

Eat Well, Live Well.



Ajinomoto Group

Global Review 2025

Expectations and recommendations
from external stakeholders

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It is a pleasure to appraise Ajinomoto Group's reporting suite again this year. I have been reviewing Ajinomoto Group's annual disclosures for several years and I am always impressed at the scope and scale of meaningful activity, disclosure transparency and evident passion for making a positive impact on people and in the world. While Ajinomoto Group has maintained a constant purpose and vision, strategy and activities have evolved to become more focused and targeted to meet overarching ambitions. On the other hand, there remain opportunities to streamline and sharpen sustainability metrics and disclosures for greater clarity and precision, so that stakeholders can be in no doubt about Ajinomoto Group's intentions and progress.

Strategy and Materiality

Ajinomoto Group has made continued efforts to evolve its sustainability strategy and approach to materiality. Six material themes are translated into specific initiatives with KPIs and targets. However, it seems to me that there continues to be a basic misalignment with the way Ajinomoto Group approaches materiality and the assessment of impact, risk and opportunity, and this may be confusing for stakeholders. Ajinomoto Group's description of materiality focuses on value-creation, that is, risks

and opportunities for Ajinomoto Group as a result of sustainability issues. However, Ajinomoto Group's overarching strategic approach addresses impacts: Extending healthy life expectancy and Reducing environmental impact. Ajinomoto Group does not appear to conduct an impact materiality assessment, relying solely on its assessment of risks and opportunities. This is what we would normally understand to be sustainability-related financial materiality (single materiality), which primarily addresses the needs of financial markets, investors and analysts. For non-financial stakeholders, information needs are different, and include an assessment of Ajinomoto Group's actual and potential impacts, positive and negative, on the economy, people, society and the environment (as defined in GRI standards). Therefore, while Ajinomoto Group references reducing negative impacts and creating positive impacts, there does not appear to have been any Ajinomoto Group-specific definition, assessment or prioritization of these impacts.

Having said this, Ajinomoto Group's reporting does cover a huge range of activities in all areas of sustainability impact. These include a host of initiatives such as driving salt, sugar and fat reduction, raising awareness for the consumption of fruit and vegetables, developing medical foods which have nutritional benefits and supporting regenerative medicine and cell therapy through "AminoScience." On the environmental side, Ajinomoto Group's activities include climate change mitigation measures, advancing sustainable agriculture, driving waste, especially food waste, reduction, and an extensive program to address biodiversity impacts and risks. All this demonstrates that, even without an impact materiality assessment, Ajinomoto Group is clearly boosting positive social and environmental outcomes. The question is whether a systematic impact materiality assessment might change the focus and prioritization of these issues in Ajinomoto Group's strategic sustainability planning to help elevate sustainability performance even further.

In many markets across the world, in order to meet a broad spectrum of stakeholder needs, companies are adopting a Double Materiality approach, which incorporates both impacts and risk/opportunity (value creation). This type of assessment would complement Ajinomoto Group's current value-creation materiality and support improved integration of sustainability as part of overall business strategy and planning. A Double Materiality assessment would also position Ajinomoto Group well for disclosures that may be regulated in the future, especially in Europe.

Metrics for Strategic Ambitions

As noted in all my previous reviews, I still find a lack of crispness in defining and describing progress against Ajinomoto Group's two sustainability ambitions: help extend the healthy life expectancy of 1 billion people and reduce environmental impact by 50%.

How does Ajinomoto Group measure extended healthy life expectancy? I still don't know. It seems true that overall life expectancy in Japan has been increasing in recent years, and this appears partially to be due to reduced salt intake and resulting lower rates of stomach cancer*. Ajinomoto Group's *Love Vege* project appear to address this issue comprehensively with a steady increase in the number of low-sodium products created and marketed, multiple awareness-raising activities to educate the public on the benefits of reducing salt intake, and innovation such as "the world's first "electric seasoning" technology, which uses transcutaneous electrical stimulation to adjust the taste of food", developed in joint research with universities. These are impressive steps, but how does Ajinomoto Group correlate these activities to actually extending healthy life expectancy?

In fiscal 2024, Ajinomoto Group reports "creating touchpoints for deliciousness and health with 950 million people." How is this figure of 950 million people measured? And what is a touchpoint? Again, greater clarity and precision in defining how Ajinomoto



Group will contribute to extending healthy life expectancy would improve the credibility of Ajinomoto Group's ambition and progress.

Regarding the second overarching goal, to reduce environmental impact by 50%, the metric and path forward are also not clear. What does environmental impact include—energy consumption, carbon emissions (Scopes 1,2 and 3), water use, waste generation, biodiversity impacts, or all of the above, and if so, how is an overall reduction of 50% aggregated to form an overarching measure? I have been asking these questions now for several years and am still unable to understand what the goal means. Ajinomoto Group has made bold progress in its environmental management with a reduction of 50% in Scope 1 & 2 absolute emissions between 2018 and 2024, and a reduction of 70% across the same period in both total generated waste and overall water consumption (from baseline year 2018). Therefore, using these three parameters alone, Ajinomoto Group has already overshoot its 2030 target, so is this 50% still relevant? I again urge Ajinomoto Group to improve clarity surrounding this critical commitment.

*1 <https://pmc.ncbi.nlm.nih.gov/articles/PMC8189904/>

Efficient Disclosure and Transparency

Ajinomoto Group's 2025 suite includes a Sustainability Report of 178 pages, an ASV Report that incorporates several pages of sustainability content, a Global Policies booklet covering Ajinomoto Group's management approach on key sustainability issues and a website with extensive sustainability information. All of this provide stakeholders with very comprehensive information about Ajinomoto Group's sustainability initiatives and this deserves recognition. On the other hand, there is overlap of content, different representations of similar topics and duplication of data across these different channels as well as a mix of historical narrative and current progress. All this makes it

challenging to understand the degree of progress actually made in the reporting year, and requires report users to work through large amounts of information to locate specific topics of interest. I believe Ajinomoto Group could consider revisiting its reporting architecture to drive more compact, time-relevant and efficient disclosure that would enhance the accessibility of information without losing key content or messaging.

In conclusion, it is always inspiring to read about Ajinomoto Group's continued achievements and contribution to a better quality of life. I look forward to further progress both in sustainable development and effective disclosure.



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Ajinomoto Group's Sustainability Initiatives

Overall, Ajinomoto Group's sustainability initiatives are wide-ranging, well-designed, and effective. Supported by solid management frameworks and comprehensive risk mapping, the relevant, material topics are being addressed pragmatically against measurable targets.

In 2025 the Group's sustainability initiatives continued to develop positively, in-line with recognized best practices. Highlights for the year include SBTi approval of the Group's Net-Zero carbon reduction targets as well as strengthening of biodiversity- and human rights-related programs. In particular, I was impressed with the significant elaboration of TNFD disclosures compared with last year and the progress made in mapping of biodiversity risk factors, by commodity and by country, through the supply chain. New targets and KPIs for Group's nutrition initiatives were also introduced in 2025 as part of the medium-term 2030 management plan - an important step towards articulating and quantifying the social value generated through the Group's products under the overarching goal of 'helping to extend the healthy life form 1 billion people.'

From the perspective of managing environmental impacts the story is clear – 2025 saw continued reductions in most

KPIs across relevant categories such as GHG emissions, water use, food loss, waste generation, plastic packaging use and atmospheric despite business growth. A few noteworthy exceptions include increases in environmental fines, emissions from CFCs, and transportation distance. In next year's report I would hope to see these trends reverse along with additional disclosure regarding the reason for the increases and what measures have been put in place to mitigate them.

From the social impact perspective, the Group continues to show progress in gender and age diversity as its employee base continues to grow. Safety programs seem to be working as well, with an overall decrease in accidents in the reporting year. While promotions, retention and employee satisfaction rates hold steady or increased slightly, a decreasing trend in paid time off utilization portends potential trouble on the horizon. Work-life balance programs only work if employees feel they can utilize them fully.

Ajinomoto Group's Sustainability Reports

Between the ASV Report (Integrated Report), the Sustainability Report and Data Book (SR), the SASB table, and the Sustainability website, the Ajinomoto Group demonstrates an exemplary level of transparency and a dedication to integrating sustainability into corporate strategy. However, some inconsistencies between the ASV and the SR hint at an operational disconnect in the integrated strategy. For instance, segment-level reporting on financial KPIs in the ASV will need to be reconciled with the company-level/business activity-level reporting primarily used in the SR. Truly integrated reporting translates impact materiality through a financial impact lens, evaluating risks and opportunities against quantitative thresholds.

2025 ASV Report

The ASV report tells an engaging story around the Ajinomoto Group's shared value creation framework where sustainability programs that address material topics drive intangible asset appreciation that in turn drives economic growth. Heartfelt messages from the CEO and employee quotes bring the programs to life. The Group's integrated strategy is elegantly illustrated in the 2025 ASV report, in the formulation of 2030 corporate targets where 'Economic value indicators' and 'Sales' targets for 2030 are presented alongside 'Social value indicators' (e.g. "reducing environmental impact by 50%" and "extending the healthy life expectancy of 1 billion people.") for 2030. Although 'Social value indicators' appear together with financial indicators in the 'Performance Data' section at the very end of the report, the fact that within the report, financial KPIs are presented for each of the group segments with no related 'social value indicators' speaks to the true level of progress regarding the integration of sustainability metrics into the financial accounting process of the company.

2025 Sustainability Report and Databook (SR)

The level of detail in this document is truly impressive. Compared with last year, some additions and enhancements to the content occurred, but overall the SR has settled into a familiar format. My favorite part of the report is the detailed data tables in the Appendixes. These presentations make it easy to quickly gauge progress for each of the Group's programs.

The set of KPIs portrayed in both the SR and ASV 'Key initiatives and progress' section also provide a solid overview of progress and targets for key initiatives. However, in addition to the progress on focus areas such as 'Climate change,' 'Natural capital' 'Circular economy,' 'Health and nutrition' and 'Human capital', I would expect future reports to include progress



towards each of the 'Focus Areas' covered in the 'Key risks, opportunities, focus areas, initiatives, targets/KPIs and progress towards material themes' section by adding KPIs for 'Advanced semiconductor package,' 'Human rights' and 'Changes in the business environment' to the dashboard set. Further, as the Group continues to integrate sustainability into financial reporting, I'd like to see a closer connection between the sustainability initiatives and their link towards risk reduction and value creation across the key business segments 'Food and Seasonings,' 'Frozen Food' and 'Healthcare and Other.'

SASB Reference Table

Compared to last year, the Group has improved the completeness and quality of SASB disclosures. Although a handful of SASB disclosures remain "not disclosed," all ten ISSB disclosures were met this year, demonstrating preparations for mandatory SSBJ reporting. Until the SASB table is abandoned for an SSBJ/ISSB-aligned format, I strongly suggest presenting quantitative and qualitative disclosures directly in the 'SASB Reference Table' in addition to external links. The concept of a self-contained disclosure should carry on to the next generation reporting style.

Sustainability Website

Incremental changes to the website architecture continue to improve the user experience in terms of navigating the information industry stakeholders seek. While increasingly well organized, the Group's sustainability website is still dense with information. Perhaps Artificial Intelligence (AI) tools could be deployed to further enhance the user experience of engaging with the expansive body of the Ajinomoto Group's sustainability information.

AI: Contributions and Challenges to Sustainability

AI is a macro force with implications across the sustainability spectrum. Therefore, I was surprised by the notable absence of the topic in the Ajinomoto Group's 2025 ASV and SR reports. A starting point would be to include the topic of AI in the process of risk and opportunities assessment and report on the findings under the 'Technological innovation' category of 'Risks and Opportunities related to important issues (Materiality) for the Ajinomoto Group' in the SR.

In the near- and medium-term, AI applications will enable positive contributions to sustainability through efficiencies in administration, data management and problem solving - enabling Intelligent Automation (IA) that can operationalize solutions for optimization of raw materials, transportation, production, etc. AI tools may also speed up or refine product development or opportunities to enhance business growth and shared value creation. In future reporting, stakeholders will expect information on how the Group is leveraging AI applications to realize opportunities.

Implementation of AI applications will also present a balancing act in terms of human resource management and creating the best environment for innovation. Investor stakeholders, employees and suppliers will expect companies to develop clear positions, policies, approaches, and guidelines to AI implementation as it relates to human capital. Innovators such as the Ajinomoto Group may take the opportunity to rebalance the scales in favor of labor. Rather than replacing workers with AI, rewarding the unique, human contributions more highly while recognizing that leveraging AI tools may allow them to work less while achieving superior results may be the true key to work-life balance. Whatever the approach, to satisfy stakeholder demand for this information, I would urge the Ajinomoto Group to elaborate on its approach to AI and the workforce and integrate

it fully into both its 'DX strategy' for digital transformation, as well as in discussions on developing intangible capital in the forms of both human assets and technology assets in both the ASV report and SR.

Finally, another "unintended consequence" of the AI explosion is the sharp increase in demand for both electricity and water use that it will unleash. The Ajinomoto Group should incorporate anticipated demand spikes into their risk assessments, focusing on how operations may be impacted both in terms of the availability and cost of electricity and water, as well as potential feasibility issues relating to the achievement of it Net-Zero and water reduction targets.

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It is once again commendable for Ajinomoto Group on sustainability progress aligned with contributing to the well-being of all human beings, our society and our planet with “AminoScience.” The recommendations and expectations for the year will focus on reporting standards and human rights.

Reporting Standards

To strengthen its disclosure practices, Ajinomoto Group is encouraged to align more closely with the International Sustainability Standards Board (ISSB) framework, which is gaining momentum among reporting bodies particularly in Asia. The Group is well-positioned for this alignment, having already established strong foundations in GRI, TCFD, and TNFD reporting.

To achieve ISSB compliance (IFRS S1 and S2), Ajinomoto Group should focus on three key areas:

- Deepening financial integration by mapping existing disclosures against ISSB requirements and identifying data gaps, particularly in defining financial materiality.
- Quantifying scenario impacts by focusing more on quantitative analysis to estimate transition costs, carbon pricing exposure, and resource dependency risks.

- Formalizing governance structures for sustainability disclosures to ensure consistent oversight and accountability.

A major enhancement area is potentially to link sustainability KPIs to financial performance. The current Ajinomoto Group’s ASV framework connects sustainability to well-being and environmental goals. Under ISSB, Ajinomoto Group should demonstrate how sustainability initiatives directly influence revenue growth, cost efficiency, or risk mitigation. Quantifying such effects by showing the economic return of carbon reduction projects or nutrition innovation will clearly illustrate how ASV activities drive enterprise value.

Another key step that the Group could take is to expand third-party assurance. While environmental data are currently verified by LRQA, the Group can expand assurance coverage for other social and governance metrics as well, including human rights issues in supply chain and labor practices. This would elevate the credibility and reliability of the sustainability data.

Human Rights

Ajinomoto Group’s 2025 human rights initiative shows a clear evolution over time - from compliance to action to leadership. The introduction of a formal migrant recruitment cost policy, the expansion of due diligence scope, broader supplier engagement, and enhanced grievance access represent major steps forward in aligning the Group’s human rights management with UNGPs and ILO.

The 2025 report presents a much more structured and transparent Human Rights Due Diligence (HRDD) process, with yearly progress tracking. This is a lot easier for readers to track progress in this area. Additionally, the revised Group Shared Policy on Human Rights on elimination of discrimination that explicitly mention indigenous people and privacy rights and SOGI is spot on for creating an inclusive society.

One Particular topics that the company could extend more is on the ‘food systems impact on children’s rights.’ In the Asia-Pacific region, millions of children across East Asia, Southeast Asia, and the Pacific face the consequences of unhealthy food environments. There is evidence of strong ties between unhealthy food systems and adverse impacts on children’s rights to health and development, demonstrating the role of businesses in shaping these environments. The company could scale up the ‘Love Vege Project’ or ‘AjiPanda Cafeteria’ Initiative to promote nutrition for kids and parents.

Reporting and Summary

Ajinomoto Group could also prepare for digital sustainability reporting using the recently launched GRI XBRL taxonomy. This will allow data tagging for machine-readable analysis and improve transparency for regulators and analysts.

Ajinomoto Group’s 2025 sustainability disclosures already reflect strong leadership, governance, and transparency. The path to full ISSB compliance now depends on moving towards more quantified, financially integrated, and digitally structured disclosure. By following this roadmap, Ajinomoto Group can position itself as a leader among Japanese and global food companies in credible, future-looking sustainability reporting.

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Ajinomoto Group has demonstrated a robust commitment to sustainability through its suite of reports and disclosures. ASV Report (Integrated Report), Sustainability Report, and dedicated Human Rights and Nutrition webpages collectively reflect a comprehensive ESG strategy rooted in the company's purpose: 'Contributing to the well-being of all human beings, our society and our planet with AminoScience.'

Articulation of Purpose and Philosophy

The report begins with a compelling message from the CEO and the Executive Officer in Charge of Sustainability, emphasizing the company's purpose: "Contributing to the well-being of all human beings, our society and our planet with AminoScience." This philosophy is consistently reinforced throughout the report, providing a coherent narrative that connects business operations with social and environmental impact.

Ajinomoto Group's sustainability strategy is holistic and integrated across all Ajinomoto Group's sustainability communications. The ASV Report (Integrated Report) and Sustainability Report reinforce the company's dual goals for 2030: reducing environmental impact by 50% and extending the healthy life expectancy of 1 billion people.

However, the reports are text-heavy and could benefit from more visual elements such as infographics, charts, and dashboards to enhance readability and engagement.

Materiality and Strategic Focus

The company maintains its strategic focus in 2025 and identifies six Material Themes that guide its ESG effort. These themes are well-integrated into the ESG framework ensuring strategic coherence and a clear focus of activities. In addition, Ajinomoto Group's proprietary "AminoScience" approach is a unique differentiator. It integrates amino acid research into solutions for nutrition, agriculture, and medicine, contributing to both business growth and societal well-being.

While supply chain management is mentioned, the report does not delve deeply into supply chain risks, such as labor rights violations, environmental impacts, or geopolitical disruptions. Ajinomoto Group could consider disclosing supply chain risk assessment activities and outline mitigation strategies, especially for high-risk regions and commodities.

Similarly, while human resources and occupational safety are discussed, the report could provide more granular data on employee engagement, diversity, equity, and inclusion (DEI). One recommendation could be to include metrics on gender diversity, pay equity, employee satisfaction, and training hours to reflect social sustainability more comprehensively.

Sustainability Governance

Although the report outlines the existence of the Sustainability Advisory Council and Sustainability Committee, detail on governance processes, board oversight, and accountability mechanisms could be enhanced. Expanding disclosures on governance, including board-level sustainability oversight, risk

management integration, and executive compensation linked to ESG performance may give additional comfort that sustainability is sufficiently embedded into decision making activities. In addition, publishing impact evaluations would demonstrate the effectiveness of initiatives and guide future improvements.

Alignment with Global Frameworks

Ajinomoto Group aligns its reporting with international standards such as GRI, TCFD, TNFD, UNGPs, and ILO conventions, demonstrating a commitment to global best practices. Ajinomoto Group outlines a rigorous due diligence process aligned with UNGPs, including country-specific risk assessments and stakeholder engagement. The breadth of adoption demonstrates Ajinomoto Group's holistic approach to sustainability.

Data Transparency and Performance Metrics

The Sustainability Report provides detailed quantitative data on environmental performance, while the Nutrition webpage includes KPIs for health-related initiatives. This level of transparency enhances credibility and allows for benchmarking against industry peers. Although the report states it covers Ajinomoto Co., Inc. and its consolidated subsidiaries, there could be increased clarity on the boundary of data collection, especially for joint ventures and suppliers.

Stakeholder Engagement

Ajinomoto Group actively engages with stakeholders and participates in global initiatives such as the World Business Council for Sustainable Development (WBCSD). The report includes feedback from external stakeholders and outlines collaborative projects, such as the Recovery of Degraded Pasture

Verification Study Project in Brazil, which showcases innovation in sustainable livestock farming. The reports detail stakeholder engagement mechanisms and internal governance structures, including the Sustainability Committee and Advisory Council.

In conclusion, Ajinomoto Group's sustainability disclosures reflect a mature and evolving ESG strategy.

In conclusion, the Group's sustainability communications are robust and well-structured and reflect a genuine commitment to sustainability. The integration of 'AminoScience' into health, nutrition, and environmental initiatives is a unique and commendable approach. Its alignment with global standards, strategic clarity, and comprehensive ESG coverage are commendable. The Group's proactive stance on human rights and nutrition, coupled with its alignment to global frameworks, positions it as a leader in corporate sustainability. To further enhance its reporting, Ajinomoto Group could focus on third-party assurance, financial integration, and improved accessibility. By addressing these areas, the company can strengthen stakeholder trust and continue to lead in sustainable value creation.

Congratulations on your ongoing efforts!