Social Activities Report

ESG Data

# Fostering global human resources

We place special priority on fostering personnel who can excel in our growing international business and other global capacities. Our global internship system provides employees with work experience at overseas offices to help them deepen their understanding of the Group's international business, and to foster a global company culture. This system was implemented online in fiscal 2021 due to the spread of COVID-19 and is scheduled to be held under similar arrangements in fiscal 2022.

## **Participant comments**



Senior Staff, International Operations Department seventh year at Yakult and spent about two weeks in Mexico. While I was interested in living and working overseas, I was also somewhat nervous about what this would actually entail. The experience of working alongside local employees and living in the country, though, eliminated my concerns. The opportunity of seeing the work of my international colleagues firsthand inspired me to develop my own career by pursuing opportunities for overseas assignments. (Participant of a fiscal 2019 global internship program who is scheduled to be assigned overseas in fiscal 2022.)

I took advantage of the global internship program in my

# **Decent work**

# Personnel system that motivates employees

Based on the conviction that we must be a company that rewards hard work, we seek to operate a personnel system that is fair, impartial and satisfactory to all, with the aim of maximizing employees' enthusiasm and motivation. Specifically, the Company classifies employees into different role groups (job levels) and career tracks (job types), according to how large a role they are expected to play and the nature of their work. Thus, we match the right person with the right job, helping employees to assume responsibilities according to their abilities and offering them a clear career vision. In addition, we are encouraging a greater sense of competition and willingness to take on new challenges through a more flexible system of personnel evaluation, bonuses, salary increases and other forms of compensation.

Third-party opinion

#### Major personnel systems: Yakult Honsha

Personnel system	Details
Self-reporting system	Employees state their views and wishes concerning job details, skills development, placement and transfers once a year, with the aim of increasing each employee's job satisfaction.
In-house "free agency" system	Employees can announce their desire to shift to a new position. This system helps employees move to new workplaces where they can make the most of their capabilities with greater motivation.
Career track switch system	Employees can use this system to switch to the track they desire, such as from the professional track to the management track. This enhances the level of employees' enthusiasm and motivation by allowing them to pursue their career goals after joining the Company, leading to dynamic workplaces. Since the system was introduced in 2005, about 20 employees every year change their career track of their own volition and take on new career challenges.
Job rotation system	This system is designed to help assess employees' aptitude and facilitate long- term career development. Employees hired for mainly the management track are transferred to new positions every three to four years, enabling them to work in three units over a decade. By working in marketing, administrative and such other departments as overseas offices, employees gain work experience in a balanced manner, broaden their horizons, and gain an understanding of their own aptitude, which enable them to build their careers.
System of temporary leave to accompany a relocated spouse	This system allows employees to take up to five years' leave to accompany a spouse who is relocated in Japan or overseas.

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# Providing an enjoyable working environment

# Inclusive working environment for diverse employees

Recognizing that our employees have diverse work styles, abilities and values, and that diversity is the seed of innovation, the Yakult Group strives to create an enjoyable working environment where each employee can make the most of their strengths. In an effort to provide a better work environment, Yakult Honsha promotes the health of our employees from the perspective of Health-focused Management, with employee interviews being conducted at each business site in Japan.

## Respect for basic labor rights

We do not currently have an in-house labor union, but we work with representatives of the majority of employees at each workplace to ensure that employees' voices are heard. Before bringing in any changes that will significantly affect our employees, we hold briefing sessions for all employees and try to build consensus.

## Comparison of starting salaries and minimum wage (fiscal 2021)

	Starting monthly salary (yen)	Comparison with minimum wage (%)
Graduate school graduate	226,500	143
University graduate (career track)	217,000	137
University graduate (general track)	191,000	120
Junior college graduate	182,000	115
Vocational school graduate	182,000	115

Note 1: Minimum wage calculated using the minimum wage for Tokyo (1,041 yen per hour) working 20.08 days per month, 7.5 hours per day. Our salary system is based on the level of each employee, and there is no difference between male and female employees in the same level or role.

Note 2: Number of days per month (20.333) calculated by subtracting 121 days (weekends, national holidays, and special days off at yearend and New Year) from 365 days and dividing by 12 months. Excludes paid vacations.

## Local hiring for senior management positions: Yakult Europe B.V.

Yakult Europe B.V. and other companies of the Yakult Group in Europe actively recruit locally for senior management positions to achieve sustained growth as members of regional communities. Managing directors of Yakult Group companies in Europe have also been recruited locally. At Yakult Europe B.V., four of the six executive officers are local appointments, and approximately 80% of managerial staff has been hired locally.

#### Empowerment project involving all employees: Yakult Italia S.R.L.

In September 2021, Yakult Italia S.R.L. launched an empowerment project involving all employees to encourage managers and employees to provide each other with continuous feedback, achieve mutual growth, and work as a team in order to build better intracompany relations. Managers participating in this project are expected to increase their awareness of their own roles and enhance their leadership skills.