

Eat Well, Live Well.



Ajinomoto Group

Global Review 2024

Expectations and recommendations
from external stakeholders



Elaine Cohen

Founder and CEO
Beyond Business Ltd.

2024 Commentary

Ajinomoto Group's 2024 reporting suite is another masterpiece this year. I was particularly inspired by the letters from the Ajinomoto Group's leadership, Mr. Taro Fujie, Director, President and CEO, and Ms. Chika Morishima, Executive Officer and Vice President, in charge of Sustainability and Communications. Both leaders opened the ASV and Sustainability Reports with strong messages.

Mr. Fujie talked about plans for realizing the Ajinomoto Group's vision and shared personal experiences about his journey, such as his sense of responsibility for a decline in results in 2019 and his commitment to "never again let employees and stakeholders experience the hardships and worries they experienced at that time." He also talked about his own transformative experience of participating in a "My Purpose" workshop, despite being skeptical at first. Throughout Mr. Fujie's opening letter in the ASV Report, purpose and sustainability are prominently and frequently referenced. I believe this visionary, focused, and transparent leadership is the kind that energizes employees to take action and inspires trust in the company.

Ms. Morishima laid out three ways of working that underpin the Group's efforts: addressing issues holistically; taking action in each area in which the company does business; and collaborating with peers and the ecosystem.

These approaches are so often lacking in large companies which operate in silos, focus efforts in their largest markets and overlook the incredible opportunities of leveraging resources beyond the company walls. This approach to driving action in line with the Ajinomoto Group's ASV vision makes absolute sense and offers confidence that the Group will succeed. Both the ASV and Sustainability Report provide several examples of this approach in practice.

Communicating Materiality – Progress and Opportunity

I was pleased to see an update to the Ajinomoto Group's materiality presentation this year. Having gone through the process of redefining materiality in line with the Ajinomoto Group's ASV purpose, the prior years' presentation lacked clarity and was couched in language that was impossible to understand and relate to specific business actions. This year, the Group used the Value Creation Framework to define six material themes which address the Group's ambitions; each theme is described in terms of risks and opportunities, initiatives and specific KPIs and targets. This flow now shows how the Group intends to deliver its purpose through its sustainability strategy in a way that was not obvious in previous communications.

The opportunity for the Group, however, is to further align material disclosures and plans with broader stakeholder expectations. In the reporting landscape, the Double Materiality approach is the way forward, and new European standards require such an approach by law. Companies operating in Europe will be required to disclose against these new standards. Double Materiality reflects two elements of a company's sustainability positioning: first, a clarification of its impacts on people, society and the environment and, second, a clarification of the risks and opportunities from external sustainability issues to the

company's value creation ability. The Group describes materiality as reflecting "Finance-Related Opportunities and Risks" and the material themes are described as reflecting "what multiple stakeholders expect of the Ajinomoto Group and the value it provides to society." The Group does not specifically address the issue of material impacts, and, while there is often a significant overlap across the two parts of Double Materiality, I believe there is an opportunity to further clarify and quantify the group's impacts as well as risks and opportunities.

Clarifying Progress Against Strategic Ambitions

As noted in previous reviews, I still find a lack of crispness in defining and describing progress against the Ajinomoto Group's two sustainability ambitions: help extend the life expectancy of 1 billion people and reduce environmental impact by 50%. Given these ambitions were established some years ago now, my expectation is that the Group would be able to measure specific progress against these aims, but this still does not seem clear to me. While the Group says, "in fiscal 2023, we created touchpoints for deliciousness with health with 940 million people", it's not clear to me how to relate this to impact on life expectancy. While progress has been made in reducing GHG emissions, waste and other environmental impacts, it's not clear to me how much of the 50% environmental impact reduction overall the Group has achieved. I again urge the Ajinomoto Group to improve clarity surrounding these critical overarching commitments.

Enhanced Biodiversity Disclosures

I applaud the Ajinomoto Group for its progress in biodiversity and efforts towards early adoption of the Task Force on Nature-Related Financial Disclosures (TNFD)

framework. Biodiversity has long been undervalued as a key element of sustainability considerations and it is clear that, alongside climate change, global stakeholders are expecting companies to step up in addressing biodiversity and also in preparing for inevitable increased regulation in this area. I was pleased to see the first LEAP Assessment by the Group, disclosure of initial results and plans moving forward. I believe this is strong leadership in this area and especially important for a company whose future is based on sustainable agriculture.

Tailoring Disclosure to Meet Information Needs

At 139 pages (excluding the Appendix), the Sustainability Report is very lengthy. The inclusion of long policy and process descriptions (many of which are repeated year after year) makes it hard for the report user to clearly understand the specific progress delivered in the reporting year. The reporting language is often overly wordy and repetitive which makes it hard for the reader to maintain attention and digest all the information. Different ways of highlighting the most important areas of progress should be explored while reducing the overall length of the report narrative.

In Conclusion

I have been following the Ajinomoto Group's progress for some years now and, although there are always opportunities for improvement, my overall assessment is that the Group continues to be considered, complete and meticulous in its approach and its reporting. The vast breadth of the Group's activities and the detailed updates on a wide range of initiatives in several different areas is always a pleasure to review and inspires confidence that the company is acting out of a sense of purpose and conviction. The transparency of disclosures is also impressive, including

discussions of areas in which progress was not positive and why not and alignment with standards such as GRI, SASB, TCFD etc. The expansive volume of data provided by the Group is a powerful testimony to its strong management controls and allocation of resources to things that matter. I am sure the company's strong drive toward digitization will support further efficiencies and improved management of sustainability impacts, risks and opportunities.



**Celine Solsken
Ruben-Salama**

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

Degree of Information Disclosure

The energy and dynamism behind the Ajinomoto Group's efforts to re-create and re-energize the company through its integrated strategy is clearly apparent. As always, I am impressed by the depth and breadth of the Ajinomoto Group's disclosures presented in the ASV, Sustainability Report, website, SASB and GRI reference tables - even the Financial Report - as well as strong progress in most areas.

My part of the reports are the data tables in the Sustainability Report Appendices that continue to tell the story in stark numbers with ever growing time series. In particular, the detailed break-down of the carbon footprint by business division, business activity, product and even by serving for select the Ajinomoto Group's products is very impressive! In the future, I would expect to see these datapoints connected to the financial reports by segment that appear in chapter 5, 'The current status of the Ajinomoto Group in the ASV Report.

Overall, there is almost too much information, and with continual improvement to the business and the strategy it can be challenging to keep up with the changes every year. I look forward to a more steady-state in terms of KPI's, targets, and the definition of material topics in the future, as well as further quantitative linkages between sustainability and financial outcomes across the reports.

Issues and Improvements

In both the ASV and Sustainability Reports, this year's organization of the components of the value creation framework into six distinct themes is a very positive development in terms of the materiality definition that will aid the Group as the new sustainability reporting standards come online. This thematic consolidation is sharp and easy to understand, in part, because the themes correlate so clearly with the traditional environment, social, governance, and economics framework of sustainability reporting, as well as, the Sustainability Report chapters 'Help Extend the Healthy Life Expectancy of 1 Billion People,' 'Reduce Our Environmental Impact by 50%,' 'Social,' and 'Governance.'

While the ASV Report puts the Group's ASV strategy in context through the viewpoint of both key executives of the Ajinomoto Group and a variety of employees, I felt there was too much preamble before getting to the 'Current Status' progress report. Moving this section forward in the report, or adding an executive summary is recommended for next year's reports. Specifically, in the ASV report, I would like to see more quantitative evidence and a closer connection to sustainability initiatives in the 'Current Status' financial progress section, including the application of the 'Standard calculation of corporate value' equation applied to the various initiatives.

Integrating the group-wide risks and opportunities assessment into the materiality assessment - and resulting initiatives, targets and KPIs - is proof of a truly integrated strategy. However, I would have liked to see the 'Key initiatives and progress report' section directly following the 'Initiatives and Targets/KPIs for Risks and Opportunities Related to Important Issues (Materiality) for the Ajinomoto Group in the Sustainability Report. Separating targets and KPIs in this table and harmonizing them with the progress reports in terms of the six themes will aid the articulation

of the strategy and the ease of reading the Sustainability Report. The presentation format of the "ASV Indicators" on the Sustainability webpage and in the Financial Report is clear and effective. While there is overlap, there appears to be additional KPIs presented in the Sustainability Report. I was disappointed that the 'Brand Value' KPI was removed from the Sustainability Report progress report while a significant focus was afforded this topic in the ASV Report.

In terms of the risks and opportunities assessment, I was pleased to see an elaboration over last year, although cross-referencing of the risk and opportunities "categories" and the six themes could be improved upon. Further, I would suggest a graphical presentation of the information presented in 'Risks and Opportunities Related to Important Issues (Materiality) for the Ajinomoto Group such as a materiality matrix. Further, additional detail on whether this is a financial, impact, or double materiality assessment is recommended, as well as threshold definitions for both.

Because there is a certain level of duplication between the ASV and Sustainability Report, I would consider streamlining the editorial process by presenting the information contained in sections: 'Editorial Policy,' 'Purpose,' 'History,' 'AminoScience,' 'About the Ajinomoto Group,' 'Materiality,' 'ASV Maximization,' 'Current Status of Business' and 'Activity Report,' identically and in the same order in both documents. In addition to an improved user experience, such an intervention would also help address the ever-growing page count of these reports and relay key messages more clearly. This exercise may also help to streamline KPIs, targets and strategic outcomes.

While the website page 'Sustainability Report and Structure' is clear and informative, it does not seem to be updated frequently enough. The Sustainability landing page also could use some additional attention. Some of the stories in the banner are several years old, and while all the information is available the page is not very cohesive. I

would suggest moving up the content in the 'Sustainability Management' section of the homepage to the banner.

Future Reporting

As a best-in-class integrated/sustainability reporter, the Ajinomoto Group is generally well prepared for the upcoming changes in sustainability reporting including the ISSB standards, EU CSRD and TNDF reporting. The following are some potential challenges for the Group by standard.

ISSB (IFRS S1 and IFRS S2): Through the Group's existing TCFD and CDP disclosures, the Ajinomoto Group is well prepared for the requirements of the IFRS S2 that is focused on climate change, apart from a few IFRS S2 standard metrics that are not currently disclosed (SASB: FB-PF-430a.2, FB-PF-000.A). Similarly, most of the industry-based IFRS S2 disclosures are met through the Group's current SASB disclosures. However, some of the Ajinomoto Group's SASB disclosures deviate from the letter of the SASB/IFRS requirements slightly or are somewhat vague. In preparation for the adoption of these standards by Japanese regulators, I would advise the Group to review the specifics of the recently updated SASB disclosure to ensure compliance.

Because the subset of SASB disclosures contained in IFRS S2 industry-based is thematically limited to climate change. It should also be noted that despite reporting to a national version of the ISSB standards, it is recommended that companies continue tracking and disclosing SASB Standards. In the medium-term, it is likely that IFRS will require further industry-based disclosures on beyond climate change from the SASB set. Therefore, continuing to disclose and improve upon SASB disclosures is recommended for the Group. Reporters, including the Ajinomoto Group, should be aware of updates to SASB standards that are now a recurring feature of a standard that for some years

was relatively static.

To the extent that US federal and local (e.g. California) regulators will require sustainability reporting from companies, it is expected to be relatively narrowly focused on climate-related risk. In lieu of broader federally mandated sustainability reporting requirements, it is likely that US companies will continue to use SASB metrics and disclosures to satisfy stakeholders. As a result, I would recommend that the Group continue with SASB metrics to provide a set of disclosures that is comparable with leading US companies.

Indeed, the Group already tracks and reports on most of the information required in the IFRS S1 through the Sustainability Report, ASV Report, as well as environmental, social and governance policies. Because the IFRS defines materiality in financial terms, only topics that are deemed financially material should be disclosed upon. While the Group has clearly quantified climate-related risks financially, it is unclear from current disclosures whether this quantification has been conducted for additional sustainability topics. Because the financial quantification will determine the content of the IFRS S1 disclosures, I would recommend the Group to conduct such analysis for the topics that fall under the six materiality themes. In the end, there may be a mismatch between topics deemed material for inclusion in the Group's Sustainability Report and the IFRS S1 disclosures.

CSRD: As far as content goes, the required ESRS disclosures are broadly covered in the Group's Sustainability Report, ASV Report, as well as environmental and social policies based on adherence to the GRI Standards. Potential issues for CSRD compliance may arise from the standpoint of the Ajinomoto Group's current approach to defining and labeling materiality. Firstly, CSRD requires double materiality, where companies set their materiality thresholds based on

both financial and impact materiality. Because it is unclear by which measure the Group defines materiality, some work may be required to align with the CSRD disclosures. Further, while the CSRD material topics don't currently align with the Ajinomoto Group's, most of the disclosure topics required for the CSRD are covered in the last four chapters of the 2024 Sustainability Report. The challenge may consist mainly in rearranging the Group's current disclosures to fit the format of the ESRS disclosures. While it is unlikely that a majority of US companies will adopt CSRD reporting formats unless required, I expect many will apply the EU Taxonomy to their various lines of business in the medium-term and either report the percentages of their products and services defined as sustainable according to the EU Taxonomy publicly, or privately, to clients and investors who seek this information. The Ajinomoto Group should consider qualifying the outputs of their business segments similarly to retain a competitive edge.

TNFD: While the Ajinomoto Group continues to develop its approach to biodiversity and elaborate on the LEAP approach, as demonstrated in the 2024 reports, there is still a fair amount of work to do to fully report to the complicated and new TNFD Standard. The Group may be slightly ahead of leading US companies based on the detailed work that has already been done in terms of topics including sustainable materials sourcing, water resources, and reduction in food loss and waste. Elaborating on the TNFD disclosures is recommended as they are the basis for biodiversity disclosures in the CSRD and CDP.

I look forward to following the Ajinomoto Group's developments in terms of sustainability reporting, integrated strategy and continued reinvention of the company.



Luke Wilde

Chief Executive Officer (CEO)
twentyfifty

Global Context

The world of human rights and business continues to move at pace in 2024. After tense negotiations in summer 2024 the European Union finally adopted the EUCSDDD- the Corporate Sustainability Due Diligence Directive which will come into play for many businesses in 2027. Many believe that this will be one of the biggest shifts in corporate sustainability with companies obliged to seriously enhance their approaches to human rights due diligence, stakeholder engagement and how environmental due diligence intersects with human rights. Whilst 2027 seems like an age away, the scope of the directive means that businesses are already starting to gear up ready to align with the directive. We are already starting to see businesses in the EU

- Invest in more comprehensive risk assessments and engage all functions in developing action plans
- Developing more formal approaches to stakeholder engagement and rightsholder engagement
- Understand how climate change and human rights intersect and try and build more synergies between human rights and climate / environmental teams

For many businesses in Europe the CSRD (Corporate Sustainability reporting directive) also comes into play in 2025 which has also brought a more in-depth focus on transparency and traceability as well as the concept of double

materiality. Whilst the CSRD and the CSDDD cover similar topics, there are differences in how they apply. But for the purposes of this summary what can be safely reported is that both directives are bringing a lot more focus to human rights and sustainability in businesses both head quartered in the EU, and those with large operating & commercial footprints in the EU. Human rights and business is now in the spotlight and the most senior of levels within business as well as scrutiny from legal teams and financial teams. We are seeing some companies who are not required to adhere to the CSDDD using this as a framework to benchmark their businesses and their approaches. This is a good opportunity to see what a business needs to do to align with such a leading global legislation.

Specific Feedback for the Ajinomoto Group

The Ajinomoto Group continue to impress me in terms of the level of transparency and level of detail that is shared publicly. It is good to see the KPIS and sharing of their Human Rights Impact Assessments for example. Once again there has been a long list of activities which shows that the company has been busy in working on the human rights agenda and is clearly committed to this topic. As per previous feedback, I would still like to challenge the Group on how they can think about embedding human rights further into the commercial running of the business and what the overall strategy is. I would like to understand the Group's theory of change when it comes to human rights? What does the business stand for and what is it hoping to achieve?

Areas that the Ajinomoto Group Can Think About Progressing

The Ajinomoto Group has solid foundations on which to

continue to build its human rights programme. Based on what we are seeing with other companies here are some specific areas that the Group may wish to consider :

- **Governance:** - Ensuring that the highest leadership in the organisation understand and are responsible for Human Rights. Engaging them in setting the strategy and sharing regular updates and KPIS. Being able to demonstrate how the board and leadership understand and drive this agenda.
- **Responsible contracting & purchasing practices.** How does business behaviour impact on human rights? Is there a commercial lead with responsibility for human rights? What is the strategy for the organisation when it comes to purchasing practises? Is Ajinomoto training its buyers and setting them KPIS which enables them to demonstrate they are taking human rights into account when they do business with their suppliers.
- **Understanding the intersection between human rights and climate change.** More and more businesses are looking to integrate human rights and climate change. This can be through risk assessments, human rights impact assessments (ensuring they look at environment for example)
- **Human rights and Environmental Due Diligence** – linked to the previous point. Bring 'E' environmental into human rights is becoming an increasing focus for organisations as this becomes a more common topic
- **Human Rights in the wider value chain.** Whilst traditionally businesses have focussed on human rights due diligence in their upstream supply chain, it is becoming widely recognised that there are potential risks in the wider value chain. For example, within distribution (road freight) or within the waste and recycling plants that process consumer waste. The Group need to ensure they understand the full value chain, where the risks lie and how to address them

- **Increasing Resources:** We are seeing increased resources being invested into managing human rights, whether that be through teams managing responsible procurement or through more significant investment in supplier capacity building

We wish the Ajinomoto Group luck in furthering its human rights ambitions and look forward to seeing what comes next.



Vasu Srivibha

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

The Ajinomoto Group's ASV Report 2024 and sustainability website comprehensively reflect the company's ongoing commitment to sustainability value creation through its tagline "Along with Society". The sustainability report outlines numerous strategic initiatives across environmental, social, and governance dimensions, showcasing the Group's dedication to contributing to societal and well-being. While these efforts are notably commendable, there is room for improvement in communicating the true impact of the initiatives and setting more ambitious goals in critical areas.

Addressing Agri-Food Industry Challenges

As a global leader in the industry, the Ajinomoto Group can take further steps to develop solutions to enhance resiliency and sustainability of the industry as a whole in the following areas:

- 1) **Supply Chain Complexity** – The Group must continue to ensure ethical and sustainable practices across a vast, global supply chain, which is challenging especially with varying regulations and social conditions in different regions.
- 2) **Climate Change Impacts** – A food company can be both a contributor to and victim of climate change. Aligned with the commitment of "Building a next-generation food system", the Group could strengthen its effort on Green

Food Business to improving the GHG reduction outcome.

- 3) **Evolving Regulations and Standards** – With rising expectations around transparency, TCFD disclosures, and mandatory human rights due diligence, these require continuous communication and internal capacity building to understand and develop governance systems to ensure compliance and accountability.

Opportunities for More Ambitious Goals

The Ajinomoto Group sustainability strategy would benefit from setting ambitious yet feasible goals in three critical areas:

- 1) **Circular Economy and Decarbonization:** While the Ajinomoto Group strategy for GHG reduction demonstrates goals and progress, this could be enhanced by creating an interconnected roadmap that ties various initiatives into a unified decarbonization vision.
- 2) **Technology-Driven Governance:** As the Group increasingly leverages data and technology in its governance practices, introducing for example something like advanced, digital tools for real-time monitoring and AI-based supply chain due diligence system could enhance supply chain transparency and in other aspects. This innovation could also support more effective sustainability reporting and regulatory compliance.
- 3) **Enhanced Human Rights Initiatives:** The Group's global supply chain presents challenges in managing human rights standards. Setting more ambitious goals for "depth" and "comprehensiveness" for improving labor practices, strengthening supplier audits, and addressing specific, systemic human rights issues like forced labor on the downstream of the supply chain could position the Group as a leader in ethical business practices in the industry.

Health and Nutrition Innovation

The Ajinomoto Group focus on health and nutrition remains strengths as consumer concerns over diet-related health issues grow. I would expect to see innovative products that tackle emerging health challenges. Highlighting these efforts in the report would address a key stakeholder priority and align with SDG2.

Climate Strategy and TCFD Disclosure

The Ajinomoto Group's TCFD reporting, with SBTi, is comprehensive and transparent, providing a solid foundation for climate risk management in different scenarios. The Group could strengthen its strategy by linking GHG reduction efforts to a more holistic plan that integrates renewable energy transitions, effects of climate change in food supply chain, and carbon reduction initiatives. Clear articulation of this interconnected approach would enhance its climate action narrative.

Impact-Oriented Storytelling

In terms of presentation and reporting, the current reports effectively showcase the Ajinomoto Group's sustainability initiatives but could be significantly enhanced by shifting the narrative from listing activities to focusing on the tangible impacts of each initiative in each geographical area. A dynamic, interactive map on the sustainability website, highlighting geographical locations, specific initiatives, and measurable outcomes, would greatly improve accessibility and visualization for stakeholders.

Conclusion

While the Ajinomoto Group's 2024 sustainability efforts

demonstrate significant progress, an enhanced focus on impact-driven communication, more ambitious goal-setting, and integration of technology and innovation would elevate the company's position as a global leader in sustainability. By addressing these areas, the Ajinomoto Group can create deeper connections with stakeholders, maximize its positive societal contributions, and bring its vision of contributing to the well-being of all human beings, our society and our planet with "*AminoScience*".



Katie Yewdall

Director Sustainability
Consulting APAC, LRQA

Sustainability Strategy

The Ajinomoto Group has a sophisticated and well thought out strategy for sustainability that is unique to the Group and closely follows the Group's business activities and ambitions. This embedding of sustainability within the Group's business-as-usual is further demonstrated with the distribution of an integrated report; the ASV Report, which has a specific objective to explain the co-creation of value for both the business and society.

The ASV Report starts with an extensive contribution from Representative Executive Officer, President & Chief Executive Officer, which demonstrates a strong and clear lead from the top, essential for the effective practice of sustainability. The comparison of the climb to the summit of Mount Everest evokes a feeling of collaboration, teamwork, tenacity and persistence, exactly what is needed to tackle some of the world's most pressing sustainability challenges.

It is noted that the CEO is supported in his sustainability agenda by the Sustainability Advisory Council, Sustainability Committee and Risk Management Committee. Sustainability governance is disclosed comprehensively and in detail in both the ASV Report and the Sustainability Report. Not only is this good practice but this demonstrates accountability at the very highest levels of business decision making.

I also enjoy the positive approach taken by the co-

creating value concept and strategy. Namely, where discussions focus on how the company can contribute to an improved society, and the opportunities for improved business performance that sustainability creates. The Group seems to place emphasis on using sustainability challenges to drive business innovation and "convert positive impacts into significant economic value". This kind of approach ensures that sustainability is being used as a catalyst for real business benefits, rather than a "good to have".

Materiality

It can be noted that "Important Topics (Materiality)" are not traditional sustainability topics, as per disclosed in traditional GRI or SASB reports. The topics chosen are relevant, comprehensive and pertinent topics, however, it may confuse readers looking to compare reports from peers and benchmark the Ajinomoto Group to the wider market. Separately, it is noted that within the social sphere of topics, Human Rights are considered important. This includes identification of human rights impacts through to remediation, which is sometimes overlooked.

The materiality assessment approach has an unusual "organizing connections" step aimed at creating further linkage across the important topics. This ensures coherence between the business activities and sustainability priorities, which is another example of best practice.

The Group has a clear vision and mission statement to "reduce our environmental impact by 50%" and "help extend the healthy life expectancy of 1 billion people," and this is accompanied by frameworks, roadmaps, initiatives and quantitative KPIs. However, making a slightly more obvious linkage between these and the "material" topics may create more clarity and a more structured approach to addressing these important topics.

Stakeholder groups engaged for materiality assessment are well represented, including experts, NGO and business associations, who can sometimes provide challenging and uncomfortable opinions, so their inclusion should be applauded.

Disclosure

Both reports and the website reference a few sustainability disclosure standards, such as GRI, SASB and TCFD and the sustainability report makes the effort to disclose and point out these disclosures separately.

The sustainability report is careful to clearly present the risks and opportunities in relation to the Ajinomoto Group and to clearly link the six material themes to risk & opportunities, initiatives and KPIs. Progress against KPIs is also disclosed with results over the last 4 years. There is a detailed and comprehensive breakdown of data, such as the GHG emissions and other environmental data. However, the comprehensiveness of the disclosures and data may be overwhelming and may make the solid progress that has been made hard to find.

An example of the solid progress that has been made on tackling sustainability at the core of business operations, includes innovating with cow feeds to reduce GHG emissions. This is exactly the type of initiative that initiates real change. It is also great to see the inclusion of employees' views of the values and cultures of the company. It is encouraging to see questions that probe on alignment and feeling valued and particularly an exploration of the correlation between engagement and performance. Outcome indicators like these are often missing from reporting.

These are just two examples of some truly impressive work done by the Group, all of which is disclosed in detail throughout the reports. In fact, the volume of impressive

results outweighs disclosure of any failures or challenges, which are expected in any given circumstance. Report writers must be wary of over-claiming. The disclosures could be given some balance with discussions of "areas of improvement", perhaps using feedback from the employee survey or stakeholder engagement.

The lists of external initiatives that the Group is involved in and takes an active part in driving conversation is also heartening, as sustainability is not something that can be achieved by one company alone.

Finally, the report has been made more user friendly through the incorporation of digital tags, although limited. Digital tagging is becoming increasingly necessary for machine reading of reports, for example, as required by the EU's CSRD.

Congratulations on your ongoing efforts!