Shiseido Group Sustainable Raw Materials Procurement Guidelines

At Shiseido, we utilize the world’s natural resources to develop products and operate our business. We understand these resources are limited, and as such, we place the utmost importance on the sustainable and responsible procurement of raw materials at every stage of the supply chain. This includes the reduction and reuse of resources from the perspective of environmental protection, biodiversity and in support of a circular economy.

We purchase materials from suppliers which comply with the Shiseido Group Supplier Code of Conduct. Further, we ensure socially responsible procurement which respects human rights and protects the environment, by operating our business in accordance with all relevant policies*1.

*1
「Shiseido Group Procurement Policy」
「Shiseido Group Corporate Product Development Policy」
「Shiseido Group Policy on Human Rights」
「Shiseido Code of Conduct and Ethics」

Palm oil

While palm oil is a highly versatile raw material used in a variety of products from food to cosmetics, its production has caused deforestation and human rights issues. Therefore, sustainable and responsible procurement is essential.

<Guiding principles for our actions>
• By 2026, we will replace all palm oil-derived raw materials which we purchase with certified palm oil based on RSPO*2’s physical supply chain model.

• We will promote the acquisition of RSPO Supply Chain Certification at all Shiseido factories.

• We support zero deforestation through procurement of palm oil.

*2 Roundtable on Sustainable Palm Oil
**Mica**
Mica is used not only in beauty, but across a wide range of industries due to its light-reflecting properties and excellent heat resistance. We recognize that there are social concerns for child labor and forced labor at mica mining sites. In addition, as mica comes from the earth, it may contain trace amounts of heavy metals.

In 2017, we joined the Responsible Mica Initiative (RMI), which ensures sustainable mica procurement. RMI works with NGOs and participating companies from a variety of industries to eliminate child labor and forced labor at Indian mica mining sites, and to establish Indian mica as a sustainably and responsibly produced raw material.

<Guiding principles for our actions>
- We use mica provided from suppliers without social concerns, primarily from those who join RMI.
- We verify that heavy metal content is within safe and regulatory limits and use only mica with our verification.
- We use not only natural mica but also synthetic mica, which has fewer social concerns.

**Paper**
Aiming to responsibly use resources and reduce single-use plastics, we actively promote the use of paper for secondary packaging such as folding cartons. However, there are environmental issues associated with the production of raw materials for paper, such as deforestation and loss of biodiversity as well as human rights issues. Therefore, sustainable*[^3] and responsible procurement is essential.

<Guiding principles for our actions>
- We aim to be using 100% sustainable paper*[^3] usage for product packaging by 2023.
- In collaboration with paper manufacturers, we are developing innovative paper packaging solutions for not only design, quality, and functions but also protection of the environment.

[^3]: Certified paper and recycled paper