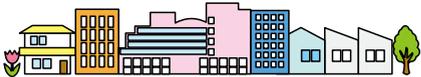




Yakult CSR Communication Book 2021

Yakult

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Message from the President

We remain dedicated to helping our customers and society at a time when both values and lifestyles are undergoing significant changes

Hiroshi Narita
President and Representative Director



In June 2021 the Yakult Group launched our management vision, Yakult Group Global Vision 2030. Setting qualitative goals of delivering good health to as many people as possible around the world, offering customers new value that matches their needs, and realizing a society in which people and the planet co-exist, we aim to evolve into a healthcare company that continues contributing to people's health around the world.

To achieve these three goals in the midst of worsening climate change and other global issues, we identified six material themes for improving sustainability based on the standpoint of contributing to the Sustainable Development Goals (SDGs). At the same time, we established the Yakult Group Environmental Vision to unite people and planet as one, and will engage in effective measures to protect the global environment

with the aim of achieving net-zero greenhouse gas emissions in the value chain (in scopes 1, 2 and 3) by 2050. [▶ p.4](#)

The Yakult Group has also become a Signatory to the United Nations Global Compact (UNGC) international framework. We support the 10 principles of the UNGC and will further bolster our sustainability initiatives while partnering with all of our stakeholders to realize a sustainable society.

There is as of yet no end in sight to the COVID-19 pandemic that emerged in early 2020. We are reaffirmed that continuing to deliver good health is the Yakult Group's ultimate mission, even under these difficult circumstances, and will do everything we can for our customers and society.

Corporate Slogan

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

The belief embodied in our corporate slogan

Yakult believes that everything on the Earth must be healthy—from the water, soil, air, plants and animals to humans—in order for people to be able to live healthily and to build a sound society.



This Communication Book provides a clear and easy-to-understand summary of Yakult Group initiatives. For more detailed information and data, please visit our website.

CSR

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

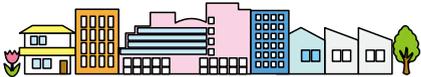


Company Profile

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



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Yakult's Impact on Society

The Yakult Group impacts society in various ways through our business activities.

We're working on six material themes—climate change, plastic containers and packaging, water, innovation, value co-creation with communities and supply chain management—to maximize our positive impacts and minimize our negative impacts.

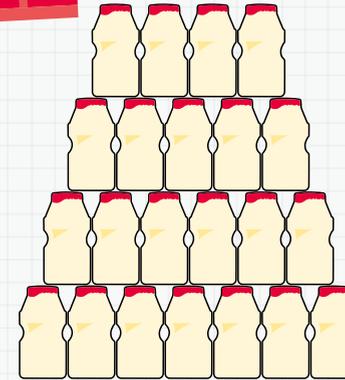
Number of Yakult dairy products consumed each day

Over **40** million bottles

March 2021



Yakult is enjoyed all around the globe!

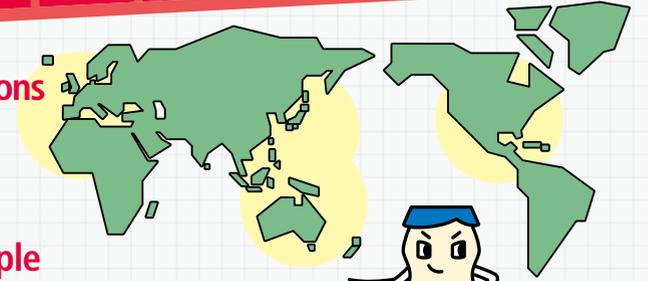


Marketing population in countries and regions where we operate

In 40 countries and regions
Around

2.4 billion people

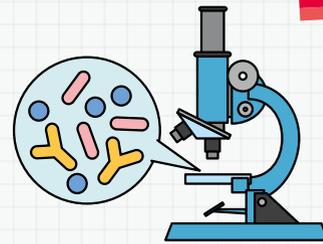
Yakult is sold in **Asia (including Japan), Oceania, Europe and the Americas!**



Innovation

Number of patents held by Yakult in and out of Japan

Around **1,000**



This figure shows the outcome of our **ongoing commitment to Research and Development!**

Value co-creation with communities

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

Around **36,000** people

March 2021

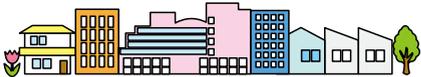


Yakult Ladies visit elderly people living alone as they make their deliveries to find that they are safe and to spend time chatting with them!



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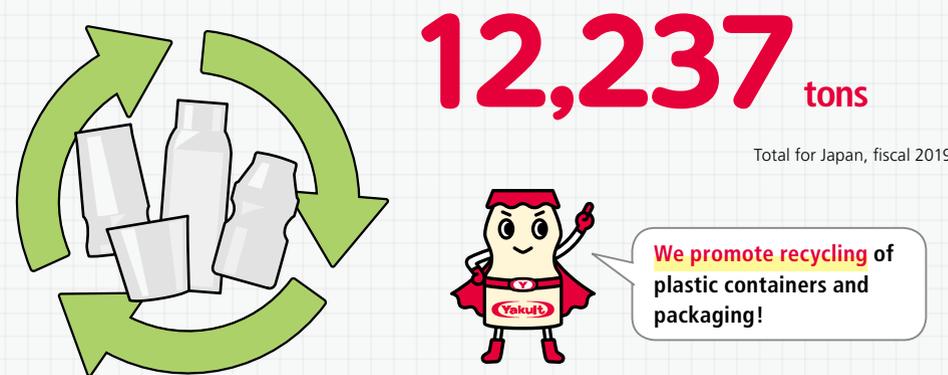
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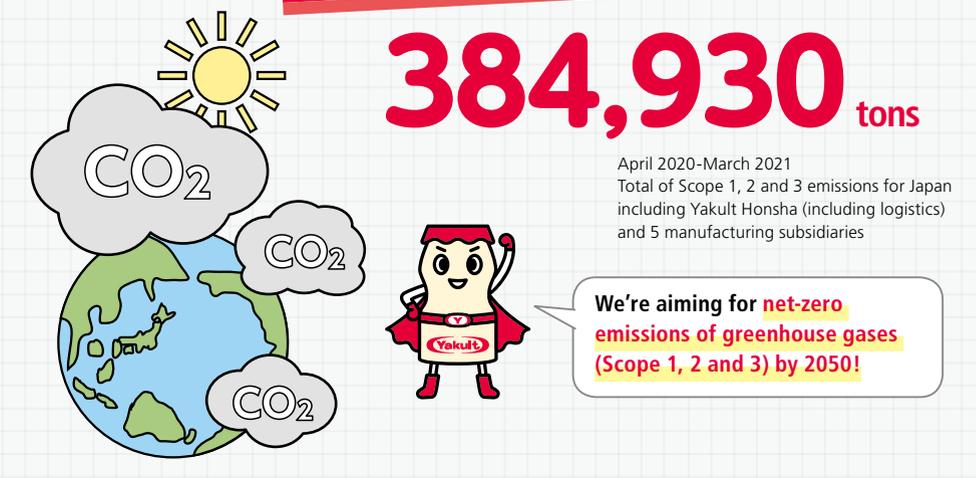
Supply chain management
Primary suppliers involved in production of "New Yakult"



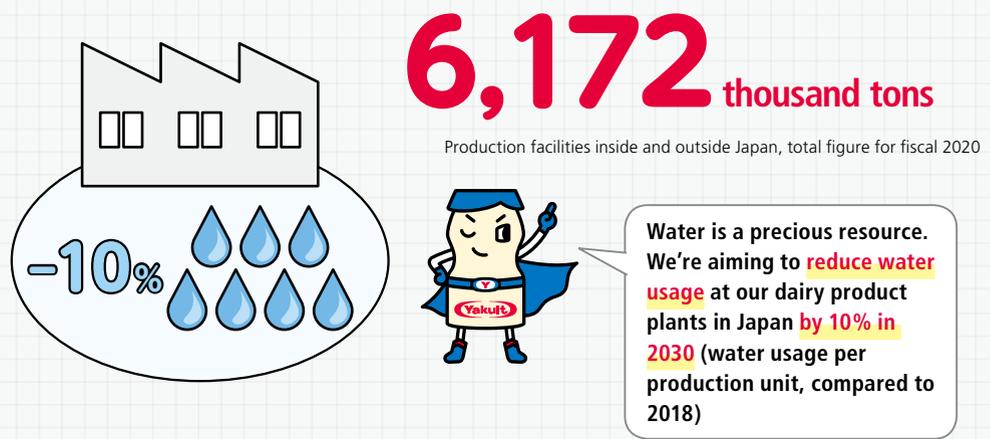
Plastic containers and packaging
Amount of plastics used



Climate change
Greenhouse gas emissions

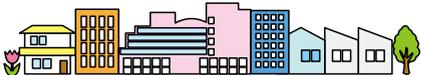


Water
Amount of water used



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Yakult Group Materiality

Climate change



Our approach

We recognize that climate change is a critical issue for the Yakult Group's business continuity. As global society works toward net zero, the Yakult Group will cut GHG emissions by working on setting fixed targets, advancing more energy saving initiatives and actively introducing renewable energy.

We're working hard to reduce GHG emissions!




Yakult Group Environmental Vision 2050 was created in March 2021



We created a vision of uniting people and planet as one.

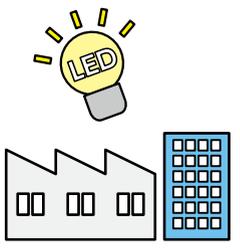


The world is experiencing climate change and various other environmental issues that grow more severe with time. In March 2021, the Yakult Group, which has business operations globally in 40 countries and regions including Japan, created the Yakult Group Environmental Vision to reduce negative impact and promote our efforts with a positive impact on the global environment with the aim of uniting people and planet as one.



Reducing CO₂ emissions at Yakult Honsha plants, bottling companies, and marketing companies

At Yakult Honsha plants and bottling companies, we have been reducing CO₂ emissions by switching to LED lighting, improving equipment and production efficiency, using solar power generation, and other initiatives. We also changed the pump supplying cold water to storage tanks to operate intermittently, in order to reduce power consumption and CO₂ emissions. We are also introducing electric vehicles to reduce CO₂ emissions of delivery vehicles used by Yakult Ladies at marketing companies.



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Yakult Group Materiality

Plastic containers and packaging



Our approach

The Yakult Group aims to establish the foundation for environmentally conscious container and packaging technology in order to address the growing global issues related to plastic waste, such as environmental pollution and recycling of resources. We plan to reduce the environmental impact of our plastic containers and packaging, and make the transition to easily recyclable materials at the same time.

We're working hard to adopt environmentally responsible container and packaging materials.




Reducing environmental impact of our containers and packaging

The Yakult Group announced the Declaration of Action on Plastic Recycling in January 2019. We are working on concrete initiatives such as converting to containers and packaging made with easily-recyclable or environment-conscious materials in order to reduce our environmental impact.

Utilizing biomass

In October 2020 we transitioned to using bioplastic in the straws and multi-pack shrink-wrap for *Yakult no Hakko Tonyu* in Japan. Yakult Europe B.V. is also working to raise its environmental responsibility further by utilizing biomass, which is a renewable organic resource that comes from plant or animal materials, to switch from plastic to paper carton packaging.



It indicates that biomass plastics is being used for a straw.

Declaration of Action on Plastic Recycling (summary)

- The Yakult Group is engaged in initiatives that promote recycling of plastic containers and packaging.
- 2025 target**
We will establish the foundation for environmentally conscious container and packaging technology, and begin conversion to easily-recyclable materials such as biomass, recycled, and biodegradable materials.
- 2030 target**
We will work to convert to easily-recyclable materials as much as possible while keeping up with developments in recycling markets, environmental infrastructure, and other external environmental facilities.
- Moving forward, we will actively promote resource recycling initiatives, further implementing initiatives beyond these to reduce the amount of plastic used in containers and packaging, and reuse plastic packaging materials in our production processes.

Use of bioplastic is indicated on the package of "Yakult no Hakko Tonyu"



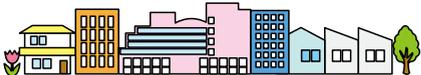
この商品のストローは、植物由来の原料を25%以上使用した、環境にやさしいバイオマスプラスチックでできています。



Biomass plastic mark

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Yakult Group Materiality

Water

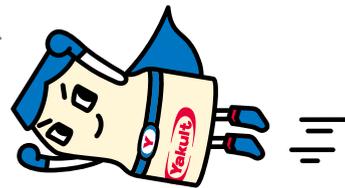


Our approach

Water is a finite resource on Earth. In recent years, water-related disasters, the gap between water supply and demand, and other problems concerning water have become global issues. These are critical issues for our business operations, which use water as a raw material. The Yakult Group had set fixed targets to reduce water consumption (per production unit) and formulated management plans to address water risks at production sites in order to promote the conservation and sustainable use of water resources.

We're conserving our water resources!

Related SDGs



Advancing water crisis management

To use water sustainably, each plant must recognize and manage its water risk, which includes forecasting water supply and demand, the potential risk of water-related disasters, and impacts on public health and ecosystems. We have thus commissioned an external organization to assess our levels of water stress (the ability or inability of the water supply to meet the demand) using WRI Aqueduct* and other tools since 2017.

* A tool for evaluating water risks developed by the World Resources Institute (WRI), a global environmental NGO

Water risk assessment in areas with production bases (Fiscal 2020)

	No. of bases	Extremely high	High
Japan	12	1	3
Outside Japan	27	9	7
Supplier bases	372	35	77
Total	411	45	87

WRI Aqueduct: Future Projections/2040/Pessimistic

Actively reusing water at Yakult plants

- **Fukushima Plant, Japan:** Reused concentrated impure water generated during the water purification process for product manufacturing to cool products and machinery
- **Ixtapaluca Plant, Mexico:** Water treated at wastewater treatment facilities is reused to water greenspaces around the plant
- **Bangkok and Ayutthaya Plants, Thailand:** Treated water is purified using microfilters and used in toilets or for washing pallets, transport vehicles, and wastewater facilities
- **Tianjin Plant, China:** Created an online wastewater monitoring system networked with the Tianjin Ecology and Environment Bureau to lawfully discharge sewage

We're reducing the volume of pumped groundwater and giving due consideration to the local environment.



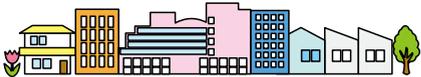
Using treated wastewater to water greenspaces (Yakult S.A. de C.V. (Mexico))



Using treated water from wastewater facilities for watering lawns (Yakult (Thailand) Co., Ltd.)

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Yakult Group Materiality

Innovation



Our approach

We recognize that in order for the Yakult Group to continue growing sustainably. We need to engage more in product development through the pursuit of excellence in life science, as well as create services that provide new value. We will listen to feedback from our stakeholders and generate innovations that help find solutions to social issues, to bring about our evolution toward a healthcare company.

We'll keep providing new value!



Related SDGs



Advancing bacteriology research for human health

At the Yakult Central Institute, the pillar of our research activities is on intestinal microbiota from the perspective of preventive medicine and probiotics* that help maintain and enhance the health of people. We are studying the difference between the intestinal microbiota of people in Japan and those around the world, as well as determining the relationship between the intestinal microbiota and diseases to contributes to the health.

For example, our research confirmed that regular consumption of beverages with *Lactobacillus casei* strain Shirota* helps relieve stress and improve sleep quality for people under temporary mental stress. These findings led to the launching of the fermented milk drink *Yakult 1000*, which contains 100 billion *Lactobacillus casei* strain Shirota per 100 ml bottle.

* Defined by FAO/WHO in 2002 as "live microorganisms which when administered in adequate amounts confer a health benefit on the host"
* Classified as *Lacticaseibacillus paracasei* strain Shirota since April 2020



Intestinal flora analysis system YIF-SCAN®

Collection of microorganisms such as lactic acid bacteria and bifidobacteria

Joint study with the National Institute of Nutrition, Ministry of Health, Vietnam



Yakult Central Institute

A joint study with the National Institute of Nutrition in Vietnam showed that continuous consumption of dairy products containing *Lactobacillus casei* strain Shirota by young children* in Vietnam lowered the incidence of constipation and acute respiratory infections, as well as tended to lower the incidence of diarrhea. The results were published in the European Journal of Clinical Nutrition (September 28, 2020).

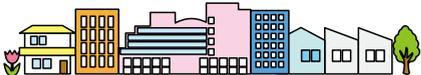
* Subjects are 3 to 5 years old
<https://www.yakult.co.jp/news/file.php?type=release&id=160136809325.pdf>



We actively engage in research that aims to address health problems.

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Yakult Group Materiality

Value co-creation with communities



Our approach

Based on our corporate slogan "In order for people to be healthy, everything around them must also be healthy," the Yakult Group recognizes the importance of co-creating value with communities and continuing our business activities in harmony with the environment. We also actively participate in building safer communities and contribute to local development for a sustainable society using our unique regional network of Yakult Ladies who deliver our products to customers.

We play a part in local communities and support their development!



Related SDGs



Dispatching guest lecturers and health-related lectures



We dispatch our employees to elementary schools and other locations to explain things like the important role of the intestines and proper daily habits conducive to good bowel functions in simple terms. For adults, health-related lectures are held on a wide variety of topics. To continue providing information on health without necessitating physical contact, we are also planning to launch these activities online.

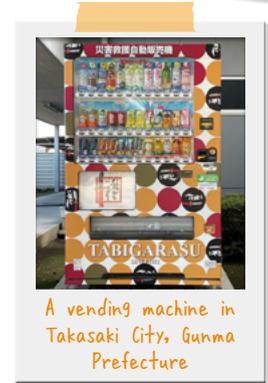


Dispatching guest lecturers (Japan)

Community safety watch and crime prevention activities

While delivering products to their sales areas, Yakult Ladies contribute to communities' safety and peace of mind by participating in crime alert and other activities undertaken in cooperation with 925 local governments and police units around Japan.

In addition We have made agreements with local governments and installed vending machines of disaster-relief models that will distribute their merchandise free of charge following severe earthquakes and other disasters, as well as models that incorporate security cameras to contribute to the safety and peace of mind of local communities.

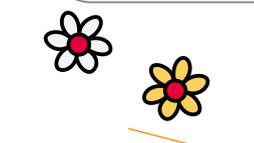


A vending machine in Takasaki City, Gunma Prefecture

We are actively participating in "safe and secure" community development!

Support for elderly people living in poverty

Since February 2020, Yakult Deutschland GmbH in Germany has supported Herzwerk, a regional social project that cares for elderly people living in poverty in Dusseldorf. They sponsored and prepared healthy breakfasts that were distributed to the elderly, and also donated one euro for every Herzwerk digital Christmas card sent, which was used to fund Easter presents for elderly people.

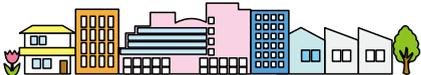


Presents for the elderly (Yakult Deutschland GmbH)



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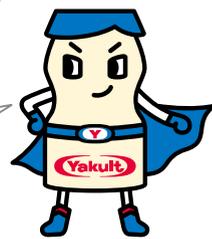
Supply chain management



Our approach

Promoting sustainable procurement is an important theme in achieving our management philosophy. Based on the Yakult Group CSR Procurement Policy, we actively communicate with our business partners to help them understand our approach to sustainable procurement and what we are aiming to achieve. By considering our social and environmental impact and reducing risk throughout the supply chain, we will help improve the sustainability of society.

We're focusing on the whole supply chain!




Sustainable procurement with our business partners



The Yakult Group works with business partners to promote sustainable procurement throughout the supply chain. In July 2020 we created the Yakult Group Supplier CSR Guidelines. We also confirmed and evaluated suppliers' engagement using surveys and audits, and took appropriate steps to rectify any issues that arose with the aim of improving the sustainability of society.

Supporting communities with local employment and sourcing

To contribute to the sustainable development of the countries and regions where we operate, we develop our global business with a local focus based on local production and sales using raw materials that can be stably procured and satisfy our product quality and safety standards.

Yakult currently operates in 40 countries and regions including Japan, with 29 overseas companies. We have established sales offices and production plants with deep ties to local communities, and actively hire local employees.

Our global business has a local focus!

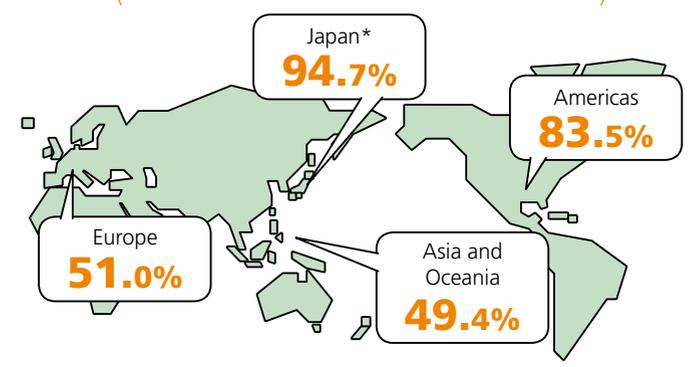


Basic policy on sustainable procurement

Yakult Group CSR Procurement Policy (Established in March, 2018)
Recognizing the importance of sustainable procurement that takes into consideration issues such as human rights, labor, the environment, and anticorruption, the Yakult Group will promote sustainable procurement throughout the supply chain, in cooperation with our business partners.

- 1 Respect regulatory compliance and international codes of conduct**
We will comply with national and local laws and regulations, respect international codes of conduct, and promote fair and equitable procurement activities.
- 2 Consider human rights, labor, safety and health**
We will prohibit the use of child labor and forced labor, respect fundamental human rights, and promote procurement activities that take into consideration the work environment, safety and health.
- 3 Ensure safety and quality**
We will promote procurement activities, giving attention to cost and stable supplies, and aim to ensure high quality and safety.
- 4 Consider the global environment**
We will promote procurement activities that comply with the Yakult Basic Policy on the Environment and take into consideration the global environment.
- 5 Maintain information security**
We will strictly control confidential information on procurement transactions and use it only for legitimate purposes.
- 6 Coexist with society**
We will promote procurement activities that take into consideration social contributions towards coexistence with society

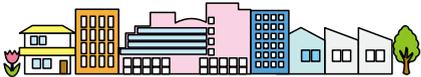
Percentage of locally sourced raw materials for dairy products (fiscal 2020)



* Includes imported raw materials that receive final processing in Japan

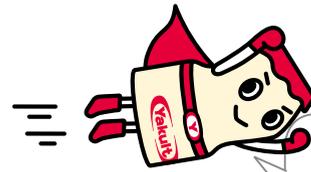
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The Yakult Group's Business and the SDGs

From research and development to the product customers receive at home, Yakult is engaged in a variety of activities working towards achieving the SDGs.



Take a look at our business activities and results!



Research and Development

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.



2020 Highlight

Low-sugar/low-calorie products available

- Low-sugar/low-calorie products are sold in 30 of the 39 countries and regions where we operate outside Japan



Product sold in Malaysia

Procurement

We procure raw materials such as skim milk powder, sugar and packaging materials through fair trade.



2020 Highlight

Providing information and training on the Yakult Group CSR Procurement Policy

- Sustainable procurement workshops (2 workshops)
- Lectures from external experts and group discussions



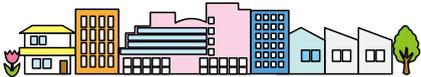
Yakult Group Supplier CSR Guidelines



Sustainable procurement promotion meeting

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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.

6 CLEAN WATER AND SANITATION

8 DECENT WORK AND ECONOMIC GROWTH

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

17 PARTNERSHIPS FOR THE GOALS



2020 Highlight

Shorter operating hours to reduce power consumption

- Pumps supplying cooling water to storage tanks now operate intermittently, reducing power consumption
- Strict quality control and testing by verifying the relationship between pump downtime and product temperature



Cooling water pump at the Fukushima Plant

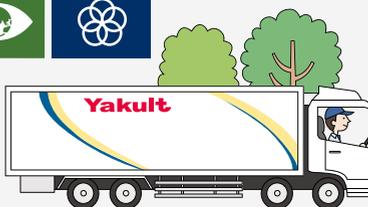
Logistics

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

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

17 PARTNERSHIPS FOR THE GOALS



2020 Highlight

Green Management Certification and continuous reduction of environmental impact

- The logistics subsidiary that primarily handles shipping of our dairy and other food products and cosmetics has obtained Green Management Certification* for each of its sales offices
- Energy consumption per production unit reduced by 1% on average over 5 years



* Green Management Certification is obtained from the Foundation for Promoting Personal Mobility and Ecological Transportation, which evaluates business units' measures and certifies that they have achieved a specified level of performance.

Sales

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

3 GOOD HEALTH AND WELL-BEING

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

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2020 Highlight

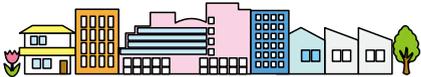
Certified as a Company or Organization Promoting Food and Nutrition Education

- Health-related lectures and dispatch of guest lecturers are recognized as a form of food and nutrition education
- Certified for the third consecutive year as a Company or Organization Promoting Food and Nutrition Education by the Japanese Society of Shokuiku



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

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Our CSR Story 1

Innovation

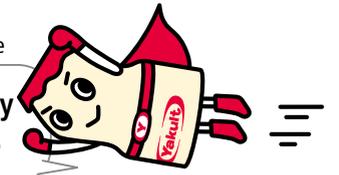


Evolving into a healthcare company

Creating new value by continuous research and development on a daily basis is important in order to evolve into a healthcare company with the goals of delivering good health to as many people as possible around the world, offering customers new value that matches their needs, and realizing a society in which people and the planet co-exist.

In this section, we will present our innovations.

Delivering health to as many people as possible globally.



History of Yakult's research and product development based on the idea of preventive medicine

●Implementing preventive medicine

In an era when treating illness after getting sick using therapeutic medicine was the norm, Yakult's founder, Dr. Minoru Shirota, aimed for a new perspective on achieving health by helping people prevent illness through preventive medicine, and began his research by focusing on the power of microorganisms. This led to the discovery of a strain of lactic acid bacteria that can reach the intestinal tract alive and suppress harmful bacteria in the intestines by strengthening and culturing it. This strain was *Lactobacillus casei* strain Shirota, the starting point of our innovations at Yakult.

●Putting our passion to protect the health of people into our products

Dr. Shirota advocated the concepts of "a healthy intestinal tract leads to a long life" and "a price anyone can afford," from the belief that making the intestines that take in nutrients strong leads to healthy and long lives, and the desire to make drinks with *Lactobacillus casei* strain Shirota, which protects the intestines, available to as many people as possible. This led to the development of the *Yakult* fermented milk drink.

Today, Dr. Shirota's spirit lives on at *Yakult* as we continue to connect new research findings on lactic acid bacteria to product development, and create new products that contribute to the health of people around the world.

Helping solve social issues with product development through R&D technologies

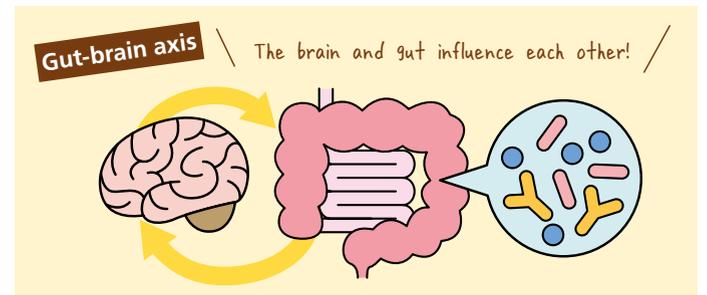
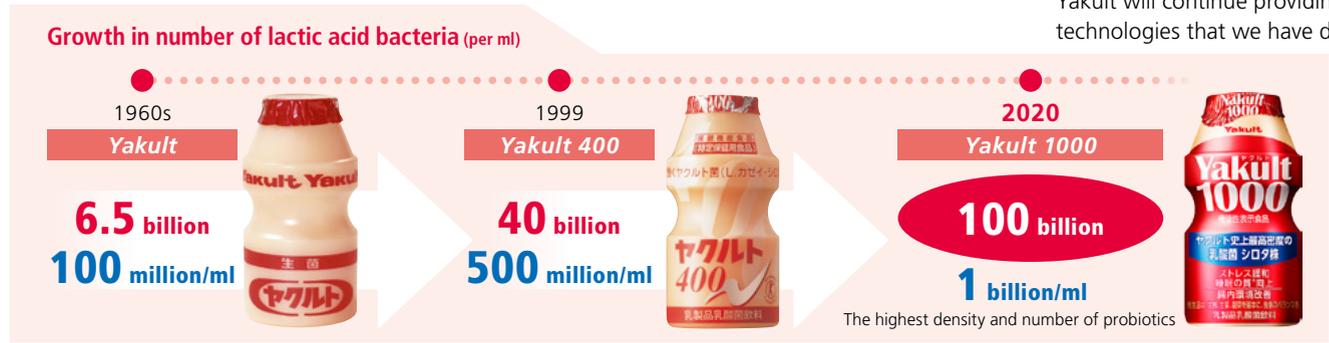
In recent years, global research has been advancing on the gut-brain-microbiota axis. It is an addition of the microbiota to the gut-brain axis, in which the functions of the brain and gut influence each other.

Yakult has also been doing research in these fields, and has confirmed that regular drinking of a fermented milk drink with a high density and high bacterial count of *Lactobacillus casei* strain Shirota alleviates the stress and improves sleep quality of healthy medical students under temporary mental stress.

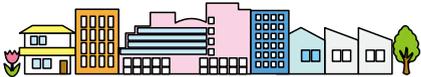
●Birth of *Yakult 1000*

To achieve the high density and number of probiotics and high bacterial count for a commercial product, we developed a new culturing method and determined the ideal formulation and conditions for growing *Lactobacillus casei* strain Shirota and maintaining the number of bacteria during product storage. As a result, we were successfully able to achieve the highest density and number of probiotics of any products in *Yakult* history. *Yakult 1000* has *Yakult's* unique flavor while maintaining the functionality of the high density. Filled with the passion of the R&D staff, *Yakult 1000* was released nationwide in Japan in April 2021.

Mental healthcare is considered important in our stressful modern society. Going forward, *Yakult* will continue providing new value to help solve social issues by leveraging the R&D technologies that we have developed over many years.



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Our CSR Story 1

Innovation from the frontlines

Creating new value through collaboration in research, development and planning

Introducing our frontline people!

Coordinating all kinds of information and staff for research

Research
Central Institute

Takafumi Sakai
Manager
Research Planning Section
Research Management Department

Personalized probiotics with Yakult's expertise

Product Development
Development Department

Hideki Ota
Manager
Development Section
Development Department

Accommodating patient needs in the new field of medical care

Product Planning
Corporate Planning Department

Aya Nishikawa
Manager
Corporate Planning Department
Business development team

Going beyond departmental boundaries to contribute to the health of people around the world

Sakai: With the desire to contribute to the health of people all over the world, Yakult has always aimed at solving social issues related to health.

Ota: Our founder, Dr. Minoru Shirota, practiced preventive medicine to save children from dying of infectious diseases. I think this is the innovation that was the key to addressing social issues. We have inherited that venture spirit and committed to conducting research, product planning and development on a daily basis in order to meet the diversifying needs of a wide range of users.

Sakai: The Yakult Central Institute conducts basic and applied research focusing on microorganisms such as lactic acid bacteria. Our main role is to create the seeds for Yakult products and services.

Ota: The Development Department is responsible for developing products based on research findings by the Institute. We also conduct technological development for containers and packaging as well as new materials.

Nishikawa: The Corporate Planning Department carries out trials of new services and businesses in order to create innovation at Yakult. The Medical Biome Group within the Department plans new products and builds sales channels to address social issues in the medical field. We also collaborate with related departments

as necessary in order to create new value for Yakult.

Ota: We believe that cross-departmental collaboration will become even more important to understand the perspective of our customers and create new value that is beneficial to society.

Creating food products that use plant-based ingredients

Ota: To enhance Yakult's corporate sustainability in the future, we believe that the key will be business activities that help realize "a society in which people and the planet co-exist" while utilizing limited resources effectively and minimizing impact on the global environment and animals. Our products' ingredients are mainly derived from natural resources such as milk and plants. In our search for new materials that take into account both environmental conservation and biodiversity, we have focused on plant-based ingredients and materials.

Sakai: For plant-based ingredients, Yakult has a long history of research and launching products such as *Bansoreicha*, which uses polyphenol from guava leaves, as well as *Yakult no Hakko Tonyu*, which makes it easier to absorb soy isoflavones by fermenting soymilk with lactic acid bacteria. We hope to continue developing these further to create new value which includes addressing environmental issues.

Ota: We are confident that creating new value by merging plant-based ingredients and lactic acid bacteria will be vital to Yakult's future business and will also lead to the creation of a

new customer base. Furthermore, we believe that we can also contribute to solving the social issue of providing good health, which is a common desire for people worldwide.

Taking up the challenge of a medical care and nutrition business

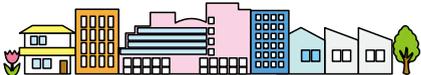
Nishikawa: I've heard from healthcare providers that I come into contact with every day about problems such as growing medical expenses caused by the aging population and antibiotic-resistant bacteria due to overuse of antibiotics. I felt that there may be something that we at Yakult can do to help address such issues through nutritional supplements that make full use of Yakult's resources.

Sakai: At the Central Institute, we have been conducting research on the relationship between symbiotic bacteria and diseases for a long time. We are looking forward to using our research findings to address these issues in the healthcare field and to further developing this into a new business opportunity.

Nishikawa: One of our advantages is that we do not have to be concerned about side effects, because we currently offer food products. Healthcare providers can safely recommend them to patients, and I believe that they will be useful in supporting patient treatment. Along with the Yakult products presently in the market, we hope to increase our product lineup and continue to meet customer expectations in this new field of medical care and nutrition.

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Our CSR Story 2

Value co-creation with communities



How we continue delivering good health to local communities

Beyond just delivering products useful in improving health, the Yakult Group also provides information related to health and nutrition to customers. We also partner with local governments in activities that protect the safety and security of communities.

At a time when society is truly realizing the value of being healthy, we're working to provide products that contribute to health while conducting activities that provide safety and security.



Protecting the safety of our customers and workers

Amid COVID-19 pandemic, we always discuss with customers before visiting them and find what the most appropriate method of delivery is, and we adhere to their requests whenever possible.

In order to ensure customers safety and be as mindful of workers' health as possible, we created infection prevention guidelines that include temperature checks before work, disinfection of hands and delivery materials, use of face masks, and use of disinfection spray whenever necessary.

Infection prevention measures outside Japan

The situations in regions outside of Japan depend on the area, but we follow all legal regulations and have created infection prevention guidelines for some countries and regions. When making deliveries, all workers follow basic procedures including wearing masks, disinfecting hands, and maintaining sufficient distance.



COVID-19 guidelines for Yakult Ladies (Thailand)
 (1) Wear face masks at all times
 (2) Always wash hands
 (3) Take temperature before going to work
 (4) Social distancing
 (5) Keep sales materials clean
 (6) Take time off work if feeling unwell

Overview of COVID-19 response (February 2020-)

Yakult Honsha COVID-19 General Response Headquarters
(Head: President and Representative Director)

Fundamental philosophy (Japan and overseas)

- The safety of Yakult Group workers, their families, and our customers around the world is of top priority
- Based on the demands of national and local governments and the society of each country and region, we comply with laws and work together with local communities to continue operating to the furthest possible extent

Japan

- We deliver products to customers safely based on the government's policy on securing the stable supply of food products under a state of emergency

Overseas

- Having national and local governments of each country and region recognize our products as necessary goods, we put maximum effort into continuing our operations

Delivery methods that suit customer needs

In Japan, cool box delivery can be selected via our online ordering systems Yakult Delivery Net and Family Delivery Net, enabling customers to receive products or send them to loved ones who live apart without any direct contact with Yakult Ladies.

No-contact communication with customers

On Yakult Base, our website for those who enjoy Yakult products, we offer online content with information on the intestinal environment and lactic acid bacteria, as well as provide seasonal health information.

We also share content on our dairy products, beauty and other topics through our official Twitter account and the health magazine #YomuYakult, to provide customers with useful and entertaining information for healthy lifestyles while they stay at home.



From a Yakult Lady's Perspective

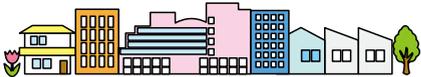


\ I strive to provide reliable service to my customers /

It's essential for us to follow guidelines about temperature checks, face masks, regular hand disinfection, avoiding conversation and completing deliveries as quickly as possible. For customers who are reluctant to have direct contact, we also recommend switching to cool box delivery.

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Our CSR Story 2

Preventing the spread of COVID-19 during sales and Courtesy Visits Activities*

Japan A



Courtesy Visit Activities*

Although contact should be avoided because of COVID-19, checking on the safety of elderly people living alone is a vital activity that can mean the difference between life and death. We're continuing our visits throughout Japan while doing whatever we can to prevent infection.

* 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.

China (Guangzhou) B



Sales activities

When delivering products and visiting customers, we always wear face masks and maintain a distance of at least one meter. We also recommend that our customers use digital payments and avoid cash as much as possible.

For customers in offices and other buildings with strict security, we contact them beforehand via messaging and social media app WeChat and discuss delivery methods to avoid unnecessary contact.

Social contributions

We donated *Yakult* to government departments and medical institutions that administer PCR tests and vaccines throughout the night. While doing so, we told medical and government workers about how probiotics work, to share the value of our products with people in the community. We also donated 232,000 bottles of *Yakult* to government agencies and medical institutions handling COVID-19 patients.

Donating Yakult to medical institutions and government departments



We will contribute to the creation of healthy lives for customers around the world.



Mexico C



Sales activities

Our customers have said they appreciate that we're still delivering products each week throughout the pandemic. They say their trust in Yakult Ladies has grown up because we wear masks, face shields and gloves, and always use alcohol disinfectant. One Yakult Lady who received payment for products in cash noticed the money was wet, and the customer said they disinfected it to keep her safe. So it appears that we're also helping raise customers' awareness of preventing infection.

Social contributions

At Yakult Mexico, with the help of the army, we provided 4,793,000 bottles of products at a total of 341 locations, including to medical institutions, nursing homes, orphanages and disadvantaged families. At Guadalajara Plant, we also provided 877,000 bottles to 15 hospitals. We received thank-you messages via cards and social media from hospitals, nursing homes and other institutions.



Donating Yakult to a hospital

We're serious about preventing infection so our activities can be safe and secure!



Indonesia D



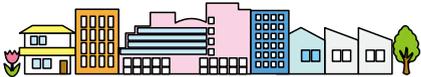
Sales activities

Some of our customers feel uncomfortable shopping in crowded places. They say it's been a great relief to have a Yakult Lady they're familiar with—and who takes thorough precautions against infection—to deliver Yakult products at a scheduled time and date. Shoppers have been hesitant to visit supermarkets, which has affected sales. In these circumstances, Yakult sales promotion staff strive to explain Yakult products to customers to promote understanding of how they can contribute to health, while taking thorough precautions and limiting their activities to a short time.



Thorough delivery of infection prevention measures

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Our CSR Story 3

Supply chain management



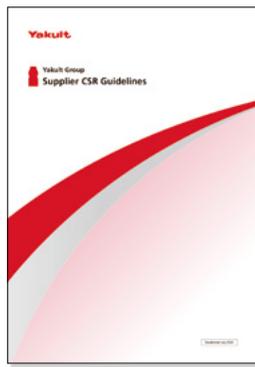
Working to procure raw materials responsibly

The Yakult Group's promotion of sustainable procurement in cooperation with business partners is an important theme in supporting a variety of activities that contribute to the production and sale of products useful for health, and the creation of a sustainable society.

We will continue communicating proactively with our suppliers to evaluate social and environmental impact and reduce risk throughout the supply chain in order to improve the sustainability of society.

Yakult Group Supplier CSR Guidelines

We have established the Yakult Group CSR Procurement Policy to commit to responsible procurement and work toward a sustainable society. To effectively promote sustainable procurement even further, in July 2020 we established the Yakult Group Supplier CSR Guidelines. These guidelines summarize our requests for responsible procurement made to all business partners in and outside Japan, including when starting a new partnership. We confirm if business partners are following through with the guidelines using surveys and other measures, and take appropriate steps to improve on any issues that arise.



We will promote responsible procurement!



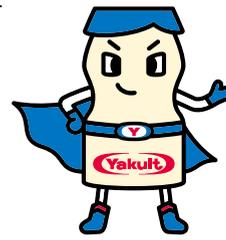
Improving awareness within the company

For workers involved in raw material procurement and manufacturing consignment, we provide information and training on the CSR Procurement Policy's objectives and responsible procurement activities for creating a sustainable society.

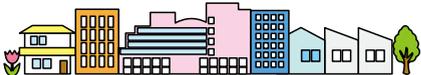
We hold sustainable procurement study sessions, promotion meetings and workshops to help further the planning and implementation of policies for sustainable supply chain management.



It's important to raise awareness within the company!



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Our CSR Story 3

Supply chain management

Working with suppliers to manufacture Yakult products

Production of *New Yakult*

New Yakult is our fermented milk drink with 20 billion *Lactobacillus casei* strain Shirota bacteria in each bottle (65ml) that reach the intestines alive to improve the intestinal environment. From major companies with over 10,000 workers to small businesses with less than 10, which supply powdered skim milk, flavor, packaging and other materials, the production of *New Yakult* is supported by a wide variety of business partners.

* Number of primary suppliers (Includes secondary suppliers when primary supplier is a trading company.)



Cooperation with suppliers

Stable procurement of dairy product raw materials

- Primary raw materials are purchased from multiple companies to disperse procurement risk
- Stock of each raw material is controlled appropriately taking into account product sales trends and procurement lead times
- For some raw materials we make contracts with business partners to secure yearly volumes



Supplier general briefing session

- For our suppliers, we held a briefing session for around 400 participants to explain our CSR Procurement Policy and promote sustainable procurement with an awareness of common challenges. (October 2021)

Sustainable procurement surveys

- Surveys identify risks related to the environment, human rights, occupational safety and health, and anti-corruption based on our CSR Procurement Policy
- Each supplier receives feedback based on survey results to boost awareness of CSR and encourage greater sustainable procurement



Partner selection standards

- Clear standards for product quality level and response to social and environmental issues are set for the selection of new suppliers
- Product quality inspections: To ensure the safe and secure manufacture of high-quality products, we regularly visit manufacturing subcontractors to examine their products and quality management systems



From a supplier's perspective



Yusuke Toyotomi
Okura Industrial Co., Ltd.

Environmental issues are our greatest priority

As a supplier of plastic film, we recognize that addressing current environmental issues related to plastic is a top priority.

Focusing on reducing environmental impact together with Yakult Honsha, we reduced the amount of plastic used in shrink-wrap for *Mil-Mil* multi-pack products by approximately 8%, and last year developed and launched biomass shrink-wrap film for *Yakult Hakko Tonyu* multi-packs. We shall continue working together on developments to help achieve the Yakult Group Environmental Vision.

From a Yakult Honsha purchasing manager's perspective



Makoto Morita
Manager
Equipment and Materials
Section
Yakult Honsha Purchasing
Department

Working towards a value chain with zero environmental impact

Okura Industrial supplies us with various kinds of plastic film for our dairy products and soft drinks, and has been an enormous supporter in addressing our environmental materiality theme of plastic containers and packaging.

The cooperation of Okura Industrial and our other suppliers is essential in achieving the Yakult Group Environmental Vision. We look forward to continuing our partnership!

Yakult

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Yakult CSR Report
2021 by using the
above QR code.