Dialogues and Collaboration with Stakeholders

To become and grow as a truly global company trusted by people around the world, the Ajinomoto Group needs to maintain ongoing dialogue with various stakeholders and incorporate their feedback into its corporate activities. Through continuous dialogue and collaboration, the Group endeavors to make a positive contribution to society and the environment.

<table>
<thead>
<tr>
<th>Stakeholder group</th>
<th>Key engagement opportunities</th>
<th>Results</th>
</tr>
</thead>
</table>
| Customers/Consumers | ● Customer call centers (five food companies in Japan, certain overseas subsidiaries)  
● “AJINOMOTO PARK” recipe & community website  
● Various events  
● Factory tours | ● Used customer input to improve products and services  
Made efforts to improve customer satisfaction with product investigations (→Consumer Issues P129-132)  
● Cultivated the awareness of the Group’s sustainability efforts and a sustainability mindset of event participants (→Consumer Issues P133-136)  
● Hosted factory tours at three Ajinomoto Co., Inc. business sites in Japan for around 58,000 people (FY2016) |
| Shareholders/Investors | ● Annual general meeting of shareholders  
● Analysts’ meetings on financial results  
● Individual dialogues with institutional investors worldwide  
● Briefings for institutional investors on ESG (environment, society, governance) efforts | ● Strengthened corporate governance system (→Integrated Report 2017 P50-61)  
● Updated Corporate Governance Report (end of June 2017)  
● 3rd Environment, Social and Governance (ESG) Meeting for analysts and institutional investors “Contributing to a healthier life through food and amino acids” (March 2017) |
| Suppliers | ● Communication in day-to-day business  
● Food defense explanatory meetings and audits  
● SAQs (self-assessment tool for suppliers) | ● Suppliers gained awareness of the CSR issues they need to address (→Fair Operating Practices P58)  
● Conveyed the Group’s thinking and plans for more sustainable procurement of each key raw material (→Fair Operating Practices P59-62) |
| Employees | ● Ajinomoto Group Way sessions  
● ASV (Ajinomoto Group Creating Shared Value) sessions  
● By-rank/division training  
● Ajinomoto Group Principles (AGP) questionnaires  
● AGP worksite discussions  
● Whistleblower hotline  
● Harassment advisory service | ● Approximately 33,000 group employees worldwide have attended Ajinomoto Group Way sessions as of the end of FY2016  
● All employees are scheduled to attend the ASV session by the end of FY2017 (→Labor Practice P74)  
● AGP awareness: 31 worksite meetings on AGP, attended by 297 participants in FY2016 (→Organizational Governance P53)  
● Number of hotline reports: 63 reports to Japan group companies in FY2016 (→Organizational Governance P53) |
| Local communities | ● Factory dialogue with neighborhood residents  
● Participation in and sponsorship of community events  
● Scholarships and other foundation-based activities (in four countries)  
● Recovery assistance for communities affected by natural disasters  
● Smile Earth! community environment program | ● Launched an environmental monitor system (Kawasaki Administration & Coordination Office, Ajinomoto Co., Inc.), held meetings with neighborhood associations and joined local events  
● Supported the Red Apron Project since 2011, providing nutritional guidance and facilitating communication through cooking classes for those affected by the Great East Japan Earthquake (2,452 events for approximately 31,500 participants by March 2017) (→Community P147-148) |
| NPOs/NGOs and external experts | ● Ajinomoto Group Sustainability Forum  
● Dialogue on the Group’s sustainability and CSR activities  
● AIN program for supporting NPOs/NGOs working in the food and nutrition field | ● Discussed internally how to incorporate various opinions received through dialogue into sustainability and CSR plans (→Ajinomoto Group Business and CSR P8-12)  
● AIN program results (FY1999 through FY2016, include ongoing): 79 projects in 14 countries, approximately 140,000 beneficiaries, representing a 310-million-yen grant (→Community P141-142) |
I understand this as an expression of the Ajinomoto Group’s deeper commitment to common social challenges under the international framework of the SDGs. In order to join a top 10 global food companies, it is important that the Group ensures the sustainability of its raw materials by considering all aspects of its supply chain, including water, land and energy issues as well as the livelihood and human rights of workers in the supply chain. It also needs to ramp up its activities on a higher plane; for example, it could apply its unique expertise in AminoScience to reduce the environmental impact of food production drastically. Food is one of the most basic foundations of human society. The company could make contributions far wider than the SDG challenges presented in the medium-term plan. For example, transforming dietary and cooking habits and offering smart cooking solutions for diverse lifestyles could contribute to Goal 5: Gender equality. I hope to see the Ajinomoto Group emerge as a true global leader of the food industry.

We are facing food shortages as global warming accelerates and conflicts and terrorism destroy communities and agricultural land. At the same time, food loss is a major global issue. I believe the Ajinomoto Group has a major role to play in the effort to reduce raw material losses in developing countries as well as consumer education in developed nations. In order to achieve the SDGs on sustainable production and consumption, the company should not only focus on the product lifecycle perspective in its corporate activities but also tell consumers the stories of “the life of things”, all the way from raw materials to eventual disposal at home.

I believe that the food industry, which uses agricultural, livestock, and fisheries products as raw materials, should take a proactive stance towards sustainable procurement, which can have an impact throughout global supply chains. I would like to see the Ajinomoto Group use all its technologies to lead the world and make a great contribution to the lives —especially dietary lives—of people around the world.
Feedback from external stakeholders

In the non-financial information disclosure of the Ajinomoto Group, the environmental goals appear to be both bold and concrete. When it comes to governance related goals, including nuances such as, for example, “a highly diverse work force working with a high degree of integrity,” or “creating a world class workforce responsive to and collaborating with our stakeholders” would sound more proactive.

The food industry is closely linked to all of the Sustainable Development Goals (SDGs). In addition to eradicating hunger, improving nutrition, security and safety of food resources, reducing waste and managing water, the eyes of the world have been on the human rights and climate change issues over the past few years within the ever expanding global supply chains. Consumers are increasingly making food choices based on producers' social and environmental records.

The international NGO Oxfam has been running the “Behind the Brands” campaign since 2013, in which they assess the environmental and human rights efforts of the top 10 food and beverage companies.

The most urgent issues include increasing the earnings of small-scale farmers, expanding the participation of rural women in decision-making, protecting land rights, and improving working conditions in farms and fish processing factories. In order to solve these issues, food companies must have sufficient dialogues with communities, collaborate with other companies in the industry and governments to achieve collective impact, and ensure responsible procurement practices.
Feedback from external stakeholders

Human rights considerations are an essential part of any business activity. A global company must operate on the understanding that human rights violations cannot always be prevented and, on that basis, ensure that it has the necessary governance structure in place to resolve these issues earnestly as and when they arise. To do so, it must have full traceability across its entire value chain from raw material procurement to sales. It must also review potential human rights risks in advance, and clarify who is responsible in each of those areas within the group or the supply chain. It should also listen to stakeholders affected by human rights issues, and establish a transparent governance framework for making improvements that reflect their inputs.

Even if problems do arise, a company that is able to tackle them diligently and appropriately can indeed improve its reputation.

The United Nations Decade of Action on Nutrition kicked off in 2016, urging public and private sectors to tackle the double burden of malnutrition across the globe: hunger and micronutrient deficiency on one side, and obesity on the other. The Ajinomoto Group has taken up the challenge and launched the Ajinomoto Group Creating Shared Value (ASV) initiative in February 2017. It aims to increase economic value through the creation of social value, as well as contributing to the resolution of social issues such as improving nutrition. The Group has proven know-how, through providing AJI-NO-MOTO® and flavor seasonings, to help people eat a wider variety of food. It also has a global network across countries at different stages of economic development, and an insight into enriched food cultures based on diverse ethnic and faith traditions, dietary customs, and food production approaches. For nutritional improvement, it is essential to secure the quantity, quality, and variety of foods. I look forward to seeing the Ajinomoto Group making the most of its expertise and playing a leading role in the creation of CSV business models in this area.

Makoto Teranaka
Visiting Professor, Faculty of Contemporary Law, Tokyo Keizai University

Yasuo Endo
Ph.D. in Agriculture Senior Researcher & Advisor, Sendai University