

What is Shiseido Sustainability?

Vision and Values

Our mission is “BEAUTY INNOVATION FOR A BETTER WORLD”. This is the basis for our goal of achieving a sustainable society that makes people happy through beauty.

The Shiseido Group’s Sustainability Strategy

Looking ahead to the next 100 years and beyond, the Shiseido Group intends to grow with society as a global beauty company that stakeholders worldwide need and support.

It is critical to Shiseido’s sustainable growth to take proactive initiatives that resolve social and environmental issues, particularly the Sustainable Development Goals (SDGs) adopted by the United Nations, and realize a healthy society over the long term.

The Shiseido Group’s sustainability strategy is a growth strategy both for solving social and environmental problems and for business expansion.

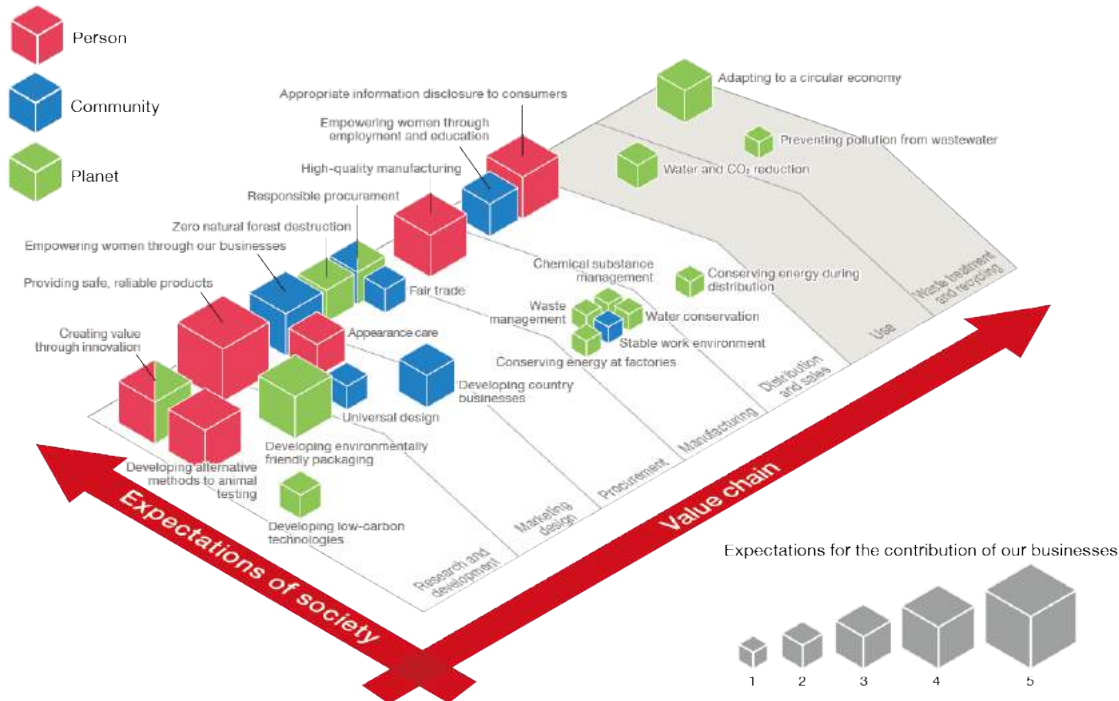


Focus Areas and Key Activity Themes

The Shiseido Group’s goal is to achieve a sustainable society that delights people through beauty. In this society, sustainability is crucial for consumers, for the society to which they belong, and for the global environment, which supports people’s lives. Our sustainability strategy therefore focuses on three areas: Person (Consumers), Community (Society) and Planet (Environment).

We will identify key issues from the viewpoints of impact on our businesses and society's expectations, align our activities with them and revise them regularly in accordance with changes in our society.

Priority Issues for Sustainability



We will develop people, respect human rights and transparently disclose information as important initiatives that support the Shiseido Group's value chain.

Key Activity Themes

To ensure the sustainability of Person (Consumers), Community (Society) and Planet (Environment), we have selected three activity themes where Shiseido can contribute by leveraging its strengths.

Efforts toward Realizing Diverse Beauty

We focus on empowering women, who are central to our business. By addressing social issues such as gender equality awareness and independence support for women in developing countries in cooperation with the United Nations, we aim to realize a society where all the people around the world can choose their own lifestyles and values, and individual differences including gender, age and nationality are accepted as diverse characteristics.

Efforts toward Building an Ethical Supply Chain

We believe that not only Shiseido's employees, but all its stakeholders need to become conscious of local communities and the global environment to stay in business. We aim to ensure that our overall supply chain management (procurement, manufacturing, distribution, etc.) is being conducted ethically. In other words, we will make efforts to exercise positive influence, while reducing negative influence, socially and environmentally.

Efforts toward Recycling of Resources

In order for us to provide consumers with values over the long term, it is critical to carefully use limited resources. To stop one-way flow of manufacturing resources being "procured, used and thrown out," we will encourage multiple use of such resources and try to improve the recycling rate.

Through these activities, we work to enhance sustainability of the focus areas and also to contribute to the achievement of Sustainable Development Goals (SDGs).

Focus Areas and Key Activity Themes



Promotion System

Shiseido makes the final decisions concerning sustainability in the "Executive Committee" which determines important issues in operations.

Cooperation with International Societies

Shiseido declared its participation in the United Nations Global Compact in September 2004.

We support the Ten Principles of 4 areas (human rights, labour, environment and anti-corruption) that the Global Compact requires, and agreed and signed the climate change-related UN Global Compact initiative "Caring for Climate" for global environment conservation in November 2008.

We also signed "Women's Empowerment Principles (WEPs)" in September 2010, a joint initiative of UN Women and UNGC, and have collaborated with UN Women and various stakeholders for the implementation of the WEPs.

Going forward, we will enhance our measures in order to contribute to the achievement of Sustainable Development Goals (SDGs) adopted by the United Nations in September 2015.



*Sustainable Development Goals (SDGs) SDGs are the common goals adopted by the United Nations to build a better and sustainable world by 2030 by solving social and environmental issues such as poverty, inequality and climate change, etc. It aims to leave no one behind by tackling 17 goals and 169 targets with all countries.



Sustainable Development Goals (SDGs)



"Women's Empowerment Principles (WEPs)" signed

Stakeholder Engagement

Stakeholders	Major engagement opportunities	Responses
Consumers	<ul style="list-style-type: none"> • Shiseido Consumer Communication Center • SNS (Social Networking Services) 	<ul style="list-style-type: none"> • FY2018: Approximately 150,000 opinions and inquiries were directed to the Communication Center, while 90,000 consumers provided feedback to Beauty Consultants at storefronts. • Increasing points of contact with various consumers. We make efforts to enhance consumer support focusing on younger generation using SNS such as Twitter, Yahoo! Chiebukuro, and the chat feature of LINE.
Suppliers	<ul style="list-style-type: none"> • Consulting/reporting desk for suppliers • Briefing session on purchasing activity policy • Awarding business partners who have contributed to the development of business 	<ul style="list-style-type: none"> • The Business Partner Hotline was opened in Japan to prepare the system for receiving opinions and giving advice. • Holding annual briefing sessions on purchasing activity policy in Japan and China with the aim of wide dissemination of the procurement policy. • Business partners who have contributed to the development of business were selected from the 3 aspects of quality, cost reduction and technical development and given the award. FY2017: 5 companies
Business Partners	<ul style="list-style-type: none"> • Dialogue with owners of chain stores 	<p>We organized the Platinum Shop Convention in which top management directly expresses company policy and brand strategies to shop owners and employees who sell Shiseido cosmetics. FY2018: 472 shops (542 participants)</p>
Employees	<ul style="list-style-type: none"> • The Shiseido Group Engagement Survey • Points of contact for employee inquiries/ Whistleblower system • Management councils/ Labor-management discussions • Training for all employees/Position-specific training 	<ul style="list-style-type: none"> • The Shiseido Group Engagement Survey is conducted twice a year targeting all Group employees as a structure for listening to employee opinions. • We have established the in-house Shiseido Consultation Office and Shiseido External Hotline receiving inquiries and reports covering a wide range of topics regarding the workplace, the Compliance Committee Hotline specializing in reported cases, and the Report Mail to Auditors receiving reports concerning corporate officers. The above entities received and quickly resolved 220 inquiries in Japan in FY2017.

		<ul style="list-style-type: none"> • Holding labor-management discussions on the themes of “working conditions and benefit package for employees”, “work style reform”, and “reduction of long working hours”. • Human rights enlightenment, corporate ethics training, and group training according to the respective positions and specifics of each office are conducted for all employees at all business locations of the Shiseido Group in Japan once a year.
Local Communities	<ul style="list-style-type: none"> • Environmental education • Social contribution activities by each corporation and business office 	<ul style="list-style-type: none"> • The Kakegawa Factory offers an environmental study session every year for elementary school students in cooperation with Kakegawa City. FY2017: 12 participants
NPOs/NGOs	<ul style="list-style-type: none"> • Dialogue with stakeholders • UN Women • Camellia Fund 	<ul style="list-style-type: none"> • Engaging in dialogue with human rights and environment experts and received advice about how to advance due diligence regarding human rights. FY2018: 4 cases • Promoting gender equality in cooperation with UN Women. • Promoting social contribution activities through donations made by Shiseido Group employees and friends of the company to support the activities of NPOs and NGOs that resolve social issues. FY2018: 10 groups
Shareholders Investors	<ul style="list-style-type: none"> • General meeting of shareholders • Financial results • Briefing session for individual investors • Annual report • Shareholders’ meeting 	<ul style="list-style-type: none"> • Holding the general meeting of shareholders, distributing video and disclosing information on the website. FY2018: 1,408 participants • Conducting the briefing of financial results, disclosing information on the website. • Conducting a briefing session for individual investors, distributing video. • Publishing the annual report. • Organizing a facility tour for shareholders. The 2nd facility tour was conducted in Ginza. FY2018: 17 participants

The Ten Principles of the UN Global Compact

Participant organizations of the Global Compact are asked to embrace, support and enact, within their sphere of influence, internationally approved principles in the areas of Human Rights, Labor, Environment, and Anti-Corruption. While respective companies pursue their businesses, the aim of the Global Compact is to actively promote changes in the world through ensuring that these principles are abided by and implemented accordingly. There are currently 10 principles including a principle related to anti-corruption, which was added in June 2004.

■ Human Rights

- Principle 1 : Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2 : make sure that they are not complicit in human rights abuses.

■ Labor

- Principle 3 : Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4 : the elimination of all forms of forced and compulsory labor;
- Principle 5 : the effective abolition of child labor; and
- Principle 6 : the elimination of discrimination in respect of employment and occupation.

■ Environment

- Principle 7 : Businesses should support a precautionary approach to environmental challenges;
- Principle 8 : undertake initiatives to promote greater environmental responsibility; and
- Principle 9 : encourage the development and diffusion of environmentally friendly technologies.

■ Anti-Corruption

- Principle 10 : Businesses should work against corruption in all its forms, including extortion and bribery.

Source: United Nations Global Compact website