News Release



Kao Corporation

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FOR IMMEDIATE RELEASE

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Field Testing of a New Collection Scheme in Japan Using Local **Government Collection Route to Achieve Horizontal Recycling of** Plastic Containers for Personal and Home Care Products Scheme Similar to that for PET Plastic Beverage Bottles Envisioned

Kao Corporation will work with general recycling business Nakadai Co. Ltd. to conduct field testing for recycling plastic containers used for personal and home care products in the Japanese city of Satsumasendai, Kagoshima Prefecture. The program, lasting for one year from April 2023 to March 2024, will target approximately 1,000 Satsumasendai City households, to collect these plastic containers using the city's existing recycling route. Recycling of PET plastic beverage bottles via local government routes for recyclables is already well established, but this field-testing scheme for personal and home care product plastic containers is the first of its kind^{*1}. This new approach aims to find answers to the issues currently experienced in field testing of obtaining sufficient quantities of materials to recycle and reducing the cost of collection to set up a sustainable collection system, in order to create a horizontal system for recycling plastics in everyday life. This field testing is being conducted as part of the Circular Park Kyushu project for a sustainable future and has been incorporated into Satsumasendai City's SDGs Innovation Trial Support Project^{*2}.

*1 According to Kao data.

*2 [SDGs Challenge] We support a field-testing project using advanced technologies! / Satsumasendai City



Satsumasendai City flyer calling for residents' cooperation with field testing

Issues with Plastic Container Collection Schemes in Current Field Testing

In cooperation with local governments and enterprises, Kao is currently conducting various types of field testing to recycle plastic containers for daily-use household products. Every field-testing scheme so far requires consumers to sort, wash and dry empty detergent, shampoo, etc. plastic containers and refill packs and take them to a collection point at a supermarket, drugstore or local government facility.

Field testing has shown that collecting plastic containers for horizontal recycling and re-use requires high-quality materials that have been properly sorted, washed and dried. When field testing began, it was sometimes the case that items not targeted or improperly washed found their way into the recycling stream, but the quality of the items collected improved after measures were taken to encourage consumers to cooperate.

Collection schemes today faces two issues: ensuring a stable, sufficient supply of containers as a source of materials, and reducing the cost of collection in order to make such schemes sustainable.

Positive Features of the Collection Scheme for Personal and Home Care Product Packaging

Satsumasendai City currently collects recyclables (washed and dried plastic containers for personal and home care products, food packaging and colored food trays) twice a month. The collection scheme for personal and home care product packaging in this field testing incorporates two features to encourage resident cooperation.

• Expanded scope of items collected to make sorting easier

Field testing conducted by Kao so far has been limited to containers and refill packs for detergent, shampoo and other products. This time, products collected will include plastic packaging for all personal and home care products, including cosmetics containers, and the pumps and caps that come with containers and refill packs. Even toothbrushes, which are currently processed as burnable trash by Satsumasendai City, will be included. This change is intended to make sorting recyclables easier and encourage residents to cooperate with collection.

• Collection points will be set up at existing recycling stations

In field testing conducted by Kao so far, collection boxes were located at stores or local government facilities. In Satsumasendai City, trash collection points include recycling stations. Collection boxes for the scheme will be set up alongside these local recycling stations, which consumers already use to recycle plastic containers, paper, glass bottles, PET plastic bottles and other recyclables. Since residents already go to trash collection points to dispose of regular trash, having collection boxes in the same place will facilitate cooperation with the scheme.

Looking to the Future

This field-testing scheme will assess whether materials can be collected in sufficient quantity, one of the issues raised, and acceptable quality. To check state of collection, plans are to conduct home visits and ask households to answer questionnaires.

As for the other issue, costs associated with collection, this field study plans to investigate the possibility of using existing local government collection routes in the future. Materials collected in this field test will be transported and stored by Nakadai.

Details of Frederic	
Period	April 2023 to March 2024 (1 year)
Place	Satsumasendai City, Kagoshima Prefecture
Households targeted	Approx. 1,000 households
Items collected	Plastic containers for personal and home care products, e.g. laundry
	detergent, dishwashing liquid, bleach, bathtub cleaner, toilet cleaner,
	facial cleanser, shampoo and rinse, body shampoo, hand soap, air
	freshener, lotion, emulsion, beauty essence, beauty cream, toothbrushes,
	etc.
	* Product containers from manufacturers other than Kao will also be
	collected.
Target amount	Approx. 1,100kg

Details of Field Testing

In April 2019, the Kao Group established the Kirei Lifestyle Plan, an ESG strategy. Since its start in 2021, the Kao Group Mid-term Plan 2025 (K25) has proclaimed "protecting future lives" and promoting "sustainability as the only path" as its vision. The current initiative addresses one of the Kirei Lifestyle Plan's leadership actions, to contribute to "zero waste" and "decarbonization." The Kao Group will continue to integrate its ESG strategy into its management practices. It will also develop its business, provide better products and services for consumers and society, and work toward its purpose, "to realize a Kirei world in which all life lives in harmony."

* This news release is a translation of a Japanese-language news release dated April 10, 2023.

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 here.

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 1,550 billion yen in annual sales. Kao employs about 35,400 people worldwide and has 136 years of history in innovation. Please visit the Kao Group website for updated information.

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Related Information

- Kao launches new ESG Strategy "Kirei Lifestyle Plan" to support consumer lifestyle changes
- Kao's New Challenges for the Future: Accelerating Purposeful Business Commitment with ESG
- <u>Kao sustainability website</u>