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### Message from the President

Chapter 1. Yakult's DNA

healthy." "Everything around them" refers to water, soil,

is essential for people to lead healthy, happy lives and for

businesses have been closely monitored in recent years,

given the deterioration of the global environment and

revelations of human rights issues. For any company to

operate sustainably, the environment and society-the

foundation of its operations—must also be sustainable.

The mission of Yakult's business, our raison d'être, is to

and happiness of people around the world and thereby

address social issues. We believe that in order to sustain

our business and continue contributing to people's

wellbeing, it is necessary to address various ESG

apply its expertise in life science to contribute to the health

(environmental, social and governance) issues. Accordingly,

themes for proactive engagement to enhance sustainability.

we have identified six material environmental and social

Our three environmental themes are climate change,

our company to sustainably conduct our business.

Environmental and social initiatives by private

air, plants, animals and all else on our planet, whose health

# A longstanding aspiration to support the health of people and the planet

Hiroshi Narita

President and Representative Director Our corporate slogan expresses our belief that "In order for people to be healthy, everything around them must also be social themes are i

plastic containers and packaging, and water, while our social themes are innovation, value co-creation with communities, and supply chain management.

**Chapter 2. Yakult's Material Themes** 

In fiscal 2021 we established our Yakult Group Global Vision 2030, under which we aim to "evolve into a healthcare company that continues contributing to people's health around the world" by 2030. The three qualitative goals of this long-term vision are "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."

People's health was already a major social issue when Yakult was founded, and our aspiration to contribute to better health has been at the heart of our operations from the very beginning. But just as social conditions are in constant flux, people's attitudes toward health have also changed with the times. The new Vision therefore expresses our determination to further pursue and develop our founding aspirations in keeping with such changes. The goals of the Yakult Group have always been, and will continue to be, to support the health of people around the world and to contribute to the health of the planet itself.

Yakult Sustainability Stories 2022 provides a simple summary of the Yakult Group's initiatives. For more detailed information and data, please visit our website.

#### Sustainability website

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



#### Sustainability Report

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





#### 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.





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# Yakult's beginnings and the SDGs

Yakult engages in business activities based on our founder Dr. Minoru Shirota's desire to contribute to the health of people around the world. These activities contribute to achieving Goal 3, "Ensure healthy lives and promote well-being for all at all ages," of the 17 Sustainable Development Goals (SDGs). Our corporate slogan, "In order for people to be healthy, everything around them must also be healthy," is also perfectly matched with the aims of the SDGs.



**Chapter 2. Yakult's Material Themes** 

### Helping achieve the SDGs through our business operations

Yakult's founder, Dr. Minoru Shirota began his medical studies in 1921 at Kyoto Imperial University (now Kyoto University). At the time, unsanitary conditions caused large numbers of children to die of infectious diseases in Japan. Under the circumstances, Dr. Shirota came to believe it was more important to help people avoid sickness rather than treating diseases after they occur. After years of microorganism research, he successfully strengthened and cultured *Lactobacillus casei* strain Shirota.\* Together with likeminded individuals, he then developed an inexpensive, delicious drink so that many people could benefit from *Lactobacillus casei* strain Shirota. This is how *Yakult* was born. The goal at the time of helping as many people as possible lead healthier lives continues to guide our operations to this day.

\* Reclassified as Lacticaseibacillus paracasei strain Shirota in April 2020

**Chapter 1. Yakult's DNA** 



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# History of Yakult's business operations and sustainability initiatives

**Chapter 2. Yakult's Material Themes** 

In addition to our business operations centered on the production and sale of Yakult—a drink delivering good health to people around the world—and the promotion of deeper ties with local communities and expansion of opportunities for women through the activities of Yakult Ladies, we are also engaged in promoting sustainability initiatives.

2022: Human rights due diligence activities launched following

establishment of Yakult Group Human Rights Policy (in 2021)

### **Sustainability initiatives**

**Chapter 1. Yakult's DNA** 

1930

REFERENCE OF CONTRACTOR OF

2021: • Six material themes identified • Yakult Group Environmental Vision established 2018: CSR procurement activities launched with establishment of CSR Procurement Policy 2020 • UN Global Compact signed 2012: Basic Policy on CSR established • Governance strengthened, such as through establishment of Nomination & Remuneration Committee 2006: "In order for people to be healthy, everything around them **2019** 2010 must also be healthy" established as corporate slogan 2000: Yakult Ethical Principles and Code of Conduct established 2000 1990 1998: Yakult is approved for labeling as a Food for 1972: Start of Courtesy Visit Activities by Yakult Ladies Specified Health Uses 1980 1968: Glass bottles replaced by plastic -1975: Start of pharmaceutical business 1970 1963: Yakult's unique Yakult Lady home delivery system introduced Pharmaceutical Business - 1971: Start of full-scale sales of cosmetics products 1960 Cosmetics Business 1964: Yakult Taiwan Co., Ltd. starts operations as the first overseas office Washing glass Yakult bottles 1950 International Business 1940

1935: Start of production and sale of Yakult 
Food and Beverage Business

1930: Dr. Minoru Shirota succeeds in strengthening and culturing a strain of lactic acid bacteria beneficial to health (Lactobacillus casei strain Shirota) **Business operations** 

**Yakult Sustainability Stories 2022** 

Business expands to

the world

40 countries and regions (including Japan) around 03



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#### **Chapter 1. Yakult's DNA**

**Chapter 2. Yakult's Material Themes** 

Chapter 3. Striving to Enhance Sustainability

Activities

# **Yakult Ladies:** Growing with and contributing to society

Yakult Ladies embody the Yakult Group's corporate philosophy by delivering not only products but also good health to customers around the world. Courtesy Visit

### **Delivering Yakult products and good health**

The Yakult Lady home delivery system was launched throughout Japan in 1963 and contributed to the social advancement of women at that time. These women took pride and responsibility in delivering not just Yakult products but also good health, and they came to be known as Yakult Ladies in the 1980s as their work was broadly recognized by society. The system was introduced outside Japan with the establishment of Yakult Taiwan Co., Ltd. in 1964, and Yakult Ladies are now active in 13 countries and regions worldwide (as of the end of fiscal 2021).

Yakult Ladies provide customers with not only products but also information that can help promote good health. The Yakult Group provides Yakult Ladies with opportunities to learn about the science behind Yakult's probiotics using such means as online courses to share the latest information. The Yakult Group also utilizes the networks built through the delivery of our products to contribute to local communities in many ways, working with local governments and others to undertake initiatives like Courtesy Visit Activities\* and community safety watch and crime prevention activities. \* Yakult Ladies visit elderly people living alone as they make their deliveries to confirm that they are safe and spend some time chatting with them.

Yakult Ladies: A growing presence

Japan only



## 13 countries and regions worldwide 2021 Over **BU.UUU**

#### The social significance of Yakult Ladies Message from the divisional general managers



people's health. They wish to fulfill a needed function in the local Ladies represent indispensable assets who help us realize our corporate philosophy and support our growth. We will actively

Tetsuya Hayashida Director and Senior Managing Executive Officer Divisional General Manager of Food and Beverages Division

Yakult Ladies are active from day to day, delivering Yakult products and health information with sincerity out of a desire to contribute to community through their activities. For our company as well, Yakult

support Yakult Ladies and improve their working environment to promote rewarding work and achieve value co-creation and growth with communities.



Susumu Hirano Director and Senior Managing Executive Officer Divisional General Manager of International Business Division

The desire to deliver good health to as many people in the world as possible is shared by all Yakult Ladies, regardless of country or region. As members of their communities and familiar faces for their customers. they deliver products with this goal in mind and with respect for local lifestyles and norms, allowing customers to consume our products with even more peace of mind. I believe they are making a major contribution to the health of the community. We will continue to contribute to local communities by supporting the activities of Yakult Ladies and delivering good health to different regions around the world.

Chapter 2. Yakult's Material Themes

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### **Message from Yakult Ladies**



### Delivering good health with a smile

**Chapter 1. Yakult's DNA** 

Kazumi Miyamoto

- I was looking for work that would let me spend
- days off with my kids, and I was encouraged to take
- this job by my mother-in-law, who received
- deliveries from a Yakult Lady. In the beginning, I had a hard time carrying on conversations with
- customers, but an encounter with an elderly man
- who lived alone convinced me to continue working.
- He listened patiently as I haltingly explained the
- health benefits of Yakult products, and I was so

relieved to see him smiling that I broke into a grin, at which he told me, "You have a beautiful smile." I was so happy to be able to communicate my feelings, and this gave me the confidence to keep going.

I have been working as a Yakult Lady now for 16 years, and even today, the smiles on the faces of my customers are the sources of my motivation. There are many farmers and nursing homes on my route, so my customers are often quite elderly. When I visit and speak with them, I pay attention to their expressions to see if anything is off. Especially for people living alone, I hope they will come to feel that there is someone who cares about them.



I feel that I am delivering three health benefits to customers through my work. The first is physical health, which comes from drinking Yakult products. The second is mental health, which is nurtured through sincere exchanges of words and smiles. And the third is skin health, which can be promoted by using Yakult cosmetics. I am happy that I can contribute to local communities by delivering these three health benefits.



#### Proud to be applying Shirota-ism in my work Valencia Barrera Ma. De Lourdes Yakult S.A. De C.V. (Mexico)

When my two children were still young, I wanted to help my family financially, so I started working as a Yakult Lady, which did not require long working hours. Today, I am in charge of 400 customers and deliver Yakult products every day. My children have grown up, so I now help my husband with his furniture-making business after my deliveries. Yakult's *Lactobacillus casei* strain Shirota is well known in Mexico as being good for your health. I always

explain its benefits before I recommend that people purchase a drink. One time, I was stopped on the street by someone who initially said they did not need the products but now wanted to make a purchase. A member of the person's family was suffering from intestinal problems and remembered my explanation. The condition improved, and they have been loyal customers ever since. A big part of a Yakult Lady's job is to convey the importance of preventing disease and keeping the intestines

healthy while making deliveries, and I think this is a big plus for the health of local communities.

Recently, people's perceptions about the environment have been changing, and many customers now help us reduce plastic waste by preparing eco-friendly bags.

Many people died from COVID-19 in Mexico, but going through this hardship together with our customers made us closer, almost like a family. I have been blessed with rewarding work over the past 25 years and have received many awards. My future goal is to continue working so that I can live happily in retirement.



Chapter 3. Striving to Enhance Sustainability

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# Yakult's impact on society

The Yakult Group creates products that are available in 40 countries and regions around the world, conducting our business on the basis of local production for local sales. We recognize that our corporate activities have not only positive but also negative impacts on local communities and environments in various locations globally. By minimizing these negative impacts and maximizing the positive ones, we will help create a sustainable society

**Chapter 2. Yakult's Material Themes** 

# Supporting the health of people around the world

Chapter 1. Yakult's DNA

The Yakult Group does business around the world based on 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." Through the expansion of our business, we will strive to resolve the social challenges of health shared around the world.

Yakult dairy products consumed globally each day Over 40 million bottles Fiscal 2021





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## Minimizing our negative impacts

Chapter 1. Yakult's DNA

The Yakult Group recognizes the negative environmental impacts associated with our business's global expansion, including greenhouse gas emissions, the use of plastic containers and packaging, and the use of water resources. We are engaged in a range of initiatives to understand and minimize the extent of these impacts.

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## **Maximizing our positive impacts**

Chapter 1. Yakult's DNA

The Yakult Group has strived to create innovation through research on lactic acid bacteria while contributing to the health of regional communities through its unique sales style in which Yakult Ladies deliver good health to as many people as possible around the world. We also promote sustainable procurement throughout our supply chain. Moving forward, we will continue to have a positive impact on resolving social issues and contribute to the health of people around the world, as has been our goal since our founding.

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Chapter 3. Striving to Enhance Sustainability

We will realize our vision of "People and Planet as One!"



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Sustainability, Yakult-style

Based on our corporate slogan "In order for people to be healthy, everything around them must also be healthy," the Yakult Group has identified six material environmental and social themes requiring proactive engagement if we are to fulfill our mission of contributing to the health and happiness of people around the world. Based on these six themes, we will establish strategies and plans and execute on them one by one to raise the potential for sustainability of the planet and society. Regarding our environmental material themes, we have established the Yakult Group Environmental Vision and will continue to pursue initiatives.

### Yakult Group materiality themes



### Yakult Group Environmental Vision



### Environmental Vision 2050

To realize a society where people and the planet co-exist as one through a value chain that has zero environmental impact Our goal is to achieve Net Zero Carbon by 2050 (in Scope 1, 2 and 3).

### Environmental Targets 2030

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

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

### Environmental Actions (2021–2024)

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

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## Story 1 >>> Toward a zero-carbon society

The Yakult Group Environmental Vision set a goal of net-zero greenhouse gas emissions by 2050. In order to achieve this, we are promoting efforts to reduce greenhouse gas emissions throughout our entire value chain.

Yakult's

commitment

Net zero

We will strive for net-zero

2050 (Scope 1, 2 and 3).

greenhouse gas emissions by



Chapter 1. Yakult's DNA



Below 1.5°C

- Signatory parties of the Paris Agreement agreed to hold the average global temperature increase by the end of this century to 2°C above pre-industrial levels, and to pursue efforts to limit the temperature
- increase to 1.5°C above
- pre-industrial levels.

We are promoting GHG emissions reductions and striving for a society where people and the planet around them are healthy!

**Chapter 2. Yakult's Material Themes** 



Ayaka Kato Senior Staff, Environmental Promotion Department

From R&D to raw material procurement, production, distribution and sales, divisions within the Yakult Group are promoting the following initiatives to reduce greenhouse gas emissions at every level of our value chain.

- R&D Install solar power generators and energy-saving equipment at the Yakult Central Institute as well as plants in Japan and overseas
- Production Switch to renewable energy for purchased electricity used at domestic plants
- Distribution Obtain Green Management Certification for our logistics subsidiary and coordinate joint deliveries with other manufacturers
  - Introduce electric vehicles for Yakult Ladies making home deliveries









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**Chapter 3. Striving to Enhance Sustainability** 

climate chang

(11)



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### Close-up: Switching to renewable energy for electricity used at our 13 domestic plants

As the Yakult Group seeks to achieve net-zero greenhouse gas emissions by 2050, we have switched to renewable energy for all purchased electricity used at our 13 domestic plants. Below, staff in charge discuss their thoughts about these initiatives and their expectations for the future.

As part of our efforts to reduce CO<sub>2</sub> emissions, we are also encouraging our plants outside Japan to introduce solar-powered electric generator

systems. Currently, our plants in Korea, the Philippines and Brazil are considering installing these systems. Moreover, our Ayutthaya Plant in

Thailand has introduced energy-saving air compressors as part of larger efforts to shift to energy-saving equipment at our plants. Our CO<sub>2</sub> emissions reduction efforts have expanded beyond the production process to include expanded use of electric trucks in Guangzhou.

Constant pursuit of innovative solutions

My eco actions: I use my car as little as possible, and instead walk or ride my bicycle.

Yuichiro Kawakita Assistant Manager, Equipment and Facilities Section, Production Control Department

Internationa initiatives

We began this initiative after determining that switching to renewable energy sources for all purchased electricity used in the production process at our plants in Japan would let us greatly reduce greenhouse gas emissions and contribute to global environmental conservation. Renewable energy takes many forms, and choosing an energy company plan that met the Yakult Group's needs was highly challenging. Through this conversion, we estimated **a reduction in emissions of 34,800 t-CO**<sub>2</sub> per year in total at our 13 domestic plants, **roughly a 40% reduction from fiscal 2018 levels**. CO<sub>2</sub> emissions from electric power (Scope 2) have been essentially reduced to net-zero thanks to this switch to renewable energy. However, in order to meet the goals of our Environmental Vision, **reducing CO**<sub>2</sub> **emissions from the use of fuel sources** like city gas (Scope 1) will be essential. This task will require constant pursuit of innovative solutions.

#### We continue our efforts around energy-saving equipment conversion and energy conservation

Takayuki Yamamoto Assistant Manager, General Facilities Section, Hyogo Miki Plant My eco actions: I adjust my thermostat to use less energy, try to turn off lights when I'm not using them, and bring a bag with me when I shop.

Rising interest in environmental challenges is evident at our plants, where we have been receiving proposals from business contacts for some time about converting to renewable energy and increasing clean energy systems such as solar-powered electricity generation, and where visitors on plant tours have increasingly been asking about environmental issues.

We have now completed the switch to renewable energy for purchased electricity across the Company, which has enabled us to achieve **true net-zero CO**<sub>2</sub> emissions for electric power at our domestic plants. However, even if CO<sub>2</sub> emissions can be reduced, energy costs will increase, so continuing efforts will be needed at plants to conserve electricity and convert to energy-saving equipment. For that reason, we believe that all workers must heighten their energy awareness even further, and change their patterns of behavior.



(Guangzhou Yakult Co., Ltd.)

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Chapter 1. Yakult's DNA

Story  $2 \mapsto (A^{(1)})$  Plastic containers and packaging

### Close-up: Recycling reforms for containers and packaging

Our efforts to reduce our use of plastic containers and packaging in Japan by 30% compared to fiscal 2018 levels, or make them recyclable, by 2030, involve cooperation across departments to reform container and packaging recycling. Below, managers involved in these initiatives discuss their thoughts and expectations for the future.

**Chapter 2. Yakult's Material Themes** 

My eco actions: I don't leave the water running, I turn off electronics when they're not in use, and I take my own bag and water bottle with me when I go out.

> International initiatives

#### Seeking further reduction in petroleum-based plastic use

Toshiyuki Harada Assistant Manager, Development Department

The Development Department is involved in numerous initiatives regarding plastic containers and packaging. Along with the technical side of new plastic container and packaging development, our department is also investigating ways to reduce overall plastic use, implement biomass materials and recycle resources. I was in charge of introducing 20 µm polystyrene shrink labels, the world's thinnest, for New Yakult and Yakult 400 series products. These shrink labels reduce plastic use by 20%, and make it possible to place labels and designs on the necks of Yakult series containers, which was previously difficult to do.

Moving forward we will work to further reduce petroleum-based plastic use by promoting biomass material use and reducing **container weight** Over the medium to long term, we are looking to shift to highly recyclable materials and encourage container recycling through government cooperation. 

#### We are striving to create systems which enable repeated container recycling

My eco actions: I use reusable containers to store my food, and do my best to reuse water from the bath and washing rice.

**Chapter 3. Striving to Enhance Sustainability** 

Masao Kubo Assistant Manager, Environmental Promotion Department

Yakult was originally sold in glass bottles that were collected and reused. In 1968, however, these bottles were replaced with polystyrene containers. This eliminated the burden of delivering, collecting, and washing heavy glass bottles, but these containers now represent the majority of plastic used in our containers and packaging.

In Europe, the US and other countries, polystyrene is less commonly used than other plastics, and this contributes to a negative view that it is difficult to recycle. However, polystyrene has enormous potential to be recycled into a high-quality resin through a technical process that is relatively inexpensive and has a low environmental impact. Our containers are a trademark of our company, expressing the Yakult image through shape alone. I am committed to creating systems which enable repeated container recycling in order to continue using them in the future. Of course, creating such a system is a challenge for any single company, so we will look beyond the bounds of our Group and seek collaboration with people and organizations involved in everything from raw material production to product consumption, disposal, collection and recycling.



Vakul Carton packaging (Yakult Europe B.V.)

Collecting Yakult containers (P.T. Yakult Indonesia Persada)

**Chapter 2. Yakult's Material Themes** 

Water

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## **Story 3 ••• Protecting Earth's precious, limited water resources**

Water is a fundamental resource for the products sold by the Yakult Group, and we consider its sustainable use to be a crucial issue. We promote water recycling and water conservation initiatives at business sites and plants around the world.





Chapter 1. Yakult's DNA





Around the world, 2 billion people lack access to safely managed drinking water, while 11% of the global population, or 771 million people, are forced to use limited services, unimproved sources, or surface water.

\* Progress on Household Drinking Water, Sanitation and Hygiene 2000-2020, the latest report by the World Health Organization and United Nations Children's Fund (WHO/UNICEF) Joint Monitoring Programme for Water Supply, Sanitation and Hygiene (JMP)

### Yakult's commitment

We will reduce water consumption

(at dairy product plants in Japan, per production unit) by 10% compared to fiscal 2018 levels by 2030.



We will create systems that use limited water resources carefully!

### **Our initiatives**

Tetsuya Yamada Assistant Manager, Environmental Promotion Department

The Yakult Group is working to conserve our precious water resources by addressing their effective use and risks.

• Understand water risks at production bases

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- Conserve water and reuse wastewater at plants and bottling companies in Japan and overseas
- Manage wastewater based on voluntarily adopted standards more stringent than those required by laws and ordinances





Wastewater treatment facility

Discharge of appropriately processed water

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Chapter 1. Yakult's DNA

### Close-up: Initiatives across the world

At Yakult Group plants, water is used not just as a raw material for our products, but also for cleaning and cooling manufacturing equipment and various other purposes. This section outlines initiatives to use water effectively at Yakult plants.

**Chapter 2. Yakult's Material Themes** 





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### Innovation **•••**

The Yakult Group recognizes the necessity of further promoting product development through life science research, which has served as the foundation of our business to date, and creating services that provide new value. While bearing in mind the views of our stakeholders, we will develop the structures and frameworks that can generate innovation to help resolve social issues and bring about our evolution into a healthcare company. Õ



We actively engage in research aimed at addressing health problems.

Intestinal flora analysis system **YIF-SCAN®** 

Collection of microorganisms,

such as lactic acid bacteria

and bifidobacteria

### Advancing research on beneficial bacteria for human health

The pillar of our activities at the Yakult Central Institute is research into intestinal microbiota and probiotics\*1 from the perspective of preventive medicine. We are studying the difference between the intestinal microbiota of people in different countries and determining the relationship between the intestinal microbiota and disease in an effort to contribute to better health. For example, our research confirmed that regular consumption of beverages containing Lactobacillus casei strain Shirota\*2 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. And in 2021, we launched Y1000 for in-store sales.

\*1 Defined by the FAO/WHO in 2002 as "live microorganisms that, when administered in adequate amounts, confer a health benefit on the host" \*2 Reclassified as Lacticaseibacillus paracasei strain Shirota in April 2020

### Engaging in joint research with outside research institutions

#### • Joint research with the National Center of Neurology and Psychiatry

Consumption of fermented milk drinks containing Lacticaseibacillus paracasei strain Shirota was confirmed as relieving depression symptoms and improving the sleep guality of patients suffering from major depressive or bipolar disorders. The results were reported in the journal Microorganisms (published on May 10, 2021).

#### • Joint research with the Tokyo Metropolitan Institute of Gerontology

Habitual intake of dairy products containing Lacticaseibacillus paracasei strain Shirota was confirmed as contributing to the stabilization of intestinal flora in the elderly. The results were reported in the journal Scientific Reports (published on June 17, 2021).

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Value co-creation with communities **body** 

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 through our unique network of community-based Yakult Ladies, who hand deliver products to customers.



Chapter 1. Yakult's DNA

# Dispatching lecturers and holding health-related classes

We dispatch employees to elementary schools and other locations to explain in simple terms the important role the intestines and proper daily habits play in good bowel functions. For adults, health-related classes are held on a wide variety of topics. These activities are conducted not just in Japan but in other countries as well. In fiscal 2021, we conducted these activities online to prevent the spread of COVID-19 and created original teaching materials to be used for online lectures.



A health-related class organized by P.T. Yakult Indonesia Persada

We help build "safe and secure" communities!

### **Contributing to communities' safety and peace of mind**

**Chapter 2. Yakult's Material Themes** 

While delivering products to their sales areas, Yakult Ladies confirm the safety of elderly people living alone and spend time chatting with them through Courtesy Visit Activities. They also contribute to communities' safety and peace of mind by participating in neighborhood watch and other activities undertaken in cooperation with 932 local governments and police departments in Japan.

In China, Yakult Ladies from three delivery centers in Shanghai visited the homes of elderly people living alone in their sales areas during the Double Ninth Festival (China's day for seniors) to check on their living situation and well-being, introduce the benefits of probiotics, and present gifts to promote health. They also held informal social gatherings at three assisted-living facilities, where they introduced the workings of the digestive tract and had residents try some finger exercises.



Employees of the Yakult China Group visit a nursing home



# Support for people living in poverty

Yakult (Malaysia) Sdn. Bhd. donated daily necessities and *Yakult* to 30 children from impoverished families at six elementary schools. It also provided *Yakult* to support orphanages, flood victims, and families living in poverty.

The Yakult China Group takes part in a publicinterest initiative organized by Yicai Media Group (China) to provide children from impoverished families in

mountainous areas with breakfasts. Since 2013, the Yakult China Group has provided 10,000 yuan every year for breakfasts on May 29—World Digestive Health Day.



Donation of Yakult drinks to an orphanage by Yakult (Malaysia) Sdn. Bhd.

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### Supply chain management •••

The Yakult Group promotes sustainable procurement, which takes into consideration such issues as human rights, labor, the environment and anticorruption in the supply chain, and positions it as a key theme in the stable production and sale of products that help promote good health and the creation of a sustainable society. By communicating actively to achieve effective collaboration with our suppliers, we aim to improve the sustainability of society by taking our environmental and social impact into consideration and reducing risks throughout the supply chain.

| ated SDGs 6 CLEAN WATER<br>AND SANUTATION | 8 DECENT WORK AND<br>ECONOMIC GROWTH | 12 RESPONSIBLE<br>CONSUMPTION<br>AND PRODUCTION | 13 CLIMATE | 17 PARTNERSHIPS<br>FOR THE GOALS |  |
|---|--------------------------------------|---|------------|----------------------------------|--|
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# Working with our suppliers to promote sustainable procurement

The Yakult Group works with suppliers to promote sustainable procurement throughout the supply chain based on the Yakult Group CSR Procurement Policy, established in 2018, and the Yakult Group Supplier CSR Guidelines, established in 2020.

In fiscal 2021, approximately 400 people from 158 suppliers participated in our first CSR Procurement Policy briefing, held to provide them with information on sustainable procurement and



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promote their understanding of our CSR procurement policies and future plans. The event resulted in a shared recognition of various issues among our suppliers.

Yakult Group Supplier CSR Guidelines



### **Raising sustainable procurement awareness**

We are also conducting sustainable procurement promotion meetings and sustainable procurement workshops for our employees involved in raw material procurement and manufacturing consignment.

In fiscal 2021, training on sustainable procurement was provided to a total of 72 persons responsible for or involved with CSR procurement promotion at the Yakult Group's overseas offices, as well as officers and employees of the department in charge of overseas offices at Yakult Honsha.

### **Supporting communities** with local employment and sourcing

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



Percentage of locally sourced raw materials for dairy products (fiscal 2021)



\* Includes imported raw materials that receive final processing in Japan

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## **Our future vision**



### Achieving continued growth through our material themes

"Yakult Group Global Vision 2030" is a long-term vision formulated as a guidepost for maintaining the growth of the Yakult Group while adapting to changes in society. Our business began as a way of resolving health-related social issues that were prevalent in Japan at the time of our founding. Over the years, such issues have evolved greatly along with changes in the social environment, with people today having an increased awareness of and diversified attitudes toward health.

By addressing these emerging social issues through our material themes in the 10 years between fiscal 2021 and 2030, we aim to meet higher levels of customer expectations, enhance corporate value through the realization of our corporate philosophy, and evolve into a healthcare company.

### Yakult Group Global Vision 2030

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

Delivering good health to as many Offering customers new value that Realize an inclusive society of people people as possible around the world matches their needs and the planet Key theme Strengthening global expansion Key theme Expansion of business domains Key theme Responding to environmental issues • Deliver intestinal health and longevity to many more • Offer products and services corresponding to • Fulfill our social responsibility as a global company while co-existing with the local community and individual health issues and next-generation health. people. • Develop new channels to create an environment • Evolve into a healthcare brand that responds to the being in harmony with the environment. health needs of people around the world. that allows anyone to acquire our products. • Contribute to the realization of a sustainable society. • Contribute to prolonged health expectancy through • Establish healthy lifestyles and develop safe and • Support people's healthy lives with the pillars of preventive medicine and therapeutic medicine. locally rooted sales organizations and connections secure communities. with individual customers. Asia and Europe Japan Food and Oceania Americas beverages People and Planet as One Health foods supplements Probiotics Aim to expand Cosmetics business domain to become a healthcare Yakult Group Environmental Vision care and Pharmaceutical company having its Localize at each location  $\Rightarrow$  Cultivate and expand the global Yakult brand core in probiotics