# News Release

Kao Corporation



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FOR IMMEDIATE RELEASE

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## Kao and KOSÉ to Start Cooperating on the Horizontal Recycling of Cosmetic Plastic Bottles and Recycling Cosmetics into Paints Initiative —the First Collaborative Initiative in the Sustainability Domain

Kao Corporation and KOSÉ Corporation have agreed to fully collaborate in the sustainability domain of the cosmetics business with the aim of creating a sustainable society. Currently, a project team from both companies is proceeding with deliberations. As the first step, Kao and KOSÉ have decided to start collaboration between Kao's Horizontal Recycling of Cosmetic Plastic Bottles and KOSÉ's cooperative venture, Recycling Cosmetics into Paints Initiative.

Going forward, both companies that have been respectively promoting these initiatives will work together to promote and develop them while making use of each other's knowledge.

### Horizontal Recycling of Cosmetic Plastic Bottles

■<u>Approval of chemically recycled PET material for cosmetic brands</u> From June 2021, Kao began using the chemically recycled PET (polyethylene terephthalate) material<sup>\*1</sup> manufactured by PET Refine Technology Co., Ltd., a group company of JEPLAN, Inc., in the bottle container of *Twany*. Furthermore, from February of this year, Kao will expand the brands that will use chemically recycled PET material and gradually include it in new products from brands such as *est*, *Lissage*, and *Dew*.



\*1 This material is not recycled from cosmetic plastic bottles.

### Field Testing for In-Store Collection and Recycling of Cosmetic Plastic Bottles by Kao

From February until the end of July this year, Kao will collect used cosmetic plastic bottles at retail outlets directly run by AEON in the Kanto region of Japan that sell *Twany* brand products, and at COLOR STUDIO cosmetics retail outlets in AEON malls. The collected cosmetic plastic bottles will be used for field testing of horizontal recycling to turn used cosmetic plastic bottles into new cosmetic plastic bottles, using JEPLAN's chemical recycling<sup>\*2</sup> technology. Kao's goal is to make horizontal recycling a reality quickly and with cooperation from many customers, the collection work is proceeding smoothly at each target store.

\*2 Used resources are chemically broken down into the raw materials for PET resin and recycled. This method displays excellent ability to eliminate foreign matter and impurities from the material being recycled.

Going forward, Kao will work with KOSÉ to achieve horizontal recycling from bottle to bottle, where used cosmetic plastic bottles are collected and recycled into cosmetic bottles. In addition, Kao and KOSÉ will accelerate the establishment of a collaborative scheme by bringing together the knowledge of both companies.

#### **Recycling Cosmetics into Paints Initiative**

Kao supports MÅNGATA Co., Ltd., which manufactures and sells paints and other colorants made by recycling make-up cosmetics that are no longer in use, an initiative that KOSÉ has been cooperating with MÅNGATA. From this spring, Kao plans to start providing MÅNGATA. with cosmetics that could not become final products and those did not meet quality standards in laboratories. Kao will support upcycling by adding new value to cosmetics that have finished their roles.

Regarding collaboration between Kao and KOSÉ in the sustainability domain, both parties are proceeding with discussions with "initiatives to contribute to the realization of environmental protection and the resource-circulating society" and "initiatives to contribute to solution of social challenges" as the themes. The first collaborative initiatives, Horizontal Recycling of Cosmetic Plastic Bottles and Recycling Cosmetics into Paints Initiative, are part of initiatives to contribute to solution of social challenges.

Moving forward, Kao will continue to seek initiatives that allow both Kao and KOSÉ to collaborate beyond the scope of each company, and to create solutions that contribute to the realization of a sustainable society in various fields.

In April 2019, the Kao Group established its ESG strategy, the Kirei Lifestyle Plan. The collaboration with KOSÉ this time is an initiative that will contribute to "Zero Waste," one of the Plan's leadership action themes. In the future, by incorporating an ESG perspective into its management, Kao aims to further the development of its businesses while also delivering even better products and services to consumers and to society as a whole. In this way, Kao will be working toward the realization of a more prosperous and more harmonious world.

#### About Kao

Kao creates high-value-added products that enrich the lives of consumers around the world. Through its portfolio of over 20 leading brands such as *Attack*, *Bioré*, *Goldwell*, *Jergens*, *John Frieda*, *Kanebo*, *Laurier*, *Merries*, and *Molton Brown*, Kao is part of the everyday lives of people in Asia, Oceania, North America, and Europe. Combined with its chemical division, which contributes to a wide range of industries, Kao generates about 1,420 billion yen in annual sales. Kao employs about 33,500 people worldwide and has 135 years of history in innovation. Please visit the Kao Group website for updated information.

https://www.kao.com/global/en/

<Related Information>

■Kao and KOSÉ to Embark on Comprehensive Collaboration in the Sustainability Domain of the Cosmetics Business

https://www.kao.com/global/en/news/sustainability/2021/20211014-001/

■ Kao Aims for Material Recycling of Plastic Bottles for Cosmetics, Begins Using Chemically Recycled PET Material

https://www.kao.com/global/en/news/sustainability/2021/20210602-001/

Kao Begins Field Testing of In-store Collection and Recycling of Used Bottles

https://www.kao.com/global/en/news/sustainability/2022/20220127-002/

JEPLAN website

https://www.jeplan.co.jp/en/

MÅNGATA website

https://man-gata.com/about-en

Kao Sustainability website

https://www.kao.com/global/en/sustainability/

■Kao launches new ESG Strategy "Kirei Lifestyle Plan" to support consumer lifestyle changes https://www.kao.com/global/en/news/sustainability/2019/20190422-001/

■Kao's New Challenges for the Future: Accelerating Purposeful Business Commitment with ESG <u>https://www.kao.com/global/en/news/business-finance/2019/20190926-001/</u>

\*This news release is a translation of a Japanese-language news release dated February 14, 2022.