



Shiseido Revises its Group Procurement Policy **~ Strengthening sustainable and responsible procurement with suppliers ~**

Shiseido Company, Limited (“Shiseido”) has revised its Group Procurement Policy in order to actively promote sustainable and responsible procurement together with our suppliers. Shiseido will pursue the creation of a sustainable world in which people can enjoy a lifetime of happiness based on its corporate mission, BEAUTY INNOVATIONS FOR A BETTER WORLD. In our medium- to long-term strategy WIN 2023 and Beyond, which was formulated in 2021, we have placed the sustainability strategy at the core of our business management, promoting the creation of social value. At the same time, a good partnership and collaboration with business partners is vital for us to solve social problems such as environment issues and human rights violations. In the new Procurement Policy, we formulated requirements for our suppliers regarding environment and human rights as well as introducing a strict, objective risk identification and correction process through third-party audits, clearly stating that we will evaluate our suppliers from the perspective of sustainability. We will start announcing the new Policy to our suppliers sequentially.

Shiseido Group Procurement Policy:

<https://corp.shiseido.com/en/sustainability/ethical/procurement/pdf/1.pdf>

Outline of the new procurement policy

The new procurement policy includes “policy for responsible procurement” in addition to the procurement vision and basic policy, which were stated in the previous policy, and articulates an even clearer risk elimination process and sustainability-focused policies.

- We start business with new suppliers after conducting supplier assessment and confirming that they are not high-risk. We evaluate existing suppliers by assessment tools on a regular basis.
- If they are high-risk, we conduct third-party audits. In the event we find critical non-conformances, we request suppliers to correct them within a certain period. If they are not corrected, we will consider suspension of business.
- We endeavor to minimize risks across the entire supply chain by assessing risks of upstream suppliers through our direct transaction suppliers.
- We add sustainability into our supplier evaluation criteria and increase business with high performing suppliers.
- We have formulated “requirements for our suppliers” in detail. Together with the Supplier Code of Conduct, we have agreed to comply with the requirements with all our suppliers, and we will monitor the status of compliance.