# **Customer Satisfaction and Product Safety**



Shiseido is working to manufacture safe, reliable products and disseminate information with the aim of being consumer-oriented.

# Promotion of Safe and Reliable Manufacturing

Shiseido's research and production activities to ensure consumers use our products with peace of mind

# Reflecting Consumer Feedback

We are strengthening our efforts to make the most of consumer feedback for product development and service improvement.

# History of Shiseido's Consumer Support

Introducing the history of Shiseido's consumer support, which has been promoting consumer-oriented management since its establishment.

# Universal Design and Ethical Advertising/Marketing

We are working on developing products that can be used safely and comfortably by all consumers.

#### Information for Consumers

We ensure that the information and websites we offer reflect consumers' feelings and meet their needs.

# Safety Assurance Without Animal Testing

Shiseido's safety assurance system in the development of cosmetic products without animal testing.

# Promotion of Safe and Reliable Manufacturing

## Providing Safe and Reliable Products

Shiseido conducts research, development and production activities to ensure the safe consumption of our products by consumers. Based on the belief that it is important to understand the skin correctly, Shiseido conducts research on the skin by incorporating cutting-edge technologies in all fields related to cosmetics (life science, dermatology, interface science, ergonomics, psychology, etc.) and through joint research with dermatologists, universities and research institutions in Japan and overseas. Additionally, we create new beauty experiences by integrating digital devices and information science with a holistic approach that takes into account the entire human body.

The products developed from these avenues of research are evaluated for safety, including their ingredients, formulations, and packaging, with the assumption that they will be used in various situations. These products are delivered to the market after comprehensive quality checks and are continuously improved after launch based on customer feedback.

Safety is a top and non-negotiable priority. We fully comply with the regulations of the countries in which we operate and also apply our own strict ingredient-standards, which are set in tandem with our safety standards, based on environmental considerations and ethical standards when selecting ingredients. This is a minimum commitment across the organization: Each brand either already has or is in the process of putting in place its own ingredient policy that reflects these values, and develops products based on that policy.





# System for Stable Supply of High-Quality Products

At Shiseido, quality and safety go hand in hand, taking priority over all other matters. We continuously work to maintain and control product quality not only by observing all applicable laws and regulations but also by applying our own rules through a Global Quality Policy to ensure that consumers can use our products with complete confidence. We conduct comprehensive quality control at all stages from ingredient and packaging selection to commercialization, production and distribution in order to ensure the quality and safety of all our products, including medical and food products as well as cosmetics. In doing so, we manufacture products that our consumers can trust and use regularly without any concerns.

At the ingredient selection stage, we collect and check information from all over the world down to their specific components to make sure that we use only safe ingredients.

At the commercialization, production, and distribution stages, we also have systems in place to ensure the stable supply of high-quality products at all times by complying with various standards such as Good Manufacturing Practice (GMP)\*1, ISO 22000, and the Hazard Analysis and Critical Control Points (HACCP)\*2, as well as our own product standards. For our cosmetic products, for example, we comply with all items (e.g. organizations and systems, buildings

and facilities, manufacturing management, and inspections) stipulated in the Cosmetics GMP set by ISO 22716, an international standard that gives guidelines for the production, control, storage and distribution of cosmetic products, ensuring that consumers are provided with safe and secure products of high quality manufactured under strict quality control.

- \*1: Good Manufacturing Practice (GMP): Standards for manufacturing and quality control of cosmetics.
- \*2: Hazard analysis and critical control points (HACCP): A method of food sanitation control developed to ensure the safety of food in the United States.

# Response to Product Issues

In order to promote research, development, manufacturing and sales of safe products that achieve consumer satisfaction, Shiseido clarifies where the authority and responsibility lie in terms of quality assurance (including product planning, manufacturing and sales), and product issue prevention. We also have our own manuals for dealing with any product issues so that we can respond in a concerted manner and promptly bring the situations under control while putting consumer safety first. Thus, we are committed to strengthening and comprehensively promoting quality assurance and product issue prevention at Shiseido and our Group companies.

In the unlikely event of a quality and/or product liability issues involving the Company's products, the department that has received such information is expected to immediately report to the Quality Management Department, related business divisions, and Risk Management Department. The Risk Management Department will decide on response methods in accordance with the level of severity. The Quality Management Department will investigate the cause and the business divisions will promote various initiatives, including responses to the market.

### Appropriate Provision of Product Information

The Shiseido Code of Conduct and Ethics is a summary of actions that each and every person at the Shiseido Group should take. Shiseido stipulates that "we do our work with a greater sense of ethics in regard to our product information and labeling or advertising expressions as well as observing respective countries' and regions' laws and regulations and corporate regulations".

# Compliance Status of Laws and Regulations Related to Advertising Expressions

Details that should be indicated on cosmetics are stipulated under the Regulatory Law (statutory labeling). At the same time, aspects of advertising are restricted under the Standards for Fair Advertising Practices of Drugs, Quasi-drugs, Cosmetics and Medical Devices (Notification from the Director-General of the Pharmaceutical Affairs Bureau, Ministry of Health and Welfare, September 29, 2017). Based on these standards, the Japan Cosmetic Industry Association (JCIA) has established Appropriate Advertising Guidelines including Cosmetics as self-imposed industry standards that provide relevant examples and explanations.

As for statutory labeling, Shiseido operates by defining "labeling regulations." With regard to advertising, the Company observes laws and regulations by following the Appropriate Advertising Guidelines including Cosmetics.

Also, the JCIA established the Advertising and General Publicity Committee within the organization and the Cosmetics Advertising Deliberation Council as an institution pertaining to the committee. This council independently carries out deliberations to enhance the reliability of and optimize cosmetics advertising expressions. These deliberations, conducted three times annually, are based on the Regulatory Law, the Standards for Fair Advertising Practices of Drugs, Quasi-drugs, Cosmetics and Medical Devices, Appropriate Advertising Guidelines including Cosmetics, and other relevant laws and regulations and addresses television, newspaper and magazine advertising.

#### Implementation of Study Sessions Related to Advertising and Labeling

Shiseido holds the "Statutory Labeling Seminar" and "Advertising Expression Seminar" twice a year in order to enhance the employee knowledge about compliance with the laws on pharmaceuticals and medical devices concerning advertising and labeling.

#### Nutrition and Health

## Access to Better Nutrition / Responsible Advertising and Marketing

The World Health Organization reports an increase in the number of people with diabetes. The UNICEF reports on the overconsumption of sugars and poor nutritional balance in young people and children in "THE STATE OF THE WORLD'S CHILDREN 2019". The report points out that these issues are associated with improper marketing and advertising of processed foods and beverages.

In the "Shiseido Code of Conduct and Ethics," we declare that we will provide safe and excellent products and services, display product information in an easy-to-understand manner, and support beauty and health.

As a food business\*, we are responsible for preventing nutritional imbalances, obesity and lifestyle-related diseases. We will continue to develop products that meet consumer needs such as better nutritional balance and health consciousness. We will promote proper marketing and advertising for processed foods and beverages and provide accurate and easy-to-understand information.

## Participation in Food and Beverage Safety, Quality and Health Initiatives Major Initiatives

Japan Confectionary Better Business Association	An association that connects consumers with businesses and governments to solve confectionery-related issues such as the safety, proper labeling, and fair transactions of confectionery products.	
Tokyo Confectionery Associations	Association that provides training on manufacturing technology and food hygiene to the pastry industry.	
Sustainable Restaurant Association Japan	An association that supports restaurants to achieve sustainability such as responsible procurement, nutritionally balanced menus, and reduction of food loss.	
Japan Food Hygiene Association	An association that supports food companies in improving food hygiene and establishing a self-management system. Shiseido Parlor is working on the hygienic production of processed foods by referring to the guidelines and manuals of this association.	

<sup>\*</sup>The food business accounts for less than 1% of our consolidated sales (2022)

### Actions to Address Negative Impact on Health

We are working on the development of products that reduce unnecessary additives in order to suppress the negative health impacts of food. The Shiseido Group develops health and beauty foods that do not contain fat or caffeine which the Shiseido Group distributes in Japan.

#### Main Initiatives

Fat / caffeine	The Shiseido Group distributes health and beauty foods throughout Japan. Among these, its core product collagen drinks* contain no fats, no caffeine, and no added preservatives.	
Sugar	Shiseido Parlour Co., Ltd. collaborates with specialists in food safety and health to develop products and utilize them for appropriate marketing.  We are developing low-carbohydrate products with Dr. Satoru Yamada of the Eat & Fun Health Association, an organization that promotes deliciousness and low-carbohydrate levels. In 2018, we developed a low-carbohydrate menu under the supervision of this association. Some Shiseido Parlour stores offer sweets and dishes with reduced sugar. The company's restaurant "FARO" offers desserts with a 100% reduction of fine white sugar. For sweets from Shiseido Parlour, we have a lineup of products that are packaged in small quantities to improve storage stability and to consider the amount of sugar that can be ingested at one time.	
Artificial ingredients	Artificial ingredients are not used at the Shiseido Parlour restaurant FARO nor in the health and beauty products distributed by the Shiseido Group in Japan. In accordance with Japanese regulations, retort pouch products do not include preservatives.	
Improving nutritional balance	Beauty Princess, a beverage by Shiseido Parlour Co., Ltd., is compounded with hyaluronic acid and collagen peptide.	
Organic	The Shiseido Parlour restaurant FARO uses organic vegetables grown with reduced amounts of agricultural chemicals and fertilizers. Organic vegetables are used in 80% of the course menu.	

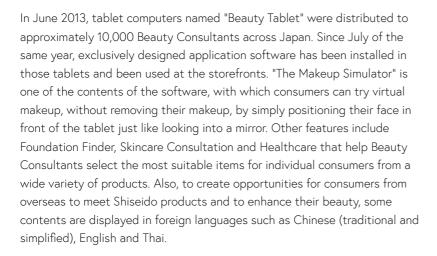
# Responsible marketing and promotion of processed foods and beverages

The Shiseido Parlour actively displays information on food allergies (21 types of ingredients) beyond Japanese laws and regulations. We have in-house guidelines based on food legislation to ensure compliance with proper labeling legislation on food labels. In-house training is provided to those in charge of food labeling. We also conduct factory audits of outsourced manufacturers, including items related to quality and labeling.

# Excellent Services to Enhance Consumer Satisfaction

Beauty Consultants (BCs) have major roles in responding to consumer needs at the counters and introducing products and beauty information according to each and every consumer's skin and cosmetic lifestyle. Since 1998, Shiseido has been first in the industry to introduce an in-house BC proficiency exam system certified by the Minister of Health, Labour and Welfare. The system relating to beauty knowledge and techniques was aimed at enhancing the quality of counseling activities as the Group engaged in professional beauty services.

Overseas, in order to expand the number of regular users by maximizing consumer satisfaction, we have distributed and put into daily use Shiseido's action indicator for Beauty Consultants, aimed at realizing "omotenashi spirit" at the storefronts worldwide. Also, to improve consultants' response and suggestion capabilities at the storefronts, Shiseido has developed original software, a convergence of its accumulated service know-how and beauty techniques, to be effectively used as a globally applicable tool.



We aim to increase consumer satisfaction by using such tools developed by the latest technologies, intriguing consumers at the storefronts, and helping them discover their inherent charm unknown to themselves. At the same time, we try to promptly share the voice of our consumers by inputting their opinions into the Beauty Tablet and then transmitting the data to relevant departments by the following day.

In addition, in order to further improve and develop the service skills of domestic Beauty Consultants, we began from July 2016 to appoint Lead Beauty Consultants, who work at store counters with other consultants to encourage their steady growth. By creating an environment where Beauty Consultants can constantly develop their abilities, we make an extra effort to enhance consumer satisfaction.





# Reflecting Consumer Feedback

## Consumer Services: Action Policy

The Consumer Communication Center of Shiseido Japan Co., Ltd. gathers and analyses consumer inquiries and requests, and shares information throughout the company in order to realize its mediumto long-term strategy. Through these efforts, the Consumer Communication Center recommends the development and improvement of products and beauty information, as well as the improvement of services, to related divisions.

In January 2017, Shiseido further strengthened its Consumer-oriented management system by announcing its philosophy and policy on consumer-oriented management in the form of a "Consumer-Oriented Voluntary Declaration." At the Consumer Communication Center as well, we engage in daily activities under the Customer Response Action Guidelines. Going forward, we will continue to work to promptly detect changes in consumers and social and work to reflect them in our corporate activities, thereby contributing to the enhancement of corporate value through "Consumers-Oriented."



Shiseido Japan Co., Ltd. Consumer Communication Center "Consumer Services: Action Policy"

#### **Major Initiatives**

For more than half a century since its establishment in 1968, Shiseido's consumer support desk has responded sincerely and flexibly to customer opinions and inquiries and delivered useful information. We are also actively working to improve our response quality on the consumer support desk. In 2013, our telephone department received a three-star certification in the quality monitoring rating stipulated by HDI-Japan\*, followed by a five-star certification in 2016 for the first time in the cosmetics industry. In 2020, the chat department was awarded three stars in inquiry contact rating. We will also periodically implement various external evaluations to further improve customer satisfaction.

In Japan, in addition to communicators who respond directly to consumers, we also have Consumer Support Leaders who oversee customer service at business sites nationwide. In order for communicators to deepen their knowledge necessary for customer service, they have opportunities to participate in seminars conducted by internal and external lecturers and workshops held by Shiseido researchers on safety and product development.

These also aim to improve their skills as customer service representatives by giving them the opportunities to visit factories and research institutes and encouraging them to acquire qualifications to enhance their expertise.



Shiseido Japan Co., Ltd. Telephone Response

In addition, in order to stably operate consumer support desks even in the midst of COVID-19 pandemic and to evolve our working styles, we introduced chat at home in 2020 and a remote call center system in 2021, and began responding to consumers at home.

Regarding global consumer response, each region works together to enhance customer support by holding information exchange meetings between customer service managers in Japan and those at each regional headquarters (China, Asia Pacific, Americas, EMEA, and Travel Retail).

\*HDI is the largest membership organization in the world in IT support services established in the U.S. in 1989. It is a member of a number of corporations that rank among the 500 Fortune Global Companies in the U.S. Economic Magazine. HDI-Japan conducts surveys and certifications to evaluate corporate customer contact points with the aim of improving support services.

Please check support details at "History of Shiseido's Consumer Support."

# Gathering/Sharing/Utilizing Consumer Feedback

In Japan, we collect consumer feedback on our products and services in a variety of situations and methods. These include about 100,000 annual accesses to our consumer support desks and offices via toll-free calls, e-mail, LINE, and letters, as well as about 120,000 in-store customer comments posted by Beauty Consultants working at retail outlets on dedicated tablets, as well as SNS comments. With the exception of some affiliated companies that independently manage information, information gathered is managed by the system, and is shared by all employees through e-mail or the intranet. In this way, it is used to create value in our products and services.

In addition, by centralizing management in the system, information can be promptly reported to the officers in charge and related divisions, which is also useful in terms of risk management.



Breakdown of feedback received by Shiseido Japan Co., Ltd. (Result in FY2022)

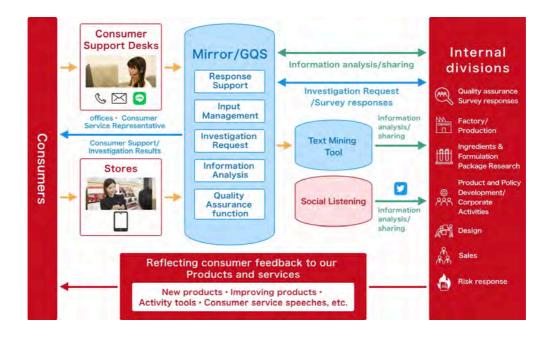
## Consumer Feedback Information Management Systems

We use Mirror\*3, a system for collecting and analyzing consumers feedback in Japan, to reflect it in our products and services.

Consumer feedback, which is aggregated into the Mirror, is linked to VOICE text mining system, enabling all employees to easily visualize consumer feedback and analyze and utilize it according to their purposes. We also use social listening to reflect consumer feedback that does not directly reach companies in our corporate activities. In addition, we are working to improve quality globally in collaboration with GQS\*4, a quality information management system that aggregates quality-related requests received from consumers around the world.

<sup>\*3 :</sup> Drawing from the idea that through the voices of our consumers, there is a "mirror" that reflects the actual state of Shiseido's activities for us to see and contemplate.

<sup>\*4 :</sup> GQS= Global Quality Information Management System



## Increasing Contact Points with Various Consumers

In order to meet the needs of increasingly diverse consumers, we have opened official accounts on Twitter and Yahoo! Chiebukuro and introduced chat (LINE and a browser) to strengthen communication with a wide range of consumers. On the Consumer Support page of our website, we use chatbots to answer questions regarding matters such as restrictions on alcohol concentration and flash points when transporting cosmetics. Furthermore, to respond quickly to consumer inquiries, a communicators (persons) who respond to personal inquiries, and Al Mimi-chan, a chatbot that answers simple questions 24 hours a day, are linked using chat (LINE and a browser). Twitter responds to inquiries, thanks people for compliments, and provides support to consumers who are experiencing problems. We are committed to further improving consumer satisfaction through these channels.



A convenient service that uses chat (LINE and a browser) to allow users to ask questions and seek advice casually



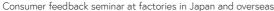
The Shiseido Consumer Support Desk Official LINE account QR code and chatbot character (Al Mimi-chan)

# Collaborative Education Activities to Learn on Consumers' Perspective

We strive to improve our products and services by knowing deeply the feelings and backgrounds of consumers, and to become a trusted company, we are also focusing on "co-development" activities for our employees.

On a daily basis, we distribute consumer feedback through our intranet, internal digital signage, internal SNS, and email to create opportunities for all employees to touch the opinions of consumers, thereby raising awareness. Furthermore, for divisions involved in consumer response and manufacturing, we hold seminars to share consumer feedback tailored to each division and to review individual awareness and behaviors. In these ways, we encourage each employee to become aware of being "Consumer-Oriented" in their daily operations, and we are conducting activities to instill this idea in all corporate activities.







National-level CSL training meeting (Japan)

# Product Manufacturing that Reflects Consumer Feedback

#### BENEFIQUE luxe rebloom night cream

A jar that stores the spatula in an upright position was developed, achieving a high level of functionality and design (2022)

We have adopted a new jar that has a space for storing a used spatula and a lid that can be closed covering it in response to consumer feedback in which consumers said they wanted to keep spatulas (used to scoop cream out of jars) clean, had trouble finding a place to put them, or often lose them.



Click the link below to read the press release about the development of the jar.

# ELIXIR Esthetic Essence AD

An original tube-type container that allows for facial massaging while applying the serum was adopted (2022)

We have developed a product for replacement in response to customer requests in which customers said they wanted to reuse the massage roller component repeatedly. This lowers the barrier for customers to continue purchasing the product and reduces environmental impact.



# MAQUILLAGE Dramatic Cushion Jelly

The shape was improved to make the product easier to use by removing the mesh on the surface, like a normal cushion foundation (2022)

The product before the renewal was designed for applying the foundation onto the puff through a mesh on the surface. Some customers gave us feedback saying that they couldn't' use up the foundation. To respond to this feedback, we developed a new technology that solidifies the liquid foundation and removed the mesh from the surface, allowing customers to use up all the foundation.



# ELIXIR BOUNCING MOISTURE LOTION SP / BOUNCING MOISTURE EMULSION SP

The container shape was improved to make the product easier to grip and remain stable as the container emptied(2022)

Some customers gave us feedback saying that, before renewal, the product tended to fall over as the content decreased. For the renewal, we changed the shape of the container to a rounded square to make it easier to grip and made the cap lighter to prevent it from falling over as the container emptied, while at the same time pursuing simplicity and beauty in the bottle design to fit in with an everyday use scene.

# BENEFIQUE Reset Clear N Adopted dispensers (2021)

In conjunction with the renewal, we have adopted dispensers and refills to easily get the correct amount at every usage.





# History of Shiseido's Consumer Support

Introducing the history of Shiseido's consumer support, which has been promoting consumer-oriented management since its establishment.

#### 2022

### Evolved chat features to respond to increasing diversity in consumers

In order to respond to changes in consumer purchasing behavior and new needs that arose during the COVID-19 pandemic, Shiseido Japan has shifted its business model to one that fully utilizes digital technology. In line with this shift, the Shiseido Consumer Support Desk linked up with Online Beauty, a comprehensive online beauty consultation service, so that customers can select, depending on their needs, either "Beauty Consultation" or "Inquiry about Cosmetics in General or Company Shiseido" on the web screen. More so, to further enhance customer convenience, we introduced a browser-based chat service in addition to the existing official LINE account. Customers can select either a chat operator or an Al chatbot (Al Mimi-chan) from the menu. If customers choose to talk with a chat operator, they will be connected to a Personal Beauty Partner for a beauty consultation or to a Shiseido Customer Support Desk communicator, both of whom are professionals in their respective fields, for an inquiry about cosmetics in general or Shiseido Company.



#### 2021

# Introduction of a home-based telephone system

Affected by the spread of COVID-19 in 2020, we introduced a home-based telephone system for the "Consumer Support Desk" in January 2021. When introducing the system, we verified and scrutinized the usability of the system, as well as the network environment and voice sound quality. We also prepared product information for the "Mirror" (introduced in 2011, see below) so that even at home, where we are unable to check product itself, we can successfully operate the remote telephone support system. In these ways, we have ensured the quality of our consumer support. Even under the COVID-19, we were able to continue responding to calls without closing the "Customer Support Desk" and also contribute to improving the working style of the telephone communicator.



## 2021

## Introduction of the Telephone Relay Service

The Telephone Relay Service is a service that allows users to communicate using sign language or text chat. We introduced it to help customers with hearing impairments or other disabilities contact us.

# Acquired "Three Stars Benchmark Award" in the Chat-Channel Contact Rating

"LINE Beauty Consultation Service" was rated three stars, the highest rating, by web-based Beauty Consultants in the HDI Rating Benchmark Survey (Chat-Channel Contact Rating), sponsored by HDI Japan. "LINE Beauty Consultation Service", which responds to consumers' personal inquiries, requires "five chat-handling skills" (deciphering ability, text ability, search ability, conversation ability, and personal PC skills) + "beauty knowledge and counseling skills," in order to communicate in textbooks. We are working to improve and maintain the quality of our consumer service by repeatedly reviewing and training and regularly conducting skill checks.



#### 2019

#### Establishment of Osaka Office

With the aim of continuing to operate the "Consumer Service Desk" even in the event of a major earthquake or other disaster in the Tokyo metropolitan area, we established the Osaka Office and started telephone services at two bases.

### 2019

#### Introduction of "Al MIMI-chan"

We further evolved "LINE Beauty Consultation Service", which started in February 2018, and introduced "AI MIMI-chan" in January 2019. "AI MIMI-chan" is an AI chat bot that responds immediately to simple questions from consumers 24 hours a day, 365 days a year. Beauty Consultant in LINE has since been linked with a Web Beauty Consultant that handles personal consultations, and through working with "AI MIMI-chan", we have built a system that allows consumers to consult anytime, anywhere. "AI MIMI-chan" personifies a new Web Beauty Consultant who is learning to support consumers. Her name means "beauty" and "ear" to listen to the voice of consumers as a beauty professional.



# 2018

### Beauty consultations started at LINE Chat

Since 2012, we have been offering web chat services on PCs and smartphones. In February 2018, we evolved into a beauty consultation service through LINE so that we can support more consumers. This has led to an increase in new touch points with a wider range of consumers including young people and men. In addition, we provide new value by combining the convenience of LINE with the consultations provided by beauty consultants who respond to each individual's requests, leading to continuous access and being able to ask questions and check the responses anytime.



# Received "Five Stars Benchmark Award" for the first time in the cosmetics industry in the Inquiry Contact Rating

Since 2013, in "the Quality Monitoring Division", we have won the three stars for three consecutive years. In 2016, in addition to the three stars, we also took on the challenge of the five stars, which are highly evaluated for our company-wide customer response system, and we were able to obtain both. At the Five Stars, the infrastructure (information, environment, and systems) is secured to provide high-quality service to customers. In particular, we were highly evaluated for the establishment of an in-house feedback system to maximize the use of customer opinions in corporate management and marketing.



#### 2015

#### **Established Twitter Customer Service**

In order to listen to the voices of consumers, who are constantly changing, we began monitoring social media, such as Twitter, in 2011. In 2015, we established the official twitter account" to respond to customers on Twitter. At present, we do not only respond to inquiries but also call on those who are in trouble, such as "I don't know where to purchase." We also give compliments to tweets, such as "The store staff was very good." We also serve as a contact point with those who do not directly give comments to us. In 2017, we began supporting Yahoo Chiebukuro (a Q&A forum site) with official accounts.



#### 2013

# Acquired the first "Three Stars Benchmark Award" in the cosmetics industry in the "Inquiry Contact Rating"

In 2013, our Customer Support desk received the highest rating of three stars in the "Quality Monitoring Division" of the HDI Rating Benchmark Survey sponsored by HDI-Japan, the Japanese branch of the US-based Help Desk Institute (HDI), the world's largest support services industry organization.

The highest rating is based on the auditor's rating of the customer support staff's call records on a four-point scale according to the fields of "service system, communication, response skills, processes/response procedures, and difficult responses" and is only given to a small percentage of the companies that were screened. Shiseido's customer support desk was highly evaluated for its efforts to provide customer service from the customer's point of view and earned a three-star rating.



# From "Voice Net C", a customer response and analysis system, to "Mirror"

In 1996, we evolved our system "Voice Net C" for collecting and utilizing customer opinion information, which we have used together with the introduction of the toll-free telephone number, into a global specification, and newly introduced under the name "Mirror". Until then, we had used customer response systems in Japan, China, and elsewhere to collect and analyze customer inquiries, opinions, and requests, and effectively reflect them in our corporate activities. However, for the newly developed overseas subsidiaries, the task was to collect opinions and manage them through systems. With the introduction of "Mirror", we have become able to collect and accumulate risk information globally, and this has become a system that plays a role in risk management.



#### 1996

# Started "toll-free number" and introduced "Voice Net C"

We have introduced a toll-free number to gather feedback from customers more actively and use it in our corporate activities. With an increase in the number of incoming calls, we hired new staff, and the consumer support system greatly changed. At the same time, we introduced the "Voice-Net C" system for the first time, which enables us to input and search consumer opinions, and to relay consumer opinions to related divisions. Many staff used PC software for the first time, and in addition to consumer support training, we repeated exercises for system operation and text input. The method of responding to customer inquiries has changed dramatically, from the conventional analog style to respond consumer inquiries watching paper materials, to the style of searching information and inputting results with PCs, thereafter.



#### 1994

### Operation of Shiseido Cosmetic Garden [C]

Shiseido Cosmetic Garden C was opened in Omotesando, Tokyo, as a showroom where consumers can try our products freely without buying at all. As a new communication space that connects consumers and Shiseido, it was later established in Osaka and Fukuoka, collecting consumer feedback and information, and using it for overall marketing including product development. They have completed their role because we have increased the stores where visitors can freely try our products. The personal and professional counseling services that we have evolved here have now been handed over to "the Personal Beauty Session" at "Shiseido The Store" in Tokyo



### From "Consumer Division" to "Consumers Center"

In 1987, the consumer department of the public relations office was spun off and the consumer division was established with enhanced customer service functions. This division oversaw not only responding to the opinions received at the consumer consultation desk, but also disseminating information to consumers and holding consumer seminars. Since renamed the Consumers Center, in order to reflect the opinions of more customers in our management, we have not only begun to make inquiries at our contact points but have also begun to collect opinions at stores through "Customer Voice Cards." These customer feedback is now being collected more quickly through tablets owned by each Beauty Consultant.



#### 1975

## Introduction of the "Consumer support specialist system"

In order to promptly respond to customer inquiries and requests, we have assigned a "consumer support specialist" at each business site in Japan. The "consumer support specialist" responded quickly to inquiries from customers, and sometimes met directly with customers to hear detailed stories. In addition to responding to individual customers, we have also disseminated accurate information to society through public relations activities in the region. Experienced beauty consultants have overseen these activities because they require a wealth of knowledge and good judgment. This system is still being employed at each of our business sites nationwide under the name of "Consumer Support Leader" as a consumer support system unique to Shiseido, and that mentality has been inherited.



#### 1968

# Establishment of the Customer Response Division

In 1968, we appointed a dedicated customer response officer to offer comprehensive responses to customer questions and opinions on corporate matters and to reflect the opinions we received in our management. To promptly reflect customer opinions and requests at retail outlets in counseling, this dedicated person belonged to the Consumer Section, which is responsible for sales. Then, in 1971, when the consumer movement was booming, this position was transferred to the newly established public relations division to strengthen our communication with consumers.



Consumer Communication Center Shiseido Japan Co., Ltd. Logo (2018 $\sim$ )

# Held a "makeup and grooming course" to guide you on makeup methods

Launched in 1949, the seminar of personal appearance was intended for high school graduates to introduce the makeup method for working adults. Subsequently, the seminar was held as a "Consumer Seminar" for a wide range of targets in conjunction with the penetration of cosmetics into society, and the further development of the seminar was the "Successful Aging Seminar." Based on the desire to make all consumers beautiful, we also held seminars for the elderly, people with disabilities, schools, and targets, depending on the participants and their purpose. At the seminars for the elderly, makeup increased smiling faces and facilitated social communication. Through skincare and makeup, we also provided mental wealth. This activity has been taken over by the current "Life Quality Beauty Seminar".



# Founding period

# "Consumer principle" of The Five principles

Shiseido was founded in 1872 as Japan's first private western-style pharmacy with the desire to deliver high quality pharmaceuticals to customers that incorporate western medicine rather than bad pharmaceuticals. In 1927, we codified our management creed, which has been passed down from our founders, into our basic philosophy of "The Five Principles". They are Shiseido's management philosophies and have the element of comments on the outside and the meaning of the mindset that employees should have in place. The most important was the "Retail principle" (later renamed "Consumer principle"). In "Consumer principle", it is said that "management is devoted to the consumer perspective ", and this principle is the starting point of the first item "With Consumers" of the current "Shiseido Group Ethics Code of Conduct" and the "Consumer-Oriented Management Voluntary Declaration" declared in 2017.



# Universal Design and Ethical Advertising/Marketing

## Universal Design

Universal design takes into consideration the environment of all consumers. This concept is a major theme for Shiseido, which aims to create products that can be used comfortably and with peace of mind by all our customers.

In 2017, Shiseido further developed the "Shiseido Universal Design Guidelines," which were compiled in 2005 based on specialized theories and laws on universal design. We established a basic policy to create attractive designs that prioritize safety, security, and ease of use. In 2017, we renewed the guidelines to make them more specific and easier to understand.

Currently, the departments involved in product development are sharing information on how our products will be used, in what kinds of situations, and by whom in accordance with the aforementioned guidelines in order to achieve specific designs for newly developed products.

A product's design should be intuitive and simple. The amount used and how it is used should be clearly indicated, and the product should be easy to use until it is spent. We believe that the beauty of a product is that it can be used without stress by anyone who holds it in their hands, and that it also makes people feel excited when they use it.

#### **PRIOR**





The product's packaging is designed to be easy to use, with a cap that is decorative but does not roll or slip easily. The push-type bottle that makes it easy to dispense the right amount. The cases of some of our products feature wrap-around packaging with easy-to-understand instructions, along with "before and after" pictures. You can learn how to correctly use the product right after you purchase it.



In 2018, PRIOR received the Gold Award at the IAUD International Design Awards, sponsored by the International Association for Universal Design.



# MAQuillAGE

The gold surface reflects light and is beautiful to the eye, giving the design a modest feel. At the same time, the fine unevenness delivers a sense of quality to the fingertips and a firm grip for easy use.



# **SHISEIDO**

This is an easy-to-use cleanser that comes out as foam, removing makeup in one go. The packaging has been carefully researched to specifically cater to washing the face. It is designed to be easy to hold even when your hands are wet and to be stable in the bathroom.



SHISEIDO Complete Cleansing Microfoam

The distinctive cap design, which represents the advanced contents, is also designed to provide stability to the tube, which is prone to collapse.



SHISEIDO Vital Perfection Wrinkle Lift Deep Retino White 5

#### **ELIXIR**

The rounded container represents the characteristics of the product, but the oval shape when viewed from above makes it easy to use and open the lid as it fits perfectly in the palm.





ELIXIR BALANCING MIZU CREAM

#### Clé de Peau Beauté

The soft indentations on the head and sides of the pump fit the finger, making the dispenser easy to press, both when held or when stationary. The bottle has an on/off function for the dispenser to make it more convenient to carry around.



Clé de Peau Beauté MICELLAR CLEANSING WATER

# **Ethical Advertising and Marketing**

Shiseido focuses on diversity and inclusion (D&I) in advertising and marketing as well.

The Shiseido Code of Conduct and Ethics specifies the following:

We provide information that consumers need in a timely and appropriate manner. We clearly and accurately present and explain information that consumers need when selecting and using our products and services, preventing misunderstandings.

We produce creative and appealing advertising and marketing programs that reflect our values of diversity and respect for human rights. We create advertising that is factual, fair, ethical, and does not disparage others.

We always take consumer accessibility into full consideration when developing products and services.

In accordance with the above, we will conduct inclusive advertising and marketing activities with consideration for those in socially vulnerable positions, paying more careful attention to the advertising and marketing of products for children and ensuring customers can more easily understand the contents of advertising and marketing.

As for claims about the effects and efficacy of cosmetics in product labeling, advertising and marketing, we place importance on fair and accurate indications. It is provided in our internal regulations that false and/or misleading advertising (i.e., expressing differently from reality or exaggeratingly) is prohibited as stipulated in laws and regulations around the world, and our claims should be based on proven scientific date and within the range stipulated in laws and regulations. We also reject exaggeration in communicating our environmental and social initiatives to avoid misleading customers.

In order to secure accessibility for people in various situations, we began broadcasting TV commercials with subtitles in 2018. We have expanded the service incrementally, and today subtitles are available in all our TV commercials.

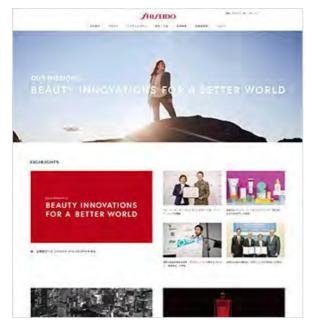
If customers want to contact the Shiseido Group within Japan, not only are phones, e-mails and chat messages available, but sign language is also available. (A "telephone relay service" in which interpreters connect those who can hear with those who cannot is available.)

In 2023, we have started D&I training targeting marketers in Japan to educate them on appropriate expressions and responses in advertising and marketing.

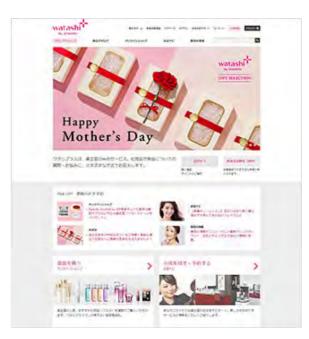
# Information for Consumers

#### Shiseido Website

Shiseido provides extensive product, beauty, and company information on Shiseido Company Website and watashi+(Japanese only), reflecting efforts to create appealing content and administer the site in response to consumers' desires and needs.







watashi+

# Efforts to support those with visual disorders

# Providing Audio Information for the Visually Challenged

"Listeners' Café" provides a speech-based introduction to the basic use of cosmetics and other information to visually challenged individuals in an easy-to-understand manner. It also publishes an audio content "Osharena Hitotoki (Stylish Moments)" four times a year in each season. Both "Listeners' Café" and "Osharena Hitotoki" are provided only in Japanese.



### "Guide Make" seminar for persons with visual impairments

Since 1984, Shiseido has been providing various services, such as the creation of Braille stickers and the operation of the "Shiseido Listeners Cafe" site, which introduces seasonal beauty information in voice and text, as an initiative for the visually impaired.

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From 2019, "Guide Make" offers makeup methods that can be practiced by persons with visual impairments as a menu for grooming courses at the Shiseido Life Quality Beauty Seminar.

The beauty therapists at Shiseido provide easy-to-follow verbal guidance using inobtrusive, natural finger techniques for everything from skincare to point makeup such as lipstick.

In the seminar, rather than learning techniques exactly, we prioritize the enjoyment of every participant who can smile while grasping makeup tips and gaining confidence.





Click here for details on . (Japanese language)

# What Skincare and Makeup Can Do for Healthier Days of Various Generations

Taking advantage of its strength, Shiseido will continuously contribute to society and people's health to realize a sustainable society.

For All Generations	Makeup	Shiseido Life Quality Makeup
For Working Adults For Elderly People	Skincare Makeup	Shiseido Life Quality Beauty Seminar
For Babies and Toddlers	Skincare	Skin Care from Babyhood  Skin care maring at the age of 0 ~  Skin care means to cherish and take good care of the skin to keep it healthy.  Dally skin care is indispensable for healthy skin.

For Children	Skincare	A-Xのため 14/927 DEN
For Expectant Mothers and Mothers	Skincare	

# Safety Assurance Without Animal Testing

Shiseido has researched alternative test methods that can be performed without animal testing for over 40 years since establishing a research department engaged in safety assurance in 1963. We completely abolished animal testing\* and introduced a safety assurance system without animal testing in 2013.

Under the safety assurance system with rigorous internal standards, and in collaboration with external stakeholders, Shiseido has been striving for establishing alternative methods, which it developed independently or jointly with its partners, as official methods by regulatory authorities and thereby aiming to further evolve safety evaluation methods based on alternatives to animal testing and disseminate them in society.

## Safety Assurance System

According to the rigorous internal standards, Shiseido assures the safety of cosmetic ingredients without animal testing through three steps: safety assurance by examining existing toxicological data, safety assurance by alternative testing methods, and final safety assurance by human testing (e.g., patch tests and use tests in humans under a physician's supervision).

## Sharing of Research Findings

Shiseido widely shares findings obtained from years of research on this website as well as through scientific publications and presentations at academic conferences. We hope that through these activities, alternative testing methods developed by Shiseido will commonly be used by ever more research institutes and evolve further.

# Continuous Research on Alternatives to Animal Testing

Since establishing a research department engaged in safety assurance in 1963, Shiseido has been continuing research to further improve the accuracy of safety test methods and to expand their applications based on the knowledge that has been accumulated in safety studies. Shiseido continues to venture into new technologies without animal testing such as next-generation risk assessment (NGRA) to drive and support the development of cosmetic ingredients that lead to new sustainability innovation.

## Efforts to Establish Officially Recognized Methods and Industrial Standards

Shiseido has continued activities to have alternative methods that the company developed on its own or jointly developed with its partners officially recognized as official methods under applicable national or regional regulations. Specifically, Shiseido was involved in the validation activities led by the Japanese Center for the Validation of Alternative Methods (JaCVAM) and those led by the European Union Reference Laboratory for Alternatives to Animal Testing (EURL ECVAM) and contributed to developing draft guidelines as a member of the expert team of the Organization for Economic Co-operation and Development (OECD). As a result, two testing methods below have been listed in the OECD testing guidelines:

<sup>\*</sup>Except when required by governmental and regulatory authorities.

- Method (h-CLAT) alternative to skin sensitization testing that was developed jointly with Kao Corporation in 2016
- Method (ROS assay) alternative to photosafety testing that was developed jointly with the University of Shizuoka in 2019

Moreover, in 2021, photosensitization test data compiled by Shiseido were incorporated into the QSAR Toolbox, which is an in silico system to support safety evaluation of compounds and is provided by the OECD under the cooperation of the National Institute of Technology and Evaluation (NITE).

As part of the activities of the Japan Cosmetic Industry Association, Shiseido will continue to contribute to establishing guidance on alternatives to animal testing by participating in the Study Group on Guidance on Safety Evaluation of Quasi-drugs and Cosmetics. In addition, as a founding member of the International Collaboration on Cosmetics Safety established in 2023, Shiseido will continue activities for realizing beauty with cosmetic products without animal testing.

# Initiatives Before 2013 for Abolishing Animal Testing

Shiseido has actively been involved in assessments and studies led by the Scientific Research Team of the Ministry of Health and Welfare (currently, Ministry of Health, Labour and Welfare) since 1990 and those by the Japanese Society for Alternatives to Animal Experiments (JSAAE) since their commencement. Through these activities, Shiseido has contributed to disseminating and spreading alternatives to animal testing for many years. Before Shiseido established the safety assurance system without animal testing in 2013, it established the Discussion Panel on Cosmetics Safety Assurance Independent of Animal Testing aiming to discuss the scientific validity and social acceptability of such a system, and had thorough discussions involving external experts and researchers.