

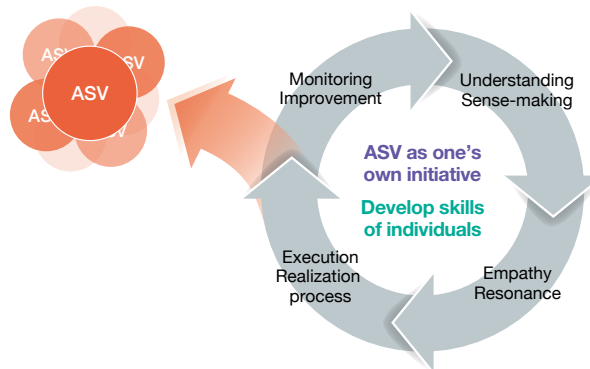
Human resources and organizational management

Approach

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The Ajinomoto Group is increasing our investment in human resources and strengthening skills development to achieve our vision of being a solution-providing company for food and health issues. At the same time, we aim to increase the number of employees who feel they are contributing to our vision (ASV as one's own initiative), and propel the organization forward. We aim to achieve this by setting organizational and personal goals to solve issues together with customers and by standardizing management based on the PDCA cycle.

Management cycle that increases ASV engagement



Human resource management framework

The HR Committee established under the Executive Committee promotes fostering people to lead group companies, regions, and global operations at every level to support the sound growth of the Ajinomoto Group. When deemed necessary by the chair of the HR Committee, the committee reports the status of its activities, committee meeting deliberations, and results to the Executive Committee.



Framework

GRI401-DMA
 GRI404-DMA

Global human resources management system

We have adopted a global human resources management system based on a common foundation to foster and assign diverse human resources around the world, ensuring we put the right person in the right position. We are using this system to accelerate our development of next-generation management and highly specialized personnel. The system consists of a mechanism to visualize key posts and key personnel (position management, talent management) as shown below.

We have also established common Group guidelines related to international assignments for the purpose of forming a deep base on diverse human resources who will be responsible for sustained Ajinomoto Group growth.

Position management (right position)	
Identify the duties required for the organization to execute our business strategy. Determine the requirements for each job and the people necessary to perform said duties.	
Job Level	Grade system based on job level
Evaluation System	Behavior and performance evaluations based on the Ajinomoto Group Way
Remuneration	Establish global remuneration policies 1. The remuneration program must comply with the laws and regulations of each country and region 2. Remuneration reflecting duties and performance 3. Competitive remuneration levels based on country, regional market wages
Talent management (right person)	
To discover and develop human resources, we strive to appoint and assign the right person in the right position in light of the duties and personnel requirements above. Ensure the rapid promotion of key talents.	
HR Committee	Establish HR meetings at Regional Headquarters and business/corporate divisions
Talent portfolio	Dual axis of performance evaluation and next-generation leadership requirements Next-generation leadership requirements determined based on the future ideal of the Ajinomoto Group
Succession plan	Determines key positions by Regional Headquarters, Group companies and divisions
Development plan	Plans for key talent

Develop skills to better resolve issues

The Ajinomoto Group develops skills in each employee to better resolve issues. In this way, we create innovation toward resolving food and health issues. In particular, we focus on improving employee literacy in nutrition, the environment, and digital, participatory training to encourage employees to make ASV as one's own initiative, and programs to foster in-house entrepreneurship and collaborations with venture companies.

In fiscal 2019, Ajinomoto Co., Inc. spent 136,000 yen per employee on training, averaging 13 hours of training per employee.

Promoting work-style innovation

The Ajinomoto Group uses digital technology to eliminate waste and improve time productivity for raising customer value. We pursue individual productivity improvements across our entire organization.

- Fiscal 2019 performance (Ajinomoto Co., Inc. only)
- Pursue key themes to achieve advanced work styles (change attitudes toward work-style, work styles beyond existing organizations, paperless, hot-desking)
- Average total work hours 1,812 hours (1,820 hours in fiscal 2018)
- In our engagement survey, we received favorable responses to the four categories related to work styles (improvement of between 1 and 5 points compared to last survey conducted in fiscal 2017)

Performance

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GRI404-2

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Performance

Diverse Talent

Performance

GRI102-16

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Performance

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Employee engagement

The Ajinomoto Group redefined our philosophy regarding corporate value in February 2020. Improving employee engagement in creating customer value leads to the creation of economic value. By sharing this economic value with employees, we generate a cycle of further improving engagement, which we see as corporate value.

We have included employee engagement scores as a priority KPI in our 2020-2025 Medium-Term Management Plan. As we advance in developing the skills of our individual employees, we use the OE^[1] method in our management cycle to accelerate ASV as one's own initiative in each employee.

[1] Continuous improvement and reform activities based on the concept and methods of thoroughly refining all operations from the customer's point of view while individuals and teams grow in a synchronized manner in order to create a competitive advantage.

Management cycle that increases ASV engagement



Initiatives phases and progress in FY2020 and beyond

Initiatives	Progress
1. Management plans dialogue with the CEO	· 53 dialogues conducted in small groups, online, etc. · Video broadcast to all 33,000 employees (as of July, 2020)
2. Dialogue with General Managers of each division	· Video broadcast to all 33,000 employees
3. Set organization/individual goals	Completed in May 2020
4. Personal goal presentation	Completed in July 2020
5. Share best practices	Leveraging the internal SNS for personal goal presentation and initiatives to enhance ASV
6. ASV Awards	· Conducted online employee voting · Awarded initiatives selected by judges including outside experts
7. Monitoring via engagement survey	· Beginning FY2020, we will conduct surveys every year, rather than every other year
8. Address issues in next-year plans	

TOPIC

Evolution in internal communications

The Ajinomoto Group understands the importance of internal communications in conducting the management cycle effectively. We encourage optimal information sharing to understand, empathize, execute, and realize ASV, helping employees embrace ASV as one's own initiative and act autonomously. As part of these efforts, we adopted Workplace by Facebook in July 2020. Workplace by Facebook is a social networking platform connecting our global operations in a timely, two-way manner. Currently, approximately 9,000 Group employees use this platform to share CEO messages and individual ASV initiatives. We plan to expand our use of this platform over time.

Promotion of ASV as one's own initiative based on engagement surveys

To date, the Ajinomoto Group has quantitatively measured employee engagement through an engagement survey, conducted once every two years. This survey helps us understand and take action to improve issues, leveraging the PDCA cycle.

Survey results for fiscal 2019 reflected a one-point improvement in our favorable score for *Sustainable Engagement*^[1], achieving our 17-19 MTP target. On the other hand, responses to some questions scored lower when compared to other food and beverage companies and other high-performing companies. This result indicated a greater need to improve ASV engagement and practice ASV in the day-to-day operations of every organization.

Our 20-25 MTP includes a KPI for *Employee Engagement (ASV as one's own initiative)*^[2]. Accordingly, we intend to conduct an engagement survey annually, addressing any issues uncovered in our plans for the following fiscal year.

Employee engagement score

FY2019	FY2020 (Target)	FY2025 (Target)	FY2030 (Target)
55%	70%	80%	85%+

[1] A question category correlated highly with corporate sustainable growth. Questions measure workplace productivity and the vibrancy of our organizational culture, in addition to employee desire to contribute to goals and the intensity of employee connection to the company.

[2] The percentage of employees who talk about how they implement ASV through their own work with their family, friends and business partners.

Hotline (whistleblowing)

The Ajinomoto Group established a hotline as an anonymous internal reporting system that enables executive officers and employees, including part-time and temporary workers, to make reports or seek advice by phone, e-mail, fax, letter, or other means. During fiscal 2019, we expanded our web-based third-party reporting system from three countries to 13. In addition, we actively communicate our approach and systems related to our whistleblower policy, striving to strengthen this program.

Fair labor practices

The Ajinomoto Group believes that employee growth leads to company growth and a contribution to society. To link employee growth with company growth, we offer workplace environments, human resource management systems, and educational programs that support self-directed career development.

Performance

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Framework

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Compensation and benefits

The Ajinomoto Group strives to improve terms of employment, including remuneration, on a global basis and in the context of individual company growth.

Compensation by job title, gender (Ajinomoto Co., Inc. only; as of April, 2019)

Job title	Avg. compensation, women (A)	Avg. compensation, men (B)	Ratio (A/B)
Executive (Base salary only)	¥21,360,000	¥21,360,000	1
Management (Base salary only)	¥7,206,749	¥7,751,994	0.930
Management (Base salary + bonuses and other cash incentives)	¥12,045,136	¥13,054,552	0.923
Non-management	¥6,745,284	¥8,052,137	0.838

Labor-management relations

All non-management employees of Ajinomoto Co., Inc. are members of the labor union (61.7% of all employees). Labor agreements require the company to notify employees and their representatives before making any major changes that impact employees (minimum prior notice requirements are confidential and therefore not disclosed).

Labor agreements also stipulate various requirements concerning safety and health, education and training, and medical checkups. Both management and employees work together to improve workplace safety and health standards. Under Japanese law, each workplace must convene a monthly safety and health committee meeting. The committee consists of roughly half managers and half staff. The purpose of this meeting is to identify causes and solutions related to occupational accidents and to share information on the status of employees on sick leave, changes in relevant laws, and more.

Diverse Talent

Approach

GRI403-DMA

GRI403-3

GRI403-6

▶ White Paper on Health (Japanese only)

Framework

GRI403-DMA

GRI403-3

GRI403-6

Health and productivity management

The Ajinomoto Group believes that employee health and well-being are fundamental to improving employee engagement, and simultaneous growth of employees and the company. We strive to create workplaces that both support and improve employee health and well-being.

The Group vision for health and productivity management consists of two parts: company support for improving employee health and well-being, and individual self-care based on high awareness and knowledge. These two parts work in tandem to maintain well-being and foster a health-minded culture.

Vision for health and productivity management



Health promotion framework

The Ajinomoto Co., Inc. health policies are centered on the concept of self-care, which advocates health as a personal responsibility. This self-care is supported by a partnership between the Wellness Promotion Center, which has nine occupational physicians and 13 health staff members, the HR Dept., and the Ajinomoto Health Insurance Society.

Performance

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Performance

▶ Public Awards and
Feedback

Health and productivity initiatives

■ Individual health consultations

Ajinomoto Co., Inc. provides support necessary for every employee through individual health consultations. Every employee working in Japan is interviewed by an occupational physician or medical staff at the Wellness Promotion Center at least once per year. Based on medical examination and stress assessment results, employees receive health guidance that is respectful of their individual values and lifestyles, while also ensuring any latent physical or mental health problems are addressed. Guidance and advice services are also available for employees who work long hours or who are stationed overseas.

■ Health status visualization

A visual representation of health status is vital to implement employee self-care. Employees use the health advice app *Calomama Plus* to map exercise, diet, sleep, and emotions on four axes. In addition, we created the *MyHealth* personal health management website for employees to monitor medical checkup results, work data, and lifestyle data. In fiscal 2020, we will introduce initiatives for workforce nutrition improvement.

■ Mental Health Recovery Program

Ajinomoto Co., Inc. operates an original Mental Health Recovery Program. While taking temporary health leave and after returning to work, employees on this program receive ongoing support to assess their personal values and sources of fulfillment, learning to enjoy work by dealing with stress. As part of this program, employees set goals based on the state (stage) of their symptoms.

Inclusion in the 2020 Health & Productivity Stock Selection

Ajinomoto Co., Inc. was included in the 2020 Health & Productivity Stock Selection. This selection was made by the Japanese Ministry of Economy, Trade and Industry (METI) and Tokyo Stock Exchange in recognition for our efforts to strategically promote employee health and productivity from a management perspective. This year marked the fourth consecutive time we have been selected for this honor. We were also included in the White 500, selected and certified from among all public companies in Japan in recognition of our initiatives to improve employee health management through Certified Health & Productivity Management Organizations Recognition Program.

