

Sustainability Data

Data detailing Shiseido's activity towards sustainability is available.

Environmental Data

Shiseido Group (Global)

Input

Index	FY2015	FY2016	FY2017	FY2018
Energy consumption (MWh) (Coverage rate *3)	232,591 (94%)	282,416 (95%)	283,298 (93%)	☑265,179 (90%)
Electric power (10,000 kWh)	9,640	11,276	11,327	☑10,722
City gas (10,000m ³) *1	824	1,052	1,057	☑972
LPG (t)	180	236	279	☑208
Fuel (kl) *2	2,374	2,577	2,594	☑2,491
Steam (GJ)	16,039	21,165	17,412	☑20,777
Water (10,000m ³) (Coverage rate *4)	105 (100%)	124 (100%)	122 (100%)	☑128 (100%)
Municipal water (10,000m ³)	76	93	100	☑111
Industrial water (10,000m ³)	18	20	12	☑6
Ground water (10,000m ³)	10	11	11	☑11

Output

Index	FY2015	FY2016	FY2017	FY2018
CO2 (t) (Coverage rate *3)	78,257 (94%)	87,421 (95%)	90,105 (93%)	☑79,222 (90%)
SCOPE1 (t)	34,786 (93%)	40,107 (93%)	39,923 (92%)	☑33,150 (87%)
SCOPE2 (t)	43,471 (95%)	47,314 (96%)	50,181 (94%)	☑46,072 (92%)
SOx (t) (Coverage rate *4)	1 (54%)	1 (77%)	0 (54%)	0 (45%)
NOx (t) (Coverage rate *4)	5 (54%)	11 (85%)	5 (54%)	4 (45%)
Wastewater (10,000m ³) (Coverage rate *4)	84 (100%)	101 (100%)	97 (100%)	☑99 (100%)
BOD (t) (Coverage rate *4)	116 (100%)	114 (92%)	65 (92%)	☑60 (100%)
COD (t) (Coverage rate *4)	227 (85%)	213 (85%)	103 (92%)	☑117 (91%)
Waste (t) (Coverage rate *3)	8,893 (96%)	9,637 (97%)	10,950 (96%)	☑11,594 (81%)
Final disposal volume (t)	772	777	528	☑1,311
Recycling rate (%)	91%	92%	95%	89%

Calculation method

Domestic facilities: The performance data were calculated based on the market-based emission factors published by the Ministry of the Environment.

Overseas facilities: The performance data were calculated based on the location-based factors published by the International Energy Agency (IEA).

FY2015: April 1 - December 31, 2015 (due to the irregular account settlement of 2015)

*1 Total value of city gas and natural gas consumption

*2 Total value of gasoline, kerosene, diesel oil and fuel oil consumption

*3 Achievements identified/Estimated value of the entire group

*4 Number of production facilities whose achievements are identified/Number of production facilities in the entire group

Third-Party Certification

The data marked with ☑ in the above figure has been third-party certified.



ASSURANCE STATEMENT

SGS Japan's Report on Sustainability Activities in the Shiseido Group's Sustainability website.

NATURE AND SCOPE OF THE ASSURANCE

SGS Japan Inc. was commissioned by Shiseido Company, Limited (hereinafter referred to as "the Organization") to conduct an independent assurance of its Sustainability web site (hereinafter referred to as "the Report"). The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, includes the stakeholder management process, data on greenhouse gas(GHG) emissions (Scope 1, 2, and category 1,4,5,11 and 12 of Scope 3), energy consumption, amount of water intake and drainage, BOD/COD, waste (generation and discharge) and the management systems supporting the reporting process.

The information contained in the Report and its presentation are the responsibility of the governing body and the management of the Organization. SGS Japan Inc. has not been involved in the preparation of any of the material included in the Report.

Our responsibility is to express an opinion on the text, data and statements within the scope of assurance with the intention to inform all the Organization's stakeholders.

The SGS protocols are based upon internationally recognized guidance, including the Principles contained within the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines for accuracy and reliability and the guidance on levels of assurance contained within the AA1000 series of standards and guidance for Assurance Providers.

This report has been assured at a moderate level of scrutiny using our protocols for:

- Evaluation of content veracity;
- AA1000 Assurance Standard (2008) Type 2 evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2008);
- Evaluation against the ISO14064-3(2006);

The assurance comprised a combination of pre-assurance research, interviews with the management, the division of responsible for CSR and the person in charge of producing the report at the head office, onsite visits to the Kuki Plant and Kakegawa Plant, verification and confirmation of vouchers, and review of related materials and records.

Financial data drawn directly from independently audited financial accounts has not been checked back to source as part of this assurance process.

STATEMENT OF INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; and environmental, social and sustainability report assurance. SGS Japan Inc. affirms our independence from the Organization, being free from bias and conflicts of interest with the Organization, its subsidiaries and stakeholders.

The assurance team was assembled based on the knowledge, experience and qualifications of the each of the team members for this assignment, and comprised auditors registered with lead auditors of ISO9001, ISO14001, ISO45001 and lead verifiers of greenhouse gas emissions.

ASSURANCE OPINION

Within the scope of the assurance activities employing the methodologies described above, nothing has come to our attention that caused us to believe that the information and data contained within the Report does not provide a fair and balanced description of the Organization's sustainability activities from 1st January, 2018 to 31st December, 2018.

The assurance team is of the opinion that the Report can be used by the Reporting Organization's Stakeholders. We believe that the Organization has chosen an appropriate level of assurance for this stage in their reporting.

AA1000 ACCOUNTABILITY PRINCIPLES (2008) CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

Inclusivity

The Organization recognizes the importance of the multi-stakeholders (consumers, suppliers, business partners, employees, local communities and shareholders/investors), and perceives the needs and expectations through various stakeholder engagements. The Organization conducts business activities to achieve a sustainable society with the mission "BEAUTY INNOVATIONS FOR A BETTER WORLD". The Organization, assessing the relevance of the mission and business activities to issues from stakeholders and SDGs, practices sustainability management by reflecting the results in the business strategy.

The series of processes is available in the Report. SGS Japan Inc. confirmed the above processes through the assurance.

Materiality

The material issues identified by the Organization are determined with consideration of business activities including the value chain and the expectations from society, and the Organization addresses the issues in the entire Organization and the relevant divisions through the business activities. The relevant actions addressing the issues are defined as "the three key activity themes", and their detailed activities are available in the Report. SGS Japan Inc. confirmed the above processes through the assurance.

Responsiveness

The Organization addresses the identified issues in the relevant divisions through the business activities. The Organization communicates with the stakeholders by various measures including direct dialogue. The correspondence to stakeholders is also disclosed in the report along with its direction and specific cases in point demonstrating such measures.

SGS Japan Inc. confirmed the above processes through the assurance.

For and on behalf of SGS Japan Inc.

Senior Executive & Business Manager
Certification and Business Enhancement

Yuji Takeuchi



AA1000

Licensed Assurance Provider
000-8

18 June, 2019

Signed:

Japan

Input

Index	Scope	FY2015	FY2016	FY2017	FY2018
Electric power (10,000 kWh)	Production facilities	2,015	2,753	2,925	3,258
	Non-production facilities	2,286	3,060	2,945	2,862
City gas (10,000m ³) *1	Production facilities	397	585	606	675
	Non-production facilities	45	67	68	70
LPG (t)	Production facilities	8	14	17	19
	Non-production facilities	0	0	0	0
Fuel (kl) *2	Production facilities	–	–	–	–
	Non-production facilities	1,299	1,498	1,526	1,385
Steam (GJ)	Production facilities	–	–	–	–
	Non-production facilities	6,836	11,584	10,205	11,633
Water (10,000m ³)	Production facilities	54	70	73	84
	(Basic Unit) *5	(12.0)	(9.7)	(9.4)	(9.5)

Output

Index	Scope	FY2015	FY2016	FY2017	FY2018
CO ₂ (t)	Production facilities	18,722	22,729	27,061	26,658
	(Basic Unit) *6	(0.42)	(0.35)	(0.37)	(0.33)
	Non-production facilities	15,555	19,955	19,310	19,009
SO _x (t)	Production facilities	–	–	–	0
NO _x (t)		3	4	4	3
Wastewater (10,000m ³)		49	63	59	67
BOD (t)		11	21	20	27
COD (t)		21	37	39	43
Waste (t)	Production facilities	2,464	3,543	5,300	5,377
	(Basic Unit) *5	(0.06)	(0.05)	(0.07)	(0.06)
	Non-production facilities	838	966	825	1,245
Recycling rate (%)	All facilities	100%	100%	100%	100%

Calculation method

Domestic facilities: The performance data were calculated based on the market-based emission factors published by the Ministry of the Environment.

Overseas facilities: The performance data were calculated based on the location-based factors published by the International Energy Agency (IEA).

FY2015: April 1 - December 31, 2015 (due to the irregular account settlement of 2015)

*1 Total value of city gas and natural gas consumption

*2 Total value of gasoline, kerosene, diesel oil and fuel oil consumption

*3 Achievements identified/Estimated value of the entire group

*4 Number of production facilities whose achievements are identified/Number of production facilities in the entire group

*5 Per bulk (t)

*6 Per 10,000 production quantity

Data by production facilities in Japan

● Shiseido Osaka Factory

Input

Index	FY2015	FY2016	FY2017	FY2018
Electric power (10,000 kWh)	542	745	775	777
City gas (10,000m3) *1	51	72	76	73
LPG (t)	–	–	–	–
Water (10,000m3)	14	17	18	20

Output

Index	FY2015	FY2016	FY2017	FY2018
CO2 (t)	3,933	4,577	5,345	4,282
SOx (t)	–	–	–	–
NOx (t)	0	1	1	0
Wastewater (10,000m3)	14	17	13	13
BOD (t)	2	2	1	2
COD (t)	6	8	7	7
Waste (t)	770	966	1,029	1,097

● Shiseido Kakegawa Factory

Input

Index	FY2015	FY2016	FY2017	FY2018
Electric power (10,000 kWh)	1,017	1,390	1,506	1,793
City gas (10,000m ³) *1	138	197	190	260
LPG (t)	–	–	–	–
Water (10,000m ³)	17	23	23	30

Output

Index	FY2015	FY2016	FY2017	FY2018
CO ₂ (t)	7,984	8,220	11,264	12,377
SO _x (t)	–	–	–	–
NO _x (t)	1	2	2	0
Wastewater (10,000m ³)	15	20	20	26
BOD (t)	1	5	4	10
COD (t)	2	5	5	10
Waste (t)	322	486	588	871

Shiseido Kuki Factory

Input

Index	FY2015	FY2016	FY2017	FY2018
Electric power (10,000 kWh)	456	617	644	688
City gas (10,000m ³) *1	208	316	340	343
LPG (t)	8	14	17	19
Wastewater (10,000m ³)	23	30	31	34

Output

Index	FY2015	FY2016	FY2017	FY2018
CO ₂ (t)	6,805	9,931	10,453	9,999
SO _x (t)	–	–	–	–
NO _x (t)	1	2	2	2
Wastewater (10,000m ³)	20	26	26	28
BOD (t)	8	14	15	15
COD (t)	13	23	27	26
Waste (t)	1,372	2,091	3,683	3,409

Calculation method

Domestic facilities: The performance data were calculated based on the market-based emission factors published by the Ministry of the Environment.

Overseas facilities: The performance data were calculated based on the location-based factors published by the International Energy Agency (IEA).

FY2015: April 1 - December 31, 2015 (due to the irregular account settlement of 2015)

*1 Total value of city gas and natural gas consumption

*2 Total value of gasoline, kerosene, diesel oil and fuel oil consumption

*3 Achievements identified/Estimated value of the entire group

*4 Number of production facilities whose achievements are identified/Number of production facilities in the entire group

*5 Per bulk (t)

*6 Per 10,000 production quantity

Overseas (Facilities outside Japan)*7

Input

Index	Scope	FY2015	FY2016	FY2017	FY2018
Electric power (10,000 kWh)	Production facilities	4,824	4,984	4,804	3,786
	Non-production facilities	515	479	654	816
City gas (10,000m ³) *1	Production facilities	374	379	363	181
	Non-production facilities	8	20	19	46
LPG (t)	Production facilities	171	223	261	189
	Non-production facilities	0	0	–	–
Fuel (kl) *2	Production facilities	77	79	65	58
	Non-production facilities	998	1,000	1,003	1,047
Steam (GJ)	Production facilities	9,203	9,581	7,208	9,144
	Non-production facilities	–	–	–	–
Water (10,000m ³)	Production facilities	49	50	44	39
	(Basic Unit) *5	(9.1)	(9.4)	(10.0)	(13.8)

Output

Index	Scope	FY2015	FY2016	FY2017	FY2018
CO ₂ (t)	Production facilities	38,628	39,066	37,427	25,048
	(Basic Unit) *6	(0.87)	(0.90)	(0.97)	(0.70)
	Non-production facilities	5,353	5,671	6,307	8,507
SO _x (t)	Production facilities	1	1	0	0
NO _x (t)		1	2	1	1
Wastewater (10,000m ³)		34	38	32	31
BOD (t)		104	93	37	32
COD (t)		204	176	59	73
Waste (t)	Production facilities	5,181	4,742	4,429	2,367
	(Basic Unit) *5	(0.10)	(0.09)	(0.10)	(0.08)
	Non-production facilities	409	386	396	2,604
Recycling rate (%)	All facilities	86%	85%	89%	74%

Calculation method

Domestic facilities: The performance data were calculated based on the market-based emission factors published by the Ministry of the Environment.

Overseas facilities: The performance data were calculated based on the location-based factors published by the International Energy Agency (IEA).

FY2015: April 1 - December 31, 2015 (due to the irregular account settlement of 2015)

*1 Total value of city gas and natural gas consumption

*2 Total value of gasoline, kerosene, diesel oil and fuel oil consumption

*3 Achievements identified/Estimated value of the entire group

*4 Number of production facilities whose achievements are identified/Number of production facilities in the entire group

*5 Per bulk (t)

*6 Per 10,000 production quantity

*7 Main offices only, for overseas non-production facilities

Data by production facilities outside Japan

● Shiseido America, Inc. (East Windsor Factory)

Input

Index	FY2015	FY2016	FY2017	FY2018
Electric power (10,000 kWh)	867	881	1,062	860
City gas (10,000m ³) *1	89	75	115	56
LPG (t)	–	–	–	–
Fuel (kl) *2	–	–	–	–
Steam (t)	–	–	–	–
Water (10,000m ³)	4	4	3	4

Output

Index	FY2015	FY2016	FY2017	FY2018
CO ₂ (t)	6,915	6,093	8,921	5,714
SO _x (t)	–	–	–	–
NO _x (t)	–	–	–	–
Wastewater (10,000m ³)	4	3	3	3
BOD (t)	21	22	17	5
COD (t)	–	–	–	–
Waste (t)	894	844	986	1,001

● Shiseido International France S.A.S. Unité du Val de Loire

Input

Index	FY2015	FY2016	FY2017	FY2018
Electric power (10,000 kWh)	423	404	378	382
City gas (10,000m ³) *1	49	47	42	38
LPG (t)	–	–	–	–
Fuel (kl) *2	0	0	1	–
Steam (t)	–	–	–	–
Water (10,000m ³)	2	3	2	2

Output

Index	FY2015	FY2016	FY2017	FY2018
CO ₂ (t)	2,255	1,482	2,007	1,844
SO _x (t)	–	–	–	–
NO _x (t)	0	–	–	–
Wastewater (10,000m ³)	2	2	2	2
BOD (t)	16	16	13	19
COD (t)	56	44	40	51
Waste (t)	327	346	269	325

● Shiseido International France S.A.S. Unité de Gien

Input

Index	FY2015	FY2016	FY2017	FY2018
Electric power (10,000 kWh)	399	381	426	435
City gas (10,000m ³) *1	30	31	29	26
LPG (t)	–	–	–	–
Fuel (kl) *2	2	1	1	–
Steam (t)	–	–	–	–
Water (10,000m ³)	1	1	1	1

Output

Index	FY2015	FY2016	FY2017	FY2018
CO ₂ (t)	1,458	1,482	1,505	1,382
SO _x (t)	–	–	–	–
NO _x (t)	–	0	–	–
Wastewater (10,000m ³)	0	0	0	0
BOD (t)	0	0	0	1
COD (t)	1	0	0	1
Waste (t)	1,052	347	506	322

Shiseido Liyuan Cosmetics Co., Ltd.**Input**

Index	FY2015	FY2016	FY2017	FY2018
Electric power (10,000 kWh)	253	300	261	302
City gas (10,000m ³) *1	1	1	1	1
LPG (t)	-	-	-	-
Fuel (kl) *2	-	-	-	-
Steam (t)	3,434	3,575	2,690	3,412
Water (10,000m ³)	4	4	3	4

Output

Index	FY2015	FY2016	FY2017	FY2018
CO ₂ (t)	2,906	3,161	2,581	3,021
SO _x (t)	-	-	-	-
NO _x (t)	-	-	-	-
Wastewater (10,000m ³)	3	3	2	3
BOD (t)	1	3	4	0
COD (t)	2	6	7	1
Waste (t)	205	346	93	110

● Shanghai Zotos Citic Cosmetics Co., Ltd.

Input

Index	FY2015	FY2016	FY2017	FY2018
Electric power (10,000 kWh)	527	596	550	651
City gas (10,000m ³) *1	43	52	44	53
LPG (t)	–	–	–	–
Fuel (kl) *2	–	–	–	–
Steam (t)	–	–	–	–
Water (10,000m ³)	15	16	12	14

Output

Index	FY2015	FY2016	FY2017	FY2018
CO ₂ (t)	5,802	6,009	5,333	6,333
SO _x (t)	0	0	0	0
NO _x (t)	1	1	0	1
Wastewater (10,000m ³)	7	11	10	11
BOD (t)	0	1	0	2
COD (t)	3	3	2	5
Waste (t)	174	443	341	271

● Taiwan Shiseido Co., Ltd. Hsinchu Factory

Input

Index	FY2015	FY2016	FY2017	FY2018
Electric power (10,000 kWh)	185	223	215	195
City gas (10,000m ³) *1	7	5	6	7
LPG (t)	–	–	–	–
Fuel (kl) *2	2	0	–	–
Steam (t)	–	–	–	–
Water (10,000m ³)	2	2	3	2

Output

Index	FY2015	FY2016	FY2017	FY2018
CO ₂ (t)	1,419	1,568	1,527	1,481
SO _x (t)	–	–	–	–
NO _x (t)	–	–	–	–
Wastewater (10,000m ³)	3	2	0	1
BOD (t)	7	2	0	0
COD (t)	18	4	0	0
Waste (t)	36	43	56	42

* Chung-Li Factory stopped manufacturing activities in July 2016, and Hsinchu Factory started operation in the same month.

● **Shiseido Vietnam Inc.**

Input

Index	FY2015	FY2016	FY2017	FY2018
Electric power (10,000 kWh)	807	863	873	806
City gas (10,000m ³) *1	–	–	–	–
LPG (t)	156	209	251	189
Fuel (kl) *2	–	–	–	–
Steam (t)	–	–	–	–
Water (10,000m ³)	9	9	9	10

Output

Index	FY2015	FY2016	FY2017	FY2018
CO ₂ (t)	4,326	4,477	4,646	4,162
SO _x (t)	0	0	–	–
NO _x (t)	0	0	–	–
Wastewater (10,000m ³)	7	9	8	9
BOD (t)	0	1	1	4
COD (t)	2	4	4	13
Waste (t)	701	324	989	243

● Shanghai Huani Transparent Beauty Soap Co., Ltd.

Input

Index	FY2015	FY2016	FY2017	FY2018
Electric power (10,000 kWh)	147	140	137	155
City gas (10,000m ³) *1	–	–	–	–
LPG (t)	–	–	–	–
Fuel (kl) *2	73	78	64	58
Steam (t)	–	–	–	–
Water (10,000m ³)	3	3	3	2

Output

Index	FY2015	FY2016	FY2017	FY2018
CO ₂ (t)	1,158	1,084	1,014	1,111
SO _x (t)	0	0	0	0
NO _x (t)	0	1	0	0
Wastewater (10,000m ³)	2	2	3	2
BOD (t)	1	2	2	1
COD (t)	4	5	5	3
Waste (t)	27	30	35	54

Calculation method

Domestic facilities: The performance data were calculated based on the market-based emission factors published by the Ministry of the Environment.

Overseas facilities: The performance data were calculated based on the location-based factors published by the International Energy Agency (IEA).

FY2015: April 1 - December 31, 2015 (due to the irregular account settlement of 2015)

*1 Total value of city gas and natural gas consumption

*2 Total value of gasoline, kerosene, diesel oil and fuel oil consumption

*3 Achievements identified/Estimated value of the entire group

*4 Number of production facilities whose achievements are identified/Number of production facilities in the entire group

*5 Per bulk (t)

*6 Per 10,000 production quantity

*7 Main offices only, for overseas non-production facilities

Social Data

Number of the Shiseido Group Employees

Indicator		Period	2017	2018	2019
Total (persons)		The number of employees in Japan is as of January 1 each year and the number of employees outside Japan is as of December 31 in the previous year.	45,094	44,900	45,493
Female ratio (%)	All Shiseido Group	As of December 31 in the previous year	84.7	83.8	83.1
	Shiseido Group in Japan	As of January 1 of each year	83.3	83.4	83.0

Number of Employees by Region (persons)

Indicator	Period	2017	2018	2019
Japan	As of January 1 of each year	23,276	23,505	24,346
China	As of December 31 in the previous year	9,375	8,792	8,264
Asia Pacific		3,653	3,663	3,699
Americas		6,399	6,169	4,314
Europe		2,391	2,861	4,675
Travel Retail		-	133	225

The data in the red text has been third-party certified.

Scope: Shiseido Group in Japan (21 companies)

Number of employees by type of employment (persons)

Indicator			Period	2017	2018	2019
Japan	Employee	Total	As of January 1 of each year	14,807	15,784	16,704
		Male		3,168	3,271	3,598
		Female		11,639	12,513	13,106
	Fixed-term contract employee	Total		8,469	7,721	7,642
		Male		706	628	559
		Female		7,763	7,093	7,083
China	Employee		As of December 31 in the previous year	9,274	8,686	8,138
	Fixed-term contract employee			101	106	126
Asia Pacific	Employee			3,228	3,228	3,248
	Fixed-term contract employee			425	435	421
Americas	Employee			5,942	5,873	4,063
	Fixed-term contract employee			457	296	251
Europe	Employee			2,160	2,448	4,186
	Fixed-term contract employee			231	413	489
Travel Retail	Employee			-	129	218
	Fixed-term contract employee			-	4	7

Number of leaders (persons)

Indicator			Period	2017	2018	2019
Japan	Leader* ¹	Male	As of January 1 of each year	866	792	817
		Female		353	265	389
	Junior Manager* ²	Male		519	612	589
		Female		233	214	384
China	Leader	Male	As of December 31 in the previous year	137	90	193
		Female		186	177	256
Asia Pacific	Leader	Male		58	89	151
		Female		102	175	286
Americas	Leader	Male		213	221	249
		Female		730	650	689
Europe	Leader	Male		155	159	172
		Female		250	307	337
Travel Retail	Leader	Male		-	-	37
		Female		-	-	9

The data in the red text has been third-party certified.

Scope: Shiseido Group in Japan (21 companies)

*1 Leader: Manager position holders and annual salary system Employees

*2 Junior Manager: Manager position holders without subordinates and career path employees with subordinates

Ratio of Female Leaders (%)

Indicator		Period	2017	2018	2019
All Shiseido Group	Ratio of Female Leaders* ¹	The ratio in Japan is as of January 1 each year and the ratio outside Japan is as of December 31 in the previous year.	53.2	53.9	54.8
Japan	Ratio of Female Leaders Target: To achieve 40.0% in 2020	As of January 1 of each year	29.0	25.1	32.3
	Ratio of Female Junior Manager* ²		31.0	25.9	39.5
China	Ratio of Female Leaders	As of December 31 in the previous year	57.6	66.3	57.0
Asia Pacific	Ratio of Female Leaders		63.8	66.3	65.4
Americas	Ratio of Female Leaders		77.4	74.6	72.6
Europe	Ratio of Female Leaders		61.7	65.9	63.4

The data in the red text has been third-party certified.

Scope: Shiseido Group in Japan (21 companies)

*1 Leader: Manager position holders and annual salary system Employees

*2 Junior Manager: Manager position holders without subordinates and career path employees with subordinates

Ratio of Employees with Disabilities*¹ (%)

Indicator	Period	2017	2018	2019
Shiseido Company, Limited	As of June 1 of each year	3.41	3.30	3.19
Shiseido Group in Japan* ²		2.06	2.02	2.05
Target		2.0	2.0	2.2

The data in the red text has been third-party certified.

*1 Ratio of Employees with Disabilities: Physically-disabled, intellectually-disabled, and mentally-disabled people are included, and the employment rate for disabled people is indicated by three significant figures.

*2 Shiseido Group in Japan: 10 special subsidiary companies in the Shiseido Group

Average Service Years of Employees (years)

Indicator		Period	2017	2018	2019
Shiseido Group in Japan Employees (excluding fixed-term contract employees)	Average	As of January 1 of each year	16.5	15.6	14.9
	Male		18.2	17.3	15.5
	Female		16.0	15.1	14.7

Job Turnover Rate (%)

Indicator		2017	2018	2019
Shiseido Group in Japan	Manager position/Career path positions	2.4	2.1	2.9
Shiseido Japan Co., Ltd.	Beauty consultant (BCs) positions only (excluding fixed-term contract employees)	3.9	3.4	3.7

Working Hours

Indicator			2017	2018	2019
Working Hours	Total annual hours worked per person (hours/years/persons)	Shiseido Company, Limited	1913.9	1915.4	1909.0
		Shiseido Group in Japan	1828.8	1834.6	1817.5
Prescribed Working Hours	Annual prescribed working hours (hours/years/persons)	Shiseido Group in Japan	1844.5	1860.0	1844.5
Overtime hours	Annual overtime hours per person (hours/years/persons)	Shiseido Company, Limited	227.9	216.6	215.6
		Shiseido Group in Japan	104.3	102.1	102.7

Rate of Paid Leave Taken

Indicator		2017	2018	2019	Target
Annual rate of paid leave taken per person (%)	Shiseido Company, Limited	76.8	79.0	77.4	To achieve 80.0% in 2019
	Shiseido Group in Japan	58.0	63.3	65.1	

Number of Employees Hired

Indicator			2017	2018	2019
Shiseido Group in Japan	Periodical employment of career path positions	Male (persons)	66	83	70
		Female (persons)	83	72	93
		Female ratio (%)	55.7	46.5	57.1
	Periodical employment of Beauty consultant (BCs) positions	Male (persons)	3	2	2
		Female (persons)	238	255	269
		Female ratio (%)	98.8	99.2	99.3
	Mid-career employment	Male (persons)	-	53	72
		Female (persons)	-	44	54
		Female ratio (%)	-	45.4	42.9

Starting Pay (yen/month)

Indicator			2017	2018	2019
Monthly amount paid*	Doctoral graduate	Employees who joined the company in April each year	265,000	265,000	265,000
	Master's graduate		235,000	235,000	235,000
	Undergraduate		215,000	215,000	215,000
	Technical/Junior college graduate		195,000	195,000	195,000

* Area Allowance of 9,000 yen is provided to the employees who live in the Tokyo wards area. (Amount varies from 0 to 9,000 yen depending on the area.)

Average annual salary*(Yen/year)

Indicator	2017	2018	2019
Shiseido Group in Japan	7,177,618	7,239,104	7,313,401

* Including bonuses and extra wages

Number of Employees Rehired after Retirement (persons)

Indicator	Period	2017	2018	2019
Shiseido Group in Japan	As of January 1 of each year	333	275	374

Childcare Leave and Family Care Leave

Number of employees who used Childcare Leave System*1 (persons)

Indicator			2016	2017	2018
Shiseido Group in Japan	All employees (including fixed-term contract employees)	Male	14	18	30
		Female	1,439	1,465	1,300

Number of employees who used Childcare Time System*2 (persons)

Indicator			2016	2017	2018
Shiseido Group in Japan	All employees (including fixed-term contract employees)	Male	2	2	2
		Female	2,154	2,128	2,159
	In-store beauty consultant	Male	0	0	0
		Female	1,616	1,536	1,530

Reinstatement Rate after Childcare Leave*3 (%)

Indicator			2016	2017	2018
Shiseido Group in Japan	Manager position/Career path positions		98.2	97.5	97.5
Shiseido Japan Co., Ltd.	Beauty consultant (BCs) positions only (excluding fixed-term contract employees)		98.2	97.5	93.1

Retention Rate after Childcare Leave*4 (%)

Indicator			2016	2017	2018
Shiseido Group in Japan	Manager position/Career path positions		95.7	98.2	98.9
Shiseido Japan Co., Ltd.	Beauty consultant (BCs) positions only (excluding fixed-term contract employees)		90.8	98.5	92.1

Number of employees who used Family Care Leave System*5 (persons)

Indicator			2016	2017	2018
Shiseido Group in Japan	All employees (including fixed-term contract employees)	Male	3	3	0
		Female	20	34	22

Number of employees who used Family Care Time System*6 (persons)

Indicator		2016	2017	2018	
Shiseido Group in Japan	All employees (including fixed-term contract employees)	Male	1	2	2
		Female	26	22	30

Kangaroo Staff*7 (persons)

Indicator		2016	2017	2018
Shiseido Group in Japan		1,803	1,837	2,009

*1 Includes short-term childcare leave. Employees can use the system up to 5 years in total until the child turns 3 years old. (Employees are eligible to use the system 3 times for the same child under special circumstances)

*2 Employees can shorten their work hours by up to 2 hours a day until the child is in the 3rd grade of elementary school

*3 Reinstatement Rate = (Number of reinstatements from childcare leave in the current fiscal year)/(Number of scheduled reinstatements from childcare leave in the current fiscal year) × 100

*4 Retention rate = (Number of employees who stayed in the company as of December 31 of the current fiscal year since reinstatement from childcare leave in the year before)/(Number of reinstatements from childcare leave in the year before) × 100

*5 Up to 1 year per leave for 1 family member. Up to 3 years in total.

*6 Up to 2 hours a day. Up to 1 year per leave for 1 family member. Up to 3 years in total.

*7 Kangaroo Staff System: A system to allocate substitutes to support storefront operations for beauty consultant employees who take time off for childcare.

Labor accidents**Number of Work-related Accidents*1**

Indicator			2016	2017	2018
11 Shiseido Group companies in Japan*2	Directly hired employees	Total	29	23	25
	-	Factories/contractors*3	9	3	4
Shiseido Group outside Japan (Coverage by number of facilities: 80%)	Directly hired employees	Total	111	72	54
Shiseido Company, Limited and Shiseido Japan Co., Ltd.	Indirectly hired employees (temporary staff) 3 major companies		-	-	0

Accident severity rate*4

Indicator		2016	2017	2018
11 Shiseido Group companies in Japan*2	Directly hired employees	0.018	0.006	0.010

LTIFR^{*5}

Indicator		2016	2017	2018
11 Shiseido Group companies in Japan ^{*2}	Directly hired employees	0.96	0.59	0.85
	Employee coverage (%)	100	100	92.1
	Indirectly hired employees (temporary staff) 3 major companies	-	-	0.00
	Employee coverage (%)	-	-	38.8

*1 Number of labor accidents that resulted in the suspension of work

*2 11 Shiseido Group companies in Japan: Shiseido Company, Limited, consolidated subsidiaries of operations in Japan

*3 The number of work-related accidents in factories in Japan is based on the number reported by our contractors

*4 Accident severity rate = Number of days lost due to work-related accidents/Total hours worked x 1,000

*5 Lost Time Injury Frequency Rate (LTIFR) = Number of work-related accidents/Total hours worked x 1,000,000

Labor Union**Percentage of corporations with labor union (%)**

Indicator	Period	2017	2018	2019
Shiseido Group in Japan	As of January 1 of each year	25.0	26.3	29.4
Shiseido Group outside Japan ^{*1} (Coverage 100%)		45.9	68.4	68.4

Number of labor union members

Indicator	Period	2017	2018	2019
Shiseido Group in Japan	As of January 1 of each year	10,224	11,680	12,732

Ratio of labor union members (%)

Indicator		Period	2019
Shiseido Group in Japan	Ratio including fixed-term contract employees ^{*2}	As of January 1 of each year	52.3
	Ratio excluding fixed-term contract employees ^{*3}		76.2

*1 Including works council

*2 Ratio of employees subject to collective bargaining agreement among all employees including fixed-term contract employees = Number of labor union members/Number of employees (including managerial position holders and fixed-term contract employees, but excluding temporary staff and corporate officers) x 100

*3 Ratio of employees subject to collective bargaining agreement among all employees excluding fixed-term contract employees = Number of labor union members/Number of employees (including managerial position holders, but excluding fixed-term contract employees, excluding temporary staff and corporate officers) x 100

Employee Satisfaction*

Indicator	2017	2019
Shiseido Group worldwide	76	76

* Survey conducted every two years

Compliance and Risk Management

Anti-corruption

	Target	2016	2017	2018
Operations assessed for risks related to corruption	All business offices inside and outside Japan	Significant risk identified: None	Significant risk identified: None	Significant risk identified: None
Confirmed incidents of corruption and actions taken	All business offices inside and outside Japan	Confirmed incidents of corruption: None	Confirmed incidents of corruption: None	Confirmed incidents of corruption: None

Anti-competitive behavior

	Target	2016	2017	2018
Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	All business offices inside and outside Japan	No legal action	No legal action	No legal action

Operating performance of reporting and the consultation center for employees

Reporting/consultation center	Target	2016	2017	2018
The In-house Shiseido Consultation Office	Employees of the Shiseido Group in Japan	230 cases	224 cases	241 cases
External Shiseido Hotline				
Compliance Committee Hotline				

Number of serious compliance violations*

Target	2016	2017	2018
The Shiseido Group	None	None	None

* Define and manage serious compliance violations within the internal business operations of the Shiseido Group

Donations to Political Parties

	2017 (million yen)	2018 (million yen)
Shiseido Company, Limited	-	None
Shiseido Group in Japan a)	-	None

a) Shiseido Group in Japan: Shiseido Company, Limited and 20 domestic affiliated companies subject to consolidation (as of December 31, 2018)

Non-compliance with laws and regulations in the social and economic area**Incidents of non-compliance concerning the health and safety impacts and services**

	Target	2016	2017	2018
Examples of administrative guidance based on the Act against Pharmaceuticals and Medical Devices Law	Japan	No violations against regulations and voluntary codes (Examples of administrative guidance based on the Act against Pharmaceuticals and Medical Devices Law)	No violations against regulations and voluntary codes	No violations against regulations and voluntary codes
Examples of recalls and voluntary collections that required announcement in newspapers, etc.	Japan		Violations against regulations and voluntary codes: 4 cases	Violations against regulations and voluntary codes: 1 case

Incidents of non-compliance concerning product and service information and labeling

	Target	2016	2017	2018
Examples of administrative guidance based on the Act against Unjustifiable Premiums and Misleading Representations, and Pharmaceuticals and Medical Devices Law	Japan	Violations against regulations and voluntary codes: 1 case	Violations against regulations and voluntary codes: 1 case	No violations against regulations and voluntary codes

Incidents of non-compliance concerning marketing communications

	Target	2016	2017	2018
Examples of administrative guidance based on the Act against Unjustifiable Premiums and Misleading Representations, and Pharmaceuticals and Medical Devices Law	Japan	No violations against regulations and voluntary codes	No violations against regulations and voluntary codes	No violations against regulations and voluntary codes

Incidents of reporting personal information disclosure to Personal Information Protection Commission

Target	2016	2017	2018
Shiseido Company, Limited, Shiseido Japan Co., Ltd.	5 cases	6 cases	3 cases

Non-compliance with laws and regulations in the social and economic area

Target	2016	2017	2018
Shiseido Group in Japan	No fine imposed for violation of law	No fine imposed for violation of law	No fine imposed for violation of law

Highlights of our Social Contribution Activities Results**Number of social contribution activities (Number of activities)**

Target	2018
All Shiseido Group	408

Number of participating employees (Cumulative number)

Target	2018
All Shiseido Group	10,040

Spending on social contribution activities (Unit: 1 million yen)

Target	2018		
Shiseido Company, Limited	Spending on donations		*203
	Breakdown	Donations made in cash	*203
		Donations made by product offerings	*0
Shiseido Group in Japan a)	Spending on donations		*210
	Breakdown	Donations made in cash	*210
		Donations made by product offerings	*1
Shiseido Group outside Japan b)	Spending on donations		114
	Breakdown	Donations made in cash	101
		Donations made by product offerings	12
All Shiseido Group	Spending on donations		324
	Breakdown	Donations made in cash	311
		Donations made by product offerings	13

a) Shiseido Group in Japan: Shiseido Company, Limited and 20 domestic affiliated companies subject to consolidation (as of December 31, 2018)

b) Shiseido Group outside Japan: 58 overseas affiliated companies subject to consolidation (as of December 31, 2018)

The data marked with * has been third-party certified.

Social Contribution Activities Protect Beauty (Environment)

Item	Indicator<unit>	2017	2018	Target
Camellia Planting and Conservation Volunteer Activities in the Goto Islands, Nagasaki Prefecture	Planting area/Number of trees planted	0.07 hectares 80 trees	0.18 hectares 75 trees	Japan
Shiseido Thailand tree planting activities	Number of planted trees	500 trees	500 trees	Thailand

Please check the details in "Reducing environmental burden, Conservation of biodiversity"

Social Contribution Activities Empower Beauty (Cosmetics, beauty, and support for women)

Item	Indicator<unit>	2016	2017	2018	Target
Shiseido Life Quality Beauty Center	Number of facilities* <Location>	1	1	1	Japan
		4	4	4	Outside Japan
	Number of users <Persons>	495	466	319	Japan
		828	935	1,022	Outside Japan
Shiseido Life Quality Beauty Seminar	Total number of events held <events>	4,522	4,705	4,457	Japan
	Total number of participants <persons>	73,345	74,014	70,222	Japan

* Held in four locations in Tokyo, Shanghai, Hong Kong, Taipei, and Kaohsiung until 2018. Singapore was added in 2019.

Promotion of Gender Equality

Item	2018 Results
Raising Awareness of Gender Equality Target: Raise awareness of gender equality among 1,000 people in FY2017-2018.	<ul style="list-style-type: none"> Actual results as of October 31, 2018: 505 people Cumulative number: 1,005 people
"Gender Equality Awareness-raising Workshop" for young people	<ul style="list-style-type: none"> Supporting high school students in 25 schools across Japan We distributed Shiseido's gender equality promotion materials (supervised by UN Women Japan Office) to participating schools so that high school students can use them to create their own action plans.

Support for patients with xeroderma pigmentosum (XP), a UV-sensitive intractable disease

Item	Description	2018 Results
Donation of sunscreen products	We provided Shiseido Group's various sunscreen products (ANESSA, 2e, SUMMEDIC, Avène, etc.) to the Japanese National Network of Xeroderma Pigmentosum (XP)*.	1,821 items, 22 types of sunscreen products donated to 92 XP patients
Donations by employees	We make good use of donations by employees (Shiseido Camellia Fund) to support patient exchange meetings and purchase UV protective clothing.	2,164,977 yen
Number of employees involved in support of activities of the Japanese National Network of Xeroderma Pigmentosum (XP)	<p>1. Seminar on usage of sunscreen products: Our research staff and beauty consultants provide patients and their families with the latest information on sunscreen products, as well as practical training and individual consultation on how to apply and remove sunscreen products correctly.</p> <p>2. Support for patient meetings: Our employees act as child care volunteers during exchange meetings which are held to establish a network between patients.</p>	18 employees
Number of XP enlightenment leaflets distributed	In order to raise awareness of XP, an intractable disease, we support the creation and distribution of patient group leaflets.	<ul style="list-style-type: none"> ▪ Approx. 120 patient group leaflets distributed ▪ 400 copies of 3rd XP national convention report produced
Other Focus topics	In February 2019, we won the Corporate Philanthropy Award from the Japan Philanthropic Association in recognition of our social contribution activities that utilize our management resources organically and sustainably to resolve social issues.	

* Japanese National Network of Xeroderma Pigmentosum (XP) : A network consisting of three XP patients groups in Japan (Osaka, Kobe, and Tokyo). We are working to achieve more fulfilling daily lives for XP patients and their families.

Please check the support details in "Support for patients with xeroderma pigmentosum (XP), a UV-sensitive intractable disease."

Social Contribution Activities Inspire Beauty (Art and culture)

Item	Indicator<unit>	2016	2017	2018	Target
Shiseido Gallery (Ginza)	Number of visitors <Persons>	54,626	83,573	54,300	Japan
Shiseido Corporate Museum (Kakegawa)		30,571	29,735	31,733	Japan
Shiseido Art House (Kakegawa)		31,939	23,536	35,177	Japan

Please check the details in "Art & Heritage Inspire Beauty"

Community and Disaster Support

The results of donations and social contribution activities by Shiseido Group employee volunteers (Social Contribution Club) are as follows.

Item	Unit	2017	2018	Total	Target
Amount of donations through Shiseido Camellia Fund	Yen	17,623,751	16,884,724	284,860,593 (FY2005-2018)	Japan
Amount of donations through Disaster Contribution	Yen	0	2,974,526	62,261,486 (FY2004-2018)	Japan
Number of students supported by Volunteer Activity by Collecting Various Items	Persons	1	1	115(FY2001-2018)	In Japan/Outside Japan

Please check the support details in "Social Contribution Club."

Academic Support

Item	Indicator<unit>	2016	2017	2018	Target
Shiseido Female Researcher Science Grant	Number of award winners <Persons>	10	10	10	Japan
JSID's Fellowship Shiseido Research Grant	Number of award winners <Persons>	2	2	2	Japan
Japanese Dermatological Association basic medical research grant (Shiseido donation)	Number of award winners <Persons>	6	6	6	Japan

Activities for Children

Item	Indicator<unit>	2016	2017	2018	Target
Initiatives for Children Shiseido Kodomo Seminar for Juniors	Number of participants* <Persons>	659	753	781	Japan

* Target audience: Upper grade students in elementary school after FY2017.

Please check the support details in "Activities for Children."



INDEPENDENT ASSURANCE STATEMENT

To: Shiseido Company, Limited

Bureau Veritas Japan Co., Ltd. (Bureau Veritas) has been engaged by Shiseido Company, Limited (Shiseido) to provide limited assurance over its sustainability information selected by Shiseido. This Assurance Statement applies to the related information included within the scope of work described below.

Selected information

The scope of our work was limited to assurance over the following information included within Shiseido Corporate Website 'Sustainability / CSR' page (the 'Web page') for the period of January 1, 2018 through December 31, 2018 (the 'Selected Information'):

Shiseido Group (Japan)

- Number of employees (total)
- Number of leaders (total / male / female)
- Ratio of male leaders
- Ratio of female leaders
- Ratio of employees with disabilities
- Amount of financial and in-kind contributions (total / financial / in-kind)

Reporting criteria

The Selected Information included within the Web page needs to be read and understood together with the reporting criteria stated in the Shiseido Corporate Website.

Limitations and Exclusions

Excluded from the scope of our work is any verification of information relating to:

- Activities outside the defined verification period;
- Any other information within the Web page, which is not listed as the 'Selected Information'.

This limited assurance engagement relies on a risk based selected sample of sustainability data and the associated limitations that this entails. This independent statement should not be relied upon to detect all errors, omissions or misstatements that may exist.

Responsibilities

This preparation and presentation of the Selected Information in the Web page are the sole responsibility of the management of Shiseido.

Bureau Veritas was not involved in the drafting of the Web page or of the Reporting Criteria. Our responsibilities were to:

- obtain limited assurance about whether the Selected Information has been prepared in accordance with the Reporting Criteria;
- form an independent conclusion based on the assurance procedures performed and evidence obtained; and
- report our conclusions to the Directors of Shiseido.



Assessment Standard

We performed our work in accordance with Bureau Veritas' standard procedures and guidelines for external verification of sustainability reporting, based on International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information (Effective for assurance reports dated on or after December 15, 2015) that was used as the reference assurance standard.

Summary of work performed

As part of our independent verification, our work included:

1. Conducting interviews with relevant personnel of Shiseido;
2. Reviewing the data collection and consolidation processes used to compile Selected Information, including assessing assumptions made, and the data scope and reporting boundaries;
3. Reviewing documentary evidence provided by Shiseido;
4. Reviewing Shiseido systems for quantitative data aggregation and analysis;
5. Verification of sample of data back to source by carrying out physical site visit to Shiseido's head office;
6. Reperforming a selection of aggregation calculations of the Selected Information;
7. Comparing the Selected Information to the prior year amounts taking into consideration changes in business activities, acquisitions and disposals.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement.

Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Conclusion

On the basis of our methodology and the activities described above:

- Nothing has come to our attention to indicate that the Selected Information has not been properly prepared, in all material respects, in accordance with the Reporting Criteria;
- It is our opinion that Shiseido has established appropriate systems for the collection, aggregation and analysis of quantitative data within the scope of our work.



Statement of Independence, Integrity and Competence

Bureau Veritas is an independent professional services company that specialises in quality, environmental, health, safety and social accountability with over 190 years history. Its assurance team has extensive experience in conducting verification over environmental, social, ethical and health and safety information, systems and processes.

Bureau Veritas operates a certified Quality Management System which complies with the requirements of ISO 9001:2015, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Bureau Veritas has implemented and applies a Code of Ethics, which meets the requirements of the International Federation of Inspections Agencies (IFIA), across the business to ensure that its employees maintain integrity, objectivity, professional competence and due care, confidentiality, professional behavior and high ethical standards in their day-to-day business activities.

Bureau Veritas Japan Co., Ltd.
Yokohama, Japan
April 26, 2019

