

Sustainability

Sustainability Strategy
of the Vision for Lifelong Beauty Partner
—Milestone2030

2024 Progress Report

KOSÉ Corporation

Creating Beauty
in a Sustainable World



Your Lifelong Beauty Partner

A radiance that is uniquely yours.
May you recognize your unique value
and let it shine freely,
every moment of every day.
We celebrate your individuality
to bring boundless joy.

KOSÉ revitalizes people and the Earth,
constantly making life shine brighter.

Creating Beauty
in a Sustainable World

Approach to the Sustainability Strategy

The role of the Sustainability Strategy in the KOSÉ Group is to integrate commitment to solving social and environmental material issues into value creation and our corporate fundamentals within our medium- to long-term vision. Our corporate message was made “Creating Beauty in a Sustainable World” as a guiding principle for sustainability, and we set “Mind to Follow the Right Path” as a fundamental policy, which is the same as the code of conduct. We will strive for sustainable growth in both society and the Group while being there for people and the Earth, and aim for “Your Lifelong Beauty Partner” using an approach that encompasses the ideal of society and the environment.

■ Guiding Principle for Sustainability

Creating Beauty in a Sustainable World

As in our Corporate Message, this expresses our commitment to the value we create for the benefit of people and all of society, and for the future of the Earth.

Since our founding, we have conducted business activities with the help of social ties and the blessings of nature. It means we will contribute to the world using all the intelligent creation of beauty in order to realize the future we are aiming for.

■ Fundamental Policy

Mind to Follow the Right Path.

Just like our Behavioral Charter which is the foundation of the governance system, this policy shows that we will continue to be a fair and transparent public institution with the same sincerity as the meaning of part of the company's name.



Vision Your Lifelong Beauty Partner

Being free to define what beauty means to you

Accepting each other as we are and growing together

Building a future while honoring all our bonds

Living in harmony with a healthy Earth for generations

Financial targets

- Ratio to net sales
- Operating margin
- Overseas sales ratio
- EBITDA margin
- ROIC

Non-financial targets

- Global personnel vs. Global key posts
- Product/service ratio using Adaptability ∞
- Activities contributing to wellbeing
- People who have raised environmental awareness
- CO₂ emission reduction rate

Highlights of the Sustainability Strategy in Milestone2030

In addition to the initiatives and targets highlighted in medium-term strategy, the Sustainability Strategy sets targets and initiatives for each issue to address the material issues of medium- to long-term vision.

<Highlights : For people>

Continue creating ideas involving the value of beauty that originate from diversity

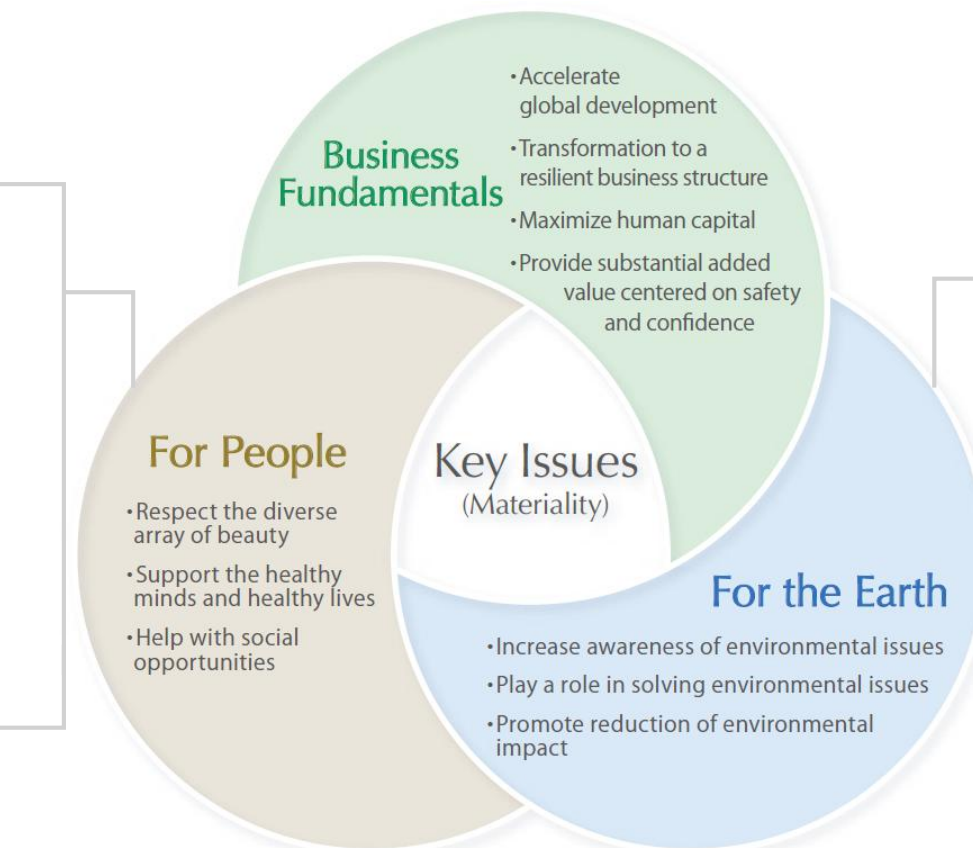
- Adaptability activities for reflecting diversity in business operations
- Many ideas for value involving the diversity of beauty while using both global and local perspectives

Indicator: Ratio of products and services provided based on Adaptability ∞ (Eight)

Use beauty for lives with greater fulfillment of body and mind

- Increase activities in the wellbeing and corporate social responsibility domains
- Build support frameworks for specific purposes, such as education for members of the next generation

Indicator: No. of initiatives for achieving well-being



<Business Fundamentals>

Issues in Promoting Sustainability Support Foundation Enhancement

- Respect for human rights
- Strengthening the corporate governance framework
- Customer's perspective
- Supply Chain Management

▶▶▶ Adaptability (WEB)

▶▶▶ Medium-term strategy (WEB)

▶▶▶ Sustainability (WEB)

< Highlights : For the Earth >

Raise public awareness of environmental issues

- Visualization of KOSÉ's contributions involving environmental issues by disclosing environmental data concerning products and other activities
- Provision of a large volume of environmental data to help consumers select products

Indicator: Increase in awareness of environmental issues through products, services and information transmissions

Lower environmental impact of global operations and the value chain

- More information about the global environment and activities concerning environmental issues
- Strengthening the understanding of information in the value chain in climate change action and more

Indicator: Reduce CO₂ emissions (Scope1·2·3)

Progress of Each Initiative (For People)

Activity Theme	Commitment	Indicators	FY2024 Results	Target	Achiev by	Relevant SDGs
For People	Respect the diverse array of beauty	Ratio of products and services provided based on Adaptability ∞ (Eight)	86.4%*1	100%	2030	   
	Support the healthy minds and healthy lives	No. of initiatives for achieving well-being	198activities Cumulative total since FY2020	500 or more activities	2030	   
		Procurement of certified raw materials and purchase of RSPO-certified credits through the Book & Claim (B&C) method	36.1%	100%	2030	 
	Help with social opportunities	Raising awareness of and initiatives in DE&I focusing on the 3Gs*2	429,227people Cumulative total since FY2020	1 million or more people	2030	   

*1 Based on the unique eight initiatives in KOSÉ's Adaptability ∞ (Eight), we decide the focus items of each brand every year and calculate the overall achievement rate by counting the number of products and services that meet the targets those items.

*2 Global, Gender, and Generation

Progress of Each Initiative (For the Earth 1)

For the Earth

Activity Theme	Commitment	Indicators	FY2024 Results	Target	Achieve by	Relevant SDGs
Increase awareness of environmental issues	Provide customers with opportunities to become aware of environmental issues through products, services, and information communicated	Increase in awareness of environmental issues through products, services and information transmissions	7,411,084people Cumulative total since FY2020	10 million people or more	2030	   
Play a role in solving environmental issues	Pursue conservation and solving issues in various regions around the world	Area planted with coral reefs	12,736㎡ Cumulative total since FY2009	20,000㎡ About 53 times the area of a 25m Regulation size swimming pool	2030	
		Local community environmental conservation activities	45activities Cumulative total since FY2020	100 activities or more	2030	

Progress of Each Initiative (For the Earth 2)

For the Earth

Activity Theme	Commitment	Indicators	FY2024 Results	Target	Achieve by	Relevant SDGs
Promote reduction of environmental impact	Reduce CO ₂ emissions	Scope 1・2	-44.8%*1 total, compared to 2018	-55% Target for total emission reduction vs. 2018	2030	 
			14,160.7 t-CO ₂ *1	Carbon Neutrality	2040	
		Scope 3	-19.2%*1 total, compared to 2018	-30% Target for total emission reduction vs. 2018	2030	
		Scope1・2・3	803,855.4 t-CO ₂ *1	Net Zero	2050	
	Sustainability-conscious design for plastic packaging materials	Use of containers and packaging materials aligned with the 4Rs	4R implementation 37.2%*2 4R:Reduce/Reuse/Recycle/Renewable	100%	2030	 
		Usage rate of recycled and biomass plastic	23.2%*2	50%		
		Amount of usage of petroleum-based virgin plastic	-11.4%*3	- 50% Production units vs.2018		
		Refillable container share	40.7%*4	50%		
	Waste reduction for the purpose of responsible resource utilization		Recycling rate 100%*4	100%	2025	 
	Reduce use of water resources through responsible practices		3.8%*1*4 Production units vs. 2018	-12% Production units vs. 2018	2030	 
	Responsible palm oil procurement	Procurement of certified raw materials and purchase of RSPO-certified credits through the Book & Claim (B&C) method	36.1%	100%	2030	 

*1 Updated after third-party verification *2 Figures for new products launched within the target achievement year

*3 Actual products shipped in the relevant year *4 Bottles and jars used for skincare and haircare products listed in the lineup for the target year *5 KOSÉ Group Production Department



Main Initiatives During 2024

For People

Respect the diverse
array of beauty

Products and services provided based on Adaptability ∞(Eight)

Adaptability

In order to broaden our customer vision, we promote the creation of value with a focus on individual identity so that we can meet the needs of our diverse customers. We have defined eight concrete initiative themes, which we have named "Adaptability∞," and we are applying them throughout all of our value creation. We have also linked the "3Gs" of "Global," "Gender," and "Generation," keywords for cultivating new customers, with adaptability, thereby creating new value.

Examples of Adaptability∞

- Excluding no one
- Blending diverse cultures
- Adapted to all skin and hair types
- User-friendly and simple
- Unfettered by gender
- Respectful expression
- Harmonizing with personal beliefs
- Transcending age constraints

- Supporting diverse skin colors
- Supporting women
- Expression that takes everyone into consideration
- Easy to use containers
- Support for developing countries
- Support for sports

Cosmetic products that even children can use

3G
Global
Gender
Generation

Main Initiatives During 2024

For People

Respect the diverse
array of beauty

Products and services provided based on Adaptability ∞(Eight)

Adaptability ∞

A lotion that can be used comfortably and easily by
anyone, anytime



DECORTÉ MICRO BALM LOTION is a lotion that is highly moisturizing and gentle on the skin—perfect for the diverse needs of consumers. It was created as a skincare product that can be used comfortably and easily by anyone, anytime, regardless of age, gender, or skin type.

KOSÉ Sustainability Site | Adaptability
<https://corp.kose.co.jp/en/sustainability/adaptability/>

News Release
<https://corp.kose.co.jp/ja/news/8722/>

A new inner beauty brand in the area of well-being



The inner beauty brand Nu* Rhythm, which was born as a LINK new business proposal project, is a beauty protein that helps achieve beauty from within. It comes in four flavors and is packaged individually for easy drinking anywhere, supporting beauty and health.

News Release
<https://corp.kose.co.jp/ja/news/8789/>

Main Initiatives During 2024

For People

Support the healthy minds
and healthy lives

Initiatives for achieving well-being

Organizing breaking tournaments Breaking workshops for students held by KOSÉ 8ROCKS



Amid the growing interest in breaking, we held KOSÉ BREAKING FES to further raise awareness and popularize breaking among people of all ages. In addition, KOSÉ 8ROCKS held breaking workshops for university and high school students.

KOSÉ Sustainability Site | Together with the Community
<https://corp.kose.co.jp/en/sustainability/community/>

Communicating the importance of UV protection Implementing activities to protect the healthy skin of the next generation



We held lectures for students on the importance of protecting skin from UV damage and the proper use of sunscreen. We also distributed approximately 95,000 copies of a supplementary text book on UV protection to junior high schools and high schools nationwide that requested them.

KOSÉ Sustainability Site | Together with the Community
<https://corp.kose.co.jp/en/sustainability/community/>

Main Initiatives During 2024

For People

Help with social
opportunities

Raising awareness of and initiatives in DE&I focusing on the 3Gs

Internal DE&I initiatives aimed at creating a workplace that is comfortable for all employees



We are promoting internal awareness-raising activities aimed at creating a workplace that is comfortable for all employees. At KOSÉ, we have created awareness-raising posters in addition to the DE&I Handbook to foster a DE&I mindset. At ALBION, we have also set up a page on our internal sustainability information site to introduce our DE&I initiatives.

KOSÉ Sustainability Site | INITIATIVE 1: Gender Diversity (actively engaging women in the workplace, LGBTQ+, gender equality)

<https://corp.kose.co.jp/en/sustainability/diversity/action1/>

Conducting a study tour for students from Sakura Girls Secondary School in Tanzania, Africa



We have been supporting students attending Sakura Girls Secondary School in Tanzania, Africa, where the issue of women's human rights is particularly serious, since 2017. In 2024, we provided two students visiting Japan with an opportunity to experience the diversity of beauty through a cosmetics manufacturing experience as well as a beauty experience at Maison KOSÉ Ginza.

KOSÉ Sustainability Site | INITIATIVE 1: Gender Diversity (actively engaging women in the workplace, LGBTQ+, gender equality)

<https://corp.kose.co.jp/en/sustainability/diversity/action1/>

Main Initiatives During 2024

For the Earth

Increase awareness of
environmental issuesIncrease in awareness of environmental issues through products,
services and information transmissionsSEKKISEI SAVE the BLUE Snow Project
Releasing a read-aloud video for a picture book

As part of the SEKKISEI SAVE the BLUE ~Snow Project~, we released a read-aloud video for a picture book to help people think about the fun of interacting with snow and the role of snow. The video features readers such as Yui Aragaki.

SEKKISEI SAVE the BLUE Web site
<https://sekkisei.jp/site/p/savetheblue/snowproject.aspx>

A read-aloud video for a picture book(YouTube)
<https://youtu.be/viW-XuizA6E>

Exhibiting the SEKKISEI SAVE the BLUE Snow Project
at KidZania Tokyo Action Rally to Change the Future

We participated in the Action Rally to Change the Future event held at KidZania Tokyo as part of the SEKKISEI SAVE the BLUE ~Snow Project~ to provide an opportunity to learn and think about protecting snow in a fun way.

Exhibition period: October 10, 2024 - April 7, 2025

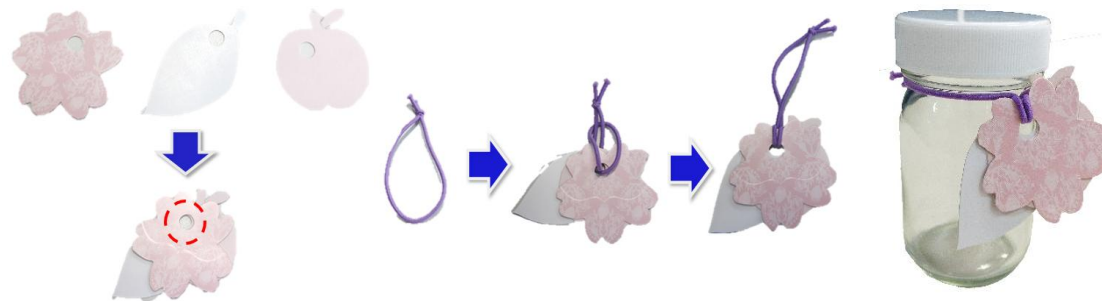
News Release
<https://corp.kose.co.jp/ja/news/8875/>

Main Initiatives During 2024

For the Earth

Increase awareness of
environmental issuesIncrease in awareness of environmental issues through products,
services and information transmissions

KOSÉ Industries

Raising awareness of the issue of waste through
K.I.C. Children Work Visit Day

KOSÉ Industries held K.I.C. Children Work Visit Day where children and grandchildren of employees working at the factory were invited to participate. The children upcycled cosmetics boxes scheduled for disposal into handmade charms by cutting them into approximately 5 cm flowers, hearts, and other shapes. The event raised awareness of the issue of waste.

KOSÉ Sustainability Site | Together with the Community
<https://corp.kose.co.jp/en/sustainability/community/>

KOSÉ Cosmeport

Third round of BIOLISS PEACEFUL GREEN Project
tree planting activities

KOSÉ Cosmeport is continuing its BIOLISS PEACEFUL GREEN project initiative, which it has been implementing since 2022. A tree-planting activity was held from May 30 to 31 to promote reforestation and regional development using a portion of the sales from the SALON STYLE BIOLISS brand. Twenty-four employee representatives worked together to plant 400 trees. (Cumulative total from 2022: 1,200 trees; total area: approx. 3,300m²)

「BIOLISS PEACEFUL GREEN」Project
<https://www.bioliss.jp/peacefulgreen/>

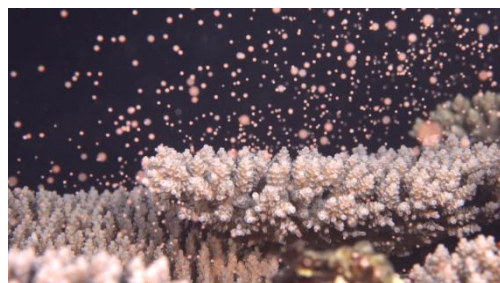
Main Initiatives During 2024

For the Earth

Play a role in solving
environmental issuesCoral Planting Initiative/
Local community environmental conservation activities

16th year of SEKKISEI SAVE the BLUE Ocean Project

Expanding efforts to protect coral, including filming mass coral spawning and developing cultivation analysis technology



The SEKKISEI SAVE the BLUE "Ocean Project", in which a portion of the proceeds from the campaign are donated to coral conservation activities, is now in its 16th year. In addition to conservation activities, we filmed and released a video of simultaneous mass coral spawning to raise awareness about climate change and biodiversity. In addition, we developed a new technology to evaluate the impact of sunscreen ingredients on coral growth from a biochemical point of view.

News Release

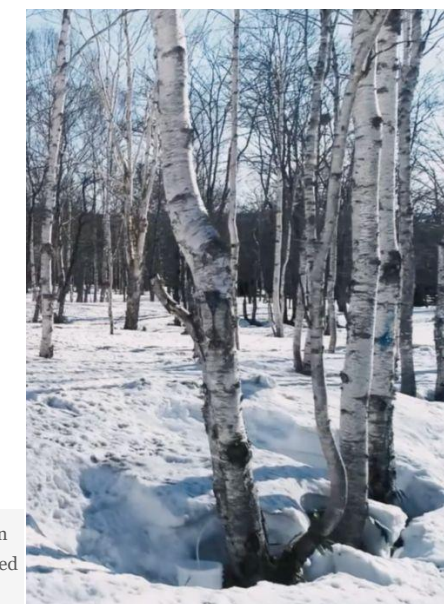
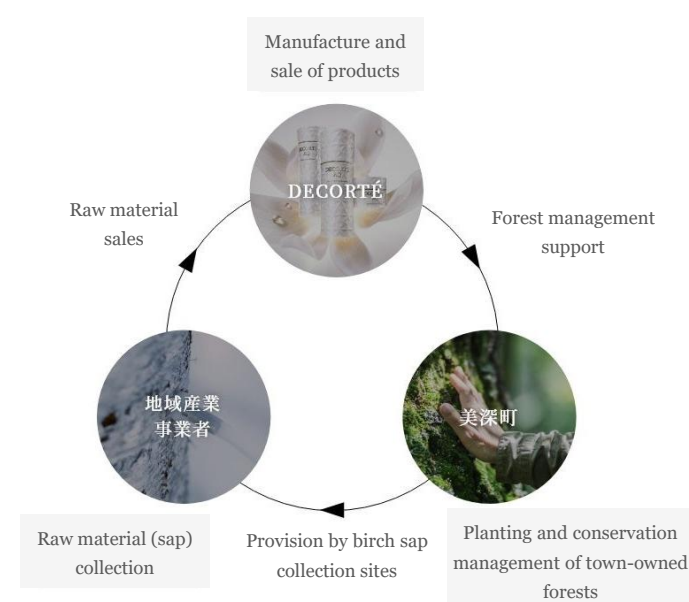
<https://corp.kose.co.jp/ja/news/8627/>

News Release

<https://corp.kose.co.jp/ja/news/8496/>

Supporting nature conservation and regional development in areas where raw materials originate

Launching the DECORTÉ Sustainable Ingredients Project



We launched the DECORTÉ Sustainable Ingredients Project, which aims to achieve the nature conservation and regional development in the areas where its raw materials originate. As a first step, we launched the DECORTÉ Forest Project to conserve the white birch forests in Bifuka Town, Hokkaido. The project aims to realize a decarbonized society as well as engage in activities that lead to regional development, such as forestry education and support for tourism.

PRTIMES

<https://prtmes.jp/main/html/rd/p/00000063.0.000041232.html>

DECORTÉ Web site

https://www.decorte.com/site/s/sdgs_sip_whitebirch.aspx

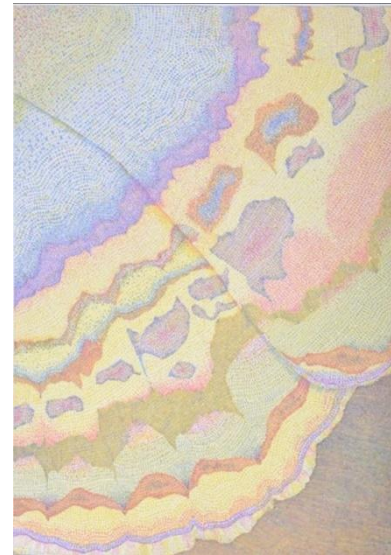
Main Initiatives During 2024

For the Earth

Play a role in solving
environmental issues

Local community environmental conservation activities

Holding a design contest with students of Tama Art University using ballpoint pens upcycled from makeup cosmetics



The Grand Prix winner, Yuna Sekihara's work

KOSÉ and Kao are collaborating on a sustainability initiative to upcycle makeup cosmetics into three-color ballpoint pens with the cooperation of MĀNGATA Corporation. As part of this initiative, we held the Makeup Art Pen Award 2024 design contest for Tama Art University students to create artwork using only these three-color pens.

News Release

<https://corp.kose.co.jp/ja/news/8840/>

KOSÉ Sustainability Site

Measures for circular economy

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

Establishing a horizontal recycling scheme for unused glass containers

(1) Collect unused bottles

Bring back unused bottles when
returning from delivery to KOSÉ(2) Use as raw materials by
container manufacturersCollected bottles are
crushed and used as cullet

3) Commercialize



(4) Deliver

Containers recycled from unused
bottles are delivered to KOSÉ

We established a new scheme in which glass containers not used by KOSÉ are purchased by manufacturers and reprocessed. We will continue to implement this scheme as an initiative to promote responsible resource recycling with a clear view of where the containers are recycled.

KOSÉ Sustainability Site

Measures for circular economy

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



Main Initiatives During 2024

For the Earth

Promote reduction
of environmental impactReduce CO₂ emissions

Converting 100% of purchased electricity to renewable energy in all research wings of the ALBION Shirakami Research Lab



We introduced locally produced and locally consumed renewable electricity from local Akita in the Research Wing for Extraction from June 2022, and in the Yoneta and Shimizudai Research Wings from January 2024. All research buildings in the Shirakami area have now achieved 100% renewable energy for purchased electricity.

ALBION Shirakami Research Lab
<https://www.shirakami.albion.co.jp/>

Participating in the Decabo Score Fair held at the EARTH MALL with Rakuten

商品を選ぶ新しい基準のひとつに
デカボスコア
 デカボスコアって？
 商品やサービスの排出CO₂相当量の“削減率”を「デカボスコア」として可視化しています。

商品	Decabo Score (gCO ₂ e)	削減率
薬用雪肌精 ブライトニング エッセンス ローション 350mlのプラスチック製中空容器(310ml相当分)	521gCO ₂ e	-
薬用雪肌精 ブライトニング エッセンス ローション 310mlの詰替用パウチ	121gCO ₂ e	76% off

81% off

We participated in a fair featuring products that introduced the Decabo Score, which visualizes the CO₂ emissions of products and services in terms of reduction rates, as part of our carbon footprint efforts. The Decabo Score was calculated for 14 SEKKISEI brand products.

「The “Decabo Score” as one of the new criteria for selecting products」 Special page
<https://event.rakuten.co.jp/earthmall/pickup/decarbo/>

Main Initiatives During 2024

For the Earth

Promote reduction
of environmental impact

Sustainability-conscious design for plastic packaging materials

Developing bottle caps incorporating adlay husks for
the new SEKKISEI BLUE series

雪肌精 BLUE



We incorporated adlay husks, which are generated during the production process of the adlay extract used in the SEKKISEI brand, into the bottle caps of our SEKKISEI BLUE products. We upcycle these husks, which would normally be discarded, as a design feature within the brand.

News Release

<https://corp.kose.co.jp/ja/news/9140/>

SEKKISEI BLUE Web site

<https://sekkisei.jp/site/p/sekkiseiblu.aspx>
Using mechanical recycled PE for the first time at
KOSÉ for the tubes of Prédia BLUE, a new series of
PrédiaPrédia
BLUE

We use mechanically recycled polyethylene, which has a low environmental impact, for our Prédia BLUE tubes. This is the first time that KOSÉ has used this material for cosmetics containers, which is used for the inner layer of the tube sleeve.

News Release

<https://corp.kose.co.jp/ja/news/9140/>

Prédia BLUE Web site

<https://sekkisei.jp/site/p/prediablue.aspx>

Main Initiatives During 2024

For the Earth

Promote reduction
of environmental impactReduce use of water resources through responsible practices/
Responsible palm oil procurement*

*This is also a target for the "For People" - "Support the healthy minds and healthy lives" theme

KOSÉ Industries

Participating and cooperating in National Water
Environment Survey (Sayama Factory, Gunma Factory)

▲Results of FY2024 survey

We participated and cooperated in the National Water Environment Survey organized by the National Water Environment Map Executive Committee, continuing from 2023. We not only survey the water we use for our business, but also the status of the water environment and resources in the neighborhood, and link this to environmental conservation in the region.

【Study locations(2024)】 Sayama Factory: Iruma River, Furo River
River Gunma Factory: Hirose River, Kasu River

KOSÉ Sustainability Site | Efforts in manufacturing

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

Sustainable palm oil sourcing initiatives

Engaging in dialogue with small-scale farmers in
Malaysia to resolve issues

We participated in a study tour organized by JaSPON in mid-November 2024 to palm-producing areas in Malaysia. We visited several small-scale farmers and collection points, engaged in dialogue with various stakeholders on issues and needs, and deepened our awareness of the local situation.

RSPO : Roundtable on Sustainable Palm Oil
JaSPON : Japan Sustainable Palm Oil Network

KOSÉ Sustainability Site | Response to Sustainable Palm Oil

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

Listed on ESG Index

FTSE4Good Index Series



FTSE4Good

FTSE Blossom Japan Sector Relative Index



**FTSE Blossom
Japan Sector
Relative Index**

Morningstar® Japan Ex-REIT Gender Diversity Tilt IndexSM



FTSE Blossom Japan Index



**FTSE Blossom
Japan Index**

2024 Constituent MSCI Japan Empowering Women Index (WIN)

**2024 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)**

S&P/JPX Carbon Efficient Index



External Evaluations for Sustainability

KOSÉ Won Award for Excellence in Consumer- Oriented Management



D&I AWARD “Semi-Grand Prize” and “Best Workplace”



Obtained “Eruboshi (Third Stage)” certification from the Ministry of Health, Labor and Welfare



Listed in “Health and Productivity Outstanding Organizations”



Climate Change Scoring and WaterSecurity (CDP)



Obtained SBT (Science Based Targets) certification





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