

# KOSÉ Sustainability Plan

## 2023 Progress Report

KOSÉ Corporation  
April 3rd , 2023



*Creating Beauty  
in a Sustainable World*

Our corporate message from 1991 until recently has been Wisdom and Beauty for People and the Earth. However, we have redefined this message as Creating Beauty in a Sustainable World. This message is also the guiding principle for our activities for a sustainable society.

# Creating Beauty in a Sustainable World

KOSÉ is a company that delivers state-of-the-art value by creating beauty through sensuousness and intelligence, love and craftsmanship.

We aspire to build a future where people possess confidence and positivity, embracing both themselves and others for who they are.

A future where all can live peacefully in a wholesome world.

To bring about that future,  
we pledge to do our utmost through the intelligent creation of beauty.

The power of beauty can change the world.

More than anything, we believe in the power of beauty.

# KOSÉ Sustainability Plan

## Guiding Principle for Sustainability

### Creating Beauty in a Sustainable World

#### For People

A source of adaptable products and services

Support for a beautiful, healthy and happy life

Help create a world with true gender equality

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#### For the Earth

Use the theme of beauty to help solve environmental issues

Environmental programs in areas where KOSÉ operates

Lower the overall environmental impact of business operations

## Fundamental Policy

### Primary categories

### Mind to Follow the Right Path

Sound corporate governance

Respect for human rights

Human resource development

Business operations with transparency and fairness

Only the safest, most reliable, high-quality products

Customer's perspective










# Progress of Each Initiative (For People)

Activity Theme	Commitment	Indicators	FY2023 Results	Target	Achieve by	Relevant SDGs
For People	A source of adaptable products and services	Ratio of products and services reflecting the concept of adaptability	76.0%*1	100%	2030	
	Support for a beautiful, healthy and happy life	Implementation of specific activities	121activities (Cumulative total since FY2020)	500 or more activities*2	2030	
		Responsible palm oil procurement	30.2% Purchasing of RSPO certification credits using procurement of certified ingredients and the Book & Claim model	100%	2030	
Help create a world with true gender equality	We will conduct awareness-raising and other activities that help to eliminate the gender gap not only in the KOSÉ Group, but elsewhere in Japan and around the world.	Gender equality awareness	328,833人 (Cumulative total since FY2020)	1 million or more people*2	2030	

\*1 The items that each brand will focus on each year were selected from "Adaptability∞," KOSÉ's eight unique initiatives. The number of services and products that met the targets for each of these items was then tabulated to determine the overall achievement rates.

\*2 Targets revised upward in April 2024

Activity Theme	Commitment	Indicators	FY2023 Results	Target	Achieve by	Relevant SDGs
Use the theme of beauty to help solve environmental issues	Focus on beauty while promoting activities to resolve environmental issues. We will also communicate these initiatives to the general public to make many consumers aware of environmental issues and expand our network for solving issues using the theme of beauty.	Area planted with coral reefs	12,270m <sup>2</sup> (Cumulative total since FY2009)	20,000 m <sup>2</sup> About 53 times the area of a 25 m regulation-size swimming pool	2030	   
		Increase in awareness of environmental issues through products and services	6,870,376People (Cumulative total since FY2020)	10 million people or more	2030	
Environmental programs where KOSÉ operates	We will coexist and prosper with local communities, conducting environmental conservation activities with a focus on production facilities, which affect the environment.	Local community environmental conservation activities	14activities (Cumulative total since FY2020)	20 activities or more	2030	  

For the Earth

Activity Theme	Commitment	Indicators	FY2023 Results	Target	Achieve by	Relevant SDGs
For the Earth Lower the overall environmental impact of business operations	Reduce CO <sub>2</sub> emissions	Scope 1・2	-45.1%* <sup>1</sup> (total, compared to 2018)	-55% (Target for total emission reduction vs. 2018)	2030	
			14,089.4 t-CO <sub>2</sub>	Carbon Neutrality	2040	
		Scope 3	-26.5%* <sup>1</sup> (total, compared to 2018)	-30% (Target for total emission reduction vs. 2018)	2030	
		Scope 1・2・3	732,292.0 t-CO <sub>2</sub>	Net Zero* <sup>1</sup>	2050	
	Sustainability-conscious design for plastic packaging materials	Use of containers and packaging materials aligned with the 4Rs	4R対応率 30.6%* <sup>3</sup> 4R:Reduce/Reuse/Recycle/Renewable	100%* <sup>2</sup>	2030	
		Usage rate of recycled and biomass plastic	11.5%* <sup>3</sup>	50%* <sup>2</sup> * <sup>3</sup>		
		Amount of usage of petroleum-based virgin plastic	-10.6%* <sup>5</sup>	-50%* <sup>3</sup> * <sup>4</sup> (Production units vs.2018)		
		Refillable container share	To be disclosed in 2025			
	Waste reduction for the purpose of responsible resource utilization	20 activities	At least 20 waste reduction and resource recycling initiatives	2030		
		Recycling rate: 100%* <sup>6</sup>	Zero non-recyclable waste* <sup>5</sup>	2025		
Reduce use of water resources through responsible practices	6.2%* <sup>1</sup> * <sup>6</sup> (Production units vs. 2018)	-12%* (Production units vs. 2018)	2030			
Procure sustainable palm oil to protect the environment and grow with society	Responsible palm oil procurement	30.2% Purchasing of RSPO certification credits using procurement of certified ingredients and the Book & Claim model	100%	2030		

\*1 Scheduled to be updated after third-party verification \*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 New targets released in April 2024 \*5 Figures for products shipped during the target achievement year \*6 KOSÉ Group Production Department

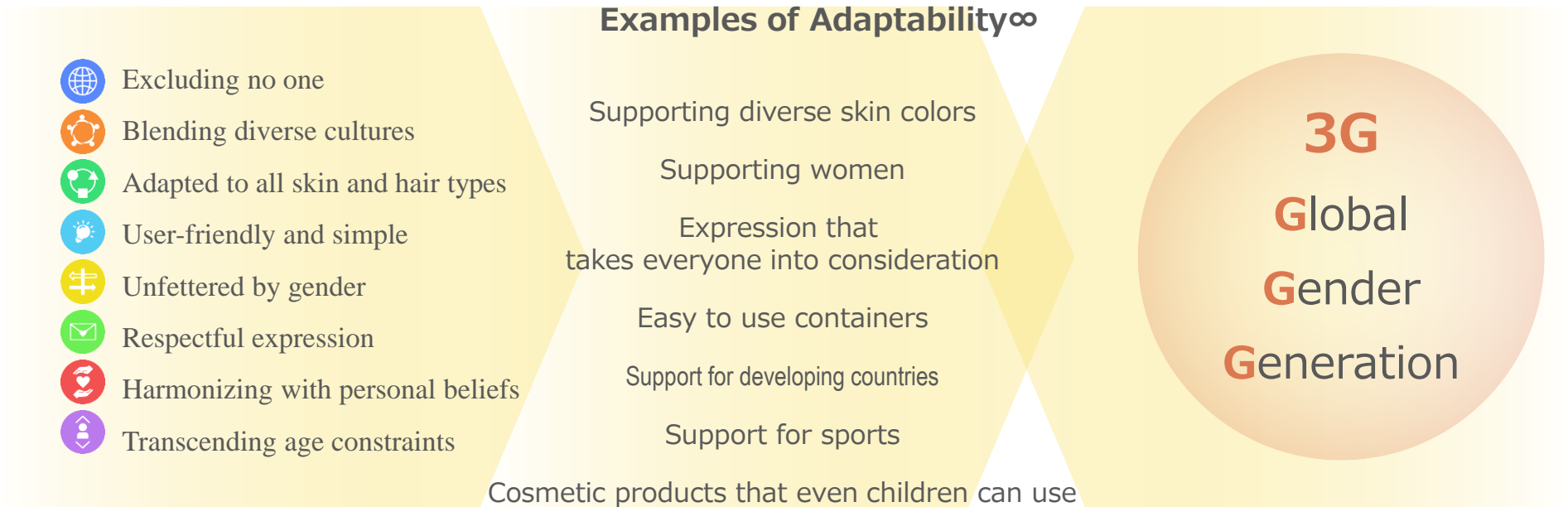


**For People** **A source of adaptable products and services**

Promote specific Adaptability<sup>∞</sup> initiatives

# 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<sup>∞</sup>," 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.



For  
People

A source of adaptable products and services

Promote specific Adaptability∞ initiatives

## Adaptability

Skincare products suitable for everyone—from newborns to grown ups



Moist Repair Milk from SEKKISEI CLEAR WELLNESS is a product suitable for people of all ages—from newborns to grown ups. Awareness of the practical benefits of appropriate skincare during children’s development is beginning to emerge, and care that starts and continues from their earliest stages helps lead to healthier skin.

Gender-neutral color that lasts



KOSÉ’s makeup brand Visée has a reputation as a trend setter. Its NENMAKU FAKE ROUGE features gender-neutral colors that blend beautifully with natural lips. The stunning hues are resistant to transfer when putting on and removing face masks, providing shine and color that last long after face coverings are taken off.



For  
People

## Support for a beautiful, healthy and happy life

## Specific Initiatives

### “UV Protection Course” for high school students who play sports



In everyday life, UV rays affect not only the skin but also sports performance. With the hope of encouraging high school students to lead healthy lives, we held an “UV Protection Course” for 160 students at Maehara High School in Okinawa Prefecture, which is committed to sports education, in order to educate them on the importance of UV protection and the proper use of sunscreen. The course was reported by local TV stations and newspapers in Okinawa, which led to the awareness of various stakeholders, including students of the same generation, their parents and guardians, and instructors.

### “Skincare classes for school children” for a wide range of grades



**はだクイズ**  
この“はだ”は、だれの“はだ”？  
いきものなまえをこたえてね！

For children whose skin barrier function has not yet matured, proper skin care will prevent skin problems caused by dryness and improve their QOL by leading to healthy skin. Therefore, in 2022 and 2023, in collaboration with a medical team specializing in pediatric allergy, we held “Skin Care Classes for School Children” at five facilities for school children (mainly in Nagareyama City, Chiba Prefecture) operated by an NPO organization “green,” providing 126 primary school students from 1st to 6th grade with an opportunity to “know and practice” skin care by taking an interest in their own skin.



**For People** Support for a beautiful, healthy and happy life

Makeup seminars for people in need of social assistance as part of KOSÉ's efforts to improve wellbeing for diverse people



On October 29, World Stroke Day, KOSÉ conducted a workshop in Nagoya, for people suffering from long-term effects of strokes that affect their limbs. The workshop, held in conjunction with an NPO, was titled "A lively makeup seminar that you can do without trying too hard." The workshop presented makeup techniques that were fun and easy to use even for people suffering from the aftereffects of a stroke.

Specific Initiatives

Reinforcing KOSÉ's sports support activities to encourage the beautiful power that comes with taking on new challenges



Since 2006, KOSÉ has been providing support to athletes to foster a greater focus on health by promoting sports. In 2023, we provided even more extensive support to various athletes, such as men's volleyball player Ran Takahashi a new entry to KOSÉ's roster of supported athletes. KOSÉ has also begun sharing information on its website out of its desire to promote active, healthy lifestyles in local communities by providing sports support.



For  
People

## Help create a world with true gender equality

## Gender Equality Awareness

Raising awareness and taking action through the DECORTÉ Purple Ribbon Project so that everyone can enjoy a sense of security

Helping improve the living environments of women working in rose farms through the INFINITY "Share the Bloom" campaign



As part of our efforts to solve the societal problems faced by women, KOSÉ is carrying out its own initiative for raising awareness to eliminate violence against women, the DECORTÉ Purple Ribbon Project. We provide support in a variety of ways, including donations and awareness-raising activities, contributing to a society in which everyone can enjoy a sense of security.

With its message of "Beauty is power. Let your potential bloom," in fiscal year 2023 the INFINITY "Share the Bloom" campaign, together with the "One of Love Project," donated sanitary products to 2,500 women working on rose farms in Ethiopia. This campaign is helping improve people's living environments.

For  
People

## Help create a world with true gender equality

## Gender Equality Awareness

Mom & Dad Lounge community activities for employees raising children to share concerns and solutions with each other

Promoting the Unique KOSÉ IKUPAPA Support System to encourage men to take childcare leave and to support working couples who take care of children together



KOSÉ works to help employees balance childbirth, childcare, and work. We have created consultation points through which employees can talk with internal career consultants about their future career plans after returning from childcare leave. We also hold KOSÉ Mom & Dad Lounge activities to create a community in which employees who are raising children or who wish to raise children can share their concerns and solutions with each other.

In 2020, we launched the KOSÉ IKUPAPA Support System to promote the use of paternal childcare leave with the aim of creating a society in which everyone can thrive, regardless of gender. In order to raise awareness among employees and their superiors and workplaces, KOSÉ provides individual support, such as advice on how to use the system, and provides support grants to male employees taking paternal leave.





For  
the Earth

Environmental programs where KOSÉ operates

Local Community Environmental Conservation Activities

Sekkisei SAVE the BLUE Ocean Project, saving the coral of Okinawa

Workshops at KidZania Tokyo where children can learn about environmental conservation activities linked to beauty



The Sekkisei SAVE the BLUE project, which celebrated its 15th anniversary this year, donated a portion of sales of certain Sekkisei brand products sold during the campaign period for use in supporting the cultivation of coral in Okinawa. In fiscal year 2023, we continued to contribute to the conservation of the environment by planting 673 coral in the seas around Okinawa.



We held "Exciting Week with KOSÉ," a hands-on event in which children learned about Sekkisei's SAVE the BLUE Ocean Project while creating original ocean-themed key chains. This project conducts environmental conservation activities with the theme of "Protect the beautiful oceans through cosmetics!" The event also shared the importance of skincare.



For  
the Earth

**Environmental programs where KOSÉ operates**

**KOSÉ TRAVEL RETAIL launches "Sekkisei SAVE the BLUE" project to plant mangroves and support conservation efforts in Hainan Island**



As part of its Sekkisei SAVE the BLUE initiatives, in 2022, KOSÉ TRAVEL RETAIL Co., Ltd. began donating a portion of the sales of duty-free products in China to the local Blue Ribbon Ocean Conservation Association, supporting the planting and conservation of mangroves in Hainan Island.

Area planted in fiscal year 2023: Approx. 1,666 m<sup>2</sup>

**Local Community Environmental Conservation Activities**

**ALBION flagship store ALBION PHILOSOPHY co-sponsors and takes part in BLUE SANTA beach cleaning event**



ALBION PHILOSOPHY, the ALBION flagship store, co-sponsored the BLUE SANTA\* beach cleaning event, held on Marine Day, and took part in the event as Team ALBION.

The store set up a water hydration station and carried out plastic bottle waste reduction activities.

\* This Marine Day event was primarily organized by the Nippon Foundation, which is dedicated to resolving problems affecting society and the sea, and U, an NPO that has been conducting beach cleanups in the Shonan and Enoshima area for 18 years.





For  
the Earth

Environmental programs where KOSÉ operates

Local Community Environmental Conservation Activities

**BIOLISS PEACEFUL GREEN Project**  
Tree-planting in Bioliss Forest in Fuefuki City, Yamanashi Prefecture

**ALBION wins Akita SDGs Award in 2022 for bringing back Shirakami Sanchi Wine by developing ingredients from grapes**



KOSÉ donated part of the proceeds from sales to "Present Tree," a forest restoration project carried out by NPO Environmental Relations. 37 employees in Ashigawa-cho, Fuefuki City, Yamanashi Prefecture, participated in the project, planting trees under the direction of the Central Forestry Association. They planted a total of 400 deciduous tree saplings (Japanese beech, Mongolian oak, Yamazakura cherry trees, Amur cork trees, and maples). The project, which began in 2022, has planted 2,600 m<sup>2</sup> of forest.



We received the Akita SDGs Award in 2022 for our contributions to bringing back Shirakami Sanchi Wine, which was no longer being produced, using residual pulp from grapes after extracting beauty treatment ingredients from them.



For  
the Earth

**Environmental programs where KOSÉ operates**

**Sekkisei SAVE the BLUE Snow Project  
Contributing to the use of renewable energy for the power of the Hakuba Valley**



In 2022, we launched a winter campaign called the Sekkisei SAVE the BLUE Snow Project. Part of the proceeds of sales of certain Sekkisei products during the campaign period were used to aid in switching to renewable energy sources for the Hakuba Valley, a resort in the foothills of the Northern Alps mountain range in northern Nagano. Switching to renewable energy helps reduce CO2 emissions.

**Local Community Environmental Conservation Activities**

**Participation and collaboration in national water environment survey conducted by the National Water Environment Map Implementation Committee**



Since 2023, we have participated and collaborated in the national water environment survey conducted by the National Water Environment Map Implementation Committee. We investigate the water environment and water resource situation in nearby areas, using our findings to contribute to the protection of local environments.

[Study locations] Sayama Factory: Iruma River, Furo River Gunma Factory: Hirose River, Kasu River  
Minami-Alps Factory: Midai River



For  
the Earth

Lower the overall environmental impact of  
business operations

Reduction of Scope 1,2 and 3 CO2 Emissions

**KOSÉ Industries introduces renewable energy in Sayama Factory  
Reinforces energy-saving measures in Gunma Plant**

**Medicated Sekkisei Brightening Essence Lotion  
Visualization of CO2 emissions by calculating carbon footprint**



The KOSÉ Industries Sayama Factory switched all purchased electricity to renewable energy in February 2023, significantly reducing CO2 emissions.

The large-scale air handling unit (AHU) in the Gunma Factory is conserving energy by controlling operations while optimizing temperature control and air circulation, which are critical to maintaining the production environment.



KOSÉ began calculating carbon footprints in 2022 to visualize product-related CO2 emissions. It has now calculated the carbon footprint of Medicated Sekkisei Brightening Essence Lotion. By reducing plastic usage and utilizing biomass plastic, it has cut CO2 emissions by roughly 9% compared to existing regular-sized products and by 10% compared to existing large-sized products.

For  
the Earth

Lower the overall environmental impact of  
business operations

Sustainability design focused on plastic container packaging  
materials

Recycled material used for 94% of the plastic portions of  
ADDICTION's compact case



Mechanically-recycled plastic used for cap of KOSÉ  
COSMEPORT CoenRich hand cream



Sustainable packaging used for all products in ALBION STUDIO  
base makeup lineup



Recycled material and biomass material used in containers

KOSÉ and Albion jointly develop "Metalless Pump" with  
YOSHINO KOGYOSHO.



Metal spring



Plastic spring

Photos courtesy of YOSHINO KOGYOSHO CO., LTD.



**For the Earth** Lower the overall environmental impact of business operations

Clothing up-cycling of store staff uniforms  
Clothing used to make novelty items and general goods with unique designs

Waste reduction for the purpose of responsible resource utilization -  
New initiatives contributing to further waste reductions

In-store container reclamation system  
Creating mini-photo frames through the Happy Recycle Project



Recycling container (image)



Mini photo frame

In this joint project with avanti inc., store staff uniforms which were no longer of use were used to create cloth novelty items and general goods with a new appeal of their own.

The uniforms of store staff at ALBION DRESSER shops across Japan were up-cycled (approximately 10,000 uniforms covering three seasons, from fall/winter 2017 to fall/winter 2019).

In November 2021, ALBION PHILOSOPHY, the ALBION flagship store, launched a container collection program. The caps from the containers gathered from customers through this program were used to make unique mini-photo frames. From May 2023, these frames were given as presents to customers who participated in the container collection program. Container collection is now being expanded to all 57 ALBION shops in Japan.

For  
the Earth

### Lower the overall environmental impact of business operations

Waste reduction for the purpose of responsible resource utilization -  
New initiatives contributing to further waste reductions

#### Honda Plus, MĀNGATA, and KOSÉ

Creating hair accessories from up-cycled cosmetics and plastic

#### Creation of new up-cycled ballpoint pens from makeup provided by KOSÉ and Kao



The original brand developed by plastic molding manufacturer Honda Plus Co., Ltd. , MĀNGATA and KOSÉ create new up-cycled products by combining unneeded materials generated within each other's companies. These products are now being used in the KidZania Tokyo BEAUTY STUDIO to teach children the importance of recycling.



KOSÉ supplied makeup which ultimately was not released in product form due to quality improvement and quality assurance processes in its R&D labs. The makeup supplied by KOSÉ and Kao was up-cycled by MĀNGATA Corporation in the form of SminkArt water-soluble pens.



For  
the Earth

## Lower the overall environmental impact of business operations

### Sustainable palm oil initiatives

Dialogues with small-scale Malaysian farmers aimed at solving the problems they face

## Responsible palm oil procurement※1

\*1 This is also a target for the "For People" - "Support for a beautiful, healthy, happy life" theme



After attending in the RSPO General Assembly held in Indonesia in late November 2023, KOSÉ participated in the Wild Asia tour. We toured small Malaysian farms and factories and talked with various stakeholders about the state of their work, the challenges they faced, and their needs.



The tour included observation of the harvesting of palm fresh fruit bunches (FFBs) and an explanation of thorough work safety measures.



Creating Beauty in a Sustainable World

KOSÉ Corporation  
April 2024