

# 14<sup>th</sup> Chemical Regulatory Annual Conference Virtual Forum

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# Panel Discussion: Deep Dive into the Global Cosmetic Sustainability Policies and Regulations

Akemi Ooka, *Independent Beauty Association*  
Sybille MILLET, *Cosmed*  
Mike Sohn, *REACH24H Korea*

December 15, 2022

Communicate Collaborate Co-Create



# GUESTS



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Head of Global Supply Chain and  
Sustainability Resources



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Regulatory Affairs Manager



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General Manager





# Emerging Sustainability Regulations in the U.S.

Independent Beauty Association  
Dr. Akemi Ooka  
Head of Supply Chain and Sustainability

December 15, 2022



# Contents

- 1 Rise of U.S. Sustainability Legislation
- 2 Environmental Marketing Claims
- 3 Plastic Packaging Regulations
- 4 How Are Companies Responding?

# 1. Rise of U.S. Sustainability Legislation

- Mainstream consumer recognition of waste and packaging impact on environment and health
- Brands have concerns about Greenwashing and lack of harmonized sustainability definitions; concern about plaintiff's cases regarding environmental claims
- Investors also now interested in sustainability—and ESG reporting has caught the attention of the SEC
- Industry and Federal government has been slow to respond with concerted solutions
- State legislators have taken responsibility to create solutions, especially in response to consumer concerns about packaging waste
- State approach is challenging for companies, as each state has slightly different laws and compliance requirements. Unintended consequences can be detrimental to small businesses



## 2. Environmental Marketing Claims Oversight

### Regulation of Cosmetic Claims has now expanded to include sustainability marketing

- **Federal Trade Commission** is slated to initiate 10-yr scheduled review of “Guides for the Use of Environmental Marketing Claims” [16 CFR Part 260](#) (Green Guides)
- **California’s Truth in Labeling Law** ([SB-343](#)) addresses environmental marketing claims specifically for California, but also went a step further in defining recycling and forbids the use of the “chasing arrow” recycling symbol unless the product can be recycled in accordance with California-specific requirements:
  - Must be of a type/form collected for recycling by programs encompassing at least 60% of the state
  - Should be routinely used as a feedstock in production of new products or packaging
  - Cannot contain components, inks, adhesives or labels that prevent recyclability according to the APR Design Guide® published by the Association of Plastic Recyclers
  - Cannot contain intentionally added chemicals that would act as a contaminant
  - Cannot contain PFAs that are intentionally added and have a functional or technical effect, or that exceed 100 ppm

### 3. New Plastic Packaging Regulations: PCR

#### States are beginning to require recycled content in product packaging

- Laws focused on incorporation of post-consumer recycled resin (PCR) in product packaging are designed to reduce the use of virgin plastic and boost incentives in the U.S. market for recycled resin
- Products must increase recycled content in packaging over time and must meet mandates in order to be sold in states with PCR regulations in place

New Jersey	Washington	California
<ul style="list-style-type: none"> <li>• Packaging Products including plastic containers</li> <li>• Increases over time from 10% to 50%</li> <li>• Compliance deadlines begin in 2024</li> </ul>	<ul style="list-style-type: none"> <li>• Plastic bottles for Household and Personal Care products</li> <li>• Increases over time from 10% to 50%</li> <li>• Compliance deadlines begin in 2024</li> </ul>	<ul style="list-style-type: none"> <li>• Products must be recyclable or compostable; otherwise cannot be sold or distributed in CA</li> <li>• Compliance deadlines begin in 2032</li> </ul>



### 3. New Plastic Packaging Regulations: EPR

#### States are looking to Extended Producer Responsibility Laws to improve circularity

- Places responsibility for disposal/end of life products and packaging on “producers” (typically brand owners)
- Must join a PRO (Producer Responsibility Organization) and pay fees to enable compliance and infrastructure investment
- Reporting is required, but varies by state and may include amount of virgin plastic and amount of PCR content by resin type for each product sold
- Some exemptions apply, including *de minimis* or drug/OTC/medical classification

California	Colorado	Maine	Oregon	Washington
Compliance deadline: Form and join a PRO by <b>2024</b>	Compliance deadline: Establish a PRO <b>July 2023</b> ; pay dues in <b>2029</b>	Compliance deadline: <b>One calendar year</b> after PRO bid	Compliance deadline: Register with a PRO by <b>July 2025</b>	Compliance deadline: Participate in and fund a PRO by <b>January 2023</b>

## 4. How Are Companies Responding?

### Preparation and Compliance Activities

- Reviewing claims and associated substantiation. Using EU guidance as a measure.
- Fully vetting supply chains to ensure documentation in place to address sourcing, emissions, carbon claims
- Working with certification agencies to validate and rate supply chains with consistent, industry-wide measures and methods
- Building tools/processes to understand product sales by state and enable plastic packaging reporting as required
- Developing processes (e.g. specifications, documentation, QA/QC checks, auditing) to assure compliance with PCR mandates in required states

### Organization and Education

- Companies are also looking for harmonized solutions—the patchwork of laws across the U.S. is challenging and can create more waste and confusion
- Companies are getting educated about these new laws. They are also educating lawmakers about the beauty industry to ensure policies are developed by broad coalitions of stakeholders

# Environmental Regulations in the EU

Cosmed  
Sybille MILLET  
Regulatory Affairs Manager

December, 15, 2022



# Contents

- 1 The European Green Deal
- 2 The Circular Economy Action Plan
- 3 Microplastics
- 4 EU Ecolabel

# COSMED Activities

**COSMED**  
L'ASSOCIATION DES PME DE LA FILIÈRE COSMÉTIQUE



## LOBBYING FOR COSMETIC COMPANIES

- French National Agency for Medicines and Health Products Safety (ANSM)
- European Commission
- ISO, CEN, AFNOR
- Foreign countries authorities


## SHARED SERVICES

- Regulatory watch
- Free Sale Certificates
- Training
- Purchasing group
- Events, Congress
- Cosmed Environment

## WORLDWIDE REGULATORY WATCH

 **120** Countries monitored (Europe & international).  
On-line available databases 24 hours, 7 days

 **1500** Updated factsheets and summary tables

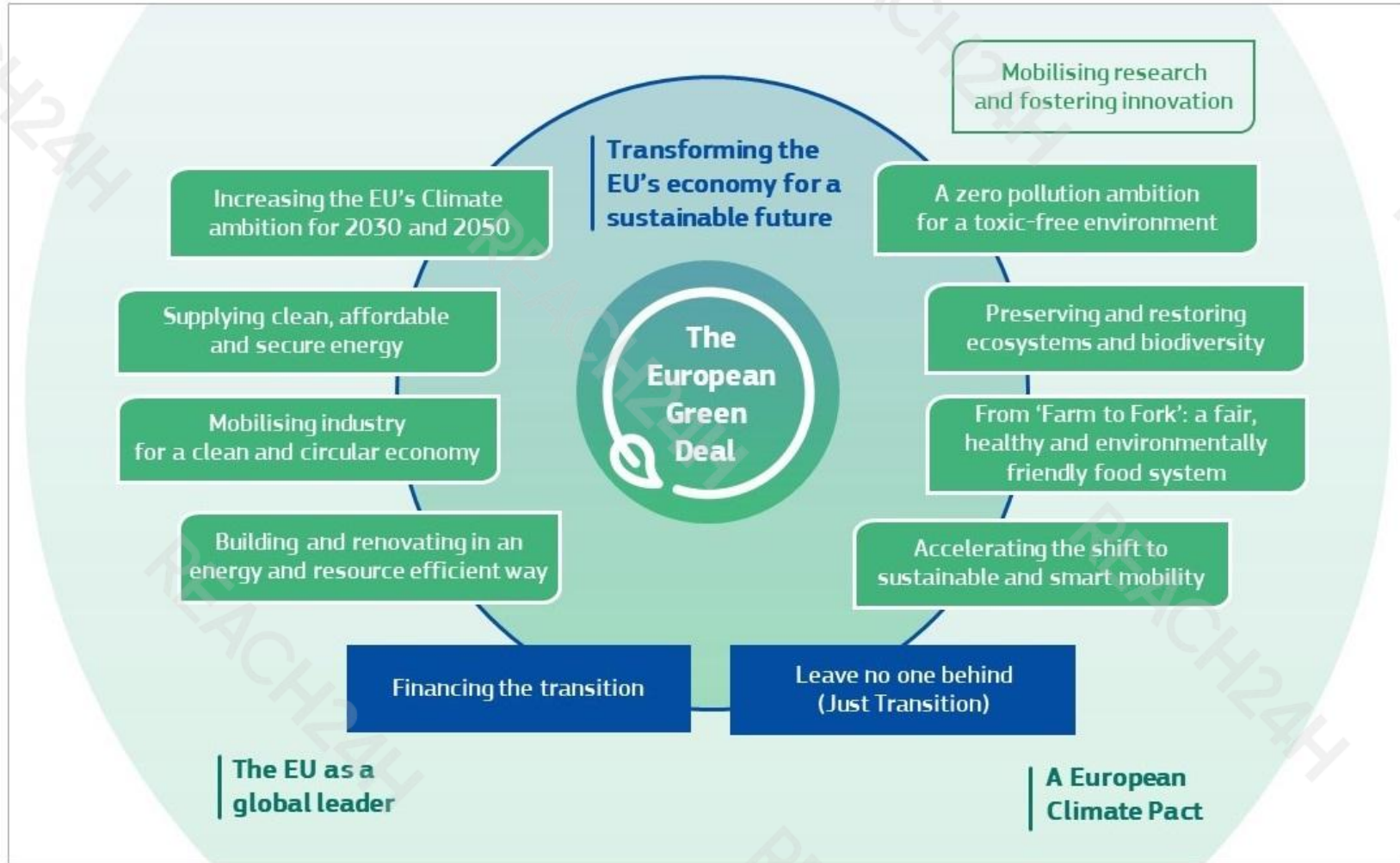
 **48h** Deadline answer to your regulatory requests from a specialized team

 **7 days a week** Email alerts at each regulatory amendment

 **CHOOSE** your tailored solution  
**1 database** France / Europe OR International  
**2 databases** France / Europe AND International



# 1. The European Green Deal



**December 2019**

# 1. The European Green Deal



REPowerEU



Climate



Energy



Transport



Agriculture



Finance and regional development



Industry



Research and innovation



Environment and oceans

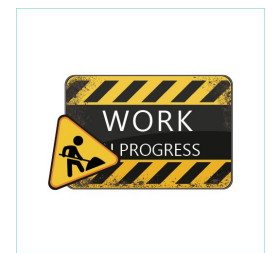
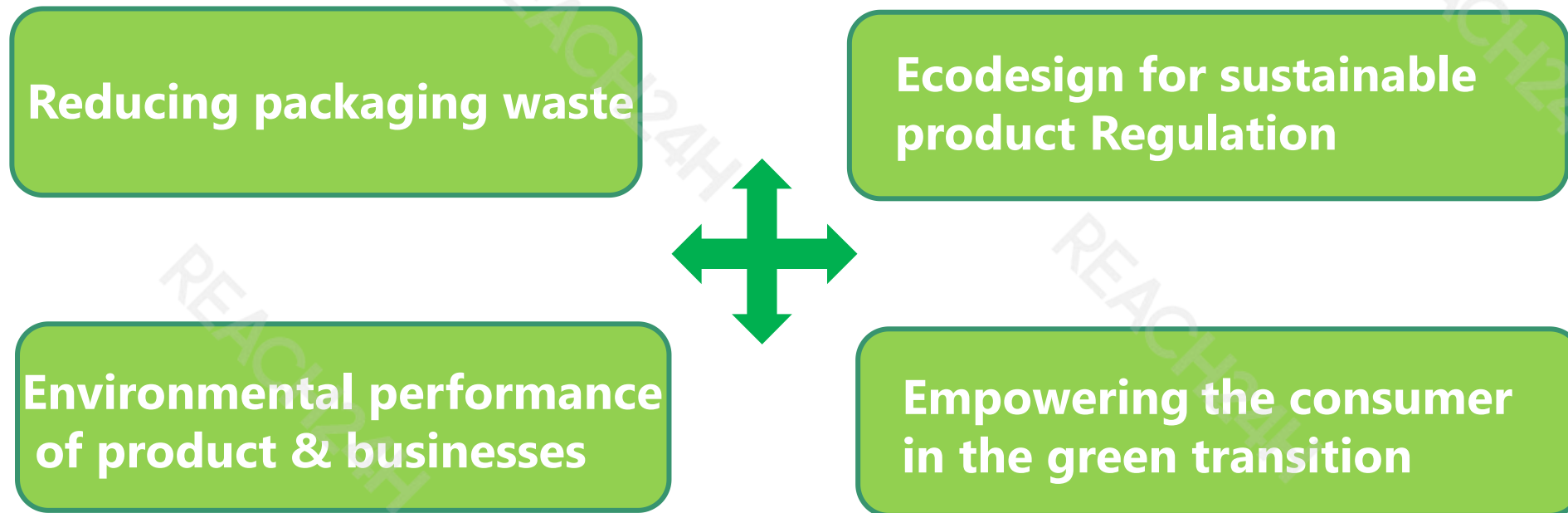
**→ Circular Economy  
Action Plan**

Being climate  
neutral continent  
by 2050

## 2. The Circular Economy Action Plan

**Presented in March 2021**

**Several objectives/initiatives:**



## 2. The Circular Economy Action Plan

### Reducing packaging waste

- ➔ **Prevention: improve design of packaging**
- ➔ **Promote Re-use & recycling** (*targets*)
- ➔ **Tackle excessive packaging**
- ➔ **Reduce packaging waste**

**Review of Packaging & Packaging waste directive**  
2020/2021: consultation  
Nov 2022: proposal for a Regulation

**Circular Economy Action Plan**  
The European Green Deal

### Ecodesign for sustainable product

- ➔ **Information requirements**
- ➔ **Performance requirements**
- ➔ **Digital Product Passport**

### Ecodesign for sustainable product Regulation

March 2022 : Draft regulation (EU commission)  
Under discussion at EU parliament and council level  
At the earliest: Publication : 2023  
Application : 2024 ➔ ++

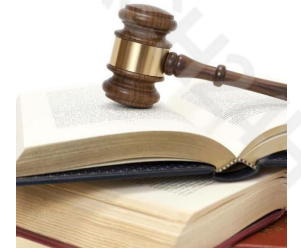


## 2. The Circular Economy Action Plan

### More information on the Ecodesign requirements:

- Durability & reliability
- **Reusability**
- Upgradability, reparability, possibility of maintenance & refurbishment
- **Presence of substance of concerns**
- **Energy use or energy efficiency; resource use or resource efficiency**
- **Recycled content**
- **Possibility of recovery materials**
- **Environmental impact**, including carbon & environmental footprint
  - ➔ **PEF method** [according to recommendation (EU) 2021/2279]
- Expected generation of waste material

**Information and performance requirements to be defined per sector**





## 2. The Circular Economy Action Plan

### Digital product passport

Linked to the product : **unique product identifier**  
(*may refer to product level or batch : to be defined per sector*)

Should contains, among others:

- **Information requirements**
- **Safety information**
- **Information related to the manufacturer**
- **Unique facility identifiers**

**To be defined per sector**



## 2. The Circular Economy Action Plan

### Environmental performance of product & businesses

- **Substantiating claims**
- **Reducing greenwashing**
- **Use standards method**

#### PEF method

Review recommendation of 2013

→ **recommandation (EU) 2021/2279**



### Empowering the consumer in the green transition

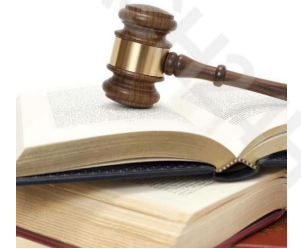
- **Better protection against unfair practices**
- **Better information**



**March 2022: proposal for a directive as regards empowering consumers for the green transition through better protection against unfair practices and better information**

Under discussion at EU parliament and council level  
At the earliest: Publication: 2023

## 2. The Circular Economy Action Plan

### More information on the Directive for a better protection against unfair practices and better information



- ✓ **Prohibition of generic environmental claims** without recognised excellent environmental performance **(NB: ecolabel is recognised as an evidence of excellent environmental performance)**
  - ✓ Examples of generic environmental claims:  
*'environmentally friendly', 'eco-friendly', 'eco', 'green', 'nature's friend', 'ecological', 'environmentally correct', 'climate friendly', 'gentle on the environment', 'carbon friendly', 'carbon neutral', 'carbon positive', 'climate neutral', 'energy efficient', 'biodegradable', 'biobased' or similar statement* *conscious' or 'responsible'*
  - ➔ **Claims prohibited whenever there is no excellent environmental performance demonstrated or whenever the specification of the claim is not provided in clear and prominent terms on the same medium.**
- Ex:
- *'biodegradable', referring to a product* ➔ Generic claim prohibited 
  - *'the packaging is biodegradable through home composting in one month'* ➔ would not fall under this prohibition 

## 2. The Circular Economy Action Plan

### Other actions:

November 2021: **Proposal for a Regulation on deforestation-free products**

→ For cosmetics: mainly palm oil and derivatives

→ Need to ensure that they are:

- « Deforestation free »
- Produced in accordance with relevant legislation of the country of production
- Covered by a due diligence statement

→ **Due diligence procedure:** information requirements, risk analysis

→ **Operational guidelines expected** to be set by the Commission to ensure clear rules on "*due diligence responsibilities and traceability rules of operators that are tailored*"

Under discussion at EU parliament and council level

### 3. Microplastics

**DRAFT regulation** issued in September 2022: amends Annex XVII of the REACH (restriction)

*"Microplastics shall not be placed on the market as substances on their own or, where the synthetic polymer microparticles are present to confer a sough-after characteristic, in mixtures in a concentration  $\geq 0.01\%$  by weight.*

**Definition:** « Synthetic polymer microparticles:

**Solid** polymers

- **contained in particles** and constitute **at least 1% (by weight)** of those particles
- build a **continuous surface coating** on the particles, where at **least 1% by weight** of the particles fulfil either of the following conditions:
  - (a) **all dimension of the particle are equal to or less than 5 mm**
  - (b) the length of the particles is equal to or less than 15 mm and their length/diameter ratio is greater than 3. ) "



**Size criteria**



### 3. Microplastics

#### Excluded from the definition are polymers:

- which are the result of a **polymerisation** process **that has taken place in nature** (*not chemically modified substances*)
- **that are biodegradable**
- with a **solubility of** more than 2 g/L
- **which do not contain carbon atoms** in their chemical structure

#### Restrictions not applicable :

- synthetic polymer microparticles for use on industrial sites
- synthetic polymer microparticles whose **physical properties are permanently altered during their intended end use**, so that the polymer no longer falls within the scope of this entry (→ *film formers*)



Change must be permanent and irreversible

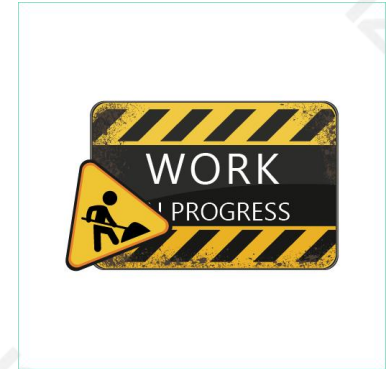
## 3. Microplastics

### Timeline:

- **4 years** for rinsed cosmetic products
- **6 years** for non-rinsed cosmetic products
- **6 years** for fragrance encapsulation
- **12 years** for lipsticks, nail polish and make-up  
(labelling after **8 years**: "**this product contains microplastics**")

And :

- **2 years for labelling** instructions or conditions of use (label/SDS) to limit release to the environment in case of exemption
- **3 years for reporting** to ECHA in case of exemption (criterion 5b)



## 4. EU Ecolabel



- European label certifying the environmental performance of a product or service via a "best in class" approach  
→ **Voluntary application**
- Different benchmarks per product/service category, multi-criteria, **based on a life cycle approach**
- **Revision of the "Rinse-off cosmetic products" standard**  
→ **"Cosmetic & Animal Care products"**  
*Commission decision (EU) 2021/870 of 22 October 2021*

## 4. EU Ecolabel



### Criteria

1. Toxicity to aquatic organisms: Critical dilution volume (CDV) of rinse-off products
2. Biodegradability of rinse-off products
3. Aquatic toxicity & biodegradability of leave-on products
4. Excluded and restricted substances
5. Packaging
6. Sustainable sourcing of palm oil, kernel oil and their derivatives
7. Fitness for use
8. Information on EU Ecolabel

**Scope extended → Leave-on cosmetics products**

## 4. EU Ecolabel

### Criterion 1 – 2 – 3: Biodegradability - toxicity



#### Criterion 1:

- The CDV corresponds to the quantity of water necessary to neutralise the product so that it has no impact on aquatic life
- It must not exceed the limit values set by the standard

Limits and method of calcul defined in the standards

#### Criterion 2&3: Conditions for rinse-off & Leave on

Use of biodegradable surfactants only

Strict thresholds for non-biodegradable organic substances

Specific exemption for UV filters in sun protection products



## 4. EU Ecolabel

### Criterion 4: Excluded or restricted substances

- a) Restrictions on substances classified under regulation (EC)°1272/2008 for health and environment. Ban of CMR
- b) Specified excluded substances  
(list defined : microplastics, nanomaterials, substances identified or suspected to have ED properties, etc.)
- c) Ban of SVHC
- d) Ban of fragrances in:
  - children products (0-12 years) with the exception of toothpaste) → impact « family products »
  - product identified as « mild » / « for sensitive skin »





## 4. EU Ecolabel

### Criterion 4: Excluded or restricted substances

#### e) Preservatives

Ban of preservatives classified as H317 or H334

#### f) Colorants

Ban of colorants classified as H317 or H334

#### g) UV filters:

- Ban of some UV filters
- For others: authorized only in sun protection products with criteria of biodegradability and toxicity;



## 4. EU Ecolabel

### Criterion 5: Packaging



Minimum volume for a rinse-off cosmetic product (except toothpaste):  
150 ml

- Prohibition of secondary packaging with some exception (*several components*)
- Obligation to offer a refill possibility for rinsed products for domestic use
- Indicate the correct dosage or the appropriate quantity to be used
- Plastic packaging must be designed to facilitate effective recycling by avoiding potential contaminants and incompatible materials
- List of excluded materials and components

## 4. EU Ecolabel

### Criterion 6: Sustainable sourcing of palm oil, palm kernel oil and their derivatives



100% w/w of palm oil/palm kernel oil derived ingredients must meet the sustainable production requirements of a certification scheme (e.g. RSPO or equivalent)



## 4. EU Ecolabel

### Criterion 7: Fitness for use



- Product performance shall be demonstrated either through laboratory test(s) or a consumer test.  
(e.g. cleaning, conditioning, colour protection, mild/sensitive, etc.)



## 4. EU Ecolabel

### Criterion 8: Information on EU Ecolabel



*'Fulfills strict requirements on harmful substances'  
'Tested performance (not animal tested)';  
'Less packaging waste'.*

The optional EE logo allows for environmental claims such as:  
"better for the environment"

# Perspective

- European roadmap for making the Eu' economy sustainable
- Consideration of the entire life cycle of products
- Strong ambition in the measures put in place
- Will significantly impact SMEs
- Transition period to be monitored closely
- Cosmed acts to represent and defend the position of its members





# Korea's Latest Cosmetics 'Sustainability' Trends

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December 15, 2022

Communicate Collaborate Co-Create



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- 1 Cosmetic Regulation for Sustainability
- 2 EPR (Extended Producer Responsibility)
- 3 Packaging Material and Structure Evaluation System
- 4 Deposit Return System
- 5 Separate Discharge Mark System
- 6 Voluntary ESG Movements in Korea Cosmetic Industry

# 1. Cosmetic Regulation for Sustainability

Cosmetic/Environment authority body; strict role-playing

## MFDS: Cosmetic finished products are ingredients



- Cosmetic regulation legislation & management
- EU cosmetic regulation announcements are strictly being monitored

## MoE: Packaging materials, Recycling systems



환경부  
Ministry of Environment

- Chemical regulation legislation & management
- Environment related regulation management and control
- Each works distributed to subsidiary bodies; KECO, NIER, KCMA and etc

Cosmetic contents is controlled by MFDS which EU regulations are monitored and adapt to Korea regulations; microbead ban(since 2017), allergen lists, safety assessment and assessor system(TBD), banned lists, etc. But has been an issue with Oxybenzene(Sunscreen ingredient) for environment influence, but focusing more on safety than sustainability as MFDS's major role is to secure consumer safety.

Whereas MoE is controlling the safety of chemicals(but cosmetics/ingredients are not included) with environment related regulations and industry managements. K-REACH definitely adapted from EU-REACH(even it differs in some features) but for following regulations are pretty exclusive to Korea

## 2. EPR (Extended Producer Responsibility)

**EPR (Extended Producer Responsibility)** mandates;

- 1) Producers and importers of products that fall under EPR requirement or;
- 2) Producers and importers of products with packaging materials that fall under EPR requirements to recycle a certain amount of wastes from products or packaging materials.

Ones who fail to follow this obligation are subject to recycling charges.

*Article 16 'Obligations of Manufacturers to Recycle' of the 『Act on the Promotion of Saving and Recycling of Resources』*

Producer's Responsibility	Production	Distribution	Consumption	Dispose	Recycle
Before EPR introduction					
After EPR					

EPR expands the scope of the manufacturer's obligations for environmental improvement, which was previously limited to improving the material structure of products, to the recycling of waste generated after consumer use

## 2. EPR (Extended Producer Responsibility)

### Details of EPR

#### Items for Mandatory Recycling

**1) 4 packaging materials**

→ paper packs, metal cans, glass bottles and packaging materials made of synthetic resin

**2) 8 products**

→ lubricants, batteries, tires, fluorescent lamps, buoys for farming marine products, sheet film for baled silage, racks of synthetic resin mats and film-type products

#### Exemptions

**1) Packaging materials**

→ Small manufacturers and importers are exempted from recycling obligation

<(Example) Criteria for Producers of Packaging Materials>

Type of Business	Size of Business	
	Figure of Sales or Import	Volume of Sales or Import of Packaging Materials
Manufacture and import of packing materials made of carton packs, metal cans or plastic (synthetic resin foam excluded)	Manufacture whose previous year revenues are KR W 1 billion or higher, and importers whose previous year revenues are KRW 0.3 billion or higher	Manufacture whose previous year sales volumes are 4 tons or higher, and importers whose previous year import volumes are 1 tons or higher

**2) Products : No exemption**

## 2. EPR (Extended Producer Responsibility)

### Details of EPR

#### Roles of each entity

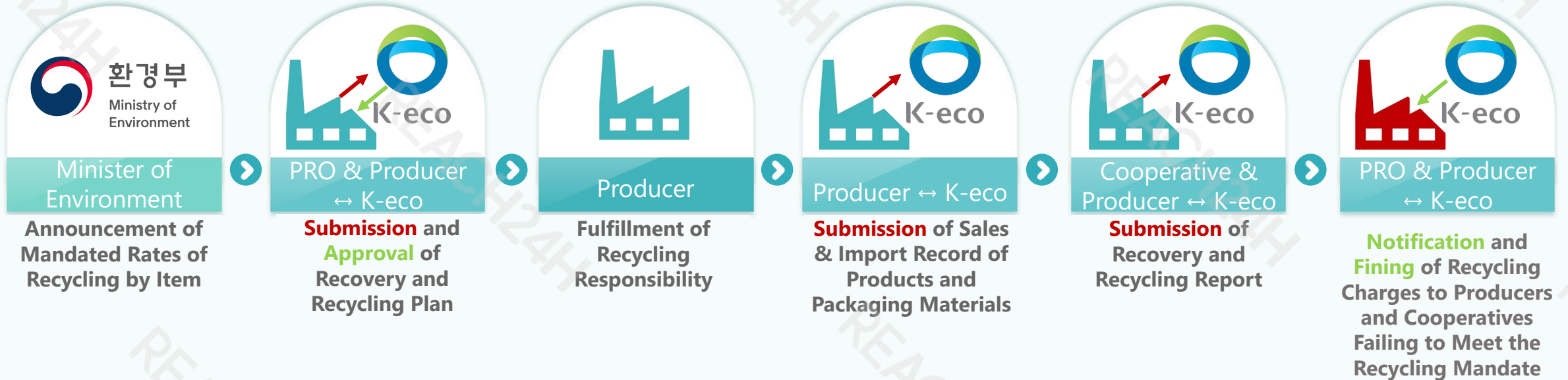
Entity	Roles
Consumer	<ul style="list-style-type: none"><li>• Thoroughly separate and discharge recycling resources</li></ul>
Producer(Recycler)	<ul style="list-style-type: none"><li>• Faithfully fulfill the responsibility for recycling individually or by joining a PRO (Producer Responsibility Organization)</li><li>• Operation of separate recycling marking system for packaging materials to ensure separate discharge at source</li></ul>
Local Government	<ul style="list-style-type: none"><li>• Separate collection of target items of EPR</li><li>• Fining violators</li></ul>
Korea Environment Corporation (K-ECO)	<ul style="list-style-type: none"><li>• Accept and approve the sales &amp; import records and the responsibility fulfillment plan of producers</li><li>• Accept the fulfillment report and verify/inspect performance</li><li>• Manage administration and oversight related to EPR operation, including recycling charges</li></ul>
Ministry of Environment	<ul style="list-style-type: none"><li>• Operation of overall EPR Program → Enact/revise laws, regulations and guidelines.</li><li>• Calculate and announce the recycling target rates for each item</li></ul>



## 2. EPR (Extended Producer Responsibility)

### Details of EPR

#### Procedures



December of Previous Year

January 31<sup>st</sup> of Current Year

Current Year

April 15<sup>th</sup> of the Following Year

April 30<sup>th</sup> of the Following Year

Notification :  
July 31<sup>st</sup> of the Following Year

Payment :  
August 31<sup>st</sup> of the Following Year

### 3. Packaging Material and Structure Evaluation System

REACH24H



A system implemented to induce producers obligated to recycle to voluntarily improve of the materials and structures of packaging materials by inducing consumers to purchase certain products and imposing differentiated charges in order to ultimately facilitate the recycling of packaging materials

*Amendment and promulgation of the 『Act on the Promotion of Saving and Recycling of Resources』 (entered into force on Dec. 25, 2019)*

#### Application Targets

Producers obligated to recycle under Article 16 (1) of the 『Act on the Promotion of Saving and Recycling of Resources』

#### Evaluation Targets

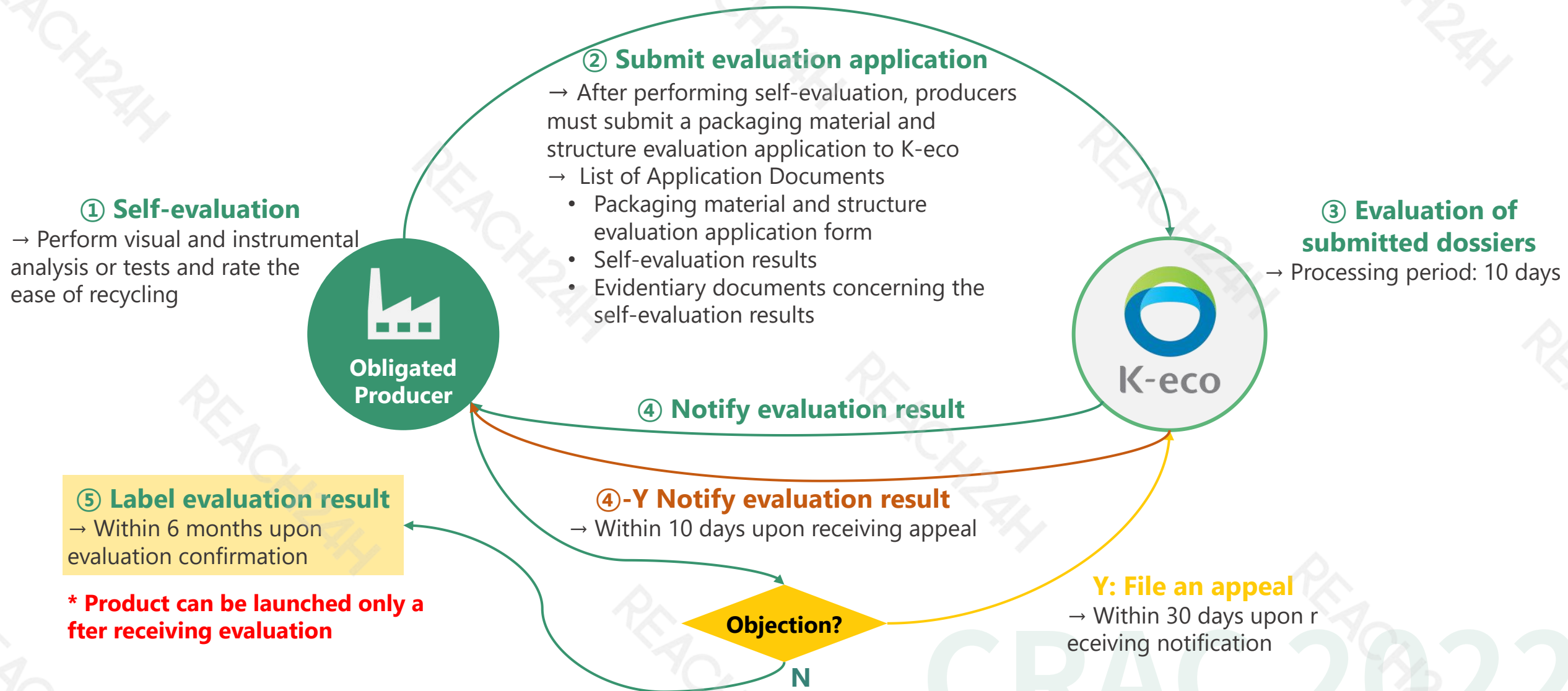
Packaging materials produced by producers obligated to recycle  
→ Cartons, glass bottles, metal cans, synthetic resins, etc.

*Article 18 (1)~(3) of the 『Act on the Promotion of Saving and Recycling of Resources』*

CRAC 2022

### 3. Packaging Material and Structure Evaluation System

#### Grade Assessment and Labeling Procedures

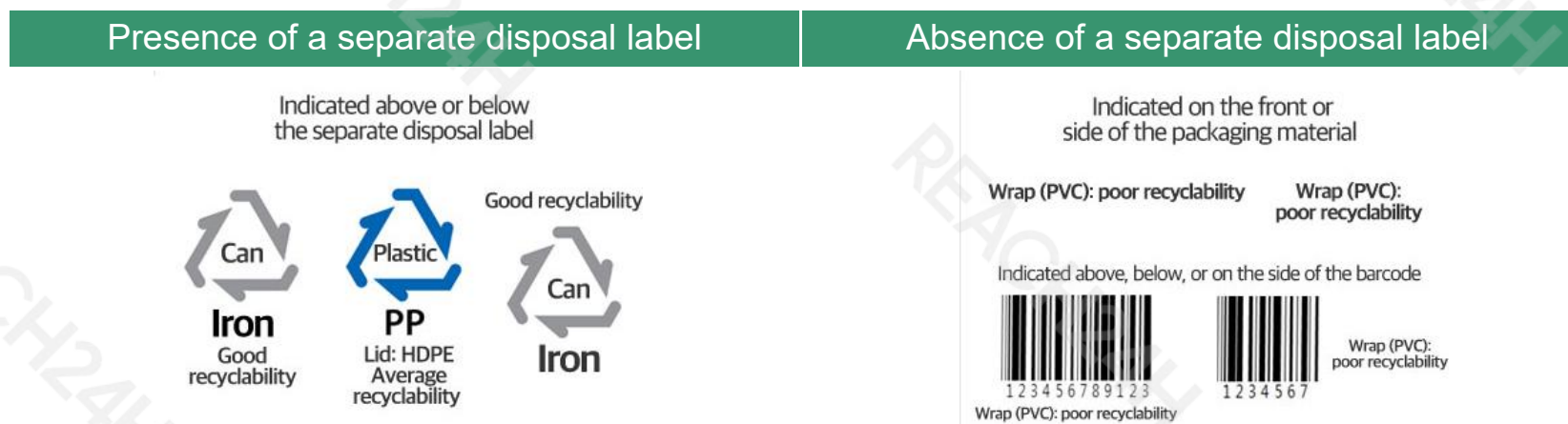


## Labeling 'Ease of Recycling' Grade (Evaluation Result)

### Subjected materials

- Packaging material rated as “poor recyclability,” except for packaging materials that do not require a separate disposal label (optional for the producer obligated to recycle, in case the ease of recycling is average or better)
- Film/sheet-type packaging materials made of PVC or PVDC, among packaging materials that do not require a separate disposal label, require the labeling of ease of recycling

### <Sample Designs for Labeling the 'Ease of Recycling'>



- Depending on the assessed grade (ease of recycling), label as “**Excellent recyclability**”, “**Good recyclability**”, “**Average recyclability**”, or “**Poor recyclability**”
- If the information on the main material as well as the lid and miscellaneous materials is labeled together, indicate the assessed grade below the label

### 3. Packaging Material and Structure Evaluation System

#### Packaging Materials Subject to Improvement and Exceptions

Category	Material and structure of products and packaging materials subject to improvement (prohibited use)	Exceptions (products and packaging materials that can be used)
PVC (incl. PVCD)	<ul style="list-style-type: none"> <li>- All packaging materials excluding exceptions</li> <li>- Laminated using PVC material, or shrink wrap or coated packaging (Incl. labels attached to the container of the product)</li> </ul>	<ul style="list-style-type: none"> <li>- When applied (coated) to the lid that is detachable from the body</li> <li>- Shrink wrapped medicinal products, quasi-drugs and health functional foods</li> <li>- Compressed packaged medicinal products, quasi-drugs and health functional foods and edible oils</li> <li>- Hams and sausages (including fish sausages) that can be distributed and sold at room temperature after high-temperature heating sterilization</li> <li>- Food packaging wrap used for packaging livestock and marine products</li> <li>- Products recognized by the Minister of Environment as exceptions</li> </ul>
Drinking spring water and beverages	<ul style="list-style-type: none"> <li>- Colored PET bottles</li> <li>- Hot melt, alkaline inseparable bonds (adhesives)</li> </ul>	<ul style="list-style-type: none"> <li>- Colorless PET bottles</li> <li>- Hot melt, alkaline separable bonds (adhesives)*</li> <li>- Products recognized by the Minister of Environment as exceptions</li> </ul>

\* Hot melt, alkaline separable bonds (adhesives): Adhesives that get separated when reacted with sodium hydroxide (2%) at a certain temperature (80°C) during the recycling process



## 4. Deposit Return System

A system to **promote recovery and reuse of empty containers** through initiatives such as;

- 1) **Establishing refundable deposits on recyclable containers**, which customers can redeem on return or;
- 2) Granting operational fees to distributors or retailers to encourage circulation of used containers
- 3) Take note that empty container deposits are paid by consumers and likewise, handling fees paid by producers (manufacturers) who reuse empty containers
- 4) Producers who fail to refund 80% of the deposits to their customer, recycling dues will be levied on the unfulfilled amount with the surcharges up to 30%



# 4. Deposit Return System

## Beverage Container Deposit System

Companies subject to deposit system

### Soju



- (주)금복주
- (주)대선주조
- (주)맥키스컴퍼니
- (주)롯데칠성음료
- (주)무학
  - (주)보해양조
  - (주)충북소주
  - (주)하이트진로
  - (주)하라산

### Beer



- (주)롯데칠성음료
- (주)오비맥주
- (주)하이트진로

### Soft drinks



- (주)롯데칠성음료
- (주)일화
- (주)코카콜라음료

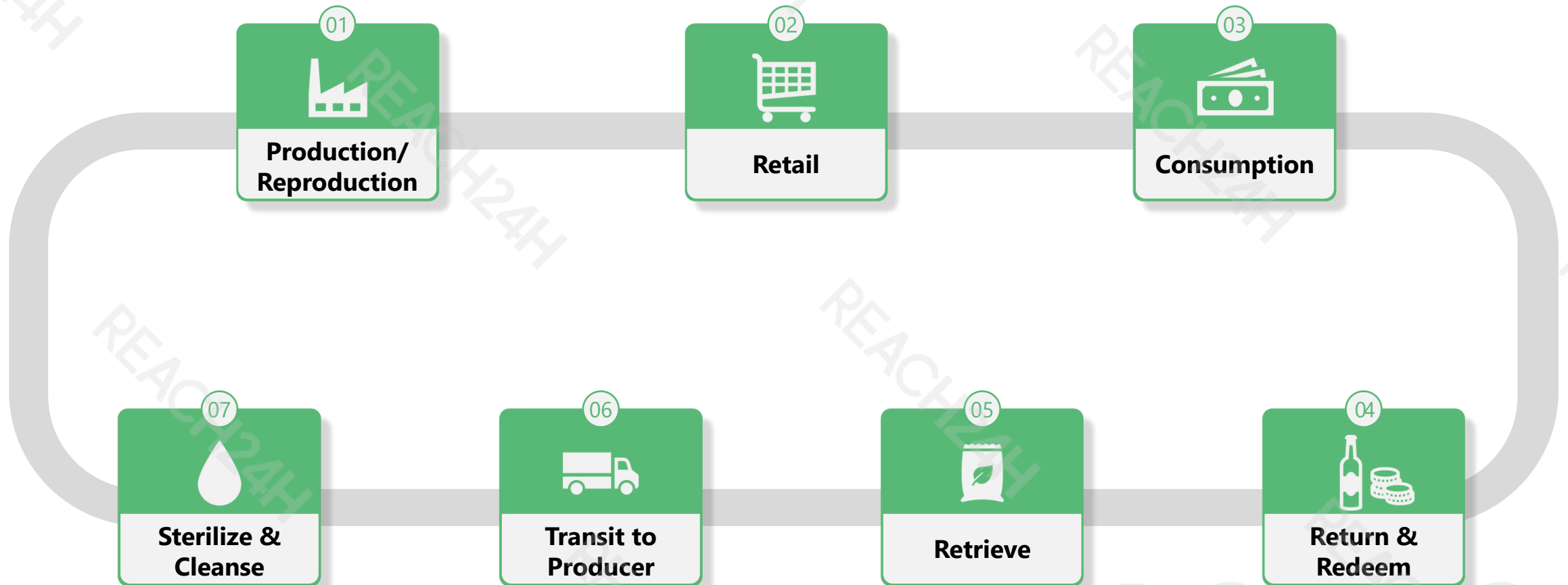
Empty containers intended for reuse include soju, beer, and soft drinks.

More than 100 types of products from 12 reusable container producers are subject to deposits

# 4. Deposit Return System

## Beverage Container Deposit System

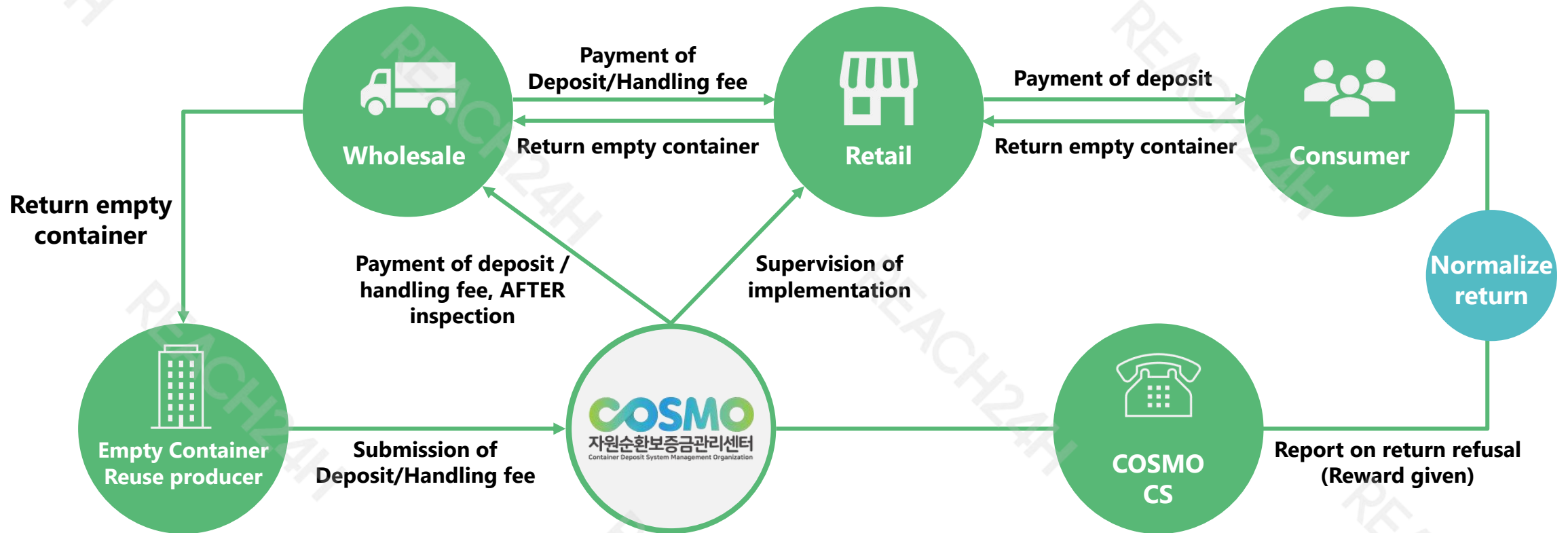
Reuse Cycle of Empty Containers



# 4. Deposit Return System

## Beverage Container Deposit System

Container Deposit & Cancel Fee Payment Schematics



# 4. Deposit Return System

## Disposable Cup Deposit System (NEW)

Since disposable cup recovery rate has dropped from 37% in 2009 to 5% in 2018, the **disposable cup deposit system will be reestablished on December 2, 2022**, to address the issue of recyclable cups being discarded as street trash.

When ordering a drink at a coffee shop, 300 KRW will be charged as a resource circulation deposit for a disposable cup, which can be refunded when the consumer returns the used cup.





# 5. Separate Discharge Mark System

A system initiated to promote collection and recycling of packages under EPR.

**EPR items, except products, should apply the identification mark which is specially designed to indicate items' recyclability.**

*Article 14 'Separate Discharge Mark' of the 『Act on the Promotion of Saving and Recycling of Resources』*



The packaging material should be indicated on the inside of the symbol mark.

### Colour by packaging material

The external colour of the symbol mark should be applied to each packaging material as shown below.



# 5. Separate Discharge Mark System

## Subjected Packaging Materials

Packaging Material Category (A)	Items to be Packed (B)
<ul style="list-style-type: none"><li>- Cartons; attached with synthetic resin or aluminum foil to it</li><li>- Cans &amp; Tin</li><li>- Glass bottles</li><li>- <b>Synthetic resin packaging</b> (incl. containers, film sheet packaging and trays)</li></ul>	<ul style="list-style-type: none"><li>- Food &amp; Beverage</li><li>- Agricultural / fishery / livestock products</li><li>- Detergents</li><li>- <b>Cosmetics</b> &amp; Pet shampoo, rinse</li><li>- Pharmaceuticals &amp; quasi-drugs</li><li>- Butane containers</li><li>- Pesticides &amp; disinfectants</li><li>- Apparels</li><li>- Sanitary paper products</li><li>- Rubber gloves</li><li>- Anti-freeze, brake fluids, lubricants (synthetic resin packaging only)</li><li>- <b>Other products than mentioned above (synthetic resin packaging only)</b></li></ul>
Film/sheet-type packaging materials and foamed synthetic resin cushioning materials	Electrical equipment (incl. displays, keyboards, PC etc.)
Disposable plastic bags and shopping bags (excl. volume-based waste bags)	

- **If the packaging material meets both category(A) and item(B) of the criteria above**, it is obliged to label the separate discharge mark

# 5. Separate Discharge Mark System

## Marking Criteria, Methods and Exemptions

Criteria	Methods
<b>Reference date</b>	<ul style="list-style-type: none"> <li>Date of manufacture (Applied to newly manufactured products after Jan 1<sup>st</sup>, 2022)</li> </ul>
<b>Marking method</b>	<ul style="list-style-type: none"> <li>Print, engrave or labeling</li> </ul>
<b>Dimension</b>	<ul style="list-style-type: none"> <li>At least 8 x 8 (mm) (excl. material indications)</li> </ul>
<b>Colour</b>	<ul style="list-style-type: none"> <li>Colour that contrasts with the overall color of the product and packaging to be displayed</li> </ul>
<b>Display area</b>	<ul style="list-style-type: none"> <li>Front or sides of the product/packaging material or top, bottom, left, right of barcode                             <ul style="list-style-type: none"> <li>➢ If displaying as described above is not possible due to the product's shape or structure, displaying on the bottom or lid etc. is acceptable.</li> </ul> </li> </ul>



# 5. Separate Discharge Mark System

## Marking Criteria, Methods and Exemptions

Criteria	Methods
Multi-packaging	<ul style="list-style-type: none"> <li>Each separable component or packaging material must be labeled.                             <ul style="list-style-type: none"> <li>➢ Displaying on one main part is acceptable in cases where marking is difficult, such as non-separable multi-packaging or individual packaging materials with specific material and structure.</li> </ul> </li> </ul>
Imported goods	<ul style="list-style-type: none"> <li>The packaging material can be identified as one if the inner packaging components contained within the external packaging are identical.</li> <li>If the external packaging material is made of paper, it can be labeled collectively without a separate designation approval procedure.</li> </ul>



- 뚜껑 : HDPE
- 펌프 : 금속 스프링 펌프
- 주요부분 : 무색페트



플라스틱  
HDPE



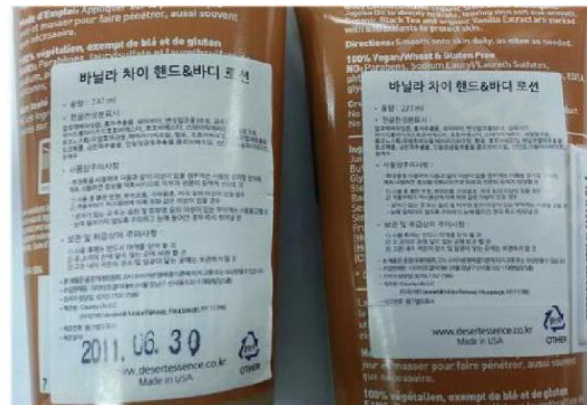
무색페트  
펌프종량제 배출


- 펌프 : 유리+금속 등 합성수지 이외의 금속재질
- 주요부분 : PET-G



플라스틱  
OTHER  
마개종량제 배출









# 5. Separate Discharge Mark System

## Marking Criteria, Methods and Exemptions

Criteria	Exempted subjects
<b>Exempted from Separate Discharge Marking</b>	<ul style="list-style-type: none"><li>• Containers of products that <b>include a deposit</b> in accordance with Article 15, (2) of the 「Act on the Promotion of Saving and Recycling of Resources」</li><li>• <b>Film/sheet type packaging materials</b> that do not display any markings such as printing, engraving, or labels on the surface of packaging materials</li><li>• In case where the surface area of each packaging material is '<b>less than 50 square centimeters (containers, trays)</b>' or '<b>less than 100 square centimeters (film packaging materials)</b>'</li><li>• Packing materials whose contents are less than <b>30 milliliters</b> or <b>30 grams</b></li><li>• Packaging materials that cannot be technically labeled in terms of material and structure by means of printing, engraving, or labeling</li><li>• Wrap film; wrap film type packaging material less than 20 micrometers thick</li><li>• Packaging materials that are <b>collected, sorted, and discharged directly by obligatory producers</b> without going through general consumers, such as after-sales service (A/S) parts</li></ul>
<b>Exempted from Separate Discharge Collective Marking</b>	<ul style="list-style-type: none"><li>• In accordance with the provisions of Article 4 of the 「Act on Labeling and Advertising of Food, Etc.」, when the material labeling is done on the container and packaging made of synthetic resin, the name of the constituent parts and the name of the material (collective labeling part) can be exempted.</li></ul>

# 5. Separate Discharge Mark System

## Applying for Designation of Marking

If manufacturers of products and packaging that are not subject to recycling obligations want to label the packaging materials voluntarily, they can apply to the Korea Environment Corporation for the designation of the use of the separate discharge mark.

*Article 11 of the Enforcement Rule of the 『Act On The Promotion Of Saving And Recycling Of Resources』*



## 6. ESG Introduction Movements

ESG, in short, is a term used to represent an organization's corporate financial interests that focus mainly on sustainable and ethical impacts.

Capital markets use ESG to evaluate organizations and determine future financial performance. While ethical, sustainable and corporate governance are considered **non-financial performance indicators**, their role is to **ensure accountability and systems to manage a corporation's impact**, such as its carbon footprint.



## 6. ESG Introduction Movements

### Why does ESG investing matter?

Over time, consumer behavior has changed and focused on becoming more sustainable.

**Consumers look to recycle, minimize waste and make greener choices.** This behavior also influences decisions around finances and investment choices.

As a result, investors want to use their money to finance companies committed to these practices. ESG investing, also known as sustainable investing, has seen exponential growth as investors seek to provide capital for companies whose values on environmental sustainability and social responsibility align with their own.

## 6. ESG Introduction Movements

### Korean Government : K-ESG

On December 1, 2021, the Ministry of Trade, Industry and Energy unveiled the “**K-ESG Guideline**”, which will perform as an integrated guidance for companies and institutions.

#### a. Introduction of K-ESG Guideline

The new K-ESG Guideline introduced 61 common and core points by analyzing 13 major domestic and foreign assessment factors and disclosure criteria.

Reflecting the opinions of experts, specialized institutions, and relative ministries, the guideline presents assessment indicators that are most frequently dealt with by assessment agencies, and it is indeed optimized for Korean companies while meeting global standards.

Fundamental items centered on global standards, partially used items in global standards or important items in the domestic system are classified as additional items. Moreover, 27 affordable items are sorted out for small and medium-sized companies.





## 6. ESG Introduction Movements

### Korean Government : K-ESG

#### b. Revisions to Existing Disclosure Regulations

In January 2021, the Financial Services Commission (FSC) announced initiatives to promote ESG responsible investing. ESG disclosure will become mandatory in phases: for KOSPI entities with assets over two trillion Korean won by the end of year 2025, and for all KOSPI entities by the end of year 2030. Meanwhile, the Korea Exchange (KRX) published a new ESG disclosure guidance for voluntary use.

Also, the Korea Corporation Governance Service (KCGS) announced an amended version of the ESG Best Practice Guideline on August 5, 2021.

#### c. K-Taxonomy

In addition to the K-ESG Guideline, the Ministry of Environment released the K-taxonomy, a regulatory framework to foster sustainable investment according to the amended Environmental Technology and Industry Support Act. The taxonomy will allow financial market participants and authorities to assess whether certain economic activities are “sustainable,” and thus put an end to the so-called greenwashing or overstatement of green credentials.

## 6. ESG Introduction Movements

### Industry Trends

Major companies in the manufacturing and financial industries are proactively responding as they face bigger ESG challenges.

In 2020-2021, many of them launched ESG committees under their boards: Samsung, Hyundai, LG, SK, Kakao, Naver, Korean Air Lines, Hanwha, Hyosung, CJ, LIG, Lotte, KB Financial Group, Woori Financial Group, IBK Group, and so on. In alignment with that, financial institutions introduced new “green” investment products, and SK, LG, Samsung, POSCO, and other steelmakers announced net-zero action plans.

Also, an alliance called the “K-ESG Alliance,” has been formed among the Federation of Korean Industries, global companies, and startups. This alliance runs a website, “ESG Tomorrow,” which is expected to diffuse ESG-related information, including management cases.

In the announcement of the K-ESG Guideline, 25 enterprises and public entities were honored for managerial excellence in ESG. SK Telecom and Hana Financial Group were rewarded the Presidential Citation for comprehensive achievement—running an ESG committee, providing greater transparency, reducing greenhouse gas emission, offering aid for female workers, providing green financial services, supporting startups, for application of ISO 37301 (compliance management systems) and so on.



# 6. ESG Introduction Movements

## Industry Trends: LG H&H

OUR BRANDS



OUR BRANDS



OUR BRANDS



# 6. ESG Introduction Movements

## Industry Trends: LG H&H

### Major Achievements



### Environmental Goals

- Achieve 510 billion KRW in green product sales through eco-labeling (~2025)
- Recycled plastic usage 200 tons (~2025)
- Reduce restricted substance<sup>1)</sup> use by 50% (~2025)
- Increase clean beauty product proportion among new products from clean beauty focused brands by 50% (~2025)
- Unit water consumption → 1.46 ton<sup>2)</sup> per product-ton (~2025)
- Unit GHG emission → 0.069 ton CO<sub>2</sub>e<sup>3)</sup> per product-ton (manufacturing site)(~2025)
- Consistent investment in energy efficiency, such as improving business facilities and replacing old equipment

1) EU REACH Annex XVII Restricted substances; Cyclopentasiloxane(D5), Cyclohexasiloxane (D6)

2) LG Household & Health Care internal standards

3) Total of LG Household & Health Care, Coca-Cola Beverage, and Hai Tai HTB



## 6. ESG Introduction Movements

### Industry Trends: Amore Pacific Group



# 6. ESG Introduction Movements

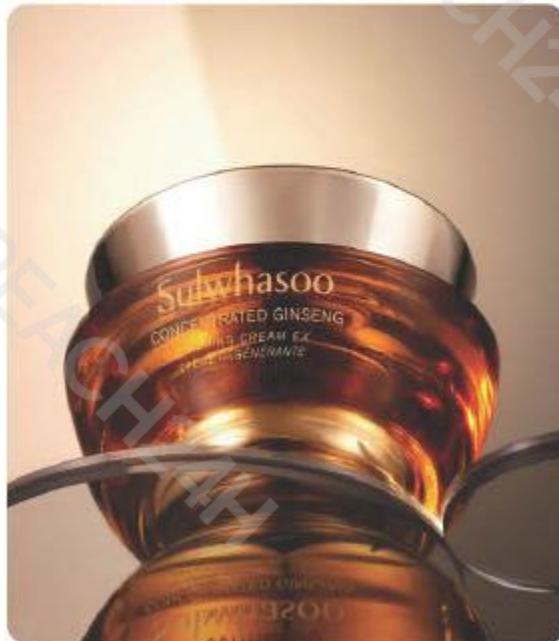
## Industry Trends: Amore Pacific Group

### Sulwhasoo

Timeless Wisdom, Ageless Beauty

실화수는 혁신적인 한방 피부 과학으로 시간의 흐름에도 건강하게 빛나는 아름다움을 선사합니다.

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New Wave of Beauty

글로벌 영 프리미엄 브랜드 라네즈는 새로운 뷰티 경험을 통해 고객의 삶에 즐거운 변화를 선사합니다.

[www.laneige.com](http://www.laneige.com)



### innisfree

SKIN-LOVING, EARTH-CARING

고효능 물린 제품으로 건강한 아름다움을 추구하고 환경에 미치는 영향력을 줄이기 위해 활동하는 에코 컨세스 뷰티 브랜드 이니스프리입니다.
































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# 6. ESG Introduction Movements

## Industry Trends: Amore Pacific Group

<p><b>ETUDE</b></p> <p>PLAY PINK, PLAY ETUDE</p> <p>www.etude.com</p> 	<p><b>RYO</b></p> <p>탈모 과학 러, 탈모 팩트로 앞서다</p> <p>www.ryo.com</p> 	<p><b>missha</b> 미샤</p> <p>헤어&amp;스킨케어 트렌드를 리딩하는 토탈 헤어 코스메틱 브랜드</p> <p>www.missha.com</p> 	<p><b>LABO·H</b> [SCALP SKIN LAB.]</p> <p>두피 스킨케어 전문가 라보에이저</p> <p>www.laboh.co.kr</p> 									
<p><b>amos</b> PROFESSIONAL</p> <p>자신감 있는 나만의 패션을 완성하는 헤어 프로페셔널 브랜드</p> <p>www.amosprofessional.com</p> 	<p><b>ILLIYOON</b></p> <p>민감한 피부 고민에 대한 순하고 강력한 답, 일리온</p> <p>www.illyoon.com</p> 	<p><b>HAPPY BATH</b></p> <p>일상 속 행복의 순간</p> <p>www.happybath.com</p> 	<table border="1"> <tr> <td data-bbox="1070 564 1426 963"> <p><b>AMORE PACIFIC</b></p> <p>The Artisanship of Beauty</p> <p>www.amorepacific.com</p>  </td> <td data-bbox="1426 564 1783 963"> <p><b>Mamonde</b></p> <p>간결하게 확실하게, 가장 나다운 아름다움</p> <p>www.mamonde.com</p>  </td> <td data-bbox="1783 564 2140 963"> <p><b>IOPE</b></p> <p>바이오 사이언스 기반 고기능 스킨케어 브랜드</p> <p>www.ioppe.com</p>  </td> <td data-bbox="2140 564 2514 963"> <p><b>primera</b></p> <p>자연과 사람이 함께 행복할 수 있도록 행동하는 마인드풀 올림푸티 브랜드</p> <p>www.primera-beauty.com</p>  </td> </tr> <tr> <td data-bbox="1070 963 1426 1320"> <p><b>하솔</b></p> <p>매일 만나는 한국 자연의 이로운</p> <p>www.haryul.com</p>  </td> <td data-bbox="1426 963 1783 1320"> <p><b>AESTURA</b></p> <p>실제 있는 피부 과학을 통해 건강한 아름다움을 구현하는 메디뷰티</p> <p>www.aestura.com</p>  </td> <td data-bbox="1783 963 2140 1320"> <p><b>HERA</b></p> <p>퀸템포러리 서울 뷰티</p> <p>www.hera.com</p>  </td> <td data-bbox="2140 963 2514 1320"> <p><b>espoir</b></p> <p>나만의 일상을 크리에이션 할 수 있도록 영감을 주고 새로운 도전을 즐기는 유니크 캐주얼 메이크업 전문 브랜드</p> <p>www.esprit.com</p>  </td> </tr> </table>		<p><b>AMORE PACIFIC</b></p> <p>The Artisanship of Beauty</p> <p>www.amorepacific.com</p> 	<p><b>Mamonde</b></p> <p>간결하게 확실하게, 가장 나다운 아름다움</p> <p>www.mamonde.com</p> 	<p><b>IOPE</b></p> <p>바이오 사이언스 기반 고기능 스킨케어 브랜드</p> <p>www.ioppe.com</p> 	<p><b>primera</b></p> <p>자연과 사람이 함께 행복할 수 있도록 행동하는 마인드풀 올림푸티 브랜드</p> <p>www.primera-beauty.com</p> 	<p><b>하솔</b></p> <p>매일 만나는 한국 자연의 이로운</p> <p>www.haryul.com</p> 	<p><b>AESTURA</b></p> <p>실제 있는 피부 과학을 통해 건강한 아름다움을 구현하는 메디뷰티</p> <p>www.aestura.com</p> 	<p><b>HERA</b></p> <p>퀸템포러리 서울 뷰티</p> <p>www.hera.com</p> 	<p><b>espoir</b></p> <p>나만의 일상을 크리에이션 할 수 있도록 영감을 주고 새로운 도전을 즐기는 유니크 캐주얼 메이크업 전문 브랜드</p> <p>www.esprit.com</p> 
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# 6. ESG Introduction Movements

## Industry Trends: Amore Pacific Group

Climate Change Strategies to Achieve Carbon Neutrality

### Process Innovation

- 1 Whole group - Domestic and overseas production sites, AMOREPACIFIC headquarters, R&I Center, regional headquarters, etc.
- 2 Manufacture - Domestic and overseas production sites,
- 3 Logistics - Domestic logistics

→ Renewable energy usage 100%

→ Implement carbon neutrality to 5 sites

→ Eco-friendly vehicle transition 100%

### Product Innovation

- 4 Products - Development of environmental footprint reduction products
- 5 Consumer - Awareness improvement

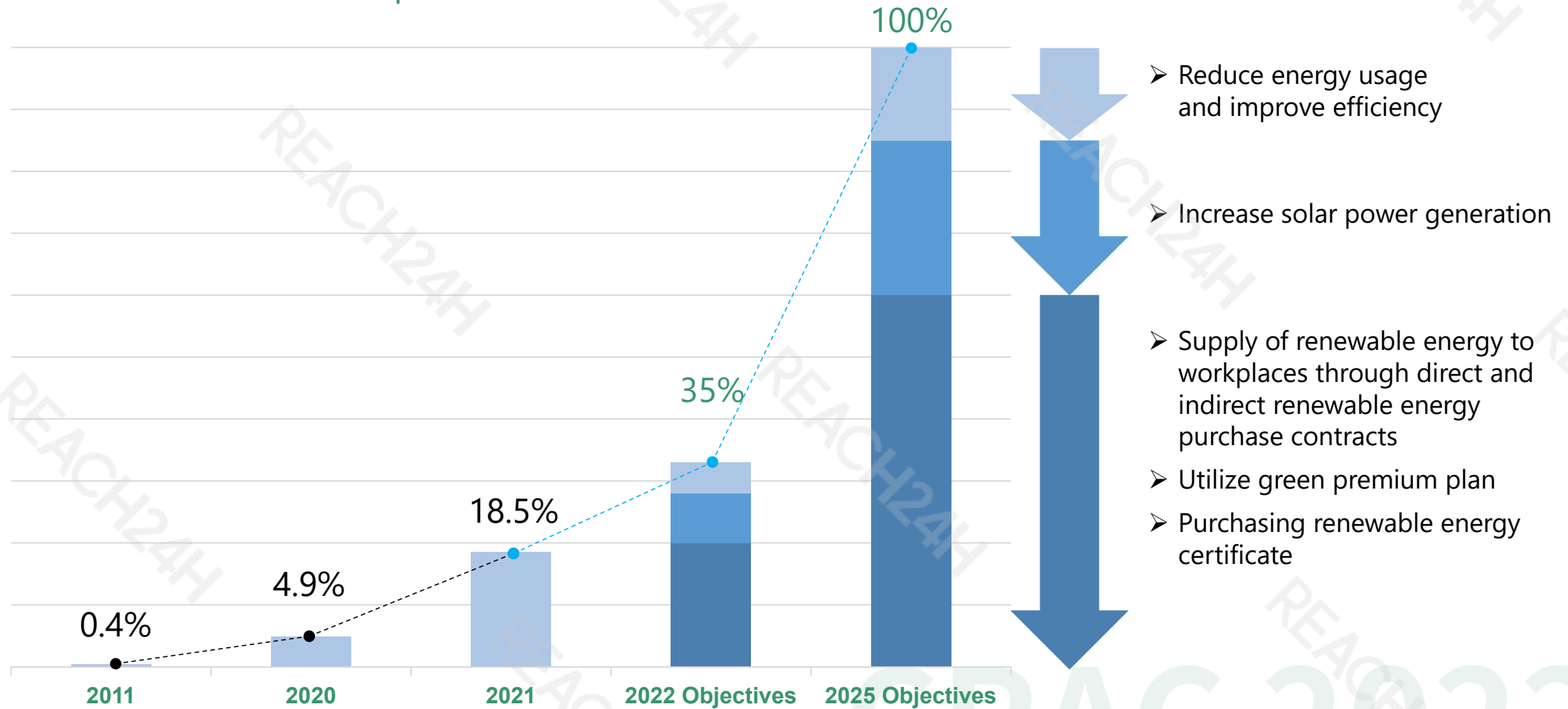
→ Expansion of water and carbon reduction products  
Reinforcing Green Chemistry Research  
Reduce plastic & improve materials and structures

→ Providing eco-friendly experiences and expanding education

# 6. ESG Introduction Movements

## Industry Trends: Amore Pacific Group

Amore Pacific RE100 Roadmap



REACH24H



# THANKS

CRAC 2022