Environmental management

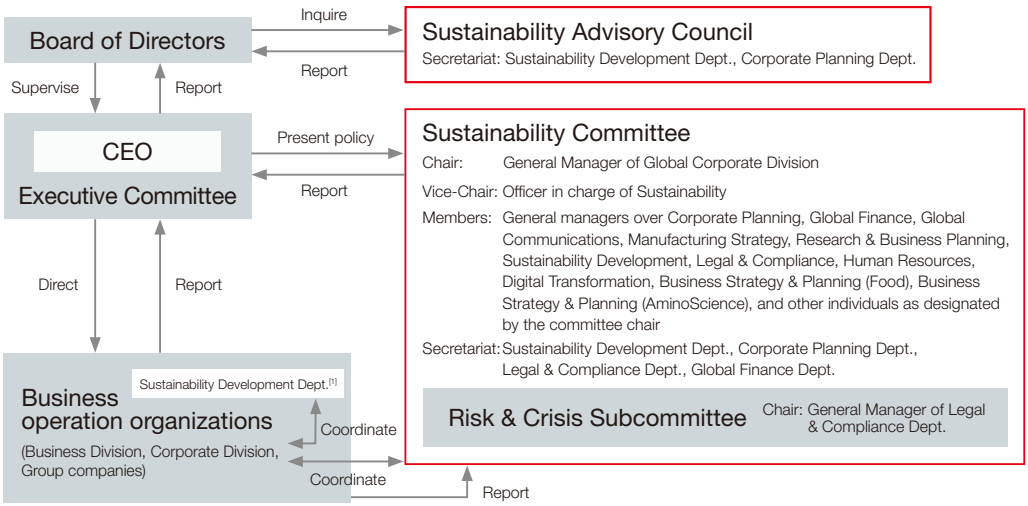
Framework

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

> Group Shared Policy on Environment

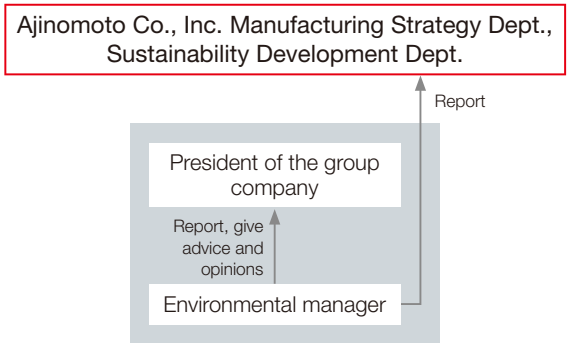
Environmental management framework

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



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

Management framework at group companies



Status of ISO 14001 certification

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

Environmental Management

Environmental assessments

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

Environmental assessment items

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

Environmental audits

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

Response to environmental laws and accidents

Performance

GRI307-1

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

Environmental Management

Performance

Environmental education

Specialized education

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

■ Main programs in fiscal 2020 (Japan)

- One-day training course for internal environmental auditors: Twice, 48 participants
- Training on environmental law
  Japanese environmental law training (Seminar on trends in revisions to laws): Once, 54 participants
  Training on waste treatment laws: Once, 14 participants
  Training on the Act on the Evaluation of Chemical Substances and Regulation of Their Manufacture, etc.: Once, 68 participants

General education

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

■ Main programs in fiscal 2020 (Japan)

- Training for technology-related staff before posting overseas

Initiatives related to TCFD, SBT, and RE100

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GRI302-DMA
GRI305-DMA

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

Biodiversity approach

GRI301-DMA
GRI304-DMA

> Group Shared Policy on Environment

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

Material balance

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

In fiscal 2020, the total of Scope 1 and 2 emissions decreased by 63,090 CO_2 tons from the previous fiscal year, down 14% compared to the base year of fiscal 2018. This was due to decreased production volume in some factories caused partially by the spread of COVID-19.

[1] Scope 1: Direct greenhouse gas emissions from sources that are owned or controlled by the organization (burning fuel, industrial processes, vehicle use, etc.)
Scope 2: Indirect emissions from the generation of purchased electricity, heat, or steam consumed by the company
Scope 3: Other indirect emissions (product use, disposal and transport, employee commuting and business travel, investment, etc.)

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

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

INPUT

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

[2] Figure of fiscal 2017 and fiscal 2018 have been reclassified due to redefinition.
[3] Unit for fiscal 2017 was kt.

Environmental Management

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

OUTPUT

(t-CO_2e)

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

[1] Unit for fiscal 2017 was t-CO_2.

Data calculation

Scope of reporting: All 146 business sites covered by ISO 14064-1 (100%)
Reporting period: April 1, 2020 to March 31, 2021
The Ajinomoto Group refers to ISO 14064-1 and uses the latest CO_2e emission factor to calculate the CO_2e emissions in the above material balance table. These CO_2e emissions are independently verified in accordance with ISO 14064-3 requirements by Lloyd's Register Quality Assurance Limited.

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The Ajinomoto Group tracks the input of raw materials and output of waste products through the value chain as follows.

Flow of inputs and outputs through the value chain