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FOR IMMEDIATE RELEASE

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Kao Becomes the First Manufacturer or Retailer to Receive Approval for Voluntary Collection of Plastic Packaging from Consumers in Japan under the Plastic Resource Circulation Act

In March 2024, Kao Corporation and Group company Kao Transport and Logistics Company Limited received approval from the Ministry of Economy, Trade and Industry and the Ministry of the Environment for voluntary collection by a manufacturer or retailer related to collection of plastic packaging at Kao business locations and in Kamakura City. This is the first such approval received by a manufacturer or retailer for collection from the general public. This approval system is a measure related to implementation of the Act on Promotion of Resource Circulation for Plastics (Plastic Resource Circulation Act) that went into force on April 1, 2022. With this approval, Kao and Kao Logistics are able to collect used refill packs within the Kao Group and in the city of Kamakura without needing to obtain service permission under the Act on Waste Management and Public Cleaning (Waste Management Act).



Collection box set up at the Kao Head Office (left) and a Resource Post (collection box) set up in Kamakura City (right)

How plastic packaging from consumer products is collected

Aiming to create a circular economy for plastic packaging, Kao has been conducting field tests for recycling used plastic packaging from consumer products in cooperation with local governments, companies and other groups. In the field tests, Kao has been developing film-to-film recycling technology, in which used refill packs and bottles are collected and made into new packaging. In May 2023, Kao commercialized development of refill packs that are made using some recycled materials.

News Release from May 2023

Kao and Lion Partner in Film-to-Film Recycling of Used Refill Packs First Product Making Partial Use of Recycled Materials Reaches the Market



Steps to manufacturing recycled refill packs

In Japan today, used plastic packaging from households is processed as general waste according to rules set by local governments. There are two main processing methods: 1) collection as burnable garbage with thermal recycling or simple incineration and 2) sorted collection as a resource with recycling in accordance with the Act on the Promotion of Sorted Collection and Recycling of Containers and Packaging.

For waste, the appropriate processing methods are established in the Waste Management Act. This law applies when handling used plastic packaging as waste, meaning that only licensed business operators are able to collect used plastic packaging. For this reason, Kao is conducting collection field tests only with local governments that handle used plastic packaging from consumer products for sorted collection as valuables and not as waste.

The approval for voluntary collection by manufacturers and retailers that Kao has received is an implementation measure related to the Plastic Resource Circulation Act that went into force on April 1, 2022 to promote voluntary collection by manufacturers and retailers. Business operators that receive approval do not need to receive service permission for collection conducted within their plan scope. This allows manufacturers and retailers to collect and recycle plastic packaging without having to obtain service permission.

Kao's collection plan that received approval

Kao received approval for voluntary collection under its plan for collecting used refill packs at Kao Group business locations and in the city of Kamakura. These locations are already collecting used refill packs as valuables, but they can now also be collected as waste. The used refill packs are planned to be recycled at a pilot plant set up at the Kao Wakayama Research Laboratories after being transported from the collection sites to aggregate collection sites. Kao's plan reduces associated transportation costs and environmental impacts by using existing delivery and pick-up routes that

service Kao Group business locations operated by Kao Logistics and other logistics service providers.

The approved plan can be applied to other regions with similar collection patterns, enabling rapid expansion of the regions where collection is conducted. In addition to the current collection of used refill packs as valuables, going forward Kao intends to present this plan as a collection model easily implementable by local governments and companies and promote increased collaboration on recycling.

• Within the Kao Group

Used refill packs (Kao products and other companies' products) brought to Kao Group business locations* by employees are collected by Kao Logistics. In the future, the available collection sites will be expanded to all business locations throughout Japan.

*At first, the collection sites are the Kao Head Office (Kayabacho), Sumida Complex and the Kao Group Customer Marketing Co., Ltd. (Kao Group company) Head Office (Kayabacho).

• Kamakura City

Used refill packs (Kao products and other companies' products) collected from Resource Post collection boxes set up by the city of Kamakura are consolidated by the municipal government at a recycling center in Kamakura and then collected by Kao Logistics.

The Kao Group established its ESG strategy, the Kirei Lifestyle Plan, in April 2019. Since 2021, it has been promoting the Kao Group Mid-term Plan with its vision of "protecting future lives" and "sustainability as the only path." Kao's initiatives address zero waste, leadership actions in the Kirei Lifestyle Plan. Kao will continue to integrate ESG into the core of its company management. 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."

News Release from May 2023

Announcing a Roadmap for Reaching Plastic Packaging Net Zero Waste by 2040 and Negative Waste by 2050

* This news release is a translation of a Japanese-language news release dated March 5, 2024.

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. Please visit <u>the Kao sustainability website</u> for more information.

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 1,530 billion yen in annual sales. Kao employs about 34,300 people worldwide and has 137 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 Kao sustainability website