

Environmental management

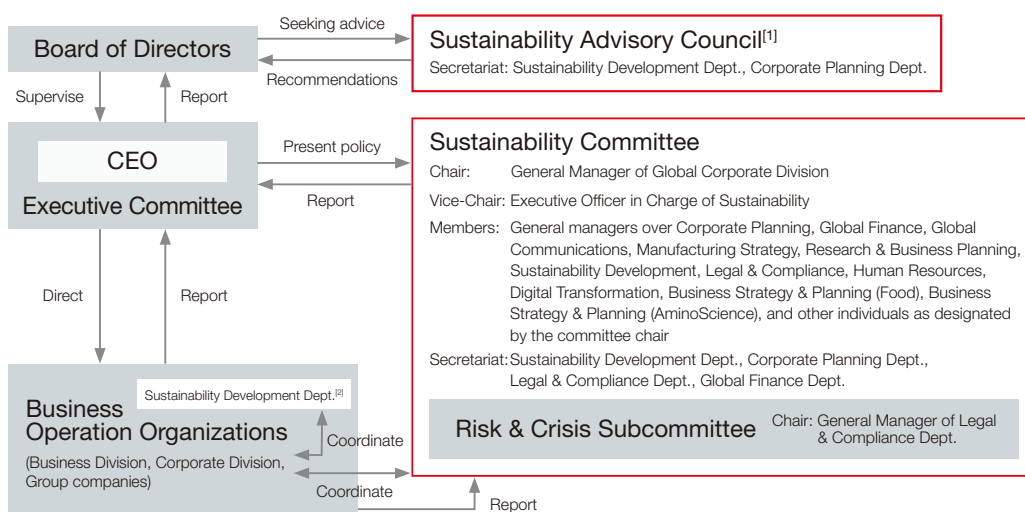
Framework

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> Group Shared Policy on Environment

Environmental management framework

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



[1] The council is made up of outside experts from various disciplines, such as academia, emerging country perspectives, millennial and Gen Z perspectives, ESG/impact investors, as well as outside directors, and internal officers of the Company, including the president & CEO.

[2] Works together with the Sustainability Committee to formulate policies and strategies, offers recommendations for business plans from a sustainability perspective, and conducts reviews of policies and implemented measures.

Management framework at group companies



Status of ISO 14001 certification

As of March 2022, the Ajinomoto Group has acquired ISO 14001 certification at 70 of subject 102 eligible factories. Even those companies not yet certified are conducting management based on the ISO 14001 approach.

Environmental Management

Environmental assessments

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

Environmental assessment items

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

Environmental audits

The Ajinomoto Group receives external audits for compliance with ISO 14001. In addition, locations experiencing issues are audited by the Ajinomoto Co., Inc. Manufacturing Strategy Dept. based on the Environmental Audit Outline. There were no sites subject to environmental audits in fiscal 2021.

Environmental Management

Performance

GRI307-1

Response to environmental laws and accidents

We established measures to quickly address any legal violations or accidents related to the environment. In fiscal 2021, there were three legal violations, and we made appropriate corrective actions in response to administrative guidance. There was one accident impacting the environment outside our worksites in Japan (one odor complaint) and two accidents overseas (one hydrochloric acid gas leak, one fluorocarbon leak). We reported these immediately to authorities and investigated their causes, taking necessary measures. We have established measures to quickly address any violations of environmental laws or accidents related to the environment.

Amount of fines paid

(yen)

Fiscal year	2018	2019	2020	2021
Amount of fines paid	0	0	0	0

Environmental education

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

■ Main programs in fiscal 2021 (Japan)

- Environmental law training (Seminar on trends in revisions to laws)
- Training on waste treatment laws

In addition to the above, we conducted training with technology-related staff before postings overseas, ensuring they understand environmental management. We also carried out education at each employee grade.

Performance

Environmental Management

Material balance

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

Total Scope 1 and 2 GHG emissions for fiscal 2021 were significantly lower than the previous year. Main reasons for this progress in reductions was direct contracts with renewable energy power plants in Brazil, procurement of renewable energy certificates in Thailand, and contracts with power companies with low CO₂ emission factors in Japan.

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

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

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

INPUT

	FY2018	FY2019	FY2020	FY2021
Main raw material (kt)	1,548	1,439	1,282	1,137
Sub raw material (kt)	2,901	2,378	2,069	2,006
Acids/alkalis (kt)	501	486	482	421
Other (kt)	2,400	1,892	1,588	1,585
Packaging material ^[1] (kt)	276	251	244	259
Plastic ^[1] (kt)	69	72	70	69
Paper, cardboard (kt)	177	154	148	165
Other (kt)	31	25	26	24
Fuel (TJ)	28,680	25,230	24,494	24,557
Oil (TJ)	2,141	1,802	1,653	1,556
Coal (TJ)	4,703	2,314	3,157	3,593
Biomass (TJ)	7,330	7,129	6,875	7,132
Natural gas (TJ)	14,506	13,985	12,809	12,277
Purchased electricity (TJ)	7,834	7,588	7,200	4,440
Purchased electricity (derived from renewable energy) ^[2] (TJ)	42	38	68	2,174
Purchased steam, etc. (TJ)	1,954	1,801	1,800	563
Water (1,000 kl)	69,892	66,926	64,406	59,979
Surface water (1,000 kl)	20,672	19,630	17,004	17,259
Municipal water (1,000 kl)	6,375	6,210	5,316	5,152
Municipal water (Industrial) (1,000 kl)	27,766	26,717	29,041	23,794
Ground water (1,000 kl)	15,076	14,366	13,041	13,769
Other (rainwater, etc.) (1,000 kl)	3	3	4	4
Transportation distance (km)	2,756	2,804	2,872	2,886
Use (soups, frozen foods, coffee) (t)	556,549	596,264	603,420	583,737

[1] The scope of the total has been reviewed with the starting of the plastics project, and the actual values for plastics for FY2019 and beyond have been revised.

[2] The scope of the tabulation was revised to include purchases of renewable electricity certificates.

GRI301-1

GRI302-1

GRI302-2

GRI302-4

GRI303-3

> Environmental
Data
Assurance
Statement

> Environmental
Data
For produce
carbon footprint
value

> Environmental
Data
Composition of
consumed energy

> CDP Climate
Change

GRI102-48

Environmental Management

GRI305-1
GRI305-2
GRI305-3

OUTPUT

(t-CO₂e)

	FY2018	FY2019	FY2020	FY2021
Scope 3 Category 1: Raw materials	8,115,946	7,784,783	7,614,734	6,960,412
Scope 1:	1,196,969	1,013,315	1,008,811	1,005,363
Scope 3 Category 3: Production	381,765	625,142	630,823	583,499
Scope 2:	Market-based method 1,015,723 Location-based method 1,026,764	Market-based method 960,375 Location-based method 978,066	Market-based method 901,789 Location-based method 910,791	Market-based method 606,594 Location-based method 622,059
Scope 3 Category 4: Transport	1,274,589	1,256,044	1,210,741	1,121,673
Scope 3 Category 11: Use	1,294,392	1,353,234	1,355,477	1,396,947
Scope 3 Category 12: Disposal	443,333	431,048	425,003	409,500
Scope 3 Category 2: Capital goods	249,944	255,910	262,711	232,674
Scope 3 Category 5: Waste generated in operations	140,678	85,666	85,714	92,884
Scope 3 Category 6: Business travel	4,479	4,486	4,226	4,350
Scope 3 Category 7: Employee commuting	16,206	16,231	15,292	15,740
Scope 3 Category 8: Upstream leased assets	Included in category 1	Included in category 1	Included in category 1	Included in category 1
Scope 3 Category 9: Downstream transportation and distribution	3,780	3,503	3,183	3,448
Scope 3 Category 10: Processing of sold products	8,161	5,517	179,801	126,716
Scope 3 Category 13: Downstream leased assets	0	0	0	0
Scope 3 Category 14: Franchises	0	0	0	0
Scope 3 Category 15: Investments	0	0	0	0
Scope 3 total	11,933,273	11,821,564	11,787,705	10,947,844
Scope 1, 2 and 3 total	14,145,965	13,795,254	13,698,305	12,599,801

Data calculation

Scope of reporting: All 142 business sites covered by ISO 14064-1 (100%)

Reporting period: April 1, 2021 to March 31, 2022

The Ajinomoto Group refers to ISO 14064-1 and uses the latest CO₂e emission factor to calculate the CO₂e emissions in the above material balance table. These CO₂e emissions are independently verified in accordance with ISO 14064-3 requirements by LRQA Limited.

Environmental Management

GRI301-DMA

> P85

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

Flow of inputs and outputs through the value chain

