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Editorial policy

GRI2-2, GRI2-3

Beginning this year, we changed the name of this publication from *Sustainability Data Book* to *Sustainability Report*. The Sustainability Report is a report that describes the Ajinomoto Group's approach to sustainability and initiatives from the perspectives of health and nutrition, environment (E), society (S), and governance (G), along with numerical data. We hope this report, in combination with our *ASV Report* (integrated report), enhances the understanding of our stakeholders, including shareholders and investors, related to our approach to sustainable value creation.

This report conforms to GRI standards.

Organizational scope

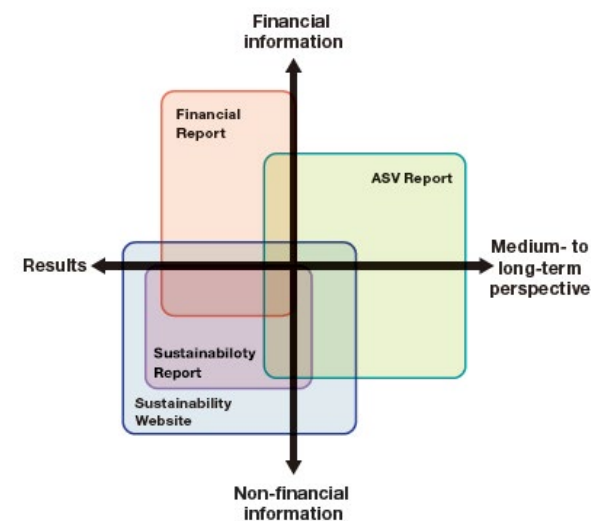
This report covers the activities of the Group, comprising, unless otherwise noted, Ajinomoto Co., Inc. ("the Company") and its consolidated subsidiaries and equity-method affiliates (as of March 31, 2023). When comprehensive Group information is not available, the data parameters are explicitly defined.

Period covered by this report

Fiscal 2022 (April 1, 2022 to March 31, 2023)

Past circumstances, data, and recent cases outside of this time period are presented when appropriate.

[Related material system]



More detailed information is available on our corporate website.

<https://www.ajinomoto.com/sustainability/>

Dear stakeholders

GRI2-22



Taro Fujie

President & Chief Executive Officer

From a starting point in research into amino acids, the Ajinomoto Group's growth has been driven by "AminoScience"*. Our story began in 1908, when Dr. Kikunae Ikeda, who wanted to improve the nutrition of the Japanese people, discovered umami, and company founder Saburosuke Suzuki commercialized it as the product AJI-NO-MOTO® in 1909. Even now, over a century later, the founding aspiration of "Eat well, Live well." is being carried forward in the form of Ajinomoto Group Creating Shared Value (ASV), an initiative aimed at co-creating both social value and economic value while helping to resolve social issues.

In the rapidly changing and unpredictable business environment of today, the our Purpose in which we are grounded is becoming all the more important. Looking beyond our past purpose of "unlocking the power of amino acids to resolve food and health issues," we have now

evolved the Ajinomoto Group's purpose to contribute to the well-being of all human beings, our society and our planet with "AminoScience". This Purpose is by no means limited to the beliefs of our management, but rather reflects the spontaneous aspirations of the Ajinomoto Group employees around the world and our determination to meet the expectations of our many and diverse stakeholders, including the Sustainability Advisory Council. In line with the evolution of our Purpose, we have also evolved "Our Philosophy."

> [Our Philosophy](#)

In April 2021, we established the Sustainability Advisory Council to pursue long-term sustainability issues and sustainable value creation, and has been engaged in dialogue with various stakeholders to realize our vision and

increase long-term corporate value. Then, we established important issues that the Ajinomoto Group should address from a long-term perspective. Going forward, we will engage in dialogue with stakeholders, all the while taking measures and making disclosures regarding specific initiatives, KPIs, etc. as part of our management strategy. By 2030, we will achieve two outcomes, "help extend the healthy life expectancy of one billion people," and "reduce our environmental impact by 50%", by addressing both health and nutrition issues and contributing to the environment through the food system.

Our corporate slogan, "Eat Well, Live Well." is an expression of the Ajinomoto Group's determination not only to deliver even better taste to people around the world, but also to contribute to solving the food, medical, environmental problems facing human beings, and realization of Smart Society via scientific efforts to promote health through daily meals and via "AminoScience." To achieve "Eat Well, Live Well." by going beyond resolving food and health issues and contributing to the well-being of all human beings, our society and our planet with "AminoScience", we will continue to hone our initiatives, driven by the diverse stakeholders who share the purpose and heartfelt passion of each of our employees. Through dialogue, we will push ahead to achieve ASV and will strive to dramatically and continuously enhance our corporate value.

* A collective term for the various materials, functions, technologies, and services derived from research and implementation processes with a rigorous focus on the function of amino acids. It also refers to the Ajinomoto Group's unique scientific approach to connect these to resolving social issues and contributing to well-being.

Contributing to the well-being with “AminoScience”

GRI2-22



Chika Morishima

Chika Morishima

Executive Officer & Vice President, In charge of Sustainability and Communications

The Ajinomoto Group’s fundamental management policy is the management through ASV (Ajinomoto Group Creating Shared Value). ASV is our commitment to co-creating social value and economic value through our businesses. It means that we are incorporating sustainability into our management foundation. In other words, sustainability is not a topic that a business should take into consideration, but rather something to integrate into the very underpinnings of management and business.

In February 2023, we revised the Ajinomoto Group’s important issues (Materiality). The revised Materiality reflects the capabilities, key perspectives, and values necessary for the Group to sustainably create value from a long-term and multi-stakeholder perspective, looking ahead to the year 2050.

Also in February 2023, the Group has advanced our

Purpose to ‘contributing to the well-being of all human beings, our society and our planet with “AminoScience.” Our Purpose and Materiality are connected closely. And the initiatives tied to Materiality are truly ASV initiatives to achieve our Purpose.

To achieve this Purpose, we pursue efforts toward two outcomes to meet by the year 2030: (1) help extend the healthy life expectancy of 1 billion people and (2) reduce our environmental impact by 50%. We see initiatives for healthy nutrition toward extending healthy life expectancies and initiatives toward reducing our environmental impact as linked intrinsically by the food system. By working on both together, we contribute to building a sustainable and sound food system.

Our unique approach to improving nutrition is *Nutrition Without Compromise*, aiming to help reduce salt intake,

intake various proteins, and offer nutritionally balanced meals. We also participate actively in government projects and engage with international organizations to link the strengths of Japanese nutrition improvement initiatives, which considers nutrition through menu options and comprehensive meal plans, to solutions for global nutrition issues.

In terms of environmental impact reduction, we seek to achieve net zero GHG emissions by the year 2050. In addition, we established task forces under the Sustainability Committee consisting of members from business departments, overseas affiliates, and factories. These task forces work to eliminate plastic waste, reduce food loss and waste, procure sustainable ingredients, reduce water usage, and conserve biodiversity.

As each of these sustainability initiatives affect others, we must take a holistic approach. And we hope to contribute to the well-being of all humans, our society and our planet by leveraging the Ajinomoto Group strengths in “AminoScience” and engaging in unique the Group initiatives.

As an example, amino acid fermentation is a core technology of the Group. For more than 40 years, the Group has effectively utilized essentially 100% of the nutrient-rich co-products of amino acid production as fertilizers. We continue to strengthen the development of our biostimulant business by expanding co-products applications. In our Customized Feed Solution business that utilizes amino acids, we have evolved our efforts to reduce dairy farm GHG (methane) emissions. Today, we conduct more impactful initiatives than ever. These contributions are truly unique Ajinomoto Group inputs into the food system. We will continue to make the most of the Group strengths in “Amino Science” to reduce our environmental impact and make a more positive contribution to the environment.

Ajinomoto Group Vision

Our Philosophy

Approach

GRI2-23

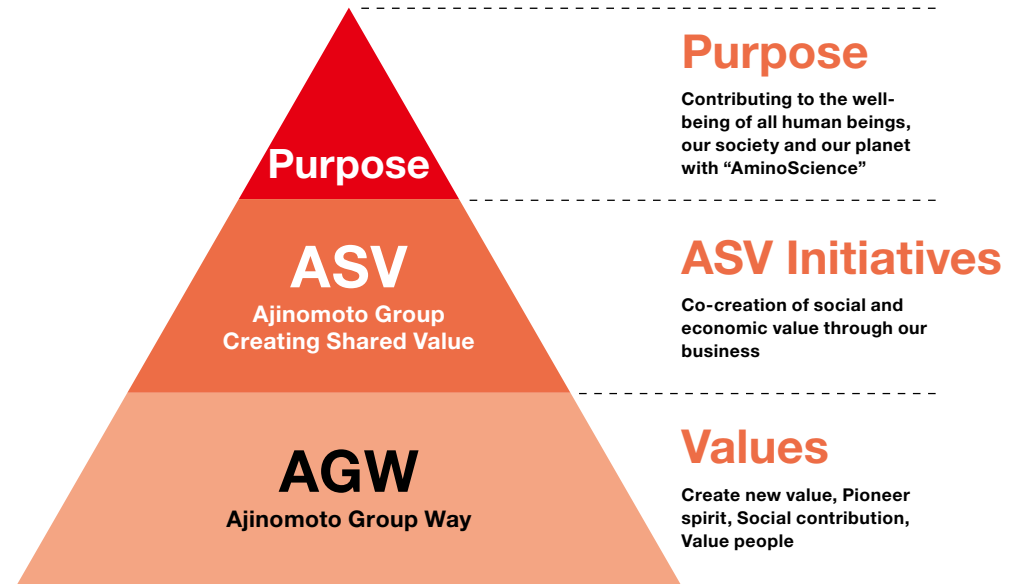
Since our founding, the Ajinomoto Group has engaged consistently in initiatives to solve social issues through our businesses. These initiatives create economic value, solve social issues, and lead to growth.

We call these initiatives ASV (The Ajinomoto Group Creating Shared Value), and they serve as the core of how we will achieve our purpose.

In February 2023, The Ajinomoto Group has advanced our Purpose from “Unlocking the power of amino acids to resolve the food and health issues” to “Contributing to the well-being of all human beings, our society and our planet with ‘AminoScience’.” This new Purpose reflects our desire to leverage the unique Ajinomoto Group strengths in “AminoScience”, not only to solve food and health issues, but also to contribute to well-being. As its Purpose evolves, we have revised Our Philosophy to be more concise and clear.

> [Our Philosophy](#)

Corporate Slogan Eat Well, Live Well.



Ajinomoto Group Vision

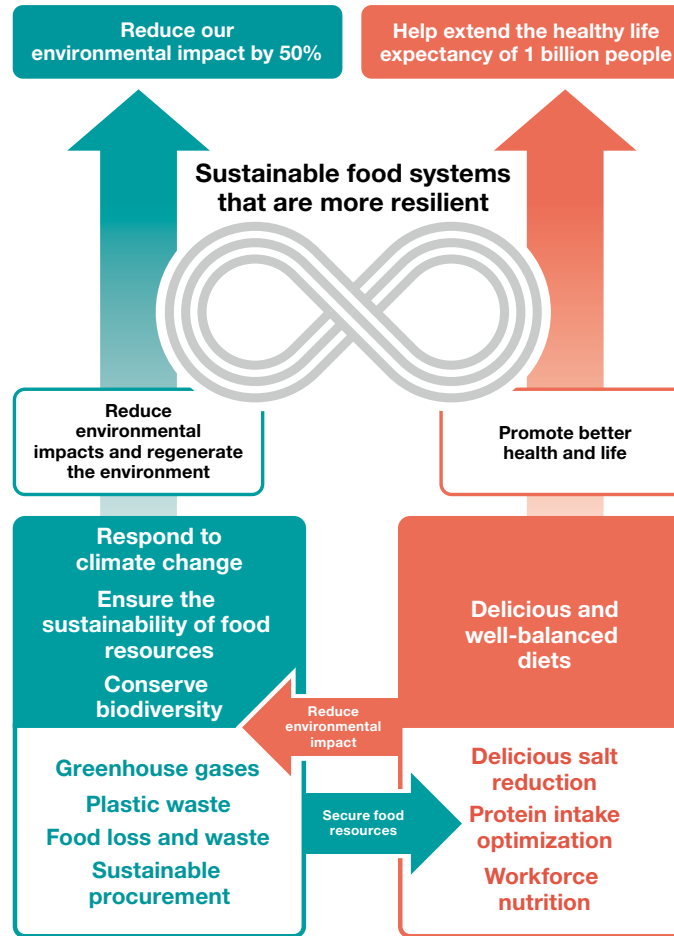
Vision for 2030 of the Ajinomoto Group

Approach to sustainability toward 2030 outcomes

Our goal as the Ajinomoto Group is contributing the well-being of all human beings, our society, and our planet with “AminoScience”. To this end, we believe it is necessary to achieve two outcomes by 2030, namely, to help extend the healthy life expectancy of 1 billion people and to reduce our environmental impact by 50%.

The business of the Ajinomoto Group is supported by sound food systems⁽¹⁾, or in other words, stable access to food resources and a verdant natural environment supporting these resources. At the same time, our business operations also have a major impact on the environment. Today, as the planet’s environment is reaching a tipping point, our ability to take action to regenerate the environment is an urgent issue for the continuity of the Group’s business operations. By addressing climate change, ensuring the sustainability of food resources, and conserving biodiversity to reduce our environmental impacts, we can sustainably execute initiatives for healthier, better living aimed at extending healthy life expectancy. Through our business activities, we provide products and services that are tasty, nutritionally balanced, and of benefit for people’s dietary habits, and that further promote a reduced environmental impact caused by greenhouse gases, plastic waste, and food loss and waste. Also, through our resource recycling-based amino acid fermentation process (a bio-cycle), we contribute to sustainable food systems that are more resilient and to regeneration of the global environment. Furthermore, we will maximally leverage our strength in “AminoScience”, and transform food systems through innovation and building ecosystems.

- > Medium-Term ASV Initiatives (Management Policy)
- > Sustainability Approach and Structure



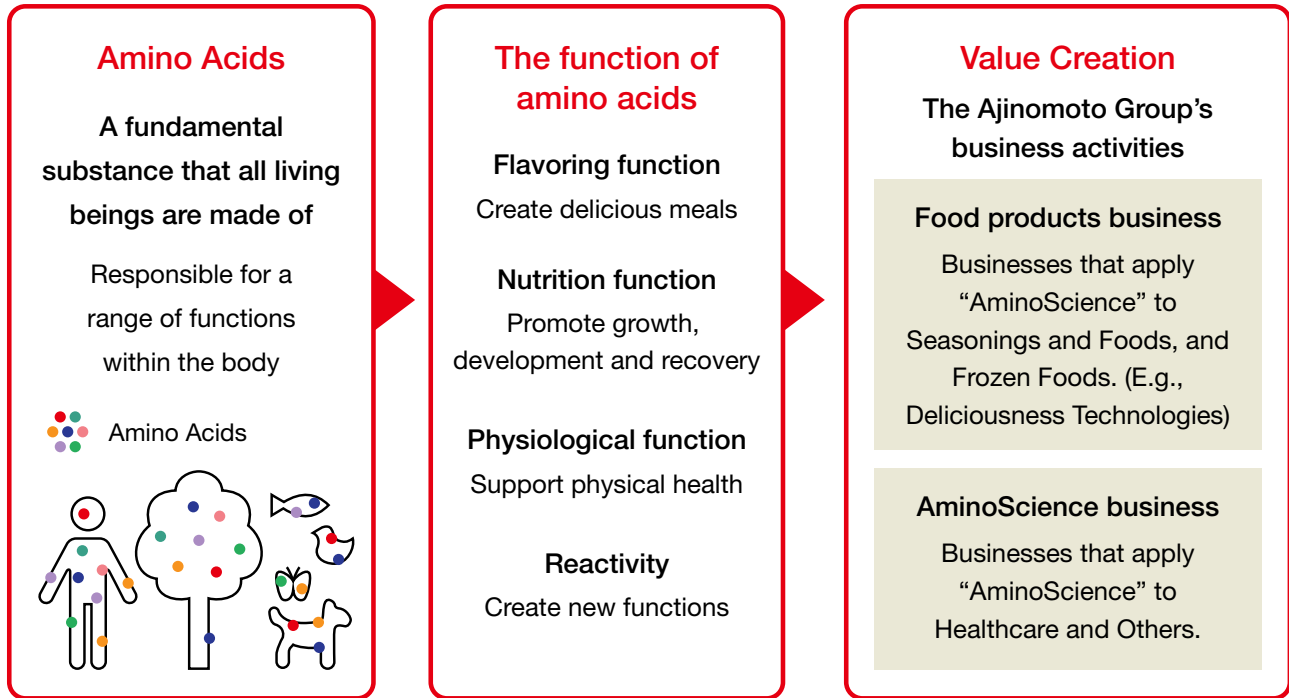
Ajinomoto Group Vision

“AminoScience”

Approach

“AminoScience” is a collective term for the various materials, functions, technologies, and services derived from research and implementation processes with a rigorous focus on unlocking the power of amino acids. It also refers to the Ajinomoto Group’s unique scientific approach to connect these to resolving social issues and contributing to well-being. “AminoScience” is one of the sources of the Ajinomoto Group’s competitive advantage not easily imitated by other companies.

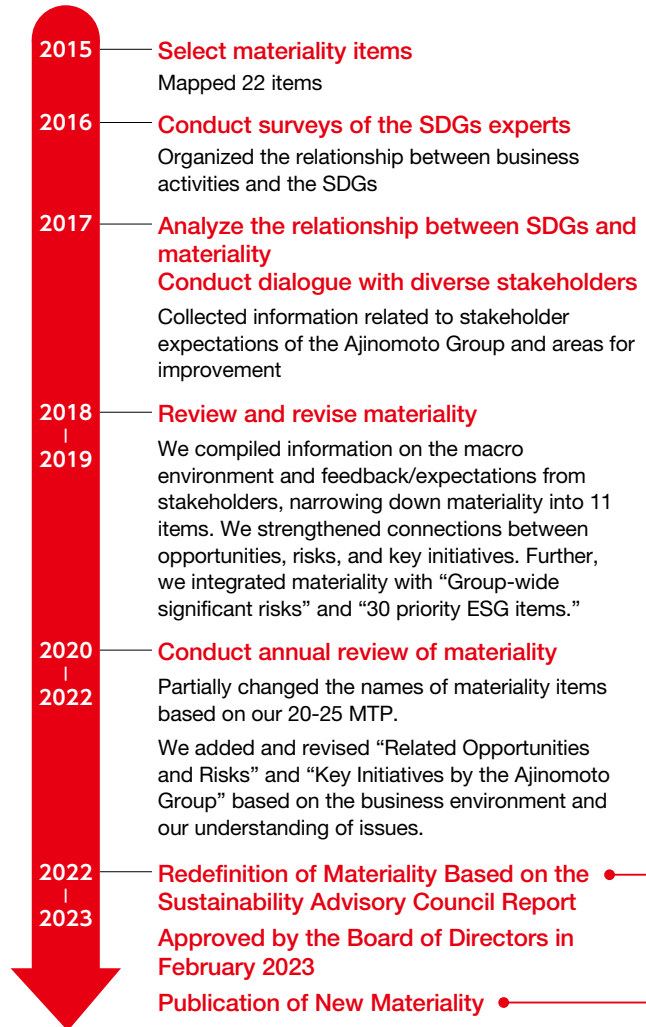
- > Amino Acids
- > ASV Report 2023 P006



Identification process of important issues (Materiality) for the Ajinomoto Group

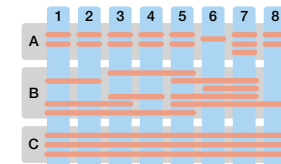
GR13-1

The Ajinomoto Group identifies its important issues (Materiality) that have a substantial impact on our ability to create value in the short, medium, and long term through ASV management, taking into account changes in the macro environment for 2050. Once we identify opportunities and risks from materiality, we clarify their importance and priority, and then reflect these matters in our business activities.



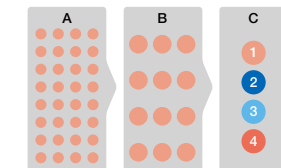
We gave input to the Sustainability Advisory Council on how the executive side of business views 2030 and beyond. The Council then discussed and provided feedback to the Board of Directors, which then reviewed and approved the redefinition in February 2023. Members of the Council included outside experts representing various fields and outside specialists with outstanding knowledge and perspective in important fields.

STEP 1 Identifying issues and opportunities



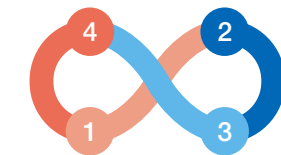
These members of the Sustainability Advisory Council in the first quarter identified 28 key issues and opportunities on behalf of their respective positions.

STEP 2 Classifying issues and opportunities



Members then further classified these issues and opportunities into four domains, after grouping them into 12 higher-order requirements.

STEP 3 Organizing connections



The Ajinomoto Group organized the connections between each of these issues and opportunities as our process to achieve sustainable transformation and innovation. This unique way of organizing the issues goes beyond organizing to show countermeasures from a long-term perspective.

[More details on the following page.](#)

> Sustainability Advisory Council First Phase: Report to the board of directors

Materiality Relation Chart

Important issues (Materiality) for the Ajinomoto Group are essential to the Group’s ability to continue co-creating social value and economic value over the long term.

The following is our Materiality Relation Chart, which organizes important issues and their relation to increase corporate value from a long-term perspective.

This chart shows how we approach sustainable growth by connecting the power and potential of “AminoScience” (Scientific Possibilities) with the power of stories (Story of Wellbeing) that contribute to the wellbeing of people, society, and our Planet and creating a cycle. We will (1) hone our co-creation capabilities, (2) take the seikatsusha perspective (3) achieve wellbeing, and (4) return co-created shared value through our business activities.

The loop that connects these elements symbolizes infinity. By continuing to connect and rotate elements (1) through (4) on this loop, we will continue to co-create social and economic value in a sustainable manner.

Hone ① co-creation capabilities, take the ② seikatsusha* perspective while achieving ③ well-being and, through our business activities return co-created ④ shared value .

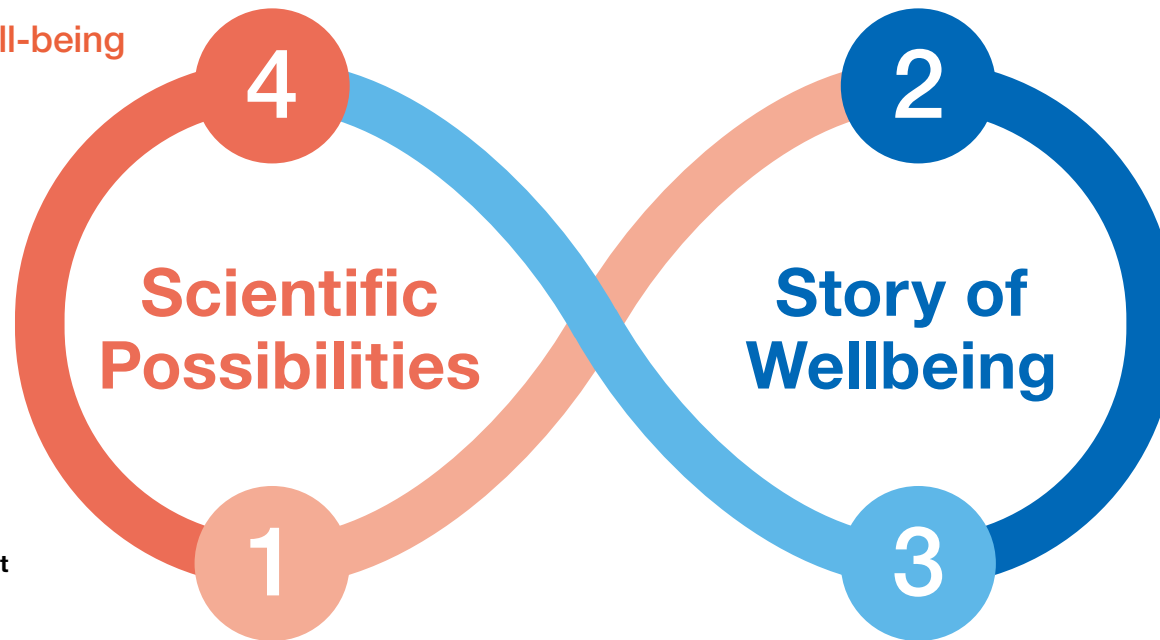
“AminoScience” for Well-being

4. Shared value (ASV)

- 4.1 Living well
- 4.2 Co-wellbeing
- 4.3 Value creating solutions

1. Co-creation

- 1.1 Transformative innovation capability
- 1.2 Transparent & objective
- 1.3 Constructive engagement for co-creation



2. Seikatsusha* perspective

- Holistic & inclusive perspective 2.1
- Local community perspective 2.2
- Future generation perspective 2.3

3. Wellbeing

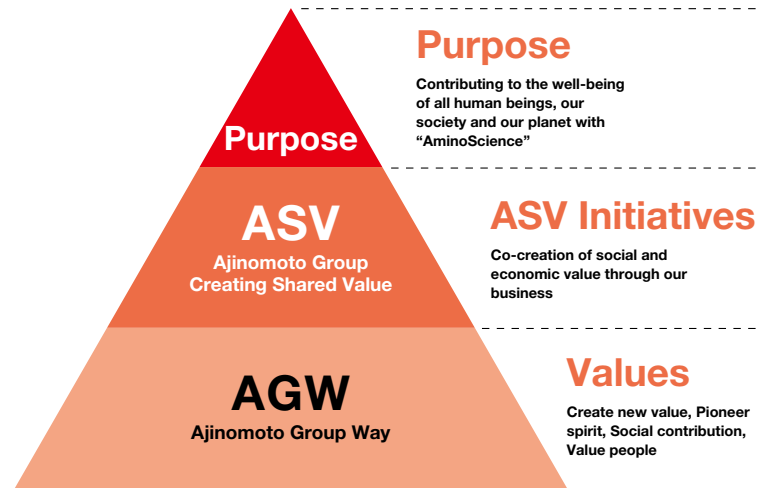
- Human wellbeing 3.1
- Community wellbeing 3.2
- Planetary wellbeing 3.3

* “Seikatsusha” is a unique Japanese concept that, unlike partial concept of “consumer” used in business and “citizen” used in political science, seeks to define people holistically. A seikatsusha is a person with agency who defines their own life priorities based on their own (shared) interpretation of their communities’ values and long-term interests. A seikatsusha is the ultimate and most fundamental stakeholder representing humans living together in society.

Important issues (Materiality) for the Ajinomoto Group GRI3-2

Important issues (Materiality) for the Ajinomoto Group are formulated through a process that reflects the thoughts of management and employees, as well as the expectations of various stakeholders. Materiality is closely intertwined with our business strategy and deeply connected to our purpose and initiatives in the field. We organized and formulated initiatives, goals and KPIs, as well as risks and opportunities relating to materiality to achieve its purpose. Going forward, we will implement and work on ASV management within the Ajinomoto Group.

Corporate Slogan Eat Well, Live Well.



"AminoScience" for Well-being

4. Shared value (ASV)

- 4.1 Living well
- 4.2 Co-wellbeing
- 4.3 Value creating solutions

1. Co-creation

- 1.1 Transformative innovation capability
- 1.2 Transparent & objective
- 1.3 Constructive engagement for co-creation

2. Seikatsusha* perspective

- Holistic & inclusive perspective **2.1**
- Local community perspective **2.2**
- Future generation perspective **2.3**

3. Wellbeing

- Human wellbeing **3.1**
- Community wellbeing **3.2**
- Planetary wellbeing **3.3**



Fourteen Key Risks and Opportunities

Key Initiatives

Initiatives and KPIs to achieve our purpose on important issues (Materiality) for the Ajinomoto Group and the risks and opportunities based on them.

Materiality

Important Issues (Materiality) for the Ajinomoto Group (The 12 Requirements of Materiality and Their Explanations)

Important Issues (The 12 Requirements of Materiality)	Explanation
1.1 Transformative innovation capability	Promote the advancement & application of the "AminoScience" (including Bio Science) to enable innovations to promote food system quality, resilience & sustainability.
1.2 Transparent & objective	Promote governance structures essential for creating & promoting social & environmental issue solutions & assume an active role in the setting of standards to evaluate & measure social & economic value creation.
1.3 Constructive engagement for co-creation	Holistically promote the long-term development of local communities by serving as an honest platformer that enables the efficient use of local assets & resources embedded within platforms of global knowledge.
2.1 Holistic & inclusive perspective	Create a seikatsusha perspective oriented R&D capability that empowers individuals to realize their own subjective wellbeing.
2.2 Local community perspective	Create & promote food products & production that enables local rights, promotes interests based upon understanding & respect for culture & values.
2.3 Future generations perspective	Understand the challenges posed for life stages within future demographics & promote awareness of & enable lifestyles of long-term health through nutrition-based solutions.
3.1 Human wellbeing	Promote & support human wellbeing as a right through business activity both short & long term.
3.2 Community wellbeing	Promote & support the wellbeing of individuals by contributing to the attainment of fulfillment & reward in both life & work.
3.3 Planetary wellbeing	Promote the availability, access & utilization of food in a manner which ensures sustainability on a global scale.
4.1 Living well	Empower current & future generations to express, co-create & realize healthy lifestyles in a manner free of trade-offs & compromise.
4.2 Co-wellbeing	Create & promote sustainable business models based on value chains wherein value is created & shared in manner which promotes wellbeing among people regardless of differences in regional location, resources & capabilities.
4.3 Value creating solutions	Leverage core capabilities as a business to create scalable & collaborative solutions that promote regenerative food systems & societies.

Materiality

Risks and Opportunities Relating to Important Issues (Materiality) for the Ajinomoto Group

Major risks and opportunities (○ Opportunity ● Risk)		Related materiality requirements	
No.1	“AminoScience”	○ Opportunities for business growth by leveraging the Ajinomoto Group’s strength in “AminoScience,” opportunities to contribute with “AminoScience” anticipating the evolution of modalities in markets ● Risk of failing to keep pace with the evolution of modalities in markets with “AminoScience” alone	1.1
No.2	Brand	● Risk of negative information about MSG and sweeteners spreading, leading to damage to the corporate brand ○ Opportunities for business growth by leveraging strong, locally-rooted brand power	1.2
No.3	Human resources	● Risk of inability to secure human resources needed for innovation and business activities due to imbalance between human resource supply and demand ○ Opportunities for human resources who resonate with our purpose to scale co-creation value through proactive investment in human resources focused on diversity and taking on challenges.	1.1 2.1 3.1 3.2 4.3
No.4	Collection and quantification of on-financial data	○ Opportunities for facilitating participation in the creation and deployment of effective standards through technological innovation enabling the collection of nonfinancial data that previously could not be measured or analyzed and contributing to the development of quantification methods allowing for opportunity assessment ● Risk of missing business opportunities due to delays in addressing increasing social value assessment/measurement levels (social demands)	1.2
No.5	Rise of the SDGs-native generation, spread of social media, and future orientation	● Risk of being cast aside by young people leading to curtailed business growth and risk of deliciousness no longer being an important element of food ○ Opportunities to facilitate the creation of an ecosystem for realizing regenerative food systems with increased momentum for co-creation of sustainable solutions with other companies and institutions that exist in food systems	2.3 3.3 4.3
No.6	Climate change, resource depletion	● Risk of difficulty in procuring raw materials, providing food to seikatsusha (consumers), and continuing business, risk of difficulty in realizing regenerative food systems due to the environmental impact of climate change and animal resource depletion issues (the protein crisis, etc.) making it impossible to ensure global sustainability	1.3 3.1 3.3 4.1 4.3
No.7	Technological innovation (food, agriculture, environment, digital sector)	○ Opportunities to expand the range of solutions for realizing regenerative food systems, opportunities to promote the spread of technologies that contribute to healthy lifestyles, such as agricultural produce with high nutritional value, opportunities to facilitate the formation of a broad value chain through the shift to digital technologies and the introduction of AI technologies ● Risk of curtailed business growth or loss of business opportunities due to delays in addressing technological advances related to food (e.g., automated cooking, cultured meat, etc.)	1.2 2.3 3.2 3.3 4.1 4.2 4.3
No.8	Sustainability consumption/habits	● Risk of inability to absorb investments/costs due to failure of converting sustainability-related initiatives into economic value as a result of conventionalization of sustainability consumption/habits, and risk of delay in acceptance by consumers and societies in some regions due to the respective advance of sustainability and green technologies that are constantly evolving	1.1 2.1 2.2 3.1 3.2 3.3 4.3
No.9	Population growth, capital inflows to developing countries	○ Opportunities for increased demand for health and nutrition-based solutions due to global population growth and increased capital inflows from public institutions to developing countries, opportunities for significant expansion of the healthcare market, opportunities to encourage co-creation of solutions, including in emerging countries	2.3 4.1 4.2 4.3
No.10	Laws and regulations	● Risk of difficulty in continuing business due to development of regulations and inability to choose renewable energy options in some regions ○ Opportunities for business created by appropriate compliance with laws and regulations related to improving food system resilience	1.1 1.3 3.1 3.3 4.2
No.11	Governance	● Risk of discontinuing business due to non-compliance, inadequate quality and safety controls which could lead to poor basic risk management ○ Opportunities that arise from the accumulation of trust from stakeholders through the continuation of safety, quality, and environmental management activities that are unique to our company.	1.2 2.2 3.1
No.12	Pandemics, political conflicts	● Risk of difficulty in promoting innovation and conducting business activities due to supply shortages resulting from pandemics, the invasion of Ukraine, etc., risk of stagnation in the penetration and development of Group-wide and business strategies due to restrictions on information sharing across countries resulting from political conflicts, trade wars, etc.	1.1 1.3 2.2 3.1 3.2 4.1 4.2 4.3
No.13	Terrorism/coups d’etat	● Risk of local executives and expatriates being detained and risk of being unable to continue business activities in particular countries due to terrorism/coups d’etat	1.1 1.3 2.2 4.2
No.14	IT Security, Intellectual Property	● Risk of leak or loss of strategic or confidential information, etc. due to inadequate knowledge management or rapid technological innovation, and risk of security vulnerabilities due to becoming a target of cybercrime ○ Opportunities for further competitive advantage and boosting business growth by strengthening intellectual property strategy, including building an intellectual property portfolio from a global perspective	1.1 1.2

Materiality

Key Initiatives and KPIs Related to Important Issues (Materiality) for the Ajinomoto Group

Materiality	Initiatives	Expected Level of Achievement (Goals and KPIs ^[1])	Risks and Opportunities	
Human wellbeing (3-1)	2-3 Future generation perspective 4-1 Living well	<p>< Goals ></p> <ul style="list-style-type: none"> • Provide solutions for B2B customers • Collaborate with local stakeholders to solve food and health issues • Promote Ajinomoto Group Nutrition Profiling System (ANPS) that quantifies the nutrition value <p>< Ongoing ></p> <ul style="list-style-type: none"> • Increase the percentage of products that have improved their nutritional value 56% (2022) ▶ 60% (2030) • Increase the number of people reached with products that promote "delicious salt reduction" and "protein intake optimization" 340 million per year (2022) ▶ 400 million per year (2030) • Increase the availability of products that utilize the physiological and nutritional functions of amino acids 1.1 times compared to 2020 (2022) ▶ 2 times compared to 2020 (2030) 	No.1 No.4 No.5 No.8 No.9 No.10	
	4-3 Value creation solution	< Goals >	No.1	
	1-1 Transformative innovation capability 1-3 Constructive engagement for co-creation	<ul style="list-style-type: none"> • Deliver solutions in the healthcare sector (from medicinal amino acids to advanced bio-pharma, and cell therapy business) <p>< Goals ></p> <ul style="list-style-type: none"> • Provide foods and ingredients made with materials and production methods with low environmental impact (cultured meat, plant-based foods, etc.) 		
	2-1 Holistic & inclusive perspective 4-1 Living well	④ By encouraging the joy of cooking and eating together, contribute to individuals' emotional enrichment and subjective well-being	<p>< Goals ></p> <ul style="list-style-type: none"> • Quantify how much cooking and eating together contribute to well-being (study the relationship) and promote products that have high contribution to well-being 	No.4 No.5
		⑤ Contribute to consumers' self-actualization through our products and services that cater to each individual	<p>< Goals ></p> <ul style="list-style-type: none"> • Develop a highly personalized experience for consumers through a deep understanding of their needs and behaviors 	No.8

[1] Certain qualitative goals are included under Goals and KPIs based on characteristics of their respective initiatives. KPIs for Challenges are under deliberation. KPIs have been established for goals labeled in progress.

Materiality

Materiality	Initiatives	Expected Level of Achievement (Goals and KPIs ^[1])	Risks and Opportunities
Community wellbeing (3-2) 2-2 Local community perspective 1-3 Constructive engagement for co-creation 1-2 Transparent & objective	⑥ Promote DE&I initiatives that serve as role models for local communities and improve employee well-being by investing in human resources, encouraging challenges and creating innovation. To be a workplace where all employee endeavor for purpose which one works	< Goals > • Promote ASV Award to celebrate employees that embrace challenge • Promote A-STARTERS (a new business incubator project) • Improve labor productivity and working hours • Engagement score to measure human resources, career development (Ajinomoto Co., Ltd. only) • Promote Smart Factory < Ongoing > • Increase diversity at the leadership level 20% (2025) ▶ 30% (2030) • Increase ratio of women in management 35% (2025) ▶ 40% (2030) • Increase ASV realization process engagement score 80% (2025) ▶ 85% (2030) • Increase health and wellbeing engagement score 85% (2025) ▶ 90% (2030) • Increase career recruitment ratio to promote diversity (Ajinomoto Co., Ltd. only) 20% (2025) ▶ 30% (2030)	No.3
	⑦ Promote human rights initiatives throughout the value chain (Implementation of human rights impact assessments in line with international standards) Foster shared purpose with multi-stakeholders	< Goals > • Quantify supplier engagement < Ongoing > • Conduct human rights and environmental due diligence	No.5 No.8
	⑧ Support a sustainable and accessible information and communications technology (ICT) society	< Goals > • Increase the ratio of advanced material shipments that makes it possible for our customers to create faster and more reliable devices • Co-create a sustainable business model that contributes to human well-being by continuous innovation	No.1 No.7

[1] Certain qualitative goals are included under Goals and KPIs based on characteristics of their respective initiatives. KPIs for Challenges are under deliberation. KPIs have been established for goals labeled in progress.

Materiality

Materiality	Initiatives	Expected Level of Achievement (Goals and KPIs ^[1])	Risks and Opportunities
Planetary wellbeing (3-3)	4-2 Co-wellbeing 1-3 Constructive engagement for co-creation	⑨ Challenge to Net Zero < Goals > • Promote biodiversity • Collaborate with local stakeholders to solve environmental problems (food loss, plastic waste, etc.) < Ongoing > • Reduce GHG emissions (vs. 2018) 2030: 50% reduction in scope 1 and 2, 24% reduction in scope 3 2050: Net zero, 100% renewable energy • Eliminate plastic waste 2030: Zero plastic waste • Reduce food loss (vs. 2018) 2025: 50% reduction (from raw material sourcing to delivery at customer) 2050: 50% reduction (full product life cycle) • Reduce water consumption (vs. 2005) 2030: 80% reduction in water consumption • Increase sustainable procurement of raw materials 2030: 100% sustainable procurement of key raw materials Animal welfare improvement	No.5 No.6 No.10
	4-3 Value creation solutions 1-1 Transformative innovation capability 1-3 Constructive engagement for co-creation	⑩ Contribute to the transformation of a resilient food system that supports 10 billion people ^[2]	< Goals > • Promote practical implementation of on-site ammonia production • Contribute to the creation a society with a circular resource system by expanding the biocycle • Provide agricultural materials that contribute to sustainable agriculture • Provide products using cattle raised by more sustainable methods utilizing amino acids

[1] Certain qualitative goals are included under Goals and KPIs based on characteristics of their respective initiatives. KPIs for Challenges are under deliberation. KPIs have been established for goals labeled in progress.
 [2] Projected world population in 2050

Materiality

Materiality	Initiatives	Expected Level of Achievement (Goals and KPIs ^[1])	Risks and Opportunities
Initiatives that support "Purpose" Realization	1-2 Transparent & objective 1-3 Constructive engagement for co-creation	< Goals > <ul style="list-style-type: none"> • Build systems such as quality assurance, regulatory, safety, and intellectual property to strengthen resilience • Promote measures that encourage continuous compliance awareness • Ensure proper assessments, audits, and inspections related to health and safety of employees • Establish an innovation strategy team < Ongoing > <ul style="list-style-type: none"> • Identify management risks and consider countermeasures (annually) • Projections, opportunity identification, and portfolio strategy (as appropriate) 	No.3 No.6 No.7 No.8 No.11 No.12 No.13 No.14
	⑫ Improve employee literacy	< Goals > <ul style="list-style-type: none"> • Implement measures to improve literacy in environment, digital transformation and human rights among employees and stakeholders < Ongoing > <ul style="list-style-type: none"> • Increase the number of touchpoints with employees receiving nutrition education 56,000 (2022) ▶ 100,000 (2025) 	No.2 No.3 No.5 No.6 No.8 No.10 No.11

[1] Certain qualitative goals are included under Goals and KPIs based on characteristics of their respective initiatives. KPIs for Challenges are under deliberation. KPIs have been established for goals labeled in progress.

Framework for ESG and sustainability

Framework

GRI2-9, GRI2-12, GRI2-13
GRI2-17, GRI2-18, GRI2-24

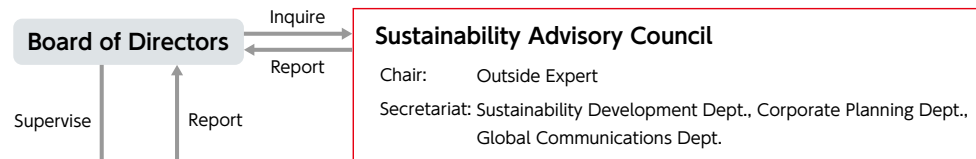
The Ajinomoto Group complies with the Ajinomoto Group Policies (AGP), which outlines the concepts and actions to be observed by each Group company, officers, and employees. We continue to improve internal control systems and control operations. At the same time, we strengthen

systems, treating sustainability as an active risk and striving to enhance corporate value.

We are strengthening our sustainability promotion system in order to continuously increase our corporate value from the perspective of sustainability. This system is outlined below.

Framework for ESG and sustainability

[Supervision]



[Execution]



The Board of Directors has established the Sustainability Advisory Council, and establishes a system to recommend the Group’s approach to sustainability and ESG. It determines materiality items related to sustainability that serve as guidelines for ASV management and supervises the execution of initiatives related to sustainability.

The Executive Committee has established the Sustainability Committee as a subordinate body and selects and extracts risks and opportunities based on materiality, and assesses the degree of impact, formulates measures, and manages their progress. In fiscal 2022, the Executive Committee received two reports from the Sustainability Committee.

Beginning April 2023, the Second Term Sustainability Advisory Council will continue its work to enhance the Ajinomoto Group’s corporate value from the viewpoint of sustainability. The Second Term Sustainability Advisory Council consists of four external experts, primarily investors and financial market specialists, and is chaired by an external expert. After receiving consultation from the Board of Directors, the council will investigate the implementation of materiality, disclosure and dialogue on its progress, and building relationships with stakeholders through these activities, in the interest of stronger monitoring of the Board of Directors, and issue a report in response to the Board of Directors. The Second Term Sustainability Advisory Council will meet at least once a year and report the results of deliberations to the Board of Directors.

Framework for ESG and Sustainability

In order to promote the Medium-Term ASV Initiatives, the Sustainability Committee formulates sustainability measures, proposes them to the Executive Committee, and manages progress in accordance with materiality. In addition, the Sustainability companywide formulates risk countermeasures for companywide management issues and manages their progress. It also formulates the entire Ajinomoto Group's sustainability strategy, promotes action themes (nutrition, environment, and society) based on this strategy, makes proposals and provides support for business plans from a sustainability viewpoint, and compiles internal information on ESG.

The Management Risk Committee, established in parallel with the Sustainability Committee as a subordinate body to the Executive Committee, identifies risks that call for initiative by management, assesses their impact on the Ajinomoto Group, and formulates countermeasures. If it is determined that identified risks can be more effectively handled by the Sustainability Committee, the Management Risk Committee will delegate this to and otherwise work closely with the Sustainability Committee.

- > [Sustainability Approach and Structure](#)
- > [Sustainability Advisory Council](#)

Dialogue and Collaboration with Stakeholders

Stakeholder engagement

GRI2-29

To fulfill our responsibility for the sustainability of society and the global environment, not only must we pursue our own profit, but we must also share created value with all stakeholders. Here, we must understand and analyze the concerns of each stakeholder and their expectations of the Group. We must take this knowledge and apply it to our business activities. The Ajinomoto Group engages in ongoing dialogue with our stakeholders across a diverse range of forums, incorporating stakeholder feedback into our corporate activities.

Principal stakeholders	Customers and consumers	Shareholders and investors	Business partners	Employees	Local communities	Outside experts, NPOs, NGOs, and business associations
Concerns/ expectations of stakeholders	<ul style="list-style-type: none"> ● Product safety and security ● Resolving the food and health issues 	<ul style="list-style-type: none"> ● Fair and highly transparent management ● Sustainable business growth ● Constructive dialogue and stronger governance ● Timely and appropriate disclosures 	<ul style="list-style-type: none"> ● Promotion of initiatives toward a sustainable supply chain ● Fair business practices 	<ul style="list-style-type: none"> ● Human resource development ● Career development ● Diversity, equity, and inclusion ● Improved employee engagement ● Compensation and employee benefits ● Occupational safety and health ● Responsible employment of foreign technical interns and foreign workers with specified skills 	<ul style="list-style-type: none"> ● Local safety and environmental conservation ● Sustainable development of communities 	<ul style="list-style-type: none"> ● Honest dialogue and linked activities
Engagement channel	<ul style="list-style-type: none"> ● Customer service center ● Website ● Factory tour ● Information sharing and/ or discussions with consumers during events and presentations ● Market research 	<ul style="list-style-type: none"> ● General meeting of shareholders ● Financial results briefings, IR Day, and business briefings ● Dialogue with institutional investors ● Company briefings for individual investors 	<ul style="list-style-type: none"> ● Procurement policy briefings, supplier audits ● Dialogue with business partners (raw materials and packaging materials suppliers, distribution, logistics), policy briefings to distributors 	<ul style="list-style-type: none"> ● Various skills development and training ● Dialogue with the CEO and General Managers of business or corporate divisions ● Individual Target Presentation ● ASV Awards ● Social media platform to connect employees globally ● Ajinomoto Group Policies (AGP) workplace reviews ● Hotlines (whistleblower reporting system) ● Harassment hotline ● Dialogue with foreign technical interns and foreign workers with specified skills 	<ul style="list-style-type: none"> ● Dialogue with residents living near our plants ● Participation in and sponsorship of community events ● Activities to support the recovery of communities impacted by natural disasters ● Support through foundations (Japan, Vietnam, Ghana) 	<ul style="list-style-type: none"> ● Dialogue with outside experts, NPOs, NGOs, business associations, and government agencies ● Dialogue with consumer goods manufacturers and global retailers at the Consumer Goods Forum (CGF)
Results and impacts	<ul style="list-style-type: none"> ● Product improvements reflecting the voice of customers ● Proposals to resolve issues facing consumers in terms of food and health (salt reduction, promotion of vegetable consumption, etc.) 	<ul style="list-style-type: none"> ● Publication of video of presentations on our website including Q&A sessions ● Reflection of the voice of investors in management and improvements to IR activities (explanation of the Group's strengths through IR Day and business briefings, etc.) 	<ul style="list-style-type: none"> ● Sharing of changes in dietary habits and mindset in Japan following COVID-19 ● Proposals for menu options at retail stores and restaurants linked to solving food and health issues (salt reduction, increased vegetable consumption, etc.); proposals, etc., for operational improvements ● Promotion of environmentally conscious packaging materials through dialogue with suppliers ● Understand the state of human rights via human rights assessments 	<ul style="list-style-type: none"> ● Promotion of mutual understanding of work environment, such as occupational safety and health, salary and employee benefits, through dialogue between management and employees ● Workplace improvements through hotline consultations and other available programs ● Understand the state of foreign technical interns and foreign workers with specified skills 	<ul style="list-style-type: none"> ● Initiatives for identifying and resolving health and nutrition issues in communities (salt reduction seminars in partnership with local governments, events and menu suggestions encouraging more vegetable and breakfast consumption, school lunch project in Vietnam, nutrition seminars for midwives in Indonesia, etc.) ● Food aid through donations to Ukraine ● Materials support and donations for earthquake victims in Türkiye 	<ul style="list-style-type: none"> ● Revisions to Group Shared Policies, guidelines, and approaches ● Promotion of efforts to improve the logistics efficiency and work environment of processed food distribution in Japan in collaboration with business associations involved in manufacturing, sales, and distribution along with the relevant government ● Participation in the Workforce Nutrition Alliance and advancing improvements in workplace nutrition

Expectations and recommendations from external stakeholders

To continue responding to varying sustainability requirements in different parts of the world, the Ajinomoto Group collected opinions from local experts on the Group's overall approach to sustainability and specific initiatives regarding human rights, the environment and other issues.



Elaine Cohen
Founder and CEO
Beyond Business Ltd.

The Ajinomoto Group has applied innovation and creativity to its new materiality framework, and it is clear that much effort has been invested in determining what is most important for Ajinomoto and its contribution to society.

I'd like to see more about how this high-level framework translates into the management of actual impacts on economy, society and the environment as well as how sustainability issues affect Ajinomoto's long-term growth.

In the global sustainability landscape, where the concept of double materiality has gained significant traction, I seek a direct correlation between the materiality framework and quantifiable social, environmental and business impacts, beyond visionary statements of intent, as well as the process applied to generate the material topics.

I hope that these matters will be clarified in the Group's future disclosures and that the new framework will translate into meaningful, measurable and manageable material focus. The appointment of a second Sustainability Advisory Council as a resource for the Board of Directors is a welcome development.

It is critical that Directors are educated on sustainability matters so that they can appropriately oversee strategy, risk and opportunity.

However, as a global company with multiple impact areas, I wonder if there is an opportunity to broaden the composition of the Council to be more globally relevant and include members who have specific expertise in sustainability topics such as human rights, labor relations, supply chain, climate change and broader social impacts.



Celine Solsken
Ruben-Salama
Principal, FOR THE LONG-TERM, LLC
Lecturer and Faculty Advisor, M.S. Sustainability Management Program, Columbia University (NY)

The new Materiality construct articulates the Ajinomoto Group's long-term, shared value creation model elegantly. However, in its current state, this new framework feels a bit esoteric, and the KPIs/metrics listed in the 'Framework Table of Materiality' are vague. For the next reporting cycle, I expect to see quantitative KPIs for each of these new material topics integrated into the Management Strategy.

It will be interesting to see how the Group translates its established sustainability reporting frameworks to align with the new material topics. Since they are no longer part of the Sustainability Advisory Council's goals, I also expect to see clear articulation of the goals for the year 2030 and beyond related to the creation of social value, including reducing environmental impact and extending healthy life expectancy in the upcoming reports. Having completed the updated Materiality assessment

from a long-term and multi-stakeholder perspective, the Sustainability Advisory Council has entered its Second Phase, with a paired down set of external experts and roles. While the current group is balanced in terms of gender diversity, some ethnic diversity is recommended for a global company.

Regarding changes to the website, I was pleased to see the enhanced Human Rights page, a thorough assessment of salient issues by country and raw material and continued talks to enhance traceability. While the new 'Along with Society' pages are engaging, I was unclear to me how these pages relate to or differ from the 'Stories' pages, and was sorry to see this simple, chronological index of newsworthy developments of the 'Sustainability News' page abandoned. As the updates to the sustainability pages of the website continue to develop, better understanding the current audience for these pages could help streamline the user experience and improve communications to be more effective.

Dialogue and Collaboration with Stakeholders



**DR. FOONG
SWEET YEOK**

Mangrove ecologist,
Universiti Sains Malaysia
Honorary Auditor, Malaysian
Nature Society, Penang
Branch

As a forward-thinking leader in global integrated industry, the Ajinomoto Group did an excellent job in keeping pace with the evolving environment sustainability requirements.

Impactful insights were clearly outlined in ASV 2022 with near-term targets set to be achieved by FY2025 and FY2030. Long term corporate targets (FY 2050) are also well aligned with the global energy outlook. All these targets are crucial in meeting stricter GHG protocol standards for corporate, and prepare the Group in future business compliances.

As more and more jurisdictions seeking mandate on disclosure of climate related information and emissions reduction, it is viable to adopt a holistic approach in tackling sustainability challenges.

I appreciate the Group's respond to the increasing consumers' demand for sustainable packaging material and hence the zero plastic waste targeted for FY2030.

Aims to use mono-material and thinner packaging material in support of plastic recycling are well suited in countries that have mature social implementation of plastic collection, sorting and recycling. However, in societies with low waste management and recycling rate, switching to biodegradable plastic could accelerate oil-based plastic reduction. There is no one-size-fits-all solution to realise plastic sustainability. While the Group continues with its effort to complete plastic reduction by FY2025, my suggestion is to focus emphasis on sourcing for eco-friendly alternative packaging that are price-competitive (as of this writing, seaweed-based plastic alternative was in the stage of commercial ready). I would like to recommend a separate data reporting on plastic waste from the other general "non-hazardous waste" such as sludge, animal and plant residue etc., to allow for more reliable assessment and therefore lead to solution in achieving plastic circularity for the Group.

To sustain sustainability in the ever-changing business landscape is getting more arduous. I have great confidence in the Group to continue thrive and lead in this environment.



Luke Wilde

Chief Executive Officer
(CEO)
twentyfifty

It is clear that a significant amount of work and thought that has been put into developing the Ajinomoto Group's ambitious sustainability strategy.

The approach to human rights is clearly aligned to Human Rights Due Diligence best practices set out by the UN and OECD, and the Group is able to demonstrate that they are engaging with rightsholders in its value chains through the human rights impact assessments that they have carried out in recent years; it would be good to further increase transparency by enhancing the information provided on the actions being taken to address human rights impacts and how they are evolving their action as a result.

There are some ambitious goals set with the sustainability strategy with clear links to people and human rights and these linkages could be made more explicit in the future. Looking ahead, what does the Group need to prepare for? In my opinion, increasing transparency and demonstrating impact will become even more important.

Legislation in Europe and elsewhere is driving ever increasing expectations on businesses to report on their human rights impacts and the actions they are taking to address them which in turns leads to increasing stakeholder expectations for information. In the near future, it won't be enough to describe a programme, it is going to be imperative to explain what impact it is having.

Other key areas to note, is the increasing focus within the retail sector on the link between procurement practices and human rights/sustainability and commitments to living wages and incomes.

Dialogue and Collaboration with Stakeholders



Vasu Srivibha
Chief Impact Officer
Sasin School of Management
Chulalongkorn University
(Thailand)

Envisioned by the President and CEO, Taro Fujie, Ajinomoto Group demonstrates a strong commitment to promoting sustainability and believes it will benefit both society and the company's business growth.

The company did marvelous job in elaborating how sustainability strategy translates into operational excellence in creating shared value.

To ensure sustainability is embedded in their efforts, it is commendable that the Group established the Sustainability Advisory Council, which engages with stakeholders from various fields to discuss the company's contribution to sustainability and future vision.

In my perspective, the opportunities to enhance sustainability performance and potential positive societal impact for the Group include.

- Furthering the Nourishment of Humanity.

The company could entail considering the long-term viability of food production ecosystem, minimizing environmental impact, and ensuring the responsible use of natural resources to meet current and "the future of food".

- Fostering Diversity and Inclusion.

Creating a diverse and inclusive workplace ensures that employees feel valued, respected, and empowered to fully participate and contribute. It involves fostering a culture that promotes equal opportunities, fairness, and equity for everyone. I would expect to see new developments and initiatives in this area.

- Scaling Positive Impact on Local Markets.

It is important for the Group to engage in meaningful dialogue with the local stakeholders, understand their needs and priorities, and tailor their initiatives accordingly. By aligning their practices and initiatives with local markets, the company can create a positive impact, foster strong relationships, and contribute to the overall well-being and development of local communities where the company and its subsidiaries are operated.

I expect the Group to adapt the language of "impact" more in its narration of sustainability strategy. The notion of impact would ensure the company acknowledges the challenges ahead while enhancing trust from communities. It is not only a moral imperative but also a strategic advantage that can lead to long-term success and competitiveness in the industry.



Hidemi Tomita
Managing Director
LRQA Sustainability Co., Ltd.

Expecting More Aggressive Initiatives as the Industry Leader

I believe that the Ajinomoto Group is making steady progress in ESG initiatives, integrating these measures into management. However, it is undeniable that the company lacks somewhat in terms of meeting expectations as a leading sustainability company. As a company involved in the food industry, the Group has yet to take on the progressive challenge of TCFD and TNFD frameworks. It is regrettable that the group has not made progress in activities that anticipate the rapidly growing demands of society, such as supply chain initiatives for human rights.

The Group has been a leader in sustainability through many progressive initiatives. I would like to see the group take an aggressive stance, being an industry leadership on a global basis. The new materiality is certainly an ambitious framework and make sense as a value creation story. But there are certain aspects that do not appear to meet requirements from the perspective of external stakeholders. I am sure the group will clarify these matters in future detailed disclosures, but at this point it is difficult to understand the actual activities, their relationship to KPIs, and their connection to outcomes in 2030. I would prefer to see a clearer explanation in these areas.

Dialogue and Collaboration with Stakeholders



Kenji Fuma
CEO, Neural Inc.

Expectations as an International Leader in Nutrition Issues

In light of the protracted problems in Ukraine and other issues, the importance of nutrition issues and food security is increasing worldwide. These are major social issues that intertwine with population growth, climate change, and numerous other issues. Society as a whole is faced with the need to create conditions for adequate nutrition. Companies dealing in food products are being asked how they identify and respond to the risks and opportunities associated with nutrition issues. As a leading company in the Japanese food industry, the Ajinomoto Group

also bears great expectations and a responsibility for the initiatives we put in motion to solve nutrition issues. Expectations in Japan are growing as awareness spreads about the “AminoScience” approach we have cultivated and how this technology will lead to solutions. On the other hand, the Group is still not recognized widely for our global initiatives on nutrition issues, and we lack presence in the international community. I believe institutional investors feel the same way. Considering the high reputation that the company has earned in Japan in the field of environmental sustainability, combined with the high ratio overseas sales, particularly in Asia, the company could be more proactive in participating in and driving international initiatives as an industry leader.



Shunsuke Managi
Professor of Urban Systems Engineering, Graduate School of Engineering, Kyushu University
Faculty Fellow, Research Institute of Economy, Trade and Industry (RIETI)

Contributing to Natural Capital Throughout the Supply Chain

The supply chain is one of the most important topics in the food industry. As a leader in the Japanese food industry, the Ajinomoto Group must go beyond conducting human rights impact assessments, taking the lead in building a supply chain that values human rights. The resulting contribution to well-being of our society as a whole, including downstream in the supply chain to the producers of raw materials, will lead to the Group becoming the “essence of happiness” to which it aspires. In terms of environmental initiatives, it appears that the Group has not succeeded so far as to address natural capital. As a food company, the Group must be willing to take a responsible approach to sustainable land use, even taking responsibility for the inhabitants’ ability to continue living on said land in the future. Nutritional contributions, such as salt reduction, also

reduce environmental impact. I believe that the Group has the potential to make a significant contribution through nutritional balance for individuals and through its global supply chain. In the future, I expect the company to be a leader in making rules to improve human rights, the environment, and natural capital. I expect the Group to demonstrate leadership in broadening and deepening cooperation throughout the supply chain, including contributions to the regions that produce raw materials.