PROYA
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COMPANIES

Proya Cosmetics Co., Ltd.

2030 Sustainability Strategic Plan

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COMPANIES

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Introduction

The pursuit of beauty reflects people's desire for self-expression and their hopes for a fulfilling life, while remaining deeply intertwined with environmental and social sustainability. Over the years, Proya Cosmetics has been committed to embedding the sustainability philosophy across its operations, dedicating sustained efforts to green and low-carbon practices, scientific innovation, philanthropic engagement, and rigorous corporate governance. We believe that true beauty must not only enrich life today, but also unlock possibilities for a better tomorrow.

Based on the strategic priorities of the 15th Five-Year Plan period and aligned with the company's "Double Ten Strategy" and its new journey toward expanding global presence, Proya Cosmetics presents the "2030 Sustainability Strategic Plan". We have refined our sustainability philosophy to "Making Goodness Alive". Structured around four pillars—Create Beauty, Extend Beauty, Share Beauty, and Amplify Beauty—we take steady, pragmatic actions to translate our forward-looking commitments into tangible, enduring value.

Starting from product innovation, we create beauty through product innovation, seamlessly integrating safety, efficacy, and sustainability into product development; we extend beauty hand in hand with partners to advance collaborative innovation and green transition across the value chain; we share beauty with a wider community by empowering consumers, employees, and diverse stakeholders to participate and grow together; and we amplify beauty to shape a better future through sustained philanthropic investment and open collaboration, expanding our positive impact across the industry and society—ensuring that beauty and goodness continue to flourish without end.



Proya Cosmetics' Sustainability Philosophy and Pillars

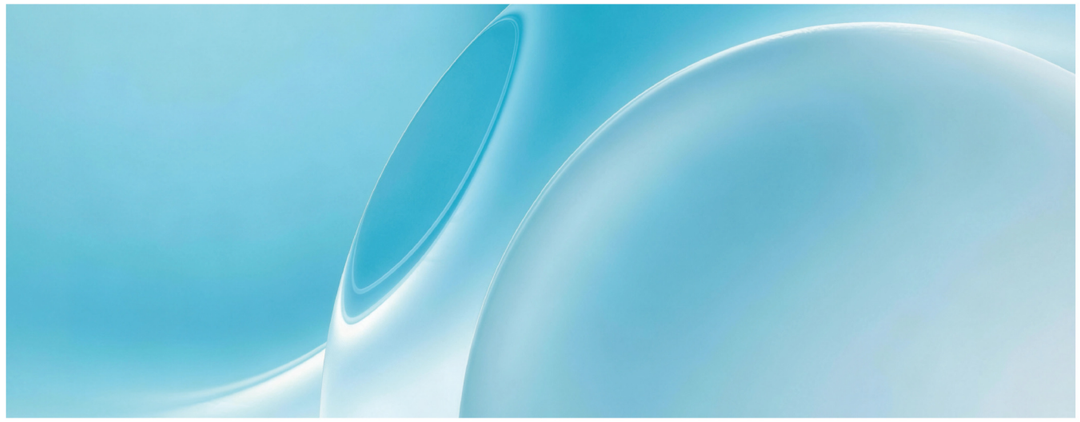
(1) Sustainability Philosophy

Making Goodness Alive.

From products and the value chain to the broader ecosystem, we join hands with stakeholders to create, extend, share, and amplify beauty—ensuring that beauty and goodness continue to flourish without end.

For Proya Cosmetics, beauty begins with our original aspiration to craft exceptional products and finds its fulfillment in our enduring commitment to consumers, partners, the industry, and society. Expanding from products and the value chain to the wider ecosystem, extending from consumers to broader stakeholder communities, and progressing from corporate growth to shared societal advancement—every innovation and collaboration acts like a single drop of water sending ripples outward. The experience, capabilities, and trust cultivated through each initiative continuously set off the next cycle of emerging needs, renewed innovation, and purposeful action—making beauty and goodness thrive endlessly.

(2) Sustainability Pillars



Create Beauty

Creating Beauty Through Product Innovation

Extend Beauty

Extending Beauty Hand in Hand with Partners

Share Beauty

Sharing Beauty with a Wider Community

Amplify Beauty

Amplifying Beauty to Shape a Better Future

01 Create Beauty: Creating Beauty Through Product Innovation

Embedding the pursuit of beauty into every single product.

From ingredients and formulations to packaging, and from efficacy testing to user experience, every innovation embodies a deliberate choice for quality and responsibility. Proya Cosmetics strives to scale innovation across more brands and product categories, seamlessly integrating safety, efficacy, and sustainability into product development, and crafting products that consumers genuinely choose and trust.

02 Extend Beauty: Extending Beauty Hand in Hand with Partners

Translating the progress behind a single product into the advancement of an entire value chain.

Product evolution relies on the active collaboration of partners across raw materials, manufacturing, logistics, and beyond. Through energy conservation, carbon reduction, resource efficiency, and collaborative innovation, Proya Cosmetics aims to turn single-point product enhancements into collective value-chain actions—making the sustainable transition a shared growth opportunity that improves overall resilience and operational efficiency.

03 Share Beauty: Sharing Beauty with a Wider Community

Engaging with diverse lives and fulfilling varied aspirations.

As our brand portfolio expands and our global strategy advances, Proya Cosmetics will embrace a wider spectrum of cultures, skin types, aesthetics, and lifestyles. Sharing beauty means championing diversity, equity, and inclusion, actively listening to diverse voices, allowing consumer needs to drive product innovation, unlocking the full potential of our employees, and forging meaningful, positive connections between our corporate growth and people's everyday lives.

04 Amplify Beauty: Amplifying Beauty to Shape a Better Future

Harnessing corporate growth to drive positive change across the industry and society.

The further an enterprise journeys, the more critical it becomes to embed responsibility into enduring standards and day-to-day practices. Proya Cosmetics is dedicated to empowering individuals through sustained philanthropic commitments, advancing industry progress via joint standard-setting, open dialogue, and shared best practices, and extending the benefits of our accumulated resources and capabilities to broader communities—ensuring today's actions unlock greater possibilities for a shared, thriving future.

Proya Cosmetics' Sustainability Targets

Sustaining and perpetuating beauty and goodness requires translating our shared vision into clear targets and continuous action. Looking toward 2030, Proya Cosmetics centers on the four pillars—Create Beauty, Extend Beauty, Share Beauty, and Amplify Beauty—and embeds sustainability across product innovation, value chain collaboration, consumer engagement, employee development, and shared progress with industry and society. By defining strategic directions and phased targets across each dimension, Proya Cosmetics will drive iterative improvements and accumulate lasting outcomes, creating enduring value for our long-term growth and for a more flourishing society.

Create Beauty: Creating Beauty Through Product Innovation

Sustainability Targets

- ◯ By 2030, ensure that at least 30% of new product launches by the core brand[1] adopt sustainable product development strategies.
- ◯ By 2030, embed biodiversity-friendly principles into product R&D and promote ecological conservation across internal and external stakeholders.
- ◯ Guided by green chemistry, prioritize environmentally friendly raw materials and honor consumer trust with safe and efficacious ingredients.
- ◯ Advance packaging reduction, reuse, and recycling, and continuously increase the proportion of sustainable packaging materials[2].
- ◯ Maintain an annual R&D investment of no less than RMB 200 million through 2030.
- ◯ Drive new product R&D and the application of novel ingredients and build an industry-leading global open innovation platform.
- ◯ Accelerate digital and intelligent transformation, deepening the integration of AI technologies across core business scenarios.
- ◯ By 2030, achieve over 70% RSPO-certified palm oil by purchase weight across all procured palm oil derivatives[3], while continuously improving the palm oil traceability system.

Note 1: Refers to the PROYA brand.
Note 2: Sustainable packaging materials are defined in accordance with the company's Sustainable Packaging Management Manual, encompassing materials with verifiable recycled content, packaging designed for recyclability or reusability, and responsibly sourced materials certified by recognized third-party standards. The proportion of sustainable packaging materials is calculated as their weight divided by the total weight of packaging materials used.
Note 3: Proya Cosmetics does not directly use crude palm oil in its own manufacturing; however, its raw materials include palm oil derivatives. Percentage of RSPO-certified palm oil by purchase weight = (Purchase weight of RSPO-certified palm oil derivatives ÷ Total purchase weight of all palm oil derivatives) × 100%.

Extend Beauty: Extending Beauty Hand in Hand with Partners

Sustainability Targets

- ◯ By 2030, reduce total Scope 1 and Scope 2 greenhouse gas (GHG) emissions[1] by 25% compared to the 2025 baseline; achieve carbon neutrality across the entire value chain[2] by 2045.
- ◯ Continuously expand value chain decarbonization initiatives, driving core suppliers[3] to implement carbon reduction measures, lower emissions, and foster collaborative value chain decarbonization.
- ◯ By 2030, achieve 90% renewable electricity[4] across own operations.
- ◯ By 2030, achieve a factory waste comprehensive utilization rate[5] of no less than 70%.
- ◯ By 2030, achieve 100% coverage of supplier ESG compliance assessments[6].
- ◯ Incentivize and empower suppliers based on ESG performance, instilling the sustainability philosophy across the supply base.
- ◯ By 2030, build a digital, intelligent supply chain ecosystem to enhance supply chain resilience and operational efficiency.

Note 1: Scope 1 refers to direct GHG emissions from sources owned or controlled by Proya Cosmetics; Scope 2 refers to indirect GHG emissions from the generation of purchased electricity, steam, heating, and cooling consumed by Proya Cosmetics. The market-based method is applied to calculate Scope 2 emissions for this target.
Note 2: Carbon neutrality across the entire value chain means achieving net-zero GHG emissions within the accounting boundary across Scope 1, Scope 2, and relevant upstream and downstream Scope 3 categories. Emissions are first reduced primarily through carbon reduction measures implemented in the company's own operations and throughout the value chain, and any remaining emissions are offset using carbon credits that meet established standards, thereby achieving net-zero GHG emissions during the accounting period.
Note 3: Core suppliers refer to suppliers identified and included in Proya Cosmetics' core supplier management list based on careful consideration of procurement spend, strategic importance, and associated GHG emission contributions.
Note 4: Renewable electricity refers to power generated from non-fossil energy sources—including wind, solar, hydro, biomass, geothermal, and ocean energy—procured or generated via green power trading, green certificate trading, direct green power connections, and on-site generation for self-consumption.
Note 5: Waste comprehensive utilization refers to factory activities that extract or transform solid waste into usable resources, energy, and raw materials through recycling, processing, circular reuse, exchange, and other methods, including reuse and energy-from-waste incineration.
Note 6: Supplier ESG compliance assessment refers to the formal evaluation of suppliers across key dimensions, including the environment, labor, and business ethics.

Share Beauty: Sharing Beauty with a Wider Community

Sustainability Targets

- ◯ By 2030, establish sustainable consumption advocacy initiatives with industry-wide influence.
- ◯ By 2030, achieve 100% employee training coverage and continuously increase average training hours per employee.
- ◯ By 2030, conduct sustainability-related training[1] for employees on a regular basis every year.
- ◯ Enhance talent development frameworks and continuously cultivate a diverse, equitable, and inclusive workplace.

Note 1: Sustainability-related training encompasses educational sessions covering sustainability philosophy, ESG management, green operations, and corporate social responsibility practices.

Amplify Beauty: Amplifying Beauty to Shape a Better Future

Sustainability Targets

- ◯ Deepen collaborative standard-setting as well as domestic and international engagement, fostering an inclusive, thriving, healthy, and orderly industry ecosystem.
- ◯ From 2026 to 2030, focus on female empowerment and youth education with a cumulative community investment of no less than RMB 30 million[1].
- ◯ From 2026 to 2030, reach a cumulative 1 million direct beneficiaries[2] through philanthropic initiatives.
- ◯ From 2026 to 2030, achieve a cumulative 5,000 hours of employee volunteer service.

Note 1: We aim to establish a focused and enduring philanthropic portfolio for women by delivering empowerment programs across career development, health care, and rights protection, as well as youth development programs spanning science education, financial aid, and literacy enhancement. Community investment represents the aggregate financial and in-kind contributions made by all brands within Proya Cosmetics' consolidated financial statements toward community programs, charitable donations, and related causes.
Note 2: Direct beneficiaries refer to the cumulative person-times of individuals who directly participate in philanthropic projects or receive philanthropic services, aid, or in-kind support.

Proya Cosmetics' Sustainability Foundations

Achieving our sustainability targets relies on sound corporate governance and rigorous day-to-day management. Grounded in robust corporate governance and a sophisticated ESG management system, Proya Cosmetics will refine its governance structures and operational mechanisms, while seamlessly embedding sustainability requirements into business decision-making and operational practices.

We will continually elevate our operational management capabilities and sense of accountability, translating our commitments to consumers, employees, and partners into everyday operations. This solid foundation underpins every action across our four pillars, empowering the company to create lasting value and goodness through steady, responsible growth.

Management Targets

- Enhance Board diversity by increasing the representation of female directors.
- Continuously improve customer satisfaction.
- Maintain *zero* product recall incidents due to health or safety defects through 2030.
- Ensure *100%* cosmetic ingredient compliance with regulatory standards and market access requirements across all sales regions through 2030, while continuously enhancing ingredient transparency.
- Improve energy utilization efficiency and maintain comprehensive energy consumption intensity at an industry-leading low level.
- Continuously optimize water utilization efficiency and maintain water consumption intensity per unit of product at an industry-leading low level.
- Achieve *100%* employee coverage for business ethics training.
- Achieve *zero* non-compliance incidents regarding information security and privacy protection.
- Achieve *zero* labor rights violations.
- Achieve *zero* workplace safety incidents.
- Achieve *zero* occupational disease incidents.

2030 Sustainability Strategic Plan Overview

Making Goodness Alive.

From products and the value chain to the broader ecosystem, we join hands with stakeholders to create, extend, share, and amplify beauty—ensuring that beauty and goodness continue to flourish without end.

Four Pillars	Create Beauty Creating Beauty Through Product Innovation	Extend Beauty Extending Beauty Hand in Hand with Partners	Share Beauty Sharing Beauty with a Wider Community	Amplify Beauty Amplifying Beauty to Shape a Better Future
Sustainability Targets	○ By 2030, ensure that at least 30% of new product launches by the core brand adopt sustainable product development strategies. ○ By 2030, embed biodiversity-friendly principles into product R&D and promote ecological conservation across internal and external stakeholders. ○ Guided by green chemistry, prioritize environmentally friendly raw materials and honor consumer trust with safe and efficacious ingredients. ○ Advance packaging reduction, reuse, and recycling, and continuously increase the proportion of sustainable packaging materials. ○ Maintain an annual R&D investment of no less than RMB 200 million through 2030. ○ Drive new product R&D and the application of novel ingredients and build an industry-leading global open innovation platform. ○ Accelerate digital and intelligent transformation, deepening the integration of AI technologies across core business scenarios. ○ By 2030, achieve over 70% RSPO-certified palm oil by purchase weight across all procured palm oil derivatives, while continuously improving the palm oil traceability system.	○ By 2030, reduce total Scope 1 and Scope 2 GHG emissions by 25% compared to the 2025 baseline; achieve carbon neutrality across the entire value chain by 2045. ○ Continuously expand value chain decarbonization initiatives, driving core suppliers to implement carbon reduction measures, lower emissions, and foster collaborative value chain decarbonization. ○ By 2030, achieve 90% renewable electricity across own operations. ○ By 2030, achieve a factory waste comprehensive utilization rate of no less than 70%. ○ By 2030, achieve 100% coverage of supplier ESG compliance assessments. ○ Incentivize and empower suppliers based on ESG performance, instilling the sustainability philosophy across the supply base. ○ By 2030, build a digital, intelligent supply chain ecosystem to enhance supply chain resilience and operational efficiency.	○ By 2030, establish sustainable consumption advocacy initiatives with industry-wide influence. ○ By 2030, achieve 100% employee training coverage and continuously increase average training hours per employee. ○ By 2030, conduct sustainability-related training for employees on a regular basis every year. ○ Enhance talent development frameworks and continuously cultivate a diverse, equitable, and inclusive workplace.	○ Deepen collaborative standard-setting as well as domestic and international engagement, fostering an inclusive, thriving, healthy, and orderly industry ecosystem. ○ From 2026 to 2030, focus on female empowerment and youth education with a cumulative community investment of no less than RMB 30 million. ○ From 2026 to 2030, reach a cumulative 1 million direct beneficiaries through philanthropic initiatives. ○ From 2026 to 2030, achieve a cumulative 5,000 hours of employee volunteer service.
Sustainability Foundations	Grounded in robust corporate governance and a sophisticated ESG management system, Proya Cosmetics will refine its governance structures and operational mechanisms, while seamlessly embedding sustainability requirements into business decision-making and operational practices.			