# Reduce Our Environmental Impact by 50%



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Environmental	Management	P04:

#### **Disclosures Based on the TCFD Recommendations**

Response to climate change risks	- P053
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#### Contribution to a Circular Economy

Reduction of waste across product lifecycles	- P067
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Conservation of water resources in	production processes —	- P091
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Governance

### **Environmental management**

#### **Environmental management framework**

#### 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

#### Framework for ESG and sustainability

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.

Social

#### Management framework at group companies



Sustainability Development Dept. Communicate/Report President of the group company Report/Advise/ Give opinions

#### Status of ISO 14001 certification

As of March 2024, the Ajinomoto Group has acquired ISO 14001 certification at 68 of subject 99 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 assessment items

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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. In fiscal 2023, we conducted an environmental audit of the Takasaki Plant of Ajinomoto Healthy Supply Takasaki Plant to confirm that the company implements necessary response measures.

#### Response to environmental laws and accidents

#### Performance

We established measures to quickly address any legal violations or accidents related to the environment. In fiscal 2023, there were three legal violations, and we made appropriate corrective actions in response to administrative guidance. Three incidents affecting the environment outside work sites occurred in Japan (two noise complaints and one fluorocarbon leak) and one incident occurred overseas (ammonia leak). We reported the incidents to the government promptly as required, and we investigated the causes, taking necessary measures. We have established

measures to quickly address any violations of environmental laws or accidents related to the environment.

Social

#### Amount of fines paid

Impact by 50%

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Fiscal year	2019	2020	2021	2022	2023	
Amount of fines paid	0	0	0	1,130 <sup>[1]</sup>	515	

 One fine was assessed overseas during FY2021 for exceeding effluent standards; however, the validity of this fine is currently pending in court.

#### Environmental education

#### Performance

The Ajinomoto Group conducts environmental education for employees to acquire the expertise and skills for environmentally responsible business operations.

We began implementing e-learning for all Group employees in Japan and overseas in fiscal 2021 to acquire basic knowledge of overall sustainability and environmental initiatives. By fiscal 2022, Ajinomoto Co., Inc. and Group companies in Japan completed the courses. Overseas subsidiaries participated in the program from fiscal 2022 to fiscal 2023, completing the basic environmental course at all targeted business sites. 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.

Governance

(Thousands of ven)

Sustainability Policy and Framework

management departments.

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Key Initiatives and Progress

Environmental assessments at Group companies are

from a Group-level perspective by the environmental

performed by relevant departments in accordance with

internal rules. The results of these assessments are reviewed

#### Environmental Management

Main environmental programs in fiscal 2023
 E-learning for all employees (overseas)

• Environmental law training (Seminar on trends in revisions

to laws) (Japan)

• Training on the Act on Waste Management and Public Cleaning (Japan)

#### 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<sup>[1]</sup> data.

In fiscal 2023, we reduced Scope 1 and 2 emissions by approximately 200 kt-CO<sub>2</sub> and 100 kt-CO<sub>2</sub>, respectively.

This significant reduction was due in part to the plants of PT AJINOMOTO INDONESIA and AJINOMOTO CO., (THAILAND) LTD. converting from coal to biomass fuel and the procurement of renewable energy certificates by the Kyushu Plant of Ajinomoto Co., Inc.

 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.)

#### INPUTS

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	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Main raw material (kt)	1,548	1,439	1,282	1,137	1,217	1,147
Sub raw material (kt)	2,901	2,378	2,069	2,006	2,011	1,928
Acids/alkalis (kt)	501	486	482	421	464	411
Other (kt)	2,400	1,892	1,588	1,585	1,547	1,516
Packaging material(kt)	276	250	244	259	251	236
Plastic (kt)	69	71	70	71	69	68
Paper, cardboard (kt)	177	154	148	165	157	143
Other (kt)	31	25	26	24	25	24
Fuel (TJ)	28,680	25,230	24,494	24,557	24,952	22,863
Oil (TJ)	2,141	1,802	1,653	1,556	1,722	507
Coal (TJ)	4,703	2,314	3,157	3,593	3,334	787
Biomass (TJ)	7,330	7,129	6,875	7,132	7,989	8,900
Natural gas (TJ)	14,506	13,985	12,809	12,277	11,906	12,668
Purchased electricity (derived from fossil fuels) (TJ)	7,834	7,588	7,200	4,440	4,381	3,733
Purchased electricity (derived from renewable energy) (TJ)	42	38	60	2,174	2,249	2,367
Purchased steam, etc. (TJ)	1,954	1,801	1,800	563	542	401
Water (1,000 kl)	69,892	66,926	64,406	59,979	60,039	58,358
Surface water (1,000 kl)	20,672	19,630	17,004	17,259	17,890	17,520
Municipal water (1,000 kl)	6,375	6,210	5,316	5,152	5,099	4,719
Municipal water (Industrial) (1,000 kl)	27,766	26,717	29,041	23,794	23,677	23,605
Ground water (1,000 kl)	15,076	14,366	13,041	13,769	13,369	12,507
Other (rainwater, etc.) (1,000 kl)	3	3	4	4	4	8
Transportation distance (km)	2,756	2,804	2,872	2,886	3,974	3,397
Use (soups, frozen foods, coffee) (t)	556,549	596,264	603,420	583,737	521,302	483,737

> Environmental Data: Third-party assurance

> Environmental Data: Ajinomoto Group products carbon footprint

> Environmental Data: Composition of consumed energy

> CDP Climate Change

Social

Environmental N	lanagement

#### OUTPUTS

	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Scope 3 Category 1: Raw materials	8,115,946	7,784,783	7,614,734	6,960,412	6,610,392	6,494,563
Scope 1:	1,196,969	1,013,315	1,008,811	1,005,363	973,780	767,084
Scope 3 Category 3: Production	381,765	625,142	630,823	583,499	604,719	587,760
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	Market-based method 611,7222 Location-based method 620,751	Market-based method 512,652 Location-based method 516,707
Scope 3 Category 4: Transport	1,274,589	1,256,044	1,210,741	1,121,673	1,037,133	981,743
Scope 3 Category 11: Use	1,294,392	1,353,234	1,355,477	1,396,947	1,386,049	1,296,947
Scope 3 Category 12: Disposal	443,333	431,048	425,003	409,500	405,337	400,585
Scope 3 Category 2: Capital goods	249,944	255,910	262,711	232,674	219,172	241,466
Scope 3 Category 5: Waste generated in operations	140,678	85,666	85,714	92,884	97,854	82,326
Scope 3 Category 6: Business travel	4,479	4,486	4,226	4,350	4,446	4,500
Scope 3 Category 7: Employee commuting	16,206	16,231	15,292	15,740	16,087	16,283
Scope 3 Category 8: Upstream leased assets	Included in category 1	Included in category 1	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	2,535	2,802
Scope 3 Category 10: Processing of sold products	8,158	5,517	179,801	126,716	108,585	78,445
Scope 3 Category 13: Downstream leased assets	0	0	0	0	0	0
Scope 3 Category 14: Franchises	0	0	0	0	0	0
Scope 3 Category 15: Investments	0	0	0	0	0	0
Scope 3 total	11,933,270	11,821,564	11,787,705	10,947,844	10,492,309	10,187,420
Scope 1, 2 and 3 total	14,145,962	13,795,254	13,698,305	12,599,801	12,077,801	11,467,156

Key Initiatives and

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Data calculation

Scope of reporting: All 138 business sites covered by ISO 14064-1 (100%)

Reporting period: April 1, 2023 to March 31, 2024

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.

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(t-CO<sub>2</sub>e)

### Response to climate change risks

#### Approach

The Ajinomoto Group has a wide range of product areas in the food business, from seasonings and foods to frozen foods, and is also expanding its business into fields such as healthcare. These businesses are based on sound food systems and an abundant global environment. Today, the global environment is reaching its limits. Climate change affects the Group's business in many ways, including delays to business due to large-scale natural disasters, impact on procuring raw materials such as agricultural produce and fuels, and changes in product consumption. At the same time, however, our business activities have an environmental footprint. In particular, the production of glutamic acid and other amino acids, the raw materials for umami seasonings, requires significant amounts of energy. Addressing climate change is an urgent issue. In 2020, we set GHG reduction targets in line with the SBTi 1.5°C scenario. We are studying measures based on the TCFD recommendations, moving forward with related information disclosures. We also sent a net-zero commitment letter to SBTi in 2021.

#### Disclosures based on the TCFD

#### Governance

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.

The Board of Directors has established the Sustainability Advisory Council, and established 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 and Management Risk Committee as subordinate bodies and selects and extracts risks and opportunities based on important issues (materiality) for the Ajinomoto Group, assessing the degree of impact, formulating measures, and managing progress. In fiscal 2023, the Executive Committee received two activity reports from the Sustainability Committee.

> Group Shared Policy on Environment > Financial Report 2024 P21-25 > CDP Climate Change

#### Strategy

The Ajinomoto Group has a wide range of product areas in the food business, from seasonings and foods to frozen foods, and is also expanding its business into fields such as healthcare. Climate change affects the Group's business in

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many ways, including delays to business due to large-scale natural disasters, impact on procuring raw materials such as agricultural produce and fuels, and changes in product consumption.

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#### (1) Scenario analysis assumptions

Based on the scenarios that the average global temperature will rise from post-industrial revolution levels by 1.5°C or 4°C by 2100<sup>[1]</sup>, in fiscal 2023, we conducted a scenario analysis on the impact of climate change between 2030 and 2050 for global umami seasonings and mainstay domestic and overseas products, as well as other processed foods.

Among the effects of climate change impacting production over the short, medium, and long term, drought, floods, rising sea levels, and changing yields of raw materials were analyzed as physical risks, while the introduction of carbon pricing and tightening of other laws and regulations, rising energy prices, and changes in consumer preferences were analyzed as transition risks.

Opportunities show the scenario analysis risks and opportunities when the average temperature difference between the 1.5°C and 4°C scenarios as of 2030 is considered to be about 0.2°C with no significant difference in physical risk, and when the average temperature difference as of 2050 is expected to be about 1°C with differences in physical risks.

The following is a summary of the changes in the assumptions used in our scenario analysis to date. Our fiscal 2023 analysis revealed an increased potential financial impact due to the increase in sales basis coverage and carbon pricing.

[1] Scenarios referenced are SSP1-1.9 (1.5°C scenario) and SSP5-8.5 (4°C scenario) by the UN Intergovernmental Panel on Climate Change (IPCC) and scenarios by the International Energy Agency (IEA).

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Disclosures Based on the TCFD Recommendations

	FY2020	FY2021	FY2022	FY2023
Business	Umami seasonings (global), mainstay products in Japan	Umami seasonings (global), mainstay products in Japan	Umami seasonings (global), mainstay products in Japan and overseas	Umami seasonings (global), mainstay products and other packaged products in Japan and overseas
Time of occurrence	2030	2030/2050	2030/2050	2030/2050
Scenario	2°C/4°C	2°C/4°C	1.5°C/4°C	1.5°C/4°C
Sales basis coverage	24%	24%	55%	65%

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#### Disclosures Based on the TCFD Recommendations

#### (2) Scenario analysis: Risks

	1.5°C scenario (2050): When certain policy measures are taken to reduce GHG emissions and the use of fossil fuels decreases										
Risk	Average temperature increase	Increased severity and frequency of floods and droughts	Mandates and regulations on products	Changes in consumer preferences	Items t	Carbon pricing mechanisms					
Risk/Risk categories	Transition risks	Physical risks	Transition risks	Transition risks	o th	Transition risks					
Business impact	Increased raw materials (e.g., coffee beans) procurement costs due to carbon pricing, etc.	Measures to ensure consistent supply taken since our founding	Cost increases due to tightening of laws and regulations regarding raw materials used (Assumption: Laws and regulations on the traceability of raw materials and recycling)	Reduced demand due to rising temperatures (Assumption: Miso soup, other soups, and hot coffees, shift from heating element to microwave cooking)	e right are for the (	Increased cost of fuel used due to carbon pricing					
Potential financial impact	0.2 billion yen/year	Insignificant	-	-	Group a	2030: 18 billion yen/year <sup>[1]</sup> 2050: 43 billion yen/year <sup>[1]</sup>					
Countermeasures	<ul> <li>Support for raw material production areas</li> <li>Considering raw materials made by different production methods</li> </ul>	<ul> <li>More diversified areas of procurement</li> <li>R&amp;D on alternative raw materials</li> </ul>	<ul> <li>Construction of a comprehensive upstream/downstream cooperation system in the supply chain</li> </ul>	<ul> <li>Communication to create better eating habits through ASV PR activities (nutritional value)</li> <li>Marketing toward chilled soup and iced coffee</li> <li>Exploration/proposal of microwave cooking options</li> </ul>	p as a whole	<ul> <li>Visualization of financial impact with internal carbon pricing</li> <li>Fossil fuel phase-out</li> <li>Use of renewable energies</li> <li>Development of ecofriendly manufacturing methods</li> </ul>					

4°C scenario (2050): In the event that no policy measures are taken to reduce GHG emissions								
Risk	Average temperature increase	Increased severity and frequency of floods and droughts	Changes in consumer preferences	Increasing fuel costs				
Risk categories	Physical risks	Physical risks	Transition risks	Transition risks				
Business impact	Increased costs from decline in productivity of agricultural, livestock, and fishery products (Assumption 1: Worsening aquaculture environment, Assumption 2: Decrease in livestock growth rate and productivity, Assumption 3: Decrease in milk yields from dairy cows, Assumption 4: Infectious disease epidemics in livestock, Assumption 5: Poor growth of agricultural produce and pest epidemics)	Increased raw material procurement costs, decreased sales due to shutdown of operations and delivery delays (Assumption 1: Flooding in Thailand, Assumption 2: Drought in Thailand, Assumption 3: Flooding from localized torrential rains in Japan)	Reduced demand due to rising temperatures (Assumption: Miso soup, other soups, hot coffees, shift from heating element to microwave cooking)	Rising prices of fossil fuels and electricity				
Potential financial impact	9.0 billion yen/year	0.1 billion yen/year	-	5.0 billion yen/year				
Countermeasures	<ul> <li>More diversified areas of procurement</li> <li>Stronger cooperation with suppliers/farmers</li> <li>Development of recipes with reduced extracts</li> <li>R&amp;D on alternative raw materials</li> <li>Introduction of high temperature-tolerant varieties</li> <li>Reflection in sales price</li> </ul>	<ul> <li>More diversified areas of procurement</li> <li>R&amp;D on alternative raw materials</li> <li>Continuation and improvement of water saving production</li> <li>Improvement of supply and logistics systems</li> </ul>	<ul> <li>Communication to create better eating habits through ASV PR activities (nutritional value)</li> <li>Improvement of communication about easy meals using heating elements</li> <li>Marketing toward chilled soup and iced coffee</li> <li>Exploration/proposal of microwave cooking options</li> </ul>	<ul> <li>Fossil fuel phase-out</li> <li>Use of renewable energies</li> <li>Development of ecofriendly manufacturing methods</li> </ul>				

[1] Calculated by multiplying the Group's FY2018 standard GHG emissions (approved by the Science Based Targets initiative (SBTi)) by the International Energy Agency's (IEA) 1.5°C scenario carbon tax and emissions trading forecasts for 2030 of \$25/t-CO<sub>2</sub> for emerging countries, \$90/t-CO<sub>2</sub> for Brazil, China, India, and Indonesia, and \$140/t-CO<sub>2</sub> for developed countries, and \$180/t-CO<sub>2</sub> for 2050 carbon pricing forecasts, \$200/t-CO<sub>2</sub> for emerging countries, \$250/t-CO<sub>2</sub> for Brazil, China, India, and Indonesia, and \$140/t-CO<sub>2</sub> for developed countries, and \$180/t-CO<sub>2</sub> for 2050 carbon pricing forecasts, \$200/t-CO<sub>2</sub> for emerging countries, \$250/t-CO<sub>2</sub> for Brazil, China, India, and Indonesia, and \$250/t-CO<sub>2</sub> for developed countries the outcome of the current situation with no additional or higher carbon pricing expected.

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#### Disclosures Based on the TCFD Recommendations

#### (3) Scenario analysis: Opportunities

1.5°C scenario (2050): When certain policy measures are taken to reduce GHG emissions and the use of fossil fuels decreases							
Opportunities	Low Emission Products and Services	Changes in consumer preferences					
Opportunity categories	Products and services	Products and services					
Business impact	Increased sales from products with low environmental impact due to rise in popularity of ethical-mindedness among consumers and customers	<ul> <li>Expanding needs due to health consciousness = Increase in sales</li> <li>Expanding needs for beverages due to rising temperatures = Increase in sales</li> </ul>					
Countermeasures	<ul> <li>Development of eco-friendly manufacturing methods and products</li> <li>Initiatives to obtain favorable ESG rating</li> <li>Strengthening evidence to prove low environmental impact</li> <li>Measures to shift customer preferences toward medium- and large-quantity products</li> </ul>	<ul> <li>Product development that improves nutritional value</li> <li>Communication to create better eating habits by highlighting nutritional value</li> <li>Development of eco-friendly manufacturing methods and products</li> </ul>					

	4°C scenario (2050): In the event that no policy measures are taken to reduce GHG emissions							
Opportunities	Changes in consumer preferences	Low Emission Products and Services						
Opportunity categories	Products and services	Products and services						
Business impact	Increased sales from products with low environmental impact due to rise in popularity of ethical-mindedness among consumers and customers	<ul> <li>Expanding needs due to health consciousness = Increase in sales</li> <li>Expanding needs for beverages due to rising temperatures = Increase in sales</li> </ul>						
Countermeasures	<ul> <li>Development of eco-friendly manufacturing methods and products</li> <li>Strengthening evidence to prove low environmental impact</li> <li>Measures to shift customer preferences toward medium- and large-quantity products</li> </ul>	<ul> <li>Product development that improves nutritional value</li> <li>Communication to create better eating habits by highlighting nutritional value</li> <li>Development of eco-friendly manufacturing methods and products</li> </ul>						

### (4) Reflecting scenario analysis results in strategy(i) Reflection in our business strategy

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Based on the impact of the scenario analysis on our business, we plan to invest in fossil fuel phase-out and the use of renewable energies, as well as eco-friendly manufacturing methods to further reduce our GHG emissions in the future. We will also work on formulating new business strategies to achieve ASV, where sustainability initiatives lead to greater added value for our products.

Moreover, in our scenario analyses from fiscal 2023 onwards, we will expand the ranges of products and risks for analysis and improve our risk/opportunity analysis.

In our efforts to reduce greenhouse gas emissions, we make investment decisions to minimize the economic impact of our business activities by ensuring the profitability of investments through a combination of energy conservation and other measures. In this way, we pursue a strategy that balances sustainable business operations with environmental considerations.

#### The Ajinomoto Group strategy for GHG reduction



[1] We are considering further investments to reduce GHG emissions, and will disclose the details as soon as they are determined.

#### (ii) Reflection on financing strategy

Sustainable finance forms the basis for acquiring the necessary funds for our various initiatives. Following the October 2021 issuance of our sustainability bonds and the committed credit line established in January 2022 through the Positive Impact Finance scheme, we concluded a committed credit line agreement through our sustainability-linked loans in December 2022, and have been continuing to procure funds through sustainable finance, including with the issuance of sustainability-linked bonds in June 2023. Most recently, we issued two new sustainability-linked loans in March and April of 2024.

Through this financing, we will further accelerate our efforts to realize one of our two outcomes by 2030, namely, to reduce our environmental impact by 50%, as well as to realize a sustainable society.

#### > Sustainable Finance

#### Risk management

To achieve the Medium-Term ASV Initiatives 2030 Roadmap (which includes two outcomes), we must identify risks accurately and respond to these risks promptly and appropriately. The Sustainability Committee and the Management Risk Committee work closely together to ensure no risk is left unaddressed between the two. The committees select and identify risks and opportunities based on matters of importance to the Ajinomoto Group (materiality) and propose these risks and opportunities to the Executive Committee. The Sustainability Committee formulates response measures and manages progress on matters related to sustainability, including social, environmental, and nutritional issues. The Management Risk Committee handles risks that require management attention (e.g., pandemics, geopolitical risks, and information security risks). We implement risk management processes at each domestic and overseas work site to identify risks and formulate

countermeasures, taking individual business strategies and local political, economic, and social conditions into account. The Management Risk Committee improves this process and compiles the risks identified by each work site and addresses those that management should take the initiative to address. Each business and corporation create a business continuity plan (BCP) for emergencies. The Management Risk Committee develops a system that regularly checks the effectiveness of these plans and monitors and manages the risk response status periodically.

#### Metrics and targets

#### (i) Targets

The Ajinomoto Group submitted a commitment letter declaring our compliance with new GHG emission reduction targets, including net-zero emissions under the Science Based Targets (SBT) initiative. With this declaration, we review targets and strategies in line with the net zero standards to further accelerate our efforts towards the GHG emission reduction target of limiting temperature increase to 1.5°C, certified by the SBT initiative.

We set a target (total volume target), certified by SBTi, of 50% reduction in total Scope 1 and Scope 2 GHG emissions by fiscal 2030 in comparison with fiscal 2018.

We also plan to revise our fiscal 2030 24% reduction target (intensity target), also certified by SBTi, for GHG emissions per ton of Scope 3 production (GHG emissions intensity) in comparison with fiscal 2018 levels.



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### Scope 3 emissions target per ton of production



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#### Disclosures Based on the TCFD Recommendations



[1] Turkey is included in Asia/Africa.

#### (ii) FY2023 results

Total Scope 1 and 2 GHG emissions for fiscal 2022 were significantly lower than the previous year by nearly 300,000t- $CO_2$  e. This significant reduction was due in part to the plants of PT AJINOMOTO INDONESIA and Ajinomoto (Thailand) Co., Ltd. converting from coal to biomass fuel and the procurement of renewable energy certificates by the Kyushu Plant of Ajinomoto Co., Inc. The Company is on track to achieve approximately 80% of our 2030 GHG emissions target (50% reduction from 2018 levels) based on our current plan, however we will consider further reduction activities to achieve even greater emissions reductions.

Scope 3 GHG emissions per volume unit of production (across all categories) increased approximately 1% from the previous year and decreased approximately 1% from the base year of fiscal 2018 (no retroactive effect across Group companies). This result was mainly due to a decrease in total

Units: ton-CO2e / Total of Scope 1 and 2

production volume of the Group as a whole. In fiscal 2024, we plan to work collaboratively with Scope 3 raw materials suppliers. We will also accelerate our efforts to reduce GHG emissions by collaborating with external parties and suppliers going forward.

#### (iii) Efforts to achieve targets

As measures to meet our Scope1 and Scope 2 targets, we are promoting energy-saving activities, a switch to fuels with low GHG emissions, the use of renewables such as biomass and solar power, and the introduction of lower energy-consumption processes (such as considering the conversion from fossil fuels to biomass fuels and procuring renewable energy certificates for China, Ajinomoto Co., Inc. Tokai Plant, etc.).

For Scope 3 emissions, raw materials are causing approximately 60% of total GHG emissions over the

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whole product life cycle, therefore we are encouraging raw materials suppliers to reduce their GHGs, and are considering the introduction of new technologies such as onsite ammonia production. (t-CO<sub>2</sub>e)

#### Disclosures Based on the TCFD Recommendations

#### GHG emissions calculated from IEA<sup>[1]</sup> CO<sub>2</sub> emissions factors

	FY2018 <sup>[2]</sup>	FY2019	FY2020	FY2021	FY2022	FY2023
Scope 1 emissions	1,196,969	1,013,315	1,008,811	1,005,363	973,780	767,084
Scope 2 emissions (market-based method)	1,015,723	960,375	901,789	606,594	611,712	512,653
Scope 1 and 2 total emissions	2,212,692	1,973,690	1,910,600	1,611,957	1,585,492	1,279,736
Scope 3 emissions	11,933,270	11,821,564	11,787,705	10,947,844	10,492,309	10,187,420
Scope 1, 2, and 3 total emissions	14,145,962	13,795,254	13,698,305	12,559,801	12,077,801	11,467,156

### Scope 1 and 2 emissions and Scope 3 emissions retroactively for companies excluded from the Ajinomoto Group after fiscal 2019, in accordance with SBTi standards

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	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Scope 1 and 2 total emissions (market-based method)	1,961,516	1,779,380	1,752,812	1,611,957	1,585,492	1,279,736
Scope 3 emissions(excluding Category 11) (t-CO <sub>2</sub> e)	9,876,834	9,858,584	9,951,981	9,550,897	9,106,260	8,890,473
Scope 3 emissions per volume unit (excluding Category 11) <sup>[5]</sup>	4.01	4.12	4.26	4.05	3.87	3.93

[5] Per production volume unit was revised to line with the SBTi standard.

#### Greenhouse gas emissions per volume unit calculated from $IEA^{[2]}CO_2$ emissions factors

	FY2018 (Base Year)	FY2019	FY2020	FY2021	FY2022	FY2023
Scope 1 and 2 emissions per volume unit (intensity per ton of product)	0.84	0.79	0.79	0.68	0.67	0.57
Scope 3 emissions (exclude category 11) per volume unit (intensity per ton of product)	4.54	4.71	4.87	4.64	4.46	4.50
Reference value: Production volume (1,000 t)	2,627	2,512	2,423	2,360	2,350	2,265
Scope 1 and 2 emissions per volume unit (intensity per million yen sales)	1.99	1.79	1.78	1.40	1.17	0.89
Scope 3 emissions per volume unit (intensity per million yen sales)	10.71	10.75	11.00	9.53	7.72	7.08
Consolidated sales (million yen)	1,114,308	1,100,039	1,071,453	1,149,370	1,359,115	1,439,231

[1] International Energy Agency

[2] FY2018 was the only year calculated using the location basis, and it has since been unified with the market basis.

[3] The results scope 3 emissions per volume unit were revised because the coverage of organizations for calculation were different.

[4] We used data different from production volume set forth for the other environment data.

#### SBTi targets and progress

	FY2023		FY2025	FY2030
	Target	Performance	Target	Target
Scope 1 and 2 GHG emission reduction rate (vs. FY2018)	At least 25% decrease	35% decrease	30% decrease	50% decrease
Scope 3 (excluding Category 11) GHG emissions per volume unit reduction rate Intensity per ton of production (vs. FY2018)	5% decrease	2% decrease	14% decrease	24% decrease

### Reduction of greenhouse gas emissions in the value chain

#### Internal carbon-pricing

The Ajinomoto Group utilizes internal carbon pricing to prevent and mitigate future financial risks.

We visualize the financial impact of our business investments on GHG emissions through internal carbon pricing. In this way, we pursue measures for fuel conversion and renewable energy to reduce environmental impact and prevent and/or mitigate future financial risks.

#### Internal carbon-pricing

	2030 CO <sub>2</sub> Price Forecasts <sup>[1]</sup>	2050 CO <sub>2</sub> Price Forecasts
Developing countries	\$25/t-CO <sub>2</sub>	\$180/t-CO <sub>2</sub>
Brazil, China, India, and Indonesia	\$90/t-CO <sub>2</sub>	\$200/t-CO <sub>2</sub>
Developed countries	\$140/t-CO <sub>2</sub>	\$250/t-CO <sub>2</sub>

 We apply the 2030 carbon prices as projected by the 1.5°C scenario of the International Energy Agency (IEA).

#### Shifting to renewable energy

In August 2020, the Ajinomoto Group announced its participation in RE100, an international environmental initiative comprising companies aiming to achieve 100% renewable energy for electricity. Companies participating in RE100 are from diverse fields such as information technology to automobile manufacturing. Member companies are asked to publicly announce their goals to use 100% renewable energy sources such as solar power, wind power, hydroelectric power, biomass, and geothermal power in their business activities by the year 2050. In fiscal 2023, the Ajinomoto Co., Inc. Kyushu Plant in Japan and WAN THAI FOODS INDUSTRY CO., LTD. began procuring certificates. The Ajinomoto Thailand Birdy<sub>®</sub> production plant also launched operations of a renewable energy in-house power generation system.

#### Management of fluorocarbons, NOx, etc.

The Ajinomoto Group aims to eliminate all Hydrofluorocarbons (HFCs) by fiscal 2030 at factories with equipment that use fluorocarbons. Our intent is to switch to natural refrigerants or refrigerants with low Global Warming Potential (GWP) of less than 150 when installing new or upgrading existing equipment. In 2001, when Japanese frozen food factories were not yet required to discontinue their use of equipment using specified Chlorofluorocarbons (CFCs), we started with an initiative to phase out the usage

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of freezers using these chemicals, and as of the end of March 2021, we have eliminated the use of those freezers in Ajinomoto Frozen Foods Co., Inc. We are continuing efforts at our plants to fully eliminate CFC substitutes by fiscal 2030, and will work to decrease use of fluorocarbons across the entire Ajinomoto Group. In fiscal 2023, our atmospheric emissions of CFCs increased to 11 tons. This increase was due to an accident at the Kansai Plant of Ajinomoto Frozen Foods Co., Inc. in September 2023, during which 6,761 kg of chlorofluorocarbons (equivalent: to 12,238 tons of CO<sub>2</sub>) leaked when removing equipment from the plant. The equipment had been shut down for a long period (two and a half years) in preparation for its removal. We reported the incident promptly to the supervising local government and formulated measures to prevent recurrence. We are committed to taking thorough measures to prevent recurrence going forward.

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#### NOx and other atmospheric emissions

	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Nitrogen oxide (NOx)	9,421	5,224	6,637	5,673	4,730	3,977
Sulfur oxide (SOx)	10,701	6,779	7,016	7,676	5,311	1,068
Particulates	1,827	884	1,310	871	3,492	762
CFCs[2]	11	9	7	5	4	11

[2] Figures for fiscal 2019 and beyond exclude natural refrigerants and other non-fluorocarbons due to the redefinition of CFCs, HCFCs, and HFCs.

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#### Initiatives in transportation

The Ajinomoto Group is working to establish a sustainable logistics system.

In Japan, the F-LINE Project launched in 2015 by six food manufacturers<sup>[1]</sup> operates joint transport in Hokkaido and Kyushu, as well as a joint mainline trunk transport in Hokkaido, in a spirit of competing on products, but distribute in cooperation. In April 2019, we also established a joint logistics company, F-LINE CORPORATION, as an effort between five food manufacturers<sup>[2]</sup>, including Ajinomoto Co., Inc.

Furthermore, activities in Phase 2 of the F-LINE Project were launched in the spring of 2022 to get ahead of the "2024 problem" in Japan, a logistics crisis projected to emerge in 2024. In this second phase, four teams have been formed to discuss solutions to the various issues they handle. The three issue-facing teams are for front-end processes (medium- and long-distance transportation), core processes (delivery and distribution centers), and back-end processes (production, distribution, and sales logistics streamlining), respectively, and the fourth team is for promoting standardization and efficiency across all processes.

As a result of these efforts, we consolidated two storage and distribution bases in the Hokkaido area into one in October 2023 to improve logistics efficiency. Joint storage and delivery improves loading efficiency per vehicle and reduces the number of deliveries. Fewer deliveries will enable us to reduce the number of vehicles used for deliveries to customers, reduce burdens when receiving cargo, and reduce environmental impact by approximately 16% in terms of CO<sub>2</sub> emissions. In March 2024, we placed a portion of truck transportation with marine transportation, striving to improve the working environment for truck drivers, stabilize transportation, and reduce CO<sub>2</sub> emissions. To this end, we began allocating a specific day of the week for each company to make regular marine transportation shipments

in the Chubu and Kansai regions to Kyushu using ferries between Kansai and Kyushu.

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[1] House Foods Group Inc., Kagome Co., Ltd., Nisshin Seifun Welna Inc., Nisshin Oillio Group, Ltd., Mizkan Co., Ltd., and Ajinomoto Co., Inc. [2] Five companies listed in above [1] excluding Mizkan Co., Ltd.

#### Modal shift ratio

Even before calls to address the 2024 problem in Japan logistics, the Ajinomoto Group had been maintaining efforts to simultaneously enhance transportation capacity and environmental friendliness. We have been particularly focused on modal shift<sup>[3]</sup>, actions launched in 1995 to shift from trucks to railways and ships as means of transportation. During fiscal 2023, Ajinomoto Co., Inc. achieved an overall 94% long-distance transport modal shift by using ships for transport. Ajinomoto Frozen Foods Co., Inc. switched from trucks to JR refrigerated containers for a portion of the route between Sekiyado low-temperature logistics center (Chiba Prefecture) and Sendai low-temperature logistics center (Miyagi Prefecture) from October 2023. This switch resulted in a 30.9% reduction in CO<sub>2</sub> emissions<sup>[4]</sup>. The company also switched from trucks to JR refrigerated containers and ocean refrigerated containers by ship for main-line logistics between Kyushu and Kanto. Through these efforts, Ajinomoto Frozen Foods Co., Inc. and F-LINE CORPORATION jointly received the Eco-Ship Mark certification in May 2023. The companies were also selected as a recipient of the Eco-Ship Modal Shift Maritime Bureau Director Generals Award by the Ministry of Land, Infrastructure, Transport and Tourism. In June 2024, the company also received the Logistics Environmental Award at the 25th Logistics Environmental Awards sponsored by the Japan Association for Logistics and Transport. [3] Compared to commercial freight vehicles (trucks), railway container

and ship transport results in CO<sub>2</sub> emissions of one-tenth and one-fifth, respectively.

[4] Oct. 2023-Jan. 2024 year-on-year results

Modal shift ratio of Ajinomoto Co., Inc. for 500 km or more

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#### Disclosures Based on the TCFD Recommendations

#### Per-unit energy use in logistics

Ajinomoto Co., Inc., Ajinomoto Frozen Foods Co., Inc., and Ajinomoto AGF, Inc. are considered specified consignors under the Energy Conservation Act. Each company is legally obligated to make efforts in reducing per-unit energy use (crude oil equivalent) within their cargo logistics by at least 1% per year on average over five years, reporting results to the Japanese government. Although we are reviewing our logistics network and conducting modal shifts to reduce per-unit energy use, the per-unit energy use of the three companies combined in fiscal 2023 increased by 2.4% compared with the previous fiscal year. This increase is due to an increase in energy consumption and carbon dioxide emissions at Ajinomoto AGF, Inc. in fiscal 2023 stemming from the production of certain products and inventory transfers.

#### Per-unit energy use in logistics<sup>[1]</sup>



[1] Combined results for Ajinomoto Co., Inc., Ajinomoto Frozen Foods Co., Inc., and Ajinomoto AGF, Inc.

#### Modal shift at Ajinomoto's Brazilian subsidiary

In Brazil, trucks are often used for cargo transportation, which poses challenges not only from an environmental perspective, but also in terms of traffic accident risk, cargo theft risk, high transportation costs, and large fluctuations in fuel prices due to oil price fluctuations and unstable exchange rates. Ajinomoto Brazil implements the Green Transportation Project, which aims to solve environmental issues by transforming logistics through cargo optimization, multimodal transportation, and the use of sustainable vehicles. Through this project, Ajinomoto Brazil aims for a 30% reduction in GHG emissions by 2030, compared to 2018 levels.

The company reduced GHG emissions by 5% in fiscal 2023 (compared to fiscal 2018 levels). This reduction was due to company efforts in rail and marine transportation, as well as the use of biomethane gas trucks, hybrid vehicles (diesel and gas), and electric trucks for short-distance deliveries in specific areas.

In fiscal 2024, the Logistics Division of Ajinomoto Brazil plans to reduce GHG emissions by 5%. To this end, the company will engage in a project the company refers to as Booking Green. This project helps reduce GHG emissions in overseas transportation. Going forward, Ajinomoto Brazil plans to supply distribution centers with heavy-duty electric trucks and apply new practicable technologies in Brazil.

#### The Four Steps of the Green Transportation Project

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 Introduce heavy-duty electric trucks to supply distribution centers

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#### Disclosures Based on the TCFD Recommendations

#### Contributing to CO<sub>2</sub> emission reduction with electronic materials to evolve into a Smart Society

Demand and arithmetic processing speeds for semiconductors used in PCs, servers, 5G base stations, and other devices are increasing rapidly as we transform into a data-driven society. Over the past five years, the performance per power consumption unit of the semiconductors that support this demand has increased by approximately 100 times. We mainly use our interlayer insulation material, which reduces electrical signal loss in semiconductor packages, with energy-conserving magnetic and other materials for semiconductors. With these technologies, the Ajinomoto Group contributes to semiconductor energy conservation and, in turn, reduces CO<sub>2</sub> emissions.

The development of optical computing and photoelectric

fusion technologies is advancing as we evolve into a Smart Society. These technologies require an increase in energy efficiency by a factor of 100 times compared to current levels. In response, the Ajinomoto Group will continue to develop new materials in this new field to contribute to faster arithmetic processing speeds and reduced environmental impacts.

Ajinomoto Build-up Film™ (ABF)

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Approx. 100 times<sup>[1]</sup>

more power efficient

over five years

2023

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### Contributes to higher performance semiconductors

Semiconductor performance per power concentration unit

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2019

2020

2022

2018

100

Performance and Power Consumption

2017

# Sustainable livestock production using specialized feed-grade amino acids and contributing to GHG emissions reduction

#### Performance

Demand for protein increases as the global population grows. However, GHGs emitted during the cattle growth process, which produces beef and raw milk sources of protein, are one of the most pressing issues in global warming, accounting for 9.5% of global emissions. Demand is rising for solutions that leverage AjiPro<sub>®</sub>-L., a lysine formulation for cattle developed by the Ajinomoto Group in response to these issues using "AminoScience". Lysine is an essential amino acid often deficient during the cattle growth process. AjiPro®-L delivers lysine to the cattle's intestines without breaking down in the cattle's stomach, allowing lysine to be efficiently replenished in their system. Replenishing lysine reduces production costs of beef and milk while reducing methane  $(CH_4)$  and nitrous oxide $(N_2O)$ emissions during the cattle growth process. In this way, we expect lysine replenishment to reduce GHG emissions by approximately 1 ton per cow per year.

#### The Barrel Theory of Amino Acids

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This diagram depicts the Barrel Theory of amino acids, with each stave of the barrel representing a specific essential amino acid. In the same way that the capacity of a barrel is limited by its shortest stave, our bodies only intake amino acids at the level of the most deficient amino acid.

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Calculated by the Company per head of cattle per year
 Amount of reduction varies with farmer feed design, etc.

#### **Disclosures Based on the TCFD Recommendations**

#### J-Credit Scheme using amino acids in dairy farming and cooperation with a local livestock industry

In March 2023, Ajinomoto Co., Inc. and the Meiji Group launched a collaboration to build a business model utilizing the J-Credit Scheme<sup>[1]</sup> that simultaneously reduces GHG emissions and creates economic value in dairy farming and the dairy industry.

This business model uses our amino acid lysine formulation for dairy cattle, AjiPro<sub>®</sub>-L, to reduce GHG emissions. Reduced GHG emissions are then converted into credits through the J-Credit Scheme.

The Meiji Group will purchase the credits that we acquire, and the proceeds from the purchased credits will be paid to dairy farmers, providing a new source of income for them in the future. The credits purchased by the Meiji Group can then be used to offset the Meiji Group's GHG emissions, thereby contributing to GHG emission reduction throughout the dairy industry.

In April 2024, the Company entered a partnership agreement with Kagoshima Prefecture and livestock-related organizations in the prefecture. This agreement aims to reduce GHG emissions and promote industrial development.

Kagoshima Prefecture adopted a GHG emissions reduction solution using AjiPro<sub>®</sub>-L to promote Green Transformation<sup>[2]</sup> (GX) through initiatives in collaboration with several livestock-related organizations, livestock businesses, universities, and financial institutions in the prefecture. Industries, academia, and governments in the prefecture have pledged participation and we expect this initiative to expand efforts to reduce GHG emissions from cattle.

[1] A scheme in which the Japanese government certifies the amount of CO<sub>2</sub> and other GHG emissions reductions and removals as tradeable credits.

[2] Efforts to transform industrial structures while aiming for carbon neutrality (reducing overall GHG emissions to zero) and economic growth





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(6) Reduced GHG emissions value converted to credits

**J-Credit Scheme** project

(10) Offset of Meiji Group GHG emissions with purchased credits

**J-Credit Scheme** 

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(3) Reduction of GHG emissions through feed

with improved amino acid balance

#### **Business Model Utilizing the J-Credit System**

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#### Disclosures Based on the TCFD Recommendations

#### Partnership Agreement Business Model in Kagoshima Prefecture



### Reduction of waste across product lifecycles

#### Approach

Throughout our history, the Ajinomoto Group has strived to reduce waste and various other environmental impacts. We accelerate our efforts to minimize the environmental impact of our core businesses (amino acids, seasonings, and processed foods) on a global level. The Ajinomoto Group strives to conserve the environment and resources in a sustainable manner, contribute to society through our business, and strengthen our business competitiveness and sustainable development. To this end, we launched the Ajinomoto Group Zero Emissions in 2003 based on globally uniform standards. These standards are unique to the Group, aiming to minimize the environmental impact of all our business activities. Under these standards, we work thoroughly to reduce waste generation in our business activities to utilize limited resources effectively. Our goal is to covert more than 99% of the waste generated into resources. To this end, we strive to ensure the effective use of generated waste while adding value to waste for use in resource recycling. We improve amino acid production efficiency in particular by recovering by-products as resources and introducing new technologies. The Group is also engaged in various initiatives to improve the precision of sales forecasts and conduct find-tuned procurement. In this way, we minimize the waste of raw materials and packaging materials.

#### Results

Our final waste disposal (emissions) distribution volume for the Group in fiscal 2023 was as shown to the right. Waste generated by the Ajinomoto Group amounted to approximately 1,658 thousand tons (92.9% of previous year), which was lower than production volume (96.2%

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of the previous year). Final waste disposal amounted to approximately 19.4 thousand tons, or about 1.2% of the amount generated, indicating progress in resource recovery. Disposal in United States, Thailand, Brazil, France, and China accounted for about 91% of total final waste.

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#### Total final waste disposal volume by area<sup>[1]</sup> (FY2023)

We recovered 98.8% of waste as resources in fiscal 2023, compared to a resource recovery target of 99%. In fiscal 2023, the introduction of biomass cogeneration reduced the use of fossil fuels. Our recycling rate in fiscal 2023 improved slightly from the previous year due to fewer cinders generated from such fossil fuels. Other factors that contributed to the higher recycling rate include our initiatives to reduce generation in the food business and our advancement of efforts to recycle animal and plant residues and other resources.

#### Volume of waste and by-products and resource recovery ratio

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						(10115)	
		FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Haz	ardous waste (was	te acids, waste alka	ali, waste oil, cinder	7)			
(	Generated	69,991	83,834	81,216	83,770	106,161	96,507
F	Recycled	68,422	83,429	80,892	83,399	105,997	96,323
I	ncinerated	40	60	38	24	12	105
l	andfills	1,529	345	286	347	152	78
Nor	n-hazardous waste:	By-products (slude	ge, bacteria, waste	filter aids, etc.) <sup>[1]</sup>			
	Generated	2,194,566	2,021,002	1,615,808	1,546,599	1,470,197	1,386,673
	Composted	2,194,470	2,020,885	1,615,713	1,543,988	1,470,110	1,386,659
	Incinerated	0	0	0	0	0	0
	Landfills	96	117	95	2,611	87	15
Nor	n-hazardous waste:	Other (sludge, anir	nal and plant resid	ue, plastic waste, e	etc.) <sup>[2]</sup>		
	Generated	174,651	181,246	173,310	195,832	208,120	174,906
	Recycled	153,388	156,432	150,295	169,243	182,956	155,715
	Incinerated	2,821	2,121	1,784	2,318	3,969	1,535
	Landfills	18,442	22,693	21,231	24,271	21,195	17,656
Total generated		2,439,208	2,286,082	1,870,334	1,826,201	1,784,478	1,658,086
Tot	al recycled	2,416,280	2,260,745	1,846,900	1,796,630	1,759,063	1,638,698
Tot	al waste	22,928	25,337	23,434	29,571	25,415	19,389
Resource recovery ratio		99.1%	98.9%	98.7%	98.4%	98.6%	98.8%

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[1] Sludge, bacteria, humus carbon, waste activated carbon, gypsum sludge, salts, fermentation final concentrate, waste filter aids, etc.

[2] Sludge, animal and plant residues, plastic wastes, glass and ceramic wastes, metal scraps, paper wastes, wood wastes, rubber scraps, waste construction materials, office wastes, etc.

#### **Reducing plastic waste**

The Ajinomoto Group focuses on reducing plastic waste as part of our sustainability efforts.

Plastic is an important material used in food quality preservation and safety. However, the use of plastics leads to marine pollution, resource depletion, and various other environmental problems. Plastic waste that runs into the ocean without proper treatment is said to take hundreds of years to decompose. Such runoff is cause for concerns regarding use in the food chain as microplastic, accidental ingestion by organisms, and other impacts on ecosystems. Microplastics are also found in facial cleansing foams and various other household products.

The Ajinomoto Group set a goal to reduce plastic waste to zero by 2030. This means that we intend to eliminate all plastics released to the environment that are not used effectively. Through a group-wide project launched in March 2020, the Group engages in initiatives aimed at creating resource-recycling societies. The Group cannot accomplish these initiatives alone; we must address such initiatives throughout the entire value chain, considering the entire product lifecycle. To this end, the Ajinomoto Group cooperates with external stakeholders in the countries and regions in which we do business.

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#### Current Flow



#### Goals for fiscal 2030

- Choose to use plastics in the minimum quantity and purpose required for safety and quality (reduce)
- Switch to using only plastic packaging made of monomaterial or recyclable products (recycle)
- Support and contribute to measures for social implementation of collection, sorting, and recycling in countries and regions where our products are manufactured and sold

Under our plan to achieve zero plastic waste, while promoting the technological development of monomaterialization, we will also promote reduction. This reduction will be completed by fiscal 2025, and our conversion to recyclable materials will also be completed by fiscal 2030. After confirming barrier property requirements for each product, we will implement new technologies for packaging materials that use aluminum foil currently, starting from those with a relatively low required barrier.

#### Roadmap to achieving zero plastic waste

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#### Stage 1: Reduce (e.g., thinner packaging, switching to paper)

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★: Established technology

Area	Details	FY2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Japan	Elimination/reduction of secondary packaging		From adoption to completion									
Japan	Thinner packaging	*	From adoption to completion									
Overseas	Switching to paper		*	From	adoption	to comp	oletion					

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#### Stage 2: Recycle (mono-materials)

Area	Details	FY2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Japan	Non-barrier items	*	From adoption to			to comp	oletion					
Japan	Barrier items (moderate properties)			*	From adoption to completion							
Japan	Barrier items (high properties)						*	From adoption to completion				
Overseas	Barrier items (high properties)						*	From adoption to completion				
Confirm necessary barrier properties Lateral deploy						yment						

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Contribution to a Circular Economy

#### Performance

The distribution of plastic usage volumes for the Group in fiscal 2023 was as follows.

#### Plastic usage by area<sup>[1]</sup> (FY2023)



The total amount of plastic used by the entire Group was 68 kilo tons, a decrease year on year. Japan, Thailand, Indonesia, Brazil, and Vietnam accounted for 80% of total use. Of these 68 kilo tons, 90% were used in product packaging materials. In addition, we have already converted approximately 33,000 kilo tons to mono-materials and other easily recyclable packaging materials. Excluding increases and decreases in sales, we made progress in fiscal 2023 in reducing plastic usage by approximately 600 tons per year. These gains were mainly due to efforts to reduce plastic usage by making products thinner. We also converted approximately 200 tons per year of packaging materials to more easily recyclable designs such as mono-materials. In addition, waste collection efforts have begun in Indonesia, the Philippines, Brazil and other countries. Going forward, we will explore possible topics further for technology development and possible contributions to building mechanisms for collection and recycling in various countries.

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[1] Turkey is included in Asia/Africa.

#### Ajinomoto Group total plastic usage volumes

	FY2019	FY2020	FY2021	FY2022	FY2023	
Plastic usage	71 kilo tons <sup>[2]</sup>	70 kilo tons	71 kilo tons <sup>[2]</sup>	69 kilo tons	68 kilo tons	
(Of which, product packaging materials <sup>[2]</sup> )	(94%)	(94%)	(93%)	(93%)	(90%)	

[2] Figures have been corrected in line with reviewed totals.

#### Sonthouton to a Circular Economy

## Container and packaging design for the environment

#### Approach

The Ajinomoto Group engages in low environmental impact container and packaging design in accordance with ISO 18600 series and JIS Z 0130. We pursue the 3Rs by minimizing the amount of packaging material to the extent such does not interfere with original function considering how to easily separate and sort our packaging by material for recycling. We select and develop optimal containers and packaging, engaging in low environmental impact design tailored to the different characteristics and shapes of our products. Containers and packaging include everything from plastic, pouches to trays, bottles, glass bottles, PET bottles, paper boxes, and exterior packaging (cardboard boxes). The Group also strives to reduce the amount of food loss and waste generated by extending "best-before" dates through the use of containers and packaging that better maintain product freshness. Our efforts here include adopting singleserve packaging that leaves no food waste.

In August 2023, Ajinomoto Indonesia used monomaterials as multilayer plastic packaging for Sajiku<sub>®</sub>, a flour for fried chicken that reduces the amount of oil absorbed by the batter. We also reduced the amount of plastic used for our umami seasoning AJI-NO-MOTO<sub>®</sub> by 108 tons per year by reducing headers and reviewing packaging size.

### Environmental assessments of containers and packaging

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Before releasing new or revised products, the Ajinomoto Group conducts an environmental assessment based on a checklist. We use this assessment to confirm compliance

Key Initiatives and

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with product-specific regulations and compatibility with Group environmental targets (Table 1). In addition, Ajinomoto Co., Inc. assesses the details of product revisions using a points-based Eco-Index for Containers and Packaging (Table 2).

#### Table 1: Environmental assessment checklist

	Objective	Checklist Item				
	Waste 3Rs	Compliance with environmental laws and regulations				
Compliance	Food loss and waste reduction	Prevention of product degradation and damage				
	Risk	Prevention of usage of packaging materials with environmental issues				
	Waste 3Rs	Use of packaging materials compatible with the 3Rs				
Compatibility	Sustainable procurement	Use of sustainable packaging material(s)				
with Group environmental	Food loss and waste reduction	Use of packaging materials that reduce food loss and waste				
targets	GHG emissions reduction	Reduction of environmental impact in the supply chain				
	Fostering consumer awareness of green living	Display of environmental labels				

#### Table 2: Eco-Index for containers and packaging

Environmental plan item	Assessment item (example)	Assessment standard (example)			
	Plastic container/packaging weight reduction	At least 450 kg reduced per year			
Transition to zero plastic waste	Space per packaging volume	No more than 15%			
	Compatibility with recycling systems	Easily recyclable materials used in all areas			
	LC-CO <sub>2</sub> emissions reduction	Transport efficiency			
GHG emissions reduction	Reduction compared to previous product version	At least 80% loading efficiency			
Sustainable procurement	Use of eco-friendly materials	Use of forest-certified paper			
Realization of a recycling-oriented society	Environmental labeling	Display of the Aji-na Eco mark			
Food loop and waste reduction	Food loss and waste reduction	Extension of shelf life			
FOOD IOSS AND WASLE FEDUCIION		Adoption of single-serve packaging			

Governance

#### The recycling of containers and packaging waste in Japan

Under the Containers and Packaging Recycling Act in Japan, the recycling of containers and packaging waste from households is consigned to the Japan Containers and Packaging Recycling Association. In fiscal 2021, Ajinomoto Co., Inc., Ajinomoto Frozen Foods Co., Inc., and Ajinomoto AGF, Inc. used a combined 34.6 kilo tons of containers and packaging subject to recycling requirements, essentially level with the previous fiscal year. Based on this usage, recycling implementation fee payments for fiscal 2023 amounted to 556 million yen, 122% compared with the previous fiscal year. Although the usage volume of glass bottles and plastics increased, at 108% and 102% of previous fiscal year levels, respectively, usage of PET bottles decreased 89%, and overall usage was level year on year. Per-unit recycling contract costs also increased, leading to higher payment amounts in fiscal 2023.

#### Use of containers and packaging and recycling implementation fee payments for household products for Ajinomoto Co., Inc., Ajinomoto Frozen Foods Co., Inc., and Ajinomoto AGF, Inc.<sup>[1]</sup>





[1] Correction has been made as a result of a review of totals.

#### Cooperation with outside organizations Initiatives in Japan

The Ajinomoto Group works with Japanese container and packaging recycling groups and government-related organizations to implement social recycling of plastic resources. As part of our efforts to reduce plastic waste, we participate as a founding member company of CLOMA<sup>[1]</sup>, a platform for accelerating innovation by strengthening crossindustry cooperation across a wide range of stakeholders and industries. We are active in secretary and chair positions in the Promotion Subcommittee and other bodies, and we take part in activities that include proof-of-concept tests for large-scale waste collection methods.

Key Initiatives and

Progress

Help Extend the Healthy Life

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CLOMA established the Design for the Future Task Force, which works actively to envision an ideal future in the year 2050 and to achieve the organization's goals, which include increasing the materials recovery ratios.

In July 2024, we launched a pilot project for the horizontal recycling of used mayonnaise bottles in cooperation with various companies and local governments participating in CLOMA to implement social recycling of plastics. Our first step is to develop recycling technology for used mayonnaise bottles while grasping the issues related to the collection of the bottles. [1] Japan Clean Ocean Material Alliance

#### > P021

#### Initiatives in Indonesia

Much of the waste in Indonesia is disposed of directly in landfills due to the lack of infrastructure in place for waste separation, collection, and disposal.

Ajinomoto Indonesia began collaborating with Rekosistem (a local start-up company) to launch waste collection and recycling activities at a traditional market (Pasar) in Surabaya City in December 2022. Collection sites operated by Rekosistem accept all types of waste other than food waste. Ajinomoto Indonesia became the brand owner of this initiative, offering an incentive of 1,000 rupiah to residents who bring two used product packaging of Ajinomoto Indonesia for every kilogram of non-organic waste. In this way, we raise awareness of waste separation among residents.

Social

During the one-year period beginning December 2022, the Company collected 22.3 tons of non-organic waste, including 4.7 tons of plastic waste. Ajinomoto Indonesia also launched measures to create recycled plastic pallets using the collected plastic. The company is deliberating on how to introduce these plastic pallets within company plants in fiscal 2024.

#### Initiatives in Brazil

Reduce Our Environmental

Impact by 50%

In August 2023, the innovation hub of Ajinomoto Brazil, AjinoLab, entered into a partnership with Yattó, a company specializing in reverse logistics systems. The companies collaborated to launch a project to find solutions to reduce plastics from production to post-consumer by 2030.

During the three-month pilot project, Ajinomoto Brazil leveraged a reverse logistics system established by Yattó and the regional waste managers' cooperative community, striving to reduce 20 tons of post-consumer packaging materials. Ajinomoto Brazil supports the cooperative on a daily basis to enhance the receipt, storage, collection, transportation, and final disposal of waste, as well as to contribute to a better quality of life for cooperative members.

#### Initiatives in the Philippines

Ajinomoto Philippines partnered with Basic Environmental Systems and Technologies, a local waste management company, to launch a recycling system service called SariCycle in January 2024.

Many products sold in small independent stores, known locally as Sari-Sari stores, are packaged in single-use plastic, to be discarded shortly after use. This plastic often ends

up as unrecycled waste, contributing to increased plastic waste. SariCycle solves this issue by offering store owners the chance to earn environmental points for correctly sorting plastic packaging collected from customers and bringing it to recycling centers. Accumulated points can be exchanged for daily necessities or used to offset utility bills. In addition, the company aims to maintain motivation of the store owners by offering products from Ajinomoto Philippines as rewards upon reaching the target amount. SariCycle is also beneficial due to the high accessibility of the program to customers and its ability to raise awareness among store owners and customers alike through the community-based nature of the Sari-Sari stores, which are ingrained in daily life.

#### Reducing environmental impact by supplying highly biodegradable amino acid-based cosmetic materials

#### Expanding business in low environmental impact amino acid-based cosmetic raw materials that are gentle on the skin

Ajinomoto Co., Inc. launched AMISOFT<sub>®</sub>, a skin-friendly, highly biodegradable amino acid-based surfactant made from glutamic acids, in 1972. AMISOFT® has provided amino acid-based personal care ingredients to more than 5,000 companies in 55 countries since.

Soap (fatty acid salts) was the main cleaning agent used until the 20th century. Synthetic surfactants with superior foaming and cleaning power came into use after 1930. Synthetic surfactants at the time were found to have significant burden on the human body and the environment, sparking demand for new detergents that were milder irritating and lower environmental impact. In response Ajinomoto Co., Inc. launched our amino acidbased surfactants that reduce environmental impact due to high biodegradability and are also mild on the skin. We are committed to strengthening our development and supply system for amino acid-based cosmetic ingredients used in skin care, makeup applications, and detergents, aiming to provide customers with amino acid-based cosmetic ingredients that are friendly to the environment and the skin.

#### AMIAURA<sup>™</sup> low environmental impact powder treatment kit for makeup applications

We launched AMIAURA™, a new product for makeup applications, in 2024. AMIAURA™ utilizes the technology of the  $AMISOFT_{\ensuremath{\scriptscriptstyle \mathbb{R}}}$  series, marketed as our mainstay amino acidbased surfactant products.

AMIAURA<sup>™</sup> is an amino acid-based powder treatment kit that improves the functions of cosmetic powders (mica, titanium dioxide, etc.) used to improve the textures and light scattering functions of cosmetics. AMIAURA™ forms amino acid barriers on the surface of cosmetic powders, improving the adhesion and hydration of powders to the skin as well as the stable dispersion of powders in emulsions, sunscreen creams, and other cosmetic products. AMIAURA™ is also highly biodegradable and low environmental impact.

#### Continued development of alternative raw materials to microplastic beads in cosmetics

As consumers grow more concerned about reducing environmental impact, various countries and regions are tightening to ban or reduce the use of polymer plastics. These plastics have significant negative impacts the environment and marine pollution, even in the cosmetics industry. In addition to the use of plastics in packaging, the cosmetics industry in particular faces the major issue of microplastic beads in personal care products flowing into the ocean after use. In 2023, the European Commission enacted a regulation that enforces a gradual ban on the use of microplastic beads for washable personal care products. However, developing alternative materials for the plastic

microbeads used in skin care and make-up products has been considered difficult in terms of retaining their feel and user experience. Amid these conditions, Ajinomoto Co., Inc. has succeeded in using our unique technologies harnessing amino acid-based personal care ingredients to develop the AMIHOPE®SB series to replace conventional microplastic beads. This new product launched in 2022. The AMIHOPE<sub>®</sub>SB series uses naturally derived raw materials. making it highly biodegradable. The series also features both the feel of microplastic beads and the functions of improved UV absorber efficacy used in sunscreen creams (SPF boost). AMIHOPE<sub>®</sub>SB is highly acclaimed worldwide, featured in the TOP 10 in the Oral category, out of 76 products, at the 2023 Barcelona International Federation of Societies of Cosmetic Chemists (IFSCC), the world's largest cosmetics technology research and presentation conference. In 2024, we also launched AMIHOPE® SB-103, a new product that is soft to the touch and has excellent adhesion to the skin. Ajinomoto Co., Inc. is committed to developing alternatives to microplastic beads with superior textures and function while pursing the possibilities of amino acids.

Social

Impact by 50%

Key Initiatives and Help Extend the Healthy Life | Reduce Our Environmental Progress Expectancy of 1 Billion People

Developing alternatives to plastic microbeads for cosmetics products



Video (YouTube) The cosmetics you use could save the world!?



Lecture at the International Federation of Societies of Cosmetic Chemists (IFSCC)

#### Ajinomoto Group eco-labels

#### Performance

In response to feedback from consumers such as wanting to choose products that are as good for the environment as possible and wanting to know the eco-friendliness of a product at a glance, the Ajinomoto Group has labeled products with our original Aji-na Eco and Hotto-suru Eco marks since 2010. We strive to provide easy-to-understand

products. The logo mark expresses the image of the

environment made even better through food.

green of the earth, the pleasure of eating, and a global

explanations of improvements in packaging and details of our environmental initiatives, considering the environment in which customers use our products and throughout the value chain. In March 2024, we formulated internal guidelines for environmental communication, striving to ensure appropriate labeling of our environmental marks in reference to these guidelines.

Social

> Aji-na Eco<sub>®</sub> mark (Japanese only)



*Hotto-suru Eco* identifies Ajinomoto AGF, Inc. products that have special environmental features. The logo mark expresses the comfort felt when drinking one's favorite beverage, colored in the green of the earth. The *Hotto-suru Eco* label was introduced in 2015.



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Key Initiatives and Progress Help Extend the Healthy Life Expectancy of 1 Billion People

Reduce Our Environmental Impact by 50%

#### Approach

The Ajinomoto Group is deeply dependent on agriculture, using large amounts of agricultural products in our business activities. However, agriculture today faces various serious challenges, including environmental impact issues, climate change responses, and human rights considerations. Such challenges affect not only our business but also the sustainability of the entire planet. In response, the Ajinomoto Group is committed to finding solutions to these issues through our business activities, aiming to contribute to sustainable agriculture. Our efforts include promoting the use of "AminoScience," utilizing by-products of the fermentation process effectively as fertilizer and feed, and developing biostimulants. Through these efforts, we aim to create social, environmental, and economic value and build a resilient food system. Our contributions to sustainable agriculture have deep connections to our business strategy and serve as an important step in our efforts to work together to think and bring about the future of food and agriculture. Our contributions to sustainable agriculture have deep connections to our business strategy and serve as an important step in our efforts to work together to think and bring about the future of food and agriculture.

### Bio-cycles contribute to reductions in greenhouse gas emissions

#### Approach

The Ajinomoto Group produces amino acids through fermentation processes from crops that are easily available in each region. We use as fertilizer and feed nearly 100% of the nutritionally rich by- products (co-products) that remain after extracting amino acids in the fermentation process. We call this type of circular amino acid fermentation processing a bio-cycle, and by introducing this in fermentation facilities

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Impact by 50%

around the world, we are working to reduce GHG emissions associated with production of ordinary chemical fertilizer and support sustainable agriculture.

Social

#### The Ajinomoto Group Bio-cycles



[1] The chart assumes worldwide annual Group production of approximately 0.7 million tons of the umami seasoning AJI-NO- MOTO<sub>®</sub> using only sugarcane. The figures for sugarcane grown and sugar production are commonly used global figures. The figures related to resources used for producing AJI-NO-MOTO<sub>®</sub> are based on actual statistics from the Group. Bio-cycle concept and image were revised considering the changes of production process and raw material procurement situation.

#### Effective use of by-products (coproducts)

#### Approach

Plants synthesize amino acids from absorbed nitrogen and sugars gained through photosynthesis, then use amino acids to synthesize proteins necessary for growth. Even under poor photosynthesis conditions caused by cloudy weather or low temperatures, plant growth can be stimulated by supplying amino acids as fertilizer.

For more than 40 years, the Ajinomoto Group has effectively utilized co-products as a fertilizer containing organic amino acids. Overseas offices in Thailand, Vietnam, Brazil, and other countries sell co-products that are used by local farmers, thereby contributing to improved agricultural productivity. Co-products in agriculture offer a low-carbon alternative due to their ability to replace chemical fertilizers, reducing greenhouse gas (GHG) emitted in the production of chemical fertilizers by significant amounts.

We also develop fertilizers with higher added value by blending co-products with suitable amounts of phosphoric acid, potassium, and other elements necessary for plants. Continued experiments and research have made it clear that these amino acid-enriched fertilizers enhance root development, plant growth, and harvest yields.

#### Ajinomoto Group agriculture initiatives around the world

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#### Japan

The Ajinomoto Co., Inc. Kyushu Plant produces high-guality fertilizers, making effective use of co-products derived from the amino acid and nucleic acid manufacturing process. In the past, the plant dried co-products for use as solid fertilizer. However, the amount of fuel oil necessary for drying amounted to 600 kiloliters per year and released 2,000 tons of CO<sub>2</sub> into the atmosphere. Through trial and error, the Ajinomoto Co., Inc. Kyushu Plan worked with AEON Kyushu to find a solution for using co-products as compost. The heat generated during the fermentation of compost is used to dry the compost naturally at between 60°C and 80°C. This approach not only reduces environmental impact, but also improves the quality of crops by increasing amino acid and sugar content. The vegetables produced using this compost are called Kyushu Rikisaku Vegetables, and the project serves as a means to revitalize local agriculture under a campaign called Energizing Kyushu Agriculture!, building a cooperative value chain including agricultural professionals and distributors.

#### Vietnam

Vietnam is one of the world's leading exporters of rice. The Mekong Delta in the south is a center of rice production, where rice cultivation takes place two or three times a year. Continued use of nonorganic fertilizers in this region has degraded soil fertility, resulting in unstable quality and vields, making farmers difficult to make a living through rice cultivation. In 2007, AJINOMOTO VIETNAM CO., LTD. began conducting research using a co-product called AMI-AMI<sub>®</sub> (liquid fertilizer) in small-scale test farms. Today, this co-product business in Vietnam, which maintains soil fertility while keeping farm production costs down, is essential

among local communities, leading to sustainable agriculture.

Social

#### Thailand

Reduce Our Environmental

Impact by 50%

In Thailand, a major cause of PM2.5 particulates is the burning of sugar cane leaves after harvest. However, spraying the co-product AMI-AMI<sub>®</sub> (liquid fertilizer) on the fields promotes the composting of leaves and is helpful in preventing burn-offs. The Ajinomoto Group also launched the Thai Farmer Better Life Partner Project in fiscal 2020 to support farmer autonomy, contributing to the sustainability of food resources in Thailand. The project works with more than 500 cassava farmers in Kamphaeng Phet Province, where an Ajinomoto Group's factory is located, to improve productivity and incomes. We have seen a more than 20% improvement in productivity and incomes through proper fertilizer management based on soil diagnosis, the use of microbial materials, access to seed stalks uninfected with cassava mosaic disease, and educational programs. The number of participating farmers is increasing year by year, and collaboration with government, universities, and other companies is flourishing. This program is quickly becoming a model for sustainable raw materials procurement.

#### Brazil

AJINOMOTO DO BRASIL INDÚSTRIA E COMÉRCIO DE ALIMENTOS LTDA.(ABR) sells co-products such as liquid foliar fertilizer and fertilizing material AJIFOL® and soil mineral fertilizer AMIORGAN<sub>®</sub> mainly to coffee and fruit plantations. More recently, we have seen a movement among plantations toward sustainable management, making a full-scale transition from chemical fertilizers to co-products from ABR. In fiscal 2022, we launched Amino Imune, a new high-valueadded liquid foliar fertilizer offering enhanced plant immunity. This product has received high praise from the market and continues to grow in sales. In addition, we continue to use AJIFOL<sub>®</sub> at coffee plantations that Ajinomoto AGF, Inc. supports in the production region to further improve quality.

We undertook three initiatives to this end: (1) Reduce  $N_2O^{[1]}$  through the use of AMIORGAN<sub>®</sub>, which applies the function of amino acids to fertilizers; (2) Reduce CO<sub>2</sub>e. in agricultural operations through the use of AMINO Plus, which contains glutamic acid; and (3) Engage in soil carbon sequestration through the use of AMINO Arginine, which contains arginine. As a result of these efforts, we reduced greenhouse gas emissions by 3,400 and 3,800 t-CO<sub>2</sub> $e^{[2]}$ in 2020 and 2021, respectively. We also increased soil carbon sequestration by 1,100 and 1,200 t-CO<sub>2</sub>e<sup>[2]</sup> in the same years. We not only improved productivity and quality for farmers, but also contributed to the preservation of the global environment.

[1] A gas that has a greenhouse effect about 300 times greater than that of CO<sub>2</sub>; N<sub>2</sub>O is an ozone-depleting substance. [2] vs. FY2021

#### Contributing to sustainable agriculture with biostimulants

The Ajinomoto Group works to improve agricultural efficiency, enhance crop quality, and reduce environmental impact through our biostimulant business. Biostimulants are agricultural materials that utilize "AminoScience". Biostimulants promote natural plant health and plant growth by blending natural materials (fermented microorganismderived ingredients such as amino acids) and natural extracts. Unlike pesticides, which protect plants from abiotic stresses (e.g., diseases and pests) biostimulants work to reduce non-biotic stresses, including high and low temperatures and drought damage. Genetics determines the maximum yield of a crop when the crop is still a seed. This yield is then reduced during growth depending on the abiotic and non-biotic stresses that the crop undergoes. Biostimulants play a role in lowering reduced yields stemming from these non-biotic stresses.

Ajinomoto Group company Agro2Agri, S.L. (Spain) manufactures and sells biostimulant products. With

strengths in advanced product development based on knowledge and expertise in amino acids, the company operates in more than 50 countries around the world, contributing to sustainable agriculture through improved yields and quality of agricultural products.

Research conducted by Agro2Agri, S.L. (Spain) that biostimulants improved yields by approximately 24%. This data also estimates a 25% reduction in water and chemical fertilizer use, and an 8% reduction in fuel use. Based on current sales volume, we estimate that the use of biostimulants has improved yields equivalent to approximately 800,000 ha of farmland. This number is equivalent to about 3.3 million tons of wheat production, or enough food to feed 50 million people for a year.

#### Amino acids and their effects

	Effect	Bad weather	Good weather
Nucleic acids	Improved     rooting	<ul> <li>Drought tolerant</li> <li>Stimulation of plant growth</li> <li>Improvements in root rot</li> </ul>	<ul> <li>Improved fertilizer efficiency</li> <li>Reduced collapses</li> </ul>
Amino acids	<ul> <li>Increased protein synthesis</li> </ul>	Reduced stress (due to cloudy weather, low temperatures, and high temperatures)	<ul> <li>Increased revenues</li> </ul>

#### Contributing to sustainable agriculture through biostimulant products

Increased yield through Ajinomoto Group products generates approximately 3.3 million tons of wheat (for approximately 50 million people\*) (2024 forecast) \* Calculated using the annual per capita wheat consumption (world average)

Social

#### Expected effects of utilizing biostimulants

Higher yield per acreage	Reduced water use
Improved nutritional composition (protein, vitamins, sugars, etc.)	Reduced chemical fertilizers and pesticides
Reduced water use	Improved quality
Reduced fuel use	Climate change (drought, heat waves, cold) resilience



Key Initiatives and Progress

Help Extend the Healthy Life Reduce Our Environmental Expectancy of 1 Billion People

Impact by 50%

### Contribution to reducing food loss and waste

#### Approach

The current food system has many problems. Around one-third of all food produced globally is wasted. Food imbalances, where some areas have too much while others have too little, and the risk of future shortages of food and protein are also issues. We think that reducing food loss and waste is the key to solving these issues.

The Ajinomoto Group plans to reduce food loss and waste by 50% from the receipt of raw materials to customer delivery by 2025. We also aim to achieve a 50% reduction across the entire product life cycle by 2050. To achieve this goal, we leverage the Ajinomoto Group's strengths in "AminoScience", such as production process design and improvement technologies, taste design technologies, and quality control technologies, to reduce food loss and waste throughout the value chain. We also provide materials to producers and information to consumers to further support this effort.

#### Contribution to reducing food loss and waste

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#### Performance

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The Ajinomoto Group defines food loss and waste as food (edible portions) that is treated or disposed of in waste water treatment, landfill, or incineration. This definition excludes food ultimately redistributed for food use or used for feed or fertilizer.

The major food loss and waste categories generated by the Group are as follows:

• Raw materials and materials in process: Disposal due to product revisions, production item changes, expired use-by dates, production incidents, etc.

• Products: Expired sales time limit caused by product revisions or inaccurate demand forecasting, product returns due to erroneous shipment, goods damaged at warehouse or at the time of delivery, disposal of sample items

Social

 Loss due to standard factory operations: Waste generated by standard operations, including line cleaning to switch products and sample inspections

As a result, the Group generated 11,279 tons of food loss and waste in fiscal 2023. Ratio by area is shown at right.



Image of total final waste disposal

volume by country

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[1] Türkiye is included in Asia/Africa.

Governance

39%

26%

12%

8%

8%

869

851

#### Reduction of Food Loss and Waste

#### Food loss and waste reduction targets

#### Performance

The Ajinomoto Group is committed to a long-term vision to halve food loss and waste generated throughout the entire product lifecycle by fiscal 2050 as compared to fiscal 2018. Our first target is to reduce food loss and waste between the acceptance of raw materials and the delivery of products to customers by 50% by fiscal 2025 (compared to fiscal 2018).

In fiscal 2023, we reduced food loss and waste by 53% compared to fiscal 2018, reaching our goal two years ahead of schedule. This decrease was mainly due to improvements in reducing food loss and waste at businesses that produce waste in volume, as well as by using food for feed or fertilizer.

We believe the achievement of this goal was due to several factors. These include not only setting priority issues at the organization and factory levels but also identifying problem areas by visualizing the sources of food loss and waste by product and production process, with the help of the production department. We also implemented a PDCA cycle in collaboration with business, production, and research departments, and shared best practices globally across different business units. This united effort across the company led to the successful reduction.

In fiscal 2024, we plan to keep working on these efforts, aiming to reduce food loss and waste by 50% or more from the fiscal 2018 level. We'll also look into setting new targets. We believe that this theme of reducing food loss and waste is not only about saving limited food resources but is also closely related to various environmental and social issues. With this in mind, we will focus on the entire product lifecycle. We will work closely with suppliers and promote awareness among society and consumers, aiming to further reduce food loss and waste during the production stages of raw materials and at the household level.

#### Food loss and waste reduction rate per production volume unit

Key Initiatives and

Progress

	FY2022 Target	FY2023 Result	FY2024 Target	FY2025 Target
Food loss and waste reduction rate from the acceptance of raw materials to delivery to customers (vs. FY2018)	39% decrease	53% decrease	Over 50% reduction	Over 50% reduction

Help Extend the Healthy Life

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Impact by 50%

#### Volumes of food loss and waste<sup>[1]</sup>

		FY2018 (Base year)	FY2019	FY2020	FY2021	FY2022	FY2022
Ref.: Prod	uction volume (1,000 t) <sup>[2]</sup>	2,609	2,542	2,423	2,357	2,354	2,265
	Total volume (t)	27,710	25,507	22,267	19,262	15,167	11,279
Food Loss and Waste	Per production volume unit (per ton of product) (kg/t)	10.6	10.0	9.2	8.2	6.4	5.0
	vs. FY2018 (%)	-	95	87	77	61	47

[1] Measured with reference to the Food Loss & Waste Accounting and Reporting Standard. (Measurement methods may differ between target organizations.)

[2] We used data different from production volume set forth in other environmental data for convenience of aggregation.

Social



#### Reduction of Food Loss and Waste

### Food loss and waste reductions in the supply chain

#### Approach

The Ajinomoto Group has been promoting a range of measures to reduce issues with food loss and waste in each process of the supply chain, from raw material procurement through to consumption by customers. In production, we face the issue of raw material losses. To deal with this, we are promoting measures such as enhanced production and sales management, reducing manufacturing problems, improving yields, and reducing the frequency of product switching. Issues in logistics and sales include disposal of inventory and returned products, and disposal at distributors and retailers. Our efforts include improved demand forecasting, enhanced sales management, longer "bestbefore" periods, "best-before" labeling of month and year, and utilizing food banks. To respond to the issue of waste by consumers, we are offering products that utilize our unique technologies and providing recipes with less food loss and waste.

Key Initiatives and

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#### Measures to achieve food loss and waste reductions in the supply chain



#### Performance

Reduce Our Environmental

Impact by 50%

In the Japanese B2C product Knorr<sub>®</sub> Cup Soup, we make full use of the entire super sweet corn, not just the kernels. Leaves and stalks left over from corn harvests are used as fertilizer to nourish fields, eliminating waste. We separate corn delivered to the factory into kernels, husks, and cores. The kernels go into our soup, while the husks and cores do not go to waste, but are rather used to feed cattle. The amount of feed generated is approximately 6,500 tons per year. Corn feed is rich in nutrients not found in grass, and cattle manure also becomes compost. Cattle manure from pastures is returned to the fields in a cycle of corn production.

Social

The food industry uses the enzymes we offer as B2B products in the manufacture of a variety of products. In 1993, Ajinomoto Co. Inc. launched Activa, the first product in the world to use transglutaminase, an enzyme that binds proteins together, for food. We have been engaged in a range of applied research projects and product developments with the goal of enhancing transglutaminase functionality in response to challenges in various food products. We use this enzyme in the production of a wide variety of food products worldwide, including meat products, dairy products, processed fisheries products, noodles, bread, and plant-based proteins, by improving texture, physical properties, and by enhancing formability. In addition, this enzyme contributes the effective use of food resources by reducing deterioration over time, extending freshness, and reducing food loss among our customers.

#### Participation in outside initiatives

Ajinomoto Co. Inc. is part of the Consumer Goods Forum (CGF), an international trade association. The company collaborates with other member companies in the Food Waste Working Group, which is one of the Japan Sustainability Local Groups, to reduce food loss and waste. During Japan's Food Loss Reduction Month in 2023, we teamed up with the Consumer Affairs Agency and eight other member companies, using social media to encourage consumers across Japan to reduce food loss and waste.

#### Cooperation with the Government

We took part in the Voluntary Declaration of Food Loss initiative by the Consumer Affairs Agency in 2023. This initiative aimed to showcase efforts to reduce food loss and waste and create a system that informs consumers about corporate efforts.

#### Disseminating recipes and content that reduce food loss and waste

#### Performance

In Japan, households waste about 2.44 million tons of food each year (according to the Ministry of Agriculture, Forestry, and Fisheries for fiscal 2021). This amount is about half of the country's total food loss and waste, which is 5.23 million tons.

In August 2022, the Ajinomoto Group launched the brand Too Good to Waste<sup>™</sup> to help reduce household food loss and waste.

We've launched a special section on AJINOMOTO Park website to help people enjoy food more. It features recipes to reduce food loss and waste, including **III** TOO GOOD recipes, along with tips and ideas for making food waste reduction fun and easy.

In fiscal 2023, we extended our efforts to three countries: Ajinomoto Thailand, Ajinomoto Indonesia, and Ajinomoto Brazil. We created country-specific recipes and engaged with consumers through our own media and social networks. Since 2009, the Ajinomoto Group has published Eco-Uma Recipes<sub>®</sub> (eco-friendly and delicious recipes) through websites and events, encouraging consumers to create delicious everyday meals without waste.

> Recipes Within the TOO GOOD TO WASTE™! Website (Japanese Only)

- > Eco-Uma Recipes<sub>®</sub> (Japanese Only)
- > PARK MAGAZINE (Japanese Only)
- (1) Ideas to Reduce Household Food Loss and Waste Series (2) Menu Ideas to Use Up Food Ingredients Series

#### Initiatives in Brazil

#### Performance

In Brazil, our production, logistics, and marketing teams work together to reduce food loss and waste in the food sector supply chain By improving production processes at the plant, we have cut waste by 311 tons per year and increased useful resources, like fertilizer, to 644 tons per vear.

Social

To help reduce food loss and waste at home, the Too Good to Waste<sup>™</sup> campaign uses TV commercials, social media influencers, cooking classes, and popular reality shows. This initiative has led to 74 new Too Good To Waste<sup>™</sup> recipes each year, adding up to a total of 187 recipes since 2021. These recipes are available on the ABR website.

ABR's in-house cafeteria measures and tracks leftovers. The cafeteria also educates employees by sharing Too Good To Waste<sup>™</sup> recipes and running a Zero Food Loss, Prato Limpo campaign during Food Loss Reduction Month. This campaign also helps raise employee awareness of food loss and waste issues by offering basic environmental education. These efforts have reduced ABR's total food loss and waste in fiscal 2023 to 89% of the fiscal 2018 level.

#### Sustainability Policy and Framework

Key Initiatives and Progress

Help Extend the Healthy Life Reduce Our Environmental Expectancy of 1 Billion People Impact by 50%

### Consideration of natural capital risks and opportunities

#### **Biodiversity approach**

#### Approach

The Ajinomoto Group sells products in more than 130 countries and regions, and our entire business activities, from procurement of raw materials to manufacturing and sales, are heavily dependent on the various bounties of nature, otherwise known as ecosystem services. These services include agricultural, livestock, and fishery resources, genetic resources, water and soil, and pollinators such as insects. These natural bounties come from healthy biodiversity shaped by the diversity of living organisms and their connections.

However, biodiversity is currently being lost at an unprecedented rate, making biodiversity conservation a pressing issue worldwide. The Ajinomoto Group recognizes the importance of reducing its impact on biodiversity and protecting the global environment while sustaining its business. Since issues related to biodiversity are also closely related to environmental boundaries and social issues such as climate change, water and soil, waste, and human rights, we will work to resolve these issues so as to create mutual benefit. In conserving biodiversity, we believe it is necessary to establish a system of action to halt and reverse the loss of biodiversity through our business. Accordingly, we will support the Kunming-Montreal Global Biodiversity Framework<sup>[1]</sup> adopted at the 15th Conference of the Parties to the Convention on Biological Diversity (COP 15) in 2022 and contribute to its achievement.

- This Framework is adopted in December 2022 and sets out the global vision of a world living in harmony with nature by 2050, 4 goals for 2050 and 23 targets for 2030.
- Original document: https://www.cbd.int/doc/decisions/cop-15/cop-15dec-04-en.pdf

Ministry of the Environment provisional translation: https://www.env.go.jp/ content/000107439.pdf

#### > Biodiversity

#### Guidelines

In July 2023, the Ajinomoto Group established and announced the Ajinomoto Group Biodiversity Guidelines to recognize issues related to biodiversity, as well as its approach, action guidelines, and targets. We also see biodiversity as deeply related to environmental and social issues such as deforestation and other land modification in the production of raw materials, pesticide use and waste, child labor, and forced labor in our sustainable procurement efforts. In addition to our existing procurement guidelines on palm oil and paper procurement guidelines, we restructured our coffee and soybean procurement guidelines in July 2023. In addition, our Policy Guidelines for Suppliers require suppliers to comply with laws and regulations, and to give consideration to and endorse the Ajinomoto Group's policies on human rights and the environment.

- > Ajinomoto Group Biodiversity Guidelines
- > Ajinomoto Group Paper Procurement Guidelines
- > Ajinomoto Group Palm Oil Procurement Guidelines
- > Ajinomoto Group Soy Procurement Guidelines
- > Ajinomoto Group Coffee Procurement Guidelines
- > Guidelines for Group Shared Policy for Suppliers

### Examining risks and opportunities in line with the LEAP approach

Social

#### The LEAP Approach

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In fiscal 2023, we conducted risk and opportunity assessments based on an analysis of dependencies and impacts for selected raw materials for procurement in some areas of the Ajinomoto Group, including seasonings and foods, frozen foods, and healthcare, in line with the Task Force on Nature-Related Financial Disclosures (TNFD) beta framework. The LEAP approach is guidance proposed by the TNFD that provides a process for the systematic, science-based assessment of nature-related risks and opportunities within corporations and financial institutions.

> TNFD: LEAP - the risk and opportunity assessment approach

#### Selection of Target Raw Materials

We selected 12 raw materials that fall under the High Impact Commodity List (HICL) created by the Science Based Targets Network and have a large procurement volume for raw materials, providing 80% coverage of net sales. For this analysis, we selected sugarcane, cassava, corn, raw milk, soybeans, rapeseed, rice, cattle, coffee, palm, copper, and crude oil. Note that paper, which falls under HICL but is a packaging material, was excluded.

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#### Analysis Results

The first three steps, Locate, Evaluate, and Assess (LEA), were used to analyze the four processes of raw materials, production, sales, and consumption.

	Locate	Evaluate	Assess
Analysis overview	For the target businesses, we identified areas in the supply chain of our Group's business that are at high risk of biodiversity loss.	In addition, we identified factors for dependence and impact on nature in the supply chain of our Group's businesses. Indicators and thresholds for each factor were set to quantitatively diagnose the future state of dependence and impact (2050).	Risks were identified in the scenarios with respect to the factors of dependence and impact that will cause degradation in a future state. For these results, we estimated the financial impact based on the Group's response status and assessed the magnitude of risk and opportunity.
Tools	The tools below were used in various combinations at each st (ENCORE, SBT's High Impact Commodity List, SBTN Materia Aqueduct Water Atlas, Nature Map Explore, Aqueduct Global International Institute for Applied Systems Analysis, What a Wa	abase Protected Area, IUCN Red List, GLOBIO, Aqueduct, pogenic nitrogen and phosphorus inputs to major world rivers,	
Results	For the target raw materials, we identified and evaluated the points of contact with nature in the supply chain of our Group's business in 25km to 50km grid units, and identified the grids that should be subject to detailed analysis based on natural degradation. In the Locate step, of the total of 24,000 grids, we identified 20,000 grids as falling into at least one of the following categories: areas of importance for biodiversity, areas of rapid degradation, areas of potential degradation, areas of high water stress, and areas inhabited by indigenous peoples.	In the 20,000 grids identified in Locate, we identified the factors of dependence and impact on nature at each stage of the supply chain (raw materials, production, consumption, etc.) of our Group's business, assuming the state of natural degradation in 2050. Indicators and thresholds for each factor were set and the degrees of dependence and impact were analyzed. We confirmed that the rate of degradation differs for each natural environment, with forests and the atmosphere degrading worldwide, but water and soil degradation being concentrated in specific regions. In particular, in countries where we procure sugar cane, corn, and rapeseed, we confirmed that there is a possibility that the soil quality in these production areas will deteriorate.	In the Evaluate step, assuming the state of natural degradation in 2050, we forecast what risks could occur in two scenarios: one in which nature conservation and economic development can coexist (SSP1 <sup>[11]</sup> ), and one in which nature degrades and the economy stagnates (SSP3 <sup>[11]</sup> ). We identified a number of risks that could arise due to the degradation of nature, but in particular, we confirmed that the financial impact would be significant, and that the price of raw materials would rise due to chronic physical risks. The main raw materials with significantly rising procurement costs were corn and sugar cane. For sugar cane production, this was caused by degradation of soil in Thailand, while for corn, this was caused by degradation of soil in the United States.

[1] Shared Socioeconomic Pathways (SSP) are a set of scenarios developed by the Integrated Assessment Modeling Consortium, a community established in response to a call by the IPCC Chair to create new scenarios. SSP1: A scenario in which nature conservation and economic development can coexist. SSP3: A scenario in which nature degrades and the economy stagnates.

Social

Sustainability Policy and Framework

Key Initiatives and Progress

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Biodiversity

#### Reflecting Analysis Results in Strategy Reflection in business strategy

In fiscal 2024, we will improve the accuracy of our analysis by narrowing down the analysis of raw materials to a specific region, rather than focusing on the country of origin. Issues related to biodiversity based on this are also closely related to the environment and society, including human rights, climate change, water and soil, and waste, and we therefore strive to solve these issues in ways that create effective synergies. We will also work on formulating new business strategies to achieve ASV, where sustainability initiatives lead to greater added value for our products.

#### Reflecting on financing strategy

Actions regarding the necessary funds for our various initiatives are as described in "Our approach to climate change, (ii) Reflection on financing strategy."

> P057

#### Risk Management

In order to realize the Purpose-Driven Management by Medium-Term ASV Initiatives2030 Roadmap, it is extremely important to accurately identify risks and respond to them promptly and appropriately. The Sustainability Committee and the Risk Management Committee work closely to ensure that no risk is left unaddressed by the two committees, selecting and identifying risks and opportunities based on material matters for the Ajinomoto Group (materiality) and making proposals to the Executive Committee.

The Sustainability Committee then formulates measures and regularly manages their progress for matters related to sustainability, including social, environmental such as biodiversity, and nutritional issues, while the Risk Management Committee handles the same processes for risks that management should take the initiative to address pandemics, geopolitical risks, information security risks, etc.).

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At each business site in Japan and overseas, we implement a risk process cycle identifying risks and formulating countermeasures, taking into account individual business strategies and local political, economic, and social conditions. The Risk Management Committee continuously improves this risk process cycle, compiles the risks identified by each site, and responds to those calling for initiative by management. In addition, each business and corporation has formulated a business continuity plan (BCP) in preparation for emergencies, and the Risk Management Committee has established a system for constant verification of each BCP's effectiveness and regularly monitors and manages risk response. Full-time Audit Committee members attend the Sustainability Committee and the Risk Management Committee to monitor risk management process.

Key Initiatives and

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#### Metrics and Targets

For issues related to biodiversity for which we have enhanced analysis precision and the closely-related issues thereof (for the environment and society, human rights, climate change, water and soil, and waste), we have set metrics and targets to facilitate initiatives to solve these issues.

> Aiming for sustainable skipjack fishing and resource utilization (skipjack ecological survey) (Japanese only) Governance

Social

### Initiatives related to priority raw materials

## Sustainable raw materials procurement to support ASV management

#### Approach

Our business is built on a resilient food system, or in other words, built using stable food resources supported by an abundant global environment and a healthy, vibrant society. At the same time, our business faces environmental and social risks, including greenhouse gas emissions arising at every stage-from raw materials production to-plastic waste, and food loss. Deforestation, peatland development, and the pollution of water resources and soils can damage ecosystems and make it difficult to maintain food resources. Improving animal welfare is also important, since we use raw materials of animal origin. Further, we must ensure that the human rights of every person involved in the supply chain are protected, and that the occupational health and safety of workers is guaranteed. We work hand-in-hand with supply chain stakeholders to address these procurement-related issues and to build a supply chain that has a positive impact on the environment and society. The Ajinomoto Group identifies priority raw materials derived from agriculture, forestry, and fishery sources which demand more focused action. The identification process involves determining all the raw materials used in business operations, which are then analyzed by internal divisions and external experts, including NGOs. We base our assessment on an overall perspective that includes several factors such as dependency on the materials used, availability of alternative materials, and relevance to global environmental sustainability. Priority raw materials are reviewed every year in line with changes in business and global environmental conditions. We mitigate these risks through sustainable procurement initiatives.

#### Identification of priority raw materials

#### Approach

Sustainability Policy and

Framework

The Ajinomoto Group identifies priority raw materials derived from agriculture, forestry, and fishery sources which demand more focused action. The identification process involves determining all the raw materials used in business operations, which are then analyzed by internal divisions and external experts, including NGOs. We base our assessment on an overall perspective that includes several factors such as dependency on the materials used, availability of alternative materials, and relevance to global environmental sustainability. Priority raw material are reviewed every year in line with changes in business and global environmental conditions.

Key Initiatives and

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The Ajinomoto Group formulated guidelines for palm oil, paper, coffee, and soybean procurement, providing procurement policies through 2030 for inside and outside the Group. At the same time, we strive to procure certified raw materials, collaborate with various initiatives, establish our own traceability and auditing, and engage in other measures. In fiscal 2024, we plan to establish policies for sugarcane, beef, and other priority raw materials, and we will continue sustainable procurement, including our commit to achieving No-Deforestation by the end of 2025 as required by SBTi.

> Ajinomoto Group Palm Oil Procurement Guidelines
 > Aiinomoto Group Paper Procurement Guidelines

> Ajinomoto Group Coffee Procurement Guidelines

- > Aiinomoto Group Sov Procurement Guidelines
- > CDP Forests

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#### Ajinomoto Group priority raw materials

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Priority	raw materials	Major countries and regions of procurement				
	Palm oil, an ingredient in packaged food products and specialty chemicals	Indonesia, the Philippines, Vietnam, Malaysia, Thailand, Colombia, Brazil, Peru, Papua New Guinea				
	Paper, used as office paper and in containers and packaging for packaged food products	China, Indonesia, Cambodia, the Philippines, Vietnam, Malaysia, Thailand, Bangladesh, EU, Türkiye, West Africa, the United States, Canada, Mexico, Argentina, Uruguay, Colombia, Paraguay, Brazil, Peru, Bolivia, Australia, New Zealand, Papua New Guinea				
Agriculture and forestry resources	Sugarcane	Brazil, Thailand, Vietnam, Peru, Indonesia				
	Coffee beans	Indonesia, Vietnam, Ethiopia, Tanzania, Colombia, Brazil, Honduras				
	Beef, an ingredient in frozen foods, etc.	Japan, China, Thailand, India, EU, Türkiye, the United States, Canada, Mexico, Argentina, Uruguay, Brazil, Australia, New Zealand				
	Soybeans, an ingredient in packaged food products, etc.	Japan, China, South Korea, Indonesia, Cambodia, Thailand, India, EU, Türkiye, the United States, Canada, Mexico, Argentina, Brazil, Australia, New Zealand				

#### Sustainable Materials Sourcing

#### Performance

To ensure sustainable raw materials procurement, we must reduce risks across a range of categories, including climate change, waste, biodiversity, and human rights. We believe in the importance of recognizing the relationship between each of these initiatives and pursuing efforts toward synergistic effectiveness. We establish individual procurement guidelines for the raw materials identified as priorities, striving to identify procurement status and ensure traceability. We also prioritize initiatives for certified products that meet our procurement policy, believing that this, too, is a way to reduce risk. The Ajinomoto Group also collaborates actively with external organizations, including international initiatives and certification bodies.

#### > P021

#### Sustainable procurement ratio

• Paper, palm oil, soybeans, coffee beans



#### • Sugarcane, beef: Target 100% in FY2030

#### Sustainable procurement of palm oil

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#### Performance

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The Ajinomoto Group has established Palm Oil Procurement Guidelines which stipulate criteria that must be met by the palm oil we procure. The Ajinomoto Group uses palm oil in a variety of products and applications, from packaged food products such as cup soup, instant noodle, and coffee creamer, to specialty chemicals made in Japan, Southeast Asia, Europe, and South America. Certain products use palm kernel oil, which is harder to procure in certified form. Further, certain regions have limited supplies of certified palm oil. Therefore, the Group continues to purchase palm oil certified by RSPO and confirm traceability. In regions where it is difficult to procure RSPO-certified oil, we make every effort to confirm traceability. In so doing, we ascertain whether production takes place in regions where environmental destruction is a concern. In addition, we can respond quickly if human rights violations or other problems occur.

We had set a fiscal 2020 target of 100% sustainable procurement of palm oil, but were unable to achieve this due to difficulty in procuring certified oil for some areas/products. We have set a new target of 100% by 2030, and continue to work towards this goal. We also committed to achieving No-Deforestation by the end of 2025 as required by SBTi. In fiscal 2023, we maintained a 99% ratio of certified or traceable palm oil. However, the loss of RSPO certification by certain suppliers and increased use of palm oil in regions where it is difficult to procure RSPO certified oil resulted in an actual procurement rate of 31% RSPO certified palm oil. From fiscal 2024 onwards, we plan to focus on establishing traceability for palm oil in applications and regions for which certification and traceability have not yet been established, expanding initiatives toward No-Deforestation and the achievement of sustainable procurement goals.

#### Fiscal 2023 palm oil procurement (tons)

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### Fiscal 2023 sustainable palm oil procurement ratio



[1] Europe, the Middle East and Africa

Governance

#### Sustainable procurement of paper

#### Performance

The Ajinomoto Group has established Paper Procurement Guidelines which stipulate criteria that must be met by the paper we procure. These guidelines define sustainable paper as paper that is not derived from deforestation in areas of high conservation value and paper that is procured from suppliers who use proper production procedures in accordance with local laws and regulations, as well as in line with international human rights standards. Sustainable paper includes paper certified by FSC®, as well as recycled paper and paper made from FSC® controlled wood. We had set a fiscal 2020 target of 100% sustainable procurement of paper, but were unable to achieve this because neither certified nor recycled paper are widely used in some areas. We have set a new target of 100% by 2030, and continue to work towards this goal. In fiscal 2023, we achieved 99% sustainable paper usage in packaging.

#### Sustainable procurement of paper



#### Promoting procurement of sustainable sugarcane

#### Performance

Framework

The Ajinomoto Group uses sugar obtained from various crops such as sugarcane, sugar beet, cassava, and corn as a raw material in the fermentation process. We identify sugarcane in particular as a priority raw material. As part of the risk assessment based on TNFD LEAP approach, in fiscal 2023, we conducted a survey of MSG raw materials for a second consecutive year to form a preliminarily picture of the Ajinomoto Group dependence and impact on sugarcane, as well as the state of related risks and opportunities. In fiscal 2024 and beyond, we will formulate procurement guidelines while delving deeper into risk assessments based on this LEAP approach to identify risks and opportunities. We also plan to develop activities for sustainable sugarcane procurement in collaboration with producers and suppliers in conjunction with other issues such as Scope 3 climate change.

#### Sustainable procurement of coffee beans

Social

#### Performance

Coffee beans are produced in areas rich in biodiversity. And much of that production is from small farmers. In procuring coffee beans, we recognize the need for safer, more secure working environments for producers and the importance of working to improve agricultural productivity, in addition to acting with concern for the global environment.

The Ajinomoto Group has endeavored to procure coffee beans produced at farms that adhere to standards set by the 4C certification system. This system aims to improve environmental conditions at coffee farms and better the lives of farm workers, while encouraging sustainable production and distribution. In fiscal 2022, Ajinomoto AGF established coffee procurement guidelines, procurement policies, and KPIs. Ajinomoto AGF procured 60% of its coffee beans in fiscal 2023 from 4C-compliant farms. Starting with the first 4C certification logo in Asia on the packaging for stick coffee released in August 2020, we have promoted ethical consumption related to the sustainable procurement of coffee beans. As of March, 2024, a total of 38 products now have the 4C certification logo. The Group has been continuing with tests in different coffee-producing regions with the goal of using high value-added fertilizers made from by-products (co-products) of fermentation processing of amino acids. Our hope is that, eventually, this coffee will be part of a Group circular economy. In particular, we continue to support farms in Vietnam and Brazil through AJIFOL® fertilizer co-product. In Colombia, we improve product value and support producers by helping rebuild the lives of farmers displaced from their land by civil war.

We will expand and continue to support the application of high value-added fertilizer in the Krong Nang/Ea H'leo districts of Dak Lak province, and the Ham Rong/Dak Doa districts of Gia Lai province. We also survey the effects (sugar content, ratio of red fruit, size) on the yield and maturity of the harvested crops.

#### Brazil

We supported the commercialization of coffee beans by providing AJIFOL® fertilizer co-product. We also examine the effect on harvest on unit yield and ripeness (sugar content, ratio of red fruit, size).

#### Initiatives related to raw materials

#### Performance

The Ajinomoto Group aims to procure 100% sustainable beef by fiscal 2030. We are currently considering specific initiatives such as ensuring traceability. We conducted a comprehensive assessment in fiscal 2021, identifying Brazil and Australia as high-risk areas for beef. In fiscal 2024, we established guidelines that clarify the Ajinomoto Group's standards and targets. Together with specially identified entities, we engage with suppliers and launched initiatives that include the visualization of the beef supply chain.

> P086

#### Sustainable soybean procurement

#### Performance

The Ajinomoto Group aims to procure 100% sustainable soybeans by fiscal 2030. We are currently considering specific initiatives that include the purchase of certified soybeans and traceability. In fiscal 2023, the percentage of soybeans and soy oil used in Japan by the Ajinomoto Group that conformed to the United States Soybean Sustainable Assurance Protocol was 69%. At the same time, the remainder of the soy products included materials from South America, which is considered be at high risk of deforestation or from countries whose origin was unknown. In fiscal 2024, we continue to engage suppliers and work with specially identified entities to achieve soybean procurement based on soybean procurement guidelines.

### Monitoring sustainable procurement of fishery resources

#### Performance

The Ajinomoto Group uses skipjack as an ingredient in HON-DASHI®, our popular flavor seasoning product in Japan. We are committed to conserving resources and sustainable procurement. Therefore, we have conducted the joint skipjack tagging survey with the Research Institute of Fisheries Resources in Japan since 2009. In fiscal 2020 and fiscal 2021, due to the impact of the COVID-19 pandemic, travel to Taiwan and the remote islands of Okinawa Prefecture, where we had previously conducted skipjack tagging surveys, proved difficult, and we were unable to conduct further tagging surveys. In fiscal 2022, however, we resumed skipjack tagging surveys in the waters around Amami Oshima Island, where previous surveys confirmed skipjack are migrating. In fiscal 2023, we conducted two discharge surveys off Makurazaki City, Kagoshima Prefecture. In southern Kyushu, we accumulated data on skipjack migration routes and investigated the impacts of the winding Kuroshio Current and rising sea water temperatures on skipjack distribution. We plan to continue surveys in and around the same area in fiscal 2024 and beyond.

Social

#### > WCPFC

Key Initiatives and Help Progress Expe

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### Animal welfare

#### Initiatives and policy on animal welfare

#### Approach

The Ajinomoto Group deals with animals throughout our businesses and product development, with animalderived ingredients such as meat, eggs, and extracts being essential. In the Group Shared Policy on Better Mutual Relationships with Animals established in 2018, the Group defines our approach to procurement in keeping with the concept of animal welfare, and shares this policy with all primary suppliers in Japan when we start working with them. Also, so that we can respond flexibly to social trends and demands, we hold dialogues with experts in the field of animal welfare and exchange opinions with stakeholders regarding livestock. Given these, the Group policy above was renamed in 2021 as the Group Shared Policy on Animal Welfare. This was updated with more specific content, and shared with all primary suppliers within Japan.

The Group Shared Policy on Animal Welfare describes five initiatives. Among these initiatives is the development of technologies for effective utilization and substitution of animal-derived raw materials. Here, we leverage our strengths in *Deliciousness Technologies*, and leading-edge bio-technologies to develop technologies, ingredients, and product lines that reduce the use of animal products without sacrificing taste, as well as technologies and ingredients that allow for the substitution of animal proteins.

> Group Shared Policy on Animal Welfare

#### Ongoing engagement

#### Performance

We have continued our ongoing engagement with the experts, producers, NPOs and NGOs who participated in the animal welfare roundtable and working group held in 2020.

#### Experts

We participate in recurring meetings with experts and gatherings of industry associations to obtain information on trends in animal welfare, government administration, and other relevant matters.

#### Producers

In addition to having producers complete questionnaires about the present state and other issues related to keeping egg-laying hens, we also visit some production sites to discuss with producers what is currently happening on site, other matters related to keeping caged and cage-free chickens, and also animal welfare.

In response to the growing trend among consumers to make ethical purchases that take into account animal welfare, we have developed and launched product for these consumers. This product is a result of visiting and working in cooperation with producers of free-range eggs.

#### NPOs and NGOs

Every year, we conduct multiple engagements with domestic and international NPOs and NGOs. These are opportunities to share the latest global trends and discuss the current status and challenges facing the Ajinomoto Group that are related to animal welfare.

## The Ajinomoto Group approach to egg procurement

Social

#### Approach

On the basis of our Group Shared Policy on Animal Welfare, Ajinomoto Co., Inc. has set out the Ajinomoto Approach to Egg Procurement. With this approach, we promote stable and sustainable procurement to ensure the safety and security of our product quality by working in cooperation with the relevant stakeholders. We intend to address these issues based on the situation in each region. For example, in Europe we aim to switch to using only cage-free eggs.

> The Ajinomoto Group Approach to Egg Procurement

#### Minimizing animal experiments

#### Performance

In April 2021, the Ajinomoto Group announced its Commitment to Minimizing Animal Testing. We clearly state that we will not test seasonings, processed foods, frozen foods, and beverages using animals. The only exception will be when it is required by law or by national or government authorities. In addition, our efforts to minimize animal testing are leading us to develop alternative technologies and to adopt replacement methods to using animals.

> Commitment and Actions to Minimize Animal Testing

### Conservation of water resources in production processes

#### Approach

As the world's population grows, the demand for water is increasing, but the challenge is that fresh water is distributed unevenly. The depletion of water resources impacts both the water used in production and the procurement of raw materials. Droughts and floods can also cause production to stop.

The Ajinomoto Group will enhance our ongoing efforts to reduce water usage and emissions in production, helping to create a sustainable water management system throughout the supply chain. Additionally, we have set Group-wide standards for wastewater discharge that are stricter than legal requirements, and we consider the environmental impact on water quality.

#### Performance

In fiscal 2023, the Ajinomoto Group used 58,358,000 kiloliters of water. The top five countries, including Japan. Thailand, and the United States, accounted for about 85% of this total. The ratio of water withdrawal in regions with high water stress<sup>[1]</sup> was less than 1%. The Group aims to reduce water consumption per production volume unit (intensity) by 80% by fiscal 2030 (compared with fiscal 2005). This figure achieved our yearly goal in water usage reduction per production volume unit (intensity), at approximately 79%. Common measures of suspended substances in wastewater are BOD (biochemical oxygen demand) and nitrogen. In fiscal 2023, our wastewater contained 210 tons of BOD and 303 tons of nitrogen. Starting in fiscal 2024, the Ajinomoto Group will focus on reducing water use at the Kawasaki, Tokai, and Kyushu plants. These plants have the highest water consumption and water use per unit of production in

the Group. Water conservation issues are linked closely to other environmental and social concerns, such as climate change, soil health, biodiversity, waste, and human rights. We work to address these problems in ways that create mutual benefits.

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

#### Distribution of water consumption by area (FY2023)



> Environmental Data: Conservation of water resources

Social

> CDP Water Security

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#### Reduction rate of water consumption per production volume unit

	FY2	022	FY2023	FY2030
	Target	Result	Target	Target
Reduction rate of water consumption per production volume unit (vs. FY2005)	79%	79%	79%	80%

servation	of Wate	r Resources	
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#### Water use/intensity

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	FY2005 (Base year)	FY2019	FY2020	FY2021	FY2022	FY2023
Total water withdrawal <sup>[1]</sup>	221,863	66,926	64,406	59,979	60,039	58,358
Fresh surface water	180,363	19,630	17,004	17,259	17,890	17,520
Brackish surface water, seawater	0	0	0	0	0	0
Fresh groundwater, renewable	0	14,366	13,041	13,769	13,369	12,507
Fresh groundwater, non-renewable	—	0	0	0	0	0
Produced water	0	0	0	0	0	0
Municipal water (including industrial water)	41,500	32,930	34,361	28,950	28,781	28,332
Water consumption per production volume unit (intensity per ton of product)	123	27	27	25	26	26
Reduction rate (vs. FY2005)	_	78%	78%	79%	79%	79%
Ref.: Production volume (1,000 t) [2]	1,800	2,512	2,423	2,360	2,354	2,265
Total water discharge <sup>[1]</sup>	201,300	52,342	51,564	48,034	46,353	45,735
Fresh surface water (processed by the Group)	47,000	24,297	24,088	20,490	19,655	19,048
Brackish surface water, seawater	0	0	0	0	0	0
Groundwater	0	0	0	0	0	0
Third-party destinations	10,300	11,291	11,139	11,360	11,245	11,049
Total water recycled or reused (Drainage of indirect cooling water into rivers)	144,000	16,754	16,338	16,184	15,453	15,638
Proportion of water recycled or reused	65%	25%	25%	27%	26%	27%
Total water consumption	20,563	14,584	12,842	11,945	13,685	12,623
						r
BOD (tons)	550	283	284	263	269	210
Nitrogen (tons)	3,200	506	583	430	327	303

[1] Water withdrawal is disclosed as the volume measured and invoiced in accordance with the laws of each country and region, or as a converted volume based on pump power use and pipe water speed. Data for quantity and quality of wastewater is aggregated in accordance with the laws of each country and region.

[2] To make it easier to add up, the production volume from other environmental data is reported differently.

Social

(1,000 kl)

Key Initiatives and

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#### Conservation of Water Resources

#### Water use/intensity in regions with high water stress (Peru)

	FY2019	FY2020	FY2021	FY2022	FY2023
Total water withdrawal <sup>[1]</sup>	521	481	496	535	491
Fresh surface water	0	0	0	0	0
Brackish surface water, seawater	0	0	0	0	0
Fresh groundwater, renewable	518	480	494	533	488
Fresh groundwater, non-renewable	0	0	0	0	0
Produced water	0	0	0	0	0
Municipal water (including industrial water)	3	1	2	2	3
Water consumption per production volume unit (intensity per ton of product)	13	13	11	11	10
Reduction rate (vs. FY2005)	22%	23%	37%	32%	43%
Production volume (1,000 t)	40	37	46	47	51
Total water discharge	220	198	214	213	233
Fresh surface water (processed by the Group)	211	188	207	207	210
Brackish surface water, seawater	0	0	0	0	0
Groundwater	0	0	0	0	0
Third-party destinations	10	10	7	6	7
Total water recycled or reused (Drainage of indirect cooling water into rivers)	0	0	0	0	15
Proportion of water recycled or reused	0%	0%	0%	0%	3%
Total water consumption	301	283	282	322	259

Sustainability Policy and

Framework

[1] Water withdrawal is disclosed as the volume measured and invoiced in accordance with the laws of each country and region, or as a converted volume based on pump power use and pipe water speed. Data for quantity and quality of wastewater is aggregated in accordance with the laws of each country and region.

Key Initiatives and Progress Expectancy of 1 Billion People

(1,000 kl)

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