

**FOR IMMEDIATE RELEASE**

July 28, 2022

## **Kao and Costco Test the Introduction of Foldable Containers as Reusable Packing Material**

Evaluating Their Effect on Reducing Environmental Impact and Improving Work Efficiency

From July 19, 2022, the Kao Corporation and Costco Wholesale Japan, Ltd. began testing the use of foldable containers that can be used repeatedly as packing materials for products at one of the Costco's warehouses in Kanagawa Prefecture. In addition, both companies are collaborating to evaluate the effects of utilizing foldable containers to reduce the environmental impact and improve work efficiency. Utilizing the knowledge gained through this test, Kao and Costco aim to expand the number of stores that use foldable containers and to build it into an industry-wide initiative.



In recent years, as environmentally friendly efforts by companies have increased, Kao is taking the *Yoki-Monozukuri*\* concept, cultivated by the group through its corporate activities to date, and upgrading it to ESG-driven *Yoki-Monozukuri*, as well as strengthening its initiatives in consideration of the environment and society. In addition, based on the recognition that it is necessary for businesses to grow and for the world to thrive at the same time, Costco is promoting its Sustainability Commitment. Costco is actively expanding business activities that include a sustainability perspective, such as reducing food waste, recycling and reducing the amount of plastic used.

Until now, recyclable corrugated cardboard has been mainly used as the material for packing products when delivering products to retailers, but, the burden of opening and disposing of the cardboard at stores and the CO<sub>2</sub> emissions produced during the recycling process remained a challenge.

Therefore, Kao and Costco are collaborating to test the introduction of foldable containers that can be used repeatedly, and start efforts to collect and reuse them. In addition, both companies are examining the effects of foldable containers in various situations such as delivery, display and sales, and are determining the advantages and disadvantages of using foldable containers. Moving forward, based on these results, Kao and Costco will first expand the number of stores that use foldable containers, and in the future aim to standardize their use throughout the industry.



Reusable foldable container



Left: When using cardboard, Right: When using reusable foldable containers

\* Kao defines *Yoki-Monozukuri* as a strong commitment by all members to provide products and brands of excellent value for consumer satisfaction.

## Main Aspects of the Initiative

### ■ Goal

Evaluation of the effect of using foldable containers as a reusable packing material

### ■ Content

The initiative is examining how well reusable foldable containers protect products during transportation, are handled at manufacturing plants, support work efficiency at distribution bases, resolve store issues and contribute to sales. The initiative is also scrutinizing the structure of the foldable containers.

### ■ Examination period

July 19 through September 30

### ■ Implementation store

Costco Kawasaki Warehouse

### ■ Number of foldable containers used

About 1,500 containers/month

## First Initiative Formulated as a Result of 01KAO

This is the first initiative that has been realized because of the 01KAO (Zero-One Kao), a system launched in July 2021 for all Kao Group employees to publicly solicit ideas from each employee in order to commercialize them or use them for in-house restructuring. Kao has set “maximize the power and potential of employees” as one of its policy objectives of the Mid-term Plan K25, and 01KAO plays a large role in fulfilling the objective.

In addition, the Kao Group established its ESG strategy, the Kirei Lifestyle Plan in April 2019. The foldable container initiative contributes to the key leadership action theme of “Decarbonization” in the Kirei Lifestyle Plan. Kao will continue to integrate its ESG strategy into its management practices and develop its business. It will also aim to provide better products and services for consumers and society while working toward its purpose, “To realize a Kirei World in which all life lives in harmony.”

## **Company Profiles**

### **■ Kao Corporation**

Representative:

Yoshihiro Hasebe, Representative Director, President and Chief Executive Officer

Address:

1-14-10 Nihonbashi Kayabacho, Chuo-ku, Tokyo, Japan

Established:

May 21, 1940 (founded June 19, 1887)

No. of employees (consolidated):

33,507 (as of December 31, 2021)

Business description:

Consumer products businesses, including Hygiene & Living Care, Health & Beauty Care, Life Care, and Cosmetics, and the Chemical business to meet the needs of industry.

### **■ Costco Wholesale Japan, Ltd.**

Representative:

Ken Theriault, Country Manager

Address:

3-1-4 Ikegami-Shincho, Kawasaki-ku, Kawasaki-shi, Kanagawa, Japan

Established:

April 14, 1998

No. of employees:

Approx. 13,000

Business description:

Membership warehouse type wholesale / retail business

#### <Related Information>

■ 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

<https://www.kao.com/global/en/news/business-finance/2019/20190926-001/>

■ Costco Wholesale Japan corporate website

<https://www.costco.co.jp/>

### About the Kirei Lifestyle Plan

Over the past 130 years, Kao has worked to improve people’s lives and help them realize more sustainable lifestyles—a Kirei Lifestyle. The Japanese word ‘kirei’ describes something that is clean, well-ordered and beautiful, all at the same time. The Kao Group established its ESG strategy, the Kirei Lifestyle Plan in April 2019, which is designed to deliver the vision of a gentler and more sustainable way of living. By 2030, Kao aims to empower at least 1 billion people, to enjoy more beautiful lives and have 100% of its products leave a full lifecycle environmental footprint that science says our natural world can safely absorb.

For more information please, click <https://www.kao.com/global/en/sustainability/>

### About Kao

Kao creates high-value-added products and services that provide care and enrichment for the life of all people and the planet. 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 business, 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/>