



Ajinomoto Group
Sustainability
Data Book 2020

Contents

Contents / Editorial policy	1
Our Philosophy	2
Framework for ESG and sustainability	3
Materiality	
How we identify material issues	4
Ajinomoto Group materiality	5
Dialogue and Collaboration with Stakeholders	
Stakeholder engagement	6
Expectations and recommendations from external stakeholders	7
Activity Report by Materiality Items	
Contribution to solve food and health issues	11
Rapid response to consumer lifestyle changes	31
Assurance of product safety	36
Diverse talent	49
Environmental management	59
Climate change adaptation and mitigation	64
Contribution to a circular economy	71
Reduction of food loss and waste	78
Sustainable materials sourcing	82
Conservation of water resources	94
Strong corporate governance	97

Editorial policy

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



Ajinomoto Group Integrated Report 2020

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

Organizational scope

This report covers the activities of the Group, comprising, unless otherwise noted, Ajinomoto Co., Inc. (“the Company”) and its consolidated subsidiaries and equity-method affiliates (as of March 31, 2020). When comprehensive Group information is not available, the data parameters are explicitly defined.

Period covered by this report

Fiscal 2019 (April 1, 2019 to March 31, 2020)
Past circumstances, data, and recent cases outside of this time period are presented when appropriate.

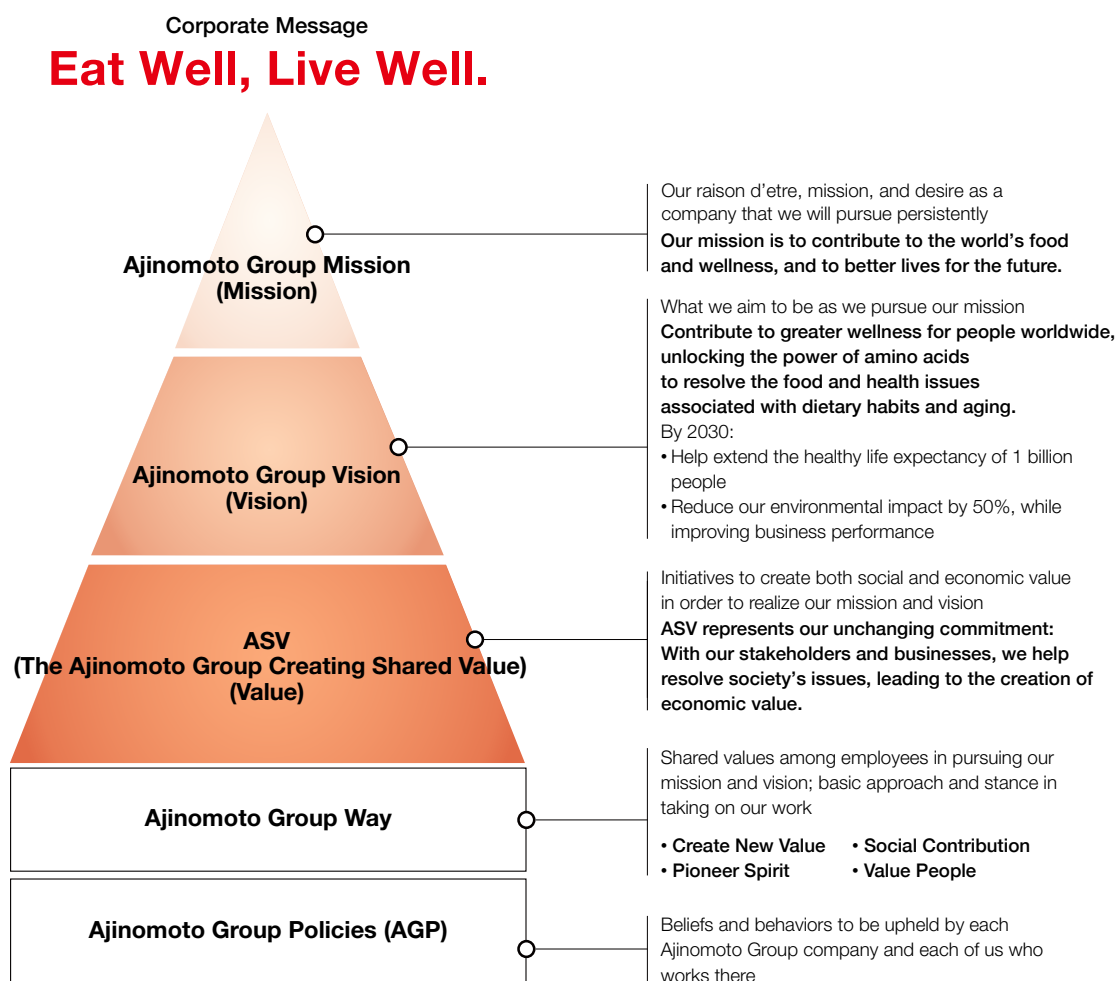
More detailed information is available on our corporate website.

<https://www.ajinomoto.com/sustainability/>

Our Philosophy

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

In 2020, the Ajinomoto Group renewed the Vision that defines our purpose in society and the path to achieving it. To realize our Vision, we will continue living with society and the earth, co-creating value focused on Health and Well-Being and Smart Eating Habits. We are committed to help extending the healthy life expectancy of 1 billion people and reducing our environmental impact by 50% by 2030.



Framework for ESG and sustainability

The Ajinomoto Group strives to foster Group-wide understanding of ASV, which serves as the core of our corporate strategies to realize our vision over the medium to long term. In February 2020, we declared in our vision for 2030 to become a “solution-providing group of companies for food and health issues.” Our 2020-2025 Medium-Term Management Plan (“20-25 MTP”) reflects a basic approach to focus all management resources on resolving food and health issues. In particular, we will focus on addressing the excess intake of sodium and functional decline due to aging. We have established solutions and targets through fiscal 2030 related to ESG issues, including climate change, creating a resource recycling society, and realizing sustainable procurement.

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

Our Management Risk Committee, which reports directly to the Executive Committee, develops responses to risks and opportunities that have a Group-wide impact, including climate change and social issues, and evaluates and manages these risks cross-functionally. This committee is chaired by the executive officer in charge of the Corporate Planning Dept. The chair summarizes committee meeting discussions and reports to the Executive Committee and the Board of Directors at least once a year.

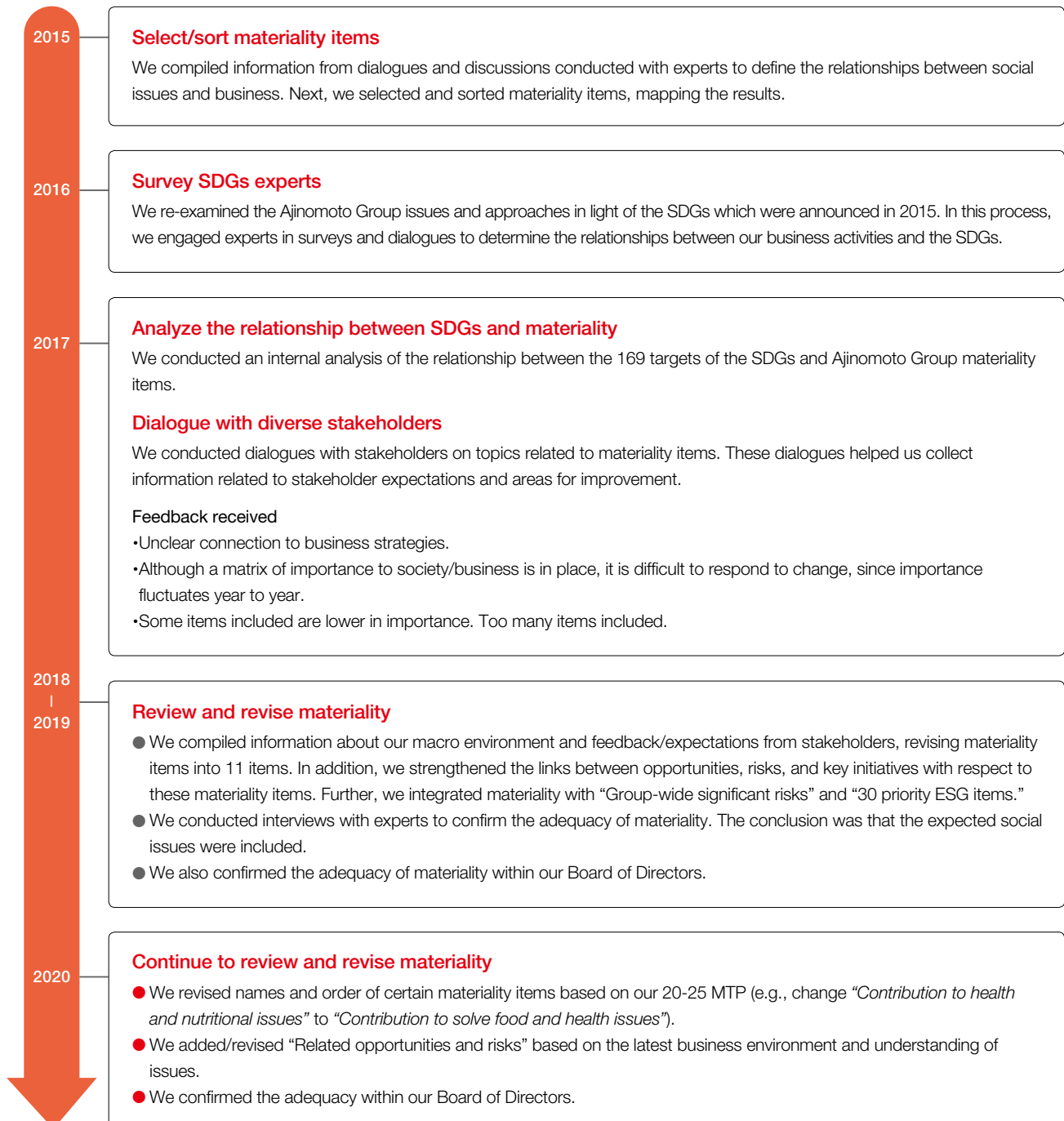
In April 2020, we established the Sustainability Development Dept. to strengthen our promotion structure for sustainability. The new department formulates the policies which had been promoted by internal task forces and develops strategies related to nutrition and the environment (climate change, recycling-oriented society, etc.) and society (animal welfare, etc.). It also follows up on recommendations to incorporate sustainability into business plans, compiles internal information related to ESG, and reports to the Executive Committee and the Board of Directors.



Materiality

How we identify material issues

The Ajinomoto Group identifies materiality items that have a substantial impact on our ability to create value through ASV. Once we identify these issues, we define their orders of importance and priority, then reflect these matters in our business activities.



Future plans

- Engage in specific activities based on revised materiality.
- Collect feedback from stakeholders regarding revised materiality.
- Review materiality on an annual basis, given the rapidly changing nature of social conditions.

Materiality

Ajinomoto Group materiality

During 2020, the Ajinomoto Group conducted an annual review of our materiality items, revising content based on the latest social conditions and the feedback and expectations of our stakeholders. Further, we aim to create value by identifying opportunities and risks within our materiality and developing corresponding initiatives.

Macro environment surrounding the Ajinomoto Group

Growing world population^[1]

2018 **7.6 billion** ► 2050 **9.8 billion**

Food production needed by 2050 compared to 2005-2007 **+60%^[2]**

- Rising demand for food, water, and energy

Global population aging

Population over 65^[3] 2015 **0.6 billion** ► 2050 **1.5 billion**

- Rising needs for extending healthy life expectancy
- Rising demand for healthcare

Climate change

Global average temperature by 2100^[4] **+4.8°C**

- Accelerated decarbonization
- Physical damage from natural disasters
- Unstable materials sourcing
- Breakdown in supply chain
- Impact on health

Rapid urbanization

Urban population by 2050^[5] 2018 **55%** ► 2050 **68%**

- New flow of goods
- Rising middle class
- Intense competition

Digital innovation

- Digital disruption (new business opportunities and new competitors)
- Changes of methods to provide information, products, and services
- Accelerated use of AI and IoT

Ajinomoto Group Corporate Message		
Eat Well, Live Well.		
Materiality items	Related SDGs	Related pages
Contribution to solve food and health issues		P11
Rapid response to consumer lifestyle changes		P31
Assurance of product safety		P36
Diverse talent		P49
Climate change adaptation and mitigation		P64
Contribution to a circular economy		P71
Reduction of food loss and waste		P78
Sustainable materials sourcing		P82
Conservation of water resources		P94
Strong corporate governance		P97
Preparation for intense global competition		Please see Ajinomoto Group Integrated Report 2020

[1] United Nations (UN), 2017
 [2] Food and Agriculture Organization (FAO), 2014
 [3] UN, 2015
 [4] Intergovernmental Panel on Climate Change (IPCC), 2013
 [5] 2018 Revision of World Urbanization Prospects, UN

► For details, please see Ajinomoto Group Materiality.

Dialogue and Collaboration with Stakeholders

Stakeholder engagement

The Ajinomoto Group aims to create value in a sustainable manner as a “solution-providing company for food and health issues,” engaging in dialogue with our stakeholders and reflecting their opinions in our corporate activities.


Purpose of engagement

The Ajinomoto Group engages with diverse stakeholders in the course of conducting our business. We conduct engagement in two-way communications with stakeholders to understand the evaluations and expectations of the Ajinomoto Group, as well as our responsibilities to stakeholders, reflecting this feedback in our business activities.

Engagement

Dialogues and information sharing are conducted by persons working in departments and facilities closely connected with each type of stakeholder. The results of this engagement are shared with senior management as needed. In response, we implement improvement measures and disclose information through our websites, our Sustainability Data Book, and other channels.

List of stakeholders

Stakeholder	Key engagement opportunities
Customers and consumers	<ul style="list-style-type: none"> · Customer call centers · Ajinomoto Co., Inc. recipe & community website  · Factory tours
Shareholders and investors	<ul style="list-style-type: none"> · General meeting of shareholders · Analysts' meetings regarding financial results · Briefings on integrated report topics for institutional investors · Online company briefings for individual investors · Medium-term management plan briefings
Suppliers	<ul style="list-style-type: none"> · Food defense explanatory meetings and audits
Employees	<ul style="list-style-type: none"> · Training by job title, division · Engagement survey · AGP worksite meetings · Whistleblower hotline · Harassment consulting service
Local communities	<ul style="list-style-type: none"> · Dialogue with residents living near factories · Participation in and sponsorship of community events · Recovery assistance for communities affected by natural disasters · Activities conducted through foundations (in four countries) · Support for medical institutions responding to COVID-19
NPOs, NGOs, and outside experts	<ul style="list-style-type: none"> · AIN program supporting NPOs/NGOs working in the food and nutrition field (through foundation) · Roundtables on better animal welfare

▶ Group Shared Policy on Information Sharing with Stakeholders

Dialogue and Collaboration with Stakeholders

Expectations and recommendations from external stakeholders

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

The behavior of corporations through the COVID-19 pandemic is a critical window to the genuine nature of their social culture. As a large employer in an essential industry, we expect the Ajinomoto Group to show leadership through this crisis. Primarily, in the protection of and support for the Group's own employees (and their families) during COVID-19 lockdowns and working arrangements. Secondly, by supporting other stakeholders such as customers and (small) suppliers. Specifically, in the way the Group uses its unique capabilities and reach to help solve social issues exacerbated by the COVID-19 pandemic – where possible in partnership with others, including governments. As the Ajinomoto Group is an innovative company, we expect the Group to apply its technologies and products to meet emerging health and nutrition needs resulting from COVID-related lifestyle effects, such as new home food preparation needs, isolation of elderly populations, and more.



Elaine Cohen

Founder and CEO
Beyond Business Ltd.

It would be difficult to hold anyone to commitments made while COVID-19 was yet an unimaginable nightmare. All the more reason to commend the Ajinomoto Group for the coincident prioritization of health as a long-range policy concern. The Group made this strategic adjustment based upon perceived lifestyle changes because no one could have predicted what happened months later, following the spread of the virus.

I was impressed that the update to the medium-term management plan, posted in early fiscal 2020, included a preliminary calculation of the pandemic's potential impact. Few companies were so far-sighted, an indication of the organization's sound governance in the presence of looming chaos.

What was unthinkable is now upon us, and the finest commercial visions and strategies are being tested. Companies with the credentials of the Ajinomoto Group stand the best chance of prevailing.



Alex Mavro

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

Dialogue and Collaboration with Stakeholders

The Ajinomoto Group 2030 key message of transformation to a solution-providing group of companies for food and health issues is as relevant as ever. The elements of the 2020-2025 roadmap – to prioritize and streamline the business portfolio, improve core brands, invest in creating an eco-system focused on food and health, and invest in people management – support the vision to focus corporate activities around improving lifestyles through health and food products by harnessing the power of amino acids. I look forward to the Group sharing more developed targets by which they measure performance against the ambitious goal of helping a billion people enhance healthier life!

To maintain credibility as a player in the health sector, the attendant target to reduce the Group's environmental footprint by 50% while growing the business is necessary. In the latest Medium-Term Management Plan, I was pleased to see new 2025 and 2030 targets articulated for the three materiality items, as well as a bold new 2030 commitment to reduce climate-related economic risk by 8 to 10 billion yen. Stakeholders will expect further elaboration on the TCFD^[1] simulation, as well as corporate processes for climate-related risk identification, assessment, and management in the next integrated report and CDP^[2] report.

The transformation of management and HR will need to be accelerated due to the emergence of the global pandemic, COVID-19. These efforts will have to extend beyond the management ranks and down to the manufacturing workers, many of whom are contractors. To protect workers and reduce risks of contagion, the Group must put in place new stringent safety and cleaning procedures for facilities and workers and increase disclosure. Workers may demand hazard pay, driving up the cost of labor.

As the global pandemic reshapes the business landscape strains and shocks in the supply chain should be expected. While the Ajinomoto Group has a strong supply chain approach to Assurance and Product Safety, in a world contending with the Corona virus, the need for further transparency around these programs will be expected by consumers, investors, employees and contractors, members of the supply chain, as well as local and international regulators. Evidence of annual attainment of best-in-class performance towards explicit targets will be de rigueur. As the Group works towards creating an eco-system focused on food and health, a shift towards decentralized approaches to supply chain sustainability should be seriously considered.

[1] Task Force on Climate-related Financial Disclosures

[2] An international NGO headquartered in London. It collects, analyzes and evaluates information on environmental activities of major companies in the world and discloses the results to institutional investors.



**Celine Solsken
Ruben-Salama**

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

Dialogue and Collaboration with Stakeholders

The COVID-19 crisis is placing new demands on businesses. In hindsight, the materiality that they have devoted their time to create were made during ordinary times. If the current pandemic is a turning point, rather than a time of emergency in which we will eventually return to normal, how should we regard these material issues?

The times call for the ability to be agile and change flexibly to conceive of new initiatives for corporate sustainability. At the same time, it is also important to continue working steadily on efforts that might be deprioritized under emergency situations, such as those on climate change, circular economy, and water security.

I look forward to how the Group's framework for sustainability initiatives will further evolve so that it also supports the sustainability of the Ajinomoto Group itself.



Junko Eda

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

In the Sustainability Data Book 2019, I referred to my expectation that the Ajinomoto Group would present its long-term business vision for the future. On this occasion, I have great confidence that the Group has set its 2030 vision and ambitious goals to address the ESG issues in a timely manner. In particular, investments in human resources that were given as key performance indicators, such as employee engagement (ASV as one's own initiative), is extremely important not only to ensure sustainable growth, but also to respond swiftly and intelligently to drastic changes in business environment and lifestyles due to the worsening impacts of climate change and unforeseen epidemics such as COVID-19. It is my hope that every employee will show the strength of purpose to commit as individuals and effect a big change collectively to steadily achieve these goals.

As an industry leader, I look forward to initiatives by the Ajinomoto Group that aim to maximize the social impact of ASV along with sustainable corporate growth and help achieve the SDGs in collaboration with various stakeholders, while working together with the global society as a leader of this new age.



Hidemi Tomita

Director
Lloyd's Register Japan Co.
Ltd.

There are serious concerns that the COVID-19 global pandemic is having an impact on corporate activities, resulting in business changes that will lead to higher risks of human rights abuses for vulnerable people in the supply chains. Until now, the Ajinomoto Group has led the way for Japanese companies in advancing human rights due diligence and other related activities concerned with respect for human rights, in line with the UN Guiding Principles on Business and Human Rights. Under the current circumstances, the role of the responsible company toward employees, as well as workers and vulnerable people in the supply chains, still remains unchanged. I believe that as the world moves forward to a post-pandemic phase, only those companies that can act without losing sight of this essential element will be able to continue running their businesses sustainably. I hope that the Ajinomoto Group will hold deeper dialogues and collaborate constructively with its stakeholders, as well as continue with initiatives based on respect for human rights, in order to demonstrate good practices and keep on playing a leading role in Japan and abroad.



Takeshi Shimotaya

Executive Director
The Global Alliance for
Sustainable Supply Chain

Activity report by materiality items

In this report, we provide a report on our fiscal 2019 activities by materiality items.

Contribution to solve food and health issues	Approach	P11
	Amino acid functions and technical applications	P12
	Contribution to nutritional issues	P15
	Contribution to health issues	P28
Rapid response to consumer lifestyle changes	Approach	P31
	Responding to diversifying values	P32
	Appropriate communications and information sharing	P35
Assurance of product safety	Approach	P36
	Quality management	P37
	Disseminating information on MSG safety and benefits	P45
Diverse talent	Approach	P49
	Human resources and organizational management	P50
	Diversity and inclusion	P57
Environmental management		P59
Climate change adaptation and mitigation	Approach	P64
	Endorsing the TCFD	P65
	Reduction of greenhouse gas emissions in the value chain	P67
Contribution to a circular economy	Approach	P71
	Reduction of waste across product lifecycles	P72
Reduction of food loss and waste	Approach	P78
	Contribution to reducing food loss and waste	P79
	Green living together with consumers	P81
Sustainable materials sourcing	Approach	P82
	Initiatives related to key raw materials	P83
	Supply chain management	P87
	Animal welfare	P88
	Reduction of impact in amino acid fermentation production	P90
Conservation of water resources	Contribution to sustainable agriculture	P92
	Approach	P94
Strong corporate governance	Conservation of water resources in production processes	P95
	Approach	P97
	Risk management	P98
	Occupational safety and health	P99
	Compliance	P102
	Proper use and management of intellectual property	P106
	Cybersecurity and personal information management	P108
Relationships with local communities	P110	

Contribution to solve food and health issues

Approach

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

Specific examples

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

Related opportunities and risks (○ Opportunity ● Risk)

- Rising health awareness and needs of consumers
- Brand trust
- Involvement of food and nutrition in predictive prevention
- Revised eating habits in response to rising health and nutrition issues
- Enhancing corporate value
- More restrictive health and nutrition regulations (sugar tax, etc.)
- Rising competition and subordination risk in the health and nutrition field

Key initiatives by the Ajinomoto Group

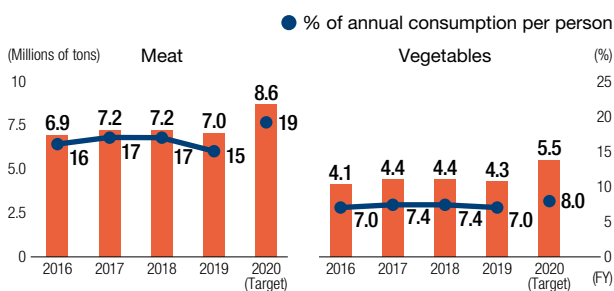
- Offering tasty food and amino acid products as well as menus that nourish health and well-being
- Sugar reduction, fat reduction
- Introduction of nutrient profiling system
- “Delicious salt reduction” with umami
- Promoting protein intake
- Customized programs to each consumer for improving nutrition (personal nutrition)
- Contributing to disease prevention with “AminoIndex technology”

Related SDGs



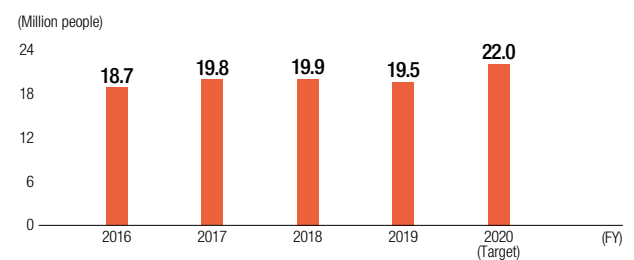
KPIs set in the 17-19 MTP

Volume of meat and vegetable consumption through the Group's products (Japan and Five Stars^[1])



[1] Thailand, Brazil, Indonesia, Vietnam, the Philippines

Contribution to comfortable lifestyles through amino acid products (AminoScience)



Amino acid functions and technical applications

Approach

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

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

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

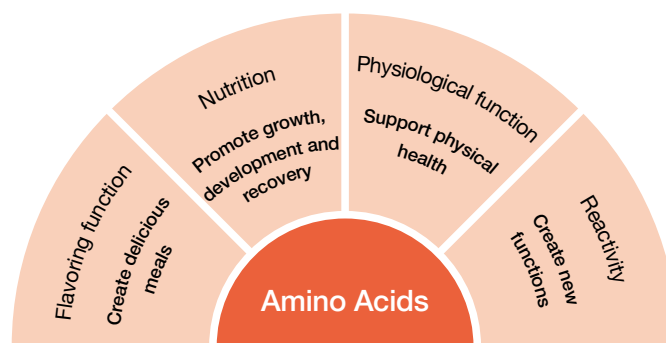
Approaches that utilize the functions of amino acids

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

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

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

The four benefits of amino acids



Contribution to Solve Food and Health Issues

▶ Integrated Report
2020
P37

Performance

GRI203-2

Innovations utilizing the functions of amino acids

The Ajinomoto Group takes advantage of the functions of amino acids to provide solutions to a variety of social issues, including health, well-being, and sustainable foods for the future. We focus on solving nutritional issues through the use of amino acids, bringing innovations to the world with advanced technologies. Our highest priorities focus on offering delicious salt reduction and optimizing protein intake.

To achieve these priorities, we propose well-balanced nutrition without compromising on taste, food access and the local way of life.

Proposing health and nutritional value based on scientific evidence

The Ajinomoto Group leverages our world-class expertise on amino acids to develop and sell products that support comfortable lifestyles. We also offer amino acid compounds and product design solutions for BtoB customers. By adding various amino acid functions to food, we help consumers easily ingest these compounds to experience the health and nutritional value of amino acids. We call this series of BtoBtoC initiatives our downstream strategy, which we pursue in Japan and overseas.

Based on this strategy, we offer to our BtoB customers Amino Acid Prime Mix, a line of optimally formulated amino acid ingredients for food and beverage products.

Contribution to Solve Food and Health Issues

Amino Acid Prime Mix ingredients

Essential amino acid mix with 40% leucine

Function Maintains and improves muscle mass and strength

● Nine essential amino acids

Signal to stimulate muscle protein development

Leucine

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

Cystine and theanine^[1] mix

Function Boosts immunity

Cystine

Theanine

Glutathione

Pathogen

M: Macrophage
 NK: NK cell
 B: B cell

M: Macrophage
 NK: NK cell
 B: B cell

Acquired immunity

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

Arginine and glutamate mix

Function Improves gastric motility and appetite

Arginine

Glutamate

Expands the stomach to temporarily hold food

Activates the stomach, sending food to the small intestine

Food

Small intestine

Small intestine

*Hypothesized mechanism

*Hypothesized mechanism

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

Histidine and vitamin B6 mix

Function Alleviates fatigue, improves work efficiency

Histidine decarboxylation

Histidine

Histamine

Oral consumption

Digestion Absorption

Transfer to blood

In brain

In blood

Histidine

Histidine

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

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

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

Contribution to nutritional issues

Approach

GRI203-2

- ▶ Decade of action on nutrition
- ▶ Integrated Report 2020 P37
- ▶ P12
- ▶ Nutrition

Approach to nutrition

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

In the 20-25 MTP, the Ajinomoto Group clearly states our intentions to improve the QOL of people around the world. We also stated our aspirations to assist people in maintaining delicious and well-balanced diets by addressing nutritional issues along with our efforts to unlock the power of amino acids. As a global food company involved intimately in daily diets, we pursue initiatives based on a policy of “nutrition without compromise,” meaning no compromise in terms of “taste,” “food access,” and “local way of life.” We plan to further strengthen our activities for addressing nutritional issues while contributing to the well-being of people in the countries and regions in which we operate.

[1] UN “Decade of Action on Nutrition”

■ The three pillars of our approach to nutrition

· Without compromising taste

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



Umami seasoning AJI-NO-MOTO®

· Without compromising access

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

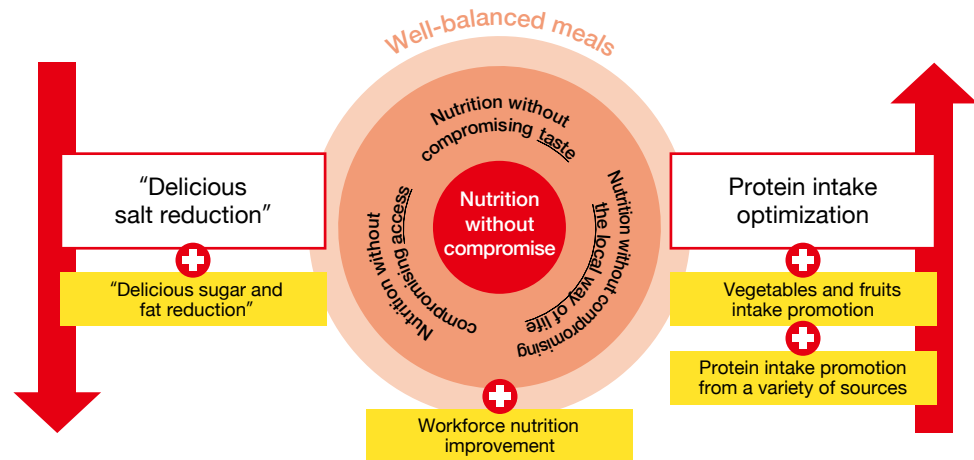
· Without compromising the local way of life

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

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

Contribution to Solve Food and Health Issues

Ajinomoto Group approach to nutrition



The Ajinomoto Group undertakes various initiatives to achieve the approach described above.

- "Delicious salt reduction" →P17
- Protein intake optimization →P18
- "Delicious sugar and fat reduction" →P19
- Vegetables and fruits intake promotion →P20
- Protein intake promotion from a variety of sources →P21
- Workforce nutrition improvement →P22
- Well-balanced meals →P22
- Other initiatives →P24
- Approach to age-specific nutritional issues →P25

Framework for Nutrition Management

Based on the Group Shared Policy on Nutrition and the related Nutrition Strategy Guideline, a cross-organizational task force headed by a Corporate Senior Vice President has continued to formulate a comprehensive nutrition strategy and specific commitments since fiscal 2018. The task force has also created a system to ensure the strategies are executed effectively. In fiscal 2019, the basic policies formulated by this task force were incorporated into the strategies of each business department, setting the stage for the creation of concrete results.

In April 2020, we established the Sustainability Development Dept. to continue further strengthening of our nutrition-focused initiatives. Under the Corporate Executive Officer in charge of sustainability, this department formulates policies and strategies related to nutrition. The department also follows up on the activities of business departments, compiles information, and reports to the Executive Committee and the Board of Directors.

Introducing a nutrient profiling system

The Ajinomoto Group became the first Japanese company to introduce a system for evaluating food nutrient content – ANPS-P (The Ajinomoto Group Nutrient Profiling System for Product). This is a tool for collecting and analyzing data on the nutrient content of our current and future products. Since April 2020, we have utilized ANPS-P for approximately 500 products from 9 of our group companies in 7 countries, including Japan. We use this system to conduct nutrition initiatives around the globe.

Framework

GRI203-2

- ▶ Group Shared Policy on Nutrition
- ▶ P3

- ▶ Integrated Report 2020 P39

Contribution to Solve Food and Health Issues

Performance

GRI203-2

The ANPS-P conforms to the calculation method applied by the Health Star Rating System, a nutrient profiling system used in Australia and New Zealand. In this system, the nutritional value of food products is rated based on the quantity of nutrients they include for which excess intake should be avoided (calories, sugars^[1], sodium, saturated fats^[2]) and that are recommended but often lacking (proteins, vegetables, fruits, nuts, beans, fiber).

We are also developing a nutrient profiling system for meals made with the Group's products. We plan to apply the system to products that require additional ingredients other than water (such as seasonings, soups, and some packaged food products), while also using the system to create recipes displayed on product packaging. In addition to the above-mentioned nutrient items, we are considering whether to establish unique indicators for deliciousness, such as umami.

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




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

“Delicious salt reduction”

Risks of high blood pressure and heart disease due to excess salt intake are becoming more serious worldwide. Despite WHO initiatives^[3] warning against such risks, improvements have yet to be seen. The Ajinomoto Group encourages salt reduction through our unique leading-edge bioscience and fine chemical technologies (e.g., by providing deliciousness through umami). In addition to providing products with reduced salt, we are also disseminating information on low-sodium diets and menus via websites and social media.

Further, we share our expertise regarding methods to reduce salt while maintaining deliciousness, and conduct activities to clarify the effects of salt reduction through joint research and collaboration with related stakeholders. The Group plans to widely publicize our findings to accelerate social implementation of methods to reduce salt while maintaining deliciousness.

[3] Global Action Plan for the Prevention and Control of Noncommunicable Diseases (NCDs) calls for reducing salt intake by 30% by 2025.

Specific initiative	Main product
<ul style="list-style-type: none"> • Develop salt reduction technology that utilizes umami to retain the deliciousness and flavor of foods • Develop and provide delicious, reduced-salt products with our salt reduction technology (e.g., improved taste using umami seasoning (MSG) and formulation technology, improved physical properties, etc., using enzyme technologies) • Collaborate with academia and governments to promote the efficacy of salt reduction utilizing umami and MSG • Create a regional ecosystem in conjunction with local governments, retailers, and the media • Provide recipes and other valuable information to address excess salt intake (e.g., creation of an AJINOMOTO PARK salt reduction website, promotions for a low-sodium diet using digital advertising, sales of assorted reduced-salt products via in-house mail order operations) 	<p>Japan</p>  <p>Salt Flavor seasonings Consommé soup stocks Soups Frozen foods</p>
	<p>North America</p>  <p>Frozen foods</p>
	<p>South America</p>  <p>Soups</p>

Contribution to Solve Food and Health Issues

▶ Integrated Report
2020
P52

Performance

GRI203-2

▶ *Tabesapo* for
eating well
to prevent
malnutrition
(Japanese only)

■ Activities to publicize and promote the effects of salt reduction using umami and MSG (Japan)
In September 2019, Ajinomoto Co., Inc. and the Japanese Society of Nutrition and Dietetics held a luncheon seminar at the 66th Annual Meeting of the Japanese Society of Nutrition and Dietetics. This meeting featured a lecture by Hitomi Hayabuchi, a specially appointed professor from the Faculty of Human Life and the Environment at Nara Women's University. The professor provided a commentary on reducing salt while maintaining deliciousness, based on various survey results and food-related data under the theme Actual Practices in Reducing Salt Using Umami.

Although the effects of "delicious salt reduction" using umami and MSG were demonstrated in the 1970s, these finding failed to receive attention from medical professionals tasked with providing patients with guidance on salt reduction. The Ajinomoto Group has supported clinical research at multiple facilities centered on Nara Women's University. In January 2020, the results of the latest research from Nara Women's University were published in the English-language journal, Hypertension Research, issued by The Japanese Society for Hypertension (NPO). These results reconfirmed that the effects of "delicious salt reduction" using umami and MSG could be detected in all people, regardless of gender, age, region, and smoking history^[1].

The Ajinomoto Group will continue to organize academic information on the usefulness and safety of umami and MSG accumulated to date to verify value. We also intend to make various policy proposals aimed at enabling society to reduce salt intake while maintaining deliciousness.

[1] Hypertension Research 43, 525-533(2020), Hypertension Research 43, 569-570(2020)

■ Create a regional ecosystem in conjunction with government, retailers, and the media
Ajinomoto Co., Inc. has been creating local ecosystems in conjunction with local governments, retailers, and the media to roll out a salt reduction promotional program using the umami seasoning *AJI-NO-MOTO*[®]. Since 2014, the Company has been partnering with local government and retailers in Iwate Prefecture, which at the time had the stigma of highest salt intake per capita of any prefecture in Japan. The program conducted in-store promotions of low-sodium menus using local ingredients and our reduced-salt seasonings. In addition to this effort, the Company organized seminars aimed at dieticians on the subject of salt reduction using umami seasoning. These efforts were reported on by the media, and helped to reduce per capita salt intake in Iwate. The prefecture has also established a Iwate Low and Proper Salt Intake Day every month to boost the region's efforts aimed at promoting optimal salt intake.

Since 2016, Ajinomoto (Malaysia) Berhad has been proposing low-sodium menus using umami for use in elderly care facilities. In 2020, collaborations commenced with local universities to promote recipes for low-sodium menus and to expand the scale of its activities. Going forward, plans call for providing these recipes and activities to four elderly care facilities housing approximately 300 residents in total. This initiative has been reported on by local media and has helped encourage people regarding the effects of reducing salt intake.

Protein intake optimization


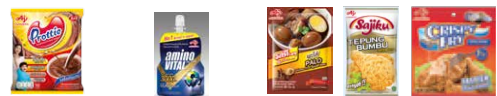
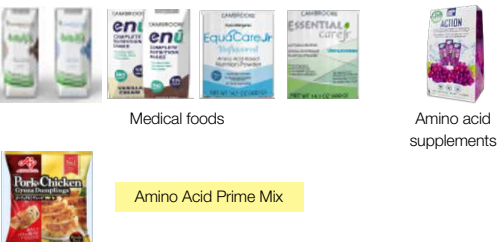


The underprivileged and the elderly suffer from insufficient dietary protein and lack of access to high-quality protein. We are dedicated to improving the intake of protein through our unique approach of providing amino acids, which make up the proteins in our body, to complement lower-quality protein sources, as well as seasonings which enhance the flavor of proteins in meals.

To address the issue of undernutrition of children common in Southeast Asian countries, we launched the healthy powdered beverage *Prottie*[®] in both Thailand and the Philippines to facilitate the intake of nutrients such as protein and calcium. We communicate with mothers on the importance of proteins and other factors for the growth of their children via social media and by selling our products via e-commerce. We endeavor to achieve healthy lives for children in Southeast Asia through healthy and delicious beverage products.

On our website for restaurant-use products in Japan, we provide information for hospitals and nursing facilities, sharing menus that promote protein intake.

Contribution to Solve Food and Health Issues

▶ P13

Specific initiative	Main product
<ul style="list-style-type: none"> • Develop and provide products to eliminate insufficient protein intake • Provide recipes and other valuable information to promote protein intake optimization 	<p>Japan</p>  <p>Flavor seasonings Menu-specific seasonings Meat seasonings Soups</p> <p>Frozen foods Amino acid supplements</p> <p>Amino Acid Prime Mix</p>
	<p>Asia</p>  <p>Powdered beverage for infants and toddlers Amino acid supplements Menu-specific seasonings</p> <p>Amino Acid Prime Mix</p>
	<p>North America</p>  <p>Medical foods Amino acid supplements</p> <p>Frozen foods</p> <p>Amino Acid Prime Mix</p>
	<p>South America</p>  <p>Flavor seasonings Soups Amino acid supplements</p> <p>Amino Acid Prime Mix</p>
	<p>EMEA^[1]</p>  <p>Medical foods Frozen foods</p> <p>Amino Acid Prime Mix</p>

[1] Europe, the Middle East and Africa

“Delicious sugar and fat reduction”

Issues such as obesity and diabetes are gaining attention in the global debate on health. The Ajinomoto Group is focusing on developing alternative sweeteners and recipes to reduce sugar and saturated fat content in our products and the products of our business customers.

Performance

GRI203-2




Contribution to Solve Food and Health Issues

■ Sugar reduction

The Ajinomoto Group has utilized its amino acid production technologies in the use of two amino acid sweeteners, aspartame and advantame, which are roughly 200 and between 20,000 to 40,000 times sweeter than sugar, respectively. The selective use of high-intensity sweeteners can meet consumer sugar-reduction needs without sacrificing the taste of sweetness, and we provide these sweetness applications to businesses across the food and beverage industry. We also market products developed to support sugar reduction and appropriate sugar intake. These products include *Pal Sweet*®, a smooth-tasting low-calorie sweetener with zero sugar, *Refresco FIT*, a powdered juice that uses aspartame and is sold in Brazil, and *PAL SWEET DIET*® for BtoB sales that enhances the taste of food with natural sweetness. In 2020, the Group launched two varieties of *Birdy*® canned coffee in Thailand. These products have 50% less sugar than the conventional product. It is through products such as these and others that we support proper sugar intake.

■ Fat reduction

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

Specific initiative	Main product
<ul style="list-style-type: none"> Develop and provide delicious products that address overconsumption of sugar and saturated fat (e.g., improved taste using material, such as sweeteners and kokumi, and formulation technology) Provide recipes and other valuable information to reduce sugar and saturated fat intake 	Japan  Powdered beverages Sweeteners Seasonings Creaming powder
	Asia  Canned coffee
	South America  Powdered juice

Vegetables and fruits intake promotion








By supporting well-balanced meals, the Group promotes the intake of vegetables and fruits, which are sources of abundant vitamins and minerals. For example, our product packages display recipes that encourage consumers to consume more vegetables and fruits.

In Japan, we promote the *Love Vege* program to encourage people to eat more vegetables in Aichi Prefecture, which had the lowest vegetable intake among all prefectures in Japan according to the National Health and Nutrition Survey of Japan’s Ministry of Health, Labor and Welfare. We have engaged in various initiatives to boost vegetable intake, including recipe contests by dietician college students, and menu development in collaboration with local cooking researchers, cafés and NPOs. We also made proposals to supermarkets to show products more attractively in their stores. This project has become a companywide movement and as of the end of fiscal 2019, has spread to 25 prefectures nationwide.

Performance

GRI203-2

Contribution to Solve Food and Health Issues

Specific initiative	Main product
<ul style="list-style-type: none"> • Develop and provide seasonings and frozen foods that promote vegetables and fruits intake • Provide recipes and other valuable information for increasing vegetables and fruits intake • Establish a regional ecosystem in conjunction with local governments, retailers and the media (e.g., <i>Love Vege</i> programs in 25 Japanese prefectures (fiscal 2019)) 	<p>Japan</p> <div style="display: flex; justify-content: space-around; align-items: center;">     </div> <p>Menu-specific seasonings Consommé soup stocks Soups Frozen foods (gyoza with vegetables)</p>
	<p>Asia</p> <div style="display: flex; justify-content: center; align-items: center;">  </div> <p>Flavor seasonings</p>
	<p>North America</p> <div style="display: flex; justify-content: center; align-items: center;">  </div> <p>Frozen foods (fried noodles with vegetables)</p>
	<p>EMEA</p> <div style="display: flex; justify-content: center; align-items: center;">  </div> <p>Frozen foods (gyoza with vegetables)</p>

Protein intake promotion from a variety of sources

According to the WHO, about 20% of elderly people worldwide do not have sufficient intake of essential nutrients, such as protein, that are needed to maintain and increase muscle mass and strength. We recognize that these conditions increase the number of people requiring nursing care, which is a major factor affecting healthy life expectancy. In addition, to passing on a rich global environment to the next generation, we are undertaking initiatives to boost the intake of sustainable and diverse proteins, while promoting the use and commercialization of proteins from various origins. Generally speaking, plant-derived proteins often have a poor amino acid balance and a lower nutritional value than animal-derived proteins. We are supplementing plant-based proteins with amino acids to enhance nutritional quality while contributing to improved protein intake.

Ajinomoto Co., Inc. has acquired exclusive marketing rights in Japan for *Mankai* a type of high-protein^[1] aquatic plant (duckweed) owned by Hinoman Ltd. of Israel. *Mankai* is a plant material more easily digested and absorbed in the body than existing protein materials. This plant also offers excellent nutritional value, including vitamins, minerals, unsaturated fatty acids such as omega-3 fatty acids, and dietary fiber. Since this plant can be cultivated using small amounts of water, light, and nutrients in only a short period of time, it can be produced efficiently with low levels of environmental impact. Currently, the Company is developing new products with good nutritional balance by combining *Mankai* with our processing and other technological capabilities.

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

Performance

GRI203-2

Contribution to Solve Food and Health Issues

Performance




GRI203-2

GRI403-6

Performance

GRI203-2

▶ P25

Specific initiative	Main product
<ul style="list-style-type: none"> Develop and provide products that promote intake of non-animal proteins (e.g., improved taste for non-animal proteins using material, such as umami seasonings and MSG, and formulation technology) 	Japan  Bean soups  Product using <i>Mankai</i> (in development)
	EMEA  Bean soups

Workforce nutrition improvement

The Ajinomoto Group believes that employee health is one of our most important foundations. We are focused on improving workforce nutrition as well as employee nutrition literacy.

In June 2019, Ajinomoto Co., Inc. invited experts to provide health and nutrition lectures for employees. These lectures introduced important points for lifestyle habits on the topic of dietary intake for pre-seniors (50s to mid-60s) to achieve healthy life expectancy. In January 2020, the Company began offering healthy lunches (*MyHealth* Lunch) at company cafeterias nationwide, providing a menu reflecting the health issues of each business site. Our aim is to help employees improve health and well-being through a set menu of staple foods, main dishes, side dishes and soups with balanced vegetables, protein, and sodium content.

Specific initiative

- Improving the nutrition of employees and their families (e.g., balanced menus at company cafeterias, nutrition seminars and guidance for employees by dietitians, employee nursing rooms (Japan))

Well-balanced meals

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

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

Specific initiative

- Provide information regarding well-balanced meals (e.g., age- and occasion-based menu proposals on company websites)
- Activities to improve nutritional balance (e.g., support for healthy living and conditioning with *Kachimeshi* (Japan, Thailand, and Indonesia), support for the national nutrition initiative *Pinggang Pinoy*® (The Philippines), school lunch projects (Vietnam and Indonesia), collaboration with academia and government in international academic conferences, etc.)

Contribution to Solve Food and Health Issues

■ Support for healthy living and conditioning with *Kachimeshi*®

Since 2003, Ajinomoto Co., Inc. has provided conditioning support in the form of food and amino acids to world-class athletes through the *Victory Project*®, a partnership with the Japanese Olympic Committee. The Company has concentrated this knowledge into *Kachimeshi*® for general consumers in Japan. This program supports healthy living and conditioning by sharing health and nutrition information as well as easy-to-prepare, delicious meal plans arranged by theme at stores of major retailers, restaurants, and company cafeterias. We also pursue collaborations with governments, etc., to propose menu ideas suited to each region.

Based on the model of *Kachimeshi*® cultivated in Japan, the Group has currently expanded the *Kachimeshi* program into six countries overseas to support athletes in each country. In four of these countries (Thailand, Indonesia, the Philippines, and Singapore), we have also introduced our *ASEAN Victory Project* to provide nutritional and dietary support to athletes and sports teams. At the 30th South East Asian Games held in November and December of 2019, many athletes and teams receiving nutritional support performed well and won gold medals.

! Winning Meals! *Kachimeshi*®



Examples of well-balanced model plan

■ Support for national nutrition initiatives (the Philippines)

The Philippines faces challenges of both under- and over-nutrition, resulting in underweight and obesity. These challenges are likely due in part to a nutritional balance leaning heavily toward carbohydrates. In response to these challenges, the Philippine government, in collaboration with the WHO and other parties, developed the *Pinggang Pinoy*® dietary guide to help consumers develop healthy eating habits. Since fiscal 2018, AJINOMOTO PHILIPPINES CORPORATION (APC) has worked with the Philippines Department of Health and other government agencies to help promote and implement *Pinggang Pinoy*® through APC products and services.

Specifically, APC has used the Ajinomoto Group's expertise and products in developing delicious, healthy, easy-to-prepare, and affordable meals. APC also uses its website and social media channels to offer these meal ideas for the everyday enjoyment and nutritional health of consumers. Further, APC uses product packaging itself as another channel to communicate with consumers. In developing menus, APC refers to *a-MENU*, the Ajinomoto Group's unique database of information related to local daily diets and consumer attributes. APC then incorporates the results of national standards for commonly deficient nutritional elements (such as vitamins and minerals lacking due to insufficient consumption of vegetables and fruits) or commonly excessive nutritional elements (such as carbohydrates and salt) compared to the actual dietary and cooking habits of consumers. APC also sponsors educational events for housewives, offering education about the double burden of malnutrition, conducting cooking demonstrations using recipes made from Ajinomoto Group products, and otherwise providing tips to solve nutritional issues.

Moving forward, we will continue to leverage our strengths in striving to raise the level of understanding related to nutrition and meals, contributing to nutritional solutions for the people of the Philippines.



Weekly menu proposal on APC website

Contribution to Solve Food and Health Issues

Performance




GRI203-2

Other initiatives

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

In November 2019, we launched *AJI SAVOR™ ON RICE* in the Philippines. Inspired by the Japanese seasonings, *furikake*, this product is designed to easily increase calcium intake by being sprinkled on rice, which is a staple food of the Philippines. Due to a shortage of calcium intake for all age groups in the Philippines, we aim to assist in proper calcium intake through our products.

In May 2020, we launched the nutritional supplement *Multivitamin & Minerals* in Japan. This product contains 12 vitamins and nine minerals essential for maintaining daily health, and is designed to supplement nutrients that individuals tend to lack due to an unbalanced lifestyle and diet.

Specific initiative	Main product
<ul style="list-style-type: none"> Develop and provide products that eliminate inadequate intake of micronutrients 	Japan  <p>Creaming powder (vitamins and calcium) Supplements (vitamins and minerals)</p>
	Asia  <p>Supplements (vitamins and minerals) Seasonings (calcium)</p>
	North America  <p>Medical foods (for patients with amino acid metabolism disorders, etc.)</p>

Performance

GRI203-2

▶ P110

Approach to age-specific nutritional issues

The Ajinomoto Group is addressing nutritional issues by age such as infants and the elderly, with major stakeholders in the nutrition field.

■ Contribution to nutritional issues in infants and toddlers

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

■ Contribution to nutritional issues from early childhood to adolescence

In Vietnam, many children suffer from stunted growth and low body weight, especially in rural areas. At the same time, a growing number of children in urban areas are overweight and obese. To resolve these issues, AJINOMOTO VIETNAM CO., LTD. launched the School Meal Project in 2012 to apply ideas learned from Japan's school lunch system. Working with central government ministries, including the Ministry of Education and Training, and the Ministry of Health, the company has been carrying out a range of activities to deploy well-balanced school meals nationwide. The project has developed and provided school-meal menu books and food and nutrition education materials, as well as developed and implemented menu-making software. As of March 2020, school lunch project activities have expanded across 62 municipalities and over 4,000 elementary schools.

In Indonesia, the high percentage of children with low body weight, stunted growth and anemia is a serious social problem. PT AJINOMOTO INDONESIA implemented a school meal project in partnership with the Department of Nutrition at Institut Pertanian Bogor University beginning in fiscal 2018. The ten-month program provided nutritionally balanced school lunches and taught diet and nutrition to teenage students, and has led to more balanced nutritional intakes, lifestyle changes and the improvement of anemic conditions of the students. The company conducted this project in fiscal 2019 and will continue to do so, helping to resolve children's health issues.

■ Dealing with nutritional issues in young women (Japan)

In Japan, weight loss has become noticeably more common among women in their 20s and 30s. Unhealthy weight loss has been linked to poor health, risk of obesity in future offspring, risk of diabetes due to insufficient muscle mass and risk of falling and bone fracture in old age.

Ajinomoto Co., Inc. published the basic edition of the book *Women's Self Care*, in March 2020. We distributed this book to organizations such as the Kanagawa Dietetic Association, in addition to publishing the book online via the corporate website. This book explains the lifelong changes that the body of a woman undergoes and suggests proper nutritional intake and exercise habits.

Contribution to Solve Food and Health Issues

▶ *Tabesapo* for eating well to prevent malnutrition (Japanese only)

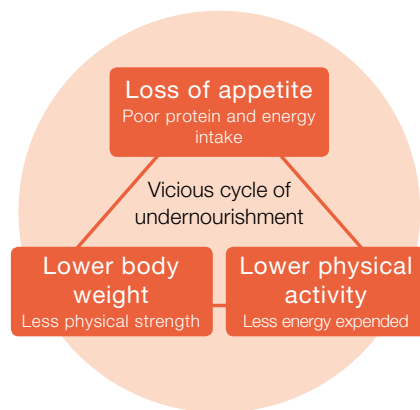
■ Dealing with nutritional issues in the elderly (Japan)

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

To prevent this, Ajinomoto Co., Inc. leverages its protein and amino acid nutrition expertise and strives to publicly disseminate nutritional knowledge to people with health problems. In addition, we continue to partner with specialists, providing information for immediate use to healthcare providers, registered dietitians and pharmacists as guidance tools, and conducting training to foster deeper understanding.

Our website for restaurant-use products now features a page entitled *Tabesapo* to eat well and prevent malnutrition. This webpage provides suggestions on tasty and easy-to-eat meals designed to maintain good health and reflect the physical changes unique to elderly people. We aim to support their nutritional intake by introducing techniques that make eating easier, as well as menu suggestions that utilize our products and cooking methods for each ingredient.

Vicious cycle of undernourishment



Three keys to prevent undernourishment



Initiatives to resolve nutritional issues

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

■ Lecture at the 2nd Well Aging Society Summit Asia-Japan

In October 2019, the 2nd Well Aging Society Summit Asia-Japan was held in which participants such as experts, large corporations, start-up companies, investors, and government agencies from all over the world gathered to discuss global initiatives and solutions for a super-aged society.

Takaaki Nishii, President and CEO of Ajinomoto Co., Inc., participated in a panel discussion where he not only exchanged opinions with stakeholders, but also introduced examples of solutions to resolve nutritional issues. These examples included the Ajinomoto Group *Kachimeshi*® program and activities to promote “delicious salt reduction.” Other examples were our Vietnam school lunch project, as well as the mother-child nutrition improvement initiatives promoted by the Ajinomoto Foundation in Ghana.

Performance

GRI102-12

GRI203-2

Contribution to Solve Food and Health Issues

■ Exchanging opinions at the 7th Tokyo International Conference on African Development

The 7th Tokyo International Conference on African Development (TICAD7) was held in August 2019 in Yokohama. This conference was attended by more than 10,000 people, including representatives of 53 African countries, 52 development partner countries, 108 international and regional organizations, and representatives of civil society such as those from the private sector and NGOs. Here, the Ajinomoto Group exhibited a booth promoting the safety of umami and MSG, introducing our products sold in Africa.

Taking this opportunity, Takaaki Nishii, President and CEO of Ajinomoto Co., Inc., met with Dr. Lawrence Haddad from the GAIN^[1] Foundation, a well-known professional in the nutrition field, and Inge Kauer from ATNF^[2]. This meeting served to encourage an understanding of the nutritional improvement the Group aims to achieve. Nishii also sought GAIN's leadership and support, as well as ATNF's understanding, regarding our expansion of activities for nutritional improvement awareness.

[1] The Global Alliance for Improved Nutrition: An NGO established in 2002 under the leadership of the United Nations and whose headquarters is located in Geneva, Switzerland.

[2] Access to Nutrition Foundation: A foundation that compiles rankings of nutritional improvement activities entitled "Access to Nutrition Index (ATNI)."

■ Dialogue with Mr. Tijjani Muhammad-Bande, President of the 74th Session of the United Nations General Assembly

In July 2019, a dialogue was held between President and CEO Takaaki Nishii and Mr. Tijjani Muhammad-Bande, next President of the United Nations General Assembly (at that time), at the headquarters of Ajinomoto Co., Inc.

Among the targets of the United Nation's Sustainable Development Goals (SDGs), Mr. Muhammad-Bande is particularly keen on Goal 2, Zero Hunger. The Ajinomoto Group gave a presentation on nutritional improvement, agricultural support, and product development in Africa, as well as an explanation regarding the progress of the Ghana Nutrition Improvement Project promoted by the Ajinomoto Foundation.

■ Participation in Asian Congress of Nutrition 2019

In August 2019, the Asian Congress of Nutrition 2019 was held in Bali, Indonesia. The Ajinomoto Group was a sponsor of this conference, where we exhibited a booth and held a symposium.

At our booth, we shared information on our contributions to resolving nutritional issues in the Asia-Pacific region. We exhibited practical nutrition improvement through products such as *aminoVITAL*®, *Prottie*®, *AJI-NO-MOTO*®, and *Masako*®, and highlighted our school lunch projects in the Philippines and Indonesia. We invited experts to our symposium to offer educational lectures on nutrient profiling systems in Asia.

Contribution to health issues

Performance

GRI203-2

Making regenerative medicine^[1] a reality

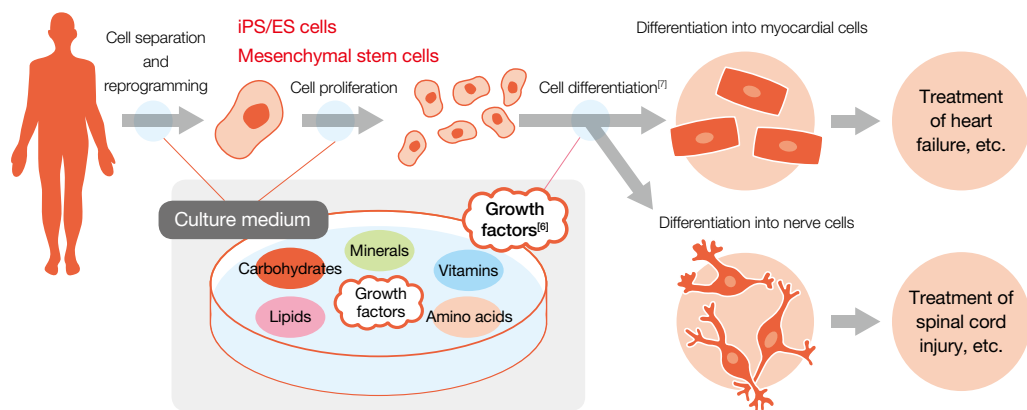
Commercial cell culture media^[2] for regenerative medicine

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

In 2018, we established Ajinomoto Kohjin Bio Co., Ltd., a joint venture with Kohjin Bio Co., Ltd. In February 2020, the joint venture completed construction of a plant to manufacture clinical culture media for regenerative medicine. The company completed validation work (confirming equipment operates as designed) and is preparing for the start of full-scale production.

The Ajinomoto Group will continue to help making regenerative medicine a reality and developing new medicines through our production and sales of cell culture media.

Role of cell culture medium in regenerative medicine



- [1] Medical treatment of dysfunctional, non-functional or defective tissues. Artificially reproduced functional cells or tissues are transplanted to regenerate tissue and replicate function.
- [2] A nutrient solution that contains a balanced mixture of amino acids, carbohydrates, lipids, vitamins, minerals and growth factors required for cell growth.
- [3] Induced pluripotent stem cells generated from human body cells by adding several types of factors. These stem cells exhibit pluripotency (ability to differentiate into various tissues and organs) and an almost limitless capacity for proliferation.
- [4] Embryonic stem cells created using inner cell mass from human blastocysts. These cells exhibit the ability to differentiate into various human tissues and organs.
- [5] Cells with the capacity to differentiate into osteoblasts, fat cells, muscle cells, chondrocytes, and other cells categorized as mesenchymal stem cells. These cells are expected to be used in the rebuilding of bones, blood vessels, myocardia, and other regenerative medicine applications.
- [6] Proteins that promote the proliferation and differentiation of specific cells in human and animal bodies.
- [7] The conversion of iPS/ES cells into cells of different tissues and organs that make up the body.

Contribution to Solve Food and Health Issues

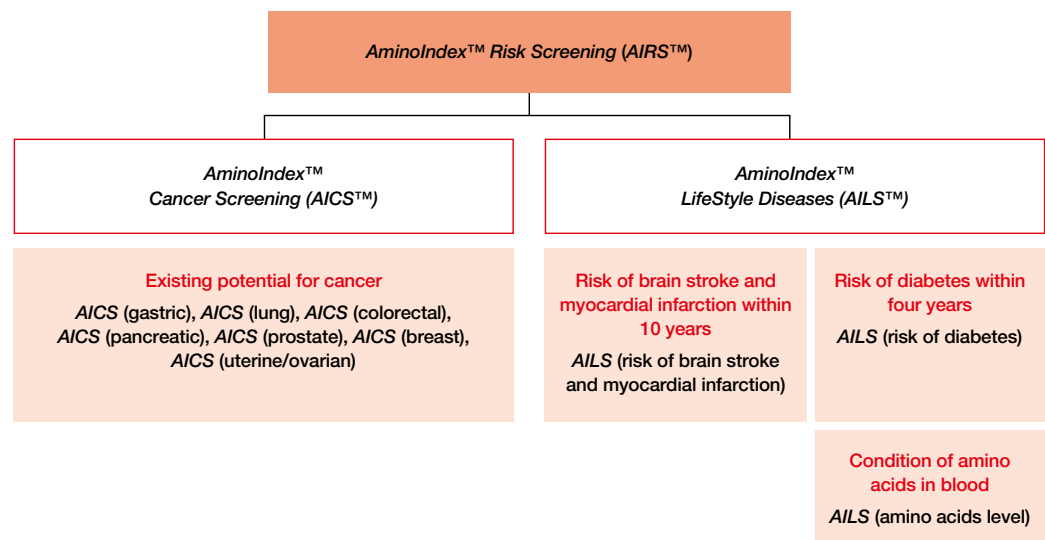
“AminoIndex technology”

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

In September 2019, Scientific Reports Magazine published a paper that validated the inspection performance related to cancer discovery in a multicenter prospective study^[1]. This study adds a level of evidence for cancer evaluation using *AIRS™* and confidence among doctors. In October 2019, we signed an agreement related to the prevention of the three major diseases with a Japanese life insurance company and other entities, and are working for the wider use of *AIRS™* tied to early detection and treatment for the three major diseases, as well as joint research in developing new *AIRS™*-based services. In November 2019, we signed a research and development agreement with the Kanagawa Cancer Center related to stratification^[2] marker search in connection with lung cancer treatment. The aim of this research and development is to offer cancer patients more appropriate treatment options, to alleviate the physical burden on cancer patients, and to reduce treatment costs. In this project, we will be aided by the Japan Agency for Medical Research and Development (AMED) with the Kanagawa Cancer Center acting as the representative organization.

In the future, we plan to develop services related to cognitive function decline risks, further expanding *AIRS™* as a preventive solutions service.

Key features of *AminoIndex™ Risk Screening (AIRS™)*



[1] A research method in which the subjects of the study are divided into multiple groups based on the presence or absence of possible disease factors. The population is tracked over time to examine the occurrence of diseases, the impact on health, etc. Cohort study.

[2] Technology to perform appropriate treatment for each patient by selecting patients in advance for whom a benefit is expected.

TOPIC

Launching an industry-academia research course on extending the healthy life expectancy (Japan)

In April 2020, Hirosaki University and Ajinomoto Co., Inc., established the Digital Nutrition and Health Sciences Course, a joint research course^[1] on extending the healthy life expectancy under the Hirosaki University Graduate School of Medicine. The course, available from fiscal 2020 through fiscal 2024, aims to create a new concept in nutritional studies through joint research.

With the support of the Japan Science and Technology Agency (JST), the Hirosaki University Center of Innovation (COI) program^[2] analyzes health-related big data from the Iwaki Health Promotion Project^[3] operated by Hirosaki City in Aomori Prefecture. Many companies are also participating in this project, aiming toward social implementation. The goal of this joint research is to establish new digital risk screening protocols and develop assessment methods through a combination of health-related big data analysis and the "AminoIndex technology" of Ajinomoto Co., Inc. We are also conducting research into extending the healthy life expectancy through human intervention studies using low-sodium and protein-enhancing products.

We plan to build an ecosystem for new solutions to health issues with the cooperation of local governments and the facilities of the Hirosaki University COI. In so doing, we expect to also create concepts for new products and services.

[1] A research organization founded by the university and funded by private companies and other organizations.

In addition to providing researchers, facilities, and equipment, the university hosts researchers from funding corporations and other organizations. In this way, the university and companies providing funding operate the research organization on an equal footing.

[2] A large-scale research program supported by the Ministry of Education, Culture, Sports, Science and Technology and the JST. This program involves long-term research (up to nine years) to create a leap forward in innovation by conducting research activities backcasting from *an ideal society envisioned 10 years from now* and implementing the results in society.

[3] A large-scale project launched in 2005 for health surveys and health promotion activities. In this project, Hirosaki University, Hirosaki City (formerly Iwaki Town), the Aomoriken Sougou Kenshin Center, and other entities are working together to prevent lifestyle-related diseases and maintain/promote health among the citizens living in the Iwaki district of Hirosaki City, leading to longer healthy life expectancies.

Rapid response to consumer lifestyle changes

Approach

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

Specific examples

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

Related opportunities and risks (○ Opportunity ● Risk)

- Enhancing corporate reputation by offering the joy of eating together
- New value creation using digital technology
- Loss of growth opportunities due to delayed response to consumer lifestyle changes or diversifying values
- Impact of consumer lifestyle changes on existing businesses (less time for cooking, lack of skills, changes in food distribution)

Key initiatives by the Ajinomoto Group

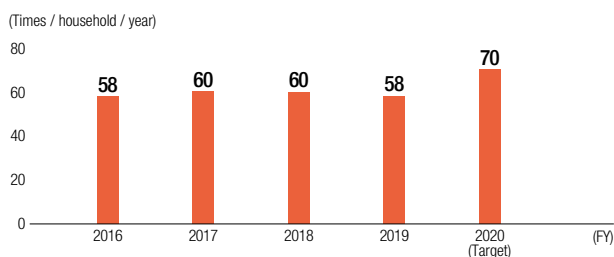
- Creating strong communities and social bonds through food
- Advanced marketing efforts by leveraging big data and consumer data
- Building strategies to deal with smaller markets (due to urbanization, etc.)
- Properly delivering products, services and information to customers
- Expanding products and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

Related SDGs

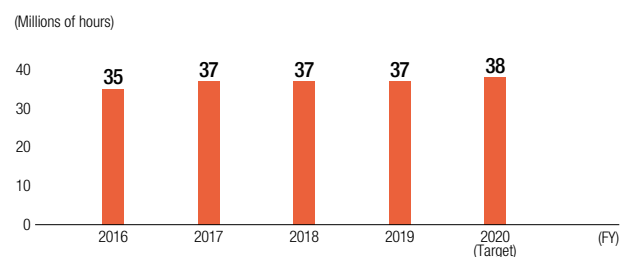


KPIs set in the 17-19 MTP

Contribution to people eating together through the Group's products (Japan and Five Stars)



Spare time created through the Group's products (Japan)



Responding to diversifying values

Approach

Responding to diversifying values required for food

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

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

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

The Ajinomoto Group offers a variety of values in response to these lifestyle changes and diversifying needs. For example, we continue to expand our product lineup to meet various needs that include seasonings for microwave meals to meet needs of time savings, soups that consider health and nutritional needs, and seasonings rooted in local food culture. We also create opportunities to enjoy cooking and food, suggesting different menus for various occasions.



SteamMe, a seasoning in a pressure steam cook pouch for pork char siu (Japan)
 Make char siu quickly using a microwave oven, saving time and effort.



Freeze-dried Gu-tappuri Miso Soup in regular and low-sodium versions (Japan)
 Enjoy miso soup when there's no time for home-made or for only a few portions. Low-sodium version has 50% less sodium than the regular version.



DeliDawa powdered seasoning (Nigeria)
 We have achieved industrial production for the traditional seasonings used all over West Africa, made by fermenting and drying beans and seeds.



Pair Cook®, started in 2017, is a project that motivates people to shop together, cook together, and eat together, encouraging men to participate more in household chores (Japan).
 We have been proposing recommended menus, and distributing recipe books.



Food Fun! Discovery Community, started in December 2019, is a community that discusses deliciousness and fun with consumers (Japan)
 We have been creating opportunities to enjoy food.

Rapid Response to Consumer Lifestyle Changes

TOPIC

Developing allergy-free frozen foods

The number of people suffering from food allergies is on the rise in Japan. For about 70% of people, allergies are triggered by wheat, eggs, or milk, particularly among children (survey by Ajinomoto Frozen Foods Co., Inc.). Frozen foods delivering deliciousness, time savings, convenience, and affordable prices continue to grow the market by meeting the diversifying needs of consumers. The Ajinomoto Group strives to provide delicious food items that anyone can eat with peace of mind. This is why we are developing allergy-conscious products for our customers.

In fall 2019, we removed wheat as an ingredient in our *Yawaraka Wakadori Karaage* (fried chicken) product. This product used rice flour originally; however, we faced the necessity to change the soy sauce ingredient (major taste component) to a non-wheat type. We spent two years in product development from conception to commercialization, longer than required for most products. In spring 2020, we introduced the new wheat-, egg-, and milk-free *Kokusan Tori no Uma Karaage* (fried chicken) product. We are actively working to expand our lineup of wheat-, egg-, and milk-free products that are conscious of customer food allergies.



Yawaraka Wakadori Karaage

Kokusan Tori no Uma Karaage

Approach

GRI203-2

Improving product accessibility

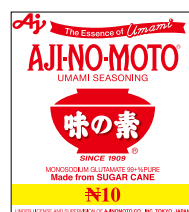
The Ajinomoto Group expands our business through our own mail order and external e-commerce site, helping consumers purchase products anytime, anywhere. We have established a system to analyze the awareness and behavior of consumers through digital data. We provide products that meet the trends of users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

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

We also establish reasonable prices and convenient product formats tailored to the lifestyle conditions in each country or region. For example, we offer a minimum standard size of umami seasoning *AJI-NO-MOTO*[®] of 5g (10 naira=2.8 yen) in Nigeria and 8g in Egypt (1 Egyptian pound = 6.7 yen)^[1].

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

Minimum sizes of umami seasoning *AJI-NO-MOTO*[®] sold overseas



Product sold in Nigeria



Product sold in Egypt

[1] The exchange rate as of June 2020 was used to convert product prices into Japanese yen.

Rapid Response to Consumer Lifestyle Changes

Soup using beans, which are nutrient-rich and inexpensive source of protein (Turkey)



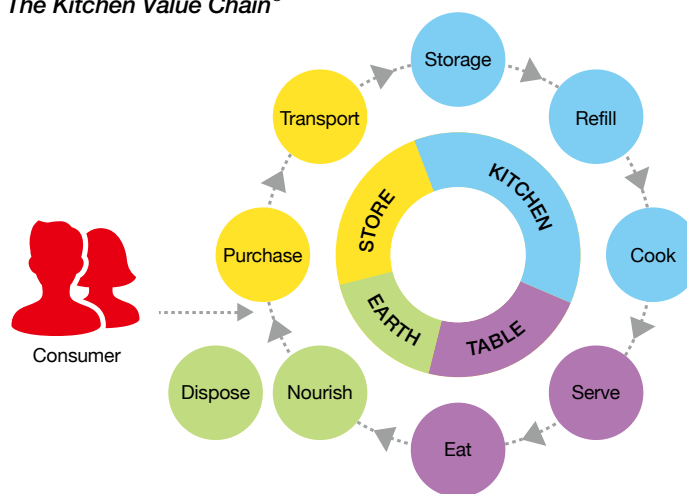
We offer prices accessible to lower-income consumers by utilizing beans.

Developing solutions to improve value

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

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

The Kitchen Value Chain[®]



Appropriate communications and information sharing

Approach

GRI416-DMA

GRI417-DMA

- ▶ Group Shared Policy on Marketing Communications
- ▶ Product package labeling (Japanese only)

Performance

GRI417-3

- ▶ P41

Responsible communications with consumers

The Ajinomoto Group markets products in more than 130 countries and regions. Each region experiences *deliciousness* differently and has its own customs related to preparing and eating food. Each region also has particular ways of communicating that are considered appropriate.

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

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

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

Incidents of non-compliance

The Group was not a subject of any fiscal 2019 public announcements made by the Japan Consumer Affairs Agency related to violations of the Act against Unjustifiable Premiums and Misleading Representations.

Assurance of product safety

Approach

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

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

Specific examples

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

Related opportunities and risks (○ Opportunity ● Risk)

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

Key initiatives by the Ajinomoto Group

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

Related SDGs



Quality management

Approach

GRI416-DMA

GRI417-DMA

- ▶ Group Shared Policy on Quality
- ▶ Group Shared Policy on Food Safety

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

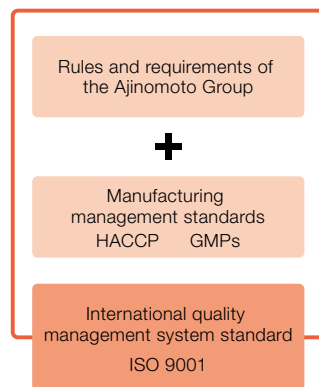
Ajinomoto System of Quality Assurance (ASQUA)

The Ajinomoto Group has our own quality assurance system, ASQUA. As of March 2020, 100 Group companies have implemented.

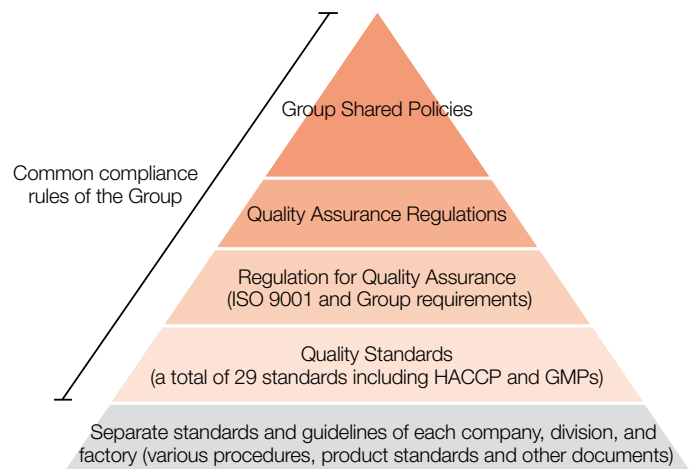
The core of ASQUA is based on ISO 9001, the international quality management system standard. We supplement this standard with other manufacturing management standards such as the Hazard Analysis and Critical Control Points (HACCP)^[1], Good Manufacturing Practices (GMPs)^[2], and the Group's own rules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

Quality standards ranging from development and raw materials procurement to sales and customer communications. We review these standards constantly in light of internal and external trends. In fiscal 2019, we established new Quality Audit Standards, integrating the requirements for quality audits for each standard as described in regulation and standards of ASQUA.

ASQUA framework



ASQUA components



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

[2] Standards relating to manufacturing management

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

Assurance of Product Safety

Quality standards

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

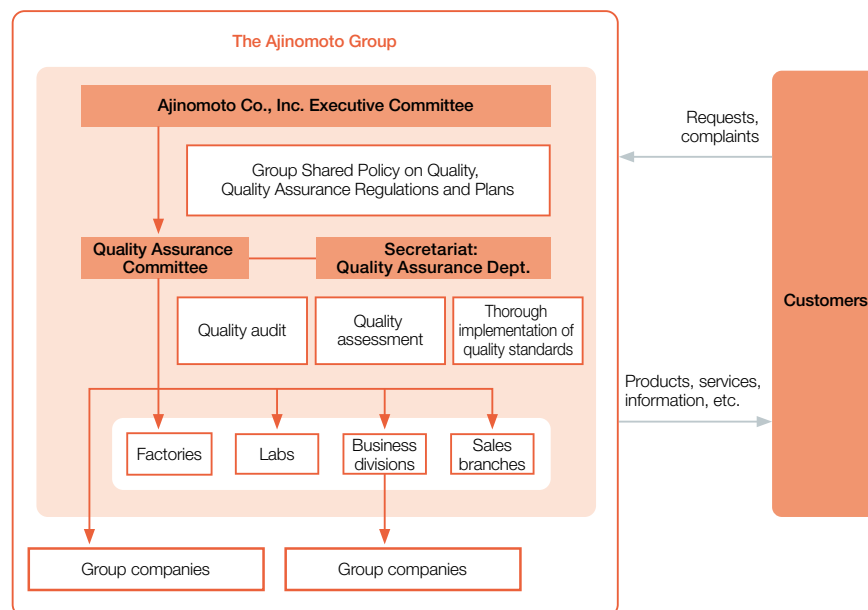
[1] Measures to prevent deliberate tampering with products. Monitoring is carried out at every stage, from raw material procurement to product sales.

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

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

Promotion framework for quality assurance

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



Framework
 GRI416-DMA
 GRI417-DMA

Assurance of Product Safety

Obtaining and maintaining third-party certifications

The Ajinomoto Group encourages Group companies to acquire and maintain ISO 9001 certification. As of March 2020, 57 of 77 eligible Group companies have acquired ISO 9001 certification. For the eligible companies not yet certified (many of which are newly acquired or established companies), we work to build quality assurance systems for certification. In response to customer requests or other cases, the Group acquires certification of other standards such as FSSC 22000 approved by the Global Food Safety Initiative (GFSI).

Ajinomoto Group medium-term plan for quality assurance

The Group focused on the following quality assurance topics during fiscal 2017-2019. Refer to related sections for details related to each initiative conducted during fiscal 2019.

We will continue focusing on following themes throughout fiscal 2020-2022 as well.

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

Human resources development to raise quality assurance levels

The Ajinomoto Group focuses on human resources development to further improve quality assurance levels. Each year, we review our quality training plan, implementing systematic programs to meet the needs of individual organizations. Continuing with our efforts from the previous fiscal year, we expanded e-learning training programs in fiscal 2019, adopting virtual reality (VR) technology for quality audit training.

Main programs in fiscal 2019

■ Japan

- Quality training programs for Group employees
- Programs for quality assurance supervisors scheduled for posting to overseas offices
- Ajinomoto Management and Technical Conference on Quality for Group company officers and employees: Approx. 350 participants
- Quality study for newly appointed organizational heads, Group company heads, quality assurance supervisors and quality assurance management representatives (e-learning)
- ISO 9001 food product business operations training for newly transferred employees (e-learning)
- Quality audit staff training (using VR technology)

■ Overseas

- ASQUA School North America for quality assurance supervisors and plant QA managers in North America and Europe Regional QMS Meeting for Consumer Foods for quality assurance and quality management staff in Europe
- QMS Training Course for managers responsible for quality assurance at Group companies (e-learning)

Performance

GRI416-DMA

GRI417-DMA

Assurance of Product Safety

Framework

GRI102-9
 GRI102-10
 GRI414-DMA
 GRI416-DMA
 GRI417-DMA
 GRI417-1

▶ Group Shared Policy on Quality
 ▶ Group Shared Policy on Food Safety

Framework / Performance

GRI102-9
 GRI308-1
 GRI414-1
 GRI416-DMA
 GRI416-1

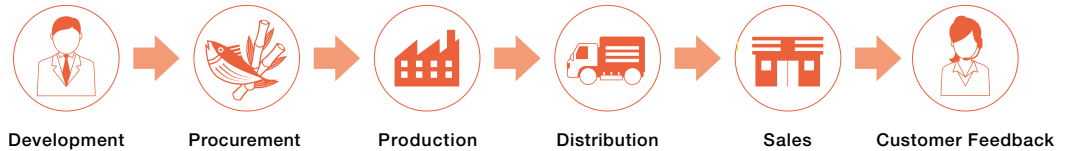
▶ P87

Framework / Performance

GRI102-9
 GRI414-2
 GRI416-DMA
 GRI416-1
 GRI416-2
 GRI417-2

Quality assurance across the supply chain

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



Development

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

Raw materials procurement

The Ajinomoto Group selects suppliers according to the ASQUA Standard for Quality Control of Ingredients. We control the quality of raw materials purchased from suppliers strictly through lot-by-lot inspections.

The Group works with our suppliers to improve quality and reduce quality risks through measures that include regular appraisals, quality audits, information sessions, and surveys. We make continuous quality improvements through close cooperation with suppliers. We selected and began transactions with 9 new suppliers during fiscal 2019.

Supplier audits in fiscal 2019

Audited organization	Audited items	Number of audits
Group Procurement Center, Ajinomoto Co., Inc.	Raw materials	126
	Packaging materials	38
Ajinomoto Frozen Foods Co., Inc.	Raw materials	98

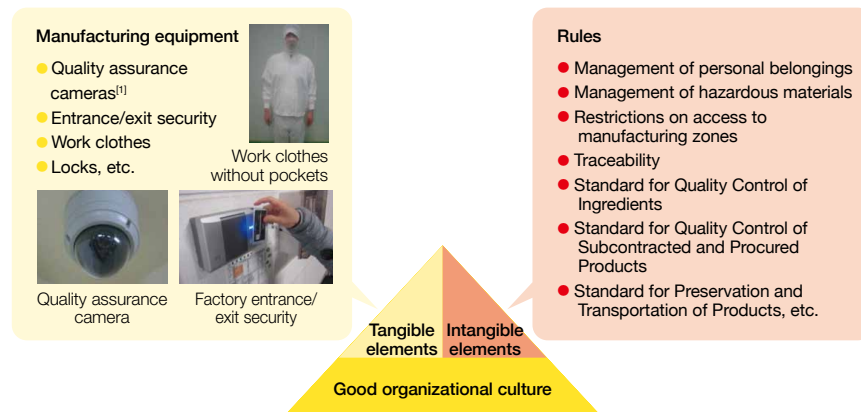
Production

■ Structural enhancements for food safety

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

Assurance of Product Safety

Diagram of food safety assurance concept



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

■ Measures to prevent manipulation of quality-related data

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

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

■ Initiatives to reduce quality-related complaints and incidents

During fiscal 2019, we issued three distribution collections due to contamination (plastic pieces, etc.).

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

Number of recalls and distribution collections by the Ajinomoto Group

Fiscal year	2015	2016	2017	2018	2019
Number	3	6	4	4	3

Distribution

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

Sales

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

Framework

GRI102-9
 GRI416-DMA

Performance

GRI102-9
 GRI416-DMA
 GRI417-DMA
 GRI417-1

Assurance of Product Safety

▶ Product package labeling (Japanese only)

▶ Quality Assurance

Framework

GRI102-9
 GRI416-DMA
 GRI417-DMA
 GRI417-1

▶ Quality Assurance

■ Product packages

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

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

■ Websites

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

In fiscal 2019, Ajinomoto Co., Inc. adopted AI-based website chatbots^[1], while AJINOMOTO DO BRASIL INDÚSTRIA E COMÉRCIO DE ALIMENTOS LTDA. adopted human chat operators. In these ways, we are creating enhanced, information-rich environments in which customers can access correct product information in a timely manner.

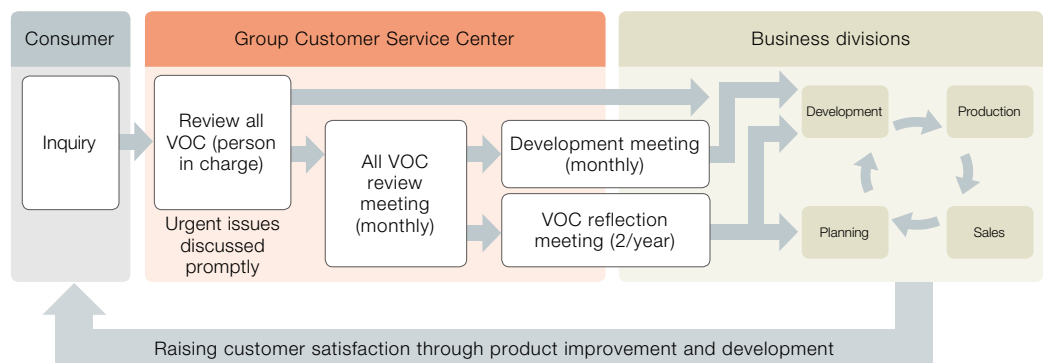
[1] A combination of the words "chat" and "robot." An automated communications tool that incorporates artificial intelligence.

Customer feedback

■ Initiatives to reflect customer feedback

We welcome feedback from customers and use this to develop attractive products and services, as well as make improvements according to the ASQUA standard. In fiscal 2019, the operation based on the same standard, used at the Group companies in Japan as well as Thailand, Brazil, Indonesia, Vietnam, the Philippines, and Peru, was rolled out in Malaysia.

Product development system reflecting Voice of Customer (VOC) at the Group Customer Service Center^[2]



[2] In April 2019, the customer service offices of Ajinomoto Co., Inc., Ajinomoto Frozen Foods, Co., Inc. and Ajinomoto AGF, Inc. were integrated to form the Group Customer Service Center.

Assurance of Product Safety

Performance

TOPIC

Improvements based on the customer feedback during fiscal 2019

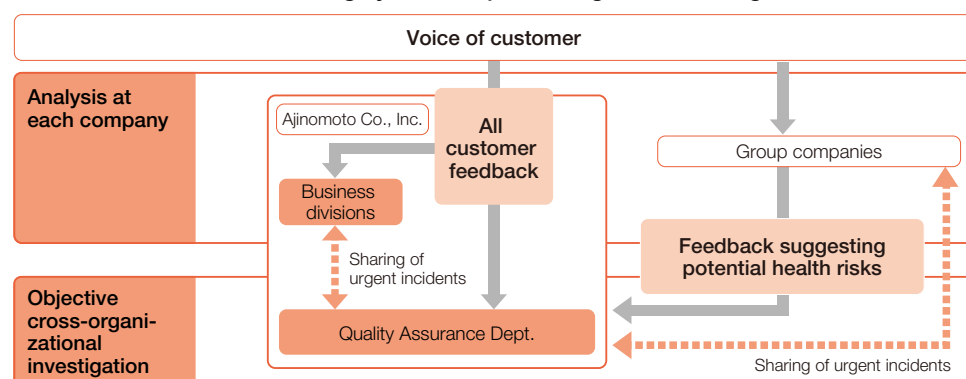
- Ajinomoto Co., Inc. widened the bottle opening for the *Cook Do*® Chinese and Korean bean pastes, in response to customer feedback that it was too narrow to fit measuring spoons. The company also improved the mouth solubility and drinkability of the *aminoVITAL*® PRO and *aminoVITAL*® Active Fine products in response to customer feedback about the difficulty in swallowing the granules.
- Ajinomoto Frozen Foods Co., Inc. created new separable trays for *The ★*® *Shumai* to meet customer requests for making smaller portions at one time.
- AJINOMOTO VIETNAM CO., LTD. revised the package design of four varieties of the *Aji-Quick*® product in response to feedback that the package design was dark and difficult to distinguish its varieties.



■ Enhanced monitoring of customer feedback

Any customer feedback is analyzed by a Group company, and any such feedback that concerns a serious issue that could lead to health risks or a violation of law is also checked and analyzed promptly, objectively, and in a cross-organizational manner by Ajinomoto Co., Inc. The system ensures that any case deemed to be urgent is shared with relevant departments immediately. In fiscal 2019, the system was extended to Taiwan and South Korea in addition to Group companies in Japan, Thailand, Brazil, Indonesia, Vietnam, the Philippines, Peru, the United States, and Malaysia.

Customer feedback monitoring system for preventing health damage



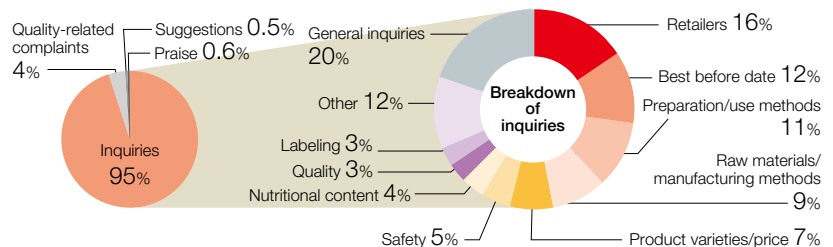
Assurance of Product Safety

Performance

Breakdown of customer feedback in fiscal 2019

- Customer feedback received by Ajinomoto Co., Inc.: Approx. 25,900 contacts (89% versus fiscal 2018)
- Customer feedback received by three Ajinomoto Group food product companies^[1] in Japan: Approx. 42,800 contacts (89% versus fiscal 2018)

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



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

■ Efforts to improve customer satisfaction

The three food product Group companies in Japan regularly conduct surveys to confirm and improve customer satisfaction regarding the quality of response to customer quality-related complaints. The investigation, business, and customer service divisions work to share specific feedback to improve customer satisfaction. Surveys conducted during fiscal 2019 by Ajinomoto Co., Inc. indicated that 97% of customers were satisfied with the response to issues they raised, 87% were satisfied with the investigation reports, and 97% intend to continue to use the company's products.

Disseminating information on MSG safety and benefits

Approach

GRI417-DMA

- ▶ P17
- ▶ Integrated Report 2020 P39-40
- ▶ Why use MSG

Performance

GRI417-DMA

Activities to promote a correct understanding of MSG

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

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

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

Communication activities across the world

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

Conducting risk communications in Japan

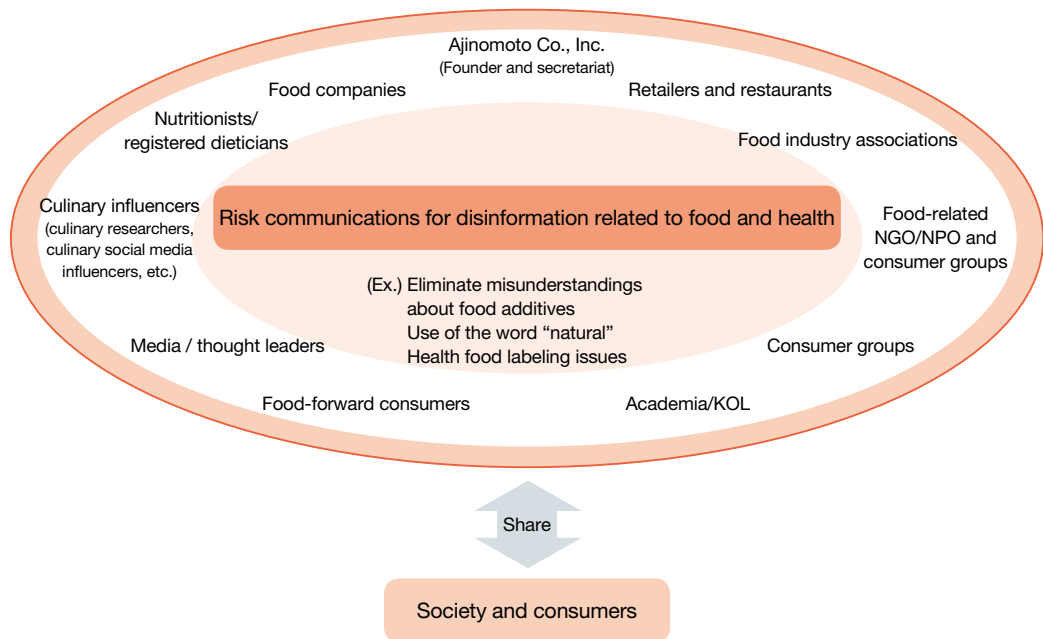
Ajinomoto Co., Inc. held three media conferences in April, July, and November of 2019.

In the first media conference, we hosted a discussion among external experts in food additives on the topic, "Social Issues in Food Labeling." The panelists addressed misconceptions related to MSG and issues related to additive-free labeling on food products. The second conference included a panel of experts on MSG safety and the reputation of MSG. The main topic of this discussion was, "How does fake news propagate?" Through these first two conferences, participants learned of the significant gap between the desire of experts to communicate the safety of MSG and the desire of consumers for peace of mind. Participants also learned that debates of "right" or "wrong" are not likely to convince consumers.

The third conference consisted of a lecture and panel discussion on the theme "Risk Communication for Today." Details included how to engage in communications that prevent rumor-based panics among consumer in this age of social media and the flood of disinformation. Here, we announced our establishment of a new opportunity for risk communication that goes beyond organizational, market, industry, and personal perspectives, and we declared our commitment to work with consumers to share correct information related to food and health, contributing to a healthy, more abundant society. We sponsor forums for consumers to hold discussions and dispel the risks of disinformation related to food and health.

Assurance of Product Safety

Proposed risk communication framework of the Ajinomoto Group



Positive sharing of information in Nigeria

In Nigeria, religions and cultures differ between the north and south. Consumer preconceptions about umami seasoning *AJI-NO-MOTO*[®] also vary widely between the north and south. In the north, 80% of consumers have a positive attitude toward *AJI-NO-MOTO*[®]. In contrast, 70% of people in the south have negative preconceptions due to misunderstandings and biases. To dispel misconceptions among southern consumers, the Ajinomoto Group engaged in a variety of activities. We sponsored seminars to convey information based on scientific information, working with university professors to communicate with doctors, nutritionists, home economics teachers, and other influential individuals. We also joined with leaders of medical organizations as guests on live radio programs, answering the questions of listeners. We appointed two influencers who participated in the WUF as ambassadors, disseminating information via live streaming, cooking videos, and other social media content.

Children in Nigeria suffer from poor nutrition. At the same time, the country has the worst rate of lifestyle-related diseases in the world, caused in part by excessive salt intake. We will continue promoting the salt-reduction benefits of using *AJI-NO-MOTO*[®], contributing to the healthy lives of the Nigerian people.

Sharing information with stakeholders in Vietnam

Subsequent to the WUF, AJINOMOTO VIETNAM CO., LTD. has been engaging in communications tailored to individual stakeholders.

For public institutions, the company provides presentation materials that discuss the safety of MSG and ways to reduce salt intake through MSG. These presentation materials are used in meetings and workshops hosted by the Ministry of Health General Department of Preventive Medicine to communicate information to healthcare workers.

For consumers, the company provided information to the press regarding WUF, encouraging wider coverage of correct information about MSG through articles in 37 different publications.

The company is also educating employees about MSG and umami based on WUF content.

Assurance of Product Safety

Umami and MSG promotions in the United States

After the WUF, the Ajinomoto Group has continued to publicize information to our various stakeholders on an ongoing basis.

Our work with registered dietitians is one example. We sponsored a booth at the Food & Nutrition Conference and Expo where we offered samples of plant-based meals using umami to reduce sodium while maintaining deliciousness. Visitors learned that they could ingest less salt without any compromises in taste. In addition to visiting culinary schools to educate students and instructors on basic information on MSG and umami, we sponsored cooking competitions to stimulate creativity in the use of umami in cooking. We are also striving to communicate with millennials interested in food.

These initiatives and others have raised significant interest and positive awareness of MSG in the United States. Surveys have shown an improvement in perception regarding MSG among registered dietitians and food-forward consumers. We will continue to appeal to the safety and sodium-reduction benefits of MSG, suggesting MSG as a means toward delicious, satisfying meals.

Survey results in the United States

Segment	KPI	FY2018 Result	FY2019 Result
Registered dietitians	Believe MSG is safe to eat	52%	66%
	Likely to say MSG is safe if asked	32%	47%
	Understand MSG offers umami	50%	67%
Food-forward consumers	Umami awareness	66%	86%
	Actively avoid MSG	39%	31%
	Believe MSG is safe to eat	65%	69%

Assurance of Product Safety

▶ Merriam-Webster

TOPIC

Using social media to spread and encourage a correct understanding of MSG (U.S.A.)

In the 1970s, the United States experienced a phenomenon called Chinese Restaurant Syndrome (CRS). Stories spread of the mistaken assumption of a relationship between MSG in Chinese food and headaches, palpitations, etc. CRS fanned the flames of anti-Asian sentiment at the time, becoming a socially accepted negative attitude toward MSG. Although the controversy continued throughout the 1980s and 1990s, experts from the U.S. Food and Drug Administration and the Joint FAO/WHO Expert Committee on Food Additives of the UN made public statements declaring the safety of MSG. Using facts based on solid, scientifically verified data, these experts rejected any causal relationship between MSG and CRS. Unfortunately, once a misunderstanding has taken hold, it is difficult to convince consumers of the truth. Even today, many restaurants and food manufacturers use the “No MSG” label, indicating an ongoing concern about the safety of MSG.

In January 2020, the Ajinomoto Group launched a campaign using the hashtag, “#RedefineCRS.” We produced a video promoted widely across social media featuring a famous chef, a well-known celebrity, and a medical doctor to raise questions about the common perception of CRS, while letting people know that MSG is a completely safe ingredient. We received feedback immediately from many people and the campaign was covered in numerous media outlets, turning into a big movement. After looking into the facts, authoritative dictionary publisher Merriam-Webster revised the definition of CRS, making the following changes.

1. Added a statement that the term was outdated and, in some cases, racially offensive
2. Added an annotation that the relationship between supposed symptoms and MSG has not been proven in studies

Old

Merriam-Webster SINCE 1828 Chinese restaurant syndrome
 DICTIONARY THESAURUS

Chinese restaurant syndrome
 noun

Definition of Chinese restaurant syndrome
 : a group of symptoms (such as numbness of the neck, arms, and back with headache, dizziness, and palpitations) that is held to affect susceptible persons eating food and especially Chinese food heavily seasoned with monosodium glutamate

First Known Use of Chinese restaurant syndrome
 1958, in the meaning defined above

New

Merriam-Webster SINCE 1828 Chinese restaurant syndrome
 DICTIONARY THESAURUS

Chinese restaurant syndrome
 noun

Definition of Chinese restaurant syndrome
dated, sometimes offensive
 : a group of symptoms held to affect susceptible persons eating food heavily seasoned with monosodium glutamate : MSG SYMPTOM COMPLEX

NOTE: The term *Chinese restaurant syndrome* was coined in the late 1960s following reports of people having bad reactions to food seasoned with monosodium glutamate in Chinese restaurants. Research in the years since has failed to establish a clear link between those adverse reactions and the consumption of MSG, and the term *Chinese restaurant syndrome* has been criticized as misleading and potentially offensive. It has been replaced in medical literature by *MSG symptom complex*.

First Known Use of Chinese restaurant syndrome
 1968, in the meaning defined above

As with the “#RedefineCRS” campaign, the Ajinomoto Group will continue to dispel consumer misunderstandings, engaging in communications across various channels to spread the message of the value of MSG to as many people as possible.

Diverse talent

Approach

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

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

Specific examples

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

Related opportunities and risks (○ Opportunity ● Risk)

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

Key initiatives by the Ajinomoto Group

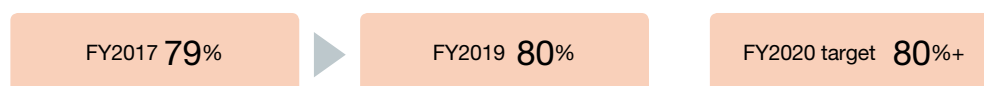
- Promoting PDCA cycle using the engagement survey
- Reforming organizational culture to promote diversity
- Training and promotion of female employees
- Promoting health management
- Human rights awareness training
- Enhancing employee ASV engagement (ASV as one's own initiative)
- Fostering a corporate culture of innovation (integrated accelerator program)

Related SDGs



KPIs set in the 17-19 MTP

Percentage of employees feeling highly engaged in their work



KPIs set in the 20-25 MTP

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

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

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

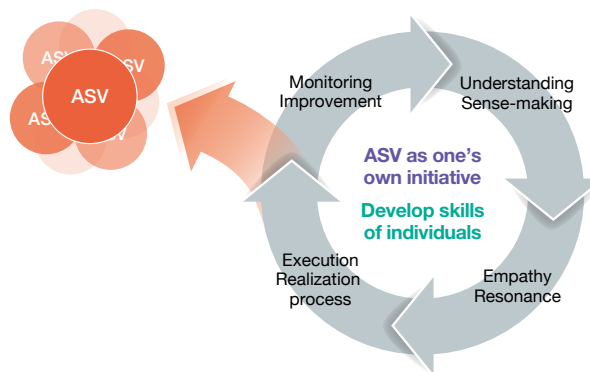
Human resources and organizational management

Approach

▶ Integrated Report
 2020
 P26
 P57-60

The Ajinomoto Group is increasing our investment in human resources and strengthening skills development to achieve our vision of being a solution-providing company for food and health issues. At the same time, we aim to increase the number of employees who feel they are contributing to our vision (ASV as one's own initiative), and propel the organization forward. We aim to achieve this by setting organizational and personal goals to solve issues together with customers and by standardizing management based on the PDCA cycle.

Management cycle that increases ASV engagement



Human resource management framework

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



Framework

GRI401-DMA
 GRI404-DMA

Global human resources management system

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

We have also established common Group guidelines related to international assignments for the purpose of forming a deep base on diverse human resources who will be responsible for sustained Ajinomoto Group growth.

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

Develop skills to better resolve issues

The Ajinomoto Group develops skills in each employee to better resolve issues. In this way, we create innovation toward resolving food and health issues. In particular, we focus on improving employee literacy in nutrition, the environment, and digital, participatory training to encourage employees to make ASV as one's own initiative, and programs to foster in-house entrepreneurship and collaborations with venture companies.

In fiscal 2019, Ajinomoto Co., Inc. spent 136,000 yen per employee on training, averaging 13 hours of training per employee.

Promoting work-style innovation

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

- Fiscal 2019 performance (Ajinomoto Co., Inc. only)
- Pursue key themes to achieve advanced work styles (change attitudes toward work-style, work styles beyond existing organizations, paperless, hot-desking)
- Average total work hours 1,812 hours (1,820 hours in fiscal 2018)
- In our engagement survey, we received favorable responses to the four categories related to work styles (improvement of between 1 and 5 points compared to last survey conducted in fiscal 2017)

Performance

GRI404-1

GRI404-2

▶ Integrated Report
 2020
 P59

Performance

Diverse Talent

Performance

GRI102-16

GRI404-2

▶ Integrated Report
 2020
 P58

Employee engagement

The Ajinomoto Group redefined our philosophy regarding corporate value in February 2020. Improving employee engagement in creating customer value leads to the creation of economic value. By sharing this economic value with employees, we generate a cycle of further improving engagement, which we see as corporate value.

We have included employee engagement scores as a priority KPI in our 2020-2025 Medium-Term Management Plan. As we advance in developing the skills of our individual employees, we use the OE^[1] method in our management cycle to accelerate ASV as one's own initiative in each employee.

[1] Continuous improvement and reform activities based on the concept and methods of thoroughly refining all operations from the customer's point of view while individuals and teams grow in a synchronized manner in order to create a competitive advantage.

Management cycle that increases ASV engagement



Initiatives phases and progress in FY2020 and beyond

Initiatives	Progress
1. Management plans dialogue with the CEO	· 53 dialogues conducted in small groups, online, etc. · Video broadcast to all 33,000 employees (as of July, 2020)
2. Dialogue with General Managers of each division	· Video broadcast to all 33,000 employees
3. Set organization/individual goals	Completed in May 2020
4. Personal goal presentation	Completed in July 2020
5. Share best practices	Leveraging the internal SNS for personal goal presentation and initiatives to enhance ASV
6. ASV Awards	· Conducted online employee voting · Awarded initiatives selected by judges including outside experts
7. Monitoring via engagement survey	· Beginning FY2020, we will conduct surveys every year, rather than every other year
8. Address issues in next-year plans	

Performance

GRI102-16

TOPIC

Evolution in internal communications

The Ajinomoto Group understands the importance of internal communications in conducting the management cycle effectively. We encourage optimal information sharing to understand, empathize, execute, and realize ASV, helping employees embrace ASV as one's own initiative and act autonomously. As part of these efforts, we adopted Workplace by Facebook in July 2020. Workplace by Facebook is a social networking platform connecting our global operations in a timely, two-way manner. Currently, approximately 9,000 Group employees use this platform to share CEO messages and individual ASV initiatives. We plan to expand our use of this platform over time.

Performance

GRI102-16
 GRI406-1

Promotion of ASV as one's own initiative based on engagement surveys

To date, the Ajinomoto Group has quantitatively measured employee engagement through an engagement survey, conducted once every two years. This survey helps us understand and take action to improve issues, leveraging the PDCA cycle.

Survey results for fiscal 2019 reflected a one-point improvement in our favorable score for *Sustainable Engagement*^[1], achieving our 17-19 MTP target. On the other hand, responses to some questions scored lower when compared to other food and beverage companies and other high-performing companies. This result indicated a greater need to improve ASV engagement and practice ASV in the day-to-day operations of every organization.

Our 20-25 MTP includes a KPI for *Employee Engagement (ASV as one's own initiative)*^[2]. Accordingly, we intend to conduct an engagement survey annually, addressing any issues uncovered in our plans for the following fiscal year.

Employee engagement score

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

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

[2] The percentage of employees who talk about how they implement ASV through their own work with their family, friends and business partners.

Performance

GRI406-1

▶ P103

Hotline (whistleblowing)

The Ajinomoto Group established a hotline as an anonymous internal reporting system that enables executive officers and employees, including part-time and temporary workers, to make reports or seek advice by phone, e-mail, fax, letter, or other means. During fiscal 2019, we expanded our web-based third-party reporting system from three countries to 13. In addition, we actively communicate our approach and systems related to our whistleblower policy, striving to strengthen this program.

Fair labor practices

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

Approach

GRI405-2

Framework

GRI102-41

GRI402-DMA

GRI403-4

▶ P99

Compensation and benefits

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

Compensation by job title, gender (Ajinomoto Co., Inc. only; as of April, 2019)

Job title	Avg. compensation, women (A)	Avg. compensation, men (B)	Ratio (A/B)
Executive (Base salary only)	¥21,360,000	¥21,360,000	1
Management (Base salary only)	¥7,206,749	¥7,751,994	0.930
Management (Base salary + bonuses and other cash incentives)	¥12,045,136	¥13,054,552	0.923
Non-management	¥6,745,284	¥8,052,137	0.838

Labor-management relations

All non-management employees of Ajinomoto Co., Inc. are members of the labor union (61.7% of all employees). Labor agreements require the company to notify employees and their representatives before making any major changes that impact employees (minimum prior notice requirements are confidential and therefore not disclosed).

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

Diverse Talent

Approach

GRI403-DMA

GRI403-3

GRI403-6

▶ White Paper on Health (Japanese only)

Framework

GRI403-DMA

GRI403-3

GRI403-6

Health and productivity management

The Ajinomoto Group believes that employee health and well-being are fundamental to improving employee engagement, and simultaneous growth of employees and the company. We strive to create workplaces that both support and improve employee health and well-being.

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

Vision for health and productivity management



Health promotion framework

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

Performance

GRI403-DMA

GRI403-3

GRI403-6

▶ P22

Performance

▶ Public Awards and Feedback

Health and productivity initiatives

■ Individual health consultations

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

■ Health status visualization

A visual representation of health status is vital to implement employee self-care. Employees use the health advice app *Calomama Plus* to map exercise, diet, sleep, and emotions on four axes. In addition, we created the *MyHealth* personal health management website for employees to monitor medical checkup results, work data, and lifestyle data. In fiscal 2020, we will introduce initiatives for workforce nutrition improvement.

■ Mental Health Recovery Program

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

Inclusion in the 2020 Health & Productivity Stock Selection

Ajinomoto Co., Inc. was included in the 2020 Health & Productivity Stock Selection. This selection was made by the Japanese Ministry of Economy, Trade and Industry (METI) and Tokyo Stock Exchange in recognition for our efforts to strategically promote employee health and productivity from a management perspective. This year marked the fourth consecutive time we have been selected for this honor. We were also included in the White 500, selected and certified from among all public companies in Japan in recognition of our initiatives to improve employee health management through Certified Health & Productivity Management Organizations Recognition Program.



Diversity and inclusion

Approach

GRI405-DMA

GRI406-DMA

▶ Integrated Report
 2020
 P60

Framework

GRI405-DMA

Performance

GRI202-2

GRI405-1

Promoting diversity and inclusion for corporate culture transformation

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

The challenge that lies before Ajinomoto Co., Inc. is to increase the number of women leaders and accelerate reform in the company's corporate culture, raising the ratio of women serving as directors and line managers to 30% by fiscal 2030.

Diversity & inclusion promotion framework

Ajinomoto Co., Inc. established the HR development committee for women, led by a director in charge of diversity and HR, to provide concrete support behind plans for promoting and developing careers for women. The committee conducts mentoring programs to accelerate the appointment of women to senior positions, and workshops and colleges for younger women employees, and advances cooperative measures among companies participating in the 30% Club^[1] Japan.

Further, the Company established a D&I Promotion Team within our HR Dept. to conduct planning and operations of cross-organizational activities that includes several other group companies. More specifically, the team started to conduct companywide unconscious bias training, D&I training among sales departments, and LGBT partner support system. The team also promotes in-house and other affiliated daycares as part of building career-support environments, as well as striving to create workplaces amenable to persons with disabilities (such as providing professional life counselors throughout Japan).

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

Diversity & inclusion promotion performance

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

	FY2018 Result	FY2019 Result	FY2030 Target
Percentage of female directors	12.5%	12.5%	30%

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

	FY2018 Result	FY2019 Result	FY2030 Target
Percentage of female line managers	6%	6%	30%

Percentage of locally hired overseas executives

	FY2018 Result	FY2019 Result
Total number of overseas executives	169	177
Number of locally hired overseas executives	65	73
Ratio of locally hired overseas executives	38%	41%

▶ Public Awards and Feedback

Performance

GRI406-DMA
 GRI412-2

▶ P87

Percentage of female managers (groupwide)

	FY2018 Result	FY2019 Result
Percentage of female managers	23 %	24%

■ External recognitions

- FY2019 New Diversity Management Selection 100 (Ministry of Economy, Trade and Industry of Japan)
- FY2019 Leading Companies where Women Shine “Cabinet Office Special Minister Award (Gender Equality)”
- FY2019 Semi-Nadeshiko Brand (joint certification given by the Ministry of Economy, Trade and Industry of Japan and the Tokyo Stock Exchange)
- PRIDE Index Certification 2019 (recognition of LGBT initiatives in the workplace)

Human rights awareness and education activities for employees

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

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

■ Fiscal 2019 performance

- E-learning about Universal Declaration of Human Rights and human rights issues including those intimately related to business activities (total of 8,045 participants, including 6,946 Group employees in Japan and 1,099 managers of overseas Group companies)
- Training personnel of fair and honest recruitment, training for new hires, training by job grades, training for harassment consultation desk personnel
- E-learning to promote understanding of LGBT issues (total of 8,041 participants in Group companies in Japan)

Environmental management

Framework

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

Environmental management framework

The Ajinomoto Group established the Environmental Committee under the Executive Committee to decide important environmental policies, prepare plans, and conduct activity reviews.



Status of ISO 14001 certification

As of March 2020, the Ajinomoto Group has acquired ISO 14001 certification at 59 of 98 eligible factories. Even those companies not yet certified are conducting management based on the ISO 14001 approach. We have recently changed how we calculate ISO 14001 certified companies in line with the method for calculating EMS certification ratios under the Dow Jones Sustainability Index survey.

Environmental assessments

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

Environmental assessment items

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

Environmental Management

Performance

GRI306-3

GRI307-1

Performance

Environmental audits

The Ajinomoto Group receives external audits for compliance with ISO 14001. In addition, locations experiencing issues are audited by the Ajinomoto Co., Inc. Manufacturing Strategy Dept. based on the Environmental Audit Outline. There were no sites subject to environmental audits in fiscal 2019.

Response to environmental laws and accidents

The Ajinomoto Group has established measures to quickly address any legal violations or accidents related to the environment. As a result of appropriate corrective actions in response to administrative guidance and other compliance, the Group experienced no violations of the Air Pollution Control Act of Japan, effluent standards, or other environmental laws during fiscal 2019. The Group did experience two incidents having an impact on the environment outside our worksites in Japan (one complaint related to exhaust fan noise and one fluorocarbon leak). The Group also recorded one incident of failure to renew a license outside Japan. We reported these immediately to authorities and investigated their causes, taking necessary measures.

Environmental education

Specialized education

The Ajinomoto Group conducts environmental education for employees to acquire the expertise and skills for environmentally responsible business operations.

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

■ Main programs in fiscal 2019 (Japan)

- Two-day training course for internal environmental auditors: Once, 24 participants
- One-day follow-up training course for internal environmental auditors: Once, 10 participants
- Environmental law seminar
 - Japanese environmental law training: Once, 40 participants
 - Training on waste treatment laws: Once, 34 participants
 - Seminar on the Act on the Evaluation of Chemical Substances and Regulation of Their Manufacture, etc.: Once, 26 participants

General education

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

■ Main programs in fiscal 2019 (Japan)

- Compliance training
- Training for technology-related staff before posting overseas
- Training for future overseas production engineers

Environmental Management

GRI102-12
GRI302-DMA
GRI305-DMA

▶ Integrated Report
2020
P42
▶ P65
▶ Group Shared
Policy on
Environment

GRI301-DMA
GRI304-DMA

▶ Group Shared
Policy on
Environment
▶ P85

Initiatives related to TCFD, SBT, and RE100

Demand is rising in society for companies to establish specific goals and strategies related to climate changes, as well as climate-change related governance structures, financial backing for accomplishing policies, and related information disclosures. The Ajinomoto Group has endorsed the recommendations of the TCFD. We are currently preparing to disclose information under TCFD guidelines. In April 2020, our greenhouse gas emission reduction targets were approved by the Science Based Targets (SBT) initiative^[1]. In August 2020, we announced that we would join RE100^[2], which aims for using electricity from 100% renewable energy.

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

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

Biodiversity approach

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

Environmental Management

Performance

GRI102-56

GRI301-1

GRI302-1

GRI302-2

GRI302-3

GRI302-4

GRI302-5

GRI303-3

GRI305-1

GRI305-2

GRI305-3

GRI305-4

GRI305-5

▶ Environmental
Data Assurance
Statement

▶ Environmental
Data for product
carbon footprint
value

▶ CDP Climate
Change

Material balance

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

Group emissions decreased in fiscal 2019, particularly in Scope 1 due to the suspension of production at our Pathumthani factory in Thailand for equipment changeover.

INPUT

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

[1] We have redefined "Plastic" and "Other" in "Packaging material." Accordingly, figures of FY2017 and FY2018 have been reclassified.

Environmental Management

OUTPUT

	FY2017	FY2018	FY2019
Scope 3 category 1: Raw materials	8,151,004 t-CO ₂	8,115,946 t-CO ₂ e	7,784,783 t-CO ₂ e
Scope 1	1,244,676 t-CO ₂	1,196,969 t-CO ₂ e	1,013,315 t-CO ₂ e
Scope 3 category 3: Production	406,443 t-CO ₂	381,765 t-CO ₂ e	625,142 t-CO ₂ e
Scope 2	Market-based method 1,072,248 t-CO ₂	Market-based method 1,015,723 t-CO ₂ e	Market-based method 960,375 t-CO ₂ e
	Location-based method 1,092,482 t-CO ₂	Location-based method 1,026,764 t-CO ₂ e	Location-based method 978,066 t-CO ₂ e
Scope 3 category 4: Transport	1,298,840 t-CO ₂	1,274,589 t-CO ₂ e	1,256,044 t-CO ₂ e
Scope 3 category 11: Use	1,308,597 t-CO ₂	1,294,392 t-CO ₂ e	1,353,234 t-CO ₂ e
Scope 3 category 12: Disposal	443,755 t-CO ₂	443,333 t-CO ₂ e	431,048 t-CO ₂ e
Scope 3 category 2: Capital goods	249,316 t-CO ₂	249,944 t-CO ₂ e	255,910 t-CO ₂ e
Scope 3 category 5: Waste generated in operations	81,931 t-CO ₂	140,678 t-CO ₂ e	85,666 t-CO ₂ e
Scope 3 category 6: Business travel	4,255 t-CO ₂	4,479 t-CO ₂ e	4,486 t-CO ₂ e
Scope 3 category 7: Employee commuting	15,398 t-CO ₂	16,206 t-CO ₂ e	16,231 t-CO ₂ e
Scope 3 category 8: Upstream leased assets	Included in category 1	Included in category 1	Included in category 1
Scope 3 category 9: Downstream transportation and distribution	4,518 t-CO ₂	3,780 t-CO ₂ e	3,503 t-CO ₂ e
Scope 3 category 10: Processing of sold products	8,126 t-CO ₂	8,161 t-CO ₂ e	5,517 t-CO ₂ e
Scope 3 category 13: Downstream leased assets	0 t-CO ₂	0 t-CO ₂ e	0 t-CO ₂ e
Scope 3 category 14: Franchises	0 t-CO ₂	0 t-CO ₂ e	0 t-CO ₂ e
Scope 3 category 15: Investments	0 t-CO ₂	0 t-CO ₂ e	0 t-CO ₂ e

Data calculation

Scope of reporting: 127 major business sites that have a significant overall environmental impact within the Ajinomoto Group as defined under the consolidated financial accounting

Reporting period: April 1, 2019 to March 31, 2020

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

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

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

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

Climate change adaptation and mitigation

Approach

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

Specific examples

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

Related opportunities and risks (○ Opportunity ● Risk)

- Collaboration with outside organizations on decarbonization
- Failure to procure raw materials due to climate change
- Higher production costs due to delays in initiatives to eliminate carbon emissions or increased carbon tax burden
- Damaged corporate value due to delayed response to climate change

Key initiatives by the Ajinomoto Group

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

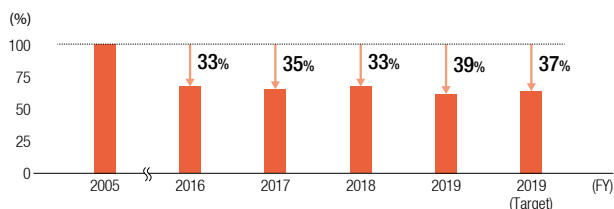
Related SDGs



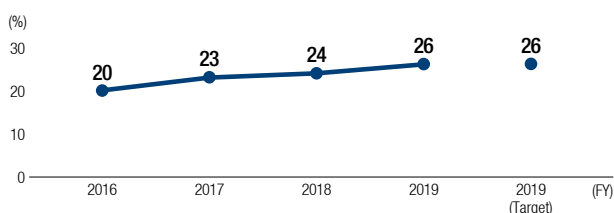
KPIs set in the 17-19 MTP

Reduce greenhouse gases

- Reduction rate of greenhouse gas emission volume vs. emission intensity (vs. FY2005)

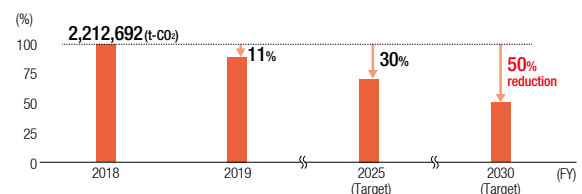


- Renewable energy use ratio



KPIs set in the 20-25 MTP

Greenhouse gas emission reduction rate (vs. FY2018)



Approach

GRI102-12

GRI201-2

▶ Integrated Report
2020
P42-43
▶ P61

Endorsing the TCFD

Endorsing the TCFD, joining the TCFD Consortium

Ajinomoto Co., Inc. has endorsed the recommendations of the TCFD established by the Financial Stability Board^[1], and we are participating in the TCFD Consortium^[2], launched in May 2019. The Ajinomoto Group will evaluate the risks and opportunities of climate change on business, and actively disclose relevant information in four areas based on TCFD recommendations: governance, strategy, risk management, and metrics and targets.

[1] An international organization consisting of representatives from central banks, financial supervisory agencies, and finance ministries.

[2] A consortium for investors and companies supporting the TCFD to jointly develop and use industry-specific scenario analysis and quantification techniques.

Information disclosure in four areas based on TCFD recommendations

■ Governance

The Management Risk Committee and Environmental Committee, organized under the Executive Committee, review appropriate responses to the risks and opportunities related to climate change.

The Management Risk Committee identifies the risks and opportunities related to climate change and considers the appropriate responses. The Environmental Committee develops environmental targets and plans, monitoring performance in keeping with our environmental management system. These details are reported to the Executive Committee and the Board of Directors at least once a year. The Executive Committee and the Board ensure these details are included in our corporate strategy. The Board of Directors makes decisions on capital expenditures from an overall perspective, taking into account environmental assessment results, including the impact of climate change.

■ Strategy

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

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

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

Climate Change Adaptation and Mitigation

Performance

GRI201-2

▶ Integrated Report
2020
P43

■ Risk Management

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

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

■ Metrics and Targets

In our medium- and long-term environmental targets, the Group aims to reduce absolute Scope 1 and 2 GHG emissions by 50% by fiscal 2030 (compared with fiscal 2018). We also aim to reduce water usage per production volume unit by 80% (compared with fiscal 2005) over the same timeframe.

We have measured and reported our GHG emissions and water consumption since 1996. See Integrated Report 2020 for more on our roadmap for reducing greenhouse gas emissions.

Summary of scenario analysis conducted in fiscal 2019

Following fiscal 2018, the Ajinomoto Group conducted a scenario analysis for fiscal 2019 of the potential impact of climate change using our mainstay umami seasoning *AJI-NO-MOTO*[®]. This time, we expanded the target of our analysis from Southeast Asia in the prior year to all of our production facilities worldwide. As a result of the analysis, we confirmed that the impact of an increase in average temperature of 2°C by the year 2100 on our main raw materials and changes in demand would be relatively small, with no significant impact on profits. On the other hand, we found a financial risk of between 8 billion yen and 10 billion yen due to increases of energy unit prices and increases of carbon taxes^[1] associated with the advancement of low-carbon societies.

In fiscal 2020, we plan to conduct our scenario analysis assuming a scenario in which the average temperature rises by 4°C by 2100 as well as to expand our scenario analysis to other business areas. We are also considering internal carbon pricing^[2] and other systems to reduce financial risk.

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

[2] A system in which companies set their own internal carbon price, promoting low-carbon investment and countermeasures. This system is used as an incentive to promote energy conservation, to identify revenue opportunities and risks, and as a guide in investment decision-making.

Reduction of greenhouse gas emissions in the value chain

Performance

GRI302-1
 GRI302-4

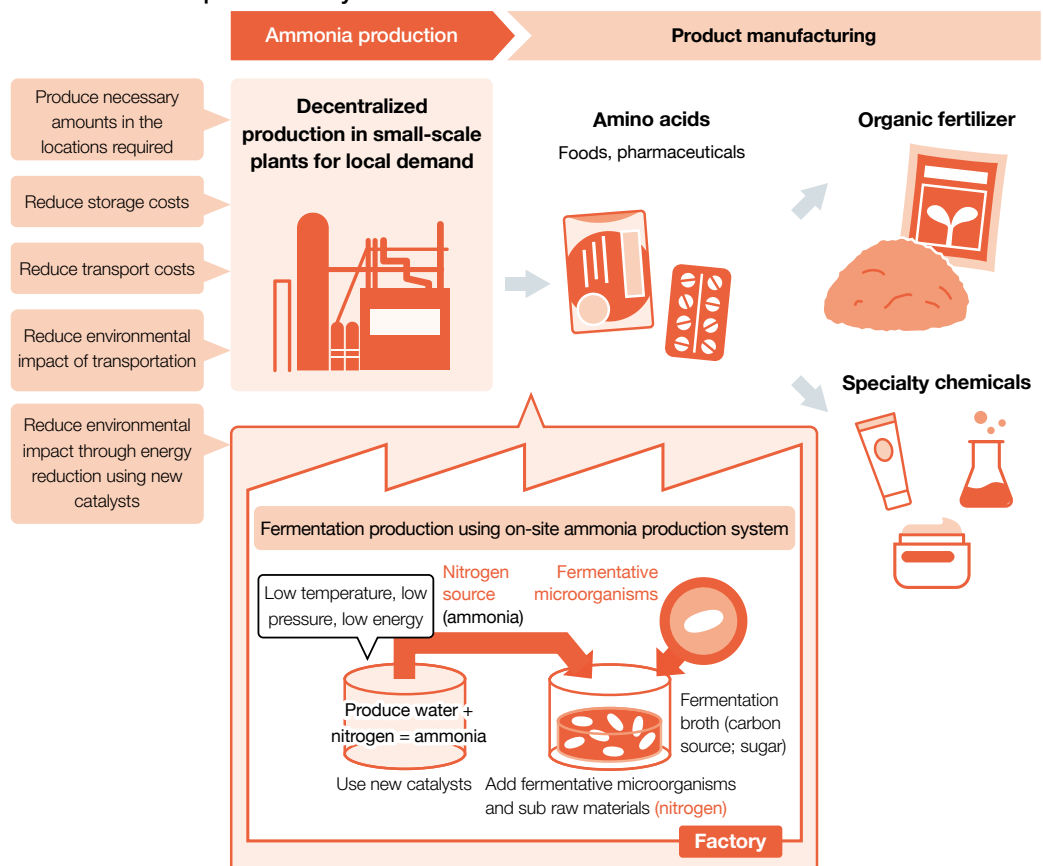
Reducing environmental impact through on-site ammonia production

The Ajinomoto Group purchases ammonia for our amino acid fermentation processes. Currently, ammonia is generally produced worldwide using the Haber-Bosch process. This is an excellent production technology that synthesizes ammonia using only hydrogen obtained from nitrogen in the air and natural gas. However, due to the need for high-temperature and high-pressure reaction conditions, production is concentrated in large-scale plants and performed at enormous scale. Capital investment related to this process is extremely costly. In addition, transport to areas of demand scattered throughout the world requires large amounts of energy.

To solve these problems, Ajinomoto Co., Inc. is working toward practical implementation of on-site production to produce the necessary amount of ammonia where it is needed. In 2017, the Company, in partnership with Professor Hideo Hosono of the Tokyo Institute of Technology and others, established Tsubame BHB Co., Ltd. Through this company, we are working toward the practical application of an innovative ammonia production technology using electrified catalyst. Electrified catalysts allow for highly efficient synthesis of ammonia, even under low-temperature and low-pressure conditions. This means ammonia can be produced at small-scale plants, something considered difficult to accomplish under the Haber-Bosch process.

In October 2019, we completed a pilot production facility at the Company's Kawasaki Plant, launching operations capable of small-scale production of several tens of tons per year. Moving forward, we intend to verify long-term durability and optimal operating conditions, preparing for commercialization of on-site ammonia production between 2021 and 2022.

On-site ammonia production system



Climate Change Adaptation and Mitigation

Performance

- GRI302-1
- GRI305-4
- GRI305-5
- GRI305-6

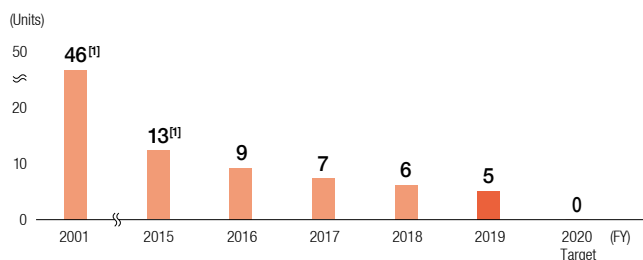
Management of fluorocarbons

The Kigali Amendment to the Montreal Protocol, which regulates ozone-depleting substances, came into force in January 2019, setting gradual reduction targets for hydrofluorocarbons (HFC). In response, we revised the Ajinomoto Group policies for reducing fluorocarbons.

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

With regard to the seven Group frozen food factories in Japan, we converted 1 unit to natural refrigerants during fiscal 2019. We plan to convert the remaining 5 units and eliminate the use of fluorocarbons by the end of fiscal 2020.

Number of freezers using fluorocarbons (frozen food factories in Japan)



[1] The numbers were revised due to recalculation.

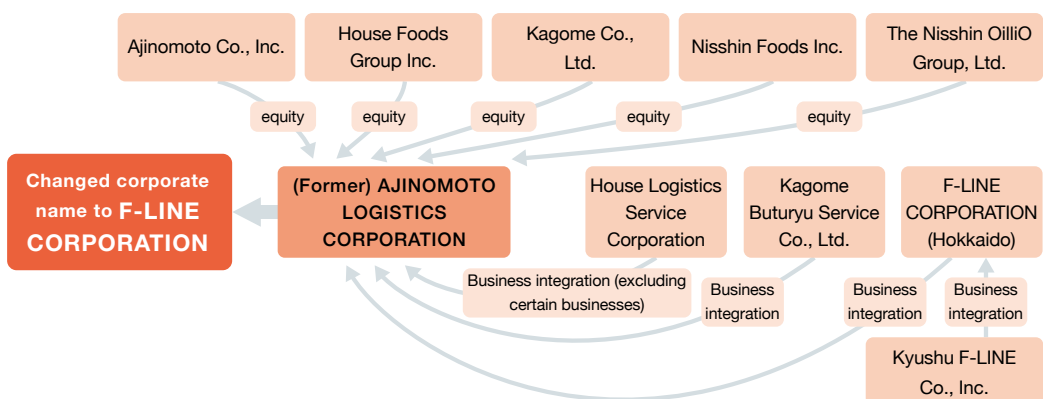
Performance

- GRI302-2
- GRI302-3
- GRI302-4

Initiatives in transportation

Logistics is an indispensable part of the value chain for manufacturers. The Ajinomoto Group is also working to establish a sustainable logistics system. In April 2019, Ajinomoto Co., Inc. established joint logistics company F-LINE CORPORATION in partnership with four other food manufacturing companies^[2]. We consider this company to be a tangible platform derived from the F-LINE (Future Logistics Intelligent Network) Project launched in 2015 by six food manufacturers^[3]. In a spirit to *compete on products, but distribute in cooperation*, the goal of this entity is to provide efficient logistics throughout Japan through joint transport. The F-LINE Project provides cooperative distribution for the original six participating companies in Hokkaido and Kyushu, as well as a joint mainline trunk transport in Hokkaido.

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



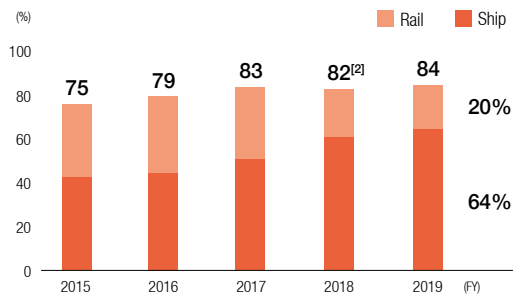
[2] House Foods Group Inc., Kagome Co., Ltd., Nisshin Foods Inc., Nisshin Oillio Group, Ltd.

[3] Consisting of the four companies listed above, Mizkan Co., Ltd., and Ajinomoto Co., Inc.

Climate Change Adaptation and Mitigation

The Ajinomoto Group has pursued modal shift^[1] since 1995 in an effort to enhance transport capacity and lower environmental impact. During fiscal 2019, Ajinomoto Co., Inc. achieved an overall 84% long-distance transport modal shift by using ships for transport.

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



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

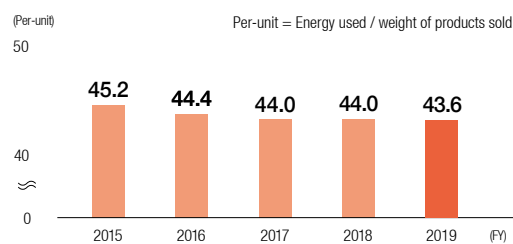
[2] Correction due to a description error.

Per-unit energy use in logistics

Ajinomoto Co., Inc., Ajinomoto Frozen Foods Co., Inc., and Ajinomoto AGF, Inc. are considered specified consignors under the Energy Conservation Act in Japan. Each company is legally obligated to make efforts in reducing per-unit energy use (crude oil equivalent) within their cargo logistics by at least 1% per year on average over five years, reporting results to the Japanese government.

We have worked to conserve energy through joint transport, unloading overseas products directly at major customer import terminals, and other measures. However, the impact of an increase in the number of applicable plants, increase in inventory transport volume, contraction in beverage business which deals with relatively heavy products, and other factors have produced only an average 0.9% reduction in per-unit combined energy use for the 3 companies over the five-year period by fiscal 2019.

Per-unit energy use in logistics^[3]



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

Climate Change Adaptation and Mitigation

Performance

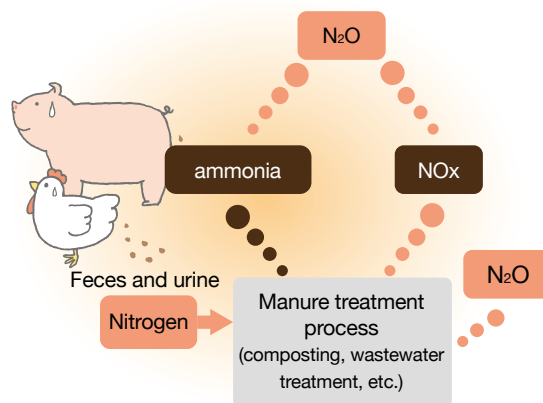
GRI302-5

▶ P89

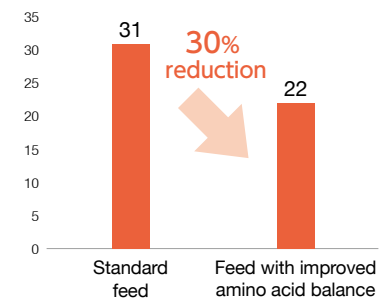
Reducing livestock nitrogen emissions with feed-use amino acids

Feeds with poor amino acid balance lead to an oversupply of unnecessary amino acids. This oversupply is not utilized by the animals and excreted in large quantities as nitrogen compounds. During the waste treatment process, nitrogen compounds turn into nitrous oxide (N_2O), which increases environment impact at approximately 300 times the global warming potential of CO_2 . Feed-use amino acids improve balance of feeds, reducing excretion and reduce excreted nitrogen compounds by approximately 30%. Amino acids thus help reduce the life-cycle CO_2 (LC- CO_2) emissions of feed while also helping diminish odor caused by ammonia derived from nitrogen compounds. Other benefits include reduced soil, surface water, and groundwater pollution.

N_2O cycle



Nitrogen emissions per pig (g/day)



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

Contribution to a circular economy

Approach

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

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

Specific examples

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

Related opportunities and risks (○ Opportunity ● Risk)

- Development of environmentally-friendly materials
- Damaged corporate value due to delays in waste reduction or recycling efforts

Key initiatives by the Ajinomoto Group

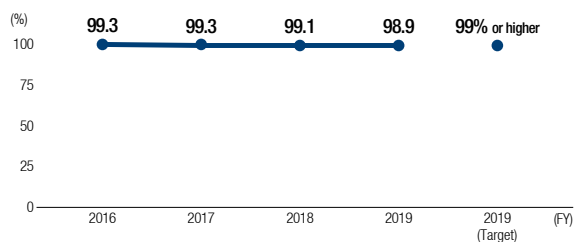
- Supplying highly biodegradable amino acid-based detergent
- Promoting the 3Rs of containers and packaging (reduction of plastic waste, etc.)
- Eco-friendly packaging (single-layer materials, biodegradable plastics, plant-derived materials, certified paper)
- Promoting use of environmentally-friendly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

Related SDGs



KPIs set in the 17-19 MTP

Resource recovery ratio of waste generated by business activities



KPIs set in the 20-25 MTP

Plastic waste

FY2030 target: Achieve **“Zero”**

Performance

GRI301-3
 GRI306-2

Reduction of waste across product lifecycles

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

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

In fiscal 2019, generation of hazardous waste increased compared with the previous year due to increased utilization rate of biomass boilers aimed for the reduction of GHG emissions, which resulted in an increase in cinders (rice husk ash). However, the amount of recycled hazardous waste also increased, while the amount of landfilling of hazardous waste declined, due to the effective use of cinder as fertilizer and fertilizer raw materials. To deal with the risk of carcinogenic substance emissions that can occur when the rice husk is burned at high temperatures, we carried out work environment measurements to confirm that environmental risks are low.

Volume of waste and by-products; resource recovery ratio

(tons)

	FY2015	FY2016	FY2017	FY2018	FY2019
Hazardous waste (waste acid, waste alkali, waste oil, cinder)					
Generated	60,431	59,217	59,162	69,991	83,834
Recycled	59,457	58,890	58,862	68,422	83,429
Incinerated	14	54	24	40	60
Landfills	959	274	276	1,529	345
Non-hazardous waste					
By-products					
Generated	2,435,544	2,337,284	2,395,249	2,194,566	2,021,002
Composted	2,434,281	2,335,451	2,394,976	2,194,470	2,020,885
Incinerated	0	0	0	0	0
Landfills	1,263	1,832	273	96	117
Other					
Generated	140,464	178,861	178,989	174,651	181,246
Recycled	131,258	163,414	161,455	153,388	156,432
Incinerated	1,293	3,021	2,066	2,821	2,121
Landfills	7,913	12,426	15,467	18,442	22,693
Total generated	2,636,439	2,575,361	2,633,400	2,439,208	2,286,082
Total recycled	2,624,997	2,557,755	2,615,293	2,416,280	2,260,745
Total waste	11,442	17,606	18,107	22,928	25,337
Resource recovery ratio	99.6%	99.3%	99.3%	99.1%	98.9%

Contribution to a Circular Economy

Approach

GRI301-DMA
GRI301-3

Framework

GRI306-DMA
▶ Integrated Report
2020
P44

Container and packaging design for the environment

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

Efforts toward environmentally conscious container and packaging design

The Ajinomoto Group deals in a wide range of containers and packaging for our products, including seasonings, packaged food products, frozen foods, coffee products, fats and oils, and more. We hold the Ajinomoto Group Food Conference and the Packaging Designers' Liaison Meeting, and other events for Group companies in Japan to share efforts and receive feedback in environmentally conscious container and packaging design.

Reducing plastic waste

In recent years, the problem of marine plastics have become a pressing global issue. The Ajinomoto Group uses approximately 270,000 tons of packaging materials annually, of which approximately 70,000 tons is plastic. About 40% of that amount is plastic used in Japan and 60% overseas. Substantial quantities of these materials are used in Southeast Asia, where there is increasing concern about the effects of plastic packaging materials released into the environment.

The Ajinomoto Group has set a goal to reduce Group plastic waste to zero by fiscal 2030. To promote this initiative more strategically, we launched a companywide project called *Project Zero* in March 2020.

Under this project, we pursue two main goals: (1) reduce plastic usage and (2) develop conditions needed for recyclability as resources. To reduce usage, we are thinning and downsizing packaging, replacing with paper materials where possible. To develop conditions needed for recycling, we will consider introducing mono-material plastic packaging and biodegradable plastics that are easy to recycle as resources.

See Integrated Report 2020 for more on our roadmap for reducing plastic waste.

Contribution to a Circular Economy

Performance

Cases of environmentally conscious container and packaging design

■ Ajinomoto Co., Inc.

- In October 2019, Ajinomoto Co., Inc. adopted a backless tube for use in *JINO AminoCeutical Cream* (face moisturizer). This new tube reduces plastic by roughly 90% compared to the previous version. The design prevents air from entering the tube after the cream is squeezed out, extending the quality retention period of the product.
- Ajinomoto Co., Inc. introduced ultrasonic sealing for film packaging in the six-stick trial version of our *Glyna*® and *Amino Aile*® products (supplements). This technique reduces plastic use by 32% compared to the previous version. The company received the Japan Packaging Contest 2019 Director of General, Industrial Science and Technology Policy and Environment Bureau, Ministry of Economy, Trade and Industry Award and the WorldStar Packaging Awards 2020 WorldStar Award for this design.

■ Ajinomoto AGF, Inc.

- Ajinomoto AGF, Inc. launched the *Blendy*® *Stick Café au Lait Eco Style* (stick coffee) in October 2019 as the first stick coffee product in the industry to use paper for a portion of the packaging. The company reduced plastic by roughly 20% compared to the previous version of stick product without having to change the product expiration date. The company received the Japan Packaging Institute Award in the 59th Japan Packaging Contest 2020 for this design.
- In February 2020, Ajinomoto AGF, Inc. adopted Shelf-Ready Packaging (SRP: environmentally conscious cardboard packaging requiring less labor) for packaging materials in our home-use PET bottled coffee and instant coffee bag products (excluding commercial-use versions). Compared to previous versions, time required to open boxes is reduced by roughly 10 seconds. At the same time, the product eliminates the need for plastic tape, reducing plastic use by nearly 3.4 tons per year.



JINO AminoCeutical Cream 20g, 40g



Glyna® and *Amino Aile*® six-stick trial package



Blendy® *Stick Café au Lait Eco Style*



Blendy® bottled coffee

Previous version (left)

Designed to open using the white plastic tape inside cardboard



SRP version (right)

Designed to be easy to open using perforations instead of plastic tape

Contribution to a Circular Economy

Performance

GRI102-12

GRI306-DMA

▶ Participation in Initiatives

Cooperation with outside organizations

The Ajinomoto Group conducts activities to encourage consumer awareness of the 3Rs through collaboration with packaging recycling organizations and government-related groups in Japan.

As part of our efforts to reduce plastic waste, we participate as a founding member in CLOMA^[1], a platform for accelerating innovation by strengthening cross-industry cooperation across a wide range of stakeholders. We are active in secretary and sub-committee chair (promotion subcommittee) positions. In December 2019, we joined as corporate partner in Loop, a container collection and reuse enterprise developed by TerraCycle of the U.S., a global startup in recycling. This platform has been adopted by the Tokyo Metropolitan Government as a new business model for the sustainable use of plastics. An environmental impact verification test for 5,000 households in Tokyo is scheduled to begin in the fall of 2020. The Ajinomoto Group plans test sales of granule seasonings and instant coffee.

[1] The Japan Clean Ocean Material Alliance



Reusable packaging used under Loop (prototype)

■ Other Activities

- Presentation at the JAPAN PACK2019 Special Environment Forum
- Presentation at the Fiscal 2019 NEDO TSC Foresight Seminar
- Presentation at the Japan-UNIDO Multi-stakeholder Cooperation Dialogue
- Presentation at the 53rd Food Packaging Symposium

Contribution to a Circular Economy

Performance

GRI301-3

GRI307-DMA

Environmental assessment of containers and packaging

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

Table 1: Environmental assessment checklist

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

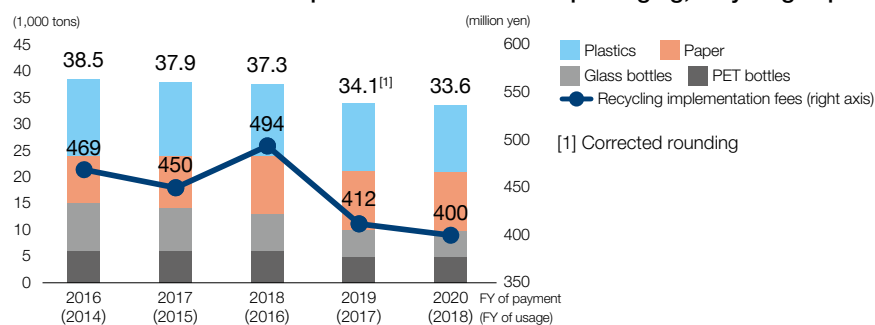
Table 2: Eco-Index for containers and packaging

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

Under the Containers and Packaging Recycling Act in Japan, the recycling of containers and packaging waste from households is consigned to the Japan Containers and Packaging Recycling Association. In fiscal 2018, Ajinomoto Co., Inc., Ajinomoto Frozen Foods Co., Inc., and Ajinomoto AGF, Inc. used a combined 33.6 kilo tons of containers and packaging subject recycling requirements, down to 98.8% compared with the previous fiscal year. Based on this usage, recycling implementation fee payments for fiscal 2020 amounted to 400.6 million yen, down to 97.2% compared with the previous fiscal year.

While our use of plastic containers/packaging and PET bottles was almost unchanged, use of glass bottles decreased to 94.2% compared to the previous fiscal year due to the end of sales of bottled gift products. This resulted in lower year on year recycling implementation fee payments for fiscal 2020 despite the higher unit price of recycling fees.

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



Contribution to a Circular Economy

Performance

GRI303-1

Expanding the supply of highly biodegradable amino acid-based surfactants

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

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

Specifically, we plan to construct a new plant for glutamic acid-derived *Amisoft*® (liquid) in Brazil. The new plant is slated to begin operations in 2020. Once the plant is up and running, a portion of *Amisoft*® (liquid) production in Japan will be transferred to Brazil. The production facilities in Japan will be redirected to make glycine-derived *Amilite*® (liquid). This will increase the production capacity of *Amisoft*® (liquid) by approximately 60% and approximately 30% for *Amilite*® (total for all product forms). In this way, we will strive to resolve the supply shortages in amino acid-based surfactants.

Performance

GRI301-3

GRI417-1

▶ P81

▶ *Aji-na Eco* mark
(Japanese only)

Ajinomoto Group eco-labels: *Aji-na Eco* and *Hotto-suru Eco*

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



Number of
Aji-na Eco mark
products
210

As of March 2020

What is *Aji-na Eco*?

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



Number of
Hotto-suru Eco
mark products
263

As of March 2020

What is *Hotto-suru Eco*?

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

■ Types of *Aji-na Eco* and *Hotto-suru Eco* marks

- Plant-based plastics
- Recycled plastic
- Sustainable timber
- Recycled paper
- Reduced packaging
- Refillable
- No tray usage
- Easy recycling and disposal
- No box usage
- Natural defrosting

Reduction of food loss and waste

Approach

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

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

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

Specific examples

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

Related opportunities and risks (○ Opportunity ● Risk)

- Cost reduction through initiatives to reduce product returns and waste
- Damage to corporate value due to delays in addressing food loss and waste

Key initiatives by the Ajinomoto Group

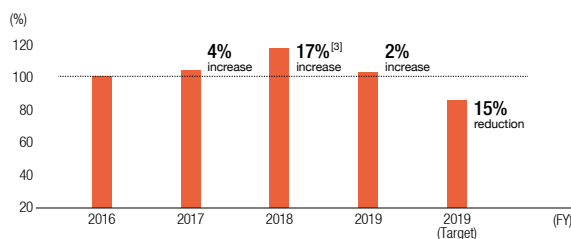
- Using raw materials in manufacturing process without waste
- Upgraded, optimal supply chain management using digital technology
- Reducing product returns and waste by extending product best-before dates, etc.
- Reducing food loss and waste during product use by consumers
- Proposing eco-friendly lifestyles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

Related SDGs



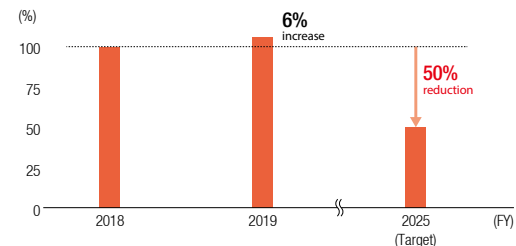
KPIs set in the 17-19 MTP

Reduction rate of food loss and waste (amount generated)^[2] (vs. FY2016)



KPIs set in the 20-25 MTP

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



[2] From the acceptance of raw materials to delivery to customers. In 17-19 MTP, the amount included those used for feed and fertilizer.

[3] Updated with the data for companies newly added to the Ajinomoto Group.

Contribution to reducing food loss and waste

Performance

GRI306-DMA
 GRI306-2
 GRI307-DMA

▶ Integrated Report
 2020
 P45

Food loss and waste: definition and scope

The Ajinomoto Group defines food loss and waste as food (edible portions) that is treated or disposed of in waste water treatment, landfill, or incineration. This definition excludes food ultimately used for feed or fertilizer. Food waste turned into feed and fertilizer is not regarded as food loss and waste, since it is returned to nature through the biocycle and leads to the reproduction of more food.

Food loss and waste reduction targets

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

Food loss and waste in fiscal 2019 increased by 2% compared with fiscal 2016 (base year of 17-19 MTP) and increased by 6% compared with fiscal 2018 (base year of 20-25 MTP). We are currently conducting a detailed analysis of the underlying causes of food loss and waste as we plan initiatives to reduce food loss and waste in the future.

Our 17-19 MTP referenced fiscal 2016 as the base year for food loss and waste reduction measurement; however, our figures prior to fiscal 2017 were not sufficiently accurate. Therefore, our 20-25 MTP uses fiscal 2018 as our base year.

Targets and results for food loss and waste reduction (17-19 MTP)

	FY2017 Result	FY2018 Result	FY2019 Target	FY2019 Result
Food loss and waste reduction rate from the acceptance of raw materials to delivery to customers (amount generated ^[1]) (vs. FY2016)	4% increase	17% increase ^[2]	15% decrease	2% increase

[1] In 17-19 MTP, the amount included those used for feed and fertilizer.

[2] Updated with the data for companies newly added to the Ajinomoto Group.

Targets and results for food loss and waste reduction (20-25 MTP)

	FY2019 Result	FY2020 Target	FY2025 Target
Food loss and waste reduction rate from the acceptance of raw materials to delivery to customers (per production volume unit) (vs. FY2018)	6% increase	20% decrease	50% decrease

The major food loss and waste categories generated by the Group are as follows:

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

See Integrated Report 2020 for more on our roadmap for reducing food loss and waste.

Reduction of Food Loss and Waste

Performance

Reducing food loss and waste through manufacturing, distribution, and sales collaboration

Food loss and waste in Japan amounts to roughly 6.12 million tons annually (Ministry of Agriculture, Forestry and Fisheries of Japan estimate for fiscal 2017). This level of food loss and waste is about 1.6 times the 3.9 million tons of global food aid provided (2018 United Nations World Food Programme survey). Since 2011, Ajinomoto Co., Inc. has been collaborating with the Japanese government and all manufacturing, distribution, and sales sectors to study changing best-before date labels to a month-year format, extending best-before dates, and optimizing delivery dates. In August 2018, the Company and Ajinomoto AGF, Inc. extended best-before dates and switched from day-month-year to month-year labels for major home-use products.

- Advantages of changing the best-before label to a month-year format across the entire supply chain
 - Fewer lots to manage
 - Minimizes storage space
 - Simplifies warehouse and store operations

We participated in the Japanese project for the *10x20x30 Food Loss and Waste Reduction Initiative*, proposed by the World Resources Institute of the United States in December 2019. In this way and more, the Ajinomoto Group will continue to collaborate with government agencies and all manufacturing, distribution and sales sectors, reducing food loss and waste throughout the supply chain.

Unique technology to address food loss and waste

Food loss and waste from the food service industry and retail stores are now a major concern as dining out and home meal replacement (food purchased for home consumption) become more commonplace.

Using enzyme technology and proprietary formulas, Ajinomoto Co., Inc. offers the food service and home meal replacement industries in Japan a number of products to help reduce food loss and waste at our customers. These products include *Okome Fukkura Choriyo* (retains the texture of freshly cooked rice for an extend period of time), *Kara-Age/Oniku Juicy Choriyo* (retains the flavor of deep-fried chicken and other meat dishes even after cooling), *Koku no Chikara*® (retains the flavor of meat dishes, even after an extended period of time), and *Knorr® Beef Kaoritatsu Demiglace Sauce* (use in only the amount necessary; adjust to desired flavor intensity and thickness).



Okome Fukkura Choriyo



Kara-Age/Oniku Juicy Choriyo



Koku no Chikara®



Knorr® Beef Kaoritatsu Demiglace Sauce

Green living together with consumers

Approach

- ▶ P77
- ▶ *Eco-Uma Recipe*®
(Japanese only)
- ▶ *Aji-na Eco mark*
(Japanese only)

In Japan, food loss and waste from households amounts to 2.84 million tons annually, representing half of all food loss and waste in the country (Ministry of Agriculture, Forestry and Fisheries estimate for fiscal 2017). The Ajinomoto Group strives to reduce household food loss and waste by encouraging eco-friendly eating in daily dining and food preparation. Eco-friendly eating consists of choosing environmentally friendly products and enjoying food without wasting ingredients.

■ Recipes

Since 2009, we have promoted *Eco-Uma Recipes*® (eco-friendly and delicious recipes) through websites and events, encouraging consumers to create delicious everyday meals without waste.

■ Eco-mark labels

To help consumers quickly recognize and select eco-friendly products whenever possible, we introduced unique eco marks (*Aji-na Eco* and *Hotto-suru Eco* marks) in 2010.

■ Environmental learning programs

Since fiscal 2016, Ajinomoto Co., Inc., together with Kao Corporation and E-Square Inc. have been conducting the environmental learning program, “Summer Challenge: Exploring the Earth’s Future through Food and Daily Living” in cooperation with Kawasaki City in Kanagawa Prefecture. This program is designed for the city’s fifth graders and their parents.



Participants of environmental learning programs

Sustainable materials sourcing

Approach

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

Specific examples

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

Related opportunities and risks (○ Opportunity ● Risk)

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

Key initiatives by the Ajinomoto Group

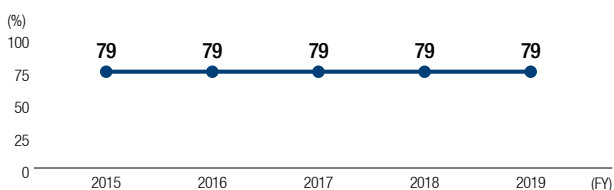
- Management of fair operating practices (traceability, etc.)
- Promoting sustainability to suppliers
- Human rights due diligence
- Identifying important raw materials and engaging in responsible procurement (paper, palm oil, skipjack, etc.)
- Ensuring fair competition and providing thorough employee training
- Contributing to sustainable agriculture by using co-products

Related SDGs



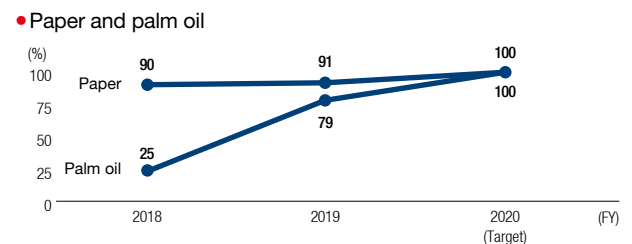
KPIs set in the 17-19 MTP

Ratio of factories installing resource-saving fermentation technologies



KPIs set in the 20-25 MTP

Sustainable procurement ratio



- Other important raw materials (coffee beans, soybeans, beef)

FY2030 target: **100%**

Initiatives related to key raw materials

Identification of key raw materials

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

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

Ajinomoto Group key raw materials

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

Approach

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

- ▶ Ajinomoto Group Palm Oil Procurement Guidelines
- ▶ Ajinomoto Group Paper Procurement Guidelines
- ▶ Participation in RSPO
- ▶ Participation in CSPU
- ▶ CDP Forests

Sustainable Materials Sourcing

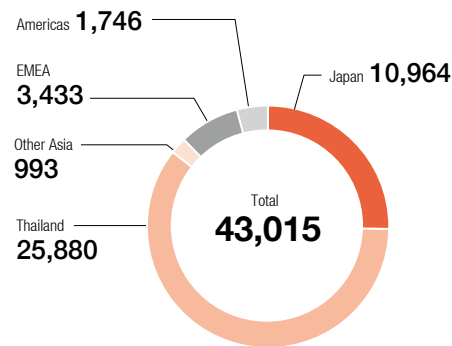
Performance

Sustainable procurement of palm oil

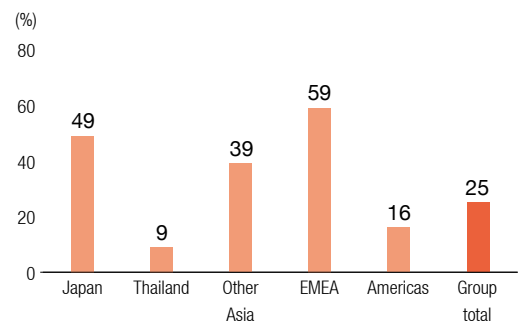
The Ajinomoto Group uses palm oil in a variety of products and applications, from packaged food products such as cup soup, instant noodle, and coffee creamer, to specialty chemicals made in Japan, Southeast Asia, Europe, and South America. Certain products use palm kernel oil, which is harder to procure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

With a Group target to procure 100% sustainable palm oil by fiscal 2020, we achieved 79% in fiscal 2019. We also achieved a rate of 25% in procuring palm oil certified by the RSPO.

FY2019 palm oil procurement by the Ajinomoto Group (tons)



FY2019 certified palm oil procurement ratio



Performance

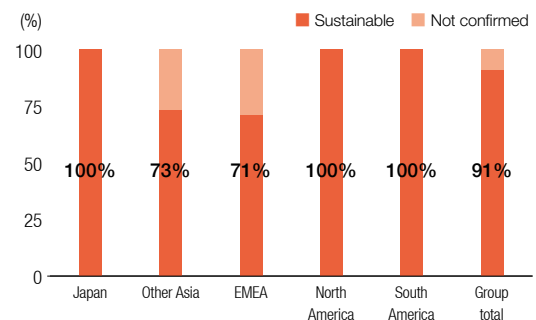
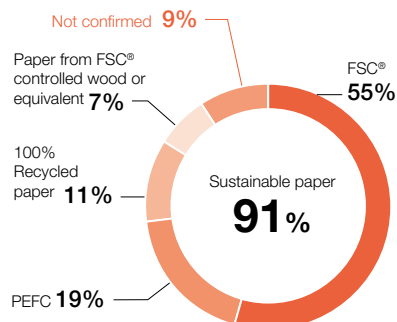
GRI204-DMA
 GRI301-2
 GRI301-3

Sustainable procurement of paper

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

With a Group target to procure 100% sustainable paper by fiscal 2020, in fiscal 2019, sustainable paper represented 91% of total container and packaging paper use.

FY2019 sustainable paper procurement ratio



Sustainable Materials Sourcing

Performance

- ▶ WCPFC
- ▶ P87

Approach

GRI204-DMA

Performance

- ▶ P92

Sustainable procurement of beef and soybeans

The Ajinomoto Group aims to procure 100% sustainable beef and soybeans by fiscal 2030. We are currently considering specific initiatives such as ensuring traceability.

Sustainable procurement of fisheries resources

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

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

Sustainable procurement of coffee beans

Coffee beans are grown in areas of the world rich in biodiversity, often by small farms. The Ajinomoto Group has endeavored to procure coffee beans produced at farms that adhere to standards set by the 4C certification system^[1]. This system aims to improve environmental conditions at coffee farms and better the lives of farm workers, while encouraging sustainable production and distribution.

In fiscal 2019, approximately 44% of the coffee beans we procured were from farms that adhere to the 4C standards.

In fiscal 2020 and going forward, we plan to increase the 4C-certified procurement ratio of coffee beans as well as adding the 4C certification logo to stick-type coffee products to notify consumers of our efforts.

[1] 4C (Common Code for the Coffee Community) is an independent, stakeholder-driven, internationally recognized sustainability standard for the entire coffee sector, aiming at anchoring sustainability in coffee supply chains.

Coffee cultivation experiments using high-value-added fertilizer

The Ajinomoto Group has been conducting tests in different coffee-producing regions with the goal of using high value-added fertilizers made from by-products (co-products) of the fermentation process in producing amino acids (see P. 90). Our hope is that, eventually, this coffee will be part of a circular economy.

■ Japan

In 2017, Ajinomoto AGF, Inc. began working with local producer associations, governments, and trading companies to develop a next-generation business through the Tokunoshima Coffee Production Support Project in Tokunoshima, Kagoshima Prefecture. This project supports the expansion of coffee bean production in one of the few coffee bean producing areas in Japan. We provide support via production technology and soil improvement using high value-added fertilizer. Our aim is to introduce Tokunoshima coffee bean products to the market.

Sustainable Materials Sourcing

▶ P93

■ Colombia

In fiscal 2019, we conducted a test using *AJIFOL*® foliar fertilizer to enhance resistance to coffee rust and other diseases. The results of this test, confirmed via laboratory experiments, showed enhanced resistance to coffee rust and proof-of-concept tests are currently underway at farms.

■ Vietnam

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

■ Brazil

Having completed a two-year trial using high-value-added fertilizer, we began using this product in regular coffee cultivation in fiscal 2019. In fiscal 2020, we intend to increase the number of farms supported by our high-value added fertilizer, making Group products that use the coffee beans produced at these farms.

■ Indonesia

We have provided support for farmers producing Robusta coffee beans in the form of high-value-added fertilizer in the Pagar Alam area of Sumatra. We also plan to provide this support in the Surabaya area of Java and the Sidikalang area of Sumatra beginning in fiscal 2020. We began providing support for Arabica producers as well. As the first stage in this program, in February 2020, we began providing *AJIFOL*® to contract farmers producing Rasna, a variety of Arabica, to test productivity improvements.



Fertilizer application (Indonesia)

Supply chain management

Framework

GRI102-9
 GRI204-DMA
 GRI308-DMA
 GRI407-DMA
 GRI414-DMA

Performance

GRI204-DMA
 GRI407-DMA
 GRI414-1

▶ Group Shared Policy for Suppliers
 ▶ P40
 ▶ P89

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

▶ Group Shared Policy on Human Rights
 ▶ 2019 Human Rights Impact Assessments and Due Diligence by Country
 ▶ P58

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

Supply chain initiatives

The Ajinomoto Group states our expectations to suppliers related to sustainability in the Group Shared Policy for Suppliers and asking our suppliers for their understanding and cooperation to ensure human rights compliance and social responsibility in the supply chain. In May 2018, we joined Sedex, a collaborative platform for sharing responsible sourcing data related to supply chains. Using this platform, suppliers and buyers can disclose and view information related to business practices and sustainability.

In fiscal 2019, we surveyed suppliers not yet members of Sedex to confirm whether the supplier intended to join. We also conducted a survey comparable to the Sedex survey (self-assessment questionnaire), receiving a 73% response rate from suppliers.

During fiscal 2020, we plan to use Sedex and self-assessment questionnaires to continue evaluations and communications with suppliers in Japan and overseas.

Supplier hotlines

The Ajinomoto Group established a supplier hotline in June 2018. The hotline complements the hotline available to Group executives and employees. Reporting from suppliers facilitates the early detection and correction of Group executive and employee behaviors that are potentially in violation of the law or the Ajinomoto Group Policies (AGP). Ultimately, the hotline will also be used to detect violations of human rights, environmental laws, or other violations in our supply chain.

Human rights due diligence

The Ajinomoto Group Shared Policy on Human Rights demonstrates our commitment to evaluate the impact of our businesses on human rights and clarify risks related to human rights.

During fiscal 2018, we conducted a human rights impact assessments on our fisheries and chicken industry supply chain in Thailand, which is a comparatively high-risk environment. In fiscal 2019, we conducted a preliminary human rights impact assessment with respect to sugarcane and coffee sourced in Brazil, a region close behind Thailand in terms of risk. In Japan, we conducted follow-up on technical intern training programs for foreign nationals working among suppliers and strengthened ties to organizations that provide workers and oversight groups.

During fiscal 2020, we plan to continue human rights impact assessments in Brazil. We also plan to reduce risks on human rights through initiatives related to the three priority industry principles^[1] on forced or compulsory labor by the CGF, while adopting a system to monitor working environments for foreign workers in our supply chain.

[1] Industry priority principles for eliminating forced labor

Animal welfare

Approach

GRI204-DMA

GRI301-DMA

▶ Group Shared Policy on Better Mutual Relationships with Animals

Performance

Creating policies and holding dialogues with society

The Ajinomoto Group deals with animals throughout our businesses and product development. Animal-derived ingredients such as meat, eggs, and extracts are essential for the food products we produce. In recent years, the issue of animal welfare has received greater attention. However, no strict definition has ever been established for the concept of animal welfare. The concept is understood differently by people in different countries and regions.

Therefore, in 2018, we established the Group Shared Policy on Better Mutual Relationships with Animals. This policy defines our approach to procurement in keeping with the concept of animal welfare. In addition, we have set up roundtables consisting of external experts to respond flexibly to social trends and demands. We also promote dialogue with stakeholders in this regard. We will continue to hold dialogues with stakeholders involved in the Group's procurement of animal-derived ingredients under our newly established Farm Animal Welfare Working Group (tentative name). We will leverage these interactions to exchange opinions at roundtables and improve the understanding of animal welfare by the Group's personnel in charge of procurement. Through these efforts, we aim to build a better symbiotic relationship with all animals involved in the value chain.

Roundtables on better animal welfare

Roundtable meetings held since February 2020 are outlined below.

Attendees

Facilitator	Junko Edahiro (Professor, Graduate School of Leadership and Innovation, Shizenkan University)
External members (in alphabetical order)	Arisa Kishigami (ESG/sustainability specialist) Shigeru Kyuwa (Professor, University of Tokyo) Kenichi Takeda (Associate Professor, Shinshu University)
Ajinomoto Co., Inc. members	Hiroyuki Kojima (officer in charge of R&D) Chika Morishima (officer in charge of sustainability) Junichiro Kojima (officer in charge of corporate planning) and others

· First roundtable (February 5, 2020):

The session began with an overview of the Group and explanations of how our business relates with animals, as well as our approach and initiatives in this area to date. Meeting then shifted to an exchange of views on the key themes to be addressed.

· Second roundtable (April 8, 2020):

A panel of external members presented the latest information related to animal welfare and raised issues in the Group's relationships with animals from an expert point of view. The experts and our representatives engaged in an open exchange of opinions.

· Third roundtable (May 13, 2020):

The Company reported on actions of the procurement department related to animal welfare, as well as the launch of a new Farm Animal Welfare Working Group (tentative name).

In the fourth and subsequent roundtables, we will explore the changes in public awareness of animal breeding and animal welfare, as well as the potential risks and opportunities for the Ajinomoto Group, forming a unified approach to animal welfare.

Sustainable Materials Sourcing

Performance

GRI204-DMA
 GRI301-DMA
 GRI416-DMA
 GRI416-1

▶ P87

▶ P70

Livestock traceability survey

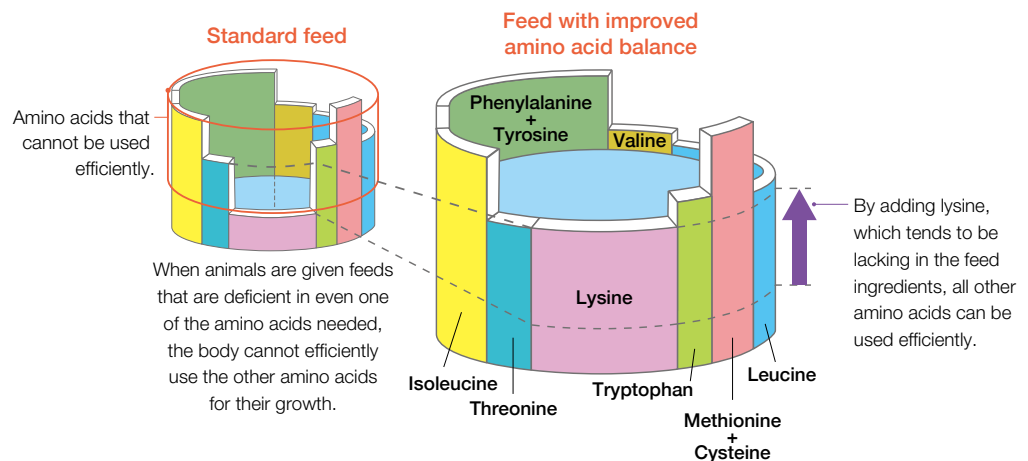
In fiscal 2018, Ajinomoto Co., Inc. shared the Group Shared Policy on Better Mutual Relationship with Animals with all primary suppliers in Japan. We also launched a traceability survey of our supply chain with 23 meat and meat extract suppliers in Japan (covering 75 kinds of raw materials). The risk assessment for fiscal 2019 found that a combined traceability to original farming sites for fully traceable suppliers and conditionally traceable suppliers remained at 32%. One of the reasons for this result was that livestock breeding management guidelines have not been fully embraced in Japan. Awareness varies widely among suppliers. We plan to continue our work in spreading awareness of these guidelines. Ajinomoto Frozen Foods Co., Inc. is also conducting a similar survey.

Overseas, the Group tracks the status of legal developments regarding animal welfare. We will share our policies and issues with our suppliers.

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

Proteins, indispensable compounds for all animals, consist of approximately 20 different amino acids, several of which cannot be synthesized internally in sufficient quantities. These amino acids can be supplemented through animal feed.

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

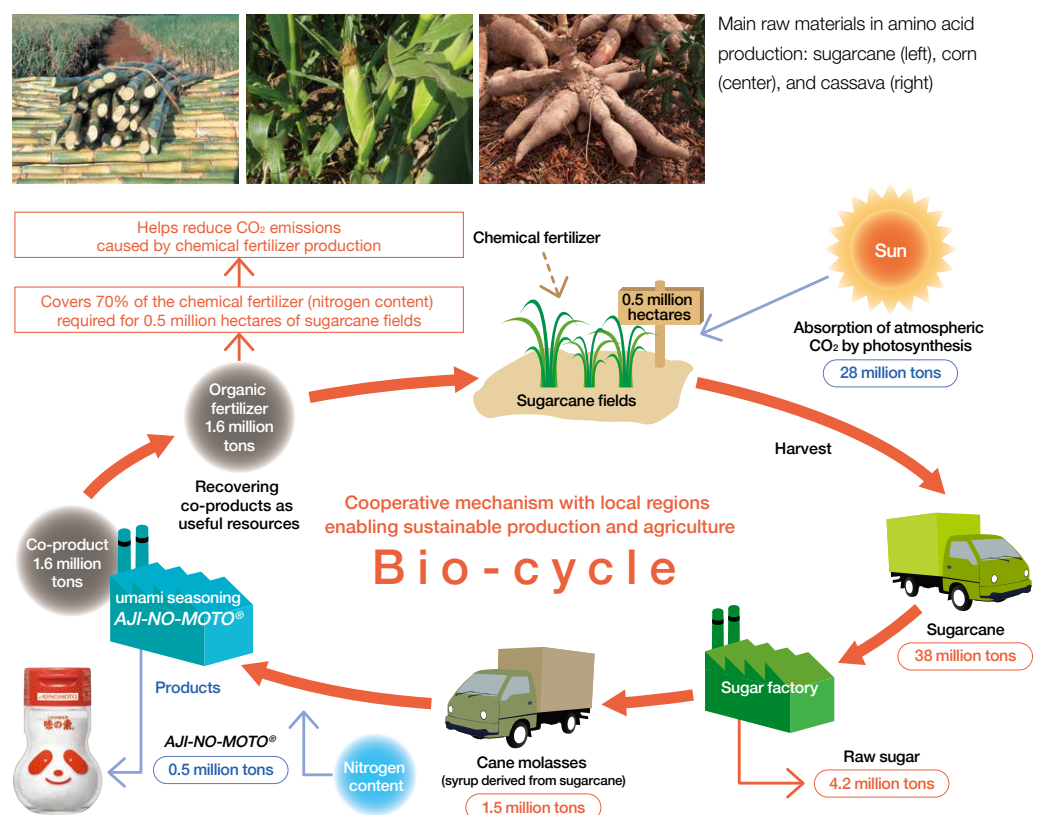


Reduction of impact in amino acid fermentation production

Approach
 GRI301-DMA

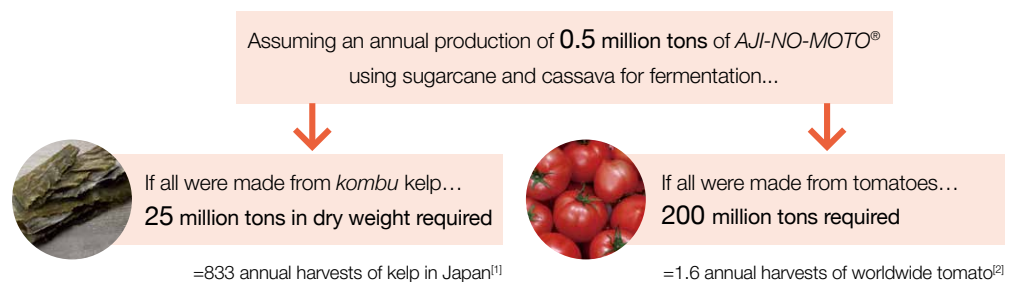
Bio-cycles contribute to sustainable agriculture

The Ajinomoto Group produces the amino acids through fermentation processes from crops that are easily available in each region. We use nearly 100% of the nutritionally rich by-products (co-products) that remain after extracting amino acids in the fermentation process as fertilizer and feed. We call this type of recycling-based amino acid fermentation process that enriches local agriculture and contributes to sustainable procurement a *bio-cycle*. Bio-cycles contribute to reliable supplies of food resources and sustainable agriculture, which is why we are introducing these cycles in our fermentation factories worldwide.



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

If fermentation were not used to produce amino acids...



[1] Based on an average extraction of glutamate of 2.24 grams per 100 grams of *kombu* kelp
 [2] Based on an average extraction of glutamate of 0.14 grams per 100 grams of ripe tomatoes

Sustainable Materials Sourcing

Approach

GRI301-DMA

Performance

▶ P61

Resource-saving fermentation technologies

Leveraging our proprietary leading-edge bioscience and fine chemical technologies, the Ajinomoto Group has been working diligently over the years to develop efficient, resource-saving fermentation technologies.

One example of a resource-saving fermentation technology is a technology that reduces raw material input and energy use to enhance fermentation productivity. Another example is a technology that employs rice husks, wood chips, and other unused locally available biomass as energy sources. These technologies help secure food resources while reducing the use of raw materials, water, and carbon emissions in production.

Adoption of resource-saving fermentation technologies

As of fiscal 2019, we have adopted raw material and energy reduction technologies at 79% of our plants using resource-saving fermentation technologies to produce amino acids. We will continue to develop and adopt this technology as one measure to achieve a 24% reduction in Scope 3 greenhouse gas emissions by fiscal 2030 (based on fiscal 2018 levels), a target approved in April 2020 by the Science Based Targets Initiative.

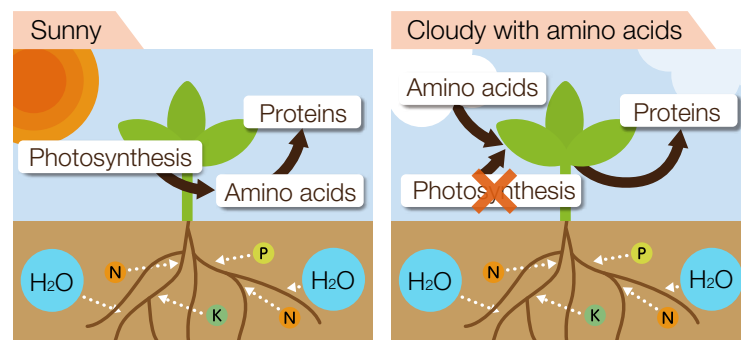
Contribution to sustainable agriculture

Approach
 GRI203-2

High value-added fertilizers made with co-products

Plants synthesize amino acids from absorbed nitrogen and sugars gained through photosynthesis, then use amino acids to synthesize proteins necessary for growth. Even under poor photosynthesis conditions caused by cloudy weather or low temperatures, plant growth can be stimulated by supplying amino acids as fertilizer.

For more than 40 years, the Ajinomoto Group has effectively utilized the nutrient-rich co-products of amino acid production as organic fertilizer. By fortifying these co-products with suitable amounts of phosphoric acid and potassium, for example, we have developed fertilizers with higher added value. Continued experiments and research have shown these amino acid-enriched fertilizers enhance root development, plant growth, and harvest yields.



Approach
 GRI203-2
 ▶ P85

High value-added fertilizers used around the world

■ Japan

Ajinomoto Co., Inc. produces high-quality fertilizers, making effective use of co-product biomass generated during the amino acid fermentation process. Cell drying technology using heat from compost significantly reduces the amount of CO₂ emitted during the course of drying co-products created during the amino acid fermentation process. This fertilizer not only reduces environmental impact, but also increases the amino acid content and sugar content of crops, while stabilizing quality.

We are expanding sales channels for this superior product and contributing to a revitalization of agriculture in Kyushu area. In cooperation with value chain stakeholders, the company has created the *Kyushu Rikisaku* brand for products made using this fertilizer. AEON Kyushu Co., Ltd. has launched a project to sell products under the *Kyushu Rikisaku Vegetables* and *Kyushu Rikisaku Fruits* label. In recognition of this contribution to a sustainable value chain the project was awarded the Deputy Chief's Award (by the Chief Cabinet Secretary) in December 2019 in the 3rd Annual Japan SDGs Awards.



Awards ceremony

Sustainable Materials Sourcing

■ Vietnam

Vietnam is one of the world's leading exporters of rice. The Mekong Delta in the south is a center of rice production, where rice cultivation takes place two or three times a year. Continued use of non-organic fertilizers in this region has degraded soil fertility, resulting in unstable quality and yields, making farmers difficult to make a living through rice cultivation.

In 2007, AJINOMOTO VIETNAM CO., LTD. began conducting research using a co-product called *AMI-AMI* (liquid fertilizer) in small-scale test farms. Today, this co-product business in Vietnam, which maintains soil fertility while keeping farm production costs down, is essential among local communities, leading to sustainable agriculture.

■ China

Many farmers working in agricultural areas other than in China's largest cities work part-time on very small farmland acreage (0.1 to 0.2 ha). These farmers have found themselves in an inability to buy high-quality fertilizers.

Agro2Agri, S.L. (Spain) is developing a single-dose packaged project in China to contribute solutions to challenges faced by small-scale farmers. The company manufactures dedicated packaging machines and provides technical support to farmers allowing for access to high-value-added fertilizers in a single dose at affordable prices. As a result, small farmers have achieved improved crop productivity, conserve farmland, reduce greenhouse gas emissions, and experience a better quality of life.

■ Thailand

In Thailand, we are seeing an evolution in the bio-cycle using co-product. Here, high-value-added fertilizers made using co-products are sold to contract farmers. These farmers produce cabbages purchased by the Ajinomoto Group and used as an ingredient in *gyoza* (Japanese-style dumplings), creating a win-win scenario.

In this way, we ensure traceability of the cabbages we purchase and contribute to stable revenue and agricultural revitalization for farmers. Since these cabbages grow nearly 1.4 times larger compared with conventional fertilizers, coring work has been reduced, which improves production efficiencies in the *gyoza* factory.

■ Brazil

AJINOMOTO DO BRASIL INDÚSTRIA E COMÉRCIO DE ALIMENTOS LTDA. (ABR) mainly sells co-products such as *AJIFOL*® to coffee and fruit plantations in Brazil. Fertilizer provided by ABR has been used for more than 10 years. More recently, we have seen a movement among plantations toward sustainable management, making a full-scale transition from chemical fertilizers to fertilizers from ABR. In response to this development, ABR plans to offer wide-scale support to farms through co-products beginning in fiscal 2020.

▶ P86

Conservation of water resources

Approach

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

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

Specific examples

- Water and wastewater management
- Agriculture and livestock water use

Related opportunities and risks (○ Opportunity ● Risk)

- Production stagnation due to droughts, floods or water quality deterioration
- Raw material procurement failure due to water resource depletion
- Damage to corporate value due to delays in addressing water resource conservation

Key initiatives by the Ajinomoto Group

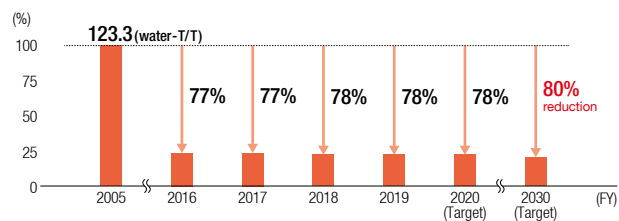
- Maintaining forests for water sources
- Developing wastewater treatment technology

Related SDGs

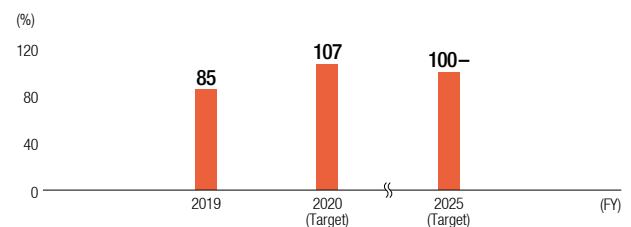


KPIs set in the 20-25 MTP

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



Recharge rate of drinking water into forest



Conservation of water resources in production processes

Performance

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

▶ Environmental Data
 ▶ CDP Water Security

The Ajinomoto Group aims to reduce water consumption per production volume unit (intensity) by 80% by fiscal 2030 (compared with fiscal 2005). We have set a progress target toward our fiscal 2030 goal of reducing usage by 78% (vs. fiscal 2005) over the three-year period between fiscal 2018 and fiscal 2020.

During fiscal 2019, we reduced water usage by approximately 155 million tons compared to our base year, achieving our target of 78% reduction in water consumption per production volume unit (intensity). We will continue in fiscal 2020 to implement water-saving measures and improve production processes in every facility.

Targets and results for conservation of water resources

	FY2019		FY2020 Target	FY2030 Target
	Target	Result		
Reduction rate of water consumption per production volume unit (vs. FY2005)	78%	78%	78%	80%

Water use/intensity

(1,000 kt)

	FY2005 (Base year)	FY2015	FY2016	FY2017	FY2018	FY2019
Total water withdrawal ^[1]	221,863	76,912	74,041	74,844	69,892	66,926
Fresh surface water	180,363	25,272	23,559	24,433	20,672	19,630
Brackish surface water/ seawater	0	0	0	0	0	0
Fresh groundwater-renewable	0	0	0	0	0	0
Fresh groundwater-non-renewable	–	16,972	15,859	16,371	15,076	14,366
Produced water	0	0	0	0	0	0
Municipal water (including industrial water)	41,500	34,668	34,623	34,041	34,144	32,930
Water consumption per production volume unit (intensity per ton of product)	123	30	28	28	27	27
Reduction rate	–	75%	77%	77%	78%	78%
Reference value: Production volume (1,000 kt)	1,800	2,532	2,657	2,684	2,627	2,512
Total water discharge	201,300	60,873	59,701	60,464	55,800	52,342
Fresh surface water	53,000	27,418	27,419	29,813	29,231	26,649
Brackish surface water/ seawater	0	0	0	0	0	0
Groundwater	0	0	0	0	0	0
Third-party destinations	4,300	10,171	9,909	9,827	9,540	8,939
Total water recycled or reused	144,000	23,284	22,373	20,824	17,029	16,754
Proportion of water recycled or reused	65%	30%	30%	28%	24%	25%
Total water use	20,563	16,039	14,340	14,380	14,092	14,584
BOD (tons)	550	268	269	294	312	283
Nitrogen (tons)	3,200	424	445	394	501	506

[1] We disclose water withdrawal based on measurements or invoiced volumes according to the applicable national or local laws. We may also disclose water withdrawal based on a volume conversion from pump power use or pipe water speed. We disclose water discharge volume and quality based on values collated from measurements based on applicable national or local laws.

Conservation of Water Resources

Performance

GRI303-1

▶ *Forest of Blendy®*:
 Conservation of
 forests and water
 (Japanese only)

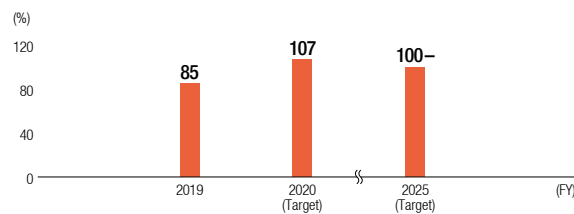
Forest conservation at water sources

The Ajinomoto Group aims to increase our recharge rate of drinking water in forests to 100% or more by fiscal 2025. In fiscal 2019, our performance was 85%.

AGF Suzuka, Inc. and AGF Kanto, Inc., production bases for Ajinomoto AGF, Inc., use water from the Suzuka River and Arato River (a tributary of the Tone River), respectively. These water sources come from the foothills of the Suzuka Mountains and the southern foothills of Mount Akagi. The companies continue to expand forest land under contract in these areas, while engaging in the *Forest of Blendy®* initiative, which is a forest conservation program. During fiscal 2020, these companies plan to carry out conservation activities covering an area equivalent to the fiscal 2025 plan (25ha or more). The companies have improved the forests to a state for inviting customers to visit, conducting nature experiences as a set with plant tours.

These companies will continue forest conservation, cultivating water, increasing opportunities to share Group employee activities with local community, turning these resources into *sustainable education forests*.

Target and result for recharge rate of drinking water into forest



Strong corporate governance

Approach

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

Specific examples

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

Related opportunities and risks (○ Opportunity ● Risk)

- Enhancing corporate value
- Appropriate risk-taking
- Business continuity risk or other unexpected losses due to failures in corporate governance or internal controls
- Decreased competitiveness due to vulnerabilities in IT management structure
- Delays or interruptions in operations due to natural disasters, diseases, pandemics (COVID-19, swine fever, avian influenza, etc.)
- Confusion in organizational management and reduced business profitability due to unstable political, economic, and social conditions such as financial crises, trade issues, etc.
- Impact of intellectual property risks on business
- Impact of sudden foreign exchange and interest rate fluctuations on business
- Higher tax burden due to changes in tax and tax effect

Key initiatives by the Ajinomoto Group

- Raising awareness of the Ajinomoto Group Policies among all Group employees
- Establishing whistleblower hotline
- Strengthening corporate governance system
- Stronger business continuity management (BCM)
- Occupational safety and health management
- Selecting Group-wide significant risks and considering appropriate responses
- Managing intellectual property risk
- Strengthening information security through the creation of Information Security Regulations

Related SDGs



Risk management

Framework

GRI102-11

- ▶ Group Shared Policy on Risk Management
- ▶ Materiality
- ▶ Integrated Report 2020 P69

Risk management framework

The Ajinomoto Group conducts an annual review of the materiality items which have a substantial impact on our ability to create value through ASV. Here, we identify the risks and opportunities associated with each materiality item. The Management Risk Committee, an organization under the Executive Committee, develops responses to risks and opportunities that have a groupwide impact. The Management Risk Committee evaluates and manages important risks and opportunities cross-functionally, including those pertaining to climate change, social issues, and technological innovation. This framework allows us to respond to a crisis in a timely and appropriate manner. Matters deliberated in the Management Risk Committee are reported to the Executive Committee and the Board of Directors once per year. For highly urgent themes, the Committee organizes separate working groups to work on formulating policies and project planning.

The Group encourages independent risk management within each organizational unit in compliance with Group Shared Policy on Risk Management. Further, each organizational unit performs an annual review of risk items and their degree of impact, evaluate each risk, reporting to the Management Risk Committee annual plan regarding high-prioritized risks. The Business Conduct Committee, which is also organized under the Executive Committee, prepares manuals and other documents to address risks and emerging crises. Following these, each organizational unit creates their own business continuity plan. We ascertain and inspect the status of preparations using crisis management training and other means.



Occupational safety and health

Framework

GRI403-DMA
 GRI403-1
 GRI403-4

▶ Group Shared Policy on Occupational Safety and Health

Performance

GRI403-DMA
 GRI403-1

Occupational safety and health management

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

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



ISO 45001 adoption

The Ajinomoto Group required all manufacture and R&D sites to obtain ISO 45001 certification as of fiscal 2020. We are also transitioning sites that have obtained OHSAS^[1] and other certifications to ISO 45001.

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

Strong Corporate Governance

Performance

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

Safety and health assessments, audits and inspections

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

Measures	Description	FY2019 performance
Occupational Safety and Health Assessments	Generally conducted at the start of new product manufacturing, when expanding production capacity or changing manufacturing processes, developing new substances, and during the planning stages of constructing or demolishing buildings, structures and equipment.	40 assessments
Occupational Safety and Health Audits and Inspections	Internal audits are implemented for each company and business site. In the event of a serious accident or disaster within the Group, Ajinomoto Co., Inc. conducts an on-site emergency Occupation Safety and Health Audit to investigate causes, determine corrective measures, and prevent recurrence. Certain sites in Japan contract with third-party consultants or institutions to perform Occupational Safety and Health Inspection.	<ul style="list-style-type: none"> • 1 post-construction safety audit (Ajinomoto Nongshim Foods, Co., Ltd.) • 3 internal safety audits (Ajinomoto Co., Inc. Kawasaki, Tokai, and Kyushu Plants)
Equipment inspections for safe and stable production	Regular maintenance and legal inspections are conducted at factories. For factories that operate 24 hours a day, we suspend production periodically to allow employees and specialists time to conduct legally mandated inspections.	Conducted at each site
Occupational accident prevention at designated worksites	Any sites considered a high risk by the chief of the Safety & Disaster Prevention Promotion Headquarters (frequent occupational accidents or disasters, inadequate management, etc.) are so designated as Special Safety Management Requested Site and given guidance for safety improvement.	No designated worksites during FY2019

Occupational safety and health activities

Fiscal 2019 key targets and performance

Key targets	Action plans
Prevent caught-in-machinery accidents	<ol style="list-style-type: none"> 1. Identify risks and implement measures related to equipment cleaning, maintenance and other peripheral production operation activities 2. Strict compliance with rules related to machinery shut-down during non-routine work 3. Perfect execution of all tangible measures
Prevent falls and lower back pain	<ol style="list-style-type: none"> 1. Accident prevention activities related to machinery, work processes, physical fitness and education 2. Adopt automation and introduce assistive robots when introducing new machinery 3. Simplify work processes and promote standardization

Major accidents and incidents

	FY2015	FY2016	FY2017	FY2018	FY2019
Number of serious accidents	26	16	23	16	21
Number of serious commuting accidents	18	9	19	13	10
Number of fatal accidents	1	0	0	0	1
Number of caught-in-machinery accidents* (persons)	5 (3)	5 (1)	10 (8)	8 (3)	6 (2)
Number of fall accidents* (persons)	31 (5)	30 (3)	23 (4)	32 (4)	22 (4)
Number of lower back pain accidents* (persons)	—	—	7 (0)	15 (0)	12 (1)

*Numbers in parentheses represent serious accidents.

Performance

GRI403-DMA
 GRI403-2
 GRI403-3
 GRI403-4
 GRI403-7
 GRI403-9
 GRI403-10

▶ Personnel and Labor-Related Data

Strong Corporate Governance

Performance

Performance

GRI403-5

Performance

The number of serious accidents during fiscal 2019 increased by five compared to fiscal 2018. Although the number of serious accidents in the production areas of our factories decreased, we saw an increase in accidents related to sales and other workplaces. The number of people involved in caught-in-machinery accidents decreased year on year.

In fiscal 2020, we intend to introduce measures based on analyses of indirect routine work and non-routine work accidents to achieve our goal of eliminating cases of individuals being caught, cut or pinched in machines, falls, or traffic accidents that result in sequelae. We also plan to publicize our Occupational Safety and Health Management Guide, focusing on strengthening PDCA cycle operations.

Response to safety and health laws and accidents

During fiscal 2019, the Ajinomoto Group received no notices of legal violations.

Employee occupational safety and health education

The Ajinomoto Group conducts occupational safety and health education tailored to employee job descriptions and tasks. We created and published a skills map that defines the skills and knowledge required of occupational safety and health managers at each Group company's site.

Major training programs

Persons, cumulative persons in parentheses

Program name	Program details	Recipients	Number of trainees
Occupational safety and health seminar for managers	Seminar on safety and health promotion, expertise (responsibilities for safety, etc.) for managers (one-day course / once annually); introduced in FY2010	Managers	48 (516)
ISO 45001 training for internal auditor development	Knowledge and skills training for ISO 45001 internal auditors (two-day course / once annually); introduced in FY2018	Leadership positions	26 (54)
Basic seminar for the management of chemical substances	Review of basic chemical substance management (laws, chemical substance RA, SDS use, GHS labeling, etc.) and skills related to chemical substance management, safety and health management (one-day course / once annually); introduced in FY2015	Supervisors in charge of chemicals	16 (114)
Fall and lower back pain prevention seminar	Training on the mechanisms and causes of falls and lower back pain; preventive measures related to machinery, processes, and physiology; management skills and education, and on-site practice (one-day course / once annually); introduced in FY2017	Management positions	13 (82)

Disaster preparedness

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

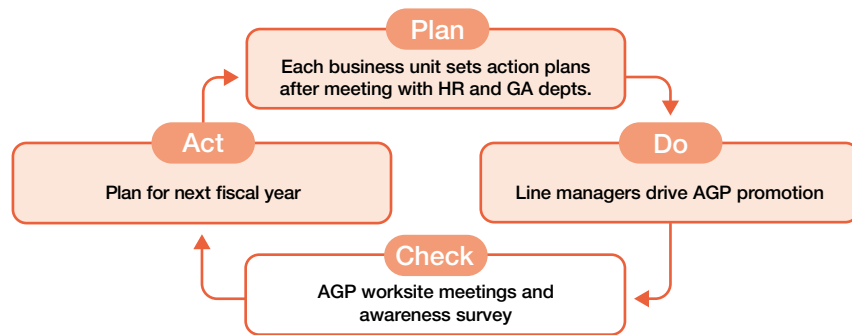
We also partner with local governments to provide safety for local residents. Several sites are working with governments to determine how to offer safety and food to local residents in the event of a disaster.

Strong Corporate Governance

AGP awareness survey

Each November, Ajinomoto Co., Inc. and Group companies in Japan ask all employees to respond to an AGP awareness questionnaire. The goal of this survey is to monitor awareness and understanding of AGP and identify any potential compliance issues. A total of 12,633 employees responded to the fiscal 2019 survey. We coordinated with individual worksites to resolve any compliance issues that emerged.

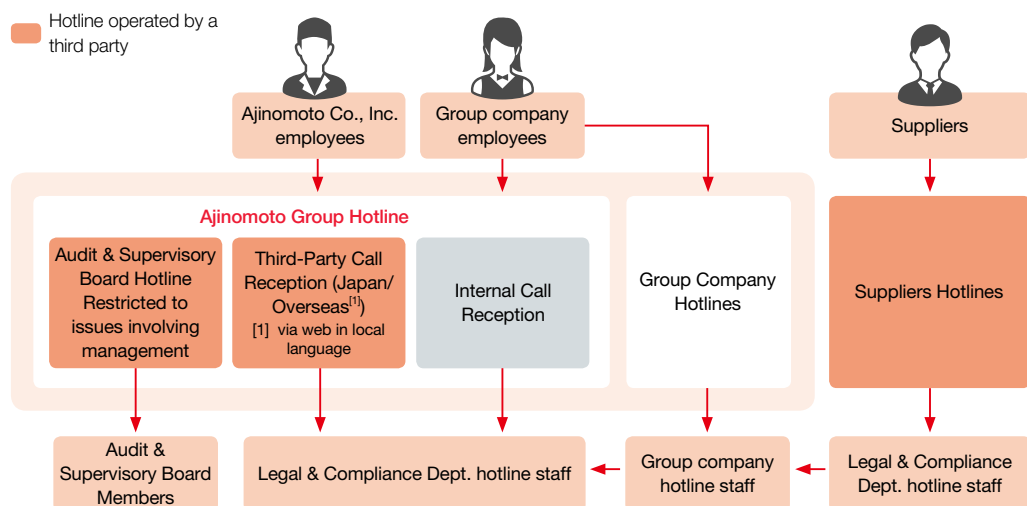
AGP worksite meetings and awareness survey cycle



Bolstering our internal reporting hotline (whistleblowing)

The Ajinomoto Group established a hotline as an anonymous internal reporting system that enables executive officers and employees, including part-time and temporary workers, to make reports or seek advice by phone, e-mail, fax, letter, or other means. During fiscal 2019, we expanded our web-based third-party reporting system from three countries to 13. In addition, we actively communicate our approach and framework related to our whistleblower system, striving to strengthen this program.

Internal reporting (whistleblowing) channels



Number of hotline reports^[2]

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

[2] Multiple issues reported in some cases

Performance

GRI205-2
 GRI406-1
 GRI419-DMA

▶ Group Shared Policy on Whistle-Blowing

▶ Personnel and Labor-Related Data

Strong Corporate Governance

Approach

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

▶ Group Shared Policy on Bribery Prevention

Performance

GRI205-2

Approach

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

▶ Group Shared Policy on Procurement
 ▶ Group Shared Policy for Suppliers

Performance

GRI205-2

Preventing corruption

Basic policy

The Ajinomoto Group Policies (AGP) requires employees to maintain sound and healthy relationships with politicians and government officials. The AGP also states that giving favors to public officials or any person equivalent in Japan or in foreign countries, in the form of gifts, entertainment, money, or other bribery in any manner is prohibited. The Group Shared Policy on Bribery Prevention includes the following rules, which require officers and employees of Group companies to comply with this policy and the related bribery prohibition laws of other countries and regions.

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

Education for employees

In Japan, the Ajinomoto Group holds regular training for officers and employees involved in line management of Group companies. This training covers proper relationships with public officials, including public officials in foreign countries. A total of 312 people attended this training during fiscal 2019. In addition, we conduct bribery prevention training courses for officers and managers of overseas Group companies. A total of 227 people attended this training in Brazil and Peru during fiscal 2019.

Further, we introduced e-learning training during fiscal 2019 as another means to communicate the Group Shared Policy on Bribery Prevention. Approximately 7,300 group officers and employees in Japan took the training, as did approximately 1,600 line management-level employees at overseas Group companies.

Transparent and fair business practices

Basic policy

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

Education for employees

In Japan, the Ajinomoto Group holds regular training on antitrust for officers and employees involved in line management of Group companies. A total of 312 people attended this training during fiscal 2019. In addition, we conduct antitrust law training courses for officers and managers of overseas Group companies. A total of 227 people attended this training in Brazil and Peru during fiscal 2019.

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

Strong Corporate Governance

Framework

GRI201-1
 GRI205-DMA
 GRI205-2
 GRI206-DMA
 GRI419-DMA

▶ Group Shared Policy on Global Tax

Performance

Appropriate competitive behavior

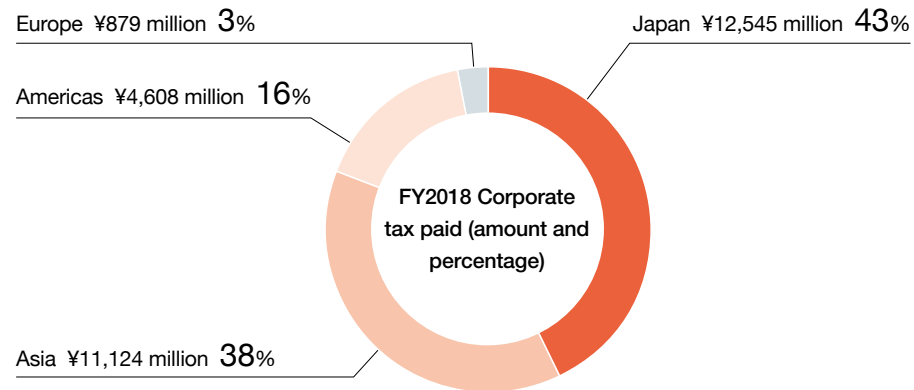
Framework for global tax strategy

The Ajinomoto Group established the Group Shared Policy on Global Tax and encourages Group companies to conduct business in compliance with the tax laws of their respective countries. At the same time, we ask Group companies to minimize tax risks.

To ensure operations match this policy, we identify appropriate tax practices by collecting self-assessments from Group companies and meeting regularly with each company.

In addition, we communicate tax payment and tax audit information across the Group to achieve greater tax administration efficiencies.

Corporate tax paid by region



Proper use and management of intellectual property

Approach

▶ Group Shared Policy on Intellectual Property

▶ Press release

Framework

Basic policy for intellectual property

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

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

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

TOPIC

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

In April 2020, Ajinomoto Co., Inc. answered the call of the Kyoto University Center for Genomic Medicine, Graduate School of Medicine to become a founding member of the *IP Open Access Declaration Against COVID-19*. Under this declaration, participants open their IP for a certain period of time to facilitate activities in diagnosis, testing, treatment, hygiene management, etc., toward ending the spread of COVID-19. In the Declaration, approximately 20 companies have declared that they will not assert any IP rights for patents, utility models, designs or copyrights with respect to activities carried out solely for the purpose of stopping the spread of COVID-19.

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

Intellectual property management framework

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

Strong Corporate Governance

Performance

Intellectual property initiatives

Impact of Ajinomoto Co., Inc. on the patents of other companies

Ajinomoto Co., Inc. was ranked No.1 in the 2019 rankings of firms capability to prevent other food industry companies from obtaining patent rights. The rankings are published by Patent Result Co., Ltd. (Tokyo, Japan). This ranking is a compilation by company of the number of patents owned by a company cited as the basis for rejection of a patent application by another company in the course of patent examination processes during 2019. Companies having a large number of patents cited are considered as advanced companies with extensive prior art that blocks competitors from obtaining rights.

Performance

Education for employees

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

Cybersecurity and personal information management

Approach
 GRI418-DMA
 ▶ Group Shared Policy on Information Security

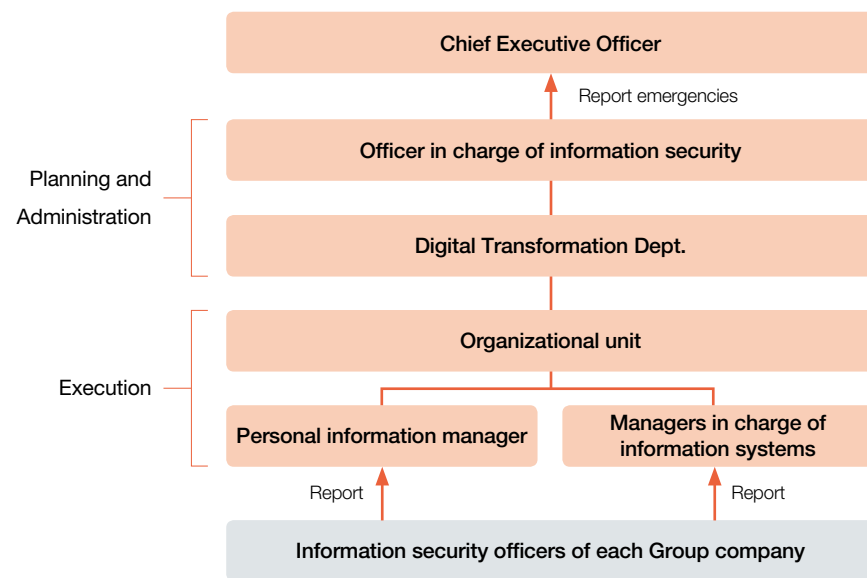
Framework
 GRI418-DMA

Basic policy for cybersecurity

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

Information security management framework

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



Rigorous management of personal information

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

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

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

Performance

GRI418-DMA

Information security initiatives

Noteworthy information security training during fiscal 2019

- Training for Ajinomoto Group line managers: Four times, 275 participants
- Information security test for new hires at Ajinomoto Co., Inc.: 88 participants
- Comprehension test related to information handling guidelines conducted via e-learning for all employees of Ajinomoto Co., Inc.: 3,434 participants (taken by 93.5% of workforce)

In addition, Ajinomoto Co., Inc. conducted targeted mail attack training for officers and employees.

Ongoing initiatives to prevent the leakage of confidential information

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

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

Information security inspections

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

Relationships with local communities

Approach

GRI413-DMA

▶ Group Shared Policy on Local Community Enhancement

Performance

Performance

Contribution to community development

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

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

Foundation activities

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

Country	Foundation	URL
Japan	The Ajinomoto Foundation	http://www.theajinomotofoundation.org
	Ajinomoto Foundation for Dietary Culture	https://www.syokubunka.or.jp
	Ajinomoto Scholarship Foundation	https://ajischolarship.com
Thailand	Ajinomoto Foundation	https://ajinomotofoundation.or.th (English and Thai only)
Peru	Fundación Ajinomoto para el Desarrollo de la Comunidad	http://www.ajinomoto.com.pe/actividad/fundacion-ajinomoto-contribuye-reducir-indices-de-anemia-infantil (Spanish only)
Brazil	Instituto Ajinomoto	https://www.ajinomoto.com.br/instituto-ajinomoto/ (Portuguese only)

Emergency support for regions affected by natural disaster

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

Event	Recipient	Financial Aid/Donations	Relief Supplies	Quantity
2019 Typhoon No.15	Recipients designated by administrations in Tateyama City (Chiba Prefecture) and Tako-machi (Chiba Prefecture)	—	<i>Knorr® Cup Soup</i> (Corn Cream)	9,000 packs
		—	<i>Ajinomoto ㊧ Okayu</i> (shirogayu)	Approx. 7,700 packs
		—	<i>AQUASOLITA®</i> oral rehydration solution 500 ml	Approx. 5,700 bottles
2019 Typhoon No.19	Japanese Red Cross Society	6 million yen	—	—
	Japan Platform	4 million yen	—	—
Heavy Rain of July 2020	Japanese Red Cross Society	6 million yen	—	—
	Japan Platform	4 million yen	—	—

Global review

The Ajinomoto Group's Integrated Report 2020 and Sustainability Data Book 2020 have been reviewed by representatives of important stakeholder groups in Europe, the Americas, and Asia. The Group will use their input to help shape its future sustainability initiatives as a "solution-providing group of companies for food and health issues."

Perspective from Europe

Ajinomoto Group's role in society

I have been reviewing the Ajinomoto Group's sustainability and ESG disclosures for several years, and remain impressed with the vision, commitment, and transparency of the Group's sustainability journey. I have observed consistent improvement over the years in both the strategic approach, reflecting the role the Group plays in society, and also in the transparency of disclosure. In the Group's 2014 Sustainability Report, I commented: *"In today's world, it is not enough to simply be a food or food-ingredient producer. Leading companies view their contribution to society more holistically by identifying and managing the impacts they generate throughout their entire value chain. Such companies, for example, strive to educate consumers and help them adopt healthier and more sustainable lifestyles."* I believe this comment remains true today, and even more urgently given the new challenges we face as a global society. COVID-19 has amplified inequalities around the world and has shed new light on the problems of isolation, loneliness and poor nutrition, not only for the elderly, but for people of all ages and backgrounds. Similarly, COVID-19 restrictions have reduced out-of-home eating options so home cooking must provide essential nutrition. The fact that the Ajinomoto Group has had a keen sense of integration and alignment with societal needs over the years has positioned the Group to better address the impacts of the COVID-19 pandemic on its consumer base, its employees and other groups. Based on this strong foundation, the Group is well placed to address these priorities as we emerge from this unprecedented year of 2020. I was pleased to see a specific COVID-19 response section in the Group's 2020 Integrated Report.



Elaine Cohen

Founder and CEO
Beyond Business Ltd.

A bold leadership message and strong vision

I read President and CEO Takaaki Nishii's letter introducing the Integrated Report with fascination and awe. This frank and candid laying out of the considerations that led the Ajinomoto Group to a new way of defining and measuring success is not characteristic of the often rather general, formal CEO letters published in such reports. Mr. Nishii shares deep, personal reflections of where the Ajinomoto Group has succeeded, where it has not achieved its potential, and how this has prompted new thinking about where the Group can make its most valuable contribution to society and deliver growth outcomes. Interspersed with personal anecdotes, I am inspired by Mr. Nishii's honesty, wisdom and vision. The Group's new expression of its social purpose and promise to become a "solution-providing group of companies for food and health issues" shows a clear path forward, and the two ambitious 2030 goals underpinning this - extend the healthy life expectancy of one billion people and reduce environmental impact by 50% - are aligned with pressing social and environmental imperatives.

Evidence of transformation

The Ajinomoto Group's 2020 Integrated Report is strongly evident of a transformation occurring within the Group. The inclusion of many personal perspectives and commentaries from pivotal leaders in the organization and from external experts - a step change from past reports - makes this report personal, relevant and credible. The presentation of the 2030 Vision is cleverly structured and shows a rationale and a progression towards two overarching outcome-based goals. Achieving these will require consistent actions through all parts of the Ajinomoto Group value chain over several years, and articulation of these goals in such a focused way will motivate and empower the entire organization to single-mindedly drive the desired outcomes. Few companies achieve this level of clarity in integrated thinking and planning, and few are able to present it so clearly.

As always, when I see outcomes-based goals, my first thought is: how will success be measured? I was gratified to read that the Group has a plan to use disability-adjusted life year (DALY) methodologies to establish KPIs that measure life expectancy outcome. With such an important and far-reaching objective, it is imperative that the Group develops a robust and credible way of measuring success. I hope to see this in the next Integrated Report.

Global Review

Perspective from Europe

Model transparency

The sheer scale and detail in the Ajinomoto Group's disclosure is nothing short of spectacular. This includes: explicit context describing the food and nutritional issues the Group promises to address, references to externally validated science and benchmarks, materiality process description and definitions, connection to global and local initiatives and partnerships, a roadmap for companywide operational transformation and actions across 2025, 2030 and even 2050 timelines. All of these disclosures, across both the Integrated Report and the Sustainability Data Book, that complies with Global Reporting Initiative (GRI) Standards, are demonstrative of a deep commitment to transparency and represent, in my view, a model for enlightened and balanced disclosure.

The Ajinomoto Group's reporting this year is very forward-looking – at least as much content is centered on how the Group intends to achieve its 2030 Vision in the Medium-Term Management Plan as there is content describing past efforts. Five-year data tables across ESG metrics gives users a view of the Group's historic performance. Further, the navigational aspects of the reporting suite – including the updated sustainability website – make it easy to locate information, structured in line with the material topics, both for online reading and download. Performance data tables in spreadsheet format allow users to easily use data for their own analysis.

An opportunity

The Ajinomoto Group achieves a high standard of comprehensive, balanced, material, transparent and forward-looking disclosure. Nonetheless, I think there is an opportunity to center annual reporting on performance and achievements in the reporting year (and future plans) by consolidating and referencing multi-year content (strategies, policies, positions, frameworks, technical content) into a bank of supporting documentation on the Group's sustainability website. With a combined 200+ pages in the current Integrated Report and Sustainability Data Book, even though navigability is easy, there's a lot to navigate. Shorter reports are easier to use, and those requiring more background and context can have the option of viewing these on the website. Beyond this, we expect the Group's disclosure to truly focus on outcomes. The achievement of life expectancy improvement goal is the one we will all be watching, so a robust methodology and presentation of the Group's performance progression here will be critical.

Global Review

Perspective from Europe

Introduction

The Ajinomoto Group's sustainability communication, through the consistent inclusion of sustainability/ESG related information in their Integrated Report, the comprehensive disclosure of their strategy and performance in the Sustainability Data Book, and their sustainability related web pages, demonstrates both the strategic importance of environmental and social issues to the company and the increasing maturity of their management approach.



Joss Tantram
Partner, Terrafiniti

Progressing and evolving Shared Value

The Ajinomoto Group's sustainability-related reporting and disclosure in 2020 demonstrates strong steps in the development of the company's shared value approach through the development of a new vision for the company. This vision places the company's impacts upon, and contribution to, pressing issues relating to global health and wellbeing, climate change and the UN Sustainable Development Goals (SDGs) at the heart of strategy.

Within this strategic context there is a welcome emphasis on how the company measures its success and seeks to move from short-term goals for business improvement to an approach which focusses on the medium-term and integrates the core delivery of social and environmental outcomes as a critical aspect of how the company will measure progress and value.

This refocussing is to be welcomed, as is the continued recognition by the company that there are opportunities, through innovation and technology, for the private sector to take a real and growing role in tackling global challenges such as adequate nutrition, responding to global crises such as COVID-19 and climate change.

It is also to be welcomed that these global issues are centred in the company's two headline strategic goals to "Help extend the healthy life expectancy of 1 billion people" and "Reduce our environmental impact by 50%" by 2030.

Taking a strategic approach to materiality

There are also welcome developments in the approach that the company takes in identifying, in a global context, the material issues that are critical both to the company's context and sustainability, and for achieving its strategic goals. This is reflected in the Ajinomoto Group's presentation of its "materiality items" on the website in the context of significant global trends, and the relevant SDGs which relate to each item.

This focus on material issues is reflected in the structure of the Sustainability Data Book 2020, where sustainability topics of relevance are organised consistently by materiality item, with associated relevant opportunities, risks and key initiatives of the Ajinomoto Group.

Welcome developments

The Ajinomoto Group's disclosure in 2020 also highlights some welcome developments, such as the company's preparation to disclose information related to carbon risks through the TCFD guidelines and the use of TCFD scenarios to identify the dimensions of risk that the company is exposed to in a globally warmed future. Forthcoming TCFD disclosures will be of great interest.

The company has also sought and received approval of their decarbonisation ambitions by the Science Based Targets (SBT) initiative, showing alignment with the Paris Agreement goal of limiting the impact of global carbon emissions to a 1.5°C rise.

Global Review

Perspective from Europe

Opportunities for further focus and development

Within the context of the very positive evolution of the Ajinomoto Group's strategic approach to sustainability and consistent performance improvement, there remain some significant opportunities to clarify and set a trajectory for further improvement.

These relate significantly to the company's use of animal products as raw materials and ingredients. While animal welfare is noted as a material issue, improvements could be made in clarifying the welfare standards that the company uses and its approach to ensuring that these standards are met throughout the supply chain.

Similarly, the company has undertaken an analysis of human rights issues in shrimp farms and processing in Thailand. However, there is not currently a clear picture of the company's standards for, and management of, possible social and labour challenges in an area which has received significant consumer and NGO focus over recent years.

Conclusion

The Ajinomoto Group's 2020 disclosures show significant progress in important areas such as an acceleration in the use of sustainable palm oil, together with engagement in and the use of internationally recognised approaches such as the TCFD and SBT initiatives.

This year's reporting also shows the company is taking a more structured and strategic approach to sustainability, both in its approach to communication, and to the integration of sustainability for core corporate targets.

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

Combining that strategic ambition with clear performance improvement against global goals and developing the means to manage challenging issues through clear standards and supply chain management will demonstrate the company's progress over time.

About this statement

This statement provides an external perspective on the Ajinomoto Group's Integrated Report 2020, Sustainability Data Book 2020 and Sustainability web pages. It was commissioned by Ajinomoto Co., Inc. from Joss Tantram of Terrafiniti and constitutes a third-party opinion. It is not intended to represent a statement of assurance or verification of any kind, but is an opinion derived from a review and assessment of the reports and information noted above.

Perspective from the Americas

Overall assessment of reporting approach

Based on their extremely comprehensive, integrated reporting, the Ajinomoto Group is clearly committed to sustainable value creation and long-term strategy. Each year, their method for articulating their programs, plans, and vision changes somewhat as they adopt the newest frameworks and guidelines. While commendable, the constant change of presentation does make it difficult for readers to follow along.

Clearly, there is a concerted effort to link the various reports together, the results of which are improving over time. The best example of this is the 'GRI Standards Content Index' which elegantly links to the relevant sections of related reports and documents. The 'SASB Reference Table,' a new addition for this year, takes a similar approach, but also includes information that does not appear elsewhere.

I found the Integrated Report quite dense and more difficult to navigate than in previous years. It was also longer in terms of page count. Although many links were added to the report for users to quickly access further information (e.g. Sustainability Data Book 2020, Securities Report, Group Policies, etc.), I did not notice the links at first, possibly due to the small, red font that was used. The formatting of these links could be improved to draw more attention to the additional information presented. Further, the map of 'Key communication materials' was moved to the last page of the report this year, which I thought was a shame. In my opinion, it would be better placed up front to help orient readers. Interestingly, the imagery on the website and in the Integrated Report reflects the Group's ambition to further expand business throughout the Americas and Europe.

Much work seems to have been done to improve the usability of the Group's website in terms of making the sustainability information more organized (detailed comments below). Finally, building on last year's work, the Sustainability Data Book 2020 has also become an easy-to-navigate document organized around the material topics, with links and references to supporting documentation in the margins and within the text (detailed comments below).



Celine Ruben-Salama

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

Sustainability Databook 2020 content and presentation

While the level of detail in the Sustainability Data Book has always been impressive, this document has matured nicely in the reporting year. The Sustainability Data Book 2020 is very well organized and user-friendly. It starts with a concise and relevant preamble outlining the Ajinomoto Group's approach to Sustainable Value Creation, stakeholder engagement and material topics selection that includes helpful charts, illustrations and narrative. I really like how the left-hand margin of the Data Book is used to present links to supporting documents and reference the GRI Standards used. Now that the Group is using the SASB disclosures, these notations should be added in the margin too.

The bulk of the content of the Sustainability Data Book 2020 pertains to ten of the eleven material topics listed on the website. The topic 'Preparation for intense global competition' is covered in the Integrated Report 2020 only, and a link to the Integrated Report is presented in the Sustainability Data Book 2020 Table of Contents. In this year's Data Book, the four organizing categories 'Health and Well-being,' 'Food Resources,' 'Global Sustainability,' and 'Business Foundation' were removed. Now each of the topics has its own discussion on management approach. While I welcome the additional detail this provides, I found that the four categories were a helpful construct and missed them as an anchor to organize the information presented. This year, I was glad to see the topics are more closely aligned with the SDGs. In future years, I would like to see closer alignment with the SDG indicators, not only the 17 top-level goals. However, this might be challenging since the SDG indicators were not designed for corporate use, but rather for a macro-level, global approach.

Both the approach and performance are discussed for each materiality item and for the individual programs within each of the materiality items. Additionally, the charts listing risks and opportunities for each materiality item evidence progress towards reporting in line with the TCFD recommendations. While some materiality items such as combatting climate change have clear, quantitative KPIs, other performance metrics are quite vague and qualitative. I am sure the Group is working to address this imbalance by creating suitable KPIs where needed, and I look forward to seeing how they solve this challenging puzzle.

I was somewhat surprised that the Sustainability Data Book 2020 was light on the discussion of the 2030 vision which was covered in great detail in the Integrated Report 2020. It would be interesting to more clearly see how all of the initiatives and programs roll into performance against the two key outcomes laid out in the 2030 vision – to 1) help extend the healthy life expectancy of one billion people and 2) reduce environmental impact by 50%.

Integrated Report content and presentation

This year, the Integrated Report is focused on communicating the transformation of the business and corporate culture around food technology and health, with an eye towards 2030. I was pleased to see a deep commitment to employee engagement around these issues at all levels, as well as alignment with the SDGs and discussion relating to the COVID-19 pandemic.

Following the somewhat lengthy preamble (sections: 'Introduction' 'Our Commitment' and 'Our Determination') the sections on 'Our Vision' and 'Management Plan' do an excellent job of elaborating on the specifics. The 'Management Plan' section clearly lays out a two-phased strategy for structural reform and regrowth, providing detail on a business segment level. In particular, the chart outlining the 'Ajinomoto Group outcomes' is illustrative. I also like how the KPIs are grouped by two central outcomes – Health and Environment. As the Group continues to refine their reporting metrics, they should consider harmonizing existing disclosures with the World Economic Forum recommended metrics and disclosures for Consistent Reporting of Sustainable Value Creation.

Using the concept of DALYs to express achievement of extending healthy life expectancies is sensible and I look forward to seeing this thinking develop. Further, the discussion on 'Approach to Nutrition' including priorities and common evaluation standard for nutritional value lay the groundwork for a cohesive strategy.

Environmental actions, goals and targets are very comprehensive, and I was pleased to see how the targets harmonize the SDGs and 2030 timeframe. In particular, I applaud the Group's new SBT to the 1.5 degree Celsius pathway and the announcement to join the RE100. The roadmaps for reducing greenhouse gas emissions, plastic waste, and food loss and waste are pragmatic. Through scenario analysis transition risks associated with higher energy prices and an increase in carbon taxes were identified. This report also acknowledges that climate change may have an impact on the Group's ability to procure raw materials in the future, and notes that a water risk analysis is being conducted. The Group is clearly on the path to understanding climate-related risk factors, but more work remains to thoroughly assess the full extent of the risks. In future reports, I expect to see more details on this in line with the recommendations of the TCFD. I'd also like to see how climate-related risks and opportunities figure into the Group's overall risk management framework as explained in the Governance section of this report.

Performance data is again conveniently located at the end of the report, presented in terms of 'Economic Value' and 'Social Value' indicators. Both KPIs for the 2017-2019 MTP and the 2020-2025 MTP are presented. While the 'renewable energy use ratio' and 'ratio of factories installing resource-saving fermentation technologies' targets were met, performance towards other targets is flat or negative. Moreover, it appears that some of the 2018 data points were restated since last year's report.

Some of the old KPIs appear to have dropped off, while others such as 'Reduce Food Loss and Waste' are now normalized rather than absolute. The stated targets for the 2020-2025 MTP are economic and environmental and it is fairly clear how the environmental targets relate to the overarching outcome to reduce environmental impact by 50%. However, I was disappointed to see that the targets relating to extending healthy life expectancy for 1 billion people are still under development and not presented in this year's report. In next year's report, it will be critical to illustrate which KPIs will be tracked to guide the achievement of this exciting outcome! I look forward to following the Group's progress.

Finally

It is noted that on employee stakeholder forums, namely Glassdoor, there are many complaints from those who work in the Ajinomoto Group's production and manufacturing lines. It is expected that COVID-19 pandemic will place increasing scrutiny on how companies ensure the health and safety of all their employees. Reporting to the mentioned SASB categories of Biotechnology & Pharmaceuticals and Semiconductors, and their attendant disclosures on Employee Engagement, Diversity & Inclusion and Employee Health & Safety, would begin to address this issue by providing a baseline against which to improve. As a large manufacturer, the Group may also consider participation in the Responsible Business Alliance (RBA), whose Code of Conduct can provide a blueprint for enhancing governance of employee social issues such as Occupational Safety, Industrial Hygiene, Humane Treatment and more.

Perspective from Asia

Disclosure on sustainability in general

I am sensing a company that has moved beyond the numbers-crunching graphs of progress to an acceptance of the primacy of purpose as inducement and increasing specificity of mission as motivator. The sage said, “aim at the moon and even if you miss, you’ll hit a star.” For business today, it is “aim at an inspiring purpose and even if you miss, you’ll create value.”

The comprehensive opening letter from CEO Takaaki Nishii hints at a refinement of the Ajinomoto Group’s business definition. This year, the vision statement had been reconstituted to calls for “greater wellness for people worldwide” representing a sharpened emphasis on the impact of the Group’s activities on people rather than on the means by which their lives are touched... on *outcomes* rather than *outputs*.

Moreover, the CEO’s overview is a narrative, anecdotal and this year charts and tables are generally lean and grouped unobtrusively at the end of the Report. The resulting comprehensive and jargon-free word picture may be as close to a pleasurable read as you will find in a formal business setting. It is also one of the most informative, serving as an unofficial precis of the entire Report.

Little escapes the attention of the Ajinomoto Group reporting team. I did not find a single major sustainability issue that went unaddressed, from material issues to maternity leave or from climate change to corporate culture. When challenges were more appropriately tracked over time, they showed positive, if not restorative, trends.

Speaking of culture, I am a subscriber to the *culture-eats-strategy-for-breakfast* meme and so am drawn to the 2020 reporting’s repeated return to the important topic of corporate culture.

There are other clues in the vocabulary selection that are emblematic of this year’s humanized message: The topic of “solutions,” now integral to the Group’s vision and emphasized repeatedly, had been mentioned only in passing over previous years. And this year, “organic growth” is a recurring theme. In 2019, it was hardly mentioned. Overall, there is a four-fold increase in references to *vision*, *culture*, *return on invested capital (ROIC)*, and even engagement. Importantly, this year’s report speaks to transformation more than twice as often as last year’s. Of course, context is everything. But seeing these themes recur consistently and accessibly is a healthy step in the right direction.



Alex Mavro

Senior Advisor to the
Sustainability &
Entrepreneurship Center
Sasin School of Management
Chulalongkorn University,
Bangkok (Thailand)

Usability

I reviewed the online and soft versions of the reports and am pleased to note that both the web and Acrobat® formatting were well laid out and readable on the PC without having to scroll repeatedly up and down the screen.

Beyond the physical appearance, the presentation’s content seems to flow more smoothly reader-focused than in years past, with important but almost unnoticed topical transitions. One new section in particular stands out. It presents the Ajinomoto Group’s five areas of transformation (including the vision, mentioned above) and with minimum fanfare, establishes a frame of reference for the mood difference from last year’s report.

Finally, the report organization. Like the layout and the subject development, this is not a radical change but more of an organic improvement that contributes to an overall reading experience that many will find rewarding whether or not they are interested in the contribution of amino acids to humanity’s well-being.

Eat Well, Live Well.



Ajinomoto Group Sustainability Data Book 2020

I Inquiries

Ajinomoto Co., Inc.
Address: 15-1, Kyobashi 1-chome, Chuo-ku, Tokyo
104-8315, Japan

Global Communications Department
E-mail: integrated_reports@ajinomoto.com
URL: <https://www.ajinomoto.com>

Issued in September 2020 (Previous issue: August 2019)
Reporting cycle: Annually

Unauthorized copying or reproduction of this document is prohibited.
©Ajinomoto Co., Inc. 2020



AjiPanda® is
the character of
Ajinomoto Co., Inc.

Ajinomoto Group Sustainability Data Book 2020

Appendix 1 : Environmental Data

- Reduction of greenhouse gas emissions
- Conservation of water resources
- 3Rs of waste
- Third-party assurance

Scope of the Environmental Data

The environmental data of this section covers Ajinomoto Co., Inc. and other Group companies subject to the Ajinomoto Group Environmental Management as defined in the company's Environmental Regulations as of March 31, 2020. Performance statistics are for the 128 major business sites (3 increased following site reorganization), which substantially represent the environmental performance of the entire Ajinomoto Group under the consolidated financial accounting system.

Reduction of greenhouse gas emissions

Total greenhouse gas emissions calculated using applicable IEA (International Energy Agency) CO₂ emission factors

(t-CO₂e)

	FY2015	FY2016	FY2017	FY2018	FY2019
Scope 1 emissions	1,251,654	1,270,429	1,244,676	1,196,969	1,013,315
Japan	319,751	345,958	361,142	327,345	302,700
Asia/Africa	528,823	550,319	519,025	526,405	376,020
Europe	63,300	48,589	46,282	39,021	41,463
North America	188,438	204,301	228,284	219,337	212,796
South America	123,918	99,319	66,896	67,231	65,408
China	27,424	21,943	23,047	17,629	14,926
Scope 2 emissions (market-based method)	1,101,529	1,121,770	1,072,248	1,015,723	960,375
Japan	138,341	143,670	136,505	141,952	118,337
Asia/Africa	427,826	415,967	441,259	427,389	414,365
Europe	176,291	210,988	182,140	184,253	171,196
North America	248,114	235,069	213,247	193,766	194,490
South America	66,905	62,139	60,420	40,308	38,306
China	44,052	53,937	38,677	28,056	23,681
Scope 1,2 emissions	2,353,183	2,392,199	2,316,924	2,212,692	1,973,690
Japan	458,092	489,628	497,647	469,297	421,038
Asia/Africa	956,649	966,286	960,284	953,794	790,386
Europe	239,591	259,577	228,422	223,275	212,659
North America	436,552	439,370	441,531	413,103	407,286
South America	190,823	161,458	127,316	107,538	103,714
China	71,476	75,880	61,724	45,686	38,608
Scope 1 emissions	-	1,270,429	1,244,676	1,196,969	1,013,315
Business activities					
Production	-	-	-	974,641	804,553
Transportation	-	-	-	25,976	16,060
Others (office, sales, R&D, etc.)	-	-	-	196,352	192,702
Business division					
Food products	-	333,215	344,819	347,927	338,518
AminoScience	-	937,214	899,857	849,041	674,797
Scope 2 emissions (market-based method)	-	1,121,769	1,072,248	1,015,723	960,375
Business activities					
Production	-	-	-	821,352	802,117
Transportation	-	-	-	9	2
Others (office, sales, R&D, etc.)	-	-	-	194,362	158,257
Business division					
Food products	-	311,526	323,576	379,571	356,388
AminoScience	-	810,243	748,672	636,152	603,988

Environmental Data

Total greenhouse gas emissions calculated based on internal CO₂ emission factors

	FY2005 (Base Year)	FY2015	FY2016	FY2017	FY2018	FY2019
Greenhouse gas emissions (kilo tons)	2,357	2,234	2,330	2,299	2,310	2,017
Greenhouse gas emission volume vs. emission intensity (per ton of product)	1.31	0.88	0.88	0.86	0.88	0.80
Reduction rate	-	33%	33%	35%	33%	39%
Reference value: Total amount of production (kilo tons)	1,800	2,532	2,657	2,684	2,627	2,512

Ajinomoto Group products carbon footprint

Product	Production plant	CFP values ^[1] (per kg of product)	CFP values per serving ^[2]
(1) HON-DASHI®	Kawasaki Plant, Ajinomoto Food Manufacturing Co., Ltd.	14.08 kg-CO ₂ e	-
(2) Ajinomoto ㄐㄐ Consommé (Granules)	Takatsu Plant, Ajinomoto Food Manufacturing Co., Ltd.	6.87 kg-CO ₂ e	-
(3) Knorr® Cup Soup Tsubu Tappuri Corn Cream	Takatsu Plant, Ajinomoto Food Manufacturing Co., Ltd.	7.08 kg-CO ₂ e	-
(4) Ajinomoto ㄐㄐ Shirogayu 250 g	Takatsu Plant, Ajinomoto Food Manufacturing Co., Ltd.	0.81 kg-CO ₂ e	-
(5) Cook Do® Hoikoro	Kawasaki Plant, Ajinomoto Food Manufacturing Co., Ltd.	2.95 kg-CO ₂ e	1.21 kg-CO ₂ e per serving (approx. 700 g)
(6) Cook Do® Kyo-no Oozara Butabara Daikon	Shizuoka Plant, Ajinomoto Food Manufacturing Co., Ltd.	2.31 kg-CO ₂ e	2.90 kg-CO ₂ e per serving (approx. 1 kg)
(7) Nabe Cube Toridashi Umashio	Kunneppu Plant, Ajinomoto Food Manufacturing Hokkaido Co., Ltd.	8.54 kg-CO ₂ e	-
(8) Blendy® Stick Café au Lait (coffee mixes)	AGF Suzuka, Inc.	4.85 kg-CO ₂ e	-
(9) Lemon and Basil Fried Chicken (frozen foods)	Kyushu Plant, Ajinomoto Frozen Foods Co., Inc.	5.84 kg-CO ₂ e	-
(10) Yamaki Mentsuyu (400ml and 500ml)	Daini Plant and Minakami Plant, YAMAKI Co., Ltd.	2.02 kg-CO ₂ e	-
(11) Masako® Ayam (11g)	Mojokerto Factory, PT AJINOMOTO INDONESIA	2.49 kg-CO ₂ e	-
(12) Aji-ngon® Pork flavor seasoning (400g)	Long Thanh Factory, AJINOMOTO VIETNAM CO., LTD.	2.68 kg-CO ₂ e	-
(13) Ros Dee® Pork (75g)	Nong Khae Factory, AJINOMOTO CO. (THAILAND) LTD.	3.15 kg-CO ₂ e	-

[1] Carbon footprint (CFP) values in the report are calculated in accordance with PCR No. PA-CG-02 from the Japan Environmental Management Association for Industry. The calculation system and the results are backed by a third-party assurance statement from Lloyd's Register Quality Assurance Limited, based on the ISO/TS 14067 standard.

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

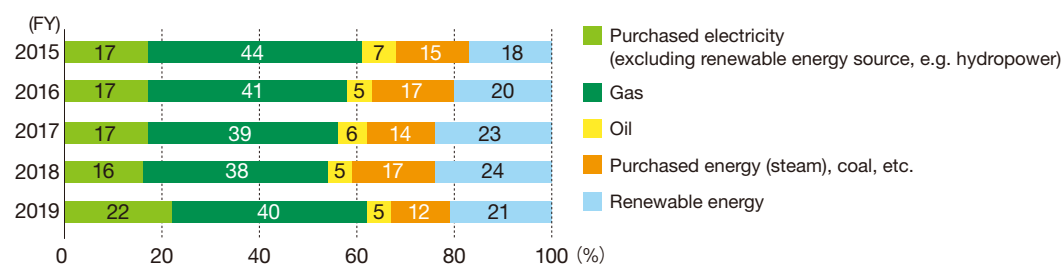
Energy input

	FY2015	FY2016	FY2017	FY2018	FY2019
Energy input (TJ) ^[3]	37,362	39,105	39,589	38,468	34,619
Energy input intensity of production (per kilo tons of product)	14.8	14.7	14.8	14.6	13.8

[3] TJ: terajoule, T (tera) = 10¹². The joule conversion factors officially published in 2005 have been used.

Environmental Data

Energy use (thermal equivalent)



Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions

(tons)

	FY2018	FY2019
NOx	9,421	5,224
SOx	10,701	6,779
Soot and dust	1,827	884
CFCs, HCFCs, HFCs	11	10

Conservation of water resources

Water use/intensity

(megaliters)

	FY2005 (Base Year)	FY2015	FY2016	FY2017	FY2018	FY2019
Total water withdrawal ^[1]	221,863	76,912	74,041	74,844	69,892	66,926
Fresh surface water	180,363	25,272	23,559	24,433	20,672	19,630
Brackish surface water/ seawater	0	0	0	0	0	0
Fresh groundwater-renewable	0	0	0	0	0	0
Fresh groundwater-non-renewable	-	16,972	15,859	16,371	15,076	14,366
Produced water	0	0	0	0	0	0
Municipal water (including industrial water)	41,500	34,668	34,623	34,041	34,144	32,930
Water usage vs. production volume unit (per ton of product)	123	30	28	28	27	27
Reduction rate	-	75%	77%	77%	78%	78%
Reference value: Production volume (kilo tons)	1,800	2,532	2,657	2,684	2,627	2,512
Total water discharge	201,300	60,873	59,701	60,464	55,800	52,342
Fresh surface water	47,000	26,059	25,872	28,341	27,498	24,297
Brackish surface water/ seawater	0	0	0	0	0	0
Groundwater	0	0	0	0	0	0
Third-party destinations	10,300	11,530	11,456	11,299	11,273	11,291
Total water use recycled or reused	144,000	23,284	22,373	20,824	17,029	16,754
Proportion of water use recycled or reused	65%	30%	30%	28%	24%	25%
Total water use	20,563	16,039	14,340	14,380	14,092	14,584
BOD (tons)	550	268	269	294	312	283
Nitrogen (tons)	3,200	424	445	394	501	506

[1] We disclose water withdrawal based on measurements or invoiced volumes according to the applicable national or local laws. We may also disclose water withdrawal based on a volume conversion from pump power use or pipe water speed. We disclose water discharge volume and quality based on values collated from measurements based on applicable national or local laws.

Environmental Data


3Rs of waste

Volume of waste and by-products and resource recovery ratio

(tons)

	FY2015	FY2016	FY2017	FY2018	FY2019
Hazardous waste (waste acid, waste alkali, waste oil, cinder)					
Generated	60,431	59,217	59,162	69,991	83,834
Recycled	59,457	58,890	58,862	68,422	83,429
Incinerated	14	54	24	40	60
Landfills	959	274	276	1,529	345
Non-hazardous waste					
By-products					
Generated	2,435,544	2,337,284	2,395,249	2,194,566	2,021,002
Composted	2,434,281	2,335,451	2,394,976	2,194,470	2,020,885
Incinerated	0	0	0	0	0
Landfills	1,263	1,832	273	96	117
Others					
Generated	140,464	178,861	178,989	174,651	181,246
Recycled	131,258	163,414	161,455	153,388	156,432
Incinerated	1,293	3,021	2,066	2,821	2,121
Landfills	7,913	12,426	15,467	18,442	22,693
Total generated	2,636,439	2,575,361	2,633,400	2,439,208	2,286,082
Total recycled	2,624,997	2,557,755	2,615,293	2,416,280	2,260,745
Total waste	11,442	17,606	18,107	22,928	25,337
Resource recovery ratio	99.6%	99.3%	99.3%	99.1%	98.9%

Third-party assurance

 **Lloyd's Register**

LR Independent Assurance Statement

Relating to Ajinomoto Group Sustainability Data Book 2020 for the fiscal year 2019

This Assurance Statement has been prepared for AJINOMOTO Co., Inc. in accordance with our contract but is intended for the readers of this Report.

Terms of engagement
Lloyd's Register Quality Assurance (LR) was commissioned by AJINOMOTO Co., Inc. ("the Company") to provide independent assurance on its Environmental and Social data within Ajinomoto Group Sustainability Data Book 2020 ("the report") for the fiscal year 2019 (from 1 April 2019 to 31 March 2020), against the assurance criteria below to a limited level of assurance and at the materiality of the professional judgement of the verifier using ISAE 3000 and ISO 14064-3 for GHG emissions data.

Our assurance engagement covered the Company's operations and activities in Japan and overseas and specifically the following requirements:

- Verifying conformance with the Company's reporting methodologies for the selected dataset;
- Evaluating the accuracy and reliability of data for the selected environmental and social indicators listed below:
 - Scope 1 GHG emissions¹ (tonnes CO₂e)
 - Scope 2 GHG emissions, market based, and location based¹ (tonnes CO₂e)
 - Scope 3 GHG emissions associated with Categories 1 to 15¹ (tonnes CO₂e)
 - Lost Time Injury Frequency Rate (LTIFR)
 - Occupational Illness Frequency Rate (OIFR)

Our assurance engagement excluded the data and information of the Company's suppliers, contractors and any third-parties mentioned in the report.

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

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

- Met the requirements above
- Disclosed accurate and reliable performance data

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


Note: The extent of evidence-gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically checking source data at sites. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

LR's approach
LR's assurance engagements are carried out in accordance with ISAE3000 and ISO14064-3 for GHG emissions. The following tasks though were undertaken as part of the evidence gathering process for this assurance engagement:

- Auditing the Company's data management systems to confirm that there were no significant errors, omissions or mis-statements in the report. We did this by reviewing the effectiveness of data handling procedures, instructions and systems, including those for internal verification.

¹ GHG quantification is subject to inherent uncertainty.

Page 1 of 2

 **Lloyd's Register**


- Interviewing with key people responsible for compiling the data and drafting the report.
- Sampling datasets and tracing activity data back to aggregated levels;
- Verifying the historical GHG emissions, Lost Time Injury Frequency Rate (LTIFR) and Occupational Illness Frequency Rate (OIFR) data and records for the fiscal year 2019; and
- Using by the Information and Communication Technology (ICT) for Delica Ace Co., Ltd Ageo Factory and Ajinomoto Food Manufacturing CO., Ltd Kawasaki Factory and visiting the head office of the Company to investigate whether the data management systems have been effectively implemented.

Observations
The Company should continue efforts for implementing quality assurance and quality control (QA/QC) systems for the GHG emissions, energy consumption and water consumption data management. This is particular to ensuring effective internal verification processes at both the corporate and member company levels.

LR's standards, competence and independence
LR implements and maintains a comprehensive management system that meets accreditation requirements for ISO 14065 Greenhouse gases – Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition and ISO/IEC 17021-1 Conformity assessment – Requirements for bodies providing audit and certification of management systems – Part1: Requirements that are at least as demanding as the requirements of the International Standard on Quality Control 1 and comply with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants.

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

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

Signed  Dated: 13 June 2020

Takahiro Ito
LR Lead Verifier
On behalf of Lloyd's Register Quality Assurance Limited
10th Floor, Queen's Tower A, 2-3-1 Minatomirai, Nishi-ku, Yokohama, JAPAN

LR reference: YKA4005113

Lloyd's Register Group Limited, its affiliates and subsidiaries, including Lloyd's Register Quality Assurance Limited (LRQA), and their respective officers, employees or agents are not liable for any loss, damage or expense caused by reliance on the information or advice in this document or for any consequences arising therefrom, whether or not caused in whole or in part by the negligence of any of the named individuals in this document. The English version of this Assurance Statement is the only valid version. Lloyd's Register Group Limited assumes no responsibility for versions translated into other languages.

This Assurance Statement is only valid when published with the Report to which it refers. It may only be reproduced or its content copied without the prior written consent of Lloyd's Register Group Limited. Copyright © Lloyd's Register Quality Assurance Limited, 2020. A member of the Lloyd's Register Group.

Page 2 of 2

Ajinomoto Group Sustainability Data Book 2020

Appendix 2 : Personnel and Labor-Related Data

- Employee statistics
- Work-life balance (WLB) -related programs (Ajinomoto Co., Inc. only)
- Frequency of serious accidents and accidents with absence
- Number of hotline reports
- Third-party assurance

Scope of the personnel and labor-related data

The personnel and labor-related data of this section covers Ajinomoto Co., Inc. and its consolidated subsidiaries (28 in Japan, 71 overseas) as of March 31, 2020.

Definitions of terms

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

Personnel and Labor-Related Data

Employee statistics

Number of Ajinomoto Group employees

(persons)

	FY2017			FY2018			FY2019		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Ajinomoto Group total	44,606	-	-	44,199	-	-	41,533	-	-
Employees	34,452	24,550	9,902	34,504	24,467	10,037	32,509	22,894	9,615
Management	4,921	3,861	1,060	4,911	3,804	1,107	4,839	3,674	1,165
Non-management	29,460	20,639	8,821	29,521	20,607	8,914	27,580	19,151	8,429
Contract staff	71	50	21	72	56	16	90	69	21
Temporary staff	10,154	-	-	9,695	-	-	9,024	-	-
Japan	15,059	-	-	14,991	-	-	13,196	-	-
Employees	9,213	6,999	2,214	9,219	6,913	2,306	7,945	5,781	2,164
Management	2,221	2,056	165	2,203	2,024	179	2,037	1,840	197
Non-management	6,921	4,893	2,028	6,944	4,833	2,111	5,818	3,872	1,946
Contract staff	71	50	21	72	56	16	90	69	21
Temporary staff	5,846	-	-	5,772	-	-	5,251	-	-
Asia	17,880	-	-	17,305	-	-	16,251	-	-
Employees	14,105	9,772	4,333	13,819	9,730	4,089	12,873	9,195	3,678
Management	1,532	981	551	1,597	1,008	589	1,607	1,016	591
Non-management	12,573	8,791	3,782	12,222	8,722	3,500	11,266	8,179	3,087
Temporary staff	3,775	-	-	3,486	-	-	3,378	-	-
EMEA	3,899	-	-	3,972	-	-	3,951	-	-
Employees	3,450	2,437	1,013	3,557	2,458	1,099	3,584	2,478	1,106
Management	393	282	111	420	290	130	465	317	148
Non-management	3,057	2,155	902	3,137	2,168	969	3,119	2,161	958
Temporary staff	449	-	-	415	-	-	367	-	-
The Americas	7,768	-	-	7,931	-	-	8,135	-	-
Employees	7,684	5,342	2,342	7,909	5,366	2,543	8,107	5,440	2,667
Management	775	542	233	691	482	209	730	501	229
Non-management	6,909	4,800	2,109	7,218	4,884	2,334	7,377	4,939	2,438
Temporary staff	84	-	-	22	-	-	28	-	-
Ref.: Ajinomoto Co., Inc.	3,896	2,614	1,282	3,928	2,638	1,290	3,607	2,437	1,170
Employees	3,464	2,429	1,035	3,494	2,444	1,050	3,401	2,327	1,074
Management	1,071	974	97	1,098	994	104	1,105	989	116
Non-management	2,322	1,405	917	2,324	1,394	930	2,206	1,269	937
Contract staff	71	50	21	72	56	16	90	69	21
Temporary staff	432	185	247	434	194	240	206	110	96

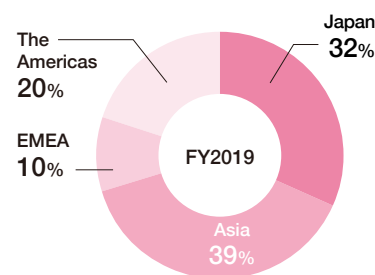
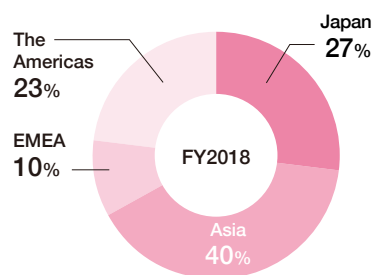
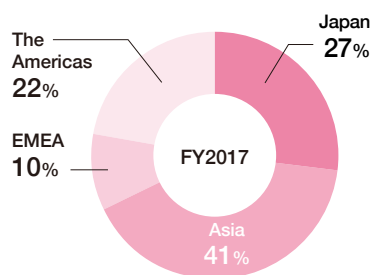
Personnel and Labor-Related Data

Ajinomoto Group employee ratio

Numbers in parentheses indicate male and female percentages.

	FY2017			FY2018			FY2019		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Ajinomoto Group total	100%	-	-	100%	-	-	100%	-	-
Employees	77%	(71%)	(29%)	78%	(71%)	(29%)	78%	(70%)	(30%)
Management	11%	(78%)	(22%)	11%	(77%)	(23%)	12%	(76%)	(24%)
Non-management	66%	(70%)	(30%)	67%	(70%)	(30%)	66%	(69%)	(31%)
Contract staff	0%	(70%)	(30%)	0%	(78%)	(22%)	0%	(77%)	(23%)
Temporary staff	23%	-	-	22%	-	-	22%	-	-
Japan	100%	-	-	100%	-	-	100%	-	-
Employees	61%	(76%)	(24%)	61%	(75%)	(25%)	60%	(73%)	(27%)
Management	15%	(93%)	(7%)	15%	(92%)	(8%)	15%	(90%)	(10%)
Non-management	46%	(71%)	(29%)	46%	(70%)	(30%)	44%	(67%)	(33%)
Contract staff	0%	(70%)	(30%)	0%	(78%)	(22%)	1%	(77%)	(23%)
Temporary staff	39%	-	-	39%	-	-	40%	-	-
Asia	100%	-	-	100%	-	-	100%	-	-
Employees	79%	(69%)	(31%)	80%	(70%)	(30%)	79%	(71%)	(29%)
Management	9%	(64%)	(36%)	9%	(63%)	(37%)	10%	(63%)	(37%)
Non-management	70%	(70%)	(30%)	71%	(71%)	(29%)	69%	(73%)	(27%)
Temporary staff	21%	-	-	20%	-	-	21%	-	-
EMEA	100%	-	-	100%	-	-	100%	-	-
Employees	88%	(71%)	(29%)	90%	(69%)	(31%)	91%	(69%)	(31%)
Management	10%	(72%)	(28%)	11%	(69%)	(31%)	12%	(68%)	(32%)
Non-management	78%	(70%)	(30%)	79%	(69%)	(31%)	79%	(69%)	(31%)
Temporary staff	12%	-	-	10%	-	-	9%	-	-
The Americas	100%	-	-	100%	-	-	100%	-	-
Employees	99%	(70%)	(30%)	100%	(68%)	(32%)	100%	(67%)	(33%)
Management	10%	(70%)	(30%)	9%	(70%)	(30%)	9%	(69%)	(31%)
Non-management	89%	(69%)	(31%)	91%	(68%)	(32%)	91%	(67%)	(33%)
Temporary staff	1%	-	-	0%	-	-	0%	-	-
Ref.: Ajinomoto Co., Inc.	100%	(67%)	(33%)	100%	(67%)	(33%)	100%	(68%)	(32%)
Employees	89%	(70%)	(30%)	89%	(70%)	(30%)	94%	(68%)	(32%)
Management	27%	(91%)	(9%)	28%	(91%)	(9%)	31%	(90%)	(10%)
Non-management	60%	(61%)	(39%)	59%	(60%)	(40%)	61%	(58%)	(42%)
Contract staff	2%	(70%)	(30%)	2%	(78%)	(22%)	2%	(77%)	(23%)
Temporary staff	11%	(43%)	(57%)	11%	(45%)	(55%)	6%	(53%)	(47%)

Group employees by region



Personnel and Labor-Related Data

Ratio of locally hired overseas executives

(persons)

	FY2017	FY2018	FY2019
Total overseas executives	169	178	177
Local executives	65	73	73
Local executive ratio	38%	41%	41%

Number of new hires, retention rate

(persons)

	FY2017			FY2018			FY2019		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Total number of new hires (new graduates + mid-career)	6,882	-	-	7,303	-	-	4,349	-	-
Japan	384	-	-	387	-	-	303	-	-
Asia	4,662	-	-	4,183	-	-	1,314	-	-
EMEA	376	-	-	2,261	-	-	344	-	-
The Americas	1,460	-	-	472	-	-	2,388	-	-
Ref.: Ajinomoto Co., Inc.	119	66	53	124	71	53	99	57	42
New graduates	85	45	40	87	49	38	88	49	39
Mid-career	34	21	13	37	22	15	11	8	3
Management	9	7	2	4	4	0	0	0	0
Non-management	25	14	11	33	18	15	11	8	3
Retention rate (3years) for new graduates									
Ajinomoto Co., Inc.	95.7%	97.9%	90.9%	92.4%	91.5%	93.8%	94.5%	100.0%	85.0%

Number of retirees, turnover, reemployment

(persons)

	FY2017			FY2018			FY2019		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Total number of retirees	6,867	-	-	7,330	-	-	4,535	-	-
Japan	352	-	-	361	-	-	322	-	-
Retired	151	-	-	138	-	-	144	-	-
Resigned for personal reasons	201	-	-	223	-	-	178	-	-
Overseas	6,515	-	-	6,969	-	-	4,213	-	-
Resigned for personal reasons, etc.									
Ref.: Ajinomoto Co., Inc.	99	82	17	116	86	30	135	100	35
Retired	51	46	5	51	46	5	69	55	14
Resigned for personal reasons	48	36	12	65	40	25	66	45	21
Turnover ^[1]									
Ajinomoto Co., Inc.	1.2%	1.2%	1.1%	1.6%	1.3%	2.3%	1.6%	1.5%	1.9%
Reemployed after retirement ^[2]									
Japan	145	-	-	111	-	-	127	-	-
Ref.: Ajinomoto Co., Inc.	28	-	-	28	-	-	36	0	0
Under reemployment program	4	0	4	7	0	7	0	0	0
Seniors (after retirement)	24	-	-	21	-	-	36	-	-
Ref.: Number of employees registered in reemployment program (Ajinomoto Co., Inc.)									
Employees registered	47	3	44	46	4	42	44	4	40
Newly registered	7	1	6	17	1	16	5	0	5

[1] Only includes employees resign for personal reasons [2] Japan only

Personnel and Labor-Related Data

Number of personnel with disabilities (Japan only)

	As of June 1, 2018	As of June 1, 2019	As of June 1, 2020
Employees	333.5	300.5	293.5
Ajinomoto Co., Inc.	90.0	91.0	86.0
Group companies ^[1]	243.5	209.5	207.5
Percentage of workforce rate	2.21%	2.23%	2.22%
Ajinomoto Co., Inc.	1.95%	2.06%	1.98%
Group companies ^[1]	2.33%	2.31%	2.34%

[1] For Group companies in Japan, numbers refer to 17 consolidated subsidiaries with 45.5 or more regular workers, and a special-purpose subsidiary Ajinomoto Mirai Co., Ltd.

Age, years of employment, salary

	FY2017			FY2018			FY2019		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Average age									
Ajinomoto Co., Inc.	43.1	44.0	41.1	43.6	44.4	41.5	43.9	44.7	41.7
Group companies in Japan	42.6	-	-	42.0	-	-	41.4	-	-
Overseas Group companies	36.7	-	-	33.5	-	-	37.0	-	-
Average years of employment									
Ajinomoto Co., Inc.	19.6	20.2	17.9	19.9	20.6	18.1	19.9	20.9	17.4
Group companies in Japan	13.2	-	-	12.8	-	-	14.1	-	-
Overseas Group companies	8.9	-	-	7.6	-	-	9.4	-	-
Average annual salary ^[2] (thousand yen)									
Ajinomoto Co., Inc.	9,458	-	-	9,823	-	-	9,557	-	-

[2] Average for employees (excluding contract staff)

Working hours (Ajinomoto Co., Inc. only)

	FY2017			FY2018			FY2019		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Average annual working hours	1,842	-	-	1,820	-	-	1,812	-	-
Average paid leave days	16.6	-	-	16.3	-	-	16.9	-	-
Paid leave utilization rate	86.2%	-	-	84.3%	-	-	86.7%	-	-

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

	FY2017	FY2018	FY2019
Annual expenditures for education and training (million yen)	511	513	462
Annual average time of training and education per employee (hours)	-	13	13

Freedom of association (Ajinomoto Co., Inc. only)

	FY2017	FY2018	FY2019
Ratio of employees represented by an independent trade union	-	61.6%	61.7%

Personnel and Labor-Related Data

Work-life balance (WLB) -related programs (Ajinomoto Co., Inc. only)

Program		Details
Anywhere office		Allows employees to work on eligible tasks at home or at a satellite office up to 4 days per week when approved by the Company.
Super flextime		Flextime system without setting core time, or a time zone in which working is required, aimed at supporting efficient fulfillment of work duties and improving WLB.
Hourly paid leave system		Allows employees to take paid leave of up to 40 hours per year in hourly units.
Child care leave system		Allows employees with children who have not yet entered junior high school to take up to 10 days of childcare leave per fiscal year per child.
Nursing care leave system		Allows employees to take leaves for 10 days per eligible family member (20 days if there are 2 or more eligible family members)
Volunteer leave system		Allows employees to take volunteer leave of up to 8 days per fiscal year in case he or she is qualified for volunteer work by an NPO, social welfare foundation, or other organization.
WLB leave system		Allows employees to take 3 consecutive days of leave separate from ordinary paid leave (once per year).
Refreshment leave system		Allows employees to take rejuvenation leave of 9, 16, 30, and 16 days one time in the age ranges of 25–32, 33–40, 41–48, and 49–56, respectively.
WLB short working hours system	Short time work for childcare	Allows employees to take leave up to 2 hours and 30 minutes per day until the child enters the 4th grade of elementary school.
	Short time work for nursing care	Allows employees to take leave up to 2 hours and 30 minutes per day to provide care for certain family members until such care is no longer needed.
Area application system		Allows employees to request to work in a specific area due to childcare, family care, or other applicable reasons (global employees: no transfer, regional employees: transfer to area different from that when hired).
WLB temporary retirement system	Temporary retirement for child care	Allows employees to take leave until the last day of April following the child's 1st birthday. A total of 15 days paid leave is provided.
	Temporary retirement for nursing care	Allows employees to take leave up to 1 year to care for a spouse, parents, or family within the 2nd-degree of kinship whom the employee supports.
	Temporary retirement for infertility treatment	Allows employees to take leave once in principle, up to 1 year, to receive advanced reproductive therapy.
	Temporary retirement for accompanying spouse on job transfer	Allows employees to take leave once, for a period between 1 and 3 years, to accompany their spouse on a job transfer that requires the spouse to change residence.
Re-employment system		Allows employees to register for re-employment in the event that retirement was unavoidable due to childbirth and newborn care, family and child care, or relocation because of marriage or spouse's job transfer.

Personnel and Labor-Related Data

Employee usage of WLB-related programs (Ajinomoto Co., Inc. only)

	FY2017			FY2018			FY2019		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Parenting leave program									
Number of users									
Parenting leave	149	27	122	122	23	99	151	40	111
Number of employees with the right to take childcare leave	-	-	-	174	124	50	154	104	50
Part-time parenting and work	157	0	157	154	0	154	145	1	144
Childcare leave	25	2	23	18	1	17	13	1	12
Usage ratio									
Parenting leave	-	21.3%	100.0%	-	18.5%	100.0%	-	38.5%	100.0%
Part-time parenting and work	-	-	-	-	-	-	-	-	-
Childcare leave	-	-	-	-	-	-	-	-	-
Average parenting leave usage days	-	16	288	-	27	365	-	16	365
Reinstatement rate	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	99.3%	100.0%	99.0%
Retention rate	-	-	-	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Other WLB-related programs									
Number of users									
Nursing care leave	14	5	9	12	1	11	7	2	5
Nursing care temporary retirement	1	0	1	3	1	2	2	0	2
Part-time family care and work	1	0	1	-	-	-	-	-	-
Accumulated paid leave	85	32	53	79	22	57	68	29	39
Volunteer leave	42	-	-	36	-	-	42	-	-
Rejuvenation leave	142	-	-	160	-	-	105	-	-

Frequency of serious accidents and accidents with absence

Frequency of serious accidents and accidents with absence, and number of accident victims^[1]

	FY2015	FY2016	FY2017	FY2018	FY2019
No. of people (with absence)	108	119	110	134	118
No. of people (serious)	26	16	23	16	22
Lost-time injury frequency rate	1.26	1.37	1.39	1.49	1.46
Lost-workday rate	0.097	0.054	0.021	0.018	0.005
Occupational illness frequency rate	-	-	-	-	0

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

Personnel and Labor-Related Data

Major accident and incidents^[1]

		FY2015	FY2016	FY2017	FY2018	FY2019
Number of caught-in-machinery accidents Persons, serious accidents in ()	Japan	2 (1)	2 (1)	1 (1)	1 (0)	1 (0)
	Overseas	3 (2)	3 (0)	9 (7)	7 (3)	5 (2)
	Total	5 (3)	5 (1)	10 (8)	8 (3)	6 (2)
Number of fall accidents Persons, serious accidents in ()	Japan	18 (5)	24 (2)	14 (3)	19 (4)	12 (1)
	Overseas	13 (0)	6 (1)	9 (1)	13 (0)	10 (3)
	Total	31 (5)	30 (3)	23 (4)	32 (4)	22 (4)
Number of lower back pain accidents Persons, serious accidents in ()	Japan	8 (0)	7 (0)	5 (0)	10 (0)	3 (1)
	Overseas	-	-	2 (0)	5 (0)	9 (0)
	Total	-	-	7 (0)	15 (0)	12 (1)
Number of serious accidents (excluding commuting accidents) caught-in-machinery and fall accidents in ()	Japan	13 (6)	8 (3)	6 (4)	9 (4)	6 (1)
	Overseas	13 (2)	8 (1)	17 (8)	7 (3)	15 (5)
	Total	26 (8)	16 (4)	23 (12)	16 (7)	21 (6)
Number of serious commuting accidents	Japan	5	4	3	3	3
	Overseas	13	5	16	10	7
	Total	18	9	19	13	10
Number of fatal accidents	Japan	1	0	0	0	0
	Overseas	0	0	0	0	1
	Total	1	0	0	0	1


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

Number of hotline (whistleblowing) reports^[2]

	FY2016	FY2017	FY2018	FY2019
Number of hotline reports	69	71	98	93
Human rights, harassment	33	28	47	45
Hiring, working condition	14	14	21	19
Quality, environment	1	1	1	1
Irregularity	2	2	1	4
Social manners, ethics	8	10	6	10
Proper job performance	6	13	20	8
Other	5	3	2	6

[2] Multiple issues reported in some cases.

Third-party assurance



LR Independent Assurance Statement

Relating to Ajinomoto Group Sustainability Data Book 2020 for the fiscal year 2019

This Assurance Statement has been prepared for AJINOMOTO Co., Inc. in accordance with our contract but is intended for the readers of this Report.

Terms of engagement
Lloyd's Register Quality Assurance (LR) was commissioned by AJINOMOTO Co., Inc. ("the Company") to provide independent assurance on its Environmental and Social data within Ajinomoto Group Sustainability Data Book 2020 ("the report") for the fiscal year 2019 (from 1 April 2019 to 31 March 2020), against the assurance criteria below to a limited level of assurance and at the materiality of the professional judgement of the verifier using ISAE 3000 and ISO 14064-3 for GHG emissions data.

Our assurance engagement covered the Company's operations and activities in Japan and overseas and specifically the following requirements:

- Verifying conformance with the Company's reporting methodologies for the selected dataset;
- Evaluating the accuracy and reliability of data for the selected environmental and social indicators listed below:¹
 - Scope 1 GHG emissions¹ (tonnes CO₂e)
 - Scope 2 GHG emissions, market based, and location based¹ (tonnes CO₂e)
 - Scope 3 GHG emissions associated with Categories 1 to 15¹ (tonnes CO₂e)
 - Lost Time Injury Frequency Rate (LTIFR)
 - Occupational Illness Frequency Rate (OIFR)

Our assurance engagement excluded the data and information of the Company's suppliers, contractors and any third-parties mentioned in the report.

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

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

- Met the requirements above
- Disclosed accurate and reliable performance data

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


Note: The extent of evidence gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically checking source data at sites. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

LR's approach
LR's assurance engagements are carried out in accordance with ISAE3000 and ISO14064-3 for GHG emissions. The following tasks though were undertaken as part of the evidence gathering process for this assurance engagement:

- Auditing the Company's data management systems to confirm that there were no significant errors, omissions or mis-statements in the report. We did this by reviewing the effectiveness of data handling procedures, instructions and systems, including those for internal verification.

¹ GHG quantification is subject to inherent uncertainty.

Page 1 of 2



- Interviewing with key people responsible for compiling the data and drafting the report.
- Sampling datasets and tracing activity data back to aggregated levels;
- Verifying the historical GHG emissions, Lost Time Injury Frequency Rate (LTIFR) and Occupational Illness Frequency Rate(OIFR) data and records for the fiscal year 2019; and
- Using by the Information and Communication Technology (ICT) for Delica Ace Co., Ltd Ageo Factory and Ajinomoto Food Manufacturing CO., Ltd Kawasaki Factory and visiting the head office of the Company to investigate whether the data management systems have been effectively implemented.


Observations
The Company should continue efforts for implementing quality assurance and quality control (QA/QC) systems for the GHG emissions, energy consumption and water consumption data management. This is particular to ensuring effective internal verification processes at both the corporate and member company levels.

LR's standards, competence and independence
LR implements and maintains a comprehensive management system that meets accreditation requirements for ISO 14065 Greenhouse gases – Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition and ISO/IEC 17021-1 Conformity assessment – Requirements for bodies providing audit and certification of management systems – Part1: Requirements that are at least as demanding as the requirements of the International Standard on Quality Control 1 and comply with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants.

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

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

Signed _____ Date: 13 June 2020


Takahiro Ito
LR Lead Verifier
On behalf of Lloyd's Register Quality Assurance Limited
10th Floor, Queen's Tower A, 2-3-1 Minatomirai, Nishi-ku, Yokohama, JAPAN

LR reference: YKA4005113

Lloyd's Register Group Limited, its affiliates and subsidiaries including Lloyd's Register Quality Assurance Limited (LRQA), and their respective officers, employees or agents are, individually and collectively, referred to in this clause as 'Lloyd's Register'. Lloyd's Register assumes no responsibility and shall not be liable to any person for any loss, damage or expense caused by reliance on the information or advice in this document or for any error, omission or delay, that persons have signed a contract with the relevant Lloyd's Register entity for the provision of his information or advice and in that case any responsibility or liability is exclusively on the terms and conditions set out in that contract. The English version of this Assurance Statement is the only valid version. Lloyd's Register Group Limited assumes no responsibility for versions translated into other languages.

This Assurance Statement is only valid when published with the Report to which it refers. It may only be reproduced in its entirety. Copyright © Lloyd's Register Quality Assurance Limited, 2020. A member of the Lloyd's Register Group

Page 2 of 2