Conservation of water resources

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

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

Specific examples

- Water and wastewater management
- Agriculture and livestock water use

Related opportunities and risks (○ Opportunity ● Risk)

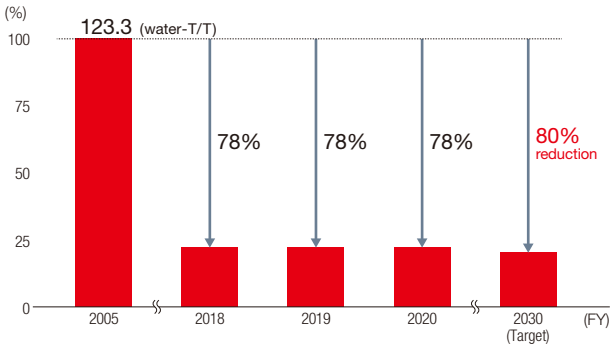
- ○ Stable procurement of raw materials and stable supply of products by reducing water risk
- ● Production stagnation due to droughts, floods or water quality deterioration
- ● Damage to corporate value due to delays in addressing water resource conservation

Key initiatives by the Ajinomoto Group

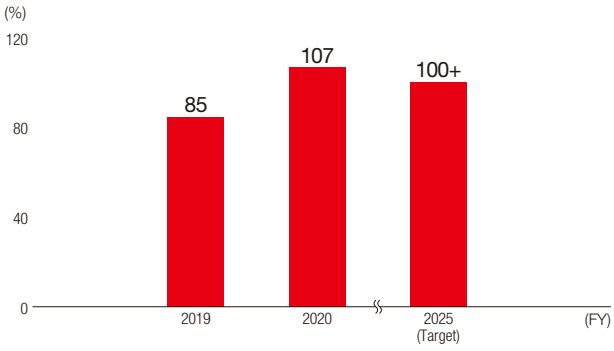
- Maintaining forests for water sources
- Developing wastewater treatment technology

Related SDGs

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



Recharge rate of drinking water into forest



Conservation of Water Resources

Conservation of water resources in production processes

Performance

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

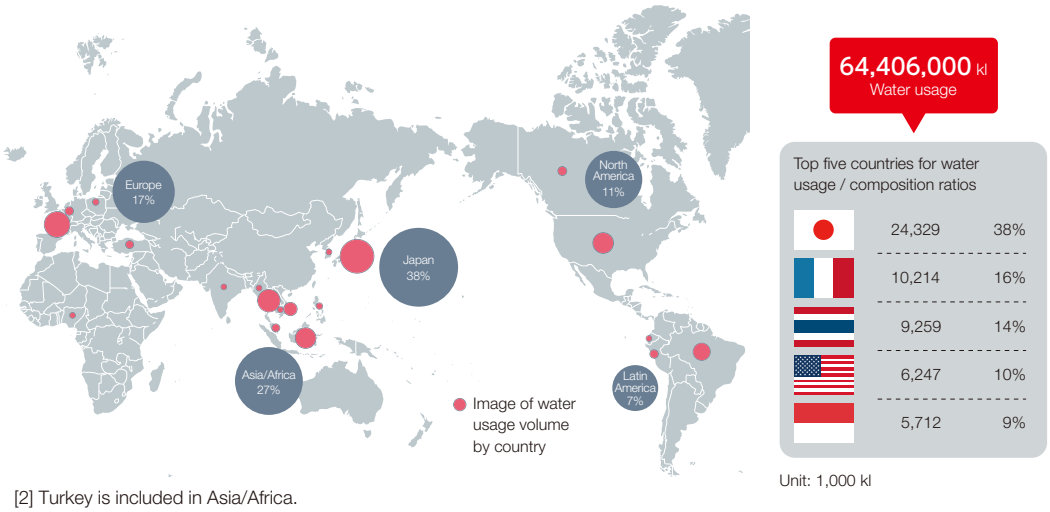
> P68
> Environmental Data
> CDP Water Security

The Ajinomoto Group used 64,406,000 kiloliters of water in fiscal 2020, with the top five countries including Japan, France, and Thailand making up 87% of the total. The ratio of water consumed in locations with high water stress[1] was less than 1%. The Group aims to reduce water consumption per production volume unit (intensity) by 80% by fiscal 2030 (compared with fiscal 2005). During fiscal 2020, we reduced water usage by 157,457,000 kiloliters compared to our base year, achieving our yearly goal of 78% reduction in water usage per production volume unit (intensity). Substances of concern in wastewater are BOD and nitrogen. Total emissions for BOD in fiscal 2020 were 284 tons and 538 tons for nitrogen. We will continue in fiscal 2021 to implement water-saving measures and improve production processes in every facility.

We encourage our suppliers to disclose water impacts in our supply chains through the CDP supply chain program.

[1] Only Peru is applicable for the Ajinomoto Group.

Water usage volumes by area[2] (Fiscal 2020)



[2] Turkey is included in Asia/Africa.

Reduction rate of water consumption per production volume unit

	FY2020		FY2021	FY2030
	Target	Result	Target	Target
Reduction rate of water consumption per production volume unit (vs. FY2005)	78%	78%	78%	80%

Conservation of Water Resources

Performance

GRI303-1

> *Protecting forests and nurturing water-forest expansion activities* (Japanese only)

Water use/intensity

(1,000 kl)

	FY2005 (Base Year)	FY2016	FY2017	FY2018	FY2019	FY2020
Total water withdrawal[1]	221,863	74,041	74,844	69,892	66,926	64,406
Fresh surface water	180,363	23,559	24,433	20,672	19,630	17,004
Brackish surface water/seawater	0	0	0	0	0	0
Fresh groundwater, renewable	0	0	0	0	0	0
Fresh groundwater, non-renewable	—	15,859	16,371	15,076	14,366	13,041
Processed water	0	0	0	0	0	0
Municipal water (including industrial water)	41,500	34,623	34,041	34,144	32,930	34,361
Water consumption per production volume unit (intensity per ton of product)	123	28	28	27	27	27
Reduction rate (vs. FY2005)	—	77%	77%	78%	78%	78%
Ref.: Production volume (1,000 t)	1,800	2,657	2,684	2,627	2,512	2,423
Total water discharge	201,300	59,701	60,464	55,800	52,342	51,564
Fresh surface water (processed by the Group)[2]	47,000	25,872	28,341	27,498	24,297	24,088
Brackish surface water, seawater	0	0	0	0	0	0
Groundwater	0	0	0	0	0	0
Third-party destinations[2]	10,300	11,456	11,299	11,273	11,291	11,139
Total water recycled or reused	144,000	22,373	20,824	17,029	16,754	16,338
Proportion of water recycled or reused	65%	30%	28%	24%	25%	25%
Total water consumption	20,563	14,340	14,380	14,092	14,584	12,842

BOD (tons)	550	269	294	312	283	284
Nitrogen (tons)	3,200	445	394	501	506	583

[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.
[2] Data of fiscal 2005, 2016-2019 are recalculated due to change of definition.

Forest conservation near water sources

The Ajinomoto Group aims to increase our water forest recharge rate to 100% or more by fiscal 2025. In fiscal 2020, we achieved 107% of our target of 107%.

AGF Suzuka, Inc. and AGF Kanto, Inc., production bases for Ajinomoto AGF, Inc., use water from the Suzuka River and Arato River (a tributary of the Tone River), respectively. These water sources come from the *Forest of Blendy*® of the Suzuka Mountains and the southern foothills of Mount Akagi. While expanding the contracted areas, we have been carrying out conservation activities with the aim of recharging more than 100% of the water used in bottled coffee.

Given the spread of COVID-19 during fiscal 2020, these efforts were limited to small groups of volunteers from both production bases. We have produced a video that shows customers the extent to which the forest has grown since these activities started five years ago, and are actively promoting this both within and outside the company.

In the future, we will use ongoing conservation activities to improve functions for other than replenishing the water source, including soil conservation and erosion prevention, and we will aim to use the forest as a site at which we can carry out sustainable education.

Recharge rate of drinking water into forest