

Ajinomoto Co., Inc. CDP Forests 2022

F0. Introduction

F0.1

(F0.1) Give a general description of and introduction to your organization.

The Ajinomoto Group is a global leader in amino acids thanks to its advanced bioscience and fine chemical technologies. Its products cover a range of fields such as seasonings, processed foods, beverages, amino acids, pharmaceuticals, and chemicals. Since discovering “umami” (the fifth basic taste, created by glutamic acid, a type of amino acid) in 1908, we have been scientifically pursuing the possibilities of amino acids, and supporting the healthy lives of people all around the world. Based on our corporate message “Eat Well, Live Well” we aim for further growth and continuous contribution to greater wellness for people by creating value with communities and society.

The Ajinomoto Group has offices in 35 countries and regions with around 34,500 employees and sells products in more than 130 countries and regions.

F0.2

(F0.2) State the start and end date of the year for which you are reporting data.

	Start Date	End Date
Reporting year	April 1, 2021	March 31, 2022

F0.3

(F0.3) Select the currency used for all financial information disclosed throughout your response.

JPY

F0.4

(F0.4) Select the forest risk commodity(ies) that you are, or are not, disclosing on (including any that are sources for your processed ingredients or manufactured goods); and for each select the stages of the supply chain that best represents your organization’s area of operation.

	Commodity disclosure	Stage of the value chain
Timber products	Disclosing	Manufacturing
Palm oil	Disclosing	Manufacturing
Cattle products	Disclosing	Manufacturing
Soy	Disclosing	Manufacturing
Other - Rubber	This commodity is not produced, sourced or used by our organization	
Other - Cocoa	This commodity is not produced, sourced or used by our organization	
Other - Coffee	Disclosing	Manufacturing

F0.5

(F0.5) Are there any parts of your direct operations or supply chain that are not included in your disclosure?

No

F0.6

(F0.6) 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, another unique identifier, please specify	The TSE code for Ajinomoto Co. is 2802.T.

F1. Current state

F1.1

(F1.1) How does your organization produce, use or sell your disclosed commodity(ies)?

Timber products

Activity

Distributing/packaging

Form of commodity

Paper

Primary packaging

Secondary packaging

Source

Contracted suppliers (manufacturers)

Country/Area of origin

Bangladesh
Belgium
Brazil
Cambodia
China
Côte d'Ivoire
Ecuador
France
Indonesia
Japan
Malaysia
Myanmar
Peru
Philippines
Poland
Republic of Korea
Spain
Thailand
Turkey
United States of America
Viet Nam

% of procurement spend

1-5%

Comment

Ajinomoto Group companies mainly purchase this commodity for packaging (paper).

Palm oil

Activity

Using as input into product manufacturing

Form of commodity

Crude palm kernel oil (CPKO)
Refined palm oil
Palm oil derivatives
Palm kernel oil derivatives

Source

Contracted suppliers (processors)
Contracted suppliers (manufacturers)

Country/Area of origin

Brazil
Indonesia
Malaysia
Papua New Guinea
Philippines
Thailand

% of procurement spend

<1%

Comment

Ajinomoto Group companies purchase refined palm oil, palm oil derivatives and palm kernel oil derivatives for use in our food products and fine chemical products.

Cattle products

Activity

Using as input into product manufacturing

Form of commodity

Tallow
Beef
By-products (e.g. glycerin, gelatin)
Other, please specify
Beef Extract

Source

Contracted suppliers (processors)
Contracted suppliers (manufacturers)

Country/Area of origin

Argentina
Australia
Brazil
Canada
China
France
India
Japan
Mexico
New Zealand
Poland
Thailand
Turkey
United States of America
Uruguay

% of procurement spend

Comment

Ajinomoto Group companies purchase beef and beef tallow as raw materials for use in our processed foods such as frozen foods. We also purchase beef extracts for seasoning

Soy

Activity

Using as input into product manufacturing

Form of commodity

Whole soy beans

Soy bean oil

Soy bean meal

Soy derivatives

Other, please specify

Products made from soybeans, such as miso and soy sauce

Source

Trader/broker/commodity market

Contracted suppliers (processors)

Contracted suppliers (manufacturers)

Country/Area of origin

Argentina

Australia

Bolivia (Plurinational State of)

Brazil

Cambodia

Canada

China

Czechia

France

India

Indonesia

Japan

Malaysia

Mexico

Paraguay

Republic of Korea

Thailand

United States of America

% of procurement spend

1-5%

Comment

The Ajinomoto Group purchases a large amount of soybean oil and soybean meal as raw materials for food and seasoning products. In addition, many Asian food products,

such as miso and soy sauce, and other seasonings are made from soybeans, and the Group purchases these products as well.

Other - Coffee

Activity

Using as input into product manufacturing

Form of commodity

Other, please specify
Green Beans

Source

Trader/broker/commodity market

Country/Area of origin

- Brazil
- Colombia
- Costa Rica
- El Salvador
- Ethiopia
- Guatemala
- Indonesia
- Kenya
- Lao People's Democratic Republic
- Papua New Guinea
- Uganda
- United Republic of Tanzania
- Viet Nam

% of procurement spend

1-5%

Comment

The Ajinomoto Group operates coffee businesses in Japan and Thailand and procures coffee beans as raw materials.

F1.2

(F1.2) Indicate the percentage of your organization’s revenue that was dependent on your disclosed forest risk commodity(ies) in the reporting year.

	% of revenue dependent on commodity	Comment
Timber products	100%	Estimates are based on sales in the business segment in which timber product is used. Paper containers are used for product shipments in all businesses.

Palm oil	61-70%	Figure is estimated based on turnover of business segments that use each commodity. Palm oil is used in business segments including Sauce & Seasonings, Quick Nourishment, Frozen Foods and Specialty Chemicals business.
Cattle products	71-80%	Figure is estimated based on turnover of business segments that use each commodity. Cattle products are used in business segments including Sauce & Seasonings, Quick Nourishment, Solution & Ingredients (S&I) and Frozen Foods business.
Soy	71-80%	Figure is estimated based on turnover of business segments that use each commodity. Soy products are used in business segments including Sauce & Seasonings, Quick Nourishment, Solution & Ingredients (S&I) and Frozen Foods business.
Other - Coffee	6-10%	Ajinomoto AGF, a subsidiary for coffee business had a turnover of JPY 85.2 bn in FY2021. On the other hand, the turnover of the Ajinomoto Group as a whole were 1,149 bn yen. So we calculated the % of revenue dependent on coffee from these two figures.

F1.5

(F1.5) Does your organization collect production and/or consumption data for your disclosed commodity(ies)?

	Data availability/Disclosure
Timber products	Consumption data available, disclosing
Palm oil	Consumption data available, disclosing
Cattle products	Consumption data available, disclosing
Soy	Consumption data available, disclosing
Other - Coffee	Consumption data available, disclosing

F1.5a

(F1.5a) Disclose your production and/or consumption figure, and the percentage of commodity volumes verified as deforestation- and/or conversion-free.

Forest risk commodity

Timber products

Data type

Consumption data

Commodity production/ consumption volume

148,000

Metric for commodity production/ consumption volume

Metric tons

Data coverage

Full commodity production/consumption

Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?

Yes

% of reported volume verified as deforestation- and/or conversion-free

98

Please explain

Of the paper packaging materials used by the Ajinomoto Group, 98% are FSC or PEFC certified, 100% recycled paper, or FSC or PEFC certified for the raw paper.

Forest risk commodity

Palm oil

Data type

Consumption data

Commodity production/ consumption volume

38,000

Metric for commodity production/ consumption volume

Metric tons

Data coverage

Full commodity production/consumption

Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?

Yes

% of reported volume verified as deforestation- and/or conversion-free

37

Please explain

Of the palm oil used by the Ajinomoto Group, 37% is RSPO certified.

Forest risk commodity

Cattle products

Data type

Consumption data

Commodity production/ consumption volume

8,900

Metric for commodity production/ consumption volume

Metric tons

Data coverage

Full commodity production/consumption

Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?

No, but we are planning to verify volumes as deforestation- and/or conversion-free in the next two years

% of reported volume verified as deforestation- and/or conversion-free

Please explain

We are studying what kind of certification we can obtain for the beef we use.

Forest risk commodity

Soy

Data type

Consumption data

Commodity production/ consumption volume

109,000

Metric for commodity production/ consumption volume

Metric tons

Data coverage

Full commodity production/consumption

Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?

Yes

% of reported volume verified as deforestation- and/or conversion-free

30

Please explain

Approximately 30% is from U.S. soybeans, certified by the USSEC (U.S. Soybean Export Council)

Forest risk commodity

Other - Coffee

Data type

Consumption data

Commodity production/ consumption volume

39,000

Metric for commodity production/ consumption volume

Metric tons

Data coverage

Partial commodity production/consumption

Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?

Yes

% of reported volume verified as deforestation- and/or conversion-free

58

Please explain

58% of the coffee purchased by Ajinomoto AGF is 4C or Rainforest Alliance certified.

F1.5b

(F1.5b) For your disclosed commodity(ies), indicate the percentage of the production/consumption volume sourced by national and/or sub-national jurisdiction of origin.

Forest risk commodity

Palm oil

Country/Area of origin

Thailand

State or equivalent jurisdiction

Don't know

% of total production/consumption volume

50

Please explain

50% of the palm oil purchased by the Ajinomoto Group is produced in Thailand for use in Thailand.

F1.5e

(F1.5e) How does your organization produce or consume biofuel derived from palm oil?

Does your organization produce or consume biofuel derived from palm oil?

No

Data type

Volume produced/consumed

Metric

Country/Area of origin

State or equivalent jurisdiction

% of total production/consumption volume

Does the source of your organization's biofuel material come from smallholders?

Comment

Of the electricity generated at our own factories and purchased from renewable energy, those that use biomass fuel are fueled by rice husks and bagasse, and do not use palm oil.

F1.6

(F1.6) Has your organization experienced any detrimental forests-related impacts?

No

F1.7

(F1.7) Indicate whether you have assessed the deforestation or conversion footprint for your disclosed commodities over the past 5 years, or since a specified cutoff date, and provide details.

Forest risk commodity

Palm oil

Have you monitored or estimated your deforestation/conversion footprint?

Yes, we monitor deforestation/conversion footprint in our supply chain

Coverage

Partial consumption volume

Reporting deforestation/conversion since a specified cutoff date or during the last five years?

During the last 5 years

Known or estimated deforestation/ conversion footprint (hectares)

25,000

Describe methods and data sources used to monitor or estimate deforestation/ conversion footprint

We used Global Forest Watch Pro to measure changes in the forest area around the mill based on the mill location information obtained from the supplier.

F2. Procedures

F2.1

(F2.1) Does your organization undertake a forests-related risk assessment?

Yes, forests-related risks are assessed

F2.1a

(F2.1a) Select the options that best describe your procedures for identifying and assessing forests-related risks.

Timber products

Value chain stage

Supply chain

Coverage

Full

Risk assessment procedure

Assessed as part of an established enterprise risk management framework

Frequency of assessment

Annually

How far into the future are risks considered?

> 6 years

Tools and methods used

Internal company methods

External consultants

Global Forest Watch Pro

Trase

National specific tools and databases
Jurisdictional/landscape assessment

Issues considered

Availability of forest risk commodities
Quality of forests risk commodities
Impact of activity on the status of ecosystems and habitats
Regulation
Climate change
Impact on water security
Tariffs or price increases
Loss of markets
Leakage markets
Brand damage related to forests risk commodities
Corruption
Social impacts

Stakeholders considered

Customers
Employees
Investors
Local communities
NGOs
Other forest risk commodity users/producers at a local level
Regulators
Suppliers

Please explain

The Ajinomoto Group selects suppliers based on the "ASQUA Raw Material Quality Control Standard". The materials purchased directly should have no relation with deforestation and human rights violations in both manufacturing and distribution. At the Ajinomoto Group, we ask our business partners to comply with laws and regulations and to promote their social responsibilities such as environment, human rights, and occupational safety, as described in the Group's common policy and related guidelines. Although the Ajinomoto Group prioritizes FSC certification or 100% recycled paper, PEFC certification is also conditionally permitted because PEFC is dominant in certain area. However, all paper products must come from suppliers who have never been involved in environmental or human rights issues in the past. Thus, we will not purchase paper from companies whose current status is classified as "disassociated" by FSC. The materials and databases published by external consultants and organizations are adopted if these materials provides enough information to assess the appropriateness of suppliers' past impacts on environment. In areas such as Thailand in Southeast Asia, where the distance between the wood production area and Ajinomoto Group's production bases is relatively short, Forest Watch Pro is used to verify the soundness of the wood production area based on available traceability information. In addition to climate change and biodiversity, from 2021, we have also added water and soil soundness to our assessment items.

Palm oil

Value chain stage

Supply chain

Coverage

Full

Risk assessment procedure

Assessed as part of an established enterprise risk management framework

Frequency of assessment

Annually

How far into the future are risks considered?

> 6 years

Tools and methods used

Internal company methods
External consultants
Global Forest Watch Pro
Trase
National specific tools and databases
Jurisdictional/landscape assessment

Issues considered

Availability of forest risk commodities
Quality of forests risk commodities
Impact of activity on the status of ecosystems and habitats
Regulation
Climate change
Impact on water security
Leakage markets
Brand damage related to forests risk commodities
Corruption
Social impacts

Stakeholders considered

Customers
Employees
Investors
Local communities
NGOs
Other forest risk commodity users/producers at a local level
Regulators
Suppliers

Please explain

The Ajinomoto Group selects suppliers according to the ASQUA Standard for Quality control of Ingredients. We confirm that the materials we purchase directly are well-cared

for global environment conservation and are free from any connection to the violation of human rights, including child labor and forced labor, during either production or distribution. The Ajinomoto Group requests suppliers to practice legal compliance and promote social responsibility toward issues as the environment, human rights, and occupational safety, as stated in the Group Shared Policy for Suppliers and related guidelines. Although purchasing RSPO certified palm oil product has the first priority in our palm oil procurement, we started to trace our palm oil supply chain to the mills in Thailand, where certified palm oil supply is limited. In Thailand, we have traced to the palm oil mills in cooperation with Thai tier 1 suppliers. By referring to the location information of palm oil mills and public information such as the environmental NGO Global Forest Watch, we estimate and evaluate the risk of deforestation in nearby oil palm farms from the mills. Global Forest Watch Pro is mainly used because it provides the past development status of forests around farms and mills. From 2020, the same supply chain mapping has been expanded to palm oil and palm kernel oil used for foods in Japan. As of FY2021, the mill list has not yet been completed for South America, but since the number of mills in the region is limited, we assessed deforestation risk based on the locations of mills in Brazil and Peru that are publicly available on the Universal Mill List.

Cattle products

Value chain stage

Supply chain

Coverage

Full

Risk assessment procedure

Assessed as part of an established enterprise risk management framework

Frequency of assessment

Annually

How far into the future are risks considered?

> 6 years

Tools and methods used

Internal company methods
 External consultants
 Global Forest Watch Pro
 Trase
 National specific tools and databases
 Jurisdictional/landscape assessment

Issues considered

Availability of forest risk commodities
 Quality of forests risk commodities
 Impact of activity on the status of ecosystems and habitats
 Regulation

Climate change
Impact on water security
Tariffs or price increases
Loss of markets
Leakage markets
Brand damage related to forests risk commodities
Corruption
Social impacts

Stakeholders considered

Customers
Employees
Investors
Local communities
NGOs
Other forest risk commodity users/producers at a local level
Regulators
Suppliers

Please explain

First, we obtained information on the country of origin and location of the producer from our suppliers of livestock products. Based on that location information, we then used databases such as Global Forest Watch and reports from various research institutes and NGOs to investigate the risk of deforestation and identify high-risk origins. Global Forest Watch Pro can show the past forest maintenance status of any given area, so it can be used for It is also used for risk research for this product. The Trase system was used to estimate the distribution of soybeans used for beef and cattle feed.

Soy

Value chain stage

Supply chain

Coverage

Full

Risk assessment procedure

Assessed as part of an established enterprise risk management framework

Frequency of assessment

Annually

How far into the future are risks considered?

> 6 years

Tools and methods used

Internal company methods
External consultants
Global Forest Watch Pro
Trase

National specific tools and databases
Jurisdictional/landscape assessment

Issues considered

Availability of forest risk commodities
Quality of forests risk commodities
Impact of activity on the status of ecosystems and habitats
Regulation
Climate change
Impact on water security
Tariffs or price increases
Loss of markets
Leakage markets
Brand damage related to forests risk commodities
Corruption
Social impacts

Stakeholders considered

Customers
Employees
Investors
Local communities
NGOs
Other forest risk commodity users/producers at a local level
Regulators
Suppliers

Please explain

For soybeans, we obtained information from traders about which regions of the supply chain contain soybeans produced in Brazil because of the high risk of deforestation there. Based on that location information, we conducted a rough survey of deforestation risk based on a database provided by Global Forest Watch.

Global Forest Watch Pro is also used for this product because it provides information on the past forest maintenance status of any given area. The Trase system was used to estimate the distribution of soybeans and weeds that could potentially feed soybeans. While it is possible to identify deforestation using the toolkit methodology, information on local practices and human rights is unknown. Ensuring traceability down to the farm level is a future challenge. We are also looking for appropriate certifications for this product.

Translated with www.DeepL.com/Translator (free version)

Other - Coffee

Value chain stage

Supply chain

Coverage

Full

Risk assessment procedure

Assessed as part of an established enterprise risk management framework

Frequency of assessment

Annually

How far into the future are risks considered?

> 6 years

Tools and methods used

Internal company methods
External consultants
Global Forest Watch Pro
Trase
National specific tools and databases
Jurisdictional/landscape assessment

Issues considered

Availability of forest risk commodities
Quality of forests risk commodities
Impact of activity on the status of ecosystems and habitats
Regulation
Climate change
Impact on water security
Tariffs or price increases
Loss of markets
Leakage markets
Brand damage related to forests risk commodities
Corruption
Social impacts

Stakeholders considered

Customers
Employees
Investors
Local communities
NGOs
Other forest risk commodity users/producers at a local level
Regulators
Suppliers

Please explain

The Ajinomoto Group selects suppliers based on the Ajinomoto Standard for Quality Assurance (ASQUA), a quality control standard for raw materials. With regard to raw materials purchased directly from suppliers, we take global environmental conservation into consideration and confirm that the production and distribution processes do not originate from human rights abuses such as child labor and forced labor. The Ajinomoto Group requires its suppliers to practice compliance and promote social responsibility with respect to the environment, human rights, and occupational safety in its Supplier

Group Shared Policy and related guidelines. In addition, when procuring coffee beans, we place the highest priority on purchasing coffee beans produced on farms that meet the 4C certification system, and are committed to promoting sustainability in the production and distribution of coffee beans.

In 2021, we conducted a risk assessment using literature on climate change, biodiversity, water and soil, and human rights in Brazil, Indonesia, and Vietnam, which are major coffee-producing regions for the Ajinomoto Group.

F2.2

(F2.2) For each of your disclosed commodity(ies), has your organization mapped its value chains?

	Value chain mapping
Timber products	Yes, we have mapped the entire value chain
Palm oil	Yes, we have mapped the entire value chain
Cattle products	Yes, we have mapped the entire value chain
Soy	Yes, we have mapped the entire value chain
Other - Coffee	Yes, we have mapped the entire value chain

F2.2a

(F2.2a) Provide details of your organization’s value chain mapping for its disclosed commodity(ies).

Forest risk commodity

Timber products

Scope of value chain mapping

Tier 1 suppliers
Tier 2 suppliers

% of total suppliers covered within selected tier(s)

100

Description of mapping process and coverage

A list of all primary suppliers from whom the Ajinomoto Group procures paper packaging materials is maintained. If the paper packaging material is not certified paper, we investigate the secondary suppliers and confirm the origin of the paper used to make the paper packaging. If the paper is certified paper or recycled paper, it is considered to be sustainable paper.

Your own production and primary processing sites: attach a list of facility names and locations (optional)

Your suppliers' production and primary processing sites: attach a list of names and locations (optional)

Forest risk commodity

Palm oil

Scope of value chain mapping

Tier 1 suppliers
 Tier 2 suppliers
 Tier 3 suppliers
 Tier 4+ suppliers
 Smallholders
 Customers

% of total suppliers covered within selected tier(s)

93

Description of mapping process and coverage

The Ajinomoto Group has mapped the supply chain of palm oil used in its food business in Thailand and Japan down to the mills level. Palm oil used in these regions accounts for 81% of the Ajinomoto Group's total palm oil use. In addition, we also use RSPO-certified palm oil, and palm oil that complies with either this certification or traceability assurance accounts for 93% of our total palm oil use.

Palm oil reaches the Ajinomoto Group from the mills through refineries and traders, and the location data of these mills is used to assess the deforestation risk of palm plantations using various tools such as Global Forest Watch Pro.

Your own production and primary processing sites: attach a list of facility names and locations (optional)

Your suppliers' production and primary processing sites: attach a list of names and locations (optional)

Forest risk commodity

Cattle products

Scope of value chain mapping

Tier 1 suppliers
 Other, please specify
 Origin country

% of total suppliers covered within selected tier(s)

100

Description of mapping process and coverage

Ajinomoto sources beef as well as beef extract and other ingredients. We always check these tier-1 suppliers and countries of origin to assess whether there is a risk of deforestation at the place of origin. We use tools such as GFW as well as literature research to deforestation assess risk.

The majority of our cattle products come from North America, but we also use beef from Australia and Indonesia, where deforestation is reported to be ongoing, and we aim to ensure traceability to the farm level in these countries.

Your own production and primary processing sites: attach a list of facility names and locations (optional)

Your suppliers' production and primary processing sites: attach a list of names and locations (optional)

Forest risk commodity

Soy

Scope of value chain mapping

Tier 1 suppliers

Tier 2 suppliers

% of total suppliers covered within selected tier(s)

100

Description of mapping process and coverage

The Ajinomoto Group procures soybean oil and soybean meal. We keep track of all of these primary suppliers and countries of origin, and assess whether there is a risk of deforestation at the place of origin. We use tools such as GFW as well as literature research to assess risk.

Soy products procured by the Ajinomoto Group mainly originate from North America, South America, and China. Of these, South America has the highest deforestation risk, so we are working with Tier-1 suppliers who procure from there to visualize their supply chain.

Your own production and primary processing sites: attach a list of facility names and locations (optional)

Your suppliers' production and primary processing sites: attach a list of names and locations (optional)

Forest risk commodity

Other - Coffee

Scope of value chain mapping

Tier 1 suppliers

Other, please specify

Origin country

% of total suppliers covered within selected tier(s)

100

Description of mapping process and coverage

The Ajinomoto Group identifies all primary suppliers and countries of origin of coffee beans and assesses whether there is a risk of deforestation at the country of origin level. We use tools such as GFW as well as literature research to assess risk.

Your own production and primary processing sites: attach a list of facility names and locations (optional)

Your suppliers' production and primary processing sites: attach a list of names and locations (optional)

F3. Risks and opportunities

F3.1

(F3.1) Have you identified any inherent forests-related risks with the potential to have a substantive financial or strategic impact on your business?

	Risk identified?
Timber products	Yes
Palm oil	Yes
Cattle products	Yes
Soy	Yes
Other - Coffee	Yes

F3.1a

(F3.1a) How does your organization define substantive financial or strategic impact on your business?

The Ajinomoto Group has identified substantive impacts as the changes which may leads to the following three adverse events. Possible causes that have been prevented but can lead to these three events will also be included in substantive impacts.

- health hazards

- non-compliance with laws and regulations
- loss of brand value

In the worst case, health hazards can cause disability or even death. In addition, legal violations and loss of brand value not only immediately and visibly affect overall business such as procurement and sales, but may also lead to the loss of long-term business profits.

In a risk assessment, all risks are categorized according to the magnitude of economic impact (less than 1 billion yen to 100 billion yen or more) and the probability of occurrence (less than once in 100 years or more than once a year).

Score for financial impact

1. Less than 1 billion yen
2. 1 billion yen
3. 10 billion yen
4. 30 billion yen
5. 100 billion yen

Score for probability

1. Less than once every 100 years
2. Once in 100 years
3. Once every 30 years
4. Once every 10 years
5. Once a year

Economic loss and probability of occurrence are scored respectively. The risk level is determined by the product of these two scores, and preventive measures are given priority for items with a higher risk level.

In this risk assessment, it is estimated that procurement risk such as deforestation will have an impact of about 10 billion yen, and those that may have such an impact will be taken care of with high priority.

All events related to substantive impacts can be detected and avoided by assessments and inspections set at all stages from receipt inspection from the supply chain to direct operations and can be avoided by operation with good practices in both direct operation and supply chain. In practice, compliance with public standards and product standards set by the Ajinomoto Group is always checked and confirmed that various figures are within the range of the specification. If the measured value is out of the range of specification and it may lead to health hazards or non-compliance with laws, necessary measures will be taken. Of these nonconforming cases, if it may lead to the above three adverse events, special measures for substantive impacts will be taken.

Ajinomoto Group has experienced product recovery due to the out of specification or non-compliance with laws and regulations several times in the past. This strongly suggests that the risk of substantive impacts always exists. However, in the last few decades there has been no significant impact on operation and profit due to such product recovery cases.

In addition, regarding product standards and laws and regulations, relevant departments such as the Quality Assurance Department are constantly engaged in collecting information and revising internal regulations. Changes in product specifications and raw material specifications directly affect operation and supply chain of the Ajinomoto Group.

F3.1b

(F3.1b) For your disclosed forest risk commodity(ies), provide details of risks identified with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Forest risk commodity

Timber products

Type of risk

Reputational and markets

Geographical scale

Global

Where in your value chain does the risk driver occur?

Direct operation

Supply chain

Primary risk driver

Increased cost of certified sustainable material

Primary potential impact

Increased production costs

Company-specific description

The Ajinomoto Group has set a goal of 100% certified paper or equivalent and 100% recycled paper by FY2030. Other companies have set similar goals, and the recent trend toward zero plastic waste is expected to increase demand for paper packaging materials. In addition, once the pandemic of coronavirus infection subsides, demand for a variety of products is expected to rise, and demand for paper packaging materials will increase accordingly.

Such an increase in demand for paper packaging materials and certified paper may affect the Ajinomoto Group's procurement of paper packaging materials, leading to higher procurement prices and difficulties in procurement. The Ajinomoto Group mainly procures FSC-certified paper in most countries and regions, but in the U.S., the supply of FSC-certified paper is scarce.

Timeframe

1-3 years

Magnitude of potential impact

Medium

Likelihood

More likely than not

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact (currency)

11,250,000,000

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial

The Ajinomoto Group uses 150,000 MT of paper annually. Assuming this unit price is 150,000 yen per MT, and assuming that this price has gone up by 50%, total impact is $150,000 * 150,000 * 0.5 = 10.5$ bn yen.

Primary response to risk

Engagement with suppliers

Description of response

The Ajinomoto Group preferentially purchases certified paper, but we also conduct our own supplier surveys and engagement with suppliers to raise awareness of sustainable procurement among our suppliers and encourage their participation in certification and use of recycled paper. As a result of these activities, the number of suppliers handling certified paper has increased, and the percentage of certified paper has also increased in Southeast Asia, where Ajinomoto Group procurement of certified paper had been low.

Cost of response

20,000,000

Explanation of cost of response

Assuming that one employee will be involved in it for half a year, the cost was calculated from the labor cost.

Forest risk commodity

Palm oil

Type of risk

Reputational and markets

Geographical scale

Global

Where in your value chain does the risk driver occur?

Supply chain

Primary risk driver

Increased stakeholder concern or negative stakeholder feedback

Primary potential impact

Brand damage

Company-specific description

The Ajinomoto Group uses palm oil in many of its food and cosmetic ingredients. Many of these are in Southeast Asia, Europe, and other regions where customers are highly concerned about the environment and zero deforestation. Some customers also accept products made exclusively from certified palm oil. Therefore, if it is reported that a company has been involved in deforestation, consumers and customers will be turned away, leading to serious brand damage. For this reason, the Ajinomoto Group preferentially purchases certified palm oil and implements its own supply chain mapping (ensuring traceability) for products and regions where certified oil is not available. For palm oil purchased by Ajinomoto Group food companies and divisions in Thailand and Japan, the supply chain has been traced back to the palm oil mills, and it is now possible to assess the environmental impact of oil palm farms based on location data of the oil mills. By purchasing certified palm oil, you can demonstrate sustainability when sourcing your products. It also reduces the risk of deforestation in Southeast Asia by guaranteeing its own traceability, an activity that contributes to the high reputation of the company among Southeast Asian consumers. These activities reduce the risk of losing customer confidence.

Timeframe

>6 years

Magnitude of potential impact

Medium-low

Likelihood

About as likely as not

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact (currency)

113,710,000,000

Potential financial impact figure - minimum (currency)
Potential financial impact figure - maximum (currency)

Explanation of financial

The Ajinomoto Group uses palm oil as a raw material for food and chemical products. The food business and the chemical products business have sales of 1137.1 billion yen. Assuming a deforestation-related scandal will reduce these sales by 10%, the amount is estimated to be 113.71 billion yen.

Primary response to risk

Engagement with suppliers

Description of response

As internationally recognized initiatives such as the Aichi Targets and SDGs set a goal of zero deforestation by 2020, measures to achieve this goal had to be in place by 2020. In 2018, the Ajinomoto Group has made a clear declaration in its guidelines to respect the RSPO or equivalent international standards for the "Sustainable Palm Oil Principles and Criteria for Production" and clearly declared and published in its guidelines that it would procure sustainable palm oil products. Therefore, the purchase of certified oil is our first choice. Even when certified oil cannot be purchased, the Ajinomoto Group will search for palm oil that can be traced back to the palm oil mill. As a result of these activities, 93% of the 38,375 tons of palm oil used by the Ajinomoto Group is already certified or traceable back to the mill. Through these efforts, we will expand the sustainable use of palm oil and reduce deforestation and the risks associated with it. At the very least, it is hoped that transparent activities will contribute to the reduction of risks.

Cost of response

483,380,000

Explanation of cost of response

Cost of response is estimated from the total premium required to increase the procurement of certified oil. In 2021 we still buy 24,169 tons of non-certified palm oil. If we convert to certified oil and the certified premium per ton is 20,000 yen, the total premium will be 483 million yen. When taking a method other than certified oil purchasing, the cost of supply chain mapping and producer engagement is required. Although at least premium for certified palm oil may be continuously applied in the future, we expect that premium will be decreased with the spread of certified palm oil.

Forest risk commodity

Cattle products

Type of risk

Regulatory

Geographical scale

Global

Where in your value chain does the risk driver occur?

Supply chain

Primary risk driver

Lack of mature certification and sustainability standards

Primary potential impact

Brand damage

Company-specific description

Compared to paper and palm oil, which are the leading commodities for sustainable sourcing, livestock products lack mature certification and sustainability standards, which is a major problem. In other words, while more than 20% of the world's palm oil is RSPO certified, livestock products do not have a similar certification system agreed upon by all stakeholders, from producers to customers to investors. Another problem is that soy is often used to feed cattle, making it difficult to verify the sustainability of the feed. Currently, none of the beef products procured by the Ajinomoto Group have confirmed third-party certification. As an alternative to this certification, we have begun efforts to trace the supply chain of beef products down to the farm level. We use large quantities of beef extract, tallow, and gelatin, which are more complex to distribute and even more difficult to trace than beef and dairy products. Thus, these derivatives are more difficult to trace back to the farm. This traceability study is expected to take up to five years. On the other hand, once this traceability is in place, it will be possible to assess the risk of deforestation and switch to lower risk suppliers and raw materials.

Timeframe

>6 years

Magnitude of potential impact

Medium-low

Likelihood

Very unlikely

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact (currency)

28,700,000,000

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial

The frozen foods and seasonings business using cattle products account for 25% of the Ajinomoto Group's sales. Assuming that these sales fell by 10% due to the loss of customer confidence due to soybean-related deforestation, the financial impact would be equivalent to 2.5% of the total sales of the Ajinomoto Group. Therefore, this potential financial impact is worth 28.7 billion yen.

Primary response to risk

Avoidance of sourcing from high-deforestation risk jurisdictions

Description of response

Since high-deforestation risk jurisdictions can be grasped with tools such as Global Forest Watch website, such tools are used to understand the risks of commodity procurement sites.

Cost of response

20,000,000

Explanation of cost of response

This cost of response includes one year's labor costs for mapping supply chains. Ajinomoto will pay for this cost to keep our supply chain traceability every year. In the future, we may join an initiative or purchase certified products, and we may also need to pay for the premium for certification every year.

Forest risk commodity

Soy

Type of risk

Regulatory

Geographical scale

Global

Where in your value chain does the risk driver occur?

Supply chain

Primary risk driver

Lack of mature certification and sustainability standards

Primary potential impact

Company-specific description

Compared to paper and palm oil, which are leading sustainable sourcing commodities, soybeans face a major challenge in that certification and sustainability standards are not mature. In other words, while more than 20% of the world's palm oil is RSPO certified, soybeans do not have a similar certification system agreed upon by all stakeholders, from producers to customers to investors. Currently, of the soybeans procured by the Ajinomoto Group, only soybeans from the United States are certified under the U.S. Soy Sustainability Assurance Protocol. However, the Ajinomoto Group also has operations in South America and Southeast Asia, and it is not known whether the soybeans it purchases there are similarly certified. In addition, soybeans produced in South America and China are rarely certified as such.

As an alternative to this certification, we have begun to visualize our own supply chain. Unlike palm oil, soybeans have many uses, including soy sauce and miso, and there are many derivative products. As a result, traceability of soybean-derived products back to

the farmers has become difficult. We estimate that it will take about five years to investigate this traceability. On the other hand, if this traceability can be secured, it will be possible to assess the risk of deforestation and switch to suppliers and raw materials with lower risk.

Timeframe

>6 years

Magnitude of potential impact

Medium-low

Likelihood

Very unlikely

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact (currency)

28,700,000,000

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial

The frozen foods and seasonings business using soybeans account for 25% of the Ajinomoto Group's sales. Assuming that these sales fell by 10% due to the loss of customer confidence due to soybean-related deforestation, the financial impact would be equivalent to 2.5% of the total sales of the Ajinomoto Group. Therefore, this potential financial impact is worth 28.7 billion yen.

Primary response to risk

Avoidance of sourcing from high-deforestation risk jurisdictions

Description of response

The Ajinomoto Group purchases soybeans itself, as well as soybean oil, soybean hydrolysate, soy sauce, and miso. It also purchases soybeans from almost all over the world, including North America, South America, Asia, China, and Europe. Analysis using Trase (Transparency for Sustainable Economies) shows that a large percentage of the soybeans purchased by the Ajinomoto Group come from North and South America. On the other hand, one-third of the soybeans purchased are used for seasonings, making it difficult to replace them with other raw materials. Therefore, the Ajinomoto Group is first working to ensure the traceability of raw materials for soy products.

Cost of response

20,000,000

Explanation of cost of response

This cost of response includes one year's labor costs for mapping supply chains. Ajinomoto will pay for this cost to keep our supply chain traceability every year. In the future, we may join an initiative or purchase certified products, and we may also need to pay for the premium for certification every year.

Forest risk commodity

Other - Coffee

Type of risk

Chronic physical

Geographical scale

Global

Where in your value chain does the risk driver occur?

Supply chain

Primary risk driver

Temperature variability

Primary potential impact

Supply chain disruption

Company-specific description

Climate change will affect the climatic suitability of arabica coffee (*Coffea arabica*) within current production areas, according to a study by Oriana Ovalle-Rivera et al. About 80% of the Ajinomoto Group's coffee beans come from Vietnam, Brazil, and Indonesia, and the paper points out that coffee production in these lower elevation areas of Brazil and Vietnam is vulnerable to climate change. In addition, in areas developed through deforestation, climate change may cause frequent landslides and other disasters. Rising temperatures, changes in rainfall, and frequent disasters caused by climate change could adversely affect coffee procurement, and the Ajinomoto Group, which procures coffee mainly from Vietnam, Brazil, and Indonesia, could also be affected. In addition, in the future, coffee harvests in current production areas may decrease, and the development of new farmland in search of further coffee production will have deforestation risk.

Timeframe

>6 years

Magnitude of potential impact

Medium-high

Likelihood

Likely

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact (currency)

1,620,000,000

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial

Oriana Ovalle-Rivera et al. estimate that coffee production in the four major regions could decline by an average of 19% by 2050. Assuming that this 19% decrease directly translates into a decrease in Ajinomoto Group's procurement and sales, Ajinomoto AGF's annual sales of 85.26 billion yen in FY2021 could decrease by 19% to 1.62 billion yen.

Primary response to risk

Avoidance of sourcing from high-deforestation risk jurisdictions

Description of response

Adapting to climate change is a long-term challenge, so this effort is expected to take time. However, the increase in precipitation and the occurrence of natural disasters have already become apparent. One of the measures is to select coffee beans that does not relate to deforestation. For this purpose, it is necessary to take measures such as mapping the supply chain to the farm level. Purchasing certified products on the condition that they are not involved in deforestation can also be one of these methods.

Cost of response

20,000,000

Explanation of cost of response

This cost of response includes one year's labor costs and expenses for mapping supply chains. Mapping to the place of origin has not yet been realized, but it is estimated that such efforts will cost this amount. Since the criteria for coffee certifications include soil and water conservation items, purchasing these certified products will also contribute to risk reduction. In that case, the cost of response may include certification premium and increase further.

F3.2

(F3.2) Have you identified any forests-related opportunities with the potential to have a substantive financial or strategic impact on your business?

	Have you identified opportunities?
Timber products	Yes
Palm oil	Yes
Cattle products	Yes
Soy	Yes

Other - Coffee	Yes
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F3.2a

(F3.2a) For your selected forest risk commodity(ies), provide details of the identified opportunities with the potential to have a substantive financial or strategic impact on your business.

Forest risk commodity

Timber products

Type of opportunity

Markets

Where in your value chain does the opportunity occur?

Direct operation

Primary forests-related opportunity

Increased demand for certified materials

Company-specific description & strategy to realize opportunity

Many of the Ajinomoto Group's retail products use paper packaging. In recent years, consumers have become increasingly environmentally conscious and tend to purchase products that do not originate from deforestation. Therefore, by adopting FSC-certified paper and displaying its label, for example, we can help consumers better understand our activities and encourage them to actively choose our products. We are currently promoting the display of the FSC logo on packaging for many of the products of Ajinomoto Group companies in Japan. Today, more than half of our retail product packages use FSC-certified paper. In addition, the use of certified paper itself has become widespread, and the certification premium is almost negligible.

Estimated timeframe for realization

4-6 years

Magnitude of potential impact

Medium

Likelihood

Very likely

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

11,493,700,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

In Ajinomoto Group's products, all business units use paper packaging. The use of sustainable paper packaging is expected to increase these sales by 1%. Thus, the impact is 1% of 1,149.37 billion yen, which is 1.15 billion yen, is expected as the potential financial impact.

Forest risk commodity

Palm oil

Type of opportunity

Markets

Where in your value chain does the opportunity occur?

Direct operation

Primary forests-related opportunity

Increased demand for certified materials

Company-specific description & strategy to realize opportunity

Sustainable palm oil also allows access to markets that require the use of certified palm oil as a raw material. Such trading conditions could become widespread in the future. Such trading conditions are expected to be set in developed countries such as the EU, where retailers are more environmentally conscious. Currently, some EU distributors require a certification logo on palm oil-based products. Ajinomoto Group products are already meeting these market requirements and meeting demand.

Estimated timeframe for realization

1-3 years

Magnitude of potential impact

Medium

Likelihood

Very likely

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

7,700,779,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Of Ajinomoto Group's products, frozen foods, coffee products and specialty chemical products are made from palm oil. The sales of these businesses account for 67% of the entire Ajinomoto Group. The use of sustainable palm oil is expected to increase these sales by 1%. Thus, the impact is 0.67% of 1,149.37 billion yen, which is 7.701 billion yen, is expected as the potential financial impact.

Forest risk commodity

Cattle products

Type of opportunity

Markets

Where in your value chain does the opportunity occur?

Direct operation

Primary forests-related opportunity

Increased availability of products with reduced environmental impact (other than certified products)

Company-specific description & strategy to realize opportunity

For livestock products, there is no single global consensus on certification with customers and investors, equivalent to FSC or RSPO. For these reasons, it is difficult to take an approach that promotes procurement of certified cattle products to prevent deforestation. On the other hand, customers and investors have high expectations of the Ajinomoto Group's sustainable sourcing. Therefore, the Ajinomoto Group believes that a better approach at this time is to ensure supply chain visibility and traceability. The Ajinomoto Group has pledged to achieve sustainable procurement of its priority raw materials by 2030, and is working to ensure the traceability of its suppliers to achieve this goal. Starting in fiscal year 2018, the Group companies and primary suppliers are working together to make it possible to track the countries of purchase and the origin of their raw materials. In the future, we will deepen the traceability down to the farm level. In the future, we plan to deepen tracing to the farm level and investigate conditions at production sites as well.

Estimated timeframe for realization

1-3 years

Magnitude of potential impact

Medium

Likelihood

Virtually certain

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

7,815,716,000

Potential financial impact figure – minimum (currency)**Potential financial impact figure – maximum (currency)****Explanation of financial impact figure**

In Ajinomoto Group's products, food products are made from cattle products. The sales of these businesses account for 68% of the entire Ajinomoto Group. The use of sustainable cattle products is expected to increase these sales by 1%. Thus, the impact is 0.68% of 1,071 billion yen, which is 7.816 billion yen, is expected as the potential financial impact.

Forest risk commodity

Soy

Type of opportunity

Markets

Where in your value chain does the opportunity occur?

Direct operation

Primary forests-related opportunity

Increased availability of products with reduced environmental impact (other than certified products)

Company-specific description & strategy to realize opportunity

For soy products, there are several sustainable soy certifications, but none with a global consensus of customers and investors comparable to FSC or RSPO. This makes it difficult to take the approach of promoting the procurement of certified soy products to prevent deforestation. On the other hand, both customers and investors have high expectations of the Ajinomoto Group's sustainable procurement. Therefore, we believe that a better approach at this time is to ensure supply chain visibility and traceability. We believe that this will enable us to gain the trust of our customers and investors, who will continue to purchase Ajinomoto Group products. The Ajinomoto Group has pledged to achieve sustainable procurement of its priority raw materials by 2030, and is working to ensure the traceability of its suppliers to achieve this goal. starting in fiscal 2018, with the cooperation of Group companies and primary suppliers, the countries of purchase and the origin of their raw materials In the future, we will deepen the traceability down to the farm level. In the future, we will deepen tracing to the farm level and investigate conditions at production sites as well.

Estimated timeframe for realization

1-3 years

Magnitude of potential impact

Medium

Likelihood

Virtually certain

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

7,815,716,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Ajinomoto Group products include foods made from soy products. These businesses account for 68% of the Ajinomoto Group's total sales. The use of sustainable soybeans is expected to increase these sales by 1%. Thus, the impact is 0.68% of 1,071 billion yen, which is 7.816 billion yen, is expected as the potential financial impact.

Forest risk commodity

Other - Coffee

Type of opportunity

Markets

Where in your value chain does the opportunity occur?

Supply chain

Primary forests-related opportunity

Increased demand for certified materials

Company-specific description & strategy to realize opportunity

Sustainable coffee beans also allows us to enter markets that strictly require the use of sustainable coffee beans as a raw material. Such trading conditions in B2B and B2C business may increase in the future. Today, 49% of the coffee beans purchased under Ajinomoto AGF's own policy have already received 4C certification. By expanding the purchase of such certified products, it is expected that such products allows us to expand the sales channel to the market that requires certified products.

Estimated timeframe for realization

>6 years

Magnitude of potential impact

Medium

Likelihood

Likely

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

85,260,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Ajinomoto AGF, which is in charge of the coffee business in Japan in the Ajinomoto Group, has sales of 85,26 billion yen. If this sales increases by 1% due to an increase in demand for certified coffee, it could increase sales by 85.26 mn yen.

F4. Governance

F4.1

(F4.1) Is there board-level oversight of forests-related issues within your organization?

Yes

F4.1a

(F4.1a) Identify the position(s) of the individual(s) (do not include any names) on the board with responsibility for forests-related issues.

Position of individual	Please explain
Board-level committee	<p>In order to promote sustainability management, the Company has established the Sustainability Committee as a subcommittee of the Management Committee in 2021. The Sustainability Committee deals with ESG / sustainability-related matters that has been dealt with by the Management Risk Committee, the Corporate Action Committee, and the Environmental Committee. This committee will be chaired by a director on board, General Manager of Global Corporate Headquarters.</p> <p>In accordance with materiality, the Sustainability Committee formulates measures, proposes them to the Executive Committee, and manages progress.</p> <p>In addition, the Sustainability Committee formulates risk countermeasures for company-wide management issues, manage progress, develop and promote risk management processes that contribute to strengthening internal control, and conduct matters related to crisis (safety and security) management based on the Ajinomoto Group Crisis Management Regulations.</p>

F4.1b

(F4.1b) Provide further details on the board’s oversight of forests-related issues.

	Frequency that forests-related issues are a scheduled agenda item	Governance mechanisms into which forests-related issues are integrated	Please explain
Row 1	Scheduled - all meetings	Monitoring implementation and performance Overseeing acquisitions and divestiture Overseeing major capital expenditures Providing employee incentives Reviewing and guiding annual budgets Reviewing and guiding business plans Reviewing and guiding corporate responsibility strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding strategy Reviewing innovation / R&D priorities Setting performance objectives	At the Sustainability Committee chaired by a director, the person responsible for the Sustainability Division regularly reports on performance, current issues, and measures. For forest-related raw materials for which specific numerical targets have been set, the results of the previous year are collected every year, and KPIs such as sustainable paper and certified oil procurement rates are reported and discussed. Plans for the following fiscal year and beyond, based on progress, are also approved by the Sustainability Committee for final implementation. The committee also discussed raw materials that should be closely monitored for sustainable procurement based on the company's materiality, and decided to address six raw materials to be prioritized from an environmental perspective: paper, palm oil, soybeans, beef, coffee, and sugarcane.

F4.1d

(F4.1d) Does your organization have at least one board member with competence on forests-related issues?

Row 1

Board member(s) have competence on forests-related issues

Not assessed

F4.2

(F4.2) Provide the highest management-level position(s) or committee(s) with responsibility for forests-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on forests-related issues	Please explain
Sustainability committee	Both assessing and managing forests-related risks and opportunities	More frequently than quarterly	<p>The Sustainability Committee deals with the following:</p> <p>(a) Matters concerning the planning of countermeasures for risks and opportunities of company-wide management issues based on materiality and their progress management.</p> <p>This includes the following three items.</p> <p>a) Deliberation and review of sustainability goals, KPIs, action plans, environmental audit results, etc., and establishment, revision and abolition of voluntary standards.</p> <p>b) Consider participating in various external task forces, roundtables and initiatives.</p> <p>c) Materiality-based risk and opportunity management.</p> <p>(b) Development and promotion of risk management processes that contribute to strengthening internal control.</p> <p>(c) Management and operation of crisis-related matters based on the Ajinomoto Group Crisis Management Regulations.</p>

F4.3

(F4.3) Do you provide incentives to C-suite employees or board members for the management of forests-related issues?

	Provide incentives for management of forests-related issues	Comment
Row 1	Yes	Compensation of Executive Officers comprised of basic compensation, short-term company performance-linked compensation, and medium-term company performance-linked stock compensation. The third medium-term company performance-linked stock compensation partially reflects ESG performance, including forest related issues.

F4.3a

(F4.3a) What incentives are provided to C-Suite employees or board members for the management of forests-related issues (do not include the names of individuals)?

	Role(s) entitled to incentive?	Performance indicator	Please explain
Monetary reward	Corporate executive team	Achievement of commitments and targets	Executive Officers (including those who concurrently serve as directors) will be paid basic compensation, short-term company performance-linked compensation, and medium-term company performance-linked stock compensation at approximately 50:36:14 (47:40:13 for some positions) (on an annual basis) at the time of achieving the standard performance target. ESG performance, including forest-related issue, is also included in this medium-term performance indicator, with a weight of 5%.
Non-monetary reward	No one is entitled to these incentives	No indicator for incentivized performance	

F4.4

(F4.4) Did your organization include information about its response to forests-related risks in its most recent mainstream financial report?

No, but we plan to do so in the next two years

F4.5

(F4.5) Does your organization have a policy that includes forests-related issues?

Yes, we have a documented forests policy that is publicly available

F4.5a

(F4.5a) Select the options to describe the scope and content of your policy.

	Scope	Content	Please explain
Row 1	Company-wide	<p>Commitment to eliminate conversion of natural ecosystems</p> <p>Commitment to eliminate deforestation</p> <p>Commitment to no deforestation, to no planting on peatlands and to no exploitation (NDPE)</p> <p>Commitment to best management practices for soils and peat</p> <p>Commitment to take action beyond own supply chain to tackle environmental issues</p> <p>Commitment to resolving both social and environmental issues in own operations and supply chain</p>	<p>The Ajinomoto Group has defined a new sustainable procurement approach for 2022. It describes our recognition of the current situation and the sustainable procurement we are aiming for as follows.</p> <p>The Ajinomoto Group has products in more than 130 countries and regions and sources raw materials from even more geographies. Our business is built on a resilient food system consisting of a stable supply of food resources supported by a rich and abundant global environment.</p> <p>But we recognize the burden our business places on the environment. All processes from raw material production to the final products emit greenhouse gases, create plastic waste, and result in food loss and waste, all of which pose environmental and societal risks. In addition, when natural forests are damaged, peatlands developed, and water and soil contaminated, ecosystems are damaged, making it difficult to maintain food resources. It is therefore urgent that businesses such as ours take measures to further decrease our environmental impact across the entire value chain. This also includes supporting a healthy and vibrant society through the defense of human rights for all people involved in the supply chain and ensuring their occupational health and safety are protected. In addition, since we use animal-based raw materials, it is necessary for us to improve animal welfare.</p> <p>We will work together with stakeholders throughout our supply chain to address these issues and make improvements to build a supply chain that positively impacts the environment and society.</p>

F4.5b

(F4.5b) Do you have commodity specific sustainability policy(ies)? If yes, select the options that best describe their scope and content.

	Do you have a commodity specific sustainability policy?	Scope	Content	Please explain
Timber products	Yes	Company-wide	Commitment to eliminate conversion of natural ecosystems Commitment to no land clearance by burning or clearcutting Commitment to eliminate deforestation Commitment to no deforestation, to no planting on peatlands and to no exploitation (NDPE) Commitment to protect rights and livelihoods of local communities Commitments beyond regulatory compliance Commitment to transparency Commitment to best management practices for soils and peat Commitment to resolving both social and environmental issues in own operations and supply chain	The Ajinomoto Group Paper Procurement Guidelines were established in January 2012 and revised on April 1, 2019. They are disclosed online and widely shared with suppliers and stakeholders. Since the Ajinomoto Group's paper packaging materials are used for food products, regulations often require the use of virgin pulp. This requires the use of paper sourced from sustainable forest management. The Ajinomoto Group has a policy of purchasing sustainable paper from companies that have not caused environmental or social problems in the past, and Group companies are required to procure based on this policy. In addition, we conduct an annual survey of our procurement status and publish the results in an integrated report.

			<p>Commitment to stakeholder awareness and engagement</p> <p>Recognition of the overall importance of forests and other natural ecosystems</p> <p>Description of business dependency on forests</p> <p>Recognition of potential business impact on forests and other natural ecosystems</p> <p>Description of forest risk commodities, parts of the business, and stages of value-chain covered by the policy</p> <p>Description of forests-related standards for procurement</p>	
Palm oil	Yes	Company-wide	<p>Commitment to eliminate conversion of natural ecosystems</p> <p>Commitment to no land clearance by burning or clearcutting</p> <p>Commitment to eliminate deforestation</p> <p>Commitment to no deforestation, to no planting on peatlands and to no exploitation (NDPE)</p>	<p>The Ajinomoto Group Palm Oil Procurement Guidelines were first established in July 2018. It is disclosed online and widely shared with suppliers and stakeholders. The Ajinomoto Group conducts business around the world, and palm oil originates not only from Indonesia and Malaysia, its main production areas, but also from Thailand, the Philippines, Peru, Brazil, and many other countries. In order to prevent deforestation even in these regions with different circumstances, the Ajinomoto Group has developed its guidelines in advance of the RSPO's Principle and Criteria revision in</p>

			<p>Commitment to protect rights and livelihoods of local communities</p> <p>Commitments beyond regulatory compliance</p> <p>Commitment to transparency</p> <p>Commitment to take action beyond own supply chain to tackle environmental issues</p> <p>Commitment to stakeholder awareness and engagement</p> <p>Recognition of the overall importance of forests and other natural ecosystems</p> <p>Description of business dependency on forests</p> <p>Recognition of potential business impact on forests and other natural ecosystems</p> <p>Description of forest risk commodities, parts of the business, and stages of value-chain covered by the policy</p> <p>Description of forests-related standards for procurement</p>	<p>2018. Ajinomoto Group companies are required to procure certified oil, if any, and trace their supply chains based on these procurement guidelines. In addition, a survey of procurement status is conducted every year and the results are published in the Integrated Report.</p>
Cattle products	No			Currently, the Group is in the process of completing a supply chain risk

				study and plans to establish its own procurement guidelines by the end of FY2022.
Soy	No			Currently, the Group is in the process of completing a supply chain risk study and plans to establish its own procurement guidelines by the end of FY2022.
Other - Coffee	No			Currently, the Group is in the process of completing a supply chain risk study and plans to establish its own procurement guidelines by the end of FY2022.

F4.6

(F4.6) Has your organization made a public commitment to reduce or remove deforestation and/or forest degradation from its direct operations and/or supply chain?

Yes

F4.6a

(F4.6a) Has your organization endorsed any of the following initiatives as part of its public commitment to reduce or remove deforestation and/or forest degradation?

Other, please specify

We support Principle and Criteria 2018 of Round-table on Sustainable Palm Oil (RSPO)

F4.6b

(F4.6b) Provide details on your public commitment(s), including the description of specific criteria, coverage, and actions.

Forest risk commodity

Palm oil

Criteria

- No conversion of natural ecosystems
- Zero gross deforestation/ no deforestation
- No new development on peat regardless of depth
- Avoidance of negative impacts on threatened and protected species and habitats
- Secure Free, Prior and Informed Consent (FPIC) of indigenous people and local communities
- Operations are in accordance with the UN Declaration on the Rights of Indigenous Peoples

Remediate any adverse impacts on indigenous people and local communities
 Adoption of the UN International Labour Organization principles
 Resolution of complaints and conflicts through an open, transparent and consultative process
 No sourcing of illegally produced and/or traded forest risk commodities

Operational coverage

Supply chain

% of total production/ consumption covered by commitment

100%

Cutoff date

2005

Commitment target date

2026-2030

Please explain

The Ajinomoto Group uses palm oil in a wide variety of products and applications from Japan and Southeast Asia to Europe and South America, ranging from processed foods such as cup soups, instant noodles, and coffee creamers to specialty chemicals. The Ajinomoto Group uses palm kernel oil, which is difficult to procure certified products for some products, and in some regions the supply of certified products is limited. Therefore, we ensure traceability and consider palm oil certified by The Roundtable on Sustainable Palm Oil (RSPO) as We consider palm oil with traceability and RSPO (The Roundtable on Sustainable Palm Oil) certification to be sustainable. With the goal of procuring 100% sustainable palm oil by FY2030, certified palm oil accounted for 37% of our consumption in FY2021. In Thailand, where it is difficult to procure certified palm oil, we started our own supply chain traceability to palm oil mills in FY 2018. We plan to supplement our purchase of certified palm oil in Thailand and other countries and regions where certified palm oil is difficult to obtain through supply chain traceability and subsequent due diligence activities.

Forest risk commodity

Timber products

Criteria

No conversion of natural ecosystems
 Zero gross deforestation/ no deforestation
 Avoidance of negative impacts on threatened and protected species and habitats
 No conversion of High Conservation Value areas
 Operations are in accordance with the UN Declaration on the Rights of Indigenous Peoples
 Adoption of the UN International Labour Organization principles
 Resolution of complaints and conflicts through an open, transparent and consultative process

No sourcing of illegally produced and/or traded forest risk commodities

Operational coverage

Supply chain

% of total production/ consumption covered by commitment

100%

Cutoff date

1993-1997

Commitment target date

2026-2030

Please explain

The Ajinomoto Group is committed to sustainable procurement of container and packaging paper based on the Ajinomoto Group Paper Procurement Guidelines. Under these guidelines, paper procured from suppliers that do not destroy forests in areas with high conservation value, comply with laws and international human rights standards related to logging areas, and use appropriate procedures to produce paper is considered sustainable. In addition to FSC® (Forest Stewardship Council®) certified paper, sustainable paper also includes recycled paper and paper made from FSC® controlled wood.

The Ajinomoto Group also accepts PEFC certification as long as it is from a company that is not classified by FSC as a "non-affiliated" company.

Our target for sustainable paper is to achieve a 100% sustainable paper procurement rate by 2030. The sustainable paper usage rate for containers and packaging paper in fiscal 2021 is 100% in Japan and 98% globally.

Forest risk commodity

Cattle products

Criteria

No conversion of natural ecosystems

Avoidance of negative impacts on threatened and protected species and habitats

Operations are in accordance with the UN Declaration on the Rights of Indigenous Peoples

Adoption of the UN International Labour Organization principles

No sourcing of illegally produced and/or traded forest risk commodities

Operational coverage

Supply chain

% of total production/ consumption covered by commitment

<1%

Cutoff date

No cutoff date

Commitment target date

2026-2030

Please explain

The conditions are specified in general procurement guidelines and supplier guidelines, not beef-specific guidelines. In the future, beef-specific guidelines will be presented along with cut-off dates.

Forest risk commodity

Soy

Criteria

No conversion of natural ecosystems
Avoidance of negative impacts on threatened and protected species and habitats
Operations are in accordance with the UN Declaration on the Rights of Indigenous Peoples
Adoption of the UN International Labour Organization principles
No sourcing of illegally produced and/or traded forest risk commodities

Operational coverage

Supply chain

% of total production/ consumption covered by commitment

31-40%

Cutoff date

No cutoff date

Commitment target date

2026-2030

Please explain

The conditions are specified in general procurement guidelines and supplier guidelines, not soy-specific guidelines. In the future, soy-specific guidelines will be presented along with cut-off dates.

Forest risk commodity

Other - Coffee

Criteria

No conversion of natural ecosystems
Avoidance of negative impacts on threatened and protected species and habitats
Operations are in accordance with the UN Declaration on the Rights of Indigenous Peoples
Adoption of the UN International Labour Organization principles
No sourcing of illegally produced and/or traded forest risk commodities

Operational coverage

Supply chain

% of total production/ consumption covered by commitment

51-60%

Cutoff date

2006

Commitment target date

2026-2030

Please explain

The conditions are clearly stated in general procurement guidelines and supplier guidelines, not in coffee-specific guidelines. So far, we have procured coffee beans with 4C certification, and we support the cutoff date of 2006 as indicated there. In the future, the company plans to establish coffee-specific guidelines.

F5. Business strategy

F5.1

(F5.1) Are forests-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are forests-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, forests-related issues are integrated	11-15	<p>The Ajinomoto Group's mid- to long-term environmental goals cover the entire product life cycle, including achieving carbon neutrality by 2050, halving food loss and waste, securing food resources, and preserving the natural environment.</p> <p>The company clearly declares that it will secure food resources for future generations, contribute to the preservation of the natural environment including ecosystems and biodiversity, and realize sustainable procurement.</p> <p>We aim to achieve sustainable procurement, including zero deforestation, by 2030 for our priority raw materials of paper, palm oil, coffee beans, soybeans, beef, and sugarcane.</p> <p>Translated with www.DeepL.com/Translator (free version)</p>

<p>Strategy for long-term objectives</p>	<p>Yes, forests-related issues are integrated</p>	<p>11-15</p>	<p>We procure certified products as the most objective and reliable means of sustainable sourcing. However, depending on the raw material and region, the supply of certified products may be limited. In such cases, we try to take alternative measures.</p> <p>In addition, the Ajinomoto Group recognizes as sustainable raw materials those products that can be verified to be equivalent to certified products. For example, if FSC-certified paper cannot be procured, PEFC certification is also acceptable, but only if it can be confirmed to be equivalent to FSC under our guidelines. For example, we will not do business with a company with which FSC has disassociated, even if that company has obtained other certifications.</p> <p>In the case of palm oil, our method is to confirm traceability of items included in the RSPO Criteria as much as possible.</p> <p>So far, we have purchased certified products for paper, palm oil, and coffee beans, and we plan to do the same for other important raw materials in the future. However, in cases where there is no consensus on certification with customers or investors, we may first check traceability and then begin purchasing certified products only after certification has become widespread. We are also reviewing our purchasing of raw materials, and are considering reducing purchases from countries and regions with high deforestation risk, and replacing them with purchases from countries of origin with lower risk or easier management.</p>
<p>Financial planning</p>	<p>Yes, forests-related issues are integrated</p>	<p>11-15</p>	<p>Based on the long-term plan, a medium-term plan is formulated every three years, and the necessary budget is set and implemented for the long-term plan.</p> <p>The company secures the necessary management resources to ensure the traceability of its supply chain by securing costs and personnel for supply chain management, including audits.</p> <p>For paper, palm oil, and coffee beans, the company is considering purchasing FSC, RSPO, and 4C certified products, bearing premium costs to the extent reasonable and possible. In addition, the company is systematically working on switching to lower-risk countries of origin.</p>

F6. Implementation

F6.1

(F6.1) Did you have any timebound and quantifiable targets for increasing sustainable production and/or consumption of your disclosed commodity(ies) that were active during the reporting year?

Yes

F6.1a

(F6.1a) Provide details of your timebound and quantifiable target(s) for increasing sustainable production and/or consumption of the disclosed commodity(ies), and progress made.

Target reference number

Target 1

Forest risk commodity

Timber products

Type of target

Assess and/or verify compliance

Description of target

Achieve sustainable procurement and halve environmental impact by 2030.

Linked commitment

Zero net/gross deforestation

Traceability point

Third-party certification scheme

Start year

2020

Target year

2030

Quantitative metric

Target (number)

Target (%)

100

% of target achieved

98

Please explain

With a target to procure 100% sustainable paper by fiscal 2030, sustainable paper use out of the total container and packaging paper use is 100% in Japan and 98% globally in fiscal 2021.

The breakdown of this 98% is as follows.

- FSC® certified paper 32%
- PEFC certified paper 9%
- 100% recycled paper 45%
- FSC® controlled timber or equivalent 12%
- Unconfirmed 2%

For items other than FSC certified paper, we make inquiries to suppliers and investigate their conformity with our procurement guidelines. As a result of these efforts, sustainable papers other than FSC account for 66%, while FSC-certified paper accounts for only 32%. The total of sustainable paper procurement was 98%, but the target of 100% was not reached.

Target reference number

Target 1

Forest risk commodity

Palm oil

Type of target

Assess and/or verify compliance

Description of target

Achieve sustainable procurement and halve environmental impact by 2030.

Linked commitment

Zero net/gross deforestation

Traceability point

Third-party certification scheme

Start year

2020

Target year

2030

Quantitative metric

Target (number)

Target (%)

100

% of target achieved

93

Please explain

Of the 38,000 tons of palm oil purchased by the Ajinomoto Group, approximately 14,000 tons were RSPO certified, and for the remaining 24,000 tons, traceability surveys were conducted in Thailand and Japan. As a result of this survey, 56% of the survey results were traceable, and a total of 93% of the survey results were certified or traceable to sustainable palm oil.

Target reference number

Target 1

Forest risk commodity

Cattle products

Type of target

Assess and/or verify compliance

Description of target

Achieve sustainable procurement and halve environmental impact by 2030.

Linked commitment

Zero net/gross deforestation

Traceability point

Third-party certification scheme

Start year

2020

Target year

2030

Quantitative metric

Target (number)

Target (%)

100

% of target achieved

0

Please explain

Currently, we have no results for beef products in FY2021, as we have neither purchased certified products nor obtained traceability down to the farm level. Now that we have confirmed that the countries of origin are North America, South America, and Oceania, we will consider sustainable procurement processes for beef from Australia and Indonesia, two of these regions with large purchase volumes and high deforestation risk.

Target reference number

Target 1

Forest risk commodity

Soy

Type of target

Assess and/or verify compliance

Description of target

Achieve sustainable procurement and halve environmental impact by 2030.

Linked commitment

Zero net/gross deforestation

Traceability point

Third-party certification scheme

Start year

2020

Target year

2030

Quantitative metric

Target (number)**Target (%)**

100

% of target achieved

40

Please explain

A survey of the origin of soybeans procured for soybean meal, soybean oil, and soy sauce confirmed that more than 40% of the soybeans were from the U.S. and certified by the USSEC certification. Confirmation of compliance with USSEC certification standards has at least confirmed that the soybeans do not originate from deforestation. On the other hand, the remaining 60% of the soybeans are of unknown origin, and we will need to ensure traceability and switch to purchasing certified products in the future. We will begin investigating the origin of these soybeans of unknown origin, and if any of them are from South America, which has been determined to have a high risk of deforestation in our risk assessment to date, we will switch to other origins.

Target reference number

Target 2

Forest risk commodity

Other - Coffee

Type of target

Assess and/or verify compliance

Description of target

Achieve sustainable procurement and halve environmental impact by 2030.

Linked commitment

Zero net/gross deforestation

Traceability point**Third-party certification scheme****Start year**

2020

Target year

2030

Quantitative metric

Target (number)

Target (%)

100

% of target achieved

58

Please explain

With the goal of 100% sustainable sourcing by 2030, we have been working to purchase certified beans or beans with traceability. In FY2020, the purchase rate of coffee beans that is certified by 4C was 58%.

F6.2

(F6.2) Do you have traceability system(s) in place to track and monitor the origin of your disclosed commodity(ies)?

	Do you have system(s) in place?	Description of traceability system	Exclusions	Description of exclusion
Timber products	Yes	<p>The Ajinomoto Group, together with its suppliers, confirms that the paper meets one of the following criteria</p> <ol style="list-style-type: none"> 1. the paper packaging itself or its raw materials are FSC certified 2. the paper packaging material is a product of a company that has obtained PEFC certification and has not disassociated by FSC 3. the paper must be 100% recycled paper derived from used paper <p>As a supplementary measure, traceability shall be implemented to the stage where the sustainability of the paper can be verified.</p>	Specific product line(s)	If the paper is 100% recycled paper, it is considered to have no deforestation risk and is excluded.
Palm oil	Yes	Traceability to the palm oil mills is established based on a list obtained from the tier 1 palm oil supplier (either a Japanese or Thai	Not applicable	

		oil trading company). This method ensures traceability of palm oil produced in Thailand and used in Thailand, and palm oil produced in Indonesia and Malaysia and imported to Japan.		
Cattle products	Yes	For beef products, we conduct country-of-origin surveys through interviews with suppliers to determine the country of origin for all beef products. This tracing is easy for beef, but for beef extract and beef tallow, multiple origins may be included, and these complex supply chains make tracing difficult. Ensuring traceability of highly processed products is a future challenge.	Not applicable	
Soy	Yes	For soybean products, we conduct country-of-origin surveys by interviewing suppliers. Only some oil and soy sauce companies are able to identify the country of origin of soybeans through this traceability survey, and several soy products use soybeans originating from multiple countries.	Not applicable	
Other - Coffee	Yes	For coffee beans, traceability to the supplier and country of origin has been confirmed. However, the traceability from that point to the farm level has not been confirmed.	Specific product line(s)	For some products, our business partners sets the standards for green beans used. Private brand products for third parties are one example. These coffee beans are not covered by the Ajinomoto Group's traceability activities.

F6.2a

(F6.2a) Provide details on the level of traceability your organization has for its disclosed commodity(ies).

Forest risk commodity	Point to which commodity is traceable	% of total production/consumption volume traceable
Timber products	Country	100

Palm oil	Mill	93
Cattle products	Country	100
Soy	Country	100
Other - Coffee	Country	100

F6.3

(F6.3) Have you adopted any third-party certification scheme(s) for your disclosed commodity(ies)?

	Third-party certification scheme adopted?	% of total production and/or consumption volume certified
Timber products	Yes	
Palm oil		
Cattle products	No, but we plan to adopt a third-party certification scheme within the next two years	
Soy	Yes	
Other - Coffee	Yes	

F6.3a

(F6.3a) Provide a detailed breakdown of the volume and percentage of your production and/or consumption by certification scheme.

Forest risk commodity

Timber products

Third-party certification scheme

FSC Chain of Custody

Chain-of-custody model used

% of total production/consumption volume certified

32

Form of commodity

Paper

Primary packaging

Secondary packaging

Volume of production/ consumption certified

46,600

Metric for volume

Metric tons

Is this certified by more than one scheme?

Yes

Please explain

Forest risk commodity

Timber products

Third-party certification scheme

FSC Controlled Wood

Chain-of-custody model used

% of total production/consumption volume certified

12

Form of commodity

Pulp

Paper

Volume of production/ consumption certified

18,000

Metric for volume

Metric tons

Is this certified by more than one scheme?

Yes

Please explain

Forest risk commodity

Timber products

Third-party certification scheme

PEFC (any type)

Chain-of-custody model used

% of total production/consumption volume certified

9

Form of commodity

Paper
Primary packaging
Secondary packaging

Volume of production/ consumption certified

14,000

Metric for volume

Metric tons

Is this certified by more than one scheme?

Yes

Please explain

Forest risk commodity

Soy

Third-party certification scheme

Other, please specify
USSEC certification

Chain-of-custody model used

Mass balance

% of total production/consumption volume certified

40

Form of commodity

Whole soy beans
Soy bean oil
Soy bean meal
Soy derivatives

Volume of production/ consumption certified

43,200

Metric for volume

Metric tons

Is this certified by more than one scheme?

Don't know

Please explain

Forest risk commodity

Other - Coffee

Third-party certification scheme

Other, please specify
4C

Chain-of-custody model used

Identity preservation

% of total production/consumption volume certified

58

Form of commodity

Other, please specify
Green Coffee Beans

Volume of production/ consumption certified

22,700

Metric for volume

Metric tons

Is this certified by more than one scheme?

Yes

Please explain

Forest risk commodity

Other - Coffee

Third-party certification scheme

Other, please specify
Rainforest Alliance

Chain-of-custody model used

Identity preservation

% of total production/consumption volume certified

0

Form of commodity

Other, please specify
Green Coffee Beans

Volume of production/ consumption certified

1

Metric for volume

Metric tons

Is this certified by more than one scheme?

Yes

Please explain**F6.4****(F6.4) For your disclosed commodity(ies), do you have a system to control, monitor, or verify compliance with no conversion and/or no deforestation commitments?**

	A system to control, monitor or verify compliance	Comment
Timber products	Yes, we have a system in place for our no conversion and/or deforestation commitments	
Palm oil	Yes, we have a system in place for our no conversion and/or deforestation commitments	
Cattle products	No, but we plan to develop one within the next two years	For Cattle Products, we plan to establish traceability of origin to the plantation level for Indonesian and Australian products and assess deforestation risk.
Soy	Yes, we have a system in place for our no conversion and/or deforestation commitments	
Other - Coffee	Yes, we have a system in place for our no conversion and/or deforestation commitments	

F6.4a**(F6.4a) Provide details on the system, the approaches used to monitor compliance, the quantitative progress, and the non-compliance protocols, to implement your no conversion and/or deforestation commitment(s).****Forest risk commodity**

Timber products

Operational coverage

Supply chain

Description of control systems

The Ajinomoto Group gives priority to the procurement of certified paper or 100% recycled paper. Since 100% recycled paper is not a raw material that is derived from

forests, we are focusing on confirming the virgin pulp's compliance with "no deforestation commitment". In the case of certification other than FSC, we have confirmed the compatibility with FSC (the supplier should not be disassociated by FSC). Even paper products that are not certified are accepted if they use certified paper at the raw material stage. By stopping the procurement of paper that cannot be confirmed to be compatible with any of these, it becomes possible to ensure the compliance with "no deforestation commitment" of the paper to be procured.

Monitoring and verification approach

Third-party verification

% of total volume in compliance

91-99%

% of total suppliers in compliance

91-99%

Response to supplier non-compliance

Retain & engage

Suspend & engage

Exclude

Procedures to address and resolve non-compliance with suppliers

Providing information on appropriate actions that can be taken to address non-compliance

Please explain

As a general rule, instead of suspending transactions suddenly, we will take a method of encouraging improvement through engagement. However, if it is found that a supplier whose relationship is "disassociation" with FSC is included in our supply chain, we may take strict measures including canceling the transaction.

Forest risk commodity

Palm oil

Operational coverage

Supply chain

Description of control systems

93% of palm oil is certified or traceable to confirm the compatibility in Ajinomoto Group. Of these, certified palm oil is regarded as third-party verification, and traceability is ensured as first-party verification. The latter is monitored using tools such as GFW.

Monitoring and verification approach

Geospatial monitoring tool

First-party verification

Third-party verification

% of total volume in compliance

31-40%

% of total suppliers in compliance

71-80%

Response to supplier non-compliance

Retain & engage

Procedures to address and resolve non-compliance with suppliers

Providing information on appropriate actions that can be taken to address non-compliance

Please explain

For certified palm oil, we will check the compliance through the certification body. For palm oil products that are traceable to the mill, we will conduct a forest-related assessment based on the location information and check the status of compliance.

Forest risk commodity

Soy

Operational coverage

Supply chain

Description of control systems

Since only the country of origin can be traced, general deforestation risk information is collected based on that information. U.S. Soybean Sustainability Assurance Protocol has confirmed that soybeans from United States do not result from deforestation.

Monitoring and verification approach

Geospatial monitoring tool

Third-party verification

% of total volume in compliance

31-40%

% of total suppliers in compliance

31-40%

Response to supplier non-compliance

Retain & engage

Procedures to address and resolve non-compliance with suppliers

Providing information on appropriate actions that can be taken to address non-compliance

Please explain

The Ajinomoto Group purchases a variety of agricultural products in Brazil, a major soybean-producing region. From this year onward, we plan to investigate the human rights situation in the production of these agricultural products, and as part of this, we

will also investigate the situation of soybean plantations. We plan to utilize this knowledge for future procurement selection.

Forest risk commodity

Other - Coffee

Operational coverage

Supply chain

Description of control systems

Forty-nine percent of green beans that have received 4C certification are considered to have received third-party verification.

Since only the country of origin can be traced, general deforestation risk information is collected based on geospatial monitoring tool. We share this information with our procurement department of the group companies.

Monitoring and verification approach

Geospatial monitoring tool

Third-party verification

% of total volume in compliance

51-60%

% of total suppliers in compliance

51-60%

Response to supplier non-compliance

Retain & engage

Suspend & engage

Procedures to address and resolve non-compliance with suppliers

Providing information on appropriate actions that can be taken to address non-compliance

Please explain

The Ajinomoto Group purchases a variety of agricultural products in Brazil, a major coffee-producing region. From this year onward, we plan to investigate the human rights situation in the production of these agricultural products, and as part of this, we will also investigate the situation of coffee plantations. We plan to utilize this knowledge for future procurement selection.

F6.6

(F6.6) For your disclosed commodity(ies), indicate if you assess your own compliance and/or the compliance of your suppliers with forest regulations and/or mandatory standards.

Assess legal compliance with forest regulations

Timber products	Yes, from suppliers
Palm oil	Yes, from suppliers
Cattle products	Yes, from suppliers
Soy	Yes, from suppliers
Other - Coffee	Yes, from suppliers

F6.6a

(F6.6a) For your disclosed commodity(ies), indicate how you ensure legal compliance with forest regulations and/or mandatory standards.

Timber products

Procedure to ensure legal compliance

The Ajinomoto Group's Basic Policy on Compliance with Laws and Regulations for the Ajinomoto Group itself and its business partners is as follows.

We shall fully understand the laws and rules concerning competition, including antitrust laws, in each country in which we operate, and shall take measures to comply with them. We will not collude with competitors to fix prices, sales, or production volumes, and will not engage in acts that restrict competition (cartels) or bid rigging. We will not exclude competitors from the market or prevent them from entering the market by unfair means.

To this end, we check the compliance status of our suppliers at the start of transactions and through periodic audits.

For paper, the Ajinomoto Group prioritizes the procurement of certified paper and 100% recycled paper. 100% recycled paper is not a raw material originating from forests, so we focus on confirming the compliance of virgin pulp with the Forest Law through certification. In the case of non-FSC certification, we confirm compliance with the FSC and ensure that the suppliers must not be disassociated from FSC. We accept paper products that are not certified, if they use certified paper at the raw material stage. By stopping the procurement of paper for which these conformities cannot be confirmed, the legality of the paper to be procured can be ensured.

Country/Area of origin

Brazil
 Cambodia
 India
 Indonesia
 Malaysia
 Myanmar
 Philippines
 Thailand
 Viet Nam

Law and/or mandatory standard(s)

General assessment of legal compliance

Comment

Palm oil

Procedure to ensure legal compliance

The Ajinomoto Group's Basic Policy on Compliance with Laws and Regulations for the Ajinomoto Group itself and its business partners is as follows.

We shall fully understand the laws and rules concerning competition, including antitrust laws, in each country in which we operate, and shall take measures to comply with them. We will not collude with competitors to fix prices, sales, or production volumes, and will not engage in acts that restrict competition (cartels) or bid rigging. We will not exclude competitors from the market or prevent them from entering the market by unfair means.

To this end, we will check the compliance status of our suppliers at the start of transactions and during regular audits.

The Ajinomoto Group prioritizes the procurement of certified palm oil. This is because RSPO-certified oil is considered to meet all forest-related laws and regulations required in Japan and overseas.

Therefore, suppliers that do not currently supply RSPO-certified oil are requested to join the RSPO and supply certified oil first. As a result of these efforts, 100% of Brazilian suppliers have switched to certified oil. Since Peruvian suppliers are scheduled to join the RSPO and start supplying certified oil by 2022, all palm oil procured in Peru will be converted to certified oil by the end of 2022. Similarly, in Vietnam, suppliers are expected to switch to RSPO certification.

Country/Area of origin

Brazil
Indonesia
Malaysia
Papua New Guinea
Peru
Philippines
Thailand
Viet Nam

Law and/or mandatory standard(s)

General assessment of legal compliance
Forest and Wildlife Law - Peru
ISPO
MSPO

Comment

Cattle products

Procedure to ensure legal compliance

The Ajinomoto Group's basic policy stipulates that both itself and its suppliers are required to comply with laws and regulations as follows.

We take steps to ensure a thorough understanding of and compliance with antitrust and other laws and rules related to competition in each country where we do business. We do not engage in collusion with competitors to fix prices or sales/production volume to limit competition (cartels), or in bid-rigging. We do not employ unfair means to eliminate competitors from or block entry into the market.

To achieve this, we check the compliance status of our suppliers at the start of transactions and at regular audits.

Country/Area of origin

Argentina
 Australia
 Brazil
 India
 Mexico
 Thailand

Law and/or mandatory standard(s)

General assessment of legal compliance

Comment

Soy

Procedure to ensure legal compliance

The Ajinomoto Group's basic policy stipulates that both itself and its suppliers are required to comply with laws and regulations as follows.

We take steps to ensure a thorough understanding of and compliance with antitrust and other laws and rules related to competition in each country where we do business. We do not engage in collusion with competitors to fix prices or sales/production volume to limit competition (cartels), or in bid-rigging. We do not employ unfair means to eliminate competitors from or block entry into the market.

To achieve this, we check the compliance status of our suppliers at the start of transactions and at regular audits.

Country/Area of origin

Argentina
 Australia
 Bolivia (Plurinational State of)
 Brazil
 Cambodia
 India
 Indonesia

Malaysia
Mexico
Paraguay
Thailand

Law and/or mandatory standard(s)

General assessment of legal compliance

Comment

Other - Coffee

Procedure to ensure legal compliance

The Ajinomoto Group's basic policy stipulates that both itself and its suppliers are required to comply with laws and regulations as follows.

We take steps to ensure a thorough understanding of and compliance with antitrust and other laws and rules related to competition in each country where we do business. We do not engage in collusion with competitors to fix prices or sales/production volume to limit competition (cartels), or in bid-rigging. We do not employ unfair means to eliminate competitors from or block entry into the market.

To achieve this, we check the compliance status of our suppliers at the start of transactions and at regular audits.

Country/Area of origin

Brazil
Colombia
Guatemala
Indonesia
Kenya
Lao People's Democratic Republic
Papua New Guinea
United Republic of Tanzania
Viet Nam

Law and/or mandatory standard(s)

General assessment of legal compliance
Brazilian Forest Code

Comment

F6.7

(F6.7) Are you working with smallholders to support good agricultural practices and reduce deforestation and/or conversion of natural ecosystems?

	Are you working with smallholders?	Type of smallholder engagement approach	Smallholder engagement approach	Number of smallholders engaged	Please explain
Timber products	No, not working with smallholders				<p>The Ajinomoto Group prioritizes the procurement of paper only and the popularization of purchasing FSC-certified paper.</p> <p>Rather than a direct approach to smallholders, Ajinomoto Group has focused on joining FSC by primary suppliers and converting raw materials to FSC certified paper.</p>
Palm oil	Yes, working with smallholders			1,000	<p>Ajinomoto Group companies in Thailand have also begun providing support to small farmers. For example, they are helping to expand modern palm farming by holding seminars on farming methods at cooperatives in rural areas. The number of small farmers engaged is estimated based on the number and scale of seminars.</p>
Cattle products	No, not working with smallholders				<p>Only traces to the country of origin have been completed yet, and no approach has been taken to smallholders in the supply chain.</p>
Soy	No, not working with smallholders				<p>Only traces to the country of origin have been completed yet, and no approach has been taken to smallholders in the supply chain.</p>

Other - Coffee	Yes, working with smallholders			100	<p>The Ajinomoto Group has the know-how to utilize by-products from the production of its own amino acids as fertilizer. We are conducting tests to utilize this high-value-added fertilizer for coffee cultivation by smallholders, and we are supporting smallholders with this initiative.</p> <p>We also aim to realize a cycle of purchasing and commercializing the grown coffee beans from such smallholders. The figures were estimated from the number of smallholders that is usually adopted in the fertilizer trial.</p>
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F6.8

(F6.8) Are you working with your direct suppliers to support and improve their capacity to comply with your forests-related policies, commitments, and other requirements?

	Are you working with direct suppliers?	Type of direct supplier engagement approach	Direct supplier engagement approach	% of suppliers engaged	Please explain
Timber products	Yes, working with direct suppliers	Supply chain mapping Capacity building	Supplier questionnaires on environmental and social indicators Supplier audits Organizing capacity building events Support suppliers to set their own no deforestation/conversion commitments across their entire commodity operation	100%	The Ajinomoto Group holds supplier briefing sessions twice a year for all primary suppliers, at which we explain Ajinomoto's sustainable procurement goals and seek suppliers' endorsement. We also use tools such as Sedex to collect

			Encourage suppliers to work collaboratively on sector, landscape, or jurisdictional initiatives		information on suppliers.
Palm oil	Yes, working with direct suppliers	Supply chain mapping Capacity building	Supplier questionnaires on environmental and social indicators Supplier audits Disseminating technical materials Organizing capacity building events Support suppliers to set their own no deforestation/conversion commitments across their entire commodity operation Encourage suppliers to work collaboratively on sector, landscape, or jurisdictional initiatives	100%	The Ajinomoto Group holds supplier briefing sessions twice a year for all primary suppliers, at which we explain Ajinomoto's sustainable procurement goals and seek suppliers' endorsement. We also use tools such as Sedex to collect information on suppliers. We also hold seminars for small farmers in Thailand to provide them with capacity-building opportunities so that sustainable palm oil production can take root.
Cattle products	Yes, working with direct suppliers	Supply chain mapping Capacity building	Supplier questionnaires on environmental and social indicators Supplier audits Organizing capacity building events		The Ajinomoto Group holds supplier briefing sessions twice a year for all primary suppliers, at which we explain Ajinomoto's sustainable procurement goals and seek suppliers' endorsement. We also use tools such as Sedex to collect information on suppliers.

Soy	Yes, working with direct suppliers	Supply chain mapping Capacity building	Supplier questionnaires on environmental and social indicators Supplier audits Organizing capacity building events Encourage suppliers to work collaboratively on sector, landscape, or jurisdictional initiatives		The Ajinomoto Group holds supplier briefing sessions twice a year for all primary suppliers, at which we explain Ajinomoto's sustainable procurement goals and seek suppliers' endorsement. We also use tools such as Sedex to collect information on suppliers.
Other - Coffee	Yes, working with direct suppliers	Supply chain mapping Capacity building	Supplier questionnaires on environmental and social indicators Supplier audits Disseminating technical materials Organizing capacity building events Investing in pilot projects		The Ajinomoto Group holds supplier briefing sessions twice a year for all primary suppliers, at which we explain Ajinomoto's sustainable procurement goals and seek suppliers' endorsement. We also use tools such as Sedex to collect information on suppliers.

F6.9

(F6.9) Are you working beyond your first-tier supplier(s) to manage and mitigate deforestation risks?

	Are you working beyond first tier?	Type of engagement approach with indirect suppliers	Indirect supplier engagement approach	Please explain
Timber products	Yes, working beyond first tier	Supply chain mapping	Supplier questionnaires on environmental and social indicators	In FY2021, we sent a survey sheet regarding the recognition of future FSC participation and certification including FSC to suppliers who have not joined FSC, and made efforts to raise the

			Supplier audits	awareness of suppliers through the exchange. As a result, it was found that some suppliers procure FSC-certified paper at the raw material stage.
Palm oil	Yes, working beyond first tier	Supply chain mapping Capacity building	On-site meetings with indirect suppliers Participating in workshops	In FY2021, the Ajinomoto Group companies in Thailand held several seminars for smallholders and provided agricultural guidance. Taking advantage of such ties with farmers, we are considering measures that will lead to RSPO conversion of suppliers after 2021.
Cattle products	No, not working beyond the first tier			We mainly send questionnaires to primary suppliers to check the grasp status of the supply chain.
Soy	No, not working beyond the first tier			We mainly send questionnaires to primary suppliers to check the grasp status of the supply chain. Major suppliers of oils and fats have begun efforts to secure traceability with other trading companies.
Other - Coffee	Yes, working beyond first tier	Supply chain mapping Capacity building		We mainly send questionnaires to primary suppliers to check the grasp status of the supply chain. Major suppliers of oils and fats have begun efforts to secure traceability with other trading companies. INOMOTO DO BRASIL INDÚSTRIA E COMÉRCIO DE ALIMENTOS LTDA. (ABR), a group company of Ajinomoto mainly sells coproducts such as AJIFOL® to coffee and fruit plantations in Brazil. More recently, we have seen a movement among plantations toward sustainable management, making a full-scale transition from chemical fertilizers to fertilizers from ABR. In fiscal 2020, we conducted tests on the high valueadded fertilizers Amino Proline and Amino Arginine. Results showed improved productivity of tomatoes and apples when compared to ordinary fertilizers

F6.10

(F6.10) Do you engage in landscape (including jurisdictional) approaches to progress shared sustainable land use goals?

	Do you engage in landscape/jurisdictional approaches?	Primary reason for not engaging in landscape and/or jurisdictional approaches	Please explain why your organization does not engage in landscape/jurisdictional approaches, and describe plans to engage in the future
Row 1	No, but we are planning to engage in landscape/jurisdictional approaches in the next two years	Lack of internal resources	There are still few commodities with a clear supply chain to the origin. For example, there are over 800 mills on the list for palm oil alone, which means that half of the mills in the world could be supplying the company. The company does not yet have the personnel for such an approach. We hope to begin such an approach when we have a clearer idea of where to start.

F6.11

(F6.11) Do you participate in any other external activities and/or initiatives to promote the implementation of your forests-related policies and commitments?

Forest risk commodity

Timber products

Do you participate in activities/initiatives?

Yes

Activities

Involved in multi-partnership or stakeholder initiatives

Country/Area

Japan

Subnational area

Not applicable

Initiatives

UN Global Compact

Global Reporting Initiative (GRI) Community Member

Forest Stewardship Council (FSC)

Other, please specify

The Consumer Goods Forum

Please explain

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Forest risk commodity

Palm oil

Do you participate in activities/initiatives?

Yes

Activities

Involved in multi-partnership or stakeholder initiatives

Country/Area

Japan

Subnational area

Not applicable

Initiatives

UN Global Compact

Global Reporting Initiative (GRI) Community Member

Roundtable on Sustainable Palm Oil (RSPO)

Other, please specify

The Consumer Goods Forum

Please explain

Forest risk commodity

Soy

Do you participate in activities/initiatives?

Yes

Activities

Involved in multi-partnership or stakeholder initiatives

Country/Area

Japan

Subnational area

Not applicable

Initiatives

UN Global Compact

Global Reporting Initiative (GRI) Community Member

Other, please specify

The Consumer Goods Forum

Please explain

Forest risk commodity

Cattle products

Do you participate in activities/initiatives?

Yes

Activities

Involved in multi-partnership or stakeholder initiatives

Country/Area

Japan

Subnational area

Not applicable

Initiatives

UN Global Compact

Global Reporting Initiative (GRI) Community Member

Other, please specify

The Consumer Goods Forum

Please explain

Forest risk commodity

Other - Coffee

Do you participate in activities/initiatives?

Yes

Activities

Involved in multi-partnership or stakeholder initiatives

Country/Area

Japan

Subnational area

Not applicable

Initiatives

UN Global Compact

Global Reporting Initiative (GRI) Community Member

Please explain

F6.12

(F6.12) Is your organization supporting or implementing project(s) focused on ecosystem restoration and protection?

No, but we plan to implement a project(s) in two years

F7. Verification

F7.1

(F7.1) Do you verify any forests information reported in your CDP disclosure?

No, we are waiting for more mature verification standards/processes

F8. Barriers and challenges

F8.1

(F8.1) Describe the key barriers or challenges to eliminating deforestation and/or conversion of other natural ecosystems from your direct operations or from other parts of your value chain.

Forest risk commodity

Timber products

Coverage

Supply chain

Primary barrier/challenge type

Limited availability of certified materials

Comment

The Ajinomoto Group prioritizes the procurement of FSC certified paper and 100% recycled paper. However, in some regions, the distribution of such sustainable paper is extremely low. For example, in the past, the distribution of certified and recycled paper was very low in Thailand, and the ratio of sustainable procurement was lower than in the Philippines and Indonesia. This situation improved considerably in FY2021, and sustainable paper procurement has advanced considerably. We believe that as these supply chain-wide efforts progress and the use of certified paper becomes more widespread, we will be closer to our goal.

Forest risk commodity

Palm oil

Coverage

Supply chain

Primary barrier/challenge type

Limited availability of certified materials

Comment

The Ajinomoto Group places a high priority on sourcing RSPO certified sustainable palm oil. However, such certified palm oil accounts for only about 20% of the world's palm oil, and in some regions it is even lower. On the other hand, in some regions, such as Peru, suppliers are joining the RSPO en masse. This makes sourcing sustainable palm oil much easier. This improvement in the RSPO status of suppliers is expected to greatly facilitate the procurement of sustainable palm oil. It is also important to encourage and support these efforts by suppliers, which is why we focus on supplier engagement.

Forest risk commodity

Cattle products

Coverage

Supply chain

Primary barrier/challenge type

Value chain complexity

Comment

Cattle products purchased by Ajinomoto include many extract products. Unlike beef, it is not easy to trace the supply chain of these beef extracts because they are often made from meat scraps from various origins. This complexity of the supply chain also makes it difficult to conduct due diligence activities.

Traceability of cattle products is starting with beef, and we hope that the best practices developed here can be extended to extracts as well.

Forest risk commodity

Soy

Coverage

Supply chain

Primary barrier/challenge type

Value chain complexity

Comment

The soybean products purchased by Ajinomoto are rarely whole soybeans, but rather processed soybean meal, soybean oil, soy sauce, and other products. In addition, more

than half of the soybean products procured by the Ajinomoto Group are used in Japan, but most of the soybean-derived ingredients are imported from overseas, and in this case the soybeans come in bulk shipments in a mixture from many different origins. Due to this supply chain structure, it is difficult to identify the origin in detail, making it more difficult to ensure traceability compared to other raw materials.

Forest risk commodity

Other - Coffee

Coverage

Supply chain

Primary barrier/challenge type

Lack of adequate traceability systems

Comment

In some coffee-producing regions, such as Tanzania and Ethiopia, coffee is auctioned on public markets instead of being traded bilaterally. Purchasing from such regions tends to disrupt market traceability, making it very difficult to purchase coffee beans that are tied to the production area or certified. Sustainable sourcing in these regions will be difficult unless market-wide traceability is introduced.

F8.2

(F8.2) Describe the main measures that would improve your organization's ability to manage its exposure to deforestation and/or conversion of other natural ecosystems.

Forest risk commodity

Timber products

Coverage

Supply chain

Main measure

Greater supplier awareness/engagement

Comment

Certified paper is becoming increasingly popular, but in some cases, even if the raw materials are certified, the final packaging material is not. In Japan, such cases are so pronounced that Ajinomoto even investigates paper packaging suppliers and their raw paper sources to confirm the sustainability of their paper packaging materials. Certification would also make it easier for such suppliers to obtain certified paper. For this reason, the Ajinomoto Group places great importance on supplier engagement.

Forest risk commodity

Palm oil

Coverage

Supply chain

Main measure

Greater supplier awareness/engagement

Comment

Some suppliers are eager to obtain traceability in their supply chains, while others are not, making it difficult for customers of the latter to ensure traceability. This polarization of suppliers is also evident in the Japanese market, which accounts for one-third of the palm oil used by the Ajinomoto Group. If suppliers become more aware of this situation and move to ensure traceability, procuring sustainable palm oil will become easier. We believe that industry-wide awareness-raising is therefore necessary, and we are emphasizing the activities of organizations such as The Consumer Goods Forum and the Japan Sustainable Palm Oil Network (JaSPON).

Forest risk commodity

Cattle products

Coverage

Supply chain

Main measure

Greater supplier awareness/engagement

Comment

Unlike suppliers of paper or palm oil, suppliers of livestock products may not yet be aware of the risks of deforestation. As suppliers become more aware and proactive in avoiding deforestation, it will become easier to obtain sustainable beef products. In addition, as this awareness is raised, they may be more willing to take steps to ensure traceability.

Forest risk commodity

Soy

Coverage

Supply chain

Main measure

Greater supplier awareness/engagement

Comment

Suppliers of soy products often deal with palm oil and are aware of the risk of deforestation, but unlike palm oil, they often have not yet started the process for soy. However, since the PDCA cycle has been completed for palm oil, it will be easier to

obtain sustainable soy products if this cycle is applied to soy and suppliers take proactive actions to avoid deforestation.

Forest risk commodity

Other - Coffee

Coverage

Supply chain

Main measure

Greater transparency

Comment

In markets where auctions are the mainstream, it is difficult to procure raw materials with traceability. If these market practices change, it will be easier to ensure traceability.

F17 Signoff

F-FI

(F-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.

n/a

F17.1

(F17.1) Provide the following information for the person that has signed off (approved) your CDP forests response.

	Job Title	Corresponding job category
Row 1	General Manager, Global Corporate Division and Corporate Service Division Member of the Board, Executive Officer & Senior Vice President	Board/Executive board

SF. Supply chain module

SF0.1

(SF0.1) What is your organization's annual revenue for the reporting period?

	Annual revenue
Row 1	1,149,370,000,000

SF1.1

(SF1.1) In F6.3 you were asked “Have you adopted any third-party certification scheme(s) for your disclosed commodity(ies)? Indicate the volume and percentage of your certified production and/or consumption”. Can you also indicate, for each of your disclosed commodity(ies), the percentage of certified volume sold to each requesting CDP supply chain member?

Don't know

SF1.1b

(SF1.1b) Why can you not indicate the percentage of certified volume sold to each of your requesting CDP supply chain members? Describe any future plans for adopting and communicating levels of certification to requesting members.

Requesting member

L'Oréal

Forest risk commodity

Palm oil

Primary reason

Levels of certification are not recorded at the corporate level

Please explain

In the case of B2B products, we can provide products using certified oil upon request.

Requesting member

Estee Lauder Companies Inc.

Forest risk commodity

Palm oil

Primary reason

Levels of certification are not recorded at the corporate level

Please explain

In the case of B2B products, we can provide products using certified oil upon request.

Requesting member

Walmart, Inc.

Forest risk commodity

Palm oil

Primary reason

Levels of certification are not recorded at the corporate level

Please explain

Most of products with palm oil for the EU B2C market use certified palm oil. In other regions, we can also provide products using certified oil upon request.

SF2.1

(SF2.1) Please propose any mutually beneficial forests-related projects you could collaborate on with specific CDP supply chain members.

Requesting member

L'Oréal

Commodity related to the project

Palm oil

Category of project

Certification

Type of project

Increase in coverage of commodity certified

Estimated timeframe for realization of benefits to customer

4-6 years

Details of project

Currently, we are working to ensure the traceability of palm oil used in chemical products.

Projected outcome

Traceability will be ensured with or without certification.

Requesting member

Estee Lauder Companies Inc.

Commodity related to the project

Palm oil

Category of project

Certification

Type of project

Increase in coverage of commodity certified

Estimated timeframe for realization of benefits to customer

4-6 years

Details of project

Currently, we are working to ensure the traceability of palm oil used in chemical products.

Projected outcome

Traceability will be ensured with or without certification.

SF2.2

(SF2.2) Have requests or initiatives by CDP supply chain members prompted your organization to take organizational-level action to reduce or remove deforestation/forest degradation from your operations or your supply chain?

No

SF3.1

(SF3.1) For your disclosed commodity(ies), do you estimate the GHG emission reductions and/or removals from land use and land use change that have occurred in your direct operations and/or supply chain?

Timber products

Estimate GHG emissions and removals from land use and land use change

No, but plan to do so in the next two years

Please explain

We plan to work on this as part of our response to TCFD and TNFD.

Palm oil

Estimate GHG emissions and removals from land use and land use change

No, but plan to do so in the next two years

Please explain

We plan to work on this as part of our response to TCFD and TNFD.

Cattle products

Estimate GHG emissions and removals from land use and land use change

No, but plan to do so in the next two years

Please explain

We plan to work on this as part of our response to TCFD and TNFD.

Soy

Estimate GHG emissions and removals from land use and land use change

No, but plan to do so in the next two years

Please explain

We plan to work on this as part of our response to TCFD and TNFD.

Other - Coffee

Estimate GHG emissions and removals from land use and land use change

No, but plan to do so in the next two years

Please explain

We plan to work on this as part of our response to TCFD and TNFD.

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please confirm below

I have read and accept the applicable Terms