

Companies' Best Practices on Long-Term Foreign Direct Investment Within APEC Economies

Company Write-up

Ajinomoto Malaysia

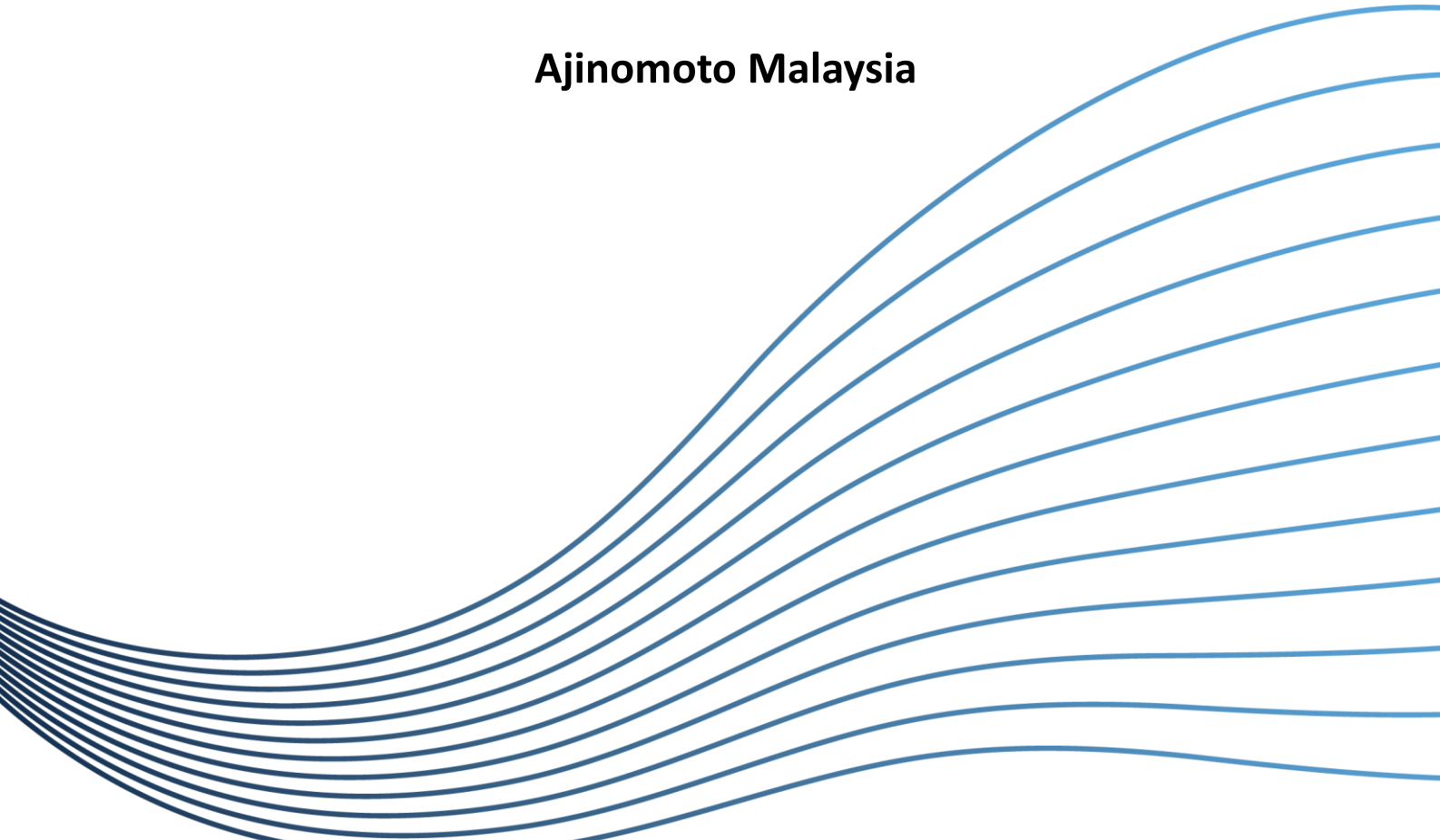


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1. OVERVIEW OF SELECTED FDI PROJECTS / COMPANIES

1.1 AJINOMOTO (MALAYSIA) BERHAD (AMB)

COMPANY DETAIL	
	
Ajinomoto (Malaysia) Berhad (AMB)	
Origin:	Japan
Industry:	Food
PRESENCE IN HOST ECONOMY	
Est. Year:	1961
Head Office:	
Technology Park Malaysia (TPM), Bukit Jalil, Kuala Lumpur	
Entity:	
Ajinomoto (Malaysia) Berhad (AMB)	
No of Employees:	
	680+
Main Production Facility Location:	
Techpark@Enstek (Bandar Enstek Halal Hub), Negeri Sembilan Darul Khusus	

Continuity

Since its establishment in 1961 as one of Malaysia's first Japanese investors, AMB has been a key player in the economy's food manufacturing sector. Over 63 years, it has expanded from producing AJI-NO-MOTO® MSG to a diversified range of over 10 products, demonstrating innovation and resilience in meeting consumer needs. The 2022 launch of its eco-friendly facility at the Bandar Enstek Halal Hub underscores AMB's commitment to sustainability and strengthens Malaysia's position as a global leader in halal production. This facility boosts local supply chains, enhances export capabilities, and attracts other investments, creating a vibrant industrial ecosystem. By aligning with the Halal Industry Master Plan 2030 and New Industrial Master Plan 2030, AMB contributes to Malaysia's broader economic development, fostering innovation, job creation, and integration into global value chains. With 55% of operations focused on domestic consumers and 45% on exports, AMB drives industrial growth and reinforces Malaysia's role in international halal trade.

Relationship

AMB prioritizes sustainability and CSR through the Ajinomoto Group's Creating Shared Value (ASV) philosophy, which aims to align long-term value creation with addressing social issues. Key focus areas include Health and Well-being, Global Sustainability, and Community Care. AMB actively engages with local stakeholders through initiatives that promote education, healthcare, and youth empowerment, such as partnerships with schools and NGOs. Campaigns like "Smart Salt" demonstrate AMB's commitment to promoting healthier lifestyles, showcasing the company's proactive approach to public health. By fostering strong community ties and enhancing stakeholder engagement, AMB reinforces its reputation as a responsible leader in the industry, dedicated to sustainable development and positive social impact. This commitment to shared value not only benefits the community but also strengthens AMB's brand loyalty among consumers.

Human Resource Development

AMB is committed to human resource development, creating over 680 jobs in Malaysia, with 84% of its workforce being locals. Beyond direct employment, AMB contributes to the broader food processing industry, which employs over 234,000 individuals, generating ripple effects that strengthen community ties, drive regional growth, and support economic stability. The company invests in workforce development through internships and partnerships with educational institutions, nurturing talent to address industry challenges. Guided by its ASV philosophy, AMB offers extensive training programs, including a Future Leaders Program, to develop skilled leaders for global challenges. A culture of continuous learning encourages employees to pursue professional growth. Career progression is prioritized, with 100% performance appraisal completion ensuring alignment between aspirations and organizational goals. Diversity and inclusion are key values, with 35% of the workforce being female, fostering an innovative and supportive workplace that values diverse perspectives.

2. DETAILS AND KEY FINDINGS OF INDIVIDUAL CASE STUDY

2.1 AJINOMOTO (MALAYSIA) BERHAD (AMB)

2.1.1 Continuity

Investment Longevity

Ajinomoto (Malaysia) Berhad (AMB) has been a key player in Malaysia's food manufacturing landscape since its establishment in 1961, making it one of the first Japanese companies to invest in Malaysia. This long-standing presence predates Malaysia's formation as an independent economy in 1963, underscoring AMB's commitment to the region. Over its 63-year journey (see **Figure 1**), the company has not only contributed to the local economy but has also become integral to the Ajinomoto Group's global operations, particularly as a "Halal Hub."

Figure 1: History & Milestones



Source: AMB 2024 Annual Report¹

AMB's investment longevity is underscored by its strategic evolution from producing a sole product, AJI-NO-MOTO® Monosodium Glutamate (MSG), to a diverse portfolio of food products tailored to local tastes and preferences. The company has successfully expanded its offerings to over ten stock-keeping units (SKUs) beyond seasonings, demonstrating its adaptability to changing consumer demands. This diversification reflects AMB's foresight in recognizing market trends and its capability to pivot in response to consumer preferences.

A significant milestone in AMB's commitment to long-term investment and the enhancement of halal capabilities was the inauguration of a new manufacturing facility at the Bandar Enstek Halal Hub in Negeri Sembilan in 2022. This facility represents a significant advancement in AMB's operational capacity, building on the legacy of the previous factory in Kuchai Lama, which had been in operation since 1965. This move further solidifies AMB's dedication to growth and investment in Malaysia.

Furthermore, AMB's business structure reflects its successful adaptation to both local and international markets, with 55% of its operations serving local consumers and 45% dedicated to exports across more than 35 economies (see **Figure 2**). This strategic diversification is crucial as AMB positions itself as a key player in the halal industry, meeting the increasing demand for halal products, particularly in Muslim-majority economies.

Figure 2: Export Operations



Source: AMB 2024 Annual Report¹

The company's long-term presence has played a pivotal role in strengthening Malaysia's food manufacturing ecosystem. AMB has significantly contributed to local supply chains, created direct employment opportunities, and supported the growth of Malaysia's halal-certified product market. The recent inauguration of its state-of-the-art facility at the Bandar Enstek Halal Hub in Negeri Sembilan marks a key milestone in enhancing its operational capacity. This investment reinforces Malaysia's position as a global leader in the halal industry, driving industrial growth and elevating Malaysia's overall economic development.

Resilience and Adaptability

Throughout its history, the company has effectively responded to various crises and disruptions. One notable example is the construction of its new manufacturing facility at the Bandar Enstek Halal Hub, which took place from 2019 to 2022 during the height of the COVID-19 pandemic. Despite facing significant operational disruptions, AMB maintained project momentum.

“ During the construction period, we faced a total of six months of lockdown, during which we could not proceed with any construction work... We took responsibility for over 1,000 on-site workers to ensure their well-being was prioritized and fully supported.

”

– (Mr. Takafumi Higuchi, Chief Transformation Officer (CTO) at AMB)

The company faced a cumulative six-month halt due to two lockdowns impacting construction. However, with a proactive project management approach, AMB implemented strict COVID-19 control protocols to safeguard construction workers and sustain progress. These protocols provided clear guidelines (see **Figure 3**) to navigate the pandemic effectively, enabling AMB to achieve an impressive 2.9 million man-hours without any lost-time injuries (LTI). This strategic foresight not only kept the project on track but also reinforced AMB's reputation as a resilient leader in the industry.

“ Through close collaboration with external stakeholders and AMB's strong determination, the team successfully executed and completed the project near the targeted timeline, despite the challenges posed by the pandemic.

”

– (Mr. Wan Azian Wan Yusoff, Project Director at THP Enstek Development)

Figure 3: COVID-19 Control Measures



Source: Materials shared by AMB during field study

In addition to navigating crises, AMB faces the ongoing challenge of its strong brand association with AJI-NO-MOTO® MSG. While this connection highlights the brand's well-established consumer recognition, it has also made AMB synonymous with certain perceptions about MSG. These perceptions impact views of both the product and the broader brand, presenting AMB with the opportunity of clarifying its identity and educating consumers.

To promote a more accurate understanding of its products, AMB has implemented a range of transparent and proactive engagement initiatives. One notable example is AMB's commitment to health and wellness, which it demonstrates through active community engagement and educational efforts. In 2023 alone, the company welcomed over 5,000 visitors to its facilities, inviting community members and stakeholders to observe its production processes firsthand. These easily bookable tours provide insight into AMB's rigorous safety standards and quality practices, reinforcing its dedication to promoting well-being. Additionally, AMB sponsors initiatives like Leave a Nest and Science Castle, encouraging young Malaysians to explore the science of food innovation. By fostering scientific curiosity and transparency, AMB emphasizes its role in advancing safe and nutritious food solutions for the communities it serves.

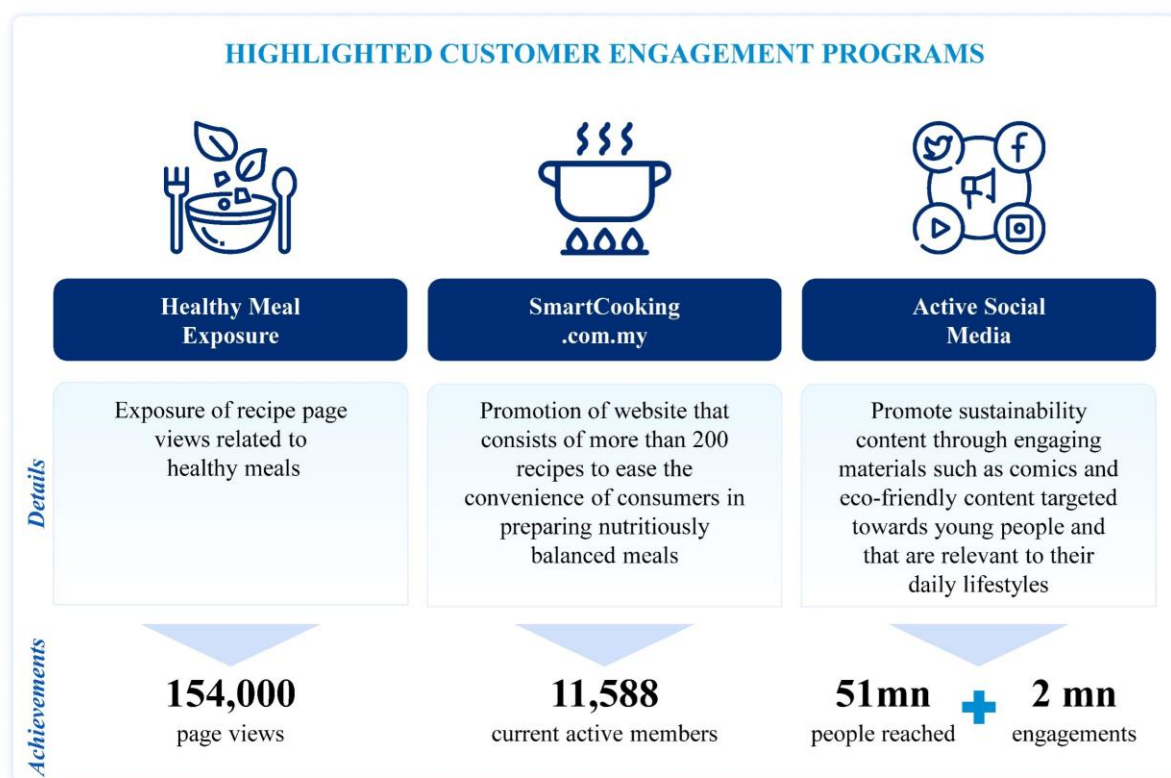
“ We are confident that when visitors experience our facilities firsthand, most will depart with a refreshed perspective on Ajinomoto brand...This is the core objective of our site visit program.

”

– (Mr. Yong Kum Cheng, Executive Director & Chief Production Officer (CPO) at AMB)

In addition to in-person outreach, AMB enhances its engagement through online customer-focused programs aimed at educating consumers about its diverse range of products and promoting overall wellness. Initiatives such as the Healthy Meal Exposure program, the SmartCooking.com.my website, and a vibrant social media presence are designed to highlight the benefits of AMB's offerings while clarifying misconceptions. By connecting directly with consumers, especially younger audiences, AMB effectively showcases the versatility and nutritional value of its products, reinforcing its brand image as a leader in food innovation and wellness, as illustrated in **Figure 4**.

Figure 4: AMB Customer Engagement Programs



Source: AMB 2024 Annual Report¹

Additionally, AMB continuously adapts to regulatory changes, particularly regarding halal certification in its target markets. Compliance with these regulations is essential for qualifying products as halal, requiring that all raw ingredients also receive certification from the Department of Islamic Development Malaysia (JAKIM) or an equivalent certifying body. Given that AMB sources nearly 200 distinct types of raw materials that require certification, any changes in regulations can significantly impact the company's halal certification status, presenting ongoing challenges that must be effectively managed.

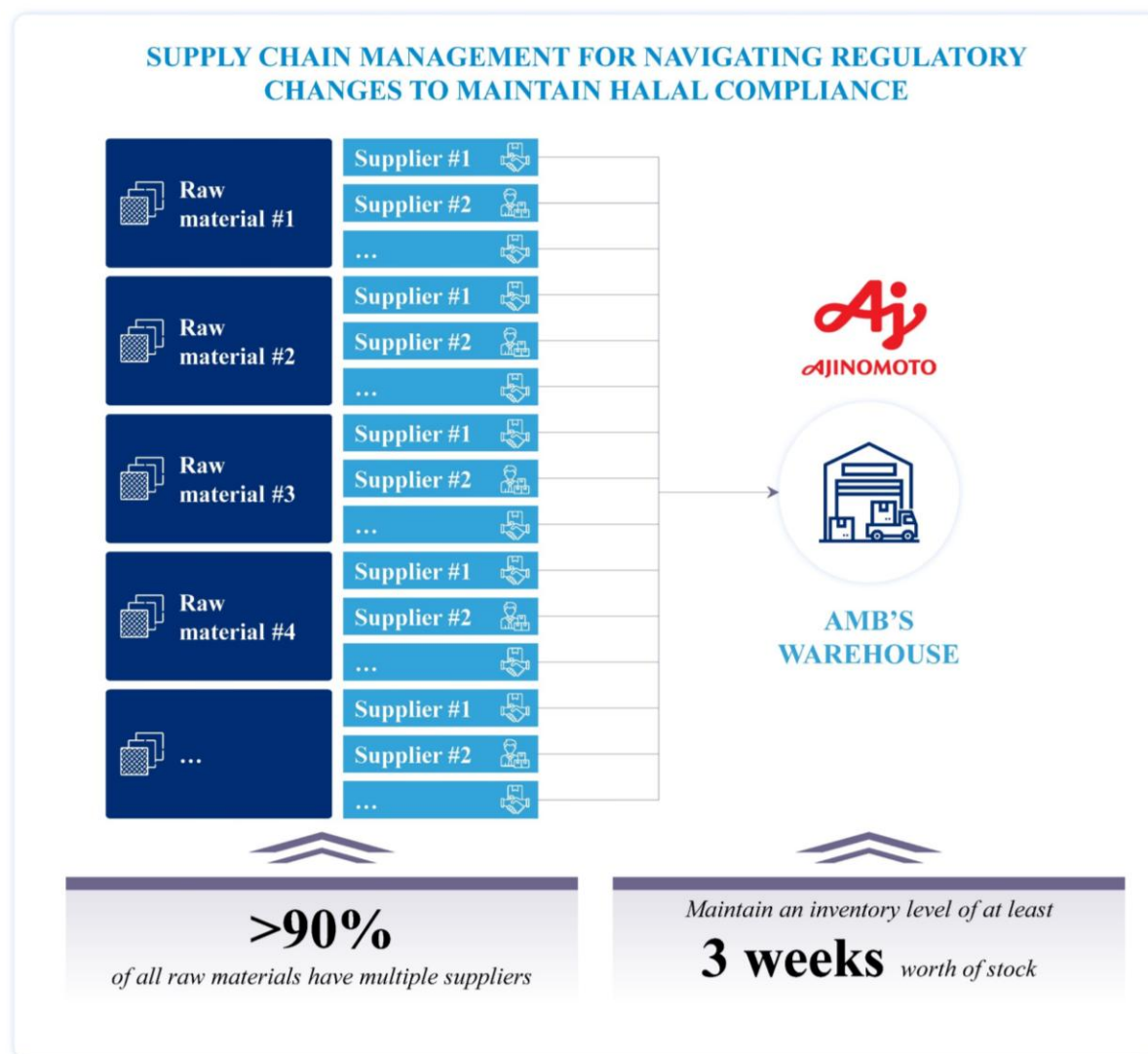
“ Beyond major crises, we also face daily operational challenges, one of which involves our continuous, rigorous efforts to maintain halal certification for our products.

”

– (Mr. Takafumi Higuchi, Chief Transformation Officer (CTO) at AMB)

To address these challenges, AMB has implemented a variety of approaches focused on supply chain management. This includes maintaining adequate inventory levels and relying on multiple suppliers for raw materials (see **Figure 5**), ensuring consistent compliance with halal standards. These proactive measures help AMB navigate the complexities of regulatory requirements.

Figure 5: Supply Chain for Navigating Regulatory Changes to Maintain Halal Compliance

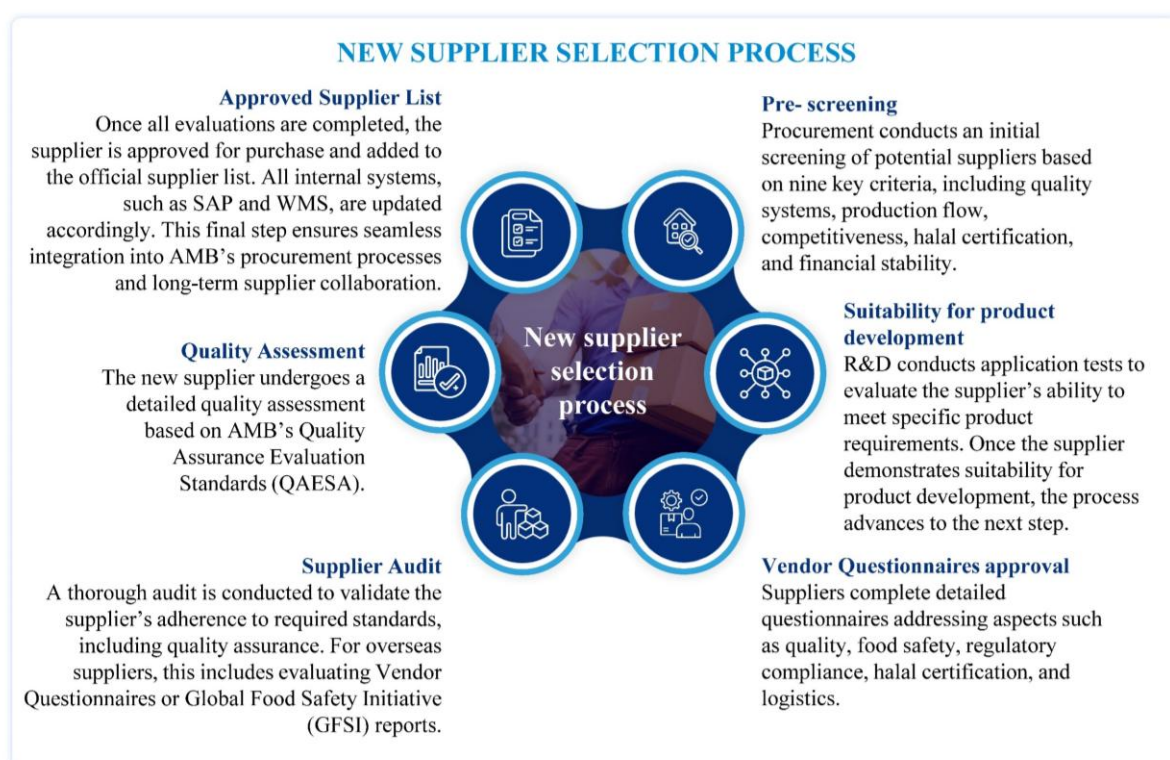


Source: Interview with AMB's Management

Additionally, AMB's supplier management framework, including the new supplier selection process and the evaluation of existing suppliers, is an integral part of its Supplier Partnership Program (SPP). This program is designed to ensure quality, compliance, and long-term collaboration with suppliers while driving continuous improvement and operational excellence.

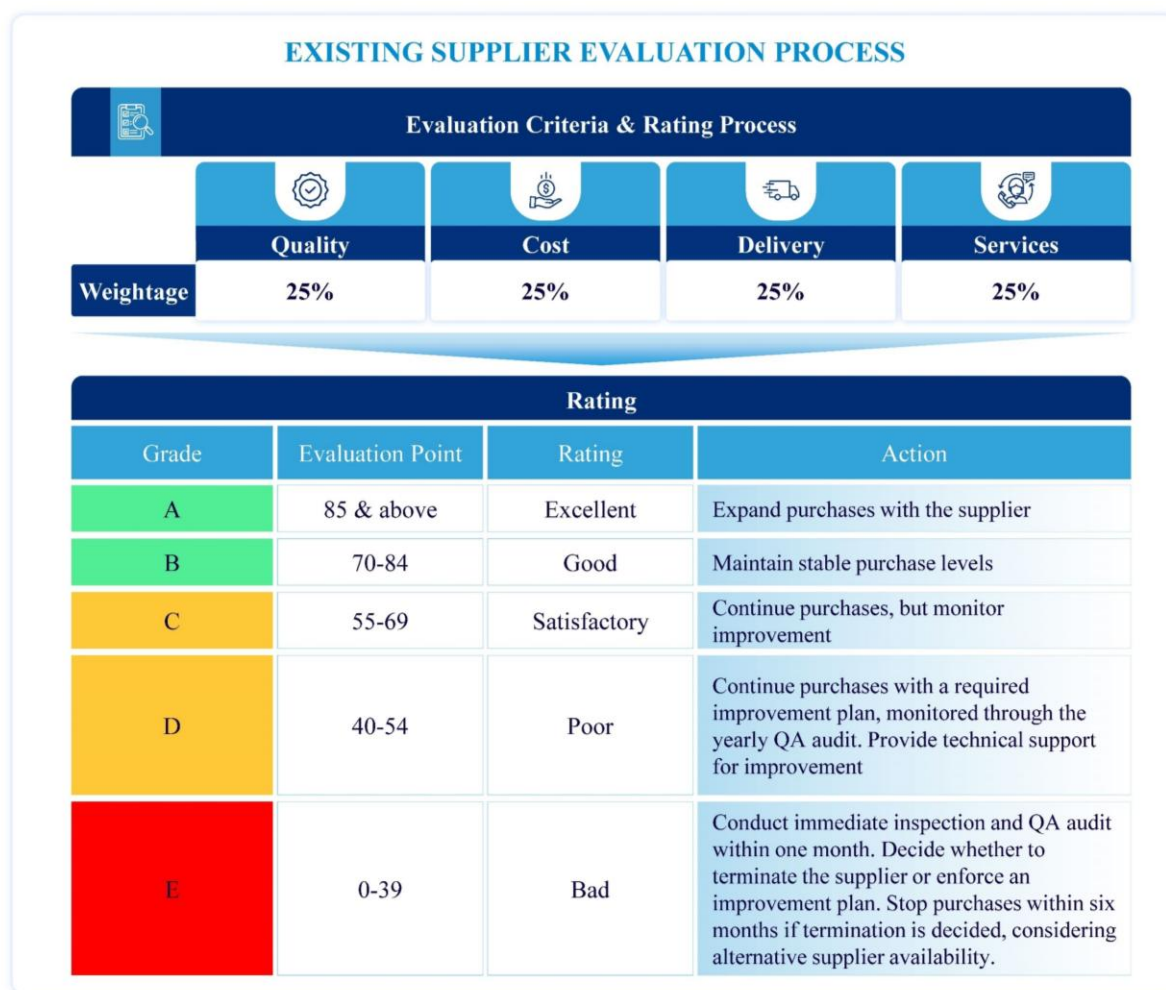
AMB has established a comprehensive new supplier selection process designed to ensure quality, compliance, and alignment with its operational and halal standards. The six-step framework (see **Figure 6**) includes pre-screening, suitability testing, and audits to evaluate factors such as quality systems, production flow, and regulatory compliance. This process not only ensures that new suppliers meet AMB's stringent requirements, but also strengthens the company's ability to adapt to dynamic market needs while supporting its long-term growth objectives.

Figure 6: New Supplier Selection Process



Source: AMB's Presentation slides for MIDA-FMM National Investment Seminar²

In addition, AMB conducts a robust yearly evaluation of its existing suppliers based on key criteria, including quality, cost, delivery, and support (see **Figure 7**). Suppliers are graded on their performance, with corresponding actions taken to enhance collaboration or address deficiencies. This systematic approach helps AMB maintain high standards across its supply chain while fostering continuous improvement and mitigating risks associated with regulatory compliance and market demands.

Figure 7: Existing Supplier Evaluation Process

Source: AMB's Presentation slides for MIDA-FMM National Investment Seminar²

For instance, one supplier initially graded at Grade D in FY19 due to two major issues was placed on an improvement plan. Over three fiscal years, through targeted interventions such as internal audits, gap analysis, corrective actions, and continuous monitoring, the supplier successfully improved its performance to Grade B and achieved HACCP certification.

This case study exemplifies AMB's commitment to not only evaluating suppliers but also fostering long-term improvements, thereby ensuring compliance with operational standards and supporting the company's broader objectives of maintaining a robust and sustainable supply chain

AMB's resilience, adaptability, and commitment to continuous improvement are evident across its operations, from navigating crises to fostering strong supplier partnerships. The company's proactive approach to addressing challenges, whether through stringent COVID-19 control measures, innovative engagement with consumers, or its comprehensive Supplier Partnership Program, reinforces its position as a leader in the food manufacturing industry. By investing in its workforce, engaging with communities, and maintaining high operational and regulatory standards, AMB not only sustains its growth but also contributes to the broader economic and social development of Malaysia. As the company continues to evolve, its dedication to innovation and excellence ensures its role as a key driver of progress in the global food industry.

Operational Consistency

AMB's operational consistency further bolsters its long-term success in the Malaysian market. The company has implemented robust quality management systems, evidenced by key certifications, along with the critical halal certification, which AMB has held and maintained since 1965 (see **Figure 8**). These credentials affirm not only AMB's dedication to product quality and safety but also reinforce its credibility and consumer trust within the region.

At the heart of this commitment is AMB's advanced manufacturing facility within the Bandar Enstek Halal Hub. Equipped with cutting-edge technology, the facility integrates near-full automation to enhance precision and operational control. This substantial investment reduces human error and maximizes efficiency (see **Figure 8**), enabling AMB to scale production to meet market demands without compromising quality. Consequently, AMB solidifies its position as a reliable and trusted leader in Malaysia's food manufacturing sector.

“ *AMB's new factory which relocated from Jalan Kuchai Lama to Bandar Enstek Halal Hub is a 'smart factory'... [the factory utilizes] advanced technology that optimizes operations through automation and digitalization to improve efficiency and productivity.* ”

– (Mr. Tomoharu Abe, ex-Chief Executive Officer (CEO) & Managing Director at AMB)

Figure 8: Operational Consistency Indicators



Source: Materials shared by AMB during field study; Interview with AMB's Management

Additional Investments

AMB's commitment to additional investments is a crucial element of its continuity strategy. The company consistently reinvests in its operations, as demonstrated by the ~USD 80 million capital expenditure¹ for its new eco-friendly facility in Bandar Enstek Halal Hub (see **Figure 9**). This eco-friendly plant not only underscores the company's commitment to sustainability but also represents a significant investment in halal food production, responding to the increasing global demand for halal products

¹ As a comparison, Ajinomoto investment in Phnom Penh Special Economic Zone (SEZ) amounted to USD 5.5 million. Source: ASEAN Secretariat. "ASEAN Investment Report 2017: Foreign Direct Investment and Economic Zones in ASEAN," October 2017. <https://asean.org/wp-content/uploads/2020/12/ASEAN-Investment-Report-2017-%E2%80%9CForeign-Direct-Investment-and-Economic-Zones-in-ASEAN%E2%80%9D.pdf>.

Figure 9: Factory in Bandar Enstek Halal Hub



Source: Materials shared by AMB during field study

With a current area utilization rate of 60%, the facility positions AMB for future growth and expansion. This investment is set to strengthen AMB's market presence and demonstrate its resilience in the competitive food sector. Recognized as a "Halal Hub" of Ajinomoto, AMB is poised to meet the demands of both local and global markets. Its strategic investments in research and development, alongside customer engagement initiatives, further strengthen its competitive position in this dynamic landscape.

The establishment of AMB's facility in Negeri Sembilan was greatly facilitated by the proactive support of the state government, led by its investment promotion agency, InvestNS, with additional backing from federal agencies such as MIDA. InvestNS played a pivotal role as a single point of contact, streamlining communication, coordinating across stakeholders, and expediting key approvals, ensuring a smooth and efficient process. MIDA's involvement further highlights the collaborative effort across state and federal levels, reinforcing Malaysia's commitment to fostering foreign investments and regional economic growth.

“ We received great support from the State Investment Center (Invest NS)... MIDA's post-investment team follows up on our challenges and has been very willing to assist.

”

– (Mr. Takafumi Higuchi, Chief Transformation Officer (CTO) at AMB)

AMB's commitment to additional investments underscores its strategic vision for growth and resilience. By establishing state-of-the-art facilities like the Bandar Enstek Halal Hub and leveraging strong government support, AMB strengthens its position as a leader in the halal industry. These targeted investments not only meet growing global market demands but also drive Malaysia's economic advancement, reinforcing AMB's role as a key player in shaping the economy's industrial future.

Industrial Impact

AMB has significantly shaped Malaysia's food manufacturing industry by strengthening the halal ecosystem in alignment with Malaysia's Halal Industry Master Plan 2030 (HIMP 2030) (see **Figure 10**). This Master Plan envisions Malaysia as a global leader in the halal industry, focusing on key outcomes such as developing halal industry-friendly policies, expanding market opportunities for halal products and services, and fostering innovation and infrastructure growth. Among its priority sectors, food and beverage stands out, closely aligning with AMB's core operations and contributions.

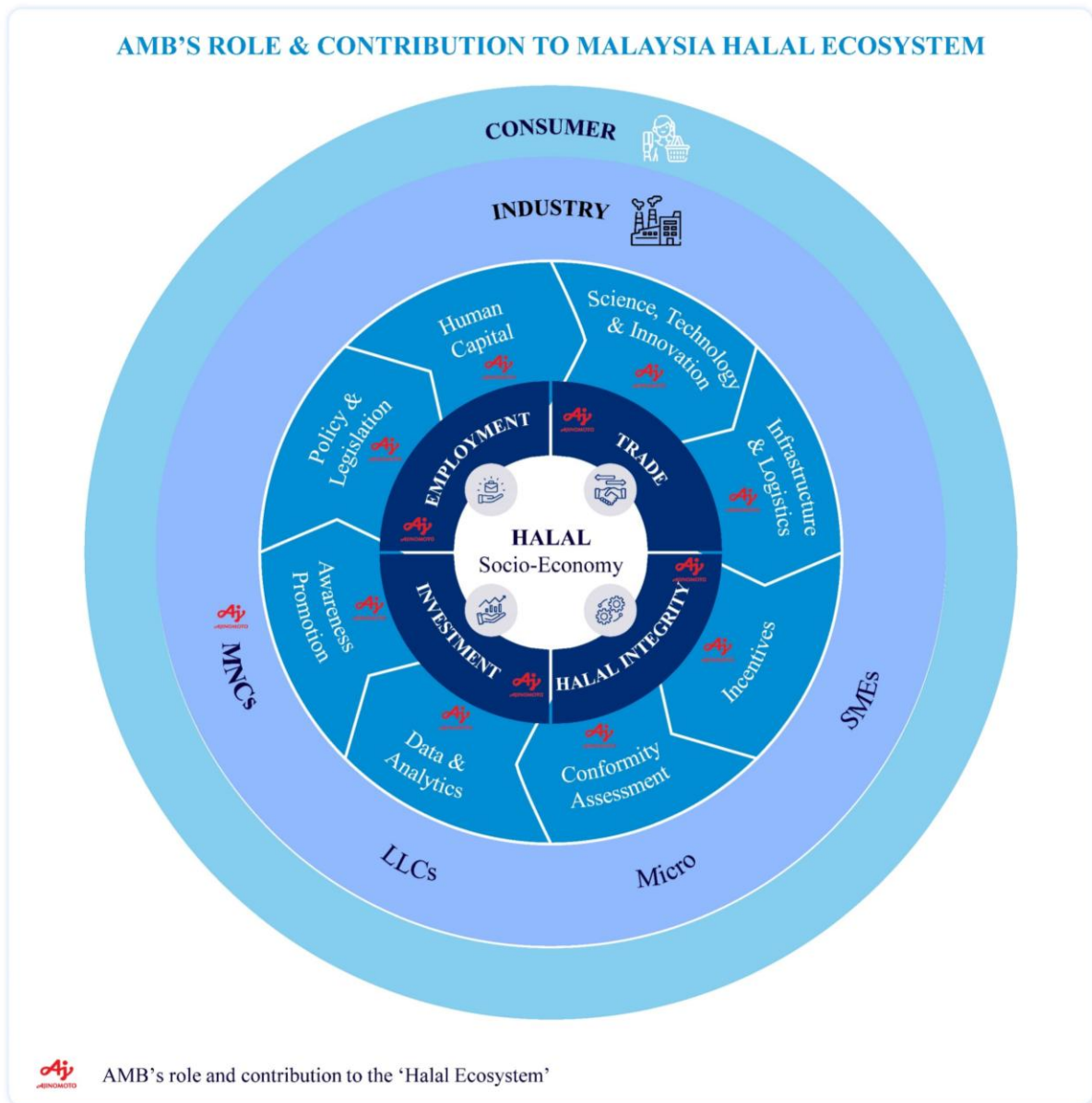
Figure 10: HIMP 2030 Strategic Framework



Source: Halal Industry Master Plan 2030³

AMB contributions enhance the halal value chain, fostering growth cycles that drive socio-economic development (see **Figure 11**). As a pioneer in the halal sector, AMB addresses various components of the ecosystem, from supply chain management to compliance with halal standards. By supporting local businesses and positioning itself in international markets, AMB expands the reach and acceptance of halal products globally, ensuring that Malaysian offerings meet rigorous international standards and enhancing their competitiveness on the world stage.

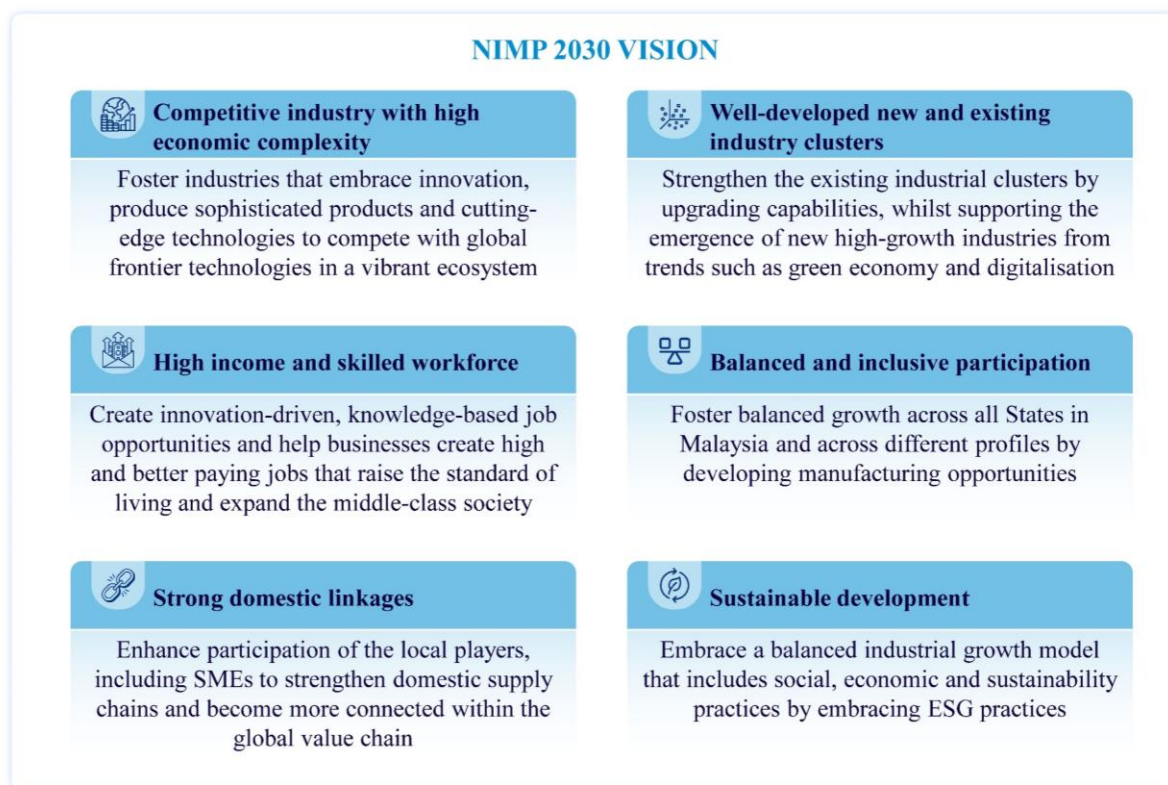
Figure 11: AMB Contribution to Malaysia's Halal Ecosystem



Source: Halal Industry Master Plan 2030³

Additionally, AMB's ongoing initiatives position the company to further support Malaysia's industrial ambitions outlined in the New Industrial Master Plan 2030 (NIMP 2030) (see **Figure 12**). Through its investments in advanced facilities like the Bandar Enstek Halal Hub, AMB exemplifies a commitment to fostering innovation, enhancing industrial competitiveness, and promoting sustainable and inclusive growth.

Figure 12: NIMP 2030 Vision



Source: New Industrial Master Plan (NIMP) 2030⁴

Furthermore, AMB's strategic presence in Bandar Enstek Halal Hub has amplified its impact by attracting other companies to invest in the area, fostering the development of a vibrant industrial ecosystem. This ripple effect reinforces Malaysia's industrial capabilities while strengthening its position in global value chains. AMB's comprehensive contributions reflect its alignment with all six visions of NIMP 2030, showcasing its role as a catalyst for Malaysia's industrial development.

“
Ajinomoto's presence in Bandar Enstek TechPark adds substantial value... Their strong brand and extensive operations enhance the estate's appeal and strengthen investor confidence.

”

– (Mr. Wan Azian Wan Yusoff, Project Director at THP Enstek Development)

AMB's commitment to developing a robust halal ecosystem, alongside its alignment with the strategic goals of both the HIMP 2030 and NIMP 2030, has contributed to Malaysia's position as a key player in the global halal industry. By fostering local integration, creating high-value employment opportunities, and implementing sustainable practices, AMB contributes to Malaysia's broader industrial and economic development. Recognitions such as the 2021 Best Malaysian Halal Certificate Holder Award reflect AMB's contributions to both the halal sector and the wider manufacturing landscape, locally and internationally (see **Figure 13**).

Figure 13: Awards and Recognitions

AWARDS AND RECOGNITIONS				
2018	2021		2023	
 "Whitelist" Status	 "The Best Malaysian Halal Certificate" Award	 "50 Years & Above Member" Award	 "Appreciation" Award	 "World Halal Excellence" Award
Department of Islamic Development Malaysia (JAKIM)	Department of Islamic Development Malaysia (JAKIM)	Federation of Malaysian Manufacturer (FMM)	Negeri Sembilan State Government	Ministry of Investment, Trade and Industry (MITI) Halal Development Corporation (HDC)
Recognized for AMB's strict adherence to Malaysia's halal certification standards, building strong trust among local and international customers	Awarded in the Large Industry Category at the National Halal Conference 2021 for AMB's commitment to halal compliance, trusted reputation, and adherence to Malaysia's Halal Certification Standard in local and export markets	Awarded in recognition of AMB's longstanding contribution and commitment to Malaysia's manufacturing sector for over five decades	Awarded in recognition of AMB's investment in the new eco-friendly factory in Bandar Enstek	Awarded at the World Halal Excellence Awards 2022 for AMB's outstanding contributions to the halal industry, particularly in promoting halal products and practices.

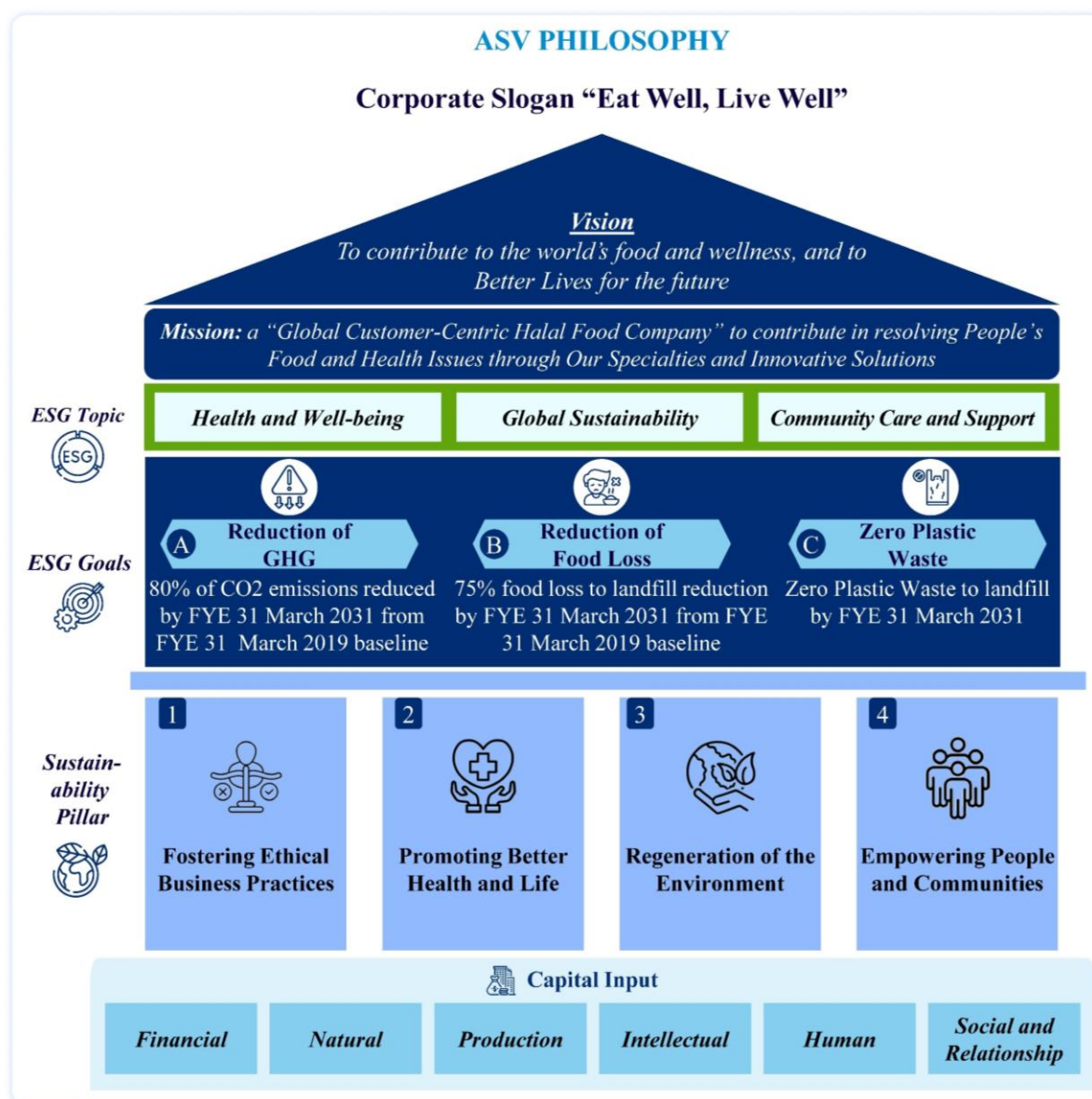
Source: AMB 2024 Annual Report¹

2.1.2 Relationship

CSR Initiatives

AMB integrates sustainability and CSR into its core operations through the Ajinomoto Group's Creating Shared Value (ASV) philosophy (see **Figure 14**). This ASV model aligns long-term value creation with addressing social issues, generating both social and economic benefits. As a prominent food and seasoning manufacturer, AMB's sustainability strategy follows the Group's ASV approach, focusing on Health and Well-being, Global Sustainability, and Community Care and Support. With these key focuses, AMB remains committed to sustainable value creation for both the company and its stakeholders, advancing its Vision and Mission with a firm dedication to social impact and economic growth.

Figure 14: ASV Philosophy



Source: AMB 2024 Annual Report¹

Building on this foundation, AMB has achieved significant progress across the four ASV pillars (labeled as items 1 to 4 in **Figure 14**), demonstrating success in key areas and achieving noteworthy advancements (see **Figure 15**). These achievements reflect AMB's holistic approach, aligning its efforts with both global standards and local priorities. The company's initiatives under these pillars exemplify its dedication to balancing social impact with economic growth.

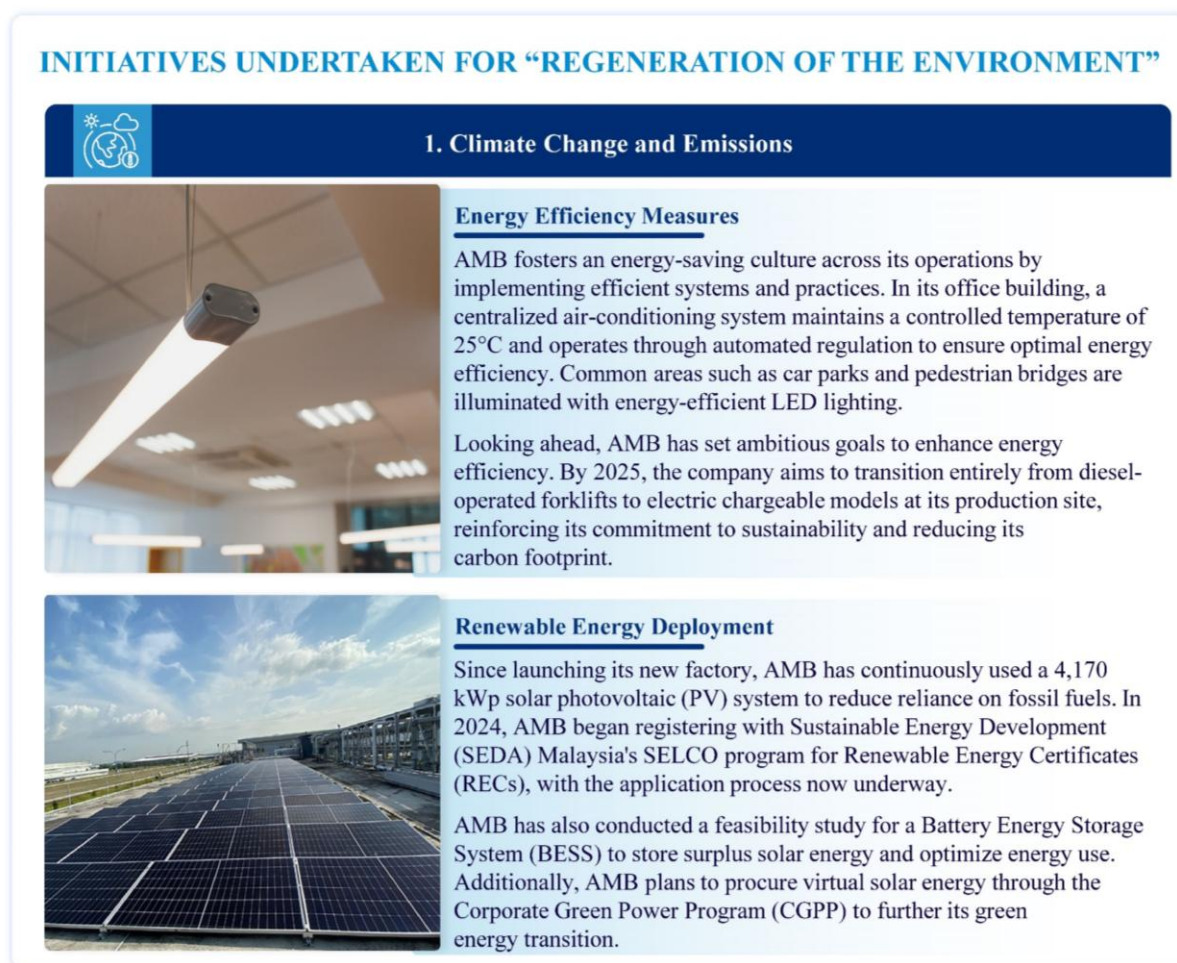
Figure 15: Achievements in The Pillars of ASV



Source: AMB 2024 Annual Report¹

A closer look at the “Regeneration of the Environment” pillar highlights AMB’s proactive engagement in activities addressing climate change, emissions reduction, waste and effluent management, and water stewardship (see **Figure 16** and **Figure 17**). These initiatives not only mitigate environmental risks but also create long-term value for both the company and the communities it serves. By focusing on these areas, AMB strengthens its role as a responsible corporate citizen while driving meaningful progress toward its sustainability goals.

Figure 16: Initiative for “Regeneration of the Environment” Pillar – Climate Change and Emissions



Source: AMB 2024 Annual Report¹

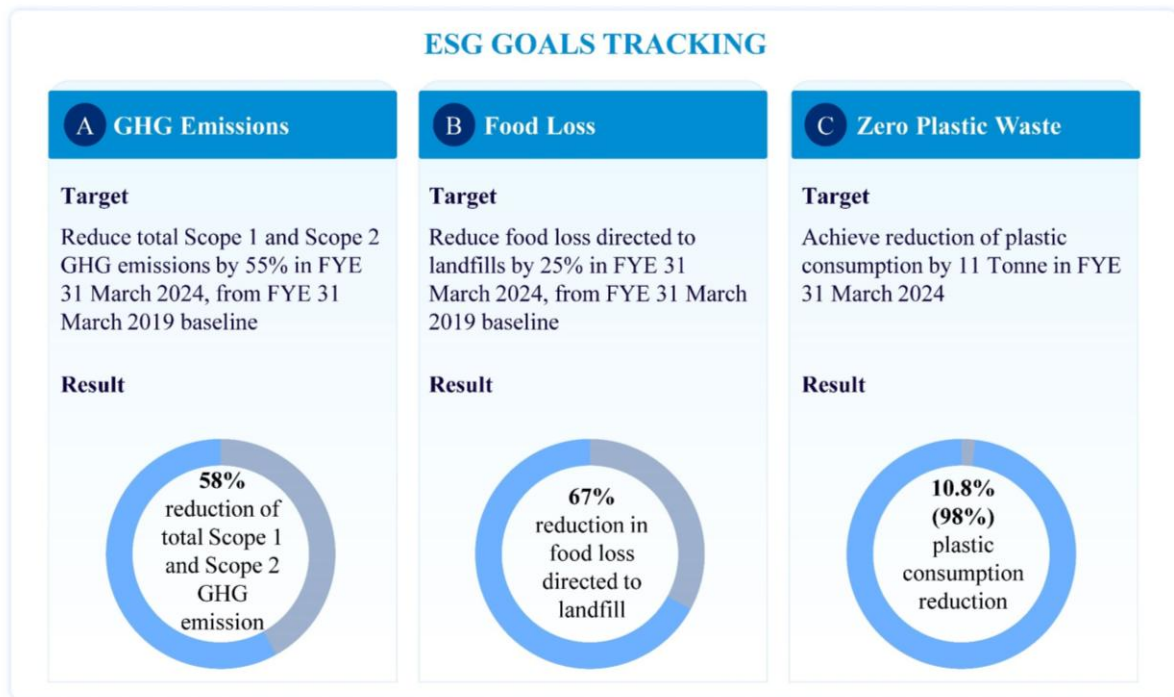
Figure 17: Initiative for “Regeneration of the Environment” Pillar – Waste and Effluent Management and Water Stewardship



Source: AMB 2024 Annual Report¹

Leveraging these efforts, AMB is steadily advancing toward its three ESG targets (identified as items A, B, and C in **Figure 14**) and remains on track to achieve its 2030 objectives. The company's progress is underpinned by strong performance in its key performance indicators (KPIs), which highlight measurable gains in environmental, social, and governance impacts (see **Figure 18**). This steady advancement showcases AMB's ability to implement actionable strategies while maintaining accountability through transparent reporting.

Figure 18: KPI Tracking of ESG Goals Against the 2024 Targets



Source: AMB 2024 Annual Report¹

AMB's commitment to addressing ESG criteria is evident in its proactive approach, which has enhanced its reputation and underscored its leadership in the industry. Consequently, AMB has received numerous acknowledgments, including certifications recognizing its sustainable practices (see **Figure 19**), with the most notable being its recent 'GOLD' rating from the Malaysia Green Building Index (GBI), awarded in September 2024.

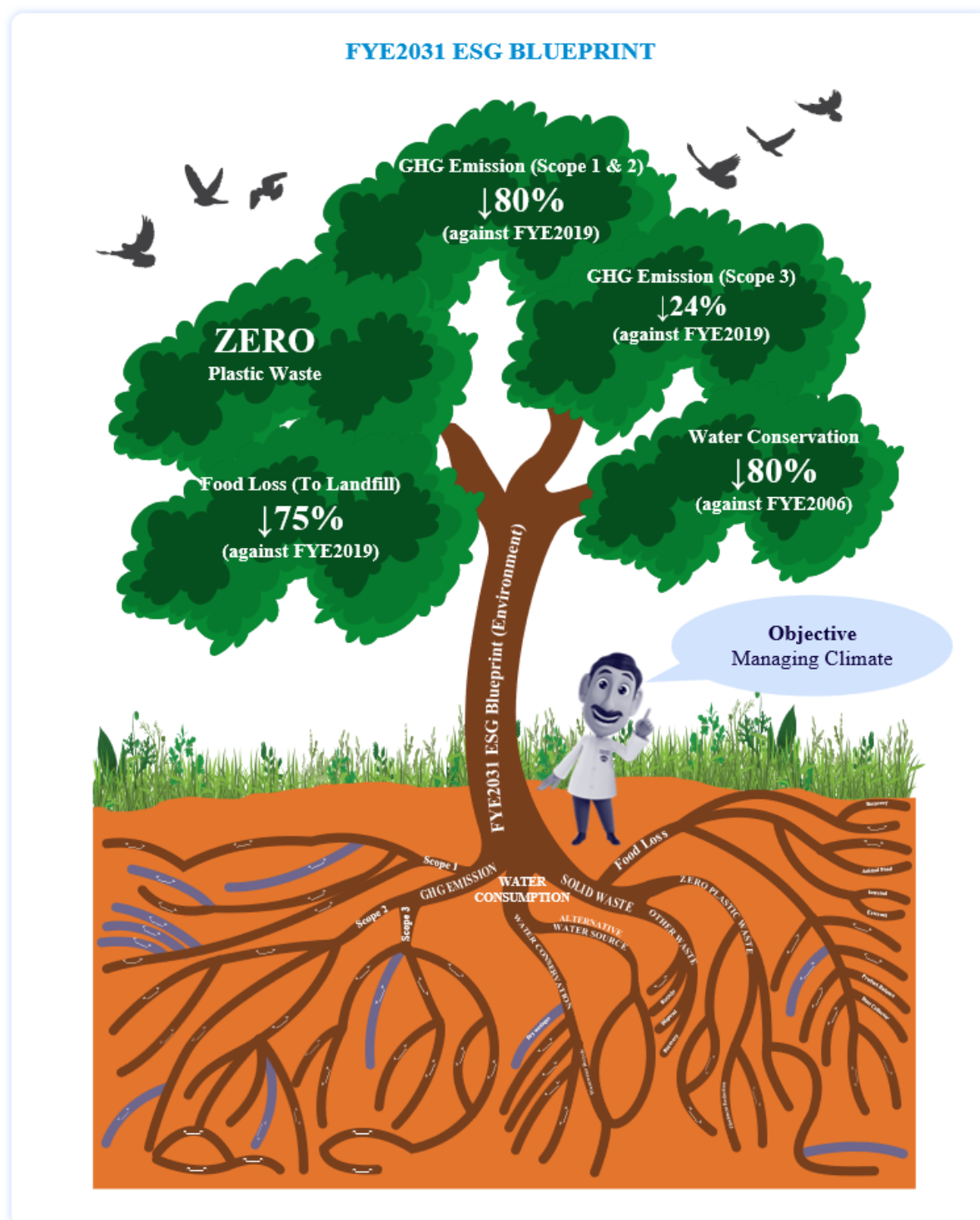
Figure 19: Certifications Derived from Sustainable Practices



Source: Materials shared by AMB during field study

AMB's comprehensive approach to sustainability and environmental stewardship reflects its unwavering commitment to ASV philosophy. As illustrated in the tree framework (see **Figure 20**), AMB's long-term sustainability goals are deeply rooted in its focus on managing climate change, reducing GHG emissions, cutting food loss, conserving water, and achieving zero plastic waste. These goals are supported by a robust foundation of initiatives that address critical environmental challenges while aligning with the company's broader ESG strategy.

Figure 20: FYE2031 ESG Blueprint



Source: AMB 2024 Annual Report¹

Eventually, through its sustained efforts, AMB is not only advancing its ambitious targets for FYE 2031 but also reinforcing its position as a leader in sustainable food manufacturing. By integrating these principles into every aspect of its operations, AMB ensures that its impact extends beyond immediate business outcomes, contributing meaningfully to global sustainability goals and fostering a healthier planet for future generations.

Community and Stakeholder Engagement

The ASV philosophy underscores the core of AMB's ESG value by emphasizing social aspects, particularly through its ASV philosophy's goal of "Community Care and Support." Therefore, community and stakeholder engagement are an integral aspect, and AMB's commitment to fostering such engagement is evident in its various partnerships and initiatives that promote collaboration with local stakeholders.

To achieve the ASV philosophy, AMB actively engages with various memberships and associations to stay informed about industry trends and collaborate on innovative solutions as shown in **Figure 21**. These affiliations empower AMB to contribute meaningfully to the local economy while continuously enhancing environmental performance and social responsibility efforts.

Figure 21: Memberships and Associations



Source: AMB 2024 Annual Report¹

Over the years, AMB has been involved in various engagements with communities and stakeholders, focusing on the two ASV philosophy's pillars of "Promoting Better Health and Life" and "Empowering People and Communities." These initiatives have allowed AMB to address local needs effectively while fostering sustainable development. Through meaningful collaboration with stakeholders, AMB continually enhances its strategies to maximize its positive impact on society.

In line with its commitment to "Promoting Better Health and Life," AMB has championed the "Smart Salt" campaign, first introduced in 2020 by Ajinomoto Co. Inc. Japan to promote a global message on sodium reduction. In 2023, AMB revitalized this initiative with the "Less Salt, Umami It" tagline, reintroducing it to Malaysians under the slogan "Smart Salt: Kurang Garam, Umami Je!" To further promote healthy lifestyles, AMB actively engages in initiatives aimed at enhancing wellness among various stakeholders as shown in **Figure 22**.

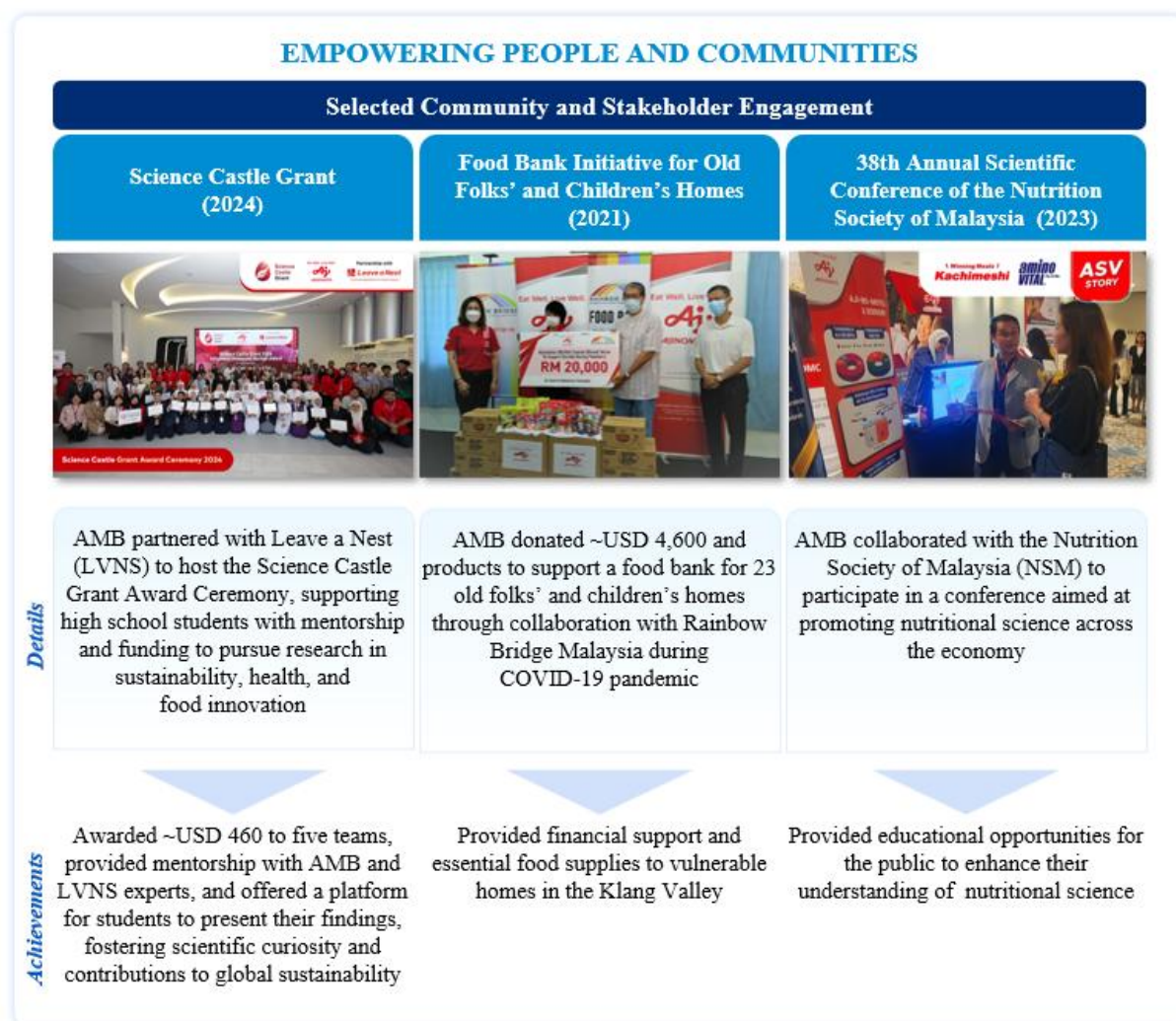
Figure 22: Community and Stakeholder Engagement – “Promoting Better Health and Life”



Source: AMB 2024 Annual Report¹

Under the pillar of "Empowering People and Communities," AMB actively engages in activities that foster positive relationships, support local development, and contribute to societal well-being. This commitment aligns with AMB's values, strengthens community ties, and enhances brand reputation, fostering sustainable growth and shared prosperity. AMB partners with local schools, non-governmental organizations, and environmental groups to deliver impactful community programs focused on education, healthcare, well-being, and youth empowerment. These initiatives include mentorship programs, fundraising events, charity bazaars, and workshops, some of which shown in **Figure 23**.

Figure 23: Community and Stakeholder Engagement – “Empowering People and Communities”



Source: AMB 2024 Annual Report¹

“ The Science Castle program is more than just an educational initiative; it is about nurturing the next generation of innovators. By providing young students with the resources, mentorship, and exposure they need, we empower them to explore science in a way that ignites their passion and curiosity. We believe that encouraging their research and ideas today can lead to groundbreaking discoveries tomorrow, helping shape a brighter future for our society. ”

– (Mr. Takafumi Higuchi, Chief Transformation Officer (CTO) at AMB)

AMB has consistently engaged with community stakeholders to uphold its ASV philosophy's goal of "Community Care and Support." Over the years, the company has made a significant impact on local communities and continues to promote sustainable development and empowerment for those in need. These ongoing efforts are showcased by the total donations and beneficiaries reached through AMB's initiatives, as shown in **Table 1**.

Table 1: Community Engagement Contribution and Impact

Financial Year 	FYE2022	FYE2023	FYE2024
Total Donations/ Contribution 	~USD 57,500	~USD 20,000	~USD 108,500
Number of Beneficiaries Impacted by the Programme 	2,453 people; 11 associations	5,000 people; 2 associations; 1 school; 12 orphanage homes	23,795 people; 20,218 households / families

Source: AMB 2024 Annual Report¹

AMB's community engagement initiatives have created meaningful and lasting impacts by addressing pressing social needs and fostering sustainable development. By providing essential resources such as groceries and meal sponsorships, AMB has helped alleviate food insecurity for underserved families. One notable example is the "Spread the Goodness of Ramadhan Through Seri-Aji®" campaign, which provided essential food items, including Seri-Aji® products, to over 500 underprivileged individuals in the Klang Valley.⁵ The campaign also promoted nutritious eating by sharing easy-to-prepare, balanced fried rice recipes suitable for pre-dawn meals (sahur), helping families maintain energy levels throughout the fasting day.

Collaborations with NGOs, schools, and local organizations have further amplified AMB's reach, enabling access to education, healthcare, and basic necessities for vulnerable populations. These efforts have contributed to improving the quality of life for beneficiaries while promoting youth development and community resilience. By integrating sustainability and inclusivity into its initiatives, AMB reinforces its role as a responsible corporate citizen committed to driving positive societal change.

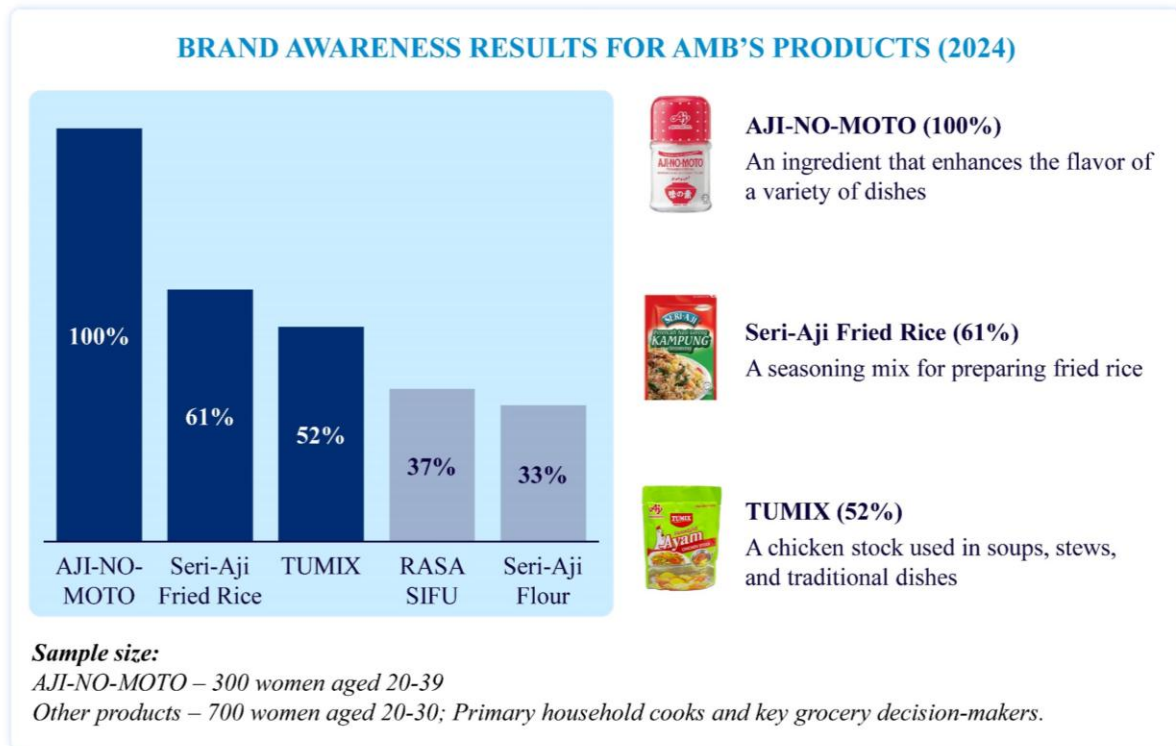
Company Reputation / Stakeholder Satisfaction

AMB has established a respected reputation as a pioneer in halal certification in Malaysia, setting new benchmarks for trust and compliance within the industry. Since 1965, when AMB became one of the first companies to receive halal certification from the Selangor Islamic Religious Department (JAIS), even before JAKIM's establishment, AMB has helped shape the evolution of halal standards in the economy.

Today, AMB holds JAKIM's prestigious "Whitelist" status, awarded in 2018, representing the highest level of halal certification. This commitment goes beyond basic compliance as AMB leads in advancing industry standards through innovations in quality and operational excellence, strengthening Malaysia's position as a global hub for halal products. In 2021, AMB's impact was further recognized with JAKIM's "Best Malaysian Halal Certificate Holder" award, underscoring its pivotal role in the halal sector. These achievements (see **Figure 13**) not only reflect AMB's dedication to rigorous standards but also highlight its contribution to the growth and integrity of Malaysia's halal industry on the international stage, meeting global demand with consistency, quality, and compliance.

Beyond its commitment to halal standards, AMB has established a strong brand presence in Malaysia, largely due to the popularity of its flagship product, AJI-NO-MOTO®. The name "Ajinomoto" has become a household term, reflecting the brand's exceptional consumer awareness and recognition. This widespread familiarity not only highlights the deep-rooted connection Malaysians have with AJI-NO-MOTO® but also indicates that AMB's other products enjoy notable popularity as staples in kitchens across generations (see **Figure 24**). Such trust in the brand contributes significantly to AMB's reputation and its status as a leading player in the industry.

Figure 24: Result of an Annual Survey of Brand Awareness of AMB's products (2024)



Source: AMB 2024 Annual Report¹

Conflict Resolution Mechanisms

AMB has faced various challenges throughout its operations, requiring effective management strategies to address stakeholder concerns. A notable instance occurred in the early days of the company's presence in Kuchai Lama, when residents reported unpleasant odors, they believed were emanating from AMB's factory, even though the primary source was a nearby sewage treatment plant.

To address this issue, AMB adopted a collaborative approach, engaging with local authorities and the Department of Environment (DOE) to clarify the source of the odors. This proactive communication fostered a mutual understanding of the environmental challenges facing the community.

In a separate incident, as the area grew and more condominiums were constructed, changing wind patterns began directing aromas from AMB's chimney toward the new residential buildings, resulting in a rise in odor-related concerns among residents. Recognizing the need to act, AMB invited representatives from the residential society to visit its facility and observe its operations firsthand. Additionally, AMB attempted to resolve the issue by installing a wet scrubber system to filter odors before they were released into the atmosphere. This investment demonstrated AMB's dedication to being a responsible neighbor and good corporate citizen. Furthermore, AMB's team regularly monitored the situation, conducting late-night tests to effectively manage any odors produced.

Another example of AMB's proactive engagement can be seen in its well-structured relocation project. To ensure a smooth transition, management established clear communication channels early on to provide timely updates throughout the process. AMB also organized visits to the Bandar Enstek plant, allowing employees to familiarize themselves with the new facility and understand its operational setup. By involving employees directly and framing the relocation as a shared goal, AMB fostered a sense of purpose and alignment across its workforce. This hands-on approach helped mitigate uncertainties, ensured staff readiness, and minimized employee turnover, reflecting AMB's commitment to workforce stability and satisfaction.

“*Employees have been involved in the relocation plans from the very beginning. We launched the 'Let's Go Enstek' campaign, allowing them to experience the new site during its construction and play an active role in its development.*

”

– (Mr. Yong Kum Cheng, Executive Director & Chief Production Officer (CPO) at AMB)

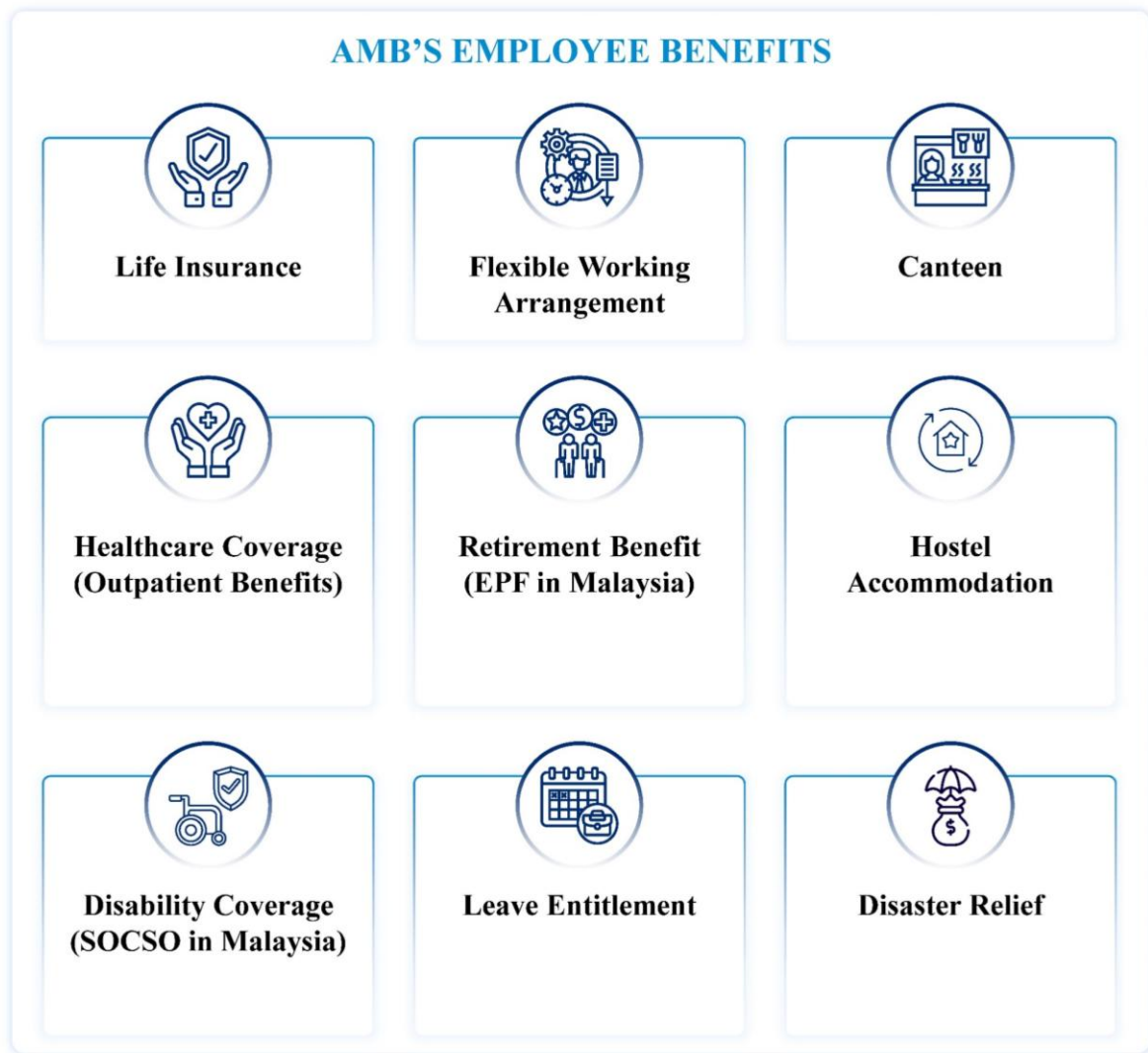
AMB's conflict resolution approach emphasizes proactive engagement, transparency, and collaborative problem-solving. Its efforts to address odor concerns through technological upgrades and direct community engagement demonstrate a clear, results-driven response to environmental issues. Similarly, its well-managed relocation process, involving employee participation and clear communication, showcases an effective internal conflict mitigation strategy. By fostering trust and resolving challenges constructively, AMB has established a solid foundation for its continued operations in Malaysia.

2.1.3 Human Resource Development

Local Job Creation

AMB has established a strong foothold in the Malaysian job market, employing over 680 individuals, with 84% of its workforce being Malaysian. This represents a significant contribution to the food processing industry, which employs over 234,000 people economy-wide. AMB's commitment to local hiring exemplifies its dedication to creating stable, meaningful opportunities that directly benefit the community, reinforcing its long-term investment in Malaysia. Beyond job creation, AMB prioritizes quality employment by providing comprehensive benefits such as retirement funds, life insurance, and medical outpatient support (see **Figure 25**) that empower the local workforce and foster economic advancement. These initiatives not only strengthen AMB's operational foundation but also contribute to regional growth and community betterment.

Figure 25: Benefits Offered by AMB to Employees



Source: AMB 2024 Annual Report¹

“ During the relocation to Bandar Enstek Halal Hub, AMB provided comprehensive support to its existing staff, including housing and transportation allowances, to ease the transition and ensure a smooth, supportive experience for employees.

”

– (Mr. Yong Kum Cheng, Executive Director & Chief Production Officer (CPO) at AMB)

Additionally, as part of its commitment to local job creation, AMB actively recruits talent from the immediate areas surrounding its new Bandar Enstek Halal Hub site, directly impacting the local community through employment opportunities. This approach not only reinforces workforce stability in the region but also fosters a sense of shared growth and purpose. By integrating local talent into its operations, AMB strengthens its ties to the community, ensuring that its presence at Bandar Enstek Halal Hub supports both economic vitality and community development in the area.

Building on this commitment, AMB further supports local workforce development by offering internships and organizing frequent site visits for students from nearby institutions such as Universiti Putra Malaysia (UPM), Universiti Sains Islam Malaysia (UMSIM), Politeknik Malaysia and Universiti Kebangsaan Malaysia (UKM). These initiatives give students firsthand exposure to Ajinomoto's operations, positioning them as potential future employees who understand the company's values, standards, and work culture. By actively cultivating career development for local students, AMB is creating a pipeline of skilled, local talent ready to contribute to the company's long-term success. Through this dynamic approach to workforce development, AMB establishes itself as not only an employer but also a partner in Malaysia's economic and social progress.

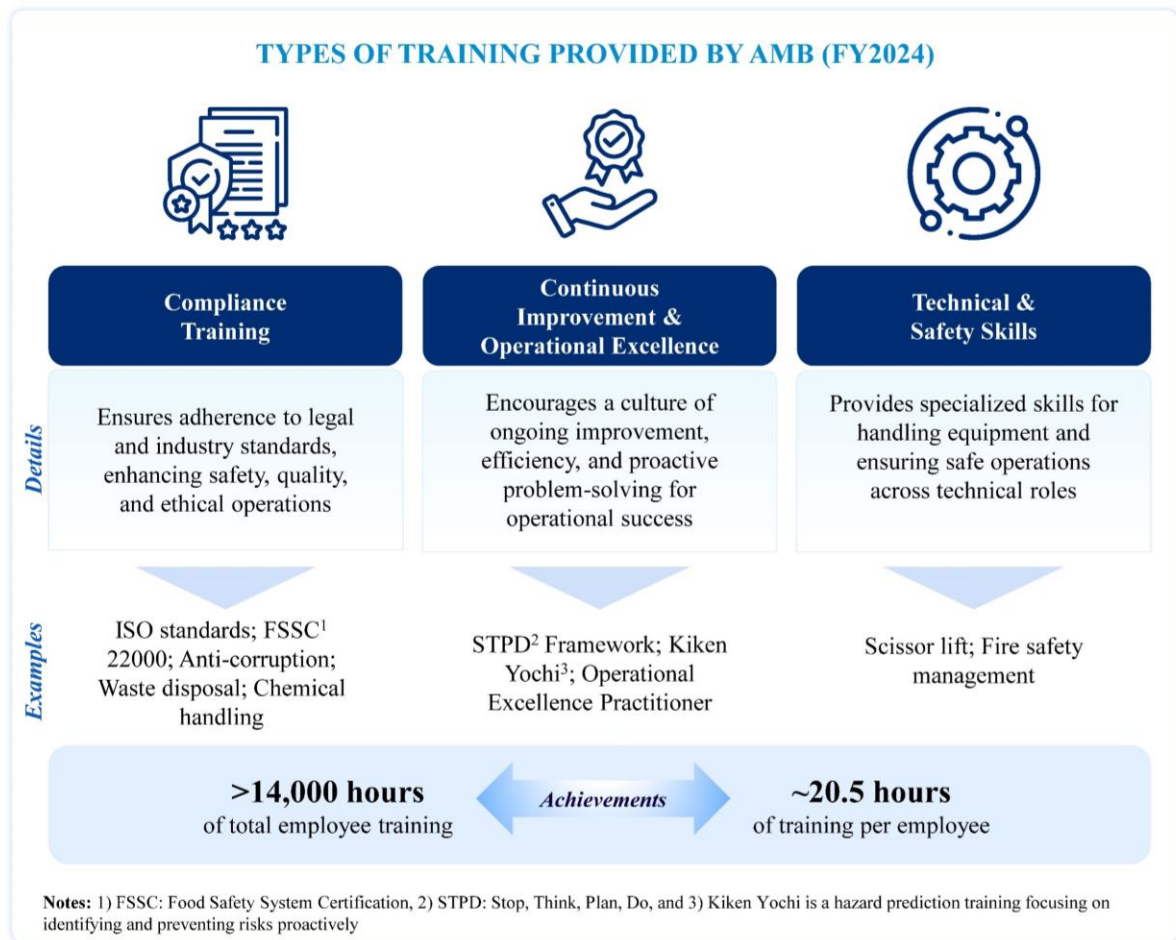
“ AMB offers internships to students from local and surrounding institutions, providing valuable opportunities for hands-on experience and the development of future talent. These internships equip students with the essential skills and knowledge needed to thrive in their careers. ”

– (Mr. Wan Azian Wan Yusoff, Project Director at THP Enstek Development)

Local Workforce Training & Skills Development

In line with its ASV philosophy, which emphasizes the importance of human assets and the pillar of “Empowering People and Communities,” AMB is committed to cultivating a skilled and motivated workforce. To support this, guidelines for employment, performance appraisal, training, and retention ensure that employees are well-trained and equipped with the knowledge, skills, and abilities necessary to excel in their roles and foster ongoing development. These initiatives are crucial for employee growth and for nurturing a culture of innovation and collaboration, while also addressing essential requirements such as technical proficiency and safety. To reinforce this commitment, AMB has implemented a range of training programs for local workforce skills development, categorized to ensure effective outcomes, as illustrated in **Figure 26**.

Figure 26: Examples of Continuous Training Provided to AMB's Employees



Source: AMB 2024 Annual Report¹

“

The people we hire are not just workers; they are Ajinomoto's intangible assets... We provide ample training and opportunities for our employees.

”

– (Mr. Yong Kum Cheng, Executive Director & Chief Production Officer (CPO) at AMB)

In addition to offering training within Malaysia, AMB is dedicated to preparing the next generation of leaders. Each year, AMB participates in the Ajinomoto Group's Future Leaders Program, selecting 1-2 high-potential employees from Malaysia for advanced training in Japan. This program not only enhances their leadership and strategic skills but also provides valuable global insights. By integrating domestic training with international development opportunities, AMB fosters a skilled and resilient workforce that is both locally grounded and globally informed. This layered and structured approach to employee development drives the company's sustainable growth in Malaysia and equips employees for future challenges.

Career Progression

AMB emphasizes fostering a culture of growth and development, which aligns with its ASV philosophy's pillar of “Empowering People and Communities.” This commitment is demonstrated by the company’s achievement of 100% completion in performance appraisals, ensuring that every employee undergoes regular competency evaluations that are vital for their career progression. These appraisals provide tailored feedback, highlighting individual strengths and pinpointing areas for improvement. By equipping employees with the skills needed for advanced responsibilities, AMB not only supports their personal development but also aligns their growth with the company's strategic objectives.

To further enhance career progression, AMB offers several programs designed to upskill employees and provide opportunities for professional growth, as shown in **Figure 27**. These programs create pathways for employees to expand their expertise, explore new roles, and become well-rounded professionals, ensuring a dynamic and supportive environment for career development.

Figure 27: Examples of Career Progression Initiatives in AMB



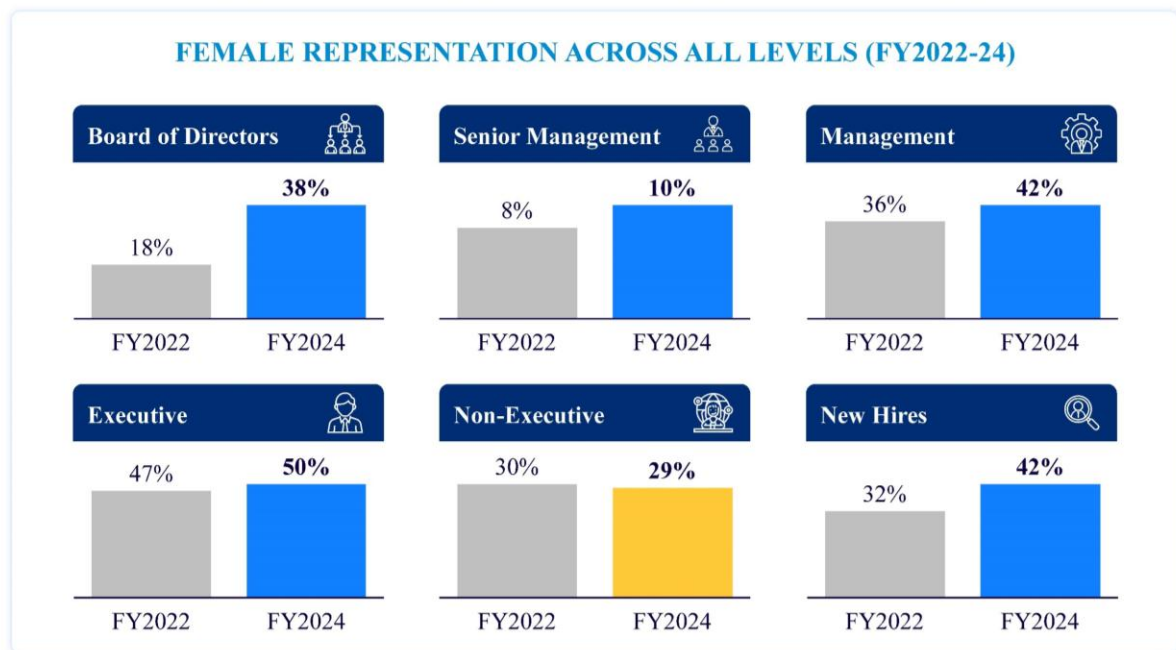
Source: Interview with AMB’s Management

This comprehensive approach fosters a motivated workforce that is well-prepared to meet the evolving demands of the industry, driving success for both employees and the organization. It cultivates high employee loyalty, as demonstrated by numerous team members dedicating decades of continuous service to the company.

Workforce Diversity and Inclusion

AMB is deeply committed to workforce diversity and inclusion, having made significant strides in fostering a more inclusive environment. One notable indication of this commitment is the increasing female representation across almost all levels in recent years, as shown in **Figure 28**. Overall, women comprise 35% of the workforce, with 42% represented in the 2024 hiring cycle alone. This focus on gender diversity extends to AMB's leadership, where women hold 38% of board seats, ensuring that female perspectives are integral to the company's strategic decision-making. This emphasis on empowering diverse voices aligns seamlessly with the ASV philosophy, which prioritizes “Empowering People and Communities,” reinforcing the idea that a varied workforce contributes to a more innovative and effective organization.

Figure 28: Female Representation Across Levels (2022-24)



Source: AMB 2024 Annual Report¹

In addition to increasing female representation, AMB strengthens its commitment to diversity and inclusion by providing equal opportunities based on merit and performance. AMB also regularly reviews employee compensation and benefits to ensure alignment with current market standards and practices.

Through these targeted initiatives, AMB cultivates a workplace that respects and values each employee's unique contributions, fostering a collaborative and unified team. These efforts align closely with Ajinomoto Group's global vision of a diverse and inclusive workforce, reinforcing AMB's role as a forward-thinking and supportive employer in Malaysia's industry landscape.

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