NEWS RELEASE

Yakult to Reduce CO_2 Emissions by About 40% Compared with FY2018 (Scope 1 and 2* in Japan)
Twelve Yakult Group plants in Japan to switch entirely to purchasing electric power from renewable energy sources

People and Planet as One
ヤクルトグループ環境ビジョン

Yakult Honsha Co., Ltd. (President: Hiroshi Narita) announced that the company would switch all electric power purchased by the 12 Yakult Group plants in Japan for the production process to power generated by renewable energy sources offered by contract electric power companies from April 2022. It also plans to do the same with Shonan Cosmetics Plant by July 2022.

In April 2021, the Yakult Group formulated and announced Environmental Vision 2050, aiming to achieve net-zero greenhouse gas (GHG) emissions from its value chain by 2050. It also developed and released the medium-term milestones Environmental Targets 2030 and short-term milestones Environmental Action (2021–2024). In these milestones, the group aims to reduce GHG emissions (Scopes 1 and 2 in Japan) by 30% from fiscal 2018 levels by 2030 and has implemented various initiatives.

With this shift to renewable energy sources, the group will reduce CO_2 emissions by about 34,800 tons a year in total at the 13 plants, including Shonan Cosmetics Plant, which translates to about a 40% reduction in GHG emissions (Scopes 1 and 2 in Japan) compared with fiscal 2018.

In addition to the shift to renewable energy sources, Hyogo Miki Plant will introduce a 900-kW solar power generation system for its own consumption. Together with the 100-kW power its existing system produces, the plant will generate a total of 1 MW, making it the first megawatt-class solar power generation system for the Yakult Group.

Toward the achievement of Environmental Vision 2050, the Yakult Group will further promote the introduction of renewable energy and energy saving and proactively contribute to environmental conservation based on its corporate slogan of “In order for people to be healthy, everything around them must also be healthy.”

Details of the project are as follows.

1. Target plants (12 plants in total)

(1) Dairy product plants in Japan

Fukushima Plant, Ibaraki Plant, Fuji Susono Plant, Hyogo Miki Plant, Saga Plant

(2) Plants at subsidiaries

Yakult Iwate Plant Co., Ltd., Yakult Chiba Plant Co., Ltd., Yakult Aichi Plant Co., Ltd., Yakult

Okayama Wake Plant Co., Ltd., Yakult Fukuoka Plant Co., Ltd.

(3) Other

Fuji Susono Pharmaceutical Plant, Yakult Materials Co., Ltd. Fuji Susono Plant

2. Overview of electric power generated using renewable energy

It is electricity made to be practically 100% renewable by adding the environmental value of renewable-derived Non-fossil Fuel Certificates to the purchased electricity. Electricity generated from non-fossil power sources such as renewables has the environmental value of not emitting CO_2. The non-fossil value, one of the environmental values, is made tradable in the form of a certificate and is called a Non-fossil Fuel Certificate.

*Areas of GHG emissions monitoring

About the scope of GHG (summary based on the Greenhouse Gas Protocol)

Scope 1: Direct emissions resulting from fuel used in a company's own business activities

Scope 2: Indirect emissions linked to electricity, steam and heat purchased from outside

<Attachment> Overview of the "Yakult Group Environmental Vision."

Yakult Honsha Co., Ltd. established the Environmental Vision 2050, setting out its ideal vision for 2050 with the aim of achieving net-zero GHG emissions (in Scopes 1, 2 and 3[*1]) for a value chain with zero environmental impact. To ensure effective progress towards this vision, we have used backcasting[*2] to establish both Environmental Targets 2030 and Environmental Actions (2021–2024).

The Yakult Group believes that society consists of water, soil, air, plants and animals, and of course people, and that it is only when all of these elements are healthy that people can be too, and this in turn forms a healthy society.

At a time when the global environment is at risk from global warming, environmental pollution, dwindling resources and a loss of biodiversity, we will strive to conduct our corporate activities without impacting the environment and, guided by the Yakult Group Environmental Vision, pursue a society where people and the planet can co-exist, both now and into the future.

<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"

—Net Zero Carbon Emissions (in Scopes 1, 2 and 3)

The Paris Agreement*[3], an international framework, urges countries to limit global temperature increases to within 2ºC of pre-industrial levels and pursue efforts to limit the rise to below 1.5ºC. To achieve this goal, it is necessary to aim for worldwide decarbonization, or net-zero GHG emissions, by the latter half of this century.

The Japanese government also declared last year that it aims to achieve a decarbonized society by 2050.

As a corporate group with business activities worldwide, the Yakult Group will also take responsibility by aiming for net-zero GHG emissions throughout its value chain to contribute to creating sustainable earth and society.

<Materiality>

In establishing the Yakult Group Environmental Vision, we identified the following six material themes for the Group to prioritize within the value chain.

-Innovation

-Coexistence with local communities

-Supply chain management

-Climate change

-Plastic containers and packaging

-Water

From the perspective of global and social sustainability, we identified three areas—climate change, plastic containers & packaging, and water— as environment-related materiality and established quantitative targets for up to 2030. As a pioneering company contributing to people's health worldwide with probiotics, we have set and will work to achieve the targets that address the above three social issues with high global risk.

<Environmental Targets 2030>

These are targets to achieve by 2030 as medium-term milestones on the way to our Environmental Vision 2050.

Materiality (critical issues)	Target
Climate change	Reduce GHG emissions (Scopes 1 & 2* in Japan) by 30% compared to fiscal 2018 levels
Plastic containers & 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)>

This is an action plan to achieve the Environmental Targets 2030 and short-term milestones by fiscal 2024.

Materiality	Key theme	Target
Climate change	**1. Achieve a zero-carbon society**	Reduce GHG emissions (scopes 1 and 2 in Japan) by 10% compared to fiscal 2018 levels

Plastic containers & packaging	**2. Convert to fully recyclable containers and packaging**	(1) Reduce plastic containers and packaging (in Japan) by 5% compared to fiscal 2018 levels, or make them recyclable (2) Reduce raw material consumption for containers and packaging (3) Reduce environmental impact by changing container and packaging materials (4) Use plant-derived and environmentally friendly materials for containers and packaging
Water	**3. Reduce water consumption**	Reduce water consumption (at dairy product plants in Japan per production unit) by 3% compared to fiscal 2018 levels by: 1. saving water 2. developing water management plans
	4. Reduce waste	(1) Reduce the amount of waste generated by 20% compared to fiscal 2010 levels by the end of fiscal 2024 (2) Maintain a 95% recycling rate for food waste
	5. Conserving and utilizing biodiversity	(1) Support and participate in nature conservation activities (2) Promote education on biodiversity

Climate change

From natural disasters to a loss of biodiversity, the impacts of climate change have brought about a number of risks on a global scale, and worldwide action is urgently needed. We see climate change as an important theme for Yakult's business continuity as well. As society is being urged to decarbonize, we as a Group will also reduce our GHG emissions by promoting energy conservation and proactively shifting to renewable energy.

Plastic containers and packaging

Society currently struggles with challenges in resource recycling and environmental contamination caused by plastic waste. The Yakult Group aims to establish fundamental technology for environmentally friendly

containers and packaging in order to reduce their environmental impact while promoting the transition to easily-recyclable materials. We will also go even further in our efforts to reduce the amount of plastic used in containers and packaging, and reuse the plastic packing materials utilized during production.

Water

Water is a limited resource on the earth, and issues such as imbalanced availability and water-related disasters are occurring globally. This makes it an essential theme for our business activities that use water as a raw material. Together with reducing our water consumption (per production unit), we will develop water management plans to respond to water risks at production bases and promote the conservation and sustainable use of water resources.

The Yakult Group will also continue its current initiatives to “reduce waste” and “conserve and utilize biodiversity.”

◆ Yakult Group Environmental Vision online

Please visit the Environmental Vision section on our website for more detailed information

https://www.yakult.co.jp/csr/environment/vision/index.html

*1 Scopes 1, 2, and 3

Areas of GHG emissions monitoring

About the scope of GHG (summary based on the Greenhouse Gas protocol)

Scope 1: Direct emissions resulting from fuel used in the company’s own business activities

Scope 2: Indirect emissions linked to electricity, steam and heat purchased from outside

Scope 3: Indirect emissions occurring in the supply chain linked to a company’s business activities

*2 Backcasting

A method of identifying actions to be taken now based on a desired future result

*3 Paris Agreement

An international framework agreed upon at the 2015 United Nations Climate Change Conference in Paris, held to determine global action on reducing GHG emissions