

KOSÉ Sustainability Plan

Creating Beauty in a Sustainable World



KOSÉ Corporation
2020 Progress Report

Guiding Principle for Sustainability

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

Activity Themes

For the Earth

- A source of adaptable products and services

- Support for a beautiful, healthy and happy life

- Help create a world with true gender equality

- 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

Mind to Follow the Right Path

Primary categories

- 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	2020 Results	Target	Achieve by	Relevant SDGs	
For People	A source of adaptable products and services	We will help create a world where people with diverse backgrounds and features— including skin color, gender, sociocultural and geographical background, living environment, religion, creed, and physical features— can live confidently and beautifully.	Ratio of products and services reflecting the concept of adaptability	Enhanced development of products and services based on adaptability	100%	2030	   
	Support for a beautiful, healthy and happy life	We will energetically address social issues so that everyone can lead a healthy and happy life. Activities will include improving quality of life (QOL), educating and raising the awareness of the next generation, and initiatives such as Fair Trade that will enhance the work environment, including in our supply chain.	Implementat ion of specific activities	13 initiatives	30 activities or more	2030	   
			Responsible palm oil procurement	Promote purchase of RSPO credits through Book & Claim method	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	20,744 people	100,000 people or more	2030	   

Progress of Each Initiative (For the Earth)

Activity Theme		Commitment	Indicator	2020 Results	Target	Achieve by	Relevant SDGs
For the Earth	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	10,907 m ² (total since 2010)	20,000 m ² <small>About 53 times the area of a 25 m regulation-size swimming pool</small>	2030	   
			Increase in awareness of environmental issues through products and services	549,669 people	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	3 activities	20 activities or more	2030	  
	Lower the overall environmental impact of business operations	Reduce CO ₂ emissions	SCOPE 1 and 2	8.2% reduction (total, compared to 2018)	-35% (Target for total emission reduction vs. 2018)	2030	 
		Sustainability-conscious design for plastic packaging materials		4R implementation 17.3%* ¹ <small>4R: reduce, reuse, recycle, renewable</small>	100%	2030	 
		Reduce use of water resources through responsible practices		6.6% reduction* ² (production primary unit, compared to 2018)	-12%* ² (Production units vs. 2018)	2030	 
		Procure sustainable palm oil to protect the environment and grow with society.	Responsible palm oil procurement	Promote purchase of RSPO credits through Book & Claim method	100%	2030	 

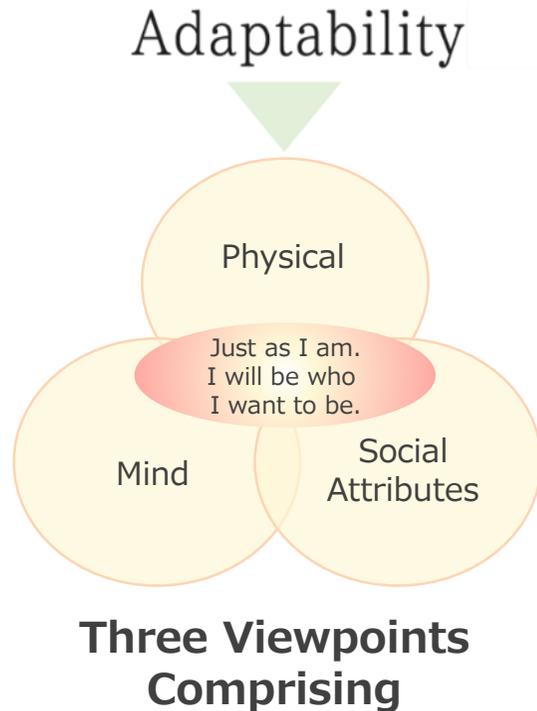
■ **A source of adaptable products and services**
 ➤ **Systematization of Adaptability Concept**

Relevant SDGs



With an eye to global expansion, and the flexible ideas and adaptability to respond to the many different customers encountered, KOSÉ will promote value creation focused on individual identity, from skin and hair color to sex and gender, nationality, beliefs, and physical characteristics.

● **Systematization of Adaptability Concept**



● **Adaptability[∞] (Adaptability Eight)**

Adaptability

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

■ Company website "Adaptability" <https://www.kose.co.jp/company/en/sustainability/adaptability.html>

■ Support for a beautiful, healthy and happy life ➤ Specific Initiatives

Relevant SDGs



- Raising awareness of the need to reduce environmental impact by providing sunscreen to children of the next generation

Providing sunscreen from Sunshine Delight, Inc.



■ News release : February 19, 2021
<https://www.kose.co.jp/company/ja/content/uploads/2021/02/20210219.pdf>

- Promoting the sport of street dance to build the vitality and health exhibited by the founding members of KOSÉ 8ROCKS



KOSÉ 8ROCKS



■ News release : August 12, 2020
<https://www.kose.co.jp/company/ja/content/uploads/2020/08/20200812.pdf>

- Donating cosmetics through “You are my HERO” project supporting healthcare professionals



■ News release : December 21, 2020
<https://www.kose.co.jp/company/ja/content/uploads/2020/12/20201221.pdf>

- Providing products and services that lead to improved quality of life



Carté HD series from KOSÉ Maruho Pharma, containing Heparin Analog HD as the active ingredient to retain moisture for dry skin that is prone to roughness.

■ News release : July 10, 2020
<https://www.kose.co.jp/company/ja/content/uploads/2020/11/2020110602.pdf>



Allertect Spray for people with concerns about pollen, PM2.5 particulates and viruses.

■ News release : December 11, 2020
<https://www.kose.co.jp/company/ja/content/uploads/2020/12/2021211.pdf>

■ Help create a world with true gender equality

➤ Gender Equality Awareness

Relevant SDGs



● Driving in-house diversity and inclusion initiatives



KOSÉ holds seminars, mainly for female employees, on the importance of diverse personalities, including women, playing active roles, and on constructing career planning.

● Promoting paternity leave with KOSÉ Father Support System

KOSÉ has adopted a KOSÉ Father Support System to encourage the use of paternity leave. A number of unique initiatives are being implemented, including support payments for male employees who take parental leave.



● Initiatives for women’s activities in society



KOSÉ supports the Sakura Girls Secondary School* in Tanzania, Africa, where the issue of women’s human rights is particularly serious, in order to expand support environments and enable women to actively participate in society.

* This boarding school was established in the foothills of Kilimanjaro in 2016 by the Kilimanjaro Society of Japanese volunteers to improve the current situation in Tanzania where girls do not have an adequate education due to their economic and gender background.

■ Company website “Diversity & Inclusion” INITIATIVE 1: Gender-Equality and Women’s Empowerment
<https://www.kose.co.jp/company/en/sustainability/diversity/action1/>

■ Use the theme of beauty to help solve environmental issues
 ➤ Awareness of Environmental Issues Through Products and Services

Relevant SDGs



● Information on global environmental conservation and educational activities provided through SEKKISEI “SAVE the BLUE” Project

During the campaign period, a portion of customer sales of certain SEKKISEI branded products will be donated to nature protection activities. The money will go toward coral regeneration in Okinawa in summer, and toward forest conservation in Tohoku in winter.



■ Company website SEKKISEI “SAVE the BLUE” Project
<https://www.kose.co.jp/company/en/sustainability/special1/>

● Providing SEKKISEI shopping baskets made from recycled marine plastic waste

AEON STYLE Ageo started providing these baskets from January 8, 2021. A portion of resin used to make the baskets is recycled resin from marine plastic waste.

■ News Release: January 8, 2021
<https://www.kose.co.jp/company/ja/content/uploads/2021/01/20210108.pdf>



● Start of program to collect empty plastic containers from skin care brand SEKKISEI

At its concept store Maison KOSÉ Ginza and 33 AEON and AEON STYLE stores nationwide being operated by the AEON Group, KOSÉ is running a program to collect empty plastic containers from SEKKISEI and other products.

■ News Release: October 27, 2020
<https://www.kose.co.jp/company/ja/content/uploads/2020/10/20201027.pdf>



● Start of providing resources toward recycling cosmetics into paint

KOSÉ began working with MANGATA Corporation, which makes paints from cosmetics, in an initiative to help recycle cosmetics that are not sold on the market into valuable resources.



■ News Release: March 10, 2021
<https://www.kose.co.jp/company/ja/content/uploads/2021/03/20210310.pdf>

● JILL STUART Flora Notis

KOSÉ uses flower waste to decorate the Lumine EST Shinjuku store to educate customers about the environment.

■ JILL STUART Flora Notis website:
<https://www.jillstuart-floranotisjillstuart.com/site/floranotis/t/t1107/>



■ Environmental programs where KOSÉ operates

➤ Local Community Environmental Conservation Activities

Relevant SDGs



● Conducting natural environment protection activities at Albion

KOSÉ signed a comprehensive partner agreement with the town of Fujisato, Akita Prefecture, and is conducting a range of joint nature protection activities, including planting and harvesting rice in the terraced rice paddies.



■ Albion Sustainability social contribution activity website
<https://rashisa.albion.co.jp/sustainability/social/>

● Reforestation in Tohoku region through SEKKISEI “SAVE the BLUE” Project

During the campaign period, a portion of customer sales of certain SEKKISEI branded products will be donated to nature protection activities.



■ Company website SEKKISEI “SAVE the BLUE” Project
<https://www.kose.co.jp/company/en/sustainability/special1/>

● Cleanup activities focused on production sites

KOSÉ conducts cleanup activities every month at its Gunma and Sayama plants.



Lower the overall environmental impact of business operations

➤ Reduction of Scope 1 and 2 CO₂ Emissions

Relevant SDGs



- All purchased electricity at KOSÉ Gunma Plant switched to renewable energy

KOSÉ has reduced the equivalent of approximately 23% annually of CO₂ emissions from direct and indirect sources at all Group facilities, based on fiscal 2018 levels.



■ News Release: January 12, 2021
https://www.kose.co.jp/company/en/content/uploads/2021/01/20210112_en.pdf

Lower the overall environmental impact of business operations

➤ Sustainability design focused on plastic container packaging materials

Relevant SDGs



- Actively utilizing biomass plastics and refill options for containers

SEKKISEI Clear Wellness series



Biomass plastic used for bottles First use of refill packages for the brand

■ News Release: June 26, 2020
<https://www.kose.co.jp/company/ja/content/uploads/2020/06/20200626.pdf>

Bioliss Veganeer series



BIOLISS plastic used for bottles and refill containers

■ News Release: December 1, 2020
<https://www.kose.co.jp/company/ja/content/uploads/2020/12/2020120102.pdf>



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