

b-ex SDGs Communication Book 2023



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Message from CEO

b-ex Inc. has been delivering new beauty experiences to customers through our products.

Today, the world faces a variety of social problems such as climate change, decline of energy resources, poverty and gender inequality.

If we leave things unchanged, one day we may not be able to fulfill our mission of "discovering new experiences of beauty in life."

As we felt a strong sense of urgency about this situation, we determined that we will face these social problems and challenge ourselves to provide solutions through our company initiatives.

We will position the SDGs as one of the pillars of our business and strive to contribute to the realization of a sustainable society. We look forward to your continuous support of b-ex.



Toshihiro Fukui, CEO

SDGs Declaration and Our Four be's

In January 2022, b-ex announced SDGs Declaration and our "Four be's" (our vision, be = $\not\equiv beauty$), which is what we value toward "the future vision of b-ex".

Furthermore, we presented our materiality and performance targets to realize them.

b-ex SDGs Declaration

Based on our mission of "Discover new experiences of beauty in your life,"

We aim to realize a sustainable society and increase our corporate value

by addressing various issues facing the world and solving them

through business activities with our business partners.

The Four be's of b-ex

Four be's (our vision, be = 美 beauty) represent what we value towards the future vision of b-ex.



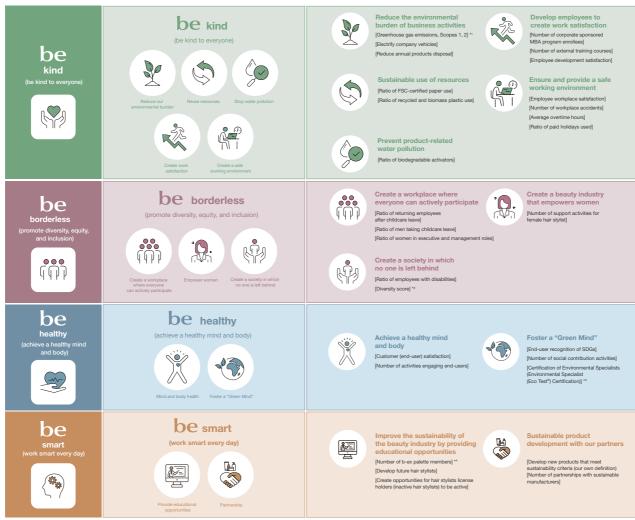






Materiality (Key Challenges) and Goals

To achieve our Four be's (our vision, be = 美 beauty), we developed 12 themes of key issues to be addressed, and set performance targets for each issue.



^{*1} Scope 1: Direct greenhouse gas emissions from company. Scope 2: Indirect emissions from the use of electricity, heat or steam supplied by others https://www.env.go.jp/earth/ondanka/supply_chain/gvc/supply_chain.html

^{*3} Certification of Environmental Specialists (Eco Test®) https://kentei.tokyo-cci.or.jp/eco/

^{*2} Diversity Score

[[]JobRainbow] https://jobrainbow.jp/magazine/what-is-diversity-score

^{*4} b-ex palette (educational video platform for hair stylists) https://bexpalette.beautyexperience.com/

SDGs Action History

b-ex has been promoting the SDGs both internally and externally through company-wide SDGs training, launched SDGs initiatives and announced our visible SDGs policy.





July 2021: Collaborated with Drop Inc. to launch an SDGs promotion project



August 2021: SDGs Promotion Team opens company intranet site to promote the SDGs



April 2021: Launched SDGs Promotion Team as ambassadors to spread SDGs awareness





July 2021: Eliminated plastic bottles from company vending machines and beverages for visitors (shift to cans and paper bottles)







SDGs Action History





b-ex SDGs Declaration









SDGs Policy Development

January 2022: Announced policy at company-wide meeting

March 2022: Published policy on our website



August 2022: SDGs Awareness Month Held employee "Small Actions" relay on company intranet page



March 2022: SDGs Promotion Team created and distributed personal water bottle and cutlery to all employees







be kind (be kind to everyone)

Actions for Materiality (Key Challenges)













Reduce the Environmental Burden of Business Activities

Partnership with TerraCycle

b-ex formed a partnership contract with TerraCycle to address the waste problem based on the philosophy of "throwing away our assumption to 'throw away,'" and started a collection of used O'right bottles. In November 2022, the Green Partnership Salon set up a collection point at the O'right shop in Yurakucho Marui to begin our trial collection program. We will set up additional collection points and plan to further enhance our collection to recycling flow.

Reduce the Environmental Burden of Business Activities

Modal Shift in Logistics

b-ex shifted to railway transport for transporting our products between warehouses as part of our SDGs promotional activities. Railway transport emits only 10% of the CO₂ emissions compared to the truck vehicles. In addition to addressing climate change, railway transportation also helps address the severe lack of truck drivers and helps alleviate overwork – we will contribute to use logistics friendly to everyone.



Actions for Materiality (Key Challenges)



Sustainable Use of Resources

Joining Sedex

b-ex joined Sedex in 2022 as part of our efforts to form a sustainable global supply chain. we will leverage the Sedex information platform and collaborate with our cooperating suppliers to promote an ethical, responsible, and sustainable global supply chain.



Sustainable Use of Resources

RSPO Membership

In 2022, b-ex joined RSPO to facilitate sourcing sustainability-certified palm oil, a key ingredient in our products.

We will use certified materials in new product development.

FSC www.fsc.org FSC* N003603

責任ある森林管理 のマーク

Sustainable Use of Resources

Introducing FSC®-Certified Paper

b-ex will enhance its use of FSC®-certified paper, an internationally recognized certificate that promotes responsible forestry management. We will shift to 100% FSC® paper use in our products to reduce the ongoing deforestation and leave sustainable forest resources for future generations.

Cosmetic boxes: 91%Inner boxes: 67%Outer boxes: 38%* As of January 31, 2023



Sustainable Use of Resources

Introducing Environmentally Conscious Containers

b-ex commits to the sustainable use of resources that addresses the marine plastics and other environmental problems. We will continue to shift the plastic containers used in our products to biomass and recycled PET plastic.

Biomass / Recycled PET Adoption ratio: 46% * As of January 31, 2023

be borderless (promote diversity, equity, and inclusion)

Actions for Materiality (Key Challenges)



3 Star Certification (Highest rating)

Create a workplace where everyone can actively participate

Achieving Eruboshi 3-Star Certification Increasing the Ratio of Male Childcare Leave

In April 2022, b-ex achieved Eruboshi Certification based on standards set by the Act on the Promotion of Women's Participation and Advancement in the Workplace. Eruboshi Certification is granted by the Minister of Health, Labour and Welfare to companies that have demonstrated leading initiatives that promote the success of women in the workplace, and b-ex was recognized with the highest rating – three stars.

Furthermore, b-ex is advancing workplace reforms such as the introduction of remote working to create a society in which all employees can take childcare leave regardless of gender.





Create a Society in which No One is Left Behind

LGBTQ Training Introducing the Diversity Score (D&I Award 2022)

b-ex partnered with Akaruku Inc. to conduct LGBTQ training for all employees to advance the founding principle of the SDGs – leave no one behind. Furthermore, to be an ideal company where everyone can work comfortably, we developed a Diversity Score to evaluate our diversity and inclusion, and received the Standard Certification of the D&I Award in 2022.

be healthy (achieve a healthy mind and body)



Actions for Materiality (Key Challenges)









Foster a Green Mind

Participating in Beach Cleaning

The SDGs Promotion Team and volunteer employees participated in the monthly Sakura Seaside Garbage Collection event held at Katase Higashihama Beach in Kanagawa. Collecting plastic garbage from the beach is one way b-ex can do its part as a beauty company to help provide a beautiful seaside.

Furthermore, during our hair salon incentive tour at Okinawa, we participated Manatee Project connecting with local residents by cleaning up the seaside.

We learned about manatees and Okinawa's relationship with the waste problem from the local residents and cleaning up the beach at Cape Maeda with volunteer hair stylist and b-ex employees.











Foster a Green Mind

Sponsoring Earth Hour

b-ex sponsored Earth Hour 2022 held on March 26, 2022.

Earth Hour is a worldwide action in which people around the world turn off their lights at the same date and time to raise awareness about environmental preservation and promote the reduction of greenhouse gas emissions. 192 countries and regions worldwide participated in Earth Hour 2022.

be healthy (achieve a healthy mind and body)



Actions for Materiality (Key Challenges)









Foster a Green Mind

Launching Green Project

In commemoration of launching the sales of the world's first zero-carbon shampoo, *O'right*, b-ex initiated the Green Project on March 15th, 2022, which seeks to realize zero-carbon from hair salons. The Green Project provides a Green Score, setting 24 actions to reduce carbon emissions and provide continuous support. The project seeks to enroll more than 5,000 participating salons and stores by 2025.



Foster a Green Mind

Developing In-house Environmental Specialist (Eco Test®) Certification Holders

Proper knowledge of social issues is essential for achieving the SDGs. Therefore, b-ex set itself a goal of having 50% of the employees pass the Certification Test for Environmental Specialists (Eco Test®) by 2025. In our first year, 58% of the employees passed (84 passed out of 145 employees) the test, thus achieving our goal.

* As of November 30, 2022

The Certification Test for Environmental Specialists (Eco Test®) is a registered trademark of the Tokyo Chamber of Commerce and Industry.

healthy (achieve a healthy mind and body)

Actions for Materiality (Key Challenges)





Foster a Green Mind

Zero Waste Educational Tour

b-ex participated in a two-day training session together with O'right Green Partner salons at the Zero Waste Center in Kamikatsu, Tokushima—a town known for achieving an over 80% recycling rate. On the first day participants studied the 45 separation categories the center uses for 13 categories of waste and toured the center's reuse shop.

On the second day, participants formed teams to identify the challenges hair salons face in trying to achieve a circular economy and each team presented their ideal hair salon. This fostered a wonderful exchange of ideas as teams presented their visions for the circular hair salons of the future.

The educational tour provided an excellent opportunity to further develop our relationships with partner salons.





Participated in the COP27 World Climate Summit

b-ex was the one and only participant from Japan's beauty industry at the World Climate Summit, an official complementary event at the COP27 (27th United Nations Climate Change Conference) held in Sharm El-Sheikh, Egypt in November 2022. Companies and organizations gathered from around the world to discuss the actions we can take to achieve carbon neutrality, and CEO Toshihiro Fukui gave a report to the assembly on what the world seeks from Japan's beauty industry to meet the challenge. (https://www.b-ex.inc/en/news/index_news20221228.html)

healthy (achieve a healthy mind and body)

Actions for Materiality (Key Challenges)



Foster a Green Mind

Employee Small Action Relay SDGs POP In-company Campaign

In addition to corporate actions, b-ex promotes the actions of individual employees to promote awareness and foster knowledge about the SDGs through "small actions" they can take immediately. Posters and highlights featuring small actions taken by fellow employees make the SDGs more familiar and instill action in the roots of our corporate culture.





CSR Activities

Supporting the Japan Disabled Golf Association

b-ex is committed to supporting athletes who inspire us with courage and passion, and bringing the thrill of sports to everyone. We have been annual sponsors of the Japan Disabled Golf Association for over 20 years to support efforts to develop golf for disabled individuals in Japan.

be smart (work smart every day)



Actions for Materiality (Key Challenges)



Improve the Sustainability of the Beauty Industry

Providing Digital Educational Opportunities through b-ex palette

b-ex palette is an educational video platform that meets the needs of salons and hair stylists to work and learn at their own time and place.

The service covers a wide range of themes, with videos covering basic knowledge and skills, to specialized videos covering the cuts, coloring, perms and photography techniques used by popular hair stylists. b-ex palette has already gained over 5,500 subscribers and contributes to their learning every day.



Develop Sustainable Products

Design In-house (be-kind) Sustainable Product Development Standards

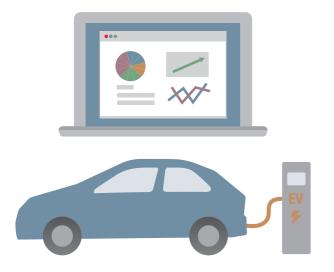
On June 30, 2022, b-ex established a project to formulate sustainable product development standards, which produced "Eight Goals (be-kind)."

A common set of product development standards across all our products will allow all customers to choose any b-ex product with a full peace of mind.

b-ex will share these standards with our suppliers and partner companies to build greater awareness regarding sustainable product development in the industry.

Future SDGs Actions

b-ex will continue to enhance various SDGs actions and contribute to create a sustainable society



Reduce the Environmental Burden of Business Activities

System to Calculate and Visualize GHG (Greenhouse Gas Emissions)

Electrifying Company Vehicles

b-ex will introduce a system to calculate our greenhouse gas emissions as a first step to further reductions. We are considering electrifying all company vehicles as the next step after introducing the system.

- * GHG = Greenhouse Gas
- * Currently all b-ex company vehicles are hybrids.



Reduce the Environmental Burden of Business Activities

Reduce Plastic Use (Reduce size of hair color caps)

b-ex will minimize its hair color caps to reduce the environmental impact of our business and help achieve a sustainable society.

We will reduce the cap from its current weight of 3.4 grams to just 1.58 grams—a savings of approximately 54%—and plan to shift all tube-type hair color products to the new cap starting in 2023.

Future SDGs Actions

b-ex will continue to enhance various SDGs actions and contribute to create a sustainable society



Reduce the Environmental Burden of Business Activities

Acquisition of SBT (Small-Medium Sized Business Version) Certification

SBT (Science-Based Targets) are greenhouse gas reduction targets set with the goal of preventing the Earth from warming more than 1.5 degrees Celsius compared to pre-industrial temperatures.

b-ex has set the goal of achieving net zero direct greenhouse gas emissions from our business activities by 2030 (Scopes 1, 2), and we are considering joining the international SBT initiative to achieve that goal.





Create a Society in which No One is Left Behind

Establish an LGBTQ Consultation Hotline and System

We will proceed with the establishment of a Consultation Hotline, which was the most requested measure by our employees at last year's LGBTQ company-wide training. Together with establishing the hotline, b-ex will work to update company regulations and encourage male employees to take childcare leave as part of creating a comfortable working environment for everyone.

Future SDGs Actions

b-ex will continue to enhance various SDGs actions and contribute to create a sustainable society



Improve the Sustainability of the Beauty Industry

Create a Hair Stylists Experience Event

"We want to show about the work of hair stylists!" – with that passion in mind, b-ex will hold a hair stylist experience event for the children of our employees. We will create an exciting event that shows the joys of being a hair stylist through applying hair color to their mothers and fathers and giving them a shampoo wash.

List of SDGs Goals

Category	Туре	Theme	Key Challenge	Goal	Goal Metrics	Period
be kind (be kind to everyone)	Environment	Reduce the environmental burden of business activities	Reduce CO ₂ across the entire supply chain	Reduce greenhouse gas emissions, Scopes 1, 2	Target net zero CO ₂ emissions	FY30
			Reduce CO ₂ emissions through business activities	Electrify company vehicles	Shift to 100% of Electrify company vehicles	FY30
			Reduce CO ₂ emissions by reducing product waste	Product disposal per annum	Target net zero disposal	FY30
		Sustainable use of resources	Reduce paper packaging CO ₂ emissions	Ratio of FSC®-certified paper	Target 100% FSC certified	FY30
			Reduce plastic container and packaging CO ₂ emissions	Recycled & bioplastic ratio	Target 100% recycled & bioplastic	FY30
		Stop product-related water pollution	Product-related water pollution	Biodegradable activator ratio	100% adoption in new haircare products from FY24 onwards	See left
	Human Resource Development	Develop employees to create work satisfaction	Develop employees to create work satisfaction	Number of corporate sponsored MBA program enrollees	Enroll one employee each year * Currently b-ex has 11 MBA holders in total	See left
				Number of external training courses	Establish program in FY22: Complete	See left
				Development related employee satisfaction	Conduct a survey after the above program is established (continuous from FY24)	See left
	Governance	Ensure and provide a safe working environment	Ensure a safe working environment by strictly complying with and observing the labor laws	Work environment respecting employee satisfaction	Plan to incorporate well-being metrics in FY23 -> Targets will be determined soon	See left
				Workplace-related accidents	Zero accidents	Continuous
				Average overtime hours	Maintain current state (under 45 hours a week)	Continuous
				Paid vacation use ratio	70% (MHLW target)	FY30
be borderless (promote diversity, equity, and inclusion)	Gender	Create a workplace where everyone can actively participate	Company gender equality through support for female employees	Ratio of employees returning after childcare leave	Maintain current ratio (100%)	Continuous
				Ratio of male employees taking childcare leave (%)	Target 10% (Kurumin standard)	FY25
			Gender-based pay disparity	Ratio of women holding executive and management roles (%)	20% (Revised Act on the Promotion of Women's Active Engagement Action Plan)	FY25
		Create a beauty industry that empowers women	Foster beauty industry gender equality through support for women	Number of support activities for female hair stylists	Number of female ambassadors: 150 Number of female hair stylists appointed: More than 10 annually	See left
		Create a society that leaves no one behind	Stop discrimination against minorities	Ratio of employees with disabilities (%)	More than 2.7%	FY27
				Diversity score	More than 60 (Advance certification)	See left
be healthy (achieve a healthy mind and body)	Mind and Body Health	Achieve a healthy mind and body	Mind and body health through products and service	Customer (end-user) satisfaction	60% positive recognition	FY25
			Improve self-esteem through products and service	Number of activities engaging end-users	Target more than 20 D2C events (offline, online) annually	FY25
		Foster a green mind	Increase consumers sustainability awareness through Green Innovation	End-users SDGs awareness	FY25: Green partner salons target: 100 stores Share SDGs-related information: More than 8 times annually	See left
				Number of CSR activities	Participate in 2 activities annually (Garbage collection, beach cleanup, etc.)	See left
be smart (work smart every day)	External Education			Ratio of Environmental Specialist Certification (Eco Test®) holders	70% company-wide ratio	FY25
		Enhance sustainability of the beauty industry	Provide digital education	b-ex palette member registration	10,000 members	FY25
			Promote employment in the beauty industry	Nurture future hair stylists Create opportunities for licensed hair stylists (inactive licensed holders) in the industry	Training at beauty vocational schools: More than 5 times annually Hold a hair stylists experience event: First trial in FY23 -> Determine target thereafter Provide job opportunities to licensed hair stylists (e.g. instructor position, etc.)	See left
	Partnership	artnership Develop sustainable products with partners	Sustainable product development	Develop new products by fulfilling company's sustainability standards	100% of all new products from FY24 onwards	See left
			Ensure environmental friendliness and convenience through supply chain collaboration	Number of partnerships with sustainable manufacturers	3 joint development products	FY30



