

Ajinomoto Group

# Sustainability Report 2015

Eat Well, Live Well.  
**AJINOMOTO®**

For the Future of People and the Earth



## Ajinomoto Group Philosophy

We create better lives globally by contributing to significant advances in Food and Health and by working for Life.

## Ajinomoto Group Vision

We aim to be “a group of companies that contributes to human health globally” by continually creating unique value to benefit customers.

## Ajinomoto Group Way

The foundation of the Group's businesses

### Create New Value

Create value with new ideas and continuous innovation based on unique technologies and science.

Product value creation bolstered by technology, new dietary proposals

### Pioneer Spirit

Continue to constantly take on the challenge of creating new businesses and markets.

Tenacity, wisdom and cumulative efforts at the on-site level; adapt to regional culture and market conditions in creating markets

### Social Contribution

Accommodate social requirements with humility and honesty, with the objective of maximizing value for society through business activities.

Resolve social issues; improve the global environment; security and safety; trustworthy production; fair, impartial, transparent and simple

### Value People

Respect the humanity of all the people involved in the Ajinomoto Group's businesses, and be an organization in which they can grow and display their abilities to the fullest extent.

Provide a workplace where people can flourish; career development, support and follow-up; fair performance evaluation; teamwork

## Ajinomoto Group Sustainability Report 2015

### Editorial Policy

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

The Group issues two versions of the report: the Full Report, which provides details on all activities, and the Highlights Report, which features the main initiatives and outlines some particularly interesting articles. Both versions are available on the Web and in print.

This report provides stakeholders with information on how the Ajinomoto Group is working to achieve a sustainable future for people and the earth and what needs to be done going forward. The report is one way in which the Group is working with everyone concerned to build a better future.

### The Ajinomoto Group's approach to achieving sustainability



## Report Content and Available Formats

### Full Report (151 pages)

This report provides comprehensive information on all the activities which the Ajinomoto Group undertakes to achieve sustainability.

### Highlights Report (44 pages)

This shorter Highlights Report focuses primarily on the feature articles from the Full Report.

### Website

Download the report and access related information.

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



### Organizational scope:

This report covers the activities of the Ajinomoto Group, comprising, unless otherwise noted, Ajinomoto Co., Inc. (“the company”) and its 111 group companies (as of March 31, 2015), including consolidated subsidiaries and other group companies subject to reporting under the equity method. Where sufficient information for the entire Ajinomoto Group (“the Group”) was unavailable, the limitation in scope is explicitly defined. The scope of reporting for the environmental section is defined on page 80.

### Period covered by this report

Fiscal 2014 (April 1, 2014–March 31, 2015)

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

### Issue date:

Highlights Report: November 2015

Full Report: January 2016

### Previous issue:

January 2015

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# Building a “Genuine Global Specialty Company”

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

## Global reach of the Ajinomoto Group (As of March 31, 2015)

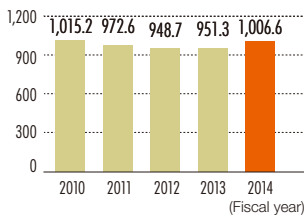


## Global network: 26 countries and regions

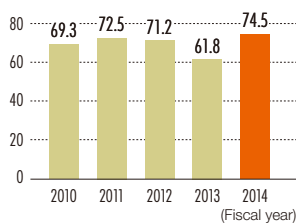


## Consolidated financial highlights (April 1, 2014–March 31, 2015)

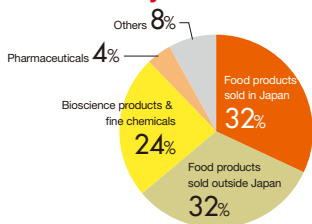
**Net sales** (Billions of yen)



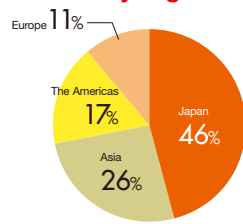
**Operating income** (Billions of yen)



**Net sales by business**



**Net sales by region**



### Included in the following SRI indices

• Dow Jones Sustainability World Index

MEMBER OF

**Dow Jones Sustainability Indices**

In Collaboration with RobecoSAM

• FTSE4Good Global Index



FTSE4Good

Link [IR > IR Library > Financial Report \(Annual Report\) http://www.ajinomoto.com/en/ir\\_library/financial.html](http://www.ajinomoto.com/en/ir_library/financial.html)

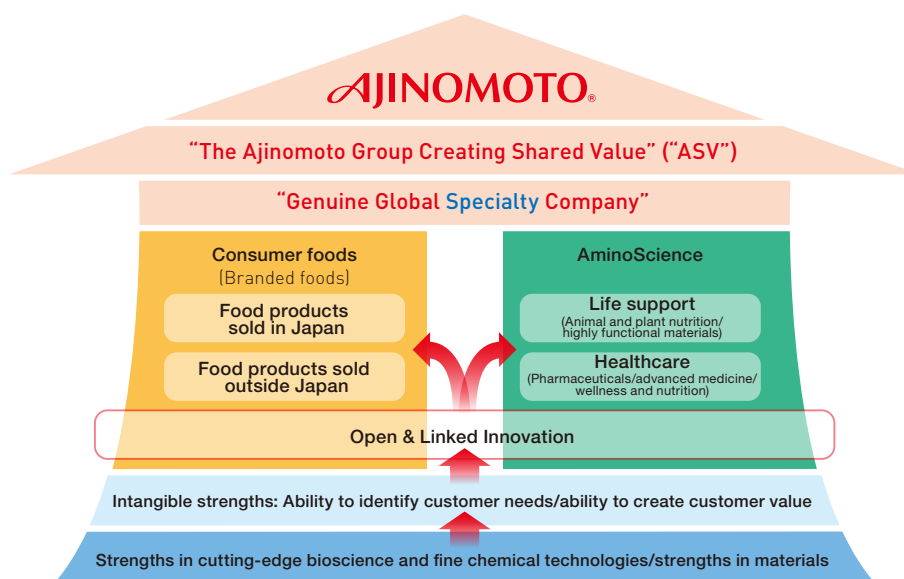


## Our Business Direction

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

At the Ajinomoto Group, the term “specialty” refers to the high added value born from combining tangible strengths, such as advanced materials and fine chemicals, with intangible strengths such as the ability to tailor value to specific needs within a diversifying customer base. The Ajinomoto Group

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



## Business overview and specialties in each business domain

### Consumer Foods

#### Japan Food

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

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

#### International Food

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

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

### AminoScience

#### Life Support

(Animal and plant nutrition/Highly functional materials)

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

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

(Pharmaceuticals/Advanced Medicine/Wellness and Nutrition)

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

<b>Pharmaceuticals</b> Pharmaceutical business centered on the field of digestive disorders Pharmaceutical CDMO <sup>1</sup> (Small-molecule drugs to biopharmaceuticals)	<b>Advanced Medicine</b> Diagnostics (Aminolindex™) Participate in regenerative medicine	<b>Wellness/Nutrition</b> From infants to seniors Athletes — Pre- to post-disease
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<sup>1</sup> CDMO: Contract Development and Manufacturing Organization

# Creating Value in Collaboration with Our Stakeholders

Aiming to become one of the world's top ten global food companies by 2020, the Ajinomoto Group has embarked on a journey of vigorous growth. Achieving this aim is not only a question of expanding the size of our business or group revenues; gaining the trust of stakeholders and becoming a company welcomed by society is equally important. What is demanded of a global corporation today, and what should the Ajinomoto Group be focusing on? Our CEO as of June 2015, Takaaki Nishii, discussed the vision and philosophy of the Ajinomoto Group with sustainability expert, Peter David Pedersen.



Takaaki Nishii + Peter David Pedersen

## The key to stakeholder management is the awareness and actions of each individual

**Pedersen:** I have been involved in sustainability and CSR activities for almost 20 years. Obviously, the demands of stakeholders and their expectations of leading companies have evolved with time and differ from region to region. How to reflect such diverse views and expectations in corporate management is, in my view, one of the key issues for any major company today. First, I would like to ask you about any personal experiences you have had which made you aware of the importance of stakeholder engagement.

**Nishii:** In the early 2000s, when I was head of the household products group in our processed food marketing division in Japan, BSE<sup>1</sup> (so-called “mad cow disease”) first became a major issue in Japan. Looking back, I feel that Japanese food companies until then did not place sufficient emphasis on the responsibility they had towards society beyond the immediate circle of their customers and business partners. I became acutely aware of the responsibility of food manufacturers in both ensuring the safety of raw materials and in communicating safety issues appropriately to consumers and society. There was also an impact on business performance, which reminded me of the responsibility we had to shareholders, as well. In Japan it has often been said, more or less as a matter of course, that corporations are “public institutions of society”, but what happened around the year 2000, made me intensely aware that a precondition for the very existence of our company is the support of and co-existence with society.

**Pedersen:** So far, in Japan most companies, while strengthening their information disclosure, have remained in a rather reactive mode, responding to issues as or after they emerge. Today, however, there is a need to move towards a more proactive stance of co-creation and relation-building with important stakeholders in society, whether or not issues or problems have surfaced. The challenge, in my view, is to create a business that thrives through and thanks to an earnest and continuous dialogue with stakeholders about the kind of future society we want to create together.

**Nishii:** As the Ajinomoto Group aims to become one of the world's top ten global food companies—a goal I hope personally to achieve, this is very much a stance that I would like to focus on. In order to reach our goal, we must build strong relationships of co-existence with stakeholders in each of the different regions and countries in which we operate.

In the two years before I became CEO of the Ajinomoto Co., Inc., I worked as CEO of Ajinomoto do Brasil Indústria e Comércio de Alimentos Ltda. (Ajinomoto Brazil). There I learned that when we pursued sustainable purchasing, there might also be issues of child labour and other human rights concerns in sugar cane or palm oil supply chains. Not only in Brazil—and not only limited to human rights issues—we are always conducting business while facing various environmental or social issues and risks. Through my experience in Brazil, I learned the valuable lesson that each local subsidiary of the Ajinomoto Group must adopt a proactive stance in dealing with such issues. In order to become a company which co-exists with society, it is of great im-

portance to delegate both authority and responsibility to individual companies. Through this, the awareness of global headquarters also evolves even further. Through such a learning experience, management and people in global headquarters become better able at leading each subsidiary in the Ajinomoto Group towards what I call “proactive governance.”

<sup>1</sup> BSE: Bovine Spongiform Encephalopathy, also called Mad Cow Disease. When a cow is infected with BSE, a spongy degeneration of brain and spinal cord occurs and after a period with behavioural and motoric problems, the animal dies. The disease is said to spread through the use of feeding material which includes parts of brain or bone marrow from infected cattle. In Japan, the first cases of BSE were confirmed in September 2001 and became a major social issue involving livestock breeders, food companies and consumers in a quest for increasing food safety and traceability.

### Aiming to be a corporation with a sustainable presence and specialty strengths

**Pedersen:** In your pursuit to become a top ten global food company, I believe there are certain “axes of competition” which have crucial influence on your competitiveness. The first is “adaptability”—the power to continue fundamental innovation. A second is “market share”—a competitive axis which you cannot avoid. Third comes “pricing”—are you going to aim for affordable or high-end products; a strategy that often varies from market to market. The fourth axis is “quality”—one of the key strengths of Japanese corporations. While these four remain important competitive axes, in my view “the pursuit of sustainability” is emerging as a fifth axis of competition. Without the innovation in the environmental field, or strategic CSR activities, I do not believe a company can thrive in global competition today.

**Nishii:** The Ajinomoto Group has set as a vision for 2020 to become a “Genuine Global Specialty Company.” To me, this means to keep achieving a level of profitability and stable growth which allows us to be positioned within the top ten global food companies being trusted by all our stakeholders. In other words, the aim is to become “one of the top companies with a sustainable presence”—or what you call strengthening the fifth competitive axis.

In order to achieve this, we have established a goal through ASV—“Ajinomoto Group Creating Shared Value”—of co-creating value in three areas.

The first is global sustainability—actively working to reduce

our environmental impact to a minimum. This I regard to be a basic requirement for a global company to exist.

Next, we focus on food resources. This is an area in which I believe we have a very high potential to contribute. We are able to produce highly effective amino acids with a superior level of productivity through development of technology for fermentation using fewer resources. Fermentation is in itself a natural process, and the ability to contribute to the conservation or more effective utilization of food resources is, indeed, one of our specialties.

The third area of focus is healthy living. I believe this is where we can make the greatest contribution. The Ajinomoto Group is positioned as a food company, but one of our main characteristics is research and development, as well as technologies related to the development of amino acids. Our ability to harness the beneficial effects of amino acids in making food with well-balanced nutrition more tasty or to enable people to achieve a sense of satisfaction with less food, is closely linked to the very mission and raison d’etre of our Group.

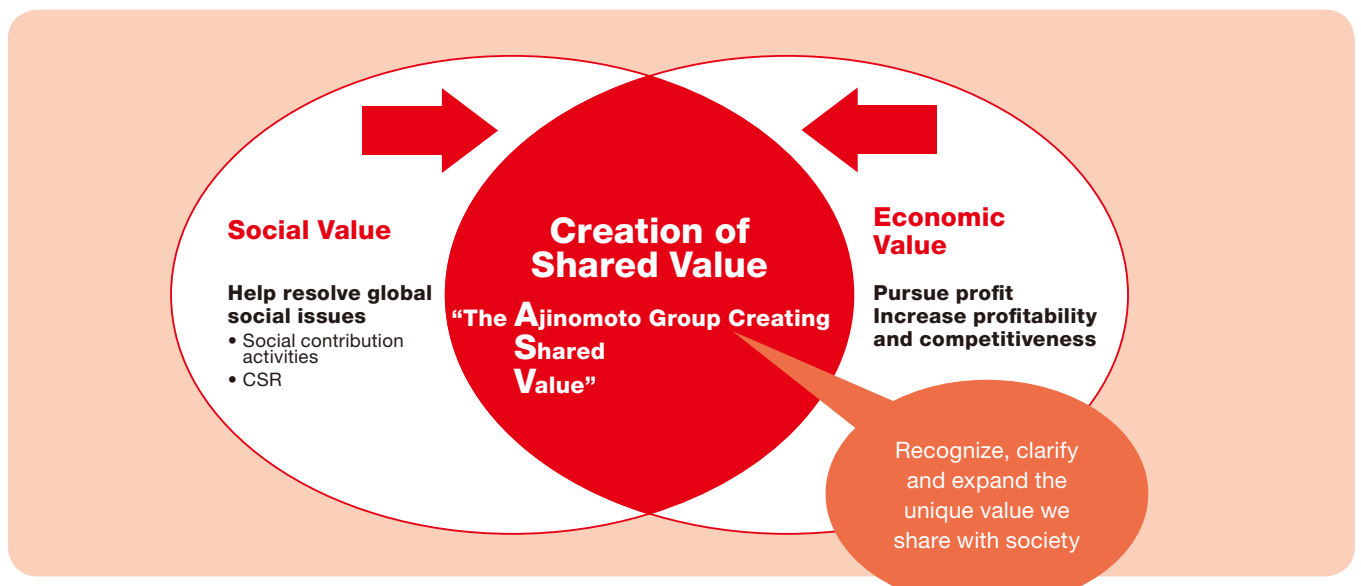
**Pedersen:** I guess that is exactly what you call your specialty. You cannot do everything at the same time, so it makes sense to establish a clear competitive edge as you aim to grow sustainably.

**Nishii:** Furthermore, one should recognize that health is not only an issue for humans. Through the utilization of amino acids, it is possible to provide better nutrition for livestock as well. The use of amino acids also allows for a reduction in the use of animal feed, that is, of grain resources. This is also part of the nutritional improvement of livestock.

We are also making beneficial use of co-products<sup>2</sup> from the amino acid fermentation process as fertilizer in agricultural production. In Brazil, we return such co-products to sugar cane fields and use the leftover fluids from the processing of sugar cane in the fermentation process thus creating what we call a biocycle. Additionally, we are developing such co-products into high-value agricultural material used to enhance the productivity not only of sugar cane, but also of vegetable and fruit production. This also leads to what could be called a nutritional enhancement of plant production.

In other words, the strength of the Ajinomoto Group’s tech-

### Evolution of ASV : Integrated Targets and Information Sharing





nology lies in its ability to support the nutritional enhancement of humans, animals and plants—more or less of all living things. In the future, through communication with various stakeholders in society, we hope to gain further ideas about how people feel the Ajinomoto Group might contribute, allowing both our company and society to continue on a path of healthy growth.

<sup>2</sup> By-products from the amino-acid fermentation process that still contain a wealth of nutritional ingredients and are used to make additional value-added products

## Facing local issues squarely and making an extra effort to come up with solutions

**Nishii:** We are also conducting business in developed countries, but what we can do there and needs of developing or emerging countries differ. Obviously, we have to work simultaneously on both approaches.

In Japan, to take one example, one key social issue is the changes in nutritional balance occurring in an ageing society. On the other hand, an issue occurring in some emerging countries is that many people who were previously poor have now gained a higher income and rapidly become obese. In Brazil, some 20 years ago it was a major social issue that about half of the country's population of 200 million did not obtain sufficient nutrition. But, when we look at recent data, only 5% of the population today is in danger of going hungry, whereas the percentage of obese and those likely to become obese soon has reached more than 50%. Malnutrition and overnutrition exist at the same time, and it is a characteristic of emerging countries that such issues are rapidly becoming more severe. If the Ajinomoto Group with its expertise and technologies in both foods and amino acids can expand its global business while helping solve such complex nutritional issues, I truly believe we can make a meaningful contribution that is very unique to us.

**Pedersen:** In my view, corporations who indulge in “trade-off thinking” in their relationship with society or the environment will not be given a “license to grow” in the future. There is a need to

aim for the opposite; that is, for what I call a “trade-on approach.” Trade-on is a word I coined a few years ago, which basically indicates a virtuous cycle in which a company's activities aim to contribute to the soundness of society in such a way that this reverberates positively back on the company's competitiveness. The unique contribution of the Ajinomoto Group you just talked about appears to be such a potential example of trade-on.

Social or environmental issues cannot be solved overnight, but setting a clear strategy and aiming constantly to shift from trade-off to trade-on is what leads to positive evaluations in global society today. In order to move towards trade-on, an ever stronger focus on innovation appears to be imperative.

To me, one of the positive aspects of ASV is that it is a business vision and strategy, not merely an environmental or CSR vision.

**Nishii:** In a social business project we are conducting in Ghana focusing on nutritional improvement, we have achieved good results working in a partnership with government and academia as well as with local communities. If we can apply this approach to some of our major markets, such as Brazil, Indonesia, Thailand or Vietnam, I believe it will also lead to a stronger brand and higher corporate value. We should never close our eyes to the nutritional issues existing in each region of the world, but rather take the initiative when possible. Doing so, society will also show an interest in the Ajinomoto Group, or wish to collaborate in creating solutions, thus leading to the building of valuable networks. At the same time, we need to clarify even further what our unique approach to value creation is and work to implement integrated corporate goals which are not limited to individual business lines.

## Good work is created through staff initiative in each region

**Pedersen:** In order to realize such goals, how do you intend to engage internal stakeholders—in other words, employees?

**Nishii:** I expect of all Ajinomoto Group employees that they stay strongly aware of the need for a positive co-existence with society and aim for such a level or quality of conduct that external stakeholders will recognize their work as truly valuable and indispensable. To achieve this, management must first show leadership and commitment, and then we must work to share and strengthen the understanding of the importance of ASV in each workplace.

Taking Brazil as one example, we involved all managerial staff when we created a plan which led to the goals established in ASV. Our Brazilian team proposed seven targets which were then used as a basis for the three company-wide target areas. With regard to these three target areas the executive committee at



**Peter David Pedersen**

Co-founder, E-Square Inc.  
Executive Director, TAFL – The Academy for Corporate Leadership



**Takaaki Nishii**

June 2015 President & Chief Executive Officer, Ajinomoto Co., Inc.  
 June 2013 Member of the Board & Corporate Vice President  
 General Manager & Sao Paulo Office General Manager, Latin America Division  
 May 2013 President, Ajinomoto do Brasil Indústria e Comércio de Alimentos Ltda.  
 June 2011 Corporate Executive Officer  
 General Manager, Personnel Dept.  
 July 2009 General Manager, Personnel Dept.  
 June 2004 Member of the Board, General Manager, Retail Products Dept., Ajinomoto Frozen Foods Co., Inc.  
 April 1982 Joined Ajinomoto Co., Inc.

Ajinomoto Brazil made a clear commitment, and we took leadership in moving towards implementation. Because the Brazilian team itself spent considerable time and effort on discussing how the company might contribute to society through its business, or what it means to be a company that thrives for a hundred years in co-existence with local community, and because they worked to establish ambitious goals themselves, I believe we achieved a high level of buy-in.

**Pedersen:** Regardless of whether we talk of business in general, or more specifically about CSR, people unleash remarkable energy when they feel they are allowed to be creative, are excited with their work, feel they are working towards attractive goals or have a sense that they are able to impact the world positively.

**Nishii:** Obviously, it is not enough that goals or targets are shared with staff; key for engagement are the day to day activities conducted to reach those goals. After the Great East Japan Earthquake in 2011, the Ajinomoto Group has continuously worked on a nutritional support and improvement project for people forced to live in temporary housing. In this project, we established a system which supports employees whenever they might wish to contribute as volunteers. It is important that the company provides such organizational mechanisms enabling action.

Returning to the issue we talked about concerning hunger and obesity, anyone who observes this on the ground will notice the severity of this problem. Actually visiting such regions and contemplating how you might take action as an individual, or how you might act through your company, is, I believe, of great importance.

**Pedersen:** Finally, I would like to ask you about your view on human resource development or strategy as you move towards the goal of joining the global top ten food companies. What are your ideas?

**Nishii:** The Ajinomoto Group today is a multi-national company with some 31,300 people working in about 110 group companies across the world. It is of course very important to share the goals of ASV with all group companies, but the people who actually work on implementation are the leaders and staff of each company in each region. I therefore find it important that we choose leaders who are skilled at communicating with people in

each region. In many of our group companies around the world, management is still predominantly Japanese. I hope to move towards a higher proportion of leaders from each local region as soon as possible.

Staff from a certain region can take leadership in communicating in the local language and use their local human networks to help build our business. If or when an individual is promoted as a result of such activities, he or she will be able to maintain a broader perspective and take on a wider set of roles. This is a very important aspect of human resource development. If this approach is successful in each of the regions where we do business, it should also lead to better communication between different regions and to the wider adoption of successful initiatives in other regions.

**Pedersen:** What you just said is, I believe, of great importance. In order to build trust based relationships in a company, leaders must act on the basis of integrity, be responsive to the opinions and expectations of staff, and actually show their trust through the meaningful and extensive delegation of responsibility.

**Nishii:** In our operations in Japan, one of the main human resource challenges is to let women take active roles. I believe the low retention and reinstatement rates of female employees in Japan are impacted by the delay in beginning career formation that trains new graduate employees in specialized areas. At our main overseas affiliates, we need bold leadership in women employees to be appointed to officer positions.

Also, based on one of the four pillars of “The Ajinomoto Group Way”, “Value People”, it is my intention to place a stronger emphasis on career formation which is based on a continuous dialogue with each individual. I realize the goals laid out in ASV will require time, and in this process I believe it is of the utmost importance to strengthen the relationship between the company and each individual, encouraging people to stay with the Ajinomoto Group and do good and meaningful work. Seen from this perspective, it is important that the activities and goals of each individual coincides with those of the company as a whole.

**Pedersen:** People of diverse backgrounds and with diverse ways of working joining forces to achieve the common goals set by the Ajinomoto Group—I am looking forward to seeing how your efforts will unfold.

# Recommendations for Creating Value through Business



Ajinomoto Co., Inc. appoints three outside directors to provide independent, unbiased oversight of its operations. Each director has their own field of expertise and offers a variety of suggestions for the company’s business management. Presented below are summaries of the expectations and suggestions offered by each of the outside directors about what the Ajinomoto Group should do to grow together with society and to achieve its goal of becoming a top-ten global food company by 2020.



## Right Deployment of Diverse Talent — Right Person for Right Job —

Sakie T. Fukushima

**Career**

June 2011	External Member of the Board, Ajinomoto Co., Inc.
July 2010	President & Representative Director, G&S Global Advisors Inc.
May 2009	Chairman and Representative Director, Korn/Ferry International-Japan
September 2000	Managing Director and President, Korn/Ferry International-Japan
May 1995	Member of the Board, Korn/Ferry International U.S. Head Office

The Ajinomoto Group is pursuing its vision by assembling the best governance structure and promoting management diversity. This includes increasing organizational and decision-making transparency through external oversight—as through outside directors—and also incorporating the perspectives of women, employees from different countries, and others to drive innovation. These attributes must be further improved upon to reflect Ajinomoto’s growing status as a global leader.

For human capital, the Ajinomoto Group is currently organizing its global workforce into a global headquarters that leads, and trusted frontline that can run on their own. The global headquarters needs innovation leaders who can mobilize diverse talent; and each operation needs managers with intimate knowledge of local stakeholders. The key is to see management diversity as a dynamic process—not an end goal—toward realizing our values and unlocking our competitiveness in a changing environment. In practice, this means assigning the best person to every job worldwide and making decisions based on diverse wisdom. Take women’s advancement, for example: even if numerical targets and special programs for training and assessment are necessary to correct the current imbalance, by changing awareness among every employee and practicing true meritocracy, half of all managers will eventually be women.

Essential to this dynamic process is innovation in work-life management.

This means changing work styles across the organization and allowing all employees to choose their own style according to life stage. The first step is to create an IT-powered environment that makes smart, productive work possible. Clearly, autonomy and self-management would be expected so employees could not easily exploit the system.

Career paths also need to be made more visible, with clear requirements for each position and role. Accurate skills evaluation paired with targeted training can transform human resources into human capital and “right job for right person” into “right person for right job.” Is this not what “value people” in the Ajinomoto Group Way means? To naturally draw out the full potential of employees by finding best matches in a fair, equitable, and transparent manner?

Attributes such as gender, nationality, and age are only one way to understand an individual, and no one should be judged or managed solely by these categories. It is vital that employees be evaluated appropriately, in all their uniqueness, to unleash their effectiveness. The more diverse we become, the more important it is to stay true to the company’s core identity. Fortunately, the Ajinomoto Group Principles are firmly rooted in our corporate culture. Let us continue to nourish those roots, while proactively tackling the challenge of diversity with a firm commitment and flexible approach.





## Pursuing Our Personal Best for Social Impact

**Yasuo Saito**

**Career**

- June 2012 External Member of the Board, Ajinomoto Co., Inc.
- May 2009 Ambassador Extraordinary and Plenipotentiary to France
- April 2006 Ambassador Extraordinary and Plenipotentiary to Russia
- May 2003 Ambassador Extraordinary and Plenipotentiary to Saudi Arabia
- August 2001 Director-General, European Affairs Bureau, Ministry of Foreign Affairs
- April 2000 Permanent Representative of the Japanese Government at UNESCO
- August 1997 Consul-General of Japan in Atlanta
- April 1971 Joined the Ministry of Foreign Affairs

In September this year, the UN General Assembly adopted the Global Goals for Sustainable Development as a post-MDGs agenda for building a safer, more prosperous world in the 21st century. All global stakeholders—citizens and businesses as well as governments and international organizations—are called on to step up efforts to address the increasingly complex challenges facing humanity. As a leading global company, the Ajinomoto Group needs to acknowledge the growing international expectations it will face in this new era.

The Global Goals will be an important touchstone for fulfilling that responsibility. By leveraging our business specialties, we can help create shared value that contributes to food security, improved nutrition, and sustainable agriculture. And we can help ensure sustainable consumption and production patterns by sourcing, producing, and marketing safe and reliable products in ways that are sensitive to humanity's social and environmental challenges such as water security, environment, and human rights. Managing our business in this way while communicating clearly with local stakeholders will also reduce business risk and increase opportunity. It is also the shortest path to earning trust from consumers in each country.

I also believe we should actively commit as a truly global company to

collaborating with various stakeholders in using our knowledge of natural resources—including agricultural (e.g., cassava and other ingredients of industrial fermentation), forest (paper and palm oil), and marine (skipjack and shrimp)—to build mechanisms and new frameworks for their sustainable use, restoration, or enrichment.

The year 2020, our target for becoming one of the top ten global food companies, will also be the year of the Tokyo Olympic and Paralympic Games. Prompted to “include sustainability in all aspects of the Olympic Games,” Tokyo 2020 has named Achieving Personal Best, Unity in Diversity, and Connecting to Tomorrow as the core concepts of its event vision. We too can seize this amazing opportunity to utilize Japan's knowledge and our company's specialties in food, health, and nutrition to be of service to people visiting Japan from all around the world. I invite every one of our executives and employees to set their own vision and strive to achieve their personal best for contributing to society through our business. This, I believe, is our responsibility as members of a truly global corporation, and how we connect with the international community and Olympic Games in building a better tomorrow.



## Shifting ASV into Higher Gear

**Takashi Nawa**

**Career**

- June 2015 External Member of the Board, Ajinomoto Co., Inc.
- June 2010 Professor, Graduate School of International Corporate Strategy, Hitotsubashi University
- April 1991 Joined McKinsey & Company, Inc.
- April 1980 Joined Mitsubishi Corporation International-Japan

Ajinomoto Group Creating Shared Value (ASV), an initiative to help build a more sustainable society through the co-creation of social and economic value, is the main engine behind the Ajinomoto Group's vision to become a top-ten global food company. This commitment—of providing unique value to communities in all major operating countries based on close stakeholder dialogue—holds much promise for expanding group business.

The starting point for ASV is to clarify the group's objectives, such as improving nutrition for all living things. The next step is to establish causal links between social and economic value. We then draw a roadmap for improving economic value, create mechanisms for following that roadmap (e.g., business models, governance, use of human capital and knowledge), and identify specific outcomes and social impacts.

We must not spend too much time finding just the right targets and key performance indicators (KPIs) for assessing actions. Better to announce beta-version programs early on and get the monitoring and KAIZEN cycle moving. We can then consider linking these programs to certain mid-term indicators, such as corporate brand value rankings.

Meanwhile, ASV training sessions need to be promptly implemented to train each division to view ASV as their own initiative and integrate ASV objectives into their activities. From there we can gather inspirational stories from front-line employees worldwide and share them with internal and external

stakeholders through Web and print media. Best practices could be commended with an ASV Global Award.

Growing with society over the long run also requires involving external experts in our activities. Effective approaches include organizing an ASV advisory board, expert committee on sustainability, and stakeholder dialogues. Taking these approaches in all major operating countries will place our business within a larger social network that connects us with local governments, business partners, and citizens.

I believe there are three keys to accelerating progress on social issues and business growth through ASV. The first is to shed the “do it ourselves” mindset and actively partner with other global and local players across industry boundaries. The second is standardization: develop specific indicators of dietary quality, such as umami and nutrition, and elevate them to a global standard. And lastly, invest in intangible assets: find ways to expand human capital, knowledge, branding, and networks, leveraging our expertise and technologies in the core skill areas of food, flavor, and nutrition.

# Creating Value through Business to Address Issues Facing 21st-Century Human Society

Maximizing the value generated by business activities is critical to achieving the Group's goal of becoming one of the top ten global food companies by 2020. Through the Ajinomoto Group Creating Shared Value (ASV) initiative, and with a focus on the most material issues, the Ajinomoto Group aims to continue growing with society and the global environment.

## Ajinomoto Group Creating Shared Value (ASV)

Our Founders' Ambition (1909)	Help Resolve Global Issues	Create Economic Value
<p>Make a simple diet more delicious and improve the nutrition of the Japanese people with umami</p>  <p>Professor Kikunae Ikeda, discoverer of umami</p> <p>Saburosuke Suzuki II, Ajinomoto Group founder</p>	<p>Contribute to a healthy society worldwide with delicious nutrition</p>  <p><b>"Eat Well, Live Well."</b> Sustainability of people, living things and the Earth</p>	<p>Achieving social value is creating economic value (profit)</p>  <p><b>Living with the Earth, even a century from now</b></p>
<p>Efforts linked to the creation of economic value and growth by contributing to the resolution of social issues through the businesses the Ajinomoto Group has been conducting since its establishment to create value together with society and local communities.</p>		

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

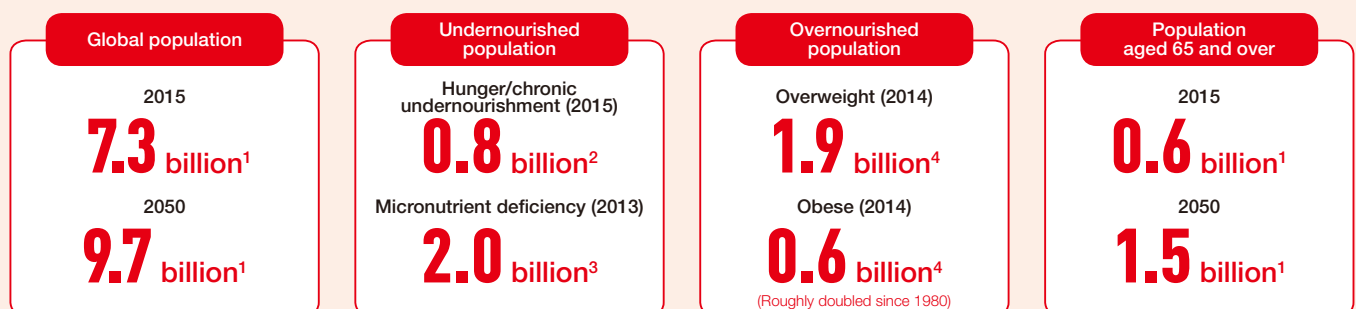
The Ajinomoto Group has identified global sustainability,

securing food resources, and healthy living as the three material issues facing 21st-century human society that it has a responsibility to address through its business. In the FY2014–2016 Medium-Term Management Plan, the Group sets out actions to tackle these issues with the unique business specialties of food and amino acids and, in the process, to create social and economic value that accelerates business growth.

Calling this endeavor Ajinomoto Group Creating Shared Value (ASV), the Ajinomoto Group believes that aggressively advancing ASV is the key to realizing its goal of becoming a genuine global specialty company.

## Global Issues

### Issues related to healthy living



1 UN (2015) 2 FAO (2015) 3 FAO (2013) 4 WHO (2015)

## Materiality Assessment

From 2005 through 2010, the Ajinomoto Group held regular meetings with experts to gather their input on its CSR activities.

To further clarify its priorities, in 2008 the Group commissioned a survey of more than 80 experts, asking them to rank 50 social issues associated with the Group's activities according to their relative importance (materiality) to society. Assigning numerical values to these rankings made it possible to quantify the overall importance of each issue.

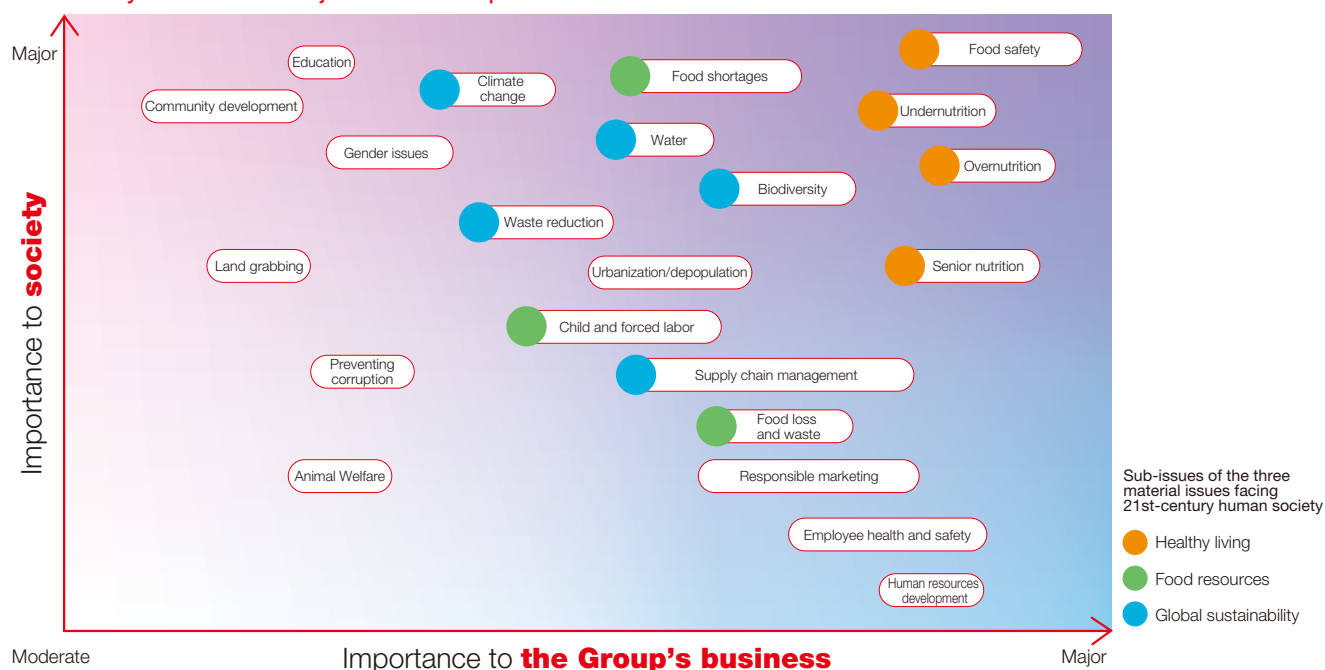
Based on the results, and in conjunction with its centennial anniversary, in 2009 the Ajinomoto Group redefined its corporate philosophy and narrowed down three material issues facing 21st-century human society. Through internal workshops and other discussions on how to contribute to global sustainability, securing food resources, and healthy living through business, the Group positioned a commitment to these issues as a prerequisite for operating and growing with society. Plans have been laid out

to address these issues with the Group's unique technological and product development capabilities and value chain influence.

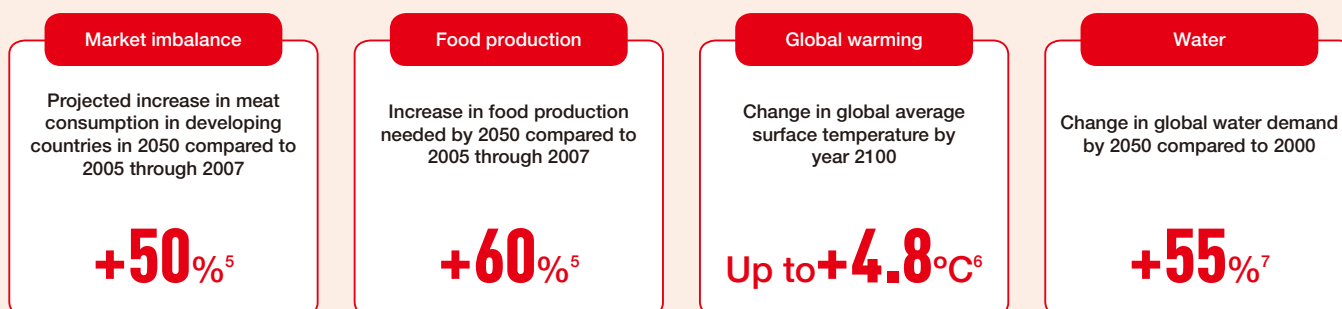
In 2014, the Ajinomoto Group announced ASV as part of the FY2014–2016 Medium-Term Management Plan. This initiative expresses the Group's contributions to addressing the three social challenges in more concrete terms, while pursuing group-wide action by having each division set numerical targets for the contributions it can make. Around the time of the ASV announcement, the Group also held dialogues with experts on each issue to update its knowledge and receive feedback on its work.

Based on that feedback and the results of past initiatives, the Group is now rethinking the relationship between its business and social issues, identifying and organizing the issues that are most material to its business and society. Organizing issues according to mutual importance in this way provides useful inputs into planning future actions.

### Materiality matrix of the Ajinomoto Group



## Issues related to food resources and global sustainability



5 FAO (2012) 6 IPCC (2013) 7 OECD (2012)



# Using Stakeholder Feedback to Improve Performance

To become a genuine global company that is trusted worldwide, the Ajinomoto Group must grow by engaging with diverse stakeholders and improving its business to reflect their concerns. Through continuous dialogue and partnership, the Group aims to be a force for social and environmental good.

Stakeholder group	Key engagement opportunities	Results
Customers/ Consumers	<ul style="list-style-type: none"> <li>• Customer call centers (five food companies in Japan, certain overseas subsidiaries)</li> <li>• “Ajinomoto Park” recipe &amp; community website</li> <li>• Miscellaneous events</li> <li>• Plant tours</li> </ul>	<ul style="list-style-type: none"> <li>• Used customer input to improve products and services (→ p. 118)</li> <li>• Made efforts to improve customer call center satisfaction (→ p. 117)</li> <li>• Increased the Ajinomoto Group’s recognition and understanding, and participants’ awareness, of sustainability efforts (→ p. 119-123)</li> <li>• Hosted plant tours at three Ajinomoto Co., Inc. business sites in Japan for around 54,000 people (fiscal 2014)</li> </ul>
Shareholders/ Investors	<ul style="list-style-type: none"> <li>• Annual general meeting of shareholders</li> <li>• Analysts’ meetings on financial results</li> <li>• Individual dialogues with institutional investors worldwide</li> <li>• Briefings for institutional investors on ESG (environment, society, governance) efforts</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthened corporate governance system (→ p. 45-46)</li> </ul>

## Feedback from External Stakeholders



**Mikako Awano**  
Conservation Division,  
WWF Japan

The use of biological resources, whether cultivated or natural, inevitably entails environmental impact. Yet most food companies in Japan are focused on food safety; very few have shown concern and risk awareness over the planet’s diminishing biocapacity. Among them, the Ajinomoto Group, with due recognition of ecosystem conservation as integral to its own business continuity, has positioned the issue as a top priority, and is taking practical measures for raw materials it procures. All these efforts make them an industry leader of the food sector.

While the Group already established its sourcing policy for paper, I expect it to develop policies and guidelines for other major raw materials used in its products. I also would like to see its medium-term commitments on sourcing and food loss together with existing ones on renewable energy and industrial waste. Such progress will raise their reputation from a domestic to global leader of their sector.



**John Morrison**  
Executive Director,  
Institute for Human Rights  
and Business (IHRB)

The Ajinomoto Group appears to be confronting global issues head-on and approaching sustainability and CSR from a strategic mindset. However, the company has yet to discuss concretely its major human rights risks, despite having a chapter dedicated to the topic.

While the UN has urged companies to clarify their human rights risks, this is no easy task given the extreme sensitivity and political nature of some of these issues. Still, the Ajinomoto Group should clarify its priorities based on its own business experiences.

In the context of human rights, companies should recognize that averting risk and obtaining a social license to operate is at the same time an opportunity to obtain a license to grow. It is similarly important to talk about the relationship between human rights and value creation from a positive viewpoint.



**Elaine Cohen**  
Founder & CEO,  
Beyond Business Ltd.

One of the challenges of sustainable business is measuring the impacts of company activities and their effects on people, society, and the environment. It is not enough to focus on, and report, what you are doing. The real measure of progress is what changes as a result of what you do. In this context, I believe the Ajinomoto Group could go further in identifying and measuring the outcomes of its activities and reporting these outcomes to stakeholders.

Also noticeable in the report is that few truly long-term aspirations are presented. The Ajinomoto Group has been around for 106 years. The Group’s commitment to sustainable business and transparency gives me confidence that the company will be around for at least another 106 years. Therefore, a longer planning and target-setting horizon would be welcome.

Stakeholder group	Key engagement opportunities	Results
Suppliers	<ul style="list-style-type: none"> <li>• Communication in day-to-day business</li> <li>• Ajinomoto Group Basic Purchasing Policy and Ajinomoto Co. Supplier CSR Guidelines briefings</li> <li>• Food defense explanatory meetings and audits</li> <li>• SAQs (self assessment tool for suppliers)</li> </ul>	<ul style="list-style-type: none"> <li>• Suppliers gained awareness of the CSR issues they need to address (→ p. 52-53)</li> <li>• Conveyed the Group's thinking and plans for more sustainable procurement of each key raw material (→ p. 54-57)</li> </ul>
Employees	<ul style="list-style-type: none"> <li>• Ajinomoto Group Way sessions</li> <li>• ASV (Ajinomoto Group Creating Shared Value) sessions</li> <li>• By-rank/division training</li> <li>• Ajinomoto Group Principles (AGP) questionnaires</li> <li>• AGP worksite discussions</li> <li>• Whistleblower hotline</li> <li>• Harassment advisory service</li> </ul>	<ul style="list-style-type: none"> <li>• Raised awareness of the Ajinomoto Group Way</li> <li>• Approximately 22,000 group employees worldwide have attended Ajinomoto Group Way sessions as of year-end fiscal 2014 (→ p. 66)</li> <li>• Established Business Conduct Committees at group companies worldwide to instill the AGP</li> </ul>
Local communities	<ul style="list-style-type: none"> <li>• Plant dialogue with neighborhood residents</li> <li>• Participation in and sponsorship of community events</li> <li>• Scholarships and other foundation-based activities (in four countries)</li> <li>• Recovery assistance for communities affected by natural disasters</li> <li>• Smile Earth! community environment program</li> </ul>	<ul style="list-style-type: none"> <li>• Supported the Red Apron Project since 2011, providing nutritional guidance and facilitating communication through cooking classes for those affected by the Great East Japan Earthquake (1,474 events for approximately 24,000 participants by August 2015) (→ p. 137-138)</li> </ul>
NPOs/NGOs and external experts	<ul style="list-style-type: none"> <li>• Ajinomoto Group Sustainability Forum</li> <li>• Dialogue on the Group's sustainability and CSR activities</li> <li>• AIN program for supporting NPOs/NGOs working in the food and nutrition field</li> </ul>	<ul style="list-style-type: none"> <li>• Discussed internally how to incorporate various opinions received through dialogue into sustainability and CSR plans (→ p. 122-123)</li> <li>• AIN program results (1999 through 2015, include ongoing): 75 projects in 14 countries, approximately 140,000 beneficiaries, representing a 280-million-yen grant (→ p. 127-128)</li> </ul>



**Yukiko Furuya**  
President,  
Consumer Conference  
for Sustainability

Customer satisfaction, quality, and complaint handling as covered in the Ajinomoto Group report are important priorities, but are they social responsibility issues? Are they not part of doing business?

I highly commend the Ajinomoto Group's treatment of global sustainability, food resources, and healthy living as the material issues facing 21st-century human society. The problem, however, is how to link these social issues with consumer issues in order to implement solutions.

Addressing consumer issues will require taking account of the actual state of consumer awareness and behavior surrounding food. Such realities, as well as the consumer rights provisions of the UN Guidelines for Consumer Protection and Japan's Basic Consumer Act, will provide clues to solutions. From there I look forward to seeing the Ajinomoto Group further change its business practices, actively disclosing information, and educating consumers to improve its CSR performance.



**Waki Matsunaga**  
Science Journalist

The Ajinomoto Group is ahead of other companies on food safety issues. It employs management systems and practices that incorporate food defense and other risk control plans, and educates employees to raise awareness. This seems an effective use of its experiences with handling risks in a global marketplace. Because of this track record, I would like to see more efforts to correctly educate consumers about the safety of raw materials procured outside their own countries.

The Group is also making efforts to deliver accurate information about the safety of food additives, through lectures for nutritionists, for example. Although a longer-term investment, I think these programs would be more effective if also extended to teachers of home economics and other subjects in schools.



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

The Ajinomoto Group has demonstrated a clear sense of purpose and commitment to sustainability, more so even than many other global food companies. Sustainability issues have been integrated into core businesses and business models, with workers on the ground actively addressing them.

On the other hand, the report suffers from a lack of reporting on quantitative targets and quantified progress. Transparent reporting with measurable targets appears missing for many of the key areas of concern, such as biodiversity and human rights. I also feel a systematic approach needs to be applied more completely across the supply chain.

When formulating policies and reporting on activities going forward, I would like the Group to consider using industry-specific keywords, such as soil, pesticides, and family farms, and trying new approaches such as compiling data on the recycling of raw materials in a case-study format, such as by country, region, or crop.

# Building a Better Future, with People and Planet

The challenges confronting society and the environment today, while complex, present a tremendous opportunity for us to build a better future.

The Ajinomoto Group is partnering with various stakeholders to tackle issues and contribute to real-world solutions through business.

## Taking on three material issues facing 21st-century human society

### Healthy living

The Ajinomoto Group is leveraging the knowledge and technology relating to amino acids and food that it has developed over the years to address human health issues such as undernourishment, over-eating, and issues related to aging.

#### Main issues

- More people with nutritional problems, including both hunger and obesity
- Greater healthcare needs due to aging populations, etc.

#### Building a healthier society by helping people to eat well

- Developing products tailored to regional food cultures
- Making the most of umami to help solve health issues
- Developing human resources to promote better nutrition for children

#### Health support using AminoScience

- Preventing lifestyle-related diseases with amino acid-related products
- Supporting early detection of cancers based on amino acid knowledge
- Business expansion in the biopharmaceutical field

### Food resources

Due to an increasing world population and changing lifestyles, the balance of food supply and demand is collapsing. Accordingly, the Ajinomoto Group is implementing methods as part of business activities to utilize food resources and arable land more effectively.

#### Main issues

- Increasing demand for food from growing populations
- Higher grain demand caused by greater demand for meat
- Yield per unit of arable land is not keeping up with crop demand, etc.

#### Providing even more value with even fewer resources

- Reducing food resource consumption through resource-saving fermentation technologies
- Developing food processing technology that can utilize food resources more effectively
- Expanding the co-products business to improve the yield and quality of crops

#### Developing technologies to create replacements for limited resources

- Developing high-titer seasonings and sweeteners
- Improving feed efficiency using feed-use amino acids and reducing the amount of arable land required
- Researching uses for the fermentation of inedible raw materials

### Global sustainability

Water resources are subject to shortages and pollution worldwide, and ecosystems have been changing due to climate change. The Ajinomoto Group is actively working to reduce its environmental impact by cooperating with various external stakeholders to address the ever-evolving situation.

#### Main issues

- Abnormal weather conditions and other challenges of climate change
- Destruction of ecosystems and biodiversity through overfishing, overhunting and pollution
- Increasing demand for water from growing populations, etc.

#### Reducing the impact on the natural environment, and striving for ecosystem conservation

- Reducing CO<sub>2</sub> emissions per unit of production and water consumed per unit of production
- Land and water use that is friendly to local ecosystems
- Expanding sustainable procurement throughout the supply chain



# Sharing Japanese Insights on Food and Nutrition with the World

Eating is a behavior that is fundamental to human survival. Yet it is also strongly shaped by social, economic, and cultural conditions. The Ajinomoto Group's mission as a global food manufacturer is to deliver delicious, nutritionally-balanced food to people around the world no matter their circumstances. And the Group believes that its more than 100 years' experience of refining food and nutrition puts it in the best position to contribute to richer lives through the phenomenon of eating.

## The Unique Value of Traditional Japanese Food Culture

In December 2013 “Washoku, traditional dietary cultures of the Japanese” was inscribed on the UNESCO’s Representative List of the Intangible Cultural Heritage of Humanity. Washoku has four notable characteristics: 1) Various fresh ingredients, used for their natural tastes, 2) Well-balanced and healthy diets, 3) Emphasis of the beauty of nature in their presentation, and 4) A connection to annual events, notably for the celebration of New Year. Two manifestations of the nutritional balance described in 2) are a basic menu organized into one bowl each of rice and soup and three side dishes (*ichiju sansai*), and the use of umami to realize a diet low in animal fats. There has been a keen interest in the seasonal ingredients and healthfulness of this diet in recent years, sparking a washoku boom overseas, with a rise in the number of Japanese restaurants and rapid increase in food tourists to Japan. Domestically, meanwhile, diets are diversifying and habits surrounding food are changing. Washoku’s UNESCO designation is also therefore an opportunity for the Japanese to revisit their traditional food culture and consider what they can do to carry and pass it on.

For the Ajinomoto Group, a company established in Japan whose very business is built on food and amino acids, washoku is deeply linked to the heart of its business.

In 1908, Dr. Kikunae Ikeda identified the primary flavor component of *kombu* kelp broth (*dashi*): glutamic acid, an amino

acid. Naming this taste “umami,” he developed a method to manufacture the umami seasoning monosodium glutamate (MSG) and a method to manufacture it using glutamic acid as the main raw material. Ikeda’s desire “to alleviate malnutrition by creating good, affordable seasonings and turning simple but nutritious fare into delicacies” struck a chord in Saburotsuke Suzuki II, who in 1909 released *AJI-NO-MOTO*®, the world’s first umami seasoning—and the start of the Ajinomoto Group.

These founding principles are still alive in the Ajinomoto Group’s work today. The Group values the philosophy of “Eat Well, Live Well,” not only in Japan but everywhere its products are sold. The Ajinomoto Group wants to use its products and skills originally cultivated in Japan to enrich food and solve nutritional challenges across the globe, and believes that this is its responsibility as a leading food company.



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



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



## Promoting the value of washoku and umami at Milano World Fair

May 2015 saw the opening of a world fair in Milan, Italy (Expo Milano 2015), centered on the theme “Feeding the Planet, Energy for Life.” Amidst the numerous pavilions by other countries focused on food and the environment, Japan held its own exhibition titled “Harmonious Diversity.” The Japan Pavilion gave visitors a taste of the value and possibilities of Japanese food while drawing connections to the country’s landscape and culture and spotlighting various forms of food-related wisdom and techniques.

The Ajinomoto Group supported Japan by sponsoring the exhibition and providing information on umami and the environment. In July, during the fair period, the Group also set up Piazza Ajinomoto (“Ajinomoto Plaza”) in Japan Salone, a separate exhibition space in the city where the Group held an umami symposium, exhibition, and food sampling.

In Italy people enjoy a bounty of umami-rich ingredients, including tomatoes, anchovies, and cheese, yet awareness of umami as a basic taste is still low. For this reason the Ajinomoto Group held the Umami Summit in Milan, the first international symposium on umami to be held in Italy. A panel of chefs, researchers, and other umami specialists from around the world delved into the questions of how umami changes food and what health benefits umami provides. By sampling *pomodori secchi*, sun-dried tomatoes, and other ingredients, participants learned how to identify umami taste and how using umami-rich broth (*dashi*) can reduce salt intake while maintaining flavor.

The exhibition introduced umami and the relationship between amino acids and all living things. It also showed the evolution of the *bento*, or “boxed meal,” as an eco-friendly

feature of Japanese living that began in the Edo period (1603-1868) and continues to this day. Wisdom from the bento tradition, and the frozen foods and other technologies that support it today, attracted much interest.

The Pasta Bar offered samplings of pasta flavored with Japanese *shiradashi* and *HON-DASHI*® seasonings. Dashi, which enhances flavor and thus helps cut down on salt and oil use, was a new experience for some of the visitors and elicited delightful responses. The venue filled with guests who came to try out these and other Japanese fare, such as yakisoba, fried noodles, potsticker dumplings (*gyoza*)—another reminder of Japanese food’s popularity and that the joy of umami and great flavor knows no borders.



Holding an international symposium like this in Italy, one of the earliest developers of umami and gastronomy known to human history, was an important milestone. I hope Italy will continue to learn about umami and share it with the world.

### Kumiko Ninomiya

Panel discussion moderator  
Director, Umami Information Center (NPO)



Human’s ability to cook with fire and store it has vastly expanded food cultures around the world. Fermentation and extraction methods can also be seen as tactics to increase glutamic acid content. In other words, umami is a flavor that has been sought by humans over the long course of history.

### Gabriella Morini

Panelist  
Assistant Professor,  
University of Gastronomic Sciences, Italy

## TOPICS Raising washoku and umami awareness in Japan

The Ajinomoto Group holds various educational programs in Japan, the birthplace of washoku and umami.

This includes participating in planning activities of the Washoku Association of Japan. Partnering with producers that support Japanese cuisine along with various businesses, associations, NPOs, and local governments, the Group works to preserve and pass on washoku culture and to help others rediscover its value.

As an independent initiative, since 2006 Ajinomoto Co., Inc. has been providing elementary schools with visiting workshops on broth (*dashi*) and umami. In this program, company employees teach children firsthand about the basic tastes, including umami, and Japan’s dashi culture. The company expects to reach more than 77,000 students at 1,000 schools through this program by year-end fiscal 2015.

In May 2015, the Ajinomoto Umami Science Square opened at the Kawasaki Administration & Coordination Office of Ajinomoto Co., Inc., providing interactive experiences for learning about umami and amino acids.



Outside view of Ajinomoto Umami Science Square

## Delivering the Best-Tasting Foods for Every Age and Culture

### Staying ahead of Japan's changing eating habits

While following its own development based on the country's unique island environment, Japanese food culture has also had numerous influences from the outside. Popular items like tempura and sukiyaki are all said to be modified versions of cooking methods transmitted from overseas. Washoku, thus, while rooted in tradition, has a long history of incorporating new methods and ingredients to match the changing age, environment, and needs. The Ajinomoto Group also has grown by improving its technologies and proposing new styles of food and eating.

Today, Japan's eating habits, too, are changing in line with broader social trends. As the number of people per household decreases and women advance in society, time spent on domestic tasks is declining. Flavorful dishes and seasonings that are easy to prepare in small portions provide value for consumers, and Ajinomoto Co., Inc. has been developing products that target these diversifying needs. The expanded lineup of *Cook Do® Kyo-no Ohzara* menu-specific seasonings, for example, make it easy to prepare main dishes using common ingredients. The *Cook Do® Ko-mi Paste* tube-packed seasonings, which are enough by themselves to make authentic sautéed vegetables, fried rice, and soups, are loved for their affordability and versatility. Other new products include *Toss Sala®* seasoning, which, drawing on the Group's powder processing technologies, enhances the look and texture of salads, and *Nabe Cube®*, designed to capture the small-portion hot pot broth market.

### Tailoring value to each market and culture

The technologies and skills the Ajinomoto Group has cultivated in Japan for identifying consumer needs and developing new seasonings and food products have proven useful for expanding business overseas. However, we never provide products without adapting them to other cultures.

The Group now markets to 130 countries and regions, with no two countries sharing the exact same cooking methods, eating habits, or ideas of what constitutes the "best" taste. That is why expanding business or developing products for a new region requires careful localization—product development and marketing activities that draw on a deep understanding of local food culture based on the languages, national identities, and values of the target market. To achieve this, local staff conduct their own research on consumer needs and create products that balance flavor and quality using their own development and production techniques. These products are delivered to consumers through locally appropriate sales and distribution networks. The Group also puts energy into communicating the value of each product and service according to local culture. Feedback received through customer dialogue is used to develop new products or services.

Through efforts like these, the Ajinomoto Group aims to deliver products and services with the best taste and high quality and value for the customer in every region it serves.

### TOPICS *MaDish® Curry Flavor: All the umami and spiciness you want in a single packet (Nigeria)*

Nigerians appear to have a high receptiveness to umami, given their use in traditional home cooking of tomatoes and fermented, amino acid-rich ingredients such as ogiri, dawadawa, and iru, made from beans of the *Parkia* genus of evergreen trees. On the other hand, consumer surveys have found that many consumers use curry powder as a secret ingredient in common dishes such as Jollof rice and stews.

These findings inspired us to develop *MaDish® Curry Flavor*, a packet of umami seasoning and other ingredients, such as curry powder, that simply gives rich flavor and spiciness to a meal. We view this as a unique product unlike existing market segments such as umami seasonings, flavored seasonings, and spices. By delivering this and other valuable, tasty products that meet consumer needs, we hope to continue bringing delicious flavor and smiling faces to the people of Nigeria.

**MaDish® Development Team**  
West African Seasoning Co., Ltd.



Products on display at a market



Explaining the product to a retailer



Jollof rice



## The Ajinomoto Group's strategy for entering new markets

The usual strategy of the Ajinomoto Group for entering a new market is to start with its highly versatile umami seasoning *AJI-NO-MOTO*®. From there the Group develops products with increasing added value—specifically, flavored seasonings that make region-specific broths easier to make, and delicious menu-specific seasonings for simple preparation of local home-cooked favorites. The Group then rounds out its lineup with a range of products that match local consumers' needs and food habits, such as soups, instant noodles, and frozen foods.

In today's fast-changing, highly competitive markets, however, a more flexible, speedy approach to regional and local conditions is also critical. In North America, Europe, and other markets where the Ajinomoto Group has been looking to expand in recent years, for example, it is increasingly the case that the Group starts with products that are more processed, such as frozen foods and instant noodles, depending on the situation in each country.

### Approach to Product Expansion in the Ajinomoto Group



## Making products affordable to everyone, everywhere

To market products globally, it is important that they are accessible to everyone, everywhere. That is why the Ajinomoto Group is committed to making products available at affordable prices, and in sizes that are convenient to use. For example, the umami seasoning *AJI-NO-MOTO*® is available in Indonesia in a 0.9-gram packet for 50 rupiah (US\$0.004), in the Philippines in a 9-gram packet for 2 pesos (US\$0.04), and in Vietnam in a 50-gram packet for 3,000 dong (US\$0.13).<sup>1</sup>

The Group has adopted a “direct cash sales model” in areas where supermarkets are not yet common. Local staff sell products on a cash basis only, visiting markets and shops in person. By valuing communication with shopkeepers and customers, the Group is growing even deeper roots in these regions.

<sup>1</sup> The exchange rate as of September 2015 was applied for calculating US\$.

## Meeting the growing demand for Japanese foods in North America

The Japanese and Asian frozen foods market has been expanding in North America due to growing preferences for healthy, quality foods and an interest in Japanese cuisine. Ajinomoto Windsor, Inc. was established following the acquisition of Windsor Quality Holdings, LP in November 2014, and organizational restructuring in the U.S. in April 2015.

The Ajinomoto Group aims to build by far the strongest brand in the Japanese and Asian frozen foods market by combining its product development capabilities and production technologies with Windsor's extensive production and distribution infrastructure—including sales connections with some 80,000 retail outlets and 120,000 chain restaurants across the U.S.

By creating new markets and value for Ajinomoto Windsor's

specialty segments, including rice, noodles, gyoza, and especially, ramen, which has enjoyed booming interest in North America in recent years, the Ajinomoto Group will endeavor to extend its strong market presence to the U.S.



One of many sampling events held to communicate product appeal



## TOPICS Respecting food diversity: Halal and other religious dietary standards

### Lessons learned from the Halal incident

Adherence to religious standards in the production of food, such as Halal, is essential for Muslims and other people of faith worldwide to live with peace of mind. That is why the Ajinomoto Group includes these standards as part of its quality assurance activities and makes efforts through dialogue with local stakeholders to deliver the best-tasting foods that respect local religions and cultures.

The Halal incident<sup>2</sup> that occurred in Indonesia in 2001 was an important reminder to the Ajinomoto Group that a business cannot survive without an awareness of the relationship between religion and food. Since then the Group has intensified efforts to understand and comply with Halal principles.

Promptly after the incident, PT Ajinomoto Indonesia established a Halal committee under the direction of local executives. Through deepened and continuous dialogue with Indonesia's certification body (MUI) and local religious groups, the company built its own Halal management system based on ISO guidelines, and also quickly organized an internal education program on Halal.

In 2003 the Ajinomoto Group formulated the Standard for Halal Control as a quality standard incorporated into the Ajinomoto System of Quality Assurance (ASQUA), and since then has continued to address Halal compliance as a group-wide issue.

### Growing markets and rising certification standards

As Islamic markets have expanded in recent years, so too have the requirements for Halal certification. MUI in particular has required businesses since 2009 to implement and receive periodic assessment of a Halal Assurance System (HAS).<sup>3</sup>

To address these trends, the Ajinomoto Group formed a cross-functional HAS team and built and made continuous improvements to its HAS management system. The Quality Assurance & External Scientific Affairs Department of Ajinomoto Co., Inc. served as coordinator and revised the Standard for Halal Control, which now includes a religious compliance checklist. The checklist, which helps to prevent both quality and faith-related complaints, is the Group's own creation and a source of competitiveness.

As a result of these efforts, in 2013 the Tokai Plant of Ajinomoto Co., Inc. became the first operation in Japan to receive an AAA grade

(three consecutive A grades) on its Halal audit—the highest possible. In 2015, all four audited plants, including the Kawasaki Plant and Kyushu Plant of Ajinomoto Co., Inc., and Nippon Protein Co., Ltd., received an AAA grade.

Furthermore, PT Ajinomoto Indonesia progressed from an A grade at its first HAS audit in 2009 to AAA in 2010. It also received an A grade during the certificate renewal audit, which takes place every four years, in 2014. In 2013, the company created at its head office a new Food Regulatory Affairs Department focused on regulatory compliance issues. Through closer dialogue with MUI, it has created a system that allows it to obtain short-term Halal certification, eliminating the need to be audited every time a new product is released.

As Islamic markets continue to expand, the Ajinomoto Group is increasing engagement not only in Indonesia but in various countries, building positive relations with the Department of Islamic Development Malaysia (JAKIM), for example. With Indonesia and Malaysia serving as strategic centers of production for export, the Group is aggressively developing Halal-certified products in these countries.

The Ajinomoto Group is also actively working to obtain Kosher certification for Jewish customers. This represents its ongoing commitment to delivering the best-tasting foods to all consumers based on an understanding and respect for religious dietary needs.

<sup>2</sup> In 2001 a Halal certification body in Indonesia found that preservation media for fermentation bacteria used in the production of *AJI-NO-MOTO*® umami seasoning at PT Ajinomoto Indonesia contained soy protein degradation products made using pig-derived enzyme as a catalyst, eliciting distrust in the company. The lack of sensitivity to the local community led to a public outcry.

<sup>3</sup> A management system designed to ensure that all materials and processes in food production, from raw materials procurement through manufacturing, storage, distribution, and delivery to the end customer, are halal, meaning "permissible" under Islamic law.



Food Regulatory Affairs (FRA) Department staff at PT Ajinomoto Indonesia



HAS management evaluation certificate



Halal-certified products display a certification mark on their packaging

The Halal Assurance System (HAS) is a critical part of the Ajinomoto Group's policy for operating its Halal management systems. The HAS encourages employees to understand and be actively involved in their companies' management systems. It also supports a commitment by management to continuously manufacturing Halal-compliant products and to meeting the needs of Muslim consumers in not only Indonesia but all growing Islamic markets.

**Hermawan Prajudi**  
FRA Department, PT Ajinomoto Indonesia

## Working Cooperatively to Address Global Nutritional Issues

### Sharing Japan's successes in addressing malnutrition

Global population growth and economic change are having a deep impact on people's eating habits, greatly affecting their nutritional state. Chronic malnutrition, obesity, and micronutrient deficiency are universal issues that threaten health and cause disease.

The Ajinomoto Group has long been committed to social contribution programs focused on food and nutrition. Now the Group is going beyond aid by embarking on a path toward social enterprise, the application of business strategies to improving nutritional outcomes.

The Fifth Ajinomoto Group Sustainability Forum, "Japanese Nutrition Will Change the World", was held in November 2014 as a step toward practicing this philosophy. The forum included speakers from NGOs, industry, government, and academia discussing topics on nutrition, with the goal of finding opportunities for partnership that take advantage of each sector's expertise.

The forum brought attention to modern Japan's approach to nutrition. The country's biggest challenge after World War II was overcoming undernourishment. The Japanese school lunch was a unique initiative that greatly contributed to solving this problem. However, some 40 years later, the issue shifted into rising obesity. Through fine-tuned nutritional guidance and other efforts, Japan has recently become the only country in the world to lower its obesity rates, while also attaining the highest life expectancy. Despite increasing Westernization of the country's diet, Japan has been able to achieve a level of health and longevity that is rare even among developed nations because of various policies that encourage nutritional balance, in addition to a traditional diet based on *dashi* and umami.

Discussions on how to apply this knowledge and experience in Japan to solving global issues unfolded at the forum.

### Tackling a complex issue: The double burden of malnutrition

A major theme of the forum was an issue presently confronting the human race: the double burden of malnutrition, or DBM, the phenomenon in which both overnutrition and undernutrition exist alongside each other.

Accompanying economic growth in developing countries, overnutrition was previously common among the rich in urban areas while the rural and urban poor remained undernourished. This resulted in a double burden of malnutrition at the national level. In recent years, however, overnutrition is becoming more evident even in rural areas due to the spread of low-priced, high-calorie and high-fat processed foods, leading to a growing obesity problem. Exacerbating the problem has been the speed of the shift from hunger to obesity, particularly in emerging countries like Brazil.

Japan's experience in resolving both issues of undernutrition and overnutrition can serve as a guide for other countries.

An example of this is the School Meal Project implemented by Ajinomoto Vietnam Co., Ltd. with local governments. The project provides regular support for nutrition education and developing nutritionally balanced menus, which have so far been adopted by more than five hundred schools. Furthermore, Ajinomoto Vietnam Co., Ltd. and Ajinomoto Co., Inc. are jointly making progress with initiatives to educate dietitians in Vietnam, where there was previously no educational or certification system for dietitians. The companies have set up a university endowment for a nutrition-related program and awarded scholarships to top-ranking students, among others, and are now also working with relevant authorities to create a dietitian certification system.

Complex nutritional issues such as the double burden of malnutrition cannot be solved by a single corporation working alone. The Ajinomoto Group will continue to advance solutions that involve the whole community by mobilizing networks cultivated through various past efforts.

Reference See "The Fifth Ajinomoto Group Sustainability Forum" on p. 123.

Reference See "Improving childhood nutrition (Vietnam)" on p. 130.

The Fifth Ajinomoto Group Sustainability Forum was held to commemorate 15 years of the Ajinomoto International Cooperation Network for Nutrition and Health (AIN). In addition to lectures on various aspects of nutrition, also presented was an initiative to improve nutrition in Bangladesh by Hunger Free World, an NGO working in international cooperation, with support from AIN.



**TOPICS**

# Advocating nutritionally balanced school meals across Vietnam

## Vietnam School Meal Project



Since fiscal 2012, Ajinomoto Vietnam Co., Ltd. has been promoting the School Meal Project in Vietnam as part of efforts to leverage Japan's wealth of knowledge, particularly for improving child nutrition through school meals.

There are still many regions in Vietnam where school lunches are not provided. Even urban elementary schools providing school meals experience difficulties in developing nutritious lunch menus. This stems from a lack of sufficient knowledge regarding nutrition among school lunch staff and the lack of a national policy for dietitians. There is also inadequate awareness of the importance of the daily diet even among teachers and parents.

Ajinomoto Vietnam Co., Ltd. launched a medium-term project in partnership with Vietnam's Ministry of Education and Training, Ministry of Health, its affiliate the National Institute of Nutrition (NIN), and local governments, believing that the Japanese school meal system could be applied to address these issues.

In the first year, fiscal 2012, ideas were exchanged with school principals, school lunch staff, health personnel, and parents in the cities of Ho Chi Minh and Da Nang to develop and introduce pilot school lunch menus that are delicious and nutritionally balanced. In fiscal 2013, menu books that reflect the distinctive food culture in these two regions were developed to standardize menus, and nutrition-related educational materials were provided for children to use during a daily, pre-lunch food education period. As of fiscal 2014, these initiatives are being expanded to northern Vietnam, while development of a software program for designing nutritionally-balanced menus has also been underway.

Ajinomoto Vietnam Co., Ltd. will seek to distribute its new software program to all provinces and conduct outreach programs to make nutritionally balanced school lunches available across Vietnam by fiscal 2016.

### Key steps of the project

1. Standardize elementary school lunch menus in major cities
2. Develop kitchen models to improve school cooking facilities
3. Develop and distribute nationwide menu-design software

### Major cities hosting the project



Nutritional education material for students: "Three Minutes to Change Awareness" program (left). Menu books are prepared for each region (right).

Japan is known for the assistance it provides to developing countries like Vietnam for building roads, bridges, airports, and dams. But I think we should also consider contributing some of our more intangible skills and knowledge. The School Meal Project is one such example.

Though the project has been credited as an excellent social contribution by external stakeholders, at its core it is an initiative directly tied to our business. The project not only enhances the credibility of the Ajinomoto Group, it also increases the use of our products in schools such as the umami seasoning *AJI-NO-MOTO*<sup>®</sup>, mayonnaise, and fried chicken breading mix. Children who acquire a taste for our products in childhood are likely to become future customers. This close link to our business helps us to persist in keeping this initiative going, thereby increasing our corporate value.



**Hiroharu Motohashi**

General Director, Ajinomoto Vietnam Co., Ltd.



## Preventing overnutrition with proprietary technology and taste research

Rising obesity<sup>1</sup> is now recognized as a global health threat. The disorder has doubled in prevalence since 1980, and at the current rate will affect more than 1 billion people by 2030. Behind this trend is the spread of adequate food even in developing countries, where high-fat, high-calorie Western diets have become commonplace. In Brazil, for example, about half the population were undernourished 20 years ago. Recent surveys now show that only 5% of the overall population are going hungry, whereas more than 50% are obese or likely to become obese.

Obesity is a risk factor for lifestyle diseases such as diabetes and high blood pressure, and shortens life expectancy. The World Health Organization (WHO) set a target for halting the rise of global obesity by 2025; achieving this goal requires improving nutritional balance on a day-to-day basis.

Ajinomoto Co., Inc. is helping to solve this issue by providing low-sugar, low-fat, and low-salt food products. The company develops and sells numerous healthy seasonings, sweeteners, and processed foods. These include *PAL SWEET*<sup>®</sup>, a low-calorie sweetener with a subtle sweetness and zero sugar, and *Refresco FIT*, a powdered juice sold in Brazil that uses aspartame and is highly regarded for providing delicious, low-priced juice to socioeconomic classes who cannot afford fresh juice, while simultaneously helping to reduce sugar intake. In the low-fat segment, *Pure Select*<sup>®</sup> *Kokuuma*<sup>®</sup> has 65% fewer calories than the company's regular mayonnaise while maintaining the same rich taste through a proprietary production method. And in the low-salt segment, *YASASHIO*<sup>®</sup> provides the same salt flavor with less sodium, while *Knorr*<sup>®</sup> *Cup Soup* includes a product with 40% less salt than the company's regular products thanks to a unique technology.

<sup>1</sup> Obesity is defined by the Japan Society for the Study of Obesity (JASSO) as a body mass index (BMI) greater than or equal to 25, where BMI = weight (kg) ÷ height (m) ÷ height (m). In Western countries, a BMI of 30 and over is considered obese.

### Low-sugar products



*PAL SWEET*<sup>®</sup>



*Refresco FIT*

### Low-fat product



*Pure Select*<sup>®</sup> *Low-Calorie Kokuuma* Calorie 65% Cut

### Low-salt products



*YASASHIO*<sup>®</sup>



*Knorr*<sup>®</sup> *Cup Soup* creamed corn variety with 40% less salt

## Child nutrition as a fundamental solution to malnutrition

Of the eight Millennium Development Goals (MDGs) set in 2000, three are closely tied to nutritional issues. According to the MDGs report released in July 2015, the proportion of undernourished people in developing countries has fallen by almost half, from 23.3% in 1990–92 to 12.9% in 2014–16. This translates to more than 200 million people escaping hunger since 1990. On the other hand, much progress is still needed to combat stunting and other issues of malnutrition. This is why the Global Goals for Sustainable Development adopted by the UN General Assembly in September 2015 emphasize the need for improved nutrition on a broad level.

Low-income groups are more prone to undernourishment, which has a profound effect on children in particular. Children in the bottom 20% income group are more than twice as likely to experience stunted growth as those in the top 20%. Stunting and mortality are particularly serious issues for babies and young children.

Approximately one-third of infant mortality cases globally are said to be caused by malnutrition. Malnutrition and stunted growth during the first 1,000 days—from conception until the child's second birthday—increases the risk of mortality before the age of five, and impairs intellectual development. Infant malnutrition has an irreversible effect on a child's future.

In light of this, the Ajinomoto Group is acutely aware of the importance of addressing malnutrition in children. Through initiatives such as the Ghana Nutrition Improvement Project, the Group is taking on a leadership role to solve this issue as part of its responsibility as a food manufacturer with global reach.

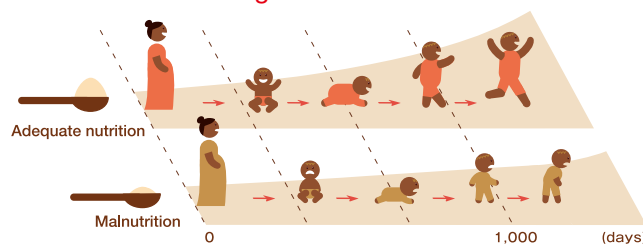
### MDGs closely linked to nutritional issues

- Goal 1** — Eradicate extreme poverty and hunger
- Goal 4** — Reduce child mortality
- Goal 5** — Improve maternal health

### SDGs closely linked to nutritional issues

- Goal 2** — End hunger, achieve food security and improved nutrition, and promote sustainable agriculture
- Goal 3** — Ensure healthy lives and promote well-being for all

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



In Ghana, 30–40% of children aged two years display stunted height, mainly from malnutrition during weaning from age six months and beyond.



**TOPICS**

## Improving maternal and child nutrition through multi-partner social business Ghana Nutrition Improvement Project



The Ajinomoto Group launched the Ghana Nutrition Improvement Project in 2009 to help address malnutrition in Ghana.

The project aims to improve child nutrition during weaning through the development, production, and sales of *KOKO Plus*, a supplement containing amino acids that fortify traditional complementary food.



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

The Ajinomoto Group has partnered with various sectors for this initiative, from Ghanaian government and academia to international governmental and nongovernmental organizations, and private companies. The Group is developing a social business model that takes full advantage of the synergies from these partnerships. In marketing and sales, the Group has also created a mechanism for women to sell products at each village, in cooperation with an international NGO focused on empowering local women.



Distribution model pilot test in Northern Ghana's rural district. *KOKO Plus* is distributed to mothers and children by regional saleswomen in 13 communities

The project has progressed in three phases: Phase 1 from 2009 to 2011 included market research, product development, and partnership building. For Phase 2 from 2011, a *KOKO Plus* factory was established and production begun in Ghana's Central Western region with Yedent, a food company, as local production partner. In fiscal 2013, the Ajinomoto Group started testing to confirm the product's nutritional efficacy (involving 1,200 subjects in 40 communities), together with a local university and NGO. Distribution model pilot tests were also conducted in Northern and Southern Ghana.

In fiscal 2015 Phase 3, scaling up production and sales, will begin. The Ajinomoto Group hopes to reach more children with support from Ghana, the Japan International Cooperation Agency (JICA), United States Agency for International Development (USAID), and other government bodies.

With immense support from our many partners, we've been able to overcome countless difficulties and make major strides in growing this project, effectively moving it into the global spotlight. *KOKO Plus* has increasingly shown to be an effective approach to resolving the nutrition-related Global Goals for Sustainable Development adopted by the UN in September 2015. While not easy, we will continue efforts to turn this project into a sustainable business, one step at a time.



**Yasuhiko Toride**

Group Executive Professional,  
R&D Planning Department, Ajinomoto Co., Inc.



**Top Prize in the Nikkei Social Initiative Awards** by newspaper company Nihon Keizai Shimbun (Nikkei)  
Joint submission by Ajinomoto Co., Inc., CARE International Japan, and Plan Japan

Link

Ghana Nutrition Improvement Project  
<http://www.ajinomoto.com/en/activity/csr/ghana/index.html>

# Improving Nutrition for Longer, Active Living

## Preventing undernourishment from declining eating faculty

By 2050 a projected 1.5 billion people worldwide will be aged 65 and over. The pace of aging is particularly rapid in Japan, where the proportion of elderly people already exceeds 25%, ushering in a “super-aged” society not yet found anywhere else in the world. Helping to solve the dietary and nutritional issues facing Japan today will therefore greatly benefit the world in the future.

The double burden of malnutrition can now occur within one person’s lifetime. After increased risk of obesity and lifestyle diseases from age 30 to 50 because of overnutrition, the same person may experience deterioration of muscle strength and body functions due to undernutrition in old age.

Examples of declining physical functions include a reduced ability to secrete saliva and weakened swallowing and chewing strength. Failure of these functions for eating reduces appetite, which may lead to further undernourishment.

Reduced saliva production causes dryness in the oral cavity, commonly known as dry mouth. This condition makes it harder to taste food, and causes speech difficulties as the tongue’s movement is impaired, as well as various disorders such as difficulty swallowing (dysphagia) and fungal infection in the tongue (candidiasis). Recent studies reveal that umami stimulation is effective in enhancing salivation, and dry mouth patients show improvement with continued intake of umami.

Ajinomoto Frozen Foods Co., Inc. also provides on its website recipes for dishes that are easier to eat for elderly people with chewing difficulties. With frozen foods and just a little extra effort, such as cutting, softening, adding a thick sauce, and blending ingredients, the elderly can eat the same meals as the rest of the family, which leads to deeper family bonds.



**Link** Grandma, Grandpa, let’s eat! Frozen food techniques <http://www.ffa.ajinomoto.com/recipe2/katsuyoujutsu/> (Japanese)

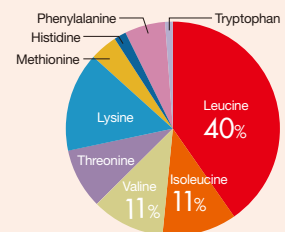
## Preventing locomotive syndrome with amino acids

Undernutrition in old age may contribute to “locomotive syndrome,” a term coined in Japan to refer to various symptoms of musculoskeletal degeneration. Fighting against locomotive syndrome was a key priority in the Ministry of Health, Labour and Welfare’s Health Japan 21 (the second term) plan. In Japan, four out of five people over 40 are said to be at risk for this condition. Like metabolic syndrome, good prevention starts at about age 40. Ajinomoto Co., Inc. is helping by providing information on lifestyle-related diseases and healthy recipes through its “Karada-Gohan-Labo” website. In partnership with the health promotion department of Watari Town, Miyagi Prefecture, the Ajinomoto Group has supported the Red Apron Project for Tohoku reconstruction after the Great East Japan Earthquake. As part of the project, the Group held a workshop for community health advisors in fiscal 2014 to provide them with protein intake recommendations for preventing locomotive syndrome. In summer 2015, the Group also began holding lectures and cooking classes to raise awareness of locomotive syndrome among consumers.

The Ajinomoto Group has also produced promising results for preventing locomotive syndrome through amino acid research. *Amino L40*<sup>®</sup> is a proprietary high-leucine blend of essential amino acids made by Ajinomoto Co., Inc. Containing nine essential amino acids, including 40% leucine, the product has the ability to help synthesize muscle protein with smaller amounts than the protein found in food. The company announced the results at academic conferences, highlighting the product’s potential as an efficient means of counteracting sarcopenia,<sup>1</sup> one of the causes of locomotive syndrome. This potential is also presented in 2015 Dietary Reference Intake for Japanese, which outlines intervention trials that demonstrated the effectiveness of high-leucine essential amino acid supplements.

<sup>1</sup> One of the symptoms of locomotive syndrome, whereby muscle mass and strength decreases due to age. It lowers the ability of the elderly to perform physical exercise, results in a decline in daily activity and may lead to a need for nursing care. It is thought to be caused by malfunction of protein synthesis brought by aging.

### Amino L40<sup>®</sup> amino acid composition



**Link** “Karada-Gohan-Labo” website <http://kenko.ajinomoto.co.jp/> (Japanese)

Community health advisors develop original recipes for improved protein intake in Watari Town, Miyagi Prefecture (left). “Active for life” health support seminar held in September 2015, organized by Ajinomoto Co., Inc. with support from Nagaoka City, Niigata Prefecture (center and right)







Special  
Feature  
2

# Improving the Nutrition of All Forms of Life with World-Leading Amino Acid Technologies

Amino acids are not only the building blocks of all life on earth; they are also substances with a myriad of undiscovered possibilities. Since its founding, the Ajinomoto Group has studied amino acids with the goal of harnessing their various functions in products. Putting its world-class AminoScience expertise to use for better nutrition and health is just another example of how the Group is capitalizing on its unique business specialties.

## AminoScience and the Pursuit of New Possibilities

The Ajinomoto Group has continued to develop new amino acid technologies, placing them at the foundation of R&D efforts. Today, the Group prides itself on being a driving force in global amino acids research.

It is said that the stirrings of life began more than three billion years ago with the creation of amino acids and other substances that would later form the bodies of organisms in primordial oceans (*The Origin of Life*, by Alexander Oparin). In other words, to study amino acids is to unravel the secrets of all life on earth.

The Ajinomoto Group calls this pursuit of harnessing the potential of amino acids "AminoScience." Comprising a pillar of its business alongside consumer foods, the AminoScience segment comprises two parts: Life Support (animal and plant nutrition, highly functional materials) and Healthcare (pharmaceuticals, advanced medical treatment, health and nutrition). By advancing research in these domains, the Group aims to improve nutrition for all living things.

Amino acids are said to have various functions that have yet to be elucidated. To bring their mechanisms to light and mobilize them for the well-being and sustainability of humans and all other life on earth, the Group will continue to advance R&D and its business.

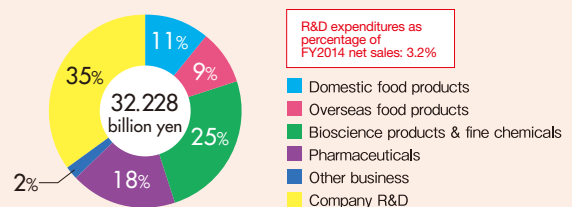
### R&D that drives innovation

R&D at the Ajinomoto Group is aimed at leveraging its unique AminoScience expertise for proposing new value-added materials and business models that propel growth.

The Group has dozens of research laboratories across 14 countries worldwide, employing more than 1,700 R&D employees. These resources make it possible to propose custom solutions to global markets through interdisciplinary partnerships. The number of patents held by the Ajinomoto Group totaled 864 in Japan and 3,348 in all other countries as of March 2015.

The Group is also focused on creating value through open and linked innovation, where outside ideas and technologies are incorporated into development with other entities.

### R&D expenditures by business segment (FY2014)



# Understanding Amino Acids and Their Benefits

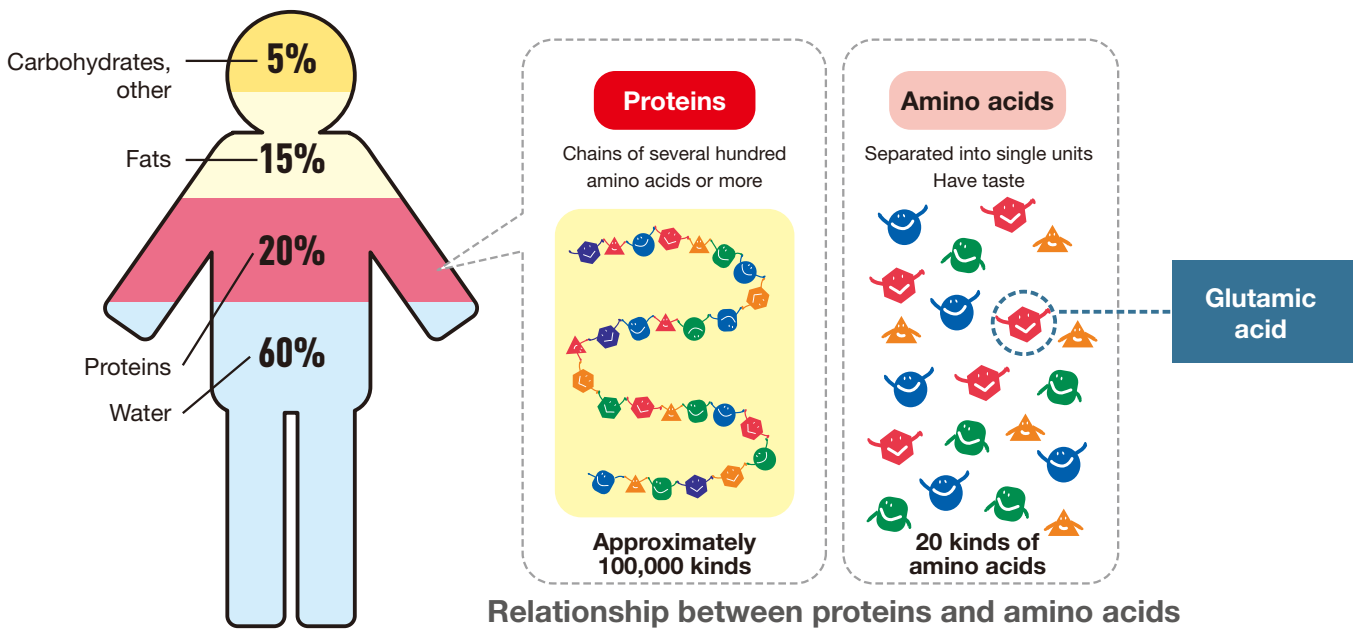
## All proteins consist of just 20 kinds of amino acids

Approximately 20% of the human body is made up of proteins. Proteins not only form the physical structure of muscle, skin, hair, and other tissue, but also serve a role in immunity as enzymes, hormones, and antibodies. They can also be nutrients or parts of blood. Proteins thus coordinate and control various reactions in the human body.

These proteins are made up of 20 kinds of amino acids—the same 20 amino acids that make up the proteins of all living things on earth, not just humans. These amino acids come in two basic varieties: essential amino acids, which can't be synthesized within the body and therefore must be obtained from food, and non-essential amino acids, which are synthesized within the body on a regular basis. Because the amino acids that make up proteins serve a crucial function in sustaining the life of animals, it is important to get all of them as part of a balanced diet.

## The multifaceted roles of amino acids in the body

Amino acids are not only the building blocks of proteins. Individual amino acids play a variety of roles, involved even in taste. The meat, fish, vegetables, fruit, dairy products, fermented foods, and seasonings we eat everyday, for example, contain various amino acids that are a defining part of how the food tastes. Of those, the greatest contributor to umami is glutamic acid. Glutamic acid is one of the most commonly occurring amino acids in the natural world, and all organisms make glutamic acid in their bodies. It not only makes food more delicious, but also performs various functions essential to survival. Even breast milk, a newborn's first food, is rich in glutamic acid. The glutamic acid that creates the experience of umami in food and the glutamic acid produced in our bodies are the same substance. Research on its various functions is being pursued in Japan and other countries worldwide, shedding scientific light on its contributions to health.



Relationship between proteins and amino acids

Tomatoes, kombu kelp, cheese, and meat are rich in glutamic acid





## The flavor and health benefits of umami and kokumi substances

While studying these various functions of amino acids, the Ajinomoto Group has also been developing technologies that enhance the experience of eating in general, including taste, texture, and flavor. The Group also strives to utilize the flavoring compounds and seasonings resulting from these technologies for improving health.

One such effort is reducing salt intake. The Food and Agriculture Organization of the United Nations (FAO) and the World Health Organization (WHO) are both working to reduce salt intake, while hampered by the fact that reduced-salt diets taste less flavorful and satisfying. Meanwhile, the National Academy of Sciences reports that targeted use of umami compounds can help reduce salt content while maintaining flavor. The Ajinomoto Group thus has sought to contribute to salt reduction using its extensive knowledge of umami. *YASASHIO*<sup>®</sup>, which provides the same salt flavor with 50% less sodium, is one outcome of this endeavor.

Another area of focus is “kokumi” substance, which enhances the five basic tastes (sweet, sour, salty, bitter, and umami), deepening and rounding out their flavor and improving palatability. In August 2014, the kokumi substance glutamyl-valyl-glycine,<sup>1</sup> for which Ajinomoto Co., Inc. has developed a production method, was approved as a food additive by Japan’s Health Ministry. Kokumi ingredients have already been introduced in products overseas, while in Japan their introduction has started with certain household dashi products in fiscal 2015.

## Confirmed safety of monosodium glutamate

Monosodium glutamate (MSG) has passed all of the numerous safety tests that are required for a food additive used as seasoning under Japan’s Food Sanitation Act.

In 1987 the Joint FAO/WHO Expert Committee on Food Additives (JECFA) evaluated MSG’s safety based on test results from research institutions worldwide and concluded that, because MSG poses no harm to human health, its acceptable daily intake need not be specified. In 1991 the European Community’s Scientific Committee on Food (SCF) reached the same conclusion, and in 1995 the U.S. Food and Drug Administration (FDA), based on an evaluation report it commissioned from the Federation of American Societies for Experimental Biology (FASEB), reiterated MSG’s safety. Again, in 2003, Food Standards Australia New Zealand (FSANZ) released a safety evaluation report with the same findings.

The Ajinomoto Group believes umami compounds still have much to offer, for making daily foods more delicious, and for maintaining human health. By continuing to search for those benefits, the Group hopes to contribute to the health of people all around the world.

<sup>1</sup> A tripeptide (class of molecules comprising a chain of three amino acids linked in a specific order) consisting of glutamic acid, valine, and glycine. Present in foods that are already consumed, such as scallops, naturally brewed soy sauce, and fish sauce, it enhances kokumi.

### Highlight Developing biopharmaceutical technologies

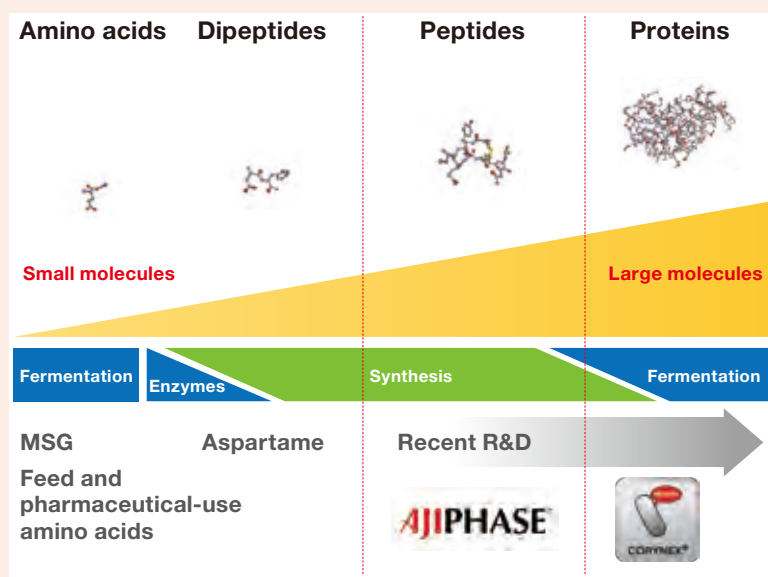
The Ajinomoto Group has been developing unique hybrid processes combining fermentation and chemical synthesis technologies and applying them to the development of pharmaceutical intermediates derived from amino and nucleic acids. These activities evolved into a bulk pharmaceutical intermediate supply business, later expanding into our very-own, unique biopharmaceutical manufacturing technologies and business.

The Ajinomoto Group now provides the *Aji-Phase*<sup>®2</sup> service business for contract manufacturing of oligonucleotides and peptides, and *Corynex*<sup>®3</sup> for contract development and manufacturing of proteins.

<sup>2</sup> A service that supplies oligonucleotide and peptide drug substances using a unique liquid phase synthesis. It employs the world’s first practical liquid phase method to synthesize oligonucleotides at the kilogram scale. The technology is a very powerful tool for the predicted large-scale need of oligonucleotides.

<sup>3</sup> A service that supplies proteins using a unique technology that harnesses the abilities of amino acid-producing bacteria. The numerous advantages make it possible to produce various proteins that are difficult to produce with conventional technologies.

### Technology evolution from amino acids to peptides to proteins



## Amino Acids for Medicine and Health

### Our journey from amino acid supplier to drug designer

Hydrolysis of wheat gluten or soy protein produces a liquid containing amino acids. Of these, Ajinomoto Co., Inc. had only extracted glutamate at first. Along the way, however, the company saw the potential to isolate and extract the remaining amino acids, for use in the pharmaceutical field.

This led to the development of technology for isolating and refining amino acids, and the company had successfully isolated 18 amino acids by the beginning of the 1950s. These were delivered to researchers in Japan and worldwide, providing the impetus for global research into the uses of amino acids. As of 2014, the global demand for amino acids for pharmaceutical use is estimated at around 30,000 tonnes—and Ajinomoto Co., Inc. is the leading company in this field.

Ajinomoto Pharmaceuticals Co., Ltd. is tasked with applying its extensive amino acid knowledge and advanced technologies to new drug development. Specializing in gastrointestinal disorders, the company strives to develop drugs that regulate food and nutrient digestion, absorption, metabolism, and excretion.

*LIVACT® Granules*, a branched-chain amino acid formula marketed since 1996, improves the nutritional condition of decompensated cirrhosis patients. The drug was released in the Philippines in January 2015 and in Vietnam in August 2015. Given dietary culture and body-type similarities between Japan and Southeast Asian countries, the company sees potential for business expansion by extrapolating the results of Japanese clinical studies. With *LIVACT® Granules*, Ajinomoto Pharmaceuticals Co., Ltd. wants to help improve the quality of life (QOL) of cirrhosis patients all across Asia.

### “AminoIndex Technology” contributes to cancer and metabolic disease prevention

It is now understood that when a person becomes sick, their metabolic balance often changes, altering the concentration of amino acids in their blood. Ajinomoto Co., Inc. utilized this observation to develop *AminoIndex™*, an “AminoIndex Technology” that measures blood amino acid concentrations to detect disease risk. One advantage it provides is the ability to quickly determine a patient’s health condition using a small blood sample.

*AminoIndex™* Cancer Screening (AICS), a service jointly launched with SRL, Inc., assesses risk of multiple types of cancer by analyzing blood amino acid concentrations. In August 2015, a screening test that provides early detection of pancreatic cancer was added to AICS. Around 60% of pancreatic cancer cases are said to be inoperable at diagnosis, with a five-year survival rate of only 7%. Early discovery with AICS thus holds promise for prolonging life and increasing chances of remission.

The Ajinomoto Group is also endeavoring to use “AminoIndex Technology” for preventing diseases other than cancer. *AminoIndex™*, Metabolic Screening (AIMS) is a test that assesses multiple risks arising from nutritional status and lifestyle. Because amino acid concentrations shift in cases of visceral fat accumulation, fatty liver, and postprandial hyperglycemia, AIMS is intended to help with preventing the serious onset of disease by assessing the risk of these conditions so they can be addressed early on.

The Ajinomoto Group will continue to utilize “AminoIndex Technology” for helping people live longer, healthier lives.



## Developing a safer iPS cell culture medium

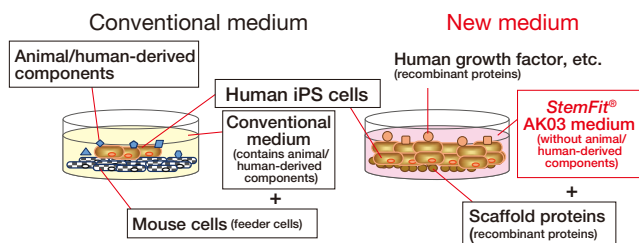
Since 1987 Ajinomoto Co., Inc. has been using its knowledge from decades of amino acids research to market culture media used in the production of biopharmaceutical products.

In February 2014 the company, working with the Center for iPS Cell Research and Application at Kyoto University, succeeded in developing *StemFit*<sup>®</sup> AK03, a safer iPS/ES cell culture medium for regenerative medicine applications.

Typically human iPS cells are cultured with mouse cells called “feeder cells,” using a culture medium that includes bovine serum. *StemFit*<sup>®</sup> AK03 uses recombinant proteins,<sup>1</sup> a type of bioengineered protein, thereby eliminating animal- and human-derived components and creating a medium consisting solely of highly refined substances.

A consultation on the safety and quality of *StemFit*<sup>®</sup> AK03 cell culture medium with Japan’s Pharmaceuticals and Medical Devices Agency (PMDA) confirmed that the product does not include any raw materials subject to the Standards for Biological Ingredients. Ajinomoto Co., Inc. believes this confirmation to be important from a safety viewpoint.

<sup>1</sup> Proteins manufactured using microorganisms, such as bacteria and yeast. Recombinant proteins are widely used in biopharmaceutical products for treatment of cancer and rheumatism.



## Supporting athletes with Ajinomoto’s original amino acid formulations

Taking adequate amounts of amino acids, the building blocks of proteins, is essential for athletes and sports enthusiasts who train hard. Amino acids are convenient because they can be taken when needed, being absorbed by the body in only around 30 minutes, and are safe substances not prohibited by anti-doping regulations.

Ajinomoto Co., Inc. has been conducting scientific research on sports and nutrition with the goal of supporting top athletes. By studying their physiological changes during competition and supplementing their nutrient composition with original amino acid formulations, the company aims to enhance their physical condition and competitiveness. The research findings are being used to develop new products and support top athletes in the field.

One product of this research is *amino VITAL*<sup>®</sup> GOLD, which features an amino acids mixture enriched with leucine as its main ingredient. This product was engineered to address the problem faced by the world’s leading competitors where lingering fatigue from strenuous daily practice or training impedes continued exercise. It is used fondly by current and aspiring top athletes alike.

*amino VITAL*<sup>®</sup> Amino Protein, with a mixture of essential amino acids and whey protein, provides the same body-building support as ordinary protein products but at a smaller serving size (approximately 4 grams compared to the usual 20 grams).

And *amino VITAL*<sup>®</sup> Perfect Energy, an alanine and proline-enriched formulation combined with carbohydrates, helps athletes who take it during prolonged practice or a game to perform at their peak to the very last round or inning.

### Highlight Promoting deeper, more restful sleep: *Glyna*<sup>®</sup> remarketed as food product with functional claims

Glycine, an amino acid, is found in high amounts in scallops and other seafood, and also constitutes one third of the collagen in human skin.

Through many years of amino acids research, Ajinomoto Co., Inc. discovered that taking glycine quickly works to induce deep sleep (slow-wave sleep), and acquired a patent in Japan (No. 4913410). In 2005, it released *Glyna*<sup>®</sup> in Japan, a sleep aid containing 3,000 milligrams of glycine now used by more than a million people.

To more clearly and appropriately display the product’s functional information as backed by scientific evidence, in August 2015 the company re-released *Glyna*<sup>®</sup> as a food product with functional claims under new guidelines of the Consumer Affairs Agency in Japan.



#### Notification for food with functional claims

This product contains glycine, a substance that has been shown to rapidly induce deep sleep and enhance sleep quality (improved sleep rhythm and perception of sleep depth), while also contributing to a more refreshing morning, reduced daytime drowsiness and sense of fatigue, and higher work efficiency.

#### Notification No. A42

- This product is not a food for specified health use and has not been individually verified by the Secretary-General of the Consumer Affairs Agency.
- This product is not intended to diagnose, treat, or prevent disease.
- Always eat a balanced diet consisting of a staple food, main dish, and side dish.

## Improving Plant and Animal Nutrition

### Stimulating plant development with amino acid fertilizers

Plants require protein to grow. From absorbed nitrogen and photosynthesized glucose, they make amino acids and from those amino acids synthesize proteins. Recent research has revealed that plants also absorb amino acids directly through their roots and leaves. This means that supplying amino acids as fertilizer may facilitate protein synthesis. While research on the effects of fertilizer containing amino acids is still unfolding, their potential benefits for agricultural crops are attracting great interest.

For more than 30 years the Ajinomoto Group has been advancing efforts to effectively use the nutritionally rich by-products of amino acid fermentation (or "co-products") as organic-type fertilizer. The Group has also been studying how to turn these co-products into balanced, value-added agricultural materials by blending them with amino acids, minerals, and other essential plant nutrients. The Group is finding that fertilizers fortified with amino acids and nucleic acids help improve root and plant growth and increase yields.

In Japan, the Group produces and markets *AJIFOL*®

*AminoGuard*®, a foliar fertilizer used in the cultivation of strawberries, tomatoes, and other crops. Supplying glutamic acid through the leaves can promote growth and counteract the effects of cloudy weather and low temperatures, which hinder plant development by slowing photosynthesis.

#### Effect on strawberries



Spraying *AJIFOL*® *AminoGuard*® on the leaves of strawberries with developmental impairment thought to be caused by root damage resulted in restored vigor and improved leaf color

**Reference** See "A richer harvest with value-added fertilizer" on p. 97.

### Highlight Value-added fertilizers boost agricultural production in Brazil

With global population growth expected to continue, humanity's ability to secure food over the long term is becoming a global concern. And Brazil is in a crucial position as one of the five largest agricultural crop producers in the world.

Ajinomoto Brazil wants to help solve this problem by offering solutions that boost agricultural productivity in Brazil.

*AMIORGAN*® and *AJIFOL*® are value-added fertilizers the company offers that are made using amino acid production co-products. *AMIORGAN*®, which contains nitrogen, potassium, and amino acids, accelerates crop development when mixed in the soil. *AJIFOL*® is a foliar fertilizer that supplies nutrients efficiently through the plants' leaves.

These brands are available in a range of products designed for application at specific stages of crop development, and are suitable especially for high value-added coffee, vegetables, and fruits such as grapes, melons, and mangos.



#### Advantages of using *AMIORGAN*® and *AJIFOL*®

1. Higher yield
2. Stronger disease resistance
3. Sweeter fruit (Brix value)



We've been using Ajinomoto Group fertilizer for ten years, gradually increasing the amount because of the amazing results we've seen. Now we use it on all our crops. We are impressed with how this fertilizer has improved plant growth and returns.

**Edison Cosmo**  
Brazilian producer







Dairy cows fed with AjiPro®-L



Dairy farm tour in Hokkaido, Japan, with presenters from the Amino Acid Nutrition for Dairy Cows Seminar



The latest research findings were presented at the Amino Acid Nutrition for Dairy Cows Seminar held in Tokyo and Obihiro in June 2015

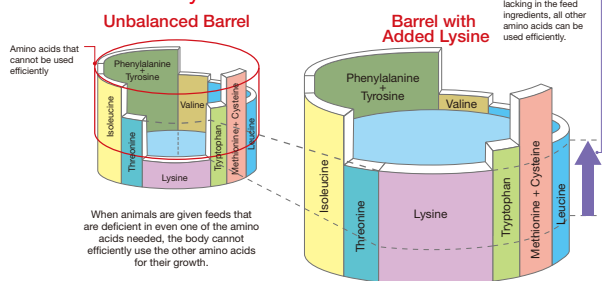
## Feed-use amino acids promote sound growth of farm animals

High-quality animal protein obtained from edible meat is an indispensable part of the modern diet. Demand for edible meat is expected to rise in proportion to human population and economic growth, making efficient meat production an important issue for the animal industry. The use of amino acids provides a promising solution.

Farm animals are generally fed with natural feedstuffs such as corn, wheat, soybean meal, and so forth. However, feeds formulated only with these feedstuffs contain an unbalanced composition of amino acids, which leads to inefficient use of protein in the feed as well as an excess excretion of nitrogen to the environment. Adequate supplementation of necessary amino acids to the feed is widely practiced to solve this problem. This allows proteins in the natural feedstuffs to be utilized more efficiently, consequently helping the animals to grow faster and more efficiently. A significant impact of amino acid supplementation on the reduction of nitrogen load by animal excreta can also be expected.

The feed-use amino acid business of the Ajinomoto Group has more than 50 years of history. The Group has been expanding this business through science-based marketing and its unique innovative production technologies. The Ajinomoto Animal Nutrition Group has production sites in four countries and sales bases in seven countries, covering a range of businesses in the global animal nutrition field.

### The "Barrel Theory" of amino acids



Reference See "Working with outside partners to promote feed-use amino acids" p. 98.

## AjiPro®-L earns global reputation as rumen-protected lysine product

Cows, so called "ruminants," have four stomachs, while swine and poultry have one (mono-gastric animals). Huge numbers of microorganisms live in the first stomach, the "rumen," and help digestion by degrading cellulose, for example, which mono-gastric animals have difficulty digesting. On the other hand, indispensable nutrients such as amino acids are also degraded in this process, so that the nutrients don't reach the small intestine where absorption occurs. Recently, as the productivity of dairy cows improves, demand for a technology that protects amino acids from degradation in the rumen and delivers them in an intact form to the small intestine has been rising substantially.

In order to solve this problem, the Ajinomoto Group developed AjiPro®-L and launched it in North America in 2011. AjiPro®-L is a rumen-protected lysine for dairy cows that, using unique processing technology, delivers lysine to the intestine without being degraded in the rumen.

The Group also developed a method to accurately determine the available lysine content of AjiPro®-L. This method measures the lysine degradation rate caused by rumination in addition to rumen microorganisms, as well as the rate of intestinal digestion and absorption. This has allowed feed to be formulated down to individual amino acids for the first time, and also enabled nutritionists and consultants to more accurately formulate feed for dairy cows based on amino acid requirements.

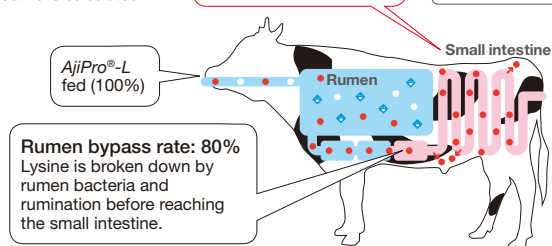
AjiPro®-L has a high reputation in the dairy industry and is now the leading product of rumen-protected lysine for dairy cows in North America. The Ajinomoto Group is also poised to launch the product in Asia, the Middle East, and Oceania. Sales have already begun in Japan in April 2015 where seminars were held for dairy farmers to broadly communicate the product's effectiveness.

### Method developed for measuring available lysine content

Dairy cows are fed AjiPro®-L and the rate of absorption in the small intestine is calculated

Absorption rate in small intestine: 50%  
Lysine is released from AjiPro®-L and absorbed in the small intestine.

- ... L-Lysine HCl
- ... AjiPro®-L
- ◆ ... Microorganisms

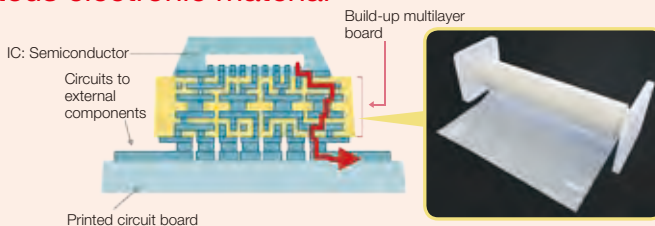


**Highlight** Basic and applied research driving the future of electronic materials business

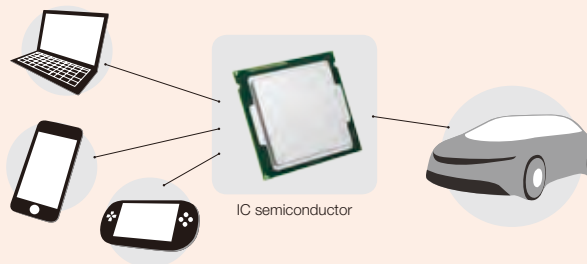
### Amino acid technology spawned a ubiquitous electronic material

The Ajinomoto Group has been in the electronic materials business since 1996. Starting with research into the potential uses of by-products of the *AJI-NO-MOTO*® manufacturing process, these efforts produced curing agents, adhesives, and other materials—expanding research in the field of resins and inks in the process.

Insulating film “Ajinomoto Build-up Film” (ABF), released in 1999, boasts a sizable share of the global market as an insulating material for CPUs, the core component of personal computers. In 1996, prior to its release, CPU insulating materials existed only in liquid form, posing drawbacks such as easy adherence of dust and an often uneven finish. To meet manufacturers’ needs for a film-type insulating material, the Group commenced research and development and in one year succeeded. An increasing number of manufacturers adopted the film, eventually making it the industry standard.



ABF is used in a board with multiple layers of intricately arranged conductive wires, or traces, that form the foundation of the CPU. Laser fabrication and direct copper plating allows traces to be formed on the scale of a few microns



### Encapsulation film to revolutionize OLEDs for the next generation of lighting and displays

Combining its cutting-edge ABF and amino acid technologies, the Group is also working on Organic Light Emitting Diodes (OLEDs), a new field with exciting environmental implications.

One area the Group is focused on is materials for OLED devices. OLED materials present numerous advantages for adoption in lighting and displays: they are thin and light; emit a soft light as an area light source; generate little heat, making them suitable for products sensitive to heat; and have a high level of design versatility.

Previously, the light emitting portion of OLED devices needed to be encapsulated in glass to completely insulate them from ambient air. This posed problems in terms of cost, vulnerability to impacts, and rigidity.

To address these issues, Ajinomoto Fine-Techno Co., Inc. developed *Ajinomoto Encapsulation Film* (AEF). This film, which adheres to the light emitting portion to protect it from oxygen and moisture, offers superior design characteristics, being thin, light, transparent, and bendable, while also simplifying the OLED device manufacturing process to reduce costs.

If AEF is adopted by lighting component and display manufacturers, it could open up new possibilities across a vast array of indus-

tries—from consumer electronics and digital signage, to clothing and fashion, building materials, disaster preparedness, and healthcare. Ajinomoto Fine-Techno Co., Inc. is partnering with such manufacturers to make these possibilities a reality.

#### Potential OLED applications



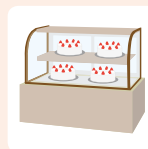
##### Digital signage

Lightweight, bendable signs could adorn columns and building walls



##### Light fixtures

Light surfaces could be bent into stylish shapes or wrapped over complex forms, such as car interiors



##### Refrigerated display cases

Lower heat and zero UV generation could help prevent food quality deterioration



OLED devices made with AEF are also bendable  
\*This technology is being co-developed with the Institute of Systems, Information Technologies and Nanotechnologies



OLED materials have a low environmental impact: They’re energy efficient, greatly helping to reduce carbon dioxide gas emissions. They contain no mercury or other harmful chemicals like fluorescent bulbs, making them recycle friendly. I have two daughters, and as I watch them grow up happily I am reminded that I don’t want to leave behind a more polluted global environment. If only the materials we develop could help create a cleaner future for our children—that’s the mindset that drives my work on this project.

**Yuichi Kageyama, PhD**  
Group Manager, R&D Department,  
Ajinomoto Fine-Techno Co., Inc.

**Special  
Feature  
3**

# Collaborating with Society to Address Issues and Create Value

The Ajinomoto Group uses nature's services to operate its business worldwide. It recognizes the importance of reducing its impact on the global environment, and employing practices that actually nourish the planet and society as business grows. However, given the range and complexity of issues concerning the global environment, there are limits to what the Ajinomoto Group can do alone. That is why it partners with diverse stakeholders, combining ideas and actions to address issues all across the value chain.

## Joining Stakeholders in Doing Right for the Planet

Humanity's rising global population is using more and more natural resources and ecosystem services. The demands of human consumption already exceed the earth's capacity to produce. At the current pace, damage to the global environment will only continue, increasing the risk of humanity's social and economic activities being adversely affected.

From an economic perspective, the global environment can be viewed as natural capital, a necessary input for creating profit. This concept makes it easier for corporations to see how the issue of environmental sustainability involves their own business operations and sales. Actions that diminish natural capital should be corrected, replaced by actions that accumulate capital as business grows. In other words, this means engaging in business practices that are "right" for the environment.

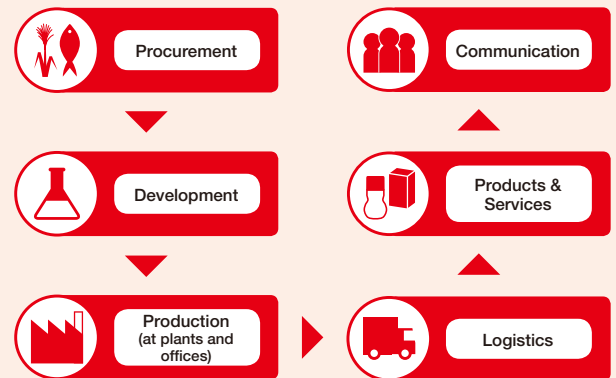
Doing business that is right for the planet is not easy. Because the range of influence of one company is limited, changing the way businesses use something as fundamental as natural capital requires partnering and coordinating with an array of stakeholders, such as suppliers, other companies and industries, regions, governments, NGOs, NPOs, research institutions, and experts who share the same vision.

To operate its business in ways that maintain and even increase natural capital going forward, the Ajinomoto Group believes it needs to share its values with its various stakeholders

and build relationships that are enthusiastic about taking action together.

Simply pursuing profits will not be enough to reach the Group's goal of becoming one of the top ten global food companies by 2020. Only by taking on new challenges with its stakeholders can the Group achieve results that are beneficial to all: its own growth, the growth of its entire supply chain, and global sustainability. That is the Ajinomoto Group's way of creating value.

### Value chain of the Ajinomoto Group







# Collaborating on Sustainable Procurement

## Working with suppliers on shared values and goals

To continue growing its business while maintaining the planet's sustainability, the Ajinomoto Group needs to identify and work with the most upstream parts of its supply chain. Since much of the natural capital it uses exists in developing countries, it is sometimes necessary to make changes to existing social frameworks based on an understanding of the social and environmental issues local communities face.

As an initial step toward making such major changes, Ajinomoto Co., Inc. published the *Supplier CSR Guidelines* in 2013. These guidelines detail the Group's expectations of suppliers for practicing social responsibility under the 2006 Ajinomoto Group Basic Purchasing Policy. By sharing a common set of CSR values and goals with suppliers and by providing, through the purchasing department of Ajinomoto Co., Inc., assistance for suppliers to address specific issues and make improvements, the Group seeks to learn and grow with its business partners.

The guidelines state the importance of collaborating with related parties as far up the supply chain as necessary during raw materials procurement, and of making Group operations itself more environmentally friendly for preventing the decline of natural capital.

The Ajinomoto Group has also developed a self-assessment questionnaire (SAQ) for suppliers, which it has used in informational meetings to ask them to assess their social responsibility performance. In addition, the Group has had meetings with suppliers on food defense, the prevention of intentional food

product contamination, where they were asked to perform a self-assessment and respond to food defense audits. The Group will continue strengthening food defense across the supply chain through efforts like these.

## Utilizing outside knowledge for sustainable procurement

As a business entity whose primary specialty is food and amino acids, the Ajinomoto Group relies on a variety of food resources for its success. However, global demand for food resources is projected to increase as population grows. The Group will continue to search for effective strategies for procuring resources sustainably, without diminishing them, and increasing them whenever possible.

Aiming for the conservation and sustainable use of skipjack stocks, Ajinomoto Co., Inc. has been conducting the Joint Tagging Survey of Skipjack off the Pacific Coast of Japan, in collaboration with the National Research Institute of Far Seas Fisheries (NRIFSF) of Japan's Fisheries Research Agency since fiscal 2009. This survey is playing an important role as basic research for sustainable fisheries.

Ajinomoto Frozen Foods Co., Inc. specifies that ecosystem factors be considered for procurement of shrimp, which is one of the important ingredients used by the company.

For issues that are difficult for one company alone, the Ajinomoto Group shares its expertise and collaborates through various initiatives. Ajinomoto Co., Inc. and J-OIL MILLS, Inc. are members of the Roundtable on Sustainable Palm Oil (RSPO), whose aim is to promote sustainable palm oil. Ajinomoto Co., Inc. is also actively involved in the Consortium for Sustainable Paper Use (CSPU).<sup>1</sup> Through these activities, the Ajinomoto Group works with the entire manufacturing industry on concrete actions that seek to change how procurement is done.

<sup>1</sup> The Consortium for Sustainable Paper Use (CSPU) was established by WWF Japan and other Japanese companies pioneering the sustainable use of paper.

**Reference** See "Pursuing CSR Procurement" on p. 52.  
See "Joint Skipjack Tagging Survey lays groundwork for international skipjack resource management" on p. 91.

### Supplier CSR Guidelines Learning and growing together

- ▶ Documents supplier expectations for social responsibility
- ▶ Divided into sections on human rights, labor safety, the environment, and compliance, in accordance with the AGP, UN Global Compact, and ISO 26000
- ▶ Advises suppliers to pursue, in line with the guidelines, initiatives for social responsibility on their own accord, and to extend such initiatives upstream in their supply chain, thus ensuring CSR initiatives are taken across the supply chain of the Ajinomoto Group

Information session with suppliers



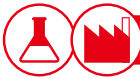
Participants of the Joint Tagging Survey of Skipjack off the Pacific Coast of Japan



Important raw material: shrimp







# Resource Recycling and Regional Partnerships in Amino Acid Production

## Bio-cycles: regional recycling of agricultural resources

The amino acids used in the Ajinomoto Group's wide-ranging products, most notably the umami seasoning *AJI-NO-MOTO*®, are manufactured at 18 plants across nine countries in Asia, Europe, and the Americas. These amino acids are produced through a fermentation process using raw materials that are readily available in each region, such as sugar cane, cassava, corn, sugar beet, and wheat.

In production, amino acids are extracted from a fermentation liquor, leaving behind nutritionally rich by-products (co-products) that are then used locally as fertilizer for agricultural crops and as feed for livestock, including farmed fish. The Ajinomoto Group has been employing such regional resource recycling processes, or bio-cycles, in amino acid production worldwide for more than 30 years.

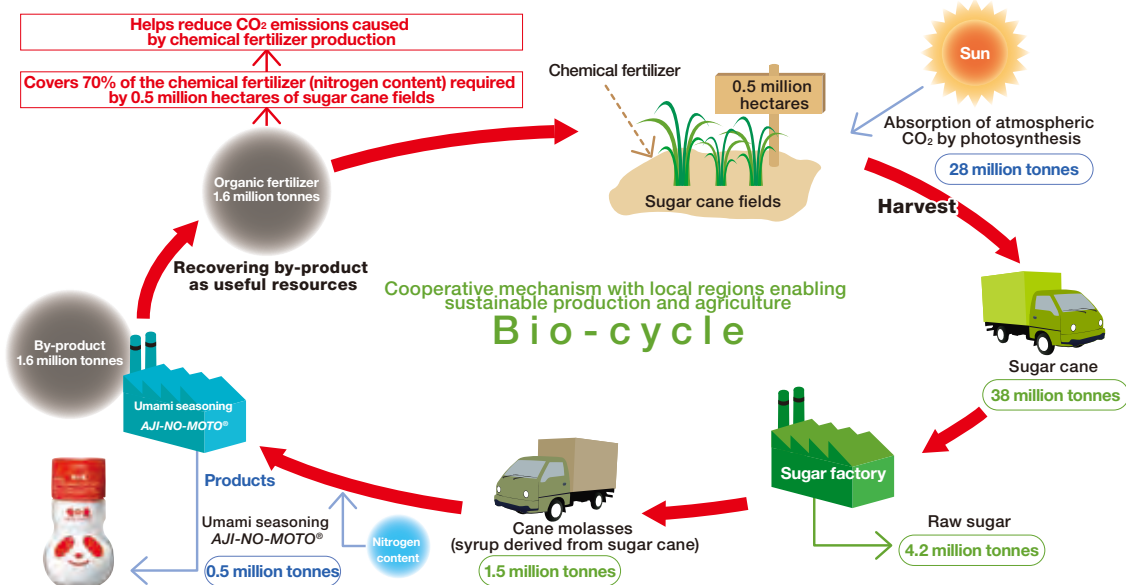
A bio-cycle refers to the series of steps in a resource recycling loop: from the fermentation-assisted production of amino acids from local agricultural raw materials, to the recovery of by-products as organic fertilizer, and back to the cultivation of

crops that are used as raw materials for fermentation. This cycling makes it possible to use biological resources in amino acid production without waste. Presently, the Group recycles nearly 100% of by-products as co-products. Most are provided as fertilizer to farmers near the plants, and are used to grow not only more raw materials for production, such as sugar cane and corn, but also local crops such as coffee, oranges, pineapples, and rubber trees.

Although the Group has promoted the recycling of by-products from the standpoint of resource efficiency, these nutrient-rich by-products also help improve agricultural productivity.

As one example of a bio-cycle, sugar cane grown using co-products as fertilizer is processed into raw sugar and other products by agricultural manufacturers such as sugar refineries. That raw sugar is then supplied to the Ajinomoto Group for use as a raw material in amino acid fermentation.

This resource recycling by the Ajinomoto Group and surrounding farming communities yields great benefits for local agriculture. It is a sustainable bio-cycle model built on a win-win relationship between farmers, manufacturers, and the Group's amino acid manufacturing business.



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

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

Using a co-product to cultivate rice



## Developing low-impact, resource-saving fermentation technologies

Demand for the crops used in amino acid production is rising as population growth drives up the need for such crops as important food resources and as biofuels and industrial materials. To sustain the planet and human society, not only must the raw materials in amino acid production be used without waste, but new manufacturing technologies must be developed that use raw materials without competing with food resources. The Ajinomoto Group is actively working to develop such low-impact production methods, which it calls “resource-saving fermentation technologies.”

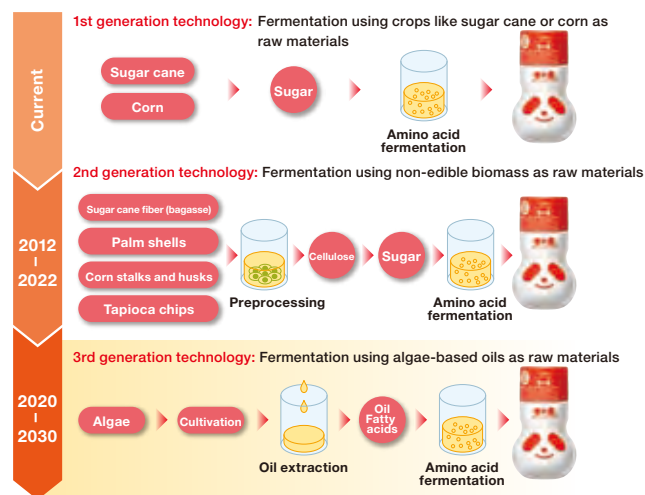
Examples of resource-saving fermentation technologies include those that (1) reduce major raw materials use by maximizing bacterial productivity; (2) reduce auxiliary materials use (e.g. acids, alkalis) and water discharged; (3) employ a boiler to combust rice husks, wood chips, and other unused local biomass; and (4) move certain raw materials processing steps for fermentation in-house, with bagasse by-products used as fuel.

The Group is also working on R&D of next-generation production technologies that minimize the use of crops that receive competing demand from amino acid production and food. Potential technologies would use cellulose from non-edible biomass or microalgae-derived oils as main fermentation raw materials.

The Ajinomoto Animal Nutrition Group, which manufactures

feed-use amino acids, has adopted a new production technology that will save resources even further. The technology will increase production capacity for the feed-use amino acid tryptophan, produced and sold in France. Apart from reducing raw materials and fuel use, it also eliminates certain processes, streamlining production. Its introduction is expected to increase production while lowering manufacturing costs and environmental impact. Construction began in December 2014 and operations will start from 2016.

## Development of resource-saving fermentation technologies



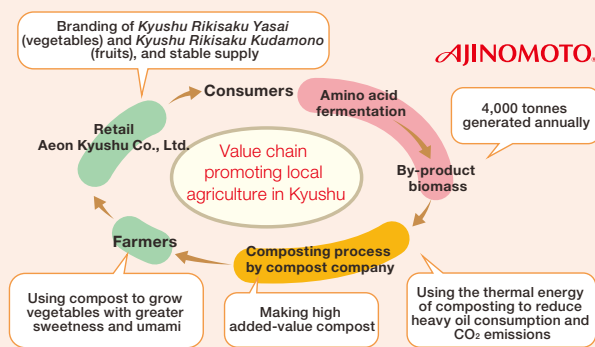
### Highlight

## Energizing local agriculture with co-product use at the Kyushu Plant

The Kyushu Plant of Ajinomoto Co., Inc. is working with Saga City, local supermarkets, the Japan Agricultural Cooperative of Saga Prefecture (JA Saga), and other entities on a project to use fermentation co-products more effectively by mixing them with compost.

Biomass left over from fermentation has the texture of moist, lumpy clay. By adopting a drying method that uses fermentation heat produced when it is mixed with compost, the Kyushu Plant was able to reduce 600 kiloliters of annual heavy oil consumption to zero, cutting CO<sub>2</sub> emissions by 2,000 tonnes per year.

Utilizing this biomass-compost mixture, a value chain was built between composting companies, local supermarkets, and their contract farmers. Products that maximize value for farmers, distributors, and consumers alike are sold in local supermarkets under the brand names *Kyushu Rikisaku Yasai* and *Kyushu Rikisaku Kudamono*.



**Awarded!**  
Kyushu Rikisaku Yasai and Kyushu Rikisaku Kudamono Project Community  
**Energizing Kyushu Agriculture through a Low-carbon Initiative: Kyushu Rikisaku Yasai and Kyushu Rikisaku Kudamono Project**



2014 Environment Minister's Award for Global Warming Prevention Activity Implementation of Countermeasures



## Minimizing Environmental Impact through the Ajinomoto Group Zero Emissions Plan (AGZEP)

### Actively adopting renewable energy

Of the Ajinomoto Group's businesses, amino acid production requires a particularly large amount of water and energy—precious natural capital whose depletion needs to be kept in check.

The Ajinomoto Group Zero Emissions Plan was initiated in fiscal 2005 with the aim of minimizing the environmental impact generated by all Group business segments. Steady progress has been made, with group-wide numerical targets set in the three areas of water use reduction, CO<sub>2</sub> emissions reduction, and 3Rs of waste.

The 2014-2016 Ajinomoto Group Medium-Term Environmental Plan added a new target: to increase renewable energy use to at least 15% for the entire Group. This target was achieved in fiscal 2014, reaching a Group ratio of 15%. This was made possible by the steady operation of a biomass boiler and the use of biogas resulting from in-house raw material production at the Kamphaeng Phet Factory of Ajinomoto Co., (Thailand) Ltd., as well as the adoption in January 2014 of an ESCO-model biomass boiler at the Bien Hoa Factory of Ajinomoto Vietnam Co., Ltd.

The Laranjal Paulista Plant of Ajinomoto Brazil doubled the capacity of its production facilities in June 2015. The plant has used sugar cane fiber (bagasse) resulting from in-house raw material production as fuel for a biomass boiler since 2012, recycling the leftover ashes as a co-product to form another bio-cycle.

A new biomass cogeneration system<sup>1</sup> using rice husks as fuel is expected to go into operation at the Ayutthaya Factory of

Ajinomoto Co., (Thailand) Ltd. in January 2016.

The Ajinomoto Group will continue to promote the use of biomass-derived energy in regions around the world.

<sup>1</sup> A system that generates and supplies both electricity and heat (steam) from a heat source

### Practicing strict water conservation to reduce water risks

The Ajinomoto Group is deeply committed to addressing today's mounting water risks.

The Group applies standards for water quality and supply when choosing new plant locations, and is also continually developing processes to minimize the amount of water required by amino acid production. Based on the Ajinomoto Group Zero Emissions Plan and on local water use and discharge laws, Group companies install facilities best suited to each factory and work to operate them with utmost efficiency.

To optimize water use across each factory, water and discharged water are analyzed and re-circulated using a strict water quality control system. In fiscal 2014, water analysis for recirculation was carried out at the Pathum Thani Factory of Ajinomoto Co., (Thailand) Ltd., which produces feed-use amino acids, resulting in a water use reduction of about 15%, or about 700 m<sup>3</sup>/day.

Going forward, the Ajinomoto Group will adopt similar measures at other factories producing amino acids worldwide.

**Reference** See "Ajinomoto Group Zero Emissions Plan (AGZEP) and Fiscal 2014 Results: Conserving water resources / Reducing greenhouse gas emissions / 3Rs of waste" on p. 85.

Top: Kamphaeng Phet Factory, Ajinomoto Co., (Thailand) Ltd.; Bottom: Bien Hoa Factory, Ajinomoto Vietnam Co., Ltd.





# Securing Safe and Efficient Transportation

## Surmounting the logistics crisis in Japan

Logistics in Japan is facing a major crisis as the aging population and decline in workers aged 29 and under bring about a chronic shortage of truck drivers. This trend is being seen especially in long-distance trucking and rural areas, and has started to seriously affect the entire supply chain.

The Ajinomoto Group's Kawasaki Distribution Center in Kawasaki, Kanagawa Prefecture, was damaged by the massive 2011 earthquake, suspending its ability to supply delivery centers nationwide and temporarily halting the steady flow of products. From a BCP<sup>1</sup> perspective, distribution was switched to a Dual Mother Distribution Center<sup>2</sup> system in June 2014.

At the Logistics Planning Department of Ajinomoto Co., Inc., distribution was radically overhauled to address the driver shortage crisis and the drop in transport efficiency caused by the shift to the Dual Mother Distribution Center system. The Super Green Logistics Plan of Ajinomoto Co., Inc. has been implemented to simultaneously strengthen transport capacity and make distribution environmentally responsible. Shipping transport was introduced for the first time for longer distances, over 500 km, and

rail transport was strengthened by utilizing efficient, large-sized 31-foot containers. By the end of fiscal 2015, Ajinomoto Co., Inc. aims to double its long-distance transport modal shift percentage<sup>3</sup> (in food category) from the pre-adoption rate to 87%, and reduce its current CO<sub>2</sub> emissions by half, or about 2,400 tonnes (both compared to 2012 rates converted to conventional t-km).

The Ajinomoto Group will continue to look at logistics issues from a broad perspective and address them from multiple angles to secure an efficient and stable distribution system.

<sup>1</sup> Business Continuity Plan  
<sup>2</sup> Centers supplying products manufactured at factories to delivery centers. Kuki Distribution Center in Kuki, Saitama Prefecture, and West Japan Distribution Center in Nishinomiya, Hyogo Prefecture  
<sup>3</sup> The changing of transport modes from truck, other vehicle, or aircraft to rail or shipping



FY2014 Excellent Business Operator, Eco-Ship Modal Shift Project Director-General Award from the Maritime Bureau, Ministry of Land, Infrastructure, Transport and Tourism

### Highlight

## Improving logistics efficiency and quality as a manufacturer

The manageability of goods at warehouses and other distribution facilities is an important key to optimizing logistics. Delivery errors lead to risks such as product waste, voluntary product recalls, and health hazards. Moreover, certain sizes and shapes of transport containers (cardboard) prevent them from being efficiently loaded onto pallets.

To address these issues, Ajinomoto Co., Inc. implemented two improvements from its standpoint as the manufacturer.

### 1. Improved labeling of transport containers

Previous transport containers had labels that made necessary information hard to read, leading to handling mistakes in the process of distribution.

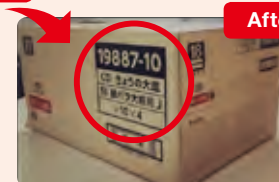
To improve identifiability and visibility, the company implemented Transport Container Design Guidelines to set rules for labeling, such as concentrating product-specific information on the upper right of the box sides. By fall of 2015 Ajinomoto Co., Inc. plans to introduce around 200 items with the new labeling design, and continue rolling it out going forward. The rules have also been extended to AJINOMOTO GENERAL FOODS, INC., J-OIL MILLS, Inc., YAMAKI Co., Ltd., and other group companies, which have started to introduce the new design.

### 2. Improved design of transport containers

Adopting a new packaging design approach that starts from pallet loading efficiency, Ajinomoto Co., Inc. set a target of over 80% efficiency. The transport cardboard box is first designed based on the target, followed by the quantity of goods per box and individual packaging. Thus, logistical concerns are incorporated into the process of designing and improving packaging.



Before



After

Information necessary for distribution is clearer when concentrated on the upper right side



Policies need to be transparent and widely known for improvement and efficiency initiatives to be effective. We regularly hold in-house study sessions to share logistics issues and the importance of improving transport containers with product developers. Going forward, we aim to address food manufacturing issues both in and outside the Ajinomoto Group as well as logistics issues.

#### Mamoru Iyori

Associate General Manager, Logistics Planning Department, Ajinomoto Co., Inc.



2015 All-Japan Convention for Logistics Improvement Case Studies, Japan Institute of Logistics Systems Logistics Rationalization Award (Top Prize)

#### Reference

See "Developing environmentally friendly packaging" on p. 101.





# Reducing Environmental Impacts throughout the Product Life Cycle

## Quantifying environmental impacts

Improving the environmental value of products requires that all concerned parties cooperate on minimizing environmental impacts throughout the value chain. A company must identify and quantify not only impacts from production processes, but all impacts throughout the life of the product. This extends from the extraction of raw materials and their processing at factories, to distribution of the manufactured product, to consumption and disposal by the consumer.

To quantify these impacts, the Ajinomoto Group has been carrying out research on life cycle assessment (LCA) for many years. Establishing an LCA method makes it possible to calculate in tangible numbers the life-cycle environmental impacts of products, both positive and negative.

The most popular LCA measure is CO<sub>2</sub> emissions. The environmental impact of a product can be estimated by converting to CO<sub>2</sub> all greenhouse gases generated by each process. The Ajinomoto Group has calculated the total CO<sub>2</sub> emissions from the entire life cycle of products such as HON-DASHI®, and obtained carbon footprint certification for amino acid-based products such as feed-use lysine.

In fiscal 2014, the Group also worked on water footprint (WFP) assessment in this program. Water is a circulating, borderless resource, making it a global commons. An estimated 900 million people worldwide do not have access to safe drinking water. Hence, assessing environmental impact based on water is socially and economically relevant.

In WFP, the impact on the water environment over the product life cycle is assessed by weighting water use according

to the region's availability of rainwater, surface water, and groundwater. Environmental impact can then be compared by volume of water used to produce one kilogram of product.

Going forward, the Ajinomoto Group plans to perform LCAs of various products to ascertain the extent of their environmental contribution.

Reference

See "Developing Technologies and Products That Contribute to Global Sustainability" on p. 95.

## Developing low-impact containers and packaging

Containers and packaging play an important role in maintaining the quality of the food they contain, from the moment the product reaches the customer until it is fully consumed. After that, they inevitably turn into waste. Promoting environmentally responsible containers and packaging is essential to reducing waste as a society.

The Ajinomoto Group believes that it has roles to play not only in reducing the use of packaging materials and cutting CO<sub>2</sub> emissions, but also in addressing social issues related to food, resource depletion, and energy through the creation of innovative container and packaging technology. The Group's innovations span many fields: introducing biomass plastics to replace petroleum-derived raw materials, finding ways to use inedible raw materials, extending best-before dates, advancing technologies to prevent food residue in packaging, introducing packaging free of aluminum foil (which requires a lot of energy to produce), and designing packaging for greater efficiency in logistics and delivery.

### Highlight Developing all-around better HON-DASHI® packaging

To provide customers with a more eco-friendly product, Ajinomoto Co., Inc. has adopted new packaging technologies for HON-DASHI®, including thinner, lighter, smaller paper boxes, packaging design for improved transport efficiency, and caps derived from plant (biomass) materials instead of petroleum.

#### A food-industry first! Caps made of over 90% biomass<sup>4</sup>

Ajinomoto Co., Inc. switched to a biomass material made from sugar cane molasses.<sup>5</sup>

<sup>4</sup> 100% biomass polyethylene used as raw material except for processing aids such as catalysts  
<sup>5</sup> Cane molasses is a by-product of refining sugar cane juice into sugar



#### Same quantity, two packets instead of three

These changes cut packaging weight by 136 tonnes, or roughly 850 tonnes of CO<sub>2</sub> emissions, annually—a huge reduction unobtainable simply from smaller or thinner packaging.



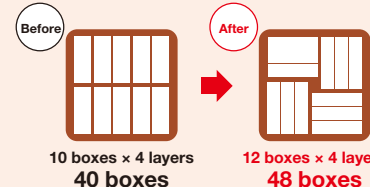
120-gram HON-DASHI® box



450-gram HON-DASHI® box

#### Smaller box sizes boost transport efficiency

To improve pallet loading efficiency, the paper box containing twenty 8-gram HON-DASHI® packets and their transport container were downsized.



## Tackling Social and Environmental Issues with Stakeholders

### To support consumers on eco-friendly living

As a company that considers the future of people and the planet, the Ajinomoto Group must be able to communicate its business activities to consumers in ways that deepen their understanding. At the same time, the Group must also propose solutions to social issues and to practicing eco-friendly lifestyles so consumers have more options to take action. Various engagement opportunities must be provided for this purpose.

As an environmental act that starts in the kitchen, Ajinomoto Co., Inc. proposes ideas and recipes that are eco-friendly, delicious, and smart through the *Eco-Uma Recipe*<sup>®</sup> website and events. And to encourage children to practice environmentally friendly food lifestyles, the Ajinomoto Shoku-Eco KIDS Prize has been awarded since 2010 as part of the “Green Lane” environmental diary contest hosted by Green Cross Japan.

In August 2015, six middle and high-school students who focused on eco-friendly food in their environmental diaries were invited with their families to the Kawasaki Plant of Ajinomoto Co., Inc. A plant tour and workshop were conducted to discuss ideas on how to expand the participants’ projects based on their own experiences.

The Ajinomoto Group will utilize the constructive comments from participants for future environmental communications.

**Reference** See “Proposing Sustainable Lifestyles, Starting with the Dinner Table” on p. 119.



Ajinomoto Co., Inc. awards the Ajinomoto Shoku-Eco KIDS Prize to outstanding entries in the “Green Lane” environmental diary contest hosted by Green Cross Japan

Participants actively engaged in the plant tour and workshop



Message to elementary school students about to embark on an eco-friendly food lifestyle



**Link** Environmental action from the dinner table > “Eco-Uma Recipe” (Japanese) <http://www.ajinomoto.com/jp/activity/environment/eco/ecouma/>

**Link** Ajinomoto “Shoku-Eco KIDS” activities (Japanese) <http://www.ajinomoto.com/jp/activity/environment/kids/>

### Highlight

## The Sixth Ajinomoto Group Sustainability Forum Life, food, and amino acids: What we can do in daily life

September 7, 2015  
The Ajinomoto Group Takanawa Training Center in Tokyo

The Sixth Ajinomoto Group Sustainability Forum was held in September 2015.

The forum provided a venue for the Ajinomoto Group and consumers to think together about what can be done to improve food sustainability in daily life, in light of significant changes in the global environment and society. The forum was attended by Lord John Krebs, first Chairman of the British Food Standards Agency and former Principal of Jesus College, University of Oxford; Professor Shinichi Takemura of Kyoto University of Art and Design; and Ms. Hisa Anan, former Secretary General of the Consumer Affairs Agency and Chairman of the Association to Create a Society with Consumer Citizenship (ASCON).

For the roughly 200 participants, the forum was a valuable opportunity to gain a new awareness about the impact of daily eating habits traditionally thought to be beneficial for food sustainability. There were a lot of feedback and comments. Regarding the keynote speech by Lord Krebs: “We need a right understanding of food, one that isn’t swayed by image.” “I want to make eating at home fun, not

overburdened by information. Healthy food is healthy for the planet too.” On Professor Takemura’s talk: “Japanese food is the global food of the future. I want to teach it to my children and enjoy cooking together.” And on Ms. Anan’s talk: “I’d like to acquire the ability to read the meaning behind product labels and make the right choices.”

Lord Krebs also assumed the position of Ajinomoto Co., Inc. adviser in September 2015. On September 9th, he joined Ajinomoto Group managers in a dialogue on the future of food in a changing global environment and society. It was a valuable opportunity to discuss how the Group can contribute to and engage with society in terms of food and nutrition going forward.



**Reference** See “The Sixth Ajinomoto Group Sustainability Forum” on p. 122.

**Link** Ajinomoto Group Sustainability Forum <http://www.ajinomoto.com/en/activity/forum/>



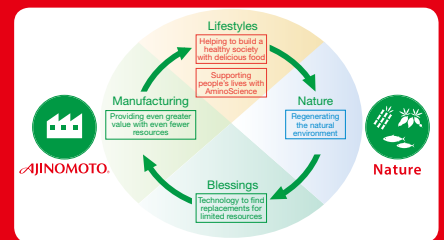
## Fiscal 2014 Activity Report

# Taking Responsibility for Global Sustainability Issues

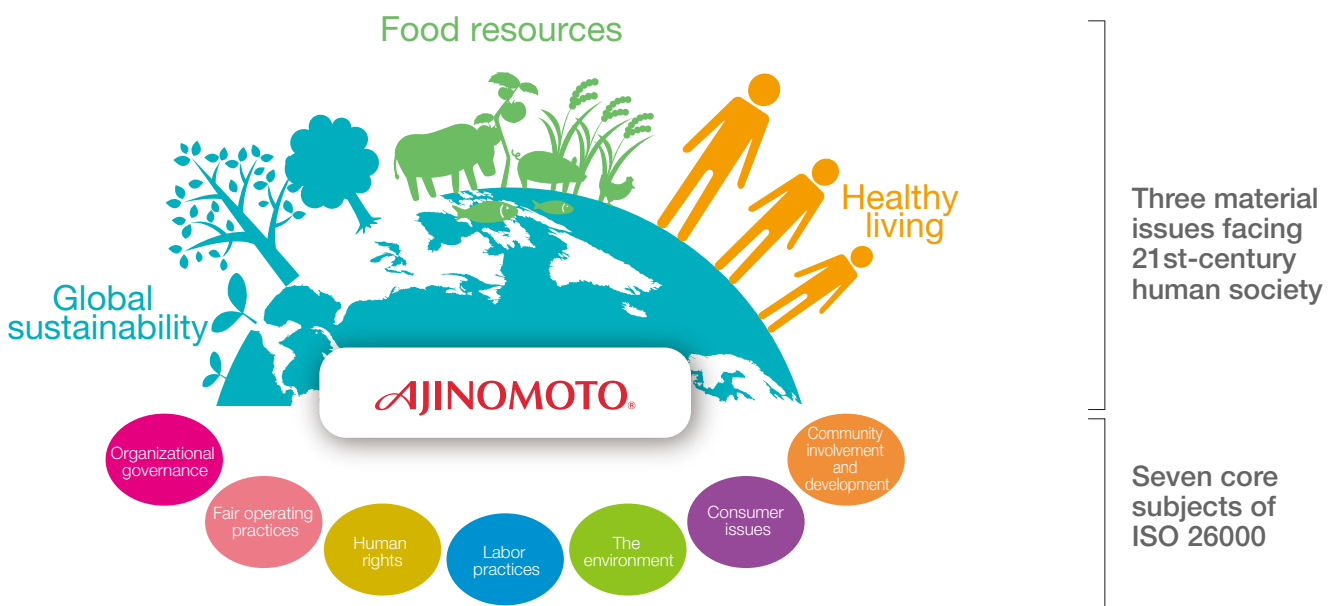
The Ajinomoto Group recognizes that it has a corporate social responsibility to help build a more sustainable world. The Ajinomoto Group Philosophy guides the Group's efforts to help solve three material issues facing 21st-century human society: global sustainability, food resources, and healthy living.

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

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



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



# Ajinomoto Group Principles (AGP)

The Ajinomoto Group Principles (AGP) include the Ajinomoto Group Philosophy, Ajinomoto Group Way, and Ajinomoto Group Standards of Business Conduct. These principles clarify the Group's management objectives and its determination to make an even greater contribution to solutions for the three material issues facing

21st-century human society. In August 2014, the Ajinomoto Group Standards of Business Conduct were revised.

Reference See "Compliance Framework" on p. 47.

Link [Corporate Philosophy / Vision  
http://www.ajinomoto.com/en/aboutus/vision/](http://www.ajinomoto.com/en/aboutus/vision/)

## Ajinomoto Group Philosophy

We create better lives globally by contributing to significant advances in Food and Health and by working for Life.

## Ajinomoto Group Philosophy

### Create New Value

Create value with new ideas and continuous innovation based on unique technologies and science.

### Pioneer Spirit

Continue to constantly take on the challenge of creating new businesses and markets.

### Social Contribution

Accommodate social requirements with humility and honesty, with the objective of maximizing value for society through business activities.

### Value People

Respect the humanity of all the people involved in the Ajinomoto Group's businesses, and be an organization in which they can grow and display their abilities to the fullest extent.

## Ajinomoto Group Standards of Business Conduct (excerpt)

### Purposes

The Ajinomoto Group Standards of Business Conduct (hereinafter the "Standards of Conduct") describe the conduct that every member of the Ajinomoto Group must understand and practice every day in order to implement the Ajinomoto Group Philosophy in accordance with the Ajinomoto Group Way. The Standards of Conduct also represent the commitments made to all stakeholders by Ajinomoto Group companies.

#### 1. Provision of Safe, High-Quality Products and Services

We constantly aim to put the customer first and, through advanced technology and creativity, develop and provide highly safe, high-quality products and services to improve people's lives worldwide "by contributing to significant advances in Food and Health and by working for Life."

In order to establish and maintain the trust and expectations of customers and ensure their satisfaction, we provide appropriate information about our products and services and deal sincerely with inquiries.

#### 2. Contribution to the Global Environment and Sustainability

We strive to contribute to the realization of a sustainable society that will allow future generations to enjoy better lives amid the riches of the natural environment.

We understand that our business activities are built upon the blessings of nature. We constantly work to reduce our negative impact on the global environment and ecosystems and to pursue recycling-driven business models that use resources and energy more efficiently.

We are encouraged as individuals to use resources and energy more efficiently and pursue environmentally responsible lifestyles.

#### 3. Fair and Transparent Transactions

We are dedicated to fairness and transparency in all of our transactions and maintain fair business practices, recognizing our contractors as valuable business partners.

As part of the Ajinomoto Group, which has a global presence, we endeavor to fully understand and comply with laws and regulations concerning competition in all countries in which we operate.

We make decisions on business partners by fairly comparing and evaluating terms such as price, quality and service when selecting subcontractors and suppliers of raw materials, products or services.

We involve our subcontractors and suppliers of raw materials, products and services in our efforts to fulfill our social responsibilities including environmental preservation and protection of human rights.

We comply with all laws prohibiting illegal political contributions or inappropriate payments or gifts to public officials and we maintain sound and normal relations with public or quasi-public officials and government.

We strictly avoid any involvement with organized criminal elements, which pose a threat to the order or safety of civil society.

#### 4. Approach to Human Rights

As a group of companies with global operations, we join the international community in respecting human rights. We fulfill our international human rights obligations and comply with related laws in the countries where we operate our business.

#### 5. Human Resources Training and Ensuring Safety

Ajinomoto Group companies do their best to provide meaningful employment opportunities and make every effort to provide their employees with opportunities to develop and exercise their skills and abilities in a manner that respects their diversity, character, and individuality.

We take a global perspective on our work, emphasize teamwork, exercise creativity and value a pioneering spirit, striving to contribute to the development of the Ajinomoto Group.

We support employees' efforts to build fulfilling lives and contribute to the prosperity of society through the continuous development of the Ajinomoto Group.

We build and maintain positive workplaces, based on open communication, which are free from discrimination or harassment, and in which people respect one another's human dignity.

We ensure that work environments are safe and comfortable.

#### 6. Working with Local Communities

In addition to the social contributions that we make by doing business as a part of healthy local communities, we work to enhance our communication with the broader society and to contribute to the economic, cultural and educational development of each community where we do business.

As members of local communities, we are encouraged as individuals to participate in social contribution activities.

#### 7. Responsibilities to Shareholders, Investors and Other Stakeholders

We make every effort to employ sound management practices, to provide appropriate returns to shareholders, and to increase corporate value.

We publicly disclose information in a timely and appropriate manner to assist shareholders, investors, and other diverse stakeholders, and we respond fairly and faithfully to the expectations and trust placed in us.

#### 8. Protection and Management of Corporate Assets and Information

We strictly protect and manage confidential information and tangible and intangible company assets, including trade secrets and intellectual property rights.

We manage all personal information in an appropriate manner.

We respect the legitimate intellectual property rights of third parties.

#### 9. Clear Separation of Business and Personal Affairs

We maintain a clear separation between business and personal affairs and do not use corporate assets or information or business rights or positions to pursue personal gain.

We respect personal beliefs and opinions while distinguishing them from the corporate positions.





## Organizational Governance

# Increasing Corporate Value through Responsible Management

Reinforcing and enhancing corporate governance is an important management priority for strengthening corporate competitiveness, maintaining a positive presence in society, and increasing corporate value. A firm framework for compliance is also essential to the Ajinomoto Group's aspiration to become a "Genuine Global Specialty Company."

All managers and employees of the Group share the resolve to deliver on the Ajinomoto Group Philosophy by ensuring its practices and conduct always live up to the Ajinomoto Group Standards of Business Conduct.

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  - Reasons why the current corporate governance system was selected
  - Risk management system
- P47 Compliance Framework**
  - Adhering to the Ajinomoto Group Standards of Business Conduct
  - Ajinomoto Group Standards of Business Conduct revised
  - Educating employees about compliance
  - Compliance activities of the Business Conduct Committee
  - Thorough information security
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  - CSR implementation structure

# Corporate Governance

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

## Corporate governance structure

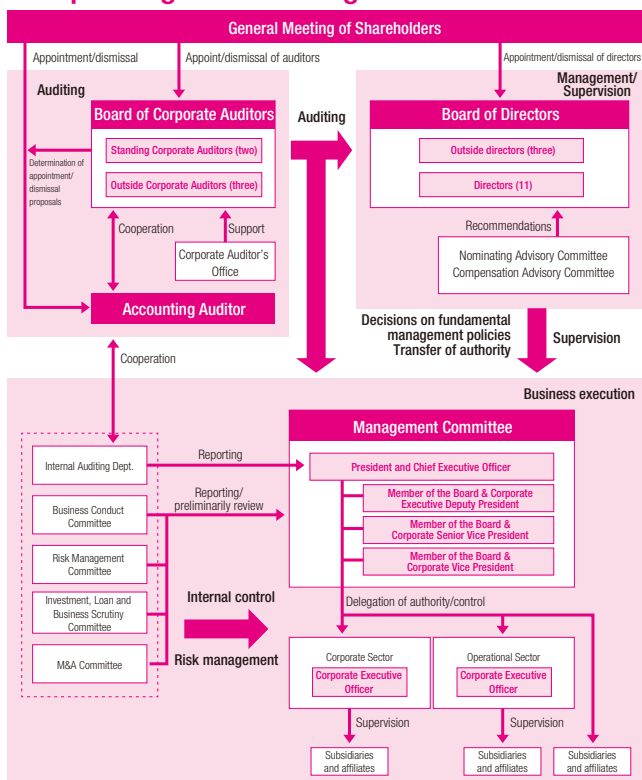
### Management, audits, and supervision

As the highest decision-making body of Ajinomoto Co., Inc., the Board of Directors decides matters stipulated in laws or the Articles of Association and other important matters, and also supervises the execution of duties by directors and executive officers. The number of directors, which is currently 14 (3 outside directors), is kept below 15 per the provisions of the Articles of Association.

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

The Corporate Auditors conduct audits involving five corporate auditors (three outside). The Board of Corporate Auditors screens proposals for the Board of Directors in advance and also shares and discusses the status and results of activities of each corporate auditor. The Internal Auditing Dept., following Internal

### Corporate governance organization



Link Corporate Governance/Management  
[http://www.ajinomoto.com/en/ir/about/corp\\_gov.html](http://www.ajinomoto.com/en/ir/about/corp_gov.html)

Auditing Regulations and audit plans, carries out operational audits of business management organizations and management and operational audits of affiliated companies.

### Execution of duties

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

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

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

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

### Internal control and risk management

Ajinomoto Co., Inc. is working to reinforce its internal control and risk management through the following committees it has established. The Business Conduct Committee works to make the Ajinomoto Group Standards of Business Conduct known to all and checks to ensure that management and corporate activities comply with the standards. It also carries out measures that address issues. The Risk Management Committee carries out strategic measures that make the Ajinomoto Group's corporate structure more resilient to risks and crises. Prior to deliberations by the Management Committee, the Investment, Loan, and Business Scrutiny Committee carries out multifaceted reviews of investment and loan decisions and the revitalization of, or exit from, unprofitable businesses, and the Corporate Alliance Scrutiny Committee carries out multifaceted reviews of M&A deals.

## Reasons why the current corporate governance system was selected

Ajinomoto Co., Inc. has selected the current board of corporate auditors system because it ensures the appropriate execution of business operations using a two-level check system. The system includes the Board of Directors, which consists of 14 directors, including three outside directors, and makes decisions on important business matters and supervises the duties of direc-

tors and executive officers. The system also includes the Board of Corporate Auditors, consisting of five corporate auditors, including three outside corporate auditors, that is independent from executive officers and works together with the accounting auditor and internal audit department to conduct audits on the execution of duties by directors.

## Risk management system

The Ajinomoto Group established the Risk Management Committee in 2002 to strengthen its capacity to deal with accidents and incidents. As a rule, the committee seeks to identify risks in advance in order to avert a crisis, while following the Ajinomoto Group Risk Management Basic Policy: "By promoting strategic risk management, we make the Ajinomoto Group resilient to risks, and increase the Group's value." Each organization appoints a person responsible for risk management (organizational head) and persons in charge of risk management who follow their own PDCA cycle for managing risks.

As the final year of building the Enterprise Continuity Plan (ECP)<sup>1</sup> begun in fiscal 2012, fiscal 2014 was a period of reaffirming the Group's basic policies on disaster response, organizing guidelines and manuals for each continuity stage (ensuring

safety, supporting recovery, and restarting business), and confirming implementation of necessary facility improvements. Going forward, the Ajinomoto Group will work to integrate the ECP into routine risk management activities and make further improvements, primarily through training.

In fiscal 2015, Ajinomoto Co., Inc. will, for the first time in two years, reorganize key risks that could significantly impact the Group, and make every effort to reduce those risks, including new challenges. A periodic review will also be conducted by the Risk Management Committee. With global business expansion moving forward, the Group will especially seek to strengthen systems for safety and crisis management and respond to emerging global challenges.

<sup>1</sup> A unique initiative by the Ajinomoto Group that places a stronger emphasis on human life and community support than conventional business continuity planning (BCP).

### Role of the Risk Management Committee



### Highlight

#### Compliance with anti-bribery laws

Violation of legislation prohibiting bribery of public or quasi-public officials in various countries outside Japan<sup>2</sup> has recently come to be recognized as a major risk for Japanese corporations doing business around the world. Due to its global reach, the Ajinomoto Group conducted the activities shown on the right in 2014 in an aim to build a framework that will prevent violations of laws prohibiting bribery of public or quasi-public officials in various countries and ensure fair and transparent business. No violations of such laws occurred at

the Ajinomoto Group in fiscal 2014.

March 2014	Hosted lectures by lawyers for presidents of overseas subsidiaries
August	Released guidelines on effective bribery prevention, with points of caution taken from news examples
December	Released guidelines on relevant business practices, such as consultant contracting and expense accounting

<sup>2</sup> Unfair Competition Prevention Act (Japan), Foreign Corrupt Practices Act (U.S.), Bribery Act (UK), etc.



# Compliance Framework

The Ajinomoto Group requires not only that all managers and employees comply with the law but also that they adhere to the Ajinomoto Group Standards of Business Conduct. With the aim of becoming a “Genuine Global Specialty Company,” the Group will work to further consolidate the framework which undergirds all of its compliance efforts.

## Adhering to the Ajinomoto Group Standards of Business Conduct

The Ajinomoto Group Standards of Business Conduct define model conduct that all managers and employees must understand and endeavor to practice every day in order to implement the Ajinomoto Group Philosophy in accordance with the shared values set out in the Ajinomoto Group Way. The Group is working

to ensure full awareness of the standards among managers and employees at group companies both in and outside Japan. The Business Conduct Committee also checks various initiatives and corporate activities.

## Ajinomoto Group Standards of Business Conduct revised

The Ajinomoto Group Standards of Business Conduct were revised in August 2014. To increase understanding among all Ajinomoto Group officers and employees, the standards were

### Reason for revision 1

#### To establish consistent standards of conduct in order to strengthen global governance

In the past, each group company around the world was tasked with establishing its own specific code of conduct, based upon the Ajinomoto Group Standards of Business Conduct, and to apply its code at its own discretion. This led to some lack of consistency among standards at different group companies.

The recent revision of the Ajinomoto Group Standards of Business Conduct solves this by setting consistent standards for the entire Group. The revised standards are expected to help establish global governance befitting a “Genuine Global Specialty Company.”

### Reason for revision 2

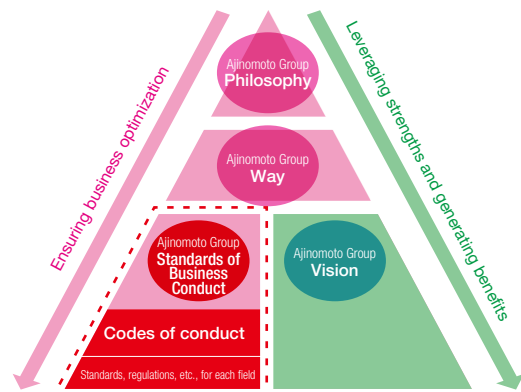
#### To enable quicker response to current global social standards

The previous Ajinomoto Group Standards of Business Conduct were not always in step with today’s rapidly evolving global social standards, particularly with regard to human rights. The recent revision included a new chapter on human rights and added to the coverage of the following themes.

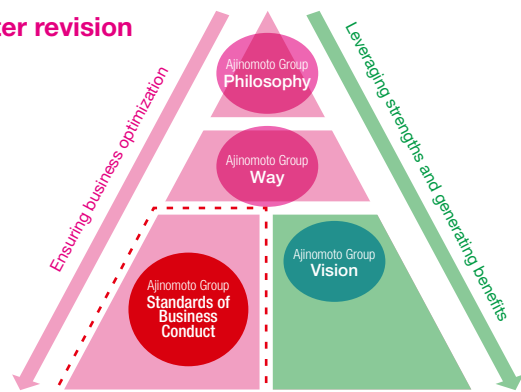
1. Support for international human rights standards and international labor standards, clarifying expectations of business partners and requiring them to cooperate in putting these expectations into practice
2. Taking steps to identify the cause of the problem and prevent reoccurrence whenever there is a concern that a product or service may not meet quality standards
3. Using appropriate expressions in advertising and marketing (particularly in advertising and marketing aimed at children)
4. Creating internal systems, including employee training programs and safety equipment, to prevent disasters, accidents and incidents

translated into 19 languages in addition to the standard Japanese and English formats, providing online access to the standards in 21 languages.<sup>1</sup>

### Before revision



### After revision



Ajinomoto Group Principles

<sup>1</sup> In alphabetical order: Arabic, Bengali, Chinese (simplified), Chinese (traditional), English, Filipino, Flemish (Dutch), French, German, Indonesian, Japanese, Khmer, Korean, Malay, Polish, Portuguese, Russian, Spanish, Thai, Turkish, Vietnamese

## Educating employees about compliance

The Ajinomoto Group is improving its education and training to ensure that employees are thoroughly aware of the Ajinomoto Group Standards of Business Conduct.

In fiscal 2015, posters, computer messages, and other media were employed to inform employees of recent revisions to the standards.



Startup screen to promote awareness of the Ajinomoto Group Standards of Business Conduct



Computer message explaining revisions to the standards



Japanese poster announcing revisions to the standards



Japanese poster raising awareness of the AGP and Ajinomoto Group Standards of Business Conduct

## Compliance activities of the Business Conduct Committee

In May 1997, Ajinomoto Co., Inc. established the Business Conduct Committee, tasking it with ensuring that all personnel are well informed of the Ajinomoto Group Standards of Business Conduct and verifying that business activities are compliant with

the standards. The main group companies in Japan have also set up business conduct committees to address their unique issues. The main group companies in Japan have also set up business conduct committees to address their unique issues.

### Role of the Business Conduct Committee



### Whistleblower hotline and harassment advisory service

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

In fiscal 2014, 28 hotline reports were made (3 from employees of Ajinomoto Co., Inc., 25 from employees of group companies in Japan). In all cases, issues were resolved in communication with the reporting party. These cases were shared with the Ajinomoto Co., Inc. Business Conduct Committee and also reported to the Management Committee and Board of Directors in a manner that retained the reporters' anonymity.

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

## Worksite meetings on the AGP and Ajinomoto Group Standards of Business Conduct

Since 1998 members of the Business Conduct Committee have been visiting worksites at Ajinomoto Co., Inc. to talk with employees about the Ajinomoto Group Standards of Business Conduct and hear directly about issues concerning compliance in the workplace.

Following revisions to the standards in 2014, the emphasis of these meetings was shifted to discussing the standards and AGP in practice. In fiscal 2014, 334 employees took part in a total of 30 meetings. Themes raised at the meetings that need to be tackled at a company-wide level are discussed by the committee and incorporated into specific activities.

The content of these worksite discussions is posted on the intranet to keep all employees informed.

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



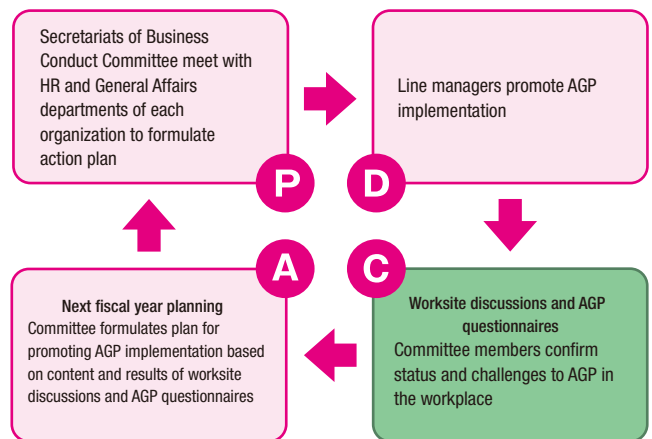
Worksite discussion held at the Nagoya Branch

## Questionnaire on awareness of the Ajinomoto Group Principles

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

Awareness of the AGP increased dramatically, to 86%, in fiscal 2014 as a result of placing greater emphasis on education following revisions to the Ajinomoto Group Standards of Business Conduct.

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



## Thorough information security

To ensure proper handling of information, the Ajinomoto Group operates Plan-Do-Check-Act (PDCA) cycles for information security, constantly aiming to improve operations. This involves establishment and publicizing of rules and inspection of information handling.

### Information security inspections

Ajinomoto Co., Inc. conducts information security inspections periodically at all worksites each year. The inspections mainly focus on the basics of proper information handling, including management of IT equipment, confidential information, and personal information. In September 2014, the company conducted a comprehensive inspection of external cloud use and its management status.

### Establishment of new guidelines

The Ajinomoto Group formulated the Information Security Policy and the Information Management Regulations as the Group's security rules in April 2004. Responding to the rapid changes in technology use in recent years, in July 2014 the Group estab-

lished Guidelines for External Cloud Use and Smart Device Guidelines and communicated them to Ajinomoto Group companies worldwide. In addition, in September 2015, Ajinomoto Co., Inc. completed a revision of the Information Management Regulations to fortify management of technical and other highly confidential information, and communicated the revisions to Ajinomoto Group companies worldwide.

### Information security training

The Ajinomoto Group conducts security training seminars for new recruits and managers. In addition to this, the Group has prepared and runs job-specific online training courses.

#### Fiscal 2014 activities

- Group training for line managers in operational and sales divisions**  
Three times: Jul. 18, Nov. 14, 2014, Jan. 16, 2015  
160 total participants
- Group training for line managers in production and R&D divisions**  
Three times: May 16, Sep. 12, 2014, Mar. 6, 2015  
165 total participants
- Group training for new hires**  
Apr. 9, 2014  
78 total participants

## Response to new risks

The Ajinomoto Group has begun addressing the emerging risks expected to accompany advances in information technology. As a response to information leaks resulting from viruses transmitted through targeted email attacks, a risk covered by various news outlets of late, the Group is educating internal users, blocking access to fraudulent websites that trigger virus transmission, and operating systems that detect the hijacking of computers by an

outside attacker. These are in addition to existing strategies such as strengthening virus protection for company computers and servers and increasing detection of online hacking.

**Reference** See "Rigorous management of personal information" on p. 117.

**Link** Security Policy  
<http://www.ajinomoto.com/en/aboutus/vision/securitypolicy/index.html>

## CSR Management

The Ajinomoto Group sees realizing the Ajinomoto Group Philosophy as a key part of its responsibility to society. By adding the concept "Working for Life" to the Ajinomoto Group Philosophy in 2009 on the occasion of its 100th anniversary, the Group declared its aspiration to respect all living creatures and the environment of the planet that supports them, and is unified in its efforts to realize this philosophy.

### CSR implementation structure

#### Mechanisms for utilizing external expert opinion

The Ajinomoto Group values external opinion for advancing its CSR objectives. From 2005 to 2010, the Group gathered comprehensive feedback on CSR strategy from outside experts and used the information to narrow down specific activity themes to the three material issues facing 21st-century human society (global sustainability, food resources, healthy living) and contribute to society through business as strategic CSR.

Since 2011, the Group has deepened its understanding of these issues by holding theme-specific dialogues, including with experts from outside Japan to incorporate a more global perspective.

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

#### Reference

See "Materiality" on p. 11.  
 See "Stakeholder Engagement" on p. 13.  
 See "Continuing dialogue on human rights issues" on p. 60.  
 See "Using dialogues with external experts to guide improvement" on p. 113.

#### Advancing CSR as one Group

The Ajinomoto Group has sought to address social and environmental issues through business as strategic CSR since 2008. In the FY2014–2016 Medium-Term Management Plan the Group

takes this work to the next level with Ajinomoto Group Creating Shared Value (ASV). This initiative specifies social and environmental contribution objectives for each business division and sets numerical targets as preparation for shifting to a PDCA cycle.

Before ASV, the Group had already implemented ISO 9001 and ISO 14001 management systems as well as the Ajinomoto Group Standards of Business Conduct to ensure business optimization and contribution to sustainability. Looking to confirm whether its steps were meeting the current requirements of the global community, the Group reexamined its initiatives against the ISO 26000 guidance on corporate social responsibility in fiscal 2012, which highlighted some new opportunities for improvement. While continuing to use its existing management systems, the Group will also utilize ISO 26000 in a complementary fashion. Relevant departments will consider which matters and social issues need to be addressed in light of ISO 26000.

The CSR Department was created in 2005 as the unit tasked with supporting these efforts and promoting group-wide CSR activities. It integrates CSR objectives into the various business functions in collaboration with the General Affairs & Risk Management Department, which oversees CSR overall, as well as the Human Resources, Quality Assurance & External Scientific Affairs, Production Management, and R&D Planning departments, and the Group Procurement Center. The company holds regular liaison meetings with CSR staff from the main group companies in Japan to ensure more united efforts on CSR, for example better coordinating reconstruction aid for victims of the Great East Japan Earthquake. The company also liaises as appropriate with CSR staff at the main subsidiaries outside Japan to coordinate initiatives.





## Fair Operating Practices

# Ethical and Honest Practices

The Ajinomoto Group practices socially responsible procurement to ensure that resources essential to its business operations are available long into the future. The Group aims to learn and grow together with suppliers and diverse stakeholders throughout the supply chain as it pursues this goal.

The Group is also committed to ensuring that officers and employees refrain from behavior that obstructs fair, transparent, and free competition. Guidelines are maintained and communicated to educate and raise awareness.

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  - Ajinomoto Group Procurement Policy
  - Initiatives for sustainable procurement of critical raw materials
- P57** Ensuring Fair Competition
- P58** Preventing Corruption
- P58** Protecting and Properly Using Intellectual Property

# Pursuing CSR Procurement

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

## Ajinomoto Group Procurement Policy

### Ajinomoto Group Basic Purchasing Policy

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

laws and regulations, and fulfill its agreements in cooperation with suppliers and other business partners.

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

#### Ajinomoto Group Basic Purchasing Policy (excerpt)

##### 3. The Practice of Corporate Social Responsibility (CSR) in Purchasing

- Purchasing of raw materials and other products shall be in conformity with laws and regulations related to the quality and safety assurance of products, the Ajinomoto Group Quality Assurance Standard, and all the other related laws and regulations.
- The Ajinomoto Group confirms that the products it purchases directly are conscious of global environment conservation and free of any connection to the violation of human rights, including child labor and illegal employment, during either production or distribution.

##### 4. Requests to Suppliers and Other Business Partners

- The Ajinomoto Group requests suppliers and other business partners to understand the Ajinomoto Group Basic Purchasing Policy and cooperate as members of the supply chain.
- The Ajinomoto Group requests suppliers and other business partners to promote a range of proposals, including streamlining based on economic rationality.
- The Ajinomoto Group clearly states its expectations in such areas as compliance, human rights, labor and safety, the environment, quality and safety in its Supplier CSR Guidelines and requests suppliers and other business partners to cooperate in implementing proper CSR.

### Guidelines relating to CSR procurement

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

The Ajinomoto Group has been implementing the practice of

CSR in purchasing and requests suppliers and other business partners to promote CSR. The Ajinomoto Group Basic Purchasing Policy was established in fiscal 2006. It makes the practice of corporate social responsibility (CSR) integral to transactions, and requires suppliers and other business partners to take their own CSR measures. By formulating Supplier CSR Guidelines as well as policies and guidelines for the sustainable procurement of agricultural, livestock, and fisheries products, the Group will ensure more effective implementation of socially responsible procurement across its supply chain.

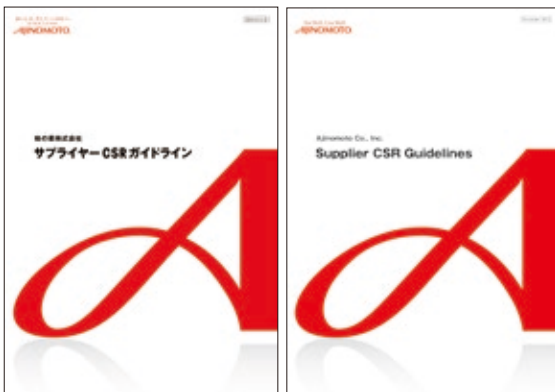
### Guidelines relating to CSR procurement

Ajinomoto Group Principles (AGP)					
Ajinomoto Group Environmental Philosophy and Basic Environmental Policies	Quality Policies	Ajinomoto Group "Disaster Prevention" and "Occupational Health and Safety" Philosophy/Policies	Security Policy	Ajinomoto Human Resource Values	Ajinomoto Group CSR Vision
<b>Ajinomoto Group Basic Purchasing Policy</b>					
<b>Supplier CSR Guidelines</b> Learning and growing together <ul style="list-style-type: none"> <li>▶ Documents supplier expectations for social responsibility</li> <li>▶ Divided into sections on human rights, labor safety, the environment, and compliance, in accordance with the AGP, UN Global Compact, and ISO 26000</li> <li>▶ Advises suppliers to pursue, in line with the guidelines, initiatives for social responsibility on their own accord, and to extend such initiatives upstream in their supply chain, thus ensuring CSR initiatives are taken across the supply chain of the Ajinomoto Group</li> </ul>			<b>Policies and guidelines for sustainable procurement of agricultural, livestock, and fisheries products</b> <ul style="list-style-type: none"> <li>▶ Systematic formulation of principles and policies for sustainable procurement, by type of raw material</li> </ul>		
			Ajinomoto Group Biodiversity Policy and Action Agenda	Ajinomoto Group Guidelines for Procurement of Environmentally Responsible Paper	

## Clarifying CSR expectations to suppliers and other business partners

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

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



Supplier CSR Guidelines of Ajinomoto Co., Inc. (in Japanese and English)

### 2. Initiatives at Ajinomoto Group companies

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

Now the company is expanding the Supplier CSR Guidelines initiatives to encompass group companies in and outside Japan,

so that they can assess their suppliers.

After establishing the Supplier CSR Guidelines, Ajinomoto Co., Inc. informed all suppliers of the guidelines and called for their cooperation through information sessions and documents. The company also developed a self-assessment questionnaire (SAQ) for suppliers to use in assessing their socially responsible procurement. Implemented to a group of direct suppliers from fiscal 2013 with corresponding feedback, this supplier self-assessment and feedback will continue to evolve together with initiatives for structural enhancement to guarantee food safety and will expand to include more suppliers in fiscal 2015.

In addition, a supplier information session was held in February 2015 for Food Defense, or measures to prevent food product contamination by the deliberate introduction of foreign matter, to similarly request supplier self-assessment and their cooperation on Food Defense audits (with around 400 participants from 230 supplier companies).



Information session with suppliers

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

Committed to sustainable practices that benefit local communities and economies, the Ajinomoto Group is systematically preparing policies and guidelines for the sustainable procurement of agricultural, livestock, and fisheries products. The Group is committed to working with raw material producers and suppliers to identify risks that impact ecosystem services in the manufacturing processes for ingredients used in products, and to identify social issues in the supply chain.

**Reference** See "Considering human rights in business activities" on p. 62.

**Link** Ajinomoto Group Basic Purchasing Policy  
<http://www.ajinomoto.com/en/aboutus/vision/purchase/>

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

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

**Link**

Ajinomoto Group Guidelines for Procurement of Environmentally Responsible Paper  
[http://www.ajinomoto.com/en/activity/environment/pdf/2012/environment\\_responsible\\_paper\\_en\\_201201.pdf](http://www.ajinomoto.com/en/activity/environment/pdf/2012/environment_responsible_paper_en_201201.pdf)

**Link**

Ajinomoto Group Biodiversity Policy and Action Agenda  
<http://www.ajinomoto.com/en/activity/environment/biodiversity-agenda/>

## Initiatives for sustainable procurement of critical raw materials

### Principles for sustainable procurement

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

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

#### 1. Business process improvement

Business processes for procurement and use that reduce natural capital will be improved "so that the impact of raw material procurement and use is kept within limits of ecological cycles and ability to recover."<sup>2</sup>

#### 2. Recovery and strengthening of natural capital

In addition to keeping natural capital from decreasing, the recovery and strengthening of natural capital will be actively pursued, thereby creating environmental and social value through business activities.

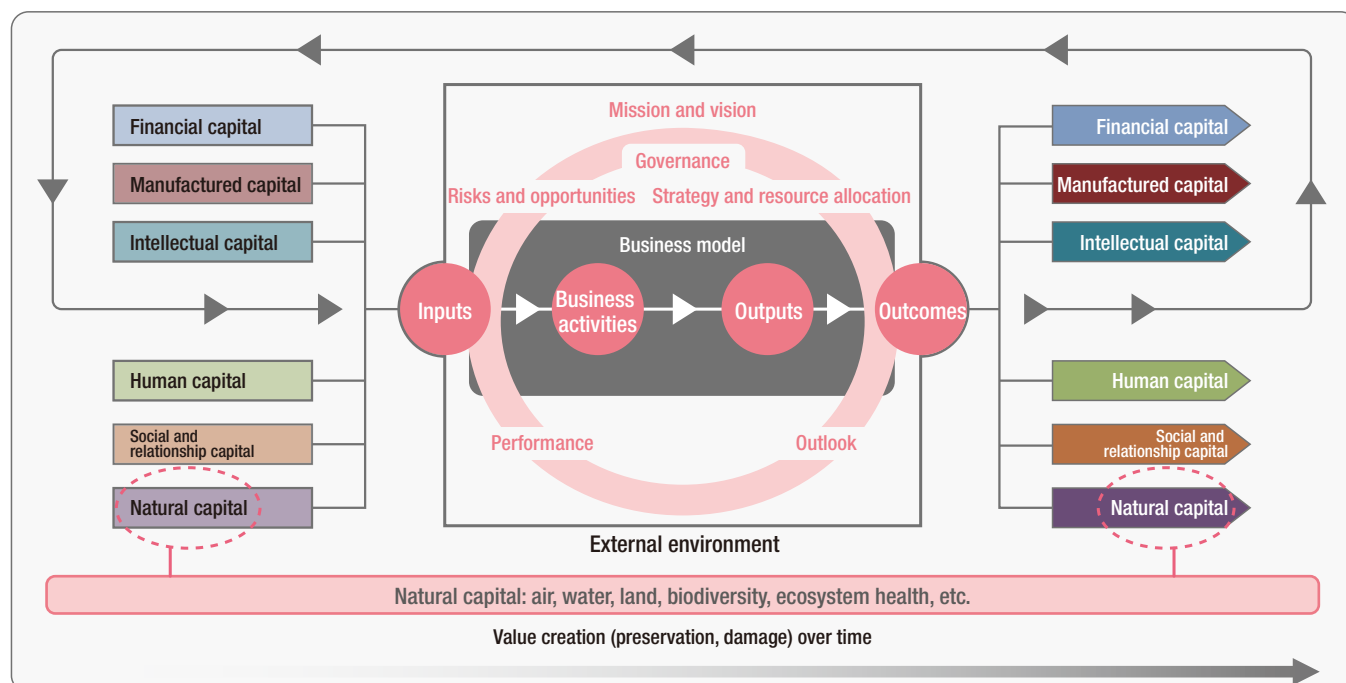
#### 3. Cooperation and collaboration in social system creation

Get actively involved in creating a sustainable social system. Expand procurement activities into the creation of social systems for production, supply and value chains that recover and strengthen sustainable natural capital. Cooperate and collaborate with various stakeholders and engage with the most upstream of the supply chain.

#### 4. Individual adaptive approach

Adopt effective approaches according to the environmental and social issues of the supply chain for each resource or raw material. Monitor actual conditions and address adaptively.

### The value creation process (International Integrated Reporting Framework)



Created by Ajinomoto Co., Inc. based on the original diagram by the International Integrated Reporting Council (IIRC)

### Identifying raw materials for key initiatives

The areas targeted for the Group's key initiatives have been identified for practicing sustainable procurement of important raw materials. To begin with, the various raw materials used in the Ajinomoto Group's business activities were comprehensively examined. Specialists in related divisions, together with NGOs and other outside experts, analyzed these materials and determined that resources in the fields of agricultural products, forest ecosystems, and marine products should be given priority, from the overall perspective of degree of dependence of the Group businesses and connection to global environment and social sustainability. In agricultural resources, there are the sugar-based

crops, the raw material for amino acid fermentation, and coffee beans for the coffee business. In forest resources, there are paper for office-use and the packaging for processed food products targeting consumers, and palm oil, which is a functional ingredient in processed foods and specialty chemical production. And in marine resources, these include skipjack, the major ingredient in the Japanese seasoning *HON-DASHI*<sup>®</sup> and in dried bonito shavings, and shrimp, the defining ingredient of frozen food and other products.



## Contributing to the establishment of international management framework for sustainable skipjack fisheries

The establishment of an international framework and steady implementation of skipjack fishery management measures in international waters is an important factor for ensuring sustainable procurement and use of skipjack stocks. Not being a government member of international organizations that oversee the fisheries industry nor being directly involved in fisheries, the Ajinomoto Group can effectively contribute by accumulating scientific knowledge that may help develop constructive debates

on sustainable resource management measures in international organizations.



Reference

See "Joint Tagging Survey of Skipjack off the Pacific Coast of Japan to build the foundation for international skipjack stock management" on p. 91.

## Initiatives to promote sustainable paper use

Mainstreaming Forest Stewardship Council (FSC) and other certified paper is one of the most effective ways to sustainably produce and consume paper. As with palm oil, there is low awareness in Japan of forest ecosystem preservation and sustainable procurement and use of paper. Ajinomoto Co., Inc. is calling on Japanese industries to make responsible paper procurement and use the norm nationwide, as it advances such activities in its offices.

The Ajinomoto Group issued its Guidelines for Procurement of Environmentally Responsible Paper in January 2012, specifying that paper which helps conserve forest ecosystems will be used for Group offices worldwide, containers and packaging, etc.

In March 2015, Policy 2 was partially revised to define, for Ajinomoto Group purposes, paper made from FSC Controlled Wood as environmentally responsible paper. This is expected to substantially conserve forest ecosystems while raising the effectiveness of environmentally responsible paper adoption particularly for paper used in containers and packaging. The use of FSC-certified paper was also standardized for business cards, company envelopes, etc., at Group companies in Japan.

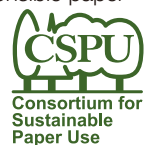
Paper from certain manufacturers has been flagged by NGOs and others in Japan as having problems with forest ecosystem conservation and local communities. Ajinomoto Co., Inc. has

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

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

taken appropriate steps to make sure it is not complicit in these problems after conferring with relevant parties in the supply chain.

Consortium for Sustainable Paper Use (CSPU) activities are also ongoing. CSPU was established in November 2013 by Ajinomoto Co., Inc. and four other Japanese companies in partnership with WWF Japan and Response Ability, Inc., believing it essential to promote sustainable paper use throughout society, not only within industry. Two additional companies joined CSPU in June 2014. Working from each member's standpoint, CSPU promotes environmentally and socially responsible paper use, shares information on global trends on paper procurement, and exchanged views with leading paper suppliers in Japan.



Link

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

### Highlight

#### Inspecting forest ecosystem controversial sites

The subject of sustainable procurement and use is related to a wide range of environmental and social issues. Thus, if initiatives are to be effective, it is important to fully comprehend the actual situation on-site and adapt along the way. Key controversial sites are checked by company personnel, so that the company can act responsibly and with intent based on sound judgment.

I visited Riau, Indonesia, in November 2014 to check out the situation at sites with forest ecosystem-related issues. There have been serious concerns worldwide about Riau and its extensive deforestation caused by inappropriate production of palm oil and paper. With assistance from local NGOs, I took stock of the interaction between nature and human activity, covering around 600 kilometers in 3 days. I learned that much ecological destruction and species loss has indeed taken place, even in nature parks and protected reserves. Underlying this are various complex and interconnected problems, including a host of social issues. Although there certainly is no simple or easy solution, the Ajinomoto Group, through responsible action and collaboration with various stakeholders, will continue working and contributing toward solving these issues.

Nobuyuki Sugimoto  
(In charge of biodiversity and sustainable procurement)  
Associate General Manager, CSR Department,  
Ajinomoto Co., Inc.



## Initiatives to adopt sustainable certified palm oil

Mainstreaming use of Roundtable on Sustainable Palm Oil (RSPO)<sup>1</sup> and other certified palm oil the norm is one of the most effective ways to sustainably produce and consume palm oil. Aside from efforts to convert palm oil used by Ajinomoto Group companies to certified palm oil, Ajinomoto Co., Inc. is collaborating with concerned parties to make certified palm oil the standard in Japanese industries.

Ajinomoto Co., Inc. joined RSPO in August 2012. For palm oil-based ingredients, the company set a target to complete the conversion to certified palm oil-derived products by 2018. Ajinomoto Co., Inc. purchases raw materials with palm oil-derived ingredients equivalent to some 2,800 tonnes annually for use in the production of processed foods (60% at about 1,600 tonnes) and specialty chemicals (40% at about 1,200 tonnes). Since palm oil use spans a wide range of products and numerous stakeholders in the supply chain, consultations and collaboration with stakeholders for each purchased raw material is necessary in order to convert these ingredients into certified palm oil-derived products. For businesses on the downstream end of the supply chain such as Ajinomoto Co., Inc., certified palm oil cannot be procured if the upstream side of the supply chain involved with palm oil is not set up for it. From 2013-2014, Ajinomoto Co., Inc. expressed its intent to adopt certified palm oil and continued discussions with each stakeholder in the supply chain. At the same time, the company laid the groundwork for acquisition of RSPO Supply Chain Certification Systems (SCCS<sup>2</sup>) in its work process. As a stopgap before acquisition of SCCS certification and adoption of “Mass Balance” certified products, the company began purchasing palm oil certified under the “Book and Claim” system in 2014.

Through these initiatives, the specialty chemicals business acquired SCCS certification in January 2015 while a main food products business acquired SCCS certification and switched to “Mass Balance” certified oil in April 2015. Moving forward, the company is working to gradually expand its SCCS certification and increase certified oil use.

For group company businesses inside and outside Japan, there are also ongoing initiatives to meet their respective needs and circumstances.

In Japan, Ajinomoto Frozen Foods Co., Inc. and AJINOMOTO GENERAL FOODS, INC. purchase food product ingredients containing palm-oil derived components. Plans for converting these ingredients into certified palm oil-derived products are under consideration in both companies. As a start, AJINOMOTO GENERAL FOODS, INC. began purchasing palm kernel oil certified under the “Book and Claim” system from fiscal 2015. In overseas group companies, although there are corporations using palm oil as a production raw material in food products, the situation for raw materials procurement at the production site, as

## Ajinomoto Co., Inc. certified palm oil adoption performance and plan

Performance in red Plan in blue

	2012	2013	2014	2015	2016	2017	2018
RSPO membership	★ August						
Discussions with supply chain stakeholders	—→						
Percentage of SCCS certification acquisition <sup>1</sup>				70%	90%		100%
Percentage of certified palm oil adaption <sup>2</sup>			"Book and Claim" adoption began	15% "Mass Balance" adoption began	33%		100%

<sup>3</sup> Based on the calendar year. As of October 2015

well as the interest level of customers, differ greatly for each country or region. This will require approaches tailored to the needs of each location. The Group conducts supply chain surveys and studies for adopting certified palm oil, while sharing its awareness of the need to make sustainable certified palm oil the norm.

Unfortunately, the level of awareness regarding sustainable procurement and use of certified palm oil is extremely low in Japan. There are many obstacles for corporations who want to procure and use certified palm oil; they encounter difficulties during actual procurement or fail to gain the understanding of customers and consumers. As the volume of the Japanese market is low within the global palm oil market, information in Japanese is limited and getting the latest information on sustainable palm oil and RSPO is difficult. Moreover, it is a remote issue for many corporate users and consumers. Japanese corporations, including Ajinomoto Co., Inc., joined the RSPO to actively engage in efforts to adopt certified palm oil, attending RSPO Roundtable Meetings and General Meetings, and continuing on with their efforts. However, they share the sentiment that, in light of the situation in Japan, the cooperation and collaboration of Japanese stakeholders is sorely needed. In a call to action at the RSPO Roundtable Meeting held in Medan, Indonesia, in November 2013 by voluntary Japanese businesses, WWF Japan, certification bodies and others, meetings started from 2014 with the aim of promoting certified palm oil in Japan. These are held regularly and call for the wider participation of Japanese corporate stakeholders. In 2015, Ajinomoto Co., Inc. is further deepening its involvement by helping promote initiatives over the entire Japanese industry.

<sup>1</sup> A non-profit organization whose purpose is to promote the production and use of sustainable palm oil by developing certification standards that are trusted globally and ensuring the participation of stakeholders. It is operated cooperatively by the seven groups involved in the palm oil industry: growers, processors and traders, consumer goods manufacturers, retailers, banks/investors, environmental NGOs, and social NGOs.

<sup>2</sup> Supply chain system created with the aim of delivering products, which use sustainable palm oil obtained from RSPO certified plantations that have cleared strict criteria for biodiversity conservation, from the producer and seller to the consumers



12th Annual Roundtable Meeting on Sustainable Palm Oil (RT12)

## Sustainable procurement of coffee beans

Coffee beans are grown in regions that are rich in biodiversity and are largely sourced from small coffee farmers.

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

The companies procure coffee beans produced at farms



that adhere to 4C Association and Sustainable Agriculture Network standards.

- <sup>1</sup> Sets standards to support coffee growers in taking the critical first step to implementing sustainable practices in coffee production and processing.
- <sup>2</sup> Works to protect forests, rivers, wildlife habitats, workers and their families, and the rights and welfare of cooperatives, through certification of coffee farms.

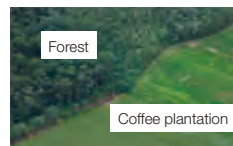
Link

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

### Highlight

#### Rainforest Alliance Seminar "Actual State of Coffee Plantation Training" for employees

AJINOMOTO GENERAL FOODS, INC. held a seminar for employees in July 2015 with Chieko Horiuchi, the Japanese representative of Rainforest Alliance, and Reiko Enomoto, a farm supervising manager based in Costa Rica. The seminar was conducted in a group-based quiz form. The participative seminar was an opportunity to learn about the Rainforest Alliance certification and feel the realities of the actual coffee plantation training.



Coffee plantation made by clearing forest land

#### Feedback from participants

- It's alarming to know about the wastewater from coffee bean processing and other issues. It made me want to learn more about coffee plantations.
- I was surprised to learn of the large impact of the coffee industry on forest destruction.

## Ensuring Fair Competition

The Ajinomoto Group Standards of Business Conduct (hereinafter the "Standards of Conduct") ensure fair and transparent business transactions and require employees to fully understand and comply with laws and regulations concerning competition in all countries in which the Group operates.

Based on the Standards of Conduct, the Ajinomoto Group has developed corporate guidelines for compliance with antitrust law in Japan. Outside of Japan, the Ajinomoto Group has implemented corporate guidelines for compliance with United States antitrust law and European competition law, which apply to some 20 group companies. Ajinomoto Co., Inc. also implements Supplier CSR Guidelines prohibiting behavior that impedes equitable, transparent, and unfettered competition.

## Raising employee awareness

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

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

### Ajinomoto Group Standards of Business Conduct (excerpt)

#### 3.1 Complying with antitrust and related laws

- 3.1.1 We take steps to ensure compliance with antitrust laws, competition laws and other laws and ordinances intended to ensure fair competition in each country where we do business, as well as with related internal guidelines, while pursuing free and fair transactions.
- 3.1.2 We implement policies to avoid collusion with competitors to arrange prices or sales/production volume, etc., and do not engage in behavior to limit competition (including participating in cartels) or in bid-rigging.
- 3.1.3 We implement policies to avoid employing unfair means, either alone or with other parties, to eliminate competitors from or block their entry into the market.

## Preventing Corruption

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

### Ajinomoto Group Standards of Business Conduct (excerpt)

#### 3.4 Practicing appropriate socialization and courtesies

- 3.4.1 We act with good judgment regarding gifts, entertainment and other business-related customs and courtesies.
- 3.4.2 We do not engage in conduct such as offering inappropriate gifts, entertainment or money to customers or business partners for the purpose of building or maintaining business relationships.
- 3.4.3 We do not engage in conduct such as asking business partners for gifts, entertainment or money for our personal benefit.

#### 3.5 Prohibiting bribery and corruption

- 3.5.1 We do not provide gifts, entertainment, money or other benefits that could be considered bribes to domestic and foreign public or quasi-public officials, regardless of the means.

Reference See "Compliance with anti-bribery laws" on p. 46.

## Protecting and Properly Using Intellectual Property

The Ajinomoto Group recognizes that intellectual property is an important asset. Along with ensuring its proper use, the Group takes special care not to infringe upon the intellectual property rights of others.

Ajinomoto Co., Inc. actively encourages invention. The company has established a rewards program for inventions in compliance with the patent law and also pays monetary reward to employee inventors as an incentive.

### ■ Trademark education

The Ajinomoto Group regularly conducts trademark seminars at group companies in Japan and overseas to give employees basic knowledge on trademarks and the rules for displaying trademarks such as *AJI-NO-MOTO*®. They serve both to enhance employee appreciation of trademarks and to prevent the *AJI-NO-MOTO*® trademark from being used as a generic term. A total of 90 employees from Ajinomoto Co., Inc. and group companies in Japan attended the seminar in fiscal 2014.

### ■ Rewards program for inventions

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

The company pays monetary reward for patent applications when employee inventions are transferred to the company, and for patent registrations when inventions are registered. It also pays performance-based monetary reward when inventions are

implemented by the company. Most group companies that produce inventions have implemented similar programs.

### ■ Initiatives to protect trade secrets

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

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





## Human Rights

# Respecting the Rights of Everyone Our Business Touches

The Ajinomoto Group holds dialogues with experts to obtain guidance on its human rights responsibilities as a global corporation. One result of this process is the addition of a section on human rights to the Ajinomoto Group Standards of Business Conduct. In addition, the Group advances human rights in its business through various assessments and audits, and through training programs to raise employee awareness.

The Ajinomoto Group will continue to address human rights issues proactively, in line with the principle of “value people” stated in the Ajinomoto Group Way.

## Contents

### P60 Working to Identify Human Rights Issues and Deepen Awareness

- Continuing dialogue on human rights issues
- Identification of human rights risks
- Formulation of basic human rights policy
- Considering human rights in business activities

### P63 Human Rights Initiatives at Workplaces

- Human rights in employment
- Increasing employee awareness of human rights

## Working to Identify Human Rights Issues and Deepen Awareness

The Ajinomoto Group strives to “Value People,” as stated in the Ajinomoto Group Way, and to keep the commitment to “Working for Life,” which highlights the Ajinomoto Group Philosophy. The Group recently added a section on human rights to the Ajinomoto Group Standards of Business Conduct, clarifying its policy on the wide range of human rights issues that global corporations are expected to address. Going forward, the Group will launch new human rights initiatives.

### Continuing dialogue on human rights issues

In September 2014, Ajinomoto Co., Inc. arranged a dialogue on global human rights issues, where John Morrison, the Executive Director of the Institutes for Human Rights and Business (IHRB) headquartered in London, evaluated and provided advice on the Supplier CSR Guidelines, the revised Ajinomoto Group Standards of Business Conduct, and the activities described in the Sustainability Report.



The dialogue in September 2014

#### Evaluation and advice from John Morrison

- Overall, I am impressed with the many things already achieved.
- The Group's recognition of malnutrition as consisting of the parallel issues of obesity and undernutrition is commendable.
- The report's separation of human rights issues into its own chapter, in line with international guidelines, is an important feature.
- Within the Group's sustainability strategy, accident prevention and occupational health and safety efforts are the furthest along, with other human rights issues moving in the same direction toward the same advanced level.
- On the other hand, though the report touches on issues described in the UN Global Compact, for instance, specific descriptions of the Group's key human rights risks are not made as with other issues. I hope the Group will show greater leadership in this area going forward.

### Identification of human rights risks

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

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

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

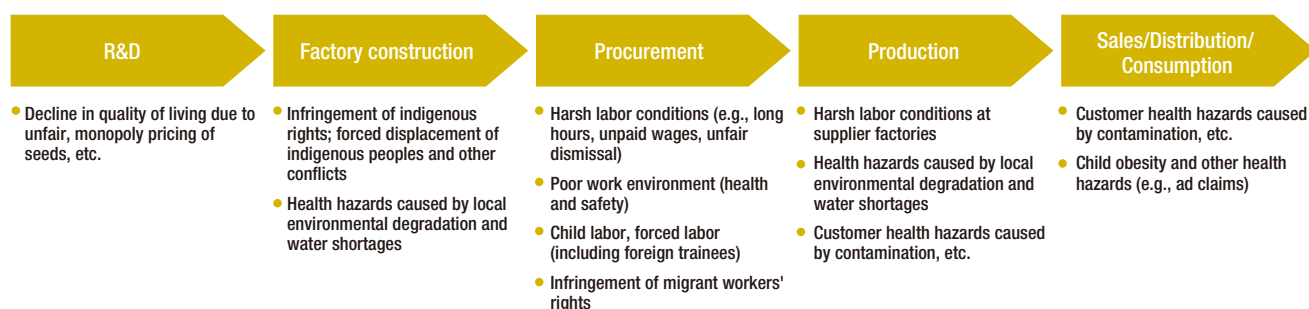
##### Labor

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

##### Water

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

#### Potential human rights risks by value chain segment



## Formulation of basic human rights policy

Ajinomoto Co., Inc. has always expected all of its divisions to respect human rights in accordance with the Ajinomoto Group Standards of Business Conduct and the Ajinomoto Codes of Conduct. Today, the company is taking steps to deepen the understanding of staff in each division about the wide range of human rights issues that global corporations are expected to address. It is also actively assessing the current state of the Group's human rights initiatives. One method it uses is surveys; every division was surveyed between April and May 2012 using

self-assessment sheets based on ISO 26000. The results confirmed that there are currently no serious problems.

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

### Ajinomoto Group Standards of Business Conduct (excerpt)

#### 4.1 Respecting human rights

- 4.1.1 We support international human rights standards, including the Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up, the United Nations Guiding Principles on Business and Human Rights, and the United Nations Global Compact.
- 4.1.2 We work together with a wide array of stakeholders to avoid any complicity in the violation of human rights.

#### 4.2 Upholding basic principles and rights related to labor

- 4.2.1 We respect the basic rights of our employees regarding freedom of association and collective bargaining.
- 4.2.2 We prohibit the use of forced or coerced labor in any form.
- 4.2.3 We understand the harmful effects of child labor and do not use, in any form, labor by persons who have not reached the minimum age for employment.
- 4.2.4 We do not discriminate in hiring or employment.

Furthermore, the Group also included human rights in the scope of its responsibility for the value chain, upgrading its efforts to address human rights as a global corporation. In the supply chain, the Group urges and works with suppliers to address issues. For consumers, the Group recognizes that its business has a significant impact on human life and health and the natural environment and ecosystems. Efforts are made to deliver very

safe products, and to carry out advertising and marketing activities responsibly, using fair and honest language, especially toward children.

Going forward, the Group will seek to advance global human rights efforts among employees based on the Ajinomoto Group Standards of Business Conduct, while integrating their practice into daily activities.

### Ajinomoto Group Standards of Business Conduct (excerpt)

#### 1.1 Developing and delivering safe, high-quality products and services

- 1.1.3 We recognize the responsibilities of the Ajinomoto Group, as a group whose work is closely related to human life, health, the environment, and ecosystems, and we make every effort to conduct the surveys and research needed to ensure that the products and services we provide are highly safe.

#### 1.2 Assuring product quality

- 1.2.2. If a problem occurs with the quality of a product or service we provide to customers, we provide accurate information related to the product or service and respond promptly in order to limit any negative impact. Furthermore, we make every effort to determine the cause of the problem and prevent its recurrence.

#### 1.4 Advertising and marketing

- 1.4.1. We take care to properly describe and label our products and services and to ensure that such descriptions and labels are easy for consumers to understand.
- 1.4.2 With regard to advertisement and communication with customers, we use appropriate and truthful expressions and avoid expressions that could cause misunderstandings related to the features and qualities of our products. We also strive to be clear about the purpose of suggestions and other information to customers included on our products. We also work rigorously to uphold this responsibility in marketing to children.

#### 3.3 Fulfilling social responsibilities in purchasing practices

- 3.3.1 In purchasing transactions, we procure sustainable materials whenever possible.
- 3.3.2 We make clear to our business partners what we expect with regard to human rights, labor, the environment, anti-corruption, and other matters. We collaborate with them to ensure that these policies are put into practice.



## Considering human rights in business activities

The Ajinomoto Group works hard to respect human rights across the value chain—from manufacturing to the delivery of products to customers. The Group carries out quality, environmental and various other assessments when constructing a new plant or office, and when launching a new product or business. Human rights are taken into consideration by evaluating the impact on people and the local community.

The Ajinomoto Group Basic Purchasing Policy states that the Group “confirms that the products it purchases directly are free of any connection to the violation of human rights, including child labor and illegal employment, during either production or distribution.” Accordingly, the Group requires its raw material suppliers

to cooperate in the effort to protect human rights. In fiscal 2013 Ajinomoto Co., Inc. issued and commenced operation of the Supplier CSR Guidelines, which explicitly state this requirement. Going forward, the guidelines will be sequentially introduced at Ajinomoto Group companies in Japan and overseas.

Further, the revised Ajinomoto Group Standards of Business Conduct clearly state expectations regarding human rights, labor, the environment, prevention of corruption and the other topics that are listed in the Guidelines, requiring cooperation in putting these expectations into practice.

### Highlight

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

Ajinomoto Frozen Foods Co., Inc. has consistently conducted specialized food defense<sup>1</sup> audits of all its suppliers in addition to regular audits of quality and other areas since 2008, with priority on China, but also focusing on Japan and other countries. Food defense audits include a review of labor conditions and human rights at raw material suppliers.

In general, a food defense audit primarily audits physical aspects of food security with the aim of preventing terrorism such as intentional adulteration. However, Ajinomoto Frozen Foods Co., Inc. also audits human aspects of security,

including whether workers have a safe working environment, whether there is sufficient communication with managers, and whether the human rights of workers are respected. Based on the concept that “Enabling workers to do their jobs with enthusiasm determines quality,” Ajinomoto Frozen Foods Co., Inc. will continue to audit labor conditions and human rights and to propose improvements, as part of its food defense audits.

<sup>1</sup> Measures to prevent the intentional introduction of foreign matter into food products. Monitoring is carried out in every stage from raw material procurement to product sales, in order to prevent anyone from adding poisons or other substances to food products.

### Highlight

#### Ghana Nutrition Improvement Project: A case study in defending the human rights of children

On May 16, 2014, the Global Compact Network Japan, the Japan Committee for UNICEF, and Save the Children Japan hosted a special event to mark the Japanese release of the Children’s Rights and Business Principles. The Ghana Nutrition Improvement Project led by Ajinomoto Co., Inc. was featured as a case study in corporate defense of the human rights of children.

Nutrition deficits in developing countries threaten the right of every child to life, healthy development and a bright future. Adequate nutrition, which is required by growing children, ought to be guaranteed by the government, as a child’s right to receive essential services. Where government services are lacking, international organizations, bilateral aid organizations and NGOs step in, but they often cannot accomplish all that is needed. The Ajinomoto Group saw an opportunity to help by making healthy products easily accessible to children in need of better nutrition, particularly the poorest. In doing so, the Group aimed not only to supplement underdeveloped government services, but also to explore a promising new business opportunity. The Group developed the KOKO Plus supplement to boost the nutrition of children during the weaning period from 6 to 24 months of age, when nutritional deficiencies have the worst impact. Collaborating with various actors from the other sectors, the Ajinomoto Group has been working to develop a successful business model for supplying

KOKO Plus to the most vulnerable children.

When people think of children, human rights, and global corporations, they are usually concerned about child labor in the supply chain. But the Ajinomoto Group has gone further, seeking to defend children’s rights in a positive way.

The Ghana Nutrition Improvement Project was also featured as a progressive example of corporate human rights initiatives in the Guidance (Handbook) on Human Rights Due Diligence published by the Japan Federation of Bar Associations in January 2015. This publication was released following the adoption of the Guiding Principles on Business and Human Rights by the UN Human Rights Council to help corporations fulfill their human rights responsibilities in accordance with the principles.



At the Japan release of the Children’s Rights and Business Principles  
Photo credit: Japan Committee for UNICEF



Mother and child in Ghana

## Human Rights Initiatives at Workplaces

The Ajinomoto Group welcomes people of all nationalities to become part of its workforce, recognizing that diversity supports the future of the Group. All employees are provided with fair opportunities to develop and exercise their abilities. The Ajinomoto Group strives to “Value People,” as stated in the Ajinomoto Group Way, while also working to protect and promote human rights in the workplace based on the Ajinomoto Group Standards of Business Conduct and the Ajinomoto Codes of Conduct.

### Human rights in employment

The Ajinomoto Group respects the values and abilities of each individual and strives to treat all people fairly while also proactively hiring people worldwide who feel an affinity for the Ajinomoto Group Way.

#### Reemployment system for retirees

Ajinomoto Co., Inc. has been providing a reemployment system for all staff and managers at the mandatory retirement age of 60 since April 2006. In fiscal 2014, approximately 58% of retiring employees made use of the system. The company also established a new system, which went into operation in April 2014, to foster career autonomy and help diversify career options for managers. Each group company in Japan has updated its own reemployment system accompanying the enforcement of Japan’s revised Act on Stabilization of Employment of Elderly Persons in April 2013. They all provide career support after the mandatory retirement age.

#### Employing more persons with disabilities

At the 29 major group companies in Japan that, having 50 or

more employees, are legally obligated to employ at least one person with a disability, the average employment rate for persons with disabilities was 1.91% in fiscal 2014. Fifteen of the companies met or exceeded the mandated rate of 2.0%. The Ajinomoto Group respects the principle of normalization, and prioritizes the hiring of persons with disabilities by enhancing recruitment activities, creating accessible workplace environments, and developing suitable work.

#### Ajinomoto Group Standards of Business Conduct (excerpt)

- 5.1 Providing equal employment opportunities and fair human resource policies**
- 5.1.1 We hire and develop diverse human resources from various countries and regions, who will support and lead the future of the Ajinomoto Group.
  - 5.1.2 We value independent, growth-oriented employees and provide them with equal opportunities to develop and deploy their skills.
  - 5.1.3 We respect the values and abilities of individuals and treat all employees fairly in all personnel affairs.
  - 5.1.4 We fairly evaluate the abilities, responsibilities and results produced by individual employees and treat employees appropriately in all personnel affairs.

### Increasing employee awareness of human rights

Each group company worldwide promotes understanding of the Ajinomoto Group Standards of Business Conduct and its own code of conduct, both of which prohibit any form of discrimination or harassment. Human rights awareness training is provided to group employees around the world. In fiscal 2014, this training was provided to all new hires and newly promoted managers at Ajinomoto Co., Inc. Furthermore, employees reaffirmed the principle of “Value People” in Ajinomoto Group Way Sessions made available to all group employees. To date, approximately 22,000 employees have taken part in the training.

Ajinomoto Co., Inc. is also committed to preventing workplace harassment. It regularly surveys all employees and then compiles opinions and specific cases into a workplace harass-

ment casebook for all employees. To promote awareness, the company solicits human rights awareness slogans from group employees and their families in Japan ahead of Human Rights Week in December. In fiscal 2014, 2,550 people entered a total of 3,642 slogans. The Ajinomoto Group will keep working to foster human rights awareness among all employees.

Reference See “Ajinomoto Group Way and ASV Sessions” on p. 66.

#### Ajinomoto Group Standards of Business Conduct (excerpt)

- 5.3 Prohibiting discrimination and harassment**
- 5.3.1 We respect the laws and culture of each country and region and prohibit discrimination against anyone on the basis of race, ethnic group, nationality, religion, belief, birthplace, gender, age, sexual orientation, disability, or any other characteristic.
  - 5.3.2 We prohibit sexual harassment in the workplace, including any kind of sexually suggestive language or behavior.
  - 5.3.3 We prohibit the exploitation of a job position to abuse the human rights of others in the workplace.

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

“We are all different, but it’s a wonderful thing to understand each other.”

Family of Yukihiro Yoshimoto, Frozen Foods Division, Ajinomoto Logistics Corporation



## Labor Practices

# Building a Company Where Employees Can Reach Their Full Potential and Derive Job Satisfaction

The Ajinomoto Group employs about 30,000 people worldwide. In fiscal 2014 the Group introduced a new global HR system designed to help all employees grow and thrive, regardless of their race, nationality, gender, or other personal characteristics. The Group is especially focused on training the next generation of leaders, shifting executive responsibilities to local staff, and increasing the number of female managers.

The Group also takes active steps to foster diversity and work-life balance, promote labor-management dialogue, and provide safe workplaces through disaster preparedness and occupational health and safety initiatives.

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  - Ajinomoto Group HR Platform for globally optimal personnel assignment
  - Various initiatives for global HR development
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  - Promoting a medium-term plan for occupational health and safety
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  - Preparing for natural disasters and protecting human life
  - Disaster drills
  - Supporting the physical and mental health of employees

# Developing and Promoting Diverse Human Resources from a Global Perspective

To become a “Genuine Global Specialty Company,” an objective stated in the Group’s FY2014–2016 Medium-Term Management Plan, the Ajinomoto Group is pursuing world-class talent diversity and profit-generating efficiency. The Group is working to develop and promote diverse human resources regardless of nationality or career track.

## Ajinomoto Group HR Platform for globally optimal personnel assignment

The Ajinomoto Group HR Platform is a common platform for human resources management designed to enable the group-wide development and promotion of diverse leaders from group companies. It seeks to deploy the right people in the right positions, worldwide. This platform is established based on position management and talent management to clarify and visualize key potential talents and key positions. Also, it defines systematic training programs and a compensation policy.

Starting in fiscal 2016, the Group will introduce a new global human resources system to accelerate development of world-class next-generation leaders. This is a part of the Group’s efforts to establish a solid base of global human resources, in addition to appointing local corporate officers outside Japan (from 40% in fiscal 2014 to 50% in fiscal 2016) and promoting more women to management positions (15% to 20%), as it strives to become a “Genuine Global Specialty Company.”

## Various initiatives for global HR development

The Ajinomoto Group has been carrying out training for developing leaders corresponding to job grades. The training is based on the Group’s three fundamentals for global human resources: the Ajinomoto Group Way, the Ajinomoto Global Leadership Competencies, and a global mindset.

### Managerial job grades



### Major training programs for developing leaders

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



GGLS seminar



AGFLS participants



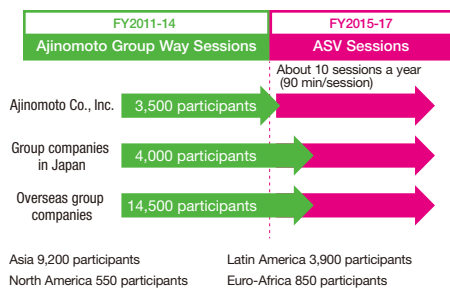
**Highlight**

**Ajinomoto Group Way and ASV Sessions translate Group's shared values into practice**

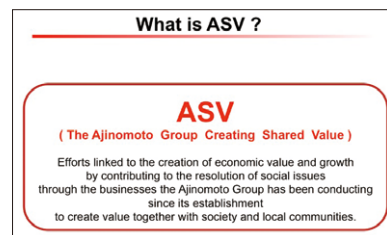
The Ajinomoto Group has been holding sessions on the Ajinomoto Group Way<sup>1</sup> since fiscal 2011. These sessions take place during leadership and grade-specific training. The aim is to promote deeper awareness and understanding of the Ajinomoto Group Way, which forms the basis for human resources development in the Group and is a required element for global employees. As of the end of fiscal 2014, about 22,000 group employees worldwide had taken the sessions.

ASV Sessions were begun in fiscal 2015 to translate the Ajinomoto Group Way into practice. Participants learn about

ASV<sup>2</sup> while also personalizing the Group's mission to address social issues through business, and contemplating the inherent value of their work and of being part of the Group. Employees who complete the session express a newfound motivation to "help maintain and benefit local communities, people, and the global environment through food," "approach work with greater confidence and pride," and "try new approaches while keeping ASV in mind and having a broad perspective, such as the entire value chain, not just me working alone."



ASV Session at Ajinomoto Co., Inc.



From an ASV Session slideshow presentation

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

**HR initiatives to support the development of all employees**

In addition to global training for developing leaders and the Ajinomoto Group Way Sessions, the Group conducts cross-regional, division-specific training and various other training programs in each country and site.

**Division-specific training examples**

- Compliance and legal training (p. 48)
- Occupational health and safety education (p. 74)
- Environmental education (p. 107)
- Quality assurance training (p. 112)
- Sales training
- Marketing training
- Intellectual property and trademark training (p. 58)



Safety education at Ajinomoto (China) Co., Ltd. (Beijing, Shanghai, Guangzhou)

**Highlight**

**Career development programs to support the growth of individual employees**

Ajinomoto Co., Inc. is actively developing and supporting employees who take on challenging goals. This is based on the concepts that the growth of individual employees forms the basis of corporate growth, and that everyone is the actor in his or her own personal development.

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

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



# Improving Diversity and Work-Life Balance

The Ajinomoto Group is working to realize the Ajinomoto Group Diversity and Work-Life Balance Vision. Its aim is to contribute to the prosperity of society and the realization of fulfilling lives for its employees by supporting both the growth of every employee and the further development of the company.

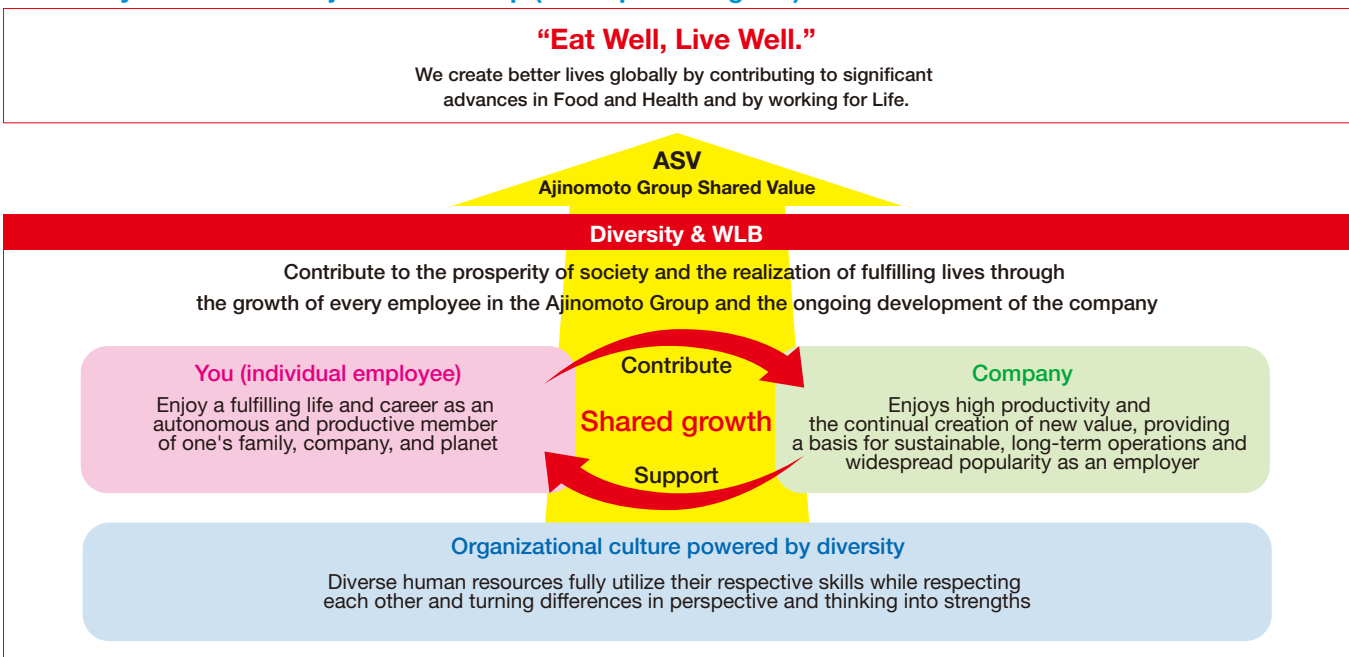
## Diversity and work-life balance in practice

Diversity is becoming increasingly essential to competitiveness, as employee backgrounds and values diverge and the work environment undergoes dramatic change. And work-life balance (WLB) is a crucial part of leveraging these diverse employee skills for new value creation. Ajinomoto Co., Inc. has been steadily improving its work environments, reviewing various work styles, and helping employees better understand one another. These efforts began in 2008 with various labor-management collaborations under the WLB Improvement Project.

In fiscal 2012 initiatives were begun on an individual workplace basis, and in fiscal 2014 the company launched “Work@A,” a work style innovation project aimed at increasing productivity through the use of new IT tools and introduction of new work styles such as a telecommuting.

From fiscal 2015 onward, these initiatives will be upgraded to a new Diversity & WLB program to further accelerate work style innovation and increase diversity, with special emphasis on supporting women’s advancement.

### Diversity & WLB in the Ajinomoto Group (conceptual diagram)



### Women’s advancement

#### Ajinomoto Women’s Council

Ajinomoto Co., Inc. created the Ajinomoto Women’s Council in October 2015 as an organization tasked with accelerating women’s advancement in the workplace. Composed of HR and labor managers from divisions across the company and representatives of the Ajinomoto labor union, the council evaluates current conditions in the workplace and carries out activities around the following three themes. They especially promote

#### Three activity themes

1. Challenge (change of female employees’ awareness)
2. Circumstance (change of workplace awareness)
3. Continue (mechanisms that encourage employee retention)

A-WIN, a social network of young working women, through which they seek to change employee awareness.

#### A-WIN activities

Ajinomoto Co., Inc. is advancing Challenge (change of female employees’ awareness) and Circumstance (change of workplace awareness) activities by promoting exchange and networking between diverse human resource in and outside the company.

Examples: Roundtable career discussions; social events for female sales staff, working mothers and fathers, and supervisors of part-time working parents; lunch-hour activities

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

In order to offer diverse work styles to its diverse human resources, Ajinomoto Co., Inc. has launched a work style innovation project. In fiscal 2014, new work style programs were introduced, including IT-based initiatives.

### Basic strategies

Diverse human resources Diverse work styles  
**Work@A**  
 Work style innovation at Ajinomoto Co., Inc.

In order to improve productivity by keeping track of work and hours, each employee sets targets (i.e., work to finish in a set period) and selects working hours and location.

### New system

1. Discontinued core time for flex-time, and super flex-time
2. Introduced hourly paid leave
3. Introduced telecommuting system
4. Introduce discretionary work system (planned for April 2016)

### Early morning work

Encourage execution of most work in early morning, with goal to complete at a specific time

1. Set 8 p.m. as office shutdown time (all lights in Head Office automatically turn off)
2. Serve breakfast in Head Office cafeteria (freshly brewed coffee, baked bread, etc.)

## Various workplace-specific initiatives

Since fiscal 2012, the workplaces of Ajinomoto Co., Inc. have been accelerating their efforts to foster WLB. At the beginning of each timeframe, each workplace discusses WLB, prepares its own initiatives, and then carries them out.

Worksites then review their efforts at the end of the fiscal year and draft a plan for the coming year to ensure continual improvement.

### Work style planning chart

The work style planning chart is a tool designed to help employees take more control in creating their own work style. The chart is filled out monthly, with overtime hours and paid vacation days for the month decided in advance. By using the chart, the company is encouraging an awareness of productive time use and the individual's sense of control over their own work hours and breaks.

### Workshops promote mutual understanding and work-life balance

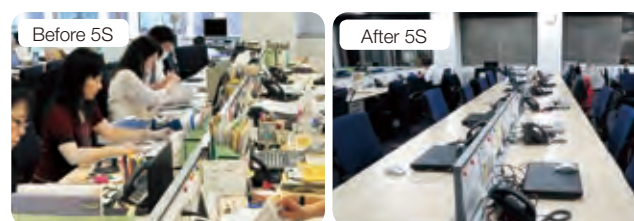
Workshops to promote work-life balance have been held in many workplaces across Japan since fiscal 2012. The workshops involve: (1) sharing individual life plans; (2) confirming the vision and mission of the workplace; and (3) preparing an action plan. Participants are able to learn about one another's lives outside of work, which helps to build a more supportive work environment. When people keep individual and workplace objectives in mind, the workplace is more unified and productive. Going forward, these workshops will be held at more workplaces.

#### Feedback from participants

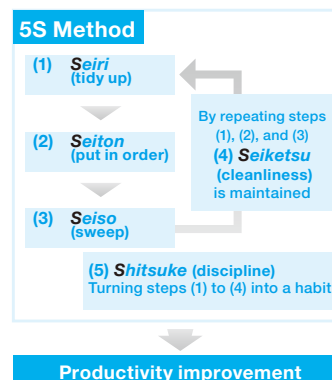
- "The workshop enabled me to understand some of the dreams, values, and thoughts of others in my organization, which I did not know about before. After reaching unanimity, we were able to create a single action plan and foster a greater sense of unity."
- "I was able to think about the role of my organization beyond individual positions. It reminded me that the organization, too, has needs, not just the individual."

### Promoting the 5S methodology

The Japanese method of 5S (see figure below) helps to improve work speed and productivity. Improving efficiency via 5S activities not only raises customer satisfaction but also helps create extra time that employees can use to their benefit. To get things started, 5S activities were begun first for paper records. Going forward, activities will be expanded to more workplaces and to other work processes to further raise productivity.



A regular 5S activity time is held during the work day throughout the workplace.



#### Feedback from workplaces that implemented 5S activities

- "We improved workplace cleanliness, sharing of documents, and operational efficiency."
- "Working toward the 5S targets brought our workplace together as a team."
- "We want to continue these activities to enable everyone to get a real sense of the workplace improvements."

## Growing usage of other employee support programs

Ajinomoto Co., Inc. is developing and implementing creative programs to make workplaces as supportive and rewarding as possible.

In fiscal 2014, progress was made in increasing employee

use of telecommuting, hourly paid leave, and other new programs designed to foster higher productivity, independence, and the achievement of personal life plans.

### Employee usage of programs offered by Ajinomoto Co., Inc. related to work-life balance

Program or initiative	Details	Number of users			
		Fiscal 2013		Fiscal 2014	
		Female	Male	Female	Male
Parenting Leave	Leave can be taken until the last day of April following the child's 1st birthday. A total of 15 days paid leave is provided.	103	4	112	7
Part-Time Parenting and Work	Part-time work is allowed until the child enters the 4th grade of elementary school. Leave can be taken up to 2 hours and 30 minutes per day.	149	0	179	2
Childcare Leave	Employees with children who have not yet entered junior high school can take up to 10 days of childcare leave per fiscal year per child.	50	3	41	3
Family Care Leave	Absences or suspension of work can be taken to care for a spouse, parents, or family within the 2nd-degree of kinship whom the employee supports. Leave can be taken up to 1 year.	0	0	1	0
Part-Time Family Care and Work	Leave can be taken up to 2 hours and 30 minutes per day to provide care for certain family members until such care is no longer needed.	1	0	1	0
Accumulated Paid Leave	A maximum of 40 days of accumulated paid leave can be taken to care for or visit in the hospital family members within 2nd-degree of kinship who are suffering from a non-work-related illness or injury, or who need care due to temporary school closure.	39	24	57	27
Telecommuting	Word processing and other work tasks can be performed in an adequately prepared home office environment for up to four days per month (introduced in October 2014)	—	—	40	37
Hourly paid leave	Up to 16 hours of paid leave can be taken in hourly units per year (introduced in May 2014)	—	—	220	104
Rejuvenation Leave	9, 16, 30, and 16 days of rejuvenation leave can be taken one time in the age ranges of 25–32, 33–40, 41–48, and 49–56, respectively.		238		213
Volunteer Leave	Up to 8 days of volunteer leave can be taken per fiscal year by employees qualified for volunteer work by a non-profit organization, social welfare foundation, or other organization.		38		48
Re-employment system	Employee may register for re-employment in the event that retirement was unavoidable due to childbirth and newborn care, family and child care, or relocation because of marriage or spouse's job transfer.	53 employees registered; 2 re-employed	1 employee registered; 0 re-employed	52 employees registered; 3 re-employed	1 employee registered; 0 re-employed

#### Highlight

### Top-ten company in “good work-life balance” for fourth straight year

In February 2015, as part of the Randstad Award 2015,<sup>1</sup> Ajinomoto Co., Inc. was ranked No. 2 among companies in Japan based on its ability to provide good WLB. The company has been ranked among the top ten in this survey for four straight years.

Continuing to “value people” as stated in the Ajinomoto Group Way, the company will accelerate its efforts to promote WLB. The aim is to keep raising confidence and being a highly attractive company for employees.

<sup>1</sup> Randstad is a global company that offers comprehensive human resources services. It conducts surveys to rank the relative attractiveness of employers based on ten key factors. In Japan, questionnaires were sent out to 8,000 men and women aged 18 to 65 for their evaluation of 170 companies. Randstad uses its own method to rank employers based on the factors, emphasizing respondents' familiarity with and desire to work for each potential employer. It then calculates overall scores to rank each company's attractiveness and employer brand.



## Labor-Management Relations

The Ajinomoto Group endeavors to create a stimulating and rewarding work environment for its employees. The Group maintains direct dialogue and good-faith consultation with employees and their representatives, based on the applicable laws and circumstances in each country.

### Ajinomoto Group's initiatives in Japan

The Ajinomoto Group in Japan has established a labor-management council, where management policies are regularly discussed, and a labor conditions assessment committee.

Labor and management also work together to advance diversity and WLB initiatives.

#### Major labor-management council meetings and their agendas

Participants	Frequency	Council meeting	Major agendas
Union head-quarters	Once a year	Spring labor negotiations	• Negotiation of base pay increase, benefits, etc.
	4 times/year	Central labor-management council (attended by company president once a year)	• Discussion of company's medium/long-term goals • Discussion of financial results, state of business, work environment
	Once a year	Sales labor-management socials by chapter	• Discussion of sales division issues
	3 times/year	Follow-up committee on HR programs for new administrative employees	• Discussion of various HR system issues
	2 times/year	Overseas issues committee	• Discussion of issues pertaining to managers posted overseas
	Several times/year	Expert committee on work environment	• Discussion of long-term care, benefits, etc.
	Several times/year	Expert committee on work styles	• Discussion of work style systems, etc.
Union chapters	Several times/year	Chapter labor-management council	• Discussion of work environment issues by chapter
	Once a month	Health and safety committee	• Discussion of health and safety management

## Employee data (As of March 31, 2015)

#### Number of employees

	Full-time employees			Temporary staff
	Male	Female	Total	
Ajinomoto Co., Inc.	2,478	1,006	3,484	457
Group companies in Japan	4,677	1,227	5,904	6,198
Group companies outside Japan <sup>2</sup>	10,864	4,302	21,924	3,269
<b>Total</b>	<b>18,019</b>	<b>6,535</b>	<b>31,312</b>	<b>9,924</b>

<sup>2</sup> Gender data not collected in the Americas

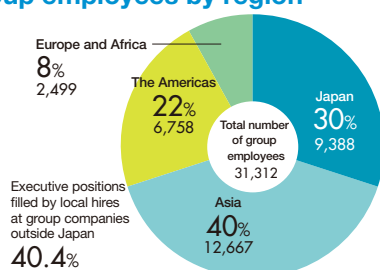
#### Number of new hires (incl. new graduates) in year

	Total
Ajinomoto Co., Inc.	112
Group companies in Japan	248
Group companies outside Japan	4,379

#### Number of personnel with disabilities

	Total	Percent of work-force rate
Ajinomoto Co., Inc.	90	1.93%
Group companies in Japan	206	1.91%

#### Group employees by region



#### Number of managers<sup>3</sup>

		Male	Female	Total
Japan	Ajinomoto Co., Inc.	969	79	1,048
	Group companies	1,307	57	1,364
Asia		744	307	1,051
Europe and Africa		227	74	301
The Americas		—	—	728
<b>Total</b>		<b>—</b>	<b>—</b>	<b>4,492</b>

<sup>3</sup> Employees in the position of section manager, a position equivalent to section manager, or a position higher than section manager (excluding executives)

#### Full-time employees

	Average age	Average years of employment	Average annual working hours <sup>4</sup>	Paid leave utilization rate <sup>4</sup>	Employment turnover rate
Ajinomoto Co., Inc.	42.2	18.7	1,996	79.8%	1.4%
Group companies outside Japan	35.7	8.7	—	—	—

<sup>4</sup> Average annual working hours and paid leave utilization rate do not include managers.

#### Number of retirees and re-employed persons in fiscal 2014 (ended March 2015)

	Number of retirees		Re-employed after retirement <sup>6</sup>	
	Retired	Resigned for personal reasons <sup>5</sup>	After retirement	After resigning for personal reasons
Ajinomoto Co., Inc.	33	48	19	4
Group companies in Japan	83	171	145	
Group companies outside Japan	4,276		—	—

<sup>5</sup> Contract staff not included in this category

<sup>6</sup> Re-employed from retirees and personnel resigned for personal reasons such as job transfer of spouse

# Ensuring Employee Health and Safety

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

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

We, Ajinomoto Group companies respect each person and act on the recognition that “disaster prevention and occupational health and safety” are one of the most important components of corporate activities.

## Ajinomoto Group “Disaster Prevention” and “Occupational Health and Safety” Policies (Established April 1, 2010)

The Ajinomoto Group will:

1. Identify and evaluate potential risks, and take preventive actions using management resources, under the Occupational Safety and Health Management System, in order to achieve the complete elimination of disaster and incident.
2. Take initiatives to continually improve occupational health and safety activities by thoroughly complying with public regulations and in-house rules and encouraging mutual efforts to do so.
3. Strengthen the corporate system and facilitate quick response to minimize damage in the event of an emergency and/or disaster.
4. Proactively provide support for each employee so they work safely and in good health.

## Promoting a medium-term plan for occupational health and safety

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

Based on the Ajinomoto Group “Disaster Prevention” and “Occupational Health and Safety” Philosophy and Policies, the Group is working on health and safety education and the identifi-

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

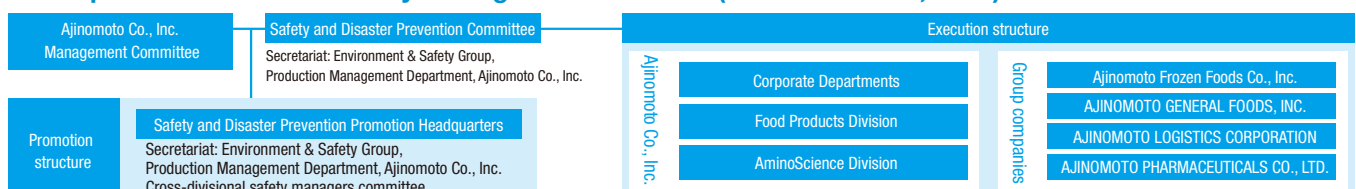
### Key targets of the 2014-2016 plan

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

### Ajinomoto Group definitions of occupational accidents

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

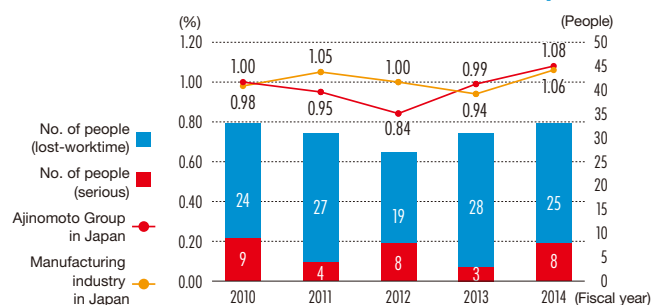
### Occupational health and safety management structure (as of October 1, 2015)



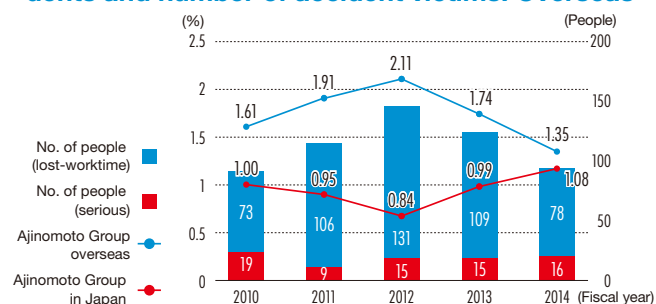
## Review of fiscal 2014 results

- The number of accident victims across the Ajinomoto Group declined from a year prior due to improvements overseas
- The number of lost-worktime accident victims in Japan was unchanged, with the number of serious accident victims increasing to fiscal 2012 levels
- The frequency of lost-worktime accidents overseas improved at all business sites  
Occupational accidents declined as a result of implementing measures in fiscal 2013 to improve safety at sites with repeated accidents

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



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



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

The number of serious accidents resulting from an employee getting caught or trapped in machinery—a key safety issue for the Ajinomoto Group—increased in fiscal 2014. These accidents occurred while cleaning equipment, removing clogs and debris, and performing other work near production processes. The Group is conducting comprehensive inspections of the status of rotating machinery and places that pose a caught/trapped-in hazard during cleaning and other work.

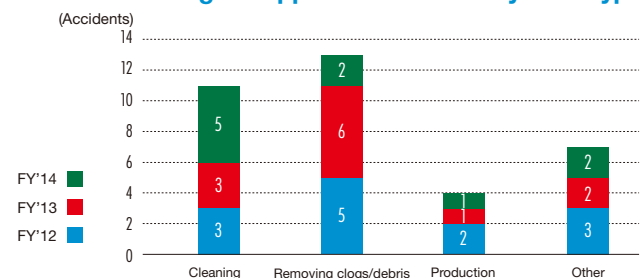
#### Number of caught/trapped-in accident victims

People, serious accidents in ( )

	2010	2011	2012	2013	2014
Japan	10 (4)	4 (0)	5 (1)	5 (1)	7 (4)
Overseas <sup>1</sup>	15	1	5	3	3 (2)

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

#### Number of caught/trapped-in accidents by work type



### Serious and lost-worktime fall injuries

The number of fall injuries across the Ajinomoto Group in Japan declined in fiscal 2014. This was partly the result of starting an original fall-prevention seminar in June 2013 in an effort to counteract motor faculty decline among middle-aged and senior employees.

In the seminar, trainees perform a self-assessment of age-induced decline in physical abilities and then, according to the results, perform fall-prevention exercises (recommended by the Ajinomoto Health Insurance Union). They then serve a direct role in guiding and promoting fall-prevention measures in the workplace, with the aim of reducing falls to zero. In fiscal 2014, 57 employees participated in two seminars, bringing the cumulative total to approximately 130 trained employees.

#### Number of fall injuries

	2010	2011	2012	2013	2014
Japan	25 (2)	27 (3)	18 (2)	16 (0)	14 (2)
Overseas <sup>2</sup>	2	1	1	1	3 (3)

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



Fall-prevention exercises

### Serious traffic accidents

The number of traffic accidents in Japan was unchanged in fiscal 2014 from a year prior.

Group companies in Japan provided guidance to drivers using their individual data (driving data management system and results of driving aptitude test) and implemented periodic measures to raise safety awareness. These were combined with measures to improve driving skills for new employees and to prevent accidents causing bodily injury to other persons.

#### Number of traffic accidents

	2012	2013	2014
Bodily injury accidents (Japan) <sup>3</sup>	15	21	21

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

## Occupational health and safety management

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

### Safety assessments

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

### Safety audits and checks

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

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

### Equipment inspection for safe and stable production

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

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

### Safety inspections at new plants

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

### Efforts to prevent occupational accidents

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

#### Highlight

#### Preventing occupational accidents at overseas subsidiaries

After a series of occupational accidents, Hong Kong-based soy sauce and frozen foods manufacturer Amoy Food Ltd. has been systematically implementing safety enhancement measures. Conflicting corporate cultures after its acquisition in 2006 previously hindered improvements to its health and safety performance.

Company leaders have declared a commitment to safety and taken various actions (workplace patrols, etc.) to implement

a locally driven PDCA cycle. This cycle includes mobilizing a new safety and environment department, implementing small group activities (introducing a zero-accidents award program), holding hands-on safety training, rigorously applying 5S practices, and conducting safety patrols. Divisions in Japan also provide management and technical assistance, such as for equipment improvement. The Ajinomoto Group will continue to foster a culture of strict compliance among employees.





## External evaluation of occupational health and safety activities

The Ajinomoto Group has received a lot of external recognition for the health and safety activities that its employees carry out on a daily basis. The Group continues to ensure that accident prevention measures are taken at each site to reduce occupa-

tional accidents. These efforts will be expanded to include the activities of individual employees. By also working on accident and disaster elimination at group companies, these efforts will contribute to local communities.

### Main awards received for disaster prevention and occupational health and safety activities in Japan (chronologically from fiscal 2014 through July 2015)

Recipient	Details
Fukushima Plant, AJINOMOTO PHARMACEUTICALS CO., LTD.	Award for Numerous Years of Zero Fires (Fukushima Prefecture Hazardous Materials Safety Association Chairperson)
Tokai Plant, Ajinomoto Co., Inc.	Occupational Health Achievers Award, Hiroshi Ozaki, then General Manager of the Safety & Health Disaster Prevention Group (Yokkaichi Labor Standards Association)
Tokai Plant, Ace Kounai Service Co., Ltd.	Occupational Health Outstanding Workplace Award (Yokkaichi Labor Standards Association)
Gunma Plant, Ajinomoto Fine-Techno Co., Inc.	Gunma Labor Bureau Director-General's Award for Excellence (Gunma Labor Bureau)
Chuo Ace Logistics Corporation	Seiichi Kuwahara (Daikoku Refrigerated Sales Office), third place in the Kanagawa competition of the National Truck Driver Contest (Japan Trucking Association)
Chubu Plant, Ajinomoto Frozen Foods Co., Inc.	Outstanding Workplace Award (Gifu Prefecture Hazardous Materials Safety Association)
Tokai Ace Logistics Corporation	Award for Service, Nobuyuki Aratani, Mie Office (Mie Transport Branch Office, Chubu District Transport Bureau)
Tohoku Ace Logistics Corporation	Certificate of Appreciation for using driving record certificate and SD card as safety measures (Japan Safe Driving Center)
Kanto Plant, GABAN Co., Ltd.	Occupational Health Outstanding Workplace Award (Ashikaga Labor Standards Association)
Process Support Division, Ajinomoto Packaging Co., Inc.	Zero Accidents Award (joint commendation from the Kanagawa Trucking, Taxi, and Bus Associations)
Kanto Ace Logistics Corporation	Chief of Police Award and Transport Branch Office Award, Fiscal 2014 Fleet Vehicle Accident Prevention Contest (Kanagawa Prefectural Police Department; Kanagawa Transport Branch Office, Kanto District Transport Bureau)
Kansai Plant, Ajinomoto Packaging Co., Inc.	Outstanding Company for Promotion of Safe Bicycle Use (Osaka Prefectural Police Headquarters, Traffic Department)
Takasaki Plant, AJINOMOTO HEALTHY SUPPLY CO., INC.	Gunma Labor Bureau Director General's Outstanding Achievement Award (Gunma Labor Bureau)
Kawasaki Plant, Knorr Foods Co., Ltd.	Kanagawa Labor Bureau Director General's Award for Excellence (Kanagawa Labor Bureau)

#### Highlight

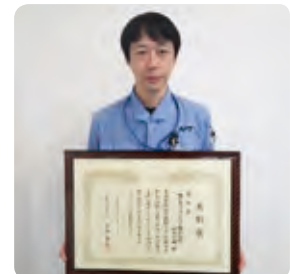
### Model workplace for risk assessment application: Gunma Labor Bureau Director General's Award for Excellence

The Gunma Plant of Ajinomoto Fine-Techno Co., Inc. manufactures varnish<sup>1</sup> for Ajinomoto Build-up Film (ABF) used in computers and other electronic device applications.

In conjunction with efforts to obtain OHSAS 18001 certification, the plant has been advancing activities to reduce risk and increase workplace safety. Various hazards that arise in production (e.g., chemical burns, back pain from lifting heavy objects, caught-in accidents involving rotating machinery) are identified and addressed through tangible and intangible measures that use risk assessment methods.

In recognition of these activities, in July of fiscal 2014 the plant was named a model workplace for risk assessment application in Gunma Prefecture.

<sup>1</sup> A mixture of liquid resin, solid filler, and pre-cured solvent



Masahiro Tamura, Plant Management Group, Gunma Plant Ajinomoto Fine-Techno Co., Inc.

#### Highlight

### Safe chemicals management and accident prevention efforts: Outstanding Workplace Award from Gifu Prefecture Hazardous Materials Safety Association

The Chubu Plant of Ajinomoto Frozen Foods Co., Inc. uses tanks to store boiler fuel as well as cooking oils for manufacturing fried foods and other pre-cooked frozen food products. The plant was commended for its efforts to prevent fires through responsible management of these tanks as a potential hazard and through various training activities, including twice-yearly oil leak training by the Manufacturing Technology Group and production lines, and training sessions using Life Gem respirators.



Masayoshi Ohira, Group Manager, Manufacturing Technology Group, Chubu Plant Ajinomoto Frozen Foods Co., Inc.

## Highlight

### Employees join forces for safety and health: Gunma Labor Bureau Director General's Outstanding Achievement Award

The Takasaki Plant of AJINOMOTO HEALTHY SUPPLY CO., INC. has counted 2,833 consecutive accident-free days since January 5, 2004 (as of May 31, 2015). The plant has raised safety awareness and skills by installing automated external defibrillators (AEDs), participating in CPR classes, and expanding hazard prediction training for managers to all full-time employees and core part-time employees. In 2014 the plant also worked to eliminate traffic accidents by holding a safe driving seminar for all employees taught by a property and casualty insurer.

Also commended were health and safety activities carried out by company employees working together with outside stakeholders. These include a forklift safety course taught by a sales company representative during Safety Week, and health courses taught by an occupational physician and health nurse during Health Week.



Award ceremony

## Highlight

### Company-wide health and safety activities: Kanagawa Labor Bureau Director General's Award for Excellence

Knorr Foods Co., Ltd. develops and conducts technology research on dry soup mixes, sauces, and retort pouch products, and manufactures, fills, and packages dry soup mixes.

Having obtained OHSAS 18001 certification for its occupational health and safety management system, the company is working to train internal auditors and boost their skills to maintain and enhance the system's operation. It performs risk assessments based on and in response to close calls, workplace safety inspections, and the installation and changing of equipment. Part-time employees join full-time employees in carrying out risk assessments for identifying and addressing difficult work tasks and hazards of caught/trapped-in and fall accidents.

To prevent accidents on a day-to-day basis, the company trains all employees to predict hazards (1) before routine work, (2) before non-routine work, and (3) during travel to and from work. Its training activities including accident simulations were commended as setting an example for other companies.

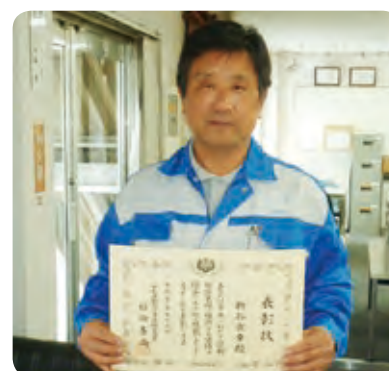


With the Labor Bureau Director General after the award ceremony

## Highlight

### Promoting forklift safety: Chubu District Transport Bureau's Award for Service

Tokai Ace Logistics Corporation handles distribution operations for the Ajinomoto Group in central Japan's Tokai region. Nobuyuki Aratani, of the company's Mie Office, earned the Award for Service from the Chubu District Transport Bureau's Mie Transport Branch Office, in recognition of his many years of service to land transport. Aratani has been deeply engaged in the instruction and education of employees as warehouse manager, while also dedicating many hours to ensure safe forklift operation and accident-free handling of goods across the company as a qualified forklift safety instructor and hazard detection trainer.

Nobuyuki Aratani  
Mie Office, Tokai Ace Logistics Corporation

Aratani providing instruction at a company forklift skills competition



## Preparing for natural disasters and protecting human life

Everyone on the planet must live with unavoidable natural phenomena such as earthquakes, floods, and tsunamis. However, by preparing for disasters in advance, it is possible to minimize human suffering and property damage.

With top priority on protecting lives, the Ajinomoto Group plans natural disaster preparation measures and conducts the necessary training and awareness-raising activities. This is based on the Ajinomoto Group “Disaster Prevention” and “Occupational

Health and Safety” Philosophy and Policies, as well as the Ajinomoto Group Disaster Management Basic Policies that are prescribed by its enterprise continuity plan (ECP).

Reference See “Risk management system” on p. 46.

Reference See “Ajinomoto Group ‘Disaster Prevention’ and ‘Occupational Health and Safety’ Philosophy and Policies” on p. 71.

### Ajinomoto Group Disaster Management Basic Policies

We set priorities as 1. Person, 2. Society, and 3. Business:

1. We give the highest priority to human life, and ensure the safety of oneself, one’s family and colleagues.
2. We provide support for local community and society, on the basis of saving human life.
3. We make an effort for early restoration of business activities in order to fulfill our business responsibility, as the Ajinomoto Group that is working for Life.

### Updating disaster preparedness

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

The Ajinomoto Group has been strengthening its disaster preparedness in Japan, including the seismic testing and reinforcement of business facilities, based on earthquake and flood damage predictions from national and local governments. Placing top priority on protecting lives, the Group has significantly revised preparedness measures set by group companies and facilities, and has also created a new capital investment plan. For example, the earthquake resistance of the Head Office of Ajinomoto Co., Inc. was re-investigated, and ceilings, walls, stairs (evacuation routes), shelves, and equipment are now being reinforced and secured based on the results.

The Kawasaki Transport Center and Sendai Refrigerated Transport Center of AJINOMOTO LOGISTICS CORPORATION and certain facilities of AJINOMOTO PHARMACEUTICALS CO., LTD.’s Fukushima Plant were heavily damaged in the Great East Japan Earthquake. The reconstruction plan has the latest design features and equipment to help them withstand any future disasters.

To strengthen disaster preparedness group-wide, secondary emergency response headquarters are ready to be set up at different sites in the event of a major natural disaster, and drills are being carried out.

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

### Enhancing lines of communication for initial disaster response

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

When an earthquake strikes, communication networks and other lifelines can be cut, and even when they are not, networks are congested. Consequently, Ajinomoto Co., Inc. has set up an emergency communication system that uses satellite phones and email, which are relatively robust under disaster conditions. These phones have now been deployed at each site and the homes of executive officers who reside in Japan.

Emergency communication drills are also carried out periodically, based on a scenario in which a disaster occurs in the evening or on a holiday.

Moreover, in fiscal 2014 the Group began operating a disaster information sharing system, a tool for rapidly collecting and confirming the disaster status of group companies and work-sites. After a disaster, status updates reported by each site are color coded and displayed according to severity, allowing contact to be made more rapidly and reliably with sites with a greater need for assistance and recovery.



Disaster information sharing system



## Disaster drills

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

In fiscal 2013, the Group conducted drills with the objective of providing initial response more quickly in the first stage after a

disaster, and then promptly transitioning to the second stage of assistance and recovery. Emergency response drills were also conducted for the first time regarding tasks that the Corporate Departments as well as Business Departments need to perform, in order to minimize confusion at the time of a disaster and quickly restore business operations. In fiscal 2015 and beyond, the Group will continue to hold drills that include ECP objectives.

### Drills at three worksites of Ajinomoto Co., Inc.

#### Kawasaki Administration & Coordination Office



Top: Emergency rescue drill  
Bottom: Disaster response headquarters

#### Tokai Plant



Top: Fire fighting drill  
Bottom: Drill operations are open for public viewing.

#### Kyushu Plant



Training for ammonia leak scenario

### Natural disaster preparation drills

#### Ajinomoto Co., (Thailand) Ltd.



Building a sandbag dike for flood protection

#### KGK Co., Ltd. (Yaizu, Shizuoka)



Left: Life jackets are always available.  
Right: Participating in a community drill for tsunami preparedness

### Drills for specific production activities

#### PT Ajinomoto Indonesia



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

**Highlight**

**Training for rapid fire suppression: Activities of the Kawasaki Plant Fire Brigade**

The Kawasaki Administration & Coordination Office of Ajinomoto Co., Inc. has an in-house fire fighting team (Kawasaki Plant Fire Brigade) that trains to maintain and improve their skills for handling fire fighting equipment in the event of a fire on site. The 24-person brigade not only practices fire-fighting tactics using indoor fire hydrants, but also trains on a specific theme each month, such as operating fire extinguishers, indoor hydrants, and fire vehicles.

On October 3, 2014, representatives of the Kawasaki Plant Fire Brigade entered in the 16th Kawasaki Fire Fighting Skills Competition hosted by the Kawasaki Association for Fire-Safe Business. Nobuyuki Kanno and Kazuyuki Takahashi of the Safety and Security Group of Ajinomoto Communications, Inc. won second place in the indoor fire hydrant category.



1. Advancing a fire hose from a hydrant



2. Sprinting to a target 30 meters away



3. Fire extinguished in less than 40 seconds



An Ajinomoto team earned perfect scores on hose advancement method, fire attack posture, hydrant valve operation, and assisting a fire attack.

**Supporting the physical and mental health of employees**

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

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

In addition, the company ensures that all employees in Japan attend a health consultation with a medical expert at least once a year. An occupational health physician or nurse provides appropriate health guidance based not only on checkup results but also on signs of physical or mental strain that are difficult to detect via diagnostic testing. To further safeguard employee health by preventing overwork, the company is striving to reduce overtime work while also providing direct medical guidance to employees who work more than a predetermined number of

hours, based on standards that are safer than regulatory requirements. Employees on international assignments also have the results of their annual health checkups monitored by medical staff in Japan and receive follow-up guidance as well as health-related advice pertaining to immediate family members living with them.

Ajinomoto Co., Inc. has introduced its own Mental Health Recovery Program and is actively working to help employees with mental health challenges prevent a relapse. Its aim is to provide the conditions that will allow them to function happily in their jobs, without the need for more leave.

The Wellness Promotion Center of Ajinomoto Co., Inc. assists all group companies in Japan in their health management operations.

**Health promotion system at Ajinomoto Co., Inc.**

9 occupational health physicians, 10 medical staff members (nurses and hygienists), a Wellness Promotion Center General Manager, and 8 staff members

**Ajinomoto Group Standards of Business Conduct (excerpt)**

**5.4 Creating safe and comfortable work environments**

- 5.4.1 We do everything possible to ensure the safety of each employee and maintain and improve the workplace environment so that everyone can work in a safe and healthy environment. We also make every reasonable effort to prevent disasters, accidents and incidents, and establish internal systems, including employee training programs and safe equipment, to respond appropriately and create an efficient and comfortable work environment.
- 5.4.2 We seek to understand and comply with all laws and regulations related to safety and sanitation.
- 5.4.3 Ajinomoto Group companies take steps to monitor the health of employees and help them to maintain and manage their health so that they are always able to work in good health. We also provide training related to the prevention of infectious diseases and nutritional improvement.





## The Environment

# Ensuring the Planet's Sustainability

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- Group-wide environmental management activities

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- Education and awareness-raising activities
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## Scope of the environmental report

This section of the report covers the environmental initiatives of the 109 companies subject to the Ajinomoto Group Environmental Management Measures as defined in the company's Environmental Regulations (fully subject to the regulations as of March 2015). These companies include Ajinomoto Co., Inc., its consolidated subsidiaries, and other group companies that play a significant role in the Group's environmental management. Performance statistics are for the 108 major business sites (same as reported last year; two added and two eliminated) following site reorganization as well as plant dissolution and new construction, which substantially represent the environmental performance of the entire Ajinomoto Group<sup>1</sup> under the consolidated financial accounting system.

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

# The Ajinomoto Group Environmental Philosophy and Basic Environmental Policies

The Ajinomoto Group Environmental Philosophy and Basic Environmental Policies were revised in 2006 in light of trends in compliance and efforts to minimize the environmental impact of business activities. They express the Group's commitment to contributing to a sustainable society as a responsible global company.

Since the revision, issues concerning the sustainability of the global environment and human societies have become even more serious. It is clear that the expectations of the Ajinomoto Group are higher, amid significant changes in the circumstances and structures surrounding corporate activities.

On its centenary in 2009, the Ajinomoto Group pledged to work for life. In order to further articulate this pledge and state even more explicitly its determination to ensure that its business activities help to build a sustainable global society, the Ajinomoto Group Environmental Philosophy and Basic Environmental Policies were revised again in April 2011. In addition, the Group established the Ajinomoto Group Biodiversity Policy and Action Agenda in January 2012.

Link	Ajinomoto Group Environmental Philosophy and Basic Environmental Policies <a href="http://www.ajinomoto.com/en/activity/environment/e-philosophy/">http://www.ajinomoto.com/en/activity/environment/e-philosophy/</a>
Link	Ajinomoto Group Biodiversity Policy <a href="http://www.ajinomoto.com/en/activity/environment/biodiversity-agenda/index.html">http://www.ajinomoto.com/en/activity/environment/biodiversity-agenda/index.html</a>

## Ajinomoto Group Environmental Philosophy and Basic Environmental Policies

### Environmental Philosophy

#### Preamble

The business activities of the Ajinomoto Group are sustained by the trust<sup>1</sup> of international society and people in each region of the world, and rely upon a healthy global environment<sup>2</sup> and people living in peace and prosperity.<sup>3</sup> Health and prosperity are closely related to the local diversity of ecosystems and society.

Modern society, however, continues to expand beyond the limits of what our planet can sustain—in terms of the use of resources and energy, as well as environmental impacts and emissions such as greenhouse gases, waste, and chemical substances. Human activities are threatening biodiversity, causing climate change, and increasing the scale of natural disasters, water shortages, food shortages and other problems. These threats are leading to a crisis for all life, and they affect human daily life. Rapid economic development in developing countries is also escalating the seriousness of global environmental issues.<sup>4</sup> The world needs models of economic development that do not diminish local diversity.<sup>5</sup>

The business activities of the Ajinomoto Group also have impacts and are affected by those impacts. We strongly hope that society will continue to need what the Ajinomoto Group can offer. For that to occur, we believe it is necessary to conduct business activities that contribute to the transformation of modern society into a low-carbon, resource-recycling society in harmony with nature.

#### Main Text

The Ajinomoto Group works to benefit all life (hence our slogan "Work for Life") and contributes to the realization of sustainable society.

We conduct our business activities and grow together with society, while aiming to sustain the interrelationships between the functioning of unique and diverse forms of life in each region on Earth, and to ensure that all people, including future generations, are able to enjoy a better life in a healthy global environment.

### Basic Environmental Policies

#### Understanding Interdependence and Impacts

At both the global and local levels, we ascertain and evaluate in a timely manner the state of the global environment and society upon which the Ajinomoto Group's business activities depend. We also ascertain and evaluate, both quantitatively and systematically, the impacts that the Ajinomoto Group's business activities have on them.

#### Minimizing Impacts

We fully comply with environmental regulations in each country and region, and adhere carefully to international standards and codes. We also establish our own voluntary standards to challenge and achieve,<sup>6</sup> and seek to minimize the impacts on the environment and ecosystems that arise from all business activities<sup>7</sup> of the Ajinomoto Group.

We strive to achieve optimal efficiency in the use of resources and procure natural resources in amounts and with methods that conserve biodiversity and ecosystems.<sup>8</sup>

#### Providing Value

We offer products and services and propose technologies and systems that contribute to the

lives of people, and to life on Earth, by preserving and nurturing food sustainability and ecosystems, aiming for the transformation of modern society into a low-carbon, resource-recycling society in harmony with nature. We do this by making use of the knowledge, technologies, capacities, and assets of the Ajinomoto Group.<sup>9</sup>

#### Cooperating with Others

We work to have a positive impact on the global environment and society through our business activities with related parties in the supply chain, including customers, suppliers, and others.<sup>10</sup> At the global and local levels, we promote meaningful collaboration and cooperation with a variety of stakeholders, such as non-governmental organizations, specialized institutions, local communities, and more. We contribute actively to dialogue and consensus-building in our society by offering proposals on the creation of new societal frameworks.<sup>11</sup>

#### Providing Information

We systematically summarize and regularly report on the approaches, programs and achievements of the Ajinomoto Group. We

engage in dialogue with stakeholders and through this dialogue verify whether the self-evaluations of our activities are accurate, and consider necessary improvements and new initiatives. We make an effort to ensure that each of our facilities seeks to see things from the local community perspective and has an open attitude to the public.

#### Managing Our Group

In order to conduct these activities effectively, systematically, and sustainably, and to make greater contributions, the Ajinomoto Group makes use of environmental management systems in all of its member organizations. We integrate these environmental management systems with other management systems and work to make continuous improvements.

We engage in systematic education and awareness-raising activities so that each member of the Ajinomoto Group understands his or her role and required competence, and this understanding leads to concrete action.

Revised in April 2011



- |   |  |  |
|---|--|--|
| <p>1 Society's license that permits corporations to exist, operate and grow.</p> <p>2 The ecological (environmental) resources needed to continue operating. These include the essential raw materials, energy, and genetic resources necessary for the productive activities of the Ajinomoto Group, and also the very basis of life on Earth that provides diverse and abundant ecosystem services so essential for human life. Healthy ecosystems support and maintain biodiversity.</p> <p>3 The social and economic resources needed to continue operating. The business segments of the Ajinomoto Group—including food, bioscience and fine chemicals, and health and pharmaceutical products—are in markets that have an important role in human lives.</p> <p>4 Developing countries have ecosystems that play important roles within the total Earth system. Developed countries have already followed a path that places an excessive burden on ecosystems. If rapid economic development in developing countries follows the same path, the result will lead to risks to the fragile local ecosystems and the local communities that depend upon them, and ultimately, to global risks.</p> <p>5 When pursuing efficiencies at the global level, the challenge is to avoid losing diversity at the local level as one of the negative impacts of economic globalization.</p> | <p>6 The entire scope of our businesses, including supply chains and the life cycles of our products and services.</p> <p>7 Example:<br/>• Ajinomoto Group Zero Emissions Plan</p> <p>8 Under the Aichi Targets—the new strategic plan adopted by the 10th Conference of the Parties to the Convention on Biological Diversity in October 2010—one strategic target agreed through international consensus was to keep the impacts of the use of natural resources well within safe ecological limits by 2020, at the latest.</p> <p>9 Examples:<br/>• Making greater richness of taste possible and bringing greater happiness to society, even with less consumption of food resources<br/>• Contributing to the recovery and restoration of ecosystems and ecosystem services<br/>• Providing and proposing useful products, services, technologies, and systems that when used will result in significant reductions (i.e., substantially positive impacts) that can offset the use of resources and energy due to our business activities (i.e., substantially negative impacts). Ideally, the net effect of all impacts will be positive (i.e., "net positive").<br/>• The development of products and technologies that use life sciences knowledge and technologies to utilize the functions of ecosystems and biological resources.</p> | <p>10 Examples:<br/>• Support to secure safe and sustainable food resources for primary producers of agricultural, livestock, and fishery products<br/>• Proposing environmentally friendly options for consumers</p> <p>11 Examples:<br/>• Policy proposals<br/>• Participating in international conferences, being involved in the establishment of international codes, standards, guidelines, etc.<br/>• Demonstrating initiative (leadership) through cross-sectoral voluntary activities<br/>• Participating in the initiatives of international, expert, non-governmental, and non-profit organizations, etc.</p> |
|---|--|--|

## Ajinomoto Group Biodiversity Policy and Action Agenda

The business activities of the Ajinomoto Group are hugely reliant on natural blessings such as agricultural, livestock, fisheries resources and genetic resources. These natural blessings are brought by ecosystems and biodiversity, which are formed and supported by diverse creatures and their mutual interactions. Biodiversity is one of the most essential elements for the continuation and development of our business, therefore, it can be said that biodiversity serves as the "basis of business activities." Biodiversity is also the "basis of all life on Earth" which supports human life and living.

In recent years, however, biodiversity is being lost at an unprecedented rate, and biodiversity conservation becomes one of the most urgent global issues.

In the Ajinomoto Group Environmental Philosophy, we, the Ajinomoto Group, pledge to work to benefit all life. We wish to make a contribution to realizing the sustainable society in which people can lead healthy and prosperous lives in peace, and wish to meet the expectations of society and our customers now and in the future. To do this we recognize that it is one of the most important tasks for the Group to undertake initiatives in biodiversity. We will tackle the challenges of biodiversity conservation and sustainable use of biological resources, since biodiversity is the "basis of business activities" and "basis of all life on Earth."

We define hereby the Biodiversity Action Agenda as follows:

### Biodiversity Action Agenda

#### [Addressing biodiversity issues]

1. Issues of biodiversity are closely bound up with other environmental issues such as climate change, dwindling water resources, and waste treatment. They are interconnected and cannot be considered separately. With the recognition of the interrelations, we take initiatives to address the issues: conservation of biodiversity and sustainable use of biological resources, reduction of green gas emissions, efficient use of resources, waste reduction and reduction of other environmental impacts, so that the result of our activities can produce multiple beneficial effects.
2. We ascertain the relationship between the business activities of the Group and biodiversity. In other words we will have a clear grasp of how the activities are dependent on and what impacts they have on ecosystems and ecosystem services.
3. On the basis of this understanding, we strive to reduce impacts of the business activities on biodiversity, and improve the activities to be conducted both within the reproduction capacity of ecosystems and the capacity of material cycle. We recognize that impacts of the business activities can become net positive<sup>12</sup> and aim to contribute to restoration of ecosystems.

4. We comply with international rules and regulations concerning biodiversity.

#### [Managing supply chains]

5. We promote the use of raw material that is produced with consideration for ecosystems and biodiversity.
  - We comprehend the situation of regions supplying raw material.
  - We avoid procurement from sources or supply chains that involve the destruction of ecosystems or biodiversity.
  - We contribute to stock assessment and management of natural fishery resources and others.
6. We apply transportation methods to conserve ecosystems and biodiversity.
  - Bearing in mind the issues of invasive alien species, we give consideration to selecting transportation methods not to disrupt local ecosystems by bringing non-native species through transportation of raw material or products.

#### [Providing value]

7. We develop products, services, technologies and systems, which contribute to life of people and life on Earth with minimal impact on ecosystems and biodiversity.

#### [Managing premises]

8. We create our business sites that are harmonious with local ecosystems and communities in terms of the environment.

- With the aim of the improvement both on the basic functions of business sites and their surrounding ecosystems, we design, construct and manage landscapes, flora and fauna in the premises.
- We manage the use of water resources including water withdrawal, consumption and discharge, with the consideration of regional water cycle.

#### [Cooperating with others]

9. We promote initiatives for biodiversity conservation in cooperation with the society.
  - We disclose our activities and the situation concerning biodiversity conservation and sustainable use of biological resources, and make use of the feedback from the society to improve our activities.
  - We cooperate with governments, specialists, NGOs, local communities, other companies, etc., in order to develop our initiatives for biodiversity conservation more efficiently.
10. We contribute to promoting the understanding of biodiversity not only amongst our employees but also at all levels of the society, through educational activities and other means.

Established in January 2012

<sup>12</sup> Having a positive impact after considering all the positive and all the negative factors

# The Ecological Business Model of the Ajinomoto Group

The job of the Ajinomoto Group is to add extra value to the nourishing gifts of nature and deliver them to customers. The greater the scale of this job, the more the Group can contribute to the creation of a healthier global environment and a more prosperous world community. The ecological business model of the Ajinomoto Group aims to ensure that the Group's business activities help to resolve the issues facing 21st-century human society.

## Helping to resolve the issues of the 21st century based on a partnership with the earth and society

The Ajinomoto Group is promoting environmental initiatives for the entire product life cycle, based on a partnership with the earth and a partnership with society.

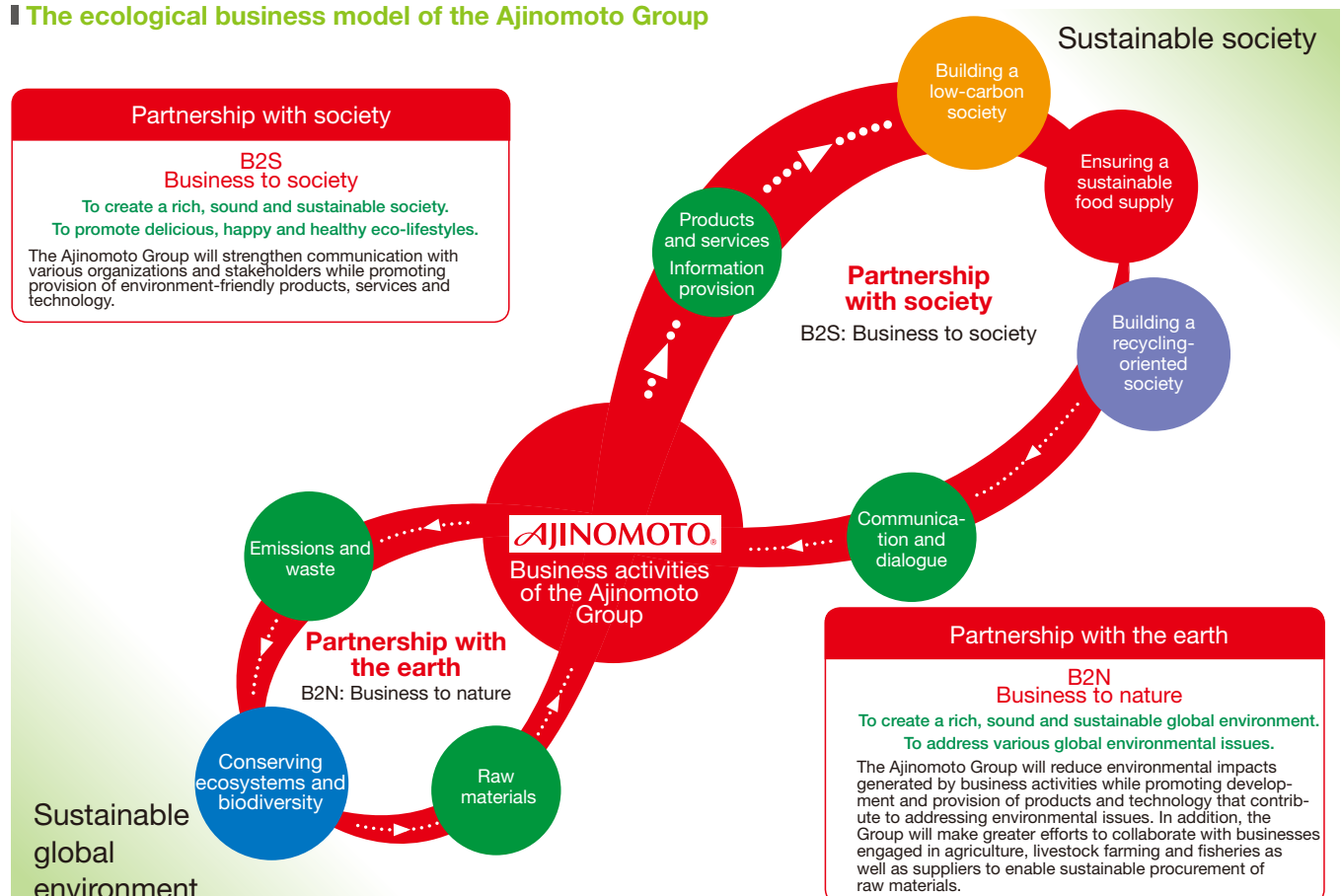
In aiming to make an environmental contribution through its business activities, the Ajinomoto Group is actively involved in helping to create a sustainable global environment and society. This means that the Group's efforts are not limited to its own business operations, but broadly focused to include upstream and downstream parts of the supply chain.

In the past, the manufacturing industry saw resources and raw materials that came from the planet and its ecosystems merely as something to be purchased. However, in order to promote a healthy and sustainable global environment, the Ajinomoto Group believes it is important to strengthen cooperation with primary industries such as agriculture, livestock, and fisheries, making the most of its technologies and other advantages for this purpose.

While being aware of the need to promote sustainable societies, the Ajinomoto Group seeks to learn from the broader society and make a positive impact. Utilizing opinions and outstanding mechanisms from various social organizations and companies, the Group strives to increase the environmental value of existing products and services, and to create new environmental value to ensure its core business is socially useful. The Group also helps to promote ecological business practices and eco-lifestyles in various ways, including advertising and in-store promotions.

Based on a partnership with the earth and a partnership with society, the Ajinomoto Group is working to help realize a sustainable future for people and the planet. It will do this by increasing its own environmental efficiency and value, while minimizing its environmental impact and maximizing its social and environmental contributions. This is the definition of the Ajinomoto Group's ecological business model.

### The ecological business model of the Ajinomoto Group





# Ajinomoto Group Medium-Term Environmental Plan

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

## How the Ajinomoto Group should be

The Ajinomoto Group contributes to issues facing human society—global sustainability and food resources—and fosters the pursuit of healthy lives through its business.

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

Main objective	Priority points	FY2014 results	Reference
<b>Business to nature: Partnership with the earth</b>			
Minimize emissions generated by business activities, and promote the AGZEP	<ul style="list-style-type: none"> <li>Establish and implement a road map at each business site</li> </ul>	<ul style="list-style-type: none"> <li>FY2014 AGZEP results               <ul style="list-style-type: none"> <li>Achieved new 15% target for renewable energy use ratio</li> <li>Contributing factors included installation and stable operation of biomass boilers outside Japan.</li> </ul> </li> </ul>	p. 38, p. 85-89
Conserve biodiversity and use sustainable ecosystem services	<ul style="list-style-type: none"> <li>Formulate action plans for significant raw materials that reflect careful, step-by-step assessment of the specific characteristics.</li> <li>Formulate action plans for local ecosystems that reflect careful, step-by-step assessment of the actual conditions.</li> </ul>	<ul style="list-style-type: none"> <li>Palm oil: Made progress with sustainable procurement on a business segment basis               <ul style="list-style-type: none"> <li>Specialty chemicals business acquired SCCS certification in January 2015.</li> <li>A main food products business acquired SCCS certification and switched to "Mass Balance" certified oil in April 2015.</li> </ul> </li> </ul>	p. 56, p. 90
		<ul style="list-style-type: none"> <li>Joint Tagging Survey of Skipjack: Made progress with survey using new type of tags               <ul style="list-style-type: none"> <li>Findings were included in discussions by international fisheries management organizations, and praised by experts.</li> </ul> </li> </ul>	p. 35, p. 91-92
		<ul style="list-style-type: none"> <li>Paper (in Japan): Participated in the Consortium for Sustainable Paper Use               <ul style="list-style-type: none"> <li>Incorporated findings from supplier interviews and revised the Ajinomoto Group Guidelines for Procurement of Environmentally Responsible Paper</li> </ul> </li> </ul>	p. 35, p. 55
<b>Business to society: Partnership with society—contribution to environmental issues</b>			
Contribute to the environment through business activities, products, and services	<ul style="list-style-type: none"> <li>Utilize agricultural, forestry, and fishery raw materials efficiently</li> <li>Develop products and technologies that can replace agricultural, forestry, and fishery raw materials</li> </ul>	<ul style="list-style-type: none"> <li>Introduced resource-saving packaging and new technologies for <i>HON-DASHI</i><sup>®</sup> (e.g., switched to 60-gram jar cap with over 90% biomass content, a first in the food products industry)               <ul style="list-style-type: none"> <li>→Awarded the Environment Minister's Prize in the Eco-Products category of the 11th Eco-Products Awards</li> </ul> </li> </ul>	p. 40
		<ul style="list-style-type: none"> <li>Implemented environmental impact assessment (LCA<sup>1</sup>) of products and obtained a third party assurance statement (One product each for AGF's stick coffee mixes and Ajinomoto Frozen Foods Co., Inc.)               <ul style="list-style-type: none"> <li><sup>1</sup> Life Cycle Assessment</li> </ul> </li> </ul>	p. 95-96
		<ul style="list-style-type: none"> <li>Launched Japan sales of value-added fertilizers and foliar fertilizer made with co-products</li> <li>Promoted sales expansion of <i>AjiPro</i><sup>®</sup>-L lysine for dairy cattle</li> </ul>	p. 97-98
Promote information provision as well as communication and collaboration with society	<ul style="list-style-type: none"> <li>Promote communication with society on the Group's environmental initiatives in each region and at each business site</li> </ul>	(External Awards) <ul style="list-style-type: none"> <li>2014 Environment Minister's Award for Global Warming Prevention Activity Implementation of Countermeasures (for <i>Kyushu Rikisaku Yasai</i> and <i>Kyushu Rikisaku Kudamono</i> project consortium)</li> <li>Minister's Prize (Ministry of the Environment), Eco-Products Category, 11th Eco-Products Awards (for <i>HON-DASHI</i><sup>®</sup> packaging)</li> <li>Grand Prize for Sustainability Reports (Ministry of the Environment), 18th Environmental Communication Awards (for Sustainability Report 2014)</li> <li>Special Jury Prize (Ministry of Agriculture, Forestry and Fisheries, Ministry of the Environment), 3rd Ikimono Nigiwai Activity Contest (for skipjack survey initiatives and awareness-raising activities)</li> </ul>	p. 37, p. 40
		(Ratings, assessments) <ul style="list-style-type: none"> <li>Dow Jones Sustainability Index 2014 (Environment, human resources, labor conditions, CSR, IR, etc.): First time a Japanese company was selected for World Index in the FAO food products sector.</li> <li>CDP2014 (specifies environmental items): Environmental performance assessment rank rose from D (2013) to C (in five-tiered ranking system from A to E).</li> </ul>	p. 3
	<ul style="list-style-type: none"> <li>Communicate with society to confirm public evaluation of the Group's initiatives and reflect this evaluation in future initiatives</li> </ul>	<ul style="list-style-type: none"> <li>Created opportunities for direct dialogue with employees, consumers, children</li> <li>Four group companies staged a joint exhibit at Eco-Products Exhibition 2014</li> <li>Environmental workshops at schools, exhibits at environmental education events</li> <li>4th Ajinomoto Group Sustainability Forum: "Promoting Ecological Agriculture in Kyushu—Biomass Link in Saga"</li> </ul>	p. 37, p. 41, p. 119-123
<b>Sound management</b>			
Strengthen compliance with laws and regulations	<ul style="list-style-type: none"> <li>Secure sources of information on legal amendments, both inside and outside the company</li> </ul>	<ul style="list-style-type: none"> <li>Regulatory violation (1 case)</li> </ul>	p. 106-107
	<ul style="list-style-type: none"> <li>Reliably operate mechanisms to incorporate new information on legal amendments into management standards and procedures</li> </ul>	<ul style="list-style-type: none"> <li>Enhanced legal training curriculum (increased from two to three sessions/year)</li> </ul>	
Improve effectiveness of environmental management system (EMS)	<ul style="list-style-type: none"> <li>Improve competence in applying the PDCA cycle in EMS to business activities</li> </ul>	<ul style="list-style-type: none"> <li>Environmental incidents (2 cases)</li> </ul>	p. 106
		<ul style="list-style-type: none"> <li>Group environmental audits conducted for 10 companies, 18 sites. No major EMS notifications</li> </ul>	p. 106



# Ajinomoto Group Zero Emissions Plan (AGZEP) and Fiscal 2014 Results

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

## AGZEP for 2014–2016

The 2014–2016 Ajinomoto Group Medium-Term Environmental Plan sets the targets shown below. Each business site has

already established a new roadmap and, based on it, launched activities to achieve the Ajinomoto Group’s 2016 targets.



### Conserving water resources

**Water use and discharge:**  
**-70%**  
 Discharged water per unit of production for the Ajinomoto Group in fiscal 2016 (compared to fiscal 2005)

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



### Reducing greenhouse gas emissions

**CO<sub>2</sub> emissions:**  
**-35%**  
 CO<sub>2</sub> emissions per unit of production for the Ajinomoto Group in fiscal 2016 (compared to fiscal 2005)

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



### 3Rs of waste

**Resource recovery ratio:**  
**99% or more**  
 Resource recovery ratio for the Ajinomoto Group in fiscal 2016

- **Revised target from previous plan**  
 The indicators for waste volume reduction were reassessed and the target changed to “Zero waste caused by trouble”<sup>1</sup> so that we can provide customers with good products that do not lead to waste.
- This will be implemented in all business segments through various efforts, including maintaining stable production, improving processes (saving resources, efficiency improvements), establishing and executing business plans to minimize waste of raw materials and packaging, and maintaining appropriate procurement and management of raw materials (in cooperation with suppliers).

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



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

	Item	Scope	Targets to be achieved	Results			Target (reference)
				Fiscal 2012	Fiscal 2013	Fiscal 2014	Vision for FY2020
Water resources	Pollutant load in wastewater: BOD and TN	All production sites of the Group	BOD ≤ 10 ppm, TN ≤ 5 ppm	Target achieved at 18 out of 35 sites	Target achieved at 23 out of 36 sites	Target achieved at 27 out of 35 sites	BOD ≤ 10 ppm, TN ≤ 5 ppm
	Water use per unit of production	All production sites of the Group	Reduce by at least 70% (compared to fiscal 2005)	61% reduction	71% reduction	73% reduction	Reduce by at least 70% (compared to fiscal 2005)
	Discharged water per unit of production	All production sites of the Group	Reduce by at least 70% (compared to fiscal 2005)	66% reduction	71% reduction	75% reduction	Reduce by at least 70% (compared to fiscal 2005)
CO <sub>2</sub> emissions	CO <sub>2</sub> emissions per unit of production	Entire Group (production sites + non-production sites)	Reduce by at least 35% (compared to fiscal 2005)	24% reduction	26% reduction	28% reduction	TBD
	CO <sub>2</sub> emissions	All production sites in Japan	≤ 496 kt <sup>2</sup> (reduce by 11% compared to fiscal 2005)	348 kt	348 kt	351 kt	≤ 474 kt (reduce by 15% compared to fiscal 2005) * 1% reduction per year
	Renewable energy use ratio	Entire Group (production sites + non-production sites)	≥ 15%	9%	10%	15%	TBD
3Rs of waste	Resource recovery ratio (waste + by-products)	Entire Group (production sites + non-production sites)	≥ 99%	99.2%	99.2%	99.4%	≥ 99%
	Volume of waste	Entire Group (production sites + non-production sites)	Zero waste caused by trouble			Analyze base year results	TBD

<sup>2</sup> Base year (2005): 558 kt

## Environmental award system for excellent business sites

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

“Excellent business sites” meet criteria such as establishing a roadmap and steadily promoting it, as well as achieving numerical targets. In fiscal 2014, six sites in the Production Division and four in the Office Division were honored. The Bien Hoa Factory, Ajinomoto Vietnam Co., Ltd., and Laranjal Paulista Plant, Ajinomoto do Brasil Ind. e Com. de Alimentos Ltda., were the first production sites outside Japan to earn the title.



Eiji Majima (right), then GM of the Production Management Department, presenting a plaque to the manager (left) of Bien Hoa Factory, Ajinomoto Vietnam Co., Ltd.



Kiyoshi Tanaka (right), then GM of the Environment & Safety Group of the Production Management Department, presenting a plaque to the manager (left) of Laranjal Paulista Plant, Ajinomoto do Brasil Ind. e Com. de Alimentos Ltda.



Staff of Sano Gift Factory, Ajinomoto Packaging Inc.



Staff of Tohoku Branch, Ajinomoto Co., Inc.

## List of sites awarded

	Business site	Main activities earning recognition
Production Division	Laranjal Paulista Plant, Ajinomoto do Brasil Ind. e Com. de Alimentos Ltda.	Reduced environmental impacts through stable operation of wastewater treatment facilities and biomass boiler. Started reuse of drainage from evaporators
	Bien Hoa Factory, Ajinomoto Vietnam Co., Ltd.	Achieved major reduction in water use by using water from cooling towers, installed and achieved stable operation of biomass boilers through ESCO project
	Ageo Plant, Delica Ace Co., Ltd.	Continued stable production and careful monitoring of water and energy use, reduced environmental impacts
	Sano Gift Factory, Ajinomoto Packaging Inc.	Stable operation while minimizing impacts, continued detailed initiatives, reduced CO <sub>2</sub> emissions
	Gunma Plant, Ajinomoto Fine-Techno Co., Inc.	Implemented four energy-saving measures, reduced CO <sub>2</sub> emissions per unit of production by efficiently increasing production
	Kawasaki Plant, Ajinomoto Co., Inc.	Continued to meet objectives through energy-saving projects, efforts to reduce river water use
Office Division	Tohoku Branch, Ajinomoto Co., Inc.	Established basic policies for the organization, promoted energy saving in a way that did not burden employees, reduced CO <sub>2</sub> emissions
	Research Institutes (Kawasaki), Ajinomoto Co., Inc.	Implemented measures on individual and workplace basis in accordance with smart energy policies, reduced CO <sub>2</sub> emissions
	Kyobashi Head Office, Ajinomoto Co., Inc.	Adopted district heating/cooling system for air conditioning heat source, continued transition to LED lighting, Cool Biz measures, etc., continued achieving targets
	Logistics Planning Department, Ajinomoto Co., Inc.	Reduced product returns in sales and business divisions, reduced disposal of unused products, through improvements in balancing supply-demand management, continued proper recovering methods



# Conserving Water Resources

## Fiscal 2014 performance overview

In fiscal 2014, the Ajinomoto Group made progress from the previous year by reducing water use and discharge by about 140 million tonnes each, and water use per unit of production by about 73% compared to the base year of fiscal 2005 (target: at least 70% reduction).

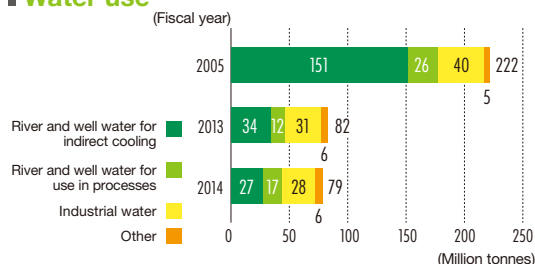
Further reductions in water use were made from the previous year through the use of water from cooling towers for indirect cooling applications, and through recirculating water on-site. Accordingly, discharged water also declined.

### Water use

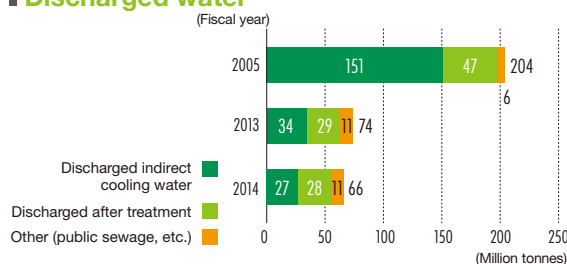
(Million tonnes)

	Base year		Results				
	FY2005	Ratio (%)	FY2012	FY2013	FY2014	Ratio (%)	Difference
Water use	222	100%	110	82	79	100%	-143
Japan	83	38%	46	34	30	39%	-53
Asia/Africa	82	37%	35	22	23	29%	-59
Europe	29	13%	14	13	11	14%	-18
North America	3	2%	5	5	5	7%	2
South America	18	8%	8	7	7	9%	-11
China	6	3%	1	1	1	2%	-5
Water used per unit of production (per tonne of product)	123	—	48	36	34	—	—
Reduction ratio of water use per unit of production	—	—	61%	71%	73%	—	—
Reference value: Production volume (10 kilotonnes)	180	—	230	226	235	—	—

### Water use



### Discharged water



# 3Rs of Waste



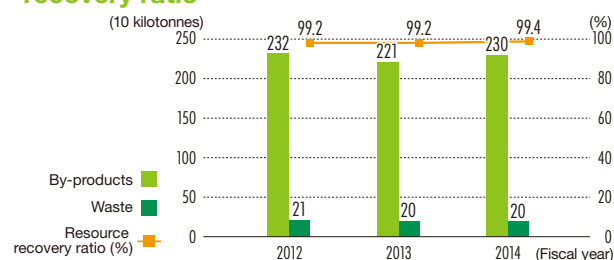
## Fiscal 2014 performance overview

The Ajinomoto Group is working to minimize waste to ensure optimal use of all resources. The Group is also committed to effectively utilizing waste and by-products, with the aim of recovering 99% of it as resources. In amino acid production, the Group utilizes by-products as resources and seeks to improve production efficiency by introducing new technologies. In food production, it is also making a range of efforts, such as improving

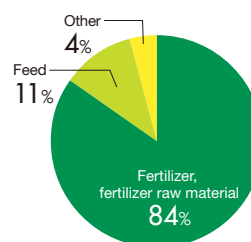
the precision of sales forecasts and conducting fine-tuned procurement, to minimize wasted raw materials and the amount of packaging materials used.

In fiscal 2014, waste volume increased along with production volume compared to the previous year. Nonetheless, a recycling ratio above 99% was maintained, mainly by promoting the utilization of co-products.

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



### Applications of recovered by-products





## Reducing Greenhouse Gas Emissions

### Fiscal 2014 performance overview

Progress was made in fiscal 2014 in reducing CO<sub>2</sub> emissions per unit of production from the previous year. Thanks to the installation of biomass boilers at business sites outside Japan, per-unit emissions declined by 28% compared to the base year. To meet the fiscal 2016 targets going forward, the Group will work to

ensure stable supplies of low-impact energy sources and to maintain stable operation of biomass boilers. In fermentation-related divisions, which account for 70% of the Group's CO<sub>2</sub> emissions, it will promote the development and introduction of process improvements for better yields and productivity.

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

(10 kilotonnes)

	Base year		Results				
	FY2005	Ratio (%)	FY2012	FY2013	FY2014	Ratio (%)	Difference
<b>Total CO<sub>2</sub> emissions</b>	236	100%	224	220	221	100%	-15
Japan	58	25%	42	39	40	18%	-19
Asia/Africa	87	37%	94	93	97	44%	10
Europe	33	14%	26	23	22	10%	-11
North America	23	10%	33	35	36	16%	13
South America	20	9%	19	19	18	8%	-3
China	14	6%	10	10	9	4%	-5
<b>CO<sub>2</sub> emissions per unit of production (per tonne of product)</b>	1.31	—	0.97	0.97	0.94	—	—
Reduction rate of CO <sub>2</sub> emissions per unit of production	—	—	26%	26%	28%	—	—
Reference value: Production volume (10 kilotonnes)	180	—	230	226	235	—	—

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

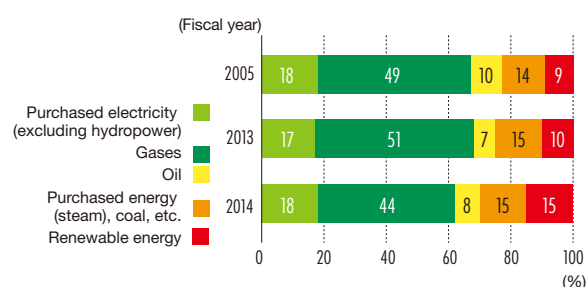
Energy input rose along with increased production in fiscal 2014, but energy use per tonne of product produced was unchanged. Further analysis shows that the medium-term target of 15% for the renewable energy use ratio (a 5% increase over the previous year) was achieved. This was made possible by the steady operation of a biomass boiler and the use of biogas resulting from in-house raw material production at the Kamphaeng Phet Factory of Ajinomoto Co., (Thailand) Ltd., as well as the adoption in January 2014 of an ESCO-model biomass boiler at the Bien Hoa Factory of Ajinomoto Vietnam Co., Ltd. Going forward, all sites worldwide will work to minimize energy use by ensuring stable production and promoting the development and introduction of resource and energy-saving processes. They will also aim to increase the renewable energy use ratio by continuing with the installation of biomass boilers, among other efforts.

### Input of energy

	FY2012	FY2013	FY2014
<b>Input of energy (TJ)<sup>1</sup></b>	35,669	35,342	36,356
<b>Energy input per unit of production (per tonne of product)</b>	15.5	15.6	15.5

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

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



### Management of fluorocarbons

The Ajinomoto Group uses fluorocarbons as refrigerants for refrigeration equipment. The AGZEP for 2014–2016 included goals for discontinuing the use of CFCs<sup>2</sup> and replacing refrigeration equipment that use HCFCs<sup>3</sup> and HFCs<sup>4</sup> with models that use natural refrigerants. At present, the Group uses no CFCs in Japan, and sites outside Japan that still use CFCs aim to discontinue all use by fiscal 2016, in accordance with local laws and regulations. All seven plants in Japan, including those of affiliates of Ajinomoto Frozen Foods Co., Inc., converted to natural

refrigerants in 17 units by the end of fiscal 2014, and plan to switch the remaining 12 units over to non-fluorocarbon equipment by fiscal 2020. The Ajinomoto Group is leading the industry by introducing new technology that combines the use of two refrigerants (ammonia and CO<sub>2</sub>).

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

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

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



# Fiscal 2014 Input and Output Balance

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

## Input and output balance

### Scope of reporting:

Including Ajinomoto Co., Inc. and its consolidated subsidiaries, 108 business sites played a significant role in the Ajinomoto Group's environmental management in fiscal 2014 (as of March 31, 2015). This number was unchanged (two eliminated, two added), from fiscal 2013 due to the consolidation of business sites and other reasons.

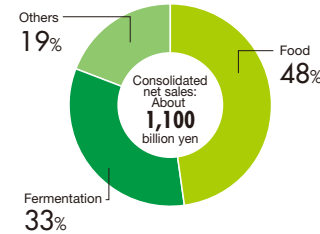
### Reporting period:

April 1, 2014, to March 31, 2015

### Reported data:

Estimated values are included. The sum of all values in a graph may not equal the total due to the effect of rounding.

## Consolidated net sales (reference)

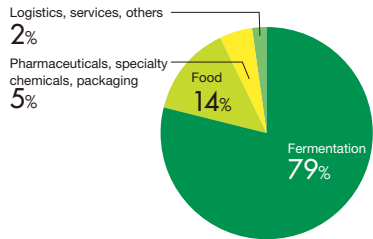


Note: The Ajinomoto Group's business segments are categorized according to the characteristics of the environmental impact incurred by the various manufacturing methods, excluding cooperative ventures, such as edible oils and coffee products. These categories are different from the business segments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

## Input and output balance for the Ajinomoto Group

### Input: Energy, water, raw material

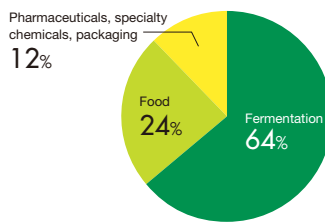
### Input of energy 36,356 TJ<sup>1</sup>



Purchased electricity	2.19 million MWh (7,867 TJ)
Purchased steam	1,227 kt (3,316 TJ)
Gas	379 million m <sup>3</sup> (16,125 TJ)
Oil	72 million l (2,886 TJ)
Coal	73,713 t (2,189 TJ)
Biomass	3,973 TJ

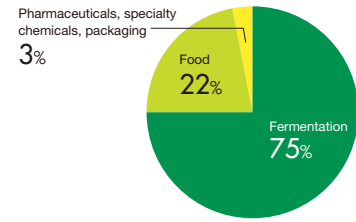
<sup>1</sup> TJ: terajoule, T (tera) = 10<sup>12</sup>

### Water consumption 78,653 kt



River water	28,422 kt
Industrial water	28,279 kt
Well water	16,293 kt
Tap water, municipal water	5,657 kt
Others (rainwater, etc.)	2,000 t

### Raw material consumption 4,092 kt

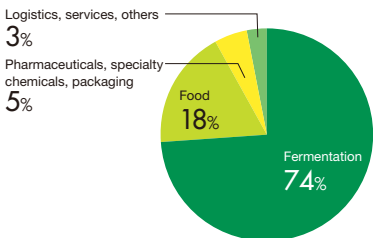


Raw material	Packaging material
Main raw material—1,697 kt	Plastic—34 kt
Sub raw material—2,215 kt	Paper, cardboard—96 kt
Acids/alkalis—571 kt	Other—50 kt
Other—1,644 kt	



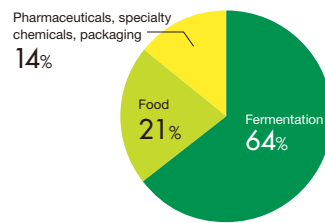
### Output: Release to atmosphere, discharged water, waste

### CO<sub>2</sub> emissions 2,211 kt



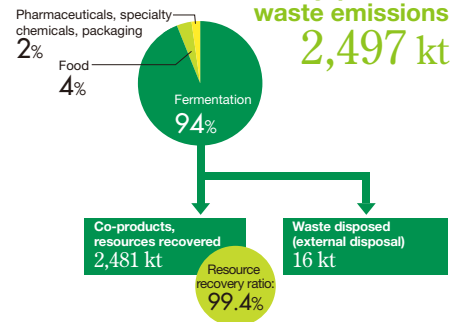
CO <sub>2</sub> Combustion	1,206 kt
Purchased energy	979 kt
Vehicle fuel	26 kt
NO <sub>x</sub>	2,016 t
SO <sub>x</sub>	1,138 t
Soot and dust	1,607 t
CFCs, HCFCs, HFCs	6 t

### Discharged water 66,386 kt

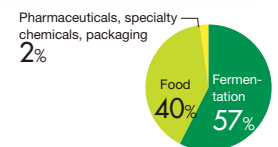


Discharged to	Amount
Public waterways (indirect cooling water, etc.)	27,265 kt
Public waterways (discharged after treatment, etc.)	28,127 kt
Public sewerage	9,224 kt
Water for irrigation use	1,770 kt
BOD	175 t
Nitrogen	333 t

### By-products, waste emissions 2,497 kt



### Volume of production 2,347 kt







## Conserving Ecosystems and Biodiversity

The business activities of the Ajinomoto Group involve a deep relationship with the bounty of nature, and they influence ecosystems and biodiversity in a variety of ways while making the most of nature's blessings. The Group is promoting initiatives to "monitor life and foster life," in order to conserve biodiversity and realize sustainable use of ecosystem services.

### Fiscal 2014 results of the Ajinomoto Group

- Ajinomoto Co., Inc. continued its Joint Tagging Survey of Skipjack off the Pacific Coast of Japan project and commenced a new survey using pinger (ultrasonic wave) tags/markers
- Ajinomoto Co., Inc. acquired sustainable palm oil SCCS certification for its specialty chemical business in January 2015 and a main food products business in April 2015
- Revised Group guidelines for the procurement of environmentally responsible paper, and expanded activities
- Undertook restoration and conservation plans for the Ajinomoto Bird Sanctuary in Yokkaichi, the focus of the ecosystem network improvement project for the Yokkaichi region
- AJINOMOTO GENERAL FOODS, INC and its group companies launched its "Blendy no Mori" project to protect forests and water resources

### Working in partnership with diverse stakeholders

The Ajinomoto Group compiled a biodiversity policy and action agenda in January 2012 as part of its drive to build an effective business model for the sustainable use of biological resources. The 2014–2016 Ajinomoto Group Medium-Term Environmental Plan promotes the formulation of action plans for significant raw materials and local ecosystems that reflect careful, step-by-step assessment of the specific characteristics and actual conditions.

In the area of sustainable raw material procurement, the Ajinomoto Group is focused on three areas that are material to its business activities and their ecosystems: the marine resource of skipjack, and the forest resources of palm oil and paper.

For skipjack, Ajinomoto Co., Inc. has partnered with the National Research Institute of Far Seas Fisheries (NRIFSF) of Japan's Fisheries Research Agency since fiscal 2009 on the Joint Tagging Survey of Skipjack off the Pacific Coast of Japan. The survey's findings have proved significant and have been included in discussions by international fisheries management organizations.

Ajinomoto Co., Inc. became a member of the Roundtable on Sustainable Palm Oil (RSPO)<sup>2</sup> in August 2012 and has pledged to switch fully to certified palm-oil materials by 2018. The company continued to promote stronger cooperation and collaboration among Japanese firms by reaching out to WWF Japan, certifying bodies, and other like-minded Japanese corporations at the RSPO annual meeting in Medan, Indonesia, in November 2013. In 2014, the company and its partners also invited many Japanese companies to meetings to promote wider use of certified palm oil in Japan.

In March 2015, the Ajinomoto Group revised its 2012 Group

Guidelines for Procurement of Environmentally Responsible Paper to include paper made from FSC Controlled Wood as environmentally responsible paper. This move will help protect forest ecosystems, and will also smooth the introduction of environmentally responsible paper for product containers and packaging in particular. In addition, Ajinomoto Co., Inc. has participated in the Consortium for Sustainable Paper Use (CSPU) since November 2013, a group dedicated to promoting the environmentally and socially responsible use of paper.

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

In fiscal 2014, AJINOMOTO GENERAL FOODS, INC. launched its "Blendy no Mori" project to help protect forests and water resources.

These are just a few of the ways in which the Ajinomoto Group is partnering with external stakeholders on community-based efforts to conserve biodiversity across the global supply and value chains.

<sup>2</sup> A non-profit organization whose mission is to promote the sustainable production and use of palm oil by developing certification standards that are trusted globally and ensuring the participation of stakeholders.

#### Reference

See "Collaborating on Sustainable Procurement" on p. 35.  
See "Pursuing CSR Procurement" on p. 52.

Column

# Joint Skipjack Tagging Survey lays groundwork for international skipjack resource management



## Skipjack's worldwide popularity encourages bigger catches

Skipjack inhabit the world's tropical and temperate seas, especially around the equator. Annual catches have risen to 3 million tonnes. While providing a precious source of protein for people living in coastal areas, skipjack is also processed into canned tuna and distributed to markets worldwide. Skipjack has been used in Japan for generations, with dried bonito flakes, bonito flavored dashi, and sashimi forming an integral part of Japanese food culture.

Because few fish are caught on such a large scale, ensuring skipjack catches are sustainable is vital for global food security. Global skipjack catches have increased at a fast pace in line with the rise in large-scale purse seine fishing vessels over recent years. Skipjack reproduce rapidly, but resources will inevitably be depleted if the scale of skipjack fishing continues to outstrip the fish's ability to reproduce. In order to sustain the resource, fishing volumes will need to be restricted to levels commensurate with skipjack's reproduction capacity.

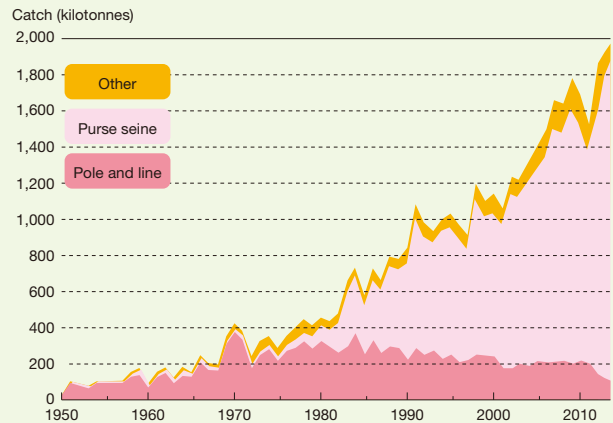
## Conducting biological research to boost scant understanding of skipjack behavior

International organizations are usually the parties responsible for determining catch guidelines for fish that migrate over extensive areas. The Western and Central Pacific Fisheries Commission (WCPFC) oversees skipjack fishing for its area, where skipjack fishing is most popular. However, building a consensus among the area's different countries and regions has proved difficult, and a clear management framework has yet to be agreed upon.

The lack of proper research upon which to base decisions for skipjack resource management is also hindering progress. In recent years, skipjack catches have been poor in the coastal waters of Japan, but it is difficult to discuss appropriate measures given the lack of fundamental scientific understanding of where skipjack breed, when they start migrating, which route they take, how they grow, and the importance of tropical ocean areas.

Many people might think that national governments and

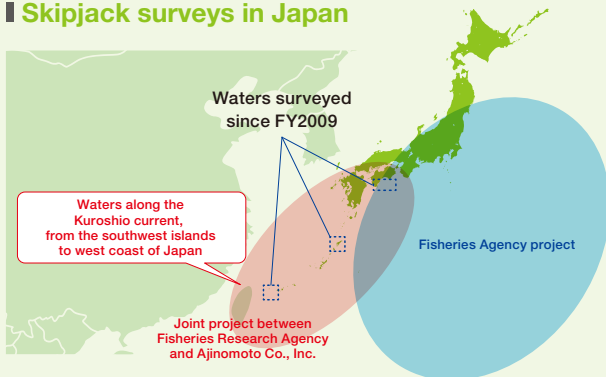
## Skipjack catch in western and central Pacific Ocean by fishing method (1950–2014)



relevant fishing organizations should deal with fishing resource issues. However, current socioeconomic frameworks make possible the indirect involvement of various groups, and a lack of awareness among many these groups is making the situation worse.

Ajinomoto Co., Inc. is not directly involved in the fishing of skipjack but it does use skipjack in one of its major products, *HON-DASHI*®. By actively participating in the debate as a user of skipjack, Ajinomoto Co., Inc. is hoping to help build a positive and significant framework for the sensible use of skipjack resources. Since 2009, Ajinomoto Co., Inc. has been involved in the Joint Tagging Survey of Skipjack off the Pacific Coast of Japan with the National Research Institute of Far Seas Fisheries (NRIFSF) of Japan's Fisheries Research Agency. This is the first time the agency has cooperated with a private company that is not a direct industry player. It is a pioneering example of basic research conducted with the long-term social aim of ensuring sustainable resource use.

## Skipjack surveys in Japan





### Expanding survey beyond Japan's southwest islands

The ongoing tag-and-release Joint Tagging Survey of Skipjack off the Pacific Coast of Japan has revealed important details about skipjack movements from deep to shallow water, as well as their migratory and eating habits. The data collected by the survey could be used in international resource evaluation models, and to help promote substantive improvements in coastal fishing.

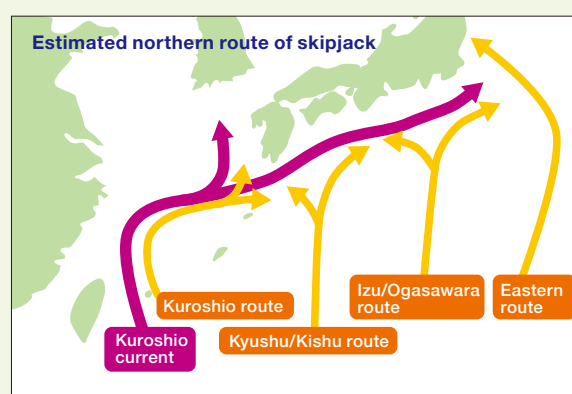
The cooperation of fishing operators, who catch tagged skipjack and hand over necessary information, is vital to the collection of valuable data. Ajinomoto Co., Inc. visits fishing cooperatives in ports along the Kuroshio coast to explain the survey's objectives.

These activities have helped surveyors sketch out four (most) probable skipjack migration routes north to Japan's coastal waters.

However, cooperation from surrounding countries and regions is necessary to get a full picture of skipjack's broad migration patterns across the Central and Western Pacific.

Currently, Ajinomoto Co., Inc. is building partnerships with fishing authorities, researchers, and industry representatives in Taiwan, which is further upstream, and is also considering reaching out to other important coastal areas in countries like the Philippines and Indonesia.

### Migratory routes of skipjack discovered in data from archival electronic tags



### Major accomplishments of the Joint Tagging Survey

- Successful large-scale tag-and-release survey in southwest islands
- Advanced survey techniques using archival electronic tags
  - Sketched migration routes north to Japan's coastal areas
  - Enhanced understanding of skipjack movements, migratory and feeding patterns
  - Contributed knowledge to improve WCPFC resource evaluation models
- Amassed further knowledge using pinger ultrasonic wave markers
  - Growing reservoir of pertinent data for improving in coastal fishing

Explain survey results through PR activities and lectures.

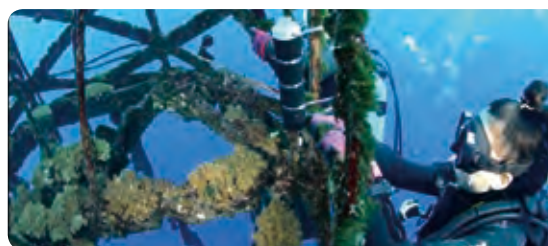
Cultivate sustainable fishing, consumption and lifestyles



Archival electronic tag



Pinger ultrasonic wave marker and receiver



Placing receivers on fish aggregating devices (FADs) to collect data from nearby migrating skipjack



Column

# “Blendy no Mori Suzuka and Gunma”: Protecting forests and the water they provide

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

More and more forests across Japan are being neglected because there are not enough knowledgeable people to look after them properly. Forests are important to our lives because they provide water, absorb CO<sub>2</sub>, and offer a place of recreation and rest. Society has a duty to cultivate and maintain forests for future generations.

AJINOMOTO GENERAL FOODS, INC. and its group companies promote forestry conservation and the cultivation of pure, quality water by nurturing forests that help provide water for use in products such as Blendy bottled coffee.

AGF’s “Blendy no Mori” project is designed to conserve regional water resources. By actively participating in a forest conservation movement, staff can fully understand how important forests are to our future.



## “Blendy no Mori Suzuka” Luscious green forests and pure water streams



AGF first got involved in forestation in 2014. As part of the Mie prefectural government’s corporate forestation project, AGF named a corner of the forest near the headstream of the Suzuka River “Blendy no Mori”. This forest in Kameyama City provides AGF Suzuka, Inc. with water for its major manufacturing processes. Mie Prefecture, Kameyama City, and AGF held a ceremony to sign a joint forestation declaration.

A total of 92 employees from nearby Ajinomoto Group companies took part in the first project, establishing and widening walkways for recreational use and maintenance, thinning trees, and clearing undergrowth. New employees also began taking part in 2015 as part of their training. Six visits and some 400 staff later, the covered walkway section in the center of the forest was completed in June 2015.

AGF will invite customers and local children to learn about forest ecosystems and the AGF Group’s activities.



Thinning out the forest

## “Blendy no Mori Gunma” Planting young cedar trees to nurture future greenery and water



In May, AGF Kanto, Inc. joined Gunma Prefecture’s corporate forestation project by cultivating a part of Maebashi City’s forest near the Arato head of the Tone River. This forest provides water for another major plant, AGF Kanto, Inc. Many trees are damaged by deer, which eat the new shoots and foliage on saplings and damage tree bark, and controlling deer was a pressing issue. The local forest cooperative and other groups taught Ajinomoto Group employees to erect fences to protect newly cultivated areas from deer. By June 2015, 150 employees had participated over two sessions.

Over the next five years, the company will cooperate with local communities in building a responsible forestry base; monitoring young tree growth, thinning surrounding undergrowth, cleaning the forest area, and conducting vegetation surveys.



Protecting against deer damage



## Column

## Ajinomoto Bird Sanctuary in Yokkaichi

(Tokai Plant, Ajinomoto Co., Inc.)

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

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

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

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

### Ajinomoto Bird Sanctuary ecosystem potential and challenges

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

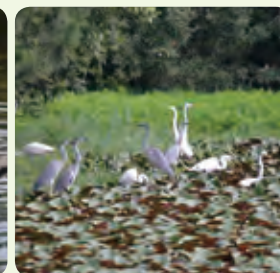
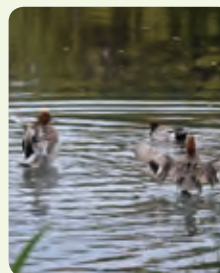
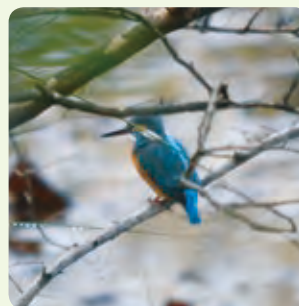
In fiscal 2012 and 2013, flora and fauna experts conducted a fact-finding assessment of business locations and surrounding areas. The assessment confirmed that the sanctuary was home to 22 families and 38 species of bird, 61 families and 120 species of insect, two families and species of fish, 15 families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

### Improving ecosystem networks in the Yokkaichi Region

Ajinomoto Co., Inc. drained the pond in March 2014 to examine the bottom and decide how best to purge the invasive lilies. The company also selectively thinned the surrounding trees, and sat down with academics and flora and fauna experts to form a long-term comprehensive maintenance plan through 2020. Designed to maintain the natural beauty of the Yokkaichi forest, the plan involves zoning of water surfaces and trees, controlling invasive species, and reserving trees exclusively for heron colonies. Work began in March 2015 to prevent the proliferation of invasive species in the pond.

The sanctuary also serves as an interface between people and living things through joint projects with the Mie Prefectural Museum, regional research facilities, schools, and local people. The museum held an exhibition to introduce these efforts at the Bird Sanctuary in October and November 2014.

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

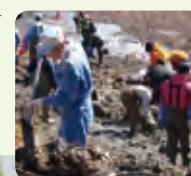


Common kingfisher (top left), rare dragonfly (top right), ducks (bottom left), and herons (bottom right)



Invasive water lilies proliferate in the pond (left), congested trees (right)

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



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

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



# Developing Technologies and Products That Contribute to Global Sustainability

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

## Assessing environmental impacts across product life cycles

It is important to implement environmental management so the company can objectively evaluate the environmental impact of business activities. This not only relates to the product's manufacturing process, but also the extraction and production of raw materials and their processing in factories, product distribution, consumption, and disposal. The Ajinomoto Group has been involved in life cycle assessment (LCA) from an early stage, and is now taking an active part in visualization research.

The most popular LCA method involves the conversion of impacts to CO<sub>2</sub> emissions during a product's life cycle (LC-CO<sub>2</sub>), a vital tool for the successful creation of a low-carbon society. Ajinomoto Co., Inc. has been studying LC-CO<sub>2</sub> emissions as a member of the Food Study Group run by the Institute of Life Cycle Assessment Japan, and has created a comprehensive LC-CO<sub>2</sub> database for Ajinomoto Group food-related materials, available since April 2007 on the company website. The latest version, released in October 2010, is compatible with the 1990, 1995, 2000, and 2005 edition of the Embodied Energy and Emission Intensity Data for Japan Using Input-output Tables (3EID), a highly respected database used by researchers across industry, government, and academia.

The Group has also introduced LC-CO<sub>2</sub> assessment as one of the standards for assessing the environmental performance of its product containers and packaging.

### Assessing and controlling carbon footprints

The Ajinomoto Group was quick to begin assessing carbon footprints (CFP). By May 2012, the Group had acquired certification of its CFP calculation standards and values for nine amino acid-based products, including feed-use lysine, under the Carbon Footprint Program of the Japan Environmental Management Association for Industry. The Group created its own CFP calculation system for household products based on the ISO/TS 14067 standard for carbon footprints, issued by the International Standards Organization in May 2013. Initially the system covered seven seasoning products in fiscal 2013, including HON-DASHI® and Ajinomoto KK Consommé, but was extended in fiscal 2014 to cover individual stick coffee mixes, frozen items, and most of the Group's major household products.

### Third-party assurance

The Ajinomoto Group's CFP calculation system and values are backed by a third-party assurance statement from the international certification organization Lloyd's Register Quality Assurance Limited. The assurance statement is based on the ISO/TS 14067 standard.

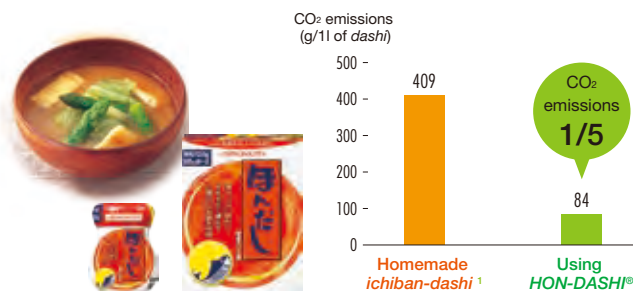


Third-party assurance statement, Lloyd's Register Quality Assurance Limited

### Case study: Quantifying the life-cycle carbon footprint of HON-DASHI®

HON-DASHI® LC-CO<sub>2</sub> emissions (from the manufacture of basic dried bonito flake ingredients, to the production, transport, and cooking of HON-DASHI® itself, and disposal of remaining dregs after the broth is made) equate to a mere one fifth of emissions from home preparation of *ichiban-dashi*, a seasoned broth made from dried bonito and *kombu* kelp.

### CO<sub>2</sub> emissions from making one liter of dashi



<sup>1</sup> Based on standard composition values for method of preparation shown in Standard Tables of Food Composition in Japan, Fifth Revised and Enlarged Edition, 2005 (Ministry of Education, Culture, Sports, Science and Technology)

## LC-CO<sub>2</sub> emissions for products of Ajinomoto Co., Inc.

Product	Production plant	CFP values <sup>2</sup> (per 1 kg of product <sup>3</sup> )	CFP values per serving <sup>4</sup>
(1) HON-DASHI®	Kawasaki Plant, Ajinomoto Co., Inc.	14.08 kg-CO <sub>2</sub> e	-
(2) Ajinomoto ㊦ Consommé (Granules)	Kawasaki Plant, Knorr Foods Co., Ltd.	6.87 kg-CO <sub>2</sub> e	-
(3) Knorr® Cup Soup Tsubu Tappuri Corn Cream	Kawasaki Plant, Knorr Foods Co., Ltd.	7.08 kg-CO <sub>2</sub> e	-
(4) Ajinomoto ㊦ Sihrogayu 250 g	Tokai Plant, Knorr Foods Co., Ltd.	0.81 kg-CO <sub>2</sub> e	-
(5) Cook Do® Hoikoro	Kawasaki Plant, Ajinomoto Co., Inc.	2.95 kg-CO <sub>2</sub> e	1.21 kg-CO <sub>2</sub> e per serving (approx. 700 g)
(6) Cook Do® Kyo-no Oozara Butabara Daikon	Tokai Plant, Knorr Foods Co., Ltd.	2.31 kg-CO <sub>2</sub> e	2.90 kg-CO <sub>2</sub> e per serving (approx. 1 kg)
(7) Nabe Cube® Toridashi Umashio	Kunneppu Plant, Hokkaido Knorr Foods Co., Ltd.	8.54 kg-CO <sub>2</sub> e	-
(8) AGF Blendy Stick Café au Lait (coffee mixes)	AGF Suzuka, Inc.	4.85 kg-CO <sub>2</sub> e	-
(9) Lemon and Basil Fried Chicken (frozen foods)	Kyushu Plant, Ajinomoto Frozen Foods Co., Inc.	5.84 kg-CO <sub>2</sub> e	-

<sup>2</sup> Carbon footprint (CFP) values in the report are calculated in accordance with PCR No. PA-CG-02 from the Japan Environmental Management Association for Industry.

<sup>3</sup> The standard defined functional unit is per 1kg of each product.

<sup>4</sup> CFP values of ingredients including radishes and meat are included in this CFP value.

## Water footprint approach

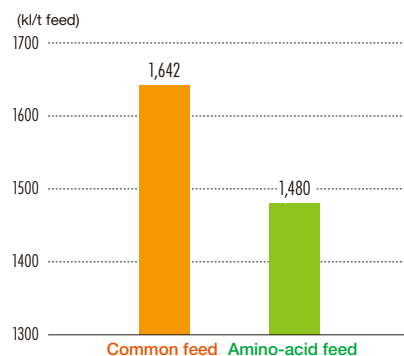
In fiscal 2014, the Ajinomoto Group researched methods for determining water footprints based on the recently published ISO 14046 standards. The evaluation model used a standard mixed animal feed from Europe, where poor water resources have sparked research on the environmental impact of feed production. The model feed was then compared with the Group's low-crude-protein amino-acid animal feed.

The Group used regional characterization factors<sup>5</sup> in its water footprint calculations, as stipulated in the article published by the Institute for Life Cycle Assessment Japan. The system weights specific regional water resources by country according to the richness of resources in locations where raw materials are manufactured.

The water footprint calculations reveal that amino-acid animal feed uses 10% less water than regular mixed feed made with soy or oat meal in water-poor France. The system also shows that

feeds enriched with amino acids can reduce water footprints by 160 kiloliters per tonne, the equivalent of 800 baths.

### Water footprints for river water and groundwater



Lysine

<sup>5</sup> Average global precipitation is set at 1. Water-rich areas are assigned a factor less than 1 (i.e. when one liter of water is used, it is evaluated as using less than one liter due to abundant water supply). Water-poor areas are assigned a factor greater than 1 based on the opposite assumption.

## Developing wastewater treatment technologies to reduce environmental impact

The Ajinomoto Group Zero Emissions Plan has established target values for pollutant load in wastewater (10 ppm or less for BOD and 5 ppm or less for TN) which are stricter than regulations around the world. To achieve these challenging targets, the Group is improving performance in wastewater treatment by modifying existing treatment facilities, designing equipment to optimize integration with existing technology and developing more efficient processes.

When manufacturing processes change, sometimes wastewater treatment processes need to be revised as well. In order to promote global use of resource-saving fermentation technologies, the Group worked hard in fiscal 2014 to develop highly efficient treatment processes that could guarantee consistent water quality even when wastewater properties change. Recent Group experiments using the actual factory wastewater produced a vast improvement in treatment efficiency on a laboratory

scale. The Group will continue this development to a stage where it can be introduced into full factory operations.



New wastewater treatment experiment





Column

## A richer harvest with value-added fertilizer

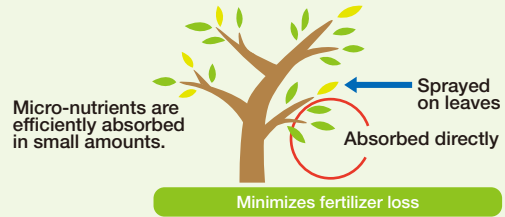
The Ajinomoto Group turns nutrient-rich by-products into fertilizers and feeds. These “co-products” are originally generated in the fermentation process during the manufacturing of amino acids and nucleic acids and then formulated with added value. The Group develops them specifically for local agricultural conditions and crops.



### Foliar fertilizer harnesses the power of amino acids

For more than 30 years the Ajinomoto Group has been advancing efforts to effectively use the nutritionally rich by-products of amino acid fermentation (co-products) as organic-type fertilizer. Also progressing during this time has been the development of high value-added products made by fortifying these co-products with balanced amino acids essential to plant development, such as phosphoric acid and potassium. Continued testing and research is revealing amino acid and nucleic acid-enriched fertilizers to have an enhancing effect on root and plant growth and yields. First released in Brazil in 1989, *AJIFOL*® foliar fertilizer is now produced in seven countries worldwide. Comments have come in from numerous customers who are excited about the benefits of supplying nutrition in small amounts through the leaves. These include higher yields, stronger disease resistance, and sweeter fruit (higher Brix value).

### Foliar application



### *AJIFOL*® manufactured in seven countries



### Products in Japan

#### *AMIHEART*®

Liquid fertilizer containing amino acids and ample quantities of monomolecular nucleic acids; readily absorbed and fast acting

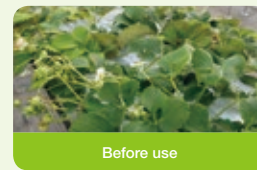


#### Results for tomato cultivation



#### *AJIFOL*® AminoGuard®

Foliar fertilizer containing an optimum formulation of concentrated amino acids and minerals; typically used in strawberry and tomato cultivation



High-bench strawberry cultivation. *AJIFOL*® was used here on strawberries that displayed inhibited growth from root damage, with poor leaf color, blossoming and growth. Plant vigor returned with foliar supplementation of amino acids.

#### *Hayane Hayaoki*

Liquid fertilizer containing nucleic acids and amino acids, with an optimal formulation of nitrogen, phosphate, and potassium for plant nurseries



#### Results for paddy-field rice cultivation



#### *GLUHEART*

Foliar fertilizer containing glutamic acid, which improves the growth of plants during periods of low sunlight or cold temperature



*GLUHEART* used to grow potatoes, which produces higher yields of large potatoes.

Reference See “Improving Plant and Animal Nutrition” on p. 31.



## Working with outside partners to promote feed-use amino acids



Lysine

Threonine

Tryptophan

Valine

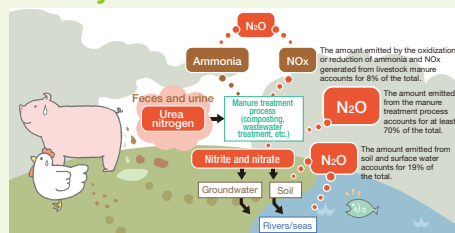
Ajipro®-L

It is well recognized that an adequate use of feed-use amino acids can substantially reduce nitrogen excretion from animals and save natural protein resources, thereby contributing to soil and water quality preservation, reductions in greenhouse gas emissions, and efficient use of limited arable land. Ajinomoto Animal Nutrition Group, Inc., as a leading amino acids manufacturer, is taking initiative in promoting these benefits through the development of environment-friendly new products and collaboration with international and local organizations.

### Reducing environmental impact using feed-use amino acids

Animal proteins consist of 20 different amino acids, several of which are not synthesized in sufficient quantities in the body. These amino acids must be supplemented through feed. Feeds that have a poor amino acid balance prevent the body from effectively using amino acids, so that they are emitted as nitrogen compounds, which impact soil and water quality. Additionally, a part of the nitrogen that is oxidized or reduced in the soil or air is released into the atmosphere as nitrous oxide (N<sub>2</sub>O), which has approximately 300 times the warming potential of CO<sub>2</sub>. The addition of feed-use amino acids helps livestock to better use the nutrition content of feeds, which helps to reduce the impact on the global environment. Poultry meat raised with an intensive use of feed-use amino acids and under conditions of reduced environmental impact is used as a raw material for frozen foods produced by Ajinomoto Frozen Foods Co., Inc. This is one of Ajinomoto's endeavors to contribute to global environmental conservation across the supply chain.

### N<sub>2</sub>O cycle



### Spreading the benefits of feed-use amino acids worldwide

In August 2012, the Specialty Feed Ingredients Sustainability (SFIS) consortium was established, representing feed industry associations in Europe, the Americas, and Japan, as well as leading manufacturers of specialty feed ingredients from around the world. Involved in the SFIS consortium, Ajinomoto Animal Nutrition Group, Inc. is helping to elucidate the benefits of feed-use amino acids for reducing environmental impact.

In February 2014, SFIS announced the results of a one-year study, which found that a low-protein diet fortified with feed-use amino acids and phytase<sup>1</sup> reduced the environmental impact from livestock production, namely greenhouse gas emissions and the eutrophication and acidification of rivers. This finding provides a rationale for the use of feed additives as a method for reducing the environmental impact of livestock production.

<sup>1</sup> Phytase is an enzyme that catalyzes the hydrolysis of phytic acid and releases phosphoric acid.

Reference See "Improving Plant and Animal Nutrition" on p. 32.

### Communicating the environmental benefits of feed-use amino acids in Japan

To popularize environmentally friendly livestock farming, livestock farmers will have to be informed about how greenhouse gas emissions can be reduced with feed-use amino acids. The farmers who use feed-use amino acids will also have to benefit in some way from the emission reductions they achieve. The Ajinomoto Group is engaged in various initiatives to help livestock producers understand these benefits.

#### Identifying total CO<sub>2</sub> emissions throughout the life cycle

The Ajinomoto Group is using carbon footprint as a measure to identify CO<sub>2</sub> emissions in the life cycle of feed-use amino acids.

#### Identifying CO<sub>2</sub> emissions in the life cycle of feed-use amino acids

March 2011 Certified as a project under the domestic credit system of the Ministry of Economy, Trade and Industry (Japan)

September 2011 CFP values certified for feed-use lysine under the CFP Pilot Project of the Ministry of Economy, Trade and Industry (Japan)



#### Contributions to emissions offset credit scheme

Ajinomoto Co., Inc. was a contributor to the development and adoption of an emissions offset credit scheme in Japan, with a methodology to reduce N<sub>2</sub>O emissions from pig and broiler manure treatment by utilizing low-protein feed under the J-Credit Scheme.<sup>2</sup> This provides an incentive for livestock producers to use feed-use amino acids to reduce environmental impact and could develop into a global framework with major implications and benefits.

<sup>2</sup> Created in fiscal 2013, the J-Credit Scheme integrated the Domestic Credit Scheme and Offset Credit (J-VER) Scheme. Under J-Credit, the Japanese government certifies and gives credits for CO<sub>2</sub> emissions reduced by means such as switching to energy-efficient devices, using sustainably energy, and absorbing CO<sub>2</sub> through proper forest management.

#### Kawasaki Mechanism certification

In January 2015 Ajinomoto Co., Inc.'s feed-use lysine earned certification from the Kawasaki Mechanism Certification System<sup>3</sup> as recognition of its contribution to the reduction of global greenhouse gas emissions. The company will look to make further contributions by promoting wider application of feed-use amino acids through active collaboration with Kawasaki City programs.

<sup>3</sup> A program launched in fiscal 2013 by Kawasaki City as a mechanism for quantifying the contribution that technologies of businesses operating in the city have toward reducing greenhouse gas emissions. Its objective is to ensure a more accurate market valuation of such businesses while leveraging their exceptional technologies for reducing emissions on a global scale.



# Developing Environmentally Friendly Packaging

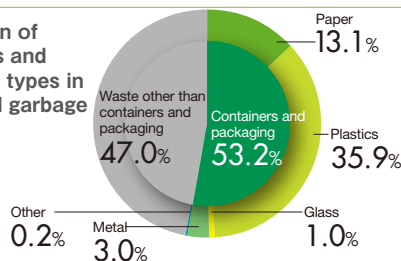
The Ajinomoto Group has worked to develop containers and packaging that minimize environmental impact while fully maintaining the quality of the food inside. Consumers today want to select products that are as environmentally friendly as possible, and the Group is determined to support this trend.

## DATA

### Household garbage, and containers and packaging

Japan disposes of 44.87 million tonnes of garbage a year, and household garbage accounts for 29.17 million tonnes, or approximately 65% of this. Containers and packaging account for a high 53% of household garbage.

#### Breakdown of containers and packaging types in household garbage



Source: Survey on Containers and Packaging Waste (volume comparison) by the Ministry of the Environment (fiscal 2013)

## Meeting customer needs, and future efforts

Containers and packaging serve an important role in maintaining the quality of the food they hold until opened, yet they account for approximately 54% of Japan's household waste by volume. In a survey on daily dietary habits and environmental awareness conducted by Ajinomoto Co., Inc., more than 80% of consumers said that they "try to reduce garbage," "separate garbage properly," and "buy refillable products as much as possible."

To address social issues around food, resource depletion, and energy, the Ajinomoto Group strives not only to reduce consumption of packaging materials and CO<sub>2</sub> emissions, but

also to create innovative container and packaging technology. The Group's innovations span many fields: reducing food loss with technologies that maintain product freshness and extend best-before dates and technologies that prevent food residue in packaging, introducing biomass plastics to replace petroleum-derived raw materials, developing ways to use inedible raw materials, introducing packaging free of aluminum foil (which requires a lot of energy to produce), and designing packaging for greater efficiency in logistics and delivery.

## Organizing teams to improve containers and packaging

The products of the Ajinomoto Group require many different kinds of containers and packaging. To encourage each group company to make its containers and packaging more environmentally friendly, the Group holds events like the Ajinomoto Group Food Conference and the Packaging Designers' Liaison Meeting. The Group will continue to leverage its comprehensive strengths to

make further improvements toward environmentally friendly, easy-to-understand packaging design.



Packaging Designers' Liaison Meeting

## Cooperation with outside organizations

Nowadays, it is difficult for consumers to tell which type of packaging is sustainable, given the diverse materials and forms of packaging on the market. In order to address environmental problems relating to packaging throughout society, it is important that consumers choose sustainable products based on an understanding of the functions and roles of packaging.

The Ajinomoto Group promotes 3R activities by engaging with stakeholders through consumer dialogues and educating the public about new packaging technologies.

- Eco-Products Exhibition
- Containers and Packaging Diet Declaration in Nine Municipalities
- Presentation of 3R best practices to recycling councils (Paper Packaging Recycling Council, Plastic Packaging Recycling Council)

## Containers and Packaging 3R Promotion Plan and environmental awareness initiatives

Each company in the Ajinomoto Group has its own mechanisms, targets and plans to promote environmental considerations.

In the 2011–2015 Containers and Packaging 3R Promotion Plan, Ajinomoto Co., Inc. has established overall reduction

targets, specific goals on packaging for less waste, packaging that can be refilled, packaging that is easy to separate, and packaging materials that are environmentally superior.

In fiscal 2014, compared to the base year of fiscal 2010, plastic consumption per product weight was down 2.4% while paper consumption per product weight was 6.2% higher. While progress in reducing paper consumption was achieved for many products, the reasons for the increase include the growth in products for which packaging increased as a result of reductions

in the volume of contents based on changes in consumption behavior, and products for which 3R activities were inappropriate in view of the suitability of facilities or product shelf life.

The Group will strive to conserve packaging materials and design environmentally friendly products in fiscal 2014, aiming to reach the targets for fiscal 2015, the final year of the plan.

### Major targets and results of the 2011–2015 Containers and Packaging 3R Promotion Plan

		Targets to be achieved by fiscal 2015 (compared to fiscal 2010)	Fiscal 2014 results
Reduce	Plastic consumption	Reduce by 2.0% per unit of product weight <sup>1</sup>	Down 2.4%
	Paper consumption	Reduce by 2.5% per unit of product weight	Up 6.2%
Reuse	Develop refillable product containers		
Recycle	Develop packaging materials that can be readily separated and peeled for easy sorting (including easy peel labels, easily removable caps, boxes with perforations)		
Introduction of new materials and technologies	Develop packaging using plant-derived biomass plastic (Use of shrink film made partly from polylactic acid derived from corn, polyethylene made from sugar cane)		
Providing information to consumers	Increase provision of information that promotes selection of environmentally friendly products and proper separation and disposal of garbage (“Aji-na Eco” mark labeling and publication of information on the Internet)		

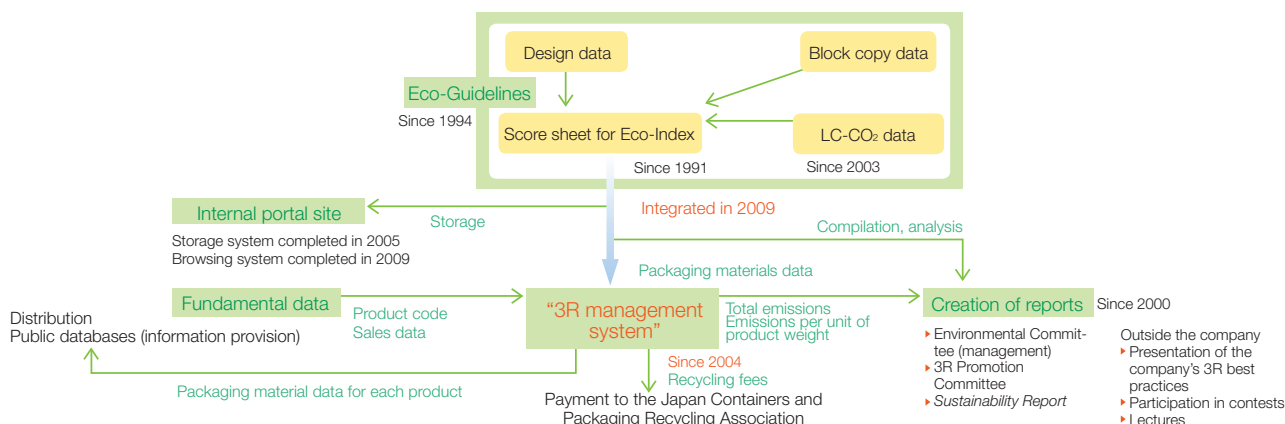
<sup>1</sup> This value is calculated by dividing the gram weight of containers and packaging for each material by the kilogram product weight.

Ajinomoto Co., Inc. always conducts an environmental assessment of containers and packaging before a new product is released. The assessment is based on the company’s own Eco-Index for Containers and Packaging. Each product is checked from four perspectives: (1) reduction in weight of packaging materials; (2) selection of materials; (3) recyclability; and (4) labeling (customer appeal). Evaluation items are revised when needed. In the assessment, the company also calculates the LC-CO<sub>2</sub> of packaging,<sup>2</sup> which it uses as supporting data to identify and provide information on the product’s environmental performance.

The integrated assessment and “3R management system,” shown in the chart below, enables the company to: (1) use the data on the weight of used packaging materials indicated in the Eco-Index to calculate recycling fees; (2) share data on its intranet; and (3) update data on the weight of packaging materials used every month. This reliable information helps to improve management. Since integrating the two systems, not only has calculation of recycling fees and 3R promotion become easier; internal and external reporting and data provision to distributors and recycling organizations have also become more accurate.

<sup>2</sup> CO<sub>2</sub> emissions from the manufacture of a container or package through its disposal and recycling

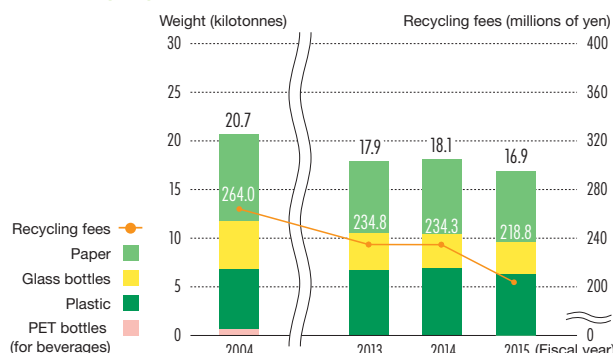
### Container and packaging environmental assessment since 1991 (computerized in 2005)



### Eco-Index for Containers and Packaging (Household edition ver. 11)

Purpose		Evaluation item	
Reduction of environmental impact	Efficient use of resources	Reduction in weight of packaging materials	Weight of disposed packaging materials
			Weight reduction Degree of over-packing Appropriate space ratio (for boxed products) Availability of refill products
	Combating global warming	Selection of materials	Transport efficiency
			Reduction in LC-CO <sub>2</sub> emissions Use of materials derived from plants Use of environmentally friendly materials Utilization ratio of recycled materials Eco-labeling
Contributing to a recycling-oriented society	Promotion of recycling	Recyclability	Adaptability to separated-waste collection Adaptability to recycling systems Reduction in volume for recycling and disposal
			External promotion
			Availability of environmental labeling (Availability of environmentally conscious labeling)

### Recycling fees and weight of containers and packaging by material type for products



## Developing environmentally friendly packaging

Since the Ajinomoto Group uses many forms of packaging, it is working to make them lighter using various means. The Group seeks to use less packaging for everything from jars, plastic film, pouches, and trays, to transport containers (cardboard) and paper boxes for products.

### Highlights of packaging development

#### Case study 1

#### Improving logistics quality Transport Container Labeling and Design Improvement Projects, Ajinomoto Co., Inc.

The manageability of goods at warehouses and other distribution facilities is an important key to optimizing logistics. Delivery errors lead to risks such as product waste, voluntary product recalls, health hazards, and loss of customer trust. Moreover, certain

#### 1. Transport Container Labeling Improvement Project

Previous transport containers had labels that made necessary information hard to read, often leading to handling mistakes in the process of distribution. To improve identifiability and visibility, the company implemented Transport Container Design Guidelines to set rules for labeling, such as concentrating product-specific information on the upper right of the box sides. By fall of 2015 Ajinomoto Co., Inc. plans to introduce around 200 items with the new labeling design, and continue rolling it out going forward. The rules have also been extended to AJINOMOTO GENERAL FOODS, INC., J-OIL MILLS, Inc., YAMAKI Co., Ltd., and other

sizes and shapes of transport containers (cardboard) prevent them from being efficiently loaded onto pallets. To address these issues, Ajinomoto Co., Inc. implemented two improvements from its standpoint as the manufacturer.

group companies, which have started to introduce the new design.



#### Changes

- 1) Product information concentrated in upper right
- 2) Font of distribution code changed
- 3) Product name added and matched to shipping documents

#### AJINOMOTO LOGISTICS CORPORATION

Transport container designs and labeling were changed to consolidate essential information, display the same product name as on the shipping document, and add indicators for products with bonus-size packaging or give-away merchandise. The changes have received positive feedback from warehouse and delivery staff for making the products more identifiable during handling, loading, and product verification at delivery.



#### Advertising Department, Ajinomoto Co., Inc.

The hardest part about creating the Transport Container Design Guidelines was identifying design elements that met labeling needs for everyone: all stages of distribution, all printing conditions, and all types of products, from consumer to commercial. We had to interview each division, propose ideas for improvement based on analysis of current conditions, and carefully resolve each issue that arose. We are happy to see that, since the guidelines' introduction last year, adoption of the new design is gradually expanding across the Ajinomoto Group.



#### Quality Assurance & External Scientific Affairs Department, Ajinomoto Co., Inc.

We helped develop the Transport Container Design Guidelines from the perspectives of proposing labeling methods for products with legal requirements on transport container labeling, product distinguishability for the user, and compliance with ASQUA standards.

We are currently supporting the new design's introduction by verifying through quality assessments whether design changes have been made in accordance with the guidelines.



#### Logistics Planning Department, Ajinomoto Co., Inc.

The Transport Container Design Guidelines are nothing less than an assembly of the best ideas from all divisions involved. The new transport container labeling in accordance with these guidelines are being introduced not only at Ajinomoto Co., Inc., but other Ajinomoto Group companies as well. We will continue to make improvements and achieve new efficiencies to contribute to stronger food and distribution industries.

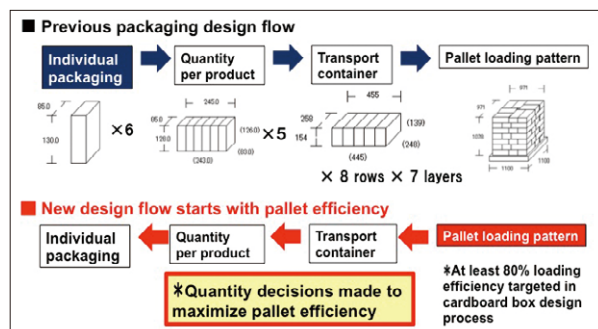


2015 All-Japan Convention for Logistics Improvement Case Studies, Japan Institute of Logistics Systems Logistics Rationalization Award (Top Prize)



## 2. Transport Container Design Improvement Project

Adopting a new packaging design approach that starts from pallet loading efficiency, Ajinomoto Co., Inc. set a target of over 80% efficiency. The transport cardboard box is first designed based on the target, followed by the quantity of goods per box and individual packaging. This ensures that logistical concerns are incorporated into the process of designing and improving packaging.



### Packaging Group (FAD-P), Product Development Center, Institute of Food Sciences & Technologies, Ajinomoto Co., Inc.

The Transport Container Design Improvement Project began in April 2013 following a series of product collapses at distribution centers caused by changes in transport container design. As members of the design division, we launched an effort to improve logistics quality, not stopping at the mere processing of claims.

We began by surveying all distribution sites across the country (from Hokkaido to Okinawa). We found little consistency in the way products were loaded on pallets, creating various operational challenges for employees. Because the standard design flow decided on the size and quantity of individual products before the size of the transport container, pallet loading patterns varied widely, with some even resulting in a loading efficiency of less than 50%.

We then created a transport container design visualization sheet, and indicated areas with less than 80% efficiency as red zones. This made it possible to judge at a glance which container designs should never be adopted, using container size alone to determine whether pallet efficiency requirements would be met.

This new design flow allows us to confirm loading efficiency early on for new products as well as existing products undergoing revision. We can now assess dimensions on a scale of a few millimeters, and sometimes suggest to business divisions that they change the quantity of contents.

To keep this initiative going, the Logistics Planning, Advertising,

and Quality Assurance departments have held study sessions over the last two years for approximately 150 members of business divisions in order to raise awareness in other parts of the company and encourage early design planning.

The sessions are paying off. Feedback has included comments such as, "Whenever we ask FAD-P to improve a packaging design, they always offer a solution from a logistics perspective," and "We'd like to change the individual packaging without changing the distribution efficiency." At a FAD-P meeting held to evaluate technologies under development, one person asked whether technologies help improve distribution.

The benefits of improvements in logistics quality are three-fold: higher product quality, lower costs, and smaller environmental impacts.

We hope to expand these efforts to the entire Ajinomoto Group.



### Case study 2

#### Smaller products, better taste

#### All AGF Blendy and three MAXIM Chotto Zeitakuna Kohiten stick coffee mixes series products

Thanks to a new technology that enhances the aroma of coffee and milk, revamping products for richer flavor provided the opportunity to use more environmentally-friendly packaging material and to downsize the packaging.

With this change in product volume, not only was the stick length shortened by two centimeters, but a biomass plastic film partially made from sugarcane-derived material was adopted as a printable film. The outer box packaging was made more compact along with the shorter sticks, and the box opening was modified to eliminate small bits of waste, such as the cardboard zipper.

As with individual packaging, the transport containers were also downsized, resulting in higher distribution efficiency. For 10-stick boxes of the popular *Blendy Stick Cafe Au Lait*, for example, the number of transport containers that can be loaded on one pallet increased from 40 to 64 cases.

These improvements are expected to cut approximately 400

tonnes of packaging material and 1,400 tonnes of CO<sub>2</sub> emissions annually.<sup>1</sup>

<sup>1</sup> Calculated by AJINOMOTO GENERAL FOODS, INC. using a formula based on fiscal 2014 sales volume



Promoting “Aji-na Eco” and “Hotto-suru Eco” mark products with environmental packaging

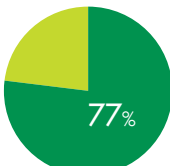
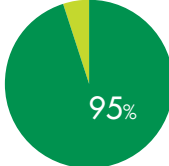
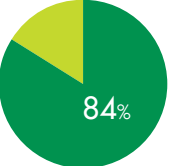
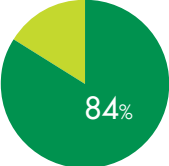
Modern product packages are already small and thin, so it is often difficult for customers to notice changes made in package weight, thickness, and size and materials used. However, when the enormous sales volume of products is taken into account, the sum of these small efforts can result in significant environmental benefits.

Consumers want to purchase environmentally friendly products and to tell whether a product is eco-friendly at a glance, so the Ajinomoto Group began labeling products with its own ecomarks in 2010.

 <p><b>What is “Aji-na Eco”?</b></p> <p>“Aji-na Eco” is a term describing the smart and ecological products or information provided by the Ajinomoto Group, and the logo mark evokes the image of our green planet, the pleasure of eating, and a global environment made even better through food.</p> <p><b>Number of “Aji-na Eco” mark products</b> <b>165</b></p> <p>As of August 31, 2015 (Ajinomoto Co., Inc., Ajinomoto Frozen Foods Co., Inc.)</p>	 <p><b>What is “Hotto-suru Eco”?</b></p> <p>“Hotto-suru Eco” indicates AJINOMOTO GENERAL FOODS, INC. products with environmental features. The logo mark evokes the comfort felt when drinking one’s favorite beverage, colored in an earth green. The “Hotto-suru Eco” label was introduced in spring 2015.</p> <p><b>Number of “Hotto-suru Eco” mark products</b> <b>95</b></p> <p>As of August 31, 2015 (AJINOMOTO GENERAL FOODS, INC.)</p>
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<p><b>Plant-based plastic</b></p> <p>The packaging material of these products contains plant-based plastic. Using raw materials derived from plants helps reduce fossil fuel use and CO<sub>2</sub> emissions.</p> <p>Products with a cap or tray made of more than 25% plant-derived plastic, replacing conventional fossil fuel-derived materials</p>   <p>植物性キャップでエコ 植物性トレイでエコ</p>	<p>Products with PET film on the packaging surface made of more than 20% plant-derived plastic</p>  <p>植物性プラでエコ ほっとするエコ</p>
<p><b>Recycled plastic</b></p> <p>The packaging material of these products contains recycled plastic. Using recycled plastic helps reduce fossil fuel use and CO<sub>2</sub> emissions.</p> <p>*Roasted and ground coffee products with PET film on the package’s outer surface made of more than 80% recycled resin *Bottled coffee products with a PET resin bottle made of more than 50% recycled resin</p>  <p>植物性プラでエコ ほっとするエコ</p>	<p><b>Recycled paper</b></p> <p>These products use recycled paper containing more than 80% recycled pulp. It actively utilizes recycled materials to make careful use of resources.</p>  <p>味なエコ 再生紙でエコ</p>
<p><b>Ecological thinning</b></p> <p>These products use packaging material that contains pulp<sup>1</sup> from ecological forest thinning. The container packaging has been certified by the Forest Thinning Mark Certification Committee.<sup>2</sup></p> <p>1 More than 10% pulp from forest thinning 2 Committee of the National Federation of Forest Owners’ Coop Associations</p>  <p>間伐材でエコ ほっとするエコ</p>	<p><b>Protected timber</b></p> <p>The packaging material of these products contains paper certified by the FSC<sup>®</sup>,<sup>3</sup> indicating that it was produced from responsibly managed forests.</p> <p><sup>3</sup> Forest Stewardship Council<sup>®</sup> FSC<sup>®</sup>N002418</p>  <p>森林資源保護でエコ ほっとするエコ</p>
<p><b>Reduced packaging</b></p> <p>These marks are displayed on products that use less packaging material than conventional products.</p>   <p>味なエコ 省包材でエコ 植物性でエコ ほっとするエコ</p>	<p><b>No tray</b></p> <p>These frozen food products are packaged in a large bag without a tray inside. It reduces the amount of waste, thereby lowering CO<sub>2</sub> emissions by about 20% to 50%.</p>  <p>味なエコ トレイなしでエコ</p>
<p><b>Refillable</b></p> <p>Refilling the contents of glass containers from packets and reusing them for a long time can reduce their environmental impact.</p>   <p>味なエコ 詰め替えてエコ 詰替えてエコ ほっとするエコ</p>	<p><b>Easy separation</b></p> <p>The packaging materials of these products are designed for easy recycling and disposal.</p> <p>After use, cap can be separated easily.</p>  <p>味なエコ はずせるキャップでエコ</p> <p>Jar labels can be peeled off easily.</p>  <p>はがすだけでエコ ほっとするエコ</p>

**DATA** Survey on environmental consciousness of customers

<p>I try to reduce garbage in my daily life</p>  <p>77%</p>	<p>I take care to separate garbage properly</p>  <p>95%</p>	<p>I try to buy refillable seasoning products</p>  <p>84%</p>	<p>I think that there is a lot of waste in food packaging and trays for perishables</p>  <p>84%</p>
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Source: Ajinomoto Co., Inc. Ajinomoto Monitoring Consumer Survey 2014.  
Sample: 1,800 homemakers from households across Japan composed of two or more people aged 20–70



## Initiatives in Logistics

The Ajinomoto Group has continued to reduce environmental impacts that occur in logistics, from the procurement of raw materials to the delivery of products to customers. With regard to the reduction of transport-related CO<sub>2</sub> emissions in particular, the Group is taking proactive measures, including establishing a more efficient delivery system and pursuing modal shift and eco-driving.

### Fiscal 2014 performance

#### As a consignor: Performance of Ajinomoto Co., Inc.

CO<sub>2</sub> emissions per unit of sales during transport and delivery

**7.0% decrease**  
(compared to fiscal 2010)

Modal shift percentage<sup>4</sup>

**36%**  
(rail 21%, ship 15%)

<sup>4</sup> Changing to modes of transport with lower environmental impact. Ajinomoto Co., Inc. began in earnest in fiscal 1995 to introduce the use of railway container shipments, which produce only one eighth of the CO<sub>2</sub> emissions of truck shipments.

### Initiatives as a consignor

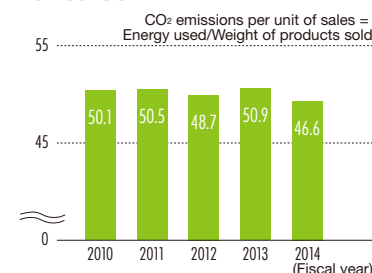
Japan's revised Act on the Rational Use of Energy obliged specified consignors to reduce CO<sub>2</sub> emissions from transport and delivery by at least 5% on a per-unit basis within five years of fiscal 2006. This applied to Ajinomoto Co., Inc. and Ajinomoto Frozen Foods Co., Inc.

Ajinomoto Co., Inc. met the requirement, cutting emissions 5.9% by the end of fiscal 2010, thanks to consolidation of delivery centers, joint deliveries with group companies and other food manufacturers, and continued modal shifts.

In fiscal 2014, CO<sub>2</sub> emissions per unit of sales from transport and delivery declined 8.4% year on year, to 7.0% less than in fiscal 2010. This achievement was due to improved efficiency in distribution and the following actions the company took to coun-

ter risk. Learning from the Great East Japan Earthquake, the company set up two primary distribution centers—one in the northern Kanto region and one in the Kansai region—instead of relying on just one site in Kawasaki, as before. It adjusted its nationwide distribution network to accommodate these changes. Going forward, the Ajinomoto Group expects to continue to meet the legal requirement of a 1% annual reduction.

### CO<sub>2</sub> emissions per unit of sales



### Initiatives of Ajinomoto Co., Inc.

Modal shift efforts in the Ajinomoto Group began in 1995, spearheaded by Ajinomoto Co., Inc.'s Logistics Planning Department and AJINOMOTO LOGISTICS CORPORATION. The Super Green Logistics Plan of Ajinomoto Co., Inc. is currently being implemented to simultaneously strengthen transport capacity and make distribution environmentally responsible. Distribution is being radically overhauled to address the chronic shortage of long-distance truck drivers and the drop in transport efficiency caused by the shift to the Dual Mother Distribution Center system.

Shipping transport has been introduced for the first time, supplementing rail transport for distances over 500 km. Ships are

now used to transport products from Kanto to Hokkaido, Kansai to Kyushu, and Kawasaki to Kansai. Meanwhile, rail transport was strengthened by utilizing efficient, large-sized 31-foot containers. According to the latest data in September 2015, these changes have resulted in a long-distance transport modal shift percentage (in food category) of 77% (rail 26%, ship 51%).

By the end of fiscal 2015 the Ajinomoto Group aims to roughly double this percentage from the pre-adoption rate to 87%, and reduce its current CO<sub>2</sub> emissions by half, about 2,400 tonnes.



Ferry used in shipping transport

### Highlight

#### Excellent Operator of an Eco-Ship Modal Shift Project: Maritime Bureau Director-General Award

Ajinomoto Co., Inc. became one of the first companies in the Japanese food industry to implement modal shifts, the change of transport methods from ground and air to rail and ship to conserve energy, reduce environmental pollutants, and achieve other objectives. The company's introduction of large ferries and cargo ships for transport earned it in July 2015 the Director-General Award from the Maritime Bureau, Ministry of Land, Infrastructure, Transport and Tourism.



Representatives of the award-winning Ajinomoto Co., Inc. and AJINOMOTO LOGISTICS CORPORATION



# Environmental Management

The Ajinomoto Group has introduced an ISO 14001-compliant environmental management system (EMS) at most of its sites in and outside Japan to comply with environmental laws and regulations and prevent environmental problems, and to ensure that further efforts will continue to be made at each site to conserve the environment.

## Fiscal 2014 performance

### Environmental management

ISO 14001 certification had been acquired at

**120 sites, or 94% of all target sites**  
(As of March 2015)



Mojokerto Factory, PT Ajinomoto Indonesia workers in charge of "Ajinomoto Group Zero Emissions" activities



Environmental monitor meeting at Kawasaki Administration & Coordination Office of Ajinomoto Co., Inc.

## Group-wide environmental management

The Ajinomoto Group has established an environmental management structure headed up by the Management Committee to ensure that measures are implemented uniformly across the Group. This management structure forms the base for a range of environmental management activities, such as the formulation of environmental plans (three-year medium-term plan and annual plan), implementation of environmental assessments and environ-

mental audits, and collection of environmental data. Issuing its "Working for Life" pledge on its centenary anniversary in 2009, the Group revised the Ajinomoto Group Environmental Philosophy and Basic Policies in April 2011 as a statement of its determination to promote business activities and products that contribute to the environment and to stay in dialogue with society.

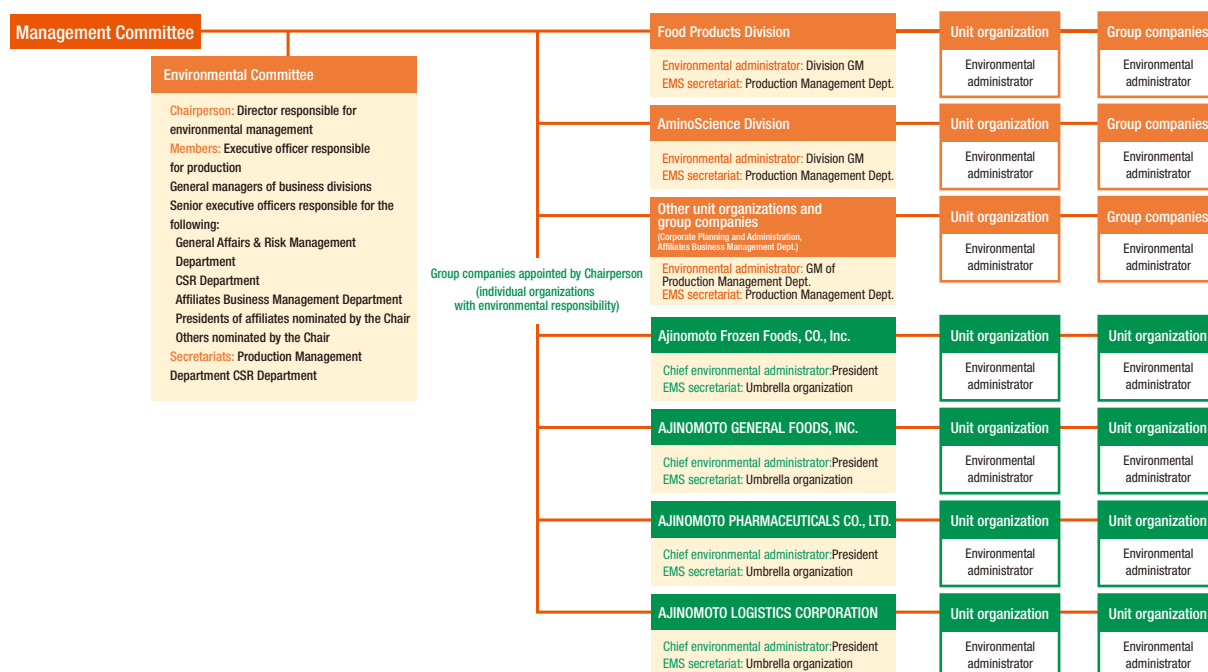
## Group-wide environmental management activities

As of fiscal 2014, 120 out of 127 target sites have acquired ISO 14001 certification. Consistent efforts are now being made by the remaining sites to acquire certification.

In promoting group-wide environmental management, it is important to have a way to quantitatively identify both environmental impact and contribution. The Ajinomoto Group has developed the Ajinomoto System for Reporting of Environmental

Performance (ASREP) to efficiently collect environmental data on CO<sub>2</sub> emissions, waste, discharged water and other items from all its sites. Collected data is utilized in compiling the Group's environmental performance statistics, in progress control of the Zero Emissions Plan, and in developing information to be disclosed through the Carbon Disclosure Project.

### Ajinomoto Group's EMS organization (as of October 1, 2015)





## Implementing environmental assessments

When the Ajinomoto Group launches new products and businesses, or changes the use of conventional raw materials in production processes, it assesses the environmental impact of business plans before they are implemented and takes necessary measures to minimize future environmental risks and impacts. Environmental assessments are performed by departments responsible for the proposed plans, and their results are reviewed by the Environment & Safety Group of the Production Management Department before final approval by management. In April 2010, the authority to conduct environmental assessments was partially delegated to some business sites outside Japan to allow assessments to reflect the local environmental circumstances more appropriately.

With regard to business performance evaluation, environmental items are included in the Ajinomoto Group's business performance evaluation for each business unit. These items, weighted at 5% of the total evaluation, are assessed based on achievement of environmental targets. This arrangement demonstrates the priority the Group gives the environment.

### Environmental assessment items

Seven types of typical pollution	Air pollution, water pollution, noise, offensive odor, soil contamination, oscillation, ground subsidence, etc.
Waste disposal	Proper waste disposal, responsibilities of waste generator, etc.
Global environmental issues	Global warming, biodiversity conservation, acid rain, etc.
Management of hazardous substances	Substances subject to PRTR, asbestos, new chemical substances, etc.
Creation of a recycling-oriented society	3Rs, resource and energy conservation, control of waste generation, etc.
Effects of buildings	Right to sunlight, radio wave disturbance, etc.
Purchase and sale of real estate	Soil contamination, accountability, guarantee against defects, etc.
New science and technology	Chemical and microbial contamination, etc.
Corporate social responsibility	Action guidelines, information disclosure, communication with the community, etc.
Product development	Eco-design, raw material procurement, logistics, life cycle assessment, etc.

## Implementing environmental audits

The Ajinomoto Group values environmental auditing, which equates to the Check function in the Plan, Do, Check, Act (PDCA) cycle, and it has created a multi-tiered internal and external auditing structure. In addition to external audits of compliance with ISO 14001 standards, internal auditors conduct regular environmental audits every 6 to 12 months based on the standards. These audits check the progress of targets and plans in each department and help ensure continuous improvement in environmental management.

Moreover, Group environmental audits are conducted for sites with significant environmental impact, aiming to ensure that environmental management is integrated with business activities. Internal environmental auditors attend lectures from outside

instructors to increase their expertise, and this helps to strengthen the overall environmental management system. In fiscal 2014, 156 auditors attended the lecture, and the total number of internal auditors at group companies in Japan was 2,624.

## Disaster prevention systems and response to environmental accidents

The Ajinomoto Group promotes open communication with neighborhood residents. The Kawasaki Administration & Coordination Office of Ajinomoto Co., Inc. has launched an environmental monitor system in which community residents immediately call the plant when they sense anything unusual, such as a strange odor. The Kyushu Office of Ajinomoto Co., Inc. holds periodic meetings with the neighborhood association to seek opinions. In addition, plants outside Japan, such as those belonging to Ajinomoto Co., (Thailand) Ltd., Ajinomoto Vietnam Co., Ltd., and S.A. Ajinomoto OmniChem N.V., conduct plant tours for community residents.

The Group has built a system for quickly addressing any legal violations or accidents related to the environment. In fiscal 2014, there was one legal violation involving deviation from a standard limit due to mismanagement of wastewater treatment at Ajinomoto Heartland LLC. The company implemented recurrence prevention measures and has returned to operating within the standard.

In environmental incidents, there was an event of turbid wastewater at Ajinomoto Frozen Foods, Co., Inc. and leaking of liquid from cargo after an AJINOMOTO LOGISTICS CORPORATION truck turned over. None of these incidents had a serious environmental impact. The Group investigates the causes of problems and such "close calls (near misses),"<sup>1</sup> and works to prevent recurrence.

<sup>1</sup> Finding of an incident that did not lead to a serious disaster or accident, but was one step short of such a situation. For example, an accident in which processing solution which has leaked from a storage tank is prevented from spreading from the vicinity by a secondary containment facility or emergency shutdown system.

### Minor environmental incidents and "close calls" (fiscal 2014)

	Japan	Outside Japan
Air pollution	7	6
Water pollution	8	13
Waste	0	5
Noise, oscillation	2	2
Offensive odor	0	1
Other	13	21
<b>Total</b>	<b>30</b>	<b>48</b>

### Number of complaints (fiscal 2014)

	Japan	Outside Japan
Air pollution	0	4
Water pollution	0	1
Waste	0	1
Noise, oscillation	15	3
Offensive odor	3	15
Other	1	4
<b>Total</b>	<b>19</b>	<b>28</b>

# Providing Environmental Education and Fostering Awareness



Ensuring that every employee has a strong environmental awareness is the starting point of all environmental protection efforts at the Ajinomoto Group. The Group provides its employees around the world with various opportunities for systematic environmental education and fosters better awareness to encourage them to take specific action in their respective workplaces.

## Education and awareness-raising activities

The Ajinomoto Group educates employees and raises their awareness of environment issues, as they are the key to ensuring its diverse businesses help to build a more sustainable world. Human resources, general affairs, risk management and other departments collaborate in providing ongoing education tailored to each employee grade to ensure everyone understands the Group's environmental initiatives.

As part of compliance education for managers launched in fiscal 2012, the Ajinomoto Group aims to ensure managers practice its policies and fulfill their role in the Group's corporate social responsibility for today's diversifying environmental issues. The Group also provides grade-specific environmental education. In fiscal 2014 more than 930 managers participated in workshops across the Ajinomoto Group.

Every year since fiscal 2007, the Group has run a campaign to foster social and environmental awareness as part of its Smile Earth! activities. In fiscal 2014, the "Eco-Life Starting with Food" campaign was rolled out worldwide to reduce food loss.



Fiscal 2015 poster Initiative in Poland Panel explaining initiatives in Japan

Reference See "Smile Earth! Activities—Bringing Smiles to People and the Planet" on p. 140.

## Specialized education and training

Environmentally responsible businesses activities require employees to improve their expertise and skills. The Ajinomoto Group provides ongoing education to environmental managers in each organization, as well as environmental assessment training for members of each division and research department developing new businesses and products. The Group has held over 100 training lectures on the role of internal environmental auditors, attended by a total of more than 2,600 people.

With environmental concern evolving from a focus on pollution control to broader protection of the global environment, the frequency of legislation and revision of environmental regulations is on the increase. The Ajinomoto Group stays up-to-date with

these changes and takes the steps needed to stay compliant. To aid this effort, the Group started environmental law seminars for EMS staff in Japan in fiscal 2011, providing practical knowledge of laws particularly relevant to the Group's business. In fiscal 2014, the seminar delivered information on amendments to Japan's Waste Disposal Law and their practical application, and on recent legislative developments. The Group is also enhancing its practical education on compliance on chemical substance management by offering regular seminars to the employees concerned.

### Structure of environmental education



Group work at an internal environmental auditor lecture Environmental law training session on waste disposal



Texts for the seminar on amendments to the Environmental Law



## Consumer Issues

# Taking a Consumer-Driven Approach to a More Sustainable World

The Ajinomoto Group aims to contribute to a better life for all throughout the world by providing safe and high-quality products and services. In order to achieve this, the Group operates strict quality assurance systems, obtains third-party certifications, and conducts supplier audits.

The Ajinomoto Group also positions sharing information and good communication with customers as important activities. It uses customer feedback to improve products, services, and business activities, constantly making efforts to further raise customer satisfaction.

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### P109 Delivering Reliable Quality

- Quality assurance system of the Ajinomoto Group
- Initiatives in fiscal 2014 and beyond

### P116 Communicating with Customers

- Listening to and learning from customers
- Rigorous management of personal information

### P119 Proposing Sustainable Lifestyles, Starting with the Dinner Table

- Using products, recipes and advertising to promote green living, starting with the dinner table
- Ajinomoto "Shoku-Eco KIDS" Prize awarded to tomorrow's leaders
- Promoting environmental food lifestyles at home
- Dialogue for a sustainable future
- Communicating with consumers at the Eco-Products 2014 exhibition
- Forums for envisioning an ideal future

# Delivering Reliable Quality

It is only natural that food product companies are held responsible for the safety and quality of their products. The Ajinomoto Group applies its own quality assurance system, the Ajinomoto System of Quality Assurance (ASQUA), to all of its products and services. This ensures strict quality assurance from raw material procurement to product sales.

## Ajinomoto Group Quality Policies

### Philosophy

We contribute to a better life for all throughout the world by providing safe and high-quality products and services.

### Policies

1. We pay full attention to the request of our customers, and provide products and services meeting with their satisfaction.
2. We actively provide appropriate information to our customers and continue to improve our trustworthiness.
3. We make no compromises with regard to safety, conducting surveys and research as thoroughly as possible, faithfully complying with applicable laws and regulations, and always delivering products and services of uniform quality.
4. We assure quality through the Ajinomoto System of Quality Assurance (ASQUA), based on the concepts outlined in the international ISO standard.
5. Under the leadership of our management, each one of our company's employees makes the greatest effort to provide safe and high-quality products and services through work at all levels, from research and development to production, distribution, sales and services.

## Quality assurance system of the Ajinomoto Group

### Ajinomoto System of Quality Assurance (ASQUA)

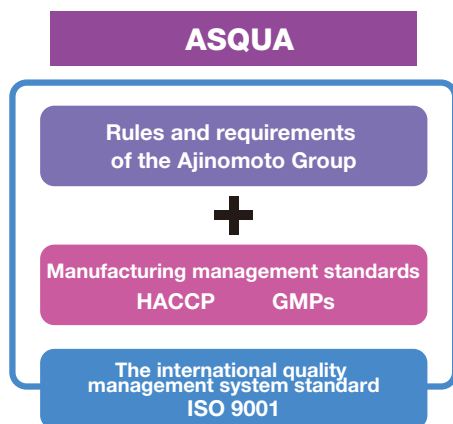
Established in 1997, ASQUA is the Ajinomoto Group's own quality assurance system. Its core content is based on ISO 9001, the international quality management system standard, supplemented by manufacturing management standards like Hazard Analysis and Critical Control Points (HACCP), which is one of the food hygiene management standards, and good manufacturing practices (GMPs).<sup>1</sup>

The system also incorporates the Ajinomoto Group's Quality Policies, Ajinomoto Quality Assurance Regulations, Regulation for

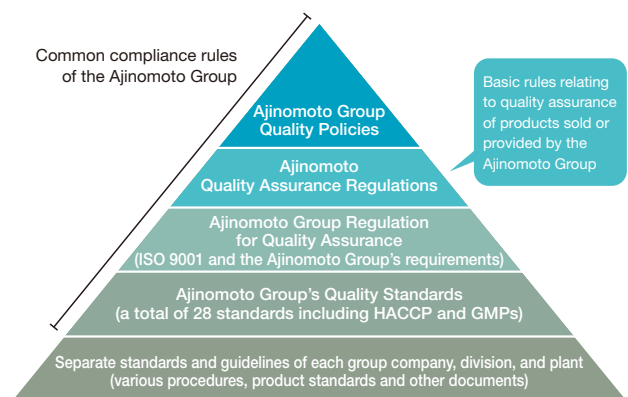
Quality Assurance, Quality Standards, and other rules and requirements established by the Group or each internal organization. With ASQUA, the Group carries out painstaking quality assurance activities worldwide, from the procurement of raw materials to the sale of products, always pursuing even higher quality manufacturing. Customer requests and expectations are also promptly utilized to improve products, services, and business operations.

<sup>1</sup> Standards relating to manufacturing management, which have been adopted for products sold by the Ajinomoto Group.

### ASQUA framework



### ASQUA components





## Ajinomoto Group's Quality Standards

The Ajinomoto Group has created its own standards, "ASQUA," to ensure that products maintain the level of quality expected of the Ajinomoto Group's brand.

These 28 strict standards, three of which were newly added in fiscal 2014, cover a wide range of areas including training, labeling, packaging, and traceability.

### Ajinomoto Group's Quality Standards (examples from among the 28 standards)

Standard for Quality Assessment	Standard for Safety and Sanitation of Food Packaging Materials	Standard for Determination of Responding to Quality Emergencies
Standard for Educational Training on Quality	Standard for Food GMP	Standard for Food Defense <sup>1</sup>
Standard for Halal <sup>2</sup> Control	GMP Standard for Pharmaceutical Drug Products	Standard for Traceability
Standard for Kosher <sup>3</sup> Control	Standard for HACCP	Standard for Handling of "Voice of Customer" (established April 2014)
Standard for Product Labeling	Standard for Quality Control of Subcontracted and Procured Products	Standards for Effective Use of "Voice of Customer" (established April 2014)
Standard for Quality Control of Raw Ingredients	Standard for Responding to Complaints	Standard for Management of Warehouses (established September 2014)

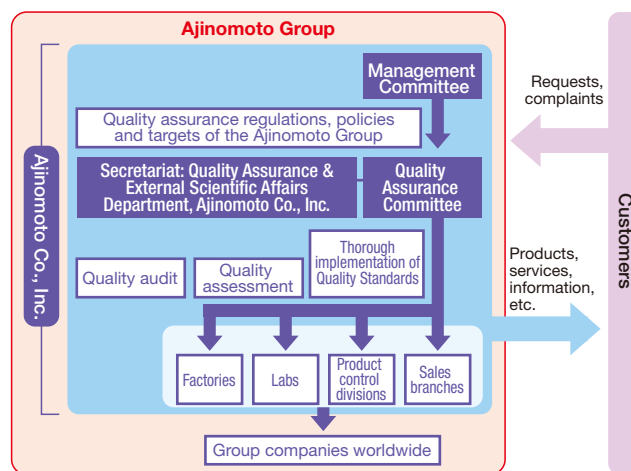
- <sup>2</sup> Food permissible to eat under Islamic dietary restrictions.
- <sup>3</sup> Foods permissible to eat under Jewish dietary restrictions.
- <sup>4</sup> Measures to prevent the intentional introduction of foreign matter into food products. The Group carries out monitoring at every stage from raw material procurement to product sales, in order to prevent anyone from adding poisons or other substances to food products.

## Organizational framework for ASQUA implementation

The Quality Assurance Committee, comprised of members of senior management, is the highest body for quality assurance in the Ajinomoto Group and reports to the Management Committee. Considering customer feedback, it drafts basic policies and plans relating to the Group's quality assurance, and after approval by the Management Committee, promotes their implementation at group companies worldwide. Every six months, the Quality Assurance Committee reviews the status of policy and plans implementation throughout the Group.

This framework ensures that everyone, from top management to frontline employees, maintains a strong awareness of product quality and a total commitment to providing safe products that are worthy of consumer trust.

## ASQUA implementation structure



## Initiatives in fiscal 2014 and beyond

The 2014–2016 Ajinomoto Group Medium-Term Plan for Quality Assurance, continuing from previous years, sets out three guidelines: "Keep faith with customers," "Fulfill customers' expectations," and "Aim for adequate and secured management." Based on these, new objectives were set, including:

"Strengthen the food safety system," "Prevent health hazards," and "Utilize the voice of the customer to offer products with new value and appeal." As the first year of the plan, fiscal 2014 saw the launch of new initiatives to achieve these goals, in addition to ongoing activities.

## Structural Enhancement to Guarantee Food Safety

In December 2013, there was a pesticide contamination incident in a frozen food product produced by another company in Japan. Following this incident, the Ajinomoto Group established the Project for Structural Enhancement to Guarantee Food Safety in March 2014, aiming to deliver even more reliable products to customers. The project is made up of one subcommittee which investigates the organizational culture and another which investigates raw material procurement, production, preservation, and transportation.

The project is advancing various organizational enhancement measures to minimize risk across the Group's worldwide supply chain. As shown in the diagram below, these include fostering a

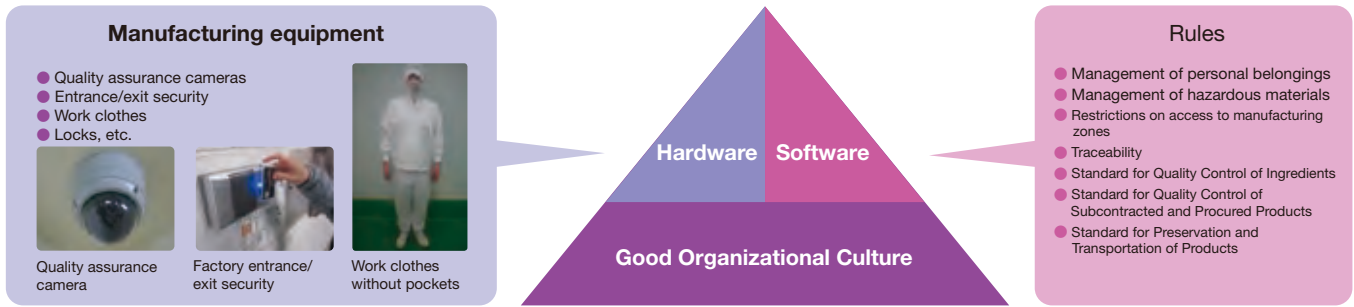
good organizational culture, based on trusting relationships with employees, and revising and strengthening both hardware elements such as manufacturing equipment and software elements such as quality standards and guidelines.

In fiscal 2014, Guidelines Aimed at Fostering a Good Organizational Culture and various measures to reinforce safety in raw materials procurement, subcontracted manufacturers, preservation, and transportation were formulated. In Japan, safety assurance was enhanced by introducing quality assurance cameras and work clothes without pockets, and increasing security at factory entrances.

In fiscal 2015, the Group will further enhance its food safety assurance systems both in Japan and overseas.

\*See "Diagram of food safety assurance concept" on the next page.

### Diagram of food safety assurance concept



### Efforts to prevent health hazards

The supply of safe products to customers is the most vital mission for the Ajinomoto Group.

In July 2013, a cosmetics manufacturer in Japan was responsible for a health hazard caused by a skin brightening product. To prevent any similar incidents, in fiscal 2014 the Ajinomoto Group further strengthened its system for ensuring that the voice of the customer is never overlooked, as this can lead to serious quality problems such as actual or potential health hazards. Each group company regularly investigates all voices of customers it collects. Now, in addition to the above, the Quality Assurance & External Scientific Affairs Dept. of Ajinomoto Co., Inc. also rapidly confirms and analyzes in a cross-organizational manner the voice of any customer dealing with an actual or potential health hazard. If an incident is deemed to be urgent, the company has established a system for rapidly sharing customer feedback with the relevant departments in Japan. In fiscal 2015 this system will be developed overseas as well.

### Obtaining third-party certification

The Ajinomoto Group is working to obtain third-party certifications in ISO 9001.

In fiscal 2014, Ajinomoto Genexine Co., Ltd., a new company established in 2012, obtained ISO 9001 certification for the first time. All other certified group companies and sites of the Ajinomoto Group maintained their ISO 9001 certifications.

In response to customer requests, the Group is also working to obtain Food Safety System Certification (FSSC) 22000,<sup>1</sup> which is recognized by the Global Food Safety Initiative (GFSI), at multiple manufacturing sites in Japan and overseas. In fiscal 2014, FSSC 22000 certification was expanded at all food manufacturing sites of Ajinomoto Co., Inc.'s Kyushu Plant and Kawasaki Plant. The Group will also seek to obtain certification from the Global Food Safety Initiative (GFSI) in accordance with customer requests.

<sup>1</sup> A standard enacted by the GFSI created by merging the ISO 22000, the international standard for food safety management systems, and PAS 220, a certification program of food safety for food manufacturers.

### Rigorous supplier audits and quality control

The Ajinomoto Group applies the quality control standards and quality requirements of ASQUA also to the management of its manufacturing subcontractors and raw materials suppliers. In addition to regular assessments and quality audits, the Group also works with suppliers to reduce quality risks, improve quality levels, and achieve other objectives based on the Supplier Partnership Program (SPP).

In fiscal 2014, the results of planned quality audits implemented at Ajinomoto Group companies in Japan revealed no suppliers with inadequate quality levels.

For overseas suppliers, the Ajinomoto Group has established a worldwide system called Global Supplier Management (GSM)<sup>2</sup> for carrying out joint quality audits. In addition to GSM audits, in fiscal 2014 the Group also held GSM Auditor Meetings to training GSM auditors and strengthen their quality management skills.

In fiscal 2015, the Group will further strengthen partnerships with suppliers through SPP. And as part of efforts to enhance the food safety assurance structure (see p. 110), the Group will expand the food defense audits<sup>3</sup> already conducted at suppliers of Ajinomoto Frozen Foods Co., Inc. to suppliers of other food businesses.

### Quality audits of raw material suppliers in fiscal 2014

Department conducting the audit	Audited items	Number of audits	Notes
Group Procurement Center, Ajinomoto Co., Inc.	Raw materials	84	38 audits of food items and 46 audits of bioscience products and fine chemicals
	Packaging materials	29	
Ajinomoto Frozen Foods Co., Ltd.	Raw materials	205	
	Raw materials	7	
AJINOMOTO PHARMACEUTICALS CO., LTD.	Packaging materials	11	
	Products manufactured by subcontractors	3	

<sup>2</sup> The Ajinomoto Group's unique system of joint quality audits at its group companies outside Japan for strengthening quality management at raw material suppliers.

<sup>3</sup> Food defense audit: Audit specifically intended to prevent intentional contamination of food products

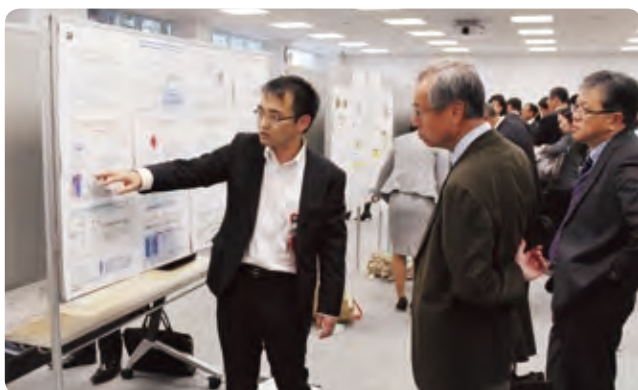
Reference See "Pursuing CSR Procurement" on p. 52.

## Human resources development to raise quality assurance levels

The Ajinomoto Group leverages its human resources development programs to further improve quality. Each year, the Group reviews its quality training, and creates programs that meet the needs of each organization and company. The programs are then implemented according to a plan.

In fiscal 2014, the Group held educational training on quality for new hires, advanced educational training on quality for employees involved with quality assurance, and held ISO 9001 internal auditor training, food product labeling and law-related seminars in Japan. The Group strives to make these programs readily available to employees by offering training on certain subjects via e-learning.

Furthermore, a top management study session on quality was attended by 55 top executives (including newly appointed executive directors) of group companies in Japan. In addition, 457 employees from group companies in Japan participated in the 35th Ajinomoto Management and Technical Conference on Quality. The participants shared information about their quality assurance initiatives.



Poster presentation at the Ajinomoto Group Management and Technical Conference on Quality

Ajinomoto Frozen Foods Co., Inc. has created the quality training program School Q, Agri School training for managers of its corporate and designated farms, and the FFA Academy for cultivating the next generation of leaders, and also held a briefing on the quality training results.

The Ajinomoto Group is also committed to providing quality assurance training for overseas employees. In fiscal 2014, seven international employees from U.S., Thailand, Malaysia, and Vietnam participated in the 14th Quality Management System (QMS) training course, where they spent two weeks studying a wide range of topics related to quality assurance and exchanged opinions on future initiatives. The Group also actively carries out quality training on a regional basis, in Southeast Asia, North and South America, China, and Africa. As part of this initiative, ASQUA School<sup>4</sup> sessions were held in China for 28 employees and in Africa for 21 employees.

In fiscal 2015, the Group will continue to carry out quality training programs and will also focus on developing human resource for quality assurance who can play an active role on the global stage.

<sup>4</sup> Training for the purpose of improving knowledge and sharing expertise relating to quality assurance, with a focus on the Ajinomoto System of Quality Assurance (ASQUA).



QMS Training Course

## Quality assurance education system and program examples

General training	Specialized education		
<p><b>Group-wide</b></p> <ul style="list-style-type: none"> <li>Ajinomoto Management and Technical Conference on Quality</li> </ul> <p><b>Ajinomoto Co., Inc.</b></p> <ul style="list-style-type: none"> <li>Training for Japanese staff posted overseas</li> <li>New employee training</li> <li>Compliance training</li> </ul>	<p><b>Group-wide worldwide</b></p> <ul style="list-style-type: none"> <li>QMS Training Course</li> <li>ASQUA School</li> </ul> <p><b>Ajinomoto Co., Inc.</b></p> <ul style="list-style-type: none"> <li>Quality assessment study session</li> <li>Basic course for understanding ASQUA, etc.</li> </ul>	<p><b>Group-wide in Japan</b></p> <ul style="list-style-type: none"> <li>Top management study session on quality</li> <li>Customer satisfaction training program</li> <li>ISO 9001 internal auditor education</li> <li>Quality audit seminar</li> <li>Study session on food product labeling</li> <li>Briefing on trends in government initiatives on food product labeling, etc.</li> </ul>	<p><b>Individual sites</b></p> <p>Implementing a variety of education programs relating to quality in areas including ISO 9001 standards, and various types of GMP</p>

## Highlight

## Using dialogues with external experts to guide improvement

While understanding consumers' needs and concerns is essential to addressing the issues they face, it is virtually impossible to talk with each and every consumer. That is why the Ajinomoto Group holds dialogues with external experts who are deeply familiar with consumer issues. Themes and areas of improvement are extracted from these dialogues to guide improvement.

## Expert dialogue #1

In August 2014, Yukiko Furuya, President of the Consumer Conference for Sustainability, was invited to talk with Ajinomoto Group representatives and share her evaluation and opinion of Ajinomoto Group activities, particularly those related to consumer issues.



Participating divisions from Ajinomoto Co., Inc. General Affairs & Risk Management Dept., Corporate Planning Dept., Quality Assurance & External Scientific Affairs Dept., CSR Dept.

## Evaluation and Advice from Yukiko Furuya

- The Ajinomoto Group's early recognition and tackling of issues facing 21st-century human society are highly commendable
- When advancing ASV and other activities going forward, the Ajinomoto Group should continue efforts to clearly understand its responsibilities based on ISO 26000, to keep from limiting or diminishing the results of multi-stakeholder dialogue conducted so far. The Group also should disclose not just the positive impacts of its business activities but also how it is addressing the negative impacts.
- Consumer issues are those issues involving consumers that companies must work to address to make society more sustainable. Consumer issues thus should be viewed and addressed in their connection to issues facing 21st-century human society.
- It is admirable that the Ajinomoto Group has for many years clearly stated its stance on such issues as food additives, labeling language (e.g., "No XX"), and genetically modified organisms (GMOs). It is crucial that needs be met based on the provision of accurate information to consumers.
- The consumer rights provisions of the UN Guidelines for Consumer Protection and Japan's Basic Consumer Act, should provide clues to solutions going forward.

## Expert dialogue #2

In November 2014, science journalist Waki Matsunaga was invited to speak to employees on the topic of food safety. After the talk, and executive officer and managers from relevant divisions sat down for a dialogue with Matsunaga.



Participating divisions from Ajinomoto Co., Inc. Corporate Vice President in charge of quality assurance, General Affairs & Risk Management Dept., Quality Assurance & External Scientific Affairs Dept., Production Management Dept., Public Communications Dept., CSR Dept.

## Evaluation and advice from Waki Matsunaga

- The Ajinomoto Group employs management systems and practices that incorporate food defense and other risk scenarios, and in this sense its food safety efforts are more advanced than those of other companies.
- These activities are passed down to employees through training; I was impressed with the fact how common various food safety topics are discussed in the course of daily conversation. I could sense that the Group has made effective use of its experiences with handling risks in a global marketplace.
- Because of this track record, I would like to see more efforts to correctly educate consumers about the safety of raw materials procured both inside and outside their own countries.
- For many years, Ajinomoto Co., Inc. has held lectures for nutritionists and made other efforts to deliver accurate information on the safety of food additives. These activities are helpful for sharing the latest trends with nutritionists and others working in the nutrition field. Although a longer-term investment, programs would be even more effective if extended to teachers of home economics and other subjects in schools.

## Improvement of quality assurance communication

Through these and other dialogue opportunities with external experts, the Ajinomoto Group was able to verify that the Project for Structural Enhancement to Guarantee Food Safety, safety net for prevention of health hazards, human resources development, and other quality assurance efforts are in line with society's expectations.

On the other hand, recognizing stakeholders' expressed desires for further improvements in communication, the Group took the following two actions in fiscal 2014.

1. Endeavored to systematically present in this Sustainability Report an overview of the Group's three-year plan, content of fiscal 2014 activities, and future objectives.

Reference See "Delivering Reliable Quality" on p. 109.

2. Added to the Group website information on quality assurance activities so consumers can understand these activities better and in greater detail.

Link "Delivering Reliable Quality" <http://www.ajinomoto.com/en/activity/quality/>



## Sharing quality-related information

To ensure that consumers can use its products with peace of mind, the Ajinomoto Group has established its own guidelines on the provision of quality information for consumer foods and seasonings. The Group also shares on its packages and website information customers need to make purchase decisions.

### 1. Sharing quality information on product packages

The packages of retail products marketed by Ajinomoto Co., Inc. and Ajinomoto Frozen Foods Co., Inc. indicate not only all legally required information but also the following kinds of quality-related information (except when space is limited, etc.).

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

### 2. Providing quality information on websites

The Ajinomoto Group, on its product information, product Q&A and other webpages, provides information on raw materials, countries of origin for key raw materials, nutrition, manufacturing plants, allergens, and other topics that tend to prompt the most customer inquiries.

Ajinomoto Co., Inc. and Ajinomoto Frozen Foods Co., Inc.'s quality assurance websites provide information on quality management activities designed to assure the quality and safety of products across the range of processes from raw materials management through manufacturing and sales.

Ajinomoto Co., (Thailand) Ltd. and Ajinomoto do Brasil Ind. e

Com. de Alimentos Ltda. both strive to provide information tailored to consumers in their own countries, everything from product information and recipes, to FAQs and cooking classes offered by group companies.

In fiscal 2014, Ajinomoto Frozen Foods Co., Inc. redesigned its quality assurance initiatives webpage to augment its quality and safety information. It also added a new search system for allergens that frequently prompt customer inquiries.

In fiscal 2015 and beyond, the Ajinomoto Group will continue to enhance the quality information on its website in response to customers requests.



Ajinomoto Co., Inc.'s product information website (Japanese)  
http://www.ajinomoto.co.jp/products/



Ajinomoto Co., Inc.'s quality assurance website (Japanese)  
http://quality.ajinomoto.co.jp



Ajinomoto Co., Inc.'s Customer Service Center website (Japanese)  
http://okyakusama.ajinomoto.co.jp/



Ajinomoto Frozen Foods Co., Inc.'s quality assurance website (Japanese)  
https://www.ffa.ajinomoto.com/anshin/



Ajinomoto Co., (Thailand) Ltd.'s product information website  
http://www.ajinomoto.co.th/en\_index.php



Ajinomoto do Brasil Ind. e Com. de Alimentos Ltda.'s product information website  
http://www.ajinomoto.com.br/

## The policies and initiatives of the Ajinomoto Group available online

### Use of food additives

Food additives not only enhance dietary lifestyles by improving taste, aroma, and nutritional content, but also play other important roles, such as improving the shelf life of food. They are subject to stringent testing under the supervision of governments to confirm their safety. The Ajinomoto Group selects appropriate food additives for use in product development and production based on the latest research findings on safety and other relevant issues. The Group is also committed to clear and accurate labeling of food additives on its product packaging, in accordance with standards stipulated in relevant laws.

In recent years, the number of processed foods companies label as “Additive XX-free” or “No XX” on the market has increased. As a manufacturer of food products, the Ajinomoto Group views labeling methods that give consumers doubts about food additives recognized as safe based on government standards and scientific research as potentially misleading.

### Use of GMOs

Genetically modified organism (GMO) technology is expected to play an important role in the alleviation of environmental problems and food shortages. For instance, crops genetically modified for insect resistance may not need as much pesticide. At this time, it is also important to thoroughly confirm the safety of GMO foods. In Japan, stringent safety assessment of GMOs is conducted by the Food Safety Commission of the Cabinet Office and the Ministry of Health, Labour, and Welfare. Labeling standards have been established in order to provide necessary information to consumers, and the Ajinomoto Group faithfully complies with them.

### Radioactive contamination

In Japan today, the safety of manufactured foods regarding radioactive contamination is being confirmed through continuous monitoring for radiation by government agencies, as well as through practices that prevent the distribution of food products that exceed regulatory limits. Going one step further, the Group uses measurement equipment and reputable analytical techniques to check, if necessary, for radioactive materials, especially in raw materials.

### Traceability

The Ajinomoto Group has created a traceability system for the history of raw materials and products. In each stage of production, processing, and distribution, information is recorded and stored concerning raw material and/or product suppliers, delivery destination, and product manufacturing so that the movement of all raw materials and products can be traced. The Group also carries out proper supplier management, which is essential for obtaining accurate raw material information.

This dependable traceability system facilitates the rapid handling of customer inquiries and any incidents that may arise, allowing consumers to purchase products with confidence.

### Allergens

In order to protect people with certain allergies, Japan's Consumer Affairs Agency requires food products in Japan to display information on whether they contain seven common allergens: wheat, milk, peanuts, eggs, buckwheat, shrimp and crab. It also recommends disclosure of 20 other allergens. The Ajinomoto Group in Japan not only labels the seven allergens required by law, but also lists 20 other allergens when contained in any of its retail products for general consumers. The Ajinomoto Group is also focused on strengthening its allergen control system by incorporating official analytical methods and contamination<sup>1</sup> controls.

<sup>1</sup> Microbial amounts of allergen substances mixing with food products during the manufacturing process despite the fact that these substances are not used as ingredients in the product.

### Pesticide residue

Pesticides play a vital role in the cultivation of healthy vegetables by preventing pests and diseases and by controlling growth of plants. Pesticide usage standards define the quantity, timing, method, and maximum number of applications. When these usage standards are followed, crops will not contain pesticides exceeding the maximum residue level. Still, depending on the usage method, in rare cases some pesticide may remain on harvested crops.

In order to ensure the safety of the vegetables it uses as raw materials, the Ajinomoto Group implements careful management of cultivated fields, including pesticide management. The Group also strives to use raw materials from Group-managed farms<sup>2</sup> and designated farms<sup>3</sup> as primary raw materials for certain products.

<sup>2</sup> Under the supervision of employees from the Ajinomoto Group, farms operated according to uniform standards for every process from crop cultivation through pesticide management.

<sup>3</sup> Farms that meet the Ajinomoto Group's rigorous standards on pesticide management systems and are subject to regular Group inspections.

## Communicating with Customers

The Ajinomoto Group strives to put the customer first by providing excellent service and innovative, high-quality products that are always safe. The Ajinomoto System of Quality Assurance (ASQUA) clearly defines channels for communicating with customers, and a customer service team established at each group company listens directly to customer opinions and requests. Company departments share customer feedback, and employees focus on incorporating this feedback into business activities, products and services. As part of these product quality management and customer satisfaction efforts, Ajinomoto Co., Inc. and Ajinomoto Frozen Foods Co., Inc. also developed the Customer Satisfaction Promotion Policy and Customer Satisfaction Code of Conduct based on the ISO 10002<sup>4</sup> standard for handling complaints. The Group is committed to delivering products and services that more than satisfy all customers.

<sup>4</sup> International guidelines for a complaint management system which set requirements for an organization to respond appropriately and promptly to customer complaints and improve customer satisfaction.

### Customer Satisfaction Promotion Policy

To ensure that we continue to provide products and services that satisfy our customers, we will listen to customers, see problems from their point of view, and focus all of our resources on creating the solutions customers need. Above all, our aim is to be an honest company that customers can trust.

### Customer Satisfaction Code of Conduct

1. We provide safe and reliable products and services to our customers.
2. We respond to complaints, requests and inquiries from our customers precisely, promptly and politely.
3. We respect the voice of the customer, and strive to use all input to add value to our products and services.
4. We actively disclose appropriate information to our customers.
5. We comply with regulations and voluntary in-house standards related to protecting the rights of our customers.

## Listening to and learning from customers

The Ajinomoto Group constantly seeks to improve customer satisfaction and has dedicated customer service teams at five food product companies in Japan.<sup>5</sup> The Group is now expanding this scheme to group companies outside of Japan, tailoring it to their product lines and local needs.

The Customer Service Center of Ajinomoto Co., Inc. strives to respond precisely, promptly and politely to inquiries and to provide information that delivers superior customer satisfaction and ensures consumers can use products with peace of mind. The center also records and analyzes the “voice of the customer” (VOC) daily and shares it with business divisions and product development departments to spur development of better products and services. Ajinomoto Co., Inc. understands how important every communication opportunity is. The company works constantly to improve customer relations and raise satisfaction, not only when providing products and services, but across all of its other business activities.

Initiatives are being carried out with group companies in Japan and overseas in accordance with the ASQUA standards for the handling and effective use of VOC established in April 2014. In Japan, an information sharing and study session on VOC handling is held quarterly by five group companies, and three companies (Ajinomoto Co., Inc., Ajinomoto Frozen Foods Co., Inc., and AJINOMOTO GENERAL FOODS, INC.) have held discussions on changing business to reflect VOC.

Overseas, Ajinomoto do Brasil Ind. e Com. de Alimentos Ltda. has begun an initiative to use VOC to improve quality, while Ajinomoto Co., (Thailand) Ltd. has started developing a system to efficiently relay customer inquiries internally. Ajinomoto Vietnam Co., Ltd. holds information exchanges with PT Ajinomoto Indonesia. These are a few examples of how the entire Ajinomoto Group is taking extra steps to improve customer service quality and to use VOC to deliver better products and services.

<sup>5</sup> Ajinomoto Co., Inc., Ajinomoto Frozen Foods Co., Inc., AJINOMOTO GENERAL FOODS, INC., J-OIL MILLS, Inc., YAMAKI Co., Ltd.

## Main fiscal 2014 initiatives of the Customer Service Center of Ajinomoto Co., Inc.

Main initiative	Details
Employee education program for improved customer service quality	Provided ongoing education to enhance listening and communication skills, among other training programs
Improvements for sharing the voice of the customer (VOC)	<ul style="list-style-type: none"> <li>• Promptly shared VOC through internal meetings and the intranet to improve products and services</li> <li>• Disclosed product improvements on the website</li> <li>• Conducted product evaluations from customer perspective at product development stage</li> </ul>
Improving responses to customer feedback	Promoted improvement of responses to customer feedback across the company
In-house training on customer satisfaction	(1) Lectures on customer perception (2) Workshops on VOC analysis (3) Workshops on use of the VOC portal (4) Sales department customer service training, etc. (95 employees participated in six training sessions)

## Efforts to improve customer satisfaction of product investigations

Since fiscal 2008 Ajinomoto Co., Inc. and Ajinomoto Frozen Foods Co., Inc. have regularly conducted a questionnaire survey to confirm customers' satisfaction of reports on the results of investigations into the cause of product defects noted by customers. They have also endeavored to improve the survey report. In fiscal 2014, points of customer doubt and concern were added to the report, and the three relevant divisions (manufacturing, business, and Customer Service Center) worked together to explain these results more clearly. They made various changes based on customer input, including extracting and changing scientific technical terms, using photos, graphs and other visual aids, and using larger font to make important parts easier to read. As a result, more than 84% of customers replied in the fiscal 2014 questionnaire that they "want to purchase the product again."

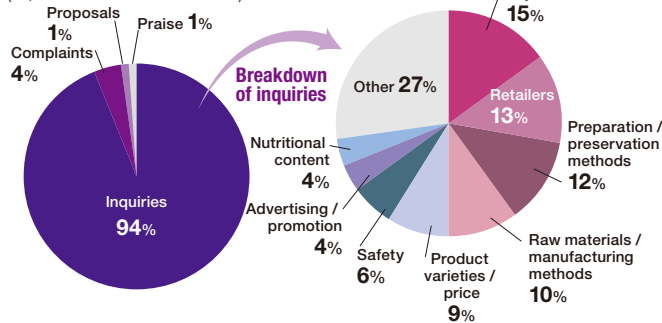


A questionnaire survey to confirm customers' satisfaction of the investigations reports

## VOC breakdown in fiscal 2014

VOC contacts received by Ajinomoto Co., Inc.: 37,400 (98% of the total in fiscal 2013)  
 VOC contacts received by five of the Ajinomoto Group's food product companies in Japan: 73,900 (96% of the total in fiscal 2013)

### Breakdown of VOC contacts received by Ajinomoto Co., Inc. (37,400 contacts from customers)



## First closed captioned TV commercial in food industry

Programs broadcast on televisions in Japan have included closed captioning<sup>1</sup> since 1985 in accordance with the Broadcast Act. Commercials, on the other hand, have not included closed captioning due to a lack of infrastructure for transmitting the necessary airwaves. As television stations in the Tokyo metropolis and other parties began developing this infrastructure around 2010, a working group on closed captioning for commercials was launched by the Ministry of Internal Affairs and Communications. The Japan Commercial Broadcasters Association and a number of corporate advertisers<sup>2</sup> also began promoting the introduction of closed captioned commercials.

As a member of the working group, Ajinomoto Co., Inc. voluntarily decided to introduce commercials with closed captioning to its sponsored programming, and aired its first captioned commercial in April 2014. The number of Japanese who are deaf or hearing-impaired due to injury or aging is estimated at 20 million.<sup>3</sup> That figure is projected to rise as the population continues to age. Ajinomoto Co., Inc. believes that accurately conveying product information and corporate messages through captioned commercials will increase recognition of its brand and products while also contributing to a barrier-free society.

<sup>1</sup> Text displayed on standard television screens that provide a transcription of dialogue and other audio information. Closed captioning can be activated using the TV remote, often by a dedicated CC or "subtitles" button.  
<sup>2</sup> Panasonic, Kao, Lion, Canon, Toshiba, JR East Japan, and others  
<sup>3</sup> Source: "Research on the Status of Hearing Instrument Supply Systems," Japan Hearing Instruments Manufacturers Association, 2003

## Examples of closed captioned commercials



Pure Select® Mayonnaise  
 Theme: Mayonnaise potato

HON-DASHI®  
 Theme: Mushroom rice with dashi

## Rigorous management of personal information

In order to securely manage personal information including customer data, the Ajinomoto Group clearly defines rules and procedures and ensures that relevant personnel follow them, as part of organizational business management.

At Ajinomoto Co., Inc., the Personal Information Management Guidelines in the Information Management Regulations specify rules and procedures for securely handling personal information. These guidelines are based on the ISO 27001 standard for information security management systems.

Ajinomoto Co., Inc.'s information handling rules are covered in grade- and job-specific security training, such as programs for

new hires, managers, and sales personnel. When operations are outsourced, the contractor's business and system conditions are assessed to ensure the same high level of information security. To ensure security, personal information is centrally managed in a company-wide database. A comprehensive inspection of this database was performed in September 2014.

Reference See "Thorough information security" on p. 49.



## Listening to customers to identify issues and discover improvements

The Ajinomoto Group shares the “voice of the customer” (VOC) internally in a timely manner and uses VOC to improve its products and services.

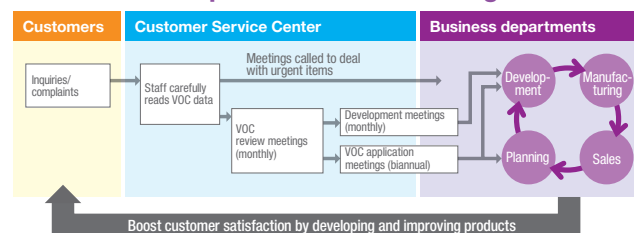
Ajinomoto Co., Inc. values customer comments and enters them into a database on the day they are received. Problems deemed urgent are reported immediately to the relevant departments, which investigate the causes and take measures to prevent reoccurrence. What was done is also reported back to customers. Entries are posted the following day on the internal VOC portal to share the information.

In addition, the Customer Service Center holds monthly VOC review meetings to address customer opinions and requests. In order to identify problems that need to be resolved, VOC data is carefully analyzed in several ways, including reproducing the problem with actual product samples. This method enables evaluation of the product from the customer’s perspective and

ensures a fresh, unobstructed understanding of customer opinions and requests.

Monthly development meetings and biannual VOC application meetings with business divisions are held to share information on the tracking of product inquiries and shifting customer opinion, requests and suggestions. This information is then incorporated into the process of developing and improving products and services.

## Framework for incorporating the voice of the customer into product manufacturing

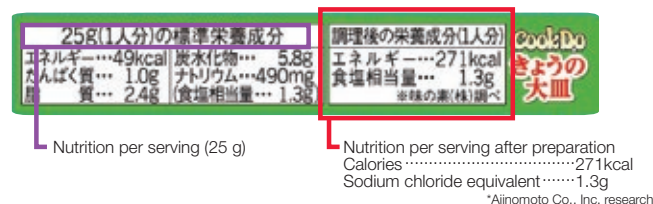


### Highlight

## Products improved based on customer input

### Cook Do® Kyo-no Ohzara (two servings type)

Of the various customer inquiries on nutrition facts labeling, one senior customer asked, "Does the nutritional information for Cook Do® Kyo-no Ohzara seasoning mix include the other ingredients added during preparation? I'd like to know those numbers too," suggesting a desire to calculate nutritional intake for better health. In response, new figures were added showing the nutrition facts (calories, sodium chloride equivalent) of the dish after preparation. These are provided alongside the standard nutritional information for the product itself.



Example: Cook Do® Kyo-no Ohzara Garibata Chicken

Link Ajinomoto Co., Inc. > Customer Service Center > Listening to the Customer (Japanese) <http://okyakusama.ajinomoto.co.jp/voice>

Link Ajinomoto Frozen Foods Co., Inc. > Customer Inquiries > Listening to the Customer (Japanese) <http://www.ffa.ajinomoto.com/faq/voice.html>

### Ajinomoto KK Marudori Gara Soup (55-gram bottle)

The Marudori Gara Soup 55-gram bottle was previously sold with a cap that opened fully and required scooping the product out with a spoon. Customers noted, however, the inconvenience of having to use a spoon every time, and that a shaker cap would make controlling the volume easier.

A shaker cap was not used previously because these caps allow moisture into the openings during use, which causes the product to clump together. However, by improving the product through anti-clumping technology, resulting in granules that flow smoothly, a shaker cap was able to be introduced.



\*Spoon no longer necessary

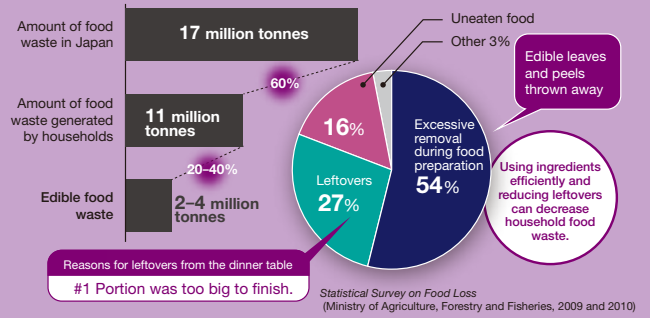
# Proposing Sustainable Lifestyles, Starting with the Dinner Table

As a food manufacturer, the Ajinomoto Group not only has the responsibility to deliver delicious and healthy foods; it also has the opportunity to help people embrace more eco-friendly lifestyles. Truly good nutrition is wholesome for families, as well as for the earth. The Group aspires to nothing less and has made this a central pursuit. The Group will continue to develop eco-friendly products and propose recipes and tips to encourage environmentally responsible living—starting right at the dinner table.

## Data

### Food losses in Japan

Japan generates about 17 million tonnes of food waste each year. Food waste from households accounts for 11 million tonnes. Of this, 2 to 4 million tonnes are said to be edible—leftovers, edible parts of ingredients excessively removed during preparation and cooking, food simply thrown away. To minimize these food losses in households, it is important to help individuals respect the value of food and enjoy meals enough to finish them.



## Using products, recipes and advertising to promote green living, starting with the dinner table

### “Aji-na Eco” and “Hotto-suru Eco” mark products

Product packages are thrown away by consumers after purchase, and the Ajinomoto Group is taking steps to make this packaging more environmentally friendly. To help consumers to instantly recognize and select eco-friendly products whenever possible, the Group introduced its unique “Aji-na Eco” mark in autumn 2010 and the “Hotto-suru Eco” mark for products of AJINOMOTO GENERAL FOODS, INC. in spring 2015.

The “Eco-Uma Recipe” website features ideas on how to fully use seasonal ingredients, expert advice from professional chefs, recipes submitted by the general public, and eco-friendly food projects by children.



Link Environmental action from the dinner table > “Eco-Uma Recipe” (Japanese) <http://www.ajinomoto.com/jp/activity/environment/eco/ecouma/>



Reference See “Promoting ‘Aji-na Eco’ and ‘Hotto-suru Eco’ mark products with environmental packaging” on p. 103.

### “Eco-Uma Recipe”<sup>1</sup> tips

Everyday cooking is actually a chance to start eco-living at home today. This is why Ajinomoto Co., Inc. has launched activities to spread environmentally friendly, delicious and smart “Eco-Uma”<sup>1</sup> ideas and recipes for everyday cooking.

<sup>1</sup> The Japanese terms for “Aji-na Eco” mark, “Eco-Uma” and “Eco-Uma Recipe” are registered trademarks of Ajinomoto Co., Inc.



“Eco-Uma Recipe” tips

- 1 Use food without any waste!
- 2 Choose seasonal foods!
- 3 With finesse, but simple!



Tasty means ecological

### Helpful advertising

The Ajinomoto Group’s helpful advertising offers tips on green living that starts with the dinner table. Starting in July 2014, the Group also began offering some of this useful information in video form online, pursuing even more impactful communication.



“Is your eco-bag just an ego bag?” Encouraging readers to go beyond the eco-bag and practice truly sustainable food purchasing



“EDO Period, ECO ideas” Sharing green ideas from the food culture of Japan’s pre-modern Edo period (video clips also available)



“What a waste” Won the Economy, Trade and Industry Minister’s Award, Best Partner Award, and other awards in the magazine ad category of the “Advertising for the Consumer Awards”

Link Newspaper and magazine advertisements (Japanese) <http://www.ajinomoto.co.jp/kfb/cm/newspaper/>

## Ajinomoto “Shoku-Eco KIDS” Prize awarded to tomorrow’s leaders

Since 2010, Ajinomoto Co., Inc. has awarded the Ajinomoto “Shoku-Eco KIDS” Prize to youngsters whose entry in the “Green Lane” environmental diary contest<sup>2</sup> features fun, outstanding environmental activities relating to food.

In the fifth contest, held in fiscal 2014, the prize was awarded to ten youngsters for their environmental activities. Ajinomoto Co., Inc. will continue to support the contest as a way to encourage children, the leaders of tomorrow, to practice environmentally friendly food lifestyles at home.

<sup>2</sup> As part of the contest conducted by Green Cross Japan, approximately 100,000 elementary school students receive guidebooks on ways to address environmental problems and 12-week journals for keeping environmental diaries.



At the fiscal 2014 award ceremony

### Highlight

#### FY2014 Ajinomoto “Shoku-Eco KIDS” Prize winner

##### Smart, waste-free “Eco-Uma” Prize: Shogo Togo

Shogo Togo showed exemplary practice of the ideas of using food ingredients fully, reducing waste, and using electricity, gas, and dishwashing water efficiently. He gained an interest in waste issues through a neighborhood cleanup at the Yumesaki River and reading a book about food loss. He conducted a Shoku-Eco project to eliminate kitchen waste in daily living based on the conviction that “we can protect the environment if we all pitch in to reduce waste.” He says, “Small efforts repeated over time will have an impact. Together, we are strong. I want to spread Shoku-Eco to more people.”



## Promoting environmental food lifestyles at home

In fiscal 2013, Ajinomoto Co., Inc. began visiting elementary and middle schools and events in Japan to provide environmental classes. After a hands-on lesson about dashi broth and umami using *HON-DASHI*<sup>®</sup> and *AJI-NO-MOTO*<sup>®</sup> as teaching aids, the students were introduced to the company’s products and environmental initiatives. Using a specially prepared textbook, *ECO Life Book with Shoku-Eco KIDS*, the students enjoyed learning how to try environmentally friendly food lifestyles at home.

The textbook has been distributed at Eco-Products exhibitions and other events, including some 13,000 copies distributed since fiscal 2014 to “Green Lane” environmental diary contest-participating schools that request it.

To get even preschoolers interested in Shoku-Eco activities, children were invited to color a coloring book of seasonal ingredients, and were also distributed “*Eco-Uma Recipes: Fun Food for Every Season*.” Parents asked their children, “What color is this vegetable?” and “What does it taste like?” as they colored.



*ECO Life Book with Shoku-Eco KIDS*, now in its fourth edition, introduces excerpts of Ajinomoto “Shoku-Eco KIDS” Prize winner’s diaries as tips for elementary school students starting eco-friendly food lifestyles.





## Dialogue for a sustainable future

On August 5, 2015, six middle and high-school students who participated in the “Green Lane” environmental diary contest sponsored by Ajinomoto Co., Inc. were invited along with their family members to the company's Kawasaki Plant for the first Ajinomoto Shoku-Eco KIDs Summit in Kawasaki.

The students were given a tour of the Ajinomoto Umami Science Square, opened May 2015, as well as wastewater processing, power generation, and other facilities of the HON-DASHI® Plant and Kawasaki Plant to assist their understanding of environmental efforts in manufacturing.

They also took part in two theme-centered workshops. In the first workshop, the students were asked about their impressions of the factory tours and any questions it elicited. An Ajinomoto Co., Inc. manager answered their questions directly. In the second workshop, the students discussed methods and ideas based on their own experience about how to encourage more of today's elementary students to start eco-friendly food lifestyles.

After the workshops, the students provided lots of feedback, including: "I learned so much from the plant tour, like how products are made and their environmental efforts," "Finding something fun is the key to continuing Shoku-Eco activities," and "More people would practice Shoku-Eco if they were given the opportunity to start."



Eco-friendly food lifestyle ideas for future elementary school students

**Reference** See "Tackling Social and Environmental Issues with Stakeholders" on p. 41.

**Link** Ajinomoto "Shoku-Eco KIDs" activities (Japanese)  
<https://www.ajinomoto.com/jp/activity/environment/kids/>



Ajinomoto Umami Science Square



HON-DASHI® Plant



Explaining how wastewater is made clean again



Wastewater treatment facility



Workshop scene

## Communicating with consumers at the Eco-Products 2014 exhibition

The Eco-Products exhibition is the largest environmental expo in Japan. In 2014, the exhibition was held at Tokyo Big Sight on December 11–13, attracting more than 160,000 visitors over three days.

Four companies of the Ajinomoto Group set up a joint booth introducing the Group's eco-products. The booth also promoted ideas for creating an eco-friendly lifestyle that begins at the dinner table, holding tasting events on the booth's stage. This

was a valuable opportunity for employees to talk directly with exhibition visitors and hear a wide spectrum of consumer opinions.



Some 100 group employees helped with the exhibition booth.



## Forums for envisioning an ideal future

No one entity can build a sustainable future on its own. The Ajinomoto Group recognizes the need to work with all of society to achieve this goal. The Group values opportunities to discuss community members' visions for the future from a variety of perspectives. It is these opportunities that help the Ajinomoto Group discover what it can do to build a healthier future.

As part of this focus, the Ajinomoto Group Sustainability Forum has been held in cooperation with a number of organizations to help create a sustainable future.

Link [Ajinomoto Group Sustainability Forum](http://www.ajinomoto.com/en/activity/forum/)  
http://www.ajinomoto.com/en/activity/forum/

### Themes of past forums

1st	Mar. 2012	"For the Healthy Future of Life in All Its Diversity"
2nd	Dec. 2012	"Food and Life Create the Future of the Earth—Let's Make Sustainable Lifestyles Together"
3rd	Mar. 2013	"Food and Science for Sustainability"
4th	Jun. 2014	"Promoting Ecological Agriculture in Kyushu—Biomass Link in Saga"
5th	Nov. 2014	"Japanese Nutrition Will Change the World!"
6th	Sep. 2015	"Life, Food, and Amino Acids: What We Can Do in Daily Life"

### Highlight

## The Sixth Ajinomoto Group Sustainability Forum

### "Life, Food, and Amino Acids: What We Can Do in Daily Life"

September 7, 2015 (Location: The Ajinomoto Group Takanawa Training Center in Tokyo)

The Ajinomoto Group Sustainability Forum is a multi-stakeholder discussion on the contributions to sustainability that can be made in everyday living from the viewpoints of food science, history, and culture.

The sixth forum drew a crowd of 200 people with a deep interest in food, including AJINOMOTO PARK members, journalists, and bloggers.

#### Keynote speech

Lord John Krebs, first Chairman of the British Food Standards Agency and former Principal of Jesus College, University of Oxford, spoke on the topic "Food Sustainability, Culture, and Risk."

Lord Krebs observed, "Food is a source of joy, and something that brings family and friends together. But with increased economic prosperity and changes in food culture, food has come to have impacts on human health as well as the global environment," before delving into food's deep connection to population growth, over and undernourishment issues, environmental issues, and food production. He then explained how food culture has changed over generations and how those changes have influenced our very awareness of food safety. He then closed by underscoring the importance of reexamining daily food from a broad perspective: "What's good for humanity is good for the planet. Our lives today are not already sustainable. We each need to dramatically change how we eat to create a better future."



#### Panel discussion

Lord Krebs was joined for a discussion by Professor Shinichi Takemura of Kyoto University of Art and Design; Ms. Hisa Anan, former Secretary General of the Consumer Affairs Agency and Chairman of the Association to Create a Society with Consumer Citizenship (ASCON); and Takeshi Kimura, Member of the Board and Corporate Vice President of Ajinomoto Co., Inc.

Takemura started the conversation by presenting a visual demonstration of population growth, global warming, and forest loss over the last century using his Tangible Earth invention. "Japanese food is a working model of the food of the future," he stated, suggesting that Japanese food could be a potential solution to the world's food problems.

Anan appealed to the audience: "It's crucial that each consumer make decisions and take sustainable actions from a place of autonomy, and to do that they need to take their own initiative to study."

Lord Krebs closed by stating, "The future is our children's," and emphasized the importance of teaching children from a young age the joys of food and its impact on the environment.



#### From the post-forum questionnaire

- "We need a right understanding of food, one that isn't swayed by image."
- "Japanese food is the global food of the future. I want to teach it to my children and enjoy cooking together."
- "I'd like to acquire the ability to read the meaning behind product labels and make the right choices."

Reference See "Tackling Social and Environmental Issues with Stakeholders" on p. 41.

## Highlight

## The Fifth Ajinomoto Group Sustainability Forum

## “Japanese Nutrition Will Change the World!”

November 15, 2014 (Location: the Ajinomoto Group Takanawa Training Center in Tokyo)

As a commemoration of the 15th anniversary of the Ajinomoto International Cooperation Network for Nutrition and Health (AIN) program, the fifth Ajinomoto Group Sustainability Forum presented various opinions, proposals, and reports from the public, private, academic, and civil society sectors on the main theme “nutrition.”

It was attended by some 200 people, many business persons, NGOs, students, and nutritionists.

## Part 1: Lectures and case reports

The special message and first keynote speech presented policies for and the challenges to utilizing Japan’s insights into nutrition, health, and long life in an international context.

The first keynote speech in particular explored the importance of nutrition from the perspectives of human evolution and the history of nutrition science. It also recounted Japan’s experience and resolution of under and over-nutrition after World War II, while highlighting the possibility of using this knowledge for health and longevity worldwide.

The second keynote speech used data to summarize the current state of global malnutrition, while also explaining GAIN’s objectives and approaches to the issues. The case reports that followed provided an example of AIN program activities on nutrition education and improvement in Bangladesh, while also presenting the Ajinomoto Group’s interest in nutrition since its founding and its wide-ranging nutrition improvement activities today.



Dr. Birgit Poniatowski  
Director of Resource Mobilization  
and Donor Management, GAIN

## Lecture topics and speakers

- Special message: “Role of Nutrition in the Japanese Government’s Health and Medical Strategy” by Keiya Iida, Deputy Director General, Office of Healthcare Policy, Cabinet Secretariat of Japan
- Keynote speech 1: “The Strengths and Global Contributions of Japan’s Nutrition Policies” by Teiji Nakamura, President, Kanagawa University of Human Services, and President Emeritus, Japan Dietetic Association
- Keynote speech 2: “The Current State of Global Malnutrition and Breakthrough Solutions” by Dr. Birgit Poniatowski, Director, Resource Mobilization and Donor Management, Global Alliance for Improved Nutrition (GAIN)
- Case reports: “Improving Nutrition Sustainably in Practice: Case Study of an AIN Program in Bangladesh” by Haruna Nishioka, Advocacy Officer and Manager of Overseas Department, Hunger Free World
- “Ajinomoto Group Initiatives to Improve Nutrition” by Takeshi Kimura, Member of the Board and Corporate Vice President, Ajinomoto Co., Inc.

## Part 2: Panel discussion

With Tsutomu Mizota, Professor Emeritus of Nagasaki University and AIN Representative, serving as moderator, the speakers from Part 1 were invited to join Yasuhiko Toride, Group Executive Professional of Ajinomoto Co., Inc.’s R&D Planning Department, as panelists for a Q&A discussion with the audience.

The questions covered a range of topics, from nutrition policies in general, to specific methods used by nutrition improvement projects in developing countries, to Ajinomoto Co., Inc.’s own nutrition improvement project in Ghana. The answers repeatedly stressed the importance of collaboration between the public, private, and academic sectors.



## From the post-forum questionnaire

- “It was well worth my time hearing actors from various sectors talk about initiatives to address nutrition issues.”
- “I learned that Japan’s nutrition policies have been highly successful and also have the potential to be utilized in other countries through business.”
- “I was impressed with how the Ajinomoto Group’s CSR activities are focused on improving nutrition worldwide in concrete ways.”

Reference See “Solving Food and Nutrition-Related Issues” on p. 127.

Link 5th Ajinomoto Group Sustainability Forum  
“Japanese Nutrition Will Change the World!” (Japanese)  
[https://www.ajinomoto.com/jp/activity/forum/pdf/forum\\_5st.pdf](https://www.ajinomoto.com/jp/activity/forum/pdf/forum_5st.pdf)



## Community

# Growing with the People of Each Community

As a company with global operations, the Ajinomoto Group is committed to doing business with and growing alongside local communities. The Group engages in community initiatives and social businesses to address various community issues that would be difficult to solve through conventional business operations.

The Ajinomoto Group's subsidiaries and foundations around the world work with governments, NPOs/NGOs, and other organizations on diverse initiatives that fit local needs, with a special focus on food and nutrition.

## Contents

- P125** Solving Local Issues Around the World
- P127** Solving Food and Nutrition-Related Issues
  - AIN program improves nutrition in developing countries
  - Group company and foundation activities
- P135** Supporting Areas Struck by Natural Disaster
- P140** Smile Earth! Activities—Bringing Smiles to People and the Planet

## Solving Local Issues Around the World

The Ajinomoto Group seeks to contribute to local development and grow together with the communities in which it operates. To do this, the Group works with local stakeholders to tailor its business activities to the needs of each country and region. It also collaborates with a number of other organizations on social businesses and other activities designed to help solve local issues.

### Worldwide initiatives of the Ajinomoto Group



**Ajinomoto International Cooperation Network for Nutrition and Health (AIN) program**

P127-

The Ajinomoto International Cooperation Network for Nutrition and Health (AIN) program is a program for international cooperation that aims to improve the quality of life and health in communities in the developing countries by conducting activities for making food and nutrition better.



**Smile Earth! activities**

P140-

The employees of the Ajinomoto Group and their families are engaged in thinking and acting on issues surrounding food, the environment and the community. These voluntary activities called Smile Earth! are being carried out in various forms by business facilities worldwide.



**Group company and foundation activities**

Different countries and regions face different food and nutrition issues. Utilizing the expertise and networks cultivated through its businesses in these areas, the companies and foundations of the Ajinomoto Group strive to offer locally tailored solutions.

This section offers a summary of a small fraction of the Group's activities conducted in the countries and regions marked on the map to the right. The Ajinomoto Group will continue to focus on initiatives that are carefully designed to meet the needs of each country and region.



United States



Peru  
AIN P134

Brazil

P134





### Supporting Areas Struck by Natural Disaster

The Ajinomoto Group utilizes its expertise in the area of food and health to help local communities rebuild after a natural disaster.

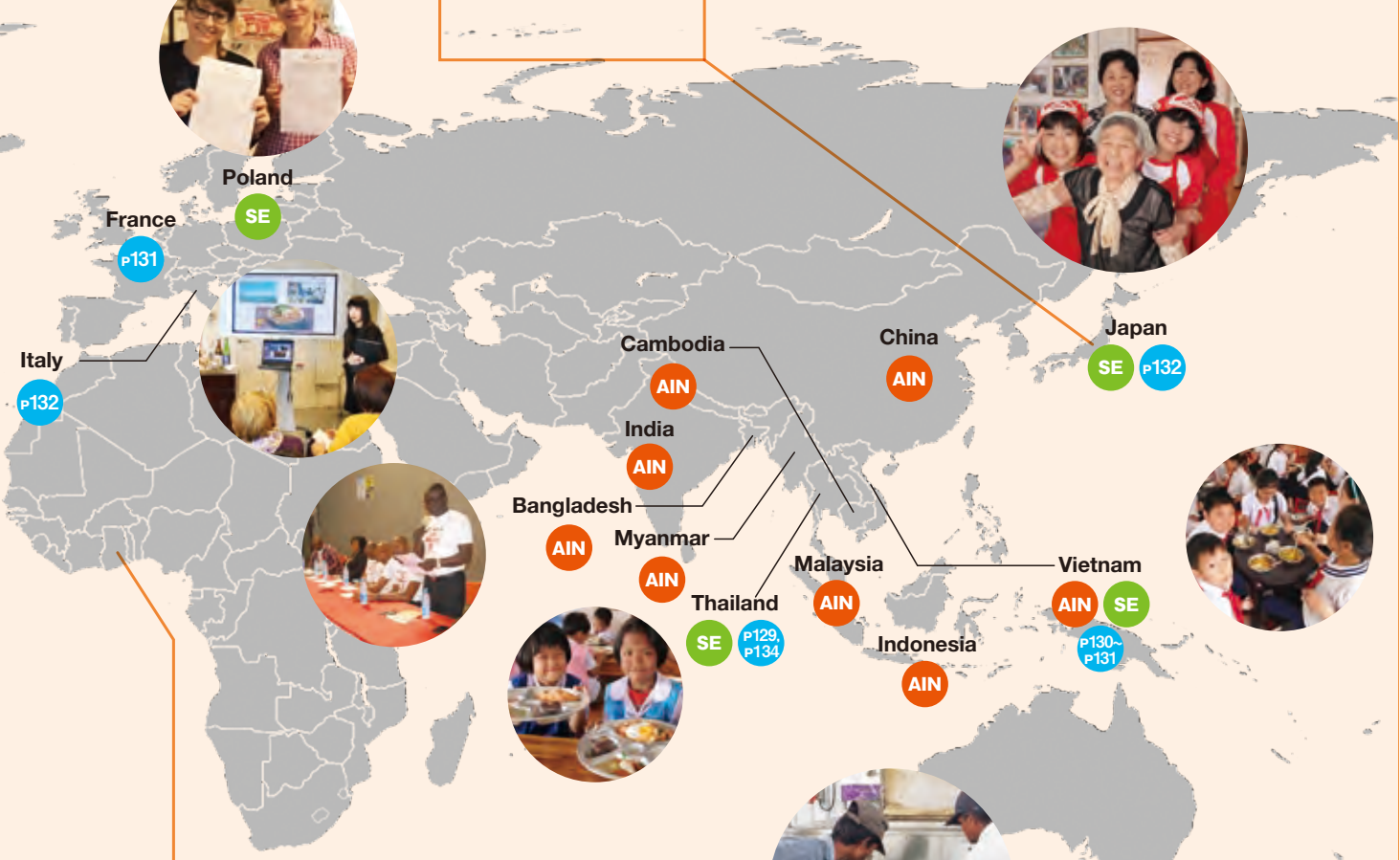
P135



### The Ghana Nutrition Improvement Project

This social business seeks to improve the nutritional intake of children in Ghana through the manufacture and marketing of a baby food supplement containing amino acid.

P24



# Solving Food and Nutrition-Related Issues

The Ajinomoto Group is working to solve issues in the field of food and nutrition in communities around the world. These efforts include the Ajinomoto International Cooperation Network for Nutrition and Health (AIN) program, which seeks to improve nutrition in developing countries, as well as a variety of other initiatives implemented worldwide by group companies and foundations.

## AIN program improves nutrition in developing countries

As a group of companies that contributes to human health globally, the Ajinomoto Group considers the improvement of nutrition in developing countries an important mission.

From 1999 until 2015, the AIN program has supported 75 projects in 14 countries, led by local people and rooted to the native environment and their food culture. The number of beneficiaries has reached 140,000 people, with a total of 280 million yen in assistance.

The Ajinomoto Group provides assistance for teaching materials and other purposes to NGOs and NPOs around the world and to governmental and educational institutions. Every year, proposals that aim to improve food and nutrition are solicited by the program; the projects are selected based on investigations by experts and onsite inspections by employees of the Ajinomoto Group.

Improving nutrition is explicitly given as an important issue in the UN Sustainable Development Goals (SDGs), which were adopted as the 2030 goals by the UN General Assembly in

September 2015. Through food and nutrition in its initiatives, the AIN program also contributes to increasing women and minority empowerment and education. With the SDGs, the AIN program will further evolve as an international cooperation initiative for creating a healthy society through nutritional improvements.

### Sustainable Development Goals (SDGs)

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



The AIN program is also linked to many of the other SDGs (such as goals 3, 4, 5, 6 and 17).

### Projects currently supported under the AIN program in fiscal 2015

Starting FY	Period (in years)	Country	Project name	Implementing organization
2013	3	Cambodia	Project for improving children's nutrition condition, achieving self-support of foodstuff and expanding preschool education by providing lunch at nursery	Caring for Young Refugees
2013	3	Vietnam	Integrated Management of Acute Malnutrition in Ethnic Minority Areas	Plan Japan
2013	3	Bangladesh	Development of School Meal Project with local people's participation in collaboration of 2 districts in Bangladesh	Japan Bangladesh Cultural Exchange Association (JBCEA)
2014	2	Peru	Promoting healthy living for low-income families in Cusco, Peru	Adventist Development and Relief Agency Japan
2014	3	Malaysia	Improvement of the women's lives in fishing community through food processing, Penang, Malaysia	PARC Interpeople's Cooperation
2014	3	Cambodia	Improvements in nutrition and health by canteen and nutritious training for the ultra poor	International NGO Kamonohashi Project
2014	3	Vietnam	Project to support educational activities for mothers to improve the quality of complementary food in rural Vietnam	International Life Sciences Institute Japan
2014	3	Bangladesh	Bangladesh nutrition initiative: Nobo Koli	World Vision Japan
2014	2	Myanmar	Project of food processing for better nutrition in Myanmar	Terra People ACT Kanagawa/TPAK
2015	3	East Timor	Comprehensive program on nutrition and food for young mothers to improve the health situation of their malnourished children	Alliance of Friends for Medical-care in East Timor
2015	3	Cambodia	Nutrition improvement for families and community development by empowering mothers in the poor areas of Phnom Penh	Japan Lay Missionary Movement
2015	2	China	New Efficient Food for Desert — Development & Extension of Mascovy Duck	OISCA Japan

## AIN program projects column

### Cambodia

#### Nutrition improvement for families and community development by empowering mothers in the poor areas of Phnom Penh

Organization: Japan Lay Missionary Movement

Project site: Area 17, Ruessei Village, Stueng Meanchey Quarter, Mean Chey District, Phnom Penh City

Assistance period: FY2012-2014

Number of beneficiaries: 539

#### Major accomplishments

More than 60 nutrition improvement seminars were conducted in total. The mothers learned and practiced how to make highly nutritious well-balanced meals at home using available ingredients.



Nutrition improvement seminar (March 2015)

#### Key point for success

The local staff underwent training under the instruction of NGOs and health care centers to acquire the necessary knowledge and skills.

#### Purpose

Improve nutrition by improving the nutritional knowledge of mothers, and by making full use of this knowledge in food preparation

#### Main activities

- Health care and hygiene, nutrition education
- Living environment, literacy and arithmetic education
- Guidance on planning and demonstration on preparing highly nutritious meals using available ingredients
- Providing lunch meals to children at the Children's Home
- Organizing the cooking event "food festival"

(Photo credit: Japan Lay Missionary Movement)



Explaining the three major nutrients in a nutrition improvement seminar (July 2012)



Conducting hands-on food preparation at the nutrition improvement seminar (January 2014)



Lunch meals at the Children's Home (Monday to Friday)



Mothers presenting their results at the "food festival" (February 2015)

#### In the future

To train Community Health Workers for the second phase of this project, with the aim of enabling them to plan and conduct their own nutrition improvement seminars for mothers in the area.

### Vietnam

#### Alternative child nutrition improvement project through strengthening food security

Organization: Save the Children Japan

Project site: Van Chan District, Yen Bai Province

Assistance period: FY2012-2014

Number of beneficiaries: 3,700

#### Major accomplishments

The food gap was reduced with the percentage of malnourished children in the area down by approximately 1.4%.



#### Purpose

- Secure food supply in the area
- Improve nutritional condition of children under 2 years old

#### Key point for success

Spread of low-cost Nutrition Gardens that are based in the natural environment; strengthening of ownership by the government

#### Four conditions of a Nutrition Garden

1. Diversity with four or more kinds of produce that can be harvested at all times
2. Local variety seeds
3. Biological energy
4. Integrated farming

#### Main activities

- Investigation of the food gap situation: Identified that the period in which produce cannot be harvested and people are prone to malnutrition in a year is up to half a year
- About 1,000 families participated in Nutrition Garden trainings. Most adapted the guidelines.
- Raising of domestic livestock such as rabbits, silky fowls, and pigs
- Together with the children, investigation of natural foods that can be harvested in the surrounding environment
- Microfinance implementation for needy women

(Photo credit: Save the Children Japan)



Villagers in training for compost-making



Villagers exchanging harvested vegetables



Evaluation of Nutrition Gardens carried out together by government and residents



Children participating in natural foods investigation

#### In the future

By further involving the government (Ministry of Agriculture and Rural Development) from the beginning of leadership training, a smooth transfer to the government in the future is anticipated.



## Group company and foundation activities

The Ajinomoto Group is committed to making social contributions all around the world. The Group’s wide array of activities focus primarily on the fields of food and nutrition.

Working with group companies, the Ajinomoto Group has

established foundations in four countries that award scholarships and engage in other initiatives tailored to the local culture and lifestyle, seeking to meet the specific needs of each country.

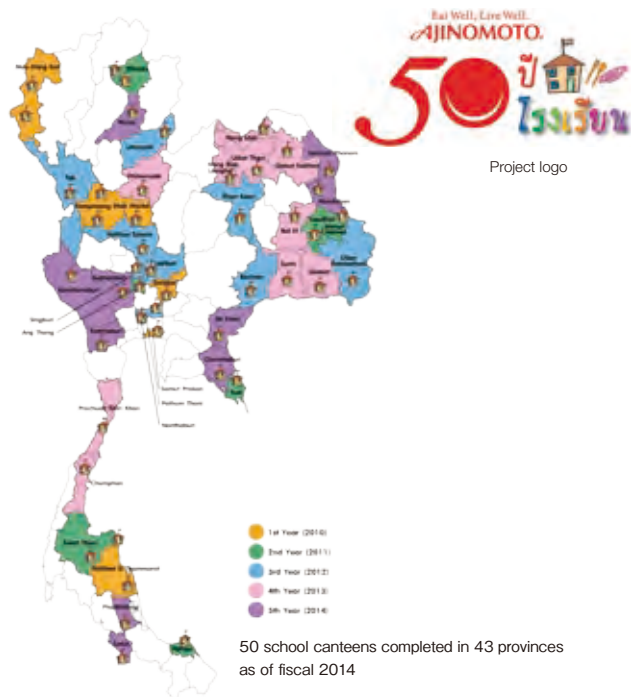
## Improving childhood nutrition

### Thailand

#### Building 50 canteens at 50 schools

In 2010, the Ajinomoto Foundation in Thailand launched a project to build canteens at 50 schools in five years to mark the 50th anniversary of Ajinomoto Co., (Thailand) Ltd. Working with Thailand’s Ministry of Education, local governments and educators, and NGOs, the project supports the health of children by giving each school a hygienic environment for school meal preparation. The project completed 50 school canteens in 43 provinces by fiscal 2014 serving more than 10,000 students. The foundation will continue this project from fiscal 2015 onward, with consideration given to extending the project to the entire country (77 provinces) by 2019.

The Ajinomoto Foundation is preparing to provide nutritional education, starting in 2015, to local residents, students, and teachers at the elementary schools that have received project support, in order to further improve the eating habits of Thai students. Through its support for better diet and health among children, the project is putting into practice the concept on which Ajinomoto Co., (Thailand) Ltd. is based: “Ajinomoto always grows with Thais.”



Canteen before replacement



Canteen after replacement



Students enjoying their meals in a newly completed canteen





## Vietnam

### Helping to create a dietician education program, national certification system and legal framework in Vietnam

The Ajinomoto Group has launched the Vietnam Nutrition System Establishment Project (VINEP) in 2011 in an effort to expand nutrition-related programs and education in Vietnam. The project emerged from joint research conducted by the National Institute of Nutrition (NIN)<sup>1</sup> and the Institute for Innovation of Ajinomoto Co., Inc. in 2009.

Until now, there has been no education system for training dietitians in Vietnam or even a certification system for dietitians. In March 2012, Ajinomoto Co., Inc. and Ajinomoto Vietnam Co., Ltd. signed an agreement with Hanoi Medical University and NIN to train dietitians as part of VINEP. The Nutrition and Dietetics Laboratory was established at the Hanoi Medical University in October that year with funding from the Ajinomoto Group. In November, Vietnam's Ministry of Education and Training approved the country's first four-year bachelor program in dietetic science and nutrition at Hanoi Medical University. There were 44 students in the inaugural class in September 2013, 35 students for the second class in 2014, and 58 students for the third class in 2015. Every year, the Ajinomoto Vietnam Co., Ltd. presented full-year scholarships to the students who placed in the top 10 on the entrance exam for the program.

Ajinomoto Co., Inc. and Ajinomoto Vietnam Co., Ltd. have been assisting the development of the undergraduate program curriculum and course materials for a professional program, as well as conducting lectures on nutrition physiology at the professional program.<sup>2</sup> However, it is important to create a social system so that the graduates of these programs can actively work as dietitians. Through the Group's efforts, a regulation specifying the status of dietitians (job code) was passed and put into effect by the Vietnamese government in October 2015. This marks the achievement of making the dietitian a nationally recognized profession, and serves as a basis for gaining employment in civil service.

Going forward, the Group aims to establish various

systems by 2017 to help make working as a dietitian easier, through the creation of specific standards for working as a nutritionist (nutrition standards) and a licensing system, among others.

In 2014, five students and several instructors from Hanoi Medical University visited Japan for a two-week nutrition science training under a JICA collaborative project.<sup>3</sup> It provided an opportunity to deepen their understanding of Japan's nutritional system and the Ajinomoto Group's corporate research in the field of amino acids and nutrients, as well as to think of future activities and initiatives related to nutrition in Vietnam. In 2015, in addition to the training curriculum similar to that in fiscal 2014, the Group is working on an initiative to conduct Japan-Vietnam trainings toward the creation of nutrition standards, which will contain the necessary working standards for these students when they graduate and become dietitians, using the International Promotion of Japan's Healthcare Technologies and Services in 2015.<sup>4</sup> Through these initiatives, the nutritional environment at hospitals, schools, etc., will further improve with the establishment of educational systems to foster expert dietitians who will be involved in nutritional management in hospitals and schools, among others.

<sup>1</sup> Viện Dinh dưỡng

<sup>2</sup> In cooperation with the Japan Dietetic Association, Jumonji University, and the Kanagawa University of Human Services

<sup>3</sup> Operated by the Japan International Cooperation Agency, this project promotes private-sector technology to facilitate social and economic development in developing countries.

<sup>4</sup> This program is funded by "The International Promotion of Japan's Healthcare Technologies and Service in 2015" conducted by the National Center for Global Health and Medicine under the Ministry of Health, Labour and Welfare, Japan.



VINEP nameplate hanging at NIN



Explaining the nutrition survey method to students



Practical training of sensory evaluation using vegetable soup and umami seasoning



Students creating presentation materials



Scholarships awarded to second batch students by Ajinomoto Vietnam Co., Ltd. From left: ten Hanoi Medical University second batch scholars; Hiroharu Motohoshi, President of Ajinomoto Vietnam Co., Ltd.



Student trainees participating in a discussion with three Japanese registered dietitians from Ajinomoto Co., Inc. (front row), five Hanoi Medical University students (second row from left), instructors and other concerned staff of Ajinomoto Co., Inc.

## Vietnam

### School meal project

Ajinomoto Vietnam Co., Ltd. has been implementing a five-year School Meal Project since fiscal 2012, in partnership with Vietnam's Ministry of Education and Training, Ministry of Health, National Institute of Nutrition (NIN), and local governments. The project aims to improve food nutrition for students by enhancing the availability and variety of school lunches, as well as providing nutritional education.

In fiscal 2014, aside from support for the building of the school kitchen model in Ho Chi Minh, this project was launched in the cities of Hanoi and Haiphong. Moreover, a software system for calculating nutrients during menu preparation is under development. The goal of these initiatives is to make nutritionally balanced school meals widely available at elementary schools in Vietnam by fiscal 2016.



Model kitchen



An investigation in Haiphong



Meeting to promote school lunch menus at Da Nang

### Initiatives

Fiscal 2012	Fiscal 2013	Fiscal 2014
<p><b>Ho Chi Minh</b></p> <ul style="list-style-type: none"> <li>Held project meeting with 350 school principals</li> <li>Exchanged opinions concerning new menus with 800 school lunch staff, health personnel, and parents</li> <li>Developed and introduced pilot menu</li> </ul> <p><b>Da Nang</b></p> <ul style="list-style-type: none"> <li>Held project meeting with 119 principals</li> <li>Developed a menu with NIN and culinary experts</li> </ul>	<p><b>Ho Chi Minh</b></p> <ul style="list-style-type: none"> <li>Provided schools with menu books and nutritional education materials for students, and carried out nutritional education</li> <li>Held meeting to compare notes on new menus and pilot programs</li> </ul> <p><b>Da Nang</b></p> <ul style="list-style-type: none"> <li>Held orientation to promote use of menu books and nutritional education materials for students</li> </ul> <p><b>Hanoi</b></p> <ul style="list-style-type: none"> <li>Began discussions with Vietnam's Ministry of Education and Training about implementing the project</li> </ul>	<p><b>Ho Chi Minh</b></p> <ul style="list-style-type: none"> <li>Supported the design and building costs of the school kitchen model in Ho Chi Minh</li> <li>Held orientation regarding adoption of the school kitchen at related schools and institutions in the city</li> </ul> <p><b>Da Nang</b></p> <ul style="list-style-type: none"> <li>Held meeting to promote the adoption of school menus to 20 schools with school meal facilities, in partnership with the Ministry of Education and Training</li> </ul> <p><b>Haiphong</b></p> <ul style="list-style-type: none"> <li>Held project meeting with school principals and vice principals of 96 schools with school meal facilities</li> </ul> <p><b>[Software]</b></p> <ul style="list-style-type: none"> <li>Held meeting with school principals and leaders from the Ministry of Education and Training in 17 areas of Ho Chi Minh. Collected feedback for the software under development</li> </ul>



Menu books are prepared for each region.

### Key steps of the project

1. Standardize elementary school lunch menus in major cities
2. Develop kitchen models to improve school cooking facilities
3. Develop and distribute nationwide menu-design software

#### Reference

See "Advocating nutritionally balanced school meals across Vietnam: Vietnam School Meal Project" on p. 22.

## Passing on and promoting food culture

### France

#### Bringing the rich and diverse Japanese food culture to European people

France is the country where gourmets gather from around the world, and is also the most attuned country in Europe to Japanese cuisine. In the 1980s, there were only about 50 Japanese restaurants in Paris and its suburbs, mainly *yakitori* (barbequed chicken) restaurants. Today, there are more than 2,000 Japanese restaurants offering a selection ranging from traditional luxury foods such as sushi to light meals such as *ramen*. Recently, with the increased interest in Western-style Japanese food, more and more people want to know about the diverse world of Japanese food and incorporate its skills and ingredients in their everyday meals.

Since 2007, Ajinomoto Europe S.A.S. has held seminars on Japanese cuisine as part of a program at the Maison de la Culture du Japon à Paris. In addition to showcasing Japanese cuisine, the seminars expose participants to the many different aspects of Japanese cuisine by teaching from how to use basic seasonings that bring out the umami of ingredients, and make *dashi*, to the latest trends in Japanese food, so that participants can make and enjoy diverse

Japanese cuisine at home. These demonstrations also talk about the social background behind Japanese cuisine, touching on the culture and history of Japan.

Since the Great East Japan Earthquake of 2011, Ajinomoto Europe S.A.S. has been engaging the people of Paris in supporting people in the hardest-hit areas through food culture exchange programs focusing on the products of the Tohoku region.



Seminar on "Sanriku food" assisting areas devastated by the Great East Japan Earthquake



Food culture seminar on the nature of Japanese food

## Japan

### | Safeguarding and promoting the culture of washoku

The Ajinomoto Group is actively involved in safeguarding and promoting "Washoku, traditional dietary cultures of the Japanese," which was officially designated as an Intangible Cultural Heritage by UNESCO in December 2013.

Since its establishment in February 4, 2015, the Group has been a member of the Washoku Association of Japan (hereafter, Washoku Japan), which is the only officially recognized association in Japan supporting the spread of initiatives to safeguard and promote washoku according to the spirit of the convention for Intangible Cultural Heritage.

Washoku Japan launched the activities of three subcommittees (Survey & Research Dept., Rising Awareness & Enhancement Dept., and Skilled Art & Knowledge Dept.) and a Liaison Conference.

To celebrate November 24 as Washoku Day, the association has been organizing events such as *dashi* tasting and tasting of the five basic tastes including umami via lunches at elementary schools and other facilities.

Link The Washoku Association of Japan (Japanese)  
<http://washokujapan.jp/>

### | Expo Milano 2015

May 2015 saw the opening of a world fair in Milan, Italy (Expo Milano 2015), centered on the theme "Feeding the Planet, Energy for Life." Amidst the numerous pavilions by other countries focused on food and the environment, Japan held its own exhibition titled "Harmonious Diversity." The Ajinomoto Group supported Japan by sponsoring the exhibition and providing information on umami and the environment.

At the Piazza Ajinomoto set up in Japan Salone situated in Milan in July during the fair period, the Group held the "Umami Summit in Milan: Learn about umami and change your cooking!" in July 10. From July 11 to 12, people from Italy, the home of pasta, were treated to "pasta" menus that are simple, delicious and healthy, such as *gyoza*, *yakisoba*, *ramen*, and Japanese-style pasta at the food sampling section.

### | School Tour of Education on Eating

Since 2006, Ajinomoto Co., Inc. has organized classroom workshops for youth to taste *dashi* and umami firsthand, teaching them about Japan's proud food culture. Employees visit schools and talk about the five basic tastes including umami and *dashi*, which are the foundations of washoku. Schoolchildren learn about the world-renowned *dashi* culture of Japan and make *dashi* themselves. The project is expected to exceed 1,000 schools and reach 77,000 students in fiscal 2015.

Washoku cultures have been registered as an Intangible Cultural Heritage by UNESCO. The fun workshops teach youth about the importance of food and foster their interest in the traditional dietary cultures of the Japanese.

### | The Ajinomoto Umami Science Square opens

To mark the 100th anniversary of the Kawasaki Administration & Coordination Office, Ajinomoto Co., Inc., the exhibit facility Ajinomoto Umami Science Square was built on its grounds and opened in May 2015.

This facility aims to provide scientific information on umami and amino acids that are fun and easy to understand, based on the research conducted so far by the Ajinomoto Group. Moving forward, the Group plans to enhance the variety of contents by introducing the Ajinomoto Group's business activities such as the production process of the umami seasoning *AJI-NO-MOTO*®.

An authorized daycare center was invited to build in the adjacent land to help reduce the childcare waiting list for children living in the vicinity of the office. A café was also constructed as place for relaxation and refreshment.



The First General Meeting of Members held in Minato-ku, Tokyo in April 2015



The food sampling booths were filled with visitors every day.



At the food sampling booths, the Group served pasta flavored with *HON-DASHI*® and *shiradashi*.

Reference See "The Unique Value of Traditional Japanese Food Culture" on p. 16.



Students inspect *dashi* ingredients.



Outside view of Ajinomoto Umami Science Square



## Activities of the Ajinomoto Group's charitable foundations

The Ajinomoto Group has established foundations in four countries that award scholarships and engage in food and nutrition activities tailored to meet the specific needs of each country and region.

### Ajinomoto Foundation for Dietary Culture (Established in Japan in 1989)

#### Main activities

- Operates the Dietary Culture Library
- Holds public symposiums and public lectures
- Plans and runs food culture forums (interdisciplinary panel discussions on food culture)
- Publishes and distributes *vesta*, a magazine on food culture, and other materials
- Collects and exhibits documents and color woodblock prints related to food culture



#### Food Culture Symposium on the Connection between Food and Faith jointly hosted with Mie Prefecture

Food and faith share a deep connection with life and living. Held on October 15, 2014, in Ise City to coincide with Kannamesai, the festival for the year's new rice harvest. Participants explored food and faith from the perspective of food culture.

#### Food Culture Forum Annual theme: From wild to domesticate

A wide range of experts discussed how humans started domesticating wild animals as beasts of burden or as food, as well as how it affected humans. Held three times in June and September 2014, and March 2015. One of the speakers of the year was His Imperial Highness Prince Akishinonomiya, who discoursed on the various uses of animals from the example of fowls and chickens.

#### Research aid for safeguarding and promoting washoku

As part of the foundation's activities toward safeguarding and promoting washoku cultures, research aid is being given to studies on (1) regional cuisine and (2) washoku cultures via the school lunch. (October 1, 2014 to March 31, 2015)

### Ajinomoto Scholarship Foundation (Established in Japan in 2005; forerunner Suzuki Scholarship Foundation established in 1957)

#### Main activities

- Grants scholarship to international students.
- Grants scholarships to students from five ASEAN countries (Indonesia, Malaysia, the Philippines, Thailand, and Vietnam) for a total of three years of study in a master's course (majoring in one of the sciences, including one year as a research student) at the University of Tokyo.
- Provides student loans for Japanese students taking upper division classes at the undergraduate level or in science programs in graduate school.



Scholarships being awarded to international students and ASEAN international students



## Ajinomoto Foundation

(Established in Thailand in 1976)

### Main activities

- Runs a project to build canteens at 50 schools to mark the 50th anniversary of Ajinomoto Co., (Thailand) Ltd.
- Administers support for a building educational facilities at a camp for university student volunteers
- Provides support (scholarships) for students majoring in science, technology and engineering
- Supports the budget for construction of teacher housing for schools in remote areas
- Promotes employee volunteer projects (providing lunch to children of low-income households)
- Provides support to people in the colder regions of north and northeast Thailand (has provided 2,070 coats and 11,988 blankets to 13,000 local residents and students at 5 schools in 6 provinces)

Reference

See "Building 50 canteens at 50 schools" on p. 129.



Providing lunch to children of low-income households



Assisting students and villagers in cold areas in the north and northeast of Thailand

## INSTITUTO AJINOMOTO

(Established in Brazil in 1999)

### Main activities

- Donates to Japan-related organizations and NPOs
- Supports a sports organization for children with disabilities
- Implements activities to contribute to the local community (donates school supplies to elementary schools, etc.)



Supporting the sports organization



Donating school supplies to elementary schools

## Fundación Ajinomoto para el Desarrollo de la Comunidad

(Established in Peru in 2003)

### Main activities

- Supports projects to prevent anemia and malnutrition in children, in alliance with other institutions such as the World Food Programme (WFP)
- Trains schoolchildren to become role models and active promoters of healthy food habits at their schools
- Holds health and nutrition workshops and lectures (75 events in fiscal 2014, with 2,444 participants in total)
- Provides economic support (scholarships) for students majoring in dietetics
- Sponsors the "Ajinomoto Foundation Prize" (a contest to promote bibliographic research among university students)



Children proposing iron-rich menu for anemia prevention (joint project with WFP)

# Supporting Areas Struck by Natural Disaster

Natural disasters are a tragic part of life in every part of the world, and local communities damaged in disasters need help with reconstruction. The Ajinomoto Group uses the expertise gained through its food and healthcare businesses to provide support for each area's particular needs.

## Ajinomoto Co., Inc.'s emergency assistance to areas struck by natural disaster (activities until end of September 2015)

### Disasters in Japan

Event	Recipient	Relief goods	Quantity
Hiroshima landslides	Asaminami-ku, Hiroshima City	Ajinomoto KK Okayu (shirogayu, ume, egg, salmon)	447 packs in total
		amino VITAL® Jelly Multi-energy	12 packs
		amino VITAL® Jelly Refresh Charge	12 packs
Mount Ontake eruption	Tokyo Fire Department, Japan Self-Defense Forces	amino VITAL® Gold	5,800 sticks in total
		amino VITAL® Amino Protein	
Kanto and Tohoku torrential rains of September 2015	(for disaster victims)	Ajinomoto KK Okayu (shirogayu)	13,608 packs
	NPO in disaster relief RESCUE STOCK YARD	amino VITAL® Jelly Multi-energy	15,000 packs
		AQUASOLITA® (500 ml)	24,000 bottles
	(for relief supporters)	amino VITAL® Gold	10,350 packs
	Japan Ground Self-Defense Force, Tokyo Fire Department, police	amino VITAL® Perfect Energy	10,350 packs

### Disasters outside Japan

Event	Aid amount	
Cyclone Pam in Vanuatu	500,000 yen	Both aids are provided through Japan Platform.
Nepal Earthquake	1 million yen	

Reference See "Risk management system" on p. 46.

Reference See "Preparing for natural disasters and protecting human life" on p. 77.

## Highlight

### amino VITAL®: helping relief supporters

#### Supplier agreement with Nagano Prefecture mountain rescue association

In July 2015, the Sports Nutrition Department of Ajinomoto Co., Inc. entered into an agreement with the Nagano Prefecture mountain rescue association to supply amino VITAL®. amino VITAL® products are being provided to 15 rescue and patrol organizations under the association.

Each year, some 700,000 mountain climbers visit Nagano Prefecture, a region known for mountain climbing in Japan. In 2014, there were up to 272 cases of mountain accidents in Nagano. Recognizing the effectiveness of taking amino acid for safe mountain climbing, patrol and rescue team members have not only been taking it to keep fit and reduce physical load, but have also been providing it to rescued victims and mountain climbers burdened by long hours of climbing. This situation has led to the current agreement.



Held a study session on efficient usage of amino VITAL® with around 30 team members at the inaugural ceremony of the Northern Alps patrol team in July 2015



Rescue training conducted after the inaugural ceremony

#### Support for the Mount Ontake eruption

The eruption of Mount Ontake in September 2014 was the deadliest postwar volcanic eruption. The Sports Nutrition Department of Ajinomoto Co., Inc. provided amino VITAL® as relief goods to firefighters and Self-Defense Forces personnel carrying out the rescue operations under severe conditions.

Ajinomoto Co., Inc. received a letter of appreciation from the Tokyo Fire Department and SDF Veterans Association TAIYUKAI for the relief provided by its products during rescue operations.

This recognition enabled the company to feel that this initiative is helping the relief efforts.

#### Comments from the Tokyo Fire Department:

amino VITAL® was light and easy to carry. It was a great help physically and psychologically to know that our efforts are being supported.

Highlight

## Assisting reconstruction after the Great East Japan Earthquake (1)

### Donating a portion of proceeds to recovery efforts

The Ajinomoto Group donates a portion of the proceeds from certain products to aid reconstruction in areas that were affected by the Great East Japan Earthquake.



Project logo

Ajinomoto Co., Inc. have been implementing the “Joy of Food” project since fiscal 2011, which gives customers the opportunity to support reconstruction in Tohoku by purchasing food products. In fiscal 2014, the company conducted the following programs supporting organizations working for the reconstruction of Fukushima and Iwate Prefectures.

●One yen from the sales of every box of Knorr® Cup Soup (photo at right) shipped in August and September 2014 was donated to the non-profit organization “Soma Haragama Asaichi Club” for a total of 9 million yen. This donation has been used to employ three young employees going back home or moving from urban areas to the countryside. They are now working to develop processed food products using sea



food caught from the local Soso Region and to expand the sales market.

●One yen from the sales of every box of HON-DASHI® (photo at right) shipped in March and April 2014 was donated to “Smile Chokubaijo Tomonokai” in Noda Village, Iwate Prefecture, for a total of 9 million yen. This donation was used to establish a workplace for this local mothers to make boxed meals using local ingredients. These meals have been favorably received by the locals, and are not only sold at the sales stand but are also delivered to temporary housings and reconstruction public housings.



New partners in Soma Haragama Asaichi Club



Members of Smile Chokubaijo Tomonokai Club



Project logo



Since fiscal 2011, Ajinomoto Frozen Foods Co., Inc. has been conducting a project that donates one yen from the sale of each package of frozen Gyoza Chinese dumplings (four varieties) to organizations assisting agricultural revitalization in the Tohoku region. In fiscal 2014, 7,349,900 yen (total from October 2014 shipping) was donated to the non-profit organization, “*Ganbarou Fukushima, Association of Farmers.*” Over the last four years, the initiative has raised about 80 million yen.

In addition to donating funds, Ajinomoto Frozen Foods Co., Inc. highlights the activities of the assistance organizations on its website to publicize the work being done to restore agriculture in Tohoku. These activities range from rice and cotton harvesting in the fall and winter, respectively, to work being done by the company’s employees who give their time to help the organizations.



Bok choy planting conducted at Iwaki City, Fukushima in August 2014



Project logo



AJINOMOTO GENERAL FOODS, INC. donated a portion of the proceeds from sales of Blendy® instant coffee to assist the pottery industry in Tohoku with needed repairs. Since its launch in 2012, the focus of the project has shifted in 2014 from repairs into efforts aimed at reviving the pottery industry in Tohoku.

In June 2014, the company and the heads of four potteries in Tohoku assisted by the project presented the 2014 Blendy Tohoku *Utsuwa no Kizuna* Project launching event at the Sendai City Support Center. And in September 2014, a 3-day event called the Blendy Tohoku *Utsuwa no Kizuna* Gallery Cafe was held at Roppongi Hills in Tokyo.

Moving forward, the expansion of the *Utsuwa no Kizuna* activities from Tohoku to the rest of Japan will be continued.



Blendy Tohoku Utsuwa no Kizuna Gallery Cafe



Highlight

Assisting reconstruction after the Great East Japan Earthquake (2)  
Ajinomoto Group's "Red Apron Project"



The Ajinomoto Group operates the "Red Apron Project" to support reconstruction after the Great East Japan Earthquake. Launched in October 2011, the project revolves around Health and Nutrition Seminars for residents of temporary housing.



Supporting people living in temporary housing

The "Red Apron Project" revolves around the implementation of Health and Nutrition Seminars, which were launched in order to address health and nutritional challenges faced by residents of temporary housing as well as the fading sense of community among residents. The seminars bring residents together to prepare delicious meals and enjoy conversation, supporting both the physical and mental health of temporary housing residents.



1. Increased risk of diabetes, kidney disease, and heart trouble
2. Vitamin and mineral deficiency caused by lack of vegetables
3. Reluctance to prepare food (fewer items prepared and less often)
4. Fewer opportunities for conversation, due to the destruction of communities
5. Risk of alcohol dependency

1 Based on interviews with professionals on the ground.

Link The Impact of the Great East Japan Earthquake and Response by the Ajinomoto Group  
<http://www.ajinomoto.com/en/activity/csr/earthquake/>

Meeting the needs of disaster areas

The Ajinomoto Group's "Red Apron Project" is expanding the scope of its initiatives to address the specific circumstances and needs of areas affected by the disaster.

Efforts focused on residents of temporary housing

Health and Nutrition Seminar



In the four years since the Great East Japan Earthquake, the percentage of elderly among temporary housing residents has grown steadily. The Health and Nutrition Seminars supply information to improve daily nutrition for the elderly, e.g., reducing salt intake and eating more vegetables. It also engages public nurses, dental hygienists, and other professionals to help with strategies for maintaining and improving health. Seniors enjoy the valuable opportunity to gather and enjoy conversation, which helps to prevent isolation.

Project partner: Umami Manufacturers Association of Japan

For children (Secrets of Taste)



Residents of the Tohoku region are known for having high salt intake, making it important to educate children's palates as part of the strategy to reduce salt intake. The Ajinomoto Group conducts food and taste workshops at schools, using them to teach children about umami as a crucial way of reducing salt intake. These workshops are conducted at preschools that serve children from families who are living in temporary housing. The workshops also feature the endearing Umami-kun character to reach out to children.

For the support community



Many residents of temporary housing still face the uncertainty of not knowing when they might be able to move into permanent public housing for disaster victims. Furthermore, people are continuing to assist disaster areas, not knowing what the future holds. The "Red Apron Project" also develops and implements programs for this support community, by conducting nutrition workshops that emphasize the importance of reducing salt intake and eating protein.



## Working in the field to assist disaster areas

The Ajinomoto Group established a new office for the “Red Apron Project” in Iwaki City, Fukushima Prefecture in August 2014. This will help the project to expand and better respond to needs in the field.



Marking the opening of the Iwaki office

### Scope of activities

Total participants

**24,061**

Events conducted

**1,474**

Places conducted

**47 municipalities in three prefectures**

Partners in the local community

**Together with around 300 people**

Employees donating their own time

**1,419**

As of August 31, 2015

## Feedback received on the “Red Apron Project”



**Yoshihiro Murai**  
Governor, Miyagi Prefecture

### “I appreciate how the company embraces its social responsibilities as a leading food company.”

I am very grateful to the Ajinomoto Group for its long-term commitment to assisting disaster areas, from shortly after the disaster until temporary housing becomes a thing of the past.

The Tohoku reconstruction support activities in the “Red Apron Project” of the Ajinomoto Group are led by its employees. The Group has been taking it upon itself to assist disaster areas by tackling the challenge of improving the diet and health of residents of temporary housing. In addition, the Group has also led the economic reconstruction of affected areas by utilizing its core business strength of “food” through initiatives such as the “Joy of Food” project for industrial support and encourage local consumption of local produce through the Comfort Food initiative. This type of continuous and multilateral commitment to boost the reconstruction of disaster areas is rare among Japanese companies, and it shows that the Ajinomoto Group is embracing its social responsibilities as a leading food company.

It has been four years since the disaster. Areas that were affected by the disaster continue to face difficulties, and nearly 70,000 people are still living in temporary housing. Simply moving these people from temporary housing to public housing is not enough to significantly improve their lives.

Government workers are doing everything they can, but these people also need continued support from companies with extensive resources. I sincerely hope that the Ajinomoto Group will continue to support people in the disaster-stricken area over the long term.

## A golden opportunity for the next generation to reflect on Tohoku reconstruction

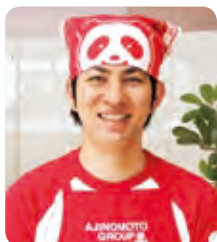
Because our school’s press committee is participating in the video production program of Kid Witness News by Panasonic Corporation, we together with students were able to cover a Health and Nutrition Seminar held in a temporary housing in Iwaki City, Fukushima Prefecture.

Four years have passed since the disaster and as awareness of the devastation wrought by the earthquake fades, we would like students to see the present conditions in their native home and to face the issues on Fukushima’s reconstruction. With the cooperation of Kid Witness News and the “Red Apron Project,” students had the chance to come in contact with evacuees. This is a truly valuable experience for them to think of what they can do and to act on it as well.

Bringing up the next generation is indispensable for the future reconstruction of Tohoku. From this perspective, I would like to call on companies to consider collaborating with the education frontline in an organic manner. Programs that make full use of each company’s specialty such as this partnership between the Panasonic Corporation and the Ajinomoto Group raise the potential for growth of students even more. I hope that such programs will increase and expand into the second and third phases in each Tohoku area.



**Tomoru Kameoka**  
Teacher, Press  
Committee Advisor  
Nakosodaiichi Junior High  
School, Iwaki City,  
Fukushima Prefecture



**Taishi Shimajiri**  
Assistant Judge,  
Kawagoe Branch,  
Saitama District Court

## Building connections from person to person

I trained at Ajinomoto Co., Inc. for one year starting in April 2014 as part of a program that dispatches judges to learn about private sector companies. I became familiar with the “Red Apron Project” during this time and volunteered in the Health and Nutrition Seminar held at Watari Town, Miyagi Prefecture due to my experience as a legal apprentice at the Sendai District Court.

The most memorable part of my involvement was the harmonious atmosphere of the participants, preparing food while enjoying conversations with each other. I learned how much the Ajinomoto Group has contributed not only to nutritional health support but also to the building of new communities in disaster areas by continuing this activity for more than three years. Utilizing its resources as a food company, the Group’s efforts are also significant in relieving the issue of building connections from person to person in disaster areas, where the issue of a highly aged society stands out in sharp relief.

As full-scale reconstruction of disaster areas gains momentum, I look forward to new initiatives from the Ajinomoto Group based on food and nutrition, so that the “new communities” built by this activity will go on in some suitable form.

Highlight

Assisting reconstruction after the Great East Japan Earthquake (3)

Supporting revitalization of industries through marketing, sales and CSR collaboration



Supporting “local production for local consumption” of Miyagi Prefecture’s fishery products via the “Joy of Food” project × Comfort Food initiative × “Red Apron Project”.

Ajinomoto Co., Inc. has been implementing the “Joy of Food” project, which gives customers the opportunity to support the recovery of industries in Tohoku by purchasing food products. Its Tohoku Branch has also implemented the Comfort Food initiative, which reinforces connections between people and roots for the taste of local cuisine and home cooking. From spring 2015, the “Joy of Food” project, Comfort Food initiative, and “Red Apron Project” have been jointly working to support the activities of the Association of Producer Fish Markets in Miyagi Prefecture.

The Association of Producer Fish Markets in Miyagi Prefecture is engaged in activities geared toward stimulating “local production for local consumption” of fishery products from Miyagi Prefecture, by showing local consumers their rich marine resources and making them recognize the charm of local areas.

Set as the core of the Miyagi Prefectural Government’s “Miyagi fishery products day”, this initiative aims to contribute to a self-reliant economic revitalization based on local resources, by reviving sales of the prefecture’s industries for fishery and processed fishery products as well as providing employment.

Firstly, the “Joy of Food” project is donating one yen from the sale of every box of HON-DASHI® (three varieties) shipped in March to May 2015.



120-gram HON-DASHI® box

At the same time, the Comfort Food initiative, in collaboration with the Miyagi Prefectural Government, is promoting sales of fishery products to supermarkets and other areas.

Lastly, the “Red Apron Project” is conducting Health and Nutrition Seminars and other activities with the hope of increasing opportunities for consumers to eat meals using local marine products, such as by learning well-balanced nutritious recipes.

Association of Producer Fish Markets in Miyagi Prefecture

Producer fish markets are situated in ports where fishery products are unloaded from the ship. The fishery products procured here are then sent to consumer fish markets, exemplified by Tsukiji market. The association was established in 1974 with the aim of coordinating mutual collaboration, providing stable supply and demand of fishery products, and working for the healthy growth of fish markets.



Producer and consumer fish markets in Miyagi Prefecture



Trial collaboration with local seaside women

The power of local seaside women is indispensable to the revitalization of industries for fishery and processed fishery products. The Ajinomoto Group is exploring ways to collaborate with women’s groups in fishery cooperatives who are active leaders in revitalizing the community around the fishing industry. In one such trial collaboration, the “Red Apron Project” sponsored a Health and Nutrition Seminar, together with the Miyagi Prefectural Government, organized by the women’s group of Ishinomaki district branch of Japan Fisheries Cooperative in Miyagi Prefecture in September 2015. About 20 local residents participated. Aside from the exchange of information on nutrition, a healthy meal was prepared using skipjacks in season to go along with “fishery products day.”



## Smile Earth! Activities— Bringing Smiles to People and the Planet

Smile Earth! activities were launched in 2007 as a way for employees of the Ajinomoto Group and their families to take action on issues surrounding food, the environment and the community in a proactive and enjoyable manner. Now in its ninth year, its various activities have extended globally.



### Food and Environment

#### USA

Produced the Smile Earth! Ajinomoto North America Division Recipe Book as a joint collaboration of three Group companies with the aim of reducing food loss. It includes more than 50 recipes and ideas contributed by employees and their families.

#### Published a book out of cherished recipes of colleagues

(Ajinomoto North America, Inc., Ajinomoto Heartland, Inc., Ajinomoto Frozen Foods U.S.A., Inc.)

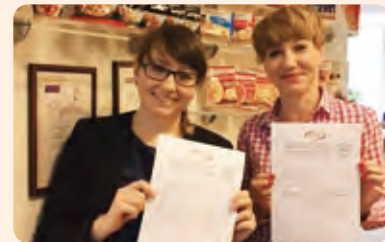


#### Poland

Created infographics out of the results of an internal survey on food loss. Everyone contributed ideas on ways to reduce food loss.

#### Carried out a contest for ideas on reducing food loss

(Ajinomoto Poland Sp. z o.o.)



#### Japan

Volunteers, which are mainly composed of female employees at the Ajinomoto Co., Inc. Head Office who are currently raising small children, gathered at lunchtime and prepared a worksheet compilation that can be used for the elementary school's summer vacation research project. A large number of original works were received from the children.

#### Research project for the school summer vacation: No leftovers! project



### Community

#### Vietnam

This year, 9,624 employees worldwide worked to clean up in the vicinity of their workplaces as an expression of gratitude for their everyday environment.



Cleaning and tree planting around the neighborhood of Bien Hoa Factory and Long Thanh Factory

#### Thailand

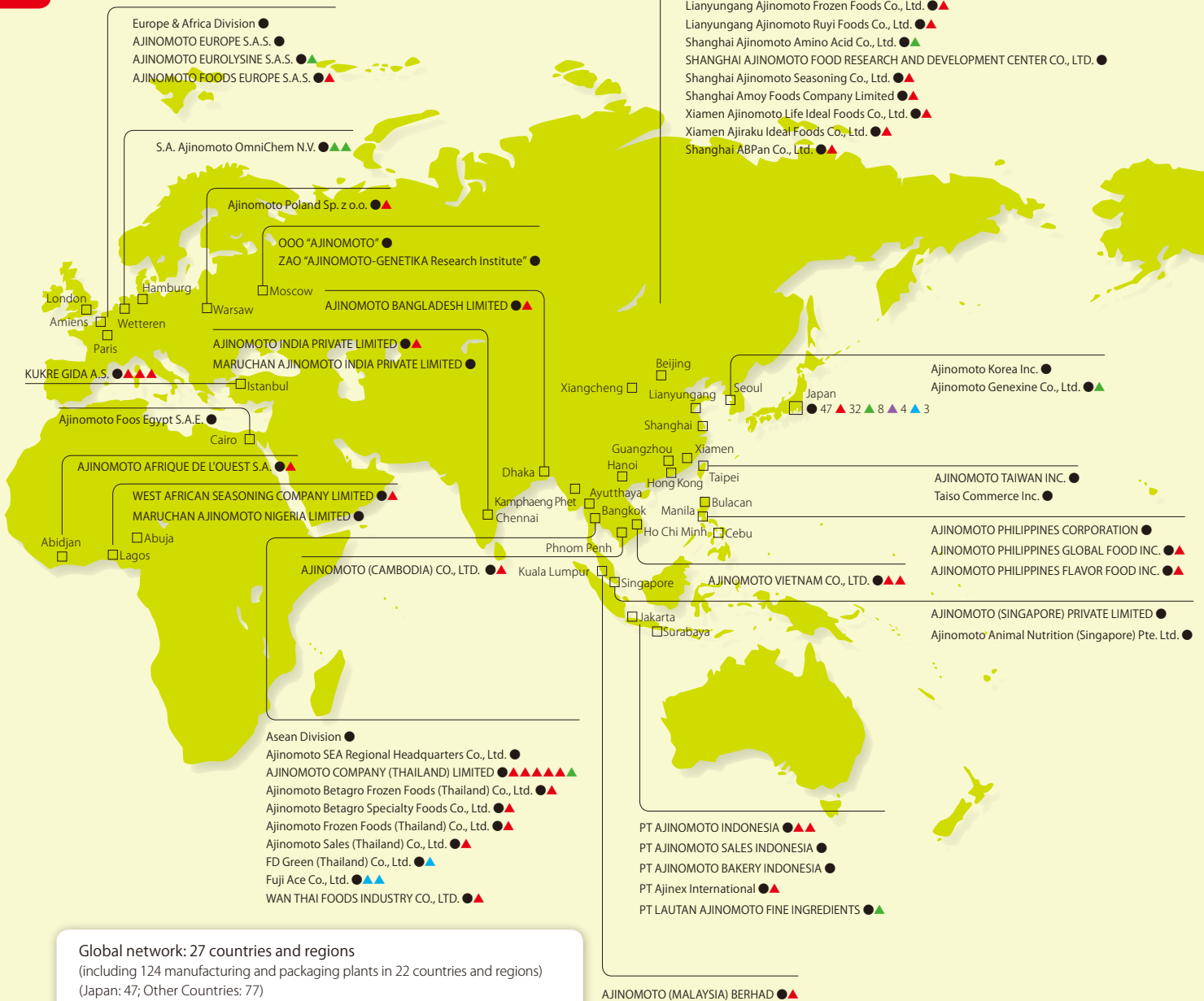


Cleaning and repainting the fence, etc. at the local temple of Kamphaeng Phet Factory



# Global Network

(As of November 1, 2015)



Global network: 27 countries and regions  
(including 124 manufacturing and packaging plants in 22 countries and regions)  
(Japan: 47; Other Countries: 77)

- Subsidiaries, affiliates and offices of the Parent Company
  - ▲ Foods Plants (90)
  - ▲ Amino Acids and Specialty Chemicals Plants (23)
  - ▲ Pharmaceuticals Plants (4)
  - ▲ Other Plants (7)
- Divisions are regional headquarters.

※1 Plants include packaging plants.  
※2 Not all plants are displayed on the map.

## Additional Sustainability Information

Initiatives for Sustainability

<http://www.ajinomoto.com/en/activity/csr/index.html>



Ajinomoto Group corporate profiles

<http://www.ajinomoto.com/en/aboutus/>



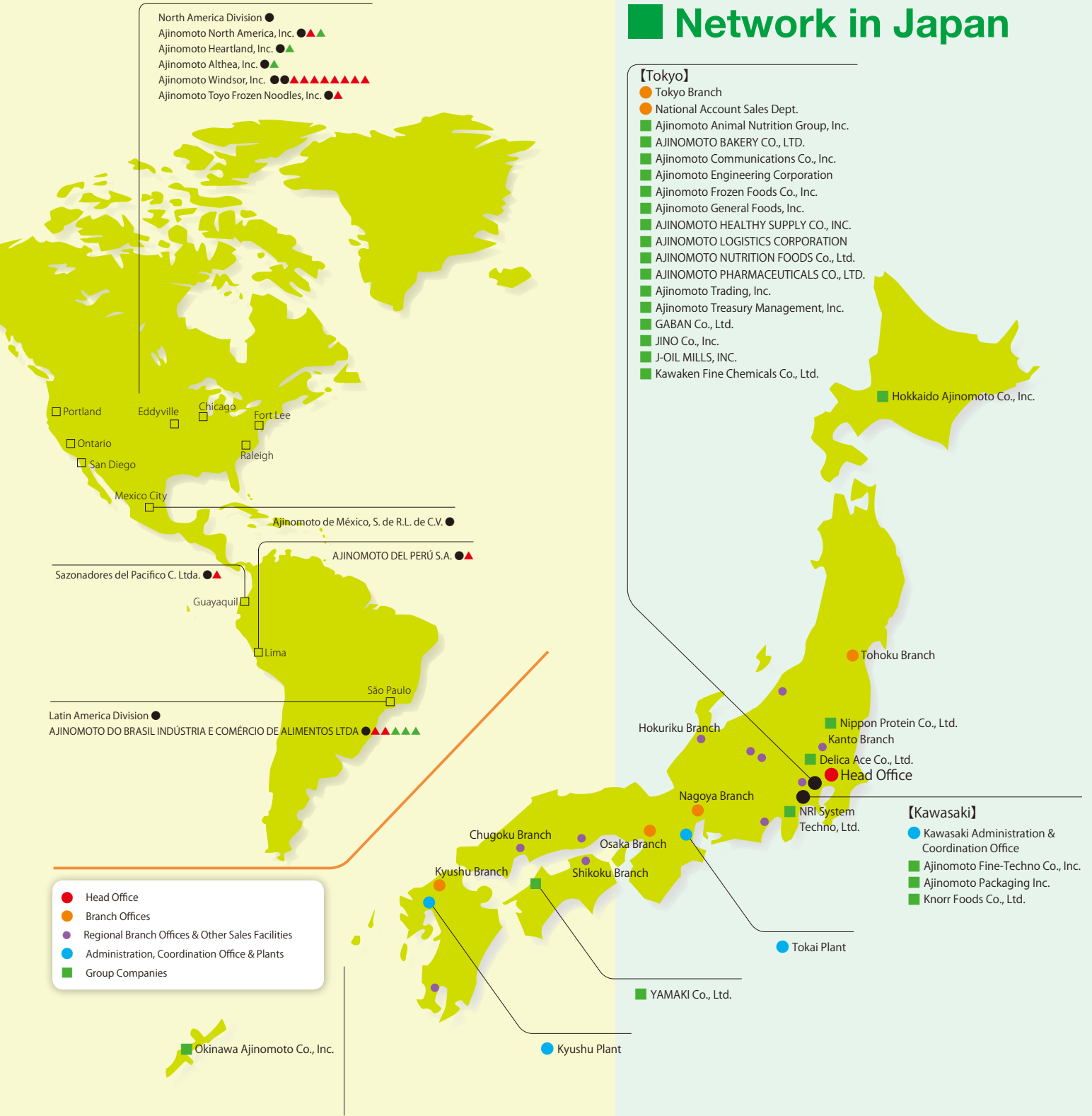
IR

<http://www.ajinomoto.com/en/ir/>





# Network in Japan



R&D  
<http://www.ajinomoto.com/en/rd/>



Environmental Conservation  
<http://www.ajinomoto.com/en/activity/environment/>



Delivering reliable products (quality assurance)  
<http://www.ajinomoto.co.jp/products/anzen/> (Japanese)



# Global Review

The *Ajinomoto Group Sustainability Report 2015* has been reviewed by representatives of important stakeholder groups in the Americas, Europe, and Asia. The Ajinomoto Group will use their input to help shape its future sustainability initiatives.

## Perspective from Europe

### Impressive transparency

There is no doubt that, when it comes to sustainability, Ajinomoto has a lot to say. The sheer scale, breadth and depth of Ajinomoto's contribution to society and responsible business practices are inspiring. With 106 years under its belt, the Ajinomoto company is ageing like fine wine... with its sustainability practice growing fuller, richer and more flavoursome as each year passes. This is reflected in Ajinomoto's sustainability reporting – the 144-page report for 2015 is a manual of sustainability insights, global imperatives and corporate approaches on issues ranging from DBM – the double burden of malnutrition – to sustainable sourcing; meeting diverse dietary needs such as Halal for Muslim consumers; the wide range of ways amino acids improve society; the new Sustainable Development Goals; interactions and feedback from stakeholders and policies and actions in all areas of sustainable practice. In terms of thorough transparency, Ajinomoto's report is impressive.

### Valuing stakeholder feedback

What's also apparent and a model for industry is Ajinomoto's excellence in gathering and addressing stakeholder feedback. Not only does Ajinomoto remind us of points made by expert voices that appeared in last years' report, Ajinomoto also includes challenging perspectives from external directors as well as responses to stakeholder input at different forums. This shows how Ajinomoto has been attentive to the voices that influence its business. It takes considerable courage to print the challenges that some stakeholders raise. Ajinomoto does this well.

### The test of sustainability

Like fine wine, however, it is not only the creation of the wine and the enriching ageing process that counts. Ultimately, the test of the wine is its taste. That is, the outcome. And while, once again, Ajinomoto has spared no effort in delivering a transparent report that covers a host of fascinating and value-adding sustainability activities, the outcomes get lost in this detailed presentation. While a broad framework is clear (global sustainability, food resources, healthy living), a detailed planning process that defines specific activity plans in these areas is lacking. In many cases, we read about activities but not about the difference they made in practice. Sustainability should be more than a set of actions, reported retrospectively. It should be first and foremost a proactive business strategy that is supported by an action plan, a set of goals and targets and a series of interventions that create positive outcomes. Reporting should be aligned with intent and commitment and provide a disclosure of impacts. There is an opportunity here for Ajinomoto to realize greater leadership in this respect.

I look to Ajinomoto, as one of the world's foremost global players in the food sector, to make a bold commitment for the longer term, beyond the three-year plan, to contribute to the "Future of People and the Earth". While the report includes a materiality matrix with prioritized sustainability issues, this is not underpinned

## Elaine Cohen

Elaine Cohen is a CSR Consultant and Sustainability Reporting Expert, Author, Blogger and Speaker. For more info about Elaine, see: [www.b-yond.biz](http://www.b-yond.biz)



with clear measures of success, except for qualitative goals in the medium-term environmental plan and quantitative 2020 targets for zero emissions. The report narrative is often anecdotal and not explicitly aligned with material issues in a way that helps us quickly understand the scale of Ajinomoto's contribution and the measure of change as a result. Finally, this report is too long and its content too general for any reader to gain a sharp appreciation of Ajinomoto's specific achievements in the reporting period. So, while Ajinomoto's reporting may be like fine wine, it's more like a barrel of several fine wines blended together. As readers, we have trouble discerning the unique qualities of Ajinomoto's sustainable contribution to society in this reporting period.

### A framework for reporting

Ajinomoto continues to use the ISO26000 standard to guide its reporting. This standard tends to drive the narrative towards policies and approaches and a limitation is the absence of specific performance indicators. For example, in Ajinomoto's section on Human Rights, there are disclosures about new policies and initiatives, sometimes in great (unnecessary?) detail, such as the fact that 3,642 human rights slogans were submitted by employees to raise awareness for workplace harassment issues. It is not reported if there actually were any issues and what was done about them. Ajinomoto does not disclose details of Human Rights risks, assessments or challenges addressed during the reporting period either in its own workplaces or throughout its extended supply chain - apart from rather general statements. This approach is similar in other sections of the report. While the three Special Features sections offer good context, they mostly lack specific disclosures of impact. I would challenge Ajinomoto to create a broader set of performance indicators aligned with material impacts and other high priority stakeholder interests, and share performance metrics over a period of 5 years in each report, similar to safety and environmental metrics currently reported over 3 or 5 years. A framework such as the Global Reporting Initiative's G4 standard could be helpful in identifying more specific performance metrics beyond EHS.

### From excellence to leadership

Just as Ajinomoto's aspiration is to become one of the top ten global food companies by 2020, so I believe Ajinomoto's sustainability practice and reporting can also transition from a position of excellence today to leadership tomorrow. The essential ingredients of this fine wine are in place. The key will be to extract it from the barrel in a smart way.

# Perspective from the Americas

It is an honor to review Ajinomoto's 2015 report and to comment on progress made last year.

2015 was an historic year and it is likely that future generations will look back at 2015 as a turning point in human history. In late 2015, 195 countries adopted the **UN Framework Convention on Climate Change (COP21)**: an international agreement to reduce greenhouse gas emissions and signal a transition away from fossil fuels. In September 2015, 193 countries adopted the **Sustainable Development Goals (SDGs)** to be achieved by 2030. The SDGs include 17 goals: amongst them addressing climate change, promoting industrial innovation and infrastructure, responsible consumption, gender equality, decent work, and access to clean water, and ending poverty and hunger. Both the Sustainable Development Goals and COP21 provide a compass for Ajinomoto and other companies.

Ajinomoto has identified several Sustainable Development Goals to which it will align:

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

**Goal 3** Ensure healthy lives and promote well-being for all  
Alignment with the SDGs is an important step for Ajinomoto and I look forward to seeing how the 2016 report focuses on progress made towards this alignment.

2015 was a significant year for Ajinomoto as the company addressed many key issues and set itself the goal to become a global leader in the food sector by 2020. A number of improvements have been made at Ajinomoto and in the reporting process.

## Materiality Matrix

I am pleased to see that Ajinomoto has added a materiality matrix to its report based on my recommendation last year. This is an important step towards greater accountability and transparency, as well as better management. However, the materiality matrix should reflect stakeholder concerns. According to the report, Ajinomoto's materiality matrix is based on expert opinion. Are these experts also stakeholders? I look forward to seeing a materiality matrix which incorporates stakeholder concerns explicitly. According to the Materiality Principle (Global Reporting Initiative), the report should cover aspects that reflect the company's significant economic, environmental, and social impacts; or substantively influence the assessments and decisions of **stakeholders**.

## Human Rights

I am pleased to see Ajinomoto expand its section on human rights in the 2015 report with specific reference to human rights risks in agriculture, including trafficking, child labor, forced labor, and land grabs. It is clear that training has expanded to ensure that employees understand human rights risk. A materiality matrix of stakeholder concerns should also enhance the human rights reporting of the company. It is also good to see that Ajinomoto is a member of the Roundtable on Sustainable Palm Oil and involved in the Common Code for the Coffee Community (4C). In order to become a global leader in food, Ajinomoto will need to play a larger role in sectoral and global initiatives of this type.

The entire report would benefit from the inclusion of more concrete targets, but this is especially true for the human rights section. Setting concrete targets increases the potential for accountability. For example, Ajinomoto sets a target for sourcing certified palm oil by 2018. These targets are helpful and should be

## Deborah Leipziger

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expanded and included in a separate section on targets, with external verification of results.

## Supply Chain Issues

The 2015 report needs to be more data-driven to portray a full picture of the possible risks and opportunities the company faces. How many direct suppliers does Ajinomoto have? Where are they located? How is Ajinomoto working with them to adapt to a changing climate? Targets should also be set around supply chain issues.

## Climate Change

In its 2015 report, Ajinomoto states that its grade with the CDP (formerly known as the Carbon Disclosure Project) rose from a "D" to a "C". Ajinomoto should accelerate its work to improve its disclosure and governance around carbon emissions and strive to become a leader in this sphere. It is likely that agriculture will be one of the most affected sectors by climate change and that this poses serious business risk to the sector. In late 2015, New York University's Institute for Policy Integrity published a study of more than 1,100 economists and their views on climate change: 41 percent of the economists surveyed agree that climate change is already having a negative impact on the economy. These economists agreed that agriculture would be the sector most severely impacted. I would like to see Ajinomoto join other food companies in showing leadership in the area of climate change and becoming part of CDP's A List.

## Governance and Board Oversight

It is unclear if there is Board oversight over climate change and other sustainability and human rights issues. Future reports should make this connection more explicit. Issues like climate change and human rights pose significant business risks to the company and the Board needs to have oversight of these issues, as well as expertise to address these issues at a strategic level.

## Diversity and Inclusion

The 2015 report includes more data than last year's report and this is a step in the right direction. Reporting according to the Global Reporting Initiative G4 framework would be an important step forwards.

## Incentives

In order to promote cultural change, many companies are developing incentives and bonuses to financially reward employees who meet sustainability goals. Such incentives are important signals from management that the culture of the company is changing. This type of incentive and reward system would be beneficial within Ajinomoto and should be reflected in its reporting.

## Conclusion

Ajinomoto has published a detailed report which shows incremental progress towards major sustainability goals. However, this is a time which calls for transformative change and leadership. I look forward to seeing Ajinomoto's trajectory into the next decade. In order to become a global leader in food by 2020, Ajinomoto will need to show greater leadership in promoting sustainable development.

# Perspective from Asia

This review evaluates the sustainability initiatives undertaken by Ajinomoto Group from an Asian perspective.

## Overall Impressions

The report clearly projects Ajinomoto Group's achievements and continuous effort in embedding sustainability in its core food business. Ajinomoto Group's Creating Shared Value (ASV) initiative in particular has shown that the group is concerned and aware of the risk over the planet's diminishing bio-capacity and that it recognises ecosystem conservation as being crucial to its own business sustainability.

The group has also shown that it is committed to gain the trust of stakeholders, become a company welcomed by society, and to realise its aim to become one of the world's top ten food companies by 2020. On the other hand, although the overseas project social business in Ghana is a long term commitment and has been highly successful, the reader might get the impression that it has been overemphasised in the report for the past few years, especially since the group has many other large operations overseas.

Moreover, the concept of "community investment" and "impact measurement" are gaining more attention even in Asia. I believe that Ajinomoto Group could go further in quantifying targets and report on the quantifying progress by making use of these two concepts.

## Summary of the positive sustainability initiatives undertaken by Ajinomoto Group

**External Member of Board:** Statements from external directors tapping on their respective expertise is highly regarded

**Special features:** 3 special features were brilliantly selected and the elaboration clearly showed that the group has embedded sustainability in its core business.

**Standards of Business Conduct revised:** The setting of consistent standards to help establish global governance befitting a "Genuine Global Specialty Company" is commendable. This will also facilitate the swapping of employees among group companies, even to different countries.

**Whistleblower Hotline:** While it is common to have it as a group as big as Ajinomoto, the number of hotline reports, the solutions introduced for the problems and how the information was utilised are highly regarded.

**Training for Overseas Employees:** The Human Rights Awareness Training and the Quality Assurance Training programs for overseas employees are highly commendable. It truly shows the commitment of the group to become a global company.

### Environment:

- Key targets and results of the AGZEP (Ajinomoto Group Zero Emissions Plan) for 2014-2016 are clearly shown in tables. The data and facts clearly communicates to the Asian readers of Ajinomoto Group's achievements and effort.
- The Group's carbon footprints (CFP) calculation system and values backed by a third-party assurance statement is highly regarded.

**Consumer Issues:** It is encouraging that the websites of the overseas group companies in Brazil and Thailand are providing product information and recipes, etc.

## Improvement Recommendations

**Materiality Assessment:** Giving some concrete examples of planned future actions based on the Materiality Assessment would definitely increase the credibility of the report. This is because Materiality Assessment has moved to the centre of sustainability reporting with

## Dr. Wong Lai Yong

Dr. Wong Lai Yong, a seasoned CSR consultant, leverages her in-depth knowledge in multinational business operations, hands-on expertise in global and social issues, and fluency in five languages to advise corporations and educational institutions on effective CSR operations across Asia. Dr. Wong also founded her own social enterprise First Penguin that runs innovative educational programs to promote socially responsible capacity development. She is active in local and cross-Asian community development initiatives, including Universiti Sains Malaysia's Industry-Community Engagement Advisor. Dr. Wong holds a Ph.D in Business Administration from Yokohama National University and a MBA from Keio University.



the release of the GRI G4 framework and Sustainability Report and its utilisation by Asian countries

**Disclosure of non-positive information:** Whether it is the Halal incident in Indonesia or response to information leaks resulting from viruses transmitted through targeted email attacks, the details of the incidents themselves were only included minimally. Although the effort to disclose and report the lessons learned, as well as the remedial steps taken are highly regarded, the weightage on its elaboration compared to those good deeds done by the group appear imbalanced.

**Mechanisms for utilising external expert opinion (CSR Implementation Structure):** While the committee of external experts "Ajinomoto International Cooperation Network for Nutrition and Health (AIN)" which was set up in 1999 was encouraging at that time, it is recommended that it showcase what has been achieved in the past 15 years and where the AIN is leading the group towards.

**Educating Employees About Compliance:** While the initiative is highly regarded, all initiatives under this category reported seem limited to Japan. The Questionnaire on the awareness of Ajinomoto Group Principles as well as whistle blower hotline posters are all in Japanese. Efforts in educating overseas subsidiaries employees are also required.

**Pursuing CSR Procurement:** The content would be more profound if more details on achievements, especially in overseas subsidiaries, are provided. Further details on the group's efforts to prevent corruption is encouraged as it has massive operations in countries where corruption is a business norm.

**Human rights:** The Human Rights risks identified as closely associated with the food industry are labor (child labor, poor labor management & human trafficking) and water. However there was not much elaboration on how the group deals with any of these issues.

**Content:** Privileged to be selected as a reviewer for consecutive years. This enables me to observe the development of the content. Some contents are expected to showcase more targets and results (if available) instead of merely elaboration for consecutive years.

**Conserving Ecosystems and Biodiversity:** While the group has concrete initiatives in Japan, the group is encouraged to have more initiatives in countries where they have significant business operations and are renowned by their rich biodiversity such as Brazil and Indonesia.

**Consumer Issues:** More overseas websites are recommended to be included.



# Guidelines: GRI G4 Sustainability Reporting Guidelines

## General Standard Disclosures

Indicators			Ajinomoto	Page
Strategy and Analysis	G4-1	Statement from the most senior decisionmaker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.	●	p.5-10
	G4-2	Description of key impacts, risks, and opportunities.	●	p.11-12,15
	G4-3	Name of the organization.	●	Back cover
	G4-4	Primary brands, products, and services.	●	p.4,19,29,32
	G4-5	Location of organization's headquarters.	●	Back cover
	G4-6	Number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	●	p.3
	G4-7	Nature of ownership and legal form.	●	p.2
	G4-8	Markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	●	p.3-4, 18-19,29
Organizational Profile	G4-9	Scale of the organization, including <ul style="list-style-type: none"> <li>Total number of employees</li> <li>Total number of operations</li> <li>Net sales(for private sector organizations) or net revenues(for public sector organizations)</li> <li>Total capitalization broken down in terms of debt and equity (for private sector organizations)</li> <li>Quantity of products or services provided</li> </ul>	●	p.3
	G4-10	<ul style="list-style-type: none"> <li>Total number of employees by employment contact and gender.</li> <li>Total number of permanent employees by employment type and gender.</li> <li>Total workforce by employees and supervised workers and by gender</li> <li>Total workforce by region and gender</li> <li>Whether a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors.</li> <li>Any significant variations in employment numbers (such as seasonal variations in employment in the tourism or agricultural industries)</li> </ul>	●	p.70
	G4-11	Percentage of total employees covered by collective bargaining agreements.		
	G4-12	Organization's supply chain	△	p.34-36, 54-57,60
	G4-13	Any significant changes during the reporting period regarding the organization's size structure, ownership, or its supply chain, including; <ul style="list-style-type: none"> <li>Changes in the location of, or changes in, operations, including facility openings, closings, and expansions</li> <li>Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations)</li> <li>Changes in the location of suppliers, the structure of the supply chain, or in relationships with suppliers, including selection and termination"</li> </ul>	△	p.80
	G4-14	Whether and how the precautionary approach or principle is addressed by the organization.	●	p.54-57, 81-82, 90-94
	G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives of which the organization subscribes or which it endorses	△	p.23,127
	G4-16	List membership of associations (such as industry associations) and natural or international advocacy organization in which the organization; <ul style="list-style-type: none"> <li>Holds a position on the governance body</li> <li>Participates in projects or committees</li> <li>Provides substantive funding beyond routine membership dues</li> <li>Views membership as strategic</li> </ul>	△	p.17,35, 54-57, 90-94,132
	G4-17	a. List all entities included in the organization's consolidated financial statements or equivalent documents b. Whether any entity included in the organization's consolidated financial statements or equivalent documents is no covered by the report	●	p.2
	G4-18	a. Process for defining the report content and the Aspects Boundaries. b. How the organization has implemented the Reporting Principles for Defining Report Content.	●	p.12
	G4-19	List all the material Aspects identified in the process for defining report content	●	p.12
	G4-20	For each material Aspect, report the Aspect Boundary within the organizations	●	p.12
G4-21	For each material Aspect, report the Aspect Boundary outside the organization	●	p.12	
G4-22	Effect of any restatements of information provided in previous reports, and the reasons for such restatements.			
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries			
G4-24	Basis for identification and selection of stakeholders with whom to engage.	●	p.13-14	
G4-25	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.			
Stakeholder Engagement	G4-26	Organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder groups, and an indication of whether any of the engagements was undertaken specifically as part of the report preparation process	●	p.13-14
	G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns	●	p.13-14
	G4-28	Reporting period (such as fiscal or calendar year) for information provided.	●	p.2
	G4-29	Date of most recent previous report (if any)	●	p.2
	G4-30	Reporting cycle (such as annual, biennial).	●	p.2
	G4-31	Contact point for questions regarding the report or its contents	●	Back cover
Report Profile	G4-32	a. 'In accordance' option the organization has chosen b. GRI Content Index for the chosen option c. Reference to the External Assurance Report, if the report has been externally assured.		
	G4-33	a. Organization's policy and current practice with regard to seeking external assurance for the report. b. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided. c. Relation ship between the organization and the assurance provides d. Whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report.	●	p.13-14
Governance	G4-34	Governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	●	p.45-48, 71,105,110
	G4-35	Process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.		
	G4-36	Whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body	●	p.45-48,105
	G4-37	Processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body.	●	p.45
	G4-38	Composition of the highest governance body and its committees	△	Corporate Governance Polycys
	G4-39	Whether the Chair of the highest governance body is also an executive officer (and, if so, his or her function within the organization's management and the reasons for this arrangement).	●	p.45
	G4-40	Nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members	△	Corporate Governance Polycys
	G4-41	Processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders		
	G4-42	The highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value of mission statements, strategies, policies, and goals related to economic, environmental and social impacts		

Indicators			Ajinomoto	Page	
Governance	G4-43	Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics			
	G4-44	a. Processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics. Whether such evaluation is independent or not, and its frequency. Whether such evaluation is a self-assessment. b. Actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics, including, as a minimum, changes in membership and organizational practice			
	G4-45	a. The highest governance body's role in the identification and management of economic, environmental and social impacts, risk, and opportunities. Include the highest governance body's role in the implementation of due diligence processes. b. Whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental and social impacts, risks, and opportunities.			
	G4-46	The highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics.	●	p.46	
	G4-47	Frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities			
	G4-48	The highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered.			
	G4-49	Process for communicating critical concerns to the highest governance body.	●	p.45	
	G4-50	Nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them.			
	G4-51	a. Remuneration policies for the highest governance body and senior executives b. How performance criteria in the remuneration policy relate to the highest governance body's and senior executives' economic, environmental and social objectives.	△	Corporate Governance Polycys	
	G4-52	Process for determining remuneration. Whether remuneration consultants are involved in determining remuneration and whether they are independent of management. Any other relationships which the remuneration consultants have with the organization.	●	Corporate Governance Polycys p.45	
	G4-53	How stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable.			
	G4-54	Ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.			
	G4-55	Ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country			
	Ethics and Integrity	G4-56	Organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	●	p.1,11, 43,47,52,66
		G4-57	Internal and External mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines.	●	p.48-49
G4-58		Internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.	●	p.48-49	

## Specific Standard Disclosures

Disclosures on Management Approach (DMA)		G4-DMA	a. Why the Aspect is material. The impacts that make this Aspect material. b. How the organization manages the material Aspect or its impacts. c. The evaluation of the management approach including: • The mechanisms for evaluating the effectiveness of the management approach • The results of the evaluation of the management approach • Any related adjustments to the management approach"		
	Economic	Economic Performance	DMA		
G4-EC1			Direct economic value generated and distributed		
G4-EC2			Financial implications and other risks and opportunities for the organization's activities due to climate change	△	p.5-8,10
G4-EC3			Coverage of the organization's defined benefit plan obligations		
Market Presence		G4-EC4	Financial assistance received from government		
		DMA			
		G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation		
Indirect Economic Impacts		G4-EC6	Proportion of senior management hired from the local community at significant locations of operation	△	p.70
		DMA			
		G4-EC7	Development and impact of infrastructure investments and services supported	●	p.22,129-132, 23-25,32, 37-40, 54-57, 83,98,104, p.52-53,60
Procurement Practices	G4-EC8	Significant indirect economic impacts, including the extent of impacts	△		
	DMA				
Environmental	Materials	G4-EC9	Proportion of spending on local suppliers at significant locations of operation	●	p.36-37, 81-86
		G4-EN1	Materials used by weight or volume	●	p.85,87,89
		G4-EN2	Percentage of materials used that are recycled input materials	△	p.85,87,89, 103
	Energy	DMA			
		G4-EN3	Energy consumption within the organization	●	p.38,81-86
		G4-EN4	Energy consumption outside of the organization	●	p.85-86, 88-89
		G4-EN5	Energy intensity	●	p.88
		G4-EN6	Reduction of energy consumption		
	Water	G4-EN7	Reduction in energy requirements of products and services	●	p.95-96
		DMA			
		G4-EN8	Total water withdrawal by source	●	p.38,81-82, 85-86,95-96
		G4-EN9	Water sources significantly affected by withdrawal of water	●	p.87,89
	Biodiversity	G4-EN10	Percentage and total volume of water recycled and reused	△	p.38,85-86
		DMA			
		G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	●	p.38
		G4-EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	●	p.81-84,90
		G4-EN13	Habitats protected or restored	●	p.94
		G4-EN14	Total number of IUCN red list species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	●	p.94

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Environmental	Emissions	DMA	●	p.38,81-86
		G4-EN15	●	p.85-86, 88-89
		G4-EN16	●	p.85-86,89
		G4-EN17	●	p.95-96,98,104
		G4-EN18	●	p.85-86,88
		G4-EN19	●	p.85-86,88
		G4-EN20	●	p.88
	Effluents and Waste	G4-EN21	●	p.89
		DMA	●	p.38,81-86
		G4-EN22	●	p.85-87,89
		G4-EN23	●	p.85-87,89
		G4-EN24	●	p.106
		G4-EN25		
	Products and Services	DMA	●	p.40,81-84,95-96,99-100
		G4-EN27	●	p.40,95-96,98,101-102
		G4-EN28		
	Compliance	DMA	●	p.47-48,84,105-107
		G4-EN29	●	p.106
	Transport	DMA	●	p.39,81-83,104
		G4-EN30	●	p.104
	Overall	DMA	●	p.81-86,105-107
G4-EN31		●	[Environment] Additional Documents and Data p.52-53	
Supplier Environmental Assessment	DMA	●		
	G4-EN32			
Environmental Grievance Mechanisms	G4-EN33	●	p.54-56	
	DMA	●	p.105-106	
G4-EN34	G4-EN34	●	p.106	
	DMA			
Social SUB: Labor practices and decent work	Employment	G4-LA1	●	p.70
		G4-LA2		
		G4-LA3	△	p.69
	Labor/Management Relations	DMA		
		G4-LA4		
	Occupational Health and Safety	DMA	●	p.71,73,77
		G4-LA5	△	p.70
		G4-LA6	●	p.72
		G4-LA7		
	Training and Education	G4-LA8	△	p.70
		DMA	●	p.65-66
		G4-LA9		
		G4-LA10	●	p.65-66
	Diversity and Equal Opportunity	G4-LA11		
		DMA	●	p.67-79
	G4-LA12	G4-LA12		
		DMA		
	Equal Remuneration for Women and Men	G4-LA13		
		DMA	●	p.52-53,61
	Supplier Assessment for Labor Practices	G4-LA14		
		G4-LA15	△	p.55-57
Labor Practices Grievance Mechanisms	DMA	●	p.48-49,70	
	G4-LA16			
SUB: Human rights	Investment	DMA	△	p.52-53, 60-62
		G4-HR1	△	p.52-53, 60-62
		G4-HR2	●	p.52-53, 60-63,66
	Non-discrimination	DMA	●	p.52-53, 60-62
		G4-HR3		
	Freedom of Association and Collective Bargaining	DMA	●	p.61
		G4-HR4		
	Child Labor	DMA	●	p.60-62
		G4-HR5		
	Forced or Compulsory Labor	DMA	●	p.60-62
		G4-HR6		

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SUB:Human rights	Security Practices	DMA			
		G4-HR7	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations	●	p.60-62
	Indigenous Rights	DMA			
		G4-HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken	●	p.60
	Assessment	DMA			
		G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments	△	p.60
	Supplier Human Rights Assessment	DMA			
G4-HR10		Percentage of new suppliers that were screened using human rights criteria	●	p.52-53, 60-62	
G4-HR11		Significant actual and potential negative human rights impacts in the supply chain and actions taken	△	p.60	
Human Rights Grievance Mechanisms	DMA				
	G4-HR12	Number of Grievances about human rights impacts filed, addressed and resolved through formal grievance mechanisms	●	p.48-49,70	
SUB:Society	Local Communities	DMA			
		G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	●	p.124-140
		G4-SO2	Operations with significant actual and potential negative impacts on local communities	●	p.24
	Anti-corruption	DMA			
		G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	●	p.52,58
		G4-SO4	Communication and training on anti-corruption policies and procedures	●	p.46,48,58
		G4-SO5	Confirmed incidents of corruption and actions taken	●	
	Public Policy	DMA			
		G4-SO6	Total value of political contributions by country and recipient/beneficiary	●	
	Anti-competitive behavior	DMA			
		G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	●	p.57
	Compliance	DMA			
		G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	●	p.47-49
	Supplier Assessment for Impacts on Society	DMA			
		G4-SO9	Percentage of new suppliers that were screened using criteria for impact on society	●	p.52-53
G4-SO10		Significant actual and potential negative impacts on society in the supply chain and actions taken	●	p.60	
Grievance Mechanisms for Impacts on Society	DMA				
	G4-SO11	Number of grievances about impacts on society on society filed, addressed, and resolved through formal grievance mechanisms	●		
SUB:Product Responsibility	Customer Health and Safety	DMA			
		G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	●	p.109-112,116-118
		G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	●	p.109-111
	Product and Service Labeling	DMA			
		G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements	●	p.109-112, 116-119
		G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and services information and labeling, by type of outcomes	●	p.103, 114,119
		G4-PR5	Results of surveys measuring customer satisfaction	●	p.118
		G4-PR5	Results of surveys measuring customer satisfaction	△	p.116-118
	Marketing Communications	DMA			
		G4-PR6	Sale of banned or disputed products	●	p.109-110, 114,116-119
		G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	●	
		DMA			
	Customer Privacy	G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	●	p.117
		DMA			
	Compliance	G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	●	p.47-48, 109-112



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