress

Nutrition commitment

- The Ajinomoto Group was the food company to present our Nutrition Commitment at the high-level session of the Tokyo Nutrition for Growth Summit 2021, held in December 2021. The key component of this commitment is the basic policy of Nutrition Without Compromise at the heart of our initiatives for improving nutrition. The policy includes the three pillars of nutrition without compromising taste, nutrition without compromising access, and nutrition without compromising the local way of life.

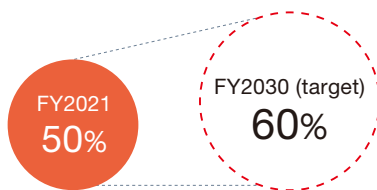


President Nishii, Ajinomoto Co., Inc.
(at the time)

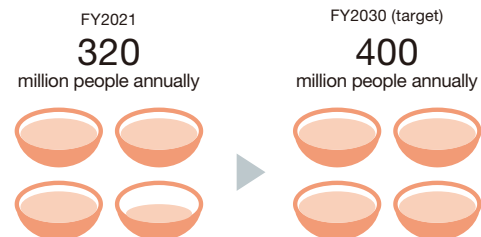
The Ajinomoto Group Commitment to Nutrition (Summary)

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

Percentage of products with improved nutritional value



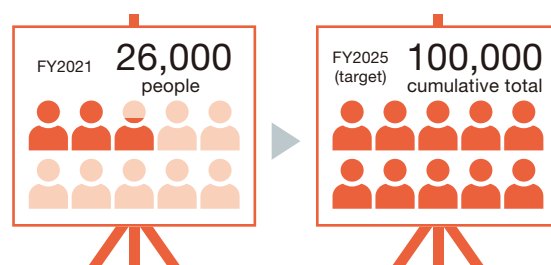
Provision of products with improved nutritional value in “delicious salt reduction” and “protein intake optimization”



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



Nutrition education for employees



- The Ajinomoto Group participated in various sessions and ancillary events of the Tokyo Nutrition for Growth Summit 2021. We also hosted an event during the summit.



An ancillary event organized by the Ministry of Agriculture, Forestry and Fisheries of Japan
Ms. Morishima, Executive Officer, Ajinomoto Co., Inc.



Event co-sponsored by the Ajinomoto Group and DSM
President Nishii, Ajinomoto Co., Inc. (at the time; center)

Key Initiatives and Progress

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

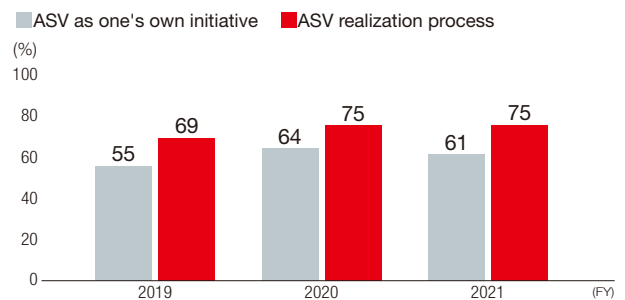
- We measure the percentage of employees who talk about how they implement ASV through their own work with their family and friends using an engagement survey for the Group employees.
- The employee engagement score was 61%, down three points from fiscal 2020. However, we saw an increase in the number of entries and employee votes for the ASV Awards, which recognizes best practices. Voluntary participation by employees has advanced, with pre-selection programs in Thailand and Brazil.
- Throughout fiscal 2022, we will monitor the progress of ASV through an engagement survey that addresses the ASV Achievement Process.

FY2021

Employee engagement score



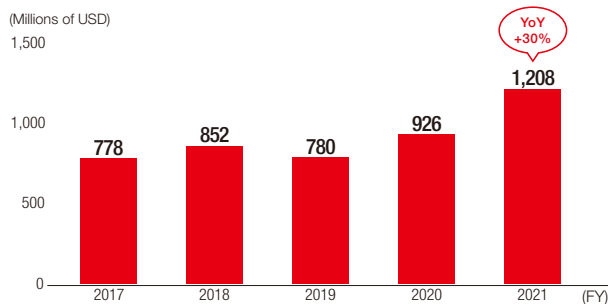
Engagement survey score



Corporate brand value



Per research conducted by Interbrand. Publicly announced Best Japan Brands rankings.



- Corporate brand value in fiscal 2021 increased by a substantial 30% year on year. We believe this improvement was due to the high regard for our efforts to incorporate ASV into the corporate value improvement cycle and our pursuit of purpose branding of resolving food and health issues.



> Statement: Nutrition Without Compromise 2021

Increasing diversity and accelerating innovation

- Our goal is to have 30% female directors and 30% female line managers by fiscal 2030.
- As of June 30, 2022, the ratio of female directors was 36%.

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



- The ratio of female line managers in fiscal 2021 was 11%. In Japan, we continue our efforts to support the careers of our female employees. We provide career workshops, college, mentoring programs, etc., to a total of 292 female employees through human resources development measures first launched in fiscal 2020.

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

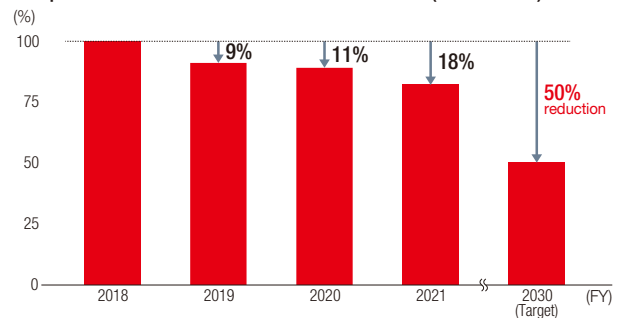


Key Initiatives and Progress

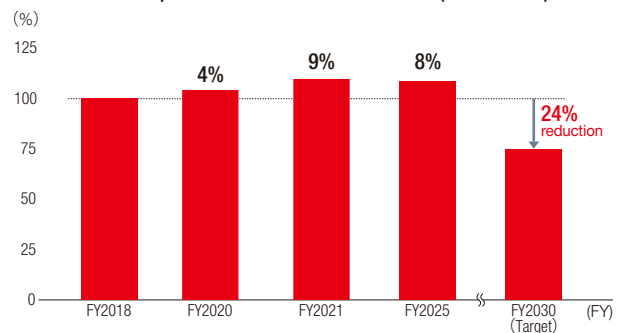
GHG emission reduction rate (vs. fiscal 2018)

- For fiscal 2030, we have set a target based on STBi rules of 50% reduction in Scope 1 and Scope 2 GHG emissions versus fiscal 2018 levels.
In fiscal 2021, total Scope 1 and 2 GHG emissions were representing 18% reduction compared with fiscal 2018. In particular, with regard to Scope 2, we made significant progress by concluding direct contracts with renewable energy power plants in Brazil, procuring renewable energy certificates in Thailand, and concluding contracts with power companies with low CO₂ emission factors in Japan.
- For the SBTi target of Scope 3 emissions (excluding Category 11), we have set a fiscal 2030 target of a 24% reduction of GHG emissions per volume unit (per one ton of production) over fiscal 2018 levels.
The GHG emissions intensity per ton of production, retroactively adjusted for Scope 3 (excluding Category 11) GHG emissions in accordance with SBTi standards, was down 1% from the previous fiscal year, but increased 8% compared to fiscal 2018, the base year.
- We aim to achieve net zero greenhouse gas emissions by fiscal 2050.
- We aim to achieve 100% conversion to renewable energy sources for electricity by fiscal 2050.

Scope 1 and 2: GHG emission reduction rate (vs. FY2018)^[1]



Scope 3 (excluding Category 11): GHG emissions per volume unit reduction rate (vs. FY2018)^[1]



[1] Achievements with respect to SBTi Targets

Plastic usage

Plastic waste

FY2030 target: **Achieve "Zero"**

Goals for fiscal 2030

- Choose to use plastic in a minimum quantity and purpose required for product 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

In order to achieve zero plastic waste, we aim to complete our reduction efforts by fiscal 2025 while developing technologies for converting to mono-material packaging materials, and finally switch over to exclusively recyclable materials by fiscal 2030.

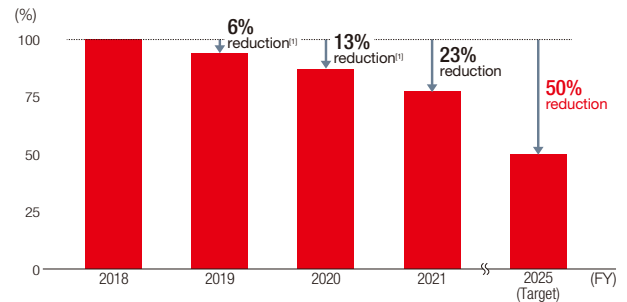
- The Group used a total of 69,000 tons of plastic in fiscal 2021, with over 90% used for product packaging. Of this, 26,000 tons (38% of the Group's total plastic usage) have been switched to mono-materials or paper.



Key Initiatives and Progress

Food loss and waste reduction rate (per production volume unit; vs. FY2018)

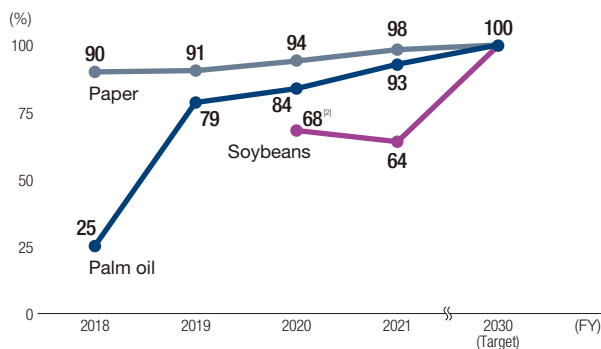
- The Ajinomoto Group is committed to a long-term vision to halve food loss and waste generated throughout the entire product life cycle by fiscal 2050 as compared to fiscal 2018.
- Our first target is to reduce food loss and waste between the acceptance of raw materials and the delivery of products to customers by 50% by fiscal 2025 (compared to fiscal 2018).
- In fiscal 2021, food loss and waste decreased by 8,448t (-23%) compared with the base year of fiscal 2018. We will continue to work to minimize future losses and effectively utilize any that occur by turning them into feed or fertilizer.



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

Sustainable procurement ratio

- We aim to achieve 100% sustainable procurement for priority raw materials by 2030.
- In fiscal 2021, our sustainable procurement ratio for palm oil (a designated priority raw material) was 93% (+9 points year on year). Our sustainable procurement ratio for paper was 98% (+4 points year on year).
- In fiscal 2021, we also designated sugarcane (sugar-based crops), coffee beans, beef, soybeans and as priority raw materials. Going forward, we plan to procure these products as sustainably as we do for palm oil and paper.

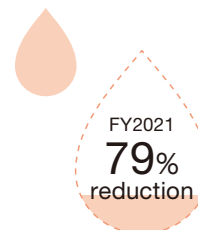


[2] Procured for businesses in Japan

- FY2030 target of coffee beans and beef: 100%

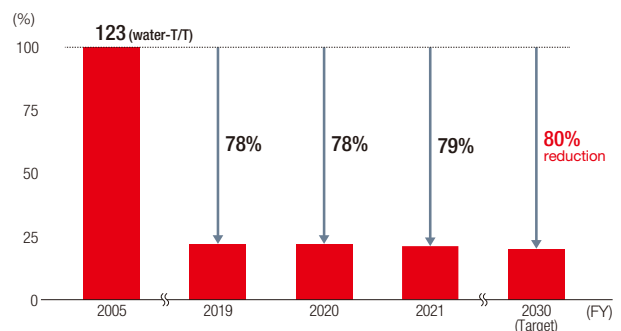
Reduction rate of water consumption per production volume unit (vs. FY2005)

- We have set a fiscal 2030 target of an 80% reduction compared with fiscal 2005 levels.



- In FY2021, we reduced water consumption by 161,884,000 kℓ compared to the base year. This figure achieved our yearly goal in water usage reduction per production volume unit (intensity), at approximately 79%.

The ratio of water consumed in regions with high water stress was less than 1%.



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 resolving nutritional issues through our businesses. To achieve this aim, we encourage people to eat a nutritionally balanced diet by leveraging our expertise in 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
- Supporting the practice of “delicious salt reduction”
- Promoting protein intake
- Supporting the practice of “delicious sugar and fat reduction”
- Workforce nutrition improvement
- Use of nutrient profiling systems for product development
- Contributing to preventive medicine through “AminoIndex technology”
- Cell culture medium for regenerative medicine
- Contract development and manufacturing of biopharmaceuticals

Related SDGs



Contribution to Solve Food and Health Issues

Performance

GRI203-DMA

> ASV Report 2022
(Integrated Report)
P51

> P30

> Environmental and
Health-Related
Lifecycle Impact
Assessment of
Reduced-Salt
Meals in Japan

Quantifying salt reduction using umami

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 “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 (U20 Healthy Umami Research Project). Last fiscal year, we obtained the first results that the average salt intake per Japanese person can be reduced between 12.0% and 21.1% (1.3 g to 2.2 g/day) when incorporating umami into Japanese dietary patterns. Based on scenario analysis, the decrease in estimated DALYs^[2] through salt reduction is 50 DALYs/g^[3]. When combined with the estimated amount of salt reduction due to umami (1.3-2.2g in Japan), the projected DALYs reduction is up to 110 DALYs/g. This indicates that about 10% of the approximately 1,000 DALYs attributed to a high-salt diet could be reduced through salt reduction using umami. In fiscal 2021, we estimated the effect of umami on salt reduction in the U.S. dietary pattern. We found that in the U.S., the average salt intake per U.S. person could be reduced by 5.5% to 10.5% (0.5g to 0.9g/day) by utilizing umami. This indicates that “delicious salt reduction” with umami can make a significant contribution to the WHO salt reduction target, even in Western dietary culture, where the major source of salt intake differs from that of Japan.

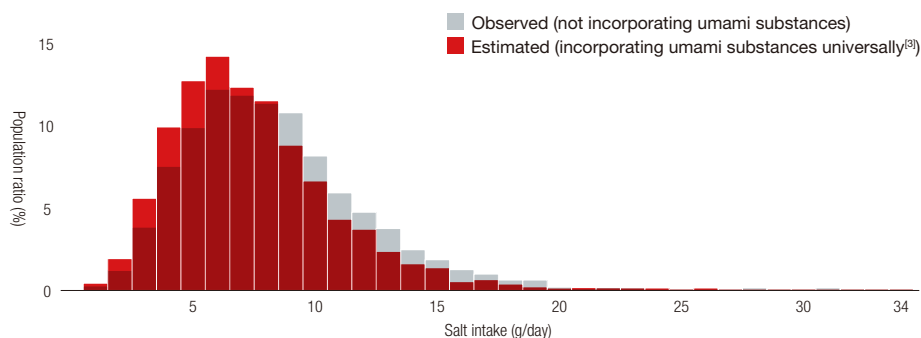
In the future, we intend to use these research results to verify the impact of delicious salt reduction via umami in other countries.

[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.

[3] Nakamura, K. Itsubo, N. *Sustainability* 2022, 14(14), 8265.

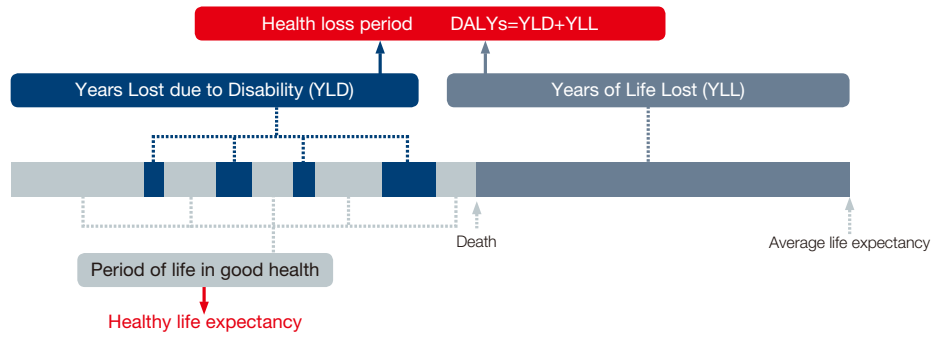
Estimated results of salt intake when using umami



[3] Refers to cases in which 100% of salt-containing foods are replaced by foods with reduced salt content by using umami.

Contribution to Solve Food and Health Issues

Relationship between healthy life expectancy and DALYs



Contribution to Solve Food and Health Issues

Unlocking the power of amino acids

Approach

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

GRI203-2

- > ASV Report 2022 (Integrated Report) P3-4
- > P90

The Ajinomoto Group business began in 1909 with the launch of umami seasoning *AJI-NO-MOTO*[®]. Dr. Kikunae Ikeda, a scientist, 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. Then, 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 by unlocking the power 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. Since amino acids play an important role 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, nutrition, physiological function, and reactivity. The Ajinomoto Group creates a variety of innovations, including the development of new materials, by unlocking these amino acids powers and technologies for design, exploration, production, and evaluation.

The Group unlocks the powers of amino acids to develop and market products that support comfortable lifestyles, as well as to provide amino acid-containing ingredients and product design solutions to our clients. In-house products include functional foods that support positive feelings^[1] by maintaining attention^[2] and cognitive flexibility, cognitive functions that decline with age. 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 pursue this BtoBtoC initiative both in Japan and overseas, offering our BtoB customers the Amino Acid Prime Mix, a line of optimally formulated amino acid ingredients for food and beverage products.

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

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

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

Leucine

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.

Ingredient containing cystine and theanine^[1]

Function Improves immunity

Cystine

Theanine

Glutathione

Pathogen

M: Macrophage
NK: NK cell
B: B cell

M: Macrophage
NK: NK cell
B: B cell

Acquired immunity

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 glutamic acid 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 glutamic acid work to alleviate stomach discomfort from food and drink by promoting gastric motility.

Histidine and vitamin B6 mix

Function Reduces fatigue, improves work efficiency

Histidine

Histidine

Histidine

Histidine

Histamine

Oral consumption

Digestion absorption

In brain
In blood

Transfer to blood

Histidine is synthesized in the brain into histamine, levels of which are reduced by lack of sleep and stress. Histidine reduces mental fatigue and improves work efficiency for tasks requiring simple memory and judgment. Vitamin B6 help in the production of histamine from histidine.

[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 Resolve Food and Health Issues

Addressing nutritional issues

Approach

- > Decade of Action on Nutrition
- > ASV Report 2022 (Integrated Report) P50-51
- > Nutrition without Compromise
- > Group Shared Policy on Nutrition
- > P19

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.

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

Aimed at extending the healthy life expectancy of one billion people by 2030, in 2021, we formulated a commitment outlining paths and KPIs to improve people’s nutrition. 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 improved nutritional value while maintaining good taste. We will use the Ajinomoto Group Nutrient Profiling System (ANPS) to guide product development and reformulation.
- Among the nutritious products, we will provide products that promote “delicious salt reduction” and “protein intake optimization” to 400 million people a year by fiscal 2030.
- By utilizing the physiological and nutritional functions of amino acids, by fiscal 2030, we will double the availability of such products that contribute to health, compared to fiscal 2020.

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

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

■ Improve nutrition literacy of Group employees

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

Contribution to Resolve Food and Health Issues

■ The three pillars of our approach to nutrition

• Nutrition without compromising taste

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

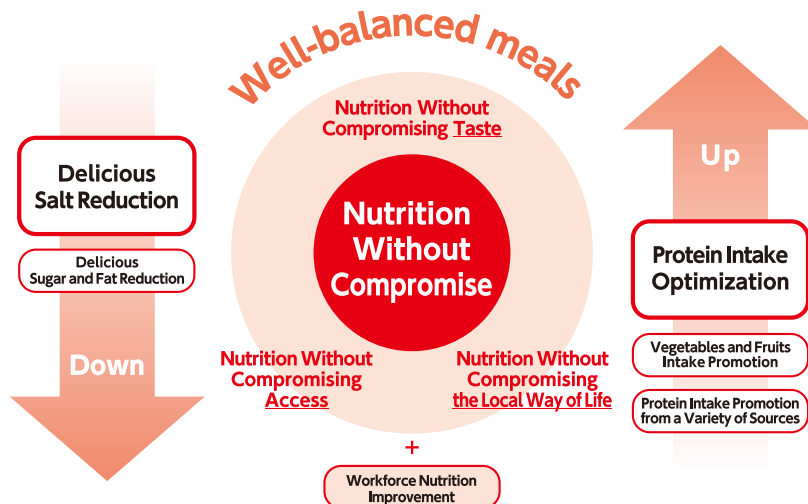
• Nutrition without compromising access

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

• Nutrition without compromising the local way of life

When expanding our businesses globally, we adapt our operating models to respect national and local customs, food preferences, resources, ingredients, and stakeholders. While communities and economies grow and shift, our emphasis on personalization becomes even more relevant. When nutritious foods taste good, are convenient and easily accessible, and respect local customs and flavors, we are able to promote the long-term intake of well-balanced meals by consumers.

Ajinomoto Group approach to nutrition



Refer to P30 to P38 for details of initiatives to make the above approaches a reality.

Framework for nutrition management

Under the supervision of the Executive Officer in charge of sustainability, the Sustainability Committee and the Sustainability Development Dept. follow up on nutrition-related policies, strategies, and business unit activities. The committee and department collect information which is reported to the Executive Committee and the Board of Directors.

> Group Shared
Policy on Nutrition
> P4

Contribution to Resolve Food and Health Issues

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GRI102-48

Performance

GRI203-2

> P24

Use of nutrient profiling systems for product development

In response to the growing worldwide interest in improving nutrition, global food companies are developing and introducing nutrient profiling systems (NPS), a scientifically based method to evaluate the amount of nutrients in a product and express nutritional quality in an easy-to-understand manner. The Ajinomoto Group began operating the Ajinomoto Group Nutrient Profiling System *ANPS-P* in 2020, and as of March 2022, the system has been introduced in 15 group companies in 12 countries, visualizing the nutritional value of approximately 700 products. However, the *ANPS-P* and other NPS used globally^[1] have limitations in evaluating products, such as seasonings, that consumers do not consume as a single product. The Ajinomoto Group views this as an issue. Therefore, we continue developing NPS to evaluate the nutritional value of food items prepared with products such as seasonings. In December 2021, we announced *ANPS-M*, the world's first nutrient profiling system for food items that takes into account Japanese food culture and health issues. By introducing and utilizing *ANPS-P* and *ANPS-M*, we will promote the development of products, dishes, and recipes with enhanced nutritional value. These include seasonings with reduced salt content while maintaining the same delicious taste, and dishes and recipes that provide strong protein and vegetable content. We will also explore utilizing these to provide support to consumers so that they can eat nutritionally well-balanced meals. In addition, we plan to develop *ANPS-M* in accordance with the food culture of each country, and expand globally to ASEAN, Latin America, and other regions.

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

Initiatives to achieve our approach to nutrition

Nutrition commitment quantitative KPIs

	FY2020 (Results)	FY2021 (Results)	FY2025 (Targets)	FY2030 (Targets)
Percentage of products with improved nutritional value ^[2]	40% ^[3]	50%	—	60%
Provision of products with improved nutritional value in "delicious salt reduction" and "protein intake optimization"	280 million people per year	320 million people per year	—	400 million people per year
Availability of products utilizing the physiological and nutritional functions of amino acids	(Base year)	1.09 times	—	2 times
Nutrition education for employees	460	26,000	Cumulatively 100,000	—

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

[3] The value was corrected because the additional applicable products were identified by more accurate collection of data.

■ "Delicious salt reduction"

Risks due to excess salt intake are becoming more serious worldwide. Despite WHO initiatives^[1] warning against such risks, improvements have yet to be seen. In fiscal 2021, the Ajinomoto Group worked to promote salt reduction through our unique technologies (e.g., improved taste using materials such as MSG and other umami seasonings along with formulation technology, improve texture etc. by using enzyme technologies, etc.) in Japan in cooperation with 12 municipalities and overseas in five countries. In addition, in the U20 Healthy Umami Research Project, which conducts scientific verification and dissemination of the usefulness and public health value of umami, we are collaborating with academia in an attempt to quantify the efficacy of salt reduction using umami. Furthermore, we are conducting a global survey of consumer awareness regarding salt reduction, and will apply the findings to our "delicious salt reduction" initiatives.

[1] 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 Resolve 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

> ASV Report 2022
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P37

> Smart Salt Project
(Japanese only)

> Delicious Salt
Reduction

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. 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 0.5g to no more than 7.5g for males and 6.5g for females.

A survey^[2] conducted by Ajinomoto Co., Inc. revealed that only 5.2% of Japanese adhered to these standards. In July 2020, we launched the *Smart Salt* Project that promotes the use of umami and dashi (broth) to practice "delicious salt reduction" for people of all ages. Its goal is not only to solve issues faced by many consumers about salt reduction (lack of deliciousness, difficulty, etc.), but to make salt reduction the norm. For senior citizens, as well as for the younger generations who find it difficult to incorporate salt reductions in their lives, we provide suggestions about delicious salt reduction using umami and other flavor seasonings. This information includes videos and recipes on our owned media. We also plan new initiatives toward salt reduction through collaboration with governments, universities, and other companies.

We have similar activities underway overseas as well, and from fiscal 2020 onward, in addition to introducing 19 brands of 45 reduced-salt products in seven countries (as of July 2022), we also promote low-sodium diets in each Group company's owned media by providing low-sodium recipes and holding cooking classes.

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

Initiatives in local ecosystems

The Ajinomoto Group is working with local governments, dietetic associations, distributors, and media to solve issues with diet and health that vary between regions, such as excess intake of salt and insufficient intake of vegetables. In 2021, we developed low-sodium recipes using seasonal ingredients in support of Ibaraki Prefecture's *Ibaraki Low-Salt Day*, a day designated for reducing salt, and introduced these at supermarkets in Ibaraki Prefecture. In addition, in collaboration with Yamagata Prefecture's *Less Salt, More Veggies Project*, we have worked with local academics to jointly develop a nutritionally balanced re-imagining of *imoni* (stew using *taro* root), a soul food dish in Yamagata, utilizing our salt reduction technologies. We also created and distributed leaflets in supermarket storefronts to encourage salt reduction while maintaining respect for local food culture.



Contribution to Resolve Food and Health Issues

Performance

GRI203-2

> Eating Well
and Preventing
Malnutrition:
Tabesapo
(Japanese only)

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

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



Salt Seasonings



Soups



Amino acid supplements

EMEA



Medical foods



Frozen foods

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

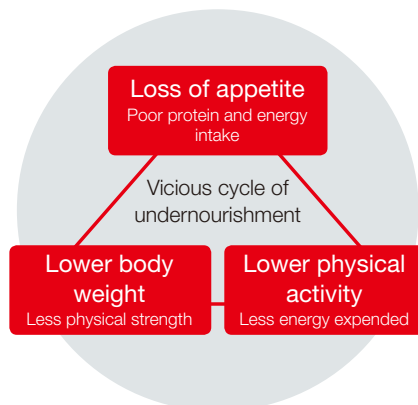
Elderly people may not be able to eat adequately due to declining physical functions and loss of appetite as they age. Less food intake causes muscular and physical strength to deteriorate, which may then lead to lower physical activity, less appetite, and a vicious cycle of undernourishment. To prevent 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 are strengthening collaboration with healthcare providers, registered dietitians, and other specialists by providing information for immediate use to them as guidance tools, and conducting training to foster deeper understanding. Our website for restaurant-use products now features a page entitled *Tabesapo* to eat well and prevent malnutrition. This webpage provides suggestions on tasty and easy-to-eat meals designed to reflect changes unique to elderly people. We aim to support their nutritional intake by introducing techniques that make eating easier, as well as menu suggestions that utilize our products and cooking methods for each ingredient.

We also work with other food companies in CGF Japan CHL^[1] to support consumers' protein intake.

[1] The Japan branch chapter of the Collaboration for Healthier Lives (CHL), which is one of CGF's activity coalitions and co-chaired by Ajinomoto Co., Inc.

Contribution to Resolve Food and Health Issues

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 user QOL.

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	 Seasonings
	 Canned coffee	 Powdered juice

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 times and between 20,000 times to 40,000 times sweeter than sugar, respectively. The selective use of high-intensity sweeteners can meet consumer sugar-reduction needs without sacrificing the taste of sweetness, and we provide these sweetness applications to businesses across the food and beverage industry. We also sell reduced-sugar products for the BtoC market under the *PAL SWEET*® brand in Japan and overseas.

Fat reduction

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

Performance

GRI203-2

Contribution to Resolve Food and Health Issues

Performance

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

Performance

GRI203-2

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 nutrient intake 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



Frozen food (Chinese rice bowl)

Asia



Flavor seasonings



North America

Frozen foods
(fried noodles with vegetables)

EMEA

Frozen foods
(gyoza with vegetables)

Vegetable intake promotion *Love Vege* project (Japan)

In Japan, we are promoting the *Love Vege* project as a way to support the recommendation by the Ministry of Health, Labour and Welfare to consume at least 350 g of vegetables per day. This was started in order to improve the situation in Aichi Prefecture, which had the lowest consumption of vegetables per person in the country. In this project, we are launching PR products in collaboration with cut vegetable producers and proposing recipes developed in cooperation with producers at vegetable sections of supermarkets. In fiscal 2021, we expanded the initiative nationwide across 27 prefectures in collaboration with industry, government, private and academia. We have utilized websites and social media to encourage the younger generation to appreciate and enjoy eating vegetables.

In recognition of these activities, the *Love Vege* project received the top prize in the Lifestyle-related Disease Prevention category of the 10th Let's Extend Healthy Life Expectancy Award, part of the Smart Life Project run by the Minister of Health, Labour and Welfare for supporting better health for citizens of Japan. We will further expand our *Love Vege* activities and work towards resolving 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. With the exception of beans and some others, plant-derived proteins in general often have a poor amino acid balance and a lower nutritional value than animal-based proteins. As more plant-based proteins become consumed in the future, amino acid balance will become an issue. 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-based meat alternatives, and collaborate with startups in developing plant-based meats.

Contribution to Resolve Food and Health Issues

Performance

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Performance

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Main products

Japan	EMEA
 <p>Bean soup</p>	 <p>Bean soup</p>

Workforce nutrition improvement

The Ajinomoto Group believes that employee health is one of our most important foundations. We are focused on improving employee nutrition in the workplace and nutrition literacy. In fiscal 2020, we started nutrition literacy program, and in fiscal 2021, we expanded our e-learning nutrition education, etc., to the entire Group, providing educational opportunities to 26,000 employees. By fiscal 2025, we aim to have provided education in nutrition to a sum total of 100,000 employees, while expanding educational content.

Initiatives to improve nutritional literacy

FY2021	<ul style="list-style-type: none"> ● Provided e-learning “Nutrition Basics” for the Company’s employees ● Started rolling out to Group companies ● Create new content focusing on priority initiatives
FY2025	<ul style="list-style-type: none"> ● Expand and achieve educational content

Workforce nutrition alliance

In March 2022, the Ajinomoto Group became the first Japanese company to join the Workforce Nutrition Alliance (WNA). This organization was launched by CGF, an international consumer goods trade association, and the Global Alliance for Improved Nutrition (GAIN), an international nutrition improvement NGO, to promote workforce nutrition improvement. At the time of the joining, 14 of the Group companies, representing approximately 70% of the Group's employees, were registered. Others are being considered for registration as well, taking into account their company size and situation.

The registered companies conduct annual self-assessments with regard to four important points (Health food at work, Nutrition education, Nutrition-focused health checks, and Breastfeeding support) to promote workforce nutrition improvement. Ajinomoto Co., Inc. will support work to improve workforce nutrition by preparing guidelines for self-assessment from a unified Group-wide perspective, as well as providing each company with examples of internal initiatives, tools developed by the WNA, and examples of initiatives by WNA members.

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 (Philippines)

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

Contribution to Resolve Food and Health Issues

of safe and balanced food, delicious and enjoyable to thousands of Filipino households.

In 2021, APC in partnership with University of Los Baños – Institute of Human Nutrition and Food (UPLB-IHNF) and local government of Cainta Rizal started conduct of intervention study to establish evidence on the effectiveness of MPPT program. With established evidence, we aim to inspire lifestyle change towards healthy eating habit for Filipinos to help improve nutrition. In the future, we aim to acquire evidence and to expand these activities to other regions of the Philippines where nutritional deficiency is an issue.



■ Addressing maternal and child nutrition (Vietnam)

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

■ Addressing nutritional issues in childhood and adolescence through school meals

Many children in Vietnam suffer from stunted growth or low body weight, especially in rural areas. At the same time, a growing number of children in urban areas are overweight or obese.

To resolve these issues, AJINOMOTO VIETNAM CO., LTD. launched the School Meal Project in 2012 to apply ideas learned from Japan's school lunch system. Working with central government ministries, including the Ministry of Education and Training and the Ministry of Health, the company has engaged in a range of activities to deploy the project nationwide. The project has grown and provides nutritionally balanced menu development software, food nutrition education materials, and model kitchens for primary boarding schools. As of March 2022, School Meal Project activities have expanded across 62 municipalities and 4,262 primary boarding schools.

In Indonesia, the high percentage of children with low body weight, stunted growth, or anemia is a serious social problem. PT AJINOMOTO INDONESIA (PTA) has implemented a School Lunch Project (SLP) in partnership with the Department of Nutrition at Bogor Agricultural University since fiscal 2018. The ten-month program provides nutritionally balanced school lunches and teaches diet and nutrition to teenage students. The program has led to lifestyle changes and improvements in anemia among students. In fiscal 2020, PTA created a guide book to promote the voluntary adoption of this program, aiming to expand the number of schools using the program. The program also received the support of the Ministry Of Religion of the Republic of Indonesia (MOR), given that SLP has proven to be successful in contributing to nutrition and health improvements among the Islamic boarding schools over which MOR has authority. In 2021, PTA expanded SLP to six boarding schools through an independent initiative in cooperation with Bogor University. The six boarding schools implement SLP in various ways that include nutrition education, expanded menu options, etc.

■ 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.

Contribution to Resolve Food and Health Issues

Performance

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Performance

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> Tokyo N4G Summit

> Building better
food systems for
nutrition and health

> Nature Outlook
sustainable
nutrition

Other initiatives

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.

Main products

<p>Japan</p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  <p>Creaming powder (vitamins and calcium)</p> </div> <div style="text-align: center;">  <p>Supplements (lutein, etc.)</p> </div> </div>	<p>Asia</p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  <p>Supplements (vitamins and minerals)</p> </div> <div style="text-align: center;">  <p>Pancake mix (calcium and zinc)</p> </div> </div>
<p>North America</p> <div style="text-align: center;">  <p>Medical foods (for patients with amino acid metabolism disorders, etc.)</p> </div>	<p>South America</p> <div style="text-align: center;">  <p>Powdered beverages (iron, calcium, vitamins)</p> </div>

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 resolve nutritional issues through global collaboration and by actively sharing our knowledge and expertise.

■ Tokyo N4G Summit 2021

The Tokyo Nutrition For Growth Summit 2021 (N4G 2021), led by the Japanese government, was held on December 7 and 8. The event was held in a hybrid format, with participants from Japan joining in person and those from overseas participating entirely online. During the high-level session on the first day of the conference, Prime Minister Fumio Kishida, while describing Japan's nutrition-related efforts, announced that Japan would provide nutrition-related assistance of 300 billion yen, or over 2.8 billion US dollars, over the next three years to help achieve universal health coverage (UHC) and other goals. The Ajinomoto Group was the only Japanese company to participate in the first summit. Takaaki Nishii, who was President and CEO of Ajinomoto Co., Inc. at the time, once again attended the summit and its opening ceremony on December 7. The Ajinomoto Group also represented food companies at the high-level session and presented our Nutrition Commitment.



The government's closing marks indicated the helpfulness of corporations, presenting evidence that umami helps reduce sodium, calling this a success of the summit. This offered an important opportunity to communicate the Group's activities to the rest of the world. We will use our participation in this summit as an opportunity to build a network with a variety of stakeholders, including civil societies, international NGOs, corporations, investment institutions, governments, UN agencies, an academic societies to strengthen our engagement in resolving issues.

■ Presenting at the CGF Sustainable Retail Summit

The Consumer Goods Forum Sustainable Retail Summit was held in October 2021, under the theme of "The Evolving Face of Sustainability: Acting Today to Shape Tomorrow." Takaaki Nishii, then President and CEO, spoke at the CEO session focusing on the topic of health and wellness as a member of Japanese companies in the Asian region. Introducing examples such as the Smart Salt Project and our work to improve workplace nutrition in Japan, as well as our project to support the autonomy of Thai farmers, he presented our Group's efforts to resolve food and health issues from the perspective of the Asian region.

Contribution to Resolve Food and Health Issues

■ Participation in the Zero Hunger Private Sector Pledge

Ajinomoto Co., Inc. declared its participation in the GAIN-sponsored Zero Hunger Private Sector Pledge, designed to reduce hunger. The Company pledged a total of US\$11,211,564 to global entities, Africa, and Thailand in September 2021.

TOPIC

Gyoza created from the feedback of top athletes, supporting the dietary habits of athletes and consumers

Since 2003, Ajinomoto Co., Inc. has been working with the Japanese Olympic Committee (JOC), unlocking the power of amino acids in our *Victory Project*®, an effort to support conditioning for top athletes to become more competitive internationally and to win more medals. We established the *Kachimeshi*® nutritional program utilizing the knowledge we have gained over approximately 20 years of activities, backed by sports nutrition science. Through this program, comprised of food and amino acids, we provide the nutrients necessary for the bodies and conditioning people want to achieve in tasty and easy-to-consume foods and supplements that unlock the power of amino acids. As part of this effort, we collected information directly from athletes about their dietary needs. Figure skater Yuzuru Hanyu, commented that he could eat *gyoza* dumplings, his favorite food, even if he did not have much of an appetite. However, ordinary *gyoza* are too high in fat for top athletes due to the use of oils and fats in the product and during cooking, creating the significant challenge of making them difficult to incorporate into an athlete's diet. We began development based on the concept that *gyoza* could help with the conditioning of top athletes by cutting down on fat and adding nutrients necessary for athletes.

In developing this product, we went through a process of trial and error based on the three requirements of a top athlete's diet during competitions: rich protein content, rich carbohydrate content, and not too much fat. As a result, two types of *gyoza* were developed: *Conditioning Gyoza*, which is rich in vegetables, low in fat, and contains protein and other necessary nutrients; and *Energy Gyoza*®, which is low in fat and contains vitamin B1 while increasing carbohydrate intake due to the rice flour dumpling dough. These were also used as part of the *Kachimeshi*® menu served at an international competition in which Yuzuru Hanyu was competing. These *gyoza*, which are both delicious and nutritious, were served at the JOC G-Road Station set up at the Tokyo 2020 and Beijing 2022 Olympic Winter Games to help Japanese athletes with their conditioning immediately before the competition, earning strong praise. These have since been marketed commercially as *For ATHLETE gyoza*, supporting a wide range of diets for those who want to maintain good health and those who are concerned about fat content.

Ajinomoto Co., Inc. is an official JOC Partner for Cooking Condiments, Dehydrated Soup, Nutritional supplements, Frozen Foods and Coffee beans.



Figure skater
Yuzuru Hanyu



Conditioning Gyoza®



Energy Gyoza®

Contribution to Resolve Food and Health Issues

Addressing health issues

Performance

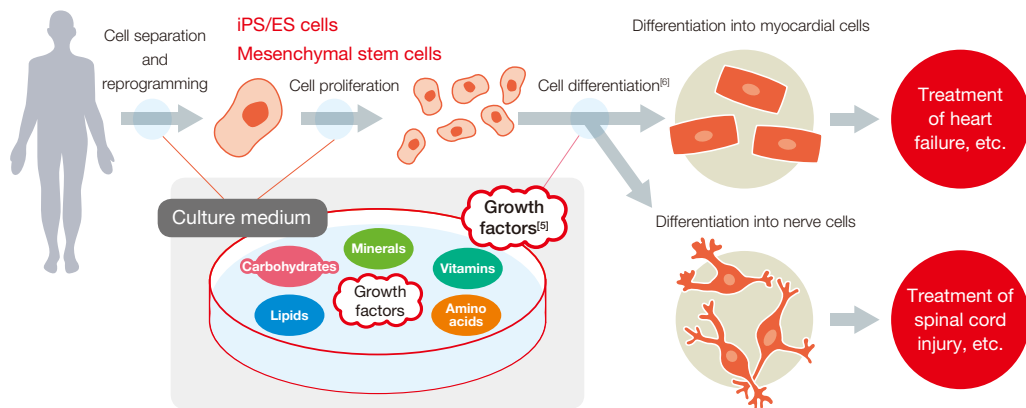
GRI203-2

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, an iPS^[3]/ES^[4] cell culture medium free of animal-derived ingredients, and launching related products beginning in 2016. At present, several pharmaceutical companies are conducting or preparing to conduct clinical trials for regenerative therapies using our *StemFit*[®] media, including a new clinical trial that began in Japan in 2021.

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

Role of cell culture medium in regenerative medicine



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

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

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

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

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

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

Contribution to Resolve Food and Health Issues

Performance

GRI203-2

AminoIndex[®] Risk Screening

AminoIndex[®] Risk Screening (AIRS[®]) is a unique Ajinomoto Group service that can assess the risk of three major diseases (cancer, stroke, and heart disease), diabetes, and cognitive decline with a single blood draw based on the balance of amino acid levels in the blood. This service is an option for physical examinations or as part of workplace health checkups, and is used to detect and prevent diseases caused by lifestyle-related factors.

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

We will continue to contribute to healthy and 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.

Performance

GRI203-2

Smartphone app for enhancing lifestyle improvement solutions

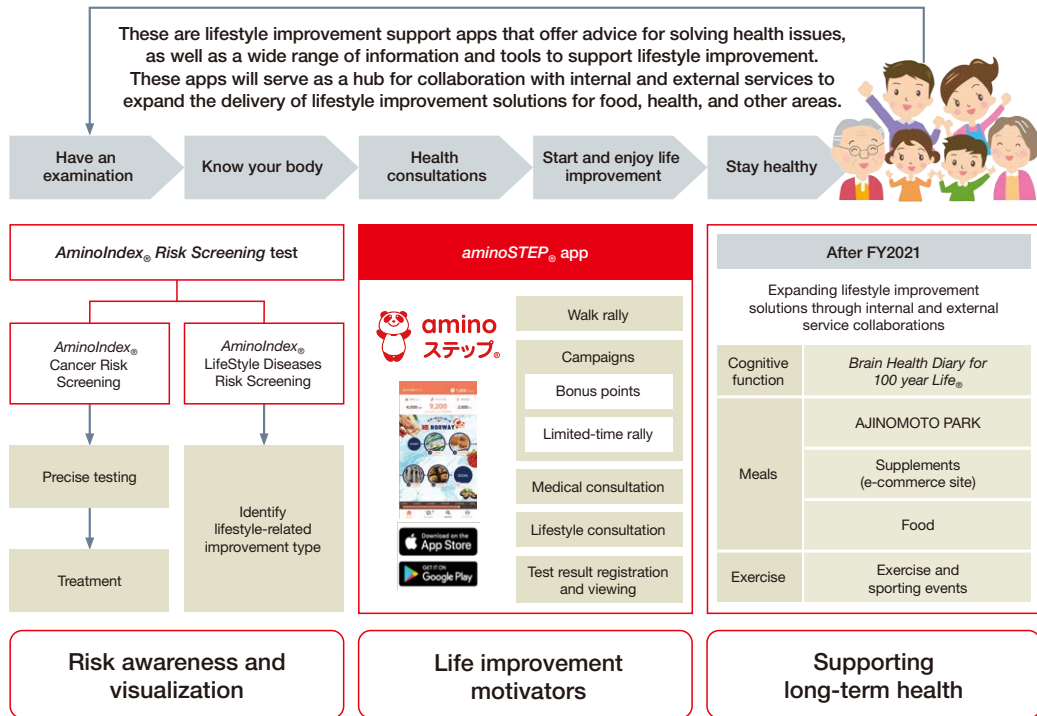
In April 2021, Ajinomoto Co., Inc. launched services for *aminoSTEP[®]*, a smartphone app that provides information supporting lifestyle improvements for *AminoIndex[®] Risk Screening (AIRS[®])* screening recipients and general users in Japan. As of March 31, 2022, the number of users exceeded 36,000 individuals. This application features functions that include recording AIRS[®] test results, lifestyle improvement advice, and direct chat with the doctor for health advice. The food log function was added in March 2022 and the app began using this information to identify dietary trends and provide recipes and other diet-appropriate advice.

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. This app visualizes the lifestyle of diet, exercise, and sleep from the perspective of cognitive function. Using our proprietary algorithm based on images of food taken via smartphone, along with linked data of exercise and sleep time recorded by smartphone, the app offers advice and recipes suited to the user through *AjiPanda[®]*.

These are lifestyle improvement support apps that offer advice for solving health issues, as well as a wide range of information and tools to support lifestyle improvement. These apps will serve as a hub for collaboration to expand the delivery of lifestyle improvement solutions for food, health, and other areas.

Contribution to Resolve Food and Health Issues

The Personal nutrition ecosystem



Performance

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 create a new ecosystem of food and health, leading to the development of solutions for health issues.

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

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

Rapid response to consumer lifestyle changes

The Ajinomoto Group has aimed to realize health and well-being, pursuing to balance nutrition and deliciousness. In response to diversifying consumers' lifestyles, we are striving to offer new, more personalized value and to increase opportunities for communication with individual consumers. Particularly, we are strengthening our approach to Generation Z, who will play a leading role in the future. We are working to expand our fan base by providing value through support for people's habits and physical well-being, real experiences, and enjoyable contributions to ethical and sustainability.

Additionally, we are also taking an approach that embraces the changes in consumer behavior (spending more time at home, increasing use of e-commerce) and the changes in awareness (health-conscious eating habits, nutritional balance, emphasis on the number of calories consumed, pursuit of well-being) due to the impact of the COVID-19 pandemic.

To respond to the diversification of consumer values, we will provide a wider range of solutions in the future.

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 etc.
- 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

Responding to diversifying values required for food

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

Dietary habits are changing as lifestyles diversify. We see more people eating alone and more people eating individualized meals, even when dining with family. The 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 meals.

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



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.



Cook Do® Chao Sauce cooking sauce (Japan)
Enables easy preparation of authentic Chinese stir-fry dishes, like oyster-flavored fried noodles and stir-fried meat and vegetables. It responds to the needs of people who want to enjoy the authentic taste of a restaurant at home, and who want to save time and effort while still cooking their meals.



Cook Do® Kon-ya wa Chuukameshi (Tonight is Chinese Rice) menu-specific seasoning (Japan)

Enables easy at-home stir-fry meat, vegetables, and other ingredients. Just add sauce and serve over rice to enjoy authentic Chinese rice dishes at home. It eliminates concerns and dissatisfaction by people preparing rice dishes at home about not eating enough vegetables or a limited repertoire, and responds to recently-highlighted demand for rice.



THE LITRE (Japan)

Creates one liter of an enjoyable, delicious beverage just by dissolving one stick in water. Customers can choose from eight different flavors to suit their meal or mood. Enjoyable on the go with a personal bottle. Paper is used for a portion of the stick packaging material, so the product is also environmentally friendly.



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 approximately 40,000 registered users. The website features an active community of consumers who engage in interactive dialogue.

Rapid Response to Consumer Lifestyle Changes

Performance

> Press release
(Japanese only)

Approach

GRI203-2

> Group Shared
Policy on Product
Accessibility

Rapid response to consumer lifestyle changes

■ Dedicated organization initiatives for business creation for Generation Z

Generation Z (Gen-Z), born between 1995 and 2009, now comprises one of the world's largest generations, at approximately 1.3 billion. Generation Z is highly concerned about the global environment, social contribution, sustainability, diversity, and respect for the individual. Ajinomoto Co., Inc. views Generation Z as a flagbearer of promoting the formation and spread of value toward the well-being of people in the coming era. With this in mind, we have established a new dedicated organization to pursue the values and the true needs of Generation Z and to accelerate the creation of businesses that provide value for "resolving food and health issues" on a global scale. Its objective is to rapidly create business, such as developing products in new domains and new channels, and creating new business models utilizing digital technologies without being bound by the framework of existing businesses, but by ideating freely from the perspective of Generation Z and consumers. In this way, it handles all operations from business planning and business development to market establishment.

■ Product development targeting Generation Z

In June 2022, Ajinomoto Co., Inc. and dot.me Co., Ltd. held a joint test marketing campaign for a limited time on e-commerce sites and at Shibuya Scramble Square for the new *Kayu Kayu Kou Jitsu*® cup congee product targeting Generation Z. This campaign offered the new product in multiple flavors: soy-milk congee, pumpkin congee, and spicy hot pot congee.

Our research revealed that, compared to some years ago, Generation Z's mindset toward meals has increasingly emphasized saving time on ordinary meals and eating meals when they want, regardless of the time of day. Furthermore, in order to create time for tasks at work or school, hobbies, etc., they often eat easy and filling high-calorie meals, and not only that, they feel guilty about doing so. In response, we developed a congee product with qualities that align with solving the issue of how to make a meal that is both easy and guilt-free. *Kayu Kayu Kou Jitsu* is the first product developed by our dedicated organization for business creation targeting Generation Z.

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

We also establish reasonable prices and convenient product formats tailored to the lifestyle conditions in each country or region. For example, we offer a minimum standard size of umami seasoning *AJI-NO-MOTO*® of 16g (1000 rupiah = 10 yen) in Indonesia and 11g in the Philippines (3 pesos = 8 yen)^[1].

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

[1] The exchange rate as of end of June 2022 was used to convert product prices into Japanese yen.

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 \(Japanese only\)](#)

Performance

GRI417-3

Responsible communications with consumers

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

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

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

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

Incidents of non-compliance

During fiscal 2021, 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 into their bodies, 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
- Comprehensive quality assurance activities and human resources development

Related SDGs



Assurance of Product Safety

Quality management

Ajinomoto System of Quality Assurance (ASQUA)

Approach

GRI416-DMA

GRI417-DMA

> Group Shared
Policy on Quality

> Group Shared
Policy on Food
Safety and
Security

> Ajinomoto
System of Quality
Assurance
(ASQUA)

The Ajinomoto Group has our own quality assurance system, ASQUA. As of March 2022, 96 Group companies have implemented ASQUA.

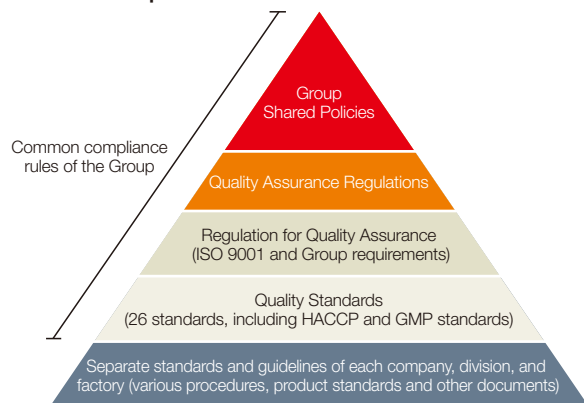
The core of ASQUA is based on ISO 9001, the international quality management system standard. We supplement this standard with other manufacturing management standards such as the Hazard Analysis and Critical Control Points (HACCP)^[1], Good Manufacturing Practices (GMPs)^[2], and the Group's own rules 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 range from development and procurement and sales of raw materials to customer communications. We review these standards constantly in light of internal and external trends. In fiscal 2021, we revised our Food Safety Management Standards and Food GMP Standards to respond to updated laws and regulations, as well as to strengthen linkage with global standards.

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

Promotion framework for quality assurance

Framework

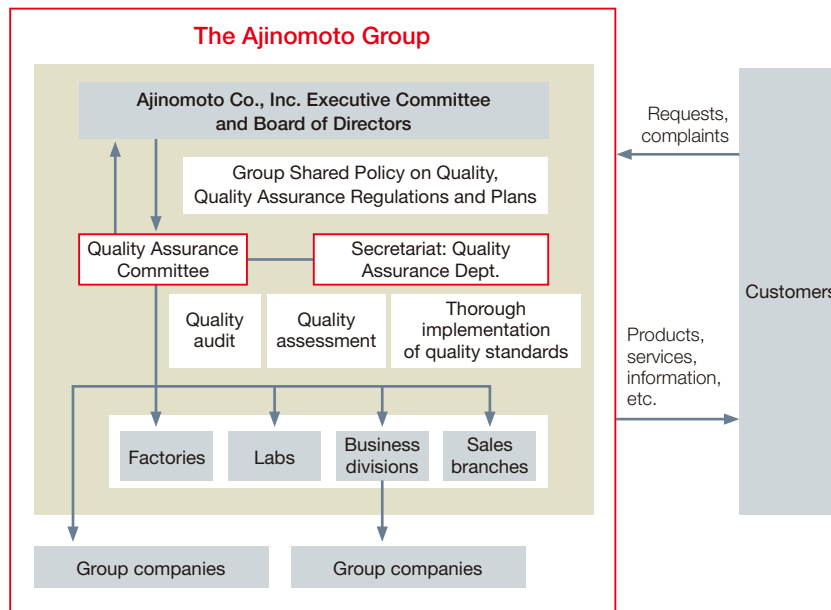
GRI416-DMA

GRI417-DMA

> Quality Assurance

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

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 2022, 59 of 74 eligible Group companies have acquired ISO 9001 certification. The Group is working to build a certification system for eligible companies not yet certified, many of which are newly acquired or established companies. In response to customer requests or other cases, the Group acquires certification of other standards such as FSSC 22000 approved by the Global Food Safety Initiative (GFSI).

Develop human resources to improve quality assurance levels

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

Main programs in fiscal 2021

■ Japan

- Quality training for Group employees
- Programs for managers responsible for quality assurance scheduled for posting to overseas offices
- Ajinomoto Management and Technical Conference on Quality for Group company executives and employees
- New Top Management Quality Training Course for newly appointed organizational heads, domestic Group company heads, and new quality assurance personnel and managers
- ISO 9001 food product business operations training for newly transferred employees

■ Overseas

- QMS Training Course for managers responsible for quality assurance at Group company regional headquarters
- 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

GRI416-DMA

GRI417-DMA

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

Framework / Performance

GRI414-1

GRI416-DMA

GRI416-1

> P103

Framework / Performance

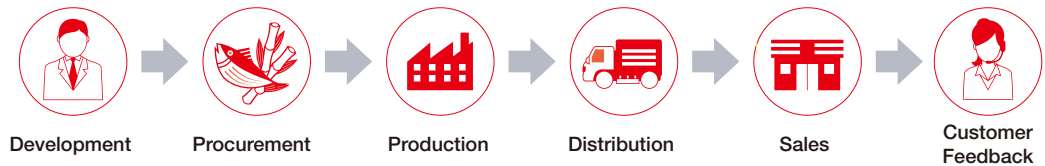
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GRI416-DMA

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 stage of the product development process in accordance with the ASQUA Standard for Quality Assessment. Only products that have passed all assessments reach the end customer.

Raw materials procurement

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

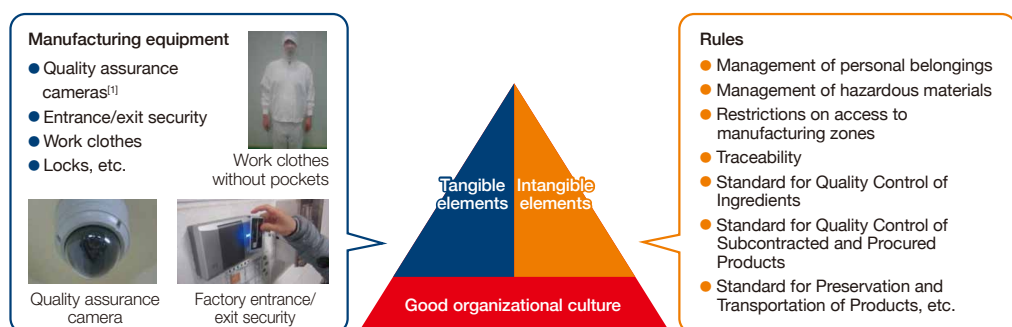
We work with our suppliers to improve quality and reduce quality risks through measures that include regular appraisals, quality audits, information sessions, and surveys. We make continuous quality improvements through close cooperation with suppliers.

Production

Structural enhancements for food safety

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

Diagram of food safety assurance concept



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

Assurance of Product Safety

GRI416-2
GRI417-2

Framework

GRI416-DMA
GRI416-1

Performance

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

> Product package
labeling (Japanese
only)

> Quality Assurance

■ Measures to prevent manipulation of quality-related data

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

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

■ Initiatives to reduce quality-related claims and incidents

We carefully investigate the causes of all quality complaints and problems that occur, one by one, to prevent recurrence. Details of any quality-related incident and information on preventative measures are communicated promptly to Group companies in Japan and abroad to prevent recurrences. We have also created a database of major past issues, using this information to evaluate risks.

During fiscal 2021, the Ajinomoto Group issued five recalls/collections from distributors due to foreign substance contamination or mislabeling.

Number of recalls and distribution collections by the Ajinomoto Group

Fiscal year	2017	2018	2019	2020	2021
Number	4	4	3	4	5

■ 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

We publish helpful information on our product packaging and websites to offer customers greater confidence in their purchases.

■ Product packages

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

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

■ Websites

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

Assurance of Product Safety

Framework

GRI416-DMA

GRI416-1

GRI417-DMA

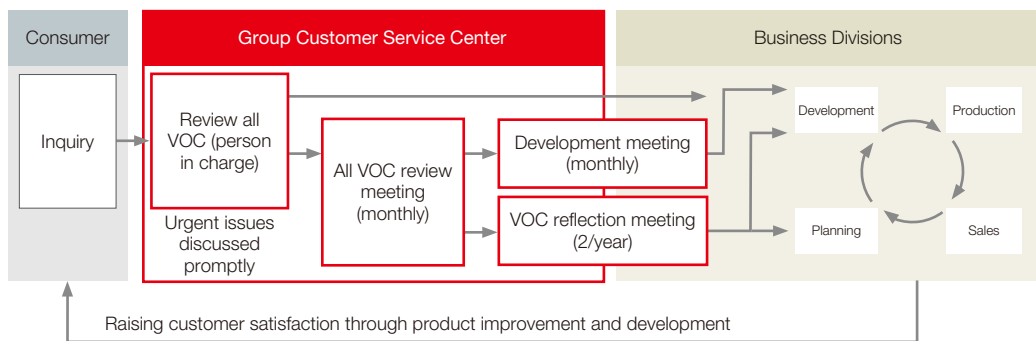
> Quality Assurance

Customer feedback

Initiatives to reflect customer feedback

We reflect the voice of our customers (VOC) in the development and improvement of appealing products and services in accordance with the ASQUA standards. As of March 2022, we operate under these standards in a total of 11 countries.

Product development system reflecting VOC at the Group Customer Service Center^[2]

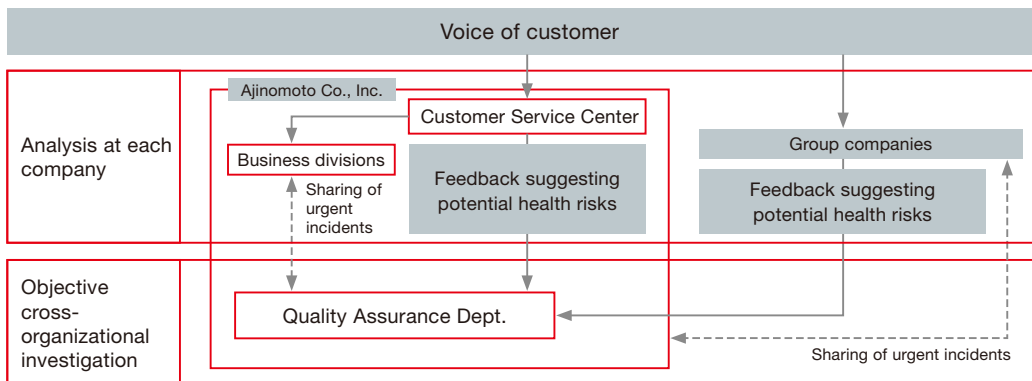


[2] Handling customer service functions for Ajinomoto Co., Inc., Ajinomoto Frozen Foods, Co., Inc. and Ajinomoto AGF, Inc.

Enhanced monitoring of customer feedback

Any customer feedback is analyzed by a group company, and any such feedback that concerns a serious issue that could lead to health risks or a violation of law is also checked and analyzed promptly, objectively, and in a cross-organizational manner by Ajinomoto Co., Inc. The system ensures that any case deemed to be urgent is shared with relevant departments immediately. As of March 2022, we operate under these standards in a total of 15 countries.

Customer feedback monitoring system for preventing health damage



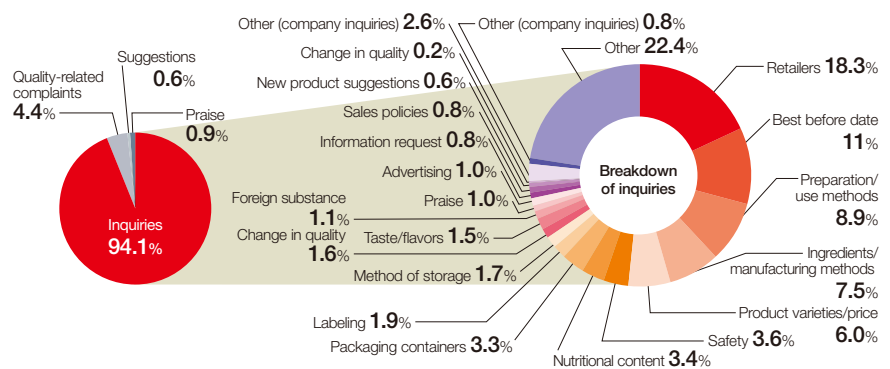
Performance

Breakdown of VOC in fiscal 2021

- VOC received by Ajinomoto Co., Inc.: 23,413 (+0.2% versus fiscal 2020)
- VOC received by three Ajinomoto Group food product companies ^[1] in Japan: 39,716 (+6.0% versus fiscal 2020)

Assurance of Product Safety

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



[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 2021 by Ajinomoto Co., Inc. indicated that 95.2% of customers were satisfied with the response to issues they raised, 86.5% were satisfied with the investigation reports, and 94.4% intend to continue to use the company's products.

Assurance of Product Safety

Disseminating information on MSG safety and benefits

Approach

GRI417-DMA

> P24

> Know MSG

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 intake, shortens cooking time, and reduces the cost of meals at schools and other facilities.

At the same time, MSG has been the subject of nebulous anxieties for many years as a purported chemical harmful to health. Labels such as "additive-free," "no chemical 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.

Assurance of Product Safety

TOPIC

Guideline on Non-use Labeling of Food Additives

After a year of deliberations in Japan by the expert-led Study Group on Guideline on Non-use Labeling of Food Additives, in March 2022, the Consumer Affairs Agency formulated the *Guideline on Non-use Labeling of Food Additives*. This guideline has been adopted due to consumer confusion about the safety of additives and contents due to voluntary non-use labeling by food-related business operators, etc., despite scientific confirmation of safety and effectiveness for the additives used to improve the taste and shelf life of food. The guideline is to be used by food-related business operators for self-assessments to determine whether labeling falls under prohibited items (i.e., misidentification of quality or contents) stipulated in the Food Labeling Standards. Ten categories have been defined related to non-use labeling that require careful consideration so as to avoid misleading consumers. Examples of labeling highly likely to fall under prohibited practice are also provided in the guidelines.

(Examples)

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

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

The Consumer Affairs Agency emphasizes consumer understanding of food additives, and we intend to engage in activities to promote and raise awareness.

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

In 2019, Ajinomoto Co., Inc. established a new opportunity for risk communications, declaring a commitment to work with consumers to share correct information related to food and health, contributing to a healthy, more abundant society.

As one part of this commitment, the company began the online Food & Wellness Future Forum in 2020. In September 2021, Ajinomoto Co., Inc. held the second forum titled, *Toward a Rich and Sustainable Diet—Let's Discuss Food Additives*. Experts from various fields took the stage as panelists and engaged in direct dialogue through short surveys and chats with over 2,700 viewers regarding concerns about food additives, usefulness, and the importance of relying on objective information. More than 3,000 comments were received in the chat, indicating a high level of interest in food additives and food safety. A short survey conducted immediately after the opening and just prior to the end of the event indicated that viewer concerns about food additives fell from 44% to 19%.

Performance

GRI417-DMA

> Food & Wellness
Future Forum
(Japanese only)

Assurance of Product Safety

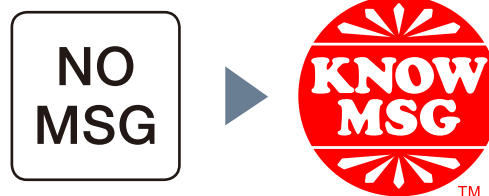
> Know MSG

Umami and MSG promotions in the United States

The Ajinomoto Group strives to ensure that reliable information regarding the effect of umami on salt reduction and the safety of MSG reaches consumers through direct and indirect channels. Consumer interest in salt reduction is rising, and in October 2021, the U.S. Food and Drug Administration announced guidelines for businesses to voluntarily reduce sodium in foods. We continue to provide nutritionists with information on the benefits of MSG for salt reduction through webinars by opinion leaders and influencers. At the same time, communications to consumers through our Know MSG campaign^[1], offered via social media and specialized websites, has encouraged an understanding of MSG among Gen Z and Millennials, who have a high interest level in food. Our efforts have been leading to a shift in attitudes.

In January 2022, the Whole30[®] diet program, said to be practiced by nearly 1 million people in the U.S. each year, declared that MSG would be removed from the list of foods to avoid due to the lack of scientific evidence against MSG. We engage in consistent efforts to provide accurate information to the authors of negative articles on MSG and to foster better understanding. As a result, certain erroneous articles have been retracted, and we are building new relationships with information providers. Through these and other means, we will continue to suggest 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-inspired food 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	FY2020 Result	FY2021 Result	FY2022 Target
Registered Dietitians	Likelihood to recommend MSG/tell others about the safety of MSG	52%	53%	60%
	Positive attitude toward MSG	29%	31%	40%
	Believe MSG reduces sodium while maintaining flavor	—	60%	63%
Food Forward Consumers	Positive attitude toward MSG	49%	53%	—
	Believe MSG is safe to eat	75% ^[1]	80%	90%
	Believe MSG reduces sodium while maintaining flavor	—	76%	78%

[1] The definition of food forward consumers was adjusted in fiscal 2021; fiscal 2020 figures updated to reflect this change.
(Per Ajinomoto Co., Inc. survey)

Assurance of Product Safety

Other communication activities

- Japan: Ajinomoto Co., Inc. launched a website for professionals involved in food and health to provide science-based knowledge of food and amino acids. The website includes information on the use of umami seasonings to reduce salt intake in delicious ways and to increase the amount of food consumed by the elderly who are cutting back on their salt intake. In April 2021, the website featured a pamphlet article for consumers on the founding of AJI-NO-MOTO® titled, *Oishiku meshi-agare! (eat deliciously)*. The website produced with the cooperation of culinary influencers, featured the founding spirit of deliciousness, nutrition, and quality assurance, which has been passed down to the present day.
- Singapore: In February 2022, the Ajinomoto Group held online lectures about Japanese cuisine and umami for 80 students at the National University of Singapore. In addition to presenting information about Japanese cuisine, the lecture included explanations of umami and how to reduce salt intake by using MSG. The lectures also presented the changing attitudes toward MSG as a result of initiatives in the United States.

Diverse talent

The Ajinomoto Group believes that employee engagement, along with market capitalization and corporate brand 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-resolving 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
- Increase in the number of channels for recruiting and promote human resources of diverse backgrounds
- Rising costs due to intense competition for human resources and loss of corporate reputation in the event of a failure to attract diverse human resources

Key initiatives by the Ajinomoto Group

- Enhancing employee 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



Diverse Talent

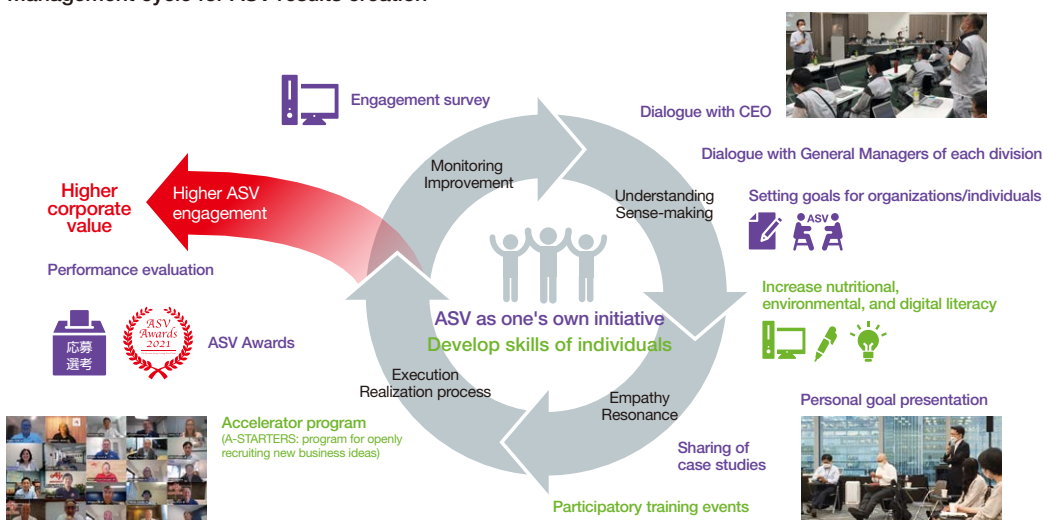
Human resources and organizational management

Approach

> ASV Report 2022 (Integrated Report) P31-33

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 for ASV results creation



Framework

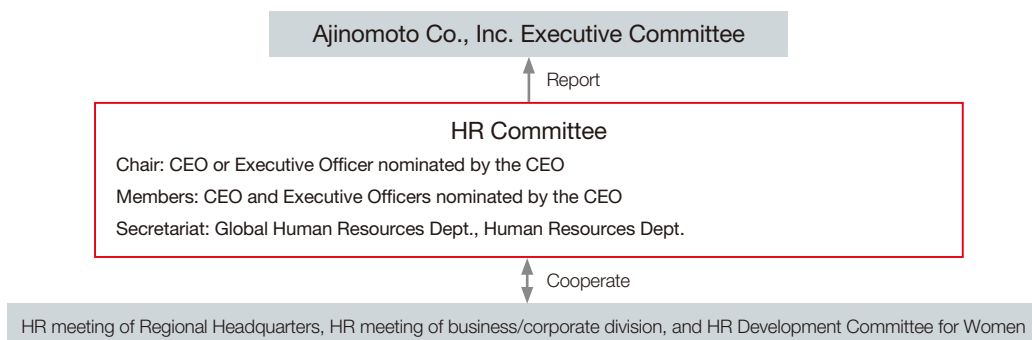
GRI401-DMA
GRI404-DMA

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. In constructing a management human resources pipeline, the HR Committee plays a central role in forming a pool of high potential human resources.

These human resources are candidates as successors to specific positions and future management roles. In this way, we strengthen strategic development and promotion of personnel, including transfers between divisions and group companies.

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.



Diverse Talent

Global human resources management system

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

Position management (right position)

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

Job level	Grade system based on job level
Evaluation system	Behavior and performance evaluations based on the Ajinomoto Group Way
Remuneration	Establish global remuneration policies The remuneration program must comply with the laws and regulations of each country and region Remuneration reflecting duties and performance Competitive remuneration levels based on country, regional market wages

Talent management (right person)

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

Human resource career management framework

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

Ajinomoto Co., Inc. has established a human resources career management framework with the aim of maximizing overall results related to human resources management. In September 2021, the Company began operating an integrated human capital system that will serve as the cornerstone of this framework.

In building this framework, we reviewed the measures necessary for human resources management, merging various scattered data sources and measures. This integrated human resources system makes available to all employees the profiles of each individual's expertise, internal and external experience, etc., in addition to routine job title and organizational information. By utilizing this system, we expect to optimize human resource allocation efficiently based on diverse skills and experience, while encouraging employees to develop careers autonomously and improve engagement.

Performance

GRI404-1

GRI404-2

> ASV Report 2022
(Integrated Report)
P36

> P132

Employee engagement

Develop skills to better solve 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 focus on improving nutritional, environmental, and digital literacy. This is in addition to our A-STARTERS program that fosters in-house entrepreneurs and supports the market development of their business ideas. Fiscal 2021 participation was as follows.

Diverse Talent

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

	FY2019	FY2020	FY2021
Expenditures for education and training	¥136,000	¥123,000	¥132,000
Average training hours	13	13	13

Number of participants in nutritional and environmental literacy training

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

Percentage of certified business DX professionals and employees at Ajinomoto Co., Inc.

	FY2020		FY2021	
	Certified employees	Percentage of employees	Certified employees	Percentage of employees
Beginner	743	23%	854	27%
Intermediate	51	2%	192	6%
Advanced	9	0.3%	16	0.5%
Total (cumulative ^[1])	803	25%	1,062	33%

[1] Includes employees taking multiple courses

Number of A-STARTERS applicants, selected teams

	FY2020	FY2021
No. of applicant teams	133	47
No. of selected teams	4	2

ASV as one's own initiative

The Ajinomoto Group improves employee engagement to creating customer value that leads to the creation of economic value. By sharing this economic value with employees, we continue to generate a cycle of rising engagement, aiming for improving levels of corporate value.

As we advance in developing the skills of our individual employees, we use the OE^[2] method in our management cycle (see P59) to accelerate ASV as one's own initiative in each employee through various related measures. The following table describes the measures implemented during fiscal 2021.

[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.

Initiatives and results toward ASV as one's own initiative

Initiatives	FY2021 Performance
1. Management plans dialogue with the CEO	Total of 44 dialogues held with group companies in Japan and overseas. Total of 724 participants with more than 400 questions and suggestions.
2. Dialogue with General Managers of each division	Total of 74 dialogues held with group companies in Japan and overseas. Total of 4,553 participants.
3. Set organizational/personal goals	Completed as planned.
4. Personal goal presentation	Expanded to 7 companies in Japan and 14 companies overseas (Ajinomoto Co., Inc. only in the previous year).
5. Share best practices	Total of 590 ASV-related posts by employees.
6. ASV Awards	Awarded 7 initiatives at the Sixth ASV Awards. Total of 16,977 employee votes.
7. Monitoring via engagement survey	Employee engagement score 61% (-3 points year on year).
8. Address issues in next-year plans	Completed as planned.

Performance

GRI404-2

> ASV Report 2022
(Integrated Report)
P32

Diverse Talent

Generating results through visualizing the ASV realization process

The Ajinomoto Group quantitatively measure employee ASV engagement through an annual engagement survey. This survey helps us understand and take action to improve issues, leveraging the PDCA cycle.

In fiscal 2021, the Employee Engagement Score (ASV as one's own initiative), a priority KPI in our 20-25 MTP, declined three points to 61%. This result may have been due to the limited opportunities to speak with family members and acquaintances outside of the same household during the COVID-19 pandemic. However, we saw an increase in the number of employee votes for the ASV Awards, which recognizes best practices. Voluntary participation by employees has advanced, with pre-selection programs in Thailand and Brazil.

To visualize the process leading to creation of ASV results and monitor progress, we organized the process to generate results from both individual and organizational perspectives. We also established an index consisting of multiple questions in the engagement survey. Beginning in fiscal 2022, this ASV Achievement Process index will be monitored in parallel with the Employee Engagement Score (ASV as one's own initiative).

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

FY2019	FY2020	FY2021	FY2022 (Target)	FY2025 (Target)	FY2030 (Target)
55%	64%	61%	70%	80%	85%+

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.

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 that we are establishing within the Ajinomoto Group as standards for health management systems and methodologies.

In the fiscal 2021 Engagement Survey, group employees' favorable score for Health Management^[1] was 83%.

[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	FY2021
79%	81%	83%

Health promotion framework

The Ajinomoto Co., Inc. health policies are centered on the concept of self-care, which advocates health as a personal responsibility under the guidance of health promotion managers. This self-care is supported by a partnership between the Company's Wellness Promotion Center, which has nine occupational physicians and 15 health staff members, the HR departments, and the Ajinomoto Health Insurance Society.

Approach

GRI403-DMA

GRI403-3

GRI403-6

> White Paper on
Health (Japanese
only)

> P35

Performance

Framework

GRI403-DMA

GRI403-3

GRI403-6

Diverse Talent

Performance

GRI403-DMA

GRI403-3

GRI403-6

Approach

GRI405-DMA

GRI406-DMA

> ASV Report 2022
(Integrated Report)
P35

> Public Awards and
Feedback (2022)
Nadeshiko, Pride
Index Gold Rank

Health and productivity initiatives

■ 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 checkups 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.

■ Self-care support measures

Ajinomoto supports employee self-care through Medical Checkup Game, a gamified medical checkup program that awards points to employees depending on the degree of improvement in regular medical checkup results. 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. Through these initiatives and other means in fiscal 2021, we saw a reduction in smoking, BMI, and blood pressure rates compared with the previous fiscal year.

■ Mental Health Recovery Program

Ajinomoto Co., Inc. operates an independent 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.

■ Certified as Certified Health & Productivity Management Organizations Recognition Program (Large Enterprise, White 500)

Ajinomoto Co., Inc. has again been recognized by the Ministry of Economy, Trade and Industry as a White 500, which recognizes the top 500 large enterprises in terms of outstanding health and productivity management.

Diversity and inclusion

Promoting diversity and inclusion for corporate culture transformation

The Ajinomoto Group believes that diversity and inclusion (D&I), in which individuals' diverse experiences, abilities, advanced expertise, attributes, and other different perspectives are utilized in the organization to help employees grow, accelerates innovation and co-creates value. We also believe D&I fosters a corporate culture that encourages voluntary action. To promote D&I within our organization, we transfer employees between business divisions with different specialties and across functions within the same division, such as R&D, business, and sales. We also transfer employees between domestic and overseas group companies to promote innovation creation across the group.

A review of diversity at major group companies showed that the percentage of female managers by region is relatively low in Japan. Therefore, Ajinomoto Co, Inc. set a target to increase the percentage of female directors and line managers (organization managers and group managers) to 30%, respectively, by the end of fiscal 2030. At the same time, the company is taking measures to strengthen the pipeline of female human resources.

Diverse Talent

GRI202-2

Framework

GRI405-DMA

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

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

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

	FY2019	FY2020	FY2021	FY2030 Target
Percentage of female line managers	9%	11%	11%	30%

Percentage of female managers

	FY2019	FY2020	FY2021
Group total	24%	26%	27%
Japan	10%	11%	11%
Asia	37%	37%	38%
EMEA	32%	34%	33%
Americas	31%	34%	35%
Ref.: Ajinomoto Co., Inc. ^[1]	10% (11%)	11% (12%)	12% (12%)

[1] Percentage of female managers in junior position in parentheses

Percentage of locally hired overseas executives

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

D&I promotion framework

Ajinomoto Co., Inc. established the HR Development Committee for Women, chaired by the director in charge of diversity and HR. This committee is a subcommittee of the HR Committee. The HR Development Committee for Women provides specific support for plans to promote women and for the career development of women. The committee reports its activities to the Executive Committee and the Board of Directors on a regular basis. 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 conducts D&I promotion planning and operations of cross organization activities in cooperation with contact points of each major division and Group company.

- Create an organizational culture: Plan and hold unconscious bias training and lunchtime seminars on D&I throughout the company, provide D&I e-learning courses, conduct anti-harassment training, and prepare an environment for active internal and external communications
- Diverse human resources: Create LGBT support systems and policies (establish a dedicated consultation desk and training for staff in charge at Group companies in Japan) and provide 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; mentor program to improve employee engagement)
- Establish an environment linking careers: Dokodemo Career (e.g., systems enabling continuation of current work if they move for the benefit of their partner's career), Work-Life Balance leave (leave for partner's transfer, leave for infertility treatment), establish on-premises daycare centers and nursing rooms

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

Diverse Talent

Performance

D&I promotion performance

Ajinomoto Co., Inc. launched AjiPanna Academy in fiscal 2020 as a measure to support female human resources development, which provides opportunities and helps employees think independently about their careers. The support for multifaceted growth through career workshops, business skills training, and mentor programs has contributed to a growth mindset amongst female human resources, and a willingness of supervisors, organizational heads, and officers to develop female human resources.

Fiscal 2021 participation in various D&I programs was as follows.

- Career workshops with superiors: Attended by 89 female employees in non-management positions at Ajinomoto Co., Inc. and their superiors, with a total of 171 participants. (Female employee satisfaction: 95%, superior satisfaction: 98%).
- Semi-annual business skills training for career female employees: Attended by 24 female employees from Ajinomoto Co., Inc. and other Group companies. (Satisfaction with curriculum overall: 83%).
- Mentoring program by organization managers and executives for women in management positions at Ajinomoto Co., Inc.: 32 participants (100% satisfaction rate).
- D&I lunch seminars (including certain domestic group companies): Three seminars held on the topics of LGBT, balancing work and childcare, revisions to the Child Care and Family Care Leave Act, and communications to bridge the generation gap. Approximately 360 employees participated.
- Work-life balance support seminars (including certain domestic group companies): Employees considering families or raising a child together with their partners participated in these seminars to discuss ways to balance work and family life. Attended by 11 couples.
- Training for vocational consultants working with employees who have disabilities: Attended by 100% of 12 eligible employees.

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.

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.

Main programs in fiscal 2021

- Training for new hires: Attended by 100% of 39 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.
- D&I e-learning course for Japanese Group employees: Taken by 79% of the eligible 9,340 employees.

Performance

GRI412-2

Diverse Talent

Approach

GRI405-2

Framework

GRI102-41

GRI402-DMA

GRI403-4

> P117

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.

Compensation by job title, gender (Ajinomoto Co., Inc. only; as of April 2021)

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)	¥7,431,039	¥7,861,752	0.945
Management (base salary+ bonuses and other cash incentives)	¥13,642,984	¥14,411,217	0.947
Non-management	¥7,295,908	¥8,703,099	0.838

Labor-management relations

All non-management employees of Ajinomoto Co., Inc. are members of the labor union (61% 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.

Environmental management

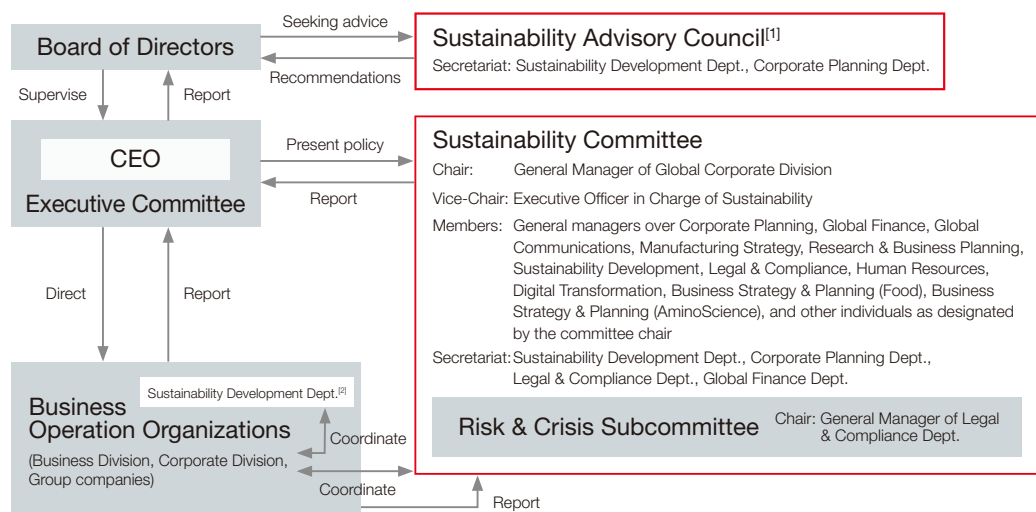
Framework

GRI301-DMA
GRI302-DMA
GRI303-DMA
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 and biodiversity, and the decisions made by the Sustainability Committee, and disseminate the plan throughout the company. Then, they report to the presidents of Group companies and give advice and recommendations regarding the performance status of environmental activities and improvement issues, etc., and also contact and report to Ajinomoto Co., Inc. Manufacturing Strategy Dept., Sustainability Development Dept. and other related organizations.

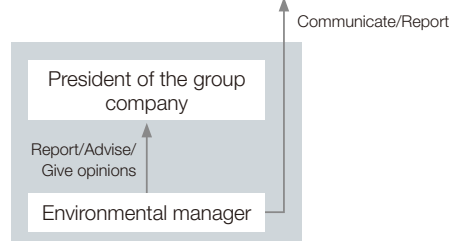


[1] The council is made up of outside experts from various disciplines, such as academia, emerging country perspectives, millennial and Gen Z perspectives, ESG/impact investors, as well as outside directors, and internal officers of the Company, including the president & CEO.

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

Management framework at group companies

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



Status of ISO 14001 certification

As of March 2022, the Ajinomoto Group has acquired ISO 14001 certification at 70 of subject 102 eligible factories. Even those companies not yet certified are conducting management based on the ISO 14001 approach.

Environmental Management

Environmental assessments

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

Environmental assessment items

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

Environmental audits

The Ajinomoto Group receives external audits for compliance with ISO 14001. In addition, locations experiencing issues are audited by the Ajinomoto Co., Inc. Manufacturing Strategy Dept. based on the Environmental Audit Outline. There were no sites subject to environmental audits in fiscal 2021.

Environmental Management

Performance

GRI307-1

Response to environmental laws and accidents

We established measures to quickly address any legal violations or accidents related to the environment. In fiscal 2021, there were three legal violations, and we made appropriate corrective actions in response to administrative guidance. There was one accident impacting the environment outside our worksites in Japan (one odor complaint) and two accidents overseas (one hydrochloric acid gas leak, one fluorocarbon leak). 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.

Amount of fines paid

(yen)

Fiscal year	2018	2019	2020	2021
Amount of fines paid	0	0	0	0

Environmental 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 2021 (Japan)

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

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

Performance

Environmental Management

Material balance

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

Total Scope 1 and 2 GHG emissions for fiscal 2021 were significantly lower than the previous year. Main reasons for this progress in reductions was direct contracts with renewable energy power plants in Brazil, procurement of renewable energy certificates in Thailand, and contracts with power companies with low CO₂ emission factors in Japan.

[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

	FY2018	FY2019	FY2020	FY2021
Main raw material (kt)	1,548	1,439	1,282	1,137
Sub raw material (kt)	2,901	2,378	2,069	2,006
Acids/alkalis (kt)	501	486	482	421
Other (kt)	2,400	1,892	1,588	1,585
Packaging material ^[1] (kt)	276	251	244	259
Plastic ^[1] (kt)	69	72	70	69
Paper, cardboard (kt)	177	154	148	165
Other (kt)	31	25	26	24
Fuel (TJ)	28,680	25,230	24,494	24,557
Oil (TJ)	2,141	1,802	1,653	1,556
Coal (TJ)	4,703	2,314	3,157	3,593
Biomass (TJ)	7,330	7,129	6,875	7,132
Natural gas (TJ)	14,506	13,985	12,809	12,277
Purchased electricity (TJ)	7,834	7,588	7,200	4,440
Purchased electricity (derived from renewable energy) ^[2] (TJ)	42	38	68	2,174
Purchased steam, etc. (TJ)	1,954	1,801	1,800	563
Water (1,000 kl)	69,892	66,926	64,406	59,979
Surface water (1,000 kl)	20,672	19,630	17,004	17,259
Municipal water (1,000 kl)	6,375	6,210	5,316	5,152
Municipal water (Industrial) (1,000 kl)	27,766	26,717	29,041	23,794
Ground water (1,000 kl)	15,076	14,366	13,041	13,769
Other (rainwater, etc.) (1,000 kl)	3	3	4	4
Transportation distance (km)	2,756	2,804	2,872	2,886
Use (soups, frozen foods, coffee) (t)	556,549	596,264	603,420	583,737

[1] The scope of the total has been reviewed with the starting of the plastics project, and the actual values for plastics for FY2019 and beyond have been revised.

[2] The scope of the tabulation was revised to include purchases of renewable electricity certificates.

GRI301-1

GRI302-1

GRI302-2

GRI302-4

GRI303-3

> Environmental
Data
Assurance
Statement

> Environmental
Data
For produce
carbon footprint
value

> Environmental
Data
Composition of
consumed energy

> CDP Climate
Change

GRI102-48

Environmental Management

GRI305-1
GRI305-2
GRI305-3

OUTPUT

(t-CO₂e)

	FY2018	FY2019	FY2020	FY2021
Scope 3 Category 1: Raw materials	8,115,946	7,784,783	7,614,734	6,960,412
Scope 1:	1,196,969	1,013,315	1,008,811	1,005,363
Scope 3 Category 3: Production	381,765	625,142	630,823	583,499
Scope 2:	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	Market-based method 606,594 Location-based method 622,059
Scope 3 Category 4: Transport	1,274,589	1,256,044	1,210,741	1,121,673
Scope 3 Category 11: Use	1,294,392	1,353,234	1,355,477	1,396,947
Scope 3 Category 12: Disposal	443,333	431,048	425,003	409,500
Scope 3 Category 2: Capital goods	249,944	255,910	262,711	232,674
Scope 3 Category 5: Waste generated in operations	140,678	85,666	85,714	92,884
Scope 3 Category 6: Business travel	4,479	4,486	4,226	4,350
Scope 3 Category 7: Employee commuting	16,206	16,231	15,292	15,740
Scope 3 Category 8: Upstream leased assets	Included in category 1	Included in category 1	Included in category 1	Included in category 1
Scope 3 Category 9: Downstream transportation and distribution	3,780	3,503	3,183	3,448
Scope 3 Category 10: Processing of sold products	8,161	5,517	179,801	126,716
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	11,933,273	11,821,564	11,787,705	10,947,844
Scope 1, 2 and 3 total	14,145,965	13,795,254	13,698,305	12,599,801

Data calculation

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

Reporting period: April 1, 2021 to March 31, 2022

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 LRQA Limited.

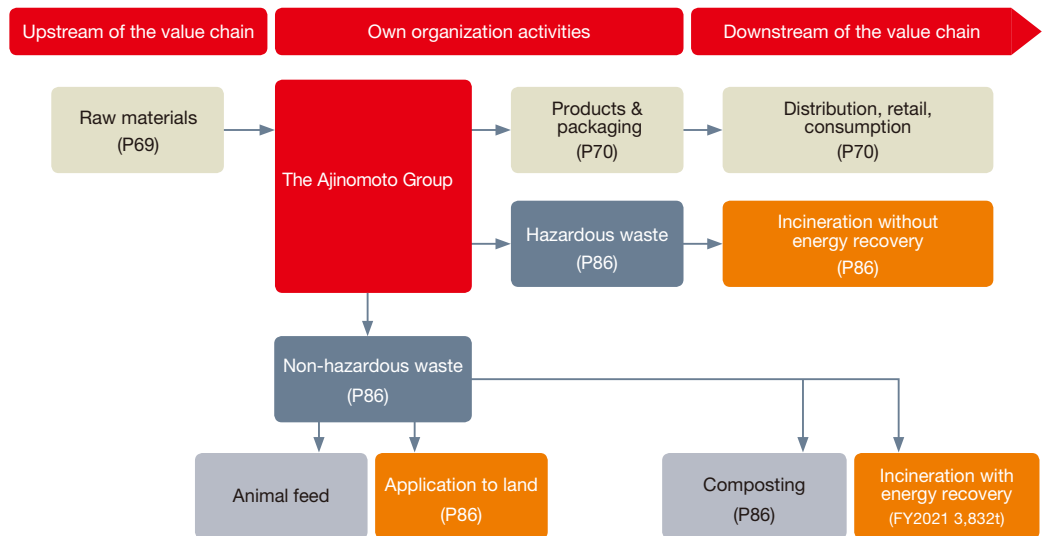
Environmental Management

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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

The pressing global challenge of climate change is one of the most important issues as it makes a significant impact on the business and strategy of the Ajinomoto Group. As climate change continues to worsen, we can expect to see more risks, such as difficulty in procuring raw materials. The Group regards climate change as a Group-wide material risk and opportunity. As such, we are looking at countermeasures from the four perspectives of governance, strategy, risk management, and metrics and targets. In addition to promoting energy-saving activities and the use of renewables to help reduce our impact throughout the whole product life cycle, we will participate in global initiatives, striving to solve problems while collaborating both internally and externally.

Specific examples

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

Related opportunities and risks (○ Opportunity ● Risk)

- Initiatives toward net-zero GHG emissions, and cost competitiveness ensured through 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
- Convert to fuels with lower greenhouse gas emissions emission factors
- 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



Climate Change Adaptation and Mitigation

Framework

GRI102-12

GRI201-2

GRI305-DMA

> Group Shared
Policy on
Environment

> Financial Report

> ASV Report 2022
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Change

Response to climate change risks

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. To this end, we work to explore countermeasures and disclose related information based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). In addition, our greenhouse gas (GHG) emissions reduction targets have been approved by the Science Based Targets initiative (SBTi), a joint organization endorsed by major global companies. Furthermore, we have announced our participation in the RE100 initiative, which aims to use electricity from 100% renewable energy. In addition, in March 2022, we submitted a commitment letter to the SBTi declaring that we would achieve net zero GHG emissions by fiscal 2050.

Disclosures based on the TCFD recommendations

Governance

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

The Board of Directors has established the Sustainability Advisory Council as a subordinate body, creating a system for making recommendations on the Group's approach to sustainability from a multiple-stakeholder perspective. The Board of Directors 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 as a subordinate body, which selects and extracts significant risks and opportunities Group-wide, including those related to climate change, and assesses the degree of impact, formulates strategies to combat these, and manages their progress.

Strategy

Products in the Ajinomoto Group's business domains range from seasoning, food, and frozen foods 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.

The Group reviews production over the short, medium, and long term, 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, tightening of other laws and regulations, increasing energy unit prices, changes in consumer preferences, 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 and product development that links sustainability initiatives to product added value, and we are formulating business strategies accordingly.

Climate Change Adaptation and Mitigation

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.

For materiality issues identified as Group-wide risks, the Sustainability Committee formulates and implements Group-wide response strategies, and regularly monitors and manages the status of risk responses. The committee uses scenario analysis to assess the Group's climate-related risks and opportunities. Enterprise continuity plans (ECPs) have been developed for each business site to uncover risks specific to each site, including climate change, and to explore countermeasures to address these.

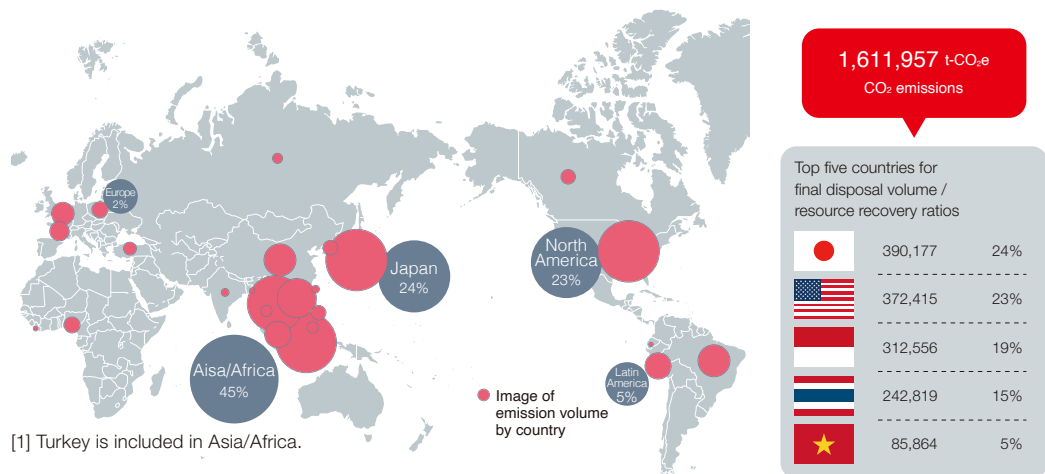
Climate-related risks are regarded as part of significant risks Group-wide. We evaluate the impact of physical risks and transition risks, such as legal risks and market risks, based on published reports and expert advice. The committee's review and recommendations were reported four times during fiscal 2021 at meetings of the Executive Committee and the Board of Directors.

Metrics and targets

Total Scope 1 and 2 GHG emissions for fiscal 2021 were down approximately 300,000 tons of CO₂e from the previous fiscal year to 1,611,957 tons of CO₂e. The top five countries of Japan, the United States, Indonesia, Thailand and Vietnam accounted for 87% of this total. Scope 3 emissions were down approximately 840,000 tons of CO₂e from the previous fiscal year to 10,948,000 tons of CO₂e. Total emissions from Scope 1, 2, and 3 came to 12,600,000 tons of CO₂e, with Scope 3 emissions comprising more than 87% of the total.

GRI305-4
GRI305-5

CO₂ emissions (Scope 1 and 2) by area^[1] (Fiscal 2021)



For fiscal 2030, we have set a target of 50% reduction in Scope 1 and Scope 2 GHG emissions versus fiscal 2018 levels. We acquired SBTi approval for this target for its 1.5°C scenario 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. Specifically, at the Kyushu Plant, we have switched fuels from heavy oil to natural gas, and at the Kamphaeng Phet Plant in Thailand, we have introduced cogeneration facilities. In fiscal 2018, base emissions were 1,962,000 tons of CO₂e, calculated by subtracting Scope 1 and 2 GHG emissions from companies that would become outside of the Group's scope on or after fiscal 2019 in accordance with SBTi standards. By comparison, emissions in fiscal 2021 were 1,612,000 tons of CO₂e, down 18% and greatly exceeding our target for the year. In particular, with regard to Scope 2, we made significant progress year-on-year by concluding direct contracts with renewable energy power plants in Brazil, procuring renewable energy certificates in

Climate Change Adaptation and Mitigation

Thailand, and concluding contracts with power companies with low CO₂ emission factors in Japan. For the SBTi target of Scope 3 emissions (excluding Category 11), we have set a fiscal 2030 target of a 24% reduction of GHG emissions per volume unit (per one ton of production) 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. The GHG emissions intensity per ton of production, retroactively adjusted for Scope 3 (excluding Category 11) GHG emissions of companies that became outside of the Group's scope on or after fiscal 2019 in accordance with SBTi standards, was down 1% from the previous fiscal year, but increased 8% compared to fiscal 2018, the base year.

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

(t-CO₂e)

	FY2017	FY2018	FY2019	FY2020	FY2021
Scope 1 emissions	1,244,676	1,196,969	1,013,315	1,008,811	1,005,363
Scope 2 emissions (market-based method)	1,072,248	1,015,723	960,375	901,789	606,594
Scope 1 and 2 total emissions	2,316,924	2,212,692	1,973,690	1,910,600	1,611,957
Scope 3 emissions	11,972,183	11,933,270	11,821,564	11,787,705	10,947,844
Scope 1, 2, and 3 total emissions	14,289,107	14,145,962	13,795,254	13,698,305	12,559,801

[2] International Energy Agency

GHG emissions per volume unit calculated from IEA CO₂ emissions factors

(t-CO₂e)

	FY2017	FY2018	FY2019	FY2020	FY2021
Scope 1 and 2 emissions per volume unit (intensity per ton of production)	0.86	0.84	0.79	0.79	0.68
Scope 3 emissions per volume unit (intensity per ton of production)	4.46	4.54	4.71	4.87	4.64
Reference value: Production volume (1,000 t)	2,684	2,627	2,512	2,423	2,360
Scope 1 and 2 emissions per volume unit (intensity per million yen of sales)	—	1.99	1.79	1.78	1.40
Scope 3 emissions per volume unit (intensity per million yen of sales)	—	10.7	10.7	11.0	9.5
Consolidated sales (million yen)	—	1,114,308	1,100,039	1,071,453	1,149,370

Climate Change Adaptation and Mitigation

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

(t-CO₂e)

	FY2018	FY2019	FY2020	FY2021
Scope 1 and 2 total emissions (market-based method)	1,961,516	1,779,380	1,752,812	1,611,957
Scope 3 emissions (excluding Category 11)	9,876,834	9,858,584	9,951,981	9,550,897
Scope 3 emissions per volume unit (excluding Category 11)	3.76	3.92	4.11	4.05

SBTi targets and progress

	FY2021		FY2025	FY2030
	Target	Result	Target	Target
Scope 1 and 2 GHG emission reduction rate (vs. FY2018)	14%+ decrease	18% decrease	30% decrease	50% decrease
Scope 3 (excluding Category 11) GHG emissions per volume unit reduction rate (vs. FY2018)	6% decrease	8% increase	14% decrease	24% decrease

NOx and other atmospheric emissions

	FY2018	FY2019	FY2020	FY2021
Nitrogen oxide (NOx)	9,421	5,224	6,637	5,673
Sulfur oxide (SOx)	10,701	6,779	7,016	7,676
Particulates	1,827	884	1,310	871
CFCs ^[1]	11	9	7	5

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

Summary of scenario analysis conducted

In fiscal 2021, we conducted a scenario analysis of the impact of climate change on our global umami seasonings and domestic mainstay products (equivalent to 24% of consolidated sales) in 2030 and 2050 under the assumption that the average global temperature rises by 2°C or 4°C by 2100 versus post-Industrial Revolution levels. We review production over the medium and long term, considering the physical risks of climate change (droughts, floods, rising sea levels, changes in raw material yields, etc.) and transition risks (introduction of carbon tax, tightening of other laws and regulations, increasing energy unit prices, changes in consumer preferences, etc.).

From fiscal 2022 onward, we intend to further enhance our risk and opportunity analysis by expanding the range of products covered and placing more emphasis on the water risk of raw materials.

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Performance

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Climate Change Adaptation and Mitigation

Scenario analysis assumptions by year

	Y2020 ^[1]	FY2021	FY2022 (Plan)
Business	Umami seasonings (global), mainstay domestic products	Umami seasonings (global), mainstay domestic products	Umami seasonings (global), mainstay domestic and overseas products
Time of occurrence	2030	2030/2050	2030/2050
Scenario	2°C/4°C	2°C/4°C	2°C/4°C

[1] Please refer to the 2021 Sustainability Data Book for the results of the scenario analysis conducted in fiscal 2020.

The average temperature difference in 2030 between the 2°C and 4°C scenarios is about 0.2°C, which means that no significant difference in physical risk is expected.

The following is a summary of the risks and opportunities based on a scenario analysis for the year 2050, when the average temperature difference is expected to be about 1°C and there is expected to be a difference in physical risk, as well as countermeasures to address these.

■ Scenario analysis: Risks

2°C scenario (2050)			
Risk/Risk categories	Business impact	Potential financial impact	Countermeasures
Physical risks			
Average temperature increase	Decline in productivity of agriculture, livestock, and fishery products	1.5 billion yen/year	<ul style="list-style-type: none"> • More diversified areas of procurement • R&D on alternative raw materials • Development of environmentally-friendly manufacturing methods
Increased severity and frequency of floods and droughts	Increased raw material procurement costs	To be calculated	<ul style="list-style-type: none"> • More diversified areas of procurement • R&D on alternative raw materials
Transition risks			
Mandates and regulations on products	Increasing raw material procurement costs due to tighter laws and regulations on traceability, etc.	To be calculated	<ul style="list-style-type: none"> • Information gathering for suppliers • Collaboration with suppliers
Changes in consumer preferences	Changing needs due to rising temperatures	To be calculated	<ul style="list-style-type: none"> • Promotion of the nutritional value of products
Carbon pricing mechanisms	Rising raw materials and fuel procurement costs due to carbon taxes and emissions trading	Group-wide, 2030: 20 billion yen/year ^[1] 2050: 30 billion yen/year ^[1]	<ul style="list-style-type: none"> • Visualization of financial impact of internal carbon-pricing systems • Fossil fuel phase-out • Use of renewable energies • Development of environmentally-friendly manufacturing methods

Climate Change Adaptation and Mitigation

4°C scenario (2050)			
Risk/Risk categories	Business impact	Potential financial impact	Countermeasures
Physical risks			
Average temperature increase	Decline in productivity of agriculture, livestock, and fishery products	2.0 billion yen/year	<ul style="list-style-type: none"> • More diversified areas of procurement • R&D on alternative raw materials • Introduction of high temperature-tolerant varieties • Reflection in sales price • Development of environmentally-friendly manufacturing methods
Increased severity and frequency of floods and droughts	Increased raw material procurement costs, shutdown of operations, and decreased sales due to delivery delays	0.1 billion yen/year	<ul style="list-style-type: none"> • More diversified areas of procurement • R&D on alternative raw materials
Transition risks			
Changes in consumer preferences	Changing needs due to rising temperatures	To be calculated	<ul style="list-style-type: none"> • Promotion of the nutritional value of products
Increasing fuel costs	Increasing fuel procurement costs	1.0 billion yen/year	<ul style="list-style-type: none"> • Fossil fuel phase-out • Use of renewable energies • Development of environmentally-friendly manufacturing methods

[1] Calculated by multiplying the Group's fiscal 2018 standard greenhouse gas emissions approved by SBTi by 2030 carbon tax and emissions trading projections corresponding to the IEA's 2°C scenario (US\$75/t-CO₂ in developing economies and US\$100 in advanced economies, carbon taxes and emissions trading projections for 2040: US\$125 in developing economies and US\$140 in advanced economies). The 4°C scenario is the outcome of the current situation with no additional or higher carbon taxes or emissions trading expected.

■ Scenario analysis: Opportunities

2°C scenario (2050)			
Opportunities	Business impact	Potential financial impact	Countermeasures
Products and services with low CO ₂ emissions	Expanding needs through the expansion of ethical thinking	To be calculated	<ul style="list-style-type: none"> • Development of environmentally-friendly manufacturing methods and products • Promotion of initiatives to achieve high ESG ratings (only for 2°C) • Strengthening evidence of low environmental impact
Changes in consumer preferences	Changing needs due to growing health-consciousness and rising temperatures	To be calculated	<ul style="list-style-type: none"> • Improvement of the nutritional value of products • Promotion of the nutritional value of products • Development of environmentally-friendly manufacturing methods and products

Based on the results of the scenario analysis, we plan to invest in switching to alternative fuels, the use of renewable energy, and environmentally friendly manufacturing methods to further reduce GHG emissions. We will also work toward product development to devise symbiotic solutions so that our sustainability initiatives lead to greater added value for our products.

Climate Change Adaptation and Mitigation

Reduction of greenhouse gas emissions
in the value chain

Internal carbon-pricing

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

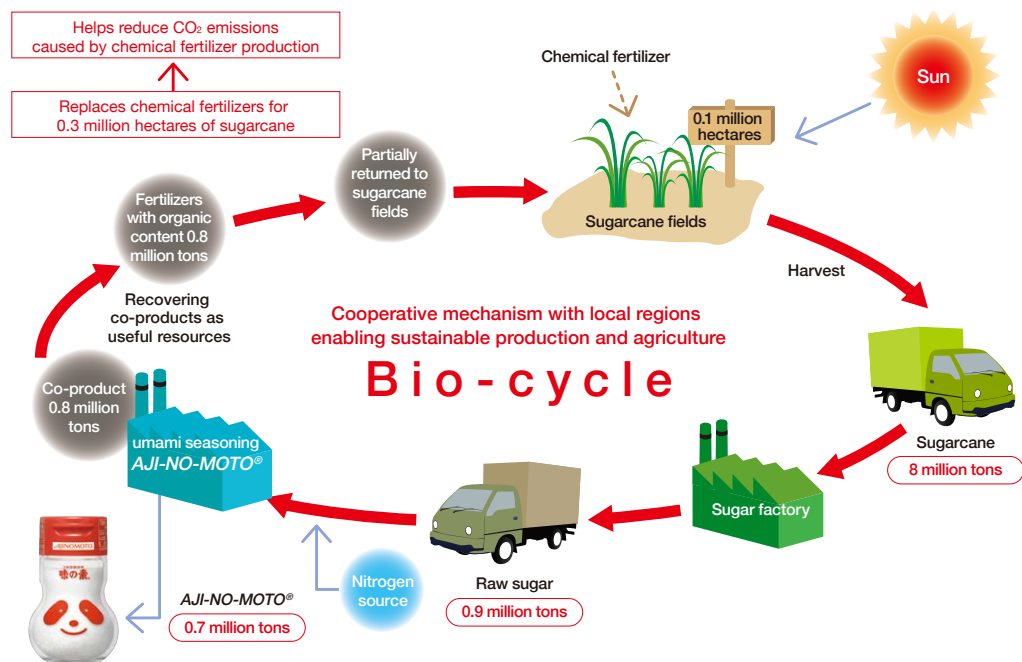
Bio-cycles contribute to reductions in greenhouse gas emissions

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.

Approach

GRI302-4

The Ajinomoto Group Bio-cycles



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

Climate Change Adaptation and Mitigation

Performance

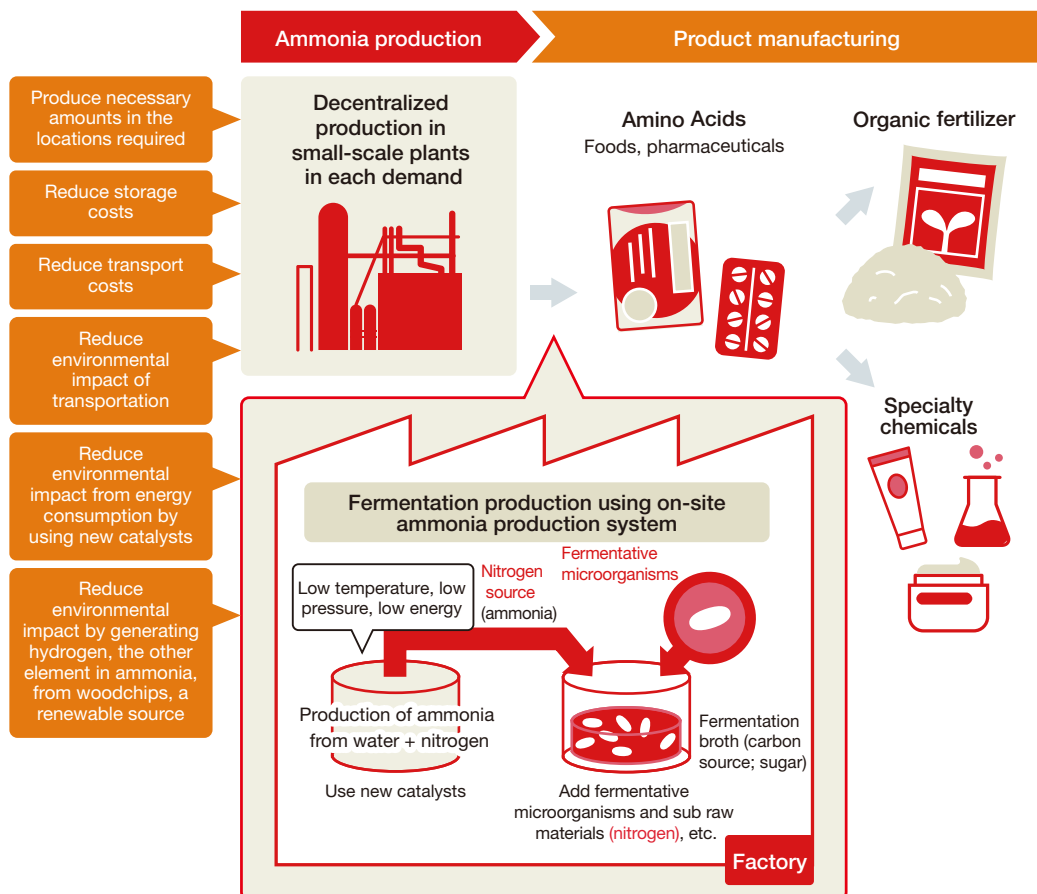
GRI302-4

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 is carried out in large plants under high-temperature and high-pressure reaction conditions. It requires special equipment to transport the final product to where there is demand, and on transport, there is significant environmental impact in terms of CO₂ emissions, etc. The Ajinomoto Group procures ammonia externally as a raw material in the fermentation processes for amino acids, and to solve these problems, we are working toward practical implementation of on-site production to produce the necessary amount of ammonia where it is needed. In 2017, Ajinomoto Co., Inc., in partnership with Professor Hideo Hosono of the Tokyo Institute of Technology and others, established Tsubame BHB Co., Ltd., and we are working towards the commercialization of the world's first on-site production ammonia synthesis system using new catalysts discovered and developed by Professor Hosono. New catalysts allow to synthesize ammonia even under low-temperature and low-pressure conditions, which enables production in small-scale plants, something considered difficult to accomplish under the Haber-Bosch process. The small-scale plants can be located in the area of consumption, which will reduce costs and the environmental impact of transportation.

In October 2019, Tsubame BHB completed a pilot production facility at our 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 in 2023 or thereafter. At Ajinomoto Co., Inc., we are also developing green hydrogen production technology for using local renewable materials (wood chips) to produce hydrogen, a raw material of ammonia. By combining this technology and Tsubame BHB'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



Climate Change Adaptation and Mitigation

Shifting to renewable energy

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

In fiscal 2021, we made progress in shifting to renewable energy through measures like concluding direct contracts with renewable energy power plants in Brazil, procuring renewable energy certificates in Thailand, and concluding contracts with power companies with low CO₂ emission factors in Japan.

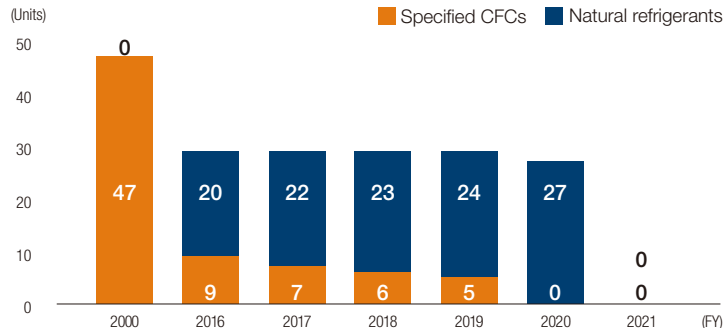
Management of fluorocarbons

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

In 2001, when Japanese frozen food factories were not yet required to discontinue their use of equipment using specified Chlorofluorocarbons (CFCs), we started with an initiative to phase out the usage of freezers using these chemicals, and as of the end of March 2021, we have eliminated the use of those freezers in Ajinomoto Frozen Foods Co., Inc.

We are continuing efforts at our plants to fully eliminate CFC substitutes by fiscal 2030, and will work to decrease use of fluorocarbons across the entire Ajinomoto Group.

Switching to fluorocarbon-free freezers (switching progress at frozen food factories in Japan)



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 competing on products, but distribute in cooperation.

Furthermore, the 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 Seifun Welna Inc., Nisshin Oillio Group, Ltd., Mizkan Co., Ltd., and Ajinomoto Co., Inc.

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

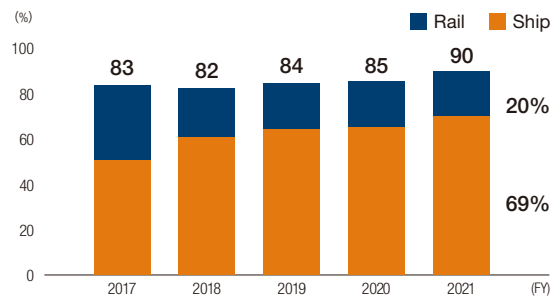
Modal shift ratio

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 2021, Ajinomoto Co., Inc. achieved an overall 90% long-distance transport modal shift by using ships for transport.

Performance

Climate Change Adaptation and Mitigation

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

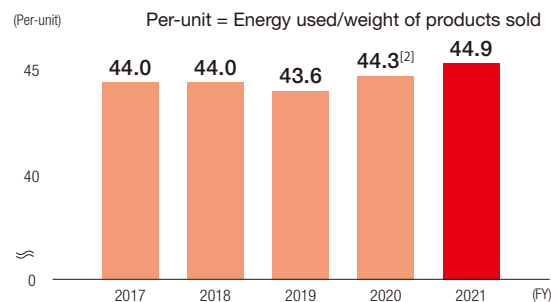


[3] Selecting rail or ship transport methods to generate a smaller environmental impact. Compared to commercial freight vehicles (trucks), railway container and ship transport results in CO₂ emissions of one-tenth and one-fifth, respectively.

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 3.8% over the five years to fiscal 2021 thanks to restructuring logistic network and improving the 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.

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

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Climate Change Adaptation and Mitigation

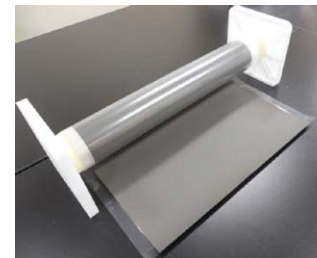
Performance

GRI302-4

> ASV Report 2022
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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 the size of the semiconductor power supply functions, which reduces the size of components to less than one-fifth that of conventional components. This also enables incorporation of a large number of these power supply functions into the semiconductor package substrate at a low cost, which helps with lower component counts thus achieving power savings, and contribute significantly towards the maintenance of a sustainable global environment. This magnetic material is beginning to be used in semiconductor package substrates for servers, AI, and other applications, and is being evaluated for introduction by our customers.



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

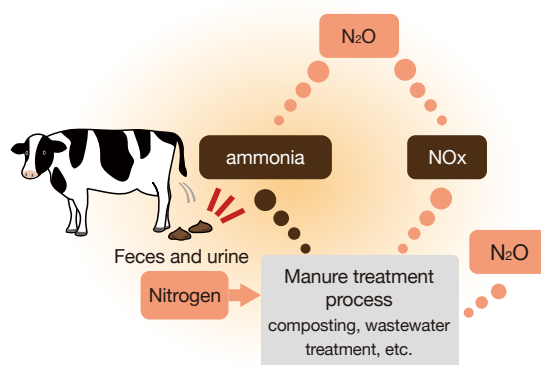
Performance

> P106

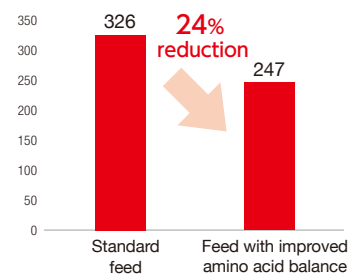
Reducing nitrogen emissions of livestock by amino acids for animal nutrition

Feeds with poor amino acid balance result in an oversupply of unnecessary amino acids, which is not utilized within the animals and excreted in large quantities as nitrogen compounds. In the process of manure management, nitrogen compounds turn into nitrous oxide (N₂O), which has environment impact of approximately 300 times the greenhouse gas effect of CO₂. When the amino acid balance in feed is adjusted using amino acids for animal nutrition, the amount of nitrogen compounds in the manure can be reduced by 20% to 30%. This can also reduce life-cycle CO₂ (LC-CO₂). Utilizing amino acids for animal nutrition contribute to sustainable livestock production that is friendly to the global environment.

N₂O cycle



Nitrogen emissions per dairy cow (g/day)



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

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 conscious materials
- Damaged corporate value due to delays in waste reduction or recycling efforts
- Loss of business opportunities due to delays in complying with plastic waste regulations, etc.

Key initiatives by the Ajinomoto Group

- Supplying highly biodegradable amino acid-based detergent
- Reduce plastic usage and convert to mono-material packaging materials
- Contribute to social implementation of recycling in countries and regions where we do business
- Appeals on packaging labels to reduce plastic waste

Related SDGs



Contribution to a Circular Economy

Reduction of waste across product lifecycles

Performance

GRI306-1

GRI306-2

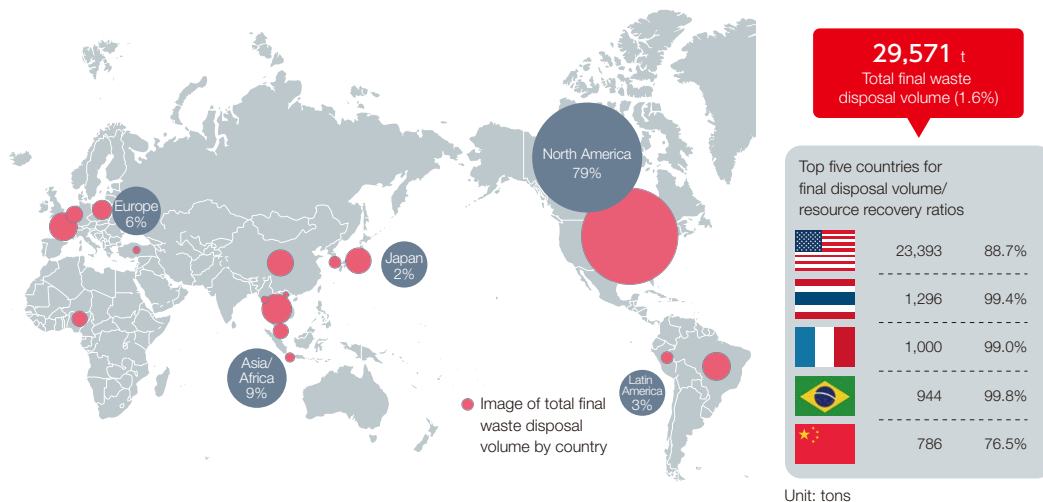
> P66

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 2021 was as shown below. As a whole, generation of waste decreased to approximately 1,826 kilo tons (97.6% compared to the previous year), partially due to reduced production (97.4% of previous year) as a result of the spread of COVID-19. Through our resource conservation efforts, our final waste disposal was around 1.6% (approximately 29,600 tons) of waste generated. Disposal in United States, Thailand, France, Brazil, and China accounted for about 93% of total final waste.

Total final waste disposal volume by area^[1] (FY2021)



[1] Turkey is included in Asia and Africa.

GRI306-3

GRI306-4

GRI306-5

For resource recovery, though our target was to recover 99% or more of waste, in fiscal 2021 we recovered 98.4%. In fiscal 2021, our resource recovery ratio decreased due to individual circumstances at certain sites (increased landfill disposal of waste due to service outages at contracted composting companies and cleanups).

Since the resource recovery ratio fluctuates depending on the impact of the performance of corporations newly added to or excluded from the Ajinomoto Group, we will consider revising targets and evaluation methods in the future.

Contribution to a Circular Economy

Volume of waste and by-products and resource recovery ratio

(tons)

	FY2017	FY2018	FY2019	FY2020	FY2021
Hazardous waste (waste acids, waste alkali, waste oil, cinder)					
Generated	59,162	69,991	83,834	81,216	83,770
Recycled	58,862	68,422	83,429	80,892	83,399
Incinerated	24	40	60	38	24
Landfills	276	1,529	345	286	347
Non-hazardous waste: By-products (sludge, bacteria, waste filter aids, etc.)^[1]					
Generated	2,395,249	2,194,566	2,021,002	1,615,808	1,546,599
Composted	2,394,976	2,194,470	2,020,885	1,615,713	1,543,988
Incinerated	0	0	0	0	0
Landfills	273	96	117	95	2,611
Non-hazardous waste: Other (sludge, animal and plant residue, plastic waste, etc.)^[2]					
Generated	178,989	174,651	181,246	173,310	195,832
Recycled	161,455	153,388	156,432	150,295	169,243
Incinerated	2,066	2,821	2,121	1,784	2,318
Landfills	15,467	18,442	22,693	21,231	24,271
Total generated	2,633,400	2,439,208	2,286,082	1,870,334	1,826,201
Total recycled	2,615,293	2,416,280	2,260,745	1,846,900	1,796,630
Total waste	18,107	22,928	25,337	23,434	29,571
Resource recovery ratio	99.3%	99.1%	98.9%	98.7%	98.4%

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

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

Container and packaging design for the environment

Approach

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). In addition, Ajinomoto Co., Inc. assesses the details of product revisions using a points-based Eco-Index for Containers and Packaging (Table 2).

GRI307-DMA

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 packaging materials with environmental issues
Compatibility with Group environmental targets	Waste 3Rs	Use of packaging materials compatible with the 3Rs
	Sustainable procurement	Use of sustainable packaging material(s)
	Food loss and waste reduction	Use of packaging materials that reduce food loss and waste
	GHG emissions reduction	Reduction of environmental impact in the supply chain
	Foster consumer awareness of green living	Display of environmental labels

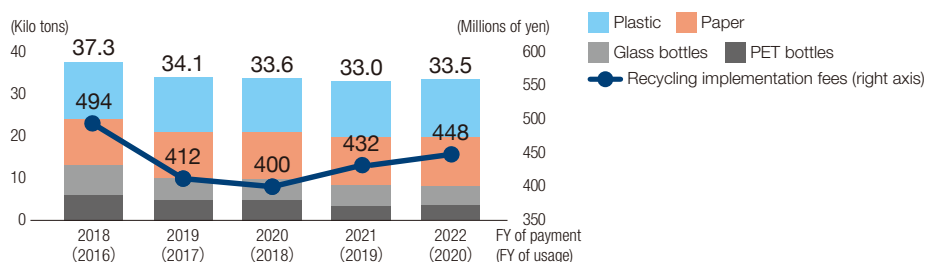
Table 2: Eco-Index for containers and packaging

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

The recycling of containers and packaging waste in Japan

Under the Containers and Packaging Recycling Act in Japan, the recycling of containers and packaging waste from households is consigned to the Japan Containers and Packaging Recycling Association. In fiscal 2020, Ajinomoto Co., Inc., Ajinomoto Frozen Foods Co., Inc., and Ajinomoto AGF, Inc. used a combined 33.5 kilo tons of containers and packaging subject recycling requirements, 102% compared with the previous fiscal year. Based on this usage, recycling implementation fee payments for fiscal 2022 amounted to 448 million yen, 104% compared with the previous fiscal year. Although the usage volume of paper and plastics usages increased, at 101% and 104% of previous fiscal year levels, respectively, usage of glass and PET bottles somewhat decreased, and overall usage slightly increased. Per-unit recycling contract costs also increased, leading to higher payment amounts in fiscal 2022.

Use of containers and packaging and recycling implementation fee payments for household products for Ajinomoto Co., Inc., Ajinomoto Frozen Foods Co., Inc., and Ajinomoto AGF, Inc.



Performance

Contribution to a Circular Economy

Approach

GRI306-1

GRI306-2

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Reducing plastic waste

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

Goals for fiscal 2030

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

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

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

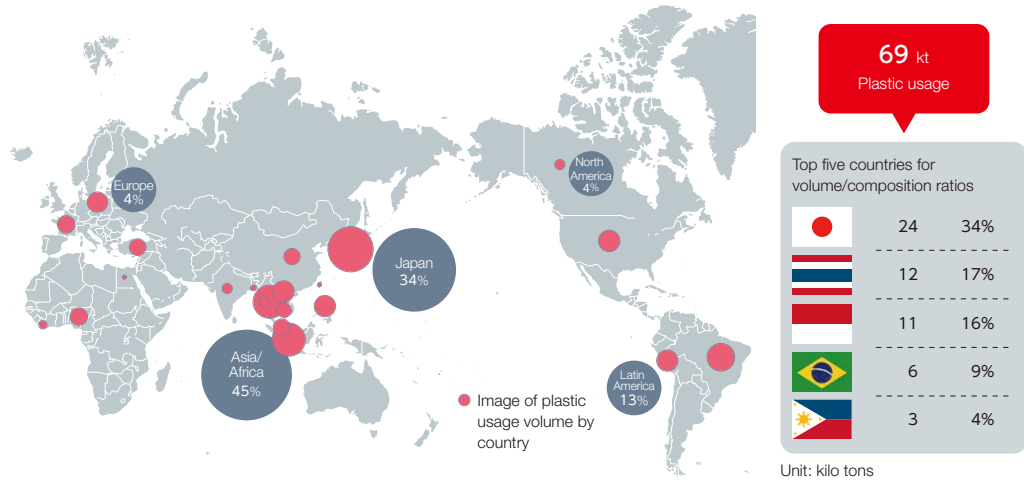
Lateral deployment

Contribution to a Circular Economy

Performance

The distribution of plastic usage volumes for the Group in fiscal 2021 was as follows.

Plastic usage by area^[1] (FY2021)



[1] Turkey is included in Asia and Africa.

Ajinomoto Group total plastic usage volumes

	FY2019 ^[2]	FY2020 ^[2]	FY2021
Plastic usage (of which, product packaging materials)	72 kilo tons (90%)	70 kilo tons (90%)	69 kilo tons (90%)

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

The total amount of plastic used by the entire Group was 69 kilo tons, nearly flat year on year. Japan, Thailand, Indonesia, Brazil, and the Philippines accounted for 81% of total use. Of these 69 kilo tons, more than 90% were used in product packaging materials. In addition, of this volume, approximately 26 kilo tons are already made from mono-materials or paper. In fiscal 2020, we began developing technology for conversion to mono-material packaging and reduce and reuse efforts for the remaining approximately 43 kilo tons. In fiscal 2021, we made progress in the practical application of packaging materials that reduce the amount of plastic used and the introduction of packaging materials considered paper containers and packaging under the Containers and Packaging Recycling Act. 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 modifications 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).

■ PT AJINOMOTO INDONESIA

- We eliminated the packaging header area and the inner bag for the *Masako*® flavor seasoning's 9g packet product. As a result, the amount of plastic used has been reduced by approximately 630 tons per year.

Performance

Contribution to a Circular Economy

■ Ajinomoto Co., Inc.

- The Ajinomoto Group is also working to change plastic to paper packaging for pouch products as a part of its transition to zero plastic waste. In fiscal 2021, we switched to paper packaging for the umami seasonings *AJI-NO-MOTO*[®] and *Umami Dashi Hi-Me*[®].

Unlike flour and similar products that have been traditionally sold in paper packages, umami seasonings are fine granules that can break through paper, so we faced many challenges in switching to paper packaging. However, after about two years of trial and error, we achieved the same strength and shelf life as plastic packaging materials. This upgrade is expected to reduce plastic waste by approximately 12 tons per year (versus fiscal 2020).



Performance

GRI102-12

> Participation in
Initiatives

■ 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.

[1] Japan Clean Ocean Material Alliance

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.

For example, in fiscal 2021 the Group constructed a new plant for glutamic acid-derived *Amisoft*[®] (liquid) in Brazil, and we are making progress in plans to increase production capacity.

Performance

Contribution to a Circular Economy

> Press release
(Japanese only)

Performance

GRI417-1

> Aji-na Eco Mark
(Japanese only)

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, such as marine pollution. These regulations either prohibit use or requiring usage reductions. For example, tighter regulations have been imposed on rinse-off personal care products using plastic microbeads, and consequently there is a shift underway from microplastic beads to environmentally friendly alternatives. However, developing alternatives to plastic microbeads used in skin care and make-up products has been considered difficult in the areas of retaining their feel and user experience.

Amid this, Ajinomoto Co., Inc. has succeeded in using its unique technologies harnessing amino acid-based personal care ingredients to develop a product replacing conventional microplastic beads. This new product launched in 2022. The alternative we developed uses only naturally derived raw materials, and is therefore highly biodegradable and helps to reduce environmental impact, showing promise for future popularity.

Ajinomoto Group eco-labels

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



Number of *Aji-na Eco* mark products

207

As of March 2022

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.



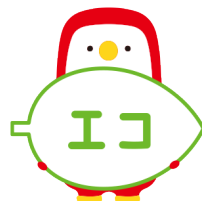
Number of *Hotto-suru Eco* mark products

312

As of March 2022

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

23

As of March 2022

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

Related opportunities and risks (○ Opportunity ● Risk)

- Cost reduction through efforts to improve yield in the production 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

- Reduce losses in the production process
- Collaborate with suppliers, retailers, and distributors
- Optimize supply-demand/supply/sales balance and extend best-before dates
- Develop products useful in reducing waste
- Pursue greater usefulness and efficiency
- Engage in activities to reduce loss among consumers

Related SDGs



Reduction of food loss and waste

Contribution to reducing food loss and waste

Performance

GRI306-2

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Food loss and waste: definition and scope

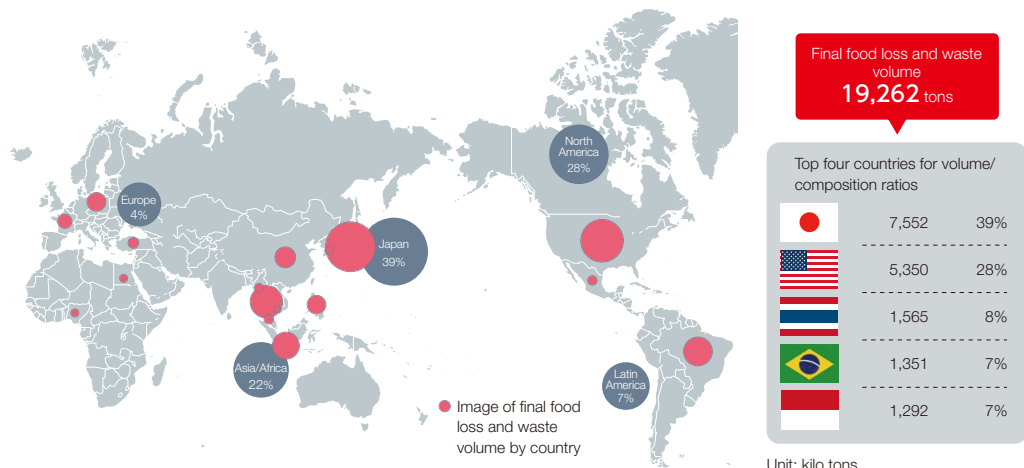
The Ajinomoto Group defines food loss and waste as food (edible portions) that is treated or disposed of in waste water treatment, landfill, or incineration. This definition excludes food ultimately redistributed for food use or used for feed or fertilizer. The major food loss and waste categories generated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

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

In measuring and aggregating results for fiscal 2021, we retroactively examined and reviewed results in accordance with the Group definitions.

As a result, the Group generated 19,262 tons of food loss and waste in fiscal 2021. Ratio by area is shown below.

Food loss and waste by area^[1] (fiscal 2021)



Reduction of food loss and waste

Performance

Food loss and waste reduction targets

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 in fiscal 2021 decreased by 23% compared with the base year of fiscal 2018.

We will continue to minimize future losses and effectively utilize any that occur by turning them into feed or fertilizer. We believe that this theme is closely related not only to the importance of utilizing limited food resources, but also to various environmental and social issues.

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

Food loss and waste reduction rate per production volume unit

	FY2021 Target	FY2021 Result	FY2022 Target	FY2025 Target
Food loss and waste reduction rate from the acceptance of raw materials to delivery to customers (vs. Fiscal 2018)	27% decrease	23% decrease	30% decrease	50% decrease

Volumes of food loss and waste^[1]

		FY2018 (Base Year)	FY2019	FY2020	FY2021
Production volume (1,000 t) ^[2]		2,609	2,542	2,423	2,357
Food Loss and Waste	Total volume (t)	27,710	25,507	22,267	19,262
	Per production volume unit (per ton of product) (kg/t)	10.6	10.0	9.2	8.2
	vs. Fiscal 2018 (%)	—	95%	87%	77%

[1] Measured with reference to the Food Loss & Waste Accounting and Reporting Standard.

Past performance, including its measurement methods, is reviewed retroactively. (Measurement methods may differ between target organizations.)

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

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. In production, we face the issue of raw material losses. To deal with this, we are promoting measures such as enhanced production and sales management, reducing manufacturing problems, improving yields, and reducing the frequency of product switching. Issues in logistics and sales include disposal of inventory and returned products, and disposal at distributors and retailers. Our efforts include improved demand forecasting, enhanced sales management, longer “best-before” periods, “best-before” labeling of month and year, and utilizing food banks. To respond to the issue of waste by customers, we are offering products that utilize our unique technologies and providing recipes with less food loss and waste.

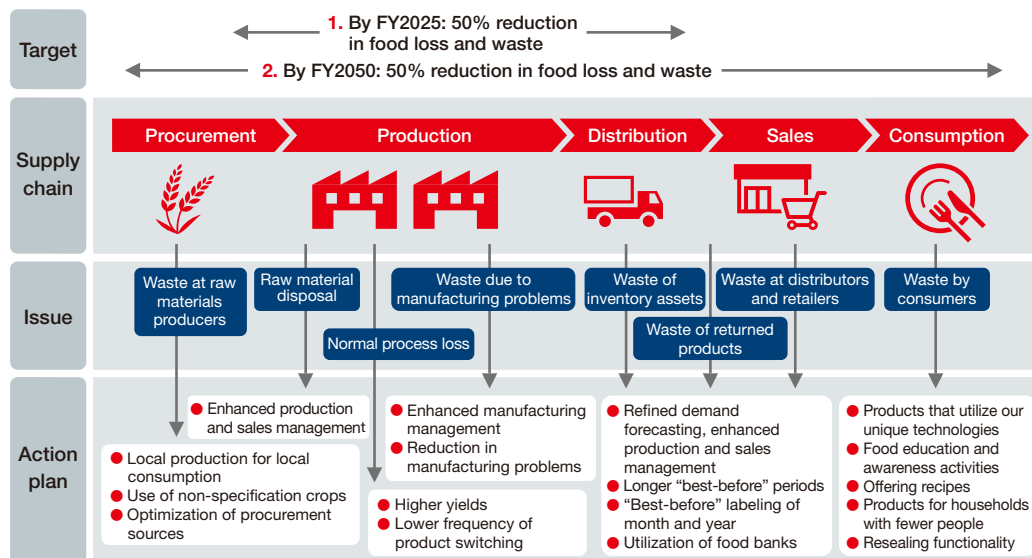
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GRI306-2

Reduction of food loss and waste

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



Unique technology to address food loss and waste

Enzymes are used in the food industry to manufacture a variety of products. In 1993, Ajinomoto Co. Inc. successfully commercialized *Activa*[®], the world's first food-use preparation based on transglutaminase, an enzyme that binds proteins together. We have been engaged in a range of applied research projects and product developments with the goal of enhancing transglutaminase's functionality in response to challenges faced with various food products. This enzyme is currently used in the production of a wide variety of food products worldwide, including meat products, dairy products, processed fisheries products, noodles, bread, and plant-based proteins, to improve texture and material properties, enhance formability, and inhibit deterioration over time. In this way, it contributes to enhanced productivity for food products, reduced costs, effective use of food resources, and less food loss and waste for customers.

Reducing food loss and waste by extending best-before dates

In the frozen food industry, products had been assigned fixed one-year best-before periods, regardless of their particular characteristics. This meant products' true best-before dates had not been verified. Ajinomoto Frozen Foods Co., Inc. conducted long-term preservation tests on all of its products, beyond the preservation test data stipulated by the Japan Frozen Food Association. It was able to extend the best-before periods of some products for one year to 1.5 years based on the results of this testing. The movement to review best-before dates spread throughout the industry, contributing to an industry-wide reduction in food loss and waste.

Eco-friendly life beginning with daily meals

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.

Performance

Performance

Performance

> *Eco-Uma Recipes*[®]
(Japanese only)

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

> *PARK MAGAZINE*
(Japanese only)

Reduction of food loss and waste

From January to February 2022, the **AJINOMOTO PARK** campaign was held to gather and share honest opinions about fully using food ingredients at home. The **AJINOMOTO PARK** MAGAZINE takes opinions received from approximately 10,000 people and features selected ideas for using up food ingredients, recipes utilizing portions that are often discarded, and storage & freezing techniques that keep food tasty for a long time.



Preserving spinach by freezing it in an ice maker

> P91

Eco mark labels

In order to make consumers aware of product packaging improvements and our approach to environmental friendliness, we place our own eco marks (*Aji-na Eco*, *Hotto-suru Eco*, and *Aji-Pen® Eco* marks) on product packaging, to help customers incorporate environmental friendliness as one of their criteria when selecting a product.

Sustainable materials sourcing

The Ajinomoto Group has products in more than 130 countries and regions and sources raw materials from even more geographies. Our business is built on a resilient food system consisting of a stable supply of food resources supported by a rich and abundant global environment.

But we recognize the burden our business places on the environment. All processes from raw material production to the final products emit greenhouse gases, create plastic waste, and result in food loss and waste, all of which pose environmental and societal risks. In addition, when natural forests are damaged, peatlands developed, and water and soil contaminated, ecosystems are damaged, making it difficult to maintain food resources. It is therefore urgent that businesses such as ours take measures to further decrease our environmental impact across the entire value chain.

This also includes supporting a healthy and vibrant society through the defense of human rights for all people involved in the supply chain and ensuring their occupational health and safety are protected. In addition, since we use animal-based raw materials, it is necessary for us to improve animal welfare.

We will work together with stakeholders throughout our supply chain to address these issues and make improvements to build a supply chain that positively impacts the environment and society.

Specific examples

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

Related opportunities and risks (○ Opportunity ● Risk)

- Creating business opportunities by developing products in consideration of resource recycling and biodiversity
- Failure to procure raw materials, product recalls 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
- Supply chain disruptions due to natural disasters, pandemics, or delays in responding to export restrictions in certain regions
- Failure to procure raw materials due to food resource depletion

Key initiatives by the Ajinomoto Group

- Visualize issues in the supply chain
- Conduct human rights impact assessments
- Pursue animal welfare
- Establish traceability and purchase certified products
- Ensuring fair competition and providing thorough employee training
- Contributing to sustainable agriculture by using co-products

Related SDGs



Sustainable Materials Sourcing

Initiatives related to key raw materials

Approach

GRI301-DMA

- > Ajinomoto Group Palm Oil Procurement Guidelines
- > Ajinomoto Group Paper Procurement Guidelines
- > Participation in RSPO
- > Participation in CSPU
- > CDP Forests
- > ASV Report 2022 (Integrated Report) P49

Identification of key raw materials

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

We recognize that deforestation has a substantial impact on climate change, biodiversity, and human rights issues. The Ajinomoto Group has created Palm Oil Procurement Guidelines as well as Paper Procurement Guidelines, and has promoted the procurement of certified raw materials, cooperation with various initiatives, and establishment of its own traceability and auditing system. In fiscal 2021, we also designated sugarcane, coffee, beans, beef, and soybeans as priority raw materials. Going forward, we plan to procure these products sustainably, as we do with palm oil and paper.

Ajinomoto Group priority raw materials

	Priority 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
	sugarcane, 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

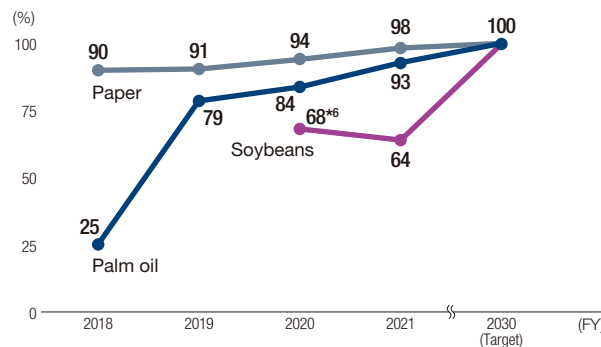
> Participation in Initiatives

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 for the priority raw materials we have identified and prioritize the procurement of certified materials. Going forward, we will promote procurement of certified materials as well as establishment of traceability.

Sustainable procurement ratio

- Paper, Palm Oil, Soybeans



[1] Procurement conversion for businesses in Japan

- FY2030 target of sugarcane, coffee beans, and beef: 100%

Sustainable procurement of palm oil

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

We had set a fiscal 2020 target of 100% sustainable procurement of palm oil, but were unable to achieve this due to difficulty in procuring certified oil for some areas/products. We have set a new target of 100% by 2030, and continue to work towards this goal. In fiscal 2021, our performance was 93%. The rate of RSPO-certified palm oil procurement was 37%. From fiscal 2021 onwards, we plan to focus on establishing traceability for palm oil in applications and regions for which certification and traceability have not yet been established, and on further expanding initiatives toward achieving this goal.

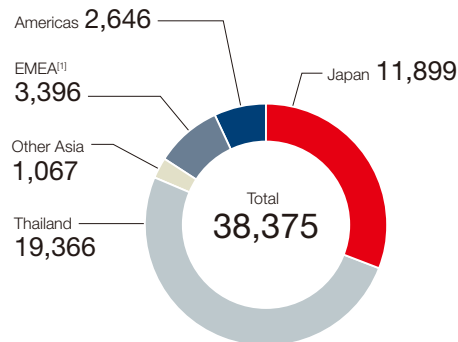
Performance

Sustainable Materials Sourcing

Performance

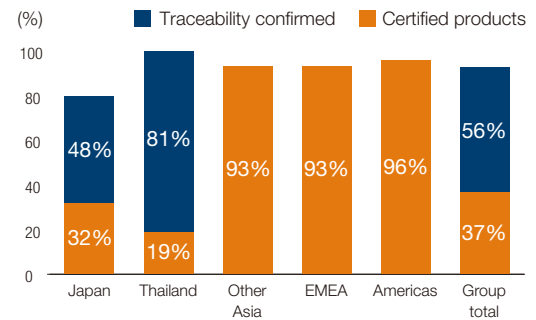
GRI301-2

Fiscal 2021 palm oil procurement (tons)



[1] Europe, the Middle East and Africa

Fiscal 2021 sustainable palm oil procurement ratio

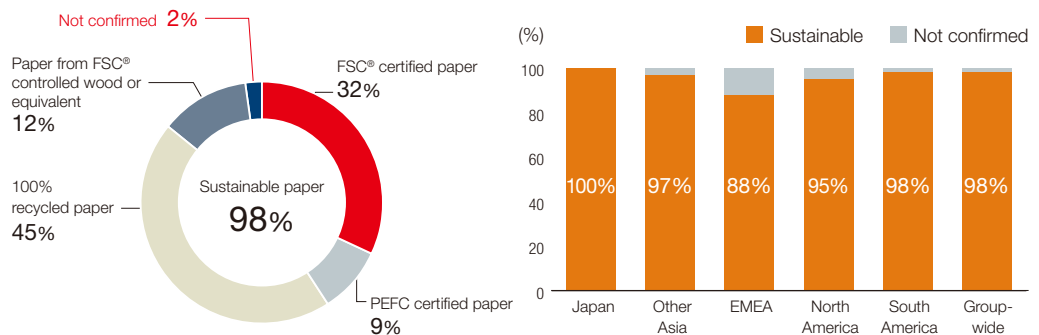


Sustainable procurement of paper

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, but were unable to achieve this because neither certified nor recycled paper are widely used in some areas. We have set a new target of 100% by 2030, and continue to work towards this goal. In fiscal 2021, we achieved a figure of 98% sustainable paper usage in packaging.

FY2021 Sustainable paper procurement ratio



Promoting procurement of sustainable sugar crops

The Ajinomoto Group uses sugar obtained from various crops such as sugarcane, sugar beet, cassava, and corn as a raw material in the fermentation process. In fiscal 2021, we reassessed the risks involved in the sustainable procurement of these crops, and decided to add sugarcane, which has been reported to pose a hazard to biodiversity, to our list of priority raw materials. From fiscal year 2022 onwards, we will visualize the country of origin, procurement volume, and usage volume in each region for cane sugar used by the Ajinomoto Group. At the same time, we plan to begin discussions with overseas companies that handle these products in order to promote initiatives aimed at the procurement of sustainable sugar.

Sustainable Materials Sourcing

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 2021, 58% 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, we have promoted ethical consumption related to the sustainable procurement of coffee beans. As of March 2022, a total of 42 products now have the 4C certification logo. The Group has been continuing with tests in different coffee-producing regions with the goal of using high value-added fertilizers made from by-products (co-products) of fermentation processing of amino acids. Our hope is that, eventually, this coffee will be part of a Group circular economy. In particular in Indonesia, Brazil, and Vietnam, we are expanding support to farms with *AJIFOL*[®] co-product fertilizer, and have started putting together a system for improving product value and communicating value to consumers.

■ Indonesia

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

■ Vietnam

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

■ Brazil

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

Sustainable 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 2021, we conducted a comprehensive assessment of various hazards such as climate change, water, soil, biodiversity, and human rights, and identified associated high-risk areas such as Brazil and Australia. From fiscal 2022, we plan to launch initiatives such as visualizing the beef supply chain and identify corporations working on important initiatives.

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 2021, the percentage of soybeans and soy oil used in Japan by the Ajinomoto Group that conformed to the United States Soybean Sustainable Assurance Protocol was 64%. On the other hand, because the remainder of the soy products included those from South America, which is considered be at high risk of deforestation, and others whose country of origin was unknown, we plan to start discussions with suppliers regarding sustainable soybean procurement from fiscal 2022. Furthermore, we plan to begin visualizing the corporations that purchase soybeans whose country of origin is unknown and their supply chains.

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. In fiscal 2020 and fiscal 2021, due to the impact of the COVID-19 pandemic, travel to Taiwan and the remote islands of Okinawa Prefecture, where we had previously conducted skipjack tagging surveys, proved difficult and we were unable to conduct further tagging surveys. From fiscal 2022 onward, we will resume the skipjack release survey in the ocean around Amami Oshima, where the migration of skipjack was confirmed in previous surveys. Our goal is to compile data on skipjack migration routes in the Nansei Islands and to clarify the effects of the meandering of the Kuroshio Current and rising seawater temperature on skipjack distribution.

Sustainable Materials Sourcing

Framework

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

> P10

Performance

GRI204-DMA
GRI407-DMA
GRI414-1

> Group Shared
Policy for
Suppliers

> P13

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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. In fiscal 2021, as a member of the CGF's Japan Social Working Group, we participated in the formulation of the "Responsible Employment Guidelines for Migrant Workers as Technical Intern Trainees and Specified Skilled Workers in Japan". Using Sedex^[1] as a base, we aim to set up a supply chain management system with common standards within the Ajinomoto Group by fiscal 2025.

After conducting an audit, we began transactions with three new suppliers during fiscal 2021.

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

Supplier audits in fiscal 2021

Audited organization	Audited items	Number of audits
Ajinomoto Co., Inc.	Raw materials	129
	Packaging materials	48
Ajinomoto Frozen Foods Co., Inc.	Raw materials	147

Sustainable Materials Sourcing

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

> Group Shared
Policy on Human
Rights

> Human Rights
Due Diligence

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).

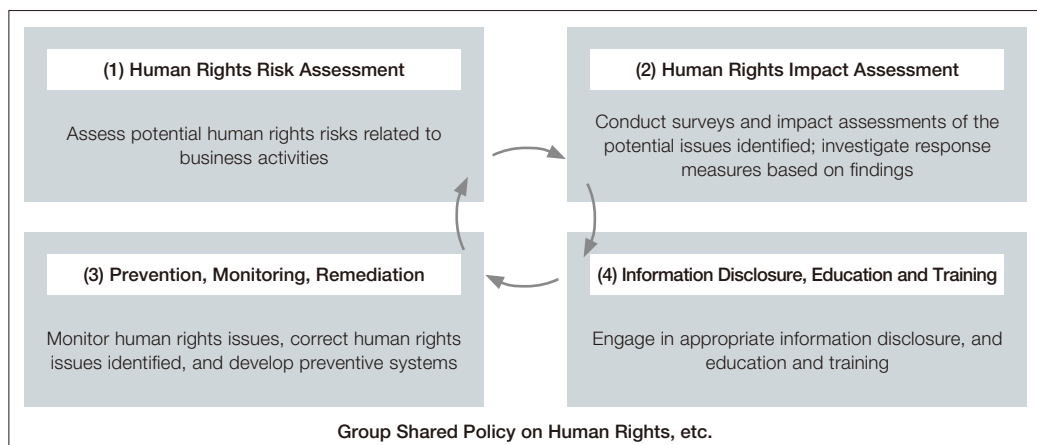
In fiscal 2020, we introduced a Workers' Voice system for monitoring the opinions of migrant workers at three Group companies in Japan. This will use multilingual support provided by NPOs to receive reports of day-to-day problems, and can be used as a hotline for labor and human rights related consultations that can be sent to the Group. We have been participating in an advisory capacity since the 2020 establishment of the Japan Platform for Migrant Workers toward Responsible and Inclusive Society (JP-MIRAI) created by the Japan International Cooperation Agency (JICA) together with other stakeholders including companies, lawyers, and NGOs. This aims to resolve issues faced by foreign workers undergoing technical training and those with special skills. In fiscal 2022, we participated in the Pilot Project of Consultation and Remedy for Migrant Workers launched by JP-MIRAI. Moving forward, we intend to expand this system to cover the whole supply chain and utilize it in the early detection of issues with labor and human rights.

Human rights due diligence

The Ajinomoto Group engages in the human rights due diligence process in accordance with the Group Shared Policy on Human Rights and other relevant policies. Under these policies, we conduct dialogues and consults with stakeholders and collaborate with human rights experts.

The Ajinomoto Group's human rights due diligence process is as follows.

Ajinomoto Group human rights due diligence process



Sustainable Materials Sourcing

With regard to human rights due diligence, we have worked with external experts to conduct human rights risk assessments throughout the entire business in 2014, 2018, and 2022, and are carrying out human rights impact assessments starting in industries and regions with comparatively high risk. In fiscal 2019, we carried out field interviews in the marine processing (shrimp) and poultry industry supply chain in Thailand, and in fiscal 2020 and 2021, we carried out desktop surveys and remote interviews with stakeholders in the sugarcane and coffee industries in Brazil. As a measure in our prevention, monitoring, and correction process, we have implemented a supply chain management system utilizing Sedex to monitor the voices of foreign workers at three of our group companies in Japan. In addition to disclosing our human rights initiatives through our website, we conduct human rights awareness and education activities aimed at nurturing individuals who have a strong sense of human rights. We are keeping a keen eye on global trends including the 2022 enactment of the EU's Environmental and Human Rights Due Diligence Legislation, and will take measures as necessary.

Sustainable Materials Sourcing

Animal welfare

Approach

GRI204-DMA

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

Performance

GRI204-DMA

> P83

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. Also, so that we can respond flexibly to social trends and demands, we hold dialogues with experts in the field of animal welfare and exchange opinions with stakeholders regarding livestock. Given these, the Group policy above was renamed in 2021 to 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.

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 farming management guidelines have not been fully embraced in Japan, with widely varying degrees of awareness among suppliers. We plan to continue our work in spreading awareness of these guidelines as we as to conduct a similar survey at our Group companies.

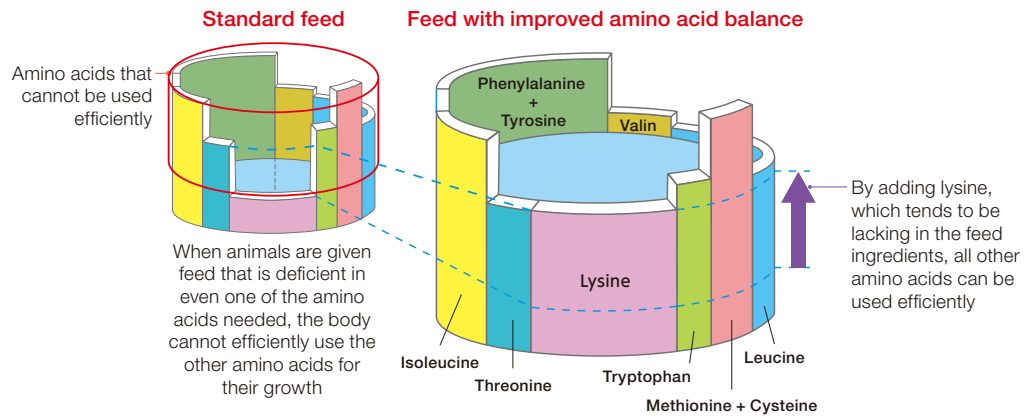
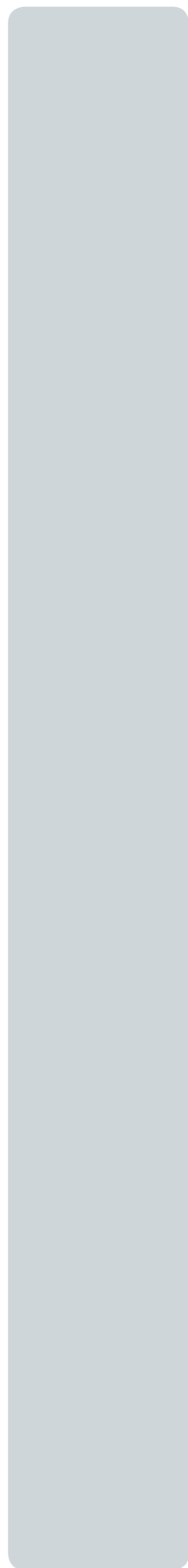
Overseas, the Group tracks the status of legal developments regarding animal welfare in each country and region. We are sharing our policies and issues on the subject with Group companies.

Amino acids for animal nutrition as a solution to livestock 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 amino acids for animal nutrition can improve the essential amino acid profile of feeds that consist mainly of wheat and/or corn and thus are poorly balanced. 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



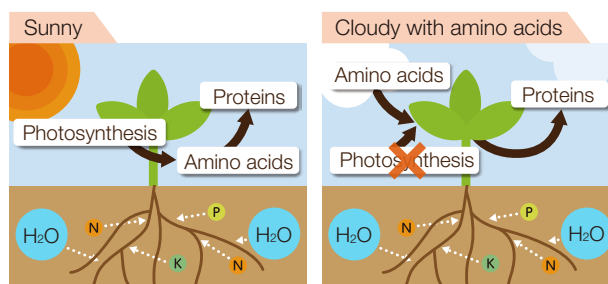
Sustainable Materials Sourcing

Contribution to sustainable agriculture

Approach

GRI203-2

Plants synthesize amino acids from absorbed nitrogen and sugars gained through photosynthesis, then use amino acids to synthesize proteins necessary for growth. Even under poor photosynthesis conditions caused by cloudy weather or low temperatures, plant growth can be stimulated by supplying amino acids as fertilizer. For more than 40 years, the Ajinomoto Group has effectively utilized the nutrient-rich co-products of amino acid production as amino acid fertilizers. 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.



Performance

GRI203-2

> P79

Ajinomoto Group agriculture initiatives around the world

■ Japan

Ajinomoto Co., Inc. produces high-quality fertilizers, making effective use of co-products 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 is expected to improve soil quality, and increases the amino acid content and sugar content of crops, while stabilizing quality. It therefore contributes to expanded sales channels for these crops.

■ Vietnam

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

■ China

Improving crop yields is also a primary goal in China. *FERTIGRAIN FOLIAR*, a foliar biostimulant based on amino acids containing essential micronutrients formulated specifically for extensive crops, and *TECNOKEL AMINO MIX*, a mixture of micronutrients with amino acids, are sold in China by Ajinomoto Group company AGRITECNO FERTILIZANTES, S.L.(Spain), which sells agricultural materials. The use of these two materials improved grain yields by about 18%. We will continue to contribute to the development of sustainable and stronger agriculture through the supply of agricultural materials.

Sustainable Materials Sourcing

GRI203-2

■ Thailand

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

In Thailand, where the Ajinomoto Group has its main production site, 40% of the population is involved in agriculture. However, the low added value and productivity in this field is of concern. 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 fiscal 2021, we provided seed stems free of the cassava mosaic virus to 187 farmers in Kamphaeng Phet Province, where our plant in Thailand is located. We confirmed that the use of appropriate fertilizer management based on soil diagnosis and the use of plant growth promoting rhizosphere microorganisms (PGPR), a prototype of which was produced under the transfer of manufacturing technology from the Thai Department of Agriculture, improved the yield of cassava roots per unit area by approximately 30%. We also launched sale of our own fertilizers covered by weather index insurance with an insurance company and others.

In fiscal 2022, we will expand the number of supported farmers to 500 and also begin to study the traceability of the roots harvested there. We will also work with the Thai Tapioca Development Institute, universities, and farmers to improve the quality (starch content) of cassava roots by selecting and distributing varieties that are suited to the soil of Kamphaeng Phet Province.

■ Brazil

AJINOMOTO DO BRASIL INDÚSTRIA E COMÉRCIO DE ALIMENTOS LTDA. (ABR) sells co-products such as liquid foliar fertilizer and fertilizing material *AJIFOL*[®] and soil mineral fertilizer *AMIORGAN*[®] mainly to coffee and fruit plantations. More recently, we have seen a movement among plantations toward sustainable management, making a full-scale transition from chemical fertilizers to co-products from ABR. In fiscal 2021, we conducted tests on the high value-added fertilizer *Amino Proline*. Results showed improved productivity of bananas when compared to ordinary fertilizers. In addition, we use *AJIFOL*[®] at coffee plantations that AGF supports in the production region to further improve quality.

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

· Optimize production processes

Related SDGs



Conservation of Water Resources

Conservation of water resources in production processes

Performance

GRI303-1

GRI303-3

GRI303-4

GRI303-5

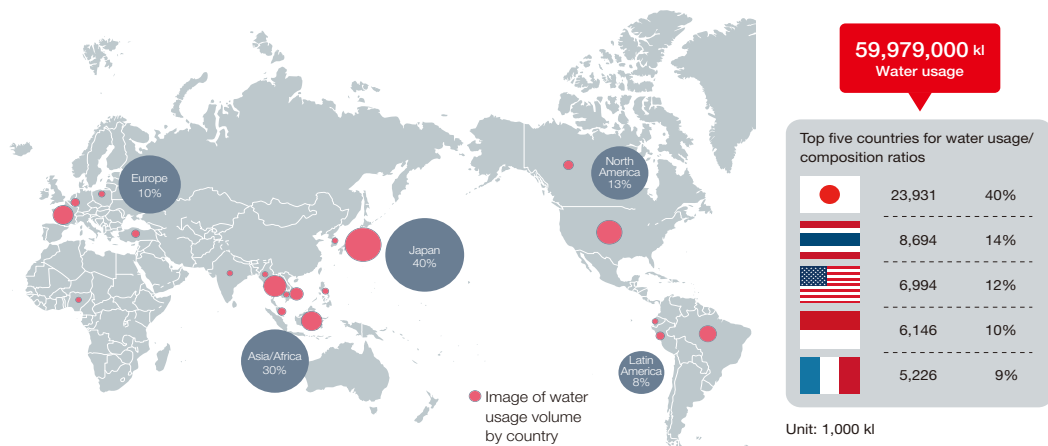
> P66

> Environmental
Data> CDP Water
Security

The Ajinomoto Group used 59,979,000 kiloliters of water in fiscal 2021, with the top five countries including Japan, Thailand and the United States making up 85% of the total. The ratio of water consumed in regions 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). In fiscal 2021, water usage decreased due to the introduction of a new MSG manufacturing method at AJINOMOTO CO., (THAILAND) LTD. and AJINOMOTO VIETNAM CO., LTD., resulting in 161,884,000 kiloliters of water usage reduction compared to the base year. This figure achieved our yearly goal in water usage reduction per production volume unit (intensity), at approximately 79%. Typical indicators of suspended substances in wastewater are BOD (biochemical oxygen demand) and total nitrogen. In fiscal 2021, total emissions were 263 tons for BOD and 430 tons for total nitrogen. We will continue in fiscal 2022 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 2021)



[2] Turkey is included in Asia/Africa.

Reduction rate of water consumption per production volume unit

	FY2021		FY2022	FY2030
	Target	Result	Target	Target
Reduction rate of water consumption per production volume unit (vs. FY2005)	78%	79%	78%	80%

Conservation of Water Resources

Water use/intensity

(1,000 kl)

	FY2005 (Base year)	FY2017	FY2018	FY2019	FY2020	FY2021
Total water withdrawal ^[1]	221,863	74,844	69,892	66,926	64,406	59,979
Fresh surface water	180,363	24,433	20,672	19,630	17,004	17,259
Brackish surface water, seawater	0	0	0	0	0	0
Fresh groundwater, renewable	—	16,371	15,076	14,366	13,041	13,769
Fresh groundwater, non-renewable ^[2]	0	0	0	0	0	0
Processed water	0	0	0	0	0	0
Municipal water (including industrial water)	41,500	34,041	34,144	32,930	34,361	28,950
Water consumption per production volume unit (intensity per ton of product)	123	28	27	27	27	25
Reduction rate (vs. FY2005)	—	77%	78%	78%	78%	79%
Ref.: Production volume (1,000 t)	1,800	2,684	2,627	2,512	2,423	2,360
Total water discharge	201,300	60,464	55,800	52,342	51,564	48,034
Fresh surface water (processed by the Group)	47,000	28,341	27,498	24,297	24,088	20,490
Brackish surface water, seawater	0	0	0	0	0	0
Groundwater	0	0	0	0	0	0
Third-party destinations ^[2]	10,300	11,299	11,273	11,291	11,139	11,360
Total water recycled or reused	144,000	20,824	17,029	16,754	16,338	16,184
Proportion of water recycled or reused	65%	28%	24%	25%	25%	27%
Total water consumption	20,563	14,380	14,092	14,584	12,842	11,945
BOD (tons)	550	294	312	283	284	263
Nitrogen (tons)	3,200	394	501	506	583	430

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

[2] Data categories were reviewed based on that fresh groundwater is reclaimed and used as well water.

Conservation of Water Resources

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

(1,000 kl)

	FY2017	FY2018	FY2019	FY2020	FY2021
Total water withdrawal	573	575	521	481	496
Fresh surface water	0	0	0	0	0
Brackish surface water, seawater	0	0	0	0	0
Fresh groundwater, renewable	570	572	518	480	494
Fresh groundwater, non-renewable	0	0	0	0	0
Processed water	0	0	0	0	0
Municipal water (including industrial water)	3	3	3	1	2
Water consumption per production volume unit (intensity per ton of product)	16	15	13	13	11
Reduction rate (vs. FY2005)	5%	10%	22%	23%	37%
Ref.: Production volume (1,000 t)	36	38	40	37	46
Total water discharge	257	234	220	198	214
Fresh surface water (processed by the Group)	230	215	211	188	207
Brackish surface water, seawater	0	0	0	0	0
Groundwater	0	0	0	0	0
Third-party destinations	27	19	10	10	7
Total water recycled or reused	0	0	0	0	0
Proportion of water recycled or reused	0%	0%	0%	0%	0%
Total water consumption	316	341	301	283	282

Forest conservation near water sources

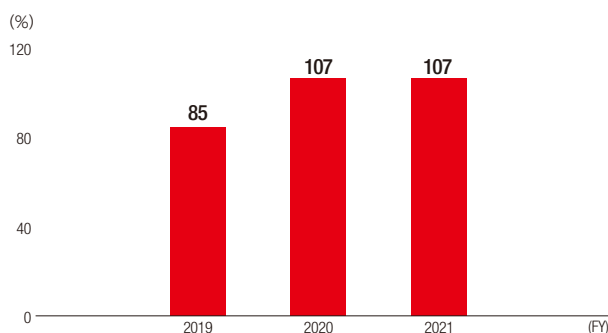
The Ajinomoto Group aims to increase our water forest recharge rate to 100% or more by fiscal 2025. In fiscal 2020, we achieved a 107% rate, beating our goal and maintaining this level in fiscal 2021.

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.

Given the spread of COVID-19 during fiscal 2021, our Forest of *Blendy*® conservation efforts were limited to small groups of volunteers from both production bases.

In fiscal 2022, production and sale of *Blendy*® brand bottled coffee was transferred to a company outside the Ajinomoto Group. However, we will continue our *Forest of Blendy*® conservation efforts, seeking to use these as a forum for 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

Corporate governance is one of the important management foundations for supporting Ajinomoto Group ASV management and for achieving our vision. To enhance the effectiveness of ASV management, we have adopted a Company with Three Committees, in which supervision and execution are clearly separated. This system will facilitate both in “supervising appropriate execution to reflect stakeholders’ opinions” and “flexible decision-making and execution.” The business environment has changed dramatically in recent years due to natural disasters and pandemics, not to mention the extended COVID-19 pandemic. Comprehensive risk management is more important than ever. The Ajinomoto Group companies are committed to complying honestly with the Ajinomoto Group Policy which shows the ideal way of thinking and actions with which Group companies, officers, and employees should comply. We will continue to develop and operate our internal control system properly, consider sustainability actively, and enhance our corporate value on a continual basis.

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
- 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

Approach

- > Ajinomoto Group materiality
- > Group Shared Policy on Risk Management

Framework

GRI102-29

- > ASV Report 2022 (Integrated Report) P89
- > P4

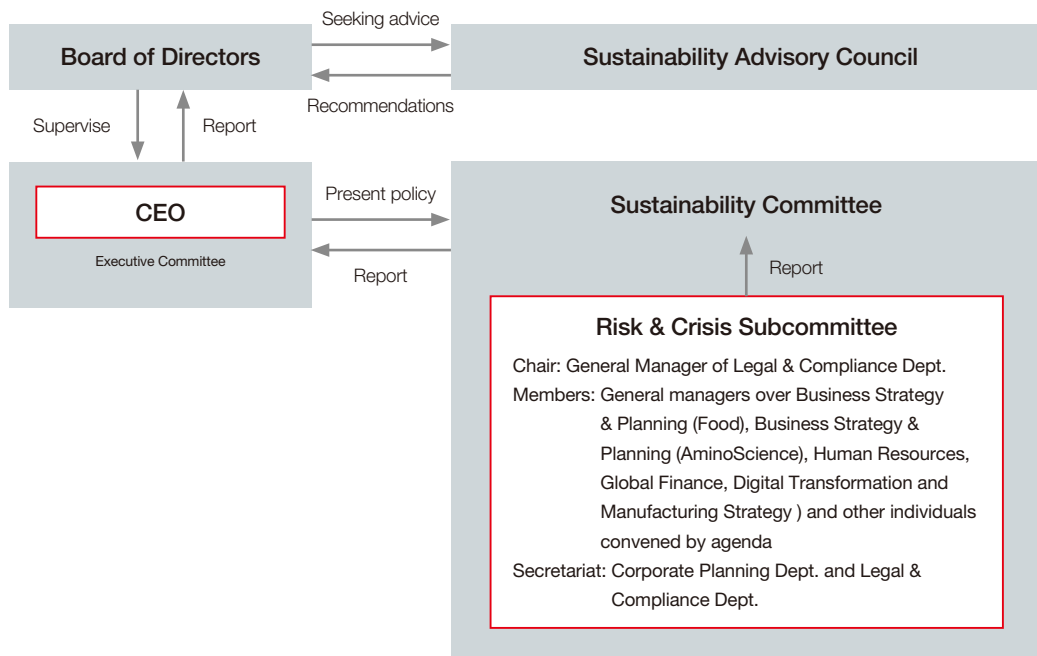
The Ajinomoto Co., Inc. Board of Directors conducts an annual review of the materiality items which have a substantial impact on our ability to create value through ASV. The Executive Committee defines risk management as selecting and defining companywide level risks and opportunities related to each materiality, evaluating the degree of impact, and making an effective response. We have also established various committees to strengthen internal controls and risk management.

Under the Group Shared Policy on Risk Management, we engage in a risk management process centered on effective communications and an autonomous PDCA cycle. We determine activity guidelines to strengthen our capacity to respond to major risks, and pursue autonomous risk management within every organization.

The Sustainability Advisory Council is an organization subordinate to the Board of Directors. This council consists of outside experts representing various fields, outside directors, and Company executives, including representative executive officers. These members examine materialities from a long-term, multi-stakeholder perspective, as well as policies for addressing the associated risks and opportunities. The council reports to the Board of Directors.

The Sustainability Committee is a subordinate organization to the Executive 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

GRI102-29

Risk management processes

Each organization sets organizational goals every year and prepares a risk summary table. These risk summary tables organize processes from planning to review based on each organization's risk assessment. We use these tables to verify whether risk management is implemented in a reliable fashion. The rate of risk summary table (fiscal 2021 review and fiscal 2022 plans) collection 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

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, and is pursuing the establishment of an ISO-compliant management system.

*Acquiring certification by March 2023 as previously stated has become difficult due to the COVID-19 pandemic and other factors.

Performance

GRI403-DMA

GRI403-1

Strong Corporate Governance

Performance

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

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	FY2021 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.	47 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 Inspections.	Conducted one occupational safety and health audit in Japan
Equipment inspections for safe and stable production	Regular maintenance and legal inspections are conducted at factories. For factories that operate 24 hours a day, we suspend all production periodically to allow employees and specialists time to conduct legally mandated inspections.	Conducted at each business site
Occupational accident prevention at designated worksites	Any sites considered a high risk by the chief of the Safety & Disaster Prevention Promotion Headquarters (frequent occupational accidents or disasters, inadequate management, etc.) are so designated Special Safety Management Requested Site and given guidance for safety improvement.	No designated worksites during FY2021

Occupational safety and health activities

Identify sources of occupational hazards and form action plans

Sources of occupational hazards	Risk assessment	Action plans
Machines in operation	Caught in or trapped between machinery	<ul style="list-style-type: none"> Share cases of serious accidents that have occurred within the Group and issue notices for the prevention of similar accidents 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)
Uneven road/floor surfaces	Fall accidents	<ul style="list-style-type: none"> Implement sort and set in order consistently in the surrounding area (secure aisles, do not place or leave objects in aisles or vicinity, do not leave leaks or spills) 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.

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

	FY2017	FY2018	FY2019	FY2020	FY2021
Number of serious accidents	23	16	20	23	12
Number of serious commuting accidents	19	13	10	8	5
Number of fatal accidents	0	0	1	1	0
Number of caught-in-machinery accidents (persons)	10	8	6	6	5
Number of fall accidents (persons)	23	32	22	29	30
Number of lower back pain accidents (persons)	23	16	12	8	3

During fiscal 2021, we recorded zero fatal accidents and 12 serious accidents, which was a decrease of 11 serious accidents year on year. This result was due to the successful implementation of key targets common to all work sites (stronger risk assessment, ensuring safety in indirect routine and non-routine work, etc.) as well as work site-specific targets (lower back pain, heavy labor, improved work environments, etc.), as well as the communication of information regarding serious accidents and notices regarding the prevention of similar accidents. Among the major accidents, seven serious accidents involved operating machinery (compared to six in the previous year). The ratio of accidents involving unskilled workers with less than three years of experience decreased to 44% (54% in the previous fiscal year). However, 45% of the major accidents were caused by workers with less than one year of experience, and the ratio is increasing every year. We must incorporate opportunities for education and guidance for young and unskilled workers into specific activity plans to ensure everyday practice. In fiscal 2022, we intend to communicate information on serious accidents and issue requests to prevent similar accidents. We will also provide educational opportunities through which workers feel the danger more personally by using animations, virtual reality, etc. A total of 30 individuals were injured in falls (29 in the previous fiscal year). The major cause of these accidents were issues of factors (sort, set in order, shine, standardize) related to daily routines and stairs/uneven road or floor surfaces remained the most common causes of accidents. We will continue our efforts to implement sorting and setting in order related to work area foot traffic consistently and eliminate issues related to stairs/uneven road or floor surfaces in fiscal 2022. As a high percentage of the workers affected were elderly, we will implement education and training programs to maintain and improve physical abilities for these individuals.

With the goal of eliminating serious accidents in fiscal during fiscal 2022, 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

We recorded zero legal violations or regulations (recommendations for correction) during fiscal 2021.

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.

Major education and training programs conducted during fiscal 2021 were as follows.

- Health and safety seminar for managers
- Fall prevention seminar
- Seminar on preventing caught-in accidents involving food processing machinery

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.

Response to COVID-19 infections

The Ajinomoto Group established regional headquarters in Japan and other regions to protect employees and their families from COVID-19 infections.

Major activities conducted during fiscal 2021 are as follows.

- Compliance with local regulations in Japan, disinfection, work-site COVID-19 vaccinations (vaccinated more than 500 production workers), PCR testing, and support for individuals with positive test results
- Prompt identification of affected persons and impact on business at each regional headquarters
- Support for the temporary return/evacuation of expatriates and accompanying family members

Performance

Performance

Strong Corporate Governance

Compliance

Approach

The Ajinomoto Group treats compliance as adhering to laws, regulations, and the Ajinomoto Group Policies (AGP), as well as meeting the social demands that underpin these. Here, we work to build an awareness of compliance and to cultivate an open corporate culture.

Framework

GRI205-DMA

GRI205-2

GRI206-DMA

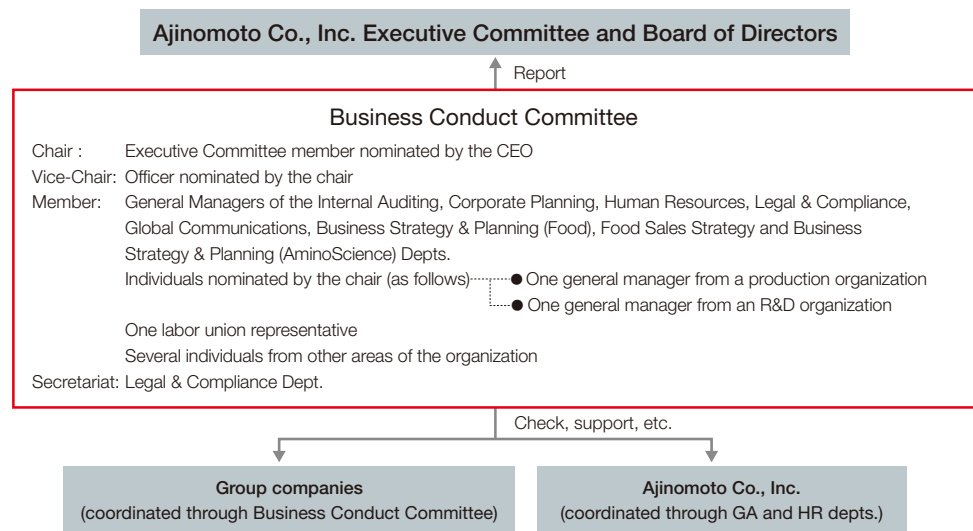
GRI307-DMA

GRI419-DMA

> Ajinomoto Group
Policies (AGP)

Compliance framework

We have established the Business Conduct Committee underneath the Executive Committee to check whether the AGP is being well-communicated and if corporate activities are being conducted in accordance with the AGP. This organization also determines and implements various measures to rapidly and appropriately respond to crises and other situations. The Business Conduct Committee meets once every three months and reports to the Executive Committee and the Board of Directors on its deliberations and activities from each meeting. 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

Education for employees

The following activities were part of our fiscal 2021 efforts to raise awareness and understanding of AGP and our internal whistle-blowing system.

- Compliance training

E-learning for Group employees in Japan to study the entirety of AGP throughout the year (conducted every other year): Held for 601 employees who did not take the course in fiscal 2020 (new hires, etc.), 504 participated (84%).

Group training by department for managers of Group companies in Japan, focused on the case method: held remotely for research, production, and corporate departments.

- Awareness-raising posters (produced in 12 languages)
- Flashing message displayed on screen every time an employee starts their PC

Performance

GRI205-2

Strong Corporate Governance

Performance

GRI205-2

GRI406-1

GRI419-DMA

> Group Shared
Policy on Whistle-
blowing

> Personnel and
Labor-Related
Data

Worksite AGP meetings

Members of the Business Conduct Committee at Ajinomoto Co., Inc. hold worksite AGP meetings, soliciting direct feedback from employee representatives at each workplace about issues concerning compliance in the workplace. During fiscal 2021, 29 meetings were held (26 for full-time employees; 3 for part-time), attended by 255 individuals. Summaries of AGP worksite meeting discussions are provided to organizational heads, each worksite, and posted on the corporate intranet to share with all employees. Any compliance issues raised that warrant corporate-level attention are discussed at the Business Conduct Committee. Decisions by the committee are then incorporated into AGP communication policies and compliance promotion activities.

AGP awareness survey

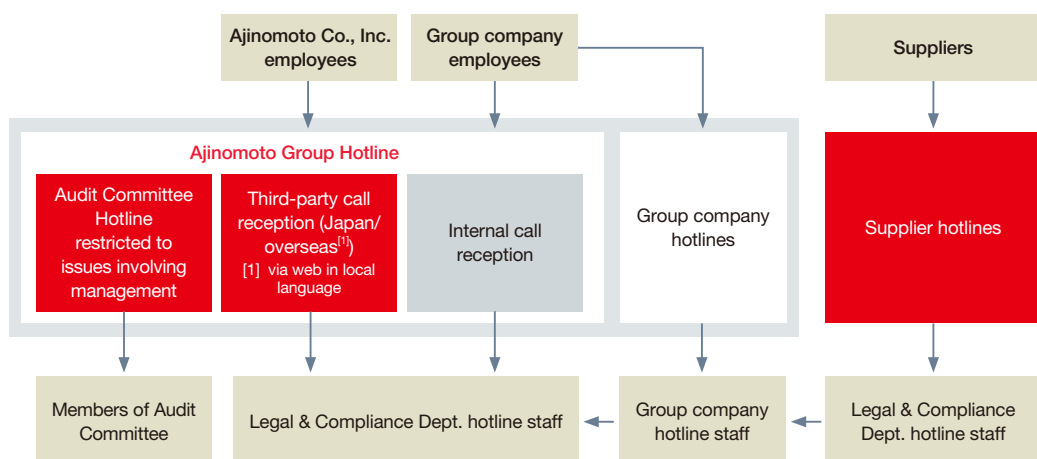
Each year, we ask all Group employees in Japan to respond to an AGP awareness questionnaire. The goal of this survey is to monitor awareness and understanding of AGP and identify any potential compliance issues. Of 13,531 employees, a total of 11,718 (87%) responded to the fiscal 2021 survey. We coordinated 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. It 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 2021, a total of 127 reports were made to the hotline in Japan. Regarding harassment, there were reports of abuse and chastising. There were internal investigations into these reports, and a resolution was reached through discussions between the hotline staff and the parties concerned.

Internal reporting (whistle-blowing) channels

■ Hotline operated by
a third party



Strong Corporate Governance

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
FY2021	36	26	7	9	22	19	8	127

[2] Multiple issues reported in some cases.

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

Major education and training programs conducted during fiscal 2021 were as follows.

- We conducted seminars on bribery (including commercial bribery) for officers and employees involved in line management of Group companies in China (nine companies). 105 participants attended this course.

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.

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

Strong Corporate Governance

Approach

GRI205-DMA
GRI207-DMA
GRI207-1
GRI207-2
GRI207-3
GRI419-DMA

> Group Shared
Policy on Global
Tax

Performance

> Tax Data
Corporate tax paid
by country and
corporate entity

Appropriate competitive behavior

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 conducting business in compliance with the tax laws of their respective countries as we work to minimize tax risks. As part of these efforts, in addition to measures for proper payment of taxes, we have been taking actions rigorously limiting additional taxes caused by missed or delayed payments. We also leverage the benefits of each country's tax system to the greatest extent possible during M&A and organizational restructuring, stabilizing the Group's effective tax rate.

Excessive tax-shielding and the sole pursuit of economic value can lead to a perception in society that a company does not pay taxes properly and does not create social value. By returning a portion of the profits created through our businesses to local communities through tax payments, we are mindful of the symbiotic cycle in our Group initiatives, leading to the generation of social value.

We will maintain sound and healthy relationships with tax authorities and will not provide unfair advantages.

Consolidated tax payments

(million yen)

FY2017	FY2018	FY2019	FY2020
19,379	29,156	21,654	23,909

Detailed tax payment data is available on our corporate website.

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

Education for employees

The Ajinomoto Group holds regular seminars to educate Group employees on intellectual property, seeking to enhance employee appreciation of trademarks and prevent the *AJI-NO-MOTO*[®] trademark from genericide. Major education and training programs conducted during fiscal 2021 were as follows.

- Group training by job title (training for new hires, second year employees, newly-promoted employees, etc.)
- Practical patent training (overview of fundamentals, acquiring data on application, systems for providing information, opposition systems, etc.)
- Patent and literature search training (survey and analysis tools, patent searches by technical field, etc.)
- Practical legal and intellectual property training (trademark fundamentals, confidentiality agreement fundamentals, etc.)
- Practical IP contract training (license agreements, Group IP utilization policies, etc.)

Strong Corporate Governance

Cybersecurity and personal information management

Approach

GRI418-DMA

> Group Shared
Policy on
Information
Security

Framework

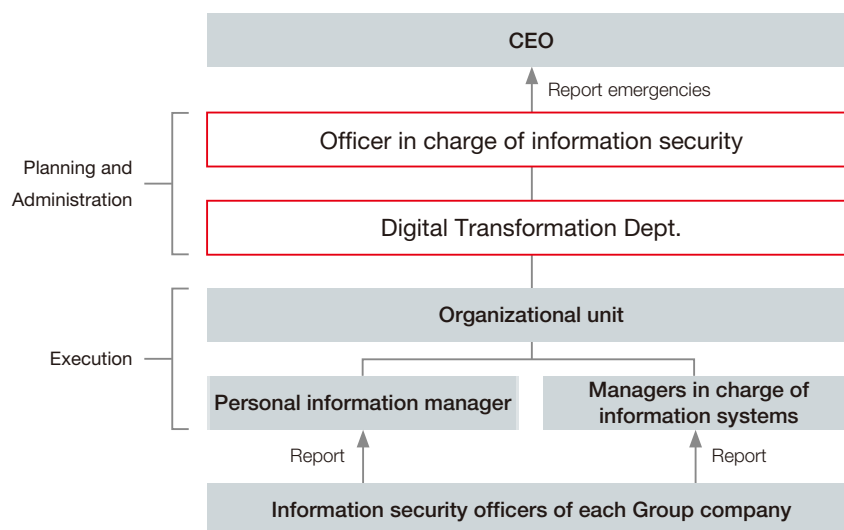
GRI418-DMA

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.

Before outsourcing operations that involve handling personal information, we perform an assessment of the relevant contractor's processes and systems to ensure information security is at the same level as our own internal systems. We have built a system to manage the personal information of customers more strictly when collecting personal information for campaigns, consumer surveys, etc. These rules require the selection of a personal information manager who reports to an organizational manager. These 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 2021

- Information security test for new hires at Ajinomoto Co., Inc.: Attended by 100% of 59 eligible employees
- Comprehension test related to information handling guidelines conducted via e-learning for all employees of Ajinomoto Co., Inc.: Attended by 2,900 employees (91%)
- Ajinomoto Co., Inc. targeted mail attack training for officers and employees
- E-learning on the Act on the Protection of Personal Information for employees and officers of Group companies in Japan: Attended by 7,909 (88%) of 8,987 eligible 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 devices automatically in major Group companies and we have been managing this system on a consistent basis.

In addition, we engage an external entity to perform security diagnostics about once a year 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 2021, the Group experienced no substantiated complaints received concerning breaches of customer privacy, identified leaks, thefts or losses of customer data.

Strong Corporate Governance

Relationships with local communities

Approach

GRI403-DMA

> Group Shared
Policy on Local
Community
Enhancement

Performance

Performance

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.

Activities for regional development

Major activities conducted by the Ajinomoto Group during fiscal 2021 for regional development were as follows.

- Ajinomoto Co., Inc. donated products through *WeSupport*, a food support platform for healthcare workers.
- Ajinomoto Co., Inc. donated products in support of the Summer Vacation Children's Food Support Box for families in financial difficulty due to the COVID-19 pandemic. The program was a joint initiative carried out by the Consumer Goods Forum Japan Local Sustainability Group, Save the Children Japan, and other entities.
- Ajinomoto (Malaysia) Berhad donated to a food bank to support families in financial difficulty due to the spread of COVID-19.
- The Ajinomoto Group donated products through Ajinomoto Poland Sp. z o.o. to provide food aid to people affected by the difficulties in Ukraine and neighboring countries. The Group also made an emergency donation of US\$1 million to the World Food Programme, the food assistance agency of the United Nations.

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/english/
	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)

Preparation for intense global competition

The Ajinomoto Group aims to Speed Up x Scale Up its business to restore its strong growth potential. Given this perspective, we strive to transform our business models and Group-wide operations through a focus on digital transformation (DX). We are also reforming the mechanisms behind our innovation, 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
- Competitive intelligence (medium- to long-term initiatives)
- Promoting open & linked innovation
- Reviewing global production system, logistics system, and employment system

Preparation for Intense Global Competition

Promoting DX

Approach

> ASV Report 2022
(Integrated Report)
P57

> Digital
Transformation
at the Ajinomoto
Group
(Japanese only)

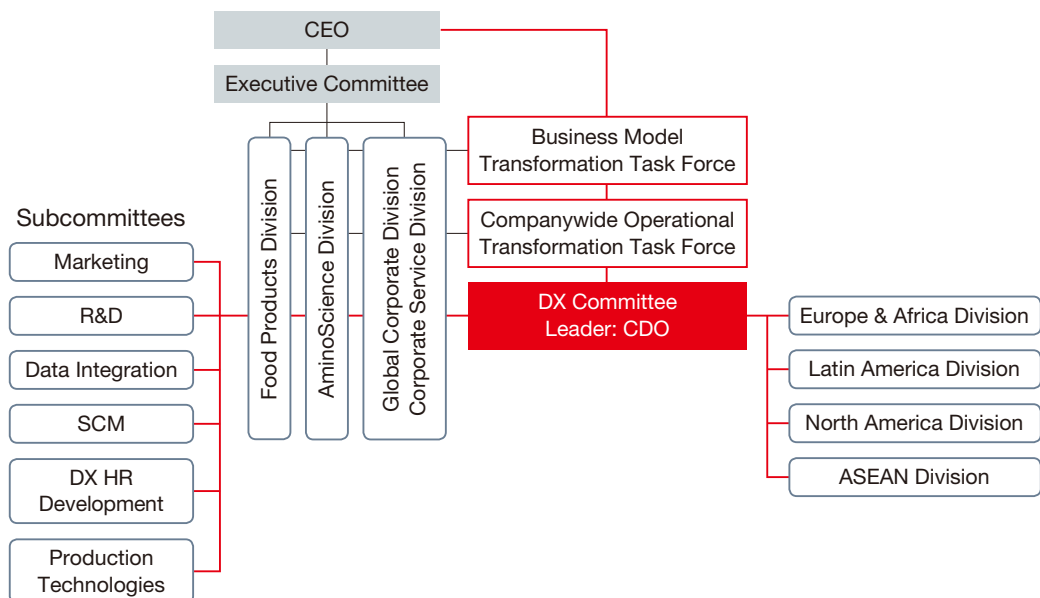
Framework

Approach to DX

The Ajinomoto Group is putting great effort in advancing digital transformation (DX) to transform itself into a solution-providing group of companies for food and health issues. While enhancing data-driven marketing, we are working to create sustainable value by raising the development speed, market competitiveness, efficiency, and productivity of our products and services. We are also aiming to leverage digital technologies to accelerate collaboration with industry associations, governments, academia, medical institutions, nutritionists, and others to achieve collective impact more than ever before.

DX promotion framework

Alongside the Business Model Transformation Task Force and the Companywide Operational Transformation Task Force, both under direct control of the CEO, the Chief Digital Officer (CDO)-led DX Committee supports the corporate and business divisions. We also established subcommittees underneath the committee, so as to enable collaboration with internal and external organizations and operate with flexibility. The DX Committee holds joint promotion meetings each 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.



Preparation for Intense Global Competition

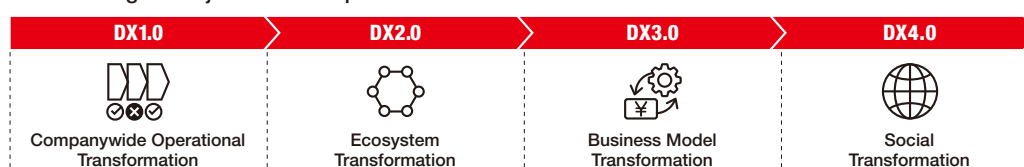
Four DX stages

In order to promote DX, the Ajinomoto Group is integrating DX over four stages.

DX1.0 is the stage in which we carry out optimal operations from an overall standpoint. In DX2.0, we aim to transform toward a system of value co-creation while leveraging partnerships with external partners. We take actions in these stages in areas like supply chain management, marketing, R&D, and human resources development, which also contribute to driving transformation in our corporate culture.

DX3.0 is the stage where we seek to establish new business models. Here, we aim to create a personal nutrition ecosystem where we provide lifestyle improvement advice, information, and tools tailored to each person's individual lifestyle. This is also connected to transformation of information processing infrastructure within next-generation computing by leveraging customer relationships built in the ABF business. For us, DX4.0 is the digital transformation of society that comes after these initiatives, and we are aiming to become a leader in social transformation.

The four stages of Ajinomoto Group DX



DX promotion initiatives

■ Main progress in fiscal 2021

■ Company-wide operational transformation

- Our new purchasing system to improve operational efficiency launched in December 2021. We have also achieved cost reductions in electricity, promotional materials, factory consumables, etc., for Group companies in Japan through joint procurement and negotiations by a single representative.
- We have centralized management data for retail operations in Japan and overseas. ROIC will be visualized per business unit starting in fiscal 2022.

■ Supply chain management

- Amid the impact of shipping delays and other issues caused by the spread of COVID-19, we shared inventory status on a global level and reviewed inventory standards to reduce inventories of umami seasoning products (global).
- In order to achieve sustainable logistics of processed food products, we promoted the digitization of slips and standardization of exterior packaging sizes in cooperation with manufacturing, distribution, and sales companies and F-LINE CORPORATION (Japan).

■ Marketing

- We made progress in evolving our marketing by establishing and permeating use of a platform aggregating the latest marketing data.
- We increased the efficiency of marketing investment impact verifications by reducing the time required for data capture and analysis utilizing digital technologies.

■ R&D

- We have achieved automated and efficient operations by utilizing robots and AI.
- We have achieved the visualization of customer experience values and the digitalization of design for deliciousness, health, and nutrition.

Performance

Preparation for Intense Global Competition

Performance

> ASV Report 2022
(Integrated Report)
P23, P57

Business model transformation initiatives

In our DX2.0 and DX3.0 actions to create a new business model, in addition to the following existing initiatives, business units and the Business Model Transformation Task Force are working together to establish a framework for setting priority domains, portfolio management concepts, stage gate management, etc.

■ Main progress in fiscal 2021

■ Corporate venture capital (CVC) initiatives

Targeting 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, we aggressively made investments in promising partners and other activities. In fiscal 2021, starting with collaboration with SAKA NO TOCHU Co., Ltd., in which we invested in May 2021, we invested in Oishi kenko Inc. (Japan), which operates lifestyle media and healthcare business utilizing IT, and in cultured meat startup SuperMeat (Israel).

■ A-STARTERS

The A-STARTERS program, which identifies and trains in-house entrepreneurs to commercialize their business ideas, was implemented in fiscal 2021 with application requirements of being applicable to the DX2.0 or DX3.0 stages and having potential for business expansion (on the scale of several billion yen). In addition to the 425 continuing participants from the previous year, 67 new participants joined the program. Of the topics in the 47 applications, two were selected and are making progress toward commercialization.

TOPIC

Selected as a DX Stock 2022

The Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange select “DX Stocks” in each industry that have established internal mechanisms to advance DX and enhance corporate value and that have realized exceptional achievements using digital technology. Ajinomoto Co., Inc. was recognized for developing its unique definition of DX for business model transformation and social change, and for methodically advancing its roadmap while developing human resources.



Global review

The Ajinomoto Group's Integrated Report 2022 and Sustainability Data Book 2022 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

As usual, it was a pleasure to read both Ajinomoto Group ASV Report 2022 and the Sustainability Data Book 2022. I am always impressed by the sheer scope and scale of the Group's activities and the level of detail provided in each annual reporting suite. Each year, I notice a renewed energy and passion to lead a sustainable business that delivers economic growth while adding meaningful social and environmental value. There is a consistency in the Group's story over many years and a clear understanding of the sustainable development contributions the Company aspires to.

This year, we hear from the newly appointed President and CEO, Mr. Taro Fujie, and it is reassuring to read his commitment to building on the important legacy of sustainable business development established by his predecessors. This is further reinforced by the targets that the Group has established and discloses across a range of material sustainability topics, demonstrating a serious and credible approach to enhancing performance. The Group lays out detailed pathways to deliver targets, for example, the ambition to halve food waste across the product lifecycle by 2050 is supported by interim targets and a program of action for each lifecycle stage, as well as disclosure of performance to date. This reinforces the credibility of the Group's reporting. Case studies and examples of new transformational ASV programs also add value.

Beyond so many positive aspects of the Group's strategy, performance and reporting, I see possibilities to further enhance clarity and communication.



Elaine Cohen
Founder and CEO
Beyond Business Ltd.

■ Enhancing Clarity

The Group's top line visionary ambitions are bold and outcome-driven:

- By 2030, help extend the healthy life expectancy of 1 billion people.
- By 2030, reduce our environmental impact by 50%, while improving business performance.

Carefully articulated as outcomes of the multiple strands of activities that the Group has committed to undertaking over several years, these visionary targets are underpinned by science and bold plans to accelerate innovation, business model transformation and an agile working culture. The Group inspires confidence in its ability to deliver through its meticulous planning, wide engagement through its value chain and with experts on the Sustainability Advisory Council, and through transparent reporting.

This being said, I'd like to see further clarity in the Group's approach. I do not doubt there is a correlation between consuming food products that enable "delicious salt reduction", nutrition education and life expectancy. However, I believe credibility would be enhanced by real-world-evidence relating to the effects of consuming the Group's products on life expectancy, and the extent of the eating habit changes made by consumers who received nutritional education. Extending the healthy life expectancy must be backed with data and research if it is to be more than just a visionary ambition. I have advocated for some time for the Group to invest in research to examine the actual effects over time on real people who have been empowered to change through the Group's products and programs. Perhaps some lessons are to be learned from the biopharma industry, in which the Group has extended its presence, where the use of clinical trials serves to deliver confidence that outcomes can be achieved.

Another opportunity for clarity relates to the environmental impact target. Does this cover greenhouse gas (GHG) emissions only (which is supported by the Group's science based target to reduce Scope 1 and 2 emissions by 50% by 2030)? What about the Scope 3 emissions that the Group indirectly generates at the rate of almost seven times higher than the total of Scope 1 & 2? (The Scope 3 target reduction is 24% per ton of production by 2030.) And what about other environmental impacts – water, waste, biodiversity etc.? I think that clarifying the language of this ambition would

Global review

better enable stakeholders to evaluate progress.

Enhancing Communication

The topic of sustainability, or Environmental, Social and Governance (ESG) disclosure is in a highly dynamic phase at present. With new concepts, frameworks, standards and regulatory advances moving at a pace, the disclosure landscape is evolving rapidly. The investor influence on ESG disclosure is more significant than ever before, while the regulatory pressures to drive such disclosure on an equal footing with financial reporting are also being promoted with unprecedented intensity. With new ESG disclosure standards developed by the International Sustainability Standards Board (ISSB), by the European Commission and by the U.S. Securities and Exchange Commission (SEC), as well as updates to the Global Reporting Initiative (GRI) standards applicable from 2023, companies are grappling with the way forward for sustainability disclosure. Similarly, the concepts of financial and impact materiality (and double materiality) have taken root and will require greater precision in the determination of ESG material topics to inform both strategy and reporting. To better equip the Group to navigate these demands and meet stakeholder needs, I believe it is time for the Group to rethink the structure of its disclosures. The materiality assessment should reflect impacts on the economy, people and the environment (impact materiality, as defined by GRI) as well as the impact on the Group's ability to create value, as is currently defined. There is quite some duplication between the ASV Report and the Sustainability Data Book (SDB), and the collection of policy positions in the Ajinomoto Group Policies (AGP) book, while at the same time, different dimensions of certain disclosures are fragmented across these platforms. I believe it would be worth considering a move to two primary publications: an ASV Report that includes performance information and case studies on all disclosure topics, and an AGP that is expanded to include all the policy and approach content that is currently included in ASV or SDB or both, thereby removing duplication. Policy content is unlikely to significantly change each year, and it currently clutters the reporting of current year performance. Such a restructure would need to be skilfully crafted in order to present all the content in a clear, logical and legible way. If needed, a short executive summary could supplement these documents. Restructuring the Group's sustainability reporting suite would, I feel, enable stakeholders to more easily locate relevant information and appreciate the extent of the Group's strong performance and positive impact. It would also reduce the annual reporting burden for the Group.

Global review

For almost 25 years I have been working in the area of sustainability and impact management. Our company, Steward Redqueen, has the privilege of working with many corporations, financial institutions and non-profit organisations around the world.

Based on my experience, I think there is reason enough to laud the Ajinomoto Group for its efforts on the sustainability front. Its commitment to science-based emission reduction targets for Scope 1, 2 and 3 by 2030 shows a clear devotion to sustainability. The Group emphasizes the interdependence between human and planetary health, and food systems and climate conditions, substantiating the Group's recognition of sustainability as a value creator. This claim is further corroborated by a myriad of initiatives, measures and KPIs that underpin its sustainability strategy.

That being said, the quality of the Group's sustainability strategy and reporting can be improved even further by creating a more consistent narrative and structure. The reporting is so extensive that it is not always easily digestible. This makes it less easy than possible for stakeholders to capture the essence and allowing them to grasp where the company stands on sustainability issues that matter to them. As CEO Mr. Taro Fujie rightfully asserts: "You have communicated your message only when understood".

The Integrated Report reinforces the idea that sustainability and financials are interdependent. Nonetheless, the different sections of the report still function too much as stand-alone parts, where new concepts and strategy elements are introduced. The symbiotic relationship between sustainability and financial viability could be captured in one overarching framework, of which the Group's tagline 'Eat Well, Live Well' could serve as a vocal point. In particular, efforts can be made on integrating sustainability components into the financial statements and feeding the Current Growth Strategy into the Medium- to Long-term Growth Strategy. For example, why are there no priority KPIs in the medium-term management plan that reflect a focus on sustainability? And how are the materiality items related to the four innovation areas? At times, this leaves readers to question how the different elements of the Group's strategy are connected to each other.

In a similar vein, the structure of the Group's Data Book can be enhanced. Undoubtedly, the Group provides its readers with a wealth of sustainability data points and information. The Group is highly transparent on its reporting, with third parties externally verifying data. However, the overall state of play is at times difficult to fathom, given inconsistencies in terms of reporting per materiality item. For instance, certain materiality items, such as Strong Corporate Governance, do not disclose KPI and progress. Moreover, the Data Book would benefit from an executive summary outlining general progress on the materiality items by way of a simple traffic light system. In addition, each materiality item should follow the same structure, as the quantitative and qualitative elements are currently overlapping significantly. The factsheet with risks and opportunities, key initiatives and related SDGs per materiality item serves as a great starting point for this.

With its firm sustainability framework, The Group has undertaken crucial steps in the area of stakeholder engagement. The central role of the Sustainability Advisory Council (SAC) and Sustainability Committee (SC) strongly signals that the company values the opinions and concerns of its stakeholders and acknowledges the need for cooperation to solve key sustainability issues. However, the Group could be more transparent about the outcomes of talks within both bodies. What were the recommendations of the SAC and SC and (how) were these translated into concrete policy? A large Dutch food & beverages multinational includes an overview of the most frequently asked questions by stakeholders in its annual report. Showing legitimate concerns of key stakeholders significantly adds to the credibility of their sustainability narrative. Might this be a good practice that the Group could follow?

One aspect that may draw particular attention of stakeholders is a forward-looking view on the Group's sustainability strategy. Nowadays, annual reports are no longer just a summary of what has been done over the last year, but increasingly shifting towards what will be done in the years ahead. This allows stakeholders and investors to assess the credibility of KPIs and commitments beyond the horizon. The Group scores well on this regard, as detailed plans to achieve targets are disclosed per materiality item, assuring results both in the present and the future. European frontrunners have tied senior management remuneration to medium and long-term sustainability outcomes. Could this be an example that the Group may want to follow to further embed a forward-looking vision into its corporate strategy?

This shift from backward to forward-looking reporting also reflects the increased tendency among global corporations to focus on impact rather than sustainability. 'Traditional' sustainability revolves around mitigating ESG-related risks, whereas impact-oriented companies move from this 'doing-no-harm' mindset to a 'doing-good' mindset. This does



Wouter Scheepens

Partner of Steward Redqueen,
the sustainability and impact
consultancy based in
Amsterdam,
The Netherlands

Global review

not render ESG reporting irrelevant, it simply means that it no longer serves as a key differentiator. To remain ahead of its competitors, the Group should persistently seek opportunities to contribute positively to larger societal issues. This corroborates the notion that the Group should continue to identify channels through which its operations are conducive to healthier lifestyles and regeneration of the environment.

Thank you for the opportunity to share my thoughts and suggestions on the sustainability reporting of the Group. I want to emphasise that I have done this while recognising the hard work of the company on its reporting. It shows the ambition and success of a company that clearly has a deep motivation to take sustainability and its relationship with stakeholders seriously. The Group is among the sustainability top performers of its sector and to maintain that position the group should continuously and critically assess how it can improve value creation for both its people and planet. I wish you well on your journey to further embrace sustainability as 'business as usual'.

Perspective from the Americas

Overall Assessment

The Ajinomoto Group's impressive integrated strategy is settling into a maturity phase, with a solid framework foundation that is yielding results in all areas – sales, profits, brand value, earning per share, dividends, ROA, ROE, ROIC and Asset Turnover are all up, while R&D expenditure continues to grow, and greenhouse gas emissions, food loss, waste, water, and plastics use continue to decrease. Investments in human capital and other social factors are getting stronger as well. Metrics and targets around 'Promote better health and life' are crystalizing.

In terms of usability, the Group manages to present a wealth of information in an increasingly digestible and connected set of formats through its ASV Report (Integrated Report), Sustainability Databook, Financial Report, Sustainability Website, and SASB and GRI Indexes, as well as data tables for social and environmental issues. I particularly like the news feed that provides a one-stop destination for the latest off-cycle updates.

Integrated Report (ASV Report)

The Integrated Report - now renamed the ASV Report - is strong in terms of quality and content, combining financial and sustainability information in a meaningful way.

To advance the business model transformation across all of the Group's businesses the new CEO, Taro Fujie, introduces the idea of delivering the "essence of happiness" as a unifying purpose for the Group as well as the strategy that combines "Sharing" (purpose x passion x OE) and "Evolving" (speed up x scale up), as well as a shift from the MTP to KPI management to achieve 2025 and 2030 targets. With a strong set of goals and KPIs the Group is poised for success.

The focus on strengthening intangible assets to generate future value is aligned with an integrated strategy and the three focus areas – Human Assets, Technology Assets, and Customer Assets – are key to generating sustainable value and seem to be generating results in terms of increased brand value. In particular, it was interesting to see how the ASV Report connects investments in Human Assets to increased sales and profits. I look forward to seeing further elaboration on the links between financials and intangibles.

As last year, the ASV Report connects financial impacts with environmental impacts, reporting progress for each by business segment. The connection between the material topics identified and the overall business strategy is strong. Inclusion of risks and opportunities by material topic in the ASV Report provides readers with well rounded, decision useful information.

Further, I was pleased to see candid details on both short-term and medium-term KPIs for performance linked compensation for Executive Officers that include financial, social and environmental assessment weightings, but next year I would expect to see specific performance targets connected to both employee engagement and ESG targets. In line with the new IFRS guidelines, I would expect to see further details around the climate-risk analysis in the ASV Report next year as well. By virtue of reporting to SASB standards, the group is well prepared to report the industry specific disclosures outlined by the IFRS although some of the metrics are not using the same units as recommended. Overall, the Group reports on more than half of the recommended SASB disclosures, and included specifics on revenue from products labeled and/or marketed to promote health and nutrition attributes for the first time in this reporting cycle.



**Celine Solsken
Ruben-Salama**

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

Global review

Sustainability Data Book

The quality of the Group's 2022 Sustainability Data Book is strong as always, my favorite part being the actual data tables at the end. Harmonization with the ASV Report is evident. In terms of content and layout, the Data Book is extremely similar to last year's report, even repeating a lot of the content verbatim. I see this as a sign of maturity. With programs, goals, and targets are relatively set, the focus is now on progress and performance. The Activity Report section of the report now includes a 'key initiatives and progress' highlights section that provides a nice summary overview of programs for those who don't have the patients to read the whole report. In the future, I'd like to see the goals and targets presented for each material topic in the summary page together with the specific examples, risks and opportunities, key initiatives and SDGs, in a format similar to the ASV Report.

Performance on environmental issues is particularly strong. It is evident that the Group is decoupling carbon emissions from production – both in absolute terms and per unit of production - reducing energy use overall, and increasing the use of renewable energy. However, sulfur oxide emissions seem to be increasing, which is a potential area of concern. Another, areas of concern is the increase in output of hazardous waste, although recycling rates for that waste stream are increasing. However, encouragingly, overall resource recovery is on the rise. The Group shows good progress in terms of food loss and waste, particularly in terms of total volume used for alternative purposes. Further, water conservation efforts seem to be yielding results as well, with overall water consumption on the wane, and proportion of recycled water increasing.

In this year's Sustainability Databook I was impressed with the progress on climate-related scenario analysis and the detail of which was presented including countermeasures to each identified risk. Potential financial impact has been calculated for several of the risks for both the 2 degree and 4 degree temperature rise scenarios. However, more work needs to be done to quantify potential risks associated with increased the physical risk of severity and frequency of floods and droughts, as well as transition risks including mandates and regulations on products, changes in consumer preferences.

In terms of social factors, I was pleased to see a fourth female Board member, as well as increases in the percentage of females promoted as new managers as evidence that the Group is performing on their commitments to gender equality. Regarding the manufacturing labor force, I was also pleased to see improvements in safety with lower absenteeism, injury rates and severity.

For next year, it will be interesting to see how the Group adapts to the Revised 2021 GRI Standards and meets the new IFRS reporting standards with further elaboration on the quantification of climate-related risks. I look forward to continued positive progress for the Group across all ESG dimensions!

Global review

Perspective from Asia

■ From the eyes of an ecologist

As a scientist who mainly read reports of research publishing, I must admit that I was a bit concern when first received the review invitation on a company's annual report. My worries were nullified as the ASV Report, along with its supporting documents (mainly Sustainability Data Book and Appendix) are very well prepared and organized in clear and concise manner. I am sure the report itself is a successful outreach to the company's stakeholders and potential investors from all walks of lives and backgrounds.

I am especially fascinated with the chapter on "Medium-to-long-term growth strategy" in the ASV Report. The strength of the R&D team in leading the transformation of the business model is remarkable. A long list of innovations in the areas of integrated food products, AminoScience and in digital technology was shared with promising approach to achievement by FY2030. Notably, the cultivated meat and low environment impact protein represent good value-added products with robust business growth, besides able to sustain global resources at the same time. Food claimed to create physical health are aplenty, but food that create mental health is a definite new niche to venture into.

To be able to anticipate rapid change in the global market and spearhead in innovative technology know-how, human resources are the main asset in driving and shape the next generation business. The Ajinomoto Group adopts the approach to look "internally" for new creation and foster talent in the "Talent management policy". Program such as the A-STARTERS (program for openly recruiting business idea) and "Cross-sectional human resource", work well in harnessing talents within the workforce with diverse experience and specialisation. Besides this, it is recommended for the Group to take on a bolder approach to reach out for potential spin-off research business opportunity externally. The bandwagon that has attracted much interest lately in talent search is through e-Pitch. Contrary to the physical pitching workshop (a.k.a. the pressure cooker process) in the past, e-Pitch provides online platform that allows startups and bright young minds to share idea to potential investors directly. I am sure the accelerated use of digital technologies of the Group would allow for increase opportunity to direct communication with talented mind worldwide.

From the standpoint of an ecologist, the electronic material sector (Lead by core product, the *Ajinomoto Build-up Film*®) represents the lowest environmental impact scenario with relatively minimal CO₂ emission and plastic usage. I am glad to see swift actions taken to expand this advance IT society business with the completion of a new R&D building. However, I have some concern over the high food loss and waste disposal percentage recorded by the frozen food sector. There also seems to have contradicting statements in the ASV that says frozen food has social value in reducing food loss and waste, while the infographic on frozen food environmental footprint shows the other way round.

I appreciate the many green initiatives incorporated in the products' life cycle of the Group. Environmental wellness and rehabilitation were mentioned in many parts of the ASV Report. Key initiatives on GHG reduction, plastic usage, food loss and waste reduction were set and achieved within the last few years. As for the water consumption per production volume unit, it is congruous to derive the reduction rate using nearer term (FY2018, instead of FY2005) as base for comparison. While doing so, I noticed the rate of water conservation effort were less fruitful in late (FY2018 to FY2021, with a mere reduction of 1% at best). A worrying trend is on the reliance of water source from groundwater (average up to 23% of the total water consumption). Though this underground water source was claimed as 'renewable', care should be taken to ensure withdrawal rate is way lower than the slow natural replenishment from the rain water. More options should be weighted urgently to look for alternative water sources such as rain water harvesting at site and solar-powered distillation on sea water (feasible only at site near the coast).

I would also like to echo the point made by Professor Shunsuke Managi (in the sustainability data book) on the importance in preserving biodiversity. As the core of the Group's production lies in biological processes such as fermentation, a wealth of opportunity in finding new substrate and raw material is made possible with a healthy and balance natural ecosystem. Equal focus should be emphasized on environmental/biodiversity sustainability, along side with the business sustainability of the Group. Moving along this line, more members with sound experience and expertise in environmental protection should be recruited in the Sustainable Advisory Council to provide advice on matters related to nature conservation. The length of service time for the members in the sustainability advisory council is preferably remain short (2 to 3 years) to maintain its viability.

In line with the many efforts to cut down GHG emission, the Group could look into other ways to achieve the



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SWEE YEOK**

Mangrove ecologist,
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Global review

32% reduction in carbon footprint from FY2022 to FY2030. Develop nature conservation project in partnership with the local people is one of the way to showcase the company's commitment to nature care. Careful selection of site with high conservation value should be the primary step. Coastal wetlands play vital role in combating climate change by sequestering tremendous amount of carbon in the soil and biomass. Within this context, investing in conservation related project to protect and promote the awareness on wetland's importance brings return in the form of carbon emission trading. Integrating carbon finance will be the key in the next phase of carbon emission control and hopefully stakeholders could hear more about it in the Ajinomoto Group subsequent ASV.

Ajinomoto Group Sustainability Data Book 2022

Eat Well, Live Well.



Cover Story

The image concept of people enjoying themselves as they prepare and eat food and engage in exercise shows the outcomes that the Ajinomoto Group is aiming to realize by providing the ingredients of happiness—the essence of happiness—to the world. We believe that pursuing our purpose of “unlocking the power of amino acids to resolve food and health issues” and promoting health and healthy lifestyles will fulfill “Eat Well, Live Well.”

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Ajinomoto Group Sustainability Data Book 2022

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, 2022. Performance statistics are for the 142, 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	FY2017	FY2018	FY2019	FY2020	FY2021
Scope 1 emissions	1,244,676	1,196,969	1,013,315	1,008,811	1,005,363
Japan	361,142	327,345	302,700	293,358	288,531
Asia/Africa	519,025	526,405	376,020	389,741	412,339
Europe	46,282	39,021	41,463	37,902	18,721
North America	228,284	219,337	212,796	221,691	206,394
South America	66,896	67,231	65,408	53,877	67,975
China	23,047	17,629	14,926	12,242	11,402
Scope 2 emissions (market-based method)	1,072,248	1,015,723	960,375	901,789	606,594
Japan	136,505	141,952	118,337	120,119	101,645
Asia/Africa	441,259	427,389	414,365	380,604	276,867
Europe	182,140	184,253	171,196	158,749	20,451
North America	213,247	193,766	194,490	179,067	170,258
South America	60,420	40,308	38,306	32,692	6,753
China	38,677	28,056	23,681	30,558	30,620
Scope 1 and 2 total emissions	2,316,924	2,212,692	1,973,690	1,910,600	1,611,957
Japan	497,647	469,297	421,038	413,477	390,177
Asia/Africa	960,284	953,794	790,386	770,346	689,205
Europe	228,422	223,275	212,659	196,651	39,172
North America	441,531	413,103	407,286	400,758	376,652
South America	127,316	107,538	103,714	86,569	74,729
China	61,724	45,686	38,608	42,799	42,022

[1] International Energy Agency

(t-CO₂e)

By business activity/division	FY2017	FY2018	FY2019	FY2020	FY2021	
Scope 1 emissions	1,244,676	1,196,969	1,013,315	1,008,811	1,005,363	
Business activities	Production	-	1,149,384	976,078	970,831	974,789
	Transportation	-	25,976	16,060	17,633	12,524
	Others (office, sales, R&D, etc.)	-	21,609	21,177	20,348	18,050
Business division	Food products	344,819	347,927	338,518	436,813	485,193
	AminoScience	899,857	849,041	674,797	571,998	520,170
Scope 2 emissions (market-based method)	1,072,248	1,015,723	960,375	901,789	606,594	
Business activities	Production	-	1,010,908	955,202	897,639	604,268
	Transportation	-	9	2	2	3
	Others (office, sales, R&D, etc.)	-	4,806	5,172	4,148	2,323
Business division	Food products	323,576	379,571	356,388	384,066	311,163
	AminoScience	748,672	636,152	603,988	517,722	295,431

Greenhouse gas emissions per volume unit calculated from IEA CO₂ emissions factors

	FY2017	FY2018	FY2019	FY2020	FY2021
Scope 1 and 2 emissions per volume unit (intensity per ton of product)	0.86	0.84	0.79	0.79	0.68
Scope 3 emissions per volume unit (intensity per ton of product)	3.97	3.76	3.92	4.11	4.05
Reference value: Production volume (1,000 t)	2,684	2,627	2,512	2,423	2,360
Scope 1 and 2 emissions per volume unit (intensity per million yen sales)	-	1.99	1.79	1.78	1.40
Scope 3 emissions per volume unit (intensity per million yen sales)	-	10.71	10.75	11.00	9.53
Consolidated sales (million yen)	-	1,114,308	1,100,039	1,071,453	1,149,370

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 ㄎㄎ 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 ㄎㄎ 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.

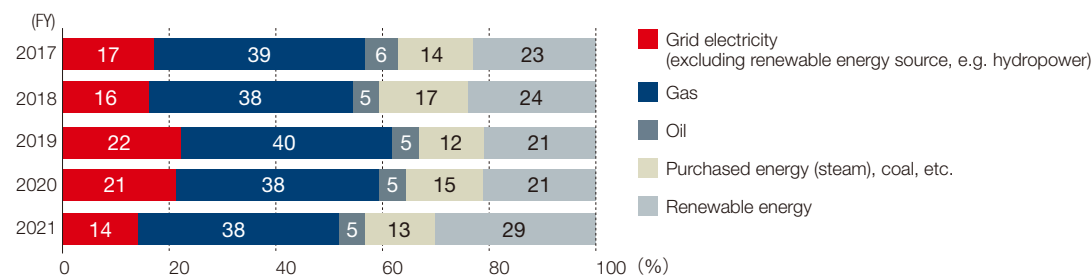
[2] CFP values of ingredients including vegetables and meat are included.

Energy input

	FY2017	FY2018	FY2019	FY2020	FY2021
Energy input (TJ) ^[3]	39,589	38,468	34,619	33,494	31,733
Energy input intensity of production (per kilo tons of product)	14.8	14.6	13.8	13.8	13.4

[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	FY2021
Nitrogen oxide (NOx)	9,421	5,224	6,637	5,673
Sulfur oxide (SOx)	10,701	6,779	7,016	7,676
Particulates	1,827	884	1,310	871
CFCs ^[1]	11	9	7	5

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

Conservation of water resources

Water use/intensity

(1,000 kl)

	FY2005 (Base Year)	FY2017	FY2018	FY2019	FY2020	FY2021
Total water withdrawal ^[2]	221,863	74,844	69,892	66,926	64,406	59,979
Fresh surface water	180,363	24,433	20,672	19,630	17,004	17,259
Brackish surface water/ seawater	0	0	0	0	0	0
Fresh groundwater, renewable ^[3]	0	16,371	15,076	14,366	13,041	13,769
Fresh groundwater, non-renewable ^[3]	-	0	0	0	0	0
Produced water	0	0	0	0	0	0
Municipal water (including industrial water)	41,500	34,041	34,144	32,930	34,361	28,950
Water consumption per production volume unit (intensity per ton of product)	123	28	27	27	27	25
Reduction rate (vs. FY2005)	-	77%	78%	78%	78%	79%
Ref.: Total amount of production (1,000 t)	1,800	2,684	2,627	2,512	2,423	2,360
Total water discharge ^[2]	201,300	60,464	55,800	52,342	51,564	48,034
Fresh surface water (processed by the Group)	47,000	28,341	27,498	24,297	24,088	20,490
Brackish surface water/ seawater	0	0	0	0	0	0
Groundwater	0	0	0	0	0	0
Third-party destinations	10,300	11,299	11,273	11,291	11,139	11,360
Total water recycled or reused	144,000	20,824	17,029	16,754	16,338	16,184
Proportion of water recycled or reused	65%	28%	24%	25%	25%	27%
Total water consumption	20,563	14,380	14,092	14,584	12,842	11,945
BOD (tons)	550	294	312	283	284	263
Nitrogen (tons)	3,200	394	501	506	583	430

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

[3] Data categories were reviewed based on that fresh groundwater is reclaimed and used as well water.

Environmental Data

3Rs of waste

Volume of waste and by-products and resource recovery ratio

(tons)

	FY2017	FY2018	FY2019	FY2020	FY2021
Hazardous waste (waste acid, waste alkali, waste oil, cinder)					
Generated	59,162	69,991	83,834	81,216	83,770
Recycled	58,862	68,422	83,429	80,892	83,399
Incinerated	24	40	60	38	24
Landfills	276	1,529	345	286	347
Non-hazardous waste					
By-products^[1]					
Generated	2,395,249	2,194,566	2,021,002	1,615,808	1,546,599
Composted	2,394,976	2,194,470	2,020,885	1,615,713	1,543,988
Incinerated	0	0	0	0	0
Landfills	273	96	117	95	2,611
Other^[2]					
Generated	178,989	174,651	181,246	173,310	195,832
Recycled	161,455	153,388	156,432	150,295	169,243
Incinerated	2,066	2,821	2,121	1,784	2,318
Landfills	15,467	18,442	22,693	21,231	24,271
Total generated	2,633,400	2,439,208	2,286,082	1,870,334	1,826,201
Total recycled	2,615,293	2,416,280	2,260,745	1,846,900	1,796,630
Total waste	18,107	22,928	25,337	23,434	29,571
Resource recovery ratio	99.3%	99.1%	98.9%	98.7%	98.4%

[1] Sludge, Bacteria, Humus carbon, Waste activated carbon, Gypsum sludge, Salts, Fermentation final concentrate, Waste filter aide, etc.

[2] Sludge, Animal and plant residues, Plastic wastes, Glass and ceramic wastes, Metal scraps, Paper wastes, Wood wastes, Rubber scraps, Waste construction materials, Office wastes, etc.

Volume of packaging material and resource recovery ratio

(ktons)

	FY2019	FY2020	FY2021
Wood/Paper fiber	150	150	150
Recycled and/or certified material ratio	84%	83%	86%
Metal (e.g. aluminum or steel)	13	13	13
Recycled and/or certified material ratio	-	-	-
Glass	5.4	6.4	6.6
Recycled and/or certified material ratio	-	-	-
Plastic	72	70	69
Recyclable plastic packaging ratio	39%	38%	38%
Compostable plastic packaging ratio	0%	0%	0%

Environmental Data

Volumes of food loss and waste^[1]

(tons)


	FY2018	FY2019	FY2020	FY2021
Total generated volume	53,226	46,729	48,901	47,377
Total volume used for alternative purposes	25,515	21,222	26,634	28,115
Total discarded volume ^[2]	27,710	25,507	22,267	19,262
Total discarded volume per volume unit (intensity per ton of product)	10.6	10.0	9.2	8.2
Reference value: Production volume (1,000t)	2,609 ^[3]	2,542 ^[3]	2,423	2,357 ^[3]
vs. Fiscal 2018 (%)	-	95%	87%	77%

[1] Measured with reference to the Food Loss & Waste Accounting and Reporting Standard. Past performance, including its measurement methods, is reviewed retroactively. (Measurement methods may differ between target organizations.)

[2] "Total discarded volume" refers to "Total volume" of "Food Loss and Waste" in P94.

[3] We used data different from production volume set forth in P74 and P111 for convenience of aggregation.

Third-party assurance



LRQA Independent Assurance Statement

Relating to Ajinomoto Co., Inc.'s Environmental and Social Data within Ajinomoto Group Sustainability Data Book 2022 for the fiscal year 2021

This Assurance Statement has been prepared for AJINOMOTO Co., Inc. in accordance with our contract.

Terms of Engagement
LRQA was commissioned by AJINOMOTO Co., Inc. ("the Company") to provide independent assurance on its Environmental and Social data within Ajinomoto Group Sustainability Data Book 2022 ("the report") for the fiscal year 2021 (from 1 April 2021 to 31 March 2022), 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 (Revised) and ISO 14064-3:2019 for Greenhouse Gas ("GHG") emissions.

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 (tCO₂)
 - Scope 2 GHG emissions, market-based and location-based² (tCO₂)
 - Scope 3 GHG emissions associated with Categories 1 to 15 (tCO₂e)
 - Lost Time Injury Frequency Rate (LTIFR)³
 - Occupational Illness Frequency Rate (OIFR)³

LRQA's responsibility is only to the Company. LRQA disclaims any liability or responsibility to others as explained in the end footnote. The Company's responsibility is for collecting, aggregating, analysing and presenting all the data and information within the report and for maintaining effective internal controls over the systems from which the report is derived. Ultimately, the report has been approved by, and remains the responsibility of the Company.

LRQA's Opinion
Based on LRQA's approach nothing has come to our attention that would cause us to believe that the Company has not, in all material respects:

- Met the requirements of the criteria listed above
- Disclosed accurate and reliable environmental and social data

The opinion expressed is formed on the basis of a limited level of assurance⁴ and at the materiality of the professional judgement of the verifier.

LRQA's Approach
LRQA's assurance engagements are carried out in accordance with ISAE 3000 (Revised) and ISO 14064-3:2019 for GHG emissions. The following tasks were undertaken as part of the evidence gathering process for this assurance engagement:

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 sites with only office work.
⁴ 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 lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Page 1 of 2



- Auditing the Company's data management systems to confirm that there were no significant errors, omissions or misstatements in the report. We did this by reviewing the effectiveness of data handling procedures, instructions and systems, including those for internal verification.
- Interviewing with those key people responsible for compiling the data and drafting the report.
- Sampling datasets and traced 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 2021; and
- Visiting AJINOMOTO BAKERY CO., LTD. Shimada Factory and AJINOMOTO HEALTHY SUPPLY CO., INC. Takasaki Site to confirm the data collection processes, record management practices, and to physically check the equipment and the monitoring points.

Observations
Further observations and findings, made during the assurance engagement, are:
The Company is expected to continue its efforts for implementing quality assurance and quality control (QA/QC) systems in data and information management. At that time, this is particular to ensure effective internal verification processes at both the corporate and member company levels.

LRQA's Standards, Competence and Independence
LRQA implements and maintains a comprehensive management system that meets accreditation requirements for ISO 14065 Greenhouse gases – Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition and ISO/IEC 17021-1 Conformity assessment – Requirements for bodies providing audit and certification of management systems – Part 1: Requirements that are at least as demanding as the requirements of the International Standard on Quality Control 1 and comply with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants.

LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

The verification and certification assessments are the only work undertaken by LRQA for the Company and as such do not compromise our independence or impartiality.

Signed:  Dated: 16 June 2022
Takahiro Ito
LRQA Lead Verifier
On behalf of LRQA Limited
10th Floor, Queen's Tower A, 2-3-1 Minatomirai, Nishi-ku, Yokohama, JAPAN
LRQA reference: YK4M005549

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Ajinomoto Group Sustainability Data Book 2022

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, 86 overseas) as of March 31, 2022.

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, executive officers, advisors 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, 2020			as of June 30, 2021			as of June 30, 2022		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Ajinomoto Co., Inc.	9	7	2	11	8	3	11	7	4
Ratio	100%	78%	22%	100%	73%	27%	100%	64%	36%

Directors by age (Ajinomoto Co., Inc.)

(persons)

	as of June 30, 2020				as of June 30, 2021				as of June 30, 2022			
	Total	age <30	age 30- <50	age 50-	Total	age <30	age 30- <50	age 50-	Total	age <31	age 30- <51	age 51-
Ajinomoto Co., Inc.	9	0	0	9	11	0	0	11	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)

	FY2019			FY2020			FY2021		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Ajinomoto Group total	41,533	-	-	42,542	-	-	41,696	-	-
Employees	32,509	22,894	9,615	33,461	23,536	9,924	33,910	23,749	10,162
Management	4,839	3,674	1,165	4,977	3,685	1,292	5,014	3,697	1,317
Non-management	27,580	19,151	8,429	28,397	19,784	8,614	28,791	19,972	8,820
Contract staff	90	69	21	86	67	19	105	80	25
Temporary staff	9,024	-	-	9,081	-	-	7,785	-	-
Japan	13,196	-	-	12,636	-	-	12,534	-	-
Employees	7,945	5,781	2,164	7,709	5,570	2,140	7,768	5,585	2,183
Management	2,037	1,840	197	1,952	1,746	206	1,989	1,767	222
Non-management	5,818	3,872	1,946	5,671	3,757	1,914	5,674	3,738	1,936
Contract staff	90	69	21	86	67	19	105	80	25
Temporary staff	5,251	-	-	4,927	-	-	4,766	-	-
Asia	16,251	-	-	17,130	-	-	16,484	-	-
Employees	12,873	9,195	3,678	13,765	9,825	3,940	14,005	10,021	3,984
Management	1,607	1,016	591	1,789	1,121	668	1,832	1,145	687
Non-management	11,266	8,179	3,087	11,976	8,704	3,272	12,173	8,876	3,297
Temporary staff	3,378	-	-	3,365	-	-	2,479	-	-
EMEA ^[1]	3,951	-	-	3,974	-	-	3,503	-	-
Employees	3,584	2,478	1,106	3,600	2,476	1,124	3,368	2,275	1,094
Management	465	317	148	497	329	168	452	302	150
Non-management	3,119	2,161	958	3,102	2,147	955	2,916	1,973	944
Temporary staff	367	-	-	374	-	-	135	-	-
The Americas	8,135	-	-	8,802	-	-	9,175	-	-
Employees	8,107	5,440	2,667	8,387	5,666	2,721	8,769	5,868	2,901
Management	730	501	229	738	490	249	741	483	258
Non-management	7,377	4,939	2,438	7,648	5,176	2,472	8,028	5,385	2,643
Temporary staff	28	-	-	415	-	-	406	-	-
Ref.: Ajinomoto Co., Inc.	3,607	2,437	1,170	3,404	2,286	1,118	3,476	2,334	1,142
Employees	3,401	2,327	1,074	3,184	2,177	1,007	3,252	2,225	1,027
Management	1,105	989	116	989	876 ^[2]	113 ^[2]	1,041	915	126
Non-management	2,206	1,269	937	2,109	1,234 ^[2]	875 ^[2]	2,106	1,230	876
Contract staff	90	69	21	86	67 ^[2]	19 ^[2]	105	80	25
Temporary staff	206	110	96	220	109 ^[2]	111 ^[2]	224	109	115

[1] Europe, the Middle East and Africa

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

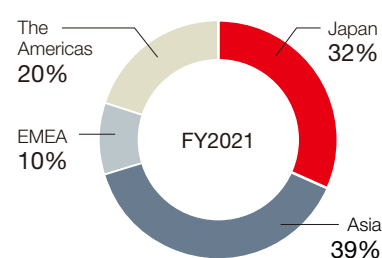
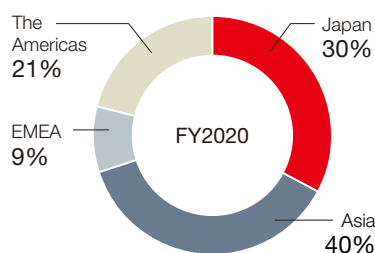
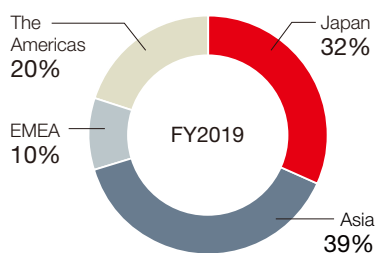
Personnel and Labor-Related Data

Ajinomoto Group employee ratio

Numbers in parentheses indicate male and female percentages.

	FY2019			FY2020			FY2021		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Ajinomoto Group total	100%	-	-	100%	-	-	100%	-	-
Employees	78%	(70%)	(30%)	79%	(70%)	(30%)	81%	(70%)	(30%)
Management	12%	(76%)	(24%)	12%	(74%)	(26%)	12%	(74%)	(26%)
Non-management	66%	(69%)	(31%)	67%	(70%)	(30%)	69%	(69%)	(31%)
Contract staff	0%	(77%)	(23%)	0%	(78%)	(22%)	0%	(76%)	(24%)
Temporary staff	22%	-	-	21%	-	-	19%	-	-
Japan	100%	-	-	100%	-	-	100%	-	-
Employees	60%	(73%)	(27%)	61%	(72%)	(28%)	62%	(72%)	(28%)
Management	15%	(90%)	(10%)	15%	(89%)	(11%)	16%	(89%)	(11%)
Non-management	44%	(67%)	(33%)	45%	(66%)	(34%)	45%	(66%)	(34%)
Contract staff	1%	(77%)	(23%)	1%	(78%)	(22%)	1%	(76%)	(24%)
Temporary staff	40%	-	-	39%	-	-	38%	-	-
Asia	100%	-	-	100%	-	-	100%	-	-
Employees	79%	(71%)	(29%)	80%	(71%)	(29%)	85%	(72%)	(28%)
Management	10%	(63%)	(37%)	10%	(63%)	(37%)	11%	(63%)	(38%)
Non-management	69%	(73%)	(27%)	70%	(73%)	(27%)	74%	(73%)	(27%)
Temporary staff	21%	-	-	20%	-	-	15%	-	-
EMEA	100%	-	-	100%	-	-	100%	-	-
Employees	91%	(69%)	(31%)	91%	(69%)	(31%)	96%	(68%)	(32%)
Management	12%	(68%)	(32%)	13%	(66%)	(34%)	13%	(67%)	(33%)
Non-management	79%	(69%)	(31%)	78%	(69%)	(31%)	83%	(68%)	(32%)
Temporary staff	9%	-	-	9%	-	-	4%	-	-
The Americas	100%	-	-	100%	-	-	100%	-	-
Employees	100%	(67%)	(33%)	95%	(68%)	(32%)	96%	(67%)	(33%)
Management	9%	(69%)	(31%)	8%	(66%)	(34%)	8%	(65%)	(35%)
Non-management	91%	(67%)	(33%)	87%	(68%)	(32%)	87%	(67%)	(33%)
Temporary staff	0%	-	-	5%	-	-	4%	-	-
Ref.: Ajinomoto Co., Inc.	100%	(68%)	(32%)	100%	(67%)	(33%)	100%	(70%)	(30%)
Employees	94%	(68%)	(32%)	94%	(68%)	(32%)	94%	(71%)	(29%)
Management	31%	(90%)	(10%)	29%	(89%)	(11%)	35%	(88%)	(12%)
Non-management	61%	(58%)	(42%)	62%	(59%)	(41%)	56%	(59%)	(41%)
Contract staff	2%	(77%)	(23%)	3%	(78%)	(22%)	3%	(77%)	(23%)
Temporary staff	6%	(53%)	(47%)	6%	(50%)	(50%)	6%	(49%)	(51%)

Group employees by region



Personnel and Labor-Related Data

Ratio of locally hired overseas executives

(persons)

	FY2019	FY2020	FY2021
Total overseas executives	177	163	159
Local executives	73	63	63
Local executive ratio	41%	39%	40%

Number of new hires, retention rate

(persons)

	FY2019			FY2020			FY2021		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Total number of new hires (new graduates + mid-career)	4,349	-	-	3,999	-	-	5,436	-	-
Japan	303	-	-	208	-	-	293	-	-
Asia	1,314	-	-	835	-	-	1,344	-	-
EMEA	344	-	-	334	-	-	417	-	-
The Americas	2,388	-	-	2,622	-	-	3,382	-	-
Ref.: Ajinomoto Co., Inc.	99	57	42	73	50	23	91	55	36
New graduates	88	49	39	47	29	18	59	35	24
Mid-career	11	8	3	26	21	5	32	20	12
Management	0	0	0	4	4	0	5	3	2
Non-management	11	8	3	22	17	5	27	17	10
Ratio of mid-career recruitment	-	-	-	35.6%	42.0%	21.7%	35.2%	36.4%	33.3%

Retention rate (3 years) for new graduates

Ajinomoto Co., Inc.	94.5%	100.0%	85.0%	85.9%	90.5%	77.3%	100.0%	100.0%	100.0%
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Diversity of new hires (Ajinomoto Co., Inc.)

(persons)

	FY2019			FY2020			FY2021		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Total	-	-	-	26	21	5	32	20	12
Non-management	age <30	-	-	4	3	1	4	2	2
	age 30-39	-	-	18	14	4	21	15	6
	age 40-49	-	-	0	0	0	2	0	2
	age 50-59	-	-	0	0	0	0	0	0
	age 60-	-	-	0	0	0	0	0	0
Management (junior)	age <30	-	-	0	0	0	0	0	0
	age 30-39	-	-	1	1	0	0	0	0
	age 40-49	-	-	0	0	0	3	1	2
	age 50-59	-	-	0	0	0	0	0	0
	age 60-	-	-	0	0	0	0	0	0
Management (middle)	age <30	-	-	0	0	0	0	0	0
	age 30-39	-	-	0	0	0	0	0	0
	age 40-49	-	-	2	2	0	2	2	0
	age 50-59	-	-	1	1	0	0	0	0
	age 60-	-	-	0	0	0	0	0	0
Management (senior)	age <30	-	-	0	0	0	0	0	0
	age 30-39	-	-	0	0	0	0	0	0
	age 40-49	-	-	0	0	0	0	0	0
	age 50-59	-	-	0	0	0	0	0	0
	age 60-	-	-	0	0	0	0	0	0

Personnel and Labor-Related Data

Number of retirees, turnover, reemployment

(persons)

	FY2019			FY2020			FY2021		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Total number of retirees	4,535	-	-	4,113	-	-	5,029	-	-
Japan	322	-	-	410	308	102	221	170	51
Retired	144	-	-	109	86	23	94	81	13
Resigned for personal reasons	178	-	-	301	222	79	127	89	38
Overseas (Resigned for personal reasons, etc.)	4,213	-	-	3,703	-	-	4,808	-	-
Ref.: Ajinomoto Co., Inc.	135	100	35	237	195	42	78	60	18
Retired	69	55	14	52	40	12	20	13	7
Resigned for personal reasons	66	45	21	185 ^[1]	155	30	58	47	11
Turnover ^[2]									
Ajinomoto Co., Inc.	1.6%	1.5%	1.9%	4.8%	5.6%	2.7%	1.5%	1.8%	1.0%
Reemployed after retirement							109	81	28
Japan	127	-	-	92 ^[3]	69 ^[3]	23 ^[3]	28	15	13
Ref.: Ajinomoto Co., Inc.	36	-	-	36 ^[3]	24 ^[3]	12 ^[3]	5	0	5
Under reemployment program	0	0	0	7 ^[3]	0	7 ^[3]	23	15	8
Seniors (after retirement)	36	-	-	29	24	5	81	66	15
Ref.: Number of employees registered in reemployment program (Ajinomoto Co., Inc.)									
Employees registered	44	4	40	38 ^[3]	5	33 ^[3]	32	5	27
Newly registered	5	0	5	6	1	5	3	0	3

[1] Including 144 retirees applied for special career program.

[2] Only includes employees resign for personal reasons.

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

Number of personnel with disabilities (Japan only)

(persons)

	As of June 1, 2020	As of June 1, 2021	As of June 1, 2022
Employees	293.5	280.0	275
Ajinomoto Co., Inc.	86.0	85.0	74.0
Group companies ^[3]	207.5	195.0	201
Percentage of workforce rate	2.22%	2.26%	2.22%
Ajinomoto Co., Inc.	1.98%	2.01%	1.80%
Group companies ^[3]	2.34%	2.39%	2.42%

[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

	FY2019			FY2020			FY2021		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Average age									
Ajinomoto Co., Inc.	43.9	44.7	41.7	44.1	44.8	42.2	44.4	45.2	42.5
Group companies in Japan	41.4	-	-	40.4	-	-	37.3	-	-
Overseas Group companies	37	-	-	36.5	-	-	36.4	-	-
Average years of employment									
Ajinomoto Co., Inc.	19.9	20.9	17.4	20.2	20.9	18.4	20.2	20.9	18.5
Group companies in Japan	14.1	-	-	13.5	-	-	10.8	-	-
Overseas Group companies	9.4	-	-	9.2	-	-	9.2	-	-
Average annual salary ^[4] (thousand yen)									
Ajinomoto Co., Inc.	9,557	-	-	9,971	-	-	10,465	-	-

[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)

	FY2019			FY2020			FY2021		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Total	-	-	-	3,184	2,177	1,007	3,252	2,225	1,027
age <30	-	-	-	383	217	166	366	210	156
age 30-39	-	-	-	773	504	269	757	475	282
age 40-49	-	-	-	1,190	852	338	1,201	875	326
age 50-59	-	-	-	753	533	220	827	584	243
age 60-	-	-	-	85	71	14	101	81	20

Employees age ratio (without contract staff) (Ajinomoto Co., Inc. only)

	FY2019			FY2020			FY2021		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Total	-	-	-	100%	68%	32%	100%	68%	32%
age <30	-	-	-	12%	7%	5%	11%	6%	5%
age 30-39	-	-	-	24%	16%	8%	23%	15%	9%
age 40-49	-	-	-	37%	27%	11%	37%	27%	10%
age 50-59	-	-	-	24%	17%	7%	25%	18%	7%
age 60-	-	-	-	3%	2%	0%	3%	2%	1%

Number of new managers promoted (Ajinomoto Co., Inc. only)

(persons)

	FY2019			FY2020			FY2021		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Ajinomoto Co., Inc.									
Number of new managers promoted	-	-	-	78	63	15	70	52	18
Ratio	-	-	-	100%	81%	19%	100%	74%	26%
Group companies in Japan									
Number of new managers promoted	-	-	-	-	-	-	63	54	9
Ratio	-	-	-	-	-	-	100%	86%	14%

Working hours (Ajinomoto Co., Inc. only)

	FY2019	FY2020	FY2021
Average annual working hours	1,812	1,878	1,855
Average paid leave days	16.9	14.8	16
Paid leave utilization rate	86.7%	75.1%	77.7%

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

	FY2019	FY2020	FY2021
Annual expenditures for education and training (million yen)	462	393	428
Annual average time of training and education per employee (hours)	13	13	13

Labor union membership ratio (Ajinomoto Co., Inc. only)

	FY2019	FY2020	FY2021
Labor union membership ratio	61.7%	63.0%	61.0%

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)

	FY2019			FY2020			FY2021		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Parenting leave program									
Number of users									
Parenting leave	151	40	111	135	28	107	150	46	104
Number of employees newly obtained the right to take childcare leave	154	104	50	132	81	51	149	100	49
Part-time parenting and work	145	1	144	141	1	140	126	0	126
Childcare leave	13	1	12	7	2	5	4	0	4
Usage ratio									
Parenting leave	-	38.5%	100.0%	-	34.5%	100.0%	-	46.0%	100.0%
Average parenting leave usage days	-	16	365	-	12	372	-	13	364
Reinstatement rate	99.3%	100.0%	99.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Retention rate	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	-	100.0%	100.0%
Other WLB-related programs									
Number of users									
Nursing care leave	7	2	5	6	3	3	5	3	2
Nursing care temporary retirement	2	0	2	1	0	1	2	1	1
Part-time family care and work	-	-	-	0	0	0	0	0	0
Accumulated paid leave	68	29	39	55	22	33	43	19	24
Volunteer leave	42	-	-	1	-	-	23	-	-
Rejuvenation leave	105	-	-	101	-	-	153	-	-

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]

	FY2017	FY2018	FY2019	FY2020	FY2021
No. of people (with absence)	110	134	118	146	104
No. of people (serious)	23	16	21 ^[2]	23	12
Lost-time injury frequency rate	1.39	1.49	1.46	1.90	1.28
Severity rate (Number of lost-workday rate)	0.021	0.018	0.005	0.117	0.035
Occupational illness frequency rate	-	-	0	0	0

[1] Data from Ajinomoto Foods North America, Inc. and Ajinomoto Istanbul Food Industry and Trade Ltd. Co. were added in fiscal 2017.

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

Major accident and incidents^[3]

	FY2017	FY2018	FY2019	FY2020	FY2021
Number of caught-in-machinery accidents (Persons, serious accidents in parentheses)					
Japan	1(1)	1(0)	1(0)	1(1)	0(0)
Overseas	9(7)	7(3)	5(2)	5(1)	5(4)
Total	10(8)	8(3)	6(2)	6(2)	5(4)
Number of fall accidents (Persons, serious accidents in parentheses)					
Japan	14(3)	19(4)	12(1)	13(1)	19(0)
Overseas	9(1)	13(0)	10(3)	16(1)	11(1)
Total	23(4)	32(4)	22(4)	29(2)	30(1)
Number of lower back pain accidents (Persons, serious accidents in parentheses)					
Japan	6(4) ^[4]	9(4) ^[4]	3(1)	8(1)	1(0)
Overseas	17(8) ^[4]	7(3) ^[4]	9(0)	0(0)	2(0)
Total	23(12) ^[4]	16(7) ^[4]	12(1)	8(1)	3(0)
Number of serious accidents (excluding commuting accidents) (caught-in-machinery and fall accidents in parentheses)					
Japan	6(4)	9(4)	6(1)	8(2)	3(0)
Overseas	17(8)	7(3)	15(5)	15(2)	9(5)
Total	23(12)	16(7)	20(6) ^[4]	23(4)	12(5)
Number of serious commuting accidents					
Japan	3	3	3	0	1
Overseas	16	10	7	8	4
Total	19	13	10	8	5
Number of fatal accidents					
Japan	0	0	0	0	0
Overseas	0	0	1	1	0
Total	0	0	1	1	0

[3] Data from Ajinomoto Foods North America, Inc. and Ajinomoto Istanbul Food Industry and Trade Ltd. Co. were added in fiscal 2017.

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

Number of hotline (whistleblowing) reports^[5]

	FY2017	FY2018	FY2019	FY2020	FY2021
Human rights, harassment	28	47	45	50	36
Hiring, working condition	14	21	19	36	26
Quality, environment	1	1	1	3	7
Irregularity	2	1	4	3	9
Social manners, ethics	10	6	10	29	22
Proper job performance	13	20	8	45	19
Other	3	2	6	4	8
Total number of hotline reports	71	98	93	170	127

[5] Multiple issues reported in some cases.

Personnel and Labor-Related Data

Third-party assurance



LRQA Independent Assurance Statement

Relating to Ajinomoto Co., Inc.'s Environmental and Social Data within Ajinomoto Group Sustainability Data Book 2022 for the fiscal year 2021

This Assurance Statement has been prepared for AJINOMOTO Co., Inc. in accordance with our contract.

Terms of Engagement

LRQA was commissioned by AJINOMOTO Co., Inc. ("the Company") to provide independent assurance on its Environmental and Social data within Ajinomoto Group Sustainability Data Book 2022 ("the report") for the fiscal year 2021 (from 1 April 2021 to 31 March 2022), 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 (Revised) and ISO 14064-3:2019 for Greenhouse Gas ("GHG") emissions.

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 (TCO₂)
 - Scope 2 GHG emissions, market-based and location-based² (TCO₂)
 - Scope 3 GHG emissions associated with Categories 1 to 15 (TCO₂e)
 - Lost Time Injury Frequency Rate (LTIFR)³
 - Occupational Illness Frequency Rate (OIFR)³

LRQA's responsibility is only to the Company. LRQA disclaims any liability or responsibility to others as explained in the end footnote. The Company's responsibility is for collecting, aggregating, analysing and presenting all the data and information within the report and for maintaining effective internal controls over the systems from which the report is derived. Ultimately, the report has been approved by, and remains the responsibility of the Company.

LRQA's Opinion

Based on LRQA's approach nothing has come to our attention that would cause us to believe that the Company has not, in all material respects:

- Met the requirements of the criteria listed above

- Disclosed accurate and reliable environmental and social data

The opinion expressed is formed on the basis of a limited level of assurance⁴ and at the materiality of the professional judgement of the verifier.

LRQA's Approach

LRQA's assurance engagements are carried out in accordance with ISAE 3000 (Revised) and ISO 14064-3:2019 for GHG emissions. The following tasks were undertaken as part of the evidence gathering process for this assurance engagement:

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 sites with only office work.

⁴ 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 lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.



- Auditing the Company's data management systems to confirm that there were no significant errors, omissions or misstatements in the report. We did this by reviewing the effectiveness of data handling procedures, instructions and systems, including those for internal verification.
- Interviewing with those key people responsible for compiling the data and drafting the report.
- Sampling datasets and traced 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 2021; and
- Visiting AJINOMOTO BAKERY CO., LTD. Shimada Factory and AJINOMOTO HEALTHY SUPPLY CO., INC. Takasaki Site to confirm the data collection processes, record management practices, and to physically check the equipment and the monitoring points.

Observations

Further observations and findings, made during the assurance engagement, are:

The Company is expected to continue its efforts for implementing quality assurance and quality control (QA/QC) systems in data and information management. At that time, this is particular to ensure effective internal verification processes at both the corporate and member company levels.

LRQA's Standards, Competence and Independence

LRQA implements and maintains a comprehensive management system that meets accreditation requirements for ISO 14065 Greenhouse gases – Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition and ISO/IEC 17021-1 Conformity assessment – Requirements for bodies providing audit and certification of management systems – Part 1: Requirements that are at least as demanding as the requirements of the International Standard on Quality Control 1 and comply with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants.

LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

The verification and certification assessments are the only work undertaken by LRQA for the Company and as such do not compromise our independence or impartiality.

Signed

Dated: 16 June 2022

Takahiro Iio

LRQA Lead Verifier

On behalf of LRQA Limited

10th Floor, Queen's Tower A, 2-3-1 Minatomirai, Nishi-ku, Yokohama, JAPAN

LRQA reference: YK4005549

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