

Yakult Sustainability Stories

2022



Yakult

Message from the President

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 healthy.” “Everything around them” refers to water, soil, air, plants, animals and all else on our planet, whose health is essential for people to lead healthy, happy lives and for our company to sustainably conduct our business.

Environmental and social initiatives by private 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 apply its expertise in life science to contribute to the health 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 (environmental, social and governance) issues. Accordingly, we have identified six material environmental and social themes for proactive engagement to enhance sustainability. Our three environmental themes are climate change,

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

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.



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.



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>

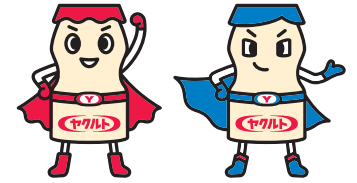


Sustainability Report

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



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.

Corporate Philosophy

We contribute to the health and happiness of people around the world through pursuit of excellence in life science in general and our research and experience in microorganisms in particular.

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

Preventive medicine

Emphasis should be placed on preventing illness, rather than on treating illness once it develops.

Shirota-ism

A healthy intestinal tract leads to a long life

Human beings take in nutrition through their intestines. Making the intestines strong leads to healthy and long lives.

A price anyone can afford

The goal of providing *Lactobacillus casei* strain Shirota, which protects the intestines, to as many people as possible at an affordable price.

3 GOOD HEALTH AND WELL-BEING



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

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

History of Yakult's business operations and sustainability initiatives

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.

Sustainability initiatives

2021: ● Six **material themes** identified

- **Yakult Group Environmental Vision** established
- UN Global Compact signed
- Governance strengthened, such as through establishment of Nomination & Remuneration Committee



1972: Start of **Courtesy Visit Activities** by Yakult Ladies

1968: Glass bottles replaced by plastic

1963: Yakult's unique **Yakult Lady home delivery system** introduced

2000: Yakult Ethical Principles and Code of Conduct established

2018: CSR procurement activities launched with establishment of CSR Procurement Policy

2012: Basic Policy on CSR established

2006: "In order for people to be healthy, everything around them must also be healthy" established as corporate slogan

2022: **Human rights due diligence** activities launched following establishment of Yakult Group Human Rights Policy (in 2021)

2020

2019: Business expands to 40 countries and regions (including Japan) around the world

2010

2000

1990

1998: Yakult is approved for labeling as a Food for Specified Health Uses

1980

1975: Start of pharmaceutical business
▶ **Pharmaceutical Business**

1971: Start of full-scale sales of cosmetics products
▶ **Cosmetics Business**

1970

1964: Yakult Taiwan Co., Ltd. starts operations as the first overseas office
▶ **International Business**

1960

1950

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)

1930

1940

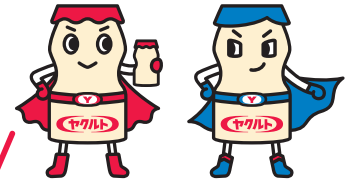


Washing glass *Yakult* bottles



Business operations

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.

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.

Courtesy Visit
Activities



■ Yakult Ladies: A growing presence

1963 Japan only

Approx. **9,000**

2021

13 countries and regions worldwide

Over **80,000**

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



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 people's health. They wish to fulfill a needed function in the local community through their activities. For our company as well, Yakult Ladies represent indispensable assets who help us realize our corporate philosophy and support our growth. We will actively support Yakult Ladies and improve their working environment to promote rewarding work and achieve value co-creation and growth with communities.

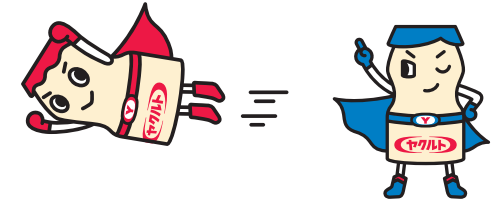


Susumu Hirano

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.

Message from Yakult Ladies



Delivering good health with a smile

Kazumi Miyamoto

Tsugaru Center, Yakult Aomori Sales Co., Ltd.

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.



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

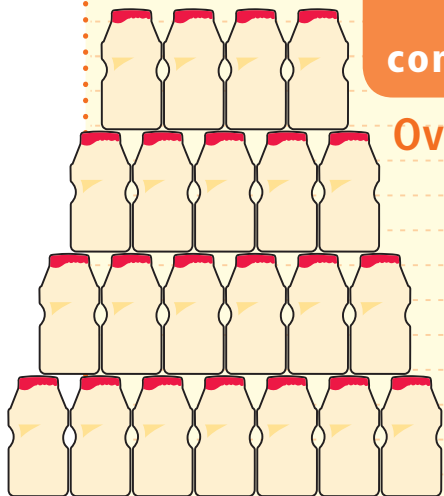
Supporting the health of people around the world

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



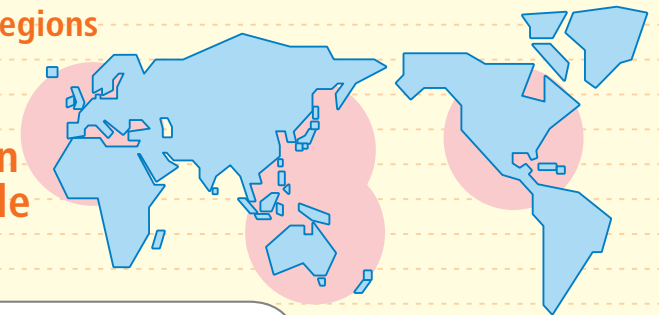
Yakult is enjoyed all around the globe!

Marketing population in countries and regions where we operate

In 40 countries and regions

Around

2.4 billion people



Yakult is sold in Asia, Oceania, Europe and the Americas!

Yakult Ladies deliver products around the world

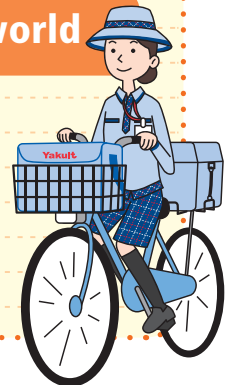
Over

80,000

Fiscal 2021

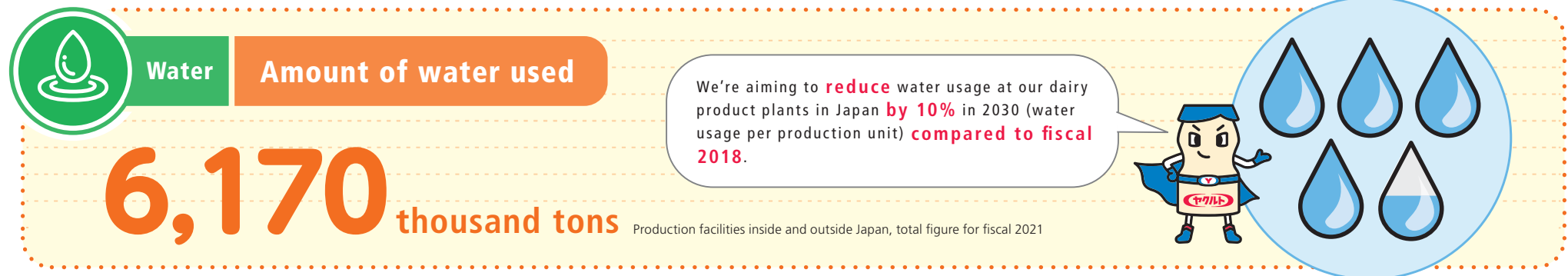
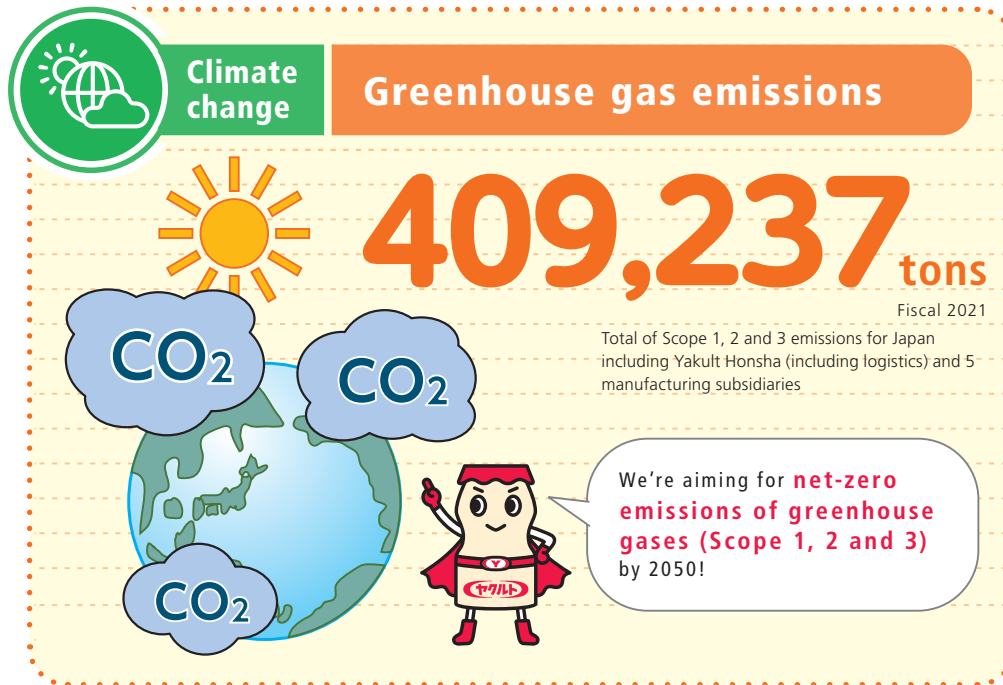


Yakult Ladies bring good health to people around the world!



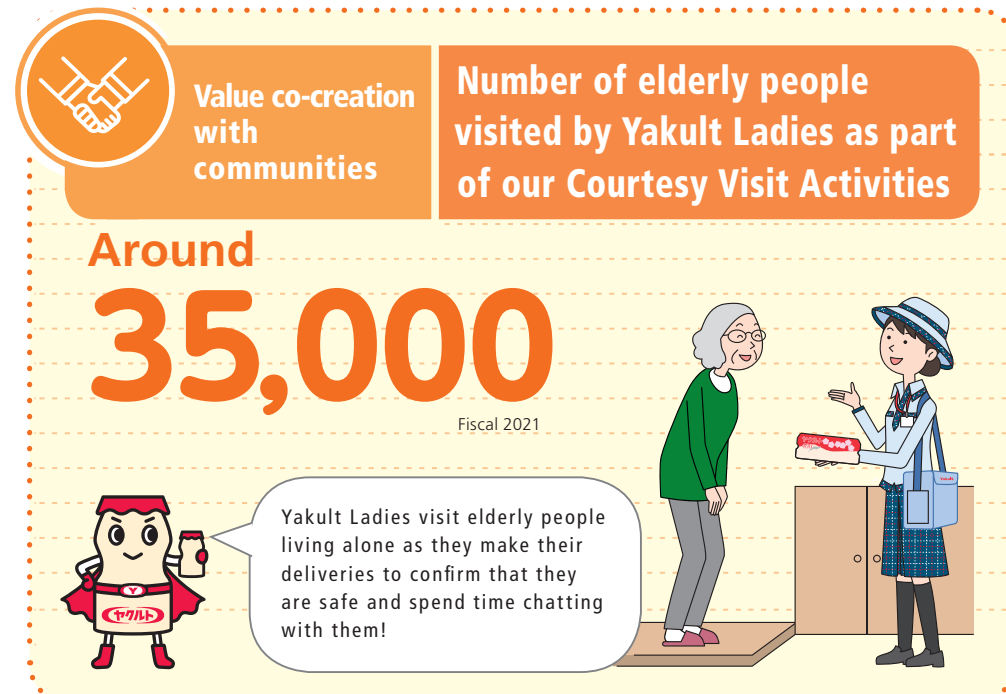
Minimizing our negative impacts

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.



Maximizing our positive impacts

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.



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.

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



Yakult Group materiality themes

<p>Innovation</p> <p>Evolve into a healthcare company, further pursue the potential of bacteria, provide new products and services, use resources effectively, and others</p> <p>p. 16 ▶</p>	<p>Value co-creation with communities</p> <p>Connect closely with local communities, deliver information on health, provide safe and reliable health products and services, and others</p> <p>p. 17 ▶</p>	<p>Supply chain management</p> <p>Maintain sound relationships with business partners, promote CSR procurement, ensure stable procurement of raw materials, and others</p> <p>p. 18 ▶</p>
<p>Climate change</p> <p>Reduce GHG emissions (decarbonize), proactively shift to renewable energy, introduce energy-saving practices, and others</p> <p>p. 10 ▶</p>	<p>Plastic containers and packaging</p> <p>Convert to fully-recyclable containers and packaging, reduce environmental impact by changing container materials, and others</p> <p>p. 12 ▶</p>	<p>Water</p> <p>Use sustainable water resources, reduce water consumption, and others</p> <p>p. 14 ▶</p>

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	Reduce GHG emissions (in Japan, Scope 1 and 2) by 30% compared to fiscal 2018 levels
Plastic containers and 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.

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.

Related SDGs



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



Our initiatives

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
- Sales** Introduce electric vehicles for Yakult Ladies making home deliveries



Solar panels at the Yakult Central Institute



COMS electric vehicles used by Yakult Ladies

Social issues & megatrends

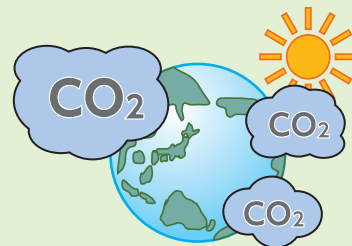
Below 1.5°C

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.

Yakult's commitment

Net zero

We will strive for net-zero greenhouse gas emissions by 2050 (Scope 1, 2 and 3).



Story 1 ▶▶▶



Climate change

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.

Constant pursuit of innovative solutions

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

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



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-CO₂ per year in total** at our 13 domestic plants, **roughly a 40% reduction from fiscal 2018 levels**.

CO₂ 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 CO₂ 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 CO₂ emissions** for electric power at our domestic plants. However, even if CO₂ 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**.

International initiatives

As part of our efforts to reduce CO₂ 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 CO₂ emissions reduction efforts have expanded beyond the production process to include expanded use of electric trucks in Guangzhou.



Electric truck
(Guangzhou Yakult Co., Ltd.)

Story 2 ▶▶▶ Toward plastic recycling

In order to make plastic containers and packaging sustainable, we are making them lighter and shifting to biomass and other easily recyclable materials to reduce their burden on the environment.

Related SDGs



We will work hard to make Earth-friendly recycling a reality!



Our initiatives

Naoya Tonegawa Manager, Environmental Promotion Department

In January 2019 the Yakult Group announced the Declaration of Action on Plastic Recycling. Since then we have been promoting effort to change the materials of our containers and packaging and to make them more easily recyclable.

- Increase use of biomass materials
- Create thinner shrink labels, and increase use of recycled PET
- Reduce amount of plastic spoons and straws provided with products, except in special cases
- Engage in plastic recycling initiatives through equity participation in R Plus Japan



The Recycling Promotion Committee in discussion



Straws are no longer provided with New Yakult

Social issues & megatrends

Approx. **8** million tons

Every year, an estimated 8 million tons* of plastic waste end up in our oceans. By 2050, the amount of plastic in the ocean is projected to exceed the total amount of fish.

* WWF UK website, "Why Is Plastic Pollution a Problem?", Neufeld, L., et al. (2016)

Yakult's commitment

30%

We are committed to reducing our use of plastic containers and packaging in Japan by 30% compared to fiscal 2018 levels, or making them recyclable, by 2030.



Story 2 >>>



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.

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.



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

Masao Kubo Assistant Manager, Environmental Promotion Department

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



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.

International initiatives

In response to requests from supermarkets and other business partners throughout Europe, we have switched our packaging material from plastic to paper-based cartons, and anticipate expanding this shift to all European countries where we operate by 2023. In Brazil, plastic straws have been replaced by paper ones, while in Indonesia Yakult Ladies and direct sales route operators now collect plastic waste. We also began a pilot project collecting *Yakult* containers in October 2021.



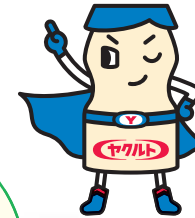
Carton packaging
(Yakult Europe B.V.)



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

Story 3 ▶▶▶ Protecting Earth's precious, limited water resources

Water



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
- 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

Related SDGs



Social issues & megatrends

2 billion people

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

10%

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



Story 3 >>>



Water

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.

Ayutthaya Plant, Thailand

Working to end wastewater flow to rivers



The Ayutthaya region is blessed with abundant water resources, and our Ayutthaya Plant draws water from two wells. Since the plant is surrounded by paddy fields and other farmland, we have long been conscious of wastewater flows, and are working to **eliminate all wastewater flow to rivers**. Suspended particles are further removed from treated wastewater using microfilters before it is used to water the grounds and flush toilets. When the plant's manufacturing tanks were updated, the old tanks were repurposed as wastewater storage containers where water could be reused for cleaning vehicles and other purposes. We also actively communicate information about these initiatives to the local residents.

Wuxi Plant, China



The Wuxi Plant's wastewater is reused at other companies' plants after it has passed through final water treatment locations. We also purify domestic wastewater before it is discharged.

California Plant, USA



We have installed a rainwater collection system which is used to water plants on the surrounding property.

Calamba Plant, the Philippines



Water used for cooling during production, along with rainwater, is reused to water plants, supply fire hydrants and flush toilets.

Ixtapaluca Plant, Mexico



Wastewater which has passed through treatment facilities is reused to water green spaces around the plant. In 2021, we reused a monthly average of 1,413 tons in this way, for a yearly total of 16,956 tons.

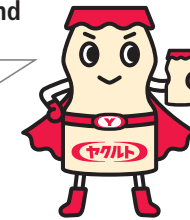
Innovation ▶▶▶

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.

Related SDGs



We actively engage in research aimed at addressing health problems.



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 *Lactocaseibacillus paracasei* strain Shirota in April 2020



Intestinal flora analysis system
YIF-SCAN®

Engaging in joint research with outside research institutions

• Joint research with the National Center of Neurology and Psychiatry

Consumption of fermented milk drinks containing *Lactocaseibacillus paracasei* strain Shirota was confirmed as relieving depression symptoms and improving the sleep quality 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 *Lactocaseibacillus 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).



Collection of microorganisms,
such as lactic acid bacteria
and bifidobacteria

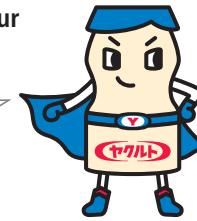
Value co-creation with communities >>>

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.

Related SDGs



We help build "safe and secure" communities!



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

Contributing to communities' safety and peace of mind

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 public-interest 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.

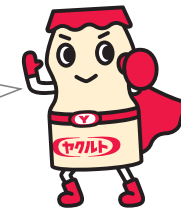


Supply chain management >>>

The Yakult Group promotes sustainable procurement, which takes into consideration such issues as human rights, labor, the environment and anti-corruption 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.



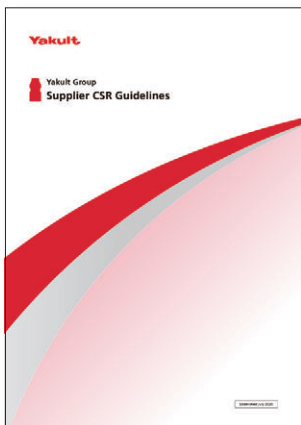
We will promote responsible procurement!



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 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.



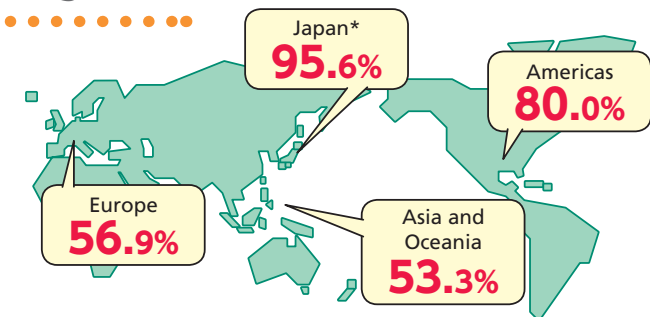
Sustainable procurement promotion meeting

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.

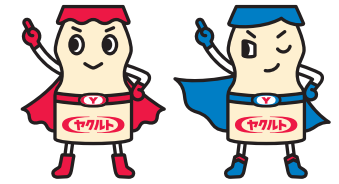
Percentage of locally sourced raw materials for dairy products (fiscal 2021)



* Includes imported raw materials that receive final processing in Japan

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.

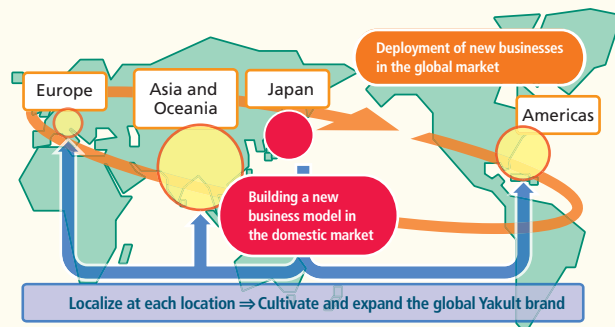
Yakult Group Global Vision 2030

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

Delivering good health to as many people as possible around the world

Key theme Strengthening global expansion

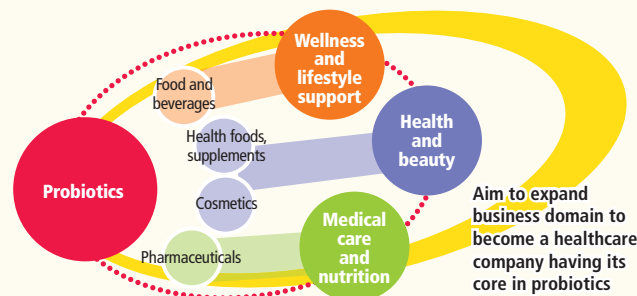
- Deliver intestinal health and longevity to many more people.
- Develop new channels to create an environment that allows anyone to acquire our products.
- Support people's healthy lives with the pillars of preventive medicine and therapeutic medicine.



Offering customers new value that matches their needs

Key theme Expansion of business domains

- Offer products and services corresponding to individual health issues and next-generation health.
- Evolve into a healthcare brand that responds to the health needs of people around the world.
- Contribute to prolonged health expectancy through locally rooted sales organizations and connections with individual customers.



Realize an inclusive society of people and the planet

Key theme Responding to environmental issues

- Fulfill our social responsibility as a global company while co-existing with the local community and being in harmony with the environment.
- Contribute to the realization of a sustainable society.
- Establish healthy lifestyles and develop safe and secure communities.

People and Planet as One
Yakult Group Environmental Vision