

# Yakult Sustainability Stories

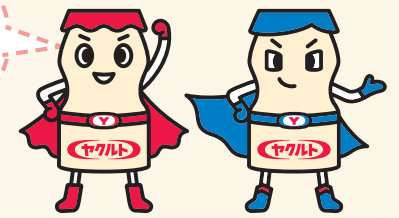


**Yakult**

# What does Yakult do?

Yakult is leveraging its longstanding roots in life sciences to expand its operations beyond food and beverages—including fermented milk drinks like *Yakult*—into cosmetics, pharmaceutical products and international businesses.

We make many products besides *Yakult*!



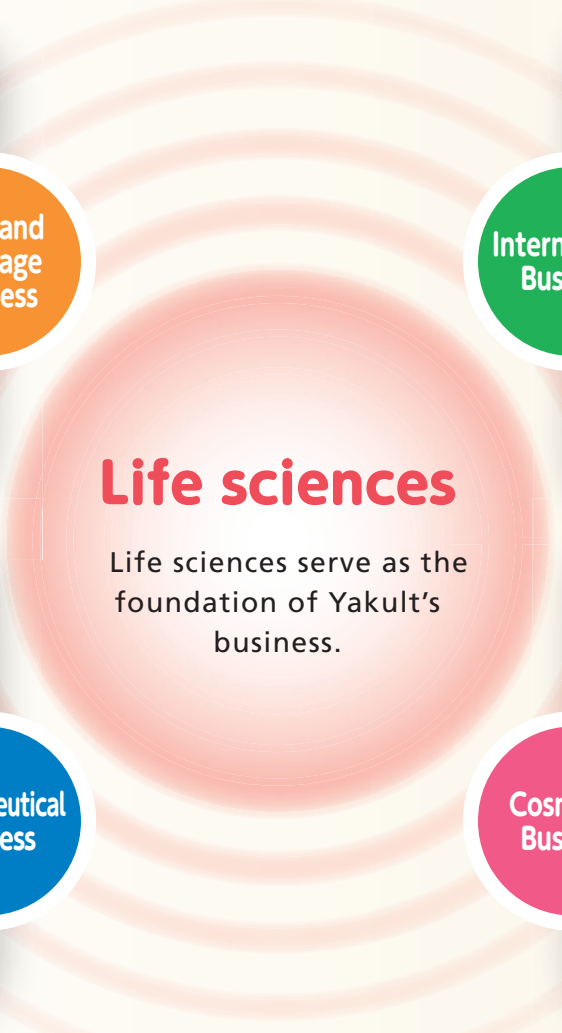


**Food and Beverage Business**

We make dairy products like the fermented milk drink *Yakult* and fermented milk product *Joie*, as well as other beverages.



**International Business**

*Yakult* is sold in 40 countries and regions around the world, including Japan.

**Pharmaceutical Business**

We also sell quasi-drug products and over-the-counter pharmaceuticals based on research into lactic acid bacteria.



**Cosmetics Business**

Yakult markets cosmetic products with proprietary ingredients that utilize the cosmetic efficacy of lactic acid culture mediums.

*Yakult Sustainability Stories* provides a simple summary of the Yakult Group's initiatives. For more detailed information and data, please visit our website.

**Sustainability website**

<https://www.yakult.co.jp/english/csr/index.html>



**Sustainability Report**

<https://www.yakult.co.jp/english/csr/download/>





# Yakult's beginnings and sustainability



Dr. Minoru Shirota

Yakult's founder, Dr. Minoru Shirota, began his medical studies in 1921 at Kyoto Imperial University (now Kyoto University). At that time in Japan, unsanitary conditions contributed to large numbers of children dying of infectious diseases. Dr. Shirota came to believe it was more important to help people avoid sickness rather than treating diseases once they have already developed. After years of research into microorganisms, he successfully strengthened and cultured *Lactobacillus casei* strain Shirota.\* Together with like-minded individuals, he then developed an inexpensive, delicious drink containing this lactic acid bacteria that could be delivered to many people. This is how *Yakult* was born. The goal at the time of helping as many people as possible lead healthier lives continues to guide our operations to this day.

\* Reclassified as *Lactocaseibacillus paracasei* strain Shirota in April 2020.

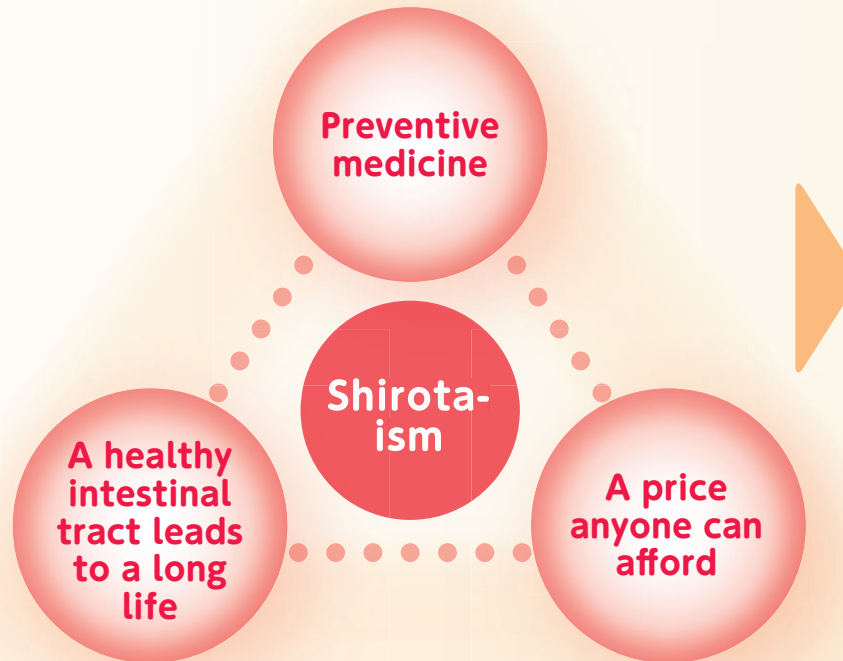
## The passionate spirit of Yakult's founder Dr. Minoru Shirota

### ..... Corporate Philosophy .....

**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.**

### Corporate Slogan

**In order for people to be healthy, everything around them must also be healthy.**

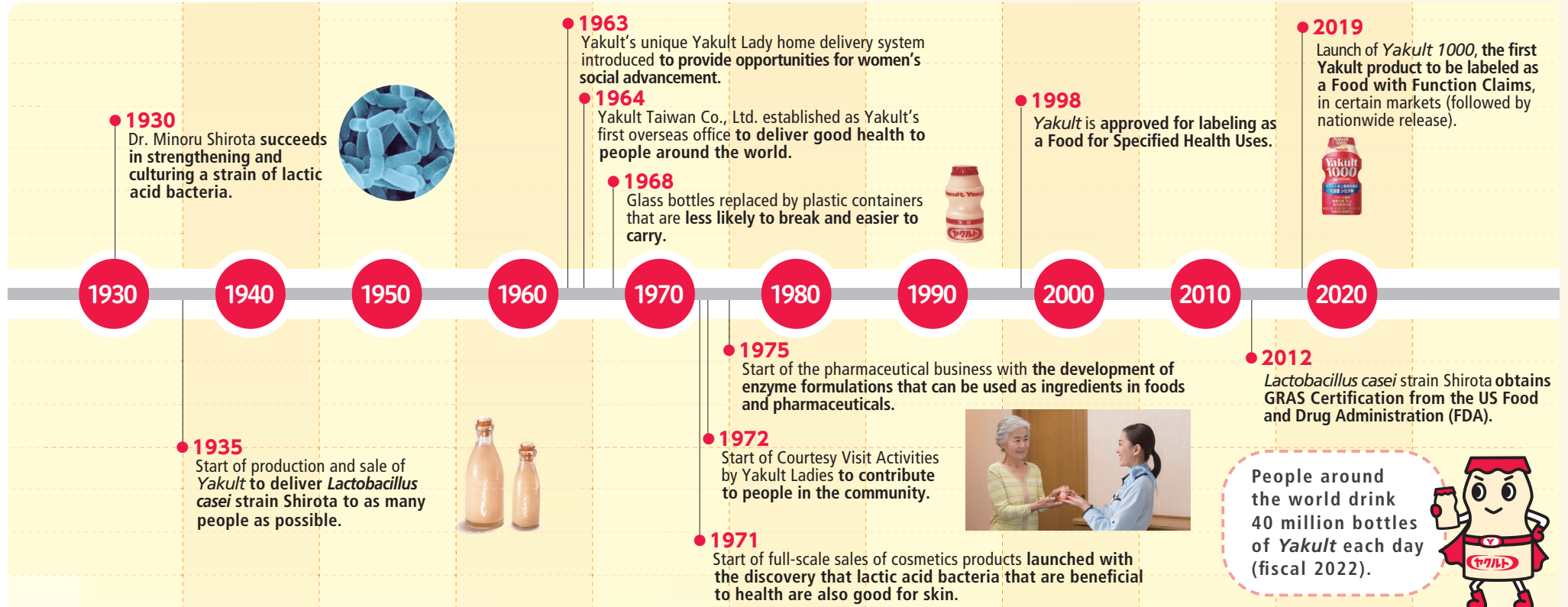


The Yakult Group's philosophy and corporate activities are aligned with the underlying concept of the SDGs and Goal 3.

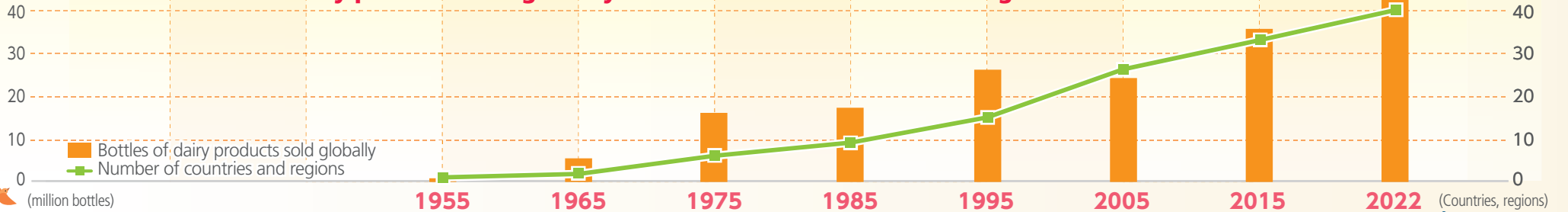


# Yakult's development and sustainability

Since its founding, the Yakult Group has been engaged in resolving various social challenges by delivering good health to people around the world through the production and sale of *Yakult* and by expanding opportunities for women's advancement, such as through the activities of Yakult Ladies.



■ Bottles of Yakult dairy products sold globally and number of countries and regions of sale



Note: Statistics begin in 1955.







# The people building Yakult's future

## The Yakult Group's business is supported by human hands

The Yakult Group's business activities are supported by the efforts of individuals. Everyone involved in Yakult's business is building the future of Yakult and contributing to the health of both people worldwide and the planet itself.

### R&D

#### People who research intestinal bacteria and beneficial microorganisms

We use these research results in product development to promote and improve people's health and preventive medicine.

[p. 10 >>>](#)

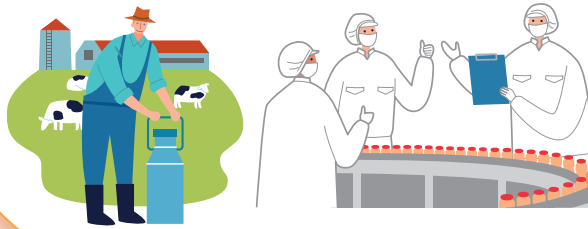


### Procurement and production

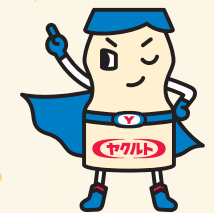
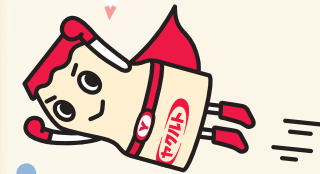
#### People who gather raw materials and produce Yakult products

Production is guided by strict quality standards to ensure we deliver safe, secure and high-quality products.

[pp. 11-12 >>>](#)



Through our value chain, all kinds of people support Yakult!

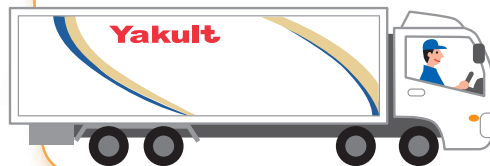


### Logistics

#### People who transport Yakult

Our delivery methods follow strict temperature controls to distribute refrigerated products across Japan.

[p. 13 >>>](#)



### Sales

#### People who deliver Yakult

We deliver products and health information with sincerity and dedication.

[p. 14 >>>](#)



### Customers

#### People who wait for Yakult

We currently do business in 40 countries and regions around the world. We will continue delivering Yakult to as many people as possible.

[p. 16 >>>](#)

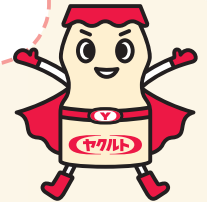


# Material themes and the SDGs: Contributing to the future of our planet

## Yakult's impact on society

The foundational philosophy of Yakult and our belief that "in order for people to be healthy, everything around them must also be healthy" are perfectly matched with the aims of the SDGs.

We have a positive impact on resolving social issues!



Number of patents held by Yakult within and outside of Japan

Around **1,000** patents



### Innovation

We promote innovation through initiatives that include evolving into a healthcare company, further exploring the potential of bacteria, providing new products and services, and using resources effectively.

Number of elderly people visited by Yakult Ladies as part of our Courtesy Visit Activities

Around **34,000** people (fiscal 2022)



### Value co-creation with communities

We engage in value co-creation with communities through initiatives that include maintaining close connections with local communities, delivering information on health and providing safe and reliable health products and services.

Proportion of suppliers for which CSR risk management has been carried out

Around **90%** Carried out for top 90% of suppliers by procurement costs



### Supply chain management

We engage in supply chain management through initiatives that include maintaining sound relationships with business partners, promoting CSR procurement and ensuring stable procurement of raw materials.

Note: Figures from Japan in fiscal 2022.



# Material themes and the SDGs: Contributing to the future of our planet

## Yakult's impact on the environment

The Yakult Group recognizes the negative environmental impacts associated with the global development of its business. We are engaged in a range of initiatives to reduce these impacts step by step.

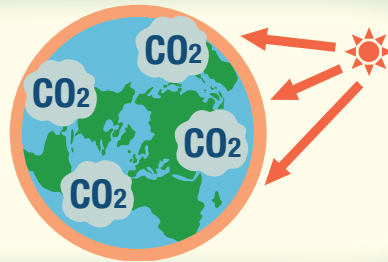
We're minimizing our negative impacts on the global environment!



### Greenhouse gas emissions

**468,237** tons

Note: Figure from fiscal 2022 (Scope 1, 2 and 3 domestic total from Yakult Honsha [including logistics] and five production subsidiaries)



### Climate change

We reduce our greenhouse gas emissions through initiatives that include proactively shifting to renewable energy and adopting energy-saving practices.

**41.5% reduction** (in Japan, Scope 1 and 2, compared to fiscal 2018)

### Volume of plastics used

**18,341** tons

Note: Figure from Japan in fiscal 2022.



### Plastic containers and packaging

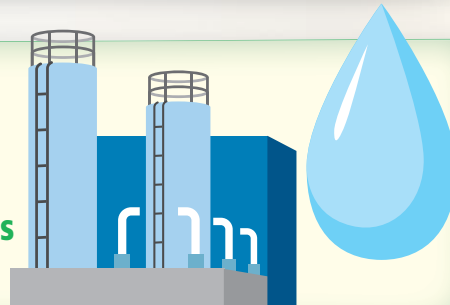
We reduce the volume of plastics we use, or make more of the plastic we use recyclable, through initiatives that include converting to fully recyclable containers and packaging and reducing environmental impact by changing container materials.

**24.1% increase** (in Japan, compared to fiscal 2018)

### Volume of water used

**6,145** thousand tons

Note: Production sites inside and outside Japan/figure from fiscal 2022.



### Water

We conserve water resources through initiatives that include using sustainable water resources and reducing water consumption.

**13.9% reduction** (in Japanese plants/water consumption per production unit, compared to fiscal 2018)

Note: Reduction rates are Environmental Actions (2021–2024) figures.



# Material themes and the SDGs: Contributing to the future of our planet

## Six material themes and the SDGs

While the Yakult Group's business activities are broadly related to all 17 SDGs, Goal 3, "Ensure healthy lives and promote well-being for all at all ages," is an exact articulation of our corporate philosophy, which we strive to realize through our business activities. We have identified the eight SDGs cited below as being deeply relevant to our material themes. Moving forward, we will continue contributing to achieving the SDGs by advancing material initiatives for these themes.

We're helping achieve the SDGs through our material themes!



### Innovation



### Climate change



### Value co-creation with communities



### Plastic containers and packaging



### Supply chain management



### Water

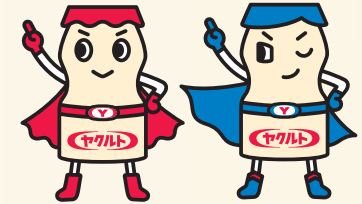




# Material themes and the SDGs: Contributing to the future of our planet

## Yakult Group Environmental Vision

In March 2021, the Yakult Group created the Yakult Group Environmental Vision to realize a society in which people and our planet co-exist. We are now working to realize this vision by reducing our negative impacts and advancing our initiatives that have positive impacts on the global environment.






## Environmental Vision 2050

**To realize a society where people and the planet co-exist as one through a value chain that has zero environmental impact**

Our goal is to achieve Net Zero Carbon by 2050 (in Scope 1, 2 and 3).

## Environmental Targets 2030

Environmental Targets 2030 is a set of medium-term milestones toward achieving Environmental Vision 2050, connected to our three environmental material themes.

Material theme	Target
 <b>Climate change</b>	<b>Reduce</b> GHG emissions (in Japan, Scope 1 and 2) <b>by 30%</b> compared to fiscal 2018 levels
 <b>Plastic containers and packaging</b>	<b>Reduce</b> plastic containers and packaging (in Japan) <b>by 30%</b> compared to fiscal 2018 levels, or <b>make them recyclable</b>
 <b>Water</b>	<b>Reduce</b> water consumption (at dairy product plants in Japan, per production unit) <b>by 10%</b> compared to fiscal 2018 levels

## Environmental Actions (2021–2024)

Our Environmental Actions (2021–2024) were established as short-term milestones toward achieving Environmental Targets 2030. In addition to our environmental material themes, we have also set goals for reducing waste and conserving biodiversity.





# The SDGs Yakult is contributing to through its business activities

The Yakult Group contributes to the achievement of the SDGs at each stage of its business's value chain



## R&D

We undertake research to realize the concepts of preventive medicine and the idea that a healthy intestinal tract leads to a long life, and are applying research results in the development of food and beverages, pharmaceuticals and cosmetics.

Rumi Yamaguchi Assistant Senior Researcher, Cosmetics Research Department, Yakult Central Institute

I'm harnessing the power of lactic acid bacteria in researching ways to keep skin healthy!



### Yakult's challenges

- People's changing, heightening awareness of health
- Incorporating intellectual property investment and utilization into business strategy



### Yakult's initiatives

Related SDGs



#### ■ Probiotics research rooted in biomedicine

We conduct various research activities, mainly at the Yakult Central Institute, ranging from probiotics to the healthcare domain.

*Yakult 1000* was launched in 2019 as a product tailored to contemporary health values.



Yakult 1000

#### ■ Joint research with external partners

We are also actively engaged in advancing R&D with external partners, including conducting joint research with universities and public research institutions inside and outside Japan.



Yakult Central Institute

#### ■ Protection of intellectual property

We work actively to acquire intellectual property rights (patents, designs, trademarks, etc.) in and outside Japan on new products and technologies created through R&D. This enables us to maintain and improve our brand value.

We have acquired rights to the *Yakult* and related trademarks in countries and regions around the world, including a three-dimensional trademark in Japan, the United States and other countries for the distinctive shape of *Yakult* containers.

Our work in R&D is dedicated to promoting people's health!



R&D

Procurement

Production

Logistics

Sales

Customers



# The SDGs Yakult is contributing to through its business activities



We're working alongside suppliers on sustainable procurement!



Haruka Kuroda Senior Staff, Raw Materials Section, Purchasing Department

## Procurement

We fairly procure raw materials such as skim milk powder, sugar and packaging materials in cooperation with our suppliers.

### Yakult's challenges

- Promoting sustainable procurement across the organization
- Raising awareness of sustainability throughout the supply chain

We're promoting sustainable procurement!



### Yakult's initiatives

Related SDGs



#### ■ Supplier risk management

The Yakult Group administers a CSR procurement survey that asks suppliers inside and outside Japan to evaluate their own sustainability efforts.

In fiscal 2022, we began making use of the international self-evaluation system Sedex for supply chain risk management.

#### ■ Briefings for suppliers

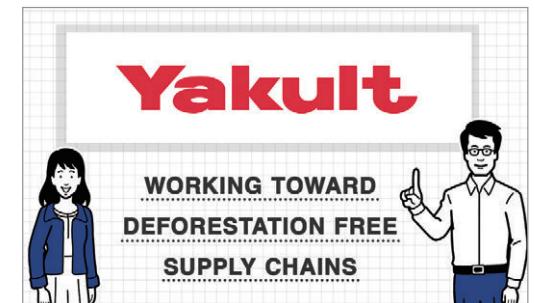
The Yakult Group not only requests that suppliers understand and cooperate with its CSR Procurement Policy, it also raises awareness of the importance of initiatives that contribute to sustainability.



CSR Procurement Policy briefings for suppliers

#### ■ Establishing the Deforestation and Conversion Free (DCF) Commitment to Responsible Sourcing

The Yakult Group aims to eliminate deforestation from the supply chain.



The explanatory video related to the Commitment

R&D

Procurement

Production

Logistics

Sales

Customers







# The SDGs Yakult is contributing to through its business activities



## Production

We make efficient use of raw materials, energy and water resources and employ environmentally conscious methods to manufacture high-quality products that are safe and offer peace of mind to customers.

We use only the necessary amount of energy and at the necessary time in our production activities!



Hirotaka Kimura Senior Staff, General Facilities Section, Ibaraki Plant

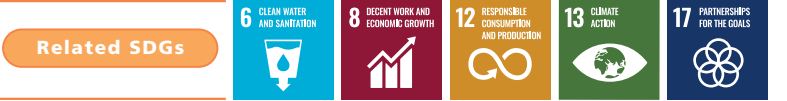
### Yakult's challenges

- Building manufacturing capabilities with lower environmental impact
- Providing safe products
- Improving occupational health and safety

Our products are made in ways that are friendly to the environment and workers!



### Yakult's initiatives



#### ■ Manufacturing safe and secure products

To deliver safe and secure products around the world, production is conducted in accordance with the Yakult Group Basic Quality Policy, which clearly states our commitment to rigorous quality control and safety.



#### ■ A production system that minimizes environmental impact

We have switched the sources for the electricity used in the production process at our 13 plants in Japan almost entirely to those that are renewable. We are also endeavoring to reduce water use by reviewing production processes and to reduce food loss and waste by producing dairy products on a made-to-order basis.

#### ■ Improving employees' occupational health and safety environment

Yakult Group plants in and outside Japan operate in accordance with the laws and regulations of each country and region to prevent employees from suffering accidents, provide protection from potential injury and death, and create an environment conducive to working with peace of mind at all times.

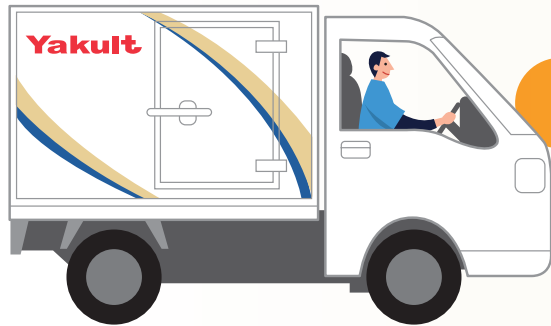
We conduct occupational health and safety inspection tours and implement environmental improvement measures at each plant in Japan. The Yakult China Group complies with the country's laws and regulations to execute work safety training sessions and internal inspections.







# The SDGs Yakult is contributing to through its business activities



## Logistics

By ensuring the use of eco-driving (fuel-efficient driving) and choosing delivery methods that have reduced environmental impacts, we reduce the amount of CO<sub>2</sub> emissions deriving from product shipments.

We are proactively working to create environmentally friendly logistics systems and structures!



Taku Nakayama Assistant Manager, Logistics Management Section, Logistics Control Department

### Yakult's challenges

- Establishing logistics networks with lower environmental impacts
- Improving the working environment for workers



We're reducing CO<sub>2</sub> emissions when delivering Yakult!

### Yakult's initiatives

Related SDGs



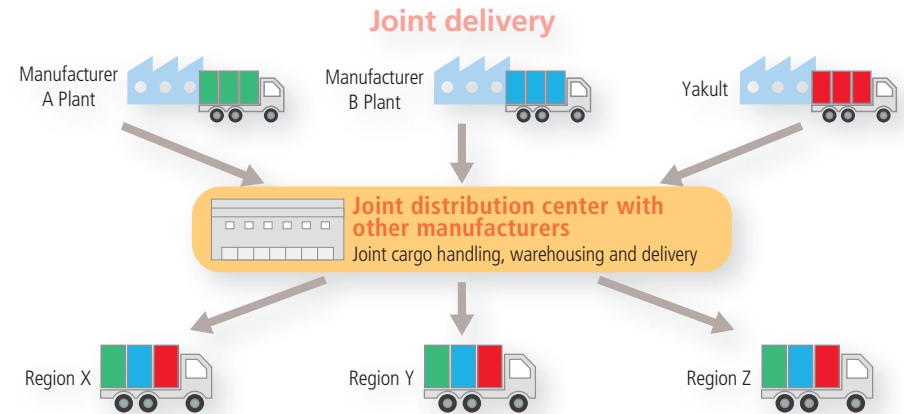
#### ■ Promoting a modal shift

We are pursuing a modal shift to rail and ocean freight transport as one of our efforts to reduce environmental impacts. CO<sub>2</sub> emissions from the use of rail transport are one-tenth the levels of emissions from transportation by truck, and emissions from ocean freight are one-fifth those from trucks.



#### ■ Joint delivery with other companies

Yakult promotes joint delivery with other manufacturers (through joint cargo handling, warehousing and delivery) to reduce CO<sub>2</sub> emissions and make logistics more efficient.



R&D

Procurement

Production

Logistics

Sales

Customers





# The SDGs Yakult is contributing to through its business activities



We strive to deliver health-promoting products accompanied by useful, health-related information!



## Sales

We provide customers not only with products, but also with accurate product information and health tips.

Takuya Tateishi Assistant Manager, Home Delivery Planning Section, Home Delivery Sales Department

### Yakult's challenges

- Delivering good health to as many people as possible
- Contributing to the community's safety and peace of mind

Delivering good health and goodwill to people the world over!



### Yakult's initiatives

Related SDGs



#### ■ Delivering health-promoting products

Yakult Ladies deliver health-promoting products and go to exceptional lengths to properly explain their features in ways that customers can understand. They also provide health-related information that can contribute to healthier lifestyles among our customers.

#### ■ Dispatching lecturers and holding health-related lectures

Our engagement with the community is expanding both in and outside Japan. Our marketing companies dispatch employees as lecturers to elementary schools and other locations to provide easy-to-understand information about the important role of the intestines and healthy habits conducive to good bowel functions. For adults, health-related classes are held on probiotics and other health-related topics.



A health-related lecture (P.T. Yakult Indonesia Persada)

#### ■ Courtesy Visit Activities and other community contributions

Since 1972, Yakult Ladies have been undertaking Courtesy Visit Activities in which they treat their deliveries to elderly people living alone as an opportunity to confirm that they are safe and to spend some time chatting with them. They are also contributing to communities' safety and peace of mind by participating in crime watch and similar activities undertaken in cooperation with local governments and police units around Japan.



Courtesy Visit Activities

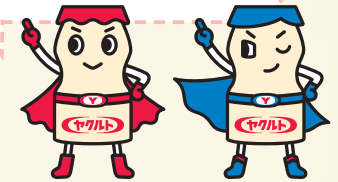


# Companywide sustainability initiatives

## Yakult Sustainability Campaign

To encourage all workers to be promoters of sustainability/CSR activities, the Yakult Group promotes greater awareness through a variety of initiatives. One such initiative is our Yakult Sustainability Campaign targeting all workers, which we have been implementing since fiscal 1994.

At Yakult, achieving sustainability is a Group-wide effort!

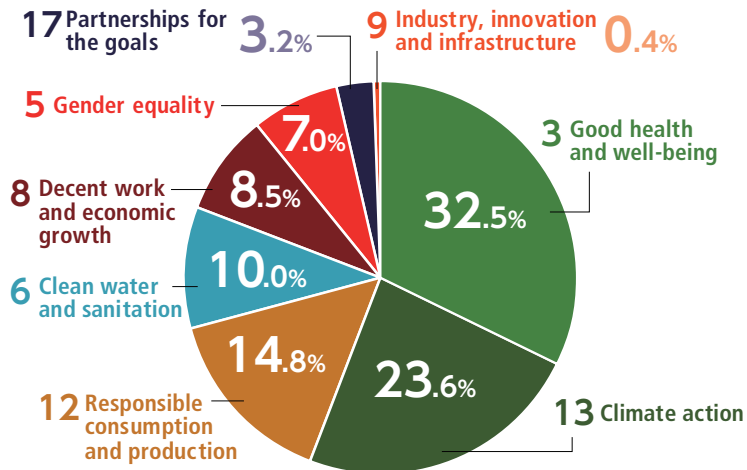


### Initiatives in fiscal 2022

#### 1 My SDGs declaration of action! "SDGs challenge" in my job

Participants were asked to submit a personal SDGs action declaration by choosing from one of the eight SDGs that are particularly relevant to the Yakult Group and contributing to the achievement of that goal through their work. Their declared activities were awarded achievement points, which were then converted into monetary donations. A total of 845,000 yen based on the actions of 34,406 participants was donated to the Japan Association for the World Food Programme.\*

\* The Japan Association for the World Food Programme (JAWFP) is a specified non-profit corporation that supports the United Nations World Food Programme (WFP)—the only UN food aid agency with the goal of a world with zero hunger by 2030.



#### 2 Let's make a declaration of action for Yakult Sustainability!

Declarations to promote sustainability initiatives were solicited from each business site in the Group. A vote was held to determine which of the entries submitted by the 124 participating business sites would be selected as the official Yakult Group declaration of action.

人と地球のために、今行動しよう!  
Let's act now for people and planet.

#### Other initiatives

- ▶ As part of our Environmental Actions (2021–2024) initiative, we conducted tree planting activities at our factories and other locations.
- ▶ 100,000 yen was donated to the public interest incorporated foundation OISCA's Children's Forest Program.

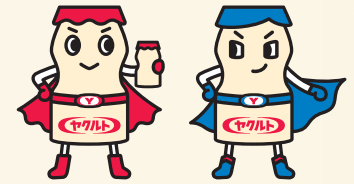


# Our future vision

## Achieving continued growth through our material themes

Our business began with the purpose of resolving health-related social issues that were prevalent in Japan at the time of our founding. Such issues have evolved greatly as times have changed, with attitudes toward health also diversifying.

In response to these changes, we established in 2021 a long-term vision called “Yakult Group Global Vision 2030.” We will contribute to the resolution of social issues through initiatives that address our material themes and will continue engaging in activities aimed at realizing our corporate philosophy.



### Yakult Group Global Vision 2030

**Our vision** Evolve into a healthcare company that continues contributing to people’s health around the world

**Deliver good health to as many people as possible around the world**

**Key theme** Strengthening global expansion

**Offer customers new values which match their needs**

**Key theme** Expansion of business domains

**Realize a society in which people and the planet co-exist**

**Key theme** Responding to environmental issues

**Yakult Group Environmental Vision**

p.9 >>>

