

Environmental management

Yakult Basic Policy on the Environment

We established organizational units focused on environmental conservation measures in November 1991, and instituted the Group-wide Yakult Basic Policy on the Environment in June 1997. In accordance with our Environmental Philosophy and Guidelines for Activities, we are promoting environmental conservation activities throughout all our business fields. From fiscal 2001 to fiscal 2020, we established the Yakult Environmental Action Plan and conducted environmental activities with the participation of all departments, including research and development, manufacturing, marketing, and office units. In fiscal 2021, we established the Yakult Group Environmental Vision, and the entire Yakult Group now works together on initiatives to reduce our burden on the environment.

Yakult Basic Policy on the Environment

Environmental Philosophy

Recognizing that environmental preservation and harmony with society are among the most important corporate management objectives, Yakult Honsha and all Yakult Group business units will give due consideration to environmental preservation with regard to all types and aspects of corporate activities.

Action Guidelines

1. To realize the measures determined by the CSR Promotion Committee within Yakult Honsha, all Yakult Group business units will work concertedly, proactively, and in a sustained manner to address environmental issues associated with business activities.
2. Each business unit will build environmental management systems and systematically work with the participation of all employees to realize the objective of reducing environmental impacts and will also seek to realize sustained improvement in environmental performance by periodically checking the implementation of associated measures, auditing such measures, and reevaluating environmental activities.
3. Besides maintaining rigorous compliance with environment-related laws, regulations, and agreements, each business unit will autonomously set its own environmental standards, and strive to further improve the level of its environmental management and eliminate environmental pollution risk factors before they occur.
4. In all business activities, business units will give due consideration to the environment as well as biodiversity by promoting the reduction of environmental impacts.
5. All employees will be provided with thorough environmental education, and we will make efforts to increase environmental awareness.
6. Information related to environmental activities will be appropriately disclosed, and we will strive to communicate effectively with society at large.
7. The Group will act as an exemplary corporate citizen by proactively supporting and cooperating with activities aimed at protecting the global environment.

Established: June 24, 1997. Revised: March 8, 2004 / January 25, 2010

Please refer to the following URL for the full text of the Yakult Basic Policy on the Environment:

[WEB https://www.yakult.co.jp/english/csr/environment/management/](https://www.yakult.co.jp/english/csr/environment/management/)

Yakult Group Environmental Vision

The world is experiencing climate change and various other environmental issues that are growing more severe with time. The Yakult Group creates products that are available in 40 countries and regions around the world, and we conduct 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.

In March 2021, the Yakult Group created the Yakult Group Environmental Vision to reduce our negative impacts and promote efforts with a positive impact on the global environment with the aim of uniting people and planet as one. We set out our ideal vision for the future in Environmental Vision 2050 and, using backcasting, established short- and medium-term milestones in order to effectively act and make progress toward this vision.



Environmental management structure

The CSR Promotion Committee is responsible for formulating Environmental Targets 2030 and Environmental Actions (2021–2024) as short- and medium-term milestones for Environmental Vision 2050, and for monitoring and evaluating the progress of environmental activities. Every half-year, the secretariat of the CSR Promotion Committee conducts a review of the results and performance of the corporate environmental activities, and uses the findings in developing plans for the following fiscal year.

A committee has been established at each of Yakult Honsha's plants and bottling companies, chaired by either the plant manager or bottling company president. The committees oversee environmental activities, including formulating annual plans, promoting environmental management programs based on ISO 14001 standards and other guidelines.

Instead of each of our facilities working on their own, each year a general meeting brings together representatives of all production facilities to share good practices within the Group and to promote such good measures at all the facilities.

Related information [p. 88 CSR Promotion Committee](#) >>>

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

For the three material themes related to the environment, we set Environmental Targets 2030 as medium-term milestones to work on achieving Environmental Vision 2050.

Climate change



Reduce GHG emissions (in Japan, Scope 1 and 2)

by **30%** compared to fiscal 2018 levels

- Initiatives**
- Reduce GHG emissions to create a zero-carbon society
 - Promote energy conservation, adopt renewable energy

Related information → [p. 27 Climate change >>>](#)

Plastic containers and packaging



Reduce plastic containers and packaging (in Japan)

by **30%** compared to fiscal 2018 levels, or make them **recyclable**

- Initiatives**
- Convert to easily recyclable containers and packaging
 - Reduce environmental impact by changing container and packaging materials

Related information → [p. 32 Plastic containers and packaging >>>](#)

Water



Reduce water consumption (at dairy product plants in Japan, per production unit) by **10% compared to fiscal 2018 levels**

- Initiatives**
- Sustainable use of water resources
 - Reduce water consumption

Related information → [p. 36 Water >>>](#)

Environmental Actions (2021–2024)

We set Environmental Actions (2021–2024) as short-term milestones to work on achieving Environmental Targets 2030. In addition to the material themes, we will also continue to promote our efforts to reduce waste and conserve biodiversity.

Priority issues	Targets
1. Achieve a zero-carbon society Climate change 	By the end of fiscal 2024, reduce GHG emissions (in Japan, Scope 1 and 2) by 10% compared to fiscal 2018 levels
2. Convert to fully recyclable containers and packaging Plastic containers and packaging 	(1) By the end of fiscal 2024, 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-based, environmentally responsible materials for containers and packaging
3. Reduce water consumption Water 	(1) By the end of fiscal 2024, reduce water consumption (at dairy product plants in Japan, per production unit) by 3% compared to fiscal 2018 levels
4. Reduce waste	(1) By the end of fiscal 2024, reduce amount of waste generated by 20% compared to fiscal 2010 levels (2) Maintain at least a 95% recycling rate for food loss and waste
5. Conserve and utilize biodiversity	(1) Support and participate in conservation activities (2) Promote biodiversity education

Environmental Vision progress status

Climate change

GHG emissions (in Japan, Scope 1 and 2) were reduced by 5.2% in fiscal 2021 compared to fiscal 2018 through the replacement of five molding machines with energy-saving electric molding machines at three domestic plants, energy-saving activities implemented at individual business sites, and other efforts.

Plastic containers and packaging

We strove to reduce the amount of plastic containers and packaging used (in Japan) in fiscal 2021 through measures like discontinuing the provision of straws for the *New Yakult* series of products. However, due to growing sales of new products, the amount of non-recyclable plastic used is expected to increase by around 6% compared to fiscal 2018.

Water

Water consumption (at dairy product plants in Japan, per production unit) was reduced by 2.4% in fiscal 2021 compared to fiscal 2018. This was achieved by conserving water through such water-saving efforts as reducing the use of water for raw materials by revamping production methods and reviewing automated washing times.

Roadmap for achieving Environmental Vision

The Environmental Promotion Department was established in April 2022 to achieve the goals of Environmental Vision. We will promote various efforts to achieve the targets of Environmental Actions (2021–2024), Environmental Targets 2030 and Environmental Vision 2050.

Climate change

- Convert to renewable energy (purchasing electricity effectively generated from renewable sources, installing in-house solar power generators, etc.)
- Explore the possibility of introducing internal carbon pricing (ICP)
- Promote energy-saving activities

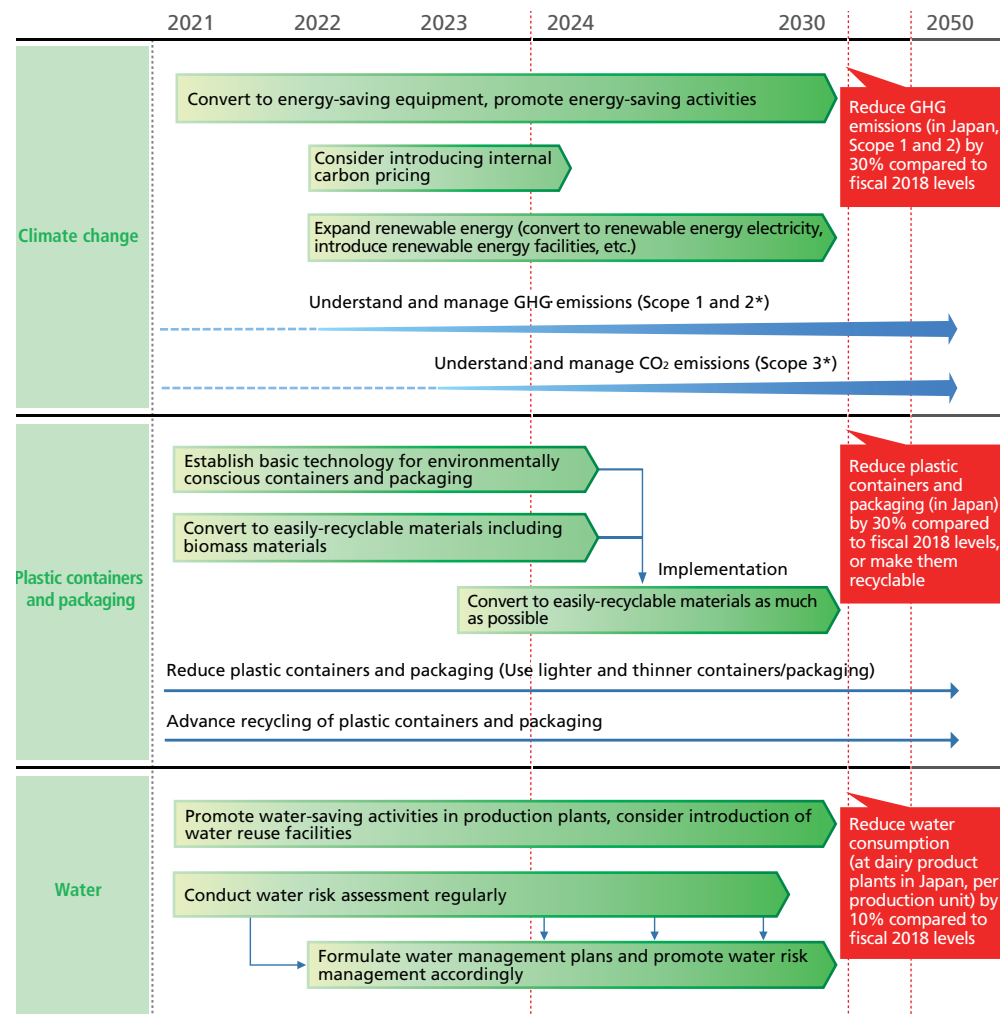
Plastic containers and packaging

- Reduce the amount of plastic used in containers and packaging (lightness, thinness)
- Explore diversification of containers
- Explore options for switching to more easily recyclable materials in containers and packaging (recycled materials, biomass materials, biodegradable materials, etc.)

Water

- Explore the possibility of introducing water cycle systems
- Formulate a water management plan and promote water risk management based on it

Roadmap for achieving Environmental Vision



* Scope definitions
 Scope 1: Direct emissions from fuel used for company's own business activities
 Scope 2: Indirect emissions from generation of electricity, steam and heat purchased from outside company
 Scope 3: Emissions from across supply chain related to company's business activities

Environmental certification status

As part of our efforts to reduce environmental impacts associated with our production and distribution activities, the Yakult Group is promoting initiatives to acquire ISO 14001 certification at Yakult Honsha plants, the Yakult Central Institute, bottling companies, marketing companies, and plants outside Japan. All Yakult Honsha plants and bottling companies have already acquired certification.

Status of ISO 14001 environmental certification

	Certified sites	Certification rate
Yakult Honsha plants and bottling companies in Japan (12 sites in total)	12	100%
Yakult Central Institute	1	100%
Marketing companies in Japan (101 in total)	10*	9.9%
Plants outside Japan (27 sites in total)	6	22.2%

* Includes branches that have acquired certification

WEB [Details about certification acquired by each company >>>](https://www.yakult.co.jp/english/csr/social/product_safety/certification/index.html)

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

Compliance with environmental laws and regulations

Energy Conservation Act

For all of Yakult Honsha's business sites, the Company submitted a periodic report for fiscal 2021 and a medium- to long-term plan for the period beginning from fiscal 2021.

The Company's total energy use during fiscal 2021 amounted to 25,190 kiloliters (crude oil equivalent), up 177 kiloliters from the previous fiscal year (100.7% compared with the previous fiscal year). The five-year year-on-year average energy use value per production unit was 97.4%, which means we achieved the Energy Conservation Act's objective of reducing the five-year average energy use per production unit by 1% or more, making us an S-class business for superior energy conservation as determined by the Agency for Natural Resources and Energy. Furthermore, the level of greenhouse gas emissions generated as a result of energy use was 45,435 tons, which was 529 tons lower than the previous fiscal year.

Act for Rationalized Use and Proper Management of Fluorocarbons

The Act for Rationalized Use and Proper Management of Fluorocarbons went into effect in April 2015. The Company conducts the appropriate management of equipment subject to this requirement at all business sites and departments based on this law. The amount of fluorocarbon leakage in fiscal 2021 was 563.9 t-CO₂.

Food Recycling Act

All Yakult Honsha business sites are striving to reduce the volume of their food loss and waste and promote its recycling. In fiscal 2021, the volume of food loss and waste generated was 436.7 tons, and recycling and other measures were undertaken for 96.2% of this according to the periodic report for fiscal 2021.

Food loss and waste recycling results (fiscal 2021)

Volume generated (t)	Volume recycled (t)	Recycling, etc. rate (%)	Recycling applications
436.7	417.8	96.2	Fertilizer, animal feeds, etc.

Related information [p. 39 Initiatives to reduce food loss and waste >>>](#)

PRTR Act

Japan's Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof (PRTR Act) requires that companies measure the volume of their emissions of specified substances, transfers of such substances from their business sites, and other data. It also requires the submission of reports on the volume of specified substances that are handled in volumes of one ton or more in the course of a year. The Tokyo Metropolitan Ordinance on Environmental Preservation, which took effect in 2001, requires that reports be submitted with respect to chemical substances handled in annual volumes of 100 kilograms or more. In fiscal 2021, the scope of the Company's mandatory reporting based on that ordinance included three substances.

Substances used by the Yakult Central Institute (Kunitachi City, Tokyo) (fiscal 2021)

Chemical	Amount handled (kg/year)	Amount released (kg/year)	Amount transferred (kg/year)	PRTR Act	Tokyo Metropolitan Ordinance
Chloroform	200	3.8	200	○	○
Methanol	250	9.9	0		
Sulfuric acid	260	0	0		

Note: The chemicals are primarily used as reaction solvents and extraction solvents. Sulfuric acid is used to adjust pH, etc. The figures stated above were reported to the government and Tokyo officials.

Containers and Packaging Recycling Act

According to the Act on the Promotion of Sorted Collection and Recycling of Containers and Packaging (Containers and Packaging Recycling Act), the Company has been obligated as a manufacturer to undertake product recycling processes, and to take additional measures regarding 3Rs (reduce, reuse and recycle) promotion and the system for making payments to the municipal governments handling sorted waste processing. The Company complies with this law, and in fiscal 2021 established the following obligatory recycling volumes for containers and packaging.

The amount of commissioned recycling fees and payments by the Company in fiscal 2021 amounted to approximately 220 million yen.

Container and packaging obligatory recycling volume (fiscal 2021)

Container and packaging type	Obligatory recycling volume (t)
Glass bottles	212
PET plastic bottles	19
Plastic containers and packaging	5,046
Paper containers and packaging	87
Total	5,364

Environmental accounting

Yakult's environmental accounting system

Yakult Honsha established the Yakult Environmental Accounting Guidelines in May 2001 based on the Environmental Accounting Guidelines issued by Japan's Ministry of the Environment, and has disclosed relevant information annually since fiscal 2001.

Purpose of the system

1. Clarify the cost-effectiveness of environmental conservation expenses and use this information to optimize environmental management programs.
2. Carry out our responsibilities to society by working to disclose environmental information to stakeholders.

Main features of the system

Scope of data: Yakult Honsha, on a non-consolidated basis

Time period: From April 1, 2021 through March 31, 2022

Noteworthy features:

- (1) Data is compiled only for activities targeting environmental conservation.
- (2) Investment amounts are equal to depreciable assets recorded during the period under financial accounting standards.
- (3) Depreciation expenses on depreciable assets and environmental business-related costs are not recorded.

Environmental accounting results showed an increase of approximately 140 million yen compared to the previous fiscal year. The implementation of various environmental conservation measures is causing a rise in costs overall.

Economic impact increased by approximately 18 million yen compared to the previous fiscal year. Factors in this increase include cost reductions due to energy conservation, overhauling and reusing vending machines, and other initiatives.

Economic accounting results

(millions of yen)

Item	Main activities	FY2020			FY2021		
		Investment	Expense	Total	Investment	Expense	Total
(1) Business area costs	1. Pollution prevention costs	39.5	191.6	231.1	49.0	214.3	263.3
	2. Global environment conservation costs	40.5	54.8	95.3	42.7	67.4	110.1
	3. Resource recycling costs	50.9	89.0	139.9	53.4	82.3	135.7
(2) Upstream/downstream costs	Containers and Packaging Recycling Act commissioned recycling fees, vending machine overhaul	0	194.8	194.8	0	224.5	224.5
(3) Administration costs	Plant grounds green area management, environmental management system renovation and maintenance, CSR Report, environmental impacts monitoring expenses, employee environmental education program expenses	0	136.6	136.6	0.2	186.5	186.6
(4) R&D costs	Consideration of improvements to containers and packaging	0	11.8	11.8	0	23.2	23.2
(5) Social activity costs	Plant vicinity cleanup campaign, donations to organizations engaged in environmental protection activities	0	4.0	4.0	0	5.4	5.4
(6) Environmental remediation costs*	Pollution load levy	0	0.1	0.1	0	0.1	0.1
Total		130.9	682.7	813.6	145.3	803.6	948.9

* Environmental remediation costs = pollution load levy

This is a special charge levied on operators of facilities that generate soot, etc., and other specified facilities as a means of gathering a portion of the funds required for the distribution of compensation based on Japan's pollution-related health damage compensation system.

Note: Because the figures are rounded off, the sum of the breakdown figures and the total may not match.

Economic benefits associated with environmental conservation measures

(millions of yen)

Type of benefit	FY2020	FY2021
Reduction of waste disposal costs associated with recycling	0	0
Income from recycling	5.2	3.8
Cost reductions resulting from resource conservation	4.5	4.8
Cost reductions resulting from energy conservation	31.5	38.6
Cost reductions resulting from packaging weight reductions	5.1	7.4
Cost reductions resulting from the overhaul and reuse of vending machines	17.2	26.5
Gains resulting from green purchasing	0	0
Other	0	0
Total	63.5	81.8

