

# Ajinomoto Co., Inc. CDP Climate Change 2022

## C0. Introduction

### C0.1

**(C0.1) Give a general description and introduction to your organization.**

Ajinomoto Co., Inc. is a Japanese company that produces food seasonings, processed foods, sweeteners, amino acids and pharmaceuticals. Ajinomoto is active in 130 countries and regions worldwide, employing around 34,000 people. Yearly net sales stand at 1,100 billion yen.

### C0.2

**(C0.2) State the start and end date of the year for which you are reporting data.**

	Start date	End date	Indicate if you are providing emissions data for past reporting years
Reporting year	April 1, 2021	March 31, 2022	No

### C0.3

**(C0.3) Select the countries/areas in which you operate.**

Bangladesh  
 Belgium  
 Brazil  
 Cambodia  
 Canada  
 China  
 Côte d'Ivoire  
 Egypt  
 France  
 India  
 Indonesia  
 Japan  
 Malaysia  
 Mexico  
 Myanmar  
 Nigeria  
 Pakistan

Peru  
 Philippines  
 Poland  
 Republic of Korea  
 Russian Federation  
 Singapore  
 Taiwan, China  
 Thailand  
 Turkey  
 United States of America  
 Viet Nam

## C0.4

**(C0.4) Select the currency used for all financial information disclosed throughout your response.**

JPY

## C0.5

**(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.**

Operational control

## C-AC0.6/C-FB0.6/C-PF0.6

**(C-AC0.6/C-FB0.6/C-PF0.6) Are emissions from agricultural/forestry, processing/manufacturing, distribution activities or emissions from the consumption of your products – whether in your direct operations or in other parts of your value chain – relevant to your current CDP climate change disclosure?**

	Relevance
Agriculture/Forestry	Elsewhere in the value chain only [Agriculture/Forestry/processing/manufacturing/Distribution only]
Processing/Manufacturing	Both direct operations and elsewhere in the value chain [Processing/manufacturing/Distribution only]
Distribution	Both direct operations and elsewhere in the value chain [Processing/manufacturing/Distribution only]
Consumption	Yes [Consumption only]

## C-AC0.6b/C-FB0.6b/C-PF0.6b

**(C-AC0.6b/C-FB0.6b/C-PF0.6b) Why are emissions from agricultural/forestry activities undertaken on your own land not relevant to your current CDP climate change disclosure?**

**Row 1**

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**Primary reason**

Do not own/manage land

**Please explain**

Ajinomoto group does not own land for our raw material of agriculture/forestry.

**C-AC0.7/C-FB0.7/C-PF0.7**

**(C-AC0.7/C-FB0.7/C-PF0.7) Which agricultural commodity(ies) that your organization produces and/or sources are the most significant to your business by revenue? Select up to five.**

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**Agricultural commodity**

Fish and seafood from aquaculture

**% of revenue dependent on this agricultural commodity**

Less than 10%

**Produced or sourced**

Sourced

**Please explain**

Ajinomoto group manufactures and sells frozen foods which used shrimp. Scope-3 category-1 of frozen foods is less than 4% of Scope 1, 2, 3. Majority ingredient of our frozen foods are vegetables and poultry and pork. Therefore, % of revenue of shrimp frozen food is less than 10%.

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**Agricultural commodity**

Palm Oil

**% of revenue dependent on this agricultural commodity**

Less than 10%

**Produced or sourced**

Sourced

**Please explain**

Ajinomoto group used Palm oil for our products which are instant noodle, seasonings, cosmetic ingredients. The Group consumed 37,000 tones/year of Palm oil to manufacture 2,680,000 tones /year of entire our products. Therefore, % of revenue of Palm oil product is less than 10%.

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**Agricultural commodity**

Soy

**% of revenue dependent on this agricultural commodity**

Less than 10%

**Produced or sourced**

Sourced

**Please explain**

Ajinomoto group used soy for our product of soy source. Revenue of our soy source product is around 4 bill. JPY. Therefore, % of revenue of soy source product is less than 10%.

**Agricultural commodity**

Timber

**% of revenue dependent on this agricultural commodity**

Less than 10%

**Produced or sourced**

Sourced

**Please explain**

Ajinomoto group used timber for our package. Therefore, % of revenue of usage timber is less than 10%.

## C0.8

**(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?**

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, an ISIN code	3119600009

## C1. Governance

### C1.1

**(C1.1) Is there board-level oversight of climate-related issues within your organization?**

Yes

#### C1.1a

**(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.**

Position of individual(s)	Please explain
Chief Executive Officer (CEO)	<p>The Ajinomoto group recognizes Climate Change a significant issue and it possibly effects to our business operation negatively. In order to prevent it, CEO, “Representative Director, President and Chief Executive Officer”, is responsible for environmental issues, including climate change which the Sustainability Committee has determined the action policy. The CEO also nominated the chairperson of the Sustainability Committee who is the senior vice president. The Group views climate change at the management level as both a risk and an opportunity. To track and improve the Group’s environmental performance, the Sustainability Committee under the Executive Committee monitor the Group’s progress toward attaining target indicators and consider necessary measures. As climate-related issues, the CEO decided the commitment of SBTi Net Zero on Mar 2022.</p>

## C1.1b

### (C1.1b) Provide further details on the board’s oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Please explain
Scheduled – all meetings	<p>Reviewing and guiding strategy</p> <p>Reviewing and guiding major plans of action</p> <p>Reviewing and guiding risk management policies</p> <p>Setting performance objectives</p> <p>Monitoring implementation and performance of objectives</p> <p>Monitoring and overseeing progress against goals and targets for addressing climate-related issues</p>	<p>Ajinomoto Co., Inc. enhance its sustainability promotion framework in order to continuously increase corporate value from the perspective of sustainability. Effective April 1, 2021, we establish the Sustainability Advisory Council under the Board of Directors and the Sustainability Committee under the Executive Committee. In addition, the following decision was made on the appointment of Sustainability Advisory Council members.</p> <p>The Sustainability Advisory Council is responsible for the following 1) to 4):</p> <ol style="list-style-type: none"> <li>1) Discuss Materiality with a long-term perspective (up to 2050) and reflect it into Materiality and the strategy for the Medium-Term Management Plan.</li> <li>2) Review Materiality from a multi-stakeholder perspective and response plans to environmental changes (risks and opportunities) linked to Materiality, and in turn report to the Board of Directors. Among our risks, we also consider global climate change risk and water related issues because our main raw materials are crops dependence to water.</li> <li>3) Examine key points expected or requested of</li> </ol>

		<p>companies in 2030 and beyond along with review of appropriate involvement in the creation of social rules.</p> <p>4) Discuss and review targets beyond 2030 concerning the creation of social value, including commitment to extend healthy life expectancy and environmental impact reduction.</p> <p>The Sustainability Advisory Council meet semi-annually and actively disclose the details of its discussions by publishing meeting minutes and press releases.</p> <p>The Sustainability Committee, based on the reports of the Sustainability Advisory Council, hold discussions on countermeasures to risks and opportunities posed by company-wide management issues and how to reflect these in business strategy, pursuant to Materiality and the strategic direction approved by the Board of Directors. The Sustainability Committee report to the Executive Committee.</p>
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## C1.1d

**(C1.1d) Does your organization have at least one board member with competence on climate-related issues?**

	<b>Board member(s) have competence on climate-related issues</b>	<b>Criteria used to assess competence of board member(s) on climate-related issues</b>
Row 1	Yes	<p>The Board of Directors consists of a variety of Directors, discusses and examines important management matters that greatly affect corporate value, encourages risk-taking of execution by indicating a major direction, verifies the validity of execution processes and results, and appropriately supervises execution. The Ajinomoto Group accelerates ASV (Ajinomoto group Shared Value) Management by contributing to greater wellness for people worldwide and reducing greenhouse gas emissions by 50% as priority issues. In selecting candidates for Directors, including Outside Directors, in order to indicate major direction and appropriately supervise execution through active discussions regarding important management matters, we select candidates based on their respective abilities and insights, such as business strategy, sustainability/ESG, DX, finance and accounting, HR management and development, and legal /risk management, in consideration of the diversity of Directors.</p> <p>The Ajinomoto Group positions corporate governance as one of the most important aspects of its management foundation for strengthening ASV Management and achieving 2030 vision. In order to enhance the effectiveness of ASV Management, we select a “Company with Three</p>

		<p>Committees” that clearly separate supervision and execution by balancing “supervision of appropriate execution that reflects the opinions of stakeholders” and “business execution with a sense of speed.” The Board of Directors consists of a variety of Directors, discusses and examines important management matters that greatly affect corporate value, encourages risk-taking of execution by indicating a major direction, verifies the validity of execution processes and results, and appropriately supervises execution. On the other hand, the execution, the Chief Executive Officer who has been greatly delegated authority from the Board of Directors will take the lead in making decisions for important business execution at the Executive Committee, will realize sustainable enhancement of corporate value as One Team. In order to closely communicate between the Board of Directors and the Executive Committee, governance rules are established based on the Company’s approach to enhance corporate value, proposals and reports are made from the Executive Committee to the Board of Directors, and deliberations and resolutions are made by the Board of Directors.</p>
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## C1.2

**(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.**

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on climate-related issues
Chief Executive Officer (CEO)	Both assessing and managing climate-related risks and opportunities	More frequently than quarterly

## C1.2a

**(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).**

The Ajinomoto group recognizes Climate Change a significant issue and it possibly effects to our business operation negatively. In order to prevent it, CEO, “Representative Director, President and Chief Executive Officer”, is responsible for environmental issues, including climate change.

Ajinomoto Co., Inc. enhance its sustainability promotion framework in order to continuously increase corporate value from the perspective of sustainability. Effective April 1, 2021, we establish the Sustainability Advisory Council under the Board of Directors and the Sustainability Committee under the Executive Committee. CEO is member of the Council and has responsible of climate-related issues. In addition, the following decision was made on the appointment of Sustainability Advisory Council members.



The Sustainability Advisory Council is responsible for the following 1) to 4):

- 1) Discuss Materiality with a long-term perspective (up to 2050) and reflect it into Materiality and the strategy for the Medium-Term Management Plan.
- 2) Review Materiality from a multi-stakeholder perspective and response plans to environmental changes (risks and opportunities) linked to Materiality, and in turn report to the Board of Directors. Among our risks, we also consider global climate change risk and water related issues because our main raw materials are crops dependence to water.
- 3) Examine key points expected or requested of companies in 2030 and beyond along with review of appropriate involvement in the creation of social rules.
- 4) Discuss and review targets beyond 2030 concerning the creation of social value, including commitment to extend healthy life expectancy and environmental impact reduction.

The Sustainability Advisory Council meet semi-annually and actively disclose the details of its discussions by publishing meeting minutes and press releases.

The Sustainability Committee, based on the reports of the Sustainability Advisory Council, hold discussions on countermeasures to risks and opportunities posed by company-wide management issues and how to reflect these in business strategy, pursuant to Materiality and the strategic direction approved by the Board of Directors. The Sustainability Committee report to the Executive Committee.

The group recognizes risk management as an important instrument for internal control, which is a part of management responsibilities. The Group’s business domain of products ranges from seasonings and coffee to frozen foods and its business activities extend into Life Support and Healthcare. The geographic range of its operations spans the globe. Climate change can impact the Group’s operations in many ways, such as a major natural disaster halting its business activities, affecting its ability to procure raw materials and fuel, and altering consumption of its products. In conjunction with group management strategies and individual business strategies, the Group takes necessary actions to enhance response capabilities against significant risks. Taking into account the business environment and political, economic, and social conditions around the globe, the Group has identified and compiled Group-wide risks that require cross-organizational management. The group recognizes that our risks are geopolitical macro environmental risk, global competitive risk, global climate change risk, reputation risk, ICT and technological innovation risk, and legal risk. Among our risks, we also consider global climate change risk and water related issues because our main raw materials are crops dependence to water. By promoting strategic risk management, we had made the Group resilient to risks, and increase the Group’s value.

The scope of the Environmental Activities includes the direct business activities including producing and sale of products (i.e., each of the processes of research and development, procurement, production and storage, marketing, communications, and sales and logistics) and the potential effects on suppliers, waste management companies, consumers, and other stakeholders will also be taken into account.

### C1.3

**(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?**

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	

## C1.3a

**(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).**

Entitled to incentive	Type of incentive	Activity incentivized	Comment
Director on board	Monetary reward	Emissions reduction target	The compensation of Directors, excluding outside Directors, comprises monthly compensation, short-term company performance-linked compensation, and medium-term company performance-linked stock compensation. Medium-term company performance-linked stock compensation, with the goals of increasing corporate value and sustainably improving the Ajinomoto Group's performance across the medium and long-term, uses ROIC (Return on invested capital) achievement rate (consolidated basis), sales achievement ratio of core businesses (consolidated basis), relative TSR (total return on equity), employee engagement and ESG goals as evaluation criteria.

## C2. Risks and opportunities

### C2.1

**(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?**

Yes

### C2.1a

**(C2.1a) How does your organization define short-, medium- and long-term time horizons?**

	From (years)	To (years)	Comment
Short-term	0	1	The Ajinomoto group conducts the "Environmental Activities" by using the environmental management system as a key tool under the "Group Shared Policy on Environment". The scope of the Environmental Activities includes the direct business activities and suppliers, and other stakeholders. We have made every year targets and reviewed results.
Medium-term	1	3	The Ajinomoto group has made every 3 years Medium-term management plan at management committee. The Group sets "Management Risk committee" and "Environmental Committee" under the control of the Executive Committee in order to deliberate policies and measures relating to Environmental Activities.

Long-term	3	30	The Ajinomoto group aim to contribute to the global environment throughout the procurement, production and consumption processes via initiatives ahead of standard international targets for 2050.
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## C2.1b

### (C2.1b) How does your organization define substantive financial or strategic impact on your business?

The Ajinomoto Group conducts an annual review of the materiality items which have a substantial impact on our ability to create value through ASV (Ajinomoto group Shared Value). Operational risks that may affect the Ajinomoto Group's performance and financial position are listed as follow by risk factor. Taking into account the business environment including financial, material issues across the globe, the Ajinomoto Group has identified Group-wide risks that require cross-organizational management based on comprehensive consideration of factors including the magnitude of impact (Major, Moderate, Small), probability and timing of manifestation (High, Moderate, Low). Materiality issues identified Group-wide risks are as follow: Climate change adaptation and mitigation, Contribution to a circular economy, Reduction of food loss and waste, Sustainable materials sourcing, Conservation of water resources, management of production plants' water usage and wastewater discharge. When the materiality issue is evaluated comprehensive factors which one is Moderate and another one is Major or High, the Group assess that the materiality is very material. In addition, the Group is formulating Group-wide response measures and working to monitor and manage the progress of its response to risk on a regular basis.

The Group has developed various responses and mechanisms to minimize such management and operational risks.

## C2.2

### (C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

#### Value chain stage(s) covered

Direct operations  
Upstream  
Downstream

#### Risk management process

Integrated into multi-disciplinary company-wide risk management process

#### Frequency of assessment

Annually

#### Time horizon(s) covered

Short-term  
Medium-term  
Long-term

## Description of process

### 1) A Description of a process for managing climate-related risks and opportunities

The Ajinomoto Group's business domain of products ranges from seasonings and coffee to frozen foods and its business activities extend into Healthcare. The Group has addressed to contribute to the future progress of humanity and the earth. The group has sold products over 130 countries and regions.

The Ajinomoto Group annually reviews materiality items that have a substantial impact included not only direct operations, but also upstream and downstream on our ability to create value in the short, medium and long term through ASV (Ajinomoto group Shared Value), taking into account changes in the macro environment. Once we identify opportunities and risks from materiality items, we clarify their importance and priority, and then reflect these matters in our business activities.

#### Company level:

The Group establishes the Sustainability Advisory Council under the Board of Directors and the Sustainability Committee under the Executive Committee. The Sustainability Advisory Council will be responsible for discussing and reviewing targets beyond 2030 concerning the creation of social value, including commitment to extend healthy life expectancy and environmental impact reduction. The Sustainability Advisory Council will meet semi-annually and actively disclose the details of its discussions, including to conduct annual review of materiality that are risks and opportunities. The Sustainability Committee, based on the reports of the Sustainability Advisory Council, hold discussions on countermeasures to risks and opportunities posed by company-wide management issues and how to reflect these in business strategy, pursuant to Materiality and the strategic direction approved by the Board of Directors. The Sustainability Committee report to the Executive Committee.

Taking into account the business environment including financial, material issues across the globe, the Group has identified Group-wide risks that require cross-organizational management based on comprehensive consideration of factors including the magnitude of impact (Major, Moderate, Small), probability and timing of manifestation (High, Moderate, Low). Materiality issues identified Group-wide risks are as follow: Climate change adaptation and mitigation, Contribution to a circular economy, Reduction of food loss and waste, Sustainable materials sourcing, Conservation of water resources, management of production plants' water usage and wastewater discharge. When the materiality issue is evaluated comprehensive factors which one is Moderate and another one is Major or High, the Group assess that the materiality is very material. In addition, the Group is formulating Group-wide response measures and working to monitor and manage the progress of its response to risk on a regular basis. The Group has developed various responses and mechanisms to minimize such management and operational risks. Climate-related risks and opportunities of the Group have assessed by scenario analysis.

#### Asset level:

We set on ECP (enterprise continuation plan) by each business establishment, dig the risk peculiar to each business establishment including a climate change up and we consider a measure. The group has accelerated research and development decreasing natural resources for our raw material. The monitoring process is implemented six-monthly or more frequently about important risk over 6 years later and the result is reported to a management conference.

2) Case study/example of how process is applied to physical risks and opportunities  
 [Situation] Global organization make all concerns decrease CO2 emission more and more.

[Task] The Group had revised the non-financial target of environment at the beginning of 2020 because Management Risk committee was influenced by Paris agreement and SDG's. Our revised targets have changed more strengthened than previous targets. In concrete term, we aim for 50% reduction of greenhouse gas intensity FY 2030 as based on FY 2018.

[Action] The Group targets of greenhouse effect gas reduction toward 2030 were approved by SBTi. The Group conducted a scenario analysis of potential impact from the climate change risk until 2050, about some of the Group's major products, under the scenario of a 2°C rise in average global temperature in 2100. The analysis examined droughts, floods, rising sea levels and changes in yield of main raw materials as physical risks. For physical risks, the Group had anticipated by scenario analysis of FY2020 under the Sustainability Committee that any agricultural and livestock raw materials will be affected by the droughts and infections.

[Results] By the scenario analysis, the Group aims to assess stability these raw materials demand and strengthen raw material management formulation.

3) Case study/example of how process is applied to transitional risks and opportunities  
 [Situation] Global organization make all concerns decrease CO2 emission more and more.

[Task] The Group had revised the non-financial target of environment at the beginning of 2020 because Management Risk committee was influenced by Paris agreement and SDG's. Our revised targets have changed more strengthened than previous targets. In concrete term, we aim for 50% reduction of greenhouse gas intensity FY 2030 as based on FY 2018. Environmental regulation and energy cost may affect our group targets for efficiency (ROIC) in Medium-term Management Plan for 2020-2025, fuel costs will increase.

[Action] The Group targets of greenhouse effect gas reduction toward 2030 were approved by SBTi. The Group conducted a scenario analysis of potential impact from the climate change risk until 2050 for Southeast Asia using the model of umami seasoning AJI-NOMOTO®, one of the Group's major products, under the scenario of a 2°C rise in average global temperature in 2100. The analysis on FY2019 examined droughts, floods, rising sea levels and changes in yield of main raw materials as physical risks, as well as rising energy prices, tight supply and demand, and price increases due to competition for major raw materials with other food sources and biofuels as transition risks.

The analysis revealed that rising energy prices and carbon tax increases in case of a shift to a lower carbon economy as the impact of climate change worsens may have a significant impact on the production costs of AJI-NO-MOTO® and business profits.

[Results] The Group aims to fast-track ongoing measures, such as the switch to renewable energy and low-GHG energy sources and the development of production technologies using non-edible raw materials to curb rising production costs of AJI-NO-MOTO® while contributing to global sustainability in case of rising raw material prices and carbon tax increases due to climate change. As Ayutthaya factory in Thailand and Limeira factory in Brazil, some factories decided to purchase biomass fuels from multi-places.

## C2.2a

### (C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	<p>We make several kinds of amino acid, many processed food and seasoning. It consumes much energy to manufacture these products such as Mono-sodium glutamate. MSG is a purified form of glutamate, the amino acid responsible for umami (savory) flavor. By using it to increase the savoriness of a dish, the dish will taste richer and meatier. The savory flavor from MSG will also balance out other flavors like sweet and sour, and cancel out the bitter flavor found naturally in many vegetables. There are emission regulations of NOx/SOx in Thailand and so on. Our company has considered one of our risk of emission regulations increasing. In our plants such as Thailand, fuel consumption and NOx/SOx emission and Soot and dust are monitored. How it is included in climate-related risk assessment. Regarding emission regulation, we collect information by using Internal company knowledge. We also collect information about regulations each of our plant from regulators. We have evaluated this issue by all technologies.</p>
Emerging regulation	Relevant, always included	<p>We make several kinds of amino acid, many processed food and seasoning. It consumes much energy to manufacture these products such as Phenyl-alanine. There is carbon tax in Japan, where Phenyl-alanine manufacture in Japanese factory. The Japanese government has committed carbon neutral by 2050 and reduction 46% GHG emissions by 2030. The Government is considering increase carbon tax rate. Our company has considered one of our risk of carbon tax increasing. In our plants such as Japan, fuel consumption has been monitored. The price of the fuel and electricity are also important elements for us.</p> <p>How it is included in climate-related risk assessment. Regarding tax, we collect information by using Internal company knowledge. We also collect information about regulations each of our plant from regulators. We have evaluated this issue by all technologies. We revise assets investment plan with middle term management plan. We have set key targets which are reducing GHG emission by 50% compared to FY 2018. We have assessed emerging regulation every time.</p>
Technology	Relevant, always included	<p>We make several kinds of amino acid, many processed food and seasoning. It consumes much energy to manufacture amino acid among these products. In particular, amino acid manufacturing ways are exposed competitive circumstances. If innovative microorganism is applied at competitor process, we could not achieve same energy efficiency. Therefore, we are developing new technologies of manufacturing amino acid.</p>

Legal	Relevant, always included	<p>We make several kinds of amino acid, many processed food and seasoning. It consumes much energy to manufacture these products such as Mono-sodium glutamate. MSG is a purified form of glutamate, the amino acid responsible for umami (savory) flavor. By using it to increase the savoriness of a dish, the dish will taste richer and meatier. The savory flavor from MSG will also balance out other flavors like sweet and sour, and cancel out the bitter flavor found naturally in many vegetables. Our 2 factories used coal for fuel, have identified litigation risk by neighborhood resident, if a huge amount of CO2 emissions and dust by miss-operation or no-maintenance of our factories cause global warming and health damage. Therefore, these factories have paid attention operation and maintenance, have monitored fuel consumption and dust.</p> <p>How it is included in climate-related risk assessment. If these factories continue using coal for fuel, these factories have carbon tax risk in future and legal risk by neglecting reduction of CO2 emissions. These risks have reflected on our scenario analysis. We revise assets investment plan with middle term management plan.</p>
Market	Relevant, always included	<p>We make several kinds of amino acid, many processed food and seasoning. The demand for lower emission products and services can be one of our risks as our products use much energy in the process of manufacturing. If consumer behavior shift to lower emission products and our products could not decrease unit GHG emission of product, our products may decrease amount of sales. In order to adjust to the market needs, the Ajinomoto Group has been exploiting worldwide markets for amino acids. How it is included in climate-related risk assessment. All our factories have not yet shift renewable energy. If food market suddenly shifts to low carbon emission, our products are going to expose difficult situation. Our company has committed RE100.</p>
Reputation	Relevant, always included	<p>We make several kinds of amino acid, many processed food and seasoning. It consumes much energy to manufacture these products such as Mono-sodium glutamate. MSG is a purified form of glutamate, the amino acid responsible for umami (savory) flavor. By using it to increase the savoriness of a dish, the dish will taste richer and meatier. The savory flavor from MSG will also balance out other flavors like sweet and sour, and cancel out the bitter flavor found naturally in many vegetables. When climate change related issues get more attention from our customers, it would affect to our company reputation as we use much energy to manufacture our products mentioned earlier. If consumer behavior shift to lower emission products and our products could not decrease unit GHG emission of product, our products may decrease amount of sales.</p> <p>How it is included in climate-related risk assessment. We have always evaluated cutting-edge technologies not to leave business category movement. If we may consider shifting to one new technology, we are going to develop and install applying the technology.</p>

<p>Acute physical</p>	<p>Relevant, always included</p>	<p>The beginning of the 21st century has seen many record-breaking natural disasters all around the world. There is a risk of the production base of the Ajinomoto group suffering a great deal of damage, and it becomes impossible to operate by a catastrophic natural disaster. These natural disasters are unforeseeable and powerful, and it is impossible for humans to prevent them from causing any damage at all. However, what we can do is prepare ourselves, take steps to lessen their impact and have in place appropriate measures to minimize the damage afterwards. Thailand suffered widespread, serious damage in the major flooding that occurred October–November 2011. Five production sites of the Ajinomoto Group suffered major damage. The Ajinomoto Group took a variety of actions to cope with the flooding. Both in its business activities and its social contribution initiatives, the Ajinomoto Group always seeks to do what it can to protect lives and local communities when disaster strikes.</p> <p>How it is included in climate-related risk assessment: Reviewing our risk assumptions worldwide and taking a variety actions, including our supply chain, by natural disasters. For example, we had installed high wall at Ayutthaya factory which was 1 m higher than original design.</p>
<p>Chronic physical</p>	<p>Relevant, always included</p>	<p>Food resources are essential to the business of the Ajinomoto Group. Global food demand continues to increase, and this may complicate food procurement in the future. Physical risk of a climate change as well as this can think we have an influence important to Ajinomoto group on a drought in particular. For example, Vietnam where one of our factories is located, there is danger to which a drought happens beyond the border by the case that large-scale dam development and water utilization start at an upstream region. This can't harvest any more the agricultural produce which becomes a raw material, and we think it leads to risk of operation in our facilities.</p> <p>How it is included in climate-related risk assessment; The following management technique is achieved, and we will plan also to continue from now on. (1) We advise a raw material farmer in agriculture. (2) Improvement of the agricultural efficiency by the amino acid combination fertilizer which is a product of Ajinomoto group. (3) We are continuously developing the technology of utilize non-edible biomass as raw material for amino acid production.</p>

### C2.3

**(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?**

Yes

## C2.3a

**(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.**

### Identifier

Risk 1

### Where in the value chain does the risk driver occur?

Direct operations

### Risk type & Primary climate-related risk driver

Acute physical  
Cyclone, hurricane, typhoon

### Primary potential financial impact

Decreased revenues due to reduced production capacity

### Company-specific description

The beginning of the 21st century has seen many record-breaking natural disasters all around the world. There is a risk of the production base of the Ajinomoto group suffering a great deal of damage, and it becomes impossible to operate by a catastrophic natural disaster. These natural disasters are unforeseeable and powerful, and it is impossible for humans to prevent them from causing any damage at all. However what we can do is to prepare ourselves, take steps to lessen their impact and have in place appropriate measures to minimize the damage afterwards. The Ajinomoto Group has own sites in the areas where possibly occur extreme weather events such as cyclones and floods. For example, in Thailand, these revenue accounting for 10% of the Group, they suffered widespread, serious damage in the major flooding that occurred October–November 2011. Five production sites of the Ajinomoto Group suffered major damage. The occurrence caused impact for the Ajinomoto Group in terms of both business activities and social contribution initiatives. The Ajinomoto Group took a variety of actions to cope with the flooding. Both in its business activities and its social contribution initiatives, the Ajinomoto Group always seeks to do what it can to protect lives and local communities when disaster strikes.

### Time horizon

Short-term

### Likelihood

Very likely

### Magnitude of impact

Low

### Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

**Potential financial impact figure (currency)**

2,000,000,000

**Potential financial impact figure – minimum (currency)**

**Potential financial impact figure – maximum (currency)**

**Explanation of financial impact figure**

[Risk identification] If the forecast of flood water level in Thailand is higher than ever, the Group factories in Thailand identify risk which is suspend productions by suffering more serious damage such as broken equipment. If one week suspension occur, our sales (1,000,000,000,000 yen) lose 0.2% sales.

**Cost of response to risk**

150,000,000

**Description of response and explanation of cost calculation**

[Situation] There is flood risk in Thailand, because elevation difference between north and south is small.  
 [Task] To prevent all equipment from exposing flood, factory should install high wall and set important equipment at 2nd floor.  
 [Action] Our factories in Thailand had installed high wall in 2011 and set important equipment at 2nd floor by spending 150 million yen (The material cost: 30,000,000 yen + the construction fee: 120,000,000 yen = 150,000,000 yen).  
 [Result] At October 2011, our factories in Thailand had started operation after finishing flood. Our equipment had almost no damage.

**Comment**

Nothing

**Identifier**

Risk 2

**Where in the value chain does the risk driver occur?**

Direct operations

**Risk type & Primary climate-related risk driver**

Emerging regulation  
 Carbon pricing mechanisms

**Primary potential financial impact**

Increased indirect (operating) costs

**Company-specific description**

The Ajinomoto group makes several kinds of amino acid, many processed food and seasoning, frozen food. The Group has implemented business in Japan where accounts for 50% of our company's total revenue. The Group factories in Japan emits

approximately 400 kilo-tons CO<sub>2</sub> in 2021 to manufacture these products such as seasoning and frozen food. Productions of seasoning and frozen food consume much fuel for sterilization steam and much power for frozen. Tax rate corresponding to the amount of CO<sub>2</sub> emissions for all the fossil fuels (JPY 289/t-CO<sub>2</sub>). If carbon tax in Japan will increase, it can be a big risk for the Group.

**Time horizon**

Short-term

**Likelihood**

Virtually certain

**Magnitude of impact**

Medium-high

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

100,000,000

**Potential financial impact figure – minimum (currency)**

**Potential financial impact figure – maximum (currency)**

**Explanation of financial impact figure**

Estimation of carbon tax to Ajinomoto group in Japan is approximately 100 million yen that consumption of fuel oil and gas multiplied by unit carbon tax of petroleum oil 760 (yen/kilo L), gases 780 (yen/ton), respectively. The carbon tax of natural gas: 80,000,000 yen + the carbon tax of oil: 20,000,000 yen = 100,000,000 yen. If Japanese carbon tax rate rise to twice, Ajinomoto group in Japan should spend 100 million yen for additional carbon tax.

**Cost of response to risk**

500,000,000

**Description of response and explanation of cost calculation**

[Situation] There is risk for increasing carbon tax rate in Japan, because the Japanese government decide to be going to stop coal power plant.

[Task] To decrease not only carbon tax impact but also global warming, our factories in Japan should shift from petroleum oil to other kind of fuel and purchase renewable power.

[Action] On April 28, 2020, the Ajinomoto Group's greenhouse effect gas reduction targets toward 2030 were approved by Science Based Targets (SBT) initiative as to limit global warming to less than 1.5 degrees Celsius compared to pre-industrial temperatures.

The targets approved by SBT initiative:

Scope 1 + 2 FY2030: Reduce by 50% (vs. FY2018)

Scope 3 FY2030: Reduce by 24% (vs. FY2018)

By fiscal 2030, we aim to reduce Scope 1 and Scope 2 emissions by 50% from the fiscal 2018 level. We will achieve this goal by implementing energy conservation activities, switching to fuels with lower greenhouse gas emissions, using renewable energy, such as biomass and solar power, and introducing processes that use less energy. The Ajinomoto factory in China had switched fuel from light oil to natural gas in 2020, the Group factories in Brazil have purchased renewable energy power in 2021, the Group factories in Japan have contracted to power companies of low GHG emissions.

Our fiscal 2030 target for Scope 3 is to reduce emissions by 24% from the fiscal 2018 level. We will focus in particular on raw materials, which account for approximately 60% of total lifecycle greenhouse gas emissions. In addition to encouraging suppliers to reduce emissions, we are also considering the introduction of new technologies, including on-site production of ammonia.

[Result] The Group will decrease carbon tax impact in Japan by 2030. We assume rough estimation that additional cost for renewable energy power is 100 million yen per year for decreasing carbon tax impact. (0.4 yen/kWh \* 250 GWh/year = 100 million yen)

### Comment

Nothing

### Identifier

Risk 3

### Where in the value chain does the risk driver occur?

Direct operations

### Risk type & Primary climate-related risk driver

Chronic physical

Changing precipitation patterns and types (rain, hail, snow/ice)

### Primary potential financial impact

Decreased revenues due to reduced production capacity

### Company-specific description

Ajinomoto group makes several kinds of amino acid, many processed food and seasoning, frozen food. It consumes much water to manufacture these products such as Monosodium Glutamate, clean production facilities such as seasoning "Hon-dashi". The Group factories consume approximately 70,000 megaliters as total water withdrawal, approximately 55,000 megaliters as total water discharge, approximately 15,000 megaliters as total water use in 2020. There is a risk of the production base of the Ajinomoto group suffering damage, and it becomes impossible to operate by a natural disaster. If it changes in precipitation patterns such as drought in Japan and Thailand, our factories should stop withdrawing river water and may suspend production. It is impossible for humans to prevent them from causing any damage at all. However, what we can do is to prepare ourselves, take steps to lessen their impact and have in place appropriate measures to minimize the damage afterwards. The Ajinomoto Group has own sites in the areas where possibly occur water scarcity.

**Time horizon**

Short-term

**Likelihood**

Likely

**Magnitude of impact**

Medium-low

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

2,000,000,000

**Potential financial impact figure – minimum (currency)**

**Potential financial impact figure – maximum (currency)**

**Explanation of financial impact figure**

[Risk identification] If the forecast of drought term in Thailand is longer than ever, the Group factories in Thailand identify risk which suspend productions by being able to no withdraw surface water. If the drought term extends one week, then the Group factories suffer from one week suspension, our sales (1,000,000,000,000 yen) lose 0.2% sales.

**Cost of response to risk**

100,000,000

**Description of response and explanation of cost calculation**

[Situation] There are water scarcity risk in Japan, Thailand, Brazil, because these countries have already suffered water scarcity.

[Task] To prevent from suspending production by water scarcity.

[Action] Our factories in Japan, Thailand, Brazil had installed water pond (minimum capacity is over 1 week.) before starting operation by spending approximately 100 million yen. (The material cost: 20,000,000 yen + the construction fee: 80,000,000 yen = 100,000,000 yen) There are at least 9 ponds in Ajinomoto Group.

[Result] In concrete, at April 2013, our factories in Thailand had started operation after installing pond. Our operation had almost no damage of drought.

**Comment**

Nothing

**C2.4**

**(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

Yes

## C2.4a

**(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.**

### Identifier

Opp1

### Where in the value chain does the opportunity occur?

Downstream

### Opportunity type

Products and services

### Primary climate-related opportunity driver

Development and/or expansion of low emission goods and services

### Primary potential financial impact

Increased revenues resulting from increased demand for products and services

### Company-specific description

GHG emission control may be applied to livestock industry. The Ajinomoto Group has been exploiting worldwide markets for feed-use amino acids for more than 40 years, FY 2020 sales 239.5 billion yen of health care business division account for 25% of the Group total sales. With lysine, threonine, and tryptophan as its main feed-use amino acids, the Group has long been a leader in the markets for these products. Feeds with a good balance of amino acids help to reduce impact on soil and water from livestock manure and greatly reduce greenhouse gas emissions. They also help to reduce the amount of land required for feed crop cultivation. The Ajinomoto Group's feed products are gaining worldwide attention. Conventional livestock feed is a combination of soybean meal and energy-giving grains like corn and wheat. However, it contains more of certain amino acids than can be effectively used by the animal's body. As a result, amino acids are excreted as nitrogen compounds. In addition to having a negative impact on soil and water quality, part of this nitrogen is released into the atmosphere as N<sub>2</sub>O, which promotes global warming. The greenhouse gas effect of N<sub>2</sub>O is 300 times greater than that of CO<sub>2</sub>. By giving low-protein feed fortified with feed-use amino acids to livestock, it is possible to reduce the amount of nitrogen in the animal waste by 30% for example, which helps to curtail the greenhouse gas effect.

### Time horizon

Medium-term

### Likelihood

Very likely

### Magnitude of impact

High

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

25,120,000,000

**Potential financial impact figure – minimum (currency)**

**Potential financial impact figure – maximum (currency)**

**Explanation of financial impact figure**

Suppressing the GHG emission in livestock industry, the demand rise for feed-use amino acid will become about three to ten % per year according to the effect of lowering environmental impact. Moreover, the sales amount will be increased. We think there is opportunity to get in touch with reduction in energy and amount of consumption of water by development of more efficient production. We will be able to increase around 10% sales of our health care business division. Sales of health care business division at FY2021 is 251.2 billion JPY.

**Cost to realize opportunity**

30,173,600

**Strategy to realize opportunity and explanation of cost calculation**

Our management methods are as follows.

[Situation] Among the major compound feeds used in the livestock sector, corn and wheat provide high levels of energy to animals, but they are deficient in amino acids such as lysine and others, limiting livestock production performances. Soybean is the main protein source used for animal feeding providing all amino acids but only lysine can be fully utilized by the animals, the other amino acids being wasted, excreted as nitrogen compounds. The utilization of industrial lysine has opened the way to the reduction of the use of soybean through amino acid balancing practices all over the world. Supplementing the deficient amino acids with feed-use amino acids improves the efficiency with which the livestock's bodies utilize amino acids. The use of lysine and other feed-use amino acids leads to a lower amount of livestock waste and can contribute to the prevention of global warming. While feed balancing by industrial amino acid, appropriate nitrogen content decreases burden being imposed on soil, air and water quality. Especially, Japanese livestock industry does not use not so much industrial amino acid, because farmers do not know profit of feed balanced by amino acid.

[Task] To announce profit of feed balanced by amino acid and increase using industrial feed amino acid, Japanese livestock industry decrease environment burden of soil, air and water quality.

[Action] To exploit the opportunity and maximize its potential realization we have been promoting our "feed-use amino acid" on academic journals in 2019 and some exhibit in 2018. For example, our staff had published an article on Water resources and Industry of Elsevier, whose title is Carbon and water footprints of pig feed in France: Environmental contributions of pig feed with industrial amino acid supplements.

[Result] In concrete term, December 8, 2016 – Ajinomoto Co., Inc. and its consolidated subsidiary were awarded Eco Products Grand Prize “The Minister of Agriculture, Forestry and Fisheries Prize”, one of the highest honor in Japan to commend the products for environmental protection.

[Estimation of cost to realize opportunity] Sales and general administrative expenses for the FY 2016 was "the listing fees for academic journals: 10,000,000 yen" + "exhibit fees for the exhibitions: 20,173,600 yen" = 30,173,600. These expenses include advertising expenses such as the listing fees for academic journals and exhibit fees for the exhibitions (ex."EcoPro2016")

### **Comment**

Sales and general administrative expenses for the FY 2016 was 30173600 yen. These expenses include advertising expenses such as the listing fees for academic journals and exhibit fees for the exhibitions (ex."EcoPro2016")

### **Identifier**

Opp2

### **Where in the value chain does the opportunity occur?**

Downstream

### **Opportunity type**

Markets

### **Primary climate-related opportunity driver**

Access to new markets

### **Primary potential financial impact**

Increased revenues resulting from increased demand for products and services

### **Company-specific description**

Ajinomoto group while 112 years manufacture several kinds of amino acid such as Leucine and Amino-vital, FY2020 sales of health care business division are 239.5-billion-yen account for 25% of the Group total sales. Human body is composed 20% protein as amino acid. If average temperature goes up, people would desire to have more the intake of protein as amino acid. Therefore, our sales of amino acid such as Leucine and Amino-vital will increase by selling to consumers and other food manufacturers.

### **Time horizon**

Short-term

### **Likelihood**

Likely

### **Magnitude of impact**

Medium-low

### **Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

700,000

**Potential financial impact figure – minimum (currency)**

**Potential financial impact figure – maximum (currency)**

**Explanation of financial impact figure**

If sales of our Amino-vital increases 1% / year, the amount of our sales will be expected to increase as 700000 JPY / year.

**Cost to realize opportunity**

100,000,000

**Strategy to realize opportunity and explanation of cost calculation**

[Situation] By global warming, human decrease food appetite by hot temperature and humidity. But human should intake appropriate protein such as amino acid.

[Task] The Ajinomoto Group need to work on improving the awareness of our amino acid products. People would consume more products contains amino acid. The Group aims to increase ROIC of Healthcare business of amino acid use from 0% at FY2019 to 12% at FY2025.

[Action] The Group has distributed product samples such Amino vital drink and has supported Olympic athlete of Swimming, Judo and Ping-pong by explaining benefit of amino acid since 2003 as Victory project®.

[Result] We also expect to improve the awareness of our products through the Tokyo Olympic and Paralympic Games as we are a special supporter of them as an amino acid supplier. As a result, the Group has launched "Amino vital® Tokyo 2020 Olympic athletes special" for increasing awareness of general consumers.

[Estimation of cost to realize opportunity] The amount of money of the supported Olympic athletes is 100,000,000 yen (Cost of employees: 90,000,000 + sample products: 10,000,000 yen) = 100,000,000 yen.

**Comment**

Nothing

**Identifier**

Opp3

**Where in the value chain does the opportunity occur?**

Downstream

**Opportunity type**

Markets

**Primary climate-related opportunity driver**

Access to new markets

### **Primary potential financial impact**

Increased revenues resulting from increased demand for products and services

### **Company-specific description**

When climate change related issues become more serious, customer would tend to buy ecological merchandises. Since Ajinomoto has been manufacturing and selling ecological goods, the sales of these products has been increasing. In addition to that, Ajinomoto has introduced "Aji-na-ECO" mark as own original mark which shows our products are low environment burden such as reduced package since 2010. The amount of articles was 138 in 2013, however, it achieved 185 articles in 2016 as we have been working on increasing the number.

### **Time horizon**

Medium-term

### **Likelihood**

Very likely

### **Magnitude of impact**

Medium-high

### **Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

### **Potential financial impact figure (currency)**

500,000,000

### **Potential financial impact figure – minimum (currency)**

### **Potential financial impact figure – maximum (currency)**

### **Explanation of financial impact figure**

A 500 million JPY-sale raising increases. (When the goods to which the "Aji-na- ECO-" mark was attached sell in an excess 1%)

### **Cost to realize opportunity**

10,000,000

### **Strategy to realize opportunity and explanation of cost calculation**

[Situation] As the demand for ecological merchandises would be high, due to serious climate change related issues, there is an opportunity in ecological goods market.

[Task] Ecological goods need to be recognized easily ecological by consumer.

[Action] We have introduced "Aji-na-ECO" mark that proves our products are ecological goods. Types of "Aji-na Eco" mark, Plant-based plastics, Recycled plastic, Sustainable timber, Recycled paper, Reduced packaging, Refillable, No tray usage, Easy recycling and disposal, No box usage, Natural defrosting.

[Result] 207 goods had "Aji-na-ECO" mark in 2021. We have been working on

increasing the number of articles that have the mark. 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. 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. In addition, Ajinomoto Co., Inc. assesses the details of product revisions using a points-based Eco-Index for Containers and Packaging.

[Estimation of cost to realize opportunity] Overhead cost as total manpower cost is approximately 10 million yen per year. (10 million yen per year per person \* 5 persons \* 0.2 year = 10 million yen.)

**Comment**

Nothing

## C3. Business Strategy

### C3.1

**(C3.1) Does your organization's strategy include a transition plan that aligns with a 1.5°C world?**

Row 1

**Transition plan**

Yes, we have a transition plan which aligns with a 1.5°C world

**Publicly available transition plan**

Yes

**Mechanism by which feedback is collected from shareholders on your transition plan**

Our transition plan is voted on at Annual General Meetings (AGMs)

**Attach any relevant documents which detail your transition plan (optional)**

 143ENG.pdf

### C3.2

**(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?**

	Use of climate-related scenario analysis to inform strategy
Row 1	Yes, qualitative and quantitative

## C3.2a

**(C3.2a) Provide details of your organization’s use of climate-related scenario analysis.**

Climate-related scenario	Scenario analysis coverage	Temperature alignment of scenario	Parameters, assumptions, analytical choices
Transition scenarios IEA 2DS	Company-wide		<p>The Ajinomoto Group’s business domain of products ranges from seasonings and coffee to frozen foods. The Group consumes fuel and power for sterilization, drying and frozen to manufacture these products.</p> <p>[Parameters] The analysis examined rising energy prices, tight supply and demand, and price increases due to competition for major raw materials with other food sources and biofuels, as transition risks by global macro economic.</p> <p>[Assumption] The Ajinomoto Group should conduct a scenario analysis of potential impact from the climate change risk until 2030 for globe (Thailand, Indonesia, Vietnam, USA, Brazil, France), under the scenario of a 2°C rise in average global temperature as SSP3 in 2100. The reason of choosing 2030 as time horizon for first scenario analysis, 2030 business plans rather than 2050 ones should be linked to current business plans.</p> <p>[Analytical choices] Our scenario analysis has been used analytical choices which are IPCC, IEA WEO, World Bank Climate Change Knowledge Portal, AQUEDUCT Water Risk Atlas, AQUEDUCT FLOODS.</p>
Physical climate scenarios RCP 8.5	Company-wide		<p>The Ajinomoto Group’s business domain of products ranges from seasonings and coffee to frozen foods. The Group consumes fuel and power for sterilization, drying and frozen to manufacture these products. For physical risks, the Group had anticipated that main raw materials will be affected by the rising frequency of floods, droughts and pests.</p> <p>[Parameters] The analysis examined rising raw material prices, tight supply and demand, and price increases due to decrease in unit crop yields, as physical risks by global macro economic.</p> <p>[Assumption] The Ajinomoto Group should conduct a scenario analysis of potential impact from the climate change risk until 2050 for globe, under the scenario of a 4°C rise in average global temperature as SSP5 in 2100. The reason of choosing 2050 as time horizon for second scenario analysis.</p> <p>[Analytical choices] Our scenario analysis has been</p>

			used analytical choices which are IPCC, IEA WEO, World Bank Climate Change Knowledge Portal, AQUEDUCT Water Risk Atlas, AQUEDUCT FLOODS.
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### C3.2b

**(C3.2b) Provide details of the focal questions your organization seeks to address by using climate-related scenario analysis, and summarize the results with respect to these questions.**

**Row 1**

**Focal questions**

The Ajinomoto Group’s business domain of products ranges from seasonings and coffee to frozen foods. The Group consumes fuel and power for sterilization, drying and frozen to manufacture these products. Therefore, the Group focuses on carbon taxes. The Ajinomoto Group conducted a scenario analysis of potential impact from the climate change risk until 2030 for globe (Thailand, Indonesia, Vietnam, USA, Brazil, France) using the model of umami seasoning AJI-NO-MOTO®, one of the Group’s major products, under the scenario of a 2°C rise in average global temperature in 2100. For physical risks, the Group had anticipated that main raw materials will be affected by the rising frequency of floods, droughts and pests.

**Results of the climate-related scenario analysis with respect to the focal questions**

The analysis revealed that rising energy prices and carbon tax increases in case of a shift to a lower carbon economy as the impact of climate change worsens may have a significant impact on the production costs of AJI-NO-MOTO® and business profits. In terms of the greenhouse gas problem, if we conduct scenario analysis in line with Task Force on Climate-related Financial Disclosures (TCFD) policy, the risk of environmental taxes for the fermentation business as a whole including MSG, nucleotides, and animal nutrition is around ¥8.0–10.0 billion. The Group had decided to plan study of Internal Carbon Pricing. Therefore, business objectives and strategies have been added as follow. The Group aims to fast-track ongoing measures, such as the switch to renewable energy and low-GHG energy sources and the development of production technologies using non-edible raw materials to curb rising production costs of AJI-NO-MOTO® while contributing to global sustainability in case of rising raw material prices and carbon tax increases due to climate change. As the result, Kyushu plant has decided to change fuel from heavy oil to natural gas in 2020.

### C3.3

**(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.**

Have climate-related risks and opportunities	Description of influence
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	influenced your strategy in this area?	
Products and services	Yes	<p>The Group has produced and sold amino acids, seasonings and processed foods in 130 countries. In our risk identification process, all of these countries have been considered.</p> <p>We consider that the change in consumer tastes is one of important aspect about the risks and the opportunities of products and service.</p> <p>[Situation] Increasing environmental interest by consumer.</p> <p>[Task] The Group should exhibit to consumer about low environmental burden of our products.</p> <p>[Action] The Group has introduced "Aji-na-ECO" mark as own original mark which shows our products are low environmental burden such as reduced package since 2010. (Types of "Aji-na Eco" mark, Plant-based plastics, Recycled plastic, Sustainable timber, Recycled paper, Reduced packaging, Refillable, No tray usage, Easy recycling and disposal, No box usage, Natural defrosting).</p> <p>[Result] Number of articles was 138 in 2013, however, it achieved 185 articles in 2016 as we have been working on increasing the number. 210 goods had "Aji-na-ECO" mark in 2020. We have been working on increasing the number of articles that have the mark. 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. 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. In addition, Ajinomoto Co., Inc. assesses the details of product revisions using a points-based Eco-Index for Containers and Packaging.</p>
Supply chain and/or value chain	Yes	<p>The Group has produced and sold amino acids, seasonings and processed foods in 130 countries. In our risk identification process, all of these countries have been considered. The risks and the opportunities have an impact on our major business area, especially raw materials from agricultural crops. Most of our suppliers are farmers, because raw materials of our products are mainly agricultural crops.</p>

		<p>[Situation] For the agricultural crops raw material, we think climate change risks will be mainly “transition risks driven by changes in climate”.</p> <p>[Task] We will focus in particular on raw materials, which account for approximately 60% of total lifecycle greenhouse gas emissions.</p> <p>[Action] Ajinomoto group has joined CDP supply chain program in fiscal 2017. We have got information of GHG emissions and climate change strategies from our suppliers. We have requested answering CDP Supply chain program to our suppliers that are big chemical companies in Japan and the main raw material companies in Thailand and Brazil and France and USA. The reason why we selected these suppliers is carbon footprint account for over 50% by raw material such as amino acid.</p> <p>[Result] Our answering ratio of FY2020 was 79%. As engagement effect, some suppliers disclosed us Scope 1 and 2 emissions of allocated suppliers’ emissions to us according to the goods suppliers have sold us in this reporting period.</p> <p>In addition, we issued the "Ajinomoto Supplier CSR Guidelines" in 2013. We request to minimize influence on global environment to our suppliers in this guideline. We have held a meeting for 400 important suppliers (in Japan) at the headquarters in Tokyo and explained this guideline. These 400 are chosen according to the purchase price and treatment of key materials, that are essential to produce our products. More than 90 % of our raw material purchase costs are from these 400 companies. We have audited and guided these suppliers. We check whether suppliers are obeying a guideline.</p> <p>We are also considering the introduction of new technologies, including on-site production of ammonia. The Group aims to fast-track ongoing measures, such as the development of production technologies using non-edible raw materials to curb rising production costs while contributing to global sustainability in case of rising raw material prices and carbon tax increases due to climate change.</p>
Investment in R&D	Yes	<p>The Group has produced and sold amino acids, seasonings and processed foods in 130 countries. The risks and opportunities have an impact on our major business area, especially production process. Fermentation process of amino acids have a big impact on production GHG emission efficiency, the Group is promoting Research and Development for the introduction of lower resource</p>

		<p>fermentation technology.</p> <p>[Situation] The Group purchases ammonia for our amino acid fermentation processes. Currently, ammonia is generally produced to need for high-temperature and high-pressure reaction conditions by consuming much fuel.</p> <p>[Task] To solve these problems, we are working toward practical implementation of on-site production to produce the necessary amount of ammonia where it is needed.</p> <p>[Action] 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. 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.</p> <p>[Result] 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.</p>
<p>Operations</p>	<p>Yes</p>	<p>The Group has produced and sold amino acids, seasonings and processed foods in 130 countries. In our risk identification process, all of these countries have been considered. The risks and the opportunities have an impact on our major business area, especially raw materials from agricultural crops. Throughout this process, we consider variety types of climate change risks such as "risks driven by changes in regulation", "risks driven by changes in physical climate parameters" and "risks driven by changes in other climate-related developments". We use fuels and electricity to produce our products, and climate change risks for these will be mainly "risks driven by changes in regulation", such as the carbon tax.</p> <p>[Situation] There is risk for increasing carbon tax rate in Japan.</p> <p>[Task] To decrease not only carbon tax impact but also global warming, our factories in Japan should shift from petroleum oil to other kind of fuel and purchase renewable power.</p> <p>[Action] On April 28, 2020, the Group's greenhouse effect gas reduction targets toward 2030 were approved by SBTi as to limit global warming to less than 1.5 degrees Celsius compared to pre-industrial temperatures.</p> <p>The targets approved by SBT initiative: Scope 1 + 2=FY2030: Reduce by 50% (vs. FY2018).</p> <p>[Result] The Group aims to fast-track ongoing measures,</p>

		<p>such as the switch to renewable energy and low-GHG energy sources while contributing to global sustainability in case of rising carbon tax increases due to climate change. As the result, Kyushu plant has decided to change fuel from heavy oil to natural gas in 2020.</p>
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### C3.4

**(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.**

	Financial planning elements that have been influenced	Description of influence
Row 1	Direct costs Indirect costs Access to capital	<p>[Situation] The Ajinomoto Group’s business domain of products ranges from seasonings and coffee to frozen foods and its business activities extend into Life Support and Healthcare. The geographic range of its operations spans the globe. Climate change can impact the Group’s operations in many ways, such as a major natural disaster halting its business activities, affecting its ability to procure raw materials and fuel, and altering consumption of its products.</p> <p>[Task] In fiscal 2019, the Ajinomoto Group conducted a scenario analysis of potential impact from the climate change risk until 2050 for globe using the model of umami seasoning AJI-NO-MOTO®, one of the Group’s major products, under the scenario of a 2°C rise in average global temperature in 2100. The analysis examined droughts, floods, rising sea levels and changes in yield of main raw materials as physical risks, as well as rising energy prices, tight supply and demand, and price increases due to competition for major raw materials with other food sources and biofuels as transition risks.</p> <p>[Action] For physical risks, the Group had anticipated that main raw materials will be affected by the rising frequency of floods, droughts and pests, but the scenario analysis showed that the impact of the physical risks on profits is not large in Southeast Asia, where the main production plant of AJI-NO-MOTO® is located. On the other hand, the analysis revealed that rising energy prices and carbon tax increases in case of a shift to a lower carbon economy as the impact of climate change worsens may have a significant impact on the production costs of AJI-NO-MOTO® and business profits. The Group aims to fast-track ongoing measures, such as the switch to renewable energy and low-GHG energy sources and the development of production technologies using non-</p>

		<p>edible raw materials to curb rising production costs of AJI-NO-MOTO® while contributing to global sustainability in case of rising raw material prices and carbon tax increases due to climate change. [Result] In terms of the greenhouse gas problem, when we conduct scenario analysis in line with Task Force on Climate-related Financial Disclosures (TCFD) policy, the risk of environmental taxes for the fermentation business as a whole including MSG, nucleotides, and animal nutrition is around ¥8.0–10.0 billion. The Group had decided to plan study of Internal Carbon Pricing. December 15, 2020, Ajinomoto Co., Inc. has decided that its consolidated subsidiary AJINOMOTO (MALAYSIA) BERHAD (“AMB”) will employ an ESG finance scheme with preferential contract terms according to the degree of achievement of a preset environmental target. The terms will be applied for a portion of AMB’s capital procurement in connection with its relocation and construction of a new plant.</p>
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### C3.5

**(C3.5) In your organization’s financial accounting, do you identify spending/revenue that is aligned with your organization’s transition to a 1.5°C world?**

Yes

### C3.5a

**(C3.5a) Quantify the percentage share of your spending/revenue that is aligned with your organization’s transition to a 1.5°C world.**

---

**Financial Metric**

OPEX

**Percentage share of selected financial metric aligned with a 1.5°C world in the reporting year (%)**

1

**Percentage share of selected financial metric planned to align with a 1.5°C world in 2025 (%)**

67

**Percentage share of selected financial metric planned to align with a 1.5°C world in 2030 (%)**

100

**Describe the methodology used to identify spending/revenue that is aligned with a 1.5°C world**

The Ajinomoto Group has conducted a scenario analysis of the potential impact of climate change in fiscal 2050 under the assumption that the average temperature will rise by 2°C for all production sites by 2100 modeled using our mainstay umami seasoning AJI-NO-MOTO®. In fiscal 2020, we expanded this analysis to cover other mainstay products such as foods and specialty chemicals and analyzed the impacts in fiscal 2030 in the events that the average temperature rises by 2°C and 4°C, respectively, by 2100.

As a result, we estimated there to be an impact of approximately 20 billion yen by fiscal 2030, and 30 billion yen by fiscal 2040 from increased risk of higher energy unit prices and higher carbon tax payments due to the advancement of low-carbon societies. Higher carbon tax payment means higher OPEX.

## C4. Targets and performance

### C4.1

**(C4.1) Did you have an emissions target that was active in the reporting year?**

Absolute target

Intensity target

### C4.1a

**(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.**

---

#### Target reference number

Abs 1

#### Year target was set

2020

#### Target coverage

Company-wide

#### Scope(s)

Scope 1

Scope 2

#### Scope 2 accounting method

Market-based

#### Scope 3 category(ies)

#### Base year

2018

**Base year Scope 1 emissions covered by target (metric tons CO<sub>2</sub>e)**

1,196,969

**Base year Scope 2 emissions covered by target (metric tons CO<sub>2</sub>e)**

1,015,723

**Base year Scope 3 emissions covered by target (metric tons CO<sub>2</sub>e)**

**Total base year emissions covered by target in all selected Scopes (metric tons CO<sub>2</sub>e)**

2,212,692

**Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1**

100

**Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2**

100

**Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)**

**Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes**

100

**Target year**

2030

**Targeted reduction from base year (%)**

50

**Total emissions in target year covered by target in all selected Scopes (metric tons CO<sub>2</sub>e) [auto-calculated]**

1,106,346

**Scope 1 emissions in reporting year covered by target (metric tons CO<sub>2</sub>e)**

1,005,363

**Scope 2 emissions in reporting year covered by target (metric tons CO<sub>2</sub>e)**

606,594

**Scope 3 emissions in reporting year covered by target (metric tons CO<sub>2</sub>e)**

**Total emissions in reporting year covered by target in all selected scopes (metric tons CO<sub>2</sub>e)**

1,611,957

**% of target achieved relative to base year [auto-calculated]**

54.2990167633

**Target status in reporting year**

Underway

**Is this a science-based target?**

Yes, and this target has been approved by the Science Based Targets initiative

**Target ambition**

1.5°C aligned

**Please explain target coverage and identify any exclusions**

Decision letter from SBTi as follow. (28 Apr, 2020)

Dear Ajinomoto Co., Inc.,

Thank you for submitting your greenhouse gas emission reduction target(s) to the Science Based Targets initiative (SBTi) for an official validation.

Our team has assessed your target(s) against the SBTi criteria (version 4) and, after careful review, we are happy to inform you that your submitted target(s) have been approved.

Basic information about your company and the approved target(s) will be listed on the Science Based Targets website. The following agreed target wording will be used:

“Ajinomoto Co., Inc. commits to reduce absolute scope 1 and 2 GHG emissions 50% by 2030 from a 2018 base year. Ajinomoto Co., Inc. also commits to reduce scope 3 GHG emissions 24% per ton of production over the same target period.”

The SBTi’s Target Validation Team has classified your company’s scope 1 and 2 target ambition and has determined that it is in line with a 1.5°C trajectory.

**Plan for achieving target, and progress made to the end of the reporting year**

As measures to meet this goal, we are promoting energy-saving activities, a switch to fuels with low GHG emissions, the use of renewables such as biomass and solar power, and the introduction of lower energy-consumption processes. In the reporting year, subsidiary of Brazil had contracted to renewable energy power companies, subsidiary of Thailand had purchased IREC, and so on, therefore the Group had decreased Scope 1+2 emissions.

**List the emissions reduction initiatives which contributed most to achieving this target****C4.1b**

**(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).**

**Target reference number**

Int 1

**Year target was set**

2020

**Target coverage**

Company-wide

**Scope(s)**

Scope 3

**Scope 2 accounting method**

**Scope 3 category(ies)**

Category 1: Purchased goods and services

Category 2: Capital goods

Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)

Category 4: Upstream transportation and distribution

Category 5: Waste generated in operations

Category 6: Business travel

Category 7: Employee commuting

Category 9: Downstream transportation and distribution

Category 10: Processing of sold products

Category 12: End-of-life treatment of sold products

**Intensity metric**

Metric tons CO<sub>2</sub>e per metric ton of product

**Base year**

2018

**Intensity figure in base year for Scope 1 (metric tons CO<sub>2</sub>e per unit of activity)**

**Intensity figure in base year for Scope 2 (metric tons CO<sub>2</sub>e per unit of activity)**

**Intensity figure in base year for Scope 3 (metric tons CO<sub>2</sub>e per unit of activity)**

10,638,878

**Intensity figure in base year for all selected Scopes (metric tons CO<sub>2</sub>e per unit of activity)**

4.05

**% of total base year emissions in Scope 1 covered by this Scope 1 intensity figure**

**% of total base year emissions in Scope 2 covered by this Scope 2 intensity figure**

**% of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this Scope 3 intensity figure**

90

**% of total base year emissions in all selected Scopes covered by this intensity figure**

100

**Target year**

2030

**Targeted reduction from base year (%)**

24

**Intensity figure in target year for all selected Scopes (metric tons CO<sub>2</sub>e per unit of activity) [auto-calculated]**

3.078

**% change anticipated in absolute Scope 1+2 emissions**

4.2

**% change anticipated in absolute Scope 3 emissions**

2

**Intensity figure in reporting year for Scope 1 (metric tons CO<sub>2</sub>e per unit of activity)**

**Intensity figure in reporting year for Scope 2 (metric tons CO<sub>2</sub>e per unit of activity)**

**Intensity figure in reporting year for Scope 3 (metric tons CO<sub>2</sub>e per unit of activity)**

4.64

**Intensity figure in reporting year for all selected Scopes (metric tons CO<sub>2</sub>e per unit of activity)**

4.05

**% of target achieved relative to base year [auto-calculated]**

0

**Target status in reporting year**

Underway

**Is this a science-based target?**

Yes, and this target has been approved by the Science Based Targets initiative

**Target ambition**

1.5°C aligned

### **Please explain target coverage and identify any exclusions**

Ministry of Environment of Japan had changed twice of CO2 conversion factor on category 3. Therefore, intensity figure in reporting year was increase. If no change CO2 conversion factor on category 3, intensity figure is nearly same of base year.

Decision letter from SBTi as follow. (28 Apr, 2020)

Dear Ajinomoto Co., Inc.,

Thank you for submitting your greenhouse gas emission reduction target(s) to the Science Based Targets initiative (SBTi) for an official validation.

Our team has assessed your target(s) against the SBTi criteria (version 4) and, after careful review, we are happy to inform you that your submitted target(s) have been approved.

Basic information about your company and the approved target(s) will be listed on the Science Based Targets website. The following agreed target wording will be used:

“Ajinomoto Co., Inc. commits to reduce absolute scope 1 and 2 GHG emissions 50% by 2030 from a 2018 base year. Ajinomoto Co., Inc. also commits to reduce scope 3 GHG emissions 24% per ton of production over the same target period.”

The SBTi’s Target Validation Team has classified your company’s scope 1 and 2 target ambition and has determined that it is in line with a 1.5°C trajectory.

### **Plan for achieving target, and progress made to the end of the reporting year**

For Scope 3 emissions, we have set a fiscal 2030 target of a 24% reduction over fiscal 2018 levels. Of these, raw materials are causing approximately 60% of total GHG emissions over the whole product life cycle, therefore we are encouraging raw materials suppliers to reduce their GHG emissions, and are considering the introduction of new technologies such as on-site ammonia production.

### **List the emissions reduction initiatives which contributed most to achieving this target**

## **C4.2**

### **(C4.2) Did you have any other climate-related targets that were active in the reporting year?**

Target(s) to increase low-carbon energy consumption or production

Net-zero target(s)

## **C4.2a**

### **(C4.2a) Provide details of your target(s) to increase low-carbon energy consumption or production.**

---

#### **Target reference number**

Low 1

#### **Year target was set**

2020

**Target coverage**

Company-wide

**Target type: energy carrier**

Electricity

**Target type: activity**

Consumption

**Target type: energy source**

Renewable energy source(s) only

**Base year**

2018

**Consumption or production of selected energy carrier in base year (MWh)**

2,188,000

**% share of low-carbon or renewable energy in base year**

1

**Target year**

2050

**% share of low-carbon or renewable energy in target year**

100

**% share of low-carbon or renewable energy in reporting year**

29

**% of target achieved relative to base year [auto-calculated]**

28.2828282828

**Target status in reporting year**

Underway

**Is this target part of an emissions target?**

Abs 1

Decision letter from SBTi as follow. (28 Apr, 2020)

Dear Ajinomoto Co., Inc.,

Thank you for submitting your greenhouse gas emission reduction target(s) to the Science Based Targets initiative (SBTi) for an official validation.

Our team has assessed your target(s) against the SBTi criteria (version 4) and, after careful review, we are happy to inform you that your submitted target(s) have been approved.

Basic information about your company and the approved target(s) will be listed on the Science Based Targets website. The following agreed target wording will be used:

“Ajinomoto Co., Inc. commits to reduce absolute scope 1 and 2 GHG emissions 50% by 2030 from a 2018 base year. Ajinomoto Co., Inc. also commits to reduce scope 3 GHG

emissions 24% per ton of production over the same target period.”

The SBTi’s Target Validation Team has classified your company’s scope 1 and 2 target ambition and has determined that it is in line with a 1.5°C trajectory.

### **Is this target part of an overarching initiative?**

RE100

### **Please explain target coverage and identify any exclusions**

Decision letter from SBTi as follow. (28 Apr, 2020)

Dear Ajinomoto Co., Inc.,

Thank you for submitting your greenhouse gas emission reduction target(s) to the Science Based Targets initiative (SBTi) for an official validation.

Our team has assessed your target(s) against the SBTi criteria (version 4) and, after careful review, we are happy to inform you that your submitted target(s) have been approved.

Basic information about your company and the approved target(s) will be listed on the Science Based Targets website. The following agreed target wording will be used:

“Ajinomoto Co., Inc. commits to reduce absolute scope 1 and 2 GHG emissions 50% by 2030 from a 2018 base year. Ajinomoto Co., Inc. also commits to reduce scope 3 GHG emissions 24% per ton of production over the same target period.”

The SBTi’s Target Validation Team has classified your company’s scope 1 and 2 target ambition and has determined that it is in line with a 1.5°C trajectory.

### **Plan for achieving target, and progress made to the end of the reporting year**

As measures to meet this goal, we are promoting energy-saving activities, the use of renewables such as biomass and solar power. In the reporting year, subsidiary of Brazil had contracted to renewable energy power companies, subsidiary of Thailand had purchased IREC, and so on, therefore the Group had decreased Scope 2 emissions.

### **List the actions which contributed most to achieving this target**

## **C4.2c**

### **(C4.2c) Provide details of your net-zero target(s).**

---

#### **Target reference number**

NZ1

#### **Target coverage**

Company-wide

#### **Absolute/intensity emission target(s) linked to this net-zero target**

Abs1

#### **Target year for achieving net zero**

2050

**Is this a science-based target?**

Yes, we consider this a science-based target, and the target is currently being reviewed by the Science Based Targets initiative

**Please explain target coverage and identify any exclusions**

The Ajinomoto Group recently submitted a letter of commitment declaring that it would comply with the new greenhouse gas (GHG) emissions reduction targets, including the Net-Zero Standard, set by the international partnership organization Science Based Targets initiative (SBTi). With this declaration, the Ajinomoto Group will set new targets to achieve carbon neutrality, which calls for limiting the net amount of its GHG emissions to zero, by fiscal 2050.

**Do you intend to neutralize any unabated emissions with permanent carbon removals at the target year?**

Yes

**Planned milestones and/or near-term investments for neutralization at target year**

In order to further accelerate efforts for its GHG emissions reduction targets, which have been approved by the SBTi, to limit global warming to 1.5°C, the Ajinomoto Group is committed to complying with the SBTi's new standards for GHG emissions reduction targets, including the Net-Zero Standard, and is undertaking a review of its targets so they are in alignment with the new standards. The Ajinomoto Group has been proactively carrying forward the conversion to fuels with a low GHG emissions coefficient, such as natural gas and biomass, the procurement of renewable energy (electricity), and the introduction of new technologies and new production methods realized through innovation. Going forward, the Group will further accelerate these efforts throughout its offices in Japan and abroad, and through its efforts aimed at achieving carbon neutrality by fiscal 2050, contribute to the construction of sustainable food systems that are more resilient.

**Planned actions to mitigate emissions beyond your value chain (optional)**

In order to further accelerate efforts for its GHG emissions reduction targets, which have been approved by the SBTi, to limit global warming to 1.5°C, the Ajinomoto Group is committed to complying with the SBTi's new standards for GHG emissions reduction targets, including the Net-Zero Standard, and is undertaking a review of its targets so they are in alignment with the new standards. The Ajinomoto Group has been proactively carrying forward the conversion to fuels with a low GHG emissions coefficient, such as natural gas and biomass, the procurement of renewable energy (electricity), and the introduction of new technologies and new production methods realized through innovation. Going forward, the Group will further accelerate these efforts throughout its offices in Japan and abroad, and through its efforts aimed at achieving carbon neutrality by fiscal 2050, contribute to the construction of sustainable food systems that are more resilient.

## C4.3

**(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.**

Yes

### C4.3a

**(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.**

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	1	143,000
To be implemented*	5	1,850
Implementation commenced*	3	77,040
Implemented*	1	90
Not to be implemented	0	0

### C4.3b

**(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.**

**Initiative category & Initiative type**

Energy efficiency in production processes  
Cooling technology

**Estimated annual CO2e savings (metric tonnes CO2e)**

90

**Scope(s) or Scope 3 category(ies) where emissions savings occur**

Scope 2 (location-based)  
Scope 2 (market-based)

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**

3

**Investment required (unit currency – as specified in C0.4)**

300

**Payback period**

>25 years

**Estimated lifetime of the initiative**

16-20 years

**Comment**

Replace new Chiller.

**C4.3c**

**(C4.3c) What methods do you use to drive investment in emissions reduction activities?**

Method	Comment
Internal finance mechanisms	When the Ajinomoto Group launches new products and businesses or changes the use of conventional raw materials in production processes, it assesses the environmental impact of business plans before they are implemented and takes necessary measures to minimize future environmental risks and impacts. Environmental assessments are performed by departments responsible for the proposed plans, and their results are reviewed by Manufacturing Management Department before final approval by management.

**C4.5**

**(C4.5) Do you classify any of your existing goods and/or services as low-carbon products?**

Yes

**C4.5a**

**(C4.5a) Provide details of your products and/or services that you classify as low-carbon products.**

**Level of aggregation**

Product or service

**Taxonomy used to classify product(s) or service(s) as low-carbon**

No taxonomy used to classify product(s) or service(s) as low carbon

**Type of product(s) or service(s)**

Other

Other, please specify

Feeds with a good balance of amino acids help to reduce impact on soil and water from livestock waste and greatly reduce greenhouse gas emissions.

**Description of product(s) or service(s)**

The Ajinomoto Group has been exploiting worldwide markets for feed-use amino acids for more than 40 years. With lysine, threonine, and tryptophan as its main feed-use amino acids, the Group has long been a leader in the markets for these products. Feeds with a good balance of amino acids help to reduce impact on soil and water from livestock waste and greatly reduce greenhouse gas emissions. They also help to reduce the amount of land required for feed crop cultivation. The Ajinomoto Group's feed products are gaining worldwide attention. Typical livestock feed is a combination of soybean meal and energy-giving grains like corn and wheat. However, it contains more of certain amino acids than can be effectively used by the animal's body. As a result, amino acids are excreted as nitrogen compounds. In addition to having a negative impact on soil and water quality, part of this nitrogen is released into the atmosphere as N<sub>2</sub>O, which promotes global warming. The greenhouse gas effect of N<sub>2</sub>O is approximately 300 times greater than that of CO<sub>2</sub>. By giving low-protein feed fortified with feed-use amino acids to livestock, it is possible to reduce the amount of nitrogen in the animal waste by 30% for example, which helps to curtail the greenhouse gas effect by 30%.

**Have you estimated the avoided emissions of this low-carbon product(s) or service(s)**

No

**Methodology used to calculate avoided emissions**

**Life cycle stage(s) covered for the low-carbon product(s) or services(s)**

**Functional unit used**

**Reference product/service or baseline scenario used**

**Life cycle stage(s) covered for the reference product/service or baseline scenario**

**Estimated avoided emissions (metric tons CO<sub>2</sub>e per functional unit) compared to reference product/service or baseline scenario**

**Explain your calculation of avoided emissions, including any assumptions**

**Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year**

5

## C5. Emissions methodology

### C5.1

**(C5.1) Is this your first year of reporting emissions data to CDP?**

No

### C5.1a

**(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?**

Row 1

**Has there been a structural change?**

Yes, a divestment

**Name of organization(s) acquired, divested from, or merged with**

Ajinomoto Animal Nutrition Europe S.A.S.

**Details of structural change(s), including completion dates**

On April 14, 2021, Ajinomoto Co., AANG and METEX concluded a share transfer agreement for all shares of Ajinomoto Animal Nutrition Europe S.A.S. The sale price is EUR 15 million (approximately JPY 1,947 million).

In accordance with the details announced in “Ajinomoto Co., Inc. Plans to Sell Its Entire Equity Stake in a Feed-use Amino Acid Company in Europe,” dated February 26, 2021, Ajinomoto Co., Inc. (“Ajinomoto Co.”) concluded the agreement on April 14, 2021 (local time) to sell its entire equity stake in Ajinomoto Animal Nutrition Europe S.A.S.

(“AANE”), which is a feed-use amino acid company wholly owned by Ajinomoto Co. subsidiary Ajinomoto Animal Nutrition Group, Inc. (“AANG”), to METabolic EXplorer S.A. (“METEX”), a company based in France with strengths in research and development in fermentation technologies.

### C5.1b

**(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?**

	Change(s) in methodology, boundary, and/or reporting year definition?
Row 1	No

### C5.1c

**(C5.1c) Have your organization’s base year emissions been recalculated as result of the changes or errors reported in C5.1a and C5.1b?**

	Base year recalculation	Base year emissions recalculation policy, including significance threshold
Row 1	No, because the impact does not meet our significance threshold	We will be re-calculated as result of the change in C5.1a within 2 years.

## C5.2

### (C5.2) Provide your base year and base year emissions.

#### Scope 1

##### Base year start

April 1, 2018

##### Base year end

March 31, 2019

##### Base year emissions (metric tons CO<sub>2</sub>e)

1,196,969

##### Comment

Decision letter from SBTi as follow. (28 Apr, 2020)

Dear Ajinomoto Co., Inc.,

Thank you for submitting your greenhouse gas emission reduction target(s) to the Science Based Targets initiative (SBTi) for an official validation.

Our team has assessed your target(s) against the SBTi criteria (version 4) and, after careful review, we are happy to inform you that your submitted target(s) have been approved.

Basic information about your company and the approved target(s) will be listed on the Science Based Targets website. The following agreed target wording will be used:

“Ajinomoto Co., Inc. commits to reduce absolute scope 1 and 2 GHG emissions 50% by 2030 from a 2018 base year. Ajinomoto Co., Inc. also commits to reduce scope 3 GHG emissions 24% per ton of production over the same target period.”

The SBTi’s Target Validation Team has classified your company’s scope 1 and 2 target ambition and has determined that it is in line with a 1.5°C trajectory.

#### Scope 2 (location-based)

##### Base year start

April 1, 2018

##### Base year end

March 31, 2019

##### Base year emissions (metric tons CO<sub>2</sub>e)

1,026,764

##### Comment

Decision letter from SBTi as follow. (28 Apr, 2020)

Dear Ajinomoto Co., Inc.,

Thank you for submitting your greenhouse gas emission reduction target(s) to the Science Based Targets initiative (SBTi) for an official validation.

Our team has assessed your target(s) against the SBTi criteria (version 4) and, after careful review, we are happy to inform you that your submitted target(s) have been approved.

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The SBTi’s Target Validation Team has classified your company’s scope 1 and 2 target ambition and has determined that it is in line with a 1.5°C trajectory.

## Scope 2 (market-based)

---

### Base year start

April 1, 2018

### Base year end

March 31, 2019

### Base year emissions (metric tons CO<sub>2</sub>e)

1,015,723

### Comment

Decision letter from SBTi as follow. (28 Apr, 2020)

Dear Ajinomoto Co., Inc.,

Thank you for submitting your greenhouse gas emission reduction target(s) to the Science Based Targets initiative (SBTi) for an official validation.

Our team has assessed your target(s) against the SBTi criteria (version 4) and, after careful review, we are happy to inform you that your submitted target(s) have been approved.

Basic information about your company and the approved target(s) will be listed on the Science Based Targets website. The following agreed target wording will be used:

“Ajinomoto Co., Inc. commits to reduce absolute scope 1 and 2 GHG emissions 50% by 2030 from a 2018 base year. Ajinomoto Co., Inc. also commits to reduce scope 3 GHG emissions 24% per ton of production over the same target period.”

The SBTi’s Target Validation Team has classified your company’s scope 1 and 2 target ambition and has determined that it is in line with a 1.5°C trajectory.

## Scope 3 category 1: Purchased goods and services

---

### Base year start

April 1, 2018

### Base year end

March 31, 2019

**Base year emissions (metric tons CO<sub>2</sub>e)**

8,115,946

**Comment**

Decision letter from SBTi as follow. (28 Apr, 2020)

Dear Ajinomoto Co., Inc.,

Thank you for submitting your greenhouse gas emission reduction target(s) to the Science Based Targets initiative (SBTi) for an official validation.

Our team has assessed your target(s) against the SBTi criteria (version 4) and, after careful review, we are happy to inform you that your submitted target(s) have been approved.

Basic information about your company and the approved target(s) will be listed on the Science Based Targets website. The following agreed target wording will be used:

“Ajinomoto Co., Inc. commits to reduce absolute scope 1 and 2 GHG emissions 50% by 2030 from a 2018 base year. Ajinomoto Co., Inc. also commits to reduce scope 3 GHG emissions 24% per ton of production over the same target period.”

The SBTi’s Target Validation Team has classified your company’s scope 1 and 2 target ambition and has determined that it is in line with a 1.5°C trajectory.

**Scope 3 category 2: Capital goods**

---

**Base year start**

April 1, 2018

**Base year end**

March 31, 2019

**Base year emissions (metric tons CO<sub>2</sub>e)**

249,944

**Comment**

Decision letter from SBTi as follow. (28 Apr, 2020)

Dear Ajinomoto Co., Inc.,

Thank you for submitting your greenhouse gas emission reduction target(s) to the Science Based Targets initiative (SBTi) for an official validation.

Our team has assessed your target(s) against the SBTi criteria (version 4) and, after careful review, we are happy to inform you that your submitted target(s) have been approved.

Basic information about your company and the approved target(s) will be listed on the Science Based Targets website. The following agreed target wording will be used:

“Ajinomoto Co., Inc. commits to reduce absolute scope 1 and 2 GHG emissions 50% by 2030 from a 2018 base year. Ajinomoto Co., Inc. also commits to reduce scope 3 GHG emissions 24% per ton of production over the same target period.”

The SBTi’s Target Validation Team has classified your company’s scope 1 and 2 target ambition and has determined that it is in line with a 1.5°C trajectory.

**Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)**

---

**Base year start**

April 1, 2018

**Base year end**

March 31, 2019

**Base year emissions (metric tons CO2e)**

381,765

**Comment**

Decision letter from SBTi as follow. (28 Apr, 2020)

Dear Ajinomoto Co., Inc.,

Thank you for submitting your greenhouse gas emission reduction target(s) to the Science Based Targets initiative (SBTi) for an official validation.

Our team has assessed your target(s) against the SBTi criteria (version 4) and, after careful review, we are happy to inform you that your submitted target(s) have been approved.

Basic information about your company and the approved target(s) will be listed on the Science Based Targets website. The following agreed target wording will be used:

“Ajinomoto Co., Inc. commits to reduce absolute scope 1 and 2 GHG emissions 50% by 2030 from a 2018 base year. Ajinomoto Co., Inc. also commits to reduce scope 3 GHG emissions 24% per ton of production over the same target period.”

The SBTi’s Target Validation Team has classified your company’s scope 1 and 2 target ambition and has determined that it is in line with a 1.5°C trajectory.

**Scope 3 category 4: Upstream transportation and distribution**

---

**Base year start**

April 1, 2018

**Base year end**

March 31, 2019

**Base year emissions (metric tons CO2e)**

1,274,589

**Comment**

Decision letter from SBTi as follow. (28 Apr, 2020)

Dear Ajinomoto Co., Inc.,

Thank you for submitting your greenhouse gas emission reduction target(s) to the Science Based Targets initiative (SBTi) for an official validation.

Our team has assessed your target(s) against the SBTi criteria (version 4) and, after careful review, we are happy to inform you that your submitted target(s) have been approved.

Basic information about your company and the approved target(s) will be listed on the Science Based Targets website. The following agreed target wording will be used:

“Ajinomoto Co., Inc. commits to reduce absolute scope 1 and 2 GHG emissions 50% by 2030 from a 2018 base year. Ajinomoto Co., Inc. also commits to reduce scope 3 GHG emissions 24% per ton of production over the same target period.”

The SBTi's Target Validation Team has classified your company's scope 1 and 2 target ambition and has determined that it is in line with a 1.5°C trajectory.

### **Scope 3 category 5: Waste generated in operations**

---

**Base year start**

April 1, 2018

**Base year end**

March 31, 2019

**Base year emissions (metric tons CO<sub>2</sub>e)**

140,678

**Comment**

Decision letter from SBTi as follow. (28 Apr, 2020)

Dear Ajinomoto Co., Inc.,

Thank you for submitting your greenhouse gas emission reduction target(s) to the Science Based Targets initiative (SBTi) for an official validation.

Our team has assessed your target(s) against the SBTi criteria (version 4) and, after careful review, we are happy to inform you that your submitted target(s) have been approved.

Basic information about your company and the approved target(s) will be listed on the Science Based Targets website. The following agreed target wording will be used:

“Ajinomoto Co., Inc. commits to reduce absolute scope 1 and 2 GHG emissions 50% by 2030 from a 2018 base year. Ajinomoto Co., Inc. also commits to reduce scope 3 GHG emissions 24% per ton of production over the same target period.”

The SBTi's Target Validation Team has classified your company's scope 1 and 2 target ambition and has determined that it is in line with a 1.5°C trajectory.

### **Scope 3 category 6: Business travel**

---

**Base year start**

April 1, 2018

**Base year end**

March 31, 2019

**Base year emissions (metric tons CO<sub>2</sub>e)**

4,479

**Comment**

Decision letter from SBTi as follow. (28 Apr, 2020)

Dear Ajinomoto Co., Inc.,

Thank you for submitting your greenhouse gas emission reduction target(s) to the Science Based Targets initiative (SBTi) for an official validation.

Our team has assessed your target(s) against the SBTi criteria (version 4) and, after careful review, we are happy to inform you that your submitted target(s) have been approved.

Basic information about your company and the approved target(s) will be listed on the

Science Based Targets website. The following agreed target wording will be used:  
 “Ajinomoto Co., Inc. commits to reduce absolute scope 1 and 2 GHG emissions 50% by 2030 from a 2018 base year. Ajinomoto Co., Inc. also commits to reduce scope 3 GHG emissions 24% per ton of production over the same target period.”

The SBTi’s Target Validation Team has classified your company’s scope 1 and 2 target ambition and has determined that it is in line with a 1.5°C trajectory.

### Scope 3 category 7: Employee commuting

---

**Base year start**

April 1, 2018

**Base year end**

March 31, 2019

**Base year emissions (metric tons CO<sub>2</sub>e)**

16,206

**Comment**

Decision letter from SBTi as follow. (28 Apr, 2020)

Dear Ajinomoto Co., Inc.,

Thank you for submitting your greenhouse gas emission reduction target(s) to the Science Based Targets initiative (SBTi) for an official validation.

Our team has assessed your target(s) against the SBTi criteria (version 4) and, after careful review, we are happy to inform you that your submitted target(s) have been approved.

Basic information about your company and the approved target(s) will be listed on the Science Based Targets website. The following agreed target wording will be used:

“Ajinomoto Co., Inc. commits to reduce absolute scope 1 and 2 GHG emissions 50% by 2030 from a 2018 base year. Ajinomoto Co., Inc. also commits to reduce scope 3 GHG emissions 24% per ton of production over the same target period.”

The SBTi’s Target Validation Team has classified your company’s scope 1 and 2 target ambition and has determined that it is in line with a 1.5°C trajectory.

### Scope 3 category 8: Upstream leased assets

---

**Base year start**

April 1, 2018

**Base year end**

March 31, 2019

**Base year emissions (metric tons CO<sub>2</sub>e)**

0

**Comment**

Decision letter from SBTi as follow. (28 Apr, 2020)

Dear Ajinomoto Co., Inc.,

Thank you for submitting your greenhouse gas emission reduction target(s) to the Science Based Targets initiative (SBTi) for an official validation.

Our team has assessed your target(s) against the SBTi criteria (version 4) and, after careful review, we are happy to inform you that your submitted target(s) have been approved.

Basic information about your company and the approved target(s) will be listed on the Science Based Targets website. The following agreed target wording will be used: “Ajinomoto Co., Inc. commits to reduce absolute scope 1 and 2 GHG emissions 50% by 2030 from a 2018 base year. Ajinomoto Co., Inc. also commits to reduce scope 3 GHG emissions 24% per ton of production over the same target period.”

The SBTi’s Target Validation Team has classified your company’s scope 1 and 2 target ambition and has determined that it is in line with a 1.5°C trajectory.

### Scope 3 category 9: Downstream transportation and distribution

---

**Base year start**

April 1, 2018

**Base year end**

March 31, 2019

**Base year emissions (metric tons CO2e)**

3,780

**Comment**

Decision letter from SBTi as follow. (28 Apr, 2020)

Dear Ajinomoto Co., Inc.,

Thank you for submitting your greenhouse gas emission reduction target(s) to the Science Based Targets initiative (SBTi) for an official validation.

Our team has assessed your target(s) against the SBTi criteria (version 4) and, after careful review, we are happy to inform you that your submitted target(s) have been approved.

Basic information about your company and the approved target(s) will be listed on the Science Based Targets website. The following agreed target wording will be used:

“Ajinomoto Co., Inc. commits to reduce absolute scope 1 and 2 GHG emissions 50% by 2030 from a 2018 base year. Ajinomoto Co., Inc. also commits to reduce scope 3 GHG emissions 24% per ton of production over the same target period.”

The SBTi’s Target Validation Team has classified your company’s scope 1 and 2 target ambition and has determined that it is in line with a 1.5°C trajectory.

### Scope 3 category 10: Processing of sold products

---

**Base year start**

April 1, 2018

**Base year end**

March 31, 2019

**Base year emissions (metric tons CO2e)**

8,158

**Comment**

Decision letter from SBTi as follow. (28 Apr, 2020)

Dear Ajinomoto Co., Inc.,

Thank you for submitting your greenhouse gas emission reduction target(s) to the Science Based Targets initiative (SBTi) for an official validation.

Our team has assessed your target(s) against the SBTi criteria (version 4) and, after careful review, we are happy to inform you that your submitted target(s) have been approved.

Basic information about your company and the approved target(s) will be listed on the Science Based Targets website. The following agreed target wording will be used:

“Ajinomoto Co., Inc. commits to reduce absolute scope 1 and 2 GHG emissions 50% by 2030 from a 2018 base year. Ajinomoto Co., Inc. also commits to reduce scope 3 GHG emissions 24% per ton of production over the same target period.”

The SBTi’s Target Validation Team has classified your company’s scope 1 and 2 target ambition and has determined that it is in line with a 1.5°C trajectory.

### Scope 3 category 11: Use of sold products

---

**Base year start**

April 1, 2018

**Base year end**

March 31, 2019

**Base year emissions (metric tons CO2e)**

1,294,392

**Comment**

Decision letter from SBTi as follow. (28 Apr, 2020)

Dear Ajinomoto Co., Inc.,

Thank you for submitting your greenhouse gas emission reduction target(s) to the Science Based Targets initiative (SBTi) for an official validation.

Our team has assessed your target(s) against the SBTi criteria (version 4) and, after careful review, we are happy to inform you that your submitted target(s) have been approved.

Basic information about your company and the approved target(s) will be listed on the Science Based Targets website. The following agreed target wording will be used:

“Ajinomoto Co., Inc. commits to reduce absolute scope 1 and 2 GHG emissions 50% by 2030 from a 2018 base year. Ajinomoto Co., Inc. also commits to reduce scope 3 GHG emissions 24% per ton of production over the same target period.”

The SBTi’s Target Validation Team has classified your company’s scope 1 and 2 target ambition and has determined that it is in line with a 1.5°C trajectory.

### Scope 3 category 12: End of life treatment of sold products

---

**Base year start**

April 1, 2018

**Base year end**

March 31, 2019

**Base year emissions (metric tons CO<sub>2</sub>e)**

443,333

**Comment**

Decision letter from SBTi as follow. (28 Apr, 2020)

Dear Ajinomoto Co., Inc.,

Thank you for submitting your greenhouse gas emission reduction target(s) to the Science Based Targets initiative (SBTi) for an official validation.

Our team has assessed your target(s) against the SBTi criteria (version 4) and, after careful review, we are happy to inform you that your submitted target(s) have been approved.

Basic information about your company and the approved target(s) will be listed on the Science Based Targets website. The following agreed target wording will be used:

“Ajinomoto Co., Inc. commits to reduce absolute scope 1 and 2 GHG emissions 50% by 2030 from a 2018 base year. Ajinomoto Co., Inc. also commits to reduce scope 3 GHG emissions 24% per ton of production over the same target period.”

The SBTi’s Target Validation Team has classified your company’s scope 1 and 2 target ambition and has determined that it is in line with a 1.5°C trajectory.

**Scope 3 category 13: Downstream leased assets**

---

**Base year start**

April 1, 2018

**Base year end**

March 31, 2019

**Base year emissions (metric tons CO<sub>2</sub>e)**

0

**Comment**

Decision letter from SBTi as follow. (28 Apr, 2020)

Dear Ajinomoto Co., Inc.,

Thank you for submitting your greenhouse gas emission reduction target(s) to the Science Based Targets initiative (SBTi) for an official validation.

Our team has assessed your target(s) against the SBTi criteria (version 4) and, after careful review, we are happy to inform you that your submitted target(s) have been approved.

Basic information about your company and the approved target(s) will be listed on the Science Based Targets website. The following agreed target wording will be used:

“Ajinomoto Co., Inc. commits to reduce absolute scope 1 and 2 GHG emissions 50% by 2030 from a 2018 base year. Ajinomoto Co., Inc. also commits to reduce scope 3 GHG emissions 24% per ton of production over the same target period.”

The SBTi’s Target Validation Team has classified your company’s scope 1 and 2 target ambition and has determined that it is in line with a 1.5°C trajectory.

**Scope 3 category 14: Franchises**

---

**Base year start**

April 1, 2018

**Base year end**

March 31, 2019

**Base year emissions (metric tons CO2e)**

0

**Comment**

Decision letter from SBTi as follow. (28 Apr, 2020)

Dear Ajinomoto Co., Inc.,

Thank you for submitting your greenhouse gas emission reduction target(s) to the Science Based Targets initiative (SBTi) for an official validation.

Our team has assessed your target(s) against the SBTi criteria (version 4) and, after careful review, we are happy to inform you that your submitted target(s) have been approved.

Basic information about your company and the approved target(s) will be listed on the Science Based Targets website. The following agreed target wording will be used:

“Ajinomoto Co., Inc. commits to reduce absolute scope 1 and 2 GHG emissions 50% by 2030 from a 2018 base year. Ajinomoto Co., Inc. also commits to reduce scope 3 GHG emissions 24% per ton of production over the same target period.”

The SBTi’s Target Validation Team has classified your company’s scope 1 and 2 target ambition and has determined that it is in line with a 1.5°C trajectory.

**Scope 3 category 15: Investments**

---

**Base year start**

April 1, 2018

**Base year end**

March 31, 2019

**Base year emissions (metric tons CO2e)**

0

**Comment**

Decision letter from SBTi as follow. (28 Apr, 2020)

Dear Ajinomoto Co., Inc.,

Thank you for submitting your greenhouse gas emission reduction target(s) to the Science Based Targets initiative (SBTi) for an official validation.

Our team has assessed your target(s) against the SBTi criteria (version 4) and, after careful review, we are happy to inform you that your submitted target(s) have been approved.

Basic information about your company and the approved target(s) will be listed on the Science Based Targets website. The following agreed target wording will be used:

“Ajinomoto Co., Inc. commits to reduce absolute scope 1 and 2 GHG emissions 50% by 2030 from a 2018 base year. Ajinomoto Co., Inc. also commits to reduce scope 3 GHG emissions 24% per ton of production over the same target period.”

The SBTi's Target Validation Team has classified your company's scope 1 and 2 target ambition and has determined that it is in line with a 1.5°C trajectory.

### Scope 3: Other (upstream)

---

**Base year start**

April 1, 2018

**Base year end**

March 31, 2019

**Base year emissions (metric tons CO<sub>2</sub>e)**

0

**Comment**

Decision letter from SBTi as follow. (28 Apr, 2020)

Dear Ajinomoto Co., Inc.,

Thank you for submitting your greenhouse gas emission reduction target(s) to the Science Based Targets initiative (SBTi) for an official validation.

Our team has assessed your target(s) against the SBTi criteria (version 4) and, after careful review, we are happy to inform you that your submitted target(s) have been approved.

Basic information about your company and the approved target(s) will be listed on the Science Based Targets website. The following agreed target wording will be used:

“Ajinomoto Co., Inc. commits to reduce absolute scope 1 and 2 GHG emissions 50% by 2030 from a 2018 base year. Ajinomoto Co., Inc. also commits to reduce scope 3 GHG emissions 24% per ton of production over the same target period.”

The SBTi's Target Validation Team has classified your company's scope 1 and 2 target ambition and has determined that it is in line with a 1.5°C trajectory.

### Scope 3: Other (downstream)

---

**Base year start**

April 1, 2018

**Base year end**

March 31, 2019

**Base year emissions (metric tons CO<sub>2</sub>e)**

0

**Comment**

Decision letter from SBTi as follow. (28 Apr, 2020)

Dear Ajinomoto Co., Inc.,

Thank you for submitting your greenhouse gas emission reduction target(s) to the Science Based Targets initiative (SBTi) for an official validation.

Our team has assessed your target(s) against the SBTi criteria (version 4) and, after careful review, we are happy to inform you that your submitted target(s) have been approved.

Basic information about your company and the approved target(s) will be listed on the

Science Based Targets website. The following agreed target wording will be used:  
 “Ajinomoto Co., Inc. commits to reduce absolute scope 1 and 2 GHG emissions 50% by 2030 from a 2018 base year. Ajinomoto Co., Inc. also commits to reduce scope 3 GHG emissions 24% per ton of production over the same target period.”  
 The SBTi’s Target Validation Team has classified your company’s scope 1 and 2 target ambition and has determined that it is in line with a 1.5°C trajectory.

## C5.3

**(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.**

- Act on the Rational Use of Energy
- IPCC Guidelines for National Greenhouse Gas Inventories, 2006
- ISO 14064-1
- Japan Ministry of the Environment, Law Concerning the Promotion of the Measures to Cope with Global Warming, Superseded by Revision of the Act on Promotion of Global Warming Countermeasures (2005 Amendment)
- The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
- The Greenhouse Gas Protocol Agricultural Guidance: Interpreting the Corporate Accounting and Reporting Standard for the Agricultural Sector
- The Greenhouse Gas Protocol: Scope 2 Guidance
- WBCSD: The Cement CO2 and Energy Protocol

## C6. Emissions data

### C6.1

**(C6.1) What were your organization’s gross global Scope 1 emissions in metric tons CO2e?**

**Reporting year**

**Gross global Scope 1 emissions (metric tons CO2e)**

1,005,363

**Comment**

We have certificated our Scope 1, 2, 3 emissions by third party.

### C6.2

**(C6.2) Describe your organization’s approach to reporting Scope 2 emissions.**

**Row 1**

**Scope 2, location-based**

We are reporting a Scope 2, location-based figure

**Scope 2, market-based**

We are reporting a Scope 2, market-based figure

**Comment**

We have certificated our Scope 1, 2, 3 emissions by third party.

**C6.3**

**(C6.3) What were your organization’s gross global Scope 2 emissions in metric tons CO2e?**

**Reporting year**

---

**Scope 2, location-based**

622,059

**Scope 2, market-based (if applicable)**

606,594

**Comment**

We have certificated our Scope 1, 2, 3 emissions by third party.

**C6.4**

**(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?**

No

**C6.5**

**(C6.5) Account for your organization’s gross global Scope 3 emissions, disclosing and explaining any exclusions.**

**Purchased goods and services**

---

**Evaluation status**

Relevant, calculated

**Emissions in reporting year (metric tons CO2e)**

6,960,412

**Emissions calculation methodology**

Average product method

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

100

**Please explain**

We have certificated our Scope 1, 2, 3 emissions by third party.  
 For primary and secondary production for raw materials, IDEA ver2.3 was applied for calculation. For transportation of raw materials, calculations are made by multiplying the CO2 emission factor by transport ton-kilometer for each means of transportation. Actual distance from suppliers are obtained and used for calculation.

**Capital goods**

---

**Evaluation status**

Relevant, calculated

**Emissions in reporting year (metric tons CO2e)**

232,674

**Emissions calculation methodology**

Spend-based method

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

100

**Please explain**

We have certificated our Scope 1, 2, 3 emissions by third party.  
 Annual capital investment is collected and multiplied by the emission factor of MOE.

**Fuel-and-energy-related activities (not included in Scope 1 or 2)**

---

**Evaluation status**

Relevant, calculated

**Emissions in reporting year (metric tons CO2e)**

583,499

**Emissions calculation methodology**

Fuel-based method

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

100

**Please explain**

We have certificated our Scope 1, 2, 3 emissions by third party.  
 Energy consumption for electricity and steam generation and gasoline consumption associated with marketing operations is obtained. Then multiplied by the emission factor per energy used.

**Upstream transportation and distribution**

---

**Evaluation status**

Relevant, calculated

**Emissions in reporting year (metric tons CO2e)**

1,121,673

**Emissions calculation methodology**

Distance-based method

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

100

**Please explain**

We have certificated our Scope 1, 2, 3 emissions by third party. Calculations are made by multiplying the CO2 emission factor by transport ton-kilometer for each means of transportation. Transportation data by examining (purchased volume of raw materials) and (sold volume of products) and actual distance from suppliers and retailer are obtained and used for calculation.

**Waste generated in operations**

---

**Evaluation status**

Relevant, calculated

**Emissions in reporting year (metric tons CO2e)**

92,884

**Emissions calculation methodology**

Waste-type-specific method

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

100

**Please explain**

We have certificated our Scope 1, 2, 3 emissions by third party. Weight of waste by product are collected and multiplied by emission factor based on the emission factor of MOE by material.

**Business travel**

---

**Evaluation status**

Relevant, calculated

**Emissions in reporting year (metric tons CO2e)**

4,350

**Emissions calculation methodology**

Other, please specify

Calculations are made by multiplying the CO2 emission factor by number of employees.

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

100

**Please explain**

We have certificated our Scope 1, 2, 3 emissions by third party.

**Employee commuting**

---

**Evaluation status**

Relevant, calculated

**Emissions in reporting year (metric tons CO2e)**

15,740

**Emissions calculation methodology**

Other, please specify

Calculations are made by multiplying the CO2 emission factor by number of employees.

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

100

**Please explain**

We have certificated our Scope 1, 2, 3 emissions by third party.

**Upstream leased assets**

---

**Evaluation status**

Not relevant, explanation provided

**Please explain**

Since CO2 emissions for upstream leased assets are include in scope 1 and 2, there are no emissions that should be reported for this category.

**Downstream transportation and distribution**

---

**Evaluation status**

Relevant, calculated

**Emissions in reporting year (metric tons CO2e)**

3,448

**Emissions calculation methodology**

Distance-based method

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

100

**Please explain**

We have certificated our Scope 1, 2, 3 emissions by third party.  
Calculations are made by multiplying the CO2 emission factor by amount of production.

**Processing of sold products**

---

**Evaluation status**

Relevant, calculated

**Emissions in reporting year (metric tons CO2e)**

126,716

**Emissions calculation methodology**

Other, please specify  
Calculations are made by multiplying the CO2 emission factor by amount of outsourced production.

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

100

**Please explain**

We have certificated our Scope 1, 2, 3 emissions by third party.

**Use of sold products**

---

**Evaluation status**

Relevant, calculated

**Emissions in reporting year (metric tons CO2e)**

1,396,947

**Emissions calculation methodology**

Other, please specify  
Energy consumption obtained by assuming that the product is used in a standard way of cooking. Then multiplied by the emission factor per energy used. We had just calculated representative products which are cup soup, instant coffee, frozen food.

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

100

**Please explain**

We have certificated our Scope 1, 2, 3 emissions by third party.

**End of life treatment of sold products**

---

**Evaluation status**

Relevant, calculated

**Emissions in reporting year (metric tons CO2e)**

409,500

**Emissions calculation methodology**

Waste-type-specific method

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

100

**Please explain**

We have certificated our Scope 1, 2, 3 emissions by third party. Package of our products are the target of end treatment. We calculated weight of packages of end-of-life product based on volume sold. Then the emissions were calculated by using IDEA by material.

---

**Downstream leased assets**

**Evaluation status**

Not relevant, explanation provided

**Please explain**

Not relevant, because we don't have a downstream leased asset business.

---

**Franchises**

**Evaluation status**

Not relevant, explanation provided

**Please explain**

Not relevant, because we don't have any Franchises.

---

**Investments**

**Evaluation status**

Not relevant, explanation provided

**Please explain**

Not relevant, because we are not involved in investment or financial service as a main business.

---

**Other (upstream)**

**Evaluation status**

Not relevant, calculated

**Emissions in reporting year (metric tons CO2e)**

0

**Emissions calculation methodology**

Other, please specify

Not relevant, because we don't have any other upstream.

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

100

**Please explain**

We have certificated our Scope 1, 2, 3 emissions by third party.

**Other (downstream)**

---

**Evaluation status**

Not relevant, calculated

**Emissions in reporting year (metric tons CO2e)**

0

**Emissions calculation methodology**

Other, please specify

Not relevant, because we don't have any other downstream.

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

100

**Please explain**

We have certificated our Scope 1, 2, 3 emissions by third party.

**C-AC6.8/C-FB6.8/C-PF6.8**

**(C-AC6.8/C-FB6.8/C-PF6.8) Is biogenic carbon pertaining to your direct operations relevant to your current CDP climate change disclosure?**

No

**C-AC6.9/C-FB6.9/C-PF6.9**

**(C-AC6.9/C-FB6.9/C-PF6.9) Do you collect or calculate greenhouse gas emissions for each commodity reported as significant to your business in C-AC0.7/FB0.7/PF0.7?**

---

**Agricultural commodities**

Fish and seafood from aquaculture

**Do you collect or calculate GHG emissions for this commodity?**

Yes

**Please explain**

For primary and secondary production for raw materials, IDEA was applied for calculation. For transportation of raw materials, calculations are made by multiplying the CO2 emission factor by transport ton-kilometer for each means of transportation. Actual distance from suppliers are obtained and used for calculation.

---

**Agricultural commodities**

Palm Oil

**Do you collect or calculate GHG emissions for this commodity?**

Yes

**Please explain**

For primary and secondary production for raw materials, IDEA was applied for calculation. For transportation of raw materials, calculations are made by multiplying the CO2 emission factor by transport ton-kilometer for each means of transportation. Actual distance from suppliers are obtained and used for calculation.

---

**Agricultural commodities**

Soy

**Do you collect or calculate GHG emissions for this commodity?**

Yes

**Please explain**

For primary and secondary production for raw materials, IDEA was applied for calculation. For transportation of raw materials, calculations are made by multiplying the CO2 emission factor by transport ton-kilometer for each means of transportation. Actual distance from suppliers are obtained and used for calculation.

---

**Agricultural commodities**

Timber

**Do you collect or calculate GHG emissions for this commodity?**

Yes

**Please explain**

For primary and secondary production for raw materials, IDEA was applied for calculation. For transportation of raw materials, calculations are made by multiplying the CO2 emission factor by transport ton-kilometer for each means of transportation. Actual distance from suppliers are obtained and used for calculation.

## **C-AC6.9a/C-FB6.9a/C-PF6.9a**

**(C-AC6.9a/C-FB6.9a/C-PF6.9a) Report your greenhouse gas emissions figure(s) for your disclosing commodity(ies), explain your methodology, and include any exclusions.**

---

**Fish and seafood from aquaculture**
**Reporting emissions by**

Total

**Emissions (metric tons CO<sub>2</sub>e)**

6,960,412

**Change from last reporting year**

Lower

**Please explain**

One subsidiary had been divestment in fiscal year 2021. Therefore, CO<sub>2</sub> emissions is lower 9% than previous fiscal year.

**Palm Oil**

---

**Reporting emissions by**

Total

**Emissions (metric tons CO<sub>2</sub>e)**

6,960,412

**Change from last reporting year**

Lower

**Please explain**

One subsidiary had been divestment in fiscal year 2021. Therefore, CO<sub>2</sub> emissions is lower 9% than previous fiscal year.

**Soy**

---

**Reporting emissions by**

Total

**Emissions (metric tons CO<sub>2</sub>e)**

6,960,412

**Change from last reporting year**

Lower

**Please explain**

One subsidiary had been divestment in fiscal year 2021. Therefore, CO<sub>2</sub> emissions is lower 9% than previous fiscal year.

**Timber**

---

**Reporting emissions by**

Total

**Emissions (metric tons CO<sub>2</sub>e)**

6,960,412

**Change from last reporting year**

Lower

**Please explain**

One subsidiary had been divestment in fiscal year 2021. Therefore, CO2 emissions is lower 9% than previous fiscal year.

**C6.10**

**(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.**

**Intensity figure**

0.000001402

**Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)**

1,611,957

**Metric denominator**

unit total revenue

**Metric denominator: Unit total**

1,149,037,000,000

**Scope 2 figure used**

Market-based

**% change from previous year**

21

**Direction of change**

Decreased

**Reason for change**

This result 0.000001402ton/yen (=1.402 ton/ million yen) is an outcome of the energy conservation activity that it's being put into effect by the whole Ajinomoto group.  $(1.402 - 1.783) / 1.783 * 100 = -21\%$

The Ajinomoto Group had contracted and purchased much renewable energy.

**C7. Emissions breakdowns****C7.1**

**(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?**

No

## C7.2

**(C7.2) Break down your total gross global Scope 1 emissions by country/region.**

Country/Region	Scope 1 emissions (metric tons CO <sub>2</sub> e)
Japan	288,531
China	11,402
Asia, Australasia, Middle East and Africa	412,339
EU25	18,721
United States of America	206,394
Latin America (LATAM)	67,975

## C7.3

**(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.**

By business division

By activity

### C7.3a

**(C7.3a) Break down your total gross global Scope 1 emissions by business division.**

Business division	Scope 1 emissions (metric ton CO <sub>2</sub> e)
Food division	485,193
Amino acid division	520,170

### C7.3c

**(C7.3c) Break down your total gross global Scope 1 emissions by business activity.**

Activity	Scope 1 emissions (metric tons CO <sub>2</sub> e)
Production	974,789
Transportation	12,524
Others (office, sales, R&D, etc)	18,050

## C-AC7.4/C-FB7.4/C-PF7.4

**(C-AC7.4/C-FB7.4/C-PF7.4) Do you include emissions pertaining to your business activity(ies) in your direct operations as part of your global gross Scope 1 figure?**

Yes

## C-AC7.4b/C-FB7.4b/C-PF7.4b

**(C-AC7.4b/C-FB7.4b/C-PF7.4b) Report the Scope 1 emissions pertaining to your business activity(ies) and explain any exclusions. If applicable, disaggregate your agricultural/forestry by GHG emissions category.**

**Activity**

Processing/Manufacturing

**Emissions (metric tons CO2e)**

1,005,363

**Methodology**

Default emissions factor

**Please explain**

Japan Ministry of the Environment, Law Concerning the Promotion of the Measures to Cope with Global Warming, Superseded by Revision of the Act on Promotion of Global Warming Countermeasures (2005 Amendment)

## C7.5

**(C7.5) Break down your total gross global Scope 2 emissions by country/region.**

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Japan	101,645	117,110
China	30,620	30,620
Asia, Australasia, Middle East and Africa	276,867	276,867
EU25	20,451	20,451
United States of America	170,258	170,258
Latin America (LATAM)	6,753	6,753

## C7.6

**(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.**

- By business division
- By activity

### C7.6a

**(C7.6a) Break down your total gross global Scope 2 emissions by business division.**

Business division	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Food division	326,221	311,163
Amino acid division	295,837	295,431

### C7.6c

**(C7.6c) Break down your total gross global Scope 2 emissions by business activity.**

Activity	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Production	619,730	604,268
Transportation	3	3
Others (office, sales, R&D, etc)	2,326	2,323

### C7.9

**(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?**

Decreased

### C7.9a

**(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.**

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	160,345	Decreased	8	Some factories had contracted renewable energy power producers and purchased IREC. $(1751851 - 1591506) / 1910600 = 8.4\%$ . The denominator 1910600 is total Scope 1 and Scope 2 emissions in the previous year.
Other emissions reduction activities	0	No change	0	No performance.

Divestment	138,298	Decreased	7	The Group had divested 1 subsidiary. (158749-20451)/1910600=7.3%. The denominator 1910600 is total Scope 1 and Scope 2 emissions in the previous year.
Acquisitions	0	No change	0	No performance.
Mergers	0	No change	0	No performance.
Change in output	0	No change	0	No performance.
Change in methodology	0	No change	0	No performance.
Change in boundary	0	No change	0	No performance.
Change in physical operating conditions	0	No change	0	No performance.
Unidentified	0	No change	0	No performance.
Other	0	No change	0	No performance.

## C7.9b

**(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?**

Market-based

## C8. Energy

### C8.1

**(C8.1) What percentage of your total operational spend in the reporting year was on energy?**

More than 15% but less than or equal to 20%

### C8.2

**(C8.2) Select which energy-related activities your organization has undertaken.**

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes

Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	Yes
Consumption of purchased or acquired steam	Yes
Consumption of purchased or acquired cooling	Yes
Generation of electricity, heat, steam, or cooling	Yes

## C8.2a

**(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.**

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	LHV (lower heating value)	1,387,667	4,784,790	6,172,457
Consumption of purchased or acquired electricity		603,751	1,233,226	1,836,977
Consumption of purchased or acquired heat		0	904	904
Consumption of purchased or acquired steam		593,331	149,524	742,855
Consumption of purchased or acquired cooling		0	550	550
Consumption of self-generated non-fuel renewable energy		33,373		33,373
Total energy consumption		2,618,122	6,168,994	8,787,116

## C8.2b

**(C8.2b) Select the applications of your organization's consumption of fuel.**

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of heat	No
Consumption of fuel for the generation of steam	Yes
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	Yes

## C8.2c

**(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.**

### Sustainable biomass

**Heating value**

LHV

**Total fuel MWh consumed by the organization**

1,387,667

**MWh fuel consumed for self-generation of electricity**

0

**MWh fuel consumed for self-generation of heat**

0

**MWh fuel consumed for self-generation of steam**

1,387,667

**MWh fuel consumed for self- cogeneration or self-trigeneration**

0

**Comment**

Nothing

### Other biomass

**Heating value**

LHV

**Total fuel MWh consumed by the organization**

0

**MWh fuel consumed for self-generation of electricity**

0

**MWh fuel consumed for self-generation of heat**

0

**MWh fuel consumed for self-generation of steam**

0

**MWh fuel consumed for self- cogeneration or self-trigeneration**

0

**Comment**

Nothing

**Other renewable fuels (e.g. renewable hydrogen)**

---

**Heating value**

LHV

**Total fuel MWh consumed by the organization**

0

**MWh fuel consumed for self-generation of electricity**

0

**MWh fuel consumed for self-generation of heat**

0

**MWh fuel consumed for self-generation of steam**

0

**MWh fuel consumed for self- cogeneration or self-trigeneration**

0

**Comment**

Nothing

**Coal**

---

**Heating value**

LHV

**Total fuel MWh consumed by the organization**

997,957

**MWh fuel consumed for self-generation of electricity**

0

**MWh fuel consumed for self-generation of heat**

0

**MWh fuel consumed for self-generation of steam**

478,514

**MWh fuel consumed for self- cogeneration or self-trigeneration**

519,443

**Comment**

Nothing

**Oil**

---

**Heating value**

LHV

**Total fuel MWh consumed by the organization**

379,454

**MWh fuel consumed for self-generation of electricity**

0

**MWh fuel consumed for self-generation of heat**

0

**MWh fuel consumed for self-generation of steam**

144,989

**MWh fuel consumed for self- cogeneration or self-trigeneration**

234,465

**Comment**

Nothing

**Gas**

---

**Heating value**

LHV

**Total fuel MWh consumed by the organization**

3,407,379

**MWh fuel consumed for self-generation of electricity**

0

**MWh fuel consumed for self-generation of heat**

0

**MWh fuel consumed for self-generation of steam**

1,904,970

**MWh fuel consumed for self- cogeneration or self-trigeneration**

1,502,409

**Comment**

Nothing

**Other non-renewable fuels (e.g. non-renewable hydrogen)**

---

**Heating value**

LHV

**Total fuel MWh consumed by the organization**

0

**MWh fuel consumed for self-generation of electricity**

0

**MWh fuel consumed for self-generation of heat**

0

**MWh fuel consumed for self-generation of steam**

0

**MWh fuel consumed for self- cogeneration or self-trigeneration**

0

**Comment**

Nothing

**Total fuel**

---

**Heating value**

LHV

**Total fuel MWh consumed by the organization**

6,172,457

**MWh fuel consumed for self-generation of electricity**

0

**MWh fuel consumed for self-generation of heat**

0

**MWh fuel consumed for self-generation of steam**

3,916,140

**MWh fuel consumed for self- cogeneration or self-trigeneration**

2,256,317

**Comment**

Nothing

**C8.2d**

**(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.**

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	350,306	350,306	33,373	33,373
Heat	0	0	0	0
Steam	6,172,457	6,172,457	1,387,667	1,387,667
Cooling	0	0	0	0

## C8.2g

**(C8.2g) Provide a breakdown of your non-fuel energy consumption by country.**

---

**Country/area**

Japan

**Consumption of electricity (MWh)**

0

**Consumption of heat, steam, and cooling (MWh)**

53,992

**Total non-fuel energy consumption (MWh) [Auto-calculated]**

53,992

**Is this consumption excluded from your RE100 commitment?**

Yes

---

**Country/area**

Brazil

**Consumption of electricity (MWh)**

0

**Consumption of heat, steam, and cooling (MWh)**

532,209

**Total non-fuel energy consumption (MWh) [Auto-calculated]**

532,209

**Is this consumption excluded from your RE100 commitment?**

Yes

**Country/area**

Thailand

**Consumption of electricity (MWh)**

0

**Consumption of heat, steam, and cooling (MWh)**

801,466

**Total non-fuel energy consumption (MWh) [Auto-calculated]**

801,466

**Is this consumption excluded from your RE100 commitment?**

Yes

## C8.2h

**(C8.2h) Provide details of your organization’s renewable electricity purchases in the reporting year by country**

**Country/area of renewable electricity consumption**

Japan

**Sourcing method**

Green electricity products from an energy supplier (e.g. Green Tariffs)

**Renewable electricity technology type**

Sustainable Biomass

**Renewable electricity consumed via selected sourcing method in the reporting year (MWh)**

11,725

**Tracking instrument used**

Other, please specify

Japanese Green Power Certification

**Total attribute instruments retained for consumption by your organization (MWh)**

11,725

**Country/area of origin (generation) of the renewable electricity/attribute consumed**

Japan

**Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)**

1,993

**Vintage of the renewable energy/attribute (i.e. year of generation)**

2021

**Brand, label, or certification of the renewable electricity purchase**

Other, please specify  
Japanese Green Power Certification

**Comment**

Nothing

---

**Country/area of renewable electricity consumption**

Brazil

**Sourcing method**

Direct procurement from an offsite grid-connected generator e.g. Power Purchase Agreement (PPA)

**Renewable electricity technology type**

Large hydropower (>25 MW)

**Renewable electricity consumed via selected sourcing method in the reporting year (MWh)**

279,313

**Tracking instrument used**

Contract

**Total attribute instruments retained for consumption by your organization (MWh)**

279,313

**Country/area of origin (generation) of the renewable electricity/attribute consumed**

Brazil

**Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)**

2,001

**Vintage of the renewable energy/attribute (i.e. year of generation)**

2021

**Brand, label, or certification of the renewable electricity purchase**

No brand, label, or certification

**Comment**

Nothing

---

**Country/area of renewable electricity consumption**

Thailand

**Sourcing method**

Green electricity products from an energy supplier (e.g. Green Tariffs)

**Renewable electricity technology type**

Sustainable Biomass

**Renewable electricity consumed via selected sourcing method in the reporting year (MWh)**

305,443

**Tracking instrument used**

I-REC

**Total attribute instruments retained for consumption by your organization (MWh)**

305,443

**Country/area of origin (generation) of the renewable electricity/attribute consumed**

Thailand

**Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)**

2,015

**Vintage of the renewable energy/attribute (i.e. year of generation)**

2021

**Brand, label, or certification of the renewable electricity purchase**

Other, please specify

Evident

**Comment**

Nothing

---

**Country/area of renewable electricity consumption**

United States of America

**Sourcing method**

Direct procurement from an offsite grid-connected generator e.g. Power Purchase Agreement (PPA)

**Renewable electricity technology type**

Solar

**Renewable electricity consumed via selected sourcing method in the reporting year (MWh)**

7,271

**Tracking instrument used**

Contract

**Total attribute instruments retained for consumption by your organization (MWh)**

7,271

**Country/area of origin (generation) of the renewable electricity/attribute consumed**

United States of America

**Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)**

2,000

**Vintage of the renewable energy/attribute (i.e. year of generation)**

2021

**Brand, label, or certification of the renewable electricity purchase**

No brand, label, or certification

**Comment**

Nothing

## C8.2i

**(C8.2i) Provide details of your organization's low-carbon heat, steam, and cooling purchases in the reporting year by country.**

---

**Country/area of consumption of low-carbon heat, steam or cooling**

France

**Sourcing method**

Heat/steam/cooling supply agreement

**Energy carrier**

Steam

**Low-carbon technology type**

Sustainable biomass

**Low-carbon heat, steam, or cooling consumed (MWh)**

213,737

**Comment**

Nothing

---

**Country/area of consumption of low-carbon heat, steam or cooling**

Brazil

**Sourcing method**

Heat/steam/cooling supply agreement

**Energy carrier**

Steam

**Low-carbon technology type**

Sustainable biomass

**Low-carbon heat, steam, or cooling consumed (MWh)**

53,096

**Comment**

Nothing

---

**Country/area of consumption of low-carbon heat, steam or cooling**

Viet Nam

**Sourcing method**

Heat/steam/cooling supply agreement

**Energy carrier**

Steam

**Low-carbon technology type**

Sustainable biomass

**Low-carbon heat, steam, or cooling consumed (MWh)**

326,498

**Comment**

Nothing

## C8.2j

**(C8.2j) Provide details of your organization's renewable electricity generation by country in the reporting year.**

**Country/area of generation**

Thailand

**Renewable electricity technology type**

Sustainable biomass

**Facility capacity (MW)**

4

**Total renewable electricity generated by this facility in the reporting year (MWh)**

32,272.33

**Renewable electricity directly consumed by your organization from this facility in the reporting year for which certificates were not issued (MWh)**

32,272.33

**Renewable electricity directly consumed by your organization from this facility in the reporting year for which certificates were issued and retired (MWh)**

0

**Renewable electricity sold to the grid in the reporting year (MWh)**

0

**Certificates issued for the renewable electricity that was sold to the grid (MWh)**

0

**Certificates issued and retired for self-consumption for the renewable electricity that was sold to the grid (MWh)**

0

**Type of energy attribute certificate**

**Total self-generation counted towards RE100 target (MWh) [Auto-calculated]**

32,272.33

**Comment**

Nothing

**Country/area of generation**

Thailand

**Renewable electricity technology type**

Solar

**Facility capacity (MW)**

0.6

**Total renewable electricity generated by this facility in the reporting year (MWh)**

866.62

**Renewable electricity directly consumed by your organization from this facility in the reporting year for which certificates were not issued (MWh)**

866.62

**Renewable electricity directly consumed by your organization from this facility in the reporting year for which certificates were issued and retired (MWh)**

0

**Renewable electricity sold to the grid in the reporting year (MWh)**

0

**Certificates issued for the renewable electricity that was sold to the grid (MWh)**

0

**Certificates issued and retired for self-consumption for the renewable electricity that was sold to the grid (MWh)**

0

**Type of energy attribute certificate**

**Total self-generation counted towards RE100 target (MWh) [Auto-calculated]**

866.62

**Comment**

Nothing

**Country/area of generation**

Brazil

**Renewable electricity technology type**

Solar

**Facility capacity (MW)**

0.08

**Total renewable electricity generated by this facility in the reporting year (MWh)**

112.07

**Renewable electricity directly consumed by your organization from this facility in the reporting year for which certificates were not issued (MWh)**

112.07

**Renewable electricity directly consumed by your organization from this facility in the reporting year for which certificates were issued and retired (MWh)**

0

**Renewable electricity sold to the grid in the reporting year (MWh)**

0

**Certificates issued for the renewable electricity that was sold to the grid (MWh)**

0

**Certificates issued and retired for self-consumption for the renewable electricity that was sold to the grid (MWh)**

0

**Type of energy attribute certificate**

**Total self-generation counted towards RE100 target (MWh) [Auto-calculated]**

112.07

**Comment**

Nothing

**Country/area of generation**

United States of America

**Renewable electricity technology type**

Solar

**Facility capacity (MW)**

0.05

**Total renewable electricity generated by this facility in the reporting year (MWh)**

75.17

**Renewable electricity directly consumed by your organization from this facility in the reporting year for which certificates were not issued (MWh)**

75.17

**Renewable electricity directly consumed by your organization from this facility in the reporting year for which certificates were issued and retired (MWh)**

0

**Renewable electricity sold to the grid in the reporting year (MWh)**

0

**Certificates issued for the renewable electricity that was sold to the grid (MWh)**

0

**Certificates issued and retired for self-consumption for the renewable electricity that was sold to the grid (MWh)**

0

**Type of energy attribute certificate**

**Total self-generation counted towards RE100 target (MWh) [Auto-calculated]**

75.17

**Comment**

Nothing

**Country/area of generation**

Indonesia

**Renewable electricity technology type**

Solar

**Facility capacity (MW)**

0.03

**Total renewable electricity generated by this facility in the reporting year (MWh)**

47.03

**Renewable electricity directly consumed by your organization from this facility in the reporting year for which certificates were not issued (MWh)**

47.03

**Renewable electricity directly consumed by your organization from this facility in the reporting year for which certificates were issued and retired (MWh)**

0

**Renewable electricity sold to the grid in the reporting year (MWh)**

0

**Certificates issued for the renewable electricity that was sold to the grid (MWh)**

0

**Certificates issued and retired for self-consumption for the renewable electricity that was sold to the grid (MWh)**

0

**Type of energy attribute certificate**

**Total self-generation counted towards RE100 target (MWh) [Auto-calculated]**

47.03

**Comment**

Nothing

## C8.2k

(C8.2k) Describe how your organization’s renewable electricity sourcing strategy directly or indirectly contributes to bringing new capacity into the grid in the countries/areas in which you operate.

## C8.2l

(C8.2l) In the reporting year, has your organization faced any challenges to sourcing renewable electricity?

Challenges to sourcing renewable electricity	
Row 1	

## C9. Additional metrics

### C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

---

**Description**

Waste

**Metric value**

29,571

**Metric numerator**

Metric tonnes per fiscal year.

**Metric denominator (intensity metric only)**

NA

**% change from previous year**

26

**Direction of change**

Increased

**Please explain**

The reasons why increased waste are to change from compost to landfill since stopped compost company service, to waste a lot of raw material residual dross by cleaning up ware house.

## C10. Verification

### C10.1

**(C10.1) Indicate the verification/assurance status that applies to your reported emissions.**

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

### C10.1a

**(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.**

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Limited assurance

**Attach the statement**

 CDP-verification\_Ajinomoto\_FY2021.pdf

 AS\_Ajinomoto2021\_EN\_Fixed20220616.pdf

**Page/ section reference**

P. 1-2

**Relevant standard**

ISO14064-3

**Proportion of reported emissions verified (%)**

100

## C10.1b

**(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.**

---

**Scope 2 approach**

Scope 2 location-based

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Limited assurance

**Attach the statement**

 CDP-verification\_Ajinomoto\_FY2021.pdf

 AS\_Ajinomoto2021\_EN\_Fixed20220616.pdf

**Page/ section reference**

P. 1-2

**Relevant standard**

ISO14064-3

**Proportion of reported emissions verified (%)**

100

---

**Scope 2 approach**

Scope 2 market-based

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Limited assurance

**Attach the statement**

 CDP-verification\_Ajinomoto\_FY2021.pdf

 AS\_Ajinomoto2021\_EN\_Fixed20220616.pdf

**Page/ section reference**

P. 1-2

**Relevant standard**

ISO14064-3

**Proportion of reported emissions verified (%)**

100

## C10.1c

**(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.**

---

**Scope 3 category**

Scope 3: Purchased goods and services

Scope 3: Capital goods

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)

Scope 3: Upstream transportation and distribution

Scope 3: Waste generated in operations

Scope 3: Business travel

Scope 3: Employee commuting

Scope 3: Upstream leased assets

Scope 3: Investments

Scope 3: Downstream transportation and distribution

Scope 3: Processing of sold products

Scope 3: Use of sold products

Scope 3: End-of-life treatment of sold products

Scope 3: Downstream leased assets

Scope 3: Franchises

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Limited assurance

**Attach the statement**

-  CDP-verification\_Ajinomoto\_FY2021.pdf
-  AS\_Ajinomoto2021\_EN\_Fixed20220616.pdf

**Page/section reference**

P. 1-2

**Relevant standard**

ISO14064-3

**Proportion of reported emissions verified (%)**

100

## C10.2

**(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?**

Yes

### C10.2a

**(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?**

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C6. Emissions data	Year on year change in emissions (Scope 3)	ISO 14067	Ajinomoto Group created a carbon footprint calculation system compliant with ISO/TS 14067, the international standard on carbon footprint issued in May 2013(It was renewed in 2014.). It used the system to calculate the LC-CO2 (Carbon footprint) for seven seasoning products, including HON-DASHI and Ajinomoto KK Consommé. In August 2013, the calculation system and the results based on the calculations gained a third-party assurance statement on the basis of ISO/TS 14067 from Lloyd's Register Quality Assurance Limited, an international certification organization. In addition from 2012 to 2014, the Group had acquired certification of its calculation standards and values of LC-CO2 for not only nine amino acid-based products, including feed-use lysine but also individual stick coffee mixes,

			frozen items, and most of the Group's major household products.
--	--	--	---

## C11. Carbon pricing

### C11.1

**(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?**

Yes

#### C11.1a

**(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.**

Japan carbon tax

#### C11.1c

**(C11.1c) Complete the following table for each of the tax systems you are regulated by.**

##### Japan carbon tax

**Period start date**

April 1, 2021

**Period end date**

March 31, 2022

**% of total Scope 1 emissions covered by tax**

30

**Total cost of tax paid**

96,000,000

**Comment**

Japanese carbon taxes are petroleum oil 760 (yen/kilo L), gases 780 (yen/ton). Total cost of tax paid had been calculated amount of fuel consumption by each factory in Japan multiplied each Japanese carbon tax.

#### C11.1d

**(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?**

Ajinomoto group basically aim to reduce CO2 emissions of our targets by ourselves. If the group would not meet our targets, the group may comply with the systems.

[Situation] There is risk for increasing carbon tax rate in Japan, because the Japanese government decide to be going to stop coal power plant.

[Task] To decrease not only carbon tax impact but also global warming, our factories in Japan should shift from petroleum oil to other kind of fuel and purchase renewable power.

[Action] On April 28, 2020, the Ajinomoto Group's greenhouse effect gas reduction targets toward 2030 were approved by Science Based Targets (SBT) initiative as to limit global warming to less than 1.5 degrees Celsius compared to pre-industrial temperatures.

The targets approved by SBT initiative:

Scope 1 + 2 FY2030: Reduce by 50% (vs. FY2018)

Scope 3 FY2030: Reduce by 24% (vs. FY2018)

On the other hand, the analysis revealed that rising energy prices and carbon tax increases in case of a shift to a lower carbon economy as the impact of climate change worsens may have a significant impact on the production costs of AJI-NO-MOTO® and business profits.

[Result] The Group will decrease carbon tax impact in Japan by 2030. One factory in Japan has got approval to switch from heavy oil to natural gas in 2020. The factory in Japan will decrease carbon tax impact in Japan by 2023. The Group aims to fast-track ongoing measures by using internal carbon price, such as the switch to renewable energy and low-GHG energy sources.

## C11.2

**(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?**

No

## C11.3

**(C11.3) Does your organization use an internal price on carbon?**

Yes

## C11.3a

**(C11.3a) Provide details of how your organization uses an internal price on carbon.**

---

### **Objective for implementing an internal carbon price**

Identify and seize low-carbon opportunities

### **GHG Scope**

Scope 1

Scope 2

### **Application**

The Ajinomoto Group's business domain of products ranges from seasonings and coffee to frozen foods. The geographic range of its operations spans the globe. Climate change can impact the Group's operations in many ways, such as a major natural disaster halting its business activities, affecting its ability to procure raw materials such as crops and fuel, and altering consumption of its products.

The Group should conduct a scenario analysis of potential impact from the climate change risk until 2030 for globe, under the scenario of a 2°C or 4 °C rise in average

global temperature in 2100. The analysis examined droughts, floods, rising sea levels and changes in yield of main raw materials as physical risks, as well as rising energy prices. As visualizing for future carbon tax increase, we use internal price on carbon toward transition risk on scenario analysis of whole Ajinomoto group.

### **Actual price(s) used (Currency /metric ton)**

12,500

### **Variance of price(s) used**

The Ajinomoto Group's business domain of products ranges from seasonings and coffee to frozen foods. The geographic range of its operations spans the globe. Climate change can impact the Group's operations in many ways, such as a major natural disaster halting its business activities, affecting its ability to procure raw materials such as crops and fuel, and altering consumption of its products. The Group should conduct a scenario analysis of potential impact from the climate change risk until 2030 for globe. The analysis revealed that rising energy prices and carbon tax increases in case of a shift to a lower carbon economy as Internal Carbon Pricing by IEA WEO. We have applied Internal Carbon Pricing that IEA WEO mentioned CO<sub>2</sub> differentiated price of advanced economies and developing economies, 140 USD/t-CO<sub>2</sub>, 125 USD/t-CO<sub>2</sub>, in 2040 respectively.

### **Type of internal carbon price**

Shadow price

### **Impact & implication**

In fiscal 2019 and 2020, the Ajinomoto Group conducted a scenario analysis of potential impact from the climate change risk until 2030 for globe (Thailand, Indonesia, Vietnam, USA, Brazil, France) using the model of umami seasoning AJI-NO-MOTO®, one of the Group's major products, under the scenario of a 2°C rise in average global temperature in 2100. The analysis revealed that rising energy prices and carbon tax increases in case of a shift to a lower carbon economy as the impact of climate change worsens may have a significant impact on the production costs of AJI-NO-MOTO® and business profits. In terms of the greenhouse gas problem, if we conduct scenario analysis in line with Task Force on Climate-related Financial Disclosures (TCFD) policy, the risk of environmental taxes as Internal Carbon Pricing by IEA WEO for the fermentation business as a whole including MSG, nucleotides, and animal nutrition is around ¥8.0–10.0 billion. The Group factories in Japan emit approximately 400,000 t-CO<sub>2</sub>, these factories have approximately 56 million USD as future carbon tax risk by applying 140 USD/t-CO<sub>2</sub> as internal carbon price. Business objectives and strategies have been added as follow. The Group aims to fast-track ongoing measures, such as the switch to renewable energy and low-GHG energy sources and the development of production technologies using non-edible raw materials to curb rising production costs of AJI-NO-MOTO® while contributing to global sustainability in case of rising raw material prices and carbon tax increases due to climate change.

As the result, Kyushu plant has decided to change fuel from heavy oil to natural gas in 2020.

## C12. Engagement

### C12.1

#### (C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, our customers/clients

### C12.1a

#### (C12.1a) Provide details of your climate-related supplier engagement strategy.

##### Type of engagement

Information collection (understanding supplier behavior)

##### Details of engagement

Collect climate change and carbon information at least annually from suppliers

##### % of suppliers by number

1

##### % total procurement spend (direct and indirect)

1

##### % of supplier-related Scope 3 emissions as reported in C6.5

1

##### Rationale for the coverage of your engagement

We have requested answering CDP Supply chain program to our suppliers that are big chemical companies in Japan and the main raw material companies in Thailand and Brazil and France and USA. The reason why we selected these suppliers is carbon footprint account for over 50% by raw material such as amino acid. We consider that decreasing GHG emission should be tackled by cooperating with raw material suppliers. We consider that we are going to expand a number of our suppliers step by step. The first step as FY2017 had selected large suppliers which respond to CDP. The second step as FY2018-2022 has selected critical suppliers.

##### Impact of engagement, including measures of success

Ajinomoto group has joined CDP supply chain program in fiscal 2017. We have got information of GHG emissions and climate change strategies from our suppliers. Our successful indicator of this engagement is not less than average member ratio of the submitted CDP supply chain program. Our ratio of FY2021 was 83%, more than the average member 67%, our engagement of FY2021 was success. As engagement effect, some suppliers disclosed us Scope 1 and 2 emissions of allocated suppliers' emissions to us according to the goods suppliers have sold us in this reporting period. In addition, we issued the "Ajinomoto Supplier CSR Guidelines" in 2013. We request to minimize influence on global environment to our suppliers in this guideline. We have

held a meeting for 400 important suppliers (in Japan) in 2018 at the headquarters in Tokyo and explained this guideline. These 400 are chosen according to the purchase price and treatment of key materials, that are essential to produce our products. More than 90 % of our raw material purchase costs are from these 400 companies. We have audited and guided these suppliers. We check whether suppliers are obeying a guideline. When activity of supplier is the very low value, we may cancel to trade. From the activities so far, we only have trades with suppliers that we can really trust. Also we are considering to start applying long term contract for good suppliers in the near future.

### Comment

Ajinomoto group aims for decrease whole supply chain CO2 emissions by suppliers engagement.

## C12.1b

**(C12.1b) Give details of your climate-related engagement strategy with your customers.**

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### Type of engagement & Details of engagement

Education/information sharing

Run an engagement campaign to education customers about your climate change performance and strategy

### % of customers by number

30

### % of customer - related Scope 3 emissions as reported in C6.5

26

### Please explain the rationale for selecting this group of customers and scope of engagement

Ajinomoto group CO2 emissions is Scope 3 of category 11 (Use of sold products) account for around 10% of Scope 1, 2, 3. Therefore, the group has made engagement to consumers to aim for reduction of CO2 emissions. We have disclosed on web pages and package labels about features of decreasing use emissions of sold products. For example, the group has some frozen food products by no required heat thaw. There are "Aji-pen® ECO" label on these products package, and their features explain on web pages. Consumers easily identify low environmental burden by label, and can decrease CO2 emissions of thaw by purchasing these our products.

### Impact of engagement, including measures of success

Our successful indicator of this engagement is not less than previous fiscal year sales amount of home-use products. FY2021 sales of home-use products increased due to the expansion in at-home dining demand by corona pandemic, our engagement of FY2021 was success. As engagement effect, under global warming, we recognize that consumers purchase our products since they recognize low environmental burden with our products.

## C12.2

### **(C12.2) Do your suppliers have to meet climate-related requirements as part of your organization's purchasing process?**

Yes, suppliers have to meet climate-related requirements, but they are not included in our supplier contracts

## C12.2a

### **(C12.2a) Provide details of the climate-related requirements that suppliers have to meet as part of your organization's purchasing process and the compliance mechanisms in place.**

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#### **Climate-related requirement**

Implementation of emissions reduction initiatives

#### **Description of this climate related requirement**

There are descriptions on Group Shared Policy for Suppliers.

To improve customer satisfaction and respond to stakeholders' expectations, we believe it is essential for our suppliers who supply raw materials and services in procurement transactions to understand the Ajinomoto Group's way of thinking and for the entire supply chain to put effort into CSR in cooperation with each other.

For that reason, we have established the Group Shared Policy for Suppliers and put the matters expected of our suppliers from the perspective of CSR into writing, comprising the following seven items. The scope of application of the policy is all employees of Ajinomoto Group companies, as well as suppliers, including affiliated companies and groups. We would like suppliers to understand the purpose of this policy and actively put efforts into its implementation, including within your suppliers and contractors, which constitute your supply chain.

#### **5. Taking into Consideration the Global Environment**

We will minimize any detrimental impact on natural environment and ecosystem when manufacturing products by fully taking into consideration the environment. At the same time, we will ensure the health and safety of all individuals. Recognizing the importance of sustainable environmental conservation, we will take all due care throughout our business processes in order to contribute to biodiversity, resource circulation, and environmental conservation while minimizing emission of greenhouse gases.

#### **% suppliers by procurement spend that have to comply with this climate-related requirement**

100

#### **% suppliers by procurement spend in compliance with this climate-related requirement**

100

#### **Mechanisms for monitoring compliance with this climate-related requirement**

Supplier self-assessment  
 Second-party verification  
 Supplier scorecard or rating

### **Response to supplier non-compliance with this climate-related requirement**

Retain and engage

### **Climate-related requirement**

Complying with regulatory requirements

### **Description of this climate related requirement**

There are descriptions on Group Shared Policy for Suppliers.

To improve customer satisfaction and respond to stakeholders' expectations, we believe it is essential for our suppliers who supply raw materials and services in procurement transactions to understand the Ajinomoto Group's way of thinking and for the entire supply chain to put effort into CSR in cooperation with each other.

For that reason, we have established the Group Shared Policy for Suppliers and put the matters expected of our suppliers from the perspective of CSR into writing, comprising the following seven items. The scope of application of the policy is all employees of Ajinomoto Group companies, as well as suppliers, including affiliated companies and groups. We would like suppliers to understand the purpose of this policy and actively put efforts into its implementation, including within your suppliers and contractors, which constitute your supply chain.

1. Compliance with Statutory and Regulatory Requirements, as well as Accepted Social Norms; Establishment of Appropriate Structures and Systems

We will comply with the statutory and regulatory requirements, as well as the accepted social norms of those countries and regions in which we operate, and put in place a compliance structure that is capable of addressing such issues as the prevention of violation of law and inappropriate behavior by our company or our employees, as well as a response mechanism that can quickly handle problems as they occur.

### **% suppliers by procurement spend that have to comply with this climate-related requirement**

100

### **% suppliers by procurement spend in compliance with this climate-related requirement**

100

### **Mechanisms for monitoring compliance with this climate-related requirement**

Supplier self-assessment  
 Second-party verification  
 Supplier scorecard or rating

### **Response to supplier non-compliance with this climate-related requirement**

Retain and engage

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**Climate-related requirement**

Climate-related disclosure through a non-public platform

**Description of this climate related requirement**

We have requested answering CDP Supply chain program to our suppliers that are big chemical companies in Japan and the main raw material companies in Thailand and Brazil and France and USA. The reason why we selected these suppliers is carbon footprint account for over 50% by raw material such as amino acid. We consider that decreasing GHG emission should be tackled by cooperating with raw material suppliers. We consider that we are going to expand a number of our suppliers step by step. The first step as FY2017 had selected large suppliers which respond to CDP. The second step as FY2018-2020 has selected critical suppliers.

**% suppliers by procurement spend that have to comply with this climate-related requirement**

1

**% suppliers by procurement spend in compliance with this climate-related requirement**

1

**Mechanisms for monitoring compliance with this climate-related requirement**

Supplier self-assessment

**Response to supplier non-compliance with this climate-related requirement**

Retain and engage

## C-AC12.2/C-FB12.2/C-PF12.2

**(C-AC12.2/C-FB12.2/C-PF12.2) Do you encourage your suppliers to undertake any agricultural or forest management practices with climate change mitigation and/or adaptation benefits?**

Yes

## C-AC12.2a/C-FB12.2a/C-PF12.2a

**(C-AC12.2a/C-FB12.2a/C-PF12.2a) Specify which agricultural or forest management practices with climate change mitigation and/or adaptation benefits you encourage your suppliers to undertake and describe your role in the implementation of each practice.**

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**Management practice reference number**

MP1

**Management practice**

## Fertilizer management

### Description of management practice

The Ajinomoto Group produces amino acids at 18 plants across nine countries worldwide. Since its establishment, the Group has produced these amino acids through a fermentation process using crops that are readily available in each region, such as sugar cane, cassava, corn, and sugar beet, as raw materials. In the process, amino acids are extracted from a fermentation liquor, leaving behind nutritionally rich by-products (co-products) that are then almost completely used locally as fertilizer for agricultural crops and as feed for livestock, including farmed fish.

The Ajinomoto Group has been employing such regional resource recycling processes (bio-cycles) in amino acid production worldwide for more than 40 years. Manufacturing amino acids without using the fermentation process would lead to the depletion of resources. The sustainability of the Group's business depends on the continued pursuit of a resource-efficient manufacturing process.

Although co-products by itself can be used as nutrient-rich organic fertilizer, research is also being conducted on further improving their effectiveness and turning them into higher value added agricultural materials with nutritionally balanced amino acids and minerals essential to plants. Through this research, the Group is helping add value and improve the productivity and quality of agricultural crops. Going forward, the Group will continue creating bio-cycle models that are beneficial to all three parties: local farmers, food processing industries, and the Ajinomoto Group.

### Your role in the implementation

Knowledge sharing

Operational

### Explanation of how you encourage implementation

Ajinomoto Co., (Thailand) Ltd. has been providing co-products as organic fertilizers to farmers near the plant for more than 40 years. Its agricultural subsidiary, FD Green (Thailand) Co., Ltd. (FDG), is handling the overall sales of co-products since 2001. Leveraging its accumulated expertise, FDG is also actively guiding farmers on raising value-added crops and quality control in recent years. FDG then purchases these crops for use in Ajinomoto Group products and new value-added local products, thereby creating a new cycle. The Group's relationship with farmers developed over many years helped to inexpensively and steadily procure raw materials of stable quality, as it brings profits to local farmers and food processing industries in a positive cycle.

Going forward, the Ajinomoto Group aims to develop a framework for compliance with the Supplier CSR Guidelines to further strengthen this relationship. Through the sales of co-products and raw material procurement, FDG will continue acting as the bridge connecting the Ajinomoto Group and the farmers.

### Climate change related benefit

Emissions reductions (mitigation)

Increasing resilience to climate change (adaptation)

### Comment

A new proposition called the circular economy is currently spreading across Europe. This concept encompasses reduction of waste and disposal, recycling, sharing, and more, along with environmental conservation as a strategy for economic growth.

The Ajinomoto Group has been continuously engaged in various initiatives that make full use of energy and food resources without waste, such as bio-cycles. Through these initiatives, the Group takes pride in enriching local agriculture and economic activities in areas where it produces the ingredients required for its business growth.

However, the Group recognizes that there is still room for improvement to make consumer lifestyles more environmentally friendly. Although forming a complete cycle is difficult given the constraints, such as the legal system and organization, the Ajinomoto Group aims to be a hub for creating “circulation” for the whole society, in collaboration with every consumer.

## C-AC12.2b/C-FB12.2b/C-PF12.2b

**(C-AC12.2b/C-FB12.2b/C-PF12.2b) Do you collect information from your suppliers about the outcomes of any implemented agricultural/forest management practices you have encouraged?**

Yes

## C12.3

**(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?**

Row 1

**Direct or indirect engagement that could influence policy, law, or regulation that may impact the climate**

Yes, we engage directly with policy makers

**Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?**

Yes

**Attach commitment or position statement(s)**

 Press release\_SBT Net Zero\_Paris Agreement\_Mar-2022.pdf

 SBT-Commitment-Letter\_Ajinomoto-signed.pdf

**Describe the process(es) your organization has in place to ensure that your engagement activities are consistent with your overall climate change strategy**

Ajinomoto group participated in environmental information elucidation foundation maintenance business from 2016. The Ministry of the Environment puts this business into effect, and data of CDP aims at appropriate elucidation of environmental

information, and is utilized about variation in climate. Environmental information was input to an environmental information elucidation foundation of the pilot edition the Ministry of the Environment offers specifically as well as such as inquiring in a report meeting, we proposed about the problem motion/state of the future.

## C12.3a

**(C12.3a) On what policy, law, or regulation that may impact the climate has your organization been engaging directly with policy makers in the reporting year?**

### **Focus of policy, law, or regulation that may impact the climate**

Climate-related targets

### **Specify the policy, law, or regulation on which your organization is engaging with policy makers**

Strategy for Sustainable Food Systems, MeaDRI (Measures for achievement of Decarbonization and Resilience with Innovation)

~ Innovation will enhance potentials and ensure sustainability in a compatible manner~  
“MeaDRI,”the medium-long term strategy will pave the way for the future.

- Enhancing engagement of stakeholders at each stage of food supply chains
- Promoting innovation to reduce environmental load

By2050, MAFF (The Ministry of Agriculture, Forestry and Fisheries) aims to achieve;

- Zero CO2 emission from fossil fuel combustion in agriculture, forestry and fisheries
- 50% reduction in risk-weighted use of chemical pesticides by dissemination of the Integrated Pest Management and newly-developed alternatives
- 30% reduction in chemical fertilizer use
- Increase in organic farming to 1Mha (equivalent to 25% of farmland)
- At least 30% enhancement in productivity of food manufacturers (by 2030)
- Sustainable sourcing for import materials (by2030)
- 90% and more superior varieties and F1 plus trees in forestry seedling
- 100% of artificial seedling rates in aquaculture of Japanese eel, Pacific bluefin tuna, etc.

### **Policy, law, or regulation geographic coverage**

National

### **Country/region the policy, law, or regulation applies to**

Japan

### **Your organization’s position on the policy, law, or regulation**

Support with minor exceptions

### **Description of engagement with policy makers**

We have joined meeting involving theme of food.

### **Details of exceptions (if applicable) and your organization’s proposed alternative approach to the policy, law or regulation**

Japanese food maker should conduct decreasing GHG emission.

**Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?**

Yes, we have evaluated, and it is aligned

## C12.4

**(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).**

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**Publication**

In mainstream reports

**Status**

Complete

**Attach the document**

 Securities report FY2021.pdf

**Page/Section reference**

P. 18-23

**Content elements**

Governance

Strategy

Risks & opportunities

**Comment**

## C13. Other land management impacts

### C-AC13.2/C-FB13.2/C-PF13.2

**(C-AC13.2/C-FB13.2/C-PF13.2) Do you know if any of the management practices mentioned in C-AC12.2a/C-FB12.2a/C-PF12.2a that were implemented by your suppliers have other impacts besides climate change mitigation/adaptation?**

Yes

## C-AC13.2a/C-FB13.2a/C-PF13.2a

**(C-AC13.2a/C-FB13.2a/C-PF13.2a) Provide details of those management practices implemented by your suppliers that have other impacts besides climate change mitigation/adaptation.**

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### Management practice reference number

MP1

### Overall effect

Positive

### Which of the following has been impacted?

Yield

### Description of impacts

The Ajinomoto Group produces amino acids at 18 plants across nine countries worldwide. Since its establishment, the Group has produced these amino acids through a fermentation process using crops that are readily available in each region, such as sugar cane, cassava, corn, and sugar beet, as raw materials. In the process, amino acids are extracted from a fermentation liquor, leaving behind nutritionally rich by-products (co-products) that are then almost completely used locally as fertilizer for agricultural crops and as feed for livestock, including farmed fish.

The Ajinomoto Group has been employing such regional resource recycling processes (bio-cycles) in amino acid production worldwide for more than 40 years. Manufacturing amino acids without using the fermentation process would lead to the depletion of resources. The sustainability of the Group's business depends on the continued pursuit of a resource-efficient manufacturing process.

Although co-products by itself can be used as nutrient-rich organic fertilizer, research is also being conducted on further improving their effectiveness and turning them into higher value added agricultural materials with nutritionally balanced amino acids and minerals essential to plants. Through this research, the Group is helping add value and improve the productivity and quality of agricultural crops. Going forward, the Group will continue creating bio-cycle models that are beneficial to all three parties: local farmers, food processing industries, and the Ajinomoto Group.

### Have any response to these impacts been implemented?

Yes

### Description of the response(s)

Ajinomoto Co., (Thailand) Ltd. has been providing co-products as organic fertilizers to farmers near the plant for more than 40 years. Its agricultural subsidiary, FD Green (Thailand) Co., Ltd. (FDG), is handling the overall sales of co-products since 2001. Leveraging its accumulated expertise, FDG is also actively guiding farmers on raising value-added crops and quality control in recent years. FDG then purchases these crops for use in Ajinomoto Group products and new value-added local products, thereby

creating a new cycle. The Group’s relationship with farmers developed over many years helped to inexpensively and steadily procure raw materials of stable quality, as it brings profits to local farmers and food processing industries in a positive cycle. Going forward, the Ajinomoto Group aims to develop a framework for compliance with the Supplier CSR Guidelines to further strengthen this relationship. Through the sales of co-products and raw material procurement, FDG will continue acting as the bridge connecting the Ajinomoto Group and the farmers.

## C15. Biodiversity

### C15.1

**(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?**

	<b>Board-level oversight and/or executive management-level responsibility for biodiversity-related issues</b>	<b>Description of oversight and objectives relating to biodiversity</b>
Row 1	Yes, both board-level oversight and executive management-level responsibility	<p>Ajinomoto Co., Inc. has already disclosed the Governance of Sustainability on Ajinomoto Principle on Corporate Governance.</p> <p>Chapter 6: Sustainability and Risk Management (CGC Rules 2-3)</p> <p>1. Basic Approach</p> <p>The Board of Directors determines the materiality of sustainability, which is the guiding principle of ASV (Ajinomoto group Shared Value) management. To this end, the Board of Directors will establish a system to recommend the company's sustainability and ESG approach from a multi-stakeholder perspective.</p> <p>In addition, the Executive Committee selects and extracts “risks and opportunities at the company-wide management level”, evaluates the degree of impact, defines responses as risk management, establishes each committee, and strengthens internal control and risk management.</p> <p>The Ajinomoto Group’s materiality includes “Sustainable materials sourcing as biodiversity impacts”.</p>

### C15.2

**(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?**

<b>Indicate whether your organization made a public</b>	<b>Biodiversity-related public commitments</b>	<b>Initiatives endorsed</b>
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	commitment or endorsed any initiatives related to biodiversity		
Row 1	Yes, we have made public commitments and publicly endorsed initiatives related to biodiversity	Commitment to not explore or develop in legally designated protected areas Commitment to respect legally designated protected areas Commitment to no conversion of High Conservation Value areas Commitment to secure Free, Prior and Informed Consent (FPIC) of Indigenous Peoples	Other, please specify  The Ajinomoto Group joins RSPO (Roundtable on Sustainable Palm Oil), FSC (Forest Stewardship Council), PEFC, CGF (The Consumer Goods Forum).

### C15.3

**(C15.3) Does your organization assess the impact of its value chain on biodiversity?**

	Does your organization assess the impact of its value chain on biodiversity?
Row 1	Yes, we assess impacts on biodiversity in our upstream value chain only

### C15.4

**(C15.4) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?**

	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?	Type of action taken to progress biodiversity-related commitments
Row 1	Yes, we are taking actions to progress our biodiversity-related commitments	Education & awareness Law & policy

### C15.5

**(C15.5) Does your organization use biodiversity indicators to monitor performance across its activities?**

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1	Yes, we use indicators	Other, please specify  Our KPIs are purchasing ratio of sustainable raw materials.

## C15.6

**(C15.6) Have you published information about your organization’s response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).**

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located
In voluntary sustainability report or other voluntary communications	Details on biodiversity indicators Risks and opportunities Biodiversity strategy	 1

 1SDB2021en\_all.pdf

## C16. Signoff

### C-FI

**(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.**

Evolving ASV (Ajinomoto group Shared Value) management aimed at achieving the SDGs. The SDGs advocated by the United Nations comprise 17 goals and 169 targets for the world to achieve sustainable development by 2030. The Ajinomoto Group is focusing in particular on addressing issues concerning health and the environment. Since our founding, we have consistently worked on resolving social issues. In 1899, when Dr. Kikunae Ikeda studied abroad in Germany, he was surprised at the physique and nutritional status of German people at the time, which developed into a strong desire to improve the nutrition of Japanese people. Saburosuke Suzuki II, who shared this desire, launched the business in 1909 with the release of the world’s first umami seasoning called AJI-NO-MOTO®. The roots of the Ajinomoto Group can be found in our founding aspiration of “Eat Well, Live Well.” ASV management is a form of management that aspires to create both social and economic value. As a multinational corporation, and as a company deeply involved in food, we are committed to contributing to the achievement of the SDGs. As for environmental issues, we will work toward reducing greenhouse gas emissions by 50% by fiscal 2030 and mitigating economic risks determined using scenario analysis following the TCFD recommendations by 8 to 10 billion yen, as key measures. At the same time, we will work alongside stakeholders to reduce the impacts of other important issues concerning water risk, plastic waste, food loss and waste, and sustainable procurement.

Ajinomoto group has made environmental long-term plans as follow. To decrease 50% of amount of CO2 emission from FY 2018 to FY 2030 as Scope 1 & 2. To decrease 24% of



intensity CO2 emission per product from FY 2018 to FY 2030 as Scope 3. Reduction of the amount of the used water per the production 80 % to fiscal year 2005 Reduction of the amount of waste water per the production 80 % to fiscal year 2005.

## C16.1

**(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.**

	Job title	Corresponding job category
Row 1	Member of the board	Director on board