

Yakult CSR Communication Book 2019



The passion that lives on in the Yakult Group

Yakult's founder, Minoru Shirota, a Doctor of Medicine, began his medical studies in 1921 at Kyoto Imperial University (now Kyoto University). At the time, Japan had yet to achieve economic prosperity, and unsanitary conditions caused large numbers of children to die of infectious diseases.

Disturbed by that reality, Dr. Shirota, while still a medical student, set his sights on the field of preventive medicine, which aims to help people avoid sickness rather than treating diseases after they occur, and started down the path of microorganism research.

In his research, Dr. Shirota discovered that lactic acid bacteria were effective in suppressing harmful bacteria within the intestines. He later became the first to successfully strengthen and culture a strain of lactic acid bacteria, which is now known as *Lactobacillus casei* strain Shirota.

Dr. Shirota, together with volunteers, then developed an inexpensive, good-tasting beverage, so that as many people as possible could benefit from *Lactobacillus casei* strain Shirota, which reaches the intestines alive and promotes intestinal health. That is how the *Yakult* fermented milk drink was born in 1935.

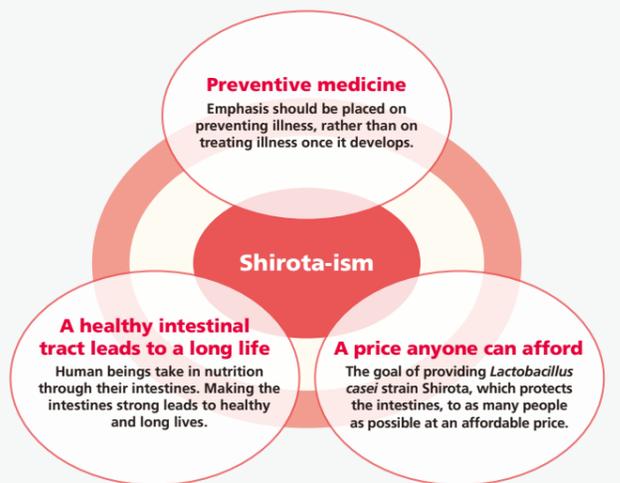
Dr. Shirota dedicated himself to helping protect the health of people throughout the world. His passion, ideas and relentless spirit of inquiry live on today.

Shirota-ism — The root of our business

At Yakult, these ideas of Dr. Shirota are referred to as Shirota-ism and serve as the root of all of our business activities.



Yakult's founder
Minoru Shirota, M.D., Ph.D.
(1899-1982)



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Message

Yakult's desire is to help people around the world lead healthy and happy lives. We will continue working to make that a reality with products that benefit people's health and initiatives that work towards a sustainable society.

In this Communication Book you will find information on our business activities, contribution to SDGs*¹, initiatives within the three areas of CSR*² we believe to be key and particularly relevant to our company (health, local communities, and the environment), and the initiatives throughout the world that characterize Yakult.

Under our slogan of "In order for people to be healthy, everything around them must also be healthy," and as a company creating products that benefit health and leading initiatives that strive towards a sustainable society, we view our corporate activities themselves as CSR, and directly related to achieving each SDG. We believe that the philosophy of SDGs — "leave no one behind" — has connections to Shirota-ism, the root of Yakult's business (see above).

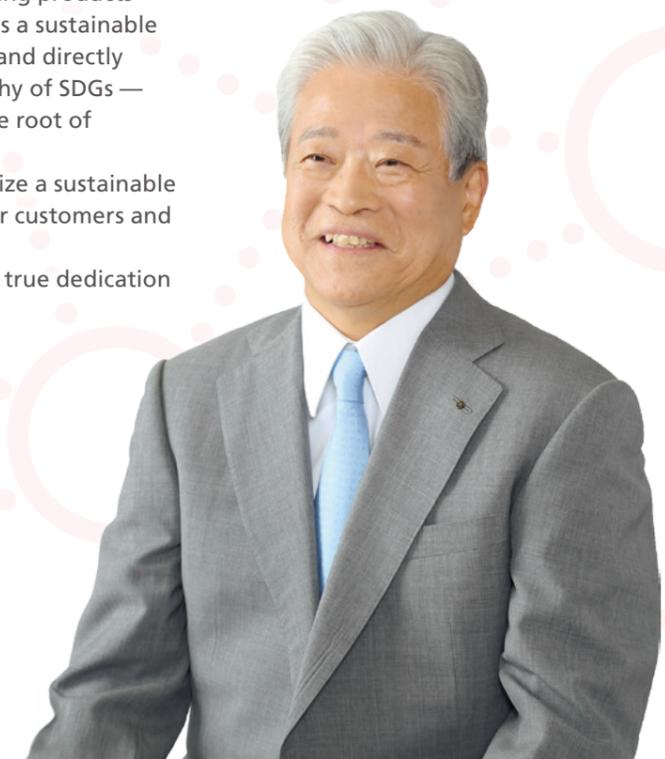
Moving forward, in order to grow as a company and realize a sustainable society, it is important to have close communication with our customers and other stakeholders and further advance our CSR activities.

We hope that this Communication Book conveys Yakult's true dedication to its global CSR activities.

Takashige Negishi

Takashige Negishi
President and Representative Director

*1 SDGs: Sustainable Development Goals (see p. 5)
*2 CSR: Corporate Social Responsibility



Yakult Group in Numbers

The Yakult Group is delivering good health to people in 40 countries and regions worldwide. We introduce our characteristics in numbers here.

Yakult's founding

1935

In the past, Yakult was filled in a glass bottle.



Since being introduced to the market in 1935, Yakult has become known worldwide over its more than 80-year history. The Yakult Group has made a number of research achievements in the pursuit of life science.

Number of dairy product bottles consumed each day worldwide

40.67 million bottles

Of which **9.54** million are consumed in Japan

(daily consumption in fiscal 2018)



The Yakult fermented milk drink is sold in 40 countries and regions worldwide.



Commonly used Yakult container, which was certified as 3D trademark in January 2011.

Countries and regions we cover

Marketing population in countries and regions where we operate

2.2 billion

(Fiscal 2018)

We cover about one-third of the world population, and will continue to expand our presence.

Maximum number of lactic acid bacteria per bottle

100 billion

(as of October 2019)

Yakult 1000* released in October 2019 has 1 billions of *Lactobacillus casei* strain Shirota per milliliter, maximum among Yakult series.

* Initial sale launched in seven prefectures in Kanto region, Japan



Participants in plant tours

See p. 11-12

Japan (Total for 13 plants) **280,000** participants

(April 2018 to March 2019)

Outside Japan **560,000** participants

(January to December 2018)

Our plants worldwide hold tours for visitors to enjoy sampling the delicious taste of the Yakult fermented milk drink and learning about its history and why it is good for health.



Yakult Ladies' community support initiatives

See p. 15

● Courtesy visit activities

2,800 Yakult Ladies visited



38,000 elderly people at home



● Community safety watch and crime prevention activities

26,000



Yakult Ladies conducted the activities in cooperation with

878

local governments, and police and fire departments nationwide

(Fiscal 2018)



Promoting health through sports

See p. 16

● Baseball clinics by current players

Participants (Clinics)

1,014 (10)



● Tsubame baseball clinics by retired players

Participants (Clinics)

4,201 (24)

(Fiscal 2018)

Number of Yakult Ladies worldwide

80,000

(Fiscal 2018)



Over 80,000 Yakult Ladies are delivering good health worldwide.

Guest lectures

See p. 6

Participants (Lectures)

Japan **290,000** (4,000)

Outside Japan **3,160,000** (41,000)

(Fiscal 2018)



Health-related lectures

See p. 6

Participants (Lectures)

Japan **370,000** (12,500)

Outside Japan **6,560,000** (120,700)

(Fiscal 2018)



Yakult Group's Actions for SDGs

What are the SDGs?

The world is currently facing a number of economic, social and environmental issues. It has been pointed out that, if the current rate of population growth and global consumption continues, by the year 2030 humanity will need the equivalent of two Earths to sustain itself.

The Sustainable Development Goals (SDGs) were adopted at the September 2015 United Nations Summit to ensure that we do not push the Earth beyond its limits, while also aiming to eliminate poverty and create a society which "leave no one behind." There are 17 goals and 169 specific associated targets to be achieved by 2030.

Achieving these goals requires not only the cooperation of national and regional governments, but also of corporations and civil society.



Goals highly relevant to the Yakult Group: 3, 5, 8, 12, 13

Yakult's three key areas of CSR and their connection to the SDGs

The Yakult Group conducts business activities based on its corporate philosophy of "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." Furthermore, believing that everything on the Earth must be healthy, from water, soil and air to plants and animals including people, we established our corporate slogan — "In order for people to be healthy, everything around them must also be healthy." We have also operated our business based on our convictions to support solving local issues and establish trust with local communities.

Against this backdrop, we have defined our three key areas of CSR: **health, local communities, and the environment.**

These three key areas of CSR and their connection to the SDGs are shown in the illustration on the right.



TOPIC Awarded the SDGs Partnership Award at the second Japan SDGs Award

In December 2018, Yakult Honsha received a Special Award (SDGs Partnership Award) at the second Japan SDGs Award. This award was presented in recognition of Yakult's longstanding contribution towards healthy lifestyles around the world through the production and sale of fermented milk drinks, as well as extending the Yakult Lady home delivery system, allowing health-related information to be disseminated with the delivery of products, from its inception in Japan to other countries where it contributes to people's health and happiness, while also raising health awareness and contributing to employment and the empowerment of women.

Achieving the SDGs through these initiatives

Dispatching guest lecturers and health-related lectures to support healthy and enjoyable lifestyles

Our efforts to achieve the SDGs



Ensure healthy lives and promote well-being for all people regardless of age

Employees from Yakult Honsha branches and marketing companies in each region of Japan visit elementary schools and other locations, where they use scale models and explain in simple terms things like the important role of the intestines and proper daily habits conducive to good bowel functions.

For adults, marketing company employees in each region give health-related lectures at Yakult centers (Yakult Lady sales hubs) and community facilities on a wide variety of topics including the importance of the intestines, probiotics, and seasonal ailments.



Dispatching guest lecturer (Yakult Nara Sales Co., Ltd.)



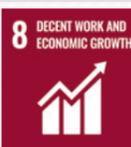
Health-related lecture (Yakult S/A Ind. E Com. (Brazil))

Yakult Ladies worldwide

Our efforts to achieve the SDGs



Achieve gender equality and empower all women and girls



Promote inclusive and sustainable economic growth, full and productive employment and decent work for all

Yakult is well known for the Yakult Ladies who deliver products to homes and offices. Started in 1963, this unique home delivery system has since expanded around the world and become a powerful driver in the expansion of our business.

In regions where women's social advancement is not as well-progressed as other areas of the world, we support their employment with detailed follow-ups. You can find Yakult Ladies active in regions around the world.



Yakult Lady (Yakult S.A. de C.V. (Mexico))

Measures to promote recycling of containers and packaging

Our efforts to achieve the SDGs



Ensure sustainable consumption and production patterns

Issues such as plastic pollution in oceans, global warming, and natural resource depletion have now become global problems. In light of this, Yakult engages in initiatives to promote recycling of plastic containers and packaging.

In January 2019 we announced our Declaration of Action on Plastic Recycling. By 2025, we will establish the foundation for environmentally conscious container and packaging technology, and begin conversion to biomass and other easily degradable materials, working to convert as much as possible by 2030.



Product utilizing a reduced-weight PET container



Product utilizing a thinner plastic label

Cutting CO₂ in production and adopting solar power

Our efforts to achieve the SDGs



Take urgent action to combat climate change and its impacts

At Yakult Honsha plants and bottling companies we have introduced environmentally conscious equipment and LED lighting, and promoted efficient production to reduce CO₂. We are also actively adopting solar power, a clean, renewable source of energy.

In addition, we hold tree-planting activities every May in 14 locations around Japan.



Solar panels installed on the roof of a plant (Yakult Okayama Wake Plant Co., Ltd.)



Tree-planting activities (Hyogo Miki Plant, Yakult Honsha Co., Ltd.)

Yakult Group's Business and SDGs

From research and development to the product you receive at home, Yakult is engaged in a variety of activities in the aim to realize our corporate philosophy of "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."

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.



Fiscal 2018 Highlight

Lactobacillus casei strain Shirota in space?!

Together with the Japan Aerospace Exploration Agency (JAXA), Yakult is conducting the Yakult Space Discovery project to verify the effects of lactic acid bacteria in space. In fiscal 2018 we confirmed that *Lactobacillus casei* strain Shirota maintains its probiotic properties after long-term storage in a space environment.



Sales

Besides the products themselves, we also provide customers with accurate product information as well as information useful for maintaining health.



Fiscal 2018 Highlight

Certified as a Company or Organization Promoting Food and Nutrition Education

Our efforts to provide health-related information through guest lecturers and health-related lectures (see p. 6) were recognized as a form of food and nutrition education by the Japanese Society of Shokuiiku, and we were certified in April 2019 as a Company or Organization Promoting Food and Nutrition Education.



Health-related lecture (P.T. Yakult Indonesia Persada)

Logistics

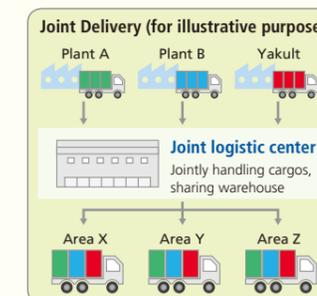
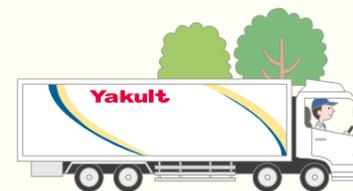
By ensuring eco-driving (fuel-efficient driving) and choosing delivery methods that have reduced environmental impacts, we are reducing the amount of CO₂ emissions deriving from product shipments.



Fiscal 2018 Highlight

Joint delivery with other manufacturers in the Chubu region

Yakult promotes utilizing joint delivery with other manufacturers to reduce CO₂ emissions and make logistics more efficient. In fiscal 2018, we started joint delivery in three new areas in the Chubu region.



Procurement

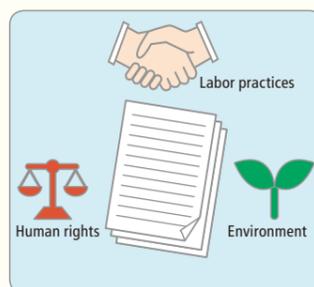
We procure raw materials such as skimmed milk, sugar, flavoring agents through fair trade.



Fiscal 2018 Highlight

CSR procurement survey of 103 business partners

In line with our CSR Procurement Policy, we cooperate with our business partners to promote procurement that considers issues such as human rights, labor practices, the environment, and anti-corruption. In fiscal 2018 we conducted a CSR procurement survey of 103 business partners, which enabled us to see what CSR procurement initiatives each company is taking. We sent feedback about the survey results to the companies which responded, to raise awareness of CSR and encourage voluntary initiatives.



Production

We use finite resources efficiently and employ environmentally conscious methods to manufacture high-quality products that are safe and offer peace of mind to customers.



Fiscal 2018 Highlight

Installing energy-saving container molding equipment

Five plants, including the Fuji Susono Plant, have switched to energy-saving molding equipment to manufacture Yakult and Joie containers.



Electric molding equipment (Yakult Okayama Wake Plant Co., Ltd.)

Special Feature 1: Health

Yakult Nara Sales Co., Ltd.



Aiming to be a health support company promoting active and healthy lifestyles

Yakult Nara Sales Co., Ltd. delivers products to people throughout Nara Prefecture. We are showcasing their activities promoting health in the local community, such as health-related lectures and dispatching guest lecturers, encouraging people to learn about health in an enjoyable way.

Our efforts to achieve the SDGs



3: We contribute to the health of local communities by selling and delivering products that are beneficial for people's health and providing health-related information.

4: We provide accurate information on health for all ages, from children to older people.

5: We contribute to women's empowerment by offering job opportunities as Yakult Ladies.

Message from the President

At our sales centers and all over the town, we disseminate accurate information about health and the value of our products.

Based on the idea of being "a health support company engaged in the local communities," which has been our management slogan since 2007, we conduct activities to disseminate the value of the products that we deliver. We are also focusing on providing health information, through health-related lectures for adults and dispatching guest lecturers for children, giving over 700 talks per year.

We have special seminar rooms at our sales centers* where we provide health information in a wider sense, including topics like diet and exercise. Since 2015, we have also started holding Health Forums for our loyal customers at external facilities. These forums have proved popular each time, with lectures given by university professors and a variety of other offerings such as music.

To support our customers' health, first it is important for our workers to be healthy and active. We offer fully subsidized breast cancer screening for our Yakult Ladies.

We are also focusing on employees' health promotion activities in line with the Yakult Health Insurance Association's "Health-focused Company Declaration."

Our employees and Yakult Ladies will continue to act as a "health support team," contributing to health promotion in the local communities.

Chiyonori Tanigawa

President and Representative Director
Yakult Nara Sales Co., Ltd.

*Sales centers: Yakult Lady sales hubs

Crime prevention agreement with the police

With the growing number of elderly people living alone in Nara Prefecture, cases of fraud targeting these people are on the rise. Yakult Ladies travel around the local area delivering products to people at home, which in itself has a crime prevention effect. As a further way of keeping the communities safe, Yakult Nara Sales has signed crime prevention agreements with local police stations, where Yakult Ladies take part in crime prevention seminars organized by the police, and distribute crime prevention leaflets and stickers to customers to raise awareness.

The company also works with local municipalities on crime prevention activities.



Yakult Ladies receiving certificates from Seiva Police Station

Crime prevention agreements

18

(As of March 2019)

Donations to municipalities

The company makes donations to cities, towns and villages to help maintain and improve the health of people in the community.

In 2018 it donated 1 million yen to Nara City and 500,000 yen to Gojo City, and will continue to make donations in the future.

Total amount donated **3 million yen**
(As of March 2019)

Taxis in Nara City covered in illustrations of Yakult Man, the first of their kind in Japan.

These taxis are so instagrammable that they hit with students visiting Nara on school trips!

(Cooperation: Nara Kintetsu Taxi Co., Ltd.)



Comments from popular lecturers

Making customers smile with enjoyable and beneficial health-related lectures

I give health-related lectures in response to requests from groups such as senior citizens' clubs and women's associations. After many years of experience, I have found that people like having a conversation, rather than listening to an explanation. So I devise ways of conversing in a Q&A format, or conveying the information in the form of a story instead of just giving health facts one by one. I am really happy when I get comments like "I've never laughed as much as I did today!" I also get asked tricky questions about health, and I do my best to give accurate answers as a certified health specialist.



Yoshiki Higuchi
(certified health specialist)
Leader
Customer Satisfaction Promotion Department

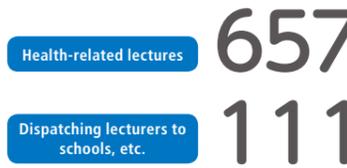
Participatory programs where kids have fun learning about digestive health

I visit elementary schools, kindergartens, nurseries and after-school childcare centers to talk about digestive health. I make the talks fun with activities the children can join in, like calling for the characters before watching Yakult Man animations, and singing a Yakult Man song with simple movements. I sometimes get letters from children, and I am delighted to receive comments like "I would like to work for Yakult like you."



Yayoi Yamamichi
Customer Satisfaction Promotion Department

Lectures given in fiscal 2018



Average 3 lectures per day!*

* Lectures held / working days



From a Yakult Lady

For the health and happiness of my customers

Fuji Sasaki

Yakult Lady
(Kashihara North Sales Center)
Years as a Yakult Lady:
approx. 3 years



I make an effort to talk to customers of all ages, and provide appropriate health information to them. I find ways to make my customers happier and healthier. One of these is my hand-written newsletter. In addition to letting customers know about special offers, I include seasonal health information that people enjoy reading.

In 2019, when we conducted a campaign marking 20 years since the release of Yakult 400, I received a lot of messages from my customers and I was very happy to feel this emotional connection with them.

From Nara Municipal Government

We hope Yakult will continue its activities as a model company for promoting people's health in communities

As part of the Nara City Food Education Network, Yakult Nara Sales holds numerous health-related lectures at various places including schools each year. These feature qualified people such as registered dietitians and certified health specialists as lecturers, and have an excellent track record with a strong support system.

In March 2018, the company donated 1 million yen to Nara City. This money was used to fund a survey of high school students about their awareness on healthy eating habits and to produce an educational leaflet on the issue.

In addition to continuing these activities and sharing their expertise with other groups, we hope that the company will collaborate with other groups, making use of their experience in engaging with people of all ages, from children to elderly people.

Agricultural Administration Section, Tourism and Economy Department, Nara Municipal Government

Mari Mori
Assistant Manager

Junko Tanida
Registered Dietician
Brand Promotion Team



From people in the community

The humorous health-related lectures are popular in the communities

Yakult's health-related lectures use humor to make their points effectively, so people can participate and have fun. For example, they introduce simple and easy-to-learn stretching exercises that take less than a minute, and they teach these in a fun way. There are various programs, so no matter how many times you participate, you won't get bored. These classes are very popular, and we hope they will continue.

Takashi Nishida
Social worker responsible for Kuzumoto-cho, Miminashi District
Kashihara City, Nara Prefecture

Hidekazu Kawai
President
Kuzumoto-cho Residents' Association
Kashihara City, Nara Prefecture



Special Feature 2:
Local communities

Almere Plant, Yakult Europe B.V.

Yakult plants around the world
welcome visitors

At our plants in Japan, we have developed technologies to manufacture safe and high-quality products that offer peace of mind, and these technologies have been implemented at our production sites around the world. Our business is rooted in the local community, based on the concept of local production and local sales, and we consider plant tours to be an important way of communicating with the local communities. Here, we showcase the tour program at Yakult Europe's Almere Plant.

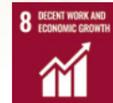
Tours for visitors to enjoy learning about Yakult

Plant tours are a valuable chance to fully explain our company's philosophy, products and production process to people who are interested in the Yakult Group. We aim to make our plants in diverse areas open to tours, so people can have fun learning about Yakult's philosophy and production process.

Since production began in 1996, Yakult Europe's plant in Almere, the Netherlands has welcomed over 200,000 visitors. Business partners are regularly invited to visit, as well as general consumers like schoolchildren and local residents.

Employees act as tour guides, explaining each step in the production process during the tour which takes around an hour and a half. A special viewing corridor allows visitors to see the production lines up close.

Our efforts to achieve the SDGs



12: We encourage visitors' awareness of sustainable consumption and lifestyles by manufacturing safe and high-quality products in an environmentally conscious way, and by providing information about this.

4: We help visitors deepen their understanding of our products and the production process and provide accurate health information.

8: We have our employees act as tour guides for plant tours, aiming for increased motivation and sense of responsibility in their work.

Through these tours, we will continue to build relationships of trust with consumers, business partners and other stakeholders.



Almere Plant, Yakult Europe B.V.

Annual visitors **15,000**
Total visitors to date **over 200,000**

All overseas plants

Annual Visitors **560,000**
(January to December 2018)

[For reference] Total visitors to all plants in Japan in 2018 **280,000**
(April 2018 to March 2019)

Basic information

Location	Schutsuisweg 1, 1332 EN Almere, The Netherlands
Site area	15,002m ²
Employees	70
Production began	March 1996
Products produced	Yakult, Yakult Light, Yakult Plus (65ml)
Supply area	13 countries in Europe

TOPIC Festivals show appreciation to the community

Yakult plants around the world hold their own festivals. At Yakult (Malaysia) Sdn. Bhd., where production began in 2004, the plant's annual festival provides both fun and learning, with Japanese-style events and food stands.

In addition to a sushi making workshop and a costume contest, it features traditional Japanese festival games such as yo-yo fishing and ball scooping, and food stands selling Japanese snacks like *tako-yaki* (octopus dumplings). It also includes a tour of the plant, and is a great success every year.

In addition to deepening interaction with customers and the local communities, this is a valuable opportunity to show people how *Yakult* is produced safely, and to promote the scientific value of *Lactobacillus casei* strain Shirota, leading to an enhanced brand image.



Festival at the plant of Yakult Malaysia

Tour route at the Almere Plant

I will guide you!

Marjan Kuipers-Klinkenberg
Corporate Communication Department
Almere Plant, Yakult Europe B.V.

Start!

1st floor: entrance

Visitors meet in the entrance hall and are welcomed by the tour guide.



2nd floor: PR hall

In the PR hall, we give an outline of the company, our corporate philosophy, the products we make, the functions of *Lactobacillus casei* strain Shirota, and the production process. Visitors can try the products here too.



A fun movie shows the group's history and stories behind the scenes of the Yakult fermented milk drink.

2nd floor: viewing corridor

Quality control room

The tour of the production facilities starts at the quality control room. We explain the production process and our strict quality controls. We also introduce the ingredients used to make the *Yakult* fermented milk drink, and visitors can observe *Lactobacillus casei* strain Shirota under a microscope.



Cultivation room

We explain the fermentation process, and visitors can see the large-capacity tanks up close.



Filling room

Visitors can watch the high-speed filling process.



Goal!

Seeing off visitors

The tour guide shows visitors out, and sees them off with words of thanks. All visitors receive *Yakult* products as a souvenir.



The on-site shop sells lots of *Yakult* merchandise not available anywhere else!

Providing *Yakult* to food banks

Yakult Europe B.V. provides products that are reaching their best-by date to VLA, an organization that operates food banks in Almere, the Netherlands. In 2018 the company donated a total of 21,840 bottles.



Yakult in refrigerators at a food bank

Comments from visitors

[From a local resident] I now understand how bacteria work and the features of the products. I am glad there is a wonderful company like *Yakult* here in Almere that is beneficial to people's health.

[From a student] I am glad I was able to join the tour at the plant. I was very impressed by the highly safe production process. I am studying about microorganisms, so the explanation was useful.

[From a business partner] I think the story of how *Yakult* strives to create value in society is very clear and beautiful. It is very interesting that the *Yakult* fermented milk drink is sold everywhere in Europe*.

*As of March 2019, it is available in 13 countries in Europe

Special Feature 3: Environment

Coexisting with nature and producing in harmony with the environment

Yakult Okayama Wake Plant Co., Ltd. is a dairy product plant that opened in 2014. Here we introduce their eco-conscious initiatives and other activities.

Yakult Okayama Wake Plant Co., Ltd.



Our efforts to achieve the SDGs



Along with manufacturing safe and high-quality products, efficient production and environmentally conscious equipment has helped reduce CO₂ emissions, waste, and water usage. We also contribute to conserving biodiversity with cleanup activities around the plant and appropriate wastewater treatment.

Basic information

Location	269, Aza Takayanagi Taharashimo, Wake-cho, Wake-gun, Okayama, Japan
Site area	62,011.84m ²
Employees	Approx. 160
Production began	November 2014
Products produced	New Yakult, Yakult 400LT
Supply area	Chugoku, Shikoku, Kinki, and Chubu regions, East Japan (some areas)

Message from the President

We strive to further reduce our impact on the environment with improved production efficiency and greater environmental awareness among employees.

Located in an area with abundant nature, the Yakult Okayama Wake Plant is responsible for everything from mixing and filling to packaging and shipping of dairy products. We maintain a high level of product quality and safety based on HACCP,*¹ ISO 9001,*² and ISO 14001.*³

In the planning of our plant, we considered not only product quality and operational efficiency, but also aimed to reduce CO₂ emissions and water usage by utilizing various kinds of environmentally conscious equipment.

Our activities are centered around having "heart, technique and physical strength — the three traditional qualities of a martial artist — and the right tools." The "heart" is Shirota-ism and the Yakult corporate philosophy, the "technique" is knowledge and skills, the "physical strength" is the health and safety of our employees, while the "right tools" are our equipment. For our "technique," we promote the plan-do-check-act (PDCA) cycle based on ISO standards at a variety of levels. We also engage in environmental education, using ISO 14001 as a reference, so that employees are aware of their own role from an environmental standpoint within operations. With our "tools," we are improving product quality and saving energy by improving machine production efficiency.

Operating the plant efficiently to further environmental activities is the job of people, not machines. We will continue striving for overall plant improvement by perfecting our "heart, technique and physical strength," and by fostering a company culture where employees learn not only according to a plan, but also daily in all duties, where those with experience feel they can pass down skills and knowledge for even the most trivial things.

Hirosuke Miyoshi

President and Representative Director
Yakult Okayama Wake Plant Co., Ltd.

*1. HACCP: A system for assuring safety by implementing thorough hygiene management across the entire manufacturing process
*2. ISO 9001: An international standard for quality management systems
*3. ISO 14001: An international standard for environmental management

For better working environments

The plant is engaged in creating comfortable environments where people can work comfortably. Ventilation equipment and air conditioning has been installed in the molding room where Yakult containers are produced to maintain a comfortable room temperature. In the filling room, where containers produced in the molding room are filled with the Yakult liquid and sealed, the noise level has been lowered by installing acoustic absorbers on the walls.

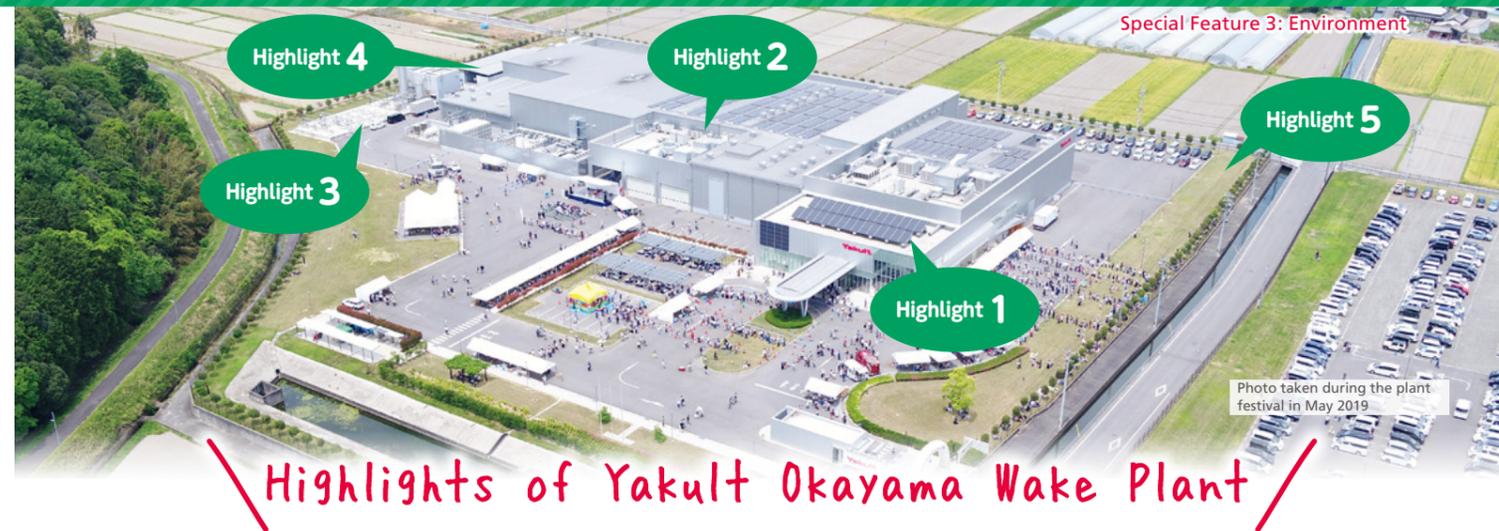


Molding room with air conditioning

For employees' health

To benefit the mental and physical health of employees, the plant holds various health-related workshops, promotes cancer screenings, and is engaged in mental health care through active communication. In June 2018 the plant was awarded silver certification as a company promoting health by the Tokyo Federation of the National Federation of Health Insurance Societies.

The plant also contributed to the establishment of the Wake Town Health Promotion Plan, where they introduce health improvement initiatives at the plant.



Highlights of Yakult Okayama Wake Plant

Highlight 1 Utilizing renewable energy (Solar power)

Solar panels are installed on the front wall of the office building, parking lot roof, and roofs of the office and production facilities. The plant has achieved efficient power generation leveraging the many days of sunshine in the region.

Power generated **312,497 kWh** (fiscal 2018)



See-through type solar panels mounted on the roof let the sunlight filter through, like the leaves of a tree



Current power generation is displayed at the special viewing corridor for plant tours

Highlight 2 Reducing CO₂ emissions (installing energy-saving equipment)

Using various kinds of eco-conscious equipment has allowed the plant to reduce CO₂ emissions in production. In addition to switching to energy-saving molding equipment, the plant utilizes thermal storage systems in coolant production processes, using energy stored from the nighttime hours to contribute to peak load shifting. LED lighting is used in almost all rooms, and motion sensor switches have been installed to lighting in low-traffic areas.

CO₂ emissions **6,457 t-CO₂** (fiscal 2018)

Highlight 3 High-level wastewater treatment and reduced water usage

Cleaning water and other wastewater generated in production is treated using highly-concentrated anaerobic processing and Yakult filter material.* Water discharged into river systems is controlled based on Yakult's voluntary standards that are more stringent than the standards stipulated by laws and regulations. Wastewater collected in the plant treatment facility and some rainwater is filtered and stored for watering green spaces at the plant, reducing actual water usage.

*Yakult filter material: Yakult containers with the bottoms removed. Microorganisms inhabiting this material break down contaminants in the water.



Wastewater treatment facility

Yakult filter material at work inside purification tanks!

For more information on our plant wastewater treatment using Yakult filter material, see <https://www.yakult.co.jp/english/csr/environment/water/>

*Photo is for illustrative purposes only

Highlight 4 Comprehensive waste separation and recycling

In an initiative aimed at zero emissions, waste matter is separated by type, such as paper, aluminum, and plastic, and then recycled.



Waste separation station

Highlight 5 Tree-planting activities

The plant participates in Japan's Green Wave biodiversity campaign every year, and planted Yoshino cherry trees in 2017 and 2018.



From the Environmental Promotion Committee

Masatoshi Eidome
Assistant Facility Manager
Committee Secretariat



Toyozo Tanimoto
Chief Facility Manager
Committee Chairman



We are striving to reduce CO₂ emissions, waste, and water usage, and have set forth an environmental plan based on the Yakult Honsha CSR Action Plan. In addition to cleaning up the areas around the plant and nearby Yoshii River, we hold training for all employees about environmental laws, raise awareness of environmental responsibility during operations, and also enhance awareness of the environmental impact the plant has on the local region by conducting educational training using a hypothetical scenario where harmful substances have leaked into the river.

We're on Our Way!

Yakult Group's CSR Activities

We are involved in all kinds of CSR activities, all around the world. Here, we introduce the main initiatives and achievements in each region in fiscal 2018.

Japan

Food and nutrition education lectures on trams (Yakult Kagoshima Sales Co., Ltd.)

With the cooperation of Kagoshima City Transportation Bureau, Yakult Kagoshima Sales held lectures on food and nutrition education on board trams in Kagoshima City. They used the company's guest lecturer dispatching program to explain healthy eating habits conducive to good bowel functions. The decorated trams attracted a lot of attention in the city.



Intestinal health lectures at Chiba Prefectural School for the Blind (Yakult Chiba Sales Co., Ltd.)

As this was Yakult Chiba Sales' first visit to a school for visually impaired students, they held discussions with the school in advance, then adapted the talk by making the text larger on the presentation slides, and getting the school to write out the information in Braille. After the visit, the company received letters of thanks from the students written in Braille.



Tours for journalists from outside Japan (Yakult Honsha Co., Ltd.)

Since 2004, we have been running a tour program for journalists from regions where we operate, allowing them to visit Yakult Honsha to find out about the functions of probiotics, Japanese food customs, food and nutrition education, and our business. In 2018, a total of 19 journalists from eight countries took part in the program.



Forty-seven years of Courtesy Visit Activities



(Photo: Yakult Ryomo Sales Co., Ltd.)

Since 1972, Yakult Ladies have been visiting elderly people living alone as they make their deliveries, to confirm that they are safe and to spend some time chatting with them.

Every year since 2005, Yakult Ladies present flowers to elderly people on Respect for the Aged Day. In 2018, the gift was a carnation with a message.

Community safety watch and crime prevention activities

Being well positioned to observe every corner of their sales areas during their daily deliveries, Yakult Ladies contribute to communities' safety and peace of mind by participating in crime watch and other activities undertaken in cooperation with local governments and police units as well as other local organizations around Japan. As a result of these activities, there have been cases where Yakult Ladies have felt something was not normal at a customer's residence and reported it to the police, who have found and rescued the person.

As of March 2019, 103 marketing companies* throughout Japan have created organizations to contribute to communities' safety and peace of mind.

* Including marketing companies under holding companies



Support for victims of the Hokkaido Eastern Iburi Earthquake (Yakult Sapporo Sales Co., Ltd.)

Yakult Sapporo Sales provided Yakult products to evacuation shelters set up in Sapporo City after the Hokkaido Eastern Iburi Earthquake that occurred in September 2018. The following February, the company received a letter of gratitude from Sapporo City.



Fourth Yakult kids picture contest (Yakult Saitama Hokubu Sales Co., Ltd.)

This contest invites the children of Yakult Ladies, from the age of one to pre-school age, to draw pictures on the theme of "My working mom." Prizes were awarded to 10 children, who enjoyed a parents-and-kids yoga class after the prize ceremony.



Supporting Hiroshima Prefecture's breakfast promotion project (Yakult Yamaguchi Ken Tobu Sales Co., Ltd.)

Hiroshima Prefecture is implementing a project to provide free breakfast to elementary school children. It aims for ensuring that all children eat breakfasts to keep healthy circadian rhythm and eating habits and preparing a learning environment for better achievement. In response to this issue, the company provided Yakult 400 to the project.

Supporting health promotion and children's healthy development

Together with the Yakult baseball team, we hold various sports activities at Yakult Honsha and marketing companies.

- Junior track and field clinics
- Yakult Junior Cup
- Running clinics
- Ball-throwing clinics
- Baseball clinics
- Tokyo Yakult Swallows Cup (junior rubber baseball tournament in Tokyo's 23 wards)



Oldest Yakult Lady retires at the age of 96 (Yakult Shonan Sales Co., Ltd.)

Since the introduction of the Yakult Lady system in 1963, we have supported women's social advancement. Ms. Ozawa, who retired in March at the age of 96, had been a Yakult Lady for 56 years. At her retirement party, she said, "My greatest wealth was being able to meet such wonderful customers."



2018 Yakult World Convention (Yakult Honsha Co., Ltd.)

The Yakult Group holds a World Convention every three years to recognize the achievements of our employees and Yakult Ladies who deliver good health to our customers, and to strengthen the bonds within the Group. In 2018 we held the meeting in Kyoto, a place closely connected to our founder Dr. Shirota, with around 2,700 participants. This was an opportunity to reaffirm our contribution to a healthy society and the growth of the Group for the future.



(Photo: Yakult Vietnam Co., Ltd.)



(Photo: Yakult Utsunomiya Sales Co., Ltd.)

Creating enjoyable working environments and encouraging work-life balance

We strive to create working environments where every employee can be healthy and active.

- Yakult Honsha has received "White 500" certification for two consecutive years, for proactively promoting employee health and productivity management.



- Yakult Iwate Plant has been certified as a Youth Yell Company for proactively employing and training young people.

Twenty-six years of cleanup activities at Enoshima beach (Shonan Cosmetics Plant)

Yakult Honsha, marketing companies and plants are all actively involved in local cleanup activities. The Shonan Cosmetics Plant has taken part in the Zero Trash Clean Campaign at Enoshima beach for 26 years running. This also deepens ties with the local communities.



Asia / Oceania

Pink Ribbon campaign with the Ministry of Health (Yakult Vietnam Co., Ltd.)

In collaboration with the Vietnamese Ministry of Health, Yakult Vietnam supports the Pink Ribbon campaign headed by the National Cancer Hospital of Vietnam. Awareness of breast cancer is still low in Vietnam, so it is very important to promote breast cancer prevention awareness and screening. In 2018, the company supported awareness activities and breast cancer screening for 10,000 people, and donated 384 million dong (approximately 2 million yen).



Recognition for outstanding students at polytechnics* (Yakult (Singapore) Pte., Ltd.)

Singapore is well known globally for having a high level of education, but struggles with the issue of top students moving to other countries to work. As a company rooted in the local area, Yakult Singapore presents awards to students achieving top grades at polytechnics, encouraging them to seek employment with a local company after they graduate.

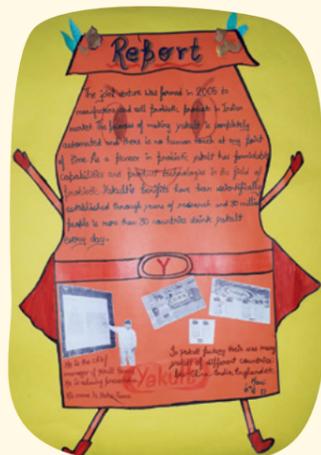
*Polytechnic: An institute of higher education offering three-year vocational courses, where students can earn a diploma in advanced subjects directly related to a career



Learning support combined with social studies visit (Yakult Danone India Pvt. Ltd.)

In collaboration with the Japanese Language Teachers' Association of India in Delhi, Yakult Danone India provided learning support to a total of 103 Indian students learning Japanese and their teachers, combined with a social studies visit.

The company invited the students and teachers to visit the Yakult Danone India plant, where they explained the business and the role of the plant, the benefits of Yakult products and the importance of healthy intestines, using simple Japanese. After the plant tour, the students produced posters and reports.



Sponsoring a Super Rugby team (Yakult Australia Pty. Ltd.)

Yakult Australia supports mini rugby games to introduce children to rugby during half-time at games of the local rugby team, the Melbourne Rebels. 80 children took part in 2018. The company also collected donations on the Melbourne Rebels' Yakult Match Day raising a total of 11,200 Australian dollars (approximately 900,000 yen) for local hospitals.



Project to donate used soccer shoes (Yakult (Malaysia) Sdn. Bhd.)

Since 2014, Yakult Malaysia has been involved in a project to donate around 200 pairs of used soccer shoes from Japan to elementary schools in Malaysia. In 2018, the company donated soccer shoes to children whose families could not afford to buy them, at elementary schools in areas affected by severe flooding during the rainy season.



Support for regions in poverty (Guangzhou Yakult Co., Ltd.)

There are many impoverished regions in China where it is difficult for government support to reach, such as mountainous areas and rural agricultural communities, as well as children who are left alone at home while their parents work away from home in urban areas of the country. In cooperation with Shenzhen University, since 2008 Guangzhou Yakult has been holding activities to support children at elementary and junior high schools in underprivileged regions. In 2018, the company employees participated in activities held at three schools in the Shenzhen region and three in Guangzhou.



Doing away with plastic straws (Yakult (Malaysia) Sdn. Bhd. and Yakult (Singapore) Pte., Ltd.)

A worldwide movement has emerged to reduce the use of plastic. In Malaysia and Singapore, we have removed plastic straws from the packaging of products.

Planting trees and reducing poverty in local communities (P.T. Yakult Indonesia Persada)

Deforestation has become a serious issue in Indonesia. Poverty is one factor contributing to the destruction of forests by illegal logging, increasing the risk of disasters from river flooding and landslides. Yakult Indonesia has been carrying out activities to plant trees in the area around our plant, and to reduce poverty in local farming communities. In 2018 we donated 16,000 seedlings to NGOs, and 100 wells to local communities.



"Million Trees Project" (Yakult China Group)

Since 2015, the group has participated in a public afforestation initiative in the Inner Mongolia Autonomous Region, contributing to combating desertification. During these four years, 8,000 trees have been planted, with an average survival rate of 67.85%, according to an NGO study.



The Americas / Europe

Compliance and respect for human rights in employment interview (Yakult U.S.A., Inc.)

Yakult U.S.A., which is in a multi-ethnic country, has developed a manual for employment interviews with guidelines on questions to use and avoid. The company conducts interviews with extreme caution in order to ensure that applicants do not feel discrimination by avoiding questions which are not relevant to the job, such as questions about religion or place of birth.

Questions to use and avoid during a job interview (sample)

Use	Topic	Avoid
Questions about working hours, dates, and shifts "Will you be able to work on Sundays?"	Religion	Questions about religion / Inquiring about the timing of religious observances
Statement of company policy restricting family / relatives from working together	Gender, marital status, family status	Questions about gender, marital status, children and spouse / Questions about pregnancy, childbirth, possibility of future pregnancy "Do you intend to get married?"

Visiting orphanages (Yakult S.A. de C.V. (Mexico))

Orphanages in Mexico often rely on government funding and donations, so facilities are out of date and meals are of a minimal standard. Yakult Mexico visits orphanages to help with health promotion. In 2018, 108 visits were made to 47 orphanages.



Meeting legal target for employment of people with impairment (Yakult S/A Ind. E Com. (Brazil))

In Brazil, companies must maintain an employment rate of 2% to 5% for people with impairment, depending on the total number of employees, but only around 40% of companies actually achieve this target. Yakult Brazil established a committee for employment of people with impairment in 2016. As a result of implementing measures such as accessible workplaces and reduced working hours, in 2018 the company had 132 employees with impairment, over 5% of the total.



Switching from plastic film to paper packaging (Yakult Europe B.V.)

Yakult Europe B.V. has switched to paper carton packaging in some countries instead of plastic shrink film. This has reduced the use of plastic film by approximately 12,441 kg per year.



Health-related lectures addressing local issues (Yakult S/A Ind. E Com. (Brazil))

Nutritionists give health-related lectures at support facilities for the elderly, children's and youth groups, and junior and senior high schools. Participants have given feedback such as "This is a wonderful project to provide nutritional information to underprivileged families" and "I now understand the importance of the health of the intestines."

Yakult

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