

## Yakult to Introduce Internal Carbon Pricing System

Yakult Honsha Co., Ltd. (President: Hiroshi Narita) announced that it would introduce an internal carbon pricing system (hereinafter referred to as “ICP System”<sup>\*1</sup>) from October 1, 2022. An ICP System is a mechanism that enables companies to calculate the virtual cost of CO<sub>2</sub> emissions and promote low carbon investments and climate change countermeasures.

The company established the Yakult Group Environmental Vision in April 2021 and set out its ideal vision for the future under Environmental Vision 2050, which aims to achieve net zero carbon emissions (in scopes 1, 2, and 3<sup>\*2</sup>) to realize value chain management free of environmental impact.

Going forward, Yakult Honsha will promote low carbon investments and climate change countermeasures by utilizing the ICP System as a criterion in selecting equipment when carrying out capital investments. In addition, it will accelerate initiatives to reduce CO<sub>2</sub> emissions in the aim to achieve the goals in Environmental Vision 2050.

**\*1 ICP System:** A mechanism that promotes low carbon investments and climate change countermeasures where companies voluntarily set an internal price of carbon and calculate the virtual cost of CO<sub>2</sub> emissions to generate economic incentives for CO<sub>2</sub> emission reduction.

The unit used is t-CO<sub>2</sub> (per ton of CO<sub>2</sub> emissions).

**\*2 Scopes 1, 2 and 3:** Scope of greenhouse gas emissions monitoring  
 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 an external company  
 Scope 3: Indirect emissions occurring in the supply chain linked to a company's business activities

### Overview of Yakult Honsha's ICP System

Internal carbon price	¥37,000/t-CO <sub>2</sub>
Target	Capital investments for domestic group companies that will affect CO <sub>2</sub> emissions
Implementation method	The cost calculated by applying the internal carbon price with respect to the CO <sub>2</sub> emissions from the target investment shall be taken into account for making the investment decision.