

Ajinomoto Co.Inc. CDP Forests 2023

F0. Introduction

F0.1

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

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

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

F0.2

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

	Start Date	End Date
Reporting year	April 1, 2022	March 31, 2023

F0.3

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

JPY

F0.4

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

Timber products

Commodity disclosure

Disclosing

Stage of the value chain

Manufacturing

Are you disclosing information on embedded commodities?

Yes

Palm oil

Commodity disclosure

Disclosing

Stage of the value chain

Manufacturing

Are you disclosing information on embedded commodities?

Yes

Cattle products

Commodity disclosure

Disclosing

Stage of the value chain

Manufacturing

Are you disclosing information on embedded commodities?

Yes

Soy

Commodity disclosure

Disclosing

Stage of the value chain

Manufacturing

Are you disclosing information on embedded commodities?

Yes

Other - Rubber

Commodity disclosure

This commodity is not produced, sourced or used by our organization

Other - Cocoa

Commodity disclosure

This commodity is not produced, sourced or used by our organization

Other - Coffee

Commodity disclosure

Not disclosing

Stage of the value chain

Manufacturing

Explanation if not disclosing

F0.5

(F0.5) Select the option that describes the reporting boundary for which forests-related impacts on your business are being reported

Financial control

F0.6

(F0.6) Select the countries/areas in which you operate.

Bangladesh
Belgium
Brazil
Cambodia
Canada
China
Côte d'Ivoire
Cyprus
Ecuador
Egypt
France
Hong Kong SAR, China
India
Indonesia
Ireland
Italy
Japan
Kenya
Malaysia
Mexico
Myanmar
Nigeria
Pakistan
Peru
Philippines
Poland
Republic of Korea
Russian Federation
Singapore
Spain

Taiwan, China
 Thailand
 Turkey
 United Kingdom of Great Britain and Northern Ireland
 United States of America
 Viet Nam

F0.7

(F0.7) Are there any parts of your direct operations or supply chain that are not included in your disclosure?

No

F0.8

(F0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.?)

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, an ISIN code	JP3119600009

F1. Current state

F1.1

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

Timber products

Activity

Distributing/packaging

Form of commodity

Paper

Primary packaging

Secondary packaging

Source

Contracted suppliers (manufacturers)

Country/Area of origin

Bangladesh

Belgium

Brazil

Cambodia

China

Ecuador
France
Indonesia
Japan
Malaysia
Myanmar
Peru
Philippines
Poland
Republic of Korea
Spain
Thailand
Turkey
United States of America
Viet Nam

% of procurement spend

1-5%

Comment

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

Palm oil

Activity

Using as input into product manufacturing

Form of commodity

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

Source

Contracted suppliers (processors)
Contracted suppliers (manufacturers)

Country/Area of origin

Brazil
Indonesia
Malaysia
Papua New Guinea
Peru
Philippines
Thailand

% of procurement spend

<1%

Comment

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

Cattle products

Activity

Using as input into product manufacturing

Form of commodity

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

Source

Contracted suppliers (processors)
Contracted suppliers (manufacturers)

Country/Area of origin

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

% of procurement spend

1-5%

Comment

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

Soy

Activity

Using as input into product manufacturing

Form of commodity

- Whole soy beans
- Soy bean oil
- Soy bean meal
- Soy derivatives
- Other, please specify
 - Products made from soybeans, such as miso and soy sauce

Source

- Trader/broker/commodity market
- Contracted suppliers (processors)
- Contracted suppliers (manufacturers)

Country/Area of origin

- Argentina
- Australia
- Bolivia (Plurinational State of)
- Brazil
- Cambodia
- Canada
- China
- Czechia
- France
- India
- Indonesia
- Japan
- Malaysia
- Mexico
- Paraguay
- Republic of Korea
- Thailand
- United States of America

% of procurement spend

1-5%

Comment

The Ajinomoto Group purchases a large amount of soybean oil and soybean meal as raw materials for food and seasoning products. In addition, many Asian food products, such as miso and soy sauce, and other seasonings are made from soybeans, and the Group purchases these products as well.

F1.2

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

% of revenue dependent on commodity	Comment

Timber products	100%	Estimates are based on sales in the business segment in which timber product is used. Paper containers are used for product shipments in all businesses.
Palm oil	81-90%	Figure is estimated based on turnover of business segments that use each commodity. Palm oil is used in business segments including Sauce & Seasonings, Quick Nourishment, Solution & Ingredients, Frozen Foods and Specialty Chemicals business.
Cattle products	71-80%	Figure is estimated based on turnover of business segments that use each commodity. Palm oil is used in business segments including Sauce & Seasonings, Quick Nourishment, Solution & Ingredients and Frozen Foods business.
Soy	71-80%	Figure is estimated based on turnover of business segments that use each commodity. Palm oil is used in business segments including Sauce & Seasonings, Quick Nourishment, Solution & Ingredients and Frozen Foods business.

F1.5

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

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

F1.5a

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

Forest risk commodity

Timber products

Data type

Consumption data

Commodity production/ consumption volume

150,000

Metric for commodity production/ consumption volume

Metric tons

Data coverage

Full commodity production/consumption

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

Yes

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

98

Please explain

The Ajinomoto Group defines deforestation- and/or conversion-free as paper that is FSC certified, PEFC certified paper from companies that is not in a dissociation status with FSC, or 100% recycled paper. In FY2022, 98% of paper procured by Ajinomoto Group fit this definition.

Forest risk commodity

Palm oil

Data type

Consumption data

Commodity production/ consumption volume

39,000

Metric for commodity production/ consumption volume

Metric tons

Data coverage

Full commodity production/consumption

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

Yes

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

77

Please explain

We define deforestation- and/or conversion-free palm oil as RSPO-certified palm oil or palm oil from mills that is verified as deforestation- and/or conversion-free by GFW Pro. RSPO-certified oil accounts for 37% of the total palm oil use. In addition, of the non-certified palm oil, palm oil that procured in Thailand is considered to be deforestation- and/or conversion-free because no deforestation was observed in an area within a 50 km radius around the oil mills . This accounted for 40% of total palm oil purchases.

Forest risk commodity

Cattle products

Data type

Consumption data

Commodity production/ consumption volume

9,300

Metric for commodity production/ consumption volume

Metric tons

Data coverage

Full commodity production/consumption

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

Yes

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

81

Please explain

The Ajinomoto Group has conducted a literature review risk assessment of beef production and has identified the United States and Canada as countries of origin with a low risk of deforestation- and/or conversion. Thus, 7,700 tons of the 9,300 tons of cattle product from North America, so 81% of this material is considered as deforestation- and/or conversion free.

Forest risk commodity

Soy

Data type

Consumption data

Commodity production/ consumption volume

141,000

Metric for commodity production/ consumption volume

Metric tons

Data coverage

Full commodity production/consumption

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

Yes

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

34

Please explain

When calculating soy consumption, the Ajinomoto Group uses the amount of soybeans converted to soybeans. For example, 5 kg of soybeans are required to obtain 1 kg of soybean oil, so when 100 tons of soybean oil is procured, the Group reports that 500 tons of soybeans are procured in terms of soybeans.

The Ajinomoto Group procures a number of soy products, including soybean oil, soybean meal, miso, and soy sauce. Some of these products, such as soybean oil and soybean meal, have been confirmed to be derived from soybeans that are U.S. Soy Sustainability Assurance Protocol (SSAP) certified by the U.S. Soybean Export Council (USSEC), and we consider these soybeans to be deforestation- and/or conversion-free.

F1.5b

(F1.5b) Provide a breakdown of your DCF and non-DCF volumes relevant to your stage in the supply chain according to how verification is achieved and the highest level of traceability, respectively.

Timber products – DCF

% of DCF production/consumption volume from areas with no or negligible risk of deforestation/conversion

0

% of DCF production/consumption volume verified through monitoring systems

52

% of DCF production/consumption volume physically certified

46

Total percentage of production/consumption volume reported (DCF) [auto-calculated]

98

Timber products – Non DCF

% of non-DCF production/consumption volume from unknown origin

0

% of non-DCF production/consumption volume traceable only as far as country level

2

% of non-DCF production/consumption volume traceable only as far as sub-national area

0

% of non-DCF production/consumption volume traceable only as far as processing facility level

0

% of non-DCF production/consumption volume traceable to production unit level

0

Total percentage of production/consumption volume reported (non-DCF) [(auto-calculated)]

2

Palm oil – DCF

% of DCF production/consumption volume from areas with no or negligible risk of deforestation/conversion

0

% of DCF production/consumption volume verified through monitoring systems

40

% of DCF production/consumption volume physically certified

37

Total percentage of production/consumption volume reported (DCF) [auto-calculated]

77

Palm oil – Non DCF

% of non-DCF production/consumption volume from unknown origin

0

% of non-DCF production/consumption volume traceable only as far as country level

2

% of non-DCF production/consumption volume traceable only as far as sub-national area

0

% of non-DCF production/consumption volume traceable only as far as processing facility level

21

% of non-DCF production/consumption volume traceable to production unit level

0

Total percentage of production/consumption volume reported (non-DCF) [(auto-calculated)]

23

Cattle – DCF

% of DCF production/consumption volume from areas with no or negligible risk of deforestation/conversion

81

% of DCF production/consumption volume verified through monitoring systems

0

% of DCF production/consumption volume physically certified

0

Total percentage of production/consumption volume reported (DCF) [auto-calculated]

81

Cattle – Non DCF

% of non-DCF production/consumption volume from unknown origin

0

% of non-DCF production/consumption volume traceable only as far as country level

19

% of non-DCF production/consumption volume traceable only as far as sub-national area

0

% of non-DCF production/consumption volume traceable only as far as processing facility level

0

% of non-DCF production/consumption volume traceable to production unit level

0

Total percentage of production/consumption volume reported (non-DCF) [(auto-calculated)]

19

Soy – DCF

% of DCF production/consumption volume from areas with no or negligible risk of deforestation/conversion

0

% of DCF production/consumption volume verified through monitoring systems

0

% of DCF production/consumption volume physically certified

34

Total percentage of production/consumption volume reported (DCF) [auto-calculated]

34

Soy – Non DCF

% of non-DCF production/consumption volume from unknown origin

0

% of non-DCF production/consumption volume traceable only as far as country level

66

% of non-DCF production/consumption volume traceable only as far as sub-national area

0

% of non-DCF production/consumption volume traceable only as far as processing facility level

0

% of non-DCF production/consumption volume traceable to production unit level

0

Total percentage of production/consumption volume reported (non-DCF) [(auto-calculated)]

66

F1.5c

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

Forest risk commodity

Timber products

Country/Area of origin

Brazil

State or equivalent jurisdiction

Don't know

% of total production/consumption volume

3

Please explain

Domestic materials are used for paper packaging used in Brazil.

Forest risk commodity

Timber products

Country/Area of origin

Indonesia

State or equivalent jurisdiction

Don't know

% of total production/consumption volume

7

Please explain

Domestic materials are used for paper packaging used in Indonesia.

Forest risk commodity

Palm oil

Country/Area of origin

Brazil

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

State of Para and Bahia

% of total production/consumption volume

1

Please explain

The oil mills in Brazil that supply palm oil to suppliers that supply palm oil to Ajinomoto do Brasil are traceable. We know that the mills are located in the states of Para and Bahia of Brazil.

Forest risk commodity

Palm oil

Country/Area of origin

Peru

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

San Martín, Loreto and Ucayali

% of total production/consumption volume

7

Please explain

The oil mills in Peru that supply palm oil to suppliers that supply palm oil to Ajinomoto Peru S.A. are traceable. We know that the mills are located in the provinces of San Martín, Loreto and Ucayali of Peru.

Forest risk commodity

Palm oil

Country/Area of origin

Thailand

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Chon Buri, Chumphon, Krabi, Nakhon Si Thammarat, Narathiwat, Pattani, Prachuap Khiri Khan, Surat Thani, Trang and Trat

% of total production/consumption volume

51

Please explain

The oil mills in Thailand that supply palm oil to suppliers that supply palm oil to Ajinomoto Group companies in Thailand are traceable. We know that the mills are located in the provinces of Chon Buri, Chumphon, Krabi, Nakhon Si Thammarat, Narathiwat, Pattani, Prachuap Khiri Khan, Surat Thani, Trang and Trat in southern Thailand.

F1.5f

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

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

No

Data type

Volume produced/consumed

Metric

Country/Area of origin

State or equivalent jurisdiction

% of total production/consumption volume

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

Comment

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

F1.6

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

No

F1.7

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

Forest risk commodity

Palm oil

Have you monitored or estimated your deforestation/conversion footprint?

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

Coverage

Partial consumption volume

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

Since a specified cutoff date, please specify year

2001

Known or estimated deforestation/ conversion footprint (hectares)

91,421

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

There are 6,172,154 hectares of forest within a 50 km radius of 20 oil mills of our suppliers in Thailand. Of this total, Tree Cover Extent accounted for 69.61% and Primary Forest accounted for 23.27%, respectively.

Of this Primary Forest, 91,421 ha has been lost since 2001, as confirmed by Global Forest Watch Pro.

F2. Procedures

F2.1

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

Yes, forests-related risks are assessed

F2.1a

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

Timber products

Value chain stage

Supply chain

Coverage

Full

Risk assessment procedure

Assessed as part of an established enterprise risk management framework

Frequency of assessment

Annually

How far into the future are risks considered?

> 6 years

Tools and methods used

Internal company methods

External consultants

Global Forest Watch Pro

Trase

Sustainability Policy Transparency Toolkit (SPOTT)

National specific tools and databases

Jurisdictional/landscape assessment

Issues considered

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

Stakeholders considered

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

Please explain

The Ajinomoto Group periodically reassesses the risks of all raw materials of agricultural, livestock, and marine origin procured by the Group with respect to climate change, water/soil, biodiversity, and other issues on natural capitals. A literature review and assessment was conducted on 24 raw materials that were considered high-risk based on preliminary research, and 18 raw materials, including paper, were found to be particularly high-risk from a sustainability perspective.

The risk assessment employs a literature review that examines risks from reports published by international organizations and initiatives, as well as assessments using web tools such as Global Forest Watch Pro, ENCORE, Aqueduct, National Biodiversity Index and Environmental Performance Index score. External consultants also participate in the analysis using these tools.

In FY2022, the Ajinomoto Group also initiated a risk and opportunity study based on TNFD's LEAP approach. In the first year, the survey is being conducted on amino acid raw materials, etc. In the future, this approach will be adopted for the procurement of paper packaging materials as well.

Palm oil

Value chain stage

- Supply chain

Coverage

Full

Risk assessment procedure

Assessed as part of an established enterprise risk management framework

Frequency of assessment

Annually

How far into the future are risks considered?

> 6 years

Tools and methods used

Internal company methods
External consultants
Global Forest Watch Pro
Trase
Sustainability Policy Transparency Toolkit (SPOTT)
National specific tools and databases
Jurisdictional/landscape assessment

Issues considered

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

Stakeholders considered

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

Please explain

The Ajinomoto Group periodically reassesses the risks of all raw materials of agricultural, livestock, and marine origin procured by the Group with respect to climate change, water/soil, biodiversity, and other issues. A literature review and assessment

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In FY2022, the Ajinomoto Group also initiated a risk and opportunity study based on TNFD's LEAP approach. In the first year, the survey is being conducted on amino acid raw materials, etc. In the future, this approach will be adopted for the procurement of paper packaging materials as well.

Since the traceability to the mill is clear for palm oil, location information and publicly available information such as Global Forest Watch Pro are used to estimate and assess the deforestation risk of oil palm plantations close to the mill.

Cattle products

Value chain stage

Supply chain

Coverage

Full

Risk assessment procedure

Assessed as part of an established enterprise risk management framework

Frequency of assessment

Annually

How far into the future are risks considered?

> 6 years

Tools and methods used

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

Issues considered

Availability of forest risk commodities
 Quality of forests risk commodities
 Impact of activity on the status of ecosystems and habitats
 Regulation
 Climate change
 Impact on water security
 Tariffs or price increases

Loss of markets
 Leakage markets
 Brand damage related to forests risk commodities
 Corruption
 Social impacts

Stakeholders considered

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

Please explain

The Ajinomoto Group periodically reassesses the risks of all raw materials of agricultural, livestock, and marine origin procured by the Group with respect to climate change, water/soil, biodiversity, and other issues. A literature review and assessment was conducted on 24 raw materials that were considered high-risk based on preliminary research, and 18 raw materials, including paper, were found to be particularly high-risk from a sustainability perspective.

The risk assessment employs a literature review that examines risks from reports published by international organizations and initiatives, as well as assessments using web tools such as Global Forest Watch Pro, ENCORE, Aqueduct, National Biodiversity Index and Environmental Performance Index score. External consultants also participate in the analysis using these tools.

In FY2022, the Ajinomoto Group also initiated a risk and opportunity study based on TNFD's LEAP approach. In the first year, the survey is being conducted on amino acid raw materials, etc. In the future, this approach will be adopted for the procurement of paper packaging materials as well.

Cattle product risk assessment is also based on traceability information, but since only the origin of the beef is known, feed is based on information from the estimated major grain importing countries.

Soy

Value chain stage

Supply chain

Coverage

Full

Risk assessment procedure

Assessed as part of an established enterprise risk management framework

Frequency of assessment

Annually

How far into the future are risks considered?

> 6 years

Tools and methods used

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

Issues considered

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

Stakeholders considered

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

Please explain

The Ajinomoto Group periodically reassesses the risks of all raw materials of agricultural, livestock, and marine origin procured by the Group with respect to climate change, water/soil, biodiversity, and other issues. A literature review and assessment was conducted on 24 raw materials that were considered high-risk based on preliminary research, and 18 raw materials, including paper, were found to be particularly high-risk from a sustainability perspective.

The risk assessment employs a literature review that examines risks from reports published by international organizations and initiatives, as well as assessments using web tools such as Global Forest Watch Pro, ENCORE, Aqueduct, National Biodiversity Index and Environmental Performance Index score. External consultants also participate in the analysis using these tools.

In FY2022, the Ajinomoto Group also initiated a risk and opportunity study based on

TNFD's LEAP approach. In the first year, the survey is being conducted on amino acid raw materials, etc. In the future, this approach will be adopted for the procurement of paper packaging materials as well.

F2.2

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

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

F2.2a

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

Forest risk commodity

Timber products

Scope of value chain mapping

Tier 1 suppliers

Tier 2 suppliers

Tier 3 suppliers

Tier 4+ suppliers

% of total suppliers covered within selected tier(s)

100

Description of mapping process and coverage

The Ajinomoto Group procures paper packaging materials and corrugated boxes as Timber products. Paper packaging materials are divided into three categories according to Ajinomoto's procurement guidelines: 1) FSC or PEFC certified paper that meets specific requirements or 100% recycled paper, 2) FSC certified paper at the raw material stage, or 3) paper that is not classified in either category. For Category other than 1), we conduct research that traces back through the supply chain until sustainability is determined at the raw material stage. These surveys are conducted on all raw materials.

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

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

Forest risk commodity

Palm oil

Scope of value chain mapping

Tier 1 suppliers

Tier 2 suppliers

Tier 3 suppliers

Tier 4+ suppliers

% of total suppliers covered within selected tier(s)

100

Description of mapping process and coverage

The mapping of the palm oil supply chain is mainly created by information provided by Tier 1 and Tier 2 suppliers. These suppliers have access to the supply chain maps of the companies they buy from in the country of origin of the palm oil, and all of this information is connected together to create a map of the Ajinomoto Group's supply chain.

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

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

Forest risk commodity

Cattle products

Scope of value chain mapping

Tier 1 suppliers

% of total suppliers covered within selected tier(s)

100

Description of mapping process and coverage

Interviewed Tier 1 suppliers to determine the country of origin of beef used. Currently, the supply chain for all cattle products is known down to the country of origin level.

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

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

Forest risk commodity

Soy

Scope of value chain mapping

Tier 1 suppliers

Tier 2 suppliers

% of total suppliers covered within selected tier(s)

100

Description of mapping process and coverage

The mapping of the soybean supply chain is based on the cooperation of Tier 1 and Tier 2 suppliers. Thanks to this cooperation, all soy products are identified down to the country of origin level.

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

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

F2.3

(F2.3) Do you use a classification system to determine risk of deforestation and/or conversion of other ecosystems for your sourcing areas, and if yes, what methodology is used, and what is the classification used for?

	Use of a classification system to determine deforestation and/or conversion risk of sourcing areas	Methodology used for classifying levels of risk	Use of risk classification	Attachment indicating risk classification for each sourcing area (optional)
1	Yes, we use a classification system	Each country is classified based on deforestation and the severity of laws and regulations. If a country has strict laws and	The Ajinomoto Group scores risks and prioritizes countries with high scores in	

	<p>regulations, deforestation is regulated; otherwise, deforestation is considered a risk even if it is legal under local laws. Publicly available tools such as ENCORE, National Biodiversity index, and Global Forest Watch Pro are used to assess deforestation risk. The EPI Score is used to determine the strength of laws and regulations. The ENCORE and National Biodiversity Index score risk intensity at levels ranging from VH to VL or Extremely High to Low, respectively. This intensity is scored numerically and used to determine risk. In the EPI Score, countries ranked 100th or lower are given a score of 3, countries ranked 50 to 99th are given a score of 2, and countries ranked 49th or higher are given a score of 1.</p>	<p>environmental and human rights due diligence activities and switching to purchasing certified products.</p>	
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F3. Risks and opportunities

F3.1

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

	Risk identified?
Timber products	Yes
Palm oil	Yes
Cattle products	Yes
Soy	Yes

F3.1a

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

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

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

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

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

Score for financial impact

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

Score for probability

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

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

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

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

nonconforming cases, if it may lead to the above three adverse events, special measures for substantive impacts will be taken.

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

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

F3.1b

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

Forest risk commodity

Timber products

Type of risk

Reputational and markets

Geographical scale

Global

Where in your value chain does the risk driver occur?

Supply chain

Primary risk driver

Increased stakeholder concern or negative stakeholder feedback

Primary potential impact

Brand damage

Company-specific description

In recent years, consumers have become increasingly aware of sustainability and consider environmental impact when selecting products. Although timber is only used as packaging material in the Ajinomoto Group, it is the first thing consumers see in stores, so it is important to ensure that this packaging material is sustainable.

The Ajinomoto Group procures mainly FSC-certified paper in most countries and regions, but the supply of FSC-certified paper is scarce in Southeast Asia and Africa. Although the percentage of packaging materials that are not fully verified as sustainable under these circumstances is less than 2%, if the use of packaging materials originating

from deforestation is discovered and pointed out externally, it could cause serious damage to the brand image and lead to boycotts.

Timeframe

1-3 years

Magnitude of potential impact

Medium-low

Likelihood

About as likely as not

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact (currency)

13,415,000,000

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial impact

The Ajinomoto Group's total sales for FY2022 are 1359 billion yen, of which 99% of its businesses use paper packaging in some form. Assuming that a boycott would result in a 1% decrease in sales, the financial impact would be 13,4 billion yen.

Primary response to risk

Engagement with suppliers

Description of response

The way to deal with this is to procure paper that is not derived from deforestation, as there may be a consumer reaction in the form of boycotts if paper derived from deforestation is used.

For this reason, the Ajinomoto Group has established paper procurement guidelines and will procure 100% certified paper or recycled paper by 2030. We also require our suppliers not to be a status of disassociation by FSC. This approach reduces the risk of boycotts.

Cost of response

30,000,000

Explanation of cost of response

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

Forest risk commodity

Palm oil

Type of risk

Reputational and markets

Geographical scale

Global

Where in your value chain does the risk driver occur?

Supply chain

Primary risk driver

Increased stakeholder concern or negative stakeholder feedback

Primary potential impact

Brand damage

Company-specific description

In recent years, consumers have become increasingly aware of sustainability and consider environmental impact when selecting products.

Palm oil is a familiar raw material for Ajinomoto Group products to consumers, as it is the raw material for many products, including seasonings, frozen foods, and chemical products.

The Ajinomoto Group procures mainly RSPO-certified palm oil in most countries and regions, but the supply of RSPO-certified oil is small in palm kernel oil. If the use of palm oil and/or palm kernel oil originating from deforestation is discovered and pointed out externally, it could cause serious damage to the brand image and lead to boycotts.

Timeframe

1-3 years

Magnitude of potential impact

Medium-low

Likelihood

About as likely as not

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact (currency)

11,419,000,000

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial impact

The Ajinomoto Group's total sales for FY2022 are 1359 billion yen, of which 84% of its businesses use palm oil or palm kernel oil. Assuming that a boycott would result in a 1% decrease in sales, the financial impact would be 11.4 billion yen.

Primary response to risk

Engagement with suppliers

Description of response

The way to deal with this is to procure palm oil that is not derived from deforestation, as there may be a consumer reaction in the form of boycotts if palm oil derived from deforestation is used.

For this reason, the Ajinomoto Group has established palm oil procurement guidelines and procures certified palm oil. Five years after the procurement guidelines were established, the percentage of certified palm oil or palm oil that can be traced back to the mill will reach 99% by 2022, and the Ajinomoto Group aims to reach 100% in the early 2020s.

Even in cases where certification cannot be obtained, we work to ensure traceability to the mill. Once the location of the mill is known, tools such as GFW Pro can be used to determine if the natural forest surrounding the mill has been deforested, allowing independent assessment of deforestation risk.

Cost of response

30,000,000

Explanation of cost of response

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

Forest risk commodity

Cattle products

Type of risk

Reputational and markets

Geographical scale

Country

Where in your value chain does the risk driver occur?

Supply chain

Primary risk driver

Increased stakeholder concern or negative stakeholder feedback

Primary potential impact

Brand damage

Company-specific description

The Ajinomoto Group uses cattle product in its frozen foods and seasonings. All of these products are beef-flavored or beef-enhanced, so consumers are certain to recognize

them as containing the cattle product. If these products are found to contain unsustainable cattle products, it will seriously damage not only the products but also the Ajinomoto Group's image. With today's heightened awareness of animal welfare, consumers may be more sensitive than ever to the origin of these cattle products. In order to prevent sales loss due to such reputational risks, it is necessary to work on sourcing sustainable cattle products.

Timeframe

1-3 years

Magnitude of potential impact

Medium-low

Likelihood

About as likely as not

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact (currency)

10,420,000,000

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial impact

The Ajinomoto Group's total sales for FY2022 are 1359 billion yen, of which 77% of its businesses use cattle products in some form. Assuming that a boycott would result in a 1% decrease in sales, the financial impact would be 10.4 billion yen.

Primary response to risk

Engagement with suppliers

Description of response

There is no common industry definition of sustainable cattle products. Therefore, it is necessary to first hold dialogues with suppliers to understand the actual situation and to find out what measures are necessary. This should begin with an investigation of where in the supply chain deforestation risks exist, and ultimately lead to the creation of a sustainable supply chain. In fiscal 2023, we will first establish sustainable beef procurement guidelines, and from fiscal 2024 onwards we will begin dialogue with suppliers.

Cost of response

30,000,000

Explanation of cost of response

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

Forest risk commodity

Soy

Type of risk

Reputational and markets

Geographical scale

Global

Where in your value chain does the risk driver occur?

Supply chain

Primary risk driver

Increased stakeholder concern or negative stakeholder feedback

Primary potential impact

Brand damage

Company-specific description

Lack of mature certification and sustainability standards is a big issue for soybeans, compared to paper and palm oil, which are leading commodities in sustainable procurement. In other words, more than 20% of palm oil in the world is RSPO certified, but soybean does not have the similar certification system with consensus among all stakeholders from producers to customers to investors. Of the soybeans currently procured by the Ajinomoto Group, the US Soybean Sustainability Assurance Protocol is available only for US-produced soybeans, but the Ajinomoto Group also operates in South America and Southeast Asia and soybean products purchased there are not applies to that certification. As an alternative to this certification, we are beginning to work on visualization of our own supply chain. Unlike palm oil, soybean has many uses may derivatives and products including soy sauce and miso. Thus, such soy derived products are more difficult to trace to the farm. We expect this traceability study to take up to 5 years. On the other hand, if this traceability is secured, it enables us to evaluate the risk of deforestation and switch to suppliers or raw materials with low risk.

Timeframe

1-3 years

Magnitude of potential impact

Medium-low

Likelihood

About as likely as not

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact (currency)

10,420,000,000

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

The Ajinomoto Group's total sales for FY2022 are 1359 billion yen, of which 77% of its businesses use soy products in some form. Assuming that a boycott would result in a 1% decrease in sales, the financial impact would be 10.4 billion yen.

Primary response to risk

Engagement with suppliers

Description of response

The Ajinomoto Group purchases soybean oil, soybean hydrolyzate, soy sauce and miso, as well as soybean itself. In addition, they are purchased in North America, South America, Asia, China and Europe, and almost all the world. It is estimated to exceed 140,000 tons when converted to soybean ingredients. As a result of supply chain analysis and interview with suppliers, it was estimated that a large percentage of soybeans purchased by the Ajinomoto Group were produced in North and South America. For this reason, the Ajinomoto Group is first working to secure traceability of raw materials for soy products produced in North and South America. In fiscal 2022, we have started dialogue with suppliers to achieve sustainable soy procurement. From fiscal 2023, we plan to start purchasing RTRS-certified soybeans.

Cost of response

30,000,000

Explanation of cost of response

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

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

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

F3.2a

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

Forest risk commodity

Timber products

Type of opportunity

Markets

Where in your value chain does the opportunity occur?

Direct operation

Primary forests-related opportunity

Increased demand for certified materials

Company-specific description

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

Estimated timeframe for realization

4-6 years

Magnitude of potential impact

Medium

Likelihood

Very likely

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

135,860,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

In Ajinomoto Group's products, all business units use paper packaging. The use of sustainable paper packaging is expected to increase these sales by 0.01% just for using sustainable paper packaging. Thus, the impact is 0.01% of 1,358.6 billion yen, which is 0.136 billion yen, is expected as the potential financial impact.

Cost to realize opportunity

0

Strategy to realize opportunity

It will be necessary to make consumers aware of the use of sustainable packaging materials. This requires that consumers are made aware of the use of sustainable packaging by means of FSC marks on product packaging, various reports, and websites that promote the use of sustainable packaging materials. For example, most of the paper packaging for our main products in Japan is marked with the FSC mark, meeting the expectations of customers who demand products made with sustainable packaging materials. The Ajinomoto Group has been working to purchase FSC and other certified paper for more than 10 years since the establishment of paper procurement guidelines in 2012, and these efforts have increased consumer awareness of FSC.

Forest risk commodity

Palm oil

Type of opportunity

Markets

Where in your value chain does the opportunity occur?

Direct operation

Primary forests-related opportunity

Increased demand for certified materials

Company-specific description

Sustainable palm oil also allows access to markets that require the use of certified palm oil as a raw material. These terms of trade have certainly increased over the years. Currently, some EU distributors require a certification logo on palm oil-based products. Ajinomoto Group products are already meeting these market requirements and meeting demand.

Estimated timeframe for realization

1-3 years

Magnitude of potential impact

Medium

Likelihood

Very likely

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

114,190,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Of Ajinomoto Group's products, frozen foods, coffee products and specialty chemical products are made from palm oil. The sales of these businesses account for 84% of the entire Ajinomoto Group. The use of sustainable palm oil is expected to increase these sales by 0.01%. Thus, the impact is 0.084% of 1,358.6 billion yen, which is 0.114 billion yen, is expected as the potential financial impact.

Cost to realize opportunity

100,000,000

Strategy to realize opportunity

It is necessary to make consumers aware of the use of sustainable palm oil. This requires that consumers be made aware of the use of sustainable palm oil by means such as the use of the RSPO mark on product packaging and by promoting the use of sustainable palm oil in various reports and on websites. For example, Ajinomoto Group instant noodles sold in Europe carry the RSPO mark, meeting customer expectations for products made with sustainable ingredients. These efforts have been ongoing since 2014, when we joined the RSPO, and have shown positive results, such as gaining the support of European supermarkets that only deal RSPO-certified products.

Forest risk commodity

Cattle products

Type of opportunity

Markets

Where in your value chain does the opportunity occur?

Direct operation

Primary forests-related opportunity

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

Company-specific description

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

Estimated timeframe for realization

1-3 years

Magnitude of potential impact

Medium

Likelihood

Virtually certain

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

104,200,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Of Ajinomoto Group's products, frozen foods and seasoning products are made from cattle products. The sales of these businesses account for 77% of the entire Ajinomoto Group. The use of sustainable cattle product is expected to increase these sales by 0.01%. Thus, the impact is 0.077% of 1,358.6 billion yen, which is 0.104 billion yen, is expected as the potential financial impact.

Cost to realize opportunity

300,000,000

Strategy to realize opportunity

It is necessary to make consumers aware of the use of sustainable beef. We plan to establish procurement guidelines specifically for cattle products in FY2023, and once established, we will follow these guidelines in our procurement activities. After the guidelines are established, we plan to communicate to consumers that we are procuring

in accordance with the guidelines, and to focus on educational activities related to sustainable cattle products.

Forest risk commodity

Soy

Type of opportunity

Markets

Where in your value chain does the opportunity occur?

Direct operation

Primary forests-related opportunity

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

Company-specific description

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

Estimated timeframe for realization

1-3 years

Magnitude of potential impact

Medium

Likelihood

Virtually certain

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

104,200,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Of Ajinomoto Group's products, frozen foods and seasoning products are made from soy products. The sales of these businesses account for 77% of the entire Ajinomoto Group. The use of sustainable soy product is expected to increase these sales by 0.01%. Thus, the impact is 0.077% of 1,358.6 billion yen, which is 0.104 billion yen, is expected as the potential financial impact.

Cost to realize opportunity

300,000,000

Strategy to realize opportunity

Consumers will need to be made aware of the use of sustainable soybeans. This will require consumer awareness through various reports, websites, and other means, such as promoting the use of sustainable palm oil. RTRS-certified soybeans will be indicated on product labels from FY2024 onward. The company also plans to focus on educating consumers about sustainable soybeans.

F4. Governance

F4.1

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

Yes

F4.1a

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

Position of individual or committee	Responsibilities for forest-related issues
Board-level committee	Sustainability Committee formulates sustainability measures, proposes said measures to the Executive Committee, and manages progress to promote sustainability management in accordance with materialities. In addition, the Sustainability Committee formulates risk countermeasures for Companywide management issues and manages progress. The committee also formulates the entire Ajinomoto Group’s sustainability strategy, promotes action themes (nutrition, environment including deforestation, and society) based on this strategy, makes proposals and provides support for business plans from a sustainability viewpoint, and compiles internal information on ESG.
Board-level committee	The Second Term Sustainability Advisory Council continued work beginning in April 2023 to enhance Ajinomoto Group corporate value from the viewpoint of

	<p>sustainability. The Second Term Sustainability Advisory Council consists of four external experts, primarily investors and financial market specialists, and is chaired by an external expert. After receiving consultation from the Board of Directors, the council will investigate the implementation of materiality, disclosure and dialogue on its progress, and building relationships with stakeholders through these activities, in the interest of stronger monitoring of the Board of Directors, and issue a report in response to the Board of Directors. The Second Term Sustainability Advisory Council will meet at least once a year and report the results of its deliberations to the Board of Directors.</p>
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F4.1b

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

	Frequency that forests-related issues are a scheduled agenda item	Governance mechanisms into which forests-related issues are integrated	Please explain
Row 1	Scheduled - all meetings	<ul style="list-style-type: none"> Monitoring implementation and performance Monitoring progress towards corporate targets Overseeing acquisitions, mergers, and divestitures Overseeing major capital expenditures Overseeing the setting of corporate targets Overseeing value chain engagement Providing employee incentives Reviewing and guiding annual budgets Reviewing and guiding business plans Reviewing and guiding corporate responsibility strategy 	<p>At the Sustainability Committee chaired by a director, the person responsible for the Sustainability Division regularly reports on performance, current issues, and measures. For forest-related raw materials for which specific numerical targets have been set, the results of the previous year are collected every year, and KPIs such as sustainable paper and certified oil procurement rates are reported and discussed. Plans for the following fiscal year and beyond, based on progress, are also approved by the Sustainability Committee for final implementation. The committee also discussed raw materials that should be closely monitored for sustainable procurement based on the company's materiality, and decided to address six raw materials to be prioritized from an environmental perspective: paper, palm oil, soybeans, beef, coffee, and sugarcane in 2021. Ajinomoto Group has started a study based on TNFD's LEAP approach from 2023. This LEAP approach assesses dependence and impacts on natural capital not only in forests but also more broadly, and has also begun assessing risks and opportunities.</p>

		Reviewing and guiding major plans of action Reviewing and guiding public policy engagement Reviewing and guiding risk management policies Reviewing and guiding strategy Reviewing innovation / R&D priorities Setting performance objectives	
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F4.1d

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

Row 1

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

Yes

Criteria used to assess competence on forests-related issues

Members of the Management Committee include executive officers who are well versed in raw material procurement. He has experience as a factory manager in Southeast Asia and is familiar with deforestation risks and the procurement of raw materials that do not originate from deforestation.

F4.2

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

Name of the position(s) and/or committee(s)	Forests-related responsibilities of this position	Frequency of reporting to the board on forests-related issues	Please explain
Sustainability committee	Managing forests-related acquisitions, mergers, and divestitures	More frequently than quarterly	The Sustainability Committee deals with the following: (a) Matters concerning the planning of countermeasures for risks and

	<p>Integrating forests-related issues into business strategy</p> <p>Setting forests-related corporate targets</p> <p>Monitoring progress against forests-related corporate targets</p> <p>Managing public policy engagement that may impact forests</p>	<p>opportunities of company-wide management issues based on materiality and their progress management.</p> <p>This includes the following three items.</p> <p>a) Deliberation and review of sustainability goals, KPIs, action plans, environmental audit results, etc., and establishment, revision and abolition of voluntary standards.</p> <p>b) Consider participating in various external task forces, roundtables and initiatives.</p> <p>c) Materiality-based risk and opportunity management.</p> <p>(b) Development and promotion of risk management processes that contribute to strengthening internal control.</p> <p>(c) Management and operation of crisis-related matters based on the Ajinomoto Group Crisis Management Regulations.</p>
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F4.3

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

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

F4.3a

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

	Role(s) entitled to incentive?	Performance indicator	Contribution of incentives to the achievement of your organization's forests-related commitments	Please explain
Monetary reward	Corporate executive team	Ending deforestation and/or conversion of other natural ecosystems Securing Free, Prior and Informed Consent (FPIC) of indigenous peoples and local communities Increasing commodity volumes with credible third-party certification Adopting UN International Labour Organization principles Increasing traceability of commodity volumes Increased supply chain mapping	ESG performance, including forest-related issue, is included in the medium-term performance indicator, with a weight of 5%.	Executive Officers (including those who concurrently serve as directors) will be paid basic compensation, short-term company performance-linked compensation, and medium-term company performance-linked stock compensation at approximately 50:36:14 (47:40:13 for some positions) (on an annual basis) at the time of achieving the standard performance target. ESG performance, including forest-related issue, is also included in this medium-term performance indicator, with a weight of 5%.
Non-monetary reward	No one is entitled to these incentives			

F4.4

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

Yes (you may attach the report – this is optional)

F4.5

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

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

F4.5a

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

Row 1

Scope

Company-wide

Commodity coverage

General forests policy covering all commodities

Content

Commitment to eliminate conversion of natural ecosystems

Commitment to no land clearance by burning or clearcutting

Commitment to no deforestation, to no planting on peatlands and to no exploitation (NDPE)

Commitment to remediation, restoration and/or compensation of past harms

Secure Free, Prior and Informed Consent (FPIC) of indigenous people and local communities

Adoption of the UN International Labour Organization principles

Commitment to resolving both social and environmental issues in own operations and supply chain

Commitment to protect rights and livelihoods of local communities

Commitments beyond regulatory compliance

Commitment to transparency

Commitment to stakeholder awareness and engagement

Recognition of the overall importance of forests and other natural ecosystems

Description of business dependency on forests

Recognition of potential business impact on forests and other natural ecosystems

Description of forest risk commodities, parts of the business, and stages of value-chain covered by the policy

List of timebound milestones and targets

Description of forests-related standards for procurement

Document attachment

Please explain

The Ajinomoto Group has established biodiversity guidelines for 2023. The guidelines complement Ajinomoto's environmental policy, which includes zero deforestation and a ban on development that negatively impacts ecosystems.

F4.6

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

Forest risk commodity	Public commitments made
Timber products	Yes
Palm oil	Yes
Cattle products	Yes
Soy	Yes

F4.6a

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

No, we do not endorse any initiatives

F4.6b

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

Forest risk commodity

Palm oil

Criteria

- No conversion of natural ecosystems
- Zero gross deforestation/ no deforestation
- No new development on peat regardless of depth
- Avoidance of negative impacts on threatened and protected species and habitats
- No land clearance by burning or clearcutting
- No conversion of High Conservation Value areas
- No conversion of High Carbon Stock forests
- Secure Free, Prior and Informed Consent (FPIC) of indigenous people and local communities
- Operations are in accordance with the UN Declaration on the Rights of Indigenous Peoples
- Promotion of gender equality and women's empowerment
- Remediate any adverse impacts on indigenous people and local communities

Adoption of the UN International Labour Organization principles
 Resolution of complaints and conflicts through an open, transparent and consultative process
 Facilitate the inclusion of smallholders into the supply chain
 No sourcing of illegally produced and/or traded forest risk commodities
 No sourcing of forest risk commodities from unknown/controversial sources
 Recognition of legal and customary land tenure rights

Operational coverage

Supply chain

% of total production/ consumption covered by commitment

100%

Cutoff date

2005

Forest risk countries/areas that the cutoff date applies to

Applied globally

Reason for selecting cutoff date

Compliance with initiative, please specify
 RSPO

Commitment target date

2026-2030

Please explain

The Ajinomoto Group uses palm oil in a wide variety of products and applications from Japan and Southeast Asia to Europe and South America, ranging from processed foods such as cup soups, instant noodles, and coffee creamers to specialty chemicals. The Ajinomoto Group uses palm kernel oil, which is difficult to procure certified products for some products, and in some regions the supply of certified products is limited. Therefore, we ensure traceability and consider palm oil certified by The Roundtable on Sustainable Palm Oil (RSPO) as We consider palm oil with traceability and RSPO (The Roundtable on Sustainable Palm Oil) certification to be sustainable. With the goal of procuring 100% sustainable palm oil by FY2030, certified palm oil accounted for 37% of our consumption in FY2022. For example, in FY2022, progress was made to convert all palm oil procurement in Peru to RSPO certified oil. In Thailand, where it is difficult to procure certified palm oil, we started our own supply chain traceability to palm oil mills in FY 2018. We plan to supplement our purchase of certified palm oil in Thailand and other countries and regions where certified palm oil is difficult to obtain through supply chain traceability and subsequent due diligence activities.

Forest risk commodity

Timber products

Criteria

- No conversion of natural ecosystems
- Zero gross deforestation/ no deforestation
- No new development on peat regardless of depth
- Restoration and compensation to address past deforestation and conversion
- Avoidance of negative impacts on threatened and protected species and habitats
- No land clearance by burning or clearcutting
- No conversion of High Conservation Value areas
- No conversion of High Carbon Stock forests
- Secure Free, Prior and Informed Consent (FPIC) of indigenous people and local communities
- Operations are in accordance with the UN Declaration on the Rights of Indigenous Peoples
- Adoption of the UN International Labour Organization principles
- Resolution of complaints and conflicts through an open, transparent and consultative process
- No sourcing of illegally produced and/or traded forest risk commodities
- No sourcing of forest risk commodities from unknown/controversial sources
- Recognition of legal and customary land tenure rights

Operational coverage

Supply chain

% of total production/ consumption covered by commitment

100%

Cutoff date

1993-1997

Forest risk countries/areas that the cutoff date applies to

Applied globally

Reason for selecting cutoff date

Compliance with initiative, please specify
FSC

Commitment target date

2026-2030

Please explain

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

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

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

Forest risk commodity

Cattle products

Criteria

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

Operational coverage

Supply chain

% of total production/ consumption covered by commitment

<1%

Cutoff date

No cutoff date

Forest risk countries/areas that the cutoff date applies to

Applied globally

Reason for selecting cutoff date

Commitment target date

2026-2030

Please explain

The conditions are specified in general procurement guidelines and supplier guidelines, not beef-specific guidelines. In 2023, we are planning to formulate beef-specific guidelines with cut-off dates and KPIs for sustainable cattle product procurement.

Forest risk commodity

Soy

Criteria

- No conversion of natural ecosystems
- Zero gross deforestation/ no deforestation
- No new development on peat regardless of depth
- Avoidance of negative impacts on threatened and protected species and habitats
- No land clearance by burning or clearcutting

No conversion of High Conservation Value areas
 Operations are in accordance with the UN Declaration on the Rights of Indigenous Peoples
 Promotion of gender equality and women’s empowerment
 Remediate any adverse impacts on indigenous people and local communities
 Adoption of the UN International Labour Organization principles
 Resolution of complaints and conflicts through an open, transparent and consultative process
 No sourcing of illegally produced and/or traded forest risk commodities
 No sourcing of forest risk commodities from unknown/controversial sources
 Recognition of legal and customary land tenure rights

Operational coverage

Supply chain

% of total production/ consumption covered by commitment

31-40%

Cutoff date

No cutoff date

Forest risk countries/areas that the cutoff date applies to

Applied globally

Reason for selecting cutoff date

Commitment target date

2026-2030

Please explain

In FY2022, the Ajinomoto Group established and released new soybean procurement guidelines. This clearly defines sustainable raw materials for soybeans as well as for palm oil and paper, which have been addressed earlier, and also provides KPIs and a timeline for activities up to 2030. Under these guidelines, sustainable soybeans are those that meet the following eight criteria

1. Do not log primary forests or develop protected areas or peatland.
2. Do not develop habitats of native plants and wildlife.
3. Limit the use of agricultural chemicals to those locally permitted for use and take measures to reduce their use.
4. Protect water resources and maintain and improve soil quality by using water efficiently.
5. Take measures to appropriately dispose of, reduce and recycle waste.
6. Protect water resources and maintain and improve soil quality by using water efficiently.
7. Do not violate land or housing ownership or other rights of indigenous and local residents.
8. Do not engage in slave labor or child labor.

F5. Business strategy

F5.1

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

	Are forests-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, forests-related issues are integrated	21-30	<p>The Ajinomoto Group's mid- to long-term environmental goals cover the entire product life cycle, including achieving carbon neutrality by 2050, halving food loss and waste, securing food resources, and preserving the natural environment.</p> <p>The company clearly declares that it will secure food resources for future generations, contribute to the preservation of the natural environment including ecosystems and biodiversity, and realize sustainable procurement.</p> <p>We aim to achieve sustainable procurement, including zero deforestation, by 2030 for our priority raw materials of paper, palm oil, coffee beans, soybeans, beef, and sugarcane.</p>
Strategy for long-term objectives	Yes, forests-related issues are integrated	21-30	<p>We procure certified products as the most objective and reliable means of sustainable sourcing. However, depending on the raw material and region, the supply of certified products may be limited. In such cases, we try to take alternative measures.</p> <p>In addition, the Ajinomoto Group recognizes as sustainable raw materials those products that can be verified to be equivalent to certified products. For example, if FSC-certified paper cannot be procured, PEFC certification is also acceptable, but only if it can be confirmed to be equivalent to FSC under our guidelines. For example, we will not do business with a company with which FSC has disassociated, even if that company has obtained other certifications.</p> <p>In the case of palm oil, our method is to confirm traceability of items included in the RSPO Criteria as much as possible.</p> <p>So far, we have purchased certified products for paper, palm oil, and coffee beans, and we plan to do the same for other important raw materials in the future. However, in cases where there is no consensus on certification</p>

			with customers or investors, we may first check traceability and then begin purchasing certified products only after certification has become widespread. We are also reviewing our purchasing of raw materials, and are considering reducing purchases from countries and regions with high deforestation risk, and replacing them with purchases from countries of origin with lower risk or easier management.
Financial planning	Yes, forests-related issues are integrated	11-15	Based on the long-term plan, a medium-term plan is formulated every three years, and the necessary budget is set and implemented for the long-term plan. The company secures the necessary management resources to ensure the traceability of its supply chain by securing costs and personnel for supply chain management, including audits. For paper, palm oil, and coffee beans, the company is considering purchasing FSC, RSPO, and 4C certified products, bearing premium costs to the extent reasonable and possible. In addition, the company is systematically working on switching to lower-risk countries of origin.

F6. Implementation

F6.1

(F6.1) Did you have any forests-related timebound and quantifiable targets that were active during the reporting year?

Yes

F6.1a

(F6.1a) Provide details of your forests-related timebound and quantifiable target(s) and progress made.

Target reference number

Target 1

Forest risk commodity

Palm oil

Year target was set

2020

Target coverage

Company-wide

Target category

Traceability

Metric

% of volume traceable to traceability point

Traceability point

Mill

Third-party certification scheme

Base year

2020

Base year figure

50

Target year

2030

Target year figure

100

Reporting year figure

80

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

60

Target status in reporting year

Underway

Is this target linked to a commitment?

Zero net/gross deforestation

Please explain

The first target of palm oil is to ensure traceability to the mill. This is because oil palm must be pressed within 24 hours of harvesting, and fresh fruit bunch is usually shipped to a mill located within 50 km of the plantation. Thus, by monitoring the development of natural forest within 50 km of the mill, it is possible to estimate whether the palm oil coming to that mill is from deforestation.

While 50% traceability has already been established in Thailand by 2020, the year when the target was set, the traceability from other origins has not yet been established, so the target is set to reach 100% by 2030.

We began this effort before 2020, and by 2020 we had confirmed traceability to the oil mill in Thailand, which accounts for half of our own palm oil demand. Currently, we are

working to ensure traceability of palm oil originating outside of Thailand, which is used by affiliates outside of Thailand, such as Japan.

Target reference number

Target 2

Forest risk commodity

Palm oil

Year target was set

2020

Target coverage

Company-wide

Target category

Third-party certification

Metric

% of volume third-party certified

Traceability point

Third-party certification scheme

RSPO Identity Preserved

RSPO Segregated

RSPO Mass Balance

Base year

2014

Base year figure

0

Target year

2020

Target year figure

100

Reporting year figure

37

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

37

Target status in reporting year

Replaced

Is this target linked to a commitment?

Zero net/gross deforestation

Please explain

We began procuring certified oil in 2014, at which time we also notified the RSPO of our goal to procure 100% certified oil by 2020. However, due to the low supply of certified oil and other reasons, we have not yet achieved this goal, and we continue to aim to achieve it by 2030.

Although the share of RSPO certified palm oil is still around 20%, palm oil is one of the commodities with the most extensive certification system, and the Ajinomoto Group has set a goal for all palm oil it handles to be certified.

Target reference number

Target 3

Forest risk commodity

Timber products

Year target was set

2017

Target coverage

Company-wide

Target category

Traceability

Metric

% of volume traceable to traceability point

Traceability point

Country

Third-party certification scheme
Base year

2017

Base year figure

95

Target year

2020

Target year figure

100

Reporting year figure

98

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

60

Target status in reporting year

Revised

Is this target linked to a commitment?

Zero net/gross deforestation

Please explain

The Ajinomoto Group has been working to achieve 100% sustainable paper procurement by 2020, but while 98% of its paper is certified or derived from recycled paper, the remaining 2% is unknown, so this goal has not been achieved by 2020. The Ajinomoto Group will continue to maintain the same target for all its operations, aiming to be able to confirm that 100% of its paper is certified paper or recycled paper by the early 2020s.

Target reference number

Target 4

Forest risk commodity

Cattle products

Year target was set

2021

Target coverage

Company-wide

Target category

Traceability

Metric

% of volume traceable to traceability point

Traceability point

Country

Third-party certification scheme

Base year

2021

Base year figure

90

Target year

2030

Target year figure

100

Reporting year figure

90

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

0

Target status in reporting year

Underway

Is this target linked to a commitment?

Zero net/gross deforestation

Please explain

The Ajinomoto Group's goal is to make the procurement of cattle products 100% sustainable before 2030. This sustainable procurement includes traceability. As of FY2022, tracing is almost complete at the national level, but 20% of our cattle products are produced in countries such as Australia. Since 20% of cattle products are sourced from regions with potential for deforestation, ensuring tracing down to the state and farm level will be a future goal.

Target reference number

Target 5

Forest risk commodity

Soy

Year target was set

2023

Target coverage

Company-wide

Target category

Traceability

Metric

% of volume traceable to traceability point

Traceability point

Municipality or equivalent

Third-party certification scheme

Base year

2023

Base year figure

0

Target year

2030

Target year figure

100

Reporting year figure

0

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

0

Target status in reporting year

New

Is this target linked to a commitment?

Zero net/gross deforestation

Please explain

The Ajinomoto Group's goal is to make soybean sourcing 100% sustainable before 2030. This sustainable procurement includes traceability. As of FY2022, tracing is almost complete at the country level, but up to 65% of soybeans are from South America or a mixture of South American and South American sources. South America. Various reports indicate that deforestation is occurring in South America, so it will be necessary to ensure tracing down to the municipal level in this region in the future.

Target reference number

Target 7

Forest risk commodity

Soy

Year target was set

2023

Target coverage

Company-wide

Target category

Third-party certification

Metric

% of volume third-party certified

Traceability point

Third-party certification scheme

RTRS (any type)
Other, please specify
SSAP

Base year

2023

Base year figure

0

Target year

2030

Target year figure

100

Reporting year figure

0

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

0

Target status in reporting year

New

Is this target linked to a commitment?

Zero net/gross deforestation

Please explain

The Ajinomoto Group's goal is to make 100% of its soybean procurement sustainable before 2030. This sustainable procurement includes procurement of certified products; RTRS is a relatively reliable certification for soybeans, and soybeans with this certification are considered to have a low risk of deforestation and human rights violations. By working with suppliers, we plan to increase our procurement of RTRS soybeans in the future.

F6.2

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

	Do you have system(s) in place?	Supply chain coverage	Description of traceability system	Exclusions	Description of exclusion

Timber products	Yes	Volume from direct suppliers only	<p>The Ajinomoto Group, together with its suppliers, confirms that the paper meets one of the following criteria</p> <ol style="list-style-type: none"> 1. the paper packaging itself or its raw materials are FSC certified 2. the paper packaging material is a product of a company that has obtained PEFC certification and has not disassociated by FSC 3. the paper must be 100% recycled paper derived from used paper <p>As a supplementary measure, traceability shall be implemented to the stage where the sustainability of the paper can be verified.</p>	Specific product line(s)	If the paper is 100% recycled paper, it is considered to have no deforestation risk and is excluded.
Palm oil	Yes	Volume from direct suppliers only	<p>Traceability to the palm oil mills is established based on a list obtained from the tier 1 palm oil supplier (either Japanese or Thai oil trading company). This method ensures traceability of palm oil produced in Thailand and used in Thailand, and palm oil produced in Indonesia and Malaysia and imported to Japan.</p>	Not applicable	
Cattle products	Yes	Volume from direct suppliers only	<p>For beef products, we conduct country-of-origin surveys through interviews with suppliers to determine the country of origin for all beef products. This tracing is easy for beef, but for beef extract and beef tallow, multiple origins may be included, and these complex supply chains make tracing difficult. Ensuring traceability of highly processed products is a future challenge.</p>	Not applicable	

Soy	Yes		For soybean products, we conduct country-of-origin surveys by interviewing suppliers. Only some oil and soy sauce companies are able to identify the country of origin of soybeans through this traceability survey, and several soy products use soybeans originating from multiple countries.	Not applicable	
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F6.2a

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

Forest risk commodity	Point to which commodity is traceable	Countries/areas to which this traceability point applies	% of total production/consumption volume traceable
Timber products	Country	Brazil Japan Malaysia Myanmar Peru Philippines Poland Republic of Korea Spain Thailand Turkey United States of America Viet Nam	100
Palm oil	Country	Brazil Indonesia Malaysia Peru Thailand	99
Cattle products	Country	United States of America	81
Soy	Country	United States of America	34
Palm oil	State or equivalent	Brazil Peru Thailand	58

F6.3

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

	Third-party certification scheme adopted?	% of total production and/or consumption volume certified
Timber products	Yes	46
Palm oil	Yes	37
Cattle products	No, but we plan to adopt a third-party certification scheme within the next two years	
Soy	Yes	34

F6.3a

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

Forest risk commodity

Timber products

Third-party certification scheme

FSC (any type)

Chain-of-custody model used

% of total production/consumption volume certified

38

Form of commodity

Paper

Volume of production/ consumption certified

58,500

Metric for volume

Liters

Is this certified by more than one scheme?

Yes

Is embedded soy certified through this scheme?

Not applicable

Please explain

Since the supply of FSC certified paper is relatively abundant and the certification premium is not high, no special measures have been taken to maintain the purchase of FSC certified paper.

Forest risk commodity

Timber products

Third-party certification scheme

PEFC (any type)

Chain-of-custody model used

% of total production/consumption volume certified

8

Form of commodity

Paper

Volume of production/ consumption certified

12,800

Metric for volume

Metric tons

Is this certified by more than one scheme?

Yes

Is embedded soy certified through this scheme?

Not applicable

Please explain

Since the supply of PEFC certified paper is relatively abundant and the certification premium is not high, no special measures have been taken to maintain the purchase of PEFC certified paper.

Forest risk commodity

Palm oil

Third-party certification scheme

RSPO Segregated

Chain-of-custody model used

% of total production/consumption volume certified

2

Form of commodity

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

Volume of production/ consumption certified

700

Metric for volume

Metric tons

Is this certified by more than one scheme?

Yes

Is embedded soy certified through this scheme?

Not applicable

Please explain

Thanks to the efforts of suppliers in Peru, all palm oil in Peru has been converted to RSPO certified oil.

Forest risk commodity

Palm oil

Third-party certification scheme

RSPO Mass Balance

Chain-of-custody model used

% of total production/consumption volume certified

35

Form of commodity

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

Volume of production/ consumption certified

13,800

Metric for volume

Metric tons

Is this certified by more than one scheme?

Yes

Is embedded soy certified through this scheme?

Not applicable

Please explain

Thanks to the efforts of suppliers in Peru, all palm oil in Peru has been converted to RSPO certified oil.

Forest risk commodity

Soy

Third-party certification scheme

Other, please specify

U.S. Soy Sustainability Assurance Protocol (SSAP)

Chain-of-custody model used

Mass balance

% of total production/consumption volume certified

34

Form of commodity

Soy bean oil

Soy bean meal

Volume of production/ consumption certified

48,000

Metric for volume

Metric tons

Is this certified by more than one scheme?

Yes

Is embedded soy certified through this scheme?

Yes

Please explain

The U.S. SSAP embodies the regulations, processes and management practices that ensure sustainable soybean production in the United States. It is one part of a U.S. soybean producer's overall sustainability program. The U.S. approach is quantifiable and results-driven with mass balance international verification available.

F6.4

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

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

F6.4a

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

Forest risk commodity

Timber products

Operational coverage

Supply chain

Description of control systems

The Ajinomoto Group gives priority to the procurement of certified paper or 100% recycled paper. Since 100% recycled paper is not a raw material that is derived from forests, we are focusing on confirming the virgin pulp's compliance with "no deforestation commitment". In the case of certification other than FSC, we have confirmed the compatibility with FSC (the supplier should not be disassociated by FSC). Even paper products that are not certified are accepted if they use certified paper at the raw material stage. By stopping the procurement of paper that cannot be confirmed to be compatible with any of these, it becomes possible to ensure the compliance with "no deforestation commitment" of the paper to be procured.

Monitoring and verification approach

Third-party verification

% of total volume in compliance

91-99%

% of total suppliers in compliance

91-99%

Response to supplier non-compliance

Retain & engage
Suspend & engage
Exclude

% of non-compliant suppliers engaged

<10%

Procedures to address and resolve non-compliance with suppliers

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

Please explain

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

Forest risk commodity

Palm oil

Operational coverage

Supply chain

Description of control systems

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

Monitoring and verification approach

Geospatial monitoring tool
First-party verification
Third-party verification

% of total volume in compliance

91-99%

% of total suppliers in compliance

91-99%

Response to supplier non-compliance

Retain & engage

% of non-compliant suppliers engaged

<10%

Procedures to address and resolve non-compliance with suppliers

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

Please explain

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

Forest risk commodity

Soy

Operational coverage

Supply chain

Description of control systems

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

Monitoring and verification approach

Geospatial monitoring tool

Third-party verification

% of total volume in compliance

31-40%

% of total suppliers in compliance

<10%

Response to supplier non-compliance

Retain & engage

% of non-compliant suppliers engaged

91-99%

Procedures to address and resolve non-compliance with suppliers

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

Please explain

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

F6.6

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

	Assess legal compliance with forest regulations
Timber products	Yes, from suppliers
Palm oil	Yes, from suppliers
Cattle products	Yes, from suppliers
Soy	Yes, from suppliers

F6.6a

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

Timber products

Procedure to ensure legal compliance

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

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

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

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

Country/Area of origin

Brazil
 Cambodia
 India
 Indonesia
 Malaysia
 Myanmar
 Philippines

Thailand
Viet Nam

Law and/or mandatory standard(s)

General assessment of legal compliance

Comment

N/A

Palm oil

Procedure to ensure legal compliance

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

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

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

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

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

Country/Area of origin

Brazil
Indonesia
Malaysia
Papua New Guinea
Peru
Philippines
Thailand
Viet Nam

Law and/or mandatory standard(s)

General assessment of legal compliance

Forest and Wildlife Law - Peru

ISPO

MSPO

Comment

N/A

Cattle products

Procedure to ensure legal compliance

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

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

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

Country/Area of origin

Argentina
Australia
Brazil
India
Mexico
Thailand

Law and/or mandatory standard(s)

General assessment of legal compliance

Comment

N/A

Soy

Procedure to ensure legal compliance

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

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

To achieve this, we check the compliance status of our suppliers at the start of transactions and at regular audits. From 2023 onwards, we plan to conduct a supplier survey based on the newly created soybean procurement guidelines.

Country/Area of origin

Argentina
Australia
Bolivia (Plurinational State of)

Brazil
 Cambodia
 India
 Indonesia
 Malaysia
 Mexico
 Paraguay
 Thailand

Law and/or mandatory standard(s)

General assessment of legal compliance

Comment

N/A

F6.7

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

	Are you working with smallholders?	Type of smallholder engagement approach	Smallholder engagement approach	Number of smallholders engaged	Please explain
Timber products	No, not working with smallholders				The Ajinomoto Group prioritizes the procurement of paper only and the popularization of purchasing FSC-certified paper. Rather than a direct approach to smallholders, Ajinomoto Group has focused on joining FSC by primary suppliers and converting raw materials to FSC certified paper.
Palm oil	Yes, working with smallholders			1,000	Ajinomoto Group companies in Thailand have also begun providing support to small farmers around 2018. For example, they are helping to expand modern palm farming by holding seminars on farming

					methods at cooperatives in rural areas. The number of small farmers engaged is estimated based on the number and scale of seminars.
Cattle products	No, not working with smallholders				Only traces to the country of origin have been completed yet, and no approach has been taken to smallholders in the supply chain.
Soy	No, not working with smallholders				Only traces to the country of origin have been completed yet, and no approach has been taken to smallholders in the supply chain.

F6.8

(F6.8) Indicate if you are working with your direct suppliers to drive action on forests-related issues and if so, provide details of the engagement.

Forest risk commodity

Timber products

Are you working with direct suppliers?

Yes, working with direct suppliers

Action(s) on forests-related issues driven by engagement

Other, please specify

The Group got together with the Consortium for Sustainable Paper Use (CSPU) to encourage each paper supplier to attain FSC® certification.

Type of engagement

Capacity building

Innovation and collaboration

Details of engagement

Organizing capacity building events

Support suppliers to set their own no deforestation/conversion commitments across their entire commodity operation

Description of engagement

In fiscal 2015 the Ajinomoto Group in Japan also stepped up efforts to utilize FSC®-certified paper in containers and packaging. This poses greater challenges in terms of paper performance than similar efforts for office paper. The Group got together with the Consortium for Sustainable Paper Use (CSPU) to encourage each paper supplier to attain FSC® certification.

% of suppliers engaged by procurement spend covered by engagement

50

Explain the impact of your engagement on the selected action

As a result of CSPU activities, the number of FSC® certifications for paper used in Ajinomoto Group packaging and society in general has increased dramatically and rate of FSC®-certified packaging has risen sharply. The active introduction of FSC®-certified paper for gift packaging, etc. progressed well in fiscal 2016, with approximately 70% switching to FSC®-certified paper.

Is this engagement helping your suppliers engage with their suppliers on the selected action?

Yes

Does this engagement contribute to achieving a reported target?

Yes, please specify target ID(s)

Target 3

Forest risk commodity

Palm oil

Are you working with direct suppliers?

Yes, working with direct suppliers

Action(s) on forests-related issues driven by engagement

Ending deforestation and/or conversion of other ecosystems

Type of engagement

Supply chain mapping

Details of engagement

Supplier questionnaires on environmental and social indicators

Supplier audits

Description of engagement

We shared with our suppliers the significance of ensuring traceability in the supply chain promoted by RSPO, and requested their cooperation in preparing the mill list.

% of suppliers engaged by procurement spend covered by engagement

50

Explain the impact of your engagement on the selected action

Thanks to the cooperation of our suppliers, we were able to create a mill list for the domestic supply chain in Thailand by 2019, a palm oil mill list for Japan around 2021, and a palm kernel oil mill list for Japan in the fall of 2022.

Is this engagement helping your suppliers engage with their suppliers on the selected action?

Yes

Does this engagement contribute to achieving a reported target?

Yes, please specify target ID(s)

Target 1

Forest risk commodity

Cattle products

Are you working with direct suppliers?

No, not working with direct suppliers

Action(s) on forests-related issues driven by engagement

Type of engagement

Details of engagement

Description of engagement

% of suppliers engaged by procurement spend covered by engagement

Explain the impact of your engagement on the selected action

Is this engagement helping your suppliers engage with their suppliers on the selected action?

Does this engagement contribute to achieving a reported target?

Forest risk commodity

Soy

Are you working with direct suppliers?

Yes, working with direct suppliers

Action(s) on forests-related issues driven by engagement

Ending deforestation and/or conversion of other ecosystems

Type of engagement

Supply chain mapping

Details of engagement

Developing or distributing supply chain mapping tool

Description of engagement

Since many soybean oil and soybean meal suppliers have a lot in common with palm oil suppliers, we asked them to provide supply chain visibility for soybeans as well as for palm oil.

% of suppliers engaged by procurement spend covered by engagement

50

Explain the impact of your engagement on the selected action

As for US soybeans, we can purchase SSAP-certified products, so from around 2021, we will be able to understand the ratio.

Is this engagement helping your suppliers engage with their suppliers on the selected action?

Yes

Does this engagement contribute to achieving a reported target?

Yes, please specify target ID(s)

Forest risk commodity

Soy

Are you working with direct suppliers?

Action(s) on forests-related issues driven by engagement

Type of engagement

Details of engagement

Description of engagement

% of suppliers engaged by procurement spend covered by engagement

Explain the impact of your engagement on the selected action

Is this engagement helping your suppliers engage with their suppliers on the selected action?

Does this engagement contribute to achieving a reported target?

F6.9

(F6.9) Indicate if you are working beyond your first-tier supplier(s) to drive action on forests-related issues, and if so, provide details of the engagement.

Forest risk commodity

Timber products

Are you working beyond first tier?

No, not working beyond the first tier

Action(s) on forest-related issues driven by engagement

Type of engagement

Details of engagement

Description of engagement

Explain the impact of your engagement on the selected action

Does this engagement contribute to achieving a reported target?

Forest risk commodity

Palm oil

Are you working beyond first tier?

No, not working beyond the first tier

Action(s) on forest-related issues driven by engagement

Type of engagement

Details of engagement

Description of engagement

Explain the impact of your engagement on the selected action

Does this engagement contribute to achieving a reported target?

Forest risk commodity

Cattle products

Are you working beyond first tier?

No, not working beyond the first tier

Action(s) on forest-related issues driven by engagement

Type of engagement

Details of engagement

Description of engagement

Explain the impact of your engagement on the selected action

Does this engagement contribute to achieving a reported target?

Forest risk commodity

Soy

Are you working beyond first tier?

Action(s) on forest-related issues driven by engagement

Type of engagement

Details of engagement

Description of engagement

Explain the impact of your engagement on the selected action

Does this engagement contribute to achieving a reported target?

F6.10

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

	Do you engage in landscape/jurisdictional approaches?	Primary reason for not engaging in landscape and/or jurisdictional approaches	Explain why your organization does not engage in landscape/jurisdictional approaches, and describe plans to engage in the future
Row 1	No, we do not engage in landscape/jurisdictional approaches, but we plan to in the next two years	Lack of knowledge or information on how to engage in landscape and/or jurisdictional approaches	The palm oil that Ajinomoto Co., Inc. procures for Japan comes from Southeast Asia, for example, half of the mills in Malaysia have been found to be associated with our own supply chain. For this reason, Ajinomoto is considering starting with Malaysia after ascertaining which region is most closely related to the supply.

F6.11

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

Forest risk commodity

Timber products

Do you participate in activities/initiatives?

Yes

Activities

Involved in multi-partnership or stakeholder initiatives

Country/Area

Japan

Subnational area

Not applicable

Initiatives

UN Global Compact

Natural Capital Coalition

Global Reporting Initiative (GRI) Community Member

Forest Stewardship Council (FSC)

Other, please specify

The Consumer Goods Forum

Please explain

The United Nations Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment and anti-corruption. The Ajinomoto Group has been signing and participating since July 16th, 2009, and the Ajinomoto Group summarizes and reports on the status of initiatives for addressing the ten principles of the United Nations Global Compact.

In the Consumer Goods Forum, retailers and manufacturers are on an equal footing in the global network of consumer goods distribution industries, and member companies are promoting their activities, and are promoting practices and standardization that are useful to the consumer goods industry around the world. Since 2011, the Ajinomoto Group has participated as a member of the board of directors.

Forest risk commodity

Palm oil

Do you participate in activities/initiatives?

Yes

Activities

Involved in multi-partnership or stakeholder initiatives

Country/Area

Japan

Subnational area

Not applicable

Initiatives

UN Global Compact

Natural Capital Coalition

Global Reporting Initiative (GRI) Community Member

Roundtable on Sustainable Palm Oil (RSPO)

Other, please specify

The Consumer Goods Forum (CGF) and Japan Sustainable Palm Oil Network (JaSPON)

Please explain

The United Nations Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment and anti-corruption. The Ajinomoto Group has been signing and participating since July 16th, 2009, and the Ajinomoto Group summarizes and reports on the status of initiatives for addressing the ten principles of the United Nations Global Compact.

In the Consumer Goods Forum, retailers and manufacturers are on an equal footing in the global network of consumer goods distribution industries, and member companies are promoting their activities, and are promoting practices and standardization that are useful to the consumer goods industry around the world. Since 2011, the Ajinomoto Group has participated as a member of the board of directors.

JaSPON is a network established by retailers, consumer goods manufacturers and NGOs. JaSPON is aiming to solve social and environmental problems in palm oil production by accelerating sustainable palm oil sourcing and use in Japanese market. Ajinomoto Co., Inc. contributed in its foundation and actively participates in it as a board member company.

Forest risk commodity

Soy

Do you participate in activities/initiatives?

Yes

Activities

Involved in multi-partnership or stakeholder initiatives

Country/Area

Japan

Subnational area

Not applicable

Initiatives

UN Global Compact

Natural Capital Coalition

Global Reporting Initiative (GRI) Community Member

Other, please specify

The Consumer Goods Forum

Please explain

The United Nations Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment and anti-corruption. The Ajinomoto Group has been signing and participating since July 16th, 2009, and the Ajinomoto Group summarizes and

reports on the status of initiatives for addressing the ten principles of the United Nations Global Compact.

In the Consumer Goods Forum, retailers and manufacturers are on an equal footing in the global network of consumer goods distribution industries, and member companies are promoting their activities, and are promoting practices and standardization that are useful to the consumer goods industry around the world. Since 2011, the Ajinomoto Group has participated as a member of the board of directors.

Forest risk commodity

Cattle products

Do you participate in activities/initiatives?

Yes

Activities

Involved in multi-partnership or stakeholder initiatives

Country/Area

Japan

Subnational area

Not applicable

Initiatives

UN Global Compact

Natural Capital Coalition

Global Reporting Initiative (GRI) Community Member

Other, please specify

The Consumer Goods Forum

Please explain

The United Nations Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment and anti-corruption. The Ajinomoto Group has been signing and participating since July 16th, 2009, and the Ajinomoto Group summarizes and reports on the status of initiatives for addressing the ten principles of the United Nations Global Compact.

In the Consumer Goods Forum, retailers and manufacturers are on an equal footing in the global network of consumer goods distribution industries, and member companies are promoting their activities, and are promoting practices and standardization that are useful to the consumer goods industry around the world. Since 2011, the Ajinomoto Group has participated as a member of the board of directors.

F6.12

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

Yes

F6.12a

(F6.12a) Provide details on your project(s), including the extent, duration, and monitoring frequency. Please specify any measured outcome(s).

Project reference

Project 1

Project type

Threatened and protected species

Expected benefits of project

Restoration of natural ecosystem(s)

Is this project originating any carbon credits?

No

Description of project

Skipjack is a fishery resource of people around the world, and an important element of Japanese food culture being used as an ingredient in HON-DASHIR. There are growing concerns over the sustainability of skipjack fisheries in the waters around Japan as the establishment of international rules for skipjack resource management in the main fishing grounds (western and central Pacific) remain inadequate.

The cooperation of diverse stakeholders is important more than ever to develop a framework for sustainable skipjack fishery and stock use globally. The Joint Skipjack Tagging Survey off the Pacific Coast of Japan launched by Ajinomoto Co., Inc. in 2009 is being widely implemented as one of its best practices.

Where is the project taking place in relation to your value chain?

Project based in sourcing area(s)

Start year

2009

Target year

Indefinitely

Project area to date (Hectares)

Project area in the target year (Hectares)

Country/Area

Japan

Latitude

Longitude

Monitoring frequency

Annually

Total investment over the project period (currency)

200,000,000

For which of your expected benefits are you monitoring progress?

Reduce/halt biodiversity loss

Restoration of natural ecosystem(s)

Other, please specify

Protection of fishery resources

Please explain

Prior to 2009, only skipjack resources in the West and Central Pacific were monitored, but the skipjack ecological survey contributed by Ajinomoto Co. has allowed us to understand the migratory routes and distribution of skipjack. This data is also reflected in the Japanese Fisheries Agency's annual report submitted to international conferences such as the e Western and Central Pacific Fisheries Commission (WCPFC), contributing to the establishment of international rules for resource protection.

F7. Verification

F7.1

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

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

F8. Barriers and challenges

F8.1

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

Forest risk commodity

Timber products

Coverage

Supply chain

Primary barrier/challenge type

Lack of adequate traceability systems

Comment

The Ajinomoto Group defines sustainable paper as FSC or PEFC certified paper or 100% recycled paper. With the cooperation of our suppliers, sustainable paper now accounts for 98% of all paper procurement, but we are still unable to confirm that the remaining 2% of paper is not derived from deforestation and/or conversion. In this case, traceability is one of the measures to be taken, but it is also difficult to confirm the traceability of the remaining 2%. Therefore, it is necessary to establish a supply chain that enables the procurement of deforestation/conversion paper equally throughout the world.

Forest risk commodity

Palm oil

Coverage

Supply chain

Primary barrier/challenge type

Lack of adequate traceability systems

Comment

With the cooperation of refineries and other suppliers, it has become easier to establish traceability to the mills, but it is still difficult to reach the farms from the mills, and it is only possible to check for deforestation risk within a 50 km radius, for example. In addition, the current mill list is only a potential mill list in the form of a tree diagram that collects companies and suppliers that do business with our suppliers. In this case, the mill list includes hundreds of oil mills in Malaysia and Indonesia, so it cannot be used to identify areas to be audited.

Forest risk commodity

Cattle products

Coverage

Supply chain

Primary barrier/challenge type

Lack of adequate traceability systems

Comment

The beef supply chain is easier to trace back to the ranch if it is limited to the beef supply chain. However, the traceability of the grain used for its feed has not yet been established. Also, beef extract is made from a large number of meat scraps, so in many cases this traceability has not yet been established.

Forest risk commodity

Soy

Coverage

Supply chain

Primary barrier/challenge type

Lack of adequate traceability systems

Comment

Soybeans are imported from the U.S. and Brazil, but in the case of Brazil, although the port from which the soybeans are shipped and the state or region where the soybeans are shipped to the collection point there are known, traceability to the farms beyond that point has not been established. Until this traceability is established, it is difficult to collect detailed information.

F8.2

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

Forest risk commodity

Timber products

Coverage

Supply chain

Main measure

Greater supplier awareness/engagement

Comment

The Ajinomoto Group has established the Ajinomoto Group Paper Procurement Guidelines, and has also established the Guidelines for Group Shared Policy for Suppliers, which describes expectations for suppliers and requires suppliers to cooperate in the procurement of raw materials without deforestation and/or conversion. What suppliers should do is described in the Sedex questionnaire and/or Ajinomoto Group SAQ, for example, and a move to voluntarily inspect the supply chain using such tools is necessary.

Forest risk commodity

Palm oil

Coverage

Supply chain

Main measure

Greater supplier awareness/engagement

Comment

The Ajinomoto Group has established the Ajinomoto Group Palm Oil Procurement Guidelines, and has also established the Guidelines for Group Shared Policy for Suppliers, which describes expectations for suppliers and requires suppliers to cooperate in the procurement of raw materials without deforestation and/or conversion. Suppliers have been vigorously implementing efforts to ensure traceability in the past, but in the future they will be required to voluntarily engage in palm oil procurement with low deforestation/conversion risk based on the information on palm oil production areas obtained through such efforts.

Forest risk commodity

Cattle products

Coverage

Supply chain

Main measure

Greater supplier awareness/engagement

Comment

The Ajinomoto Group has established the Guidelines for Group Shared Policy for Suppliers, which describes expectations for suppliers and requires suppliers to cooperate in the procurement of raw materials without deforestation and/or conversion. Cattle products are at risk of deforestation not only at the rearing stage, but also in the production of the feed they use, so livestock producers and suppliers of livestock products need to trace back to this feed production to ensure that there is no deforestation.

Forest risk commodity

Soy

Coverage

Supply chain

Main measure

Greater supplier awareness/engagement

Comment

The Ajinomoto Group has established the Ajinomoto Group Soy Procurement Guidelines, and has also established the Guidelines for Group Shared Policy for Suppliers, which describes expectations for suppliers and requires suppliers to cooperate in the procurement of raw materials without deforestation and/or conversion. What suppliers should do is described in the Sedex questionnaire and/or Ajinomoto

Group SAQ, for example, and a move to voluntarily inspect the supply chain using such tools is necessary.

F17 Signoff

F-FI

(F-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

N/A

F17.1

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

	Job Title	Corresponding job category
Row 1	Executive Officer & Vice President	Chief Sustainability Officer (CSO)