

KOSÉ Sustainability Plan Progress Report

KOSÉ Formulates Additional Long-/Medium-Term Sustainability Goals and Strengthens Efforts to Create Beauty in a Sustainable World

KOSÉ Corporation (President & CEO: Kazutoshi Kobayashi; Headquarters: Chuo-ku, Tokyo) today announced that it has defined additional long-/medium-term goals for the KOSÉ Sustainability Plan, which sets forth the KOSÉ Group's sustainability strategies and goals, and is strengthening its efforts to realize the Group's corporate message: "Creating Beauty in a Sustainable World."

At the same time, it has also reported on the progress status*¹ of its sustainability promotion activities on various important themes in FY2023, including the formulation of these new goals.

*¹ https://corp.kose.co.jp/en/sustainability/plan/pdf/kose_sustainability_progress2023_eng.pdf

Upward revision of the long-/medium-term goals and formulation of new goals

The key points of the additional long-/medium-term goals added to the KOSÉ Sustainability Plan are discussed below.

[For People] Important themes that contribute to people and society

The entire Group has accelerated its efforts with respect to the two key themes that have been defined for the Group since these goals were first formulated in 2020. As a result, KOSÉ has achieved its goals ahead of schedule, so it has raised its goals for 2030.

- Support for a beautiful, healthy, and happy life
- Help create a world with true gender equality



[For the Earth] Important themes that contribute to our global environment

KOSÉ has formulated new goals for enhancing initiatives throughout its value chain to meet society's demands for responding to issues such as climate change and plastic pollution.

- Cutting CO₂ emissions - Aiming to achieve net zero CO₂ emissions
- Goals related to sustainability - focused designs for plastic containers and packaging materials

Specific contents of the additional KOSÉ Sustainability Plan long-/medium-term goals

	Commitment	Indicator	Target		Achieve by
For the People	Support for a beautiful, healthy and happy life	Implementat on of specific activities	Revised Upward	30→500 activities or more	2030
	Help create a world with true gender equality	Gender equality awareness		100,000→1 million or more people	2030
For the Earth	Reduce CO ₂ emissions	Scope1・2・3	New goals	Net Zero* ²	2050
	Sustainability-conscious design for plastic packaging materials	Usage rate of recycled and biomass plastic		50%* ³	2030
		Amount of usage of petroleum-based virgin plastic		▲ 50%* ⁴ total, compared to 2018	2030
	Refillable container share		To be disclosed in 2025		

*² Targets formulated in 2023 have been included along with the current revisions *³ Figures for new products launched within the target achievement year *⁴ Figures for products shipped during the target achievement year

Creating Beauty in a Sustainable World

For People: Status of initiatives for promoting sustainability

Social contribution activities

As expressed in its corporate message, "Creating Beauty in a Sustainable World," the Group and all of its employees share a powerful resolve to use their wisdom regarding beauty for the benefit of our world and the people in it. Led by this resolve and KOSÉ's Basic Policy on Social Contribution Activities, it has defined five key initiatives and will carry out activities in each.



Five key initiatives

In FY2024, KOSÉ will conduct activities related to skincare, including UV countermeasures, as part of its next generation awareness-raising initiatives.

- It will offer supplementary teaching materials containing information about how to protect one's skin from ultraviolet radiation, created with editorial supervision from KOSÉ, to junior high schools and senior high schools who wish to use them.
- It will plan classes on ultraviolet countermeasures for junior high school students, senior high school students, and other related parties who play sports.
- Through its brand business activities, it will plan promotional campaigns that cheer on those who actively participate in extracurricular activities, where they are susceptible to the effects of UV.



Supplementary teaching materials that raise awareness regarding UV countermeasures

KOSÉ will continue to focus on wellbeing and contribute to society through activities that support people's beautiful, healthy, and happy lives.

■KOSÉ company website "Together with the Community" : <https://corp.kose.co.jp/en/sustainability/community/>

Initiatives for respecting diverse characteristics

One of the foundations of VISION2026, the KOSÉ Group's long-/medium-term enterprise vision, is practicing diversity & inclusion-focused management. Led by this vision, the Group has carried out initiatives aimed at respective diverse characteristics.

[Examples of internal initiatives] Unconscious bias training, support for active roles for women, support for employees raising children, etc.

[Examples of societal initiatives] Development of 40 colors of foundation, advertising messaging that sweeps away gender stereotypes, etc. (initiatives aligned with Adaptability[∞]^{*5})

To further accelerate 3G^{*6}, which is being implemented throughout the Group, it is important that KOSÉ adds the concept of equity to its D&I perspectives and that it carries out initiatives focused on even greater respect for diverse characteristics with respect to both workplaces and customers/society. To foster greater understanding among employees and transform employee behavior, the Group created the KOSÉ DE&I Handbook and has distributed it throughout the Group. Furthermore, starting in April 2024, KOSÉ has begun expanding the application of its human resource systems to employees with same-gender partners.



KOSÉ DE&I handbook

It will continue to carry out various initiatives for respecting diverse characteristics, both by nurturing its institutional culture and by developing its systems, with the aim of creating a corporate culture that spurs innovation by fusing diverse characteristics.

*5 News release issued on April 30, 2021 : https://corp.kose.co.jp/en/media/2021/05/2021043002_E.pdf

*6 KOSÉ's approach to creating new customers, taken from the first letters of "Global," "Gender," and "Generation"

Creating Beauty in a Sustainable World

For the earth: Status of initiatives for promoting sustainability

Initiatives for responding to climate change

The KOSÉ Group is carrying out efforts to create a carbon-free society throughout its entire value chain, including its production sites and its manufacturing activities.

[Production site initiatives]

In February 2023, the Sayama Factory (in Sayama City, Saitama) switched completely to renewable energy sources. The Gunma Factory is also carrying out energy-saving initiatives in equipment such as its large-scale air conditioning equipment.



KOSÉ INDUSTRIES Sayama Factory

[Product initiatives]

KOSÉ calculates the carbon footprint—the total CO₂ emissions over the lifecycle of a product—for skin lotion products from its iconic Sekkisei skincare brand, such as Sekkisei Clear Wellness Pure Conc SS and Medicated Sekkisei Brightening Essence Lotion, which was launched in March 2024. This enables it to deliberate on the development of CO₂ emissions reduction measures and environmentally-friendly products.



Results of calculation of carbon footprint of Sekkisei Clear Wellness Pure Conc SS

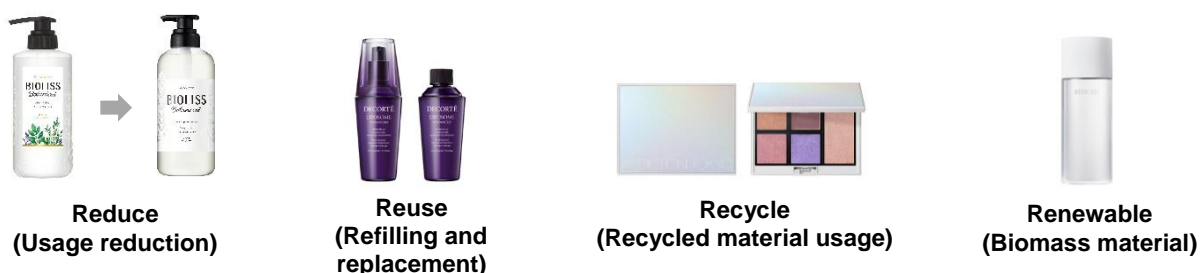
https://corp.kose.co.jp/en/sustainability/environment/actionplan/pdf/SKCW-lotion_CFP.pdf

Appropriate plastic usage and recycling initiatives

The KOSÉ Group uses plastic for various purposes, such as cosmetics containers and packaging and storefront fixtures. The environmental impact of plastic is a pressing issue, and in the future it will remain important to effectively and appropriately utilize plastic while promoting resource recycling and waste reduction. To clarify its approach to plastic use in manufacturing, the Group has formulated the KOSÉ Group Plastic Policy*7, which consists of two perspectives: "Reduction of Environmental Impact" and "Partnership with Stakeholders," and designs containers based on the principles of the 4Rs (Reduce/Reuse/Recycle/Renewable).

*7 KOSÉ company website "Measures for circular economy" KOSÉ Group Plastic Policy :

<https://corp.kose.co.jp/en/sustainability/environment/circulareconomy/>



Examples of product containers that comply with the 4Rs (Reduce/Reuse/Recycle/Renewable)

【Reference Material】

KOSÉ Group's sustainability promotion activities

Since 1991, the KOSÉ Group has been using “Creating Beauty in a Sustainable World” as its corporate message and promoting unique activities to broadly contribute to the resolution of social issues from the two viewpoints of “For people” and “For the earth.” In April 2020, in its long-/mediumterm enterprise vision “VISION2026,” KOSÉ officially added “Promoting a sustainability strategy across

the entire value chain” as one of its three core strategies. Linked to this, KOSÉ announced the KOSÉ Sustainability Plan, which summarizes the entire Group’s sustainability-related initiatives and goals leading up to 2030. The KOSÉ Group is promoting sustainability activities based on the belief that solving social issues is an essential and important management issue for simultaneously achieving business growth and a sustainable society.

- KOSÉ company website “Sustainability” : <https://corp.kose.co.jp/en/sustainability/plan/goal/>

KOSÉ Sustainability Plan

To make the future better for people and the environment, the KOSÉ Sustainability Plan consists of six activity themes designed to make broad contributions from the two viewpoints, “For people” and “For the earth.” The Plan encompasses everything from topics the Group is actively taking on as a member of society to topics that the Group is uniquely positioned to tackle. Furthermore, positioning its Behavioral Charter “Mind to Follow the Right Path” as the fundamental policy for all corporate activities, the KOSÉ Group has also defined six primary categories for its employees. Through the actions defined in this plan, the KOSÉ Group intends to also help achieve the Sustainable Development Goals (SDGs) defined by the United Nations.



Six activity themes and fundamental policy of the KOSÉ Sustainability Plan

- Company website “KOSÉ Sustainability Plan” : <https://corp.kose.co.jp/en/sustainability/plan/>