

## Materiality assessment

We have identified six material themes to achieve sustainability as a further step in realizing our mission of contributing to the health and happiness of people around the world based on our corporate slogan, “In order for people to be healthy, everything around them must also be healthy.”

To identify these themes, we established a cross-departmental working group that performed a materiality analysis with two mapped axes: “Impact for the Yakult Group” and “Importance for the sustainability of the planet and society.” We also worked together with external experts and referenced reports from groups like the IPCC\* and World Economic Forum (WEF).

Using these six themes, we will establish strategies and plans that work toward improving the sustainability of not only our own Group but also of the planet and society to make our corporate philosophy and goal of uniting “People and Planet as One” a reality.

\* IPCC: Intergovernmental Panel on Climate Change, which releases an evaluation report on climate change every five to six years. In its 2018 special report, “Global Warming of 1.5°C”, it detailed the ramifications of a 2°C rise in global temperature and pointed to the importance of taking immediate action to limit this rise to below 1.5°C.



### Identifying material themes



### Six material themes to achieve sustainability

To realize our corporate slogan of “In order for people to be healthy, everything around them must also be healthy” and achieve sustainability, we identified three social themes to prioritize within the value chain: innovation, value co-creation with communities, and supply chain management. We also analyzed factors such as climate change scenarios and water risk to identify three environmental themes: climate change, plastic containers and packaging, and water.

#### Six material themes

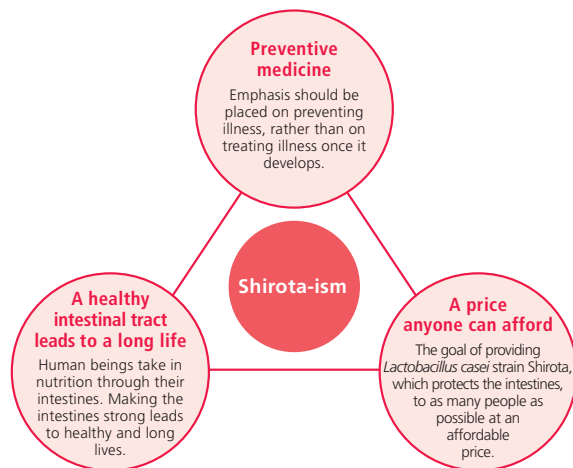
<b>Innovation</b>	<b>Value co-creation with communities</b>	<b>Supply chain management</b>
		
Evolve into a healthcare company, further pursue the potential of bacteria, provide new products and services, use resources effectively, and others <span style="background-color: #f4a460; color: white; padding: 2px 5px;">▶ p. 44 ▶▶▶</span>	Connect closely with local communities, deliver information on health, provide safe and reliable health products and services, and others <span style="background-color: #f4a460; color: white; padding: 2px 5px;">▶ p. 49 ▶▶▶</span>	Maintain sound relationships with business partners, promote sustainable procurement, ensure stable procurement of raw materials, and others <span style="background-color: #f4a460; color: white; padding: 2px 5px;">▶ p. 56 ▶▶▶</span>
<b>Climate change</b>	<b>Plastic containers and packaging</b>	<b>Water</b>
		
Reduce GHG emissions (decarbonize), proactively shift to renewable energy, introduce energy-saving practices, and others <span style="background-color: #27ae60; color: white; padding: 2px 5px;">▶ p. 27 ▶▶▶</span>	Convert to fully-recyclable containers and packaging, reduce environmental impact by changing container materials, and others <span style="background-color: #27ae60; color: white; padding: 2px 5px;">▶ p. 32 ▶▶▶</span>	Use sustainable water resources, reduce water consumption, and others <span style="background-color: #27ae60; color: white; padding: 2px 5px;">▶ p. 36 ▶▶▶</span>

## What the SDGs mean to Yakult

Our passion for and approach to health can be traced back to our founder's wish to protect the health of people around the world. Yakult engages in business activities based on our corporate philosophy, expressed as: "We contribute to the health and happiness of people around the world through pursuit of excellence in life science in general and our research and experience in microorganisms in particular." We see these activities as contributing to Goal 3, "Ensure healthy lives and promote well-being for all at all ages," of the Sustainable Development Goals (SDGs).

Yakult's founder, Minoru Shirota, a doctor of medicine, began his medical studies in 1921. At the time, unsanitary conditions caused large numbers of children to die of infectious diseases in Japan. Under the circumstances, Dr. Shirota set his sights on the field of preventive medicine, which aims to help people avoid sickness rather than treating diseases after they occur. After years of microorganism research, Dr. Shirota strengthened and cultured *Lactobacillus casei* strain Shirota. Together with likeminded individuals, he then developed an inexpensive, delicious drink so that many people could benefit from *Lactobacillus casei* strain Shirota. This is how *Yakult* was born.

Yakult products are not just sold in stores but, since our founding, are also delivered door-to-door to homes and other locations. This approach of reaching out directly to customers is rooted in Dr. Shirota's principles of emphasizing the dissemination of information about preventive medicine and the idea that a healthy intestinal tract leads to a long life, as well as the value he placed on sincerity, gratitude and harmonious human relations.



In order to make good on the pledge to "leave no one behind," the SDGs aim to realize a society that does not overburden the planet, and where poverty has been eliminated.



The Yakult Group's philosophy and corporate activities are aligned with the underlying concept of the SDGs and Goal 3.

The SDGs were established as goals to be achieved by 2030 so that humanity can continue living on Earth. "Ending poverty in all its forms everywhere" is identified as the most important goal, and "leave no one behind" is the central promise of the SDGs.

The foundational philosophy of Yakult and our corporate slogan, "In order for people to be healthy, everything around them must also be healthy," are perfectly matched with the aims of the SDGs, so it is a matter of course for us to strive to achieve those goals. Yakult will thus continue working to create a society where humans can live in harmony with the planet, based on our goal of uniting "People and Planet as One."

## The Yakult Group's contributions to the SDGs

The Yakult Group's corporate activities are broadly related to all 17 SDGs, but based on our materiality we have identified the following eight goals as being most closely connected to our business. Moving forward, the entire Yakult Group will continue contributing to achieving the SDGs.

